

STATEMENT OF THE BOARD OF DIRECTORS OF THE NASSAU COUNTY INTERIM FINANCE AUTHORITY (NIFA)

Mineola, NY – July 29, 2011 – On July 14th, as required by New York State law, NIFA directed the County to submit a revised Multi-Year Financial Plan with a prescribed format for Fiscal Year 2012. The County submitted their reply last evening which was unresponsive to NIFA’s order.

The reply submitted by the County ignores NIFA's direction to remove questionable revenues or make equivalent adjustments of \$225 million for the 2012 Fiscal Year. The State statute establishing NIFA clearly delegates to NIFA the power to determine what revenues may be included and what must be removed by the County. The County’s continued reliance on “other financing sources,” such as borrowing, is not revenue and cannot and will not be accepted by NIFA. As stated in the NIFA statute, NIFA can reject a financial plan because the plan “fails to provide that operations of the county and covered organization will be conducted **within the cash resources** available according to the **authority’s revenue estimates...**” [emphasis added].

The statute states in a control period, NIFA “....shall exercise the rights of approval, disapproval and modification with respect to the financial plan, including but not limited to the revenue estimates contained....”

Thus, given NIFA’s resolution of July 14th, the County has failed to submit a balanced financial plan for 2012 by July 28th and is now in violation of the NIFA Act.

We will review the County's submission in greater detail and hold a Public Meeting in the near future to consider specific orders to the County to achieve the fiscal balance required by law.

We will expect the County to abide by our orders, as required by the NIFA Act. The needless delay of the County in facing its fiscal problems is over. The current financial situation is such that NIFA must require fiscal responsibility to protect the County not just for the current year but also for future years.

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