

NEW YORK COOPERATIVE LIQUID ASSETS SECURITIES SYSTEM



# Annual Report

JUNE 30, 2022  
(REPORT OF INDEPENDENT AUDITORS WITHIN)

NYCLASS Rated 'AAAm' by S&P Global Ratings  
NYCLASS PRIME Rated 'AAAm' by S&P Global Ratings

S&P Global Ratings in no way guarantee favorable performance results and should not be construed as safety in an investment.

**NYCLASS**<sup>®</sup>

## Chairperson's Letter

To the Participants of NYCLASS:

On behalf of the NYCLASS Governing Board and our administrator and investment advisor, Public Trust Advisors, LLC (Public Trust), I am pleased to present the NYCLASS Annual Report for the year ended June 30, 2022.

As always, I first want to express my sincere gratitude to the valued NYCLASS Participants after another unpredictable year; it is due in large part to your continued faith in us that we have been able to successfully navigate these challenging times. It is our mission to provide a reliable, safe, and trustworthy investment resource to local governments around the state, and we are proud to offer services that you can trust so that you can focus on working for your great communities.

The second half of 2021 was very reminiscent of 2020 including the prevailing economic conditions and near zero interest rate environment. The labor market continued to mend following the complications brought on by the pandemic, and persistent global supply chain disruptions placed upward pressure on inflation. Unfortunately, COVID-19 remained very much a part of everyday life and, in many ways, it still clouds the economic outlook for the remainder of 2022. However, the start of the new year did bring NYCLASS Participants some good news – in an effort to combat inflation, the Federal Open Market Committee increased rates over the first half of this year at an unprecedented pace. The current target range for the Fed Funds Rate is 2.25-2.50% and it is widely anticipated that the rates will continue to rise through the end of 2022.


As the economy continues to recover from the pandemic, the Fed's more hawkish tone has NYCLASS Participants well-positioned to take advantage of the rising rate environment, both in the NYCLASS portfolio as well as our newest County specific portfolio NYCLASS Prime, which was established in January of 2022. Following legislative action in July of 2021, which provided additional investment options to New York Counties, the Governing Board developed the Prime fund to offer Counties access to enhanced rates of return by investing in a portfolio with access to highly rated corporates and money market mutual funds. On behalf of the NYCLASS Governing Board, we are pleased to offer this additional investment option to counties.

As NYCLASS approaches thirty-five years of operations, the investment and operations teams at Public Trust have a well-developed understanding of the cash flow cycles related to the various participating entity types. This knowledge allows the teams to customize the portfolios to maximize yields without compromising Participant access to daily liquidity. Over the course of the fiscal year, NYCLASS hit all-time highs in both Participation (830 participating entities) and assets under management (\$4.9 billion as of June 2022)! Participants requested just over eight thousand withdrawals totaling nearly \$4.5 billion. Even with persistently low interest rates, the two pools (NYCLASS and NYCLASS Prime) were able to provide a grand total of nearly \$7.6 million in interest earnings for Participants!

Lastly, I'm happy to report that in April of this year, the NYCLASS Relationship Team welcomed a new Director of Investment Services, Chris Starr! Chris is responsible for developing new client relationships, preserving current relationships, and participating in statewide conferences for various government organizations on behalf of NYCLASS. Prior to joining Public Trust, Chris most recently served as a Vice President of Firmwide Reputation Risk at JPMorgan Chase where he safeguarded the firm's reputation by reviewing and acting on potentially adverse escalations related to prospective clients and transaction activity primarily for capital markets.

As your Chairman, it is a pleasure and an honor to represent the NYCLASS Governing Board. The Board is devoted to providing our Participants with transparent oversight, meeting regularly to monitor the funds and operations on your behalf. Each year reminds us that the NYCLASS Participants are in fact our greatest asset.

Respectfully,



Robert Wheeling

Chairperson, Governing Board

## Independent Auditors' Report



CliftonLarsonAllen LLP  
CLAAconnect.com

### INDEPENDENT AUDITORS' REPORT

Board of Trustees  
New York Cooperative Liquid Assets Securities System  
C/O Public Trust Advisors  
Denver, Colorado

#### Report on the Audit of the Financial Statements

##### **Opinion**

We have audited the accompanying financial statements of New York Cooperative Liquid Assets Securities System (NYCLASS), which comprise the statement of net assets as of June 30, 2022, the statement of operations for the year then ended, the related statements of changes in net assets for the years ended June 30, 2022 and 2021, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NYCLASS as of June 30, 2022, the results of its operations for the year then ended, and the changes in its net assets for the years ended June 30, 2022 and 2021 in accordance with accounting principles generally accepted in the United States of America.

##### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NYCLASS and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

##### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NYCLASS's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Board of Trustees  
New York Cooperative Liquid Assets Securities System

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NYCLASS's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NYCLASS's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Board of Trustees  
New York Cooperative Liquid Assets Securities System

***Other Information Included in the Annual Report***

Management is responsible for the other information included in the annual report. The other information comprises the Chairperson's letter and Board of Trustees listing but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



**CliftonLarsonAllen LLP**

Los Angeles, California  
August 22, 2022

# STATEMENT OF NET ASSETS (NYCLASS PORTFOLIO) – JUNE 30, 2022

## INVESTMENTS, AT FAIR VALUE

	Principal Amount	Coupon Rate	Maturity	Effective Yield	Fair Value
<b>Repurchase Agreements (27%)*</b>					
BofA Securities Inc. Tri-Party (Collateralized by U.S. Government Treasury Securities with coupon rates between 0.50% and 2.75% and maturing between 04/30/2023 and 09/30/2028.) Fair Market value plus accrued interest: \$76,755,709	\$75,250,626	1.49%	07/01/2022	1.49%	\$75,250,626
Bank of Montreal Tri-Party (6%)* (Collateralized by U.S. Government Treasury Securities with coupon rates between 0.00% and 4.25% and maturing between 09/15/2022 and 05/15/2052.) Fair Market value plus accrued interest: \$273,467,488	268,105,381	1.47	07/01/2022	1.47	268,105,381
Credit Agricole CIB NY Tri-Party (7%)* (Collateralized by U.S. Government Treasury Securities with coupon rates between 0.25% and 0.75% and maturing between 08/31/2025 and 03/31/2026.) Fair Market value plus accrued interest: \$295,812,150	290,000,000	1.48	07/01/2022	1.48	290,000,000
Goldman Sachs & Co. Tri-Party (7%)* (Collateralized by U.S. Government Treasury Securities with coupon rates between 0.125% and 3.00% and maturing between 04/30/2023 and 10/31/2025.) Fair Market value plus accrued interest: \$280,500,038	275,000,000	1.48	07/01/2022	1.48	275,000,000
JP Morgan Securities LLC Tri-Party (Collateralized by U.S. Government Treasury Securities with coupon rates between 0.00% and 1.00% and maturing between 05/15/2045 and 05/15/2048.) Fair Market value plus accrued interest: \$183,600,000	180,000,000	1.51	07/01/2022	1.51	180,000,000
Royal Bank of Canada NY Tri-Party (Collateralized by U.S. Government Treasury Securities with coupon rates between 0.00% and 7.25% and maturing between 08/15/2022 and 02/15/2041.) Fair Market value plus accrued interest: \$64,848,458	63,576,920	1.40	07/01/2022	1.40	63,576,920
Cost of (\$1,151,932,927)					<u>1,151,932,927</u>
<b>U.S. Government Treasury Securities (53%)*</b>					
U.S. Treasury Bill	20,000,000	Disc.**	07/05/2022	0.95	19,997,411
U.S. Treasury Bill (5%)*	225,000,000	Disc.**	07/07/2022	0.64	224,972,390
U.S. Treasury Bill	50,000,000	Disc.**	07/12/2022	0.93	49,984,722
U.S. Treasury Bill	50,000,000	Disc.**	07/14/2022	0.96	49,981,538
U.S. Treasury Bill	20,000,000	Disc.**	07/19/2022	1.02	19,989,387
U.S. Treasury Bill	55,000,000	Disc.**	07/21/2022	0.96	54,969,559
U.S. Treasury Bill	110,000,000	Disc.**	07/26/2022	1.02	109,920,078
U.S. Treasury Bill	75,000,000	Disc.**	07/28/2022	0.94	74,945,719
U.S. Treasury Notes	50,000,000	1.81	07/31/2022	1.81	50,012,838
U.S. Treasury Bill	60,000,000	Disc.**	08/02/2022	1.14	59,938,480
U.S. Treasury Bill	65,000,000	Disc.**	08/04/2022	1.15	64,928,252
U.S. Treasury Bill	105,000,000	Disc.**	08/09/2022	1.26	104,854,656
U.S. Treasury Bill	65,000,000	Disc.**	08/11/2022	1.32	64,901,080
U.S. Treasury Bill	35,000,000	Disc.**	08/16/2022	1.35	34,939,334

\* Denotes percentage of net assets \*\* Denotes securities purchased with a zero coupon rate

The accompanying notes are an integral part of these financial statements

# STATEMENT OF NET ASSETS (NYCLASS PORTFOLIO) – JUNE 30, 2022

INVESTMENTS, AT FAIR VALUE

	Principal Amount	Coupon Rate	Maturity	Effective Yield	Fair Value
U.S. Treasury Bill	\$75,000,000	Disc.**	08/18/2022	1.33%	\$74,866,500
U.S. Treasury Bill	50,000,000	Disc.**	08/23/2022	1.47	49,891,547
U.S. Treasury Bill	85,000,000	Disc.**	08/25/2022	1.48	84,807,481
U.S. Treasury Bill	30,000,000	Disc.**	08/30/2022	1.48	29,926,175
U.S. Treasury Bill	65,000,000	Disc.**	09/01/2022	1.52	64,829,984
U.S. Treasury Bill	60,000,000	Disc.**	09/06/2022	1.57	59,824,684
U.S. Treasury Bill	105,000,000	Disc.**	09/08/2022	1.55	104,688,734
U.S. Treasury Bill	76,000,000	Disc.**	09/13/2022	1.55	75,758,168
U.S. Treasury Bill	10,000,000	Disc.**	09/15/2022	1.59	9,966,486
U.S. Treasury Bill	35,000,000	Disc.**	09/22/2022	1.63	34,869,275
U.S. Treasury Bill	50,000,000	Disc.**	09/27/2022	1.63	49,802,306
U.S. Treasury Bill	60,000,000	Disc.**	09/29/2022	1.65	59,754,000
U.S. Treasury Bill	70,000,000	Disc.**	10/06/2022	1.75	69,672,798
U.S. Treasury Bill	30,000,000	Disc.**	10/11/2022	1.89	29,840,923
U.S. Treasury Bill	40,000,000	Disc.**	10/13/2022	1.87	39,786,367
U.S. Treasury Bill	40,000,000	Disc.**	10/20/2022	1.93	39,764,588
U.S. Treasury Bill	40,000,000	Disc.**	10/27/2022	1.94	39,748,463
U.S. Treasury Notes	40,000,000	1.81-Var.	10/31/2022	1.81	40,040,222
U.S. Treasury Bill	10,000,000	Disc.**	11/03/2022	2.00	9,931,424
U.S. Treasury Bill	40,000,000	Disc.**	11/10/2022	2.04	39,704,283
U.S. Treasury Bill	30,000,000	Disc.**	11/17/2022	2.08	29,762,831
U.S. Treasury Bill	25,000,000	Disc.**	11/25/2022	2.06	24,793,026
U.S. Treasury Bill	40,000,000	Disc.**	12/01/2022	2.24	39,625,362
U.S. Treasury Bill	30,000,000	Disc.**	12/08/2022	2.29	29,700,500
U.S. Treasury Bill	30,000,000	Disc.**	12/15/2022	2.30	29,685,309
U.S. Treasury Bill	34,000,000	Disc.**	01/26/2023	2.48	33,521,661
U.S. Treasury Bill	25,000,000	Disc.**	02/23/2023	2.41	24,612,612
U.S. Treasury Bill	25,000,000	Disc.**	03/23/2023	2.40	24,570,525
Cost of (\$2,230,842,513)					2,228,081,678
<b>Total Investments in Securities</b>					
Cost of (\$3,382,775,440)					3,380,014,605
<b>Deposit Balances in Custodian Banks (20%)*</b>					
Dime Bank (10%)*	397,024,254	1.60-Var.		1.60	397,024,254
Israel Discount Bank	30,189,561	1.65-Var.		1.65	30,189,561
Quontic Bank	50,495,969	1.58-Var.		1.58	50,495,969
TD Bank N.A. (8%)*	358,043,376	1.40-Var.		1.40	358,043,376
U.S. Bank N.A.	7,710,916	0.10-Var.		0.10	7,710,916
Cost of (\$843,464,076)					843,464,076

\* Denotes percentage of net assets    \*\* Denotes securities purchased with a zero coupon rate  
The accompanying notes are an integral part of these financial statements

## STATEMENT OF NET ASSETS (NYCLASS PORTFOLIO) – JUNE 30, 2022

INVESTMENTS, AT FAIR VALUE

### Other Assets

Accrued Interest Receivable	\$243,482
Receivable for Shares Sold	19,964,400
Total Assets	<u>4,243,686,563</u>

### Less Liabilities

Administration and Investment Advisory Fees	482,059
Miscellaneous Payable	52,978
Payable for Shares Redeemed	9,304,490
Total Liabilities	<u>9,839,527</u>
Net Assets	<u>\$4,233,847,036</u>

### Components of Capital

Capital (Par Value)	\$4,236,607,871
Unrealized Depreciation on Investments	(2,760,835)
Net Assets	<u>\$4,233,847,036</u>

### Outstanding Participant Shares

4,236,607,871

### Net Asset Value per Share

\$1.00

*The accompanying notes are an integral part of these financial statements*



# STATEMENT OF NET ASSETS (PRIME PORTFOLIO) – JUNE 30, 2022

INVESTMENTS, AT FAIR VALUE

	Principal Amount	Coupon Rate	Maturity	Effective Yield	Fair Value
<b>U.S. Government Treasury Securities (8%)*</b>					
U.S. Treasury Bill	\$1,000,000	Disc.**	07/05/2022	0.95%	\$999,871
U.S. Treasury Bill	2,000,000	Disc.**	07/12/2022	0.93	1,999,389
U.S. Treasury Bill	3,000,000	Disc.**	07/19/2022	1.02	2,998,408
U.S. Treasury Bill	3,000,000	Disc.**	07/26/2022	1.02	2,997,820
U.S. Treasury Bill	3,000,000	Disc.**	08/02/2022	1.14	2,996,924
U.S. Treasury Bill	1,000,000	Disc.**	08/04/2022	1.15	998,896
U.S. Treasury Bill	4,000,000	Disc.**	08/09/2022	1.26	3,994,463
U.S. Treasury Bill	4,000,000	Disc.**	08/30/2022	1.48	3,990,157
U.S. Treasury Bill	1,000,000	Disc.**	09/01/2022	1.52	997,384
U.S. Treasury Bill	1,000,000	Disc.**	09/08/2022	1.55	997,036
U.S. Treasury Bill	2,500,000	Disc.**	09/20/2022	1.58	2,491,155
U.S. Treasury Bill	6,000,000	Disc.**	09/22/2022	1.63	5,977,590
U.S. Treasury Bill	2,500,000	Disc.**	09/27/2022	1.63	2,490,115
U.S. Treasury Bill	4,000,000	Disc.**	10/11/2022	1.89	3,978,790
U.S. Treasury Bill	5,000,000	Disc.**	10/18/2022	1.96	4,970,661
U.S. Treasury Bill	2,500,000	Disc.**	11/17/2022	2.08	2,480,236
U.S. Treasury Bill	3,000,000	Disc.**	11/25/2022	2.06	2,975,163
U.S. Treasury Bill	5,000,000	Disc.**	12/22/2022	2.45	4,942,040
Cost of (\$53,302,295)					<u>53,276,098</u>
<b>Money Market Funds (44%)*</b>					
Allspring Government Money Market Fund - Select Class (9%)*	55,012,757	1.26-Var.		1.26	55,012,757
Federated Government Obligations Fund - Premier Class (9%)*	55,012,156	1.41-Var.		1.41	55,012,156
Fidelity Government Portfolio - Institutional Class (8%)*	48,002,538	1.24-Var.		1.24	48,002,538
Invesco Government & Agency Portfolio - Institutional Class (9%)*	55,000,000	1.38-Var.		1.38	55,000,000
State Street Institutional U.S. Government Fund - Premier Class (9%)*	55,016,199	1.43-Var.		1.43	<u>55,016,199</u>
Cost of (\$268,043,650)					<u>268,043,650</u>
<b>Commercial Paper (48%)*</b>					
Anglesea Funding LLC	7,930,000	Disc.**	07/01/2022	1.68	7,929,635
Victory Receivables Corp.	2,000,000	Disc.**	07/01/2022	1.60	1,999,913
Charta LLC	2,000,000	Disc.**	07/05/2022	1.66	1,999,544
Pricoa Short Term Funding LLC	1,000,000	Disc.**	07/05/2022	1.58	999,783
Longship Funding LLC	3,000,000	Disc.**	07/06/2022	1.65	2,999,187
La Fayette Asset Securitization LLC	2,000,000	Disc.**	07/07/2022	1.60	1,999,386
CAFCO LLC	2,000,000	Disc.**	07/08/2022	1.61	1,999,296
CAFCO LLC	2,000,000	Disc.**	07/11/2022	1.68	1,998,986
LMA Americas LLC	520,000	Disc.**	07/11/2022	1.65	519,741
The Proctor & Gamble Co.	4,000,000	Disc.**	07/11/2022	1.57	3,998,108
Atlantic Asset Securitization LLC	1,000,000	Disc.**	07/12/2022	1.62	999,467
GTA Funding LLC	5,000,000	Disc.**	07/12/2022	1.62	4,997,337

\* Denotes percentage of net assets \*\* Denotes securities purchased with a zero coupon rate  
The accompanying notes are an integral part of these financial statements

# STATEMENT OF NET ASSETS (PRIME PORTFOLIO) – JUNE 30, 2022

## INVESTMENTS, AT FAIR VALUE

	Principal Amount	Coupon Rate	Maturity	Effective Yield	Fair Value
Charta LLC	\$2,000,000	Disc.**	07/13/2022	1.62%	\$1,998,844
Collateralized Commercial Paper V Co. LLC	500,000	Disc.**	07/13/2022	1.62	499,711
Mackinac Funding Company, LLC	6,250,000	Disc.**	07/13/2022	1.62	6,246,387
Atlantic Asset Securitization LLC	500,000	Disc.**	07/14/2022	1.63	499,688
LMA Americas LLC	5,000,000	Disc.**	07/15/2022	1.67	4,996,567
Longship Funding LLC	3,000,000	Disc.**	07/18/2022	1.71	2,997,468
Walmart Inc.	3,000,000	Disc.**	07/18/2022	1.61	2,997,624
Longship Funding LLC	5,000,000	Disc.**	07/19/2022	1.72	4,995,532
Walmart Inc.	2,500,000	Disc.**	07/19/2022	1.61	2,497,910
Mackinac Funding Company, LLC	2,850,000	Disc.**	07/20/2022	1.67	2,847,387
PepsiCo, Inc.	2,000,000	Disc.**	07/25/2022	1.61	1,997,797
Manhattan Asset Funding Co.	1,000,000	Disc.**	07/26/2022	1.72	998,777
ING (U.S.) Funding LLC	1,000,000	Disc.**	07/28/2022	1.72	998,686
Liberty Street Funding LLC	4,000,000	Disc.**	07/28/2022	1.73	3,994,711
Amazon.com Inc.	3,000,000	Disc.**	07/29/2022	1.62	2,996,141
Anglesea Funding LLC	5,000,000	Disc.**	08/01/2022	1.92	4,991,600
Citigroup Global Markets	2,000,000	Disc.**	08/01/2022	1.91	1,996,663
Walmart Inc.	10,000,000	Disc.**	08/01/2022	1.62	9,985,778
Apple Inc.	5,000,000	Disc.**	08/02/2022	1.63	4,992,644
Victory Receivables Corp.	2,000,000	Disc.**	08/04/2022	1.91	1,996,342
Walmart Inc.	5,000,000	Disc.**	08/08/2022	1.66	4,991,144
Chariot Funding LLC	5,000,000	Disc.**	08/10/2022	1.85	4,989,642
Mackinac Funding Company, LLC	2,000,000	Disc.**	08/10/2022	1.89	1,995,766
Atlantic Asset Securitization LLC	5,000,000	Disc.**	08/11/2022	1.84	4,989,430
Collateralized Commercial Paper V Co. LLC	500,000	1.69-Var.	08/11/2022	1.69	499,972
Old Line Funding LLC	1,500,000	1.73-Var.	08/11/2022	1.73	1,499,850
Ridgefield Funding Co. LLC	5,000,000	Disc.**	08/11/2022	1.86	4,989,337
LMA Americas LLC	4,000,000	Disc.**	08/12/2022	2.08	3,990,220
Thunder Bay Funding LLC	1,500,000	1.70-Var.	08/12/2022	1.70	1,499,678
Mackinac Funding Company, LLC	3,000,000	Disc.**	08/15/2022	1.94	2,992,701
Anglesea Funding LLC	500,000	1.73-Var.	08/16/2022	1.73	499,902
PepsiCo, Inc.	3,000,000	Disc.**	08/16/2022	1.70	2,993,436
Toyota Motor Credit Corp.	1,000,000	1.69-Var.	08/16/2022	1.69	999,791
Chariot Funding LLC	500,000	1.70-Var.	08/17/2022	1.70	499,900
Jupiter Securitization Co. LLC	1,000,000	1.70-Var.	08/17/2022	1.70	999,800
LMA Americas LLC	2,000,000	Disc.**	08/18/2022	1.92	1,994,852
Johnson & Johnson	1,000,000	Disc.**	08/22/2022	1.71	997,519
MetLife Short Term Funding LLC	3,000,000	Disc.**	08/22/2022	1.82	2,992,094
Ridgefield Funding Co. LLC	3,000,000	Disc.**	08/23/2022	1.97	2,991,288
GTA Funding LLC	2,000,000	Disc.**	09/01/2022	2.07	1,992,866
Alinghi Funding Co. LLC	750,000	Disc.**	09/08/2022	2.01	747,113
Atlantic Asset Securitization LLC	2,000,000	Disc.**	09/08/2022	2.12	1,991,911
La Fayette Asset Securitization LLC	5,000,000	Disc.**	09/09/2022	2.22	4,978,515
Apple Inc.	3,000,000	Disc.**	09/12/2022	1.86	2,988,734
CRC Funding LLC	3,000,000	Disc.**	09/12/2022	2.17	2,986,834
Alinghi Funding Co. LLC	500,000	Disc.**	09/13/2022	1.12	498,854
Amazon.com Inc.	2,000,000	Disc.**	09/14/2022	1.75	1,992,759
Citigroup Global Markets	2,000,000	Disc.**	09/14/2022	2.25	1,990,656
J.P. Morgan Securities LLC	2,000,000	Disc.**	09/16/2022	2.21	1,990,597
Amazon.com Inc.	10,000,000	Disc.**	09/19/2022	1.79	9,960,333

\*\* Denotes securities purchased with a zero coupon rate

The accompanying notes are an integral part of these financial statements

# STATEMENT OF NET ASSETS (PRIME PORTFOLIO) – JUNE 30, 2022

## INVESTMENTS, AT FAIR VALUE

	Principal Amount	Coupon Rate	Maturity	Effective Yield	Fair Value
Starbird Funding Corp.	\$5,000,000	Disc.**	09/19/2022	2.25%	\$4,975,171
Alinghi Funding Co. LLC	1,000,000	Disc.**	09/20/2022	2.09	995,316
Victory Receivables Corp.	5,000,000	Disc.**	09/21/2022	2.38	4,973,100
Apple Inc.	3,000,000	Disc.**	09/26/2022	1.98	2,985,751
Ridgefield Funding Co. LLC	5,000,000	Disc.**	09/26/2022	2.43	4,970,860
Bedford Row Funding Corp.	3,000,000	1.93-Var.	09/27/2022	1.93	3,000,060
Charta LLC	5,000,000	Disc.**	10/03/2022	2.20	4,971,480
Ridgefield Funding Co. LLC	5,146,000	Disc.**	10/03/2022	2.43	5,113,680
Starbird Funding Corp.	8,000,000	Disc.**	10/04/2022	2.41	7,949,552
LMA Americas LLC	5,000,000	Disc.**	10/05/2022	2.61	4,965,578
Charta LLC	5,000,000	Disc.**	10/06/2022	2.35	4,968,650
Citigroup Global Markets	800,000	Disc.**	10/07/2022	2.45	794,718
GTA Funding LLC	5,000,000	Disc.**	10/13/2022	2.48	4,964,563
Fairway Finance Company, LLC	3,000,000	Disc.**	10/17/2022	2.53	2,977,519
Old Line Funding LLC	3,000,000	1.88-Var.	10/17/2022	1.88	2,999,727
Old Line Funding LLC	2,000,000	Disc.**	10/19/2022	2.68	1,983,837
Old Line Funding LLC	2,000,000	1.89-Var.	10/20/2022	1.89	1,999,814
Apple Inc.	2,500,000	Disc.**	10/24/2022	2.18	2,482,793
Chariot Funding LLC	4,000,000	1.91-Var.	10/26/2022	1.91	3,999,868
Bedford Row Funding Corp.	4,000,000	1.88-Var.	10/27/2022	1.88	3,999,076
J.P. Morgan Securities LLC	4,000,000	1.89-Var.	10/27/2022	1.89	3,999,472
Citigroup Global Markets	4,000,000	Disc.**	11/02/2022	2.66	3,963,847
Collateralized Commercial Paper V Co. LLC	3,000,000	1.93-Var.	11/02/2022	1.93	3,000,570
Fairway Finance Company, LLC	3,000,000	Disc.**	11/08/2022	2.73	2,970,940
Chariot Funding LLC	4,000,000	1.92-Var.	11/10/2022	1.92	3,999,704
Collateralized Commercial Paper V Co. LLC	2,000,000	Disc.**	11/15/2022	2.73	1,979,545
La Fayette Asset Securitization LLC	3,000,000	Disc.**	12/01/2022	2.86	2,964,182
La Fayette Asset Securitization LLC	2,000,000	1.98-Var.	12/06/2022	1.98	2,000,180
Mackinac Funding Company, LLC	1,500,000	Disc.**	12/07/2022	2.90	1,481,202
Old Line Funding LLC	2,000,000	Disc.**	12/08/2022	3.10	1,972,997
Starbird Funding Corp.	2,000,000	Disc.**	12/08/2022	3.02	1,973,730
Thunder Bay Funding LLC	2,000,000	Disc.**	12/08/2022	2.92	1,974,562
Ridgefield Funding Co. LLC	2,000,000	Disc.**	12/09/2022	3.01	1,973,630
Atlantic Asset Securitization LLC	1,500,000	1.98-Var.	12/13/2022	1.98	1,499,655
LMA Americas LLC	1,500,000	Disc.**	12/14/2022	2.90	1,480,352
Collateralized Commercial Paper V Co. LLC	5,000,000	1.98-Var.	12/19/2022	1.98	5,000,000
Collateralized Commercial Paper V Co. LLC	2,000,000	Disc.**	01/09/2023	3.14	1,967,319
Old Line Funding LLC	5,000,000	2.02-Var.	01/27/2023	2.02	4,999,500
Cost of (\$302,947,902)					302,764,634
<b>Total Investments in Securities</b>					
Cost of (\$624,293,847)					624,084,382
<b>Deposit Balances in Custodian Banks (1%)*</b>					
U.S. Bank N.A.		3,886,482	0.10-Var.	0.10	3,886,482
Cost of (\$3,886,482)					3,886,482

\* Denotes percentage of net assets \*\* Denotes securities purchased with a zero coupon rate  
The accompanying notes are an integral part of these financial statements

## STATEMENT OF NET ASSETS (PRIME PORTFOLIO) – JUNE 30, 2022

INVESTMENTS, AT FAIR VALUE

### Other Assets

Accrued Interest Receivable	\$162,844
Receivable for Shares Sold	4,000,000
Total Assets	<u>632,133,708</u>

### Less Liabilities

Administration and Investment Advisory Fees	52,000
Miscellaneous Payable	193
Total Liabilities	<u>52,193</u>
Net Assets	<u>\$632,081,515</u>

### Components of Capital

Capital (Par Value)	\$632,290,980
Unrealized Depreciation on Investments	(209,465)
Net Assets	<u>\$632,081,515</u>

### Outstanding Participant Shares

632,290,980

### Net Asset Value per Share

\$1.00

*The accompanying notes are an integral part of these financial statements*

## STATEMENT OF OPERATIONS

Year Ended June 30, 2022 for NYCLASS

For the Period January 26, 2022 (Inception) through June 30, 2022 for NYCLASS Prime

	NYCLASS	NYCLASS Prime
Investment Income	\$10,403,507	\$781,777
Expenses:		
Administration and Investment Advisory Fees	5,001,581	126,154
Administration and Investment Advisory Fees Waived	(1,493,411)	(50,165)
Administration and Investment Advisory Fees Net	3,508,170	75,989
Net Investment Income	6,895,337	705,788
Net Realized Loss on Investments	(7,159)	-
Change in Net Unrealized Depreciation on Investments	(2,767,364)	(209,465)
Net Realized Loss and Unrealized Depreciation on Investments	(2,774,523)	(209,465)
Net Increase in Net Assets Resulting from Operations	\$4,120,814	\$496,323

## STATEMENTS OF CHANGES IN NET ASSETS

Years Ended June 30, 2022 and June 30, 2021 for NYCLASS

For the Period January 26, 2022 (Inception) through June 30, 2022 for NYCLASS Prime

	NYCLASS		NYCLASS Prime	
	2022	2021	2022	2021
From Investment Activities:				
Net Investment Income	\$6,895,337	\$2,474,275	\$705,788	\$ -
Net Change in Unrealized Depreciation on Investments	(2,767,364)	(741,873)	(209,465)	-
Realized Gain/(Loss) on Investments	(7,159)	59,809	-	-
Net Increase in Net Assets Resulting from Operations	4,120,814	1,792,211	496,323	-
Distributions to Participants from Net Investment Income	(6,888,178)	(2,474,275)	(705,788)	-
Distributions to Participants from Net Realized Gain	-	(59,809)	-	-
Net Increase in Net Assets from Share Transactions	867,049,648	3,261,300	632,290,980	-
Net Increase in Net Assets	864,282,284	2,519,427	632,081,515	-
Net Assets:				
Beginning of Period	3,369,564,752	3,367,045,325	-	-
End of Period	\$4,233,847,036	\$3,369,564,752	\$632,081,515	\$ -

*The accompanying notes are an integral part of these financial statements*



## NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2022

### Note 1. Description of NYCLASS and Significant Accounting Policies

The New York Cooperative Liquid Assets Securities System - ("NYCLASS") or ("Cooperative") was established on September 19, 1989, as a cooperative investment arrangement organized under the NYCLASS Municipal Cooperation Agreement made pursuant to New York General Municipal Law, Article 3A and 5-G. NYCLASS is available for investment by any New York State Municipal Cooperation or District. The purpose of NYCLASS is to enable such entities to cooperate in the investment of their available funds. NYCLASS Prime began operations on January 26, 2022 and is available for investment by any city in New York having a population of one million or more and any county in New York. The Lead Participant of NYCLASS is the Village of Potsdam. The Lead Participant, acting through an appropriate fiscal officer ("Lead Fiscal Officer"), is primarily responsible for executing the provisions of the Municipal Cooperation Agreement. NYCLASS and NYCLASS Prime operate like money market mutual funds with each share valued at \$1.00. The Cooperative is an investment company and follows the accounting and reporting guidance in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946.

NYCLASS and NYCLASS Prime are rated AAAM by S&P Global Ratings.

#### Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The following significant accounting policies are also in conformity with accounting principles generally accepted in the United States of America for investment companies. Such policies are consistently followed by the Cooperative in the preparation of the financial statements.

#### Securities Valuation

Securities, other than repurchase agreements, are valued at the most recent market bid price as obtained from one or more market makers for such securities. Repurchase agreements are recorded at cost, which approximates fair value.

#### Securities Transactions and Investment Income

Securities transactions are accounted for on a trade date basis. Realized gains and losses from securities transactions are recorded on a specific identification basis. Interest income is recognized on the accrual basis and includes amortization of premiums and accretion of discounts.

The amortization of premium and accretion of discount accrual method utilized is straight line and it is deemed that there is no significant difference compared to the effective interest method.

#### Distributions to Participants

Distributions from net investment income are declared and posted to participants' accounts daily. The Cooperative's policy is to distribute net realized capital gains, if any, in a reasonable time frame after the gain is realized.

#### Income Taxes

NYCLASS is not subject to federal, state or local income taxes, and accordingly no tax provision has been made. NYCLASS files tax returns annually. NYCLASS is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months. NYCLASS's federal tax returns for the prior three fiscal years remains subject to examination by the Internal Revenue Service.

### Note 2. Fair Value Measurements

In accordance with FASB guidance, the Cooperative utilizes ASC 820 "Fair Value Measurement and Disclosure" to define fair value, establish a framework for measuring fair value and expand disclosure requirements regarding fair value measurements. ASC 820 does not require new fair value measurements, but is applied to the extent that other accounting pronouncements require or permit fair value measurements. The standard emphasizes that fair value is a market-based measurement that should be determined based on the assumptions that market participants would use in pricing an asset or liability. Various inputs are used in determining the value of the Cooperative's investments defined pursuant to this standard.

These inputs are summarized into three broad levels:

- Level 1 – Quoted prices in active markets for identical securities.
- Level 2 – Prices determined using other significant observable inputs. Observable inputs are inputs that reflect the assumptions market participants would use in pricing a security and are developed based on market data obtained from sources independent of the reporting entity. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk and others. Debt securities are valued in accordance with the evaluated bid price supplied by the pricing service and are generally categorized as Level 2 in the hierarchy. Securities that are categorized as Level 2 in the hierarchy include, but are not limited to, repurchase agreements, U.S government agency securities, corporate securities and commercial paper.
- Level 3 – Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs are inputs that reflect the reporting entities own assumptions about the factors market participants would use in pricing the security and would be based on the best information available under the circumstances.

There have been no significant changes in valuation techniques used in valuing any such positions held by the Cooperative since the beginning of the fiscal year. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of inputs used as of June 30, 2022 to value the Cooperative's investments in securities and other financial instruments is included in the "Valuation Inputs Summary" and "Level 3 Valuation Reconciliation of Assets" (if applicable) as noted below.

### Valuation Inputs Summary (for the fiscal period ended June 30, 2022)

#### NYCLASS Portfolio

Investments in Securities at Value*	Valuation Inputs			
	Level 1	Level 2	Level 3	Total
Repurchase Agreements	\$ -	\$1,151,932,927	\$ -	\$1,151,932,927
U.S. Government Treasury Securities	-	2,228,081,678	-	2,228,081,678
Total	\$ -	\$3,380,014,605	\$ -	\$3,380,014,605

\* For the year ended June 30, 2022 the NYCLASS Portfolio did not have significant unobservable inputs (Level 3) used in determining fair value. Thus, a reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining fair value is not applicable.

#### NYCLASS Prime Portfolio

Investments in Securities at Value*	Valuation Inputs			
	Level 1	Level 2	Level 3	Total
Commercial Paper	\$ -	\$302,764,634	\$ -	\$302,764,634
Money Market Funds	268,043,650	-	-	268,043,650
U.S. Government Treasury Securities	-	53,276,098	-	53,276,098
Total	\$268,043,650	\$356,040,732	\$ -	\$624,084,382

\* For the period ended June 30, 2022 the NYCLASS Prime Portfolio did not have significant unobservable inputs (Level 3) used in determining fair value. Thus, a reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining fair value is not applicable.

The portfolio recognizes transfers between the levels as of the beginning of the fiscal year.

### Note 3. Deposits and Investments

#### Deposits

At June 30, 2022, the cash deposit balances at the custodian banks were \$843,464,076 for the NYCLASS portfolio and \$3,886,482 for the NYCLASS Prime portfolio. As a result, approximately 20% of the total assets held by the NYCLASS portfolio and 1% of the total assets held by the NYCLASS Prime portfolio are concentrated at five custodian banks - Dime Bank, Israel Discount Bank, Quontic Bank, TD Bank N.A. and U.S. Bank N.A.. All deposits were fully collateralized by irrevocable letters of credit from the Federal Home Loan Bank or were held in FDIC insured bank accounts. NYCLASS and NYCLASS Prime share a deposit account at U.S. Bank N.A. to facilitate participant contributions and withdrawals. Transactions for the individual portfolios are documented on separate accounting records and the deposit balance attributable to each is noted therein.

Interest earned on bank deposit investment vehicles as a percentage of total interest earned accounted for 55% on the NYCLASS portfolio and less than 0.10% for the NYCLASS Prime portfolio for the year ending June 30, 2022. All portfolio holdings are collateralized in accordance with General Municipal Law (GML) Section 10.

## Custodian

From July 1, 2021 through August 15, 2021 Wells Fargo Bank, N.A. served as the custodian for the Cooperative's portfolio. Effective August 16, 2021 U.S. Bank began serving as the custodian for the Cooperative's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Cooperative's investment portfolios and provides services as the depository in connection with direct investment and withdrawals. The custodian's internal records segregate investments owned by the Cooperative. The Cooperative may also use Bank Leumi USA, Bank of America N.A., The Bank of New York Mellon, Bank of the West, CIT Bank N.A., Citibank N.A., Citizens Bank N.A., Dime Community Bank, Hanover Community Bank, HSBC Bank USA N.A., J.P. Morgan Chase Bank N.A., M&T Bank Corp., Metropolitan Commercial Bank, OceanFirst Bank, Pathfinder Commercial Bank, Pioneer Bank, PNC Bank N.A., Santander Bank N.A., State Street Bank and Trust Co., TD Bank N.A., Truist Bank, US Bank N.A. and Wells Fargo Bank N.A. as a safekeeping agent for overnight deposit balances.

## Risk Disclosure

The portfolios are subject to the following risks:

- **Counterparty Risk** – Counterparty risk is the risk that the counterparty or a third party will not fulfill its obligation to the Cooperative.
- **Interest Rate Risk** – Interest rate risk is the risk that the value of fixed-income securities will generally decline as prevailing interest rates rise, which may cause the Cooperative's NAV to likewise decrease, and vice versa.
- **Market Risk** – Market risk is the daily potential for an investor to experience losses from fluctuations in securities prices. Market risk cannot be diversified away.
- **Credit Risk** – Credit Risk is the risk an issuer will be unable to make principal and interest payments when due, or will default on its obligations.

## Investment in Securities

New York State statutes specify investments meeting defined rating and risk criteria in which local government investment pools may invest. The Board of Trustees has further limited investment instruments for the Cooperative.

NYCLASS may invest in the following:

- Any security issued by, fully guaranteed by, or for which the full credit of the United States Treasury is pledged for payment.
- Obligations of the State of New York.
- Obligations issued pursuant to section 24.00 or 25.00 of the local finance law (with the approval of the State Comptroller) by any municipality, school district or district corporation not participating in the Cooperative.
- Special time deposit accounts in, or certificates of deposit issued by, a bank or trust company located and authorized to do business in the State of New York, collateralized in accordance with the provisions of General Municipal Law, Section 10, or in accordance with all of the following conditions:
  1. The moneys are invested through a bank or trust company located and authorized to do business in New York.
  2. The bank or trust company arranges for the deposit of moneys in certificates of deposit in one or more banking institutions, as defined by section nine-r of the banking law, for the account of NYCLASS.
  3. The full amount of the principal and accrued interest of each such certificate of deposit must be insured by the Federal Deposit Insurance Corporation.
  4. The bank or trust company acts as custodian for NYCLASS with respect to such certificates of deposit issued for NYCLASS's account.
  5. At the same time that NYCLASS's moneys are deposited and the certificates of deposit are issued for the account of NYCLASS, the bank or trust company receives an amount of deposits from customers of other financial institutions equal to or greater than the amount of the moneys invested by NYCLASS through the bank or trust company.
- Special time deposits may be maintained only with, and certificates of deposits may be purchased only from, creditworthy banks and trust companies.
- Repurchase agreements and tri-party repurchase agreements with member banks of the Federal Reserve System and/or dealers in U.S. Government Securities which have a short term issuer credit rating (actual or imputed) of at least A-1 by Standard & Poor's.

No more than 25% of the portfolio may be invested overnight with any one counterparty, unless the counterparty is rated A-1+ by Standard & Poor's, then no more than 50% of the portfolio may be invested overnight with such a counterparty.

A Master Repurchase Agreement (e.g. The Bond Market Association standard agreement, 1996 version) and applicable NYCLASS annexes must be signed by all parties and on file prior to executing any transaction.

Tri-party repurchase agreements are permissible with NYCLASS Board approved counterparties and 3rd party custodians (acting for both the party and the counterparty). Written Tri-party custodian agreements (in addition to The Bond Market Association 1996 standard repurchase agreement) must be signed by all parties and on file prior to executing any transaction.

Collateral (purchased securities) shall be limited to the following and shall be indicated as such on Schedule 1 'Schedule of Eligible Securities' of the Tri-party custodian agreement: U.S. Treasuries (Bills, Bonds, Notes, Strips), GNMA I/II Others-Fixed Rate and GNMA I/II Others-Adjust Rate.

Term repurchase agreements ("TRA's") are considered eligible investments under the following conditions:

For TRA's between 2 to 5 business days: A maximum of 10% of the portfolio with any one dealer. For TRA's with maturities of more than 5 business days: A maximum of 5% of the portfolio.

TRA's shall not exceed 30 calendar days.

TRA's shall fulfill all requirements of the 1996 version of The Bond Market Association master repurchase agreement.

The Repurchase Agreements between NYCLASS and the various approved counterparties require that the aggregate market value of all Purchased Securities from any particular counterparty be at least 102% (the "Margin") of the aggregate Purchase Price of the Purchased Securities.

The Board recognizes that market fluctuations constantly increase or decrease the value of securities; that there is value in maintaining ongoing positive relationships between NYCLASS and the various counterparties; that accepted practice in the industry allows minor deviations from strict application of margins; and that there is a cost of changing collateral securing repurchase agreements. For those reasons, the Portfolio Manager may use discretion before directing that a counterparty supply Additional Purchased Securities until such time as the Margin falls below 101.5%. If the aggregate collateral level of the counterparty falls below 101.5%, the Portfolio Manager shall notify the counterparty to provide sufficient Additional Securities to restore the margin to at least 102%. The portfolio manager will require additional collateral to return the margin to at least 102% on the next business day.

The maximum final maturity per fixed rate security fully guaranteed by, or for which the full credit of the United States Treasury is pledged for payment is 13 months (397 days).

The maximum final maturity per floating rate security fully guaranteed by, or for which the full credit of the United States Treasury is pledged for payment is two years (762 days).

The weighted average maturity to reset cannot exceed 60 days. The weighted average maturity to final cannot exceed 120 days.

NYCLASS Prime may invest in the following:

- Any security issued by, fully guaranteed by, or for which the full credit of the United States Treasury is pledged for payment.
- Obligations of, or instruments issued by or fully guaranteed as to principal and interest by, any agency or instrumentality of the United States acting pursuant to a grant of authority from the congress of the United States, including but not limited to, any federal home loan bank or banks, the Tennessee valley authority, the federal national mortgage association, the federal home loan mortgage corporation and the United States postal service, provided, however, that no more than two hundred fifty million dollars may be invested in such obligations of any one agency.
- Obligations of the State of New York.
- Obligations issued pursuant to section 24.00 or 25.00 of the local finance law (with the approval of the State Comptroller) by any municipality, school district or district corporation not participating in the Cooperative.
- General obligation bonds and notes of any state other than this state, provided that such bonds and notes receive the highest rating of at least one independent rating agency designated by the state comptroller.
- Obligations of any corporation organized under the laws of any state in the United States maturing within two hundred seventy days, provided that such obligations receive the highest rating of two independent rating services designated by the state comptroller and that the issuer of such obligations has maintained such ratings on similar obligations during the preceding six months, provided, however, that the issuer of such obligations need not have received such rating during the prior six month period if such issuer has received the highest rating of two independent rating services designated by the state comptroller and is the successor or wholly owned subsidiary of an issuer that has maintained such ratings on similar obligations during the preceding six month period or if the issuer is the product of a merger of two or more issuers, one of which has maintained such ratings on similar obligations during the preceding six month period, provided, however, that no more than two hundred fifty million dollars may be invested in such obligations of any one corporation.
- Bankers' acceptances maturing within two hundred seventy days which are eligible for purchase in the open market by federal reserve banks and which have been accepted by a bank or trust company which is organized under the laws of the United States or of any state thereof and which is a member of the federal reserve system and whose short-term obligations receive the highest rating of two independent rating services designated by the state comptroller and that the issuer of such obligations has maintained such ratings on similar obligations during the preceding six months, provided, however, that the issuer of such obligations need not have received such rating during the prior six month period if such issuer has received

the highest rating of two independent rating services designated by the state comptroller and is the successor or wholly owned subsidiary of an issuer that has maintained such ratings on similar obligations during the preceding six month period or if the issuer is the product of a merger of two or more issuers, one of which has maintained such ratings on similar obligations during the preceding six month period, provided, however, that no more than two hundred fifty million dollars may be invested in such bankers' acceptances of any one bank or trust company.

- Special time deposit accounts in, or certificates of deposit issued by, a bank or trust company located and authorized to do business in the State of New York, collateralized in accordance with the provisions of General Municipal Law, Section 10, or in accordance with all of the following conditions:
  1. The moneys are invested through a bank or trust company located and authorized to do business in New York.
  2. The bank or trust company arranges for the deposit of moneys in certificates of deposit in one or more banking institutions, as defined by section nine-r of the banking law, for the account of NYCLASS.
  3. The full amount of the principal and accrued interest of each such certificate of deposit must be insured by the Federal Deposit Insurance Corporation.
  4. The bank or trust company acts as custodian for NYCLASS with respect to such certificates of deposit issued for NYCLASS's account.
  5. At the same time that NYCLASS's moneys are deposited and the certificates of deposit are issued for the account of NYCLASS, the bank or trust company receives an amount of deposits from customers of other financial institutions equal to or greater than the amount of the moneys invested by NYCLASS through the bank or trust company.
- Special time deposits may be maintained only with, and certificates of deposits may be purchased only from, creditworthy banks and trust companies.
- Repurchase agreements and tri-party repurchase agreements with member banks of the Federal Reserve System and/or dealers in U.S. Government Securities which have a short term issuer credit rating (actual or imputed) of at least A-1 by Standard & Poor's.
- No-load money market mutual funds registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, 2 as amended, provided that such funds are limited to investments in obligations issued or guaranteed by the United States of America or in obligations of agencies or instrumentalities of the United States of America where the payment of principal and interest are guaranteed by the United States of America (including contracts for the sale and repurchase of any such obligations), and are rated in the highest rating category by at least one nationally recognized statistical rating organization, provided, however, that no more than two hundred fifty million dollars may be invested in such funds.

No more than 25% of the portfolio may be invested overnight with any one counterparty, unless the counterparty is rated A-1+ by Standard & Poor's, then no more than 50% of the portfolio may be invested overnight with such a counterparty.

A Master Repurchase Agreement (e.g. The Bond Market Association standard agreement, 1996 version) and applicable NYCLASS annexes must be signed by all parties and on file prior to executing any transaction.

Tri-party repurchase agreements are permissible with NYCLASS Board approved counterparties and 3rd party custodians (acting for both the party and the counterparty). Written Tri-party custodian agreements (in addition to The Bond Market Association 1996 standard repurchase agreement) must be signed by all parties and on file prior to executing any transaction. Tri-party repurchase agreements shall not exceed 30 calendar days.

Collateral (purchased securities) shall be limited to the following and shall be indicated as such on Schedule 1 'Schedule of Eligible Securities' of the Tri-party custodian agreement: U.S. Treasuries (Bills, Bonds, Notes, Strips), GNMA I/II Others-Fixed Rate and GNMA I/II Others-Adjust Rate.

Term repurchase agreements ("TRA's") are considered eligible investments under the following conditions:

For TRA's between 2 to 5 business days:

A maximum of 10% of the portfolio with any one dealer

For TRA's with maturities of more than 5 business days: A maximum of 5% of the portfolio.

TRA's shall not exceed 30 calendar days.

TRA's shall fulfill all requirements of the 1996 version of The Bond Market Association master repurchase agreement.

The Repurchase Agreements between NYCLASS and the various approved counterparties require that the aggregate market value of all Purchased Securities from any particular counterparty be at least 102% (the "Margin") of the aggregate Purchase Price of the Purchased Securities.

The Board recognizes that market fluctuations constantly increase or decrease the value of securities; that there is value in maintaining ongoing positive relationships between NYCLASS and the various counterparties; that accepted practice in the industry allows minor deviations from strict application of margins; and that there is a cost of changing collateral securing repurchase agreements. For those reasons, the Portfolio Manager may use discretion before directing that a counterparty supply Additional Purchased Securities until such time as the Margin falls below 101.5%. If the aggregate collateral level of the counterparty falls below 101.5%, the Portfolio Manager shall notify the counterparty to provide sufficient Additional Securities to restore the margin to at least 102%. The portfolio manager will require additional collateral to return the margin to at least 102% on the next business day.



The maximum final maturity per fixed rate security fully guaranteed by, or for which the full credit of the United States Treasury is pledged for payment is 13 months (397 days).

The maximum final maturity per floating rate security fully guaranteed by, or for which the full credit of the United States Treasury is pledged for payment is two years (762 days).

The weighted average maturity to reset cannot exceed 60 days and weighted average maturity to final cannot exceed 120 days.

Investments may be categorized as follows: (1) insured or registered or for which the securities are held by the Cooperative or the custodian bank in the Cooperative's name (2) uninsured and unregistered for which the securities are held by the broker's or dealer's Cooperative department or agent in the Cooperative's name or (3) uninsured and unregistered for which the securities are held by the broker or dealer or by its Cooperative department or agent but not in the Cooperative's name.

All investments fall under the categorization of (3) as mentioned in the preceding paragraph.

#### Note 4. Repurchase Agreements

Transactions involving purchases of securities under agreements to resell are treated as collateralized financing transactions and are recorded at their contracted resell amounts. In addition, interest on both types of transactions is included in interest receivable. The custodian bank reports the market value of the collateral securities to the Cooperative on at least a weekly basis. Funds are released from the Cooperative's portfolios for repurchase agreements only when collateral has been wired to the custodian bank, and for the period ended June 30, 2022, the Trust held no uncollateralized repurchase agreements. If the seller of the agreement defaults and the value of the collateral declines, the immediate realization of the full amount of the agreement by the Cooperative may be limited. At June 30, 2022, securities with a fair value of approximately \$1,174,983,843 were received as collateral for securities purchased under agreements to resell for the NYCLASS portfolio. NYCLASS may use Bank of America N.A., Bank of Montreal, BofA Securities Inc., Citigroup Global Markets, Credit Agricole CIB NY, Goldman Sachs & Co., J.P. Morgan Securities LLC, Royal Bank of Canada NY, UBS Securities LLC and Wells Fargo Bank N.A. as a safekeeping agent for repurchase agreements. Interest earned on repurchase agreements as a percentage of total interest earned accounted for 34% on the NYCLASS portfolio for the year ending June 30, 2022. The NYCLASS Prime portfolio did not invest in repurchase agreements during the period.

#### Note 5. Administration and Investment Advisory Fees

Investment advisory services and administration and marketing services are provided by Public Trust Advisors, LLC (PTA). The Cooperative's fees are calculated daily and paid monthly. The Daily Fee shall be calculated as follows: The Investment Property Value is multiplied by the Applicable Fee Rate and is divided by 365 or 366 days in the event of a leap year to equal the Daily Fee accrual. The Investment Property Value shall be based on the prior days net assets. For weekend days and holidays, the net assets for the previous business day will be utilized for the calculation of fees. The Applicable Fee Rate shall be determined monthly on the first business day of each month and shall be as follows:

NYCLASS:

	Current Day's Shares Outstanding Balance	Fee %
First	1,000,000,000	.15%
Next	1,000,000,000	.14%
Over	2,000,000,001	.12%

NYCLASS PRIME:

	Current Day's Shares Outstanding Balance	Fee %
First	1,000,000,000	.15%
Next	1,000,000,000	.14%
Over	2,000,000,001	.12%

Fees may be waived or abated at any time, or from time to time, at the sole discretion of PTA. Any such waived fees may be restored by the written agreement of the Board of Trustees in its sole discretion. For the fiscal year ended June 30, 2022, fees of \$1,493,411 were waived in NYCLASS and fees of \$50,165 were waived in NYCLASS Prime.

## Note 6. Share Transactions

Transactions in shares during the twelve months ended June 30, 2022 and 2021 for the NYCLASS portfolio were as follows:

	2022	2021
Shares sold	5,312,535,916	5,002,954,254
Shares issued on reinvestment of distributions	6,888,178	2,534,084
Shares redeemed	(4,452,374,446)	(5,002,227,038)
Net increase	867,049,648	3,261,300

At June 30, 2022, one participant held more than a 5% participation interest in the Cooperative. The holding of this participant is approximately 6% of the portfolio at June 30, 2022. Investment activities of this participant could have a material impact on NYCLASS.

Transactions in shares during the six months from inception date of January 26, 2022 through June 30, 2022 for the NYCLASS Prime portfolio were as follows:

	2022
Shares sold	657,905,270
Shares issued on reinvestment of distributions	705,788
Shares redeemed	(26,320,078)
Net increase	632,290,980

At June 30, 2022, seven participants held more than a 5% participation interest in the Cooperative. The holdings of these participants are approximately 73% of the portfolio at June 30, 2022. Investment activities of this participant could have a material impact on NYCLASS Prime.

## Note 7. Financial Highlights for a Share Outstanding Throughout Each Period

	NYCLASS				
	Years Ended June 30,				
	2022	2021	2020	2019	2018
Per Share Data					
Net Asset Value - Beginning of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Net Investment Income Earned and Distributed to Shareholders	\$0.002	\$0.001	\$0.013	\$0.022	\$0.013
Net Asset Value - End of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
TOTAL RETURN	0.160%	0.074%	1.425%	2.149%	1.210%
RATIOS					
Net Assets-End of period (\$000 Omitted)	\$4,233,847	\$3,369,565	\$3,367,045	\$2,492,546	\$1,220,201
Ratio of Expenses to Average Net Assets Gross	0.133%	0.135%	0.140%	0.140%	0.120%
Ratio of Expenses to Average Net Assets Waived	0.040%	0.044%	0.000%	0.000%	0.000%
Ratio of Expenses to Average Net Assets	0.093%	0.090%	0.140%	0.140%	0.120%
Ratio of Net Investment Income to Average Net Assets	0.184%	0.074%	1.340%	2.173%	1.282%

**NYCLASS Prime**  
Period Ended June 30,

2022

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Per Share Data

Net Asset Value - Beginning of Period	\$1.00
Net Investment Income Earned and Distributed to Shareholders	\$0.003
Net Asset Value - End of Period	\$1.00
TOTAL RETURN	0.249%

RATIOS

Net Assets-End of period (\$000 Omitted)	\$632,082
Ratio of Expenses to Average Net Assets Gross	0.008% <sup>1</sup>
Ratio of Expenses to Average Net Assets Waived	0.003% <sup>1</sup>
Ratio of Expenses to Average Net Assets	0.005% <sup>1</sup>
Ratio of Net Investment Income to Average Net Assets	0.807% <sup>1</sup>

<sup>1</sup> All ratios are presented on an annualized basis

**Note 8. Subsequent Events**

In accordance with the provisions set forth in ASC 855-10, Subsequent Events, Management has evaluated the possibility of subsequent events existing in the Cooperative's financial statements. Management has determined that there were no material events that would require disclosure in the Cooperative's financial statements as of August 22, 2022, which is the date the financial statements were available to be issued.

**Note 9. Related Parties**

All Trustees of NYCLASS are officers of participating governments.

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