

Nassau County Industrial Development Agency
Investment Report

Period January 1 through December 31, 2011

Section 2925(6) of the New York Public Authorities Law requires that Industrial Development Agencies prepare and approve an investment report annually.

A copy of the Investment and Deposit Policy of the Nassau County Industrial Development Agency (the “Agency”) in effect for the reporting period is attached hereto and incorporated herein by reference. No amendment of the Investment and Deposit Policy were made during the reporting period.

Investment Income and Activity

During the fiscal and calendar year 2011, NCIDA’s operating account was maintained in a checking account at State Bank of Long Island and a Money Market Account at Capital One Bank. Interest Income was earned on both accounts. The deposits at both banks were fully collateralized. Deposits up to \$250,000 were guaranteed by the (Federal Deposit Insurance Corporation (FDIC) and deposits above \$250,000 were protected and collateralized via custodian agreements and pledges of eligible securities at both banks. All pledged eligible securities per these agreements were held by Bank of New York Mellon, as custodian (the “Custodian”).

For the full year 2011, the operating account at State Bank earned \$171 of interest, and the Money Market account at Capital One Bank earned \$9,233 of interest. The account balances as of December 31, 2011 were \$469,323 for the operating account and \$1,958,232 for the Money Market account.

These amounts of earnings were consistent with the amounts budgeted for calendar year 2011. The Corporation paid no fees, commissions, or other charges to any investment banker, broker, dealer, or advisor rendering investment services during the reporting period.

Investment Objectives

Pursuant to NCIDA's Investment and Deposit Policy, the objectives of NCIDA with respect to its investments and policies are, in order of priority:

1. to conform with all applicable federal, state and other legal requirements (legal);
2. to adequately safeguard principal (safety);
3. to provide sufficient liquidity to meet all operating requirements (liquidity); and
4. to obtain a reasonable rate of return (yield).

Legal

All of NCIDA's investments and deposits are maintained at depositories in compliance with all applicable federal, state and other legal requirements, including, without limitation, the requirements of Sections 10 and 11 of the General Municipal law.

Safety

State Bank and Capital One Bank are the depositories authorized and designated by resolutions of the members of NCIDA.

As of December 31, 2011, NCIDA's cash balances maintained at the designated depositories are fully insured by the FDIC for the first \$250,000 and the balance of such deposits are collateralized with eligible securities held by the Custodian and pledged to NCIDA.

Liquidity

NCIDA continues to have sufficient liquidity to pay its known and foreseeable expenses and liabilities.

Return

NCIDA receives market rates of interest on its deposits and investments.

Investment & Deposit Policy

In accordance with Section 2925 of the Public Authorities Law, the directors of the NCIDA adopted an Investment & Deposit Policy on December 20, 2010.

Investment Audit

The auditors of the NCIDA, AVZ, have audited compliance with the Corporation's Investment & Deposit Policy. In their report dated March 26, 2012, AVZ indicated that the Corporation complied, in all material respects with the Investment & Deposit Policy.