

## Nassau County Interim Finance Authority

**FOR IMMEDIATE RELEASE**

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**CONTACT:**

**Jeremy Wise**

**(516) 248-2899**

### Sales Tax-Secured Bonds Sold By NIFA Financing Saves County Over \$37.5 Million

**Mineola, NY – April 6, 2004** – The Nassau County Interim Finance Authority (NIFA) today announced that it successfully priced \$603,360,000 of Sales Tax-Secured Bonds Series 2004 on Wednesday, March 31 for both new money and the refinancing of previously issued debt.

A portion of the bonds in the amount of \$147,100,000 were issued to finance Nassau County capital needs and tax certiorari judgments and settlements; \$9,160,000 were issued to restructure County debt service; and \$447,100,000 were used to refund NIFA and Nassau County debt to achieve debt service savings.

The refunding produced net present value savings of approximately \$37.5 million, representing 8.8% of refunded bonds. The cash budgetary savings for the County are \$11.6 million for 2004, \$11.1 million for 2005 and \$11.1 million for 2006, with the remaining savings over the term of the bonds.

The Nassau County Interim Finance Authority was created by legislation signed into law by Governor Pataki in 2000, and has put Nassau County on the road back to fiscal responsibility and restored integrity and discipline to the County's finances. Today's announcement further demonstrates that NIFA continues to provide Nassau taxpayers with significant fiscal savings.

“We’re extremely pleased with the bond sale, especially the nearly \$34 million in cash savings we were able to produce during 2004-6 for the County and its taxpayers,” said Ronald A. Stack, Chairman of NIFA. “The market responded very favorably to the offering, which demonstrates confidence in the role NIFA plays in assisting with Nassau County’s return to fiscal soundness, and the steps the County has taken to secure its own long-term financial well-being.”

To enhance the savings to the County, the Series 2004 bonds were sold in two parts. The Series 2004A bonds were fixed-rate bonds and the Series 2004 ARS bonds were variable rate auction-rate bonds. NIFA entered into interest rate exchange agreements in connection with the Series 2004 ARS bonds for the purpose of converting the Authority’s variable rate exposure relating to the ARS bonds to a fixed rate.

Last week started with the municipal market trading down significantly. On Wednesday, the market regained its bearings and stabilized. NIFA priced the Series 2004A bonds Wednesday morning and secured significant institutional investor interest. The interest rate exchange agreements were simultaneously priced and executed. Based on both transactions, NIFA achieved a true interest cost of 3.12% on its financing.