

Nassau County Sewer and Storm Water Finance Authority 2015 Annual Investment Report

March 29, 2016

Most of the revenues of the Nassau County Sewer and Storm Water Finance Authority (the “Authority”) are derived through the imposition by Nassau County (the “County”) of assessments for sewer and storm water resources services. The County has directed each city and town receiver of taxes to pay all such assessments directly to the trustee for the Authority’s bonds. During 2015, the Authority retained sufficient funds to service all debt, and pay its operating expenses. Excess funds were remitted to the Nassau County Sewer and Storm Water Resources District, which is responsible for paying for the operations of the County’s sewer and storm water resources services. The Bank of New York Mellon was paid trustee fees of \$3,000 in 2015. The Authority’s 2015 financial statements were audited by RSM US LLP. The audit fee for 2015 and 2014 was \$32,000 for each year. The Authority does not pay any other fees to any investment banker, broker, agent or dealer for investment services.

Investment income was \$2,463 and \$3,269 in 2015 and 2014, respectively.

The Authority invests in accordance with the applicable law, authorizing resolutions, and the Authority’s Investment Guidelines. The Authority considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Investments are recorded at fair value, which includes accrued interest receivable. Revenue and losses related to investments, including interest earned, changes in fair values and realized gains and losses are reported in the statement of revenues, expenditures, and changes in fund balances. Fair value is determined using quoted market values as of December 31, 2015. During 2015, the Authority invested available cash in money market accounts. Investments are purchased through the Bank of New York Mellon.

As of December 31, 2015, the Authority’s total cash and cash equivalents was \$4,060,390. As of December 31, 2014, the Authority’s total cash and cash equivalents was \$1,445,539.

Below is a chart showing the breakdown of total cash and cash equivalents, operating expenses, and investment income for the years ended 12/31/15 and 12/31/14.

Nassau County Sewer and Storm Water Finance Authority

Year Ended December 31,

<u>Cash and Cash Equivalents</u>	<u>2015</u>	<u>2014</u>
Cash	\$92,328	\$212,341
Investments	<u>3,968,062</u>	<u>1,233,198</u>
Total Cash & Cash Equivalents	\$4,060,390	\$1,445,539
 <u>Operating Expenses</u>		
Trustee Fee (BoNY)	\$3,000	\$34,100
Auditor (RSM)	<u>32,000</u>	<u>32,000</u>
Total	\$35,000	\$66,100
 <u>Investment Income</u>		
Investment Income	\$2,463	\$3,269

Included herewith are the Investment Guidelines of the Authority, which are based on applicable law and the investment policy of the County. The Authority's annual independent audit for fiscal year 2015, which includes the Authority's investments, was presented to and accepted by the Authority on March 29, 2016.

This report has been prepared under the direction of the County Treasurer in accordance with Section 3.09 of the Financing Agreement dated as of October 1, 2014 between the County and this Authority.