

**NEW YORK CITY SCHOOL
CONSTRUCTION AUTHORITY**

ANNUAL INVESTMENT REPORT

FISCAL YEAR END

JUNE 30, 2023

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CONTENTS

I.	Investment Policy and Guidelines	1
II.	Amendment to Investment Policy and Guidelines	3
III.	Investment and Investment Income and Fee	4
IV.	Independent Auditors' Report	5

I. INVESTMENT POLICY AND GUIDELINES

INTRODUCTION

The New York City School Construction Authority (the “Authority”), a public benefit corporation, was created by the State of New York for the design, construction, reconstruction, improvement, rehabilitation and repair of New York City public schools.

As a public benefit corporation, the Authority is required to comply with regulations set forth below as it relates to the governance of its investments:

- Public Authorities Law (PAL) Section 2925
- General Municipal Law (GML) Section 11

RESPONSIBILITY OF COMMITTEE

The Committee shall:

- Review the investment policy on an annual basis.
- Monitor and evaluate the performance of the investments.
- Review the annual investment report which includes:
 - Investment guidelines and any amendments since the last report;
 - Results of the annual independent audit of all investment practices;
 - Listing of Investments;
 - Fees or Commissions: Detail list of total fees or commissions paid by banker or agent or statement that no investment fees or commissions are paid.

POLICY AND OPERATING GUIDELINE

Investment Objective and Threshold

The Authority invests in funds with the objective of safeguarding the principal, providing liquidity to meet the operations of the Authority, and obtaining reasonable return on invested assets with minimal risk and expenses while conforming with applicable laws and regulations. This is achieved through prudent planning and consideration of the investment vehicles by the Authority.

Investment thresholds are reviewed annually by the Finance Department taking into consideration the availability of funds not required for immediate expenditure. Investment thresholds are recommended to the Committee for approval.

Investment Guidelines

- All transactions shall be for the sole benefit of the Authority.
- Investment duration and asset allocation are predicated on the following factors:
 - Performance of the market
 - Future economic conditions such as interest rate fluctuations
 - Liquidity need for projects and other expenditures
- Permissible fixed income securities include:
 - United States Treasury Notes;
 - United States Treasury Bills; or

- Other obligations of the United States
- Permissible securities shall be approved by the Committee and shall be in compliance with GML Section 11.
- All investments of the Authority shall be purchased through, delivered to and held in the custody of a bank or trust company. The bank or trust company shall have a credit rating in good standing (A- or higher), shall be a designated bank of New York City or shall have proven experience in the government sector.
- Total of all investments purchased shall not exceed the authorized investment threshold as approved by the Committee.

REPORTING

- The annual investment report shall be approved by the Committee on an annual basis.

II. AMENDMENT TO INVESTMENT POLICY AND GUIDELINES

There were no amendments to the New York City School Construction Authority's Investment Policy and Guidelines during the fiscal year ended June 30, 2023.

III. INVESTMENT AND INVESTMENT INCOME AND FEE

The Authority's investment consists of the following at June 30, 2023:

	<u>Cost</u>	<u>Market Value</u>
United States Treasury Bill	\$ 29,502,415	\$ 29,584,575
United States Treasury Notes	<u>24,340,840</u>	<u>24,436,009</u>
Total Investments	<u>\$ 53,843,255</u>	<u>\$ 54,020,584</u>

The investments are recorded at fair value.

The Authority earned \$966,384 in investment income for the fiscal year ended June 30, 2023.

The Authority incurred \$35 in service charges for the purchase of investments for the fiscal year ended June 30, 2023.



INDEPENDENT AUDITORS' REPORT

To President and the Board of Trustees of
New York City School Construction Authority
Long Island City, NY

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities and capital projects fund of New York City School Construction Authority (the "Authority"), a component unit of The City of New York, as of and for the year ended June 30, 2023, and the notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 13, 2023.

In connection with our audit, nothing came to our attention that caused us to believe that the Authority failed to comply with the terms, covenants, provisions or conditions of the Authority's Investment Guidelines insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance with the Investment Guidelines referred to above. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Authority's noncompliance with the Investment Guidelines, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the Authority's Board of Trustees, Audit Advisory Committee, management, others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Mayer Hoffman McCann CPAs

October 13, 2023
New York, NY