

## SARANAC LAKE LOCAL DEVELOPMENT CORPORATION

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### Investment Policy

#### A. OBJECTIVES

The objectives of the Investment and Deposit Policy and Procedures of the Saranac Lake Local Development Corporation ("LDC") are:

1. Investments shall be made in a prudent manner so as to safeguard the funds of the LDC.
2. Investments shall be sufficiently liquid; to allow funds to meet the projected needs of the LDC.
3. Funds shall be invested in such a way as to earn the maximum yield given the first two objectives.
4. To provide a basis on which to review the overall performance of the fund.

#### B. INVESTMENT PHILOSOPHY

It is the investment philosophy of the Board of Directors that the portfolio assets shall be invested to provide preservation of principal and provide income for the benefit of the LDC. Selection and asset mix will be determined by the investment manager in the context of the investment objectives and the outlook for the capital markets. It is the policy of the LDC to diversify its deposits and investments by financial institution, whenever prudent and practical to do so, by investment instrument, and by maturity scheduling.

#### C. TYPES OF ELIGIBLE INVESTMENTS

1. Investments issued into depository accounts held in commercial or savings banks (i.e. day of deposit/day of withdrawal accounts, time deposit accounts) shall be insured by the Federal Deposit Insurance Corporation (FDIC) to the extent allowed. Deposits shall not exceed FDIC insurance limits in any individual deposit account.
2. Obligations of the United States Government:
3. Obligations of Federal Agencies whose principal and interest are guaranteed by the Federal Government.
4. Obligations of the State of New York.
5. Commercial Paper - Equal to an "A" rating or better.
6. Corporate Bonds - Rate "A" or better.

Limit of 25% investment portfolio;

Limit of 5% of investment portfolio per issuer and not to exceed \$50,000 maximum per issuer at the time of purchase.

D. DESIGNATION OF DEPOSITORIES

All banks and trust companies authorized for the deposit of monies by the Village of Saranac Lake.

E. PROHIBITED INVESTMENTS

The following types of investments shall be prohibited:

1. Stocks.
2. Commodity Transactions.
3. Foreign Investments.
4. Futures Market.
5. Real Estate for speculation or to hold as investment, except as a lender or as specifically approved by the Board of Directors.
6. Private Placements.
7. Margin Transactions.

F. RESPONSIBILITY

The Board of Directors of the LDC is responsible for providing qualified management supervision for the investment portfolio. The LDC Board's responsibility for administration of the investment program is delegated to the Executive Director pursuant to resolution by the board, the Executive Director, with the assistance of the Audit & Finance Committee, establishes written procedures for the operation of the investment program consistent with these investment guidelines. Such procedures include adequate internal control structure to provide a satisfactory level of accountability based on a database or records incorporating description and amounts of investments, transaction dates and other relevant information and to regulate the activities of subordinate employees.

G. REPORTING

1. Subject to Board approval, the Executive Director is responsible for establishing and maintaining an internal control structure to provide reasonable assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with the board's authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

2. The Executive Director of the LDC will maintain an investment log detailing specific information relative to each investment and will prepare a month report of all existing investments for the Board of Directors.
3. The Executive Director will maintain continued communication with the investment manager; provide the investment manager with a monthly statement of commitments, the availability and projected need of funds.
4. The Board will review the performance of the portfolio on a semi-annual basis and the investment fund manager report on an annual basis to the Board. Investment fund manager will be invited to attend both meetings.