

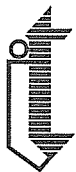
NASSAU COUNTY DEFERRED COMPENSATION PLAN

FINANCIAL STATEMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AND  
INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED DECEMBER 31, 2008

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Israeloff, Trattner & Co. P.C.

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## INDEPENDENT AUDITORS' REPORT

To the Nassau County  
Deferred Compensation Board and Participants:

We have audited the accompanying statement of fiduciary net assets available for benefits of Nassau County Deferred Compensation Plan (the "Plan") as of December 31, 2008, and the related Statement of Changes in Fiduciary Net Assets Available for Benefits for the year then ended. These financial statements are the responsibility of the Plan'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. Those standards require that we plan and perform our 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 the Plan's 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 2008 financial statements referred to above present fairly, in all material respects, the fiduciary net assets available for benefits of Nassau County Deferred Compensation Plan as of December 31, 2008, and the changes in fiduciary net assets available for benefits for the year then ended in conformity with U.S. generally accepted accounting principles.

The management discussion and analysis on pages 2-6 are not required parts of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*Israeloff, Trattner & Co. P.C.*

Garden City, New York  
September 21, 2011

NASSAU COUNTY DEFERRED COMPENSATION PLAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008

The Nassau County Deferred Compensation Plan ("NCDCP") operates as a deferred compensation plan as defined in Section 457 of the Internal Revenue Code of the United States. The following discussion provides an overview of the financial position and results of operations for the NCDCP as of and for the year ended December 31, 2008. For more detailed information, please refer to the financial statements, including the Notes to Financial Statements.

### **Financial Statements**

The Nassau County Deferred Compensation Plan (the "Plan") has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" and Statement No. 37, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus". The two statements require state and local governments and their components' financial statements to include management's discussion and analysis, government wide financial statements, fund financial statements, notes to the financial statements and required supplementary information. The statements also require state and local governments to report infrastructure assets. There was no effect on the net assets of the Plan as a result of implementing GASB 34 and GASB 37.

The financial statements include the Statement of Fiduciary Net Assets Available for Benefits and the Statement of Changes in Net Assets Available for Benefits. The Notes to the Financial Statements are considered an integral part of the financial statements. The financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of when cash is received or expended. Investments are reported at fair value.

Statement of Fiduciary Net Assets includes all assets and liabilities of the NCDCP and provides a snapshot of the financial position of the NCDCP as of the end of the calendar year. Assets less liabilities results in the net assets held in trust for the participants at calendar year-end.

Statement of Changes in Fiduciary Net Assets reports all additions and deductions of the NCDCP for the calendar year. Additions are primarily comprised of participant contributions and investment income. Deductions are principally made up of normal distributions. Additions minus deductions provide the change in fiduciary net assets for the calendar year. The change in fiduciary net assets plus the beginning fiduciary net assets results in the fiduciary net assets held in trust for participants at calendar year-end.

The Notes to the Financial Statements include plan descriptions, a summary of significant accounting policies, credit risk disclosures for cash and investments, and concentration of investments disclosures.

NASSAU COUNTY DEFERRED COMPENSATION PLAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008

## Financial Highlights

### Plan Assets, Contributions and Investment Results

Net Assets Available for Plan Benefits totaled \$613,310,354 at December 31, 2008 and \$760,011,139 at December 31, 2007, a decrease of 19.30% in 2008. The 2008 net decrease is primarily the result of significant depreciation in the fair value of invested assets net of contributions received from participants in 2008.

Contributions from participants were \$54,630,848 in 2008 and \$54,334,218 in 2007. The 2008 participant contribution amount represents an increase of 0.55% over the 2007 participant contribution. The annual Internal Revenue Service (IRS) limit for contributions is \$15,500 in 2008 and 2007. The annual catch-up contribution limit for participants aged 50 or over is \$5,000 in 2008 and 2007. Administrative expenses totaled \$108,272 and \$324,089 for the years ended December 31, 2008 and 2007, respectively.

### Plan Additions and Deductions for 2008 and 2007

	<u>2008</u>	<u>2007</u>	<u>% Change</u>
Interest and dividends	\$ 4,914,459	\$ 13,678,109	(64.07%)
Revenue Sharing Income	347,401	451,937	(23.13%)
Participant contributions	54,630,848	54,334,218	0.55%
Rollovers and transfers and other adjustments, net	189,247	597,742	(68.34%)
Depreciation/Appreciation in fair value of investments – net	(170,335,135)	36,251,440	(569.87%)
Distributions to participants and beneficiaries	36,115,559	42,319,145	(14.66%)
Administrative expenses	108,272	324,089	(66.59%)
Allocation to participants	-	751,670	(100.00%)
Other adjustments	<u>223,774</u>	<u>-</u>	<u>-</u>
(Decrease)/increase in fiduciary net assets available for benefits	\$ <u>(146,700,785)</u>	\$ <u>61,918,542</u>	
Investments in mutual funds, pooled separate assets and interest account accumulation	\$ <u>613,310,354</u>	\$ <u>760,011,139</u>	

NASSAU COUNTY DEFERRED COMPENSATION PLAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008

The following is a listing of all the Plan's investment options offered and their related average annual performance for 2008. Average annual performance reflects changes in share price and reinvestment of dividends and capital gains and losses. Performance includes the effect of any applicable recurring and non-recurring fees. Investment decisions should be based upon a thorough reading of the appropriate prospectus and/or consultation with professional advisors. Past performance is no guarantee of future results:

<b>Mutual Fund Select Portfolios/Met Life Investment Alternative Description</b>	<b>Average 2008 Annual Return</b>
Legg Mason Partners Variable Money Market Portfolio	2.17%
Western Asset Management U.S. Government Portfolio Class A	(0.63%)
BlackRock Bond Income Portfolio - Class A	(3.83%)
Barclays Capital Aggregate Bond Index Portfolio (formerly Lehman Brothers® Aggregate Bond Index Portfolio)	5.54%
Pioneer Strategic Income Portfolio - Class A	(11.12%)
BlackRock High Yield Portfolio - Class A	(24.52%)
Fidelity VIP High Income Portfolio - Initial Class	(25.30%)
Legg Mason Partners Variable High Income Portfolio	(30.28%)
BlackRock Diversified Portfolio	(25.11%)
Legg Mason Partners Managed Assets Portfolio Class A	(25.54%)
MFS® Total Return Portfolio - Class F	(22.64%)
Loomis Sayles Global Markets Portfolio	(39.35%)
Lord Abbett Mid-Cap Value Portfolio	(39.03%)
Oppenheimer Global Equity Portfolio - Class A	(40.62%)
Legg Mason Partners Variable Social Awareness - Class X	(25.52%)
Lord Abbett Growth and Income Strategy Fund	(36.54%)
MetLife Stock Index Portfolio	(37.36%)
Pioneer Fund Portfolio - Class A	(33.12%)
Fidelity VIP Equity Income Portfolio - Initial Class	(42.90%)
Legg Mason Partners Variable Investors Portfolio	(35.89%)
Legg Mason Partners Variable International All Cap Opportunity Portfolio	(43.64%)
Morgan Stanley EAFE® Index Portfolio	(42.32%)
Capital Guardian U.S. Equity Portfolio - Class A	(40.48%)
Fidelity Large Cap Portfolio - Class A	(45.05%)
Janus Forty Fund - Class A	(42.10%)
Russell 2000® Index Portfolio - Class A	(33.73%)
MetLife Conservative Allocation Portfolio - Class B	(14.75%)
MetLife Conservative to Moderate Allocation Portfolio - Class B	(21.93%)
MetLife Moderate Allocation Portfolio - Class B	(28.93%)
MetLife Moderate to Aggressive Allocation Portfolio - Class B	(35.39%)

NASSAU COUNTY DEFERRED COMPENSATION PLAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008

<b>Mutual Fund Select Portfolios/Met Life Investment Alternative Description (Continued)</b>	<b>Average 2008 Annual Return</b>
MetLife Aggressive Allocation Portfolio - Class B	(40.70%)
Clarion Global Real Estate Portfolio	(41.80%)
BlackRock Large Cap Value Portfolio - Class B	(35.38%)
Legg Mason Value Equity Portfolio - Class B	(54.81%)
Lazard Mid-Cap Portfolio - Class A	(38.45%)
Legg Mason Partners Aggressive Growth Portfolio - Class B	(39.31%)
Oppenheimer Capital Appreciation Portfolio - Class A	(47.99%)
BlackRock Legacy Large Cap Growth Portfolio - Class B	(36.96%)
T. Rowe Price Large Cap Growth Portfolio - Class B	(42.25%)
T. Rowe Price Small Cap Growth Portfolio - Class B	(37.09%)
T Rowe Price Growth Stock Fund	(42.26%)
Van Kampen Growth and Income Fund - Class A	(32.19%)
Legg Mason Partners Appreciation Fund	(29.05%)
Vanguard Institutional Index Fund	(36.95%)
Legg Mason Partners Small Cap Growth Fund - Class A	(40.87%)
Vanguard Mid-Cap Index Institutional Fund	(41.76%)
American Funds® EuroPacific Growth Fund - Class R3	(40.71%)
Pioneer Mid-Cap Value Fund - Class A	(33.70%)
Legg Mason Partners Government Securities Fund	1.14%
Vanguard Total Bond Market Index Institutional	5.19%
American Balanced Fund® Class R3	(25.94%)
Morgan Stanley Inst Mid-Cap Growth Fund I	(47.22%)
Allianz NFJ Small Cap Value Fund - Class A	(26.45%)
Royce Pennsylvania Mutual Fund Investment Class	(34.78%)
Virtus Mid-Cap Value Fund - Class A	(37.69%)
T. Rowe Price Retirement Income Fund	(18.38%)
T. Rowe Price Retirement 2010 Fund	(26.71%)
T. Rowe Price Retirement 2015 Fund	(30.22%)
T. Rowe Price Retirement 2020 Fund	(33.48%)
T. Rowe Price Retirement 2025 Fund	(35.90%)
T. Rowe Price Retirement 2030 Fund	(37.79%)
T. Rowe Price Retirement 2035 Fund	(38.88%)
T. Rowe Price Retirement 2040 Fund	(38.85%)
T. Rowe Price Retirement 2045 Fund	(38.83%)
T. Rowe Price Retirement 2050 Fund	(38.80%)
T. Rowe Price Retirement 2055 Fund	(38.89%)

NASSAU COUNTY DEFERRED COMPENSATION PLAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008

The Plan entered into a revenue sharing agreement with its service provider. The agreement calls for the service provider to share its revenues earned from the assets held with the Plan. The arrangement, which is described in more detail in Note 4 of the financial statements, provided \$347,401 and \$451,937 to the Plan for the calendar years 2008 and 2007, respectively. Such funds are to be used at the discretion of the NCDGP Board to pay for plan expenses and/or allocate excess funds to the participants. Parts of the funds earned were used to pay for consulting, auditing and other administrative expenses of the Plan in 2008 and 2007. In 2007 the Plan distributed \$751,670 in shared revenue to the participants. As of December 31, 2008, the plan has \$593,870 in revenue sharing income invested in the Legg Mason Money Market Fund.

The annual maximum contribution for 2008 and 2007 was \$15,500 (\$20,500 if employee is age 50 or older). The annual maximum contributions have been set for the coming years as follows:

2009	\$16,500 (\$22,000 if age 50 or older)
2010	\$16,500 (\$22,000 if age 50 or older)

**Decisions and Conditions Expected to Have Significant Impact on the Plan's Future Financial Position**

Due to the demographics of our employee base as well as the number of participants who contribute the maximum amount each year, the amount categorized as *participant contributions* should continue to increase in the foreseeable future.



NASSAU COUNTY  
DEFERRED COMPENSATION PLAN

STATEMENT OF FIDUCIARY NET ASSETS AVAILABLE FOR BENEFITS  
DECEMBER 31, 2008

**ASSETS**

Investments, at fair value

Guaranteed investment account	\$ 309,173,336
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Pooled separate accounts	187,641,656
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Mutual funds	<u>116,540,362</u>
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Total Investments	613,355,354
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**LIABILITIES**

Accrued expenses	<u>45,000</u>
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FIDUCIARY NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 613,310,354</u></u>
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NASSAU COUNTY  
DEFERRED COMPENSATION PLAN

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS AVAILABLE FOR BENEFITS  
YEAR ENDED DECEMBER 31, 2008

**ADDITIONS TO NET ASSETS ATTRIBUTED TO:**

Investment income:

Interest and dividends	\$ 4,914,459
Revenue sharing income	<u>347,401</u>
	<u>5,261,860</u>

Contributions:

Plan participants - deferrals of compensation	54,630,848
Rollovers, transfers and other adjustments, net	<u>189,247</u>
Total Contributions, Rollovers, transfers and other adjustments, net	<u>54,820,095</u>

Total additions	<u>60,081,955</u>
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**DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:**

Net depreciation in fair value of investments	170,335,135
Benefits paid to participants and beneficiaries	36,115,559
Administrative expenses	108,272
Other adjustments	<u>223,774</u>
Total deductions	<u>206,782,740</u>

Decrease in fiduciary net assets available for benefits	(146,700,785)
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FIDUCIARY NET ASSETS AVAILABLE FOR BENEFITS, beginning of year	<u>760,011,139</u>
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FIDUCIARY NET ASSETS AVAILABLE FOR BENEFITS, end of year	<u><u>\$ 613,310,354</u></u>
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NASSAU COUNTY DEFERRED COMPENSATION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

**1. DESCRIPTION OF PLAN**

The following description of the Nassau County Deferred Compensation Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

(a) General:

The Plan is a defined contribution plan which permits employees and elected officials of Nassau County to defer a portion of their current salary until future years. Nassau County does not make any contributions to the Plan. Participants do not pay income taxes on their contributions or investment returns while these funds remain in the Plan. At December 31, 2008, the Plan had 8,241 active participants with vested account balances.

The Plan is intended to satisfy the requirements for an "eligible State deferred compensation plan" under Section 457 of the Internal Revenue Code of 1986, as amended.

Amounts maintained under a deferred compensation plan by a state or local government is to be held in trust for the exclusive benefit of plan participants and their beneficiaries.

- (b) Employees of the County are eligible to participate in the Plan as of any enrollment date following the date he or she becomes an employee.

(c) Contributions:

Participants may contribute a minimum of \$260 and up to 100% of their compensation, not to exceed the maximum deferral amount under Internal Revenue Service regulations in a calendar year (\$15,500 in 2008). Participants that have attained age 50 before the close of a plan year are permitted to contribute an additional catch-up amount (\$5,000 in 2008).

In addition, a participant may file an election to have a catch-up limitation apply to this determination of the maximum amount that may be deferred during one or more of the last three plan years ending before attainment of the participant's normal retirement age. The maximum amount that may be deferred for each of the plan years covered by the election shall not exceed the lesser of twice the dollar amount of the maximum deferral under the Internal Revenue Service regulations or the sum of the maximum deferral under the Internal Revenue Service regulations and the 50 years of age and older catch-up contribution amount.

NASSAU COUNTY DEFERRED COMPENSATION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

**1. DESCRIPTION OF PLAN (CONTINUED)**

(d) Participants' Accounts and Vesting:

Each participant's account is credited with the participant's contributions as remitted and with a daily allocation of Plan earnings (losses) on the investment options in which the participant is invested. Each participant's account balance is invested in accordance with the investment option(s) selected by the participant. Participants are 100% vested in their account balance at all times.

(e) Payment of Benefits and Transfers:

A participant's deferred compensation account balance is available upon the occurrence of the earlier of such participant's severance from employment, retirement, death, attainment of age 70½ or the occurrence of certain unforeseeable emergencies as defined by the Internal Revenue Code. A participant may elect to receive a lump sum amount equal to the value of his or her account, or periodic payments in monthly, quarterly, semiannual or annual installments. In addition to these regular periodic payments, a participant may also request a non-scheduled distribution of at least \$500 no more than twelve times a year.

Participants also have the right to redirect the timing, the amount, and the method of payment of the distribution. In connection with a participant's severance from employment, the participant may elect to have all or a portion of his/her account rolled over into another qualified retirement account.

Certain eligible participants are entitled to a full distribution ("inactive account distribution") of their account prior to separation from service if the total amount payable does not exceed \$5,000 and there have been no deferrals to the Plan by the participant in the prior two years. Participants are not eligible for an inactive account distribution if they have taken a prior inactive account distribution election.

(f) Allocation of Contributions:

Contributions are allocated among investment options based on a participant's designation through the Plan's recordkeeper.

NASSAU COUNTY DEFERRED COMPENSATION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

**1. DESCRIPTION OF PLAN (CONTINUED)**

(g) Unforeseeable Emergency (UFE):

Participants, after approval from the Plan's Board, may receive a UFE withdrawal which may not exceed the lesser of the amount reasonably needed to meet the financial need created by such unforeseeable emergency or the value of the participant's plan balance as of the most recent valuation date. All payments shall be made in one lump cash sum within sixty days after approval of the request.

(h) Plan Termination:

Although it has not expressed any intent to do so, the Plan's Board has the right under the Plan to amend, suspend or terminate the Plan, any deferrals thereunder, or any investment fund, in whole or in part. Upon termination of the Plan, all amounts deferred shall be payable to the participants or beneficiaries as provided in the Plan.

**2. SUMMARY OF ACCOUNTING POLICIES**

(a) Basis of Accounting

The Plan's financial statements have been prepared on the accrual basis of accounting.

(b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

(c) Recent Accounting Pronouncements

No government accounting pronouncements were issued in 2008 and through the date of this report that are applicable to the Plan.

(d) Investment Valuation and Income Recognition

Investments are stated at fair value based upon quoted market prices, except for the Plan's fixed income options and pooled separate accounts, which are valued at contract value, which approximates fair value. Purchases and sales of investments are recorded on a trade-date basis. Interest income is recognized in the period earned. Gains and losses on the sales of investments are recognized when realized, while unrealized gains and losses are recognized daily based on fluctuations in market value. Realized and unrealized gains and losses are netted in the financial statements. Certain expenses charged by custodians, such as insurance mortality expense charges or deferred sales charges, if any, are included as a component of gains and losses.

NASSAU COUNTY DEFERRED COMPENSATION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

**2. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)**

(e) Payments of Benefits:

Benefits are recorded when paid.

(f) Fixed Income Accounts

Participants can allocate account funds to the Plan's guaranteed interest account. The guaranteed interest rate, under the terms of the contract at December 31, 2008, was 4.5%. The average interest rate credited to the accounts in 2008 was 4.5%.

(g) Distribution Policy:

An employee may retire or terminate service and receive a lump-sum distribution or a monthly disbursement. Internal Revenue Code and Regulations require that distributions to the member begin no later than April 1 of the calendar year following the calendar year in which the employee attains age 70-1/2 or retires, whichever is later. Generally, distributions may begin at any age following retirement or separation of service. Normal distributions include monthly benefit disbursements, lump-sum distributions upon retirement or separation of service, and rollovers to other qualified plans. Participant withdrawals include emergency disbursements and excess deferral qualified domestic relations orders (QDRO).

**3. INVESTMENTS**

The Plan's investments are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities could occur in the near term.

The Plan's investments at December 31, 2008 are as follows:

	<u>2008</u>
Mutual funds	\$ 116,540,362
Pooled separate assets	187,641,656
Fixed interest account	<u>309,173,336</u>
Total Plan Investments	\$ <u>613,355,354</u>

As of December 31, 2008, the following investments represented 5% or more of the Plan's net assets:

NASSAU COUNTY DEFERRED COMPENSATION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

**3. INVESTMENTS (CONTINUED)**

Janus Forty Class A	\$ 32,834,059
MetLife Gold Track Select (previously Travelers GTS Liquid Fixed Fund)	\$ 309,173,336

**4. RECORDKEEPING AND ADMINISTRATIVE EXPENSES**

The Nassau County Deferred Compensation Plan Board serves as the Plan Administrator and represents the County in all matters concerning administration of the Plan.

Expenditures for recordkeeping and administrative expenses rendered in connection with administration of the Plan are paid directly by the Plan and allocated to and deducted from the accounts of all participants unless paid by the Board from either the proceeds of the revenue sharing agreement (see below) with Metlife, the Plan's service provider, state funds allocated for such expenses or the employer elects to pay such expenses directly.

Effective with the September 1, 2004, service provider agreement, the Deferred Compensation Board has agreed to a revenue sharing agreement between the plan and its service provider. Under this arrangement, the service provider is to pay the Plan a portion of revenues earned from the assets held by the Plan. The arrangement calls for 80% of annual revenues in excess of \$1,669,000 earned by the provider to be remitted to the Plan and no less than \$337,000. Such revenues will be remitted directly to the Plan and used in the best interest of the plan as determined by the Board (i.e., plan expenses). In case the Board finds such revenues to be significantly more than the sum of the plans incurred and anticipated expenses and a prudent reserve for future expenses, the Board may instruct that the difference be allocated among participants, beneficiaries, and alternate payees' plan accounts.

For the years ended December 31, 2008 and December 31, 2007, earnings by the plan from the revenue sharing agreement amounted to \$347,401 and \$451,937, respectively. Earnings are invested in the Legg Mason Money Market Fund and are used to pay consulting, auditing and miscellaneous other plan expenses in 2008 and 2007. At December 31, 2008, the balance in the Legg Mason Money Market Fund was \$593,870 and was included in the pooled separate accounts on the statement of fiduciary net assets available for benefits. However, such balance was not allocated to the participant account balances.

NASSAU COUNTY DEFERRED COMPENSATION PLAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

**5. RELATED PARTY TRANSACTIONS**

CitiStreet Associates, LLC

Certain Plan investment options are offered through CitiStreet's Mutual Fund Select Portfolios Group-Trust ("MSSP"), also referred to as CitiStreet Retirement Services Group – Trust. The group-trust is sponsored by CitiStreet Associates, LLC ("CitiStreet") and provides for investment in shares of registered investment companies and collective investment funds. A participant's contribution applied to the group-trust is invested in the available investment options in accordance with the participant's direction. Certain fees are paid to CitiStreet from the group-trust assets in consideration for recordkeeping and other services provided. The Plan has contracted with CitiStreet to perform certain administrative and recordkeeping functions, and therefore, these transactions qualify as party-in-interest transactions. Additionally, the group-trust may invest in funds that are managed or advised by an affiliate of CitiStreet. During 2005, MSSP was sold by CitiStreet to Travelers and Travelers was bought by Met Life, the Plan's Administrative Service Agency.

CitiStreet Financial Services, LLC

Certain Plan investments, as of December 31, 2008, are shares of pooled separate accounts and/or annuity investment options managed by MetLife. Purchases and sales of these funds are open market transactions at fair market value. Met Life was the Plan Administrative Service Agency during the year 2008. Therefore, these transactions qualify as party-in-interest transactions.

**6. SUBSEQUENT EVENTS**

On October 1, 2009 the investments representing the revenue sharing account earnings totaling \$787,162 were transferred from Legg Mason to Vanguard. Effective August 2, 2010, the Plan's new administrative service provider is Prudential Retirement Insurance and Annuity Company and the Plan's custodial trustee is Prudential Bank and Trust FSB replacing Metropolitan Life Insurance Company and Reliance Trust Company, respectively. Effective August 1, 2010, the Plan instituted a loan program for participants to borrow money from their account balance.