

**2013 Annual Report on  
Investment of Authority Funds**

**Table of Contents**

Section I	Guidelines for the Investment of Funds
Section II	Explanation of the Investment Guidelines
Section III	A. Investment Income Record B. Fees Paid for Other Post-Employment Benefits Trust Fund C. Fees Paid for Nuclear Decommissioning Trust Fund D. Results of the Annual Independent Audit
Section IV	Inventory of Investments Held on December 31, 2013
Section V	Summary of Dealers and Banks from Which Securities Were Purchased and Sold

## Section I

### **New York Power Authority Guidelines for the Investment of Funds**

#### **I. General**

These Guidelines for the Investment of Funds (the "Guidelines") are intended to effectuate the applicable provisions of the General Resolution Authorizing Revenue Obligations, adopted February 24, 1998 (the "Resolution"), the lien and pledge of which covers all accounts and funds of the Authority and that governs the Authority's existing policies and procedures concerning the investment of funds as contained in these Guidelines. In a conflict between the Guidelines and the Resolution, the latter shall prevail. In addition, these Guidelines are intended to effectuate the provisions of Section 2925 of the New York State Public Authorities Law.

#### **II. Responsibility for Investments**

The Treasurer and Deputy Treasurer have the responsibility for the investment of Authority funds under the general supervision of the Executive Vice President and Chief Financial Officer. The Treasurer shall ensure that an operating manual is maintained that provides a detailed description of procedures for maintaining records of investment transactions and related information.

#### **III. Investment Goals**

The Treasurer and Deputy Treasurer are responsible for maximizing the yield on investments consistent with requirements for safety, liquidity and minimization of risk. Monies will not be invested for terms in excess of the projected use of funds.

#### **IV. Authorized Investments**

- A. Monies in funds established pursuant to the Resolution shall be invested in Authorized Investments or Authorized Certificates of Deposit, defined as follows:

"Authorized Investments" shall mean:

1. Direct obligations of or obligations guaranteed by the United States of America or the State of New York;

2. Bonds, debentures, notes or other obligations issued or guaranteed by any of the following: Federal National Mortgage Association (including Participation Certificates), Government National Mortgage Association, Federal Financing Bank, Federal Home Loan Mortgage Corporation and Federal Home Loan Banks, Federal Housing Administration, Federal Farm Credit Banks Funding Corporation, Federal Farm Credit Banks, Federal Intermediate Credit Banks, Federal Banks for Cooperatives, Federal Land Banks or any other agency controlled or supervised by and acting as an instrumentality of the United States government;
3. Obligations of any state of the United States of America or any political subdivision thereof or any agency, instrumentality or local government unit of any such state or political subdivision that shall be rated at the time of the investment in any of the three highest long-term Rating Categories, as such term is defined in the Resolution, or the highest short-term Rating Category by a Rating Agency, as such term is defined in the Resolution.
4. Public Housing Bonds issued by Public Housing Authorities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an Annual Contributions Contract with the United States of America; or Project Notes issued by Local Public Agencies, in each case, fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America; provided that such Bonds or Notes are guaranteed by the United States of America.

“Authorized Certificate of Deposit” shall mean a certificate of deposit authorized by the Resolution as an “Authorized Investment.”

B. The Authority, as an issuer of tax-exempt obligations, must not engage in any arbitrage practice prohibited by the arbitrage regulations promulgated under the Internal Revenue Code. In no event shall Authority funds be invested in a manner that would violate the provisions of such arbitrage regulations.

**V. Provisions Relating to Qualifications of Dealers and Banks**

- A.1. The purchase and/or sale of Authorized Investments shall be transacted only through banks, trust companies or national banking associations (herein collectively termed “Banks”) that are members of the Federal Reserve System and government security dealers (herein termed “Dealers”), which are Banks and Dealers reporting to, trading with and recognized as primary dealers by the Federal Reserve Bank of New York. A list of authorized Banks and Dealers shall be maintained. Banks and Dealers shall have demonstrated an ability to:

- a) offer superior rates or prices on the types and amounts of securities required;
  - b) provide a high degree of attention to the Authority's investment objectives; and
  - c) execute trades in a timely and accurate manner.
- A.2. Authorized Investments may also be purchased or sold through minority- and women-owned firms authorized to transact business in the U.S. government and municipal securities markets. Such qualified firms shall demonstrate the qualities detailed in clauses (a), (b) and (c) of Section V.A.1.
- A.3.A. Municipal securities qualifying as Authorized Investments may also be purchased or sold through any municipal bond dealer registered in the State of New York that demonstrates the qualities detailed in clauses (a), (b) and (c) of Section V.A.1.
- B. Authorized Certificates of Deposit and time deposits ("Time Deposits") shall be purchased directly from Banks that:
- (1) are members of the Federal Reserve System transacting business in the State of New York;
  - (2) have capital and surplus aggregating at least \$50 million; and
  - (3) demonstrate all the qualities detailed in clauses (a), (b) and (c) of Section V.A.1.
- C. Authorized Investments purchased by the Authority or collateral securing its investments shall be deposited only with custodians designated by the Authority. Such custodians shall be Banks that are members of the Federal Reserve System transacting business in the State of New York.
- D. The Authority shall file with each qualified dealer a letter agreement that designates the (1) type of authorized investments, (2) Authority employees who are authorized to transact business and (3) delivery instructions for the safekeeping of investments.
- E. The Authority shall enter into a written contract with any (1) Dealer from which Authorized Investments are purchased subject to a repurchase agreement and (2) Bank from which Authorized Certificates of Deposit are purchased.

## **VI. General Policies Governing Investment Transactions**

- A. Competitive quotations or negotiated prices shall be obtained except in the purchase of government securities at their initial auction or upon initial offering. A minimum of three quotes shall be obtained and documented from Dealers and/ or Banks, except as indicated above, and the most favorable quote accepted. The Treasurer or Deputy Treasurer may waive this requirement on a

single-transaction basis only if warranted by market conditions and documented in writing.

- B. Authorized Investments purchased shall be either delivered to the Authority's designated custodian or, in the case of securities held in a book-entry account maintained at the Federal Reserve Bank of New York or the Depository Trust Company, recorded in the Authority's name or in the name of a nominee agent or custodian designated by the Authority on the books of the Federal Reserve Bank of New York or the Depository Trust Company. Payment shall be made to the Dealer or Bank only upon receipt by the Authority's custodian of (1) the securities or (2) in the case of securities held in a book-entry account, written advice or wire confirmation from the Federal Reserve Bank of New York or the Depository Trust Company that the necessary book entry has been made.
- C. Each purchase or sale of Authorized Investments or Authorized Certificates of Deposit shall be authorized by the Treasurer or Deputy Treasurer. Investment orders may be placed by Authority employees as designated by the Treasurer. The custodian shall have standing instructions to send a transaction advice to the Authority's Controller for purposes of comparison with internal records. The Controller shall advise the Treasurer of any variances, and the Treasurer shall ensure appropriate corrections are provided.

**VII. Policies Concerning Certain Types of Investment Diversification Standards Required**

**A. Authorized Certificates of Deposit and Time Deposits**

- 1. Authorized Certificates of Deposit and Time Deposits shall be purchased directly from a Bank in the primary market.
- 2. Authorized Certificates of Deposit and Time Deposits shall be continuously secured/collateralized by Authorized Investments defined in subsection (1) or (2) of Section IV.A., having a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such Certificates of Deposit or Time Deposits. Such Authorized Investments shall be segregated in a separate custodian account on behalf of the Authority. Collateral pledged for Certificates of Deposit or Time Deposits held as investments shall be market valued (marked to market) not less than once per week.
- 3. Investments in Authorized Certificates of Deposit or Time Deposits shall not exceed 25% of the Authority's invested funds. The par value of Authorized Certificates of Deposit purchased from any one Bank shall not exceed \$25 million.

## **B. Repurchase Agreements**

The Authority may from time to time elect to enter into arrangements for the purchase and resale of Authorized Investments (known as "Repurchase Agreements"). This type of investment transaction shall be used only when there is no other viable, short-term investment alternative.

1. A Repurchase Agreement shall be transacted only with a Dealer or Bank qualified to sell Authorized Investments to the Authority that is recognized by the Federal Reserve Bank as a primary dealer.
2. Authorized Investments purchased subject to a Repurchase Agreement shall be marked to market daily to ensure their value equals or exceeds the purchase price.
3. A Repurchase Agreement shall be limited to a maximum fixed term of five business days. Payment for the purchased securities shall be made against delivery to the Authority's designated custodian (which shall not be a party to the transaction as seller or seller's agent) or, in the case of securities held in a book-entry account maintained at the Federal Reserve Bank of New York or the Depository Trust Company, written advice that the securities are recorded in the Authority's name or in the name of a nominee, agent or custodian designated by the Authority on the books of the Federal Reserve Bank or the Depository Trust Company.
4. No more than \$50 million of Authorized Investments shall be purchased under a Repurchase Agreement with any one Dealer or Bank. This requirement may be waived by the Executive Vice President and Chief Financial Officer on a single- transaction basis only if warranted by special circumstances and documented in writing.
5. The aggregate amount invested in Repurchase Agreements may not exceed the greater of 5% of the investment portfolio or \$100 million. The Executive Vice President and Chief Financial Officer may waive this requirement on a single-transaction basis only if warranted by cash-flow requirements and documented in writing.
6. The Authority may not enter into arrangements (known as Reverse Repurchase Agreements) for the purpose of borrowing monies by pledging Authorized Investments owned by the Authority.

## **VIII. Review**

These Guidelines and any proposed amendments shall be submitted for Trustee review and approval at least once a year.

In addition to the Authority's periodic review, the Authority's independent auditors, in connection with their examination of the Authority, shall perform an annual audit of the investment portfolio, review investment procedures and prepare a report, the results of which will be made available to the Trustees.

## **IX. Reports**

- A. The Treasurer shall submit an investment report to the Trustees, at least quarterly. Such report shall contain a (1) detailed description of each investment; (2) summary of the dealers and banks from which such securities were purchased and (3) a list of fees, commissions or other charges, if any, paid to advisors or other entities rendering investment services.
- B. The Treasurer shall submit an annual report for approval by the Trustees. In addition to the information provided quarterly, the Annual Report shall include (i) a copy of the Guidelines; (ii) an explanation of the Guidelines and any amendments thereto since the last annual report; (iii) the results of an annual independent audit of investment inventory and procedures and (iv) a record of income earned on invested funds. The approved report shall be submitted to the State Division of the Budget with copies distributed to the Office of the State Comptroller, the Senate Finance Committee and the Assembly Ways and Means Committee. Copies shall be made available to the public upon written reasonable request.
- C. Any waivers that occurred during the prior month shall be reported to the Executive Vice President and Chief Financial Officer.

## **X. Miscellaneous**

- A. These Guidelines are intended for guidance of officers and employees of the Authority only, and nothing contained herein is intended or shall be construed to confer upon any person, firm or corporation any right, remedy, claim or benefit under, or by reason of, any requirement or provision thereof.
- B. Nothing contained in these Guidelines shall be deemed to alter, affect the validity of, modify the terms of or impair any contract, agreement or investment of funds made or entered into in violation of, or without compliance with, the provisions of these Guidelines.
- C. No provisions in these Guidelines shall be the basis of any claim against any Trustee, officer or employee of the Authority in his or her individual or official capacity or against the Authority itself.

## **Section II**

### **EXPLANATION OF INVESTMENT GUIDELINES**

#### **Section II Responsibility for Investments**

Establishes responsibility for the Investment of Authority Funds and limits the number of individuals authorized to place investment orders.

#### **Section III Investment Goal**

Establishes the policy that earning a reasonable return on investments must be consistent with standards set for minimization of risk and availability of funds when needed.

#### **Section IV Authorized Investments**

Details the types of investments the Authority can undertake as prescribed in Section 101 of the Resolution.

This section also requires that investments made in each of the Funds established under the Resolution be invested for a term commensurate with cash-flow expectations and that such investments not violate the arbitrage regulations of the Internal Revenue Code.

#### **Section V Provisions Relating to Qualifications of Dealers and Banks**

Establishes criteria for the selection of banks and dealers from which the Authority may buy or sell investments. Business is transacted with firms that have demonstrated financial strength and a high degree of reliability with respect to servicing the Authority's needs. This section also directs that custody of Authority investments be maintained by banks that are members of the Federal Reserve System transacting business in the State of New York.

This section also addresses the subject of contracts with banks and dealers for the purchase or sale of Authorized Investments. The Authority has written Letters of Agreement with authorized dealers that specify the types of securities in which the Authority may invest and identify those Authority individuals authorized to give instructions related to the purchase and sale of securities. In addition, the Authority shall have a written form of agreement for use in repurchase transactions with any authorized dealer with which the Authority may transact this type of investment.

## **Section VI General Policies Governing Investment Transactions**

Requires that the Authority solicit no less than three bids for the purchase or sale of securities in order to ensure the most favorable rate except when securities are purchased at their initial auction, upon new issue or through negotiated prices.

Requires that the Authority or its custodian, prior to payment, take possession of such securities, or in the case of book-entry securities, obtain written advice or wire confirmation that transfer or ownership has been recorded.

Establishes authorized employees to approve the purchase or sale of securities.

Establishes control procedures whereby the Controller shall compare the custodian's confirmation to Authority records.

## **Section VII Policy Concerning Certain Types of Investment Diversification Standards Required**

Establishes a policy concerning the purchase of Authorized Certificates of Deposit and Time Deposits intended to minimize the risk associated with such transactions. Authorized Certificates of Deposit or Time Deposits may be purchased directly from a bank that is a member of the Federal Reserve System transacting business in the State of New York. Such deposits shall be continuously secured by Authorized Investments as outlined in subsection (1) or (2) of Section IV.A. This collateral shall be regularly priced to current market to assure the Authority's security interest is continuously protected. Aggregate holdings of Authorized Certificates of Deposit shall not exceed 25% of the Authority's total investment. Authorized Certificates of Deposit purchased from any one bank shall not exceed \$25 million.

Establishes a policy intended to minimize the risk associated with arrangements for the purchase and resale of Authorized Investments known as Repurchase Agreements ("Repos"). Repos purchased from any one qualified dealer or bank shall not exceed \$50 million and shall be limited to a maximum fixed term of five business days. Aggregate investments in Repos shall not exceed the greater of 5% of the Authority's total investments or \$100 million. All securities purchased under the terms of a Repo shall be held in safekeeping by a designated custodian for the Authority. Such securities shall be priced to market on a daily basis to assure the Authority's security interest. Reverse Repurchase Agreements are not authorized transactions.

## **Section VIII Review**

Establishes policy requiring review of the Guidelines at least once a year. Requires an annual audit by the Authority's independent auditors of the Authority's investment portfolio and compliance with the guidelines established by the Authority and the State Comptroller.

## **Section IX Reports**

Establishes policy requiring submission of reports to the Authority's Trustees concerning the management and performance of the Authority's portfolio.

This Section also requires that an annual report be submitted for approval by the Authority's Trustees. Copies of the approved report shall be sent to the State Division of the Budget, Office of the State Comptroller, Senate Finance Committee and Assembly Way and Means Committee.

### Section III

#### A. Investment Income Record

During 2013, the Authority's investment portfolio averaged approximately \$1.37 billion and earned approximately \$21 million.

The earnings, by fund, were as follows (dollars in millions):

Operating Fund	\$20.0
Capital (Construction Funds)	0.4
Other (Energy Services/Note Debt Reserve)	0.6
<b>Total</b>	<b><u>\$ 21.0</u></b>

The 2013 investment income was \$5 million less than investment income earned in 2012. Higher yielding securities matured and rolled off the portfolio and the proceeds from matured securities and investment of new cash flows were invested in lower yielding securities throughout the year.

#### B. Fees Paid for Other Post-Employment Benefits Trust Fund Investment/Advisory Services

\$126,101	Baring Asset Management
\$137,486	BlackRock Investment Management, LLC
\$135,355	Bradford & Marzec, LLC
\$ 84,282	Brandywine Global Investment Management, LLC
\$ 51,417	CenterSquare Investment Management
\$ 63,758	C.S. McKee, L.P.
\$189,986	Fiduciary Management, Inc.
\$153,472	GAMCO Asset Management Inc.
\$239,151	Lazard Asset Management
\$ 38,750	PFM Asset Management, LLC (Advisory Services)
\$ 62,098	State Street Global Advisors
\$ 98,477	Thomas White International
\$ 97,496	Urdang Securities Management, Inc.
\$ 98,221	WCM Investment Management
<u>\$ 53,796</u>	Wells Capital Management Inc.
\$1,629,846	Total

Fees were paid from the OPEB Trust Fund.

**C. Fees Paid for Nuclear Decommissioning Trust Fund Investment/Advisory Services**

\$230,806	Bradford & Marzec, LLC
\$174,823	Garcia Hamilton & Associates, L.P.
\$334,748	JPMorgan Investment Management, Inc.
\$123,363	Mellon Capital Management
\$136,250	PFM Asset Management, LLC (Advisory Services)
\$259,773	Prudential Investment Management, Inc.
<u>\$152,677</u>	Schroder Investment Management North America Inc.
\$1,412,440	Total

Fees were paid from the Nuclear Decommissioning Trust Fund.

**D. Results of the Annual Independent Audit**

In connection with its examination of the Authority's financial statements, KPMG LLP ("KPMG") performed tests of the Authority's compliance with certain provisions of the Investment Guidelines, the State Comptroller's Investment Guidelines and Section 2925 of the Public Authorities Law. Based on discussions with KPMG, Staff is of the opinion that KPMG's written report, which will be delivered upon approval of the financial statements by the Board, will state that the Authority complied, in all material respects, with the requirements during the year ended December 31, 2013. Consequently, staff believes the Authority is in compliance with the Investment Guidelines, the State Comptroller's Investment Guidelines and Section 2925 of the Public Authorities Law.



KPMG LLP  
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**Report on Investment Compliance with Section 201.3 of  
Title Two of the Official Compilation of Codes, Rules,  
and Regulations of the State of New York**

The Board of Trustees  
Power Authority of the State of New York:

We have examined the Power Authority of the State of New York's (the Authority) compliance with Section 201.3 of Title Two of the *Official Compilation of Codes, Rules, and Regulations of the State of New York* for the year ended December 31, 2013. Management is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Authority's compliance with specified requirements.

In our opinion the Authority complied, in all material respects, with the aforementioned requirements during the year ended December 31, 2013.

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control, fraud and noncompliance with provisions of laws or regulations that have a material effect on the Authority's compliance with Section 201.3 of Title Two of the *Official Compilation of Codes, Rules, and Regulations of the State of New York* and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the subject matter. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on whether the Authority complied with the aforementioned requirements and not for the purpose of expressing an opinion on the internal control over compliance with those requirements or other matters; accordingly, we express no such opinions. The results of our tests disclosed no matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Authority's Management, the Board of Trustees, the New York State Office of the State Comptroller, the New York State Division of the Budget, and the New York State Authority Budget Office and is not intended to be and should not be used by anyone other than those specified parties.

**KPMG LLP**

March 25, 2014

NEW YORK POWER AUTHORITY  
INVENTORY REPORT BY PORTFOLIO AND SECURITY TYPE  
HOLDINGS AS OF: 12/31/13

PORTFOLIO / SECURITY	SECURITY DESCRIPTION	PAR AMOUNT	MATURITY DATE	COUPON RATE	YIELD TO MATURITY	PRINCIPAL COST	INTEREST PURCHASED	TOTAL COST
<b>PORTFOLIO: NIAGARA TAX EXEMPT</b>								
MUNICIPAL (Variable Weekly Reset)								
60636WGB5	MO ST HWY & TRANS	2,500,000.00	5/1/2015	0.040	0.070	2,500,000.00	0.00	2,500,000.00
64966CLY5	NEW YORK, NY	4,200,000.00	8/1/2031	0.040	0.160	4,200,000.00	0.00	4,200,000.00
Subtotal:	MUNICIPAL (Variable Weekly Reset)	6,700,000.00			0.126	6,700,000.00	0.00	6,700,000.00
Subtotal:	PORTFOLIO: NIAGARA TAX EXEMPT	6,700,000.00			0.126	6,700,000.00	0.00	6,700,000.00
<b>PORTFOLIO: NIAGARA TAXABLE</b>								
FEDERAL HOME LOAN								
31336XTB	DISCOUNT NOTE	6,000,000.00	6/6/2014		0.137	5,995,905.00	0.00	5,995,905.00
Subtotal:	FEDERAL HOME LOAN	6,000,000.00			0.137	5,995,905.00	0.00	5,995,905.00
Subtotal:	PORTFOLIO: NIAGARA TAXABLE	6,000,000.00			0.137	5,995,905.00	0.00	5,995,905.00
<b>PORTFOLIO: NOTE DEBT RESERVE</b>								
MUNICIPAL								
57582PTY6	MASS ST	4,155,000.00	7/1/2015	3.250	0.730	4,503,396.75	0.00	4,503,396.75
Subtotal:	MUNICIPAL	4,155,000.00			0.730	4,503,396.75	0.00	4,503,396.75
FEDERAL HOME LOAN								
313374CH1	FEDERAL HOME LOAN	3,895,000.00	10/17/2014	1.000	1.031	3,891,105.00	0.00	3,891,105.00
Subtotal:	FEDERAL HOME LOAN	3,895,000.00			2.681	3,891,105.00	0.00	3,891,105.00
FANNIE MAE								
3135GDES8	FANNIE MAE	6,065,000.00	11/15/2016	1.375	0.669	6,210,786.22	0.00	6,210,786.22
3135GPP2	FANNIE MAE	4,883,000.00	9/20/2017	1.000	1.010	4,881,193.29	9,087.81	4,890,281.10
Subtotal:	FANNIE MAE	10,948,000.00			0.821	11,091,979.51	9,087.81	11,101,067.32
FREDDIE MAC								
3137EADD8	FREDDIE MAC	503,000.00	4/17/2015	0.500	0.598	503,454.70	0.00	503,454.70
Subtotal:	FREDDIE MAC	503,000.00			0.598	503,454.70	0.00	503,454.70
Subtotal:	PORTFOLIO: NOTE DEBT RESERVE	19,503,000.00			0.838	19,889,935.96	9,087.81	19,899,023.77

NEW YORK POWER AUTHORITY  
INVENTORY REPORT BY PORTFOLIO AND SECURITY TYPE  
HOLDINGS AS OF: 12/31/13

PORTFOLIO / SECURITY	SECURITY DESCRIPTION	PAR AMOUNT	MATURITY DATE	COUPON RATE	YIELD TO MATURITY	PRINCIPAL COST	INTEREST PURCHASED	TOTAL COST
PORTFOLIO: OPERATING LINKED DEPOSIT PROGRAM								
CERTIFICATES OF DEPOSIT								
	M & T TRUST CO.	92,115.00	1/3/2014		0.000	92,115.00	0.00	92,115.00
	M & T TRUST CO.	34,000.00	1/10/2014	0.300	0.304	34,000.00	0.00	34,000.00
	M & T TRUST CO.	22,000.00	1/10/2014	0.212	0.215	22,000.00	0.00	22,000.00
	M & T TRUST CO.	54,000.00	1/16/2014		0.000	54,000.00	0.00	54,000.00
	The Bank of Castle	72,613.00	1/16/2014		0.000	72,613.00	0.00	72,613.00
	M & T TRUST CO.	67,000.00	2/7/2014	0.230	0.233	67,000.00	0.00	67,000.00
	M & T TRUST CO.	193,000.00	2/7/2014	0.098	0.099	193,000.00	0.00	193,000.00
	M & T TRUST CO.	106,000.00	2/20/2014		0.000	106,000.00	0.00	106,000.00
	M & T TRUST CO.	105,000.00	2/26/2014		0.000	105,000.00	0.00	105,000.00
	ALLIANCE BANK	57,689.00	4/23/2014		0.000	57,689.00	0.00	57,689.00
	M & T TRUST CO.	105,000.00	4/25/2014		0.000	105,000.00	0.00	105,000.00
	M & T TRUST CO.	137,900.00	5/6/2014		0.000	137,900.00	0.00	137,900.00
	FIRST NIAGARA BANK	44,230.00	5/9/2014		0.000	44,230.00	0.00	44,230.00
	FIRST NIAGARA BANK	83,630.00	5/9/2014		0.000	83,630.00	0.00	83,630.00
	FIRST NIAGARA BANK	28,300.00	5/23/2014		0.000	28,300.00	0.00	28,300.00
	EVANS BANK, N.A.	102,185.00	6/13/2014		0.000	102,185.00	0.00	102,185.00
	M & T TRUST CO.	36,000.00	7/10/2014		0.000	36,000.00	0.00	36,000.00
	NBT BANK, N.A.	31,310.00	7/10/2014		0.000	31,310.00	0.00	31,310.00
	FIRST NIAGARA BANK	15,529.00	7/18/2014		0.000	15,529.00	0.00	15,529.00
	NBT BANK	207,988.00	7/23/2014		0.000	207,988.00	0.00	207,988.00
	FIRST NIAGARA BANK	348,000.00	7/23/2014		0.000	348,000.00	0.00	348,000.00
	M & T TRUST CO.	81,010.00	7/23/2014		0.000	81,010.00	0.00	81,010.00
	M & T TRUST CO.	69,000.00	8/9/2014		0.000	69,000.00	0.00	69,000.00
	Chemung Canal Trust Company	83,750.00	8/28/2014		0.000	83,750.00	0.00	83,750.00
	M & T TRUST CO.	35,000.00	9/5/2014		0.000	35,000.00	0.00	35,000.00
	M & T TRUST CO.	14,000.00	9/5/2014		0.000	14,000.00	0.00	14,000.00
	FIRST NIAGARA BANK	167,679.00	9/12/2014		0.000	167,679.00	0.00	167,679.00
	M & T TRUST CO.	63,000.00	9/18/2014		0.000	63,000.00	0.00	63,000.00
	M & T TRUST CO.	70,000.00	9/18/2014		0.000	70,000.00	0.00	70,000.00
	M & T TRUST CO.	61,100.00	9/25/2014		0.000	61,100.00	0.00	61,100.00
	NBT BANK, N.A.	72,084.00	10/16/2014		0.000	72,084.00	0.00	72,084.00
	FIRST NIAGARA BANK	11,000.00	11/6/2014		0.000	11,000.00	0.00	11,000.00
	M & T TRUST CO.	153,525.00	11/28/2014		0.000	153,525.00	0.00	153,525.00
	NBT BANK, N.A.	56,430.00	12/4/2014		0.000	56,430.00	0.00	56,430.00
	M & T TRUST CO.	24,000.00	12/4/2014		0.000	24,000.00	0.00	24,000.00
	M & T TRUST CO.	8,000.00	12/12/2014		0.000	8,000.00	0.00	8,000.00
	GENESEE REGIONAL BANK	153,121.00	12/12/2014		0.000	153,121.00	0.00	153,121.00
Subtotal:	CERTIFICATES OF DEPOSIT	3,192,188.00			0.016	3,192,188.00	0.00	3,192,188.00
Subtotal:	PORTFOLIO: OPERATING LINKED DEPOSIT PROGRAM	3,192,188.00			0.016	3,192,188.00	0.00	3,192,188.00

NEW YORK POWER AUTHORITY  
INVENTORY REPORT BY PORTFOLIO AND SECURITY TYPE  
HOLDINGS AS OF: 12/31/13

PORTFOLIO / SECURITY	SECURITY DESCRIPTION	PAR AMOUNT	MATURITY DATE	COUPON RATE	YIELD TO MATURITY	PRINCIPAL COST	INTEREST PURCHASED	TOTAL COST
PORTFOLIO: OPERATING NORTH COUNTRY ECONOMIC DEVELOPMENT FUND								
FEDERAL HOME LOAN								
313368WJ6	DISCOUNT NOTE	10,009,000.00	5/14/2014		0.112	10,003,433.88	0.00	10,003,433.88
Subtotal:	FEDERAL HOME LOAN	10,009,000.00			0.112	10,003,433.88	0.00	10,003,433.88
Subtotal:	PORTFOLIO: OPERATING NORTH COUNTRY ECONOMIC DEVELOPMENT FUND	10,009,000.00			0.112	10,003,433.88	0.00	10,003,433.88
PORTFOLIO: OPERATING WESTERN NY ECONOMIC DEVELOPMENT FUND								
FANNIE MAE								
313589YM9	DISCOUNT NOTE	25,434,000.00	6/24/2014		0.122	25,417,467.90	0.00	25,417,467.90
Subtotal:	FANNIE MAE	25,434,000.00			0.122	25,417,467.90	0.00	25,417,467.90
Subtotal:	PORTFOLIO: OPERATING WESTERN NY ECONOMIC DEVELOPMENT FUND	25,434,000.00			0.122	25,417,467.90	0.00	25,417,467.90
PORTFOLIO: OPERATING STATE PARKS GREENWAY FUND								
FANNIE MAE								
313589YM9	DISCOUNT NOTE	7,459,000.00	6/24/2014		0.122	7,454,151.65	0.00	7,454,151.65
Subtotal:	FANNIE MAE	7,459,000.00			0.122	7,454,151.65	0.00	7,454,151.65
Subtotal:	PORTFOLIO: OPERATING STATE PARKS GREENWAY FUND	7,459,000.00			0.122	7,454,151.65	0.00	7,454,151.65
PORTFOLIO: OPERATING FUND								
FEDERAL FARM CREDIT								
31331GTJ8	FEDERAL FARM CREDIT	15,000,000.00	4/17/2014	2.625	3.002	14,744,700.00	0.00	14,744,700.00
31331KNL0	FEDERAL FARM CREDIT	11,000,000.00	6/10/2015	1.375	1.361	11,005,830.00	0.00	11,005,830.00
31331JZS1	FEDERAL FARM CREDIT	10,000,000.00	11/16/2015	1.500	2.260	9,650,800.00	0.00	9,650,800.00
31331X3J9	FEDERAL FARM CREDIT	17,000,000.00	9/13/2016	5.125	4.308	17,987,510.00	0.00	17,987,510.00
31331YSH4	FEDERAL FARM CREDIT	22,625,000.00	1/5/2017	4.250	4.198	22,712,490.00	0.00	22,712,490.00
31331YE97	FEDERAL FARM CREDIT	5,000,000.00	4/17/2017	4.250	4.571	4,848,150.00	0.00	4,848,150.00
Subtotal:	FEDERAL FARM CREDIT	80,625,000.00			3.401	80,949,480.00	0.00	80,949,480.00

NEW YORK POWER AUTHORITY  
INVENTORY REPORT BY PORTFOLIO AND SECURITY TYPE  
HOLDINGS AS OF: 12/31/13

PORTFOLIO / SECURITY	SECURITY DESCRIPTION	PAR AMOUNT	MATURITY DATE	COUPON RATE	YIELD TO MATURITY	PRINCIPAL COST	INTEREST PURCHASED	TOTAL COST
<b>FEDERAL HOME LOAN</b>								
3133XWVQ	FEDERAL HOME LOAN	18,000,000.00	3/14/2014	2.375	1.348	18,535,740.00	0.00	18,535,740.00
313373JR4	FEDERAL HOME LOAN	10,000,000.00	5/28/2014	1.375	0.627	10,193,000.00	0.00	10,193,000.00
313371WB8	FEDERAL HOME LOAN	10,000,000.00	7/24/2014	1.150	1.346	9,930,800.00	0.00	9,930,800.00
313371AF3	FEDERAL HOME LOAN	25,000,000.00	11/5/2014	1.290	1.291	24,998,750.00	0.00	24,998,750.00
313372ZR8	FEDERAL HOME LOAN	20,000,000.00	3/16/2015	1.800	1.945	19,990,000.00	0.00	19,990,000.00
3133XWB1	FEDERAL HOME LOAN	10,000,000.00	6/12/2015	2.875	0.398	10,667,230.00	0.00	10,667,230.00
313379XG6	FEDERAL HOME LOAN	30,000,000.00	8/19/2015	0.590	0.590	20,000,000.00	0.00	20,000,000.00
313371NW2	FEDERAL HOME LOAN	30,000,000.00	12/11/2015	1.375	0.405	30,566,100.00	18,333.33	30,584,433.33
313373SZ6	FEDERAL HOME LOAN	20,000,000.00	6/10/2016	2.125	0.782	21,058,000.00	0.00	21,058,000.00
313379AF6	FEDERAL HOME LOAN	15,000,000.00	7/15/2016	1.000	0.831	15,105,000.00	0.00	15,105,000.00
313379DT3	FEDERAL HOME LOAN	20,000,000.00	6/8/2018	1.250	0.897	20,349,687.80	0.00	20,349,687.80
313383CL3	FEDERAL HOME LOAN	25,000,000.00	8/15/2018	1.000	1.000	25,000,000.00	0.00	25,000,000.00
Subtotal:	FEDERAL HOME LOAN	223,000,000.00			0.960	226,294,307.80	18,333.33	226,312,641.13
<b>FANNIE MAE</b>								
31398AJL6	FANNIE MAE	15,000,000.00	5/15/2014	2.500	2.882	14,736,750.00	0.00	14,736,750.00
3135G08J1	FANNIE MAE	25,000,000.00	6/27/2014	1.125	1.171	24,965,000.00	0.00	24,965,000.00
31398AYZ	FANNIE MAE	20,000,000.00	9/16/2014	3.000	2.548	20,372,800.00	0.00	20,372,800.00
3135G0KM4	FANNIE MAE	20,000,000.00	5/27/2015	0.500	0.527	19,984,000.00	0.00	19,984,000.00
31398AU24	FANNIE MAE	25,000,000.00	7/28/2015	2.375	2.091	25,304,500.00	0.00	25,304,500.00
313984M1	FANNIE MAE	60,000,000.00	10/26/2015	1.625	1.861	59,273,350.00	0.00	59,273,350.00
3136G0L74	FANNIE MAE	16,085,000.00	1/5/2016	0.500	0.453	16,109,545.71	0.00	16,109,545.71
3135G0AL7	FANNIE MAE	20,000,000.00	3/15/2016	2.250	1.334	20,784,000.00	0.00	20,784,000.00
3135G0BA0	FANNIE MAE	10,000,000.00	4/11/2016	2.375	1.132	10,547,400.00	0.00	10,547,400.00
3135G0CM3	FANNIE MAE	35,000,000.00	9/28/2016	1.250	1.278	34,953,850.00	0.00	34,953,850.00
3135G0ES9	FANNIE MAE	50,000,000.00	11/15/2016	1.375	1.307	50,161,000.00	0.00	50,161,000.00
3135G0JA2	FANNIE MAE	25,000,000.00	4/27/2017	1.125	0.869	25,287,500.00	0.00	25,287,500.00
31359MEL3	FANNIE MAE	10,000,000.00	6/1/2017	0.841	0.841	9,620,060.00	0.00	9,620,060.00
3135G0MZ3	FANNIE MAE	25,000,000.00	8/28/2017	0.875	0.918	24,946,500.00	0.00	24,946,500.00
3135G0P00	FANNIE MAE	25,000,000.00	10/26/2017	0.875	0.804	25,083,750.00	0.00	25,083,750.00
3135G0TG8	FANNIE MAE	15,000,000.00	2/8/2018	0.875	0.814	15,042,900.00	0.00	15,042,900.00
3135G0WL8	FANNIE MAE	10,000,000.00	5/21/2018	0.875	0.918	9,976,600.00	0.00	9,976,600.00
3135G0YN9	FANNIE MAE	45,000,000.00	9/18/2018	1.875	1.801	44,845,100.00	0.00	44,845,100.00
3136G1V73	FANNIE MAE STEP CALLABLE	30,000,000.00	11/14/2018	0.750	1.024	29,910,000.00	0.00	29,910,000.00
3135G0YT4	FANNIE MAE	25,000,000.00	11/27/2018	1.625	0.053	24,904,250.00	0.00	24,904,250.00
Subtotal:	FANNIE MAE	506,085,000.00			1.315	506,910,855.71	0.00	506,910,855.71
<b>FREDDIE MAC</b>								
3137EABX6	FREDDIE MAC	20,000,000.00	1/7/2014	2.500	1.292	20,655,900.00	0.00	20,655,900.00
3128X9C73	FREDDIE MAC	20,000,000.00	2/19/2014	2.175	1.139	20,702,200.00	0.00	20,702,200.00
3137EACH0	FREDDIE MAC	15,000,000.00	2/9/2015	2.875	1.887	15,570,600.00	0.00	15,570,600.00

NEW YORK POWER AUTHORITY  
INVENTORY REPORT BY PORTFOLIO AND SECURITY TYPE  
HOLDINGS AS OF: 12/31/13

PORTFOLIO / SECURITY	SECURITY DESCRIPTION	PAR.AMOUNT	MATURITY DATE	COUPON RATE	YIELD TO MATURITY	PRINCIPAL COST	INTEREST PURCHASED	TOTAL COST
3137EACM9	FREDDIE MAC	20,000,000.00	9/10/2015	1.750	1.433	20,253,000.00	0.00	20,253,000.00
3137EACT4	FREDDIE MAC	20,000,000.00	5/27/2016	2.500	1.176	21,197,400.00	0.00	21,197,400.00
3137EACW7	FREDDIE MAC	20,000,000.00	9/25/2016	2,000	1,048	20,817,000.00	0.00	20,817,000.00
3137EADCO	FREDDIE MAC	20,000,000.00	3/8/2017	1,000	1,101	19,901,400.00	0.00	19,901,400.00
3137EADF3	FREDDIE MAC	30,000,000.00	5/12/2017	1,250	0,747	30,708,900.00	0.00	30,708,900.00
3137EADH9	FREDDIE MAC	15,000,000.00	6/29/2017	1,000	0,801	15,141,000.00	0.00	15,141,000.00
3137EADJ5	FREDDIE MAC	25,000,000.00	9/29/2017	1,000	0,803	25,235,250.00	0.00	25,235,250.00
3137EADL0	FREDDIE MAC	15,000,000.00	11/15/2017	2,000	0,832	15,125,055.00	0.00	15,125,055.00
3134G3G38	FREDDIE MAC	25,000,000.00	1/12/2018	0,750	0,895	26,413,750.00	0.00	26,413,750.00
3137EADN6	FREDDIE MAC	15,000,000.00	3/7/2018	0,875	0,757	14,995,050.00	0.00	14,995,050.00
3137EADP1	FREDDIE MAC	25,000,000.00	5/15/2018	0,750	0,919	24,946,250.00	0.00	24,946,250.00
3134G42P2	FREDDIE MAC	25,000,000.00	5/15/2018	0,750	0,820	24,913,000.00	0.00	24,913,000.00
Subtotal:		310,000,000.00			1,020	316,575,755.00	0.00	316,575,755.00
MUNICIPAL								
977100AT3	WISCONSIN STATE	4,130,000.00	5/1/2014	4.319	4.457	4,099,768.40	0.00	4,099,768.40
163103RJ5	CHELAN CNTY WASH PUB DIST	2,500,000.00	7/1/2014	4.980	4.415	2,577,050.00	0.00	2,577,050.00
649870JC6	NYS FIN AGY	2,000,000.00	9/15/2014	4.970	4.971	2,000,000.00	0.00	2,000,000.00
6055803G2	MISSISSIPPI BOND	3,465,000.00	10/1/2014	5.250	4.510	3,598,402.50	0.00	3,598,402.50
649902NP4	NYS DORM PIT	3,000,000.00	12/15/2014	4.811	4.812	3,000,000.00	0.00	3,000,000.00
7358TR78	PORT AUTH NY AND NJ	5,000,000.00	9/15/2015	4.500	4.716	4,932,750.00	0.00	4,932,750.00
6055803H0	MISSISSIPPI BOND	4,535,000.00	10/1/2015	5.250	4.660	4,693,180.80	0.00	4,693,180.80
64986JAV6	NYC G O	3,000,000.00	12/1/2015	3.170	1,500	3,192,210.00	0.00	3,192,210.00
57563EAF5	MASS TRANS	3,500,000.00	1/1/2016	2,058	2,058	3,500,000.00	0.00	3,500,000.00
2072GE20	CT ST GEN OBLIG	10,000,000.00	3/15/2016	4.550	4.550	10,000,000.00	0.00	10,000,000.00
73358TR86	PORT AUTH NY/ NJ	2,900,000.00	9/15/2016	4.750	5.140	2,824,165.00	0.00	2,824,165.00
64971QQV8	NYC TFA	3,950,000.00	11/1/2016	1.550	1,616	3,937,597.00	0.00	3,937,597.00
387892UX8	GRANT CITY WASH PUB UTIL	2,350,000.00	1/1/2017	5.150	4.736	2,388,775.00	0.00	2,388,775.00
631663MZ1	Nassau County NY Interim Fin Auth	8,311,000.00	11/15/2017	1,454	1,454	8,311,000.00	0.00	8,311,000.00
57552PM98	MASS COMMWLTH	10,000,000.00	4/1/2018	1,000	1,123	9,940,800.00	0.00	9,940,800.00
64966KP20	NYC G O	6,935,000.00	3/1/2019	1,450	2,512	6,562,729.20	6,145.18	6,568,874.38
6775212J4	OHIO G O	5,000,000.00	11/1/2019	2,550	2,550	4,999,900.00	0.00	4,999,900.00
Subtotal:		80,576,000.00			3,193	80,559,327.90	6,145.18	80,564,473.08
MUNICIPAL (Variable Weekly Reset)								
6499032J9	NYC DORM AUTH REV	20,000,000.00	7/1/2027	0.040	0.040	20,000,000.00	542.47	20,000,542.47
649716LJ2	NYC TRANSITIONAL FIN AUTH REV	19,100,000.00	11/1/2028	0.040	0.040	19,100,000.00	1,606.49	19,101,606.49
Subtotal:		39,100,000.00			0.040	39,100,000.00	2,148.96	39,102,148.96
FREDDIE MAC (Mortgage)								
31394TNC4	FHR 2762 LS	2,759,918.31	9/15/2032	5.000	5.239	2,689,332.93	0.00	2,689,332.93
Subtotal:		2,759,918.31			5.239	2,689,332.93	0.00	2,689,332.93

NEW YORK POWER AUTHORITY  
INVENTORY REPORT BY PORTFOLIO AND SECURITY TYPE  
HOLDINGS AS OF: 12/31/13

PORTFOLIO / SECURITY	SECURITY DESCRIPTION	PAR AMOUNT	MATURITY DATE	COUPON RATE	YIELD TO MATURITY	PRINCIPAL COST	INTEREST PURCHASED	TOTAL COST
FANNIE MAE (Mortgage)								
31393C4K6	FHR 2003-66 KA	893,128.74	1/25/2033	3.500	3.501	897,594.38	0.00	897,594.38
Subtotal:	FANNIE MAE (Mortgage)	893,128.74			3.501	897,594.38	0.00	897,594.38
GINNIE MAE (Mortgage)								
36225B21	GNMA POOL #781277	386,592.37	12/15/2028	7.000	6.757	397,039.64	0.00	397,039.64
38375K0M7	GNMA POOL 2007-35	8,961,350.99	8/20/2036	6.000	6.083	8,933,346.77	0.00	8,933,346.77
Subtotal:	GINNIE MAE (Mortgage)	9,346,943.36			6.111	9,330,386.41	0.00	9,330,386.41
PROJECT LOAN (Mortgage)								
158995MV9	PROJ LN-USGI 2028	71,437.80	6/1/2015	6.900	6.596	73,670.23	0.00	73,670.23
158996VD6	PROJ LN-REILLY #46	5,811.44	12/1/2018	6.860	6.950	5,590.40	0.00	5,590.40
31342E89	PL HS 10806 MORISANIA	656,304.57	4/1/2020	8.950	9.074	636,304.57	0.00	636,304.57
Subtotal:	PROJECT LOAN (Mortgage)	713,553.81			8.809	715,565.20	0.00	715,565.20
Subtotal:	PORTFOLIO: OPERATING FUND	1,253,089,344.22			1.444	1,264,020,605.33	26,627.47	1,264,047,232.80
PORTFOLIO: ST LAWRENCE SPEC								
TREASURY								
912796AR0	TREASURY BILL	3,393,000.00	2/6/2014		0.155	3,387,955.03	0.00	3,387,955.03
Subtotal:	TREASURY	3,393,000.00			0.155	3,387,955.03	0.00	3,387,955.03
Subtotal:	PORTFOLIO: ST. LAWRENCE SPEC	3,393,000.00			0.155	3,387,955.03	0.00	3,387,955.03
PORTFOLIO: ST. LAWRENCE CONSTRUCTION								
FEDERAL HOME LOAN								
313385RU2	DISCOUNT NOTE	6,050,000.00	1/14/2014		0.122	6,046,043.83	0.00	6,046,043.83
313385LU8	DISCOUNT NOTE	10,000,000.00	3/19/2014		0.056	9,999,320.83	0.00	9,999,320.83
Subtotal:	FEDERAL HOME LOAN	16,050,000.00			0.087	16,046,364.66	0.00	16,046,364.66
FREDDIE MAC								
313397SB8	DISCOUNT NOTE	6,000,000.00	1/21/2014		0.041	5,999,393.33	0.00	5,999,393.33
Subtotal:	FREDDIE MAC	6,000,000.00			0.041	5,999,393.33	0.00	5,999,393.33

NEW YORK POWER AUTHORITY  
INVENTORY REPORT BY PORTFOLIO AND SECURITY TYPE  
HOLDINGS AS OF: 12/31/13

PORTFOLIO / SECURITY	SECURITY DESCRIPTION	PAR AMOUNT	MATURITY DATE	COUPON RATE	YIELD TO MATURITY	PRINCIPAL COST	INTEREST PURCHASED	TOTAL COST
TREASURY								
912796BZ1	TREASURY BILL	4,500,000.00	2/20/2014		0.076	4,499,128.13	0.00	4,499,128.13
Subtotal:	TREASURY	4,500,000.00			0.076	4,499,128.13	0.00	4,499,128.13
		26,550,000.00			0.075	26,544,886.12	0.00	26,544,886.12
	Subtotal: PORTFOLIO: ST. LAWRENCE CONSTRUCTION	1,361,339,532.22			1.348	1,372,706,528.87	35,715.28	1,372,742,244.15
	GRAND TOTAL							

POWER AUTHORITY OF THE STATE OF NEW YORK  
 Summary of Bids/Offers Solicited for the Purchase and Sale of Securities  
 For the Year Ended December 31, 2013

<u>Brokers</u>	<u>Bids/Offers Accepted</u>	<u>Bids/Offers Solicited</u>	<u>Total Cost Purchases/Sales</u>	<u>CDs and Repurchase Agreements</u>	<u>Total Transactions</u>
Bank of America Securities	18	50	\$ 129,563,971	130,000,000	\$ 259,563,971
Barclays Capital Inc.	34	133	419,229,316	80,000,000	\$ 499,229,316
Blaylock Robert Van LLC	2	4	25,230,881	0	\$ 25,230,881
Cantor Fitzgerald	9	98	0	410,000,000	\$ 410,000,000
CastleOak Securities L.P.	3	7	39,998,228	0	\$ 39,998,228
Citigroup Global Markets	2	2	14,502,562	0	\$ 14,502,562
J.P. Morgan Securities Inc.	10	10	153,800,629	0	\$ 153,800,629
Key Bank	39	39	0	3,341,188	\$ 3,341,188
Loop Capital Markets LLC	3	9	24,142,769	0	\$ 24,142,769
Mizuho Securities USA Inc.	104	126	196,479,399	4,056,000,000	\$ 4,252,479,399
Muriel Siebert & Co.	4	8	95,400,950	0	\$ 95,400,950
RBC Capital Markets	12	32	114,431,564	0	\$ 114,431,564
Sandgrain Securities Inc.	1	1	24,913,000	0	\$ 24,913,000
<b>Grand Total</b>	<b>241</b>	<b>519</b>	<b>\$ 1,237,693,269</b>	<b>\$ 4,679,341,188</b>	<b>\$ 5,917,034,457</b>