

# **Agriculture & NYS Horse Breeding Development Fund**

## **ANNUAL INVESTMENT REPORT - 2010**

### **INVESTMENT PROCEDURES & POLICY**

Approved by the Trustees on 6/29/07

In accordance with the New York State Constitution and the guidelines of the Office of the State Comptroller, the Fund's investment program shall include four basic ingredients: legality, safety, liquidity and reasonable return. Except for U. S. Treasuries, all Fund investments will be fully collateralized and the collateral held by a third party.

1. The Fund's Executive Director, in his role as administrator, shall be responsible for all investments of the Fund.
2. All investments are to be made for the Fund by the Executive Director, with the assistance of the bookkeeper.
3. In making investments for the Fund, the financial institution shall adhere to the State of New York's "Investment Guidelines for Public Authorities," as from time to time may be revised.
4. The Fund's Board of Trustees and Executive Director will review and consult on the Fund's investments at least annually. During such consultations, all variables are to be discussed, including, but not limited to, type, term and quality of investment and rate of return. A reasonable rate of return at minimal risk shall be the foremost goal for all Fund investments.
5. The financial institution shall provide the Fund with written verification of each investment and the monthly account reconciliations showing all investments and cash balances of the Fund.
6. The Fund's Executive Director shall maintain all records relating to the Fund's investments and adhere to required reporting requirements. All records and documents relating to investments shall be periodically reviewed by the Fund's Trustees.
7. The Fund's Board of Trustees is hereby deemed its Investment Committee and shall be provided with periodic investment reports detailing the fund's investments, including the system of internal controls, collateralization of securities purchased, assessment of investment objectives and review of independent audits. The Trustees shall review said reports and make such recommendations as they may deem appropriate.
8. The Fund shall engage an independent public accounting firm to annually review its investments and to prepare the annual investment reports required by the appropriate State oversight agencies.
9. Until further notice it shall be the policy of the Fund to invest all spare cash in the NYS Office of State Comptroller Short Term Investment Program (STIP).

## INDEPENDENT AUDITORS REPORT – 2010

### AGRICULTURE AND NEW YORK STATE HORSE BREEDING DEVELOPMENT FUND

#### Investment Information for New York State - December 31, 2010

##### INVESTMENTS:

At December 31, 2010, total Fund investments consisted of deposits with the “New York State Short Term Investment Pool” in the total amount of \$11,226,738. The deposits were third party collateralized at December 31, 2010.

##### INVESTMENT EARNINGS:

Investment earnings totaled \$33,687 for the year ended December 31, 2010 and consisted of interest earned on deposits with the “New York State Short Term Investment Pool.” The average yield on the Fund’s investments for the year ended December 31, 2010 was approximately 0.3%.

##### INVESTMENT REPORT:

The Independent Auditor’s report on compliance, including compliance with Investment Guidelines, for 2010 indicated that there were no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

##### FEES AND COMMISSIONS:

There were no direct fees, commissions or other charges paid for investment related services for the year ended December 31, 2010.

#### 2010 INVESTMENT INCOME REPORT

	<u>Deposit</u>	<u>Date</u>	<u>Month</u>	<u>Amount</u>
<b>Interest Income</b>				
	Deposit	01/08/2010	Dec 2009 STIP interest	3,004.65
	Deposit	02/08/2010	Jan 2010 STIP interest	1,865.99
	Deposit	03/05/2010	Feb 2010 STIP interest	1,780.28
	Deposit	04/08/2010	March 2010 STIP interest	2,323.16
	Deposit	05/10/2010	April 2010 STIP interest	3,034.12
	Deposit	06/09/2010	May 2010 STIP interest	4,284.04
	Deposit	07/08/2010	June 2010 STIP interest	4,220.15
	Deposit	08/09/2010	July 2010 STIP interest	3,755.89
	Deposit	09/20/2010	August 2010 STIP interest	3,272.28
	Deposit	10/07/2010	Sept 2010 STIP interest	2,213.55
	Deposit	11/09/2010	Oct 2010 STIP interest	1,807.92
	Deposit	12/06/2010	Nov 2010 STIP interest	2,125.11
				<b>33687.14</b>
<b>TOTAL INTEREST INCOME 2010</b>				<b>33687.14</b>