

**NASSAU COUNTY LOCAL ECONOMIC
ASSISTANCE CORPORATION**

FINANCIAL STATEMENTS

Year Ended December 31, 2011

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Nassau County Local Economic Assistance Corporation
Mineola, New York

We have audited the accompanying balance sheet of the Nassau County Local Economic Assistance Corporation (the "Corporation"), a component unit of Nassau County, New York, as of December 31, 2011, and the related statement of revenues, expenses, and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used, and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Corporation, as of December 31, 2011, and the results of their operations, changes in their net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2012, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 5, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Albrecht, Viggiano, Zwick & Co., P.C.

Hauppauge, New York
March 26, 2012

REQUIRED SUPPLEMENTARY INFORMATION
Management's Discussion and Analysis

NASSAU COUNTY LOCAL ECONOMIC ASSISTANCE CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2011

This section presents management's analysis of the Nassau County Local Economic Assistance Corporation (the "Corporation") financial condition and activities for the year ended December 31, 2011. The year ended December 31, 2011 was the first year of operation for the Corporation. Please, read this information in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

- On September 20, 2010, the Nassau County Legislature adopted a resolution authorizing the formation of the Nassau County Local Economic Assistance Corporation as a local development corporation pursuant to Section 1411 of the New York Not-for-Profit Corporation Law. There was no financial activity during 2010, therefore, 2010 information has not been presented.
- The assets of the Corporation exceeded its liabilities at the close of 2011 by \$167,163 (net assets).
- Unrestricted net assets represent the portion available to maintain the Corporation's continuing obligations. As of December 31, 2011, the unrestricted portion of net assets for the Corporation was \$167,163.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis ("MD&A") serves as an introduction to the basic financial statements. The MD&A represents management's examination and analysis of the Corporation's financial condition and performance. Summary financial statement data, key financial and operational indicators used in the Corporation's strategic plan, operating plan, bond covenants and other management tools were used for this analysis.

The financial statements report information about the Corporation. The Corporation applies full accrual accounting methods as used by similar business activities in the private sector. The statements offer short and long-term financial information.

The financial statements include balance sheet, statement of revenues, expenses, and changes in net assets, statement of cash flows and notes to the financial statements. The balance sheet includes all of the Corporation's assets and liabilities, and provides information about the nature and amount of investments.

The statement of revenues, expenses, and changes in net assets presents the results of the Corporation's activities over the course of the year and information as to how the net assets changed during the year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. This statement also provides information about whether the Corporation has successfully recovered its costs through its user fees and other charges, profitability and credit worthiness.

The statement of cash flows presents changes in cash and cash equivalents resulting from operating, financing and investing activities.

The notes to the financial statements provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the Corporation's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

NASSAU COUNTY LOCAL ECONOMIC ASSISTANCE CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2011

FINANCIAL ANALYSIS OF THE CORPORATION

Since this is the first year of operation for the Corporation, a comparison to the prior year is not possible. However, in future years, this section will explain the differences between the current and prior year assets, liabilities, changes in net assets, and changes in revenues and expenses.

One of the most important objectives of the financial analysis is to determine if the Corporation as a whole is better or worse off as a result of the year's activities. The balance sheet and the statement of revenues, expenses, and changes in net assets provide useful information in this regard. The statements report the net assets of the Corporation and changes in these net assets. The amount of net assets, the difference between total assets and liabilities, is a significant measure of the financial health or financial position of the Corporation. Over time, increases or decreases in the Corporation's net assets are one indicator of whether its financial health is improving or deteriorating. However, other non-financial factors, such as changes in economic conditions, population growth, zoning and new or changed government legislation, should be considered in evaluating the financial conditions of the Corporation.

The following condensed financial statements and other selected information serve as the financial data and indicators for management's monitoring and planning.

Net Assets

A summary of the Corporation's condensed balance sheet at December 31, 2011 is presented as follows:

Assets		
Current Assets		\$ 271,112
	Total Current Assets	<u>271,112</u>
Liabilities		
Current Liabilities		103,949
	Total Current Liabilities	<u>103,949</u>
Net Assets		
Unrestricted		167,163
	Total Net Assets	<u>\$ 167,163</u>

Total assets as of December 31, 2011 were \$271,112 which exceeded liabilities by \$167,163 (i.e. net assets.) Net assets are comprised of unrestricted net assets in the amount of \$167,163, which are available to support operations.

NASSAU COUNTY LOCAL ECONOMIC ASSISTANCE CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2011

FINANCIAL ANALYSIS OF THE CORPORATION (continued)

Operating Results

The Corporation's condensed statement of revenues, expenses and changes in net assets at December 31, 2011 is presented as follows:

Operating Revenues	
Charges for Services	\$ 296,556
Other Income	8,526
Total Operating Revenues	<u>305,082</u>
Operating Expenses	
Contractual Goods and Services	<u>137,929</u>
Total Operating Expenses	<u>137,929</u>
Non-Operating Income	<u>10</u>
Change in Net Assets	<u>167,163</u>
Net Assets at Beginning of Year	<u>-0-</u>
Net Assets at End of Year	<u>\$ 167,163</u>

ECONOMIC FACTORS AND NEXT YEAR'S PLAN

The unemployment rate in Nassau County has continued to be somewhat lower than national and State of New York averages. The unemployment rates for the State of New York and the United States were 8.1% and 8.9% in 2011 and 2010, respectively. In 2011, the unemployment rate in the County of Nassau was 6.7%.

The Corporation plans to continue and expand its assistance to the organizations located in the County of Nassau through:

- Federally tax-exempt and taxable revenue bonds
- Sales tax exemptions for construction materials and equipment
- Mortgage recording tax exemptions

CONTACTING THE CORPORATION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our readers with a general overview of the Corporation's finances and to show the Corporation's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Nassau County Local Economic Assistance Corporation at 1550 Franklin Avenue, Mineola, NY 11551.

FINANCIAL STATEMENTS

NASSAU COUNTY LOCAL ECONOMIC ASSISTANCE CORPORATION
BALANCE SHEET
December 31, 2011

ASSETS

Current Assets:

Cash and cash equivalents	\$ 271,112
Total Current Assets	<u>271,112</u>

LIABILITIES

Current Liabilities:

Accounts payable and accrued expenses	2,500
Due to affiliate	<u>101,449</u>
Total Current Liabilities	<u>103,949</u>

NET ASSETS

Unrestricted	<u>167,163</u>
Total Net Assets	<u>\$ 167,163</u>

See notes to the financial statements.

NASSAU COUNTY LOCAL ECONOMIC ASSISTANCE CORPORATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
Year Ended December 31, 2011

OPERATING REVENUES:

Fee Income	\$ 296,556
Other income	<u>8,526</u>
Total Operating Revenues	<u>305,082</u>

OPERATING EXPENSES:

Professional Services	35,863
Administrative Expense	95,866
Rent Expense	6,000
Office Supplies & Equipment	<u>200</u>
Total Operating Expenses	<u>137,929</u>

Net Operating Income 167,153

NON-OPERATING REVENUES:

Interest income	<u>10</u>
Total Non-Operating Revenues	<u>10</u>

Change in Net Assets 167,163

Net Assets at Beginning of Year

-0-

Net Assets at End of Year \$ 167,163

NASSAU COUNTY LOCAL ECONOMIC ASSISTANCE CORPORATION
STATEMENT OF CASH FLOWS
Year Ended December 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from providing services	\$ 305,082
Cash payments for contractual services	<u>(33,980)</u>
Net Cash Provided by Operating Activities	<u>271,102</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on investments	<u>10</u>
Net Cash Provided by Investing Activities	<u>10</u>

Net Increase in Cash 271,112

Cash and Cash Equivalents, at Beginning of Year	<u>-0-</u>
Cash and Cash Equivalents, at End of Year	<u>\$ 271,112</u>

**RECONCILIATION OF NET OPERATING INCOME (LOSS) TO
NET CASH USED BY OPERATING ACTIVITIES:**

Net operating Income	\$ 167,153
Increase in current liabilities:	
Accounts payable and accrued expenses	2,500
Due to affiliate	<u>101,449</u>
Net Cash Provided by Operating Activities	<u>\$ 271,102</u>

NASSAU COUNTY LOCAL ECONOMIC ASSISTANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

Note 1 – Summary of Significant Accounting Policies

Organization

The Nassau County Local Economic Assistance Corporation (the "Corporation") was created as a local development corporation. The Corporation was established on September 20, 2010 pursuant to Section 1411 of the New York Not-for-Profit Corporation Law. The mission of the Corporation is to operate exclusively for the public purpose and charitable purpose of benefiting and furthering the activities of Nassau County, New York, by serving as a conduit financing entity issuing taxable and tax-exempt revenue debt and providing other assistance to support the growth, expansion, on-going operations and continued viability of the non-profit sector in the County.

The Corporation provides the following incentives:

- Low-cost financing/leasing backed by tax-exempt and/or taxable bonds
- Sales tax exemptions
- Exemption for mortgage recording tax

Reporting Entity

The financial reporting entity includes all functions and activities over which the appointed officials exercise responsibility. No other governmental organization has been included or excluded from the reporting entity. Nassau County appoints the governing board of the Corporation which results in interdependency with the County. Accordingly, the Corporation has been determined to be a component unit of Nassau County.

Basis of Accounting

The Corporation uses the economic resources measurement focus and the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. The financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States, as prescribed by the Governmental Accounting Standards Board ("GASB"). GASB is the primary standard-setting body for establishing governmental accounting and financial reporting principles.

In accordance with GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting" and has elected to not apply pronouncements of the Financial Accounting Standards Board issued after November 30, 1989.

The financial statements include a balance sheet, a statement of revenues, expenses, and changes in net assets, and a statement of cash flows.

NASSAU COUNTY LOCAL ECONOMIC ASSISTANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

Note 1 – Summary of Significant Accounting Policies (continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the accrued expenses and other liabilities, depreciable lives of buildings, amortization of bond issuance costs, and contingencies. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of reporting the statement of cash flows, cash equivalents are defined as short-term highly liquid investments including certificates of deposit. The statement of cash flows presented uses the direct method.

Due to Affiliate

Due to affiliate represents amounts due to Nassau County Industrial Development Agency for office space and administrative services provided to the Corporation.

Equity Classifications

In the financial statements, equity is classified as net assets and displayed in three components:

Invested in capital assets, net of related debt — Consists of capital assets including, restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets — Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net assets — All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

When both restricted and unrestricted resources are available for use, it is the Corporation’s policy to use restricted resources first, then unrestricted resources as needed.

Revenue Recognition

The Corporation’s primary source of operating revenue is from bond issuance and straight lease fees, which are computed as a percentage of the total project. Fees are recorded as income when earned at the time of closing on the sale of bonds and straight lease agreements.

NASSAU COUNTY LOCAL ECONOMIC ASSISTANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

Note 1 – Summary of Significant Accounting Policies (continued)

Subsequent Events

Management has evaluated subsequent events through March 26, 2012 which is the date the financial statements were available to be issued.

Note 2 – Cash and Cash Equivalents

Cash and cash equivalents consist of funds deposited in demand accounts and certificates of deposit with maturities of less than three months.

The Corporation's investments are governed by a formal investment policy. The Corporation's monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Corporation is authorized to use certificates of deposit, and money market deposit accounts. Permissible investments include certificates of deposits, obligations of the United States, obligations of the State of New York, repurchase agreements, and obligations of agencies of the federal government where principal and interest are guaranteed by the United States.

Custodial Credit Risk – Deposits / Investments – Custodial credit risk for deposits exists when, in the event of the failure of a depository financial institution, a government may be unable to recover deposits, or recover collateral securities that are in possession of an outside Corporation. Custodial credit risk for investments exists when, in the event of the failure of the counterparty, a government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party.

Governmental Accounting Standards Board Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either:

- Uncollateralized,
- Collateralized with securities held by the pledging financial institution, or
- Collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Corporation's name.

At December 31, 2011, the Corporation's cash and cash equivalents were insured by the Federal Depository Insurance Corporation or collateralized by securities held in the pledging bank's trust department in the Corporation's name.

Credit Risk – State law and Corporation law limit investments to those authorized by State statutes. The Corporation has a written investment policy.

Interest-rate Risk – Interest-rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates substantially increase, thereby affording potential purchasers more favorable rates on essentially equivalent securities. Accordingly, such investments would have to be held to maturity to avoid a potential loss.

NASSAU COUNTY LOCAL ECONOMIC ASSISTANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

Note 2 – Cash and Cash Equivalents (continued)

Concentration of Credit Risk – Credit risk can arise as a result of failure to adequately diversify investments. Concentration risk disclosure is required for positions of 5 percent or more in securities of a single issuer.

As of December 31, 2011, the Corporation did not have any investments subject to credit risk, interest-rate risk or concentration of credit risk.

Note 3 – Revenues

The Corporation collects one time administration fees from the issuance of taxable bonds, tax exempt bonds and other transactions as follows:

- Taxable Bond Issues - Six-tenths of one percent (.6%) for the first twenty million dollars (\$20,000,000) of total project costs and, if applicable, two-tenths of one percent (.2%) for any additional amounts in excess of twenty million dollars (\$20,000,000) of total project costs.
- Tax-Exempt Bond Issues - Six-tenths of one percent (.6%) of total project costs.
- General Counsel Fee – One-tenth of one percent (.1%) of total project costs, with a minimum fee of \$2,000.
- Other Transactions - Six-tenths of one percent (.6%) for the first twenty million dollars (\$20,000,000) of total project costs and, if applicable, two-tenths of one percent (.2%) for any additional amounts in excess of twenty million dollars (\$20,000,000) of total project costs.
- The fees listed are subject to periodic review and may be adjusted from time to time with the authority of the Board.

The Corporation collects other fees as follows:

- All Transactions - Two thousand five hundred dollars (\$2,500) closing compliance fee payable at closing and one thousand dollars (\$1,000) per year (or part thereof) administrative fee, payable in advance, as described below.
- The following amounts are payable to the Corporation at the time the application is submitted: (i) a \$1,000 non-refundable application fee; (ii) a \$3,500 expense deposit for the Corporation's Bond Counsel fees and expenses; (iii) a \$2,500 expense deposit for the cost/benefit analysis with respect to the project contemplated by the application; and (iv) a \$500 expense deposit for the real property tax valuation analysis, if applicable, with respect to the project contemplated by the application.
- The Corporation charges a non-refundable annual fee of \$1,000 per applicant during the term of the bonds or straight lease. The fee covers the cost of annual reporting and monitoring of several transactions including the outstanding bonds.

NASSAU COUNTY LOCAL ECONOMIC ASSISTANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

Note 4 – Conduit Debt Obligations, Revenue Bonds and Note Transactions

The Corporation has issued Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance.

Neither the Corporation, the County, nor any political subdivision thereof, is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2011, there were 3 series of Revenue Bonds and Notes outstanding, with an aggregate principal amount payable of \$73,124,056, respectively.

Note 5 – Related Party Transactions

The Corporation entered into a sublicense and cooperation agreement with Nassau County Industrial Development Agency, to use office space and basement storage space in Mineola, New York, as well as provide administrative services for the Corporation, as the Corporation has officers but no employees. The officers and some of the directors of the Corporation serve in similar positions for the Nassau County Industrial Development Agency. The term of the sublicense commenced on January 1, 2011 and will terminate at such time as either party gives the other at least thirty days' notice of revocation in writing. The fee for the sublicense is \$500 per month. Rental expense totaled \$6,000 for the year ended December 31, 2011. Administrative charges totaled \$91,000 for the year ended December 31, 2011 and are included in administrative expenses. Other miscellaneous direct costs were charged to the Corporation for \$350 during the year.

Note 6 – Litigation

The Corporation is subject to litigation in the ordinary conduct of its affairs. Management does not believe, however, that if such litigation should occur, either individually or in the aggregate, is likely to have a material adverse effect on the financial condition of the Corporation.

Note 7 – Subsequent Event

On February 13, 2012 the Nassau Business Development Corporation was formed to further support and promote economic development efforts for the public purpose and charitable purpose of benefiting and furthering the activities of Nassau County, New York. The Nassau County Local Economic Assistance Corporation is the sole member of the Nassau Business Development Corporation.

Note 8 – New Pronouncements

The Governmental Accounting Standards Board (GASB) has issued Statement No. 61, "The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34". This statement amends the requirements of GASB Statement No. 14, "The Financial Reporting Entity" and GASB Statement No. 34, "Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments" to better meet user needs and to address reporting entity issues that have arisen since the issuance of those statements. The requirements of this statement become effective for the Corporation for the year ended December 31, 2013.

NASSAU COUNTY LOCAL ECONOMIC ASSISTANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

Note 8 – New Pronouncements (continued)

The Governmental Accounting Standards Board (GASB) has issued GASB Statement No. 62, "Codification of accounting and Financial Reporting Guidance Contained in Pre-November 1989 FASB and AICPA Pronouncements" The Statement objective is to incorporate pronouncements that do not contradict or conflict with GASB pronouncements. The requirements of this statement become effective for the Corporation for the year ended December 31, 2012.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." This statement will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. The requirements of this statement become effective for the Corporation for the year ended December 31, 2012.

The Corporation is currently evaluating the impact of the above pronouncements.

OTHER REPORTS



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED UPON THE AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Nassau County Local Economic Assistance Corporation
Mineola, NY

We have audited the accompanying balance sheet of the Nassau County Local Economic Assistance Corporation (the "Corporation"), a component unit of Nassau County, New York, as of December 31, 2011, and the related statement of revenues, expenses, and changes in net assets, and cash flows for the year then ended, and have issued our report thereon dated March 26, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Corporation's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

PERSONAL SERVICE. TRUSTED ADVICE. 

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Board, audit committee, management of the Corporation, Nassau County, Authority Budget Office, and the New York State Comptroller's Office and is not intended to be and should not be used by anyone other than these specified parties.

A. Albrecht, V. Gigano, Z. Zwick & Co., P.C.

Hauppauge, New York
March 26, 2012



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH CORPORATION INVESTMENT POLICY

To the Board of Directors
Nassau County Local Economic Assistance Corporation
Mineola, New York

We have examined Nassau County Local Economic Assistance Corporation's (the "Corporation"), a component unit of the Nassau County, New York, compliance with the Corporation's investment policy during the period January 1, 2011 through December 31, 2011. Management is responsible for the Corporation's compliance with those requirements. Our responsibility is to express an opinion on the Corporation's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Corporation's compliance with specified requirements.

In our opinion, the Corporation complied, in all material respects, with the aforementioned requirements during the period January 1, 2011 through December 31, 2011.

This report is intended solely for the information and use of the Board, audit committee, management of the Corporation, Nassau County, Authority Budget Office, and the New York State Comptroller's Office and is not intended to be and should not be used by anyone other than these specified parties.

Albrecht, Viggiano, Zureck & Co., P.C.

Hauppauge, New York
March 26, 2012

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