
Babylon Industrial Development Agency 2023 Investments

A formal investment policy governs the Agency's cash and investments. The Agency's monies must be deposited in Federal Depository Insurance Corporation (FDIC) insured commercial banks or trust companies located within New York State. Permissible investments include Certificates of Deposit, Money Market deposit accounts, obligations of the United States, obligations of the State of New York, repurchase agreements, and obligations of federal government agencies where the United States guarantees principal and interest.

Collateral is required for demand deposit and time deposit account of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral include obligations of the United States and its agencies and obligations of the State and its municipalities and school districts. The Agency's collateral agreements are based on the Agency's available balance.

Custodial Credit Risk – Deposits / Investments – Custodial credit risk for deposits exists when, in the event of the failure of a depository financial institution, the Agency may be unable to recover deposits or recover collateral securities that are in possession of an outside agency. Custodial credit risk for investments exists when, in the event of failure of the counterparty, the Agency will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Deposits are required to be disclosed as exposed to custodial credit risk if the depository insurance does not cover them, and the deposits are either:

- Uncollateralized
- Collateralized with securities held by the pledging financial institution, or
- Collateralized with securities held by the pledging financial institution's trust department or agent but not in the Agency's name.

On December 31, 2023, the carrying amount of the Agency's cash/investments totaled \$4,423,021. The bank balances totaled \$4,456,562, of which \$750,000 was covered by the Federal Deposit Insurance Corporation, and \$3,706,562 was collateralized by letter's of credit held by the Agency's agent, a third-party financial institution.

For 2023 the Agency Interest income of \$156,871 and no fees were paid by the Agency for investment services.