

CAPITAL DISTRICT TRANSPORTATION AUTHORITY

Annual Report on Investments

April 1, 2015 to March 31, 2016

During the year ended March 31, 2016 the total investment income was \$187,688.

During the past year, our investment vehicles were “Money Market” accounts and Now Accounts in banks doing business in New York State, and managed Investment Account in connection with Restricted Funds as explained below. All temporary excess operating cash is deposited in “Money Market” or “Now” accounts, whichever is currently earning the highest interest rate, and is withdrawn as required for operating purposes. Cash balances in operating accounts are monitored on a daily basis with banks in order to maximize the time such funds are kept in the interest earning accounts.

CDTA also has five restricted cash funds which remained invested with Hugh Johnson Advisors.

These restricted funds are as follows at 3/31/2016:

Worker's Compensation Self Insurance	\$ 8,146,422
Capital Projects & Local Match Reserve	\$ 2,753,143
Operating Reserve	\$ 2,801,715
Vehicle Replacement Reserve	\$ 3,875,475
Risk Management Reserve	<u>\$ 3,924,334</u>
TOTAL	\$ 21,501,089

In order to adhere to CDTA’s Investment Guidelines the securities purchased with the Reserve Funds were “Obligations of the United States Government or Agencies there of”. Further requirements were that all securities be of an “AAA” rating.

At 3/31/16 each Reserve account consisted primarily of U.S. Government Treasury Notes and agency obligations. The following table provides key information about each Restricted Fund Account at 3/31/16:

	WORKERS COMPENSATION	CAPITAL PROJECTS & LOCAL MATCH FUND	OPERATING RESERVE	VEHICLE REPLACEMENT	RISK MANAGEMENT
Current Market Value	\$ 8,195,441	\$ 2,753,143	\$ 2,801,715	\$ 3,875,475	\$ 3,924,334
Current Book Value	\$ 7,932,057	\$ 2,747,951	\$ 2,801,237	\$ 3,873,326	\$ 3,686,631
Average Maturity	1.51 Years	.59 Years	.25 Years	.79 Years	1.76 Years
Average Yield (Long Term)	2.48%	.91%	.43%	.68%	4.50%
Average Yield (Short Term)	2.58%	.98%	.239%	1.274%	4.579%
Interest Earned to 3/31/16	\$ 89,226	\$ 4,571	\$ 28,098	\$ 21,577	\$ 31,281

Beginning in fiscal year 1999, all interest income earned on the above Reserve Accounts was maintained in the respective account and the fees paid to Hugh Johnson Advisors totaled \$26,021 for fiscal year 2016.

During the year \$1,910,004 was added to the Worker's Compensation Fund during the year to cover payment of claims and \$0 was taken.

During the year \$489,734 was taken from the Capital Projects & Local Match fund and \$1,980,000 was transferred in from the Risk Management fund.

During the year \$1,065,460 was taken from the Operating Reserve Fund and \$0 was added to the Operating Reserve Fund.

During the year \$903,683 was taken from the Vehicle Replacement fund and \$ 2,500,000 was added to the Vehicle Replacement fund.

During the year \$1,980,000 was transferred out of the Risk Management fund into the Capital Project fund and \$0 was added.

The balance of the Investment Income of \$12,936 was earned on deposits in Money Market and Now and Checking Accounts.

These accounts were always collateralized 100% or more, by the bank involved. The collateral was held in joint custody accounts in third party banks mutually agreeable to CDTA. The five fund accounts managed by Hugh Johnson Advisors were not collateralized due to the fact that the securities in both accounts are specific U.S. Treasury obligations backed by the U.S. Government.