

Nassau County Sewer and Storm Water Finance Authority 2023 Annual Investment Report

December 18, 2024

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 remit all such assessments directly to the trustee for the Authority’s bonds. During 2023, the Authority retained sufficient funds to service all Authority debt and pay its operating expenses. The remaining funds were remitted to the County on behalf of 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 \$1,500 in 2023. The Authority’s 2023 financial statements were audited by Mayer Hoffman McCann CPAs (“MHM”). The audit fee paid in 2023 (for the 2022 audit) and 2022 (for the 2021 audit) was \$29,250 and \$28,000, respectively. The Authority does not pay any other fees to any investment banker, broker, agent or dealer for investment services.

Investment income was \$598,696 and \$131,782 in 2023 and 2022, 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 31st. During 2023, the Authority invested available cash in money market accounts and U.S. Treasury bills. Investments in securities are executed by Bank of New York Mellon through the BNY Mellon Capital Markets, LLC (“BNYMCM”). BNYMCM is compensated for securities transactions based on agreed upon spreads.

As of December 31, 2023, and 2022, the Authority’s total cash, cash equivalents and investments were \$1,670,662 and \$2,005,296, respectively.

Below is a chart showing the breakdown of total cash, cash equivalents and investments, operating expenses, and investment income for the years ended 12/31/23 and 12/31/22.

Nassau County Sewer and Storm Water Finance Authority

Year Ended December 31,

<u>Cash, Cash Equivalents and Investments</u>	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$129,034	\$126,732
Investments	<u>1,541,628</u>	<u>1,878,564</u>
Total	\$1,670,662	\$2,005,296
<u>Operating Expenses</u>		
Trustee Fee (BoNY)	\$1,500	\$1,500
Insurance (Arthur Gallagher)	1,750	0
Software (SS&C Technologies)	0	5,500
Compliance (BLX Group)	9,150	0
Auditor (MHM)	<u>29,250</u>	<u>28,000</u>
Total Operating Expenses	\$41,650	\$35,000
<u>Investment Income</u>		
Investment Income	\$598,696	\$131,782

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 2023, which includes the Authority's investments, was presented to and accepted by the Authority on March 14, 2024.

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.