

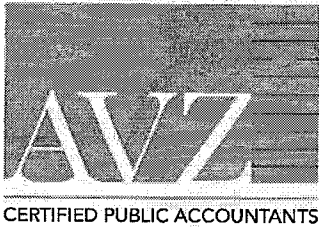
**NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

AUDITED FINANCIAL STATEMENTS

Years Ended December 31, 2010 and 2009

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Nassau County Industrial Development Agency
Mineola, New York

We have audited the accompanying financial statements of the business-type activities of the Nassau County Industrial Development Agency (the "Agency"), a component unit of Nassau County, New York, as of December 31, 2010 and 2009, which collectively comprise the Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits 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 audits provide 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 business-type activities of the Agency, as of December 31, 2010 and 2009, and the respective changes in financial position, and cash flows, where applicable, thereof 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 25, 2011, on our consideration of the Agency'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.

PERSONAL SERVICE. TRUSTED ADVICE.

ALBRECHT, VIGGIANO, ZURECK & COMPANY, P.C.

245 PARK AVENUE, 24TH FLOOR
NEW YORK, NY 10167
T: 212.792.4075

25 SUFFOLK COURT
HAUPPAUGE, NY 11788-3715
T: 631.434.9500 F: 631.434.9518

WWW.AVZ.COM
INDEPENDENT MEMBER OF BKR INTERNATIONAL

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedule of funding progress for other postemployment healthcare costs on pages 3 through 6, 23 and 24 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's financial statements as a whole. The accompanying schedule of revenues, expenses and changes in net assets – budget and actual is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The accompanying schedule of bond, notes and leases is presented for purposes of additional analysis as required by Code Section 859 of the New York State General Municipal Law, and is not a required part of the basic financial statements. The schedule of bond, notes and leases is the responsibility of management and has not been subjected to the auditing procedures applied in the audit of the basic financial statements. Accordingly, we do not express an opinion or provide any assurance on it.

Albrecht, Vignano, Zurek & Co., P.C.

Hauppauge, New York
March 25, 2011

**NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2010 and 2009**

This section presents management's analysis of the Nassau County Industrial Development Agency's (the "Agency") financial conditions and activities for the years ended December 31, 2010 and 2009. Please, read this information in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the Agency exceeded its liabilities at the close of 2010 by \$2,313,200 (net assets).
- The Agency's total net assets decreased by \$1,252,679 (or 35%) in 2010.
- As of December 31, 2010, the unrestricted portion of net assets for the Agency was \$2,293,265.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The financial statements report information about the Agency. The Agency 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 statements of net assets, statements of activities and changes in net assets, statements of cash flows and notes to the financial statements. The statement of net assets includes all of the Agency's assets and liabilities, and provides information about the nature and amount of investments.

The statement of activities and changes in net assets presents the results of the Agency'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 Agency 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 Agency's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2010 and 2009

FINANCIAL ANALYSIS OF THE AGENCY

One of the most important objectives of the financial analysis is to determine if the Agency as a whole is better or worse off as a result of the year's activities. The statements of net assets and the statements of activities and changes in net assets provide useful information in this regard. The statements report the net assets of the Agency 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 Agency. Over time, increases or decreases in the Agency'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 Agency.

The following comparative 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 Agency's statements of net assets at December 31, is presented as follows:

Condensed Statements of Net Assets			
as of December 31,			
	<u>2010</u>	<u>2009</u>	<u>2008</u>
Assets			
Current Assets	\$ 2,456,059	\$ 3,692,304	\$ 5,209,749
Capital Assets	19,935	8,396	9,597
Security Deposit	-0-	6,332	6,332
Total Assets	<u>2,475,994</u>	<u>3,707,032</u>	<u>5,225,678</u>
Liabilities			
Current Liabilities	124,240	135,986	162,041
Non-Current Liabilities	38,554	5,167	49,791
Total Liabilities	<u>162,794</u>	<u>141,153</u>	<u>211,832</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	19,935	8,396	9,597
Unrestricted	2,293,265	3,557,483	5,004,249
Total Net Assets	<u>\$ 2,313,200</u>	<u>\$ 3,565,879</u>	<u>\$ 5,013,846</u>

Total assets as of December 31, 2010 were \$2,475,994 which exceeded liabilities by \$2,313,200 (i.e. net assets.) Net assets are comprised of invested in capital assets of \$19,935 and unrestricted net assets in the amount of \$2,293,265, which are available to support operations. Total assets decreased by \$1,231,038 between December 31, 2010 and 2009. The net assets decreased by \$1,252,679, for the current period.

**NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2010 and 2009**

FINANCIAL ANALYSIS OF THE AGENCY (continued)

Operating Results

The Agency's condensed statements of revenues, expenses and changes in net assets at December 31, are presented as follows:

Changes in Net Assets for the years ended December 31,		<u>2010</u>	<u>2009</u>	<u>2008</u>
Operating Revenues				
Fees for Services		\$ 300,283	\$ 383,228	\$ 1,188,708
Servicing Income		4,099	-0-	-0-
Total Operating Revenues		<u>304,382</u>	<u>383,228</u>	<u>1,188,708</u>
Operating Expenses				
Salaries & Related Taxes		509,523	595,512	520,208
Other Operating Expenses		1,063,597	1,269,517	1,686,863
Total Operating Expenses		<u>1,573,120</u>	<u>1,865,029</u>	<u>2,207,071</u>
Operating Loss		<u>(1,268,738)</u>	<u>(1,481,801)</u>	<u>(1,018,363)</u>
Non-Operating Income		<u>16,059</u>	<u>33,834</u>	<u>122,023</u>
Decrease in Net Assets		<u>\$ (1,252,679)</u>	<u>\$ (1,447,967)</u>	<u>\$ (896,340)</u>

The decrease in net assets is significantly due to a reduction in revenue from fewer IDA projects.

The Agency collects one time administration fees from the issuance of taxable bonds, tax exempt bonds and straight-lease transactions.

The Agency's revenues decreased from \$383,228 in 2009 to \$304,382 in 2010, a decrease of \$78,846.

During 2010 the Agency adopted the provisions of GASB Statement 45 *Postemployment Benefits Other Than Pensions*, as a result of providing postretirement benefits to current employees who meet certain eligibility criteria. The OPEB expense for 2010 totaled approximately \$16,000. The amortization of the OPEB obligation will be recognized over a period of 30 years and will have an impact on future net assets.

**NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2010 and 2009**

ECONOMIC FACTORS AND NEXT YEAR'S PLAN

Nassau County is one of the nation's largest and most prosperous counties. Since 1979, Nassau County IDA has:

- Delivered more than \$2.0 billion in funding
- Created and retained over 68,000 jobs
- Helped over 100 companies build, expand or relocate

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 8.0% and 9.1% in 2010, respectively. In 2010, the unemployment rate in the County of Nassau was 7.0%.

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

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

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

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

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY
STATEMENTS OF NET ASSETS
December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 2,451,960	\$ 3,391,747
Accounts receivable	-0-	300,557
Due from affiliate	4,099	-0-
Total Current Assets	<u>2,456,059</u>	<u>3,692,304</u>
Property and Equipment, net	<u>19,935</u>	<u>8,396</u>
Non-Current Assets:		
Security deposits	-0-	6,332
Total Non-Current Assets	<u>-0-</u>	<u>6,332</u>
Total Assets	<u>2,475,994</u>	<u>3,707,032</u>
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued expenses	121,087	8,650
Deferred revenues	2,000	64,126
Current portion of non-current liabilities		
Compensated absences	1,153	63,210
Total Current Liabilities	<u>124,240</u>	<u>135,986</u>
Non-Current Liabilities:		
Compensated absences	22,685	5,167
Other postemployment benefits	15,869	-0-
Total Non-Current Liabilities	<u>38,554</u>	<u>5,167</u>
Total Liabilities	<u>162,794</u>	<u>141,153</u>
NET ASSETS		
Invested in capital assets, net of related debt	19,935	8,396
Unrestricted	2,293,265	3,557,483
Total Net Assets	<u>\$ 2,313,200</u>	<u>\$ 3,565,879</u>

See notes to the financial statements.

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
 Years Ended December 31, 2010 and 2009

	2010	2009
OPERATING REVENUES:		
Fee income	\$ 300,283	\$ 383,228
Servicing income	4,099	-0-
Total Operating Revenues	304,382	383,228
 OPERATING EXPENSES:		
Agency salaries & related taxes	509,523	595,512
Administration	127,437	84,476
Advertising	246,228	476,606
Community activities	137,895	365,725
Compensated absences	18,672	15,965
Conferences & travel	11,703	15,980
Depreciation	3,912	4,319
Dues & subscriptions	1,384	775
Insurance	50,075	79,695
Other postemployment benefits	15,869	-0-
Professional fees	406,624	176,751
Rent	43,798	49,225
Total Operating Expenses	1,573,120	1,865,029
Net Operating Loss	(1,268,738)	(1,481,801)
 NON-OPERATING REVENUES:		
Interest income	16,059	33,834
Change in Net Assets	(1,252,679)	(1,447,967)
 Net Assets at Beginning of Year	3,565,879	5,013,846
Net Assets at End of Year	\$ 2,313,200	\$ 3,565,879

See notes to the financial statements.

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2010 and 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from providing services	\$ 545,046	\$ 94,852
Cash payments for contractual services	(912,851)	(1,260,377)
Cash payments for personal services and benefits	(572,590)	(653,310)
Net Cash Used by Operating Activities	(940,395)	(1,818,835)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of assets	(15,451)	(3,118)
Interest on investments	16,059	33,834
Net Cash Provided by Investing Activities	608	30,716
Net Decrease in Cash	(939,787)	(1,788,119)
Cash and Cash Equivalents, at Beginning of Year	3,391,747	5,179,866
Cash and Cash Equivalents, at End of Year	\$ 2,451,960	\$ 3,391,747
 RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
Net operating loss	\$ (1,268,738)	\$ (1,481,801)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	3,912	4,319
(Increase) decrease in assets:		
Accounts receivable	300,557	(275,049)
Accrued interest receivable	-0-	547
Due from related party	(4,099)	-0-
Prepaid expenses	-0-	3,828
Security Deposits	6,332	-0-
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	112,437	(72,770)
Deferred revenues	(62,126)	(13,874)
Compensated absences	(44,539)	15,965
Other postemployment benefits	15,869	-0-
Net Cash Used by Operating Activities	\$ (940,395)	\$ (1,818,835)

See notes to the financial statements.

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2010 and 2009

Note 1 – Summary of Significant Accounting Policies

Organization

The Nassau County Industrial Development Agency (the "Agency") was created as a New York State public benefit corporation. The Agency was established on August 6, 1976 by Code Section 922, which became Chapter 674 of the Laws of 1975 (the Enabling Act). The Agency was created to arrange long-term, low-interest financing for private firms and companies for the purpose of promoting, attracting, encouraging and developing commerce and industry in the County of Nassau, New York.

The purpose of the Agency is to promote economic development and job creation in Nassau's communities by issuing taxable and tax-free revenue bonds that provide financial assistance to businesses using only non-taxpayer dollars. The Agency provides companies with the following incentives:

- Low-cost financing/leasing backed by tax-exempt and/or taxable Agency bonds.
- Property tax abatements
- 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 Agency which results in interdependency with the County. Accordingly, the Agency has been determined to be a component unit of Nassau County.

Basis of Accounting – Proprietary Funds

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities, subject to this same limitation. The Agency has elected not to follow subsequent private-sector guidance.

Proprietary fund financial statements include a Statement of Net Assets, a Statement of Activities and Changes in Net Assets, and a Statement of Cash Flows.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Assets. The Statement of Activities and Changes in Net Assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Operating revenues in the proprietary fund are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2010 and 2009

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.

Accounts Receivable

Receivables include amounts due from businesses for annual project fees and for legal fees incurred by the project payable by the respective business. Receivables are recorded and revenues are recognized as earned or as specific expenditures are incurred. All receivables are deemed collectible; therefore no allowance account has been established.

Capital Assets

Capital Assets are stated at cost. Major expenditures for property and improvements which substantially increase useful lives are capitalized. Maintenance, repairs and minor renewals are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income. Depreciation, including depreciation of equipment under capital leases, is computed using the straight-line method over the estimated useful lives of the assets.

Deferred Revenue/Unearned Revenue

Deferred revenues/unearned revenues are those where asset recognition criteria have been met, but which revenue recognition criteria have not been met.

Compensated Absences

Agency employees earn vacation and sick leave in varying amounts. In the event of separation from service (except termination for cause), employees are paid for accumulated unused vacation and sick leave subject to certain limitations. The liability for these compensated absences is recorded as current and noncurrent obligations in the statements of net assets.

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2010 and 2009

Note 1 – Summary of Significant Accounting Policies (continued)

Other Postemployment Benefits

In addition to providing pension benefits, the Agency, per its contract with employees, will pay the full premium costs for the medical insurance coverage (currently provided by Empire Plan Plus Enhancements of the New York State Government Employees Health Insurance Program) for an employee of the Agency at retirement, provided the employee has reached the age of 55 and has at least ten years of public service with the State of New York and/or Municipal Subdivision of which at least five years is with the Agency or the County of Nassau.

The Agency recognizes the cost of providing benefits by recording its share of insurance premiums as expenditure in the year paid. The liability for these other postemployment benefits payable is recorded as a long-term liability in the basic financial statements.

Revenue Recognition

The Agency'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.

Advertising

The Agency follows the policy of charging the costs of advertising to expense as incurred. Advertising expense for the years ended December 31, 2010 and 2009 was approximately \$246,000 and \$477,000 respectively.

Subsequent Events

Management has evaluated subsequent events through March 25, 2011 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 Agency's investments are governed by a formal investment policy. The Agency's monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Agency 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 agency. 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.

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2010 and 2009

Note 2 – Cash and Cash Equivalents (continued)

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 Agency's name.

At December 31, 2010, the Agency'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 Agency's name.

Credit Risk – State law and Agency law limit investments to those authorized by State statutes. The Agency 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.

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, 2010, the Agency did not have any investments subject to credit risk, interest-rate risk or concentration of credit risk.

Note 3 – Revenues

The Agency collects one time administration fees from the issuance of taxable bonds, tax exempt bonds and straight-lease 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.
- Straight-Lease 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.

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
 Years Ended December 31, 2010 and 2009

Note 3 – Revenues (continued)

The Agency 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, at the closing for the first year (or part thereof) and on January 1st of each year for the term of the financing. The annual service fee is subject to periodic review and may be adjusted from time to time at the discretion of the Agency.
- The following amounts are payable to the Agency at the time the application is submitted: (i) a \$1,000 non-refundable application fee; (ii) a \$3,500 expense deposit for the Agency'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 Agency charges an annual fee of \$1,000 per applicant during the term of the bonds or straight lease. This non-refundable annual fee is paid at the end of the year for the current year. The fee covers the cost of annual reporting and monitoring of the transaction.

Note 4 – Accounts Receivable

As of December 31, 2010 and 2009, the Agency's receivables were approximately \$-0- and \$301,000 respectively. There was \$2,000 of 2011 annual agency fees recorded as deferred revenues in 2010, of which \$2,000 were collected in 2010.

Included in accounts receivable at December 31, 2009 is approximately \$275,000 which are legal fees the Agency paid on behalf of the projects. In 2010 the Agency collected approximately \$91,000 of this receivable while the remaining balance of approximately \$184,000 was written off as uncollectible.

Note 5 – Capital Assets

	Balance 12/31/2009	Additions	Deletions	Balance 12/31/10
Capital assets not being depreciated:				
Construction in progress	\$ -0-	\$ 11,376		\$ 11,376
Depreciable capital assets:				
Furniture and fixtures	56,680			56,680
Computer equipment	8,848	4,076		12,924
Machinery and equipment	9,185			9,185
Total depreciable capital assets	<u>\$ 74,713</u>	<u>\$ 4,076</u>	<u>\$ -0-</u>	<u>\$ 78,789</u>
Less accumulated depreciation:				
Furniture and fixtures	\$ 52,267	\$ 793		\$ 53,060
Computer equipment	7,432	1,830		9,262
Machinery and equipment	6,618	1,290		7,908
Total accumulated depreciation	<u>\$ 66,317</u>	<u>\$ 3,913</u>	<u>\$ -0-</u>	<u>\$ 70,230</u>
Total net depreciable capital assets				<u>8,559</u>
Total net capital assets				<u>\$ 19,935</u>

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2010 and 2009

Note 5 – Capital Assets (continued)

The Agency evaluates capital assets for prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The Agency's policy is to record an impairment loss in the period when the Agency determines that the carrying amount of the asset will not be recoverable. At December 31, 2010, the Agency has not recorded any such impairment losses.

Note 6 – Conduit Debt Obligations, Industrial Revenue Bonds and Note Transactions

The Agency at times has issued Industrial 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 Agency, 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, 2010 and 2009, there were 105 and 104, series of Revenue Bonds and Notes outstanding, with an aggregate principal amount payable of \$855,643,775 and \$921,518,597, respectively. During 2010 the Agency became aware of three minor corrections for the 2009 outstanding bond amount. The 2009 aggregate principal amount payable as of December 31, 2009 has been restated accordingly.

Note 7 – Liquidated Damages

The Agency is empowered by its enabling act to grant various benefits in connection with qualifying projects it agrees to help finance, including granting exemptions from the imposition of sales and use taxes on purchases of materials and equipment for use in connection with a project. However, it is the policy of the Agency to grant benefits with respect to a qualifying project only in return for a commitment from the business receiving the Agency benefits to operate and maintain the project for a minimum of five to thirty years. Failure to do so results in financial penalties being imposed on the business in the form of a required "recapture payment," the severity of which is dependent upon the length of time the project is, in fact, operated and maintained pursuant to the applicable project financing documentation. No recapture payments were received in 2010 or 2009.

Note 8 – Litigation

The Agency is involved in routine litigation incidental to its business. In the opinion of management, based on the advice of counsel, the liability, if any, resulting from these matters will not be material.

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2010 and 2009

Note 9 – Related Party Transactions

The Agency is a component unit of Nassau County (the "County"). Office and storage space is provided to the Agency by the County. On January 1, 2011 the Agency entered into a revocable, exclusive license and cooperation agreement with the County, to use approximately 1,046 square feet of office space and approximately 740 square feet of basement storage space in Mineola, New York. The term of the license commenced effectively on November 1, 2010 and will terminate at such time as either party gives the other at least sixty days' notice of revocation in writing. The fee for the license is \$2,000 per month. Rent expense totaled \$4,000 for the year ended December 31, 2010.

Effective December 1, 2010 the Nassau County Local Economic Assistance Corporation (the "Corporation") was created as a local development corporation to provide assistance in the form of tax-exempt bonds to not-for-profit organizations. The Corporation's personnel are employees of the Agency. All salaries and fringe benefits for Corporation personnel are paid by the Agency. Additionally, office space is provided to the Corporation by the Agency on a rent free basis. The approximate total value of salary and fringe benefits attributable to Agency employees as a percentage of time spent on Corporation activities was approximately \$4,100 which is recorded on the Agency's statement of net assets as a due from affiliate and recognized in revenues as servicing income on the statement of activities and changes in net assets. The estimated fair market rental value of office space provided to the Corporation by the Agency was \$2,000 for the year ended December 31, 2010.

Note 10 – Retirement System

Plan Description

The Agency participates in the New York State and Local Employees' Retirement System (ERS), which is a cost-sharing multiple-employer retirement system, and the Public Employees' Group Life Insurance Plan. The System provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (the "Comptroller") serves as sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of their funds. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, Governor Alfred E. Smith State Office Building, Albany, NY 12244.

Funding Policy

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, and who have less than ten years of membership and less than ten years of credited service with a retirement system under the provisions of article fourteen or fifteen to the NYSRSSL, who contribute 3% of their salary. Prior to October 1, 2000, all employees who joined the System after July 27, 1976 were required to contribute 3% of their salary. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2010 and 2009

Note 10 – Retirement System (continued)

The Agency is required to contribute at an actuarially determined rate. The required contribution for the current and prior years was:

	<u>Required Contribution</u>	<u>Total Payment</u>
2010	\$ 63,067	\$ 63,067
2009	\$ 57,798	\$ 57,798
2008	\$ 24,574	\$ 24,574

The Agency's contribution to the System was equal to 100 percent of the contributions required for the year.

Note 11 – Postemployment Benefits (Obligations for Health Insurance)

In the basic financial statements, the cost of postemployment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended December 31, 2010, the Agency recognizes the cost of postemployment healthcare in the year when the employee services are received, and provides information useful in assessing potential demands on the Agency's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2010 liability.

Plan Description

The Agency, per its contract with employees, will pay the full premium costs for the medical insurance coverage (currently provided by Empire Plan Plus Enhancements of the New York State Government Employees Health Insurance Program) for an employee of the Agency at retirement, provided the employee has reached the age of 55 and has at least ten years of public service with the State of New York and/or Municipal Subdivision of which at least five years is with the Agency or the County of Nassau.

The number of participants as of September 24, 2010, the effective date of the OPEB valuation, is as follows:

Active employees	<u>2</u>
Total	<u><u>2</u></u>

Funding Policy

The Agency currently pays for other postemployment benefits on a pay-as-you-go basis. GASB No. 45 does not require that the unfunded liability actually be funded, only that the unfunded accrued liability is accounted for and in compliance in meeting its Annual Required Contribution (ARC). However, if the liability is funded, assets must be transferred to a qualifying irrevocable trust or equivalent arrangement for the exclusive benefit of plan members and must be protected from creditors. At this time, there is no New York State statute providing local governments with the requisite authority for establishing an other postemployment benefits trust. Therefore, these financial statements are presented on a pay-as-you-go basis until a funding mechanism is authorized for Municipalities by New York State statute.

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
 Years Ended December 31, 2010 and 2009

Note 11 – Postemployment Benefits (Obligations for Health Insurance) (continued)

Annual Other Postemployment Benefit Cost and Net Obligation

For the year ended December 31, 2010, the Agency's annual other postemployment benefits (OPEB) cost (expenses) is calculated based on the annual required contribution of the employer (ARC). The Agency has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB No. 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Agency's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Agency's net OPEB obligation to the Retiree Health Plan:

Normal cost as of beginning of year pro-rated to end of year		\$	14,974
Amortization of unfunded actuarial liability (UAAL) over 30 years pro-rated to end of year			<u>738</u>
Total normal cost and amortization payment			15,712
Interest to end of year			<u>157</u>
Total annual required contribution (ARC)			15,869
Interest on Net OPEB Obligation			-0-
Adjustments to ARC			<u>-0-</u>
OPEB Cost			15,869
Contributions made			<u>-0-</u>
Change in net OPEB obligation			15,869
Net OPEB obligation – beginning of year			<u>-0-</u>
Net OPEB obligation – end of year		\$	<u><u>15,869</u></u>

Funded Status and Funding Progress

The Agency's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended December 31, 2010 are as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/10	\$ 15,869	\$ -0-	0.00%	\$ 15,869

The schedule of funding progress presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2010 and 2009

Note 11 – Postemployment Benefits (Obligations for Health Insurance) (continued)

The funded status of the plan as of September 24, 2010 is as follows:

	Actuarial Accrued Liability (AAL)	Actuarial Value of Plan Assets	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Business-Type Activities	\$ 77,222	\$ -0-	\$ 77,222	0.00%	\$ 196,928	39.21%

Actuarial Methods and Assumptions

The valuation of postemployment health benefits involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of the valuation and on the pattern of sharing costs between the employer and plan members to that point. Calculations reflect a long-term perspective, so methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the January 1, 2011 actuarial valuation, the liabilities were computed using the projected unit credit with linear proration to decrement cost method. The actuarial assumptions utilized a 4.00% discount rate and a 3.00% payroll growth rate. The valuation assumes an initial 10.00% healthcare cost trend for the year ended 2011 and reduced increments to a rate of 5.0% after ten years. The valuation assumes assumptions are the same for the year ended 2010. The remaining amortization period at December 31, 2010 was twenty-nine years.

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF FUNDING PROGRESS FOR OTHER POSTEMPLOYMENT HEALTHCARE COSTS
December 31, 2010

<u>Actuarial Valuation Date As of September 24,</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
2010	\$ 77,222	\$ -0-	\$ 77,222	0.00%	\$ 196,928	39.21%

See independent auditors' report.

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
 For the year ended December 31, 2010

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Closing Fee Income	\$ 250,000	\$ 250,000	\$ 220,342	\$ (29,658)
Annual Agency Fees	66,000	66,000	73,126	7,126
Application Fee Income	5,000	5,000	4,000	(1,000)
Consent/Misc. Fees	7,000	7,000	2,814	(4,186)
Total Revenues	<u>328,000</u>	<u>328,000</u>	<u>300,283</u>	<u>(27,717)</u>
EXPENSES				
Salaries and Fringe Benefits	700,000	598,100	559,598	38,502
Professional Services	175,000	421,500	406,624	14,876
Administrative Expense	88,500	121,200	120,468	732
Office Supplies	7,500	1,700	6,969	(5,269)
Conference and Travel	25,000	19,000	11,703	7,297
Rent/Office Space	51,672	18,172	43,798	(25,626)
Dues and Subscriptions	2,500	1,500	1,384	116
Economic Development/Planning	350,000	-0-	-0-	-0-
Other Operation Expenses	530,000	399,000	384,122	14,878
Total Expenses	<u>1,930,172</u>	<u>1,580,172</u>	<u>1,534,666</u>	<u>45,506</u>
Net Change in Net Assets	<u>\$ (1,602,172)</u>	<u>\$ (1,252,172)</u>	<u>\$ (1,234,383)</u>	<u>\$ 17,789</u>

Note - Changes in net assets as reported on the Schedule of Revenues, Expenses and Changes in Net Assets – Budget and Actual is (\$1,234,383) as compared to (\$1,252,679) on the Statement of Activities and Changes in Net Assets. The difference of \$18,295 relates to depreciation expense of \$3,912, compensated absence expense of \$18,672, other postemployment benefit expense of \$15,869, interest income of \$16,059 and servicing income of \$4,099.

See independent auditors' report.

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 SCHEDULE OF BONDS, NOTES AND LEASES
 For the year ended December 31, 2010

Project Code	Bond or Note Project Name	Total Project Amount	Significant Name	Total Exemptions	Date of Issue	Interest Rate	Year Financial Assistance is Planned to End	Federal Tax Status of Bonds	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained
2603 04 03A	67 Sewerew	\$ 13,240,000	57 Seawiew Properties	\$ 362,984	10/29/2004	Variable	2014	Taxable	20	163
2603 04 07A	Adults & Children w/ Learning Dis.	4,185,600	Adults & Children w/ Learning Dis.	-	01/18/2003	5.75% to 6.25%	2022	Tax Exempt	-	-
2603 00 01A	Adults & Children w/ Learning Dis (1)	853,600	Adults & Children w/ Learning Dis	-	01/18/2003	7.5% Fixed	2015	Tax Exempt	6	97
2603 02 03A	Advantage Planning (1)	270,000	Advantage Planning	-	02/27/2002	7.13%	2017	Tax Exempt	-	-
2603 03 07A	American Red Cross (1)	2,170,000	American Red Cross	-	09/16/2003	7.00%	2020	Tax Exempt	8	-
2603 01 06A	Amsterdam House Series 2007A (1)	1,387,000	Amsterdam	-	11/15/2001	Variable	2031	Tax Exempt	1	14
2603 07 11A	Amsterdam House Series 2007A2 (1)	1,650,000	Amsterdam	-	12/20/2007	5.88%	2031	Tax Exempt	139	-
2603 07 11A	Amsterdam House Series 2007B (1)	20,165,000	Amsterdam	-	12/20/2007	6.50%	2027	Tax Exempt	139	-
2603 07 11A	Amsterdam House Series 2007C (1)	4,500,000	Amsterdam	-	12/20/2007	6.70%	2043	Tax Exempt	139	-
2603 07 11A	Amsterdam House Series 2007D (1)	95,100,000	Amsterdam	-	12/20/2007	5.50%	2028	Tax Exempt	139	-
2603 07 11A	Assoc. for Children w/ Down Syndrome	665,000	Assoc. Children w/ Down Syndrome	-	12/20/2007	Variable	2028	Tax Exempt	139	-
2603 07 13A	Assoc. for Children w/ Down Syndrome Tax-Exempt Series 2007A (1)	41,000	Assoc. Children w/ Down Syndrome	-	01/18/2003	Variable	2028	Tax Exempt	139	-
2603 07 13A	Assoc. for Children w/ Down Syndrome Tax-Exempt Series 2007A (1)	1,215,000	Assoc. Children w/ Down Syndrome	-	01/18/2003	8.125%	2018	Tax Exempt	12	-
2603 01 03A	Association for Children w/ Down Syndrome (1)	1,535,000	Assoc. Children w/ Down Syndrome	-	12/19/2007	7.08%	2012	Tax Exempt	12	-
2603 01 03A	Association for Children w/ Down Syndrome (1)	815,000	Assoc. Children w/ Down Syndrome	-	12/19/2007	5.65%	2022	Tax Exempt	12	-
2603 05 01A	Association for Children w/ Down Syndrome (1)	715,000	Assoc. Children w/ Down Syndrome	-	01/18/2003	7.5%	2015	Tax Exempt	55	-
2603 05 08	Brush Hollow	3,000,000	Brush Hollow Inn L.L.C.	-	01/18/2003	6.03%	2019	Tax Exempt	-	-
2603 07 05A	Callevision Systems (Fac) PILOT	47,230,000	Callevision	524,994	02/14/2006	Variable	2028	Taxable	35	-
2603 00 01A	Central Nassau Guidance & Counseling (1)	725,000	Center for Rapid Recovery	-	01/18/2003	7.5% Fixed	2018	Tax Exempt	5	-
2603 00 01B	Central Nassau Guidance & Counseling (1)	2,345,000	Central Nassau Guid. & Couns.	-	04/14/2005	8.18%	2015	Tax Exempt	5	40
2603 02 10B2	Charwell North Hills (formerly EBS)	3,340,000	CSH North Hills LP	-	04/14/2005	7.5% Variable	2020	Tax Exempt	63	-
2603 02 10C2	Charwell North Hills (formerly EBS)	4,280,000	CSH North Hills LP	1,390,205	04/14/2005	7.80%	2005	Taxable	63	-
2603 02 10E2	Charwell North Hills (formerly EBS)	4,775,000	CSH North Hills LP	1,390,205	04/14/2005	7.80%	2005	Taxable	63	-
2603 03 10C1	Charwell North Hills (formerly EBS)	210,000	CSH North Hills LP	1,390,305	04/14/2005	7.80% fixed	2005	Taxable	63	-
2603 03 10E1	Charwell North Hills (formerly EBS)	180,000	CSH North Hills LP	1,390,205	04/14/2005	7.00%	2013	Taxable	63	-
2603 04 10F1	Charwell North Hills Sense F (formerly EBS)	225,000	CSH North Hills LP	1,390,205	04/14/2005	7.00%	2013	Taxable	63	-
2603 02 10A	Charwell North Hills Sense F (formerly EBS)	225,000	CSH North Hills LP	1,390,205	04/14/2005	7.00%	2013	Taxable	63	-
2603 02 10B2	Charwell North Hills Sense F (formerly EBS)	346,000	CSH North Hills LP	1,390,205	04/14/2005	7.00%	2013	Taxable	63	-
2603 02 10C2	Charwell North Hills Sense F (formerly EBS)	7,155,000	CSH North Hills LP	1,390,205	04/14/2005	7.00%	2013	Taxable	63	-
2603 05 09A	Child Spring Harbor Lab. (1)	55,000,000	Child Spring Harbor Lab	1,107,630	12/20/2002	7.80%	1982	Taxable	63	-
2603 05 01A	Child Spring Harbor Lab. (1)	42,230,000	Child Spring Harbor Lab	-	02/27/2006	7.50% Fixed	2031	Taxable	54	-
2603 07 13B	Comm. Services for the Mentally Retarded Tax-Exempt Series 2007B (1)	280,000	Comm. Svc. for Mentally Ret.	-	04/11/99	Variable	2042	Tax Exempt	240	-
2603 03 07A	Community Mainstreaming Assoc. (1)	7,975,000	Comm. Svc. for Mentally Ret.	-	12/18/2007	7.08%	2012	Tax Exempt	8	222
2023 06 9A	Community Mainstreaming Assoc. (1)	845,000	Community Mainstreaming Assoc.	-	12/18/2007	6.56%	2022	Tax Exempt	8	222
2023 06 9A	Community Mainstreaming Assoc. (1)	845,000	Community Mainstreaming Assoc.	-	03/07/2008	6.125%	2018	Tax Exempt	4	5
2023 06 9A	Community Mainstreaming Assoc. (1)	845,000	Community Mainstreaming Assoc.	-	03/07/2008	6.00%	2021	Tax Exempt	4	5
2023 06 9A	Community Mainstreaming Assoc. (1)	845,000	Community Mainstreaming Assoc.	-	11/13/2001	7%	2017	Tax Exempt	-	-
2023 06 9A	Community Mainstreaming Assoc. (1)	845,000	Community Mainstreaming Assoc.	-	11/13/2001	7.13%	2017	Tax Exempt	-	-
2023 06 9A	Community Mainstreaming Assoc. (1)	845,000	Community Mainstreaming Assoc.	-	11/13/2001	7%	2016	Tax Exempt	-	-
2023 06 9A	Community Mainstreaming Assoc. (1)	845,000	Community Mainstreaming Assoc.	-	03/07/2008	0.00%	2021	Tax Exempt	-	-
2023 06 9A	Community Mainstreaming Assoc. (1)	845,000	Community Mainstreaming Assoc.	-	03/07/2008	0.00%	2021	Tax Exempt	-	-
2023 06 9A	Community Mainstreaming Assoc. (1)	845,000	Community Mainstreaming Assoc.	-	03/07/2008	7.75%	2011	Tax Exempt	-	-
2023 06 9A	Community Mainstreaming Assoc. (1)	845,000	Community Mainstreaming Assoc.	-	03/07/2008	7.50%	2015	Tax Exempt	60	-
2023 06 9A	Community Mainstreaming Assoc. (1)	845,000	Community Mainstreaming Assoc.	-	03/07/2008	6.125%	2018	Tax Exempt	-	-
2023 06 9A	Community Mainstreaming Assoc. (1)	845,000	Community Mainstreaming Assoc.	-	12/12/2005	6.00%	2019	Tax Exempt	-	-
2023 06 9A	Community Mainstreaming Assoc. (1)	845,000	Community Mainstreaming Assoc.	-	03/13/2005	4.85%	2015	Tax Exempt	-	-
2023 06 9A	Community Mainstreaming Assoc. (1)	845,000	Community Mainstreaming Assoc.	-	03/13/2005	5.00%	2010	Tax Exempt	-	-
2023 06 9A	Community Mainstreaming Assoc. (1)	845,000	Community Mainstreaming Assoc.	-	10/12/2005	6.00%	2019	Tax Exempt	1	-
2023 06 9A	Community Mainstreaming Assoc. (1)	845,000	Community Mainstreaming Assoc.	-	10/12/2005	6.00%	2019	Tax Exempt	1	-
2023 06 9A	Community Mainstreaming Assoc. (1)	845,000	Community Mainstreaming Assoc.	-	01/02/2003	6.125%	2016	Tax Exempt	-	-
2023 06 9A	Community Mainstreaming Assoc. (1)	845,000	Community Mainstreaming Assoc.	-	12/19/2007	7.08%	2012	Tax Exempt	13	-
2023 06 9A	Community Mainstreaming Assoc. (1)	845,000	Community Mainstreaming Assoc.	-	12/19/2007	5.65%	2022	Tax Exempt	13	-
2023 06 9A	Community Mainstreaming Assoc. (1)	845,000	Community Mainstreaming Assoc.	-	02/27/2002	7.125-8.25%	2016	Tax Exempt	15	-
2023 06 9A	Community Mainstreaming Assoc. (1)	845,000	Community Mainstreaming Assoc.	-	11/13/2001	7%	2019	Tax Exempt	-	-
2023 06 9A	Community Mainstreaming Assoc. (1)	845,000	Community Mainstreaming Assoc.	-	01/14/2000	7.5% Fixed	2000	Tax Exempt	-	-
2023 06 9A	Community Mainstreaming Assoc. (1)	845,000	Community Mainstreaming Assoc.	-	12/20/2002	6.75%	2033	Taxable	40	-

See independent auditors' report.

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF BONDS, NOTES AND LEASES
 For the year ended December 31, 2010

Project Code	Board of Note Project Name	Total Project Amount	Applicant Name	Total Exemptions	Date of Issuance	Interest Rate	Year Financial Assistance is Planned to End	Federal Tax Status of Bonds Created	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained
2803 98 00A	Gayle Foods Inc. P.I.C.T.	9,300,000	Gayle Foods Inc.	20,936	9/29/06	6.25% Fixed	2010	Taxable	100	-0-
2803 00 00	Green Vale School	5,000,000	The Green Vale School	-0-	-0-	3.55%	2013	Tax Exempt	3	137
2803 02 00A	Hannity Heights Inc (1)	1,350,000	Hannity Heights	-0-	6/27/02	7%	2017	Tax Exempt	-0-	8
2803 01 00A	Helen Keller Services For the Blind, Inc (1)	645,000	Helen Keller Svcs. For the Blind	-0-	11/13/2001	7%	2018	Tax Exempt	10	-0-
2803 02 00A	Hispanic Counseling Center, Inc (1)	2,775,000	Hispanic Counseling Center, Inc.	-0-	7/23/2003	7.025%	2033	Tax Exempt	2	36
2803 07 13D	Hispanic Counseling Center, Inc Tax-Exempt Series 2007 D (1)	74,000	Hispanic Counseling Center	-0-	12/19/2007	6.49%	2012	Tax Exempt	8	-0-
2803 07 13D	Hispanic Counseling Center, Inc Tax-Exempt Series 2007 D (1)	2,190,000	Hispanic Counseling Center	-0-	12/19/2007	6.49%	2037	Tax Exempt	8	-0-
2803 98 00A	Holstra University (1)	107,407,128	Holstra University	-0-	7/11/89	4.3-5.25%	2028	Tax Exempt	-0-	-0-
2803 98 00B	Holstra University (1)	21,500,000	Holstra University	-0-	7/22/1988	6%	2019	Tax Exempt	-0-	-0-
2803 06 07A	Homes Anew II Ltd. (1)	530,000	Homes Anew	-0-	6/18/2003	8.125%	2018	Tax Exempt	-0-	-0-
2803 06 07B	Homes Anew II Ltd. (1)	530,000	Homes Anew	-0-	11/26/2003	5.25%	2027	Taxable	5	-0-
2803 04 02A	Liberty Holdings/Clinton Properties	63,275,000	Keybank-Glenwood Landing Energy Center	468,587	9/22/04	Variable	2034	Taxable	5	-0-
2803 07 13F	Life's W.O.R.C. Taxable Series 2007 F (1)	37,000	Liberty Clinton/Hempstead Prop.	-0-	12/19/2007	7.08%	2012	Tax Exempt	11	-0-
2803 07 13F	Life's W.O.R.C. Tax-Exempt Series 2007 F (1)	1,090,000	"Life's WORC, Inc"	-0-	12/19/2007	5.95%	2022	Tax Exempt	11	-0-
2803 02 01	Little Village (1)	7,000,000	Little Village School	-0-	1/10/2002	7.50% Fixed	2031	Tax Exempt	-0-	179
2803 07 05A	Manley Holdings aka Jeds Corp	5,200,000	Manley Holdings LLC and Manley Holdings Inc.	25,269	6/10/2007	Variable	2022	Taxable	-0-	79
2803 05 09A	Mill River	14,776,000	Mill River	600,934	12/21/2005	5.5	2022	Taxable	-0-	6
2803 05 12A	N.S. Helweg (1)	29,446,000	North Shore Helweg	-0-	12/22/2006	Variable	2038	Tax Exempt	2	-0-
2803 03 09A	Nassau Community Mentally Retarded (1)	820,000	Nassau Comm. Mentally Ret.	-0-	6/18/2003	0.125%	2018	Tax Exempt	-0-	-0-
2803 00 00A	New York Institute Technology (1)	20,560,000	NY Inst. Of Technology	-0-	8/29/2000	5.425%	2030	Tax Exempt	-0-	788
2803 01 02A	North Shore University Hospital (1)	4,055,000	North Shore University Hospital	-0-	10/24/2001	6.8-8.25%	2021	Tax Exempt	9	5,188
2803 01 02B	North Shore University Hospital (1)	14,190,000	North Shore University Hospital	-0-	10/24/2001	5.87%	2011	Tax Exempt	9	5,188
2803 01 02C	North Shore University Hospital (1)	7,865,000	North Shore University Hospital	-0-	10/24/2001	6.93%	2010	Tax Exempt	9	5,188
2803 01 02D	North Shore University Hospital (1)	20,000,000	North Shore University Hospital	-0-	10/24/2001	4-9%	2012	Tax Exempt	9	5,188
2803 98 04A	Northshore Child & Family (1)	2,865,000	Northshore Child & Family	-0-	6/17/89	5.75-6.16%	2024	Tax Exempt	-0-	40
2803 05 12A	NY Water Series 2005 A-1	7,070,000	NY Water/Aqua NY	-0-	12/12/06	5%	2036	Taxable	-0-	50
2803 05 12A	NY Water Series 2005 A-2	5,520,000	NY Water/Aqua NY	-0-	12/12/06	5.4	2016	Taxable	-0-	50
2803 08 03	P.L.U.S. Group Tax-Exempt Series 2007 G (1)	70,000	P.L.U.S. Group Home Inc.	-0-	12/19/2007	7.08%	2012	Tax Exempt	-0-	21
2803 07 13G	P.L.U.S. Group Tax-Exempt Series 2007 G (1)	2,016,000	P.L.U.S. Group Home Inc.	-0-	12/19/2007	6.16%	2022	Tax Exempt	-0-	21
2803 08 03	Philadelv FD (1)	6,300,000	Philadelv Fire Department	-0-	8/29/2008	6.41%	2021	Tax Exempt	3	16
2803 10 04A	REP 85 South Bendize Road, LLC	3,720,000	Robex Course Company	-0-	12/20/2010	Variable	2030	Taxable	27	18
2803 08 00A	RVC Housing Associates	47,000,000	RVC Housing Associates	-0-	6/17/89	Variable	2018	Taxable	45	-0-
2803 07 12A	Spirery IEB Homes	17,000,000	Rockville Centre Housing Auth & Onani Housing Dev.	794,810	10/18/2007	Variable	2040	Taxable	9	-0-
2803 08 06A	St. Mary's Child & Family Svcs	6,700,000	St. Mary's Child & Fam. Svc.	-0-	12/18/2009	Variable	2041	Tax Exempt	13	200
2803 01 05A	The Center for Rapid Recovery (1)	700,000	The Center for Rapid Recovery	-0-	11/30/2001	7%	2016	Tax Exempt	5	40
2803 06 06A	The Center for Rapid Recovery (1)	915,000	The Center for Rapid Recovery	-0-	11/30/2001	7%	2021	Tax Exempt	-0-	-0-
2803 05 06A	The Center for Rapid Recovery (1)	31,000	The Center for Rapid Recovery	-0-	6/20/2009	7.75%	2011	Tax Exempt	-0-	-0-
2803 05 07A	The Little Village House (1)	350,000	Little Village House	-0-	6/14/2009	7.5% Fixed	2015	Tax Exempt	5	12
2803 05 07B	The Little Village House	28,000	Little Village House	-0-	6/20/2009	6.00%	2021	Tax Exempt	-0-	-0-
2803 05 07C	The Little Village House	605,000	Little Village House	-0-	6/20/2009	7.75%	2011	Tax Exempt	-0-	-0-
2803 05 07D	United Cerebral Palsy (1)	3,995,000	United Cerebral Palsy	-0-	12/22/1989	5.75-9.25% Fixed	2014	Tax Exempt	-0-	-0-
2803 07 13E	United Veterans Beacon House Tax-Exempt Series 2007 E (1)	31,000	United Veterans	-0-	12/19/2007	7.09%	2012	Tax Exempt	-0-	-0-
2803 05 05	WORCH (1)	845,000	WORCH (1)	-0-	12/18/2001	6.48%	2037	Tax Exempt	-0-	3
2803 05 01A	Young Adult Institute (1)	1,025,000	Young Adult Institute	-0-	3/12/06	4.00%	2019	Tax Exempt	11	-0-
2803 01 00A	Young Adult Institute (1)	2,131,800	Young Adult Institute	-0-	12/18/2001	7.0 Variable	2016	Tax Exempt	55	-0-
2803 05 01D	Young Adult Institute (1)	2,390,000	Young Adult Institute	-0-	6/15/2006	Variable	2020	Tax Exempt	-0-	-0-

(1) Not for Profit Corporations
 Note: All information presented is the most current, as of 2009.

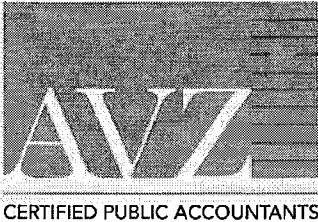
See independent auditors' report.

MASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 SCHEDULE OF BONDS, NOTES AND LEASES
 For the year ended December 31, 2010

Project Code	Lease Project Name	Applicant Name	Address	City	State	Total Exemptions	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained
2803 01 10A	Silver Manor (1)	Silver Manor	645 Yaphank Road	MEDFORD	NY	\$ 4,167	-0-	-0-
2803 02 03A	Perfume of America	Perfume of America	100 Commercial Street	PLAINVIEW	NY	-0-	25	-0-
2803 02 07A	Antech	Antech	1111 Marcus Avenue	NEW HYDE PARK	NY	-0-	28	216
2803 02 08A	Koch Realty	Koch Realty	22 Harbor Park Drive	PORT WASHINGTON	NY	-0-	45	108
2803 02 09A	Recognition System/Expansion Harbor	Recognition System/Expansion Harbor	30 Harbor Park Drive	PORT WASHINGTON	NY	-0-	70	-0-
2803 03 02A	MONY	MONY	1889 Marcus Avenue	NEW HYDE PARK	NY	742,068	4	-0-
2803 04 01A	Ben Elias	Ben Elias	100 Inip Drive	INWOOD	NY	99,164	-0-	250
2803 04 04A	WE Transport	WE Transport	75 Commercial Street	PLAINVIEW	NY	108,808	46	271
2803 04 05A	BFS Realty	BFS Realty	28 Harbor Park Drive	PORT WASHINGTON	NY	115,107	-0-	-0-
2803 04 05B	National Health Card	BFS Realty	28 Harbor Park Drive	PORT WASHINGTON	NY	-0-	-0-	110
2803 04 05C	Sandata Technologies, Inc.	BFS Realty	28 Harbor Park Drive	PORT WASHINGTON	NY	-0-	46	95
2803 04 07	Dreyfus	Dreyfus	200 Park Avenue	NEW YORK	NY	341,002	-0-	412
2803 05 02A	Geismar LLC/Paint Applicator	Geismar LLC/Paint Applicator	7 Harbor Park Drive	PORT WASHINGTON	NY	66,454	111	-0-
2803 05 03A	P&L Development	P&L Development	240 Smith Street	FARMINGDALE	NY	-0-	225	-0-
2803 05 06A	Roslyn Gatehouse	Roslyn Gatehouse	1775 Broadway	NEW YORK	NY	15,253	-0-	-0-
2803 05 11A	Acupath	Acupath	6 Lowell Avenue	NEW HYDE PARK	NY	92,413	18	30
2803 05 15	Neptune (1)	Neptune	501 Kings Highway	FAIRFIELD	CT	-0-	2	-0-
2803 05 17	Avanti	Alexander Infusion LLC	130-17 23rd Avenue	COLLEGE POINT	NY	135,682	7	50
2803 05 23	Granite/MONYII	"Granite Building 2, LLC"	1999 Marcus Avenue	NEW HYDE PARK	NY	1,012,242	5	-0-
2803 06 02A	Stoneridge B & C	"Stoneridge B & C"	1 Cross Island Plaza	ROSEDALE	NY	-0-	-0-	-0-
2803 06 04A	Blue Cassel Site A	Blue Cassel Site A	183-04 Horace Harding Expressway	FRESH MEADOWS	NY	-0-	-0-	-0-
2803 06 10	Marter aka B&R Machine and Tool	B&R Machine and Tool	50 Urban Avenue	WESTBURY	NY	75,113	32	65
2803 06 11	Southern Wines	Southern Wines	345 Underhill Blvd.	SYOSSET	NY	-0-	43	674
2803 07 01A	Hornell Brewing Co., Inc.	"Ferlito, Vullaggio & Sons"	5 Dekota Drive	NEW HYDE PARK	NY	1,108,400	170	-0-
2803 07 02A	Bostwick Laboratories Inc	Bostwick Laboratories Inc.	4355 Innalake Drive	GLEN ALLEN	VA	-0-	23	-0-
2803 07 03A	Administrators for the Professions Inc.	Administrators for the Professions Inc.	111 East Shore Road	MANHASSET	NY	68,984	287	-0-
2803 07 04A	Lunar Module Park, LLC	"Lunar Module Park, LLC"	750 Route 25A	SETAUKET	NY	1,111,564	5	-0-
2803 07 06A	The NPD Group Inc.	The NPD Group Inc.	900 West Shore Road	PORT WASHINGTON	NY	-0-	100	441
2803 07 08A	Deutsche Lufthansa AG	Deutsche Lufthansa AG-see project 2803 95 02A for Job Info.	1640 Hempstead Turnpike	EAST MEADOW	NY	1,437,108	90	-0-
2803 07 10A	Sleepy's Inc.	Sleepy's Inc.	175 Central Avenue South	BETHPAGE	NY	63,532	-0-	401
2803 07 14A	Meyers Farm	Stella Meyer & Peter Meyer III	131 Piquet Lane	WOODBURY	NY	-0-	3	3
2803 08 01A	Crest Good Manufacturing Co.	Crest/Good Mfg. Co. & Sawoy Faucet Co. Inc.	PO Box 488	SYOSSET	NY	985,986	-0-	18
2803 08 02A	Pall Corporation	Pall Corporation	2200 Northern Blvd.	GREENVALE	NY	-0-	-0-	517
2803 08 03A	Kozy Shack Enterprises, Inc.	"Kozy Shack Enterprises, Inc."	83 Ludy Street	HICKSVILLE	NY	-0-	35	323
2803 08 04A	Quick International Courier	"Q International Courier, Inc."	200 Robbins Lane	JERICHO	NY	-0-	100	-0-
2803 08 05A	Cox & Company, Inc.	"Cox & Co. Steel O LLC"	200 Varick Street	NEW YORK	NY	-0-	20	190
2803 08 07A	Nestle Waters North America Inc.	Nestle Waters North America Inc.	777 W. Putnam Avenue	GREENWICH	CT	-0-	101	-0-
2803 08 09A	Harpark Assoc. & Harbor Footwear	Harpark Assoc. & Harbor Footwear	55 Harbor Park Drive	PORT WASHINGTON	NY	-0-	10	90
2803 09 02A	Adams Court	Adams Court Development Fund Corporation	1551 Franklin Avenue	MINEOA	NY	217,276	1	-0-
2803 09 03A	Bedell Terraces	Bedell Terraces Apartments, LP	885 Second Avenue	New York	NY	-0-	6	-0-

(1) Not for Profit Corporations
 Note: All information presented is the most current, as of 2009.

See independent auditors' report.



**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 Industrial Development Agency
Mineola, NY

We have audited the financial statements of the business-type activities of the Nassau County Industrial Development Agency (the "Agency"), a component unit of Nassau County, New York, as of and for the year ended December 31, 2010 and 2009, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated March 25, 2011. 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 Agency'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 Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified.

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 misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness.

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ALBRECHT, VIGGIANO, ZURECK & COMPANY, P.C.

245 PARK AVENUE, 24TH FLOOR
NEW YORK, NY 10167
T: 212.792.4075

25 SUFFOLK COURT
HAUPPAUGE, NY 11788-3715
T: 631.434.9500 F: 631.434.9518

www.avz.com
INDEPENDENT MEMBER OF BKR INTERNATIONAL

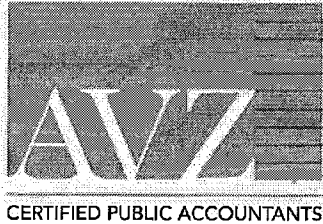
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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 audit committee, management of the Agency, and Nassau County 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 25, 2011



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH AGENCY INVESTMENT POLICY

To the Board of Directors
Nassau County Industrial Development Agency
Mineola, New York

We have examined Nassau County Industrial Development Agency's (the "Agency"), a component unit of the Nassau County, New York, compliance with the Agency's investment policy during the period January 1, 2010 through December 31, 2010. Management is responsible for the Agency's compliance with those requirements. Our responsibility is to express an opinion on the Agency'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 Agency'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 Agency's compliance with specified requirements.

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements during the period January 1, 2010 through December 31, 2010.

This report is intended solely for the information and use of the audit committee, management of the Agency, and the Nassau County 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 25, 2011

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245 PARK AVENUE, 24TH FLOOR
NEW YORK, NY 10167
T: 212.792.4075

25 SUFFOLK COURT
HAUPPAUGE, NY 11788-3715
T: 631.434.9500 F: 631.434.9518

WWW.BVZ.COM
INDEPENDENT MEMBER OF BKR INTERNATIONAL