

NASSAU COUNTY
NEW YORK



COMPREHENSIVE
ANNUAL FINANCIAL
REPORT
OF THE
COMPTROLLER

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2011

GEORGE MARAGOS
COMPTROLLER

NASSAU COUNTY
NEW YORK



COMPREHENSIVE
ANNUAL FINANCIAL
REPORT
OF THE
COMPTROLLER

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2011

GEORGE MARAGOS
COMPTROLLER

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George Maragos
NASSAU COUNTY COMPTROLLER

COUNTY OF NASSAU, NEW YORK

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INTRODUCTORY SECTION

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Hon. George Maragos
Comptroller

Francis X. Moroney, Esq.
Chief Deputy Comptroller

Joy M. Watson, Esq.
Deputy Comptroller
Audits & Special Projects

James A. Garner
Deputy Comptroller
Administration



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July 27, 2012

TO THE PEOPLE OF NASSAU COUNTY

I am pleased to submit the Comprehensive Annual Financial Report (“the report”) for the year ended December 31, 2011, as required by New York State County Law 577[1] (j)-(k). This letter of transmittal is designed to complement Management’s Discussion and Analysis (“MD&A”) and should be read in conjunction with it.

To the best of my knowledge, the data, as presented, is accurate in all material aspects and presents the financial and operational condition of the County fairly as measured by the financial activity of the governmental entity, its various funds and component units, and includes all necessary disclosures.

The County ended the year with a budgetary deficit of \$50.4 million in its County defined primary operating funds. The year-end deficit will decrease the fund balance of these primary funds from \$90.9 million to \$40.5 million. This deficit is caused predominantly by the legislature refusing to authorize \$43.1 million in borrowing to pay for property tax refunds, as was budgeted and customary in prior years.

Additionally, the structural deficit related to these primary funds was reduced for the second consecutive year from \$137.6 million in 2010 to \$127.6 million in 2011, a 7.3% improvement. This is the second consecutive annual reduction in the structural deficit in the past six years. The structural deficit is the difference between recurring revenues and expenses, excluding “one-shots,” and traditionally has been an important indicator of the County’s long-term fiscal health. Furthermore, the amount of general borrowings during 2011 has been reduced by approximately 75% to \$82 million from \$324 million in 2009.

Notwithstanding the improvements in the financial fundamentals, the County still ended with a budgetary deficit. This is unacceptable. In order for the County to be on stronger financial footing we must have the Administration, the Nassau County Interim Finance Authority (“NIFA”) and the

Legislature working cooperatively, and difficult decisions need to be made to bring the structural gap down to near zero, which will mean aligning operating revenues and expenses. This can be accomplished by refocusing government on core functions; in-source, where possible, services performed by contractors; cancelling all non-essential contractual services and maintenance contracts; halting all general expense purchase for the remainder of 2012; and finding new sources of non-tax revenues.

NIFA under its New York State authority declared in March 14, 2011 a “control period” placing the County under financial supervision, asserting that the County was likely to end 2011 in deficit of at least one percent. NIFA froze wages of County employees, scrutinized borrowing and reviewed contracts over \$50,000 to ensure no unnecessary spending.

The independent accounting firm of Deloitte & Touche LLP performed an audit of the County’s financial statements as of, and for the year ended, December 31, 2011. Their audit opinion on the basic financial statements, and combined and individual fund statements and schedules is located on pages 11 and 12 of this report.

County programs which expend federal funds must also undergo an annual “single audit” in conformance with the provisions of the Federal Single Audit Act and the United States Office of Management and Budget’s Circular A-133: *Audits of States, Local Governments, and Non-Profit Organizations*. The single audit is presented as a separate report. Such report includes the independent auditors’ report on internal controls over financial reporting and on compliance and other matters as an appendix.

The County is responsible for establishing and maintaining internal control structures, which should be designed to ensure that its assets are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformance with accounting principles generally accepted in the United States. Internal control structures are designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and, (2) the valuation of costs and benefits requires estimates and judgment by County managers. As a recipient of federal grants, the County must also establish internal control structures in compliance with applicable laws and regulations related to those programs. The County’s internal control structures are subject to periodic evaluation by the Comptroller’s Office personnel, as well as by the independent auditors engaged to conduct the annual single audit, as required by law.

Profile of the Government

Nassau County funds a full range of municipal services which include: public safety, health, highways, sanitation, public improvements and parks, recreational facilities and cultural events, as well as planning and general administrative services. Incorporated in 1899, the County contains three towns, two cities, 64 incorporated villages, 56 school districts and approximately 200 special taxing districts that provide services in specific areas, such as garbage collection and water supply.

With a population of approximately 1.4 million people, it occupies 287 square miles located approximately 15 miles east of Manhattan.

The various funds and component units included in this report are deemed to be controlled by, or financially accountable to, the County based on criteria set forth by the Governmental Accounting Standards Board Statement No. 14 as discussed in Note 1 to the Financial Statements. The County's component units are comprised of NIFA, the Nassau County Tobacco Settlement Corporation, the Nassau County Tobacco Securitization Corporation Residual Trust, the Nassau County Sewer and Storm Water Finance Authority, the Nassau Community College, the Nassau Health Care Corporation, the Nassau Regional Off-Track Betting Corporation, the Nassau County Industrial Development Agency, and the Nassau County Local Economic Assistance Corporation.

The County establishes budgetary controls to ensure compliance with legal provisions contained in the annual appropriated budgets approved by the County Legislature. Activities of the General Fund, Debt Service Fund, and Special Revenue Funds, with the exception of the Grant Fund, are provided for in annual appropriated budgets. Activities of the Grant Fund are appropriated for the life of each grant, as the individual grants are made available to the County. Project-length financial plans, as well as annual spending plans, are adopted for the Capital Projects Funds.

The level of budgetary control at which expenditures cannot exceed the appropriated amount is exercised by object appropriation level within a department control center. The County also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Appropriations, which have not been expended or encumbered, lapse at the end of the year. Encumbrances outstanding at year-end are recorded in order to reserve that portion of the applicable appropriation and may be expended in a subsequent budgetary period.

Financial policies that had a significant impact on the current period's financial statements

Nassau County has not been immune to the economic recession that has swept the region and the country. Unemployment and economic uncertainty has led to reduced consumer spending, and little economic growth. Sales tax, which is the County's largest revenue source, recovered in 2011 to pre 2008 levels, increasing approximately 3.6% over the prior year's sales tax revenue, excluding the residential energy tax and approximately 1.8% over 2007.

The \$50.4 million deficit in 2011 was avoidable and is primarily the result of NIFA and the legislature failing to work with the Administration to approve the borrowing for property tax refunds as was customary. Overall, the deficit resulted from the combination of the unbudgeted \$43.1 million additional expense incurred for tax certiorari refunds and approximately \$80.1 million in lower revenues than budgeted, predominantly from the State's inaction on red light camera expansion and lower than budgeted red light camera fees (\$33.8 million), reduced State aid (\$38.5 million), and lower departmental revenues (\$8.1 million). The higher expenses and lower revenues were partially offset by \$70.3 million of budgeted contingencies, resulting in the \$50.4 million budgetary deficit.

The unreserved fund balance in the General Fund declined to \$31.6 million or to about 1.5% of normal prior year expenditures as a result of the budgetary deficit, well below the County's Policy to maintain, at least, a 4% unreserved fund balance.

Awards and Acknowledgements

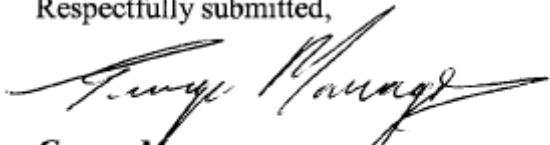
The Government Finance Officers Association of the United States and Canada (“GFOA”) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for the year ended December 31, 2010. This is the twenty-seventh consecutive year in which the County’s Comprehensive Annual Financial Report has been so honored. In order to be awarded the Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that this current report continues to conform to the program requirements, and we plan to submit it to the GFOA to determine its eligibility for a Certificate of Achievement.

The County has also earned GFOA’s Distinguished Budget Presentation Awards for its 2010 budget submissions. In order to receive this award, a governmental unit must publish a budget document that meets criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The preparation of the 2011 Comprehensive Annual Financial Report could not have been accomplished without the invaluable assistance of the efficient and dedicated staff of the offices of the County Comptroller, the County Executive, the County Treasurer and our independent auditors, Deloitte & Touche LLP. I would like to express my appreciation to all those who assisted and contributed to its preparation.

Respectfully submitted,



George Maragos
Nassau County Comptroller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Nassau
New York

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Davison

President

Jeffrey R. Emer

Executive Director

COUNTY OF NASSAU, NEW YORK

PRINCIPAL OFFICIALS

December 31, 2011

Executive

County Executive
County Comptroller
Acting County Treasurer
County Attorney
Director of the Budget
District Attorney
County Clerk
Acting County Assessor

Edward P. Mangano
George Maragos
Beaumont Jefferson
John Ciampoli
Jeffrey Nogid
Kathleen M. Rice
Maureen C. O'Connell
James E. Davis

Legislative

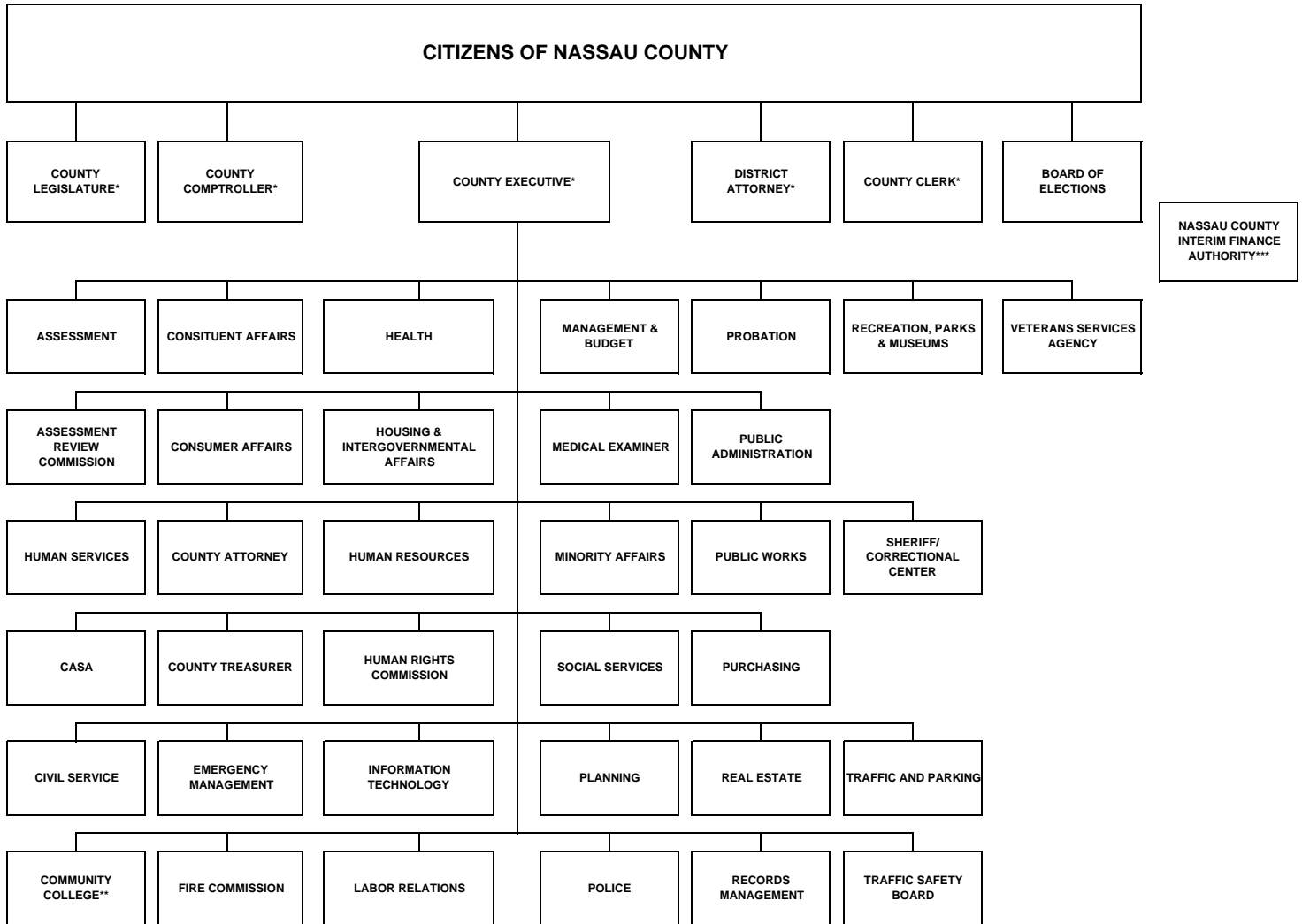
Peter J. Schmitt, Presiding Officer
John J. Ciotti, Deputy Presiding Officer
Norma L. Gonsalves, Alternate Deputy Presiding Officer
Diane Yatauro, Minority Leader
Legislator Kevan M. Abrahams
Legislator Robert Troiano
Legislator Denise Ford
Legislator Joseph K. Scannell
Legislator Francis X. Becker, Jr.
Legislator Howard J. Kopel
Legislator Vincent T. Muscarella
Legislator Richard J. Nicoletto
Legislator Judi Bosworth
Legislator Wayne H. Wink, Jr.
Legislator Joseph V. Belesi
Legislator Dennis Dunne, Sr.
Legislator Judith A. Jacobs
Legislator Rose Marie Walker
Legislator David W. Denenberg

12th Legislative District
3rd Legislative District
13th Legislative District
18th Legislative District
1st Legislative District
2nd Legislative District
4th Legislative District
5th Legislative District
6th Legislative District
7th Legislative District
8th Legislative District
9th Legislative District
10th Legislative District
11th Legislative District
14th Legislative District
15th Legislative District
16th Legislative District
17th Legislative District
19th Legislative District

COUNTY OF NASSAU, NEW YORK

COUNTY DEPARTMENTS AND OFFICES

as of December 31, 2011



* Offices Elected by Voters of Nassau County

** Discretely Presented Component Unit. See Note 1 of Notes to Financial Statements

*** Blended Component Unit. See Note 1 of Notes to Financial Statements.

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Honorable Edward P. Mangano, County Executive
and Members of the County Legislature
County of Nassau, New York

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Nassau, New York, (the "County"), as of and for the year ended December 31, 2011, (with the Nassau Community College for the year ended August 31, 2011), which collectively comprise the County's basic financial statements as listed in the table of contents. We also have audited the financial statements of the County's nonmajor governmental and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of December 31, 2011 and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Nassau Regional Off-Track Betting Corporation, the Nassau County Industrial Development Agency, Nassau County Local Economic Assistance Corporation, and the Nassau Health Care Corporation, all discretely presented component units, which, as combined, represent 8.2 percent and 15.7 percent, respectively, of the assets and revenues of the County for the year ended December 31, 2011. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for such entities is based solely on the reports of the other auditors. The report of the independent auditor contained an explanatory paragraph concerning the Nassau Regional Off-Track Betting Corporation's ability to continue as a going concern (See Note 1c).

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of County's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion. The financial statements of the Nassau Health Care Corporation were not audited in accordance with *Government Auditing Standards*.

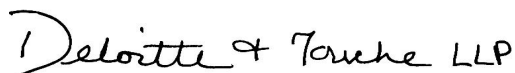
In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Nassau, New York, as of December 31, 2011, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparison for the applicable major funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of nonmajor governmental and fiduciary funds of the County of Nassau, New York, as of December 31, 2011, and the respective changes in financial position, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note I.J to the financial statements, in 2011, the County adopted Governmental Accounting Standards Board Statement (GASB) No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

The Management's Discussion and Analysis and the schedule of funding progress on pages 13 through 25, and page 119, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required 2011 supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The accompanying financial information listed as Other Supplementary Information, in the foregoing table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. This supplementary information is the responsibility of the County's management. The accompanying financial information listed as Other Supplementary Information, in the foregoing table of contents, has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory Section and Statistical Section, in the foregoing table of contents, have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2012, on our consideration of the County's internal control over financial reporting and 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 the 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 read in conjunction with this report in considering the results of our audit.



July 27, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

Nassau County's Comprehensive Annual Financial Report ("CAFR") complies with the requirements of Governmental Accounting Standards Board Statement No. 34 ("GASB 34"). This section of the report, required under GASB 34, presents Management's Discussion and Analysis ("MD&A") of Nassau County's (the "County") financial activities and performance for the fiscal years ended December 31, 2011 and 2010. This section should be read in conjunction with the letter of transmittal and the County's financial statements.

FINANCIAL HIGHLIGHTS

The County generated a budgetary deficit in 2011 of \$50.4 million in its primary operating funds, County defined as the General Operating Fund, Fire Prevention, Safety, Communication and Education Fund, Police Headquarters and Police District Funds. This budgetary deficit primarily resulted from the failure of the County's Legislative Minority to approve bonding for \$43.1 million of refund payments to residential and commercial property taxpayers who successfully challenged their assessments. While the County transitions to structurally balanced budget over the next several years, the Administration intends to fund these expenditures with long-term financing. The requisite approval has not been obtained as of the date of the transmittal letter and the issuance of these financial statements. Consequently, a \$43.1 million payable at year-end was accrued against the General Fund operating budget, not the Capital Fund. This budgetary deficit masks the positive actions taken by the Administration to address the County's fiscal challenges and achieve budgetary balance. If the financing were approved as intended by the Administration, the County would have been close to being in balance on a budgetary basis during fiscal 2011. The overall deficit is comprised of a deficit of \$53.6 million in the General Fund, offset by a surplus of \$3.2 million in the Police District Fund. The County has eliminated hundreds of full-time positions, through early retirement incentive programs and layoffs.

The County's net worth, on a government-wide basis, declined by \$947.6 million during 2011 to negative \$6.3 billion. The decline was primarily due to an increase in other liabilities (property tax refunds liability and deferment of refunds) along with increases in long-term liabilities primarily due to an increase in other postemployment benefits (OPEB).

- These financial statements are presented in accordance with accounting principles generally accepted in the United States of America ("GAAP"). In addition, certain financial statements present GAAP to budgetary basis conversion columns to show actual results on a budgetary basis. Unreserved fund balance in the County's operating funds totaled \$40.5 million on a budgetary basis (\$31.6 million is in the General Fund as defined by GASB 54, and \$8.9 million in the Police District Fund).

ANALYSIS OF GOVERNMENT-WIDE FINANCIAL STATEMENTS FOR 2011

GASB 34 requires the inclusion of two types of financial statements in the CAFR: *government-wide financial statements* and *fund financial statements*.

Government-wide financial statements provide information about the County, as a whole, using the *economic resources measurement focus* and the *accrual basis of accounting*. The economic resources measurement focus looks at the transactions and events that have increased or decreased the total economic resources of the government, as a whole, during the accounting period being reported. The accrual basis of accounting requires revenues to be recognized as soon as they are earned, regardless of the timing of related inflows of cash, and it requires expenses to be recognized as soon as liabilities are incurred, regardless of the timing of related outflows of cash. These statements present a long-term view of the County's finances.

There are two government-wide financial statements: the *statement of net assets* and the *statement of activities*. The statement of net assets reports everything the County owns (its assets) and owes (its liabilities) as of the end of the year. Net assets are what remain after all liabilities have been recorded; they signify the net worth of the government. This statement is designed to display assets and liabilities in order of their basic liquidity and maturity while presenting the basic accounting relationship applicable to public sector entities: *assets – liabilities = net assets*. This statement also presents all of the County's economic resources – that is, all of its assets and liabilities, both financial and capital. The statement of activities tracks the County's annual revenues and expenses, as well as any other transactions that increase or reduce net assets. It divides the County's activities into three elements: its governmental activities, its business-type activities (currently not applicable), and the activities of its component units.

The Statement of Net Assets

The Statement of Net Assets for the 2011 fiscal year shows that the County has a deficit balance of \$6.3 billion. Table 1 shows that the County's net worth declined by \$947.6 million during 2011 primarily due to increases in other liabilities along with increases in long-term liabilities primarily due to an increase in OPEB. The increase in other liabilities reflects the 2011 accrual for property tax refunds, the deferment of revenues generated by the securitization of certain ground leases, and increases in the current portion of various long-term liabilities such as litigation, termination pay, and bonded indebtedness. Total assets basically remained unchanged because decreases in current assets, primarily comprised of less cash from less long-term borrowings, were offset by capital asset increases, to recognize certain sewer district assets.

Table 1
Summary of Net Assets (Deficit)
(dollars in millions)

| | Total Primary Governmental Activities | | Change |
|---|--|---------------------|-------------------|
| | 2011 | 2010 | |
| Current and Other Assets | \$ 1,816.5 | \$ 1,935.8 | (119.3) |
| Capital Assets | <u>2,575.9</u> | <u>2,454.5</u> | <u>121.4</u> |
| Total Assets | <u>4,392.4</u> | <u>4,390.3</u> | <u>2.1</u> |
| Long-Term Liabilities | 9,442.5 | 8,619.6 | 822.9 |
| Other Liabilities | <u>1,204.7</u> | <u>1,077.9</u> | <u>126.8</u> |
| Total Liabilities | <u>10,647.2</u> | <u>9,697.5</u> | <u>949.7</u> |
| Net Assets | | | |
| Invested in Capital Assets, Net of Related Debt | 1,681.9 | 1,534.3 | 147.6 |
| Restricted | 143.7 | 226.9 | (83.2) |
| Unrestricted | <u>(8,080.4)</u> | <u>(7,068.4)</u> | <u>(1,012.0)</u> |
| Total Net Assets (Deficit) | <u>\$ (6,254.8)</u> | <u>\$ (5,307.2)</u> | <u>\$ (947.6)</u> |

The County has \$1.7 billion invested in its capital assets, recorded at acquisition cost, net of related debt. Capital assets are used by the County in the provision of services to the taxpayers; hence, this investment of County equity is allocated in the County's capital assets and is not immediately available to support

future expenses.

Finally, the County's Statement of Net Assets shows a deficit balance of \$6.3 billion in net assets at December 31, 2011, which represents a \$947.6 million increase in the deficit since the close of the 2010 fiscal year. Unrestricted net assets reflect all liabilities that are not related to the County's capital assets and are not expected to be repaid from restricted resources. Accordingly, the County will have to allocate future revenues towards the payment of these liabilities.

As of December 31, 2011, the County and its blended component units had a combined \$3.5 billion in outstanding long-term debt. The County's debt indicators and ratios are disproportionately high. This is because the County has historically issued long-term debt to finance judgments, settlements, and the payment of real property tax refunds resulting from successful grievances of property tax assessments. As of December 31, 2011, the County had \$1.1 billion of outstanding debt related to tax certiorari settlements.

The County is responsible under State law for guaranteeing the tax levy of the three towns within the County, all but one of the 56 school districts, and approximately 200 special districts. While the County Legislature voted in 2010 to eliminate this guarantee, the change does not take effect until 2013 and is being challenged in court. Prior to the court ordered mass property revaluation, which was completed in 2002, the County had not reassessed its residential properties since 1938, nor had it reassessed its commercial properties since 1986. Even after the revaluation, over one-hundred thousand grievances have been filed annually by residential and commercial property owners protesting the accuracy of the assessed values assigned to their properties.

The Statement of Activities

The Statement of Activities for the fiscal year that ended December 31, 2011 details the decline in the County's net worth from 2010 to 2011. Table 2 summarizes the changes in the County's net assets. Several factors, mainly recorded within the General Fund, impacted the County's net worth. They include:

- Capital grants increased by \$116.6 million as a result of the County's acquisition of the Glen Cove sewer assets.
- Charges for services increased by \$39.3 million primarily due to increased revenues from the Red Light Camera program as the cameras became operational, and increased County Clerk fees.
- Sales Tax revenues increased \$25.9 million from 2010, as the County continues to experience a

rebound in sales tax revenue due to the recovery from the recession. For the region, greater sales tax growth is projected as the economy continues to slowly improve.

- General government expenses increased by \$746.5 million primarily due to an increase in the estimated liability for OPEB and other long term liabilities.
- Expenses for protection of persons decreased by \$29 million. 2011 financed police termination pay was \$45.4 million lower than in 2010.
- Corrections expenses increased by \$28.2 million as a result of the timing of certain Correctional Center inmate healthcare payments that were encumbered in 2010 and paid in 2011.

Table 2
Change in Net Assets
(dollars in millions)

| | 2011 | 2010 | Change |
|--------------------------------------|---------------------|---------------------|-------------------|
| Revenues | | | |
| Program Revenues | | | |
| Charges for Services | \$ 242.7 | \$ 203.4 | \$ 39.3 |
| Operating Grants | 463.5 | 485.2 | (21.7) |
| Capital Grants | 159.2 | 42.6 | 116.6 |
| General Revenues | | | |
| Property Taxes | 922.9 | 931.6 | (8.7) |
| Sales Taxes | 1,023.1 | 997.2 | 25.9 |
| Other Taxes | 40.6 | 40.9 | (0.3) |
| Tobacco Settlement Revenues | 18.8 | 19.9 | (1.1) |
| Investment Income | 20.7 | 13.7 | 7.0 |
| Other General Revenues | 28.2 | 26.5 | 1.7 |
| Total Revenues | <u>2,919.7</u> | <u>2,761.0</u> | <u>158.7</u> |
| Expenses | | | |
| Legislative | 10.3 | 10.2 | 0.1 |
| Judicial | 61.9 | 65.8 | (3.9) |
| General Government | 1,486.2 | 739.7 | 746.5 |
| Protection of Persons | 742.5 | 771.5 | (29.0) |
| Health | 253.1 | 243.1 | 10.0 |
| Public Works | 245.8 | 238.7 | 7.1 |
| Recreation and Parks | 39.0 | 34.0 | 5.0 |
| Social Services | 572.8 | 564.6 | 8.2 |
| Corrections | 259.8 | 231.6 | 28.2 |
| Education | 9.8 | 12.1 | (2.3) |
| Interest on Long Term Debt | 186.1 | 171.2 | 14.9 |
| Total Expenses | <u>3,867.3</u> | <u>3,082.5</u> | <u>784.8</u> |
| Decrease in Net Assets | (947.6) | (321.5) | (626.1) |
| Net Assets - (Deficit) Beginning | <u>(5,307.2)</u> | <u>(4,985.7)</u> | <u>(321.5)</u> |
| Net Assets - (Deficit) Ending | <u>\$ (6,254.8)</u> | <u>\$ (5,307.2)</u> | <u>\$ (947.6)</u> |

ANALYSIS OF FUND FINANCIAL STATEMENTS FOR 2011

The remaining statements in the CAFR are *fund financial statements* (*governmental fund statements and fiduciary fund statements*) that focus on individual parts of the County government, reporting on the County's operations in more detail than the government-wide statements. Funds are accounting devices

that the County uses to keep track of specific sources of funding and spending on particular programs. The fund financial statements employ the *current financial resources measurement focus* and are presented using the *modified-accrual basis of accounting*. The current financial resources measurement focus requires the fund financial statements to report near-term inflows and outflows of financial resources. To achieve this objective, the application of the accrual basis of accounting must be modified so that the fund financial statements report only those transactions and events that affect inflows and outflows of financial resources in the near future.

The County's *governmental fund statements (balance sheet and statement of revenues, expenditures, and changes in fund balance)* tell how the general governmental services were financed in the short-term, as well as what money remains for future spending. These statements present the government's current financial resources (which include its cash and cash equivalents and those assets that are expected to be converted into cash within the next year) and the current liabilities that these assets will be used to retire.

For budgetary purposes, the County's general operations are financed through four primary operating funds: the General Fund; the Fire Prevention, Safety, Communication, and Education Fund; the Police Headquarters Fund; and the Police District Fund. With the exception of the Police District Fund, the remaining primary operating funds have identical tax bases; accordingly, the resources in these funds are fungible. The County also has a debt service fund into which resources are transferred to pay current and future debt service obligations. The County's sewer and storm water operations are funded through a sewer and storm water resources district, which through State legislation, consolidated three sewage disposal district maintenance funds, as well as a sewage collection district maintenance fund for the twenty-seven sewer collection districts located throughout the County. The County also has a Technology Fund, an Open Space Fund, Environmental Bond Fund, as well as a series of other non-major operating and capital project funds.

For GAAP reporting purposes, the Fire Prevention, Safety, Communication, and Education Fund, the Police Headquarters Fund, the Debt Service Fund, the Technology Fund, and the Open Space Fund have been combined with the General Fund.

General Fund Budget Variances

The County ended the 2011 fiscal year with a General Fund budgetary deficit of \$53.1 million. The deficit is comprised of a number of variances from the budget as originally adopted.

The County cannot legally incur expenses for which no budget authority has been provided, either

through its initial adoption or through subsequent modification. Consequently, there can be no expenses that are over the final modified budget. The variances presented below are as compared to the original budget.

For financial reporting purposes (modified accrual basis), the County ended the 2011 fiscal year with an operating deficit of \$85.6 million. The difference between the budgetary deficit of \$53.1 million and the reporting deficit of \$85.6 million is primarily the result of the securitization of County-owned ground leases, which is permitted to be recognized on a budgetary basis.

- General Fund Fines were \$42.3 million under the \$93.9 million budget primarily due to delays in the implementation of the Red Light Camera Program and failure to obtain approval from New York State during 2011 for additional cameras.
- State Aid amounted to \$183.2 million, \$38.3 million under the \$221.5 million budget. Reimbursement rates for the Safety Net program administered by the Department of Social Services were reduced and an initiative to generate revenue from a Long Island Expressway ticket surcharge was not approved by the State.
- Federal Aid was \$11.6 million over the \$151.8 million budget due to an increase in reimbursement rate for the Temporary Assistance for Needy Families (TANF) program administered by the Department of Social Services, and FEMA reimbursements that were not included in the budget.
- Other Suits and Damages was \$43.1 million over budget due to the accrual for property tax refunds described above.
- Total expenditures for Salaries and Fringe Benefits were \$19.4 million under budget. The administration has dramatically reduced the County workforce through layoffs and early retirement incentives.

Table 3
Summary of Changes in Fund Equity
Nassau County Major Funds *
(dollars in millions)

| | General Fund | Police District Fund | Capital Fund | Sewer and Storm Water District Fund | Total Nassau County Major Funds* |
|--|-----------------|-------------------------|-----------------|---|--|
| Fund Equity, as of December 31, 2009 <i>(restated for GASB 54)</i> | \$ 127.4 | \$ 14.8 | \$ 143.1 | \$ 114.4 | \$ 399.8 |
| Add: 2010 Revenues | 2,066.2 | 352.1 | 38.6 | 3.6 | 2,460.6 |
| Less: 2010 Expenses | 2,206.9 | 384.1 | 144.4 | 112.2 | 2,847.5 |
| 2010 Other financing sources, net | <u>178.8</u> | <u>20.8</u> | <u>189.5</u> | <u>96.7</u> | <u>485.9</u> |
| Fund Equity as of December 31, 2010 <i>(restated for GASB 54)</i> | 165.5 | 3.7 | 226.9 | 102.6 | 498.7 |
| Add: 2011 Revenues | 2,041.6 | 374.3 | 32.0 | 123.2 | 2,571.2 |
| Less: 2011 Expenses | 2,213.0 | 376.1 | 133.9 | 112.7 | 2,835.7 |
| 2011 Other financing sources (uses), net | <u>85.7</u> | <u>2.1</u> | <u>18.7</u> | <u>(23.2)</u> | <u>83.3</u> |
| Fund Equity, as of December 31, 2011 | <u>\$ 79.9</u> | <u>\$ 4.0</u> | <u>\$ 143.7</u> | <u>\$ 89.9</u> | <u>\$ 317.5</u> |

* not including blended component units

Table 3 shows accumulated fund balance in the County's major funds (excluding the blended component units) totaled \$317.5 million at the end of 2011.

Total fund balance in the General Fund declined \$85.6 million, from \$165.5 million to \$79.9 million. The decrease was primarily comprised of the accrual of property tax refund payments against General Fund operations and the acceleration of rental income from certain ground leases, which cannot be recognized on a financial reporting basis.

There was less long-term borrowing, consequently, fund balance in the Capital Fund decreased by \$83.2 million. Fund balance in the Sewer and Storm Water District Fund decreased \$12.7 million primarily due to the increase in storm water debt service.

The County implemented GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions" (GASB 54). As detailed in Footnote 1, fund balance in the financial statements is now broken down into the new categories of Non-spendable, Restricted, Committed, Assigned, and Unassigned. GASB 54 is intended to improve the usefulness of amounts reported as fund balance by

demonstrating the extent to which governments are bound by constraints on financial resources.

CAPITAL INVESTMENTS

The County completed a number of capital projects during the 2011 fiscal year, including \$31.7 million in sewer district improvements and upgrades, and \$30.7 million in infrastructure related improvements. The County made capital improvements during 2011 in the following areas:

Table 4
Capital Improvements
January 1, 2011 to December 31, 2011
(dollars in millions)

| Project Category | Amount |
|---|------------------------|
| Building Consolidation Plan | \$ 10.2 |
| Building Improvements | 12.4 |
| Environmental Bond Act | 7.5 |
| Equipment | 1.9 |
| Infrastructure and Economic Development | 31.8 |
| Parks | 4.8 |
| Property Acquisition | 1.7 |
| Public Safety | 24.6 |
| Roads | 13.6 |
| Technology | 20.2 |
| Traffic | 11.4 |
| Transportation | 3.7 |
| Collection | 20.5 |
| Disposal | 8.9 |
| Storm Water | <u>2.3</u> |
| Total | <u>\$ 175.5</u> |

Detailed information on capital asset activity is available in the Notes to the Financial Statements Exhibit X-13, Note 8.

DEBT

The County and its blended component units - Nassau County Interim Finance Authority (“NIFA”), Nassau County Tobacco Settlement Corporation (“NCTSC”), and the Nassau County Sewer and Storm Water Finance Authority (“NCSSWFA”) - had approximately a combined \$3.5 billion in outstanding long-term debt as of December 31, 2011, representing a net decrease of \$131.6 million under the combined long-term debt outstanding as of December 31, 2010. The County also provides a direct-pay

guarantee of \$259.1 million outstanding from the refunding and new money debt issued in October of 2004 and refunded in April 2009 by the Nassau Health Care Corporation and \$14.5 million outstanding from the refunding and new money debt issued in June of 2005 by the Nassau Regional Off-Track Betting Corporation. Since the two corporations are discretely-presented component units of the County, their debt is not itemized in Table 5 below.

Table 5
Changes in Long-Term Debt Obligations
(dollars in thousands)

| | <u>Balance</u> <u>31-Dec-10</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance</u> <u>31-Dec-11</u> |
|---------------------------------------|------------------------------------|-------------------------|--------------------------|------------------------------------|
| General Obligation County Bonds | \$ 1,157,574 | \$ 76,409 | \$ 68,238 | \$ 1,165,745 |
| Sewage Purpose Bonds | 77,755 | | 8,995 | 68,760 |
| SRF Revenue Bonds | 121,169 | | 9,084 | 112,085 |
| Total County Long -Term Debt | <u>1,356,498</u> | <u>76,409</u> | <u>86,317</u> | <u>1,346,590</u> |
| | | | | |
| NIFA Sales Tax Secured Bonds | <u>1,648,185</u> | | <u>119,745</u> | <u>1,528,440</u> |
| | | | | |
| Tobacco Settlement Asset-Backed Bonds | <u>446,382</u> | <u>5,406</u> | <u>-</u> | <u>451,788</u> |
| | | | | |
| Sewer Financing Authority | <u>161,955</u> | | <u>7,360</u> | <u>154,595</u> |
| | | | | |
| Total Long Term Debt | <u><u>\$ 3,613,020</u></u> | <u><u>\$ 81,815</u></u> | <u><u>\$ 213,422</u></u> | <u><u>\$ 3,481,413</u></u> |

During 2011, the County issued \$76.4 million of long-term debt to fund its capital program. The County did not issue any new debt through the State Revolving Loan Fund (“SRF”) during 2011. The SRF is administered by the New York State Environmental Facilities Corporation, which provides interest-subsidized loans to local governments for eligible environmental projects (e.g., sewer and storm water improvement initiatives).

Offsetting new issuances was a decrease in NIFA’s long-term debt of \$119.7 million during 2011. This decrease reflects the maturation and run-off of the existing NIFA debt.

The net amount of outstanding debt of the NCTSC increased by \$5.4 million due to the accretion in the value of its capital appreciation bonds, partially offset by the maturity of its senior bonds.

During 2011, the NCSSWFA had \$7.4 million of bonds mature.

The County issued two cash flow notes during 2011. Management anticipates issuing two cash flow notes in 2012.

Detailed information on long-term debt activity is available in the Notes to the Financial Statements Exhibit X-13, Note 10.

The County implemented GASB Statement No. 53, "Accounting and Reporting for Derivative Instruments" (GASB 53) during 2010. A key provision of GASB 53 is that certain derivative instruments, with the exception of synthetic guaranteed investment contracts that are fully benefit-responsive, are reported at fair value by governments in their government-wide financial statements. The financial reporting impact resulting from the implementation of GASB 53 is the recognition within the government-wide financial statements of a liability for 'hedging' derivative instruments whose negative fair value at December 31, 2011 totaled \$84.6 million with a corresponding amount being reported as deferred outflows of resources in the assets section of the government-wide financial statements and no net impact on the County's net asset (deficit) position.

NASSAU COUNTY'S CREDIT RATING

The County's current debt ratings are as follows: Moody's Investors Service: A1; Standard & Poor's: A+; Fitch Ratings: A+. In April 2011, Moody's Investors Service maintained the County's ratings and removed its negative watch but kept its negative outlook. In April 2012, Moody's Investors Service and Standard & Poor's affirmed the County's ratings with no change. In May 2012, Fitch Ratings changed its outlook to negative. As a result of the change in the long-term rating outlook, Fitch changed the rating on the County's short-term debt to "F1".

CONCLUSION

The County's net worth declined by \$947.6 million during 2011 to a negative \$6.3 billion. This decline was primarily driven by a significant increase in the actuarially determined estimated liability for retiree health insurance. The majority of this increase resulted from changes in Empire Plan premiums and medical trend tables, including the impact of healthcare reform. Other drivers of the decrease in net worth include property tax refunds accrued in the General Fund, the deferral of accelerated lease revenues, and increases in estimated liabilities for litigation, termination pay, and serial bonds payable. The negative balance in total net worth is principally driven by borrowing for property tax refunds, the liability for

health insurance for retirees, and other liabilities for which there are no corresponding assets.

During 2011, the County generated a budgetary deficit of \$50.4 million across its primary operating funds. This deficit resulted from the failure of the County's Legislative minority to approve bonding for \$43.1 million of property tax refunds, and masks the spending controls implemented by the Administration. At the end of 2011, unreserved, undesignated fund balance in the County's primary operating funds were \$40.5 million on a budgetary basis.

The County faces difficult challenges, as do other municipalities around the country. The Administration is committed to pursuing recurring cost reduction and revenue maximization strategies, and not relying on taxpayers to bear any additional burden.

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BASIC FINANCIAL STATEMENTS

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EXHIBIT X-1**COUNTY OF NASSAU, NEW YORK****STATEMENT OF NET ASSETS
DECEMBER 31, 2011 (Dollars in Thousands)**

| | Primary Government | | Component Units |
|---|------------------------------------|----|----------------------------|
| | Governmental Activities | | Units |
| <u>ASSETS</u> | | | |
| CURRENT ASSETS: | | | |
| Cash and Cash Equivalents | \$ 546,960 | \$ | 69,151 |
| Investments, Including Accrued Interest | 95,554 | | |
| Assets Whose Use is Limited - Current | | | 16,844 |
| Sales Tax Receivable | 125,345 | | |
| Interest Receivable | 2,652 | | |
| Student Accounts and Loans Receivable | | | 9,673 |
| Less Allowance for Doubtful Amounts | | | (6,280) |
| Due from Other Governments | 262,342 | | 5,158 |
| Less Allowance for Doubtful Accounts | (5,566) | | |
| Due from Primary Government | | | 14,823 |
| Other Receivables | | | 13,563 |
| Accounts Receivable | 37,509 | | 325,083 |
| Less Allowance for Doubtful Accounts | | | (239,115) |
| Real Property Taxes Receivable | 69,963 | | |
| Less Allowance for Doubtful Accounts | (5,689) | | |
| Due from Component Unit | 3,736 | | |
| Inventories | | | 5,357 |
| Prepays | 132,613 | | |
| Other Assets - Current | 16,989 | | 16,459 |
| | <u>1,282,408</u> | | <u>230,716</u> |
| Total Current Assets | | | |
| NON CURRENT ASSETS: | | | |
| Deferred Financing Costs | 181,609 | | 6,187 |
| Less Accumulated Amortization | (69,676) | | (3,846) |
| Deferred Charges | 327,973 | | |
| Deferred Outflows of Resources | 84,636 | | |
| Assets Whose Use is Limited | | | 28,467 |
| Capital Assets Not Being Depreciated | 642,026 | | 16,239 |
| Depreciable Capital Assets | 3,501,210 | | 800,984 |
| Less Accumulated Depreciation | (1,567,270) | | (477,352) |
| Deposits Held by Trustees | | | 7,409 |
| Deposits Held in Custody for Others | | | 1,661 |
| Tax Sale Certificates | 1,207 | | |
| Tax Real Estate Held for Sale | 8,210 | | |
| Other Assets | | | 18,545 |
| | <u>3,109,925</u> | | <u>398,294</u> |
| Total Non Current Assets | | | |
| | <u>\$ 4,392,333</u> | \$ | <u>629,010</u> |
| Total Assets | | | |

(Continued)

EXHIBIT X-1**COUNTY OF NASSAU, NEW YORK****STATEMENT OF NET ASSETS
DECEMBER 31, 2011 (Dollars in Thousands)**

| | Primary Government | |
|--|------------------------------------|----------------------------|
| | Governmental Activities | Component Units |
| <u>LIABILITIES</u> | | |
| CURRENT LIABILITIES: | | |
| Accounts Payable | \$ 85,125 | \$ 61,491 |
| Accrued Liabilities | 145,027 | 28,563 |
| Tax Anticipation Notes Payable | 230,000 | |
| Revenue Anticipation Notes Payable | 230,000 | |
| Accrued Interest Payable | 17,470 | 1,281 |
| Notes Payable - Current | | 63 |
| Deferred Revenue - Current | | 18,769 |
| Current Portion of Long Term Liabilities | 396,109 | 9,951 |
| Other Liabilities - Current | 100,949 | 29,487 |
| | <u>1,204,680</u> | <u>149,605</u> |
| Total Current Liabilities | | |
| NON CURRENT LIABILITIES: | | |
| Notes Payable | | 11 |
| Derivative instruments - interest rate swaps | 84,636 | |
| Serial Bonds Payable, Net of Deferred Bond Premium/Discount (Net of Amortization) | 3,359,685 | 312,622 |
| Accrued Vacation and Sick Pay | 521,240 | 96,970 |
| Deferred Payroll | 63,576 | |
| Estimated Workers' Compensation Liability | 257,682 | |
| Estimated Tax Certiorari Payable | 147,893 | |
| Estimated Liability for Litigation and Malpractice | 276,286 | 38,739 |
| Liability for Future Pension Expense | | 27,801 |
| Capital Lease | 5,254 | |
| Other Liabilities - Non Current | 17,430 | 46,041 |
| Deposits Held in Custody for Others | | 1,661 |
| Insurance Reserve Liability | | 1,988 |
| Postemployment Retirement Benefits Liability | 4,708,808 | 573,310 |
| | <u>9,442,490</u> | <u>1,099,143</u> |
| Total Non Current Liabilities | | |
| | <u>10,647,170</u> | <u>1,248,748</u> |
| Total Liabilities | | |
| <u>NET ASSETS (DEFICIT)</u> | | |
| Invested in Capital Assets, Net of Related Debt | 1,681,865 | 173,934 |
| Restricted: | | |
| General | | 1,851 |
| Special Revenue | | |
| Nassau Community College Foundation Fund | | |
| Restricted Scholarships | | 2,731 |
| Capital Projects | 143,711 | 4,646 |
| Debt Service | | 7,408 |
| Student Loans | | 370 |
| Unrestricted Deficit | (8,080,413) | (810,678) |
| | <u>\$ (6,254,837)</u> | <u>\$ (619,738)</u> |
| Total Net Assets (Deficit) | | |

See accompanying notes to financial statements.

(Concluded)

EXHIBIT X-2

COUNTY OF NASSAU, NEW YORK

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011 (Dollars in Thousands)**

| Functions/Programs | | | | | | Net (Expense) Revenue and Changes in Net Assets | |
|---|---------------------|-------------------------|---------------------|-------------------|----------------|--|---------------------|
| | Expenses | Program Revenues | | | Capital Grants | Primary Government | Component Units |
| | | Charges for Services | Operating Grants | | | Governmental Activities | |
| Primary Government: | | | | | | | |
| Legislative | \$ 10,288 | \$ | \$ | \$ | \$ | (10,288) | \$ |
| Judicial | 61,894 | 49,008 | 6,614 | | | (6,272) | |
| General Government | 1,486,306 | 74,097 | 38,016 | | | (1,374,193) | |
| Protection of Persons | 742,535 | 42,060 | 14,741 | | | (685,734) | |
| Health | 253,059 | 23,475 | 143,611 | | | (85,973) | |
| Public Works | 245,813 | 6,119 | 13,455 | 159,156 | | (67,083) | |
| Recreation and Parks | 39,010 | 19,875 | | | | (19,135) | |
| Social Services | 572,783 | 19,046 | 230,745 | | | (322,992) | |
| Corrections | 259,782 | 9,014 | 16,341 | | | (234,427) | |
| Education | 9,826 | | | | | (9,826) | |
| Debt Service Interest | 186,056 | | | | | (186,056) | |
| Total Primary Government | <u>\$ 3,867,352</u> | <u>\$ 242,694</u> | <u>\$ 463,523</u> | <u>\$ 159,156</u> | | (3,001,979) | |
| Component Units | <u>\$ 932,831</u> | <u>\$ 603,932</u> | <u>\$ 156,076</u> | <u>\$ 944</u> | | | (171,879) |
| General Revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property Taxes | | | | | \$ | 922,894 | |
| Sales Taxes | | | | | | 1,023,128 | |
| Other Taxes | | | | | | 40,601 | |
| Tobacco Settlement Revenue and Tobacco Receipts | | | | | | 18,849 | |
| Investment Income | | | | | | 20,711 | 3,390 |
| Other | | | | | | 28,165 | 6,583 |
| Total General Revenues | | | | | | <u>2,054,348</u> | <u>9,973</u> |
| Change in Net Assets | | | | | | (947,631) | (161,906) |
| Net Assets (Deficit) - Beginning | | | | | | (5,307,206) | (457,832) |
| Net Assets (Deficit) - Ending | | | | | | <u>\$ (6,254,837)</u> | <u>\$ (619,738)</u> |

See accompanying notes to financial statements.

EXHIBIT X-3**COUNTY OF NASSAU, NEW YORK****GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2011 (Dollars in Thousands)**

| ASSETS | General Fund | NIFA General Fund | Police District Fund | Sewer and Storm Water District Fund | Capital Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|--|---------------------|--------------------------|-----------------------------|--|---------------------|------------------------------------|---------------------------------|
| Cash | \$ 130,950 | \$ 312 | \$ 649 | \$ 120,731 | \$ 222,187 | \$ 72,131 | \$ 546,960 |
| Investments | | | | | | 95,554 | 95,554 |
| Sales Tax Receivable | | 125,345 | | | | | 125,345 |
| Interest Receivable | | | | | | 40 | 40 |
| Due from Other Governments | 226,916 | | | 131 | 19,814 | 15,481 | 262,342 |
| Less Allowance for Doubtful Accounts | (5,566) | | | | | | (5,566) |
| Accounts Receivable | 36,774 | | 6 | 409 | 2 | 318 | 37,509 |
| Real Property Taxes Receivable | 69,963 | | | | | | 69,963 |
| Less Allowance for Doubtful Accounts | (5,689) | | | | | | (5,689) |
| Tax Sale Certificates | 1,207 | | | | | | 1,207 |
| Tax Real Estate Held for Sale | 8,210 | | | | | | 8,210 |
| Interfund Receivables | 254,841 | 3 | 12,385 | | 4,274 | 18,036 | 289,539 |
| Prepays | 87,662 | | 40,711 | 1,759 | | 2,481 | 132,613 |
| Due from Component Units | 6,260 | | | | | | 6,260 |
| Other Assets | 12,578 | 49 | 3,589 | 460 | 207 | 106 | 16,989 |
| TOTAL ASSETS | \$ 824,106 | \$ 125,709 | \$ 57,340 | \$ 123,490 | \$ 246,484 | \$ 204,147 | \$ 1,581,276 |
| LIABILITIES AND FUND EQUITY | | | | | | | |
| LIABILITIES: | | | | | | | |
| Accounts Payable | \$ 57,768 | \$ | \$ 108 | \$ 3,253 | \$ 16,641 | \$ 7,355 | \$ 85,125 |
| Accrued Liabilities | 110,085 | 125 | 10,142 | 772 | | 53,853 | 174,977 |
| Tax Anticipation Notes Payable | 230,000 | | | | | | 230,000 |
| Revenue Anticipation Notes Payable | 230,000 | | | | | | 230,000 |
| Deferred Revenue | 74,640 | | | | | 31,793 | 106,433 |
| Interfund Payables | 12,820 | 107,173 | 43,065 | 29,494 | 84,733 | 12,254 | 289,539 |
| Due to Component Units | 2 | | | 90 | 1,399 | 910 | 2,401 |
| Due to Other Governments | | | | | | 123 | 123 |
| Other Liabilities | 28,876 | | | | | | 28,876 |
| Total Liabilities | 744,191 | 107,298 | 53,315 | 33,609 | 102,773 | 106,288 | 1,147,474 |
| FUND EQUITY | | | | | | | |
| Fund Balances: | | | | | | | |
| Nonspendable | 87,662 | 49 | 40,711 | 1,759 | | 2,481 | 132,662 |
| Spendable | | | | | | | |
| Restricted | 2,269 | 17,369 | | | 7,082 | 63,010 | 89,730 |
| Committed | | | 4,025 | 67,565 | 136,629 | 14,422 | 222,641 |
| Assigned | 86,040 | | | 20,557 | | | 106,597 |
| Unassigned | (96,056) | 993 | (40,711) | | | 17,946 | (117,828) |
| Total Fund Equity | 79,915 | 18,411 | 4,025 | 89,881 | 143,711 | 97,859 | 433,802 |
| Commitments and Contingencies | | | | | | | |
| TOTAL LIABILITIES AND FUND EQUITY | \$ 824,106 | \$ 125,709 | \$ 57,340 | \$ 123,490 | \$ 246,484 | \$ 204,147 | \$ 1,581,276 |

The reconciliation of the fund balances of governmental funds to the net assets of governmental activities in the Statement of Net Assets is presented in an accompanying statement.

See accompanying notes to financial statements.

EXHIBIT X-4

COUNTY OF NASSAU, NEW YORK

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2011 (Dollars in Thousands)**

Amounts reported for governmental activities in the Statement of Net Assets are different because:

| | | |
|--|----|--------------------|
| Total fund balances - governmental funds | \$ | 433,802 |
| Revenue recorded in the statement of net assets is recorded as deferred revenue in the governmental funds | | 15,336 |
| Premium on debt issued is recorded in the governmental funds as revenue. In the statement of activities, the premium is amortized over the lives of the debt | | (102,324) |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net | | 2,575,966 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds | | 439,906 |
| Long-term liabilities are not due and payable in the current period and accordingly are not reported in the funds: | | |
| Bonds payable | | (3,255,767) |
| Postemployment retirement benefits liability | | (4,708,808) |
| Other long term liabilities | | (1,271,931) |
| Current portion of long term liabilities and short term notes payable | | (396,109) |
| Accrued expenses and interest payable | | <u>15,092</u> |
| Net assets (deficit) of governmental activities | \$ | <u>(6,254,837)</u> |

See accompanying notes to financial statements.

EXHIBIT X-5**COUNTY OF NASSAU, NEW YORK****GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2011 (Dollars in Thousands)**

| | <u>General Fund</u> | <u>NIFA General Fund</u> | <u>Police District Fund</u> | <u>Sewer and Storm Water District Fund</u> | <u>Capital Fund</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|-------------------------|----------------------------------|-------------------------------------|--|-------------------------|--|---|
| REVENUES: | | | | | | | |
| Interest and Penalties on Taxes | \$ 28,165 | \$ | \$ | \$ | \$ | \$ | \$ 28,165 |
| Licenses and Permits | 9,817 | | 2,753 | 859 | | | 13,429 |
| Fines and Forfeits | 51,622 | | 920 | | | 1,784 | 54,326 |
| Interest Income | 1,341 | | 73 | 388 | 1,062 | 95 | 2,959 |
| Rents and Recoveries | 30,863 | | 538 | 32 | 7 | 752 | 32,192 |
| Tobacco Receipts | | | | | | 18,849 | 18,849 |
| Departmental Revenue | 114,137 | | 3,690 | 1,774 | | 2,998 | 122,599 |
| Interdepartmental Revenue | 134,917 | | 364 | 451 | | 27 | 135,759 |
| Federal Aid | 178,337 | | | 112 | 22,415 | 75,777 | 276,641 |
| State Aid | 183,212 | | | 19 | 8,537 | 29,211 | 220,979 |
| Sales Tax | 750,762 | 202,123 | | | | | 952,885 |
| Preempted Sales Tax in Lieu of Property Taxes | 70,243 | | | | | | 70,243 |
| Property Taxes | 432,251 | | 364,493 | 119,041 | | 11,254 | 927,039 |
| Payments in Lieu of Taxes | 7,369 | | | | | | 7,369 |
| Special Taxes | 30,485 | | | | | 2,747 | 33,232 |
| Other Revenues | 18,110 | | 1,516 | 532 | | 90 | 20,248 |
| Total Revenues | 2,041,631 | 202,123 | 374,347 | 123,208 | 32,021 | 143,584 | 2,916,914 |
| EXPENDITURES: | | | | | | | |
| Current: | | | | | | | |
| Legislative | 10,282 | | | | | | 10,282 |
| Judicial | 57,687 | | | | | 2,629 | 60,316 |
| General Administration | 226,220 | 3,066 | | | | 33,253 | 262,539 |
| Protection of Persons | 391,303 | | 376,085 | | | 11,806 | 779,194 |
| Health | 211,310 | | | | | 48,630 | 259,940 |
| Public Works | 115,812 | | | 87,315 | | | 203,127 |
| Recreation and Parks | 27,686 | | | | | 3,795 | 31,481 |
| Capital Outlay - General | | | | | 103,275 | | 103,275 |
| Capital Outlay - Sewage Districts | | | | | 30,629 | | 30,629 |
| Social Services | 584,447 | | | | | 8,591 | 593,038 |
| Corrections | 250,902 | | | | | 1,637 | 252,539 |
| Education | 10,362 | | | | | | 10,362 |
| Payments for Tax Certiorari and Other Judgments | 68,142 | | | | | | 68,142 |
| Other | 123,488 | | | | | | 123,488 |
| Total Current | 2,077,641 | 3,066 | 376,085 | 87,315 | 133,904 | 110,341 | 2,788,352 |
| Debt Service: | | | | | | | |
| Principal | 69,620 | | | 18,079 | | 127,105 | 214,804 |
| Interest | 62,584 | | | 7,350 | | 100,718 | 170,652 |
| Financing Costs | 3,125 | | | | | | 3,125 |
| Total Debt Service | 135,329 | | | 25,429 | | 227,823 | 388,581 |
| Total Expenditures | 2,212,970 | 3,066 | 376,085 | 112,744 | 133,904 | 338,164 | 3,176,933 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (171,339) | 199,057 | (1,738) | 10,464 | (101,883) | (194,580) | (260,019) |
| OTHER FINANCING SOURCES (USES): | | | | | | | |
| Other Financing Sources - Premium on Bonds | 9,323 | | | | | | 9,323 |
| Other Financing Sources - EFC Drawdowns | | | | | | | |
| Transfers In | 35,962 | | 3,845 | 736 | | 61 | 40,604 |
| Transfers Out | (4,439) | | (1,750) | (12,594) | (13,353) | (8,468) | (40,604) |
| Transfers In of Investment Income | 1,018 | | | 45 | | | 1,063 |
| Transfers Out of Investment Income | | | | | (1,063) | | (1,063) |
| Transfers In from NIFA | 546 | 2,083 | | | | 198,800 | 201,429 |
| Transfers Out to NIFA | | (199,220) | | | | (2,209) | (201,429) |
| Transfers In from SFA | | | | | | 167,254 | 167,254 |
| Transfers Out to SFA | | | | (11,337) | | (155,917) | (167,254) |
| Transfers In from TSC | | | | | | 300 | 300 |
| Transfers Out to TSC | | | | | | (300) | (300) |
| Issuance of Bonds | 43,314 | | | | 33,095 | | 76,409 |
| Redemption of Notes | | | | | | | |
| Total Other Financing Sources (Uses) | 85,724 | (197,137) | 2,095 | (23,150) | 18,679 | 199,521 | 85,732 |
| NET CHANGE IN FUND EQUITY (DEFICITS) | (85,615) | 1,920 | 357 | (12,686) | (83,204) | 4,941 | (174,287) |
| TOTAL FUND EQUITY AT BEGINNING OF YEAR | 165,530 | 16,491 | 3,668 | 102,567 | 226,915 | 92,918 | 608,089 |
| TOTAL FUND EQUITY AT END OF YEAR | \$ 79,915 | \$ 18,411 | \$ 4,025 | \$ 89,881 | \$ 143,711 | \$ 97,859 | \$ 433,802 |

See accompanying notes to financial statements.

EXHIBIT X-6

COUNTY OF NASSAU, NEW YORK

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011 (Dollars in Thousands)**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund deficit - total governmental funds \$ (174,287)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period

| | | |
|----------------------------|-----------------|---------|
| Purchase of capital assets | \$ 296,603 | |
| Depreciation expense | (120,990) | |
| Other | <u>(54,189)</u> | 121,424 |

The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

| | | |
|---|------------------|------------------|
| Effect of GASB 45 and GASB 48 (net) | (864,637) | |
| Proceeds from sales of bonds | (76,409) | |
| Principal payments of bonds and payments for refunded bonds | 213,421 | |
| Accrued interest payable | (6,039) | |
| Additions to and amortization of debt issuance costs | (6,692) | |
| Amortized deferred liabilities | 8,328 | |
| Change in long-term liabilities | <u>(162,740)</u> | <u>(894,768)</u> |

Change in net assets (deficit) - governmental activities \$ (947,631)

See accompanying notes to financial statements.

EXHIBIT X-7**COUNTY OF NASSAU, NEW YORK**
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TOTAL BUDGETARY AUTHORITY AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011 (Dollars in Thousands)

| | Original Budget | Total Budgetary Authority | Actual | GAAP to Budgetary Basis Conversion (Note 13) | Actual on a Budgetary Basis | Variance Positive (Negative) |
|--|--------------------|---------------------------------|------------------|--|--------------------------------------|------------------------------------|
| Revenues: | | | | | | |
| Interest and Penalties on Taxes | \$ 28,500 | \$ 28,500 | \$ 28,165 | \$ | \$ 28,165 | \$ (335) |
| Licenses and Permits | 9,978 | 9,978 | 9,817 | | 9,817 | (161) |
| Fines and Forfeits | 93,876 | 93,876 | 51,622 | | 51,622 | (42,254) |
| Interest Income | 7,152 | 7,152 | 1,341 | | 1,341 | (5,811) |
| Rents and Recoveries | 82,174 | 83,474 | 30,863 | 37,062 | 67,925 | (15,549) |
| Departmental Revenue | 120,821 | 121,112 | 114,137 | | 114,137 | (6,975) |
| Interdepartmental Revenue | 313,592 | 313,592 | 134,917 | | 134,917 | (178,675) |
| Federal Aid | 151,795 | 166,736 | 178,337 | | 178,337 | 11,601 |
| State Aid | 221,531 | 221,531 | 183,212 | | 183,212 | (38,319) |
| Sales Tax | 951,472 | 951,472 | 750,762 | | 750,762 | (200,710) |
| Preempted Sales Tax in Lieu of Property Taxes | 71,865 | 71,865 | 70,243 | | 70,243 | (1,622) |
| Property Taxes | 435,827 | 435,826 | 432,251 | | 432,251 | (3,575) |
| Payments in Lieu of Taxes | 6,805 | 6,805 | 7,369 | | 7,369 | 564 |
| Special Taxes | 32,776 | 32,776 | 30,485 | | 30,485 | (2,291) |
| Other Revenues | 21,445 | 21,446 | 18,110 | (6,188) | 11,922 | (9,524) |
| Total Revenues | 2,549,609 | 2,566,141 | 2,041,631 | 30,874 | 2,072,505 | (493,636) |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Legislative | 11,436 | 11,354 | 10,282 | 116 | 10,398 | 956 |
| Judicial | 129,950 | 87,263 | 57,687 | 661 | 58,348 | 28,915 |
| General Administration | 242,983 | 254,406 | 226,220 | 5,896 | 232,116 | 22,290 |
| Protection of Persons | 352,536 | 384,861 | 391,303 | (10,532) | 380,771 | 4,090 |
| Health | 284,236 | 283,935 | 211,310 | 44,904 | 256,214 | 27,721 |
| Public Works | 118,752 | 129,268 | 115,812 | 2,170 | 117,982 | 11,286 |
| Recreation and Parks | 27,264 | 32,522 | 27,686 | 446 | 28,132 | 4,390 |
| Social Services | 616,096 | 618,631 | 584,447 | 11,679 | 596,126 | 22,505 |
| Corrections | 256,896 | 265,258 | 250,902 | 3,207 | 254,109 | 11,149 |
| Education | 80,965 | 23,763 | 10,362 | | 10,362 | 13,401 |
| Payments for Tax Certiorari and Other Judgments | | 43,092 | 68,142 | (25,050) | 43,092 | |
| Other | 133,100 | 133,673 | 123,488 | 2,686 | 126,174 | 7,499 |
| Total Expenditures | 2,254,214 | 2,268,026 | 2,077,641 | 36,183 | 2,113,824 | 154,202 |
| Debt Service: | | | | | | |
| Principal | 77,087 | 77,087 | 69,620 | | 69,620 | 7,467 |
| Interest | 73,009 | 73,009 | 62,584 | | 62,584 | 10,425 |
| Financing Costs | 4,000 | 4,000 | 3,125 | | 3,125 | 875 |
| Total Debt Service | 154,096 | 154,096 | 135,329 | | 135,329 | 18,767 |
| Total Expenditures | 2,408,310 | 2,422,122 | 2,212,970 | 36,183 | 2,249,153 | 172,969 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 141,299 | 144,019 | (171,339) | (5,309) | (176,648) | (320,667) |
| Other Financing Sources (Uses): | | | | | | |
| Premium on Bonds | 6,000 | 6,000 | 9,323 | | 9,323 | 3,323 |
| Transfers In | 319,239 | 354,540 | 35,962 | | 35,962 | (318,578) |
| Transfers In of Investment Income | | | 1,018 | | 1,018 | 1,018 |
| Transfers Out | (580,408) | (618,661) | (4,439) | | (4,439) | 614,222 |
| Transfer In from NIFA | | | 546 | | 546 | 546 |
| Issuance of Bonds | | | 43,314 | (38,875) | 4,439 | 4,439 |
| Total Other Financing Sources (Uses) | (255,169) | (258,121) | 85,724 | (38,875) | 46,849 | 304,970 |
| Net Change in Fund Balance (Deficit) | (113,870) | (114,102) | (85,615) | (44,184) | (129,799) | (15,697) |
| Fund Balance at Beginning of Year | 113,870 | 114,102 | 165,530 | | 165,530 | 51,428 |
| Fund Balance (Deficit) at End of Year | \$ | \$ | \$ 79,915 | \$ (44,184) | \$ 35,731 | \$ 35,731 |

See accompanying notes to financial statements.

EXHIBIT X-8**COUNTY OF NASSAU, NEW YORK****STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES****TOTAL BUDGETARY AUTHORITY AND ACTUAL****POLICE DISTRICT FUND**

FOR THE YEAR ENDED DECEMBER 31, 2011 (Dollars in Thousands)

| | <u>Original Budget</u> | <u>Total Budgetary Authority</u> | <u>Actual</u> | <u>GAAP to Budgetary Basis Conversion (Note 13)</u> | <u>Actual on a Budgetary Basis</u> | <u>Variance Positive (Negative)</u> |
|--|----------------------------|--|-----------------|---|--|---|
| Revenues: | | | | | | |
| Rents and Recoveries | \$ 350 | \$ 350 | \$ 538 | \$ 11 | \$ 549 | \$ 199 |
| Licenses and Permits | 2,828 | 2,828 | 2,753 | | 2,753 | (75) |
| Fines and Forfeits | 1,750 | 1,750 | 920 | | 920 | (830) |
| Interest Income | 271 | 271 | 73 | | 73 | (198) |
| Departmental Revenue | 3,412 | 3,412 | 3,690 | | 3,690 | 278 |
| Interdepartmental Revenue | 2,569 | 2,569 | 364 | | 364 | (2,205) |
| Property Taxes | 364,489 | 364,489 | 364,493 | | 364,493 | 4 |
| Other Revenue | 1,460 | 1,460 | 1,516 | (1,516) | | (1,460) |
| Total Revenues | <u>377,129</u> | <u>377,129</u> | <u>374,347</u> | <u>(1,505)</u> | <u>372,842</u> | <u>(4,287)</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Protection of Persons | <u>375,829</u> | <u>375,828</u> | <u>376,085</u> | <u>(10,199)</u> | <u>365,886</u> | <u>9,942</u> |
| Total Expenditures | <u>375,829</u> | <u>375,828</u> | <u>376,085</u> | <u>(10,199)</u> | <u>365,886</u> | <u>9,942</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>1,300</u> | <u>1,301</u> | <u>(1,738)</u> | <u>8,694</u> | <u>6,956</u> | <u>5,655</u> |
| Other Financing Sources (Uses): | | | | | | |
| Transfers In | | | 3,845 | (3,845) | | |
| Transfer Out | <u>(1,822)</u> | <u>(1,822)</u> | <u>(1,750)</u> | | <u>(1,750)</u> | <u>72</u> |
| Total Other Financing Sources (Uses) | <u>(1,822)</u> | <u>(1,822)</u> | <u>2,095</u> | <u>(3,845)</u> | <u>(1,750)</u> | <u>72</u> |
| Net Change in Fund Balance (Deficit) | (522) | (521) | 357 | 4,849 | 5,206 | 5,727 |
| Fund Balance at Beginning of Year | <u>522</u> | <u>521</u> | <u>3,668</u> | | <u>3,668</u> | <u>3,147</u> |
| Fund Balance at End of Year | <u>\$</u> | <u>\$</u> | <u>\$ 4,025</u> | <u>\$ 4,849</u> | <u>\$ 8,874</u> | <u>\$ 8,874</u> |

See accompanying notes to financial statements.

EXHIBIT X-9**COUNTY OF NASSAU, NEW YORK**
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY AND ACTUAL
SEWER & STORM WATER DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011 (Dollars in Thousands)**

| | <u>Original Budget</u> | <u>Total Budgetary Authority</u> | <u>Actual</u> | <u>GAAP to Budgetary Basis Conversion (Note 13)</u> | <u>Actual on a Budgetary Basis</u> | <u>Variance Positive (Negative)</u> |
|--|----------------------------|--|------------------|---|--|---|
| Revenues: | | | | | | |
| Licenses and Permits | \$ 710 | \$ 710 | \$ 859 | \$ | \$ 859 | \$ 149 |
| Rents and Recoveries | 1,771 | 1,771 | 32 | | 32 | (1,739) |
| Interest Income | 307 | 307 | 388 | | 388 | 81 |
| Departmental Revenue | 20,604 | 20,604 | 1,774 | | 1,774 | (18,830) |
| Interdepartmental Revenue | 434 | 434 | 451 | | 451 | 17 |
| Federal Aid | | | 112 | | 112 | 112 |
| State Aid | | | 19 | | 19 | 19 |
| Property Taxes | | | 119,041 | | 119,041 | 119,041 |
| Other Revenues | <u>165</u> | <u>165</u> | <u>532</u> | <u>(192)</u> | <u>340</u> | <u>175</u> |
| Total Revenues | <u>23,991</u> | <u>23,991</u> | <u>123,208</u> | <u>(192)</u> | <u>123,016</u> | <u>99,025</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Public Works | <u>161,731</u> | <u>161,731</u> | <u>112,744</u> | <u>8,356</u> | <u>121,100</u> | <u>40,631</u> |
| Total Expenditures | <u>161,731</u> | <u>161,731</u> | <u>112,744</u> | <u>8,356</u> | <u>121,100</u> | <u>40,631</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(137,740)</u> | <u>(137,740)</u> | <u>10,464</u> | <u>(8,548)</u> | <u>1,916</u> | <u>139,656</u> |
| Other Financing Sources (Uses): | | | | | | |
| Other Financing Sources - Premium | | | 45 | | 45 | (986) |
| Transfers In of Investment Income | 1,031 | 1,031 | 736 | | 736 | 736 |
| Transfers In | | | 736 | | 736 | 736 |
| Transfers Out | (14,802) | (14,802) | (12,594) | | (12,594) | 2,208 |
| Transfer In from SFA | <u>102,929</u> | <u>102,929</u> | <u>(11,337)</u> | | <u>(11,337)</u> | <u>(114,266)</u> |
| Total Other Financing Sources (Uses) | <u>89,158</u> | <u>89,158</u> | <u>(23,150)</u> | | <u>(23,150)</u> | <u>(112,308)</u> |
| Net Change in Fund Balance (Deficit) | (48,582) | (48,582) | (12,686) | (8,548) | (21,234) | 27,348 |
| Fund Balance at Beginning of Year | <u>48,582</u> | <u>48,582</u> | <u>102,567</u> | | <u>102,567</u> | <u>53,985</u> |
| Fund Balance (Deficit) at End of Year | <u>\$</u> | <u>\$</u> | <u>\$ 89,881</u> | <u>\$ (8,548)</u> | <u>\$ 81,333</u> | <u>\$ 81,333</u> |

See accompanying notes to financial statements.

EXHIBIT X-10

COUNTY OF NASSAU, NEW YORK

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

DECEMBER 31, 2011 (Dollars in Thousands)

Agency Fund

ASSETS:

| | | |
|-------------------------|----|---------------|
| Cash | \$ | 41,162 |
| Due From Component Unit | | <u>5,472</u> |
| TOTAL ASSETS | \$ | <u>46,634</u> |

LIABILITIES:

| | | |
|-------------------|----|---------------|
| Accounts Payable | \$ | 1,473 |
| Other Liabilities | | <u>45,161</u> |
| TOTAL LIABILITIES | \$ | <u>46,634</u> |

Nassau County Tobacco Securitization Corporation Residual Trust

ASSETS:

| | | |
|------|----|---------------|
| Cash | \$ | <u>18,448</u> |
|------|----|---------------|

LIABILITIES:

| | | |
|-------------------|----|---------------|
| Other Liabilities | \$ | <u>18,448</u> |
|-------------------|----|---------------|

See accompanying notes to financial statements.

EXHIBIT X-11**COUNTY OF NASSAU, NEW YORK****STATEMENT OF NET ASSETS****ALL DISCRETELY PRESENTED COMPONENT UNITS****DECEMBER 31, 2011 (WITH THE NASSAU COMMUNITY COLLEGE AUGUST 31, 2011)****(Dollars in Thousands)**

| | Nassau Community College | Nassau Health Care Corporation | Nassau Regional Off-Track Betting Corp. | Nassau County Industrial Development Agency | Nassau County Local Economic Assistance Corporation | Total |
|---|---|---|--|--|--|---------------------|
| ASSETS | | | | | | |
| CURRENT ASSETS: | | | | | | |
| Cash and Cash Equivalents | \$ 51,584 | \$ 6,962 | \$ 8,004 | \$ 2,330 | \$ 271 | \$ 69,151 |
| Assets Whose Use is Limited - Current | | 16,844 | | | | 16,844 |
| Student Accounts and Loans Receivable | 9,673 | | | | | 9,673 |
| Less Allowance for Doubtful Accounts | (6,280) | | | | | (6,280) |
| Due from Primary Government | 2,790 | 12,509 | | | | 15,299 |
| Due from Other Governments | 5,158 | | | | | 5,158 |
| Other Receivables | 1,444 | 12,119 | | | | 13,563 |
| Accounts Receivable | | 324,828 | 237 | 18 | | 325,083 |
| Less Allowance for Doubtful Accounts | | (239,115) | | | | (239,115) |
| Inventories | | 5,357 | | | | 5,357 |
| Other Assets - Current | 193 | 15,554 | 591 | 121 | | 16,459 |
| Total Current Assets | 64,562 | 155,058 | 8,832 | 2,469 | 271 | 231,192 |
| NON CURRENT ASSETS: | | | | | | |
| Deferred Financing Costs | 2,788 | 2,867 | 532 | | | 6,187 |
| Less Accumulated Amortization | (1,865) | (1,750) | (231) | | | (3,846) |
| Assets Whose Use is Limited | | 28,467 | | | | 28,467 |
| Capital Assets Not Being Depreciated | 3,741 | 12,498 | | | | 16,239 |
| Depreciable Capital Assets | 252,401 | 505,664 | 42,825 | 94 | | 800,984 |
| Less Accumulated Depreciation | (118,512) | (334,734) | (24,030) | (76) | | (477,352) |
| Deposits Held by Trustees | 7,409 | | | | | 7,409 |
| Deposits Held in Custody for Others | 1,661 | | | | | 1,661 |
| Other Assets - Non Current | | 16,490 | 2,055 | | | 18,545 |
| Total Non Current Assets | 147,623 | 229,502 | 21,151 | 18 | | 398,294 |
| Total Assets | 212,185 | 384,560 | 29,983 | 2,487 | 271 | 629,486 |
| LIABILITIES | | | | | | |
| CURRENT LIABILITIES: | | | | | | |
| Accounts Payable | 13,260 | 42,162 | 5,992 | 74 | 3 | 61,491 |
| Accrued Liabilities | | 20,824 | 7,739 | | | 28,563 |
| Accrued Interest Payable | | 1,281 | | | | 1,281 |
| Notes Payable - Current | | | 63 | | | 63 |
| Due To Primary Government | | | 476 | | | 476 |
| Deferred Revenue | 18,769 | | | | | 18,769 |
| Current Portion of Long Term Liabilities | 3,681 | 4,815 | 1,455 | | | 9,951 |
| Other Liabilities - Current | 1,381 | 28,005 | | | 101 | 29,487 |
| Total Current Liabilities | 37,091 | 97,087 | 15,725 | 74 | 104 | 150,081 |
| NON CURRENT LIABILITIES: | | | | | | |
| Notes Payable | | | 11 | | | 11 |
| Serial Bonds Payable | 71,791 | 227,340 | 11,625 | | | 310,756 |
| Accrued Vacation and Sick Pay | 51,119 | 45,791 | | 60 | | 96,970 |
| Estimated Liability for Litigation | 325 | 38,414 | | | | 38,739 |
| Deposits Held in Custody for Others | 1,661 | | | | | 1,661 |
| Insurance Reserve Liability | 1,988 | | | | | 1,988 |
| Deferred Bond Premium (Net of Amortization) | 1,866 | | | | | 1,866 |
| Liability for Future Pension Expense | 1,334 | 26,467 | | | | 27,801 |
| Postemployment Retirement Benefits Liability | 317,197 | 213,930 | 42,095 | 88 | | 573,310 |
| Other Liabilities - Non Current | | 44,541 | 1,500 | | | 46,041 |
| Total Non Current Liabilities | 447,281 | 596,483 | 55,231 | 148 | | 1,099,143 |
| Total Liabilities | 484,372 | 693,570 | 70,956 | 222 | 104 | 1,249,224 |
| NET ASSETS (DEFICIT) | | | | | | |
| Invested in Capital Assets, Net of Related Debt | 63,299 | 100,428 | 10,189 | 18 | | 173,934 |
| Restricted: | | | | | | |
| General | | 1,851 | | | | 1,851 |
| Special Revenue | | | | | | |
| Nassau Community College Foundation Fund | | | | | | |
| Restricted Scholarships | 2,731 | | | | | 2,731 |
| Capital Projects | 4,646 | | | | | 4,646 |
| Debt Service | 7,408 | | | | | 7,408 |
| Student Loans | 370 | | | | | 370 |
| Unrestricted (Deficit) | (350,641) | (411,289) | (51,162) | 2,247 | 167 | (810,678) |
| Total Net Assets (Deficit) | \$ (272,187) | \$ (309,010) | \$ (40,973) | \$ 2,265 | \$ 167 | \$ (619,738) |

See accompanying notes to financial statements.

EXHIBIT X-12

COUNTY OF NASSAU, NEW YORK

**STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS - PROPRIETARY
FOR THE YEAR ENDED DECEMBER 31, 2011 (WITH THE NASSAU COMMUNITY COLLEGE AUGUST 31, 2011)
(Dollars in Thousands)**

| | <u>Nassau Community College</u> | <u>Nassau Health Care Corporation</u> | <u>Nassau Regional Off-Track Betting Corp.</u> | <u>Nassau County Industrial Development Agency</u> | <u>Nassau County Local Economic Assistance Corporation</u> | <u>Total</u> |
|--|---|---|--|--|--|--------------|
| Expenses | \$ 237,211 | \$ 637,953 | \$ 56,105 | \$ 1,424 | \$ 138 | \$ 932,831 |
| Program Revenues: | | | | | | |
| Charges for Services | 51,341 | 490,010 | 60,909 | 1,367 | 305 | 603,932 |
| Operating Grants and Contributions | 156,076 | | | | | 156,076 |
| Capital Grants and Contributions | | 944 | | | | 944 |
| Total Program Revenues | 207,417 | 490,954 | 60,909 | 1,367 | 305 | 760,952 |
| Net Program Revenues (Expenses) | (29,794) | (146,999) | 4,804 | (57) | 167 | (171,879) |
| General Revenues | | | | | | |
| Investment Income | 2,151 | 1,230 | | 9 | | 3,390 |
| Other | 4,208 | | 2,375 | | | 6,583 |
| Net General Revenues | 6,359 | 1,230 | 2,375 | 9 | | 9,973 |
| Change in Net Assets (Deficit) | (23,435) | (145,769) | 7,179 | (48) | 167 | (161,906) |
| Net Assets (Deficit) - Beginning of Year | (248,752) | (163,241) | (48,152) | 2,313 | | (457,832) |
| Net Assets (Deficit) - End of Year | \$ (272,187) | \$ (309,010) | \$ (40,973) | \$ 2,265 | \$ 167 | \$ (619,738) |

See accompanying notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The County of Nassau (the "County"), incorporated in 1899, contains three towns, two cities and 64 incorporated villages. In conformance with the Governmental Accounting Standards Board ("GASB") Statement No. 14, as amended by GASB Statement No. 39, *The Financial Reporting Entity*, these financial statements present the County (the primary government) which includes all funds, elected offices, departments and agencies of the County, as well as boards and commissions, since the County is financially accountable for these and its legally separate component units. A primary government is financially accountable for a component unit if its officials appoint a voting majority of the organization's governing body, and it is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, or the organization is fiscally dependent upon the primary government as defined by GASB Statement No. 14. Although legally separate from the County, the Nassau County Interim Finance Authority ("NIFA") is a financing instrumentality of the County and, accordingly, is included in the County's financial statements as a blended component unit in accordance with GASB Statement No. 14, as amended. The County continuously assesses the need to include various organizations within the County whose status as a component unit may change due to financial dependence, legislative developments or level of influence the County may exercise over such entity.

Discretely Presented Component Units - Financial data of the County's component units that are not part of the primary government is reported in the component unit's column in the government-wide financial statements, to emphasize that these component units are legally separate from the County. They include the following:

- (a) *The Nassau Community College* (the "College") - provides educational services under New York State Education Law. It is reported as a component unit as the County appoints its governing body, the County approves its budget, issues debt for College purposes and provides approximately 39% of the College's 2011 budgeted revenues through a County-wide real property tax levy. Therefore, the College is discretely presented. The College has authority to enter into contracts under New York State Education Law and to sue and be sued. The College is presented in accordance with policies prescribed by GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis for Public Colleges and Universities*, and in accordance with New York State Education Law. This component unit is presented as of, and for its fiscal year ended, August 31, 2011.

These financial statements present the College (the primary government) and its component units, the Nassau Community College Foundation, Inc. and the Faculty-Student Association of Nassau Community College, Inc. As defined in GASB Statement No. 39, component units are legally separate entities that are included in the College's reporting entity because of the significance of their operating or financial relationships with the College. The College has elected to include the financial statements of the component units, even though the amounts reported in the component units' financial statements are not significant to the reporting entity. Each component unit is reported separately to emphasize that they are legally separate from the primary government. Each of the College's discretely presented component units has a fiscal year end of August 31st, the same as that of the College.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***Discretely Presented Component Units (Continued)***

- (b) *Nassau Health Care Corporation* (d/b/a NuHealth) (“NHCC”) is a public benefit corporation created in 1997 by an act of the New York State Legislature for the purpose of acquiring and operating the health facilities of Nassau County, State of New York. Effective September 29, 1999 (the “Transfer Date”), a transaction was executed which transferred ownership of the County health facilities to the NHCC which included Nassau University Medical Center, A. Holly Patterson Extended Care Facility, Faculty Practice Plan, Nassau Health Care Foundation (“NHCF”), and the Health Centers. Concurrent with the transaction, \$259.7 million of Nassau Health Care Corporation Health System Revenue Bonds, Series 1999 were issued. During 2004, \$303.4 million of Nassau Health Care Corporation Bonds, Series 2004 were issued to refund the NHCC’s Revenue Bond Series 1999, fund certain capital projects and provide working capital. In 2009, a portion of the Series 2004 Bonds were redeemed with the issuance of the Series 2009 bonds. The bonds are insured and guaranteed by the County. The NHCC is fiscally dependent on the County should certain NHCC debt service reserve funds fall below their requirements. The NHCC is considered to be a component unit of the County and is presented as a proprietary type component unit on the accrual basis of accounting. NHCC, Ltd., a wholly-owned subsidiary of the NHCC (the “Captive”) was incorporated as an exempted company on September 24, 1999 under laws of the Cayman Islands and operates under the terms of an unrestricted Cayman Islands Class B Insurer’s license. The license allows the Captive to conduct insurance business, other than domestic business, from the Cayman Islands. The NHCC accounts for its investment in the limited liability company using the equity method. Long Island Federally Qualified Health Center (“LIFQHC”) is an independent not-for-profit corporation formed on May 14, 2009 and established by NYSDOH on June 15, 2010, as a co-operator of the four treatment centers and a school-based clinic, previously operated solely by NHCC, in order to meet federal governance requirements and obtain designation from the Health Resources and Services Administration (“HRSA”) as a public entity federally qualified health center (“FQHC”) “Look-Alike” organization.

In September 2004, the NHCC and the County executed a stabilization agreement (the “Stabilization Agreement”) amending the original 1999 acquisition agreement. The Stabilization Agreement intended to resolve disputed charges, clarify language in existing agreements and identify the principles to govern more comprehensive successor arrangements. A successor agreement (the “Successor Agreement”) was executed in 2007 superseding the Stabilization Agreement. The Successor Agreement clarifies the services provided by the NHCC to the County and establishes the mechanism for payments to the NHCC by the County and provides the NHCC with capital funding and such agreement is in effect until 2029.

NHCC has a governing board consisting of fifteen voting directors and three non-voting directors. Eight of the voting directors are appointed by the Governor of the State of New York on the recommendation of various State and County elected officials. Seven of the voting directors, and two of the non-voting directors, are appointed directly by the County Executive or the County Legislature. The Chief Executive Officer of NHCC is the final non-voting director. The directors serve varying initial terms of two to four years and will serve five-year terms after the expiration of the initial terms. The County Executive selects one of the voting directors as Chairman of the Board.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Discretely Presented Component Units (Continued)**

- (c) The Nassau Regional Off-Track Betting Corporation (the "OTB") was created by the New York State Legislature as a public benefit corporation. The County is its sole shareholder. It is reported as a component unit as the County Legislature appoints its governing body, which consists of a Board of Directors made up of three members. The County receives a small portion of winning wagers made at County racetracks and all net operating profits from OTB. These revenues are recorded in the County's General Fund. The OTB is shown as a proprietary type component unit, and is presented on the accrual basis of accounting for its fiscal year ended December 31, 2011. At the close of 2011, there were twenty operational facilities; one branch closed during the year.

The County has a support agreement with OTB, which guarantees OTB's Series 2005 Revenue Bonds. Under the support agreement with the County, OTB is obligated to deposit required debt service payments due into a capital reserve fund. As consideration for entering into this support agreement and in recognition of the benefits anticipated to be derived, OTB makes an annual payment to the County. Over the past several years, OTB has experienced continuing mandated expenses in personnel benefits and other costs and increases in the statutory distribution requirements of New York State laws. These factors, coupled with the uncertain conditions in the general economy and the inability to gain relief on statutory payments to the racing industry, create an uncertainty as to the OTB's ability to continue as a going concern. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of these uncertainties.

- (d) The Nassau County Industrial Development Agency (the "NCIDA") is a public benefit corporation established pursuant to the New York State General Municipal Law. The NCIDA's purpose is to arrange long-term low interest financing for private firms and companies with the intent of developing commerce and industry in the County. It is reported as a component unit as the County appoints its governing body and may remove the NCIDA Board at will. The County has at times provided support to the NCIDA in the form of employees and facilities. Support expenditures would be included in the County's General Fund under personal services. The NCIDA has sole authority for establishing administrative and fiscal policy in the pursuit of its objectives. The County is not liable for any obligations or deficits the NCIDA may incur, nor does it share in any surpluses. The NCIDA is shown as a proprietary type component unit and is presented on the accrual basis of accounting for its fiscal year ended December 31, 2011.
- (e) The Nassau County Local Economic Assistance Corporation (the "NCLEAC") was created as a local development corporation. On September 20, 2010, the County Legislature adopted a resolution authorizing the formation of NCLEAC pursuant to Section 1411 of the New York Not-for-Profit Corporation Law. The mission of NCLEAC is to operate exclusively for the public purpose and charitable purpose of benefiting and furthering the activities of the County by serving as a conduit financing entity issuing taxable and tax-exempt revenue debt and providing other assistance to support the growth, expansion, on-going operations and continued viability of the non-profit sector in the County.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Discretely Presented Component Units (Continued)**

The County appoints the governing board of NCLEAC, which results in the interdependency with the County. Accordingly, NCLEAC has been determined to be a proprietary type component unit of the County and is presented on the accrual basis of accounting for its fiscal year ended December 31, 2011. The County is not liable for any obligations or deficits NCLEAC may incur, nor does it share in any surpluses. NCLEAC entered into a sublicense and cooperation agreement with NCIDA to use office space and storage space, as well as provide administrative services for NCLEAC as it has officers but no employees. The officers and some of the directors of NCLEAC serve in similar positions for the NCIDA. NCLEAC is charged accordingly for the rental and services provided by NCIDA.

NCLEAC'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 when earned, at the time of closing on the sale of bonds and straight lease arrangements.

Blended Component Units

- (a) Nassau County Interim Finance Authority ("NIFA") is included as a blended component unit of the County's primary government pursuant to GASB Statement No. 14 because it is a financing instrumentality of the County. It acts as a temporary financial intermediary to the County and is authorized to act as an oversight authority to the County under certain circumstances. It reports using the governmental model and its funds are reported as part of the County's general funds and as part of the County's non-major funds (NIFA Debt Service Fund).

NIFA is a corporate governmental agency and instrumentality of the State of New York (the "State") constituting a public benefit corporation created by the Nassau County Interim Finance Authority Act, Chapter 84 of the Laws of 2000, as supplemented by Chapter 179 of the Laws of 2000 and as may be amended from time to time, including, but not limited to, Chapter 528 of the Laws of 2002, and Chapters 314 and 685 of the Laws of 2003 (the "Act"). The Act became effective June 23, 2000. Although legally separate and independent of Nassau County, NIFA is a component unit of the County for County financial reporting purposes and, accordingly, is included in the County's financial statements.

NIFA is governed by seven directors, each appointed by the Governor, including one each appointed upon the recommendation of the Majority Leader of the State Senate, the Speaker of the Assembly, and the State Comptroller. The Governor also designates the chairperson and vice chairperson from among the directors. At present, one Director's position is vacant and the vice chairperson has not been designated.

NIFA has power under the Act to monitor and oversee the finances of Nassau County, and upon declaration of a "Control Period" as defined in the Act, additional oversight authority. Although the Act currently provides that NIFA may no longer issue new bonds or notes, other than to retire or otherwise refund NIFA debt, NIFA was previously empowered to, and did issue, its bonds and notes for various County purposes, defined in the Act as "Financeable Costs." No bond of NIFA may mature later than January 31, 2036, or more than 30 years from its date of issuance.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Blended Component Units (Continued)**

On January 26, 2011, NIFA adopted a resolution which imposed a Control Period on the County pursuant to the Act. It had determined that the County's proposed budget for fiscal year 2011 reflected a substantial likelihood that it would produce an operating funds deficit in excess of one percent of the aggregate result of operations of such funds. During a control period NIFA is required to withhold transitional State aid and is empowered, among other things, to approve or disapprove proposed contracts and borrowings by the County and Covered Organizations (as defined in the Act); approve, disapprove or modify the County's Multi-Year Financial Plan; issue binding orders to the appropriate local officials; impose a wage freeze; and terminate the control period upon finding that no condition exists which would permit imposition of a control period.

Subsequent to the resolution imposing the Control Period, NIFA adopted a resolution on March 24, 2011 declaring a fiscal crisis and ordered the suspension of all increases in salary or wages of employees of the County which were to take effect after the date of the order pursuant to collective bargaining agreements, and other analogous contracts or interest arbitrations awards then in existence or thereafter entered into. All increased payments for holiday and vacation differentials, shift differentials, salary adjustments according to plan, and step-ups and increments are also suspended.

All Legislative actions with regard to the approval of contracts or resolutions to borrow funds require NIFA's final authorization.

Revenues of NIFA ("Revenues") consist of sales tax revenues, defined as net collections from sales and compensating use taxes, penalties and interest authorized by the State and imposed by the County on the sale and use of tangible personal property and services in the County ("Sales Tax Revenues"), and investment earnings on money and investments on deposit in various NIFA accounts. Sales tax revenues collected by the State Comptroller for transfer to NIFA are not subject to appropriation by the State or County. Revenues of NIFA that are not required to pay debt service, operating expenses, and other costs of NIFA are payable to the County.

- (b) The Nassau County Tobacco Settlement Corporation ("NCTSC") is a special purpose local development corporation incorporated under the provisions of the Not-for-Profit Corporation Law of the State of New York and is an instrumentality of, but separate and apart from the County. Although legally separate and independent of the County, NCTSC is considered an affiliated organization under GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* and reported as a blended component unit of the County for County financial reporting purposes and, accordingly, is included in the County's financial statements.

The NCTSC Board of Directors has three members, one of whom must meet certain requirements of independence: (i) one elected by a majority vote of the County Legislature, (ii) one, who must be the County Treasurer, *ex officio*, designated by the County Executive and (iii) one selected by (i) and (ii). As of December 31, 2011, one position was vacant.

On November 23, 1999, NCTSC entered into a Purchase and Sale Agreement ("Agreement") dated as of October 1, 1999 with the County pursuant to which NCTSC acquired from the County all of the County's right title and interest under the Master Settlement Agreement (the "MSA") and the Consent

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Blended Component Units (Continued)**

Decree and Final Judgment (the "Decree"). These rights include the County's share of all Tobacco Settlement Revenues ("TSRs") received after November 23, 1999 and in perpetuity to be received under the MSA and the Decree. The consideration paid by NCTSC to the County for such acquisition consisted of \$247.5 million in cash (of which \$77.5 million was paid into escrow for the benefit of the County) and the sole beneficial interest in NCTSC Residual Trust ("Residual Trust"), a Delaware business trust, to which NCTSC has conveyed a residual interest in all the TSRs, annually received in excess of those required to pay debt service on the Series A Bonds. NCTSC's right to receive TSRs is its most significant asset and is expected to produce funding for its obligations to the extent of the receipt of TSRs.

On April 5, 2006, NCTSC, issued \$431.0 million of NCTSC Tobacco Settlement Asset-Backed bonds, Series 2006 pursuant to an *Amended and Restated Indenture* dated as of March 1, 2006. Proceeds were used for a number of purposes including, to refund all of NCTSC's 1999 Bonds then currently outstanding and the creation of a Residual Trust Fund for the benefit of the County and Senior Liquidity Reserve to pay future debt service on the new bonds.

Approximately \$140 million of the Series 2006 Bonds and unpledged TSR's were deposited into the Residual Trust, on behalf of the County as the beneficial owner of the Residual Certificate. Such proceeds are held to provide monies to the County in accordance with the tax certificates executed in connection with the Series 2006 Bonds.

The original 1999 purchase price paid by the NCTSC to the County under the Agreement consisted of: (i) the net proceeds of the sale of the 1999 Bonds and (ii) a 100% beneficial ownership interest in the Trust. The Agreement was amended and restated as of March 1, 2006. Under the amended Agreement, TSRs received from April 5, 2006 to March 31, 2009, were not pledged to the holders of the Series 2006 Bonds and, therefore, all TSRs received during that time were to be transferred to the Trust on behalf of the County. The County has and is expected to continue to appropriate such Series 2006 Bond proceeds to finance various capital projects or designated operating expenses of the County or the NHCC.

- (c) The Nassau County Sewer and Storm Water Finance Authority ("NCSSWFA") is a public benefit corporation established in 2003 by the State of New York under the Nassau County Sewer and Storm Water Finance Authority Act (the "NCSSWFA Act"), codified as Title-10-D of Article 5 of the Public Authorities Law of the State. The NCSSWFA was established for the purpose of refinancing outstanding sewer and storm water resources debt issued by or on behalf of the County and financing future County sewer and storm water resources projects. The NCSSWFA may issue debt in an amount up to \$350.0 million for such purposes (exclusive of debt issued to refund or otherwise repay the NCSSWFA debt). The NCSSWFA Act, and other legal documents of the NCSSWFA, established various financial relationships between the County and the NCSSWFA.

NCSSWFA is governed by seven directors, each appointed by the County Executive with confirmation by the County Legislature. Each member serves a three-year term without compensation.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Blended Component Units (Continued)**

The NCSSWFA has acquired all of the sewer and storm water resources facilities, buildings, equipment and related assets, other than land (the "System"), of the County pursuant to a Financing and Acquisition Agreement dated as of March 1, 2004, by and between the NCSSWFA and the County.

The NCSSWFA pays for the assets acquired in installments by paying the debt service on outstanding bonds originally issued by or on behalf of the County (including bonds issued by NIFA on behalf of the County) to finance the assets acquired ("County Bonds"). In addition, as part of such purchase price, the NCSSWFA may, at the request of the County, refinance County Bonds. The County also agreed to transfer to the NCSSWFA and the NCSSWFA agreed to acquire from the County any additional System facilities, which became a part of the System (at the time the project is completed), including those facilities financed by obligations of the County or NIFA after the closing date; and, the NCSSWFA shall pay debt service on such new County Bonds in the same manner and time, as set forth above, for the payment of County Bonds. Annually, the obligation to pay for expenditures incurred by the County, for such projects, is transferred to the NCSSWFA. Additionally, the County agrees that, during the term of the Agreement, it will not sell, lease, mortgage, or otherwise give up or encumber the real property upon which the facilities are situated.

Most of the NCSSWFA's revenues are derived through the imposition by the County of assessments for sewer and storm water resources services. The County has directed each city and town receiver of taxes to pay all such assessments directly to the trustee for the NCSSWFA's bonds. The NCSSWFA retains sufficient funds to service all debt (including County Bonds), and pay its operating expenses. Excess funds are remitted to the Nassau County Sewer and Storm Water Resources District (the "Sewer District"). Although the System was transferred to the NCSSWFA, the Sewer District is responsible for the operations of the County's sewer and storm water resources services, including repairs and maintenance on the System.

NCSSWFA did not issue debt in 2011.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Complete financial statements of the individual component units may be obtained from their respective administrative offices:

Nassau Community College
One Education Drive
Garden City, NY 11530

Nassau County Interim Finance Authority
170 Old Country Road, Suite 205
Mineola, NY 11501

Nassau Health Care Corporation
2201 Hempstead Turnpike
East Meadow, NY 11554

Nassau County Tobacco Settlement Corp.
240 Old Country Road
Mineola, NY 11501

Nassau Regional Off-Track Betting
Corporation
220 Fulton Avenue
Hempstead, NY 11550

Nassau County Sewer and Storm Water
Finance Authority
240 Old Country Road
Mineola, NY 11501

Nassau County Industrial Development
Agency
1550 Franklin Avenue
Mineola, NY 11501

Nassau County Local Economic Assistance
Corporation
1550 Franklin Avenue
Mineola, NY 11501

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Accounting Pronouncements**

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the County applies all applicable GASB pronouncements and only Financial Accounting Standards Board (“FASB”) Statements and Interpretations issued on or before November 30, 1989 that do not conflict with GASB pronouncements.

The County prepares its financial statements in accordance with GASB Statement No. 34 (as amended by Statement No. 37). Statement No. 34 requires government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund, but distinguish between the County’s governmental activities and activities of its discretely presented component units on the Statement of Net Assets and Statement of Activities. The County’s Statement of Net Assets includes both noncurrent assets and noncurrent liabilities of the County, which were previously recorded in the General Fixed Assets Account Group and the General Long-term Obligations Account Group. In addition to the capital assets previously recorded in the General Fixed Assets Account Group, the County retroactively capitalized infrastructure assets that were acquired beginning with fiscal year ended December 31, 1980. In addition, the government-wide statement of activities reflects depreciation expenses on the County’s capital assets, including infrastructure.

In addition to the government-wide financial statements, fund financial statements continue to be reported using the modified accrual basis of accounting and the current financial resources measurement focus. Accordingly, the accounting and financial reporting for the County’s General Fund, NIFA General Fund, Police District Fund, Capital Fund, and Sewer and Storm Water District Fund is similar to that previously presented in the County’s financial statements, although the format of financial statements has been modified by Statement No. 34. The issuance of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, further modifies the format of the governmental fund financial statements. The implementation of this Statement by the County as of December 31, 2011, resulted in the consolidation of several major and non-major funds, previously reported separately, into the General Fund or the Capital Fund.

Statement No. 34 also requires supplementary information. Management’s Discussion and Analysis includes an analytical overview of the County’s financial activities. In addition, a budgetary comparison statement is presented that compares the adopted and modified General Funds’, major Special Revenue Funds’ and non-major Special Revenue Funds’ budgets with actual results.

The College prepares its financial statements in accordance with GASB Statement No. 35, *Basic Financial Statements — and Management’s Discussion and Analysis — for Public Colleges and Universities — an amendment of GASB Statement No. 34*.

Statement No. 38 requires certain disclosures to be made in the notes to the financial statements concurrent with the implementation of Statement No. 34. While this Statement did not affect amounts reported in the financial statements of the County, certain note disclosures have been added and or amended including descriptions of activities of major funds, violations of legal or contractual provisions, future debt service and lease obligations in five year increments, short-term obligations, interest rates, and interfund balances and transactions.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Accounting Pronouncements (Continued)**

GASB Statement No. 40, *Deposit and Investment Risk Disclosures—an amendment of GASB Statement No. 3*, requires additional disclosures for deposits and investments of state and local governments related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. As an element of interest rate risk, this Statement requires certain disclosures of investments that have fair values that are highly sensitive to changes in interest rates. Deposit and investment policies related to the risks identified in this Statement are disclosed.

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, establishes standards for the measurement, recognition, and display of Other Postemployment Benefits (“OPEB”) expense and related liabilities (assets), note disclosures, and, if applicable, required supplementary information in the financial reports of state and local governmental employers. OPEB includes postemployment healthcare, as well as other forms of postemployment benefits (e.g., life insurance) when provided separately from a pension plan. The approach followed in the Statement generally is consistent with the approach adopted in Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, with modifications to reflect differences between pension benefits and OPEB. Statement No. 45 improves the relevance and usefulness of financial reporting by: (i) recognizing the cost of benefits in periods when the related services are received by the employer; (ii) providing information about the actuarial accrued liabilities for promised benefits associated with past services and whether and to what extent those benefits have been funded; and (iii) providing information useful in assessing potential demands on the employer’s future cash flows. The requirement applies to any state or local government employer that provides OPEB. Prior to the implementation of GASB Statement No. 45, the County’s postretirement benefits were accounted for on a pay-as-you-go basis. GASB Statement No. 50, *Pension Disclosures – an amendment of GASB Statements No. 25 and No. 27*, requires reporting changes to amend applicable note disclosures and required supplemental information requirements as previously defined in Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and No. 27 *Accounting for Pensions by State and Local Governmental Employers* to conform with requirements of Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and No. 45.

In February 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which is effective for financial statements for periods beginning after June 15, 2010. This Statement enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. It establishes fund balance classifications, such as nonspendable, restricted, committed, assigned and unassigned, that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The County has implemented this Statement effective December 31, 2011, and the fund balance section of the governmental funds balance sheets has been modified accordingly. Governmental Fund Balances as of December 31, 2010, have been adjusted to reflect using the new classifications.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Accounting Pronouncements (Continued)**

In June 2010, GASB issued Statement No. 59, *Financial Instruments Omnibus*, which is effective for periods beginning after June 15, 2010. The objective of this Statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The County has determined that there is no impact from Statement No. 59 on its financial position or results of operations resulting from the adoption.

A. BASIS OF PRESENTATION

The accounting policies of the County of Nassau conform to accounting principles generally accepted in the United States of America ("GAAP") as applicable to governments. The following is a summary of the more significant policies:

Government-wide Statements: The government-wide financial statements, (i.e., the Statement of Net Assets and the Statement of Activities), display information about the primary government and its component units. These statements include the financial activities of the overall government except for fiduciary activities. Eliminations of internal activity have been made in these statements. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. All of the activities of the County as primary government are governmental activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (i) charges for services such as rental revenue from operating leases on buildings, lots, etc., and (ii) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other revenues not properly included among program revenues are reported as general revenues.

Fund Financial Statements: The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for the governmental and fiduciary fund categories are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The County uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, fiduciary, and proprietary. There are no proprietary funds at the County. Each category, in turn, is divided into separate "fund types."

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**A. BASIS OF PRESENTATION (Continued)**

The County reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the County through which the County provides most County-wide services. Its principal sources of revenue are sales tax, the County-wide real property tax, other local taxes and charges, departmental revenues, and Federal and State aid. In accordance with the implementation of GASB Statement No. 54, which was effective for periods beginning after June 15, 2010, several major and non-major funds, which have been shown separately for reporting purposes prior to 2011, have been consolidated into the General Fund. The major funds previously shown separately but now consolidated into the General Fund are the Debt Service Fund, the Police Headquarters Fund, and the Fire Prevention, Safety, Communication and Education Fund. The non-major special revenue funds previously shown separately but now included in the General Fund are the Technology Fund, the Red Light Camera Fund, the Open Space Fund, and the Employee Benefit Accrued Liability Reserve Fund.

The General Fund now includes these functions:

- The payment of the principal of, and interest on, outstanding bonds and other long-term obligations of the County;
- Enforcement of the Nassau County Fire Prevention Ordinance, coordination of services to the County's Volunteer Fire Departments, investigation of arson and providing education at the Fire/Police Emergency Medical Service (EMS) Academy. Revenues are raised primarily through a special property tax levied on a County-wide basis; and
- County-wide police services provided by the Police Headquarters for services not supplied by the local police districts.

In addition, non-major functions and activities that had previously been reported as separate funds have also been consolidated into the General Fund in accordance with Statement No. 54.

NIFA General Fund - The NIFA General Fund accounts for sales tax revenues received by NIFA and for general operating expenses, as well as distributions to Nassau County. The NIFA Debt Service Fund accounts for the accumulation of resources that are restricted committed or assigned to expenditures for payment of principal and interest on NIFA's bonds.

Sewer and Storm Water District Fund - This special revenue fund consists of the sewage treatment and collection districts and is responsible for the operation and repair of the County sewage collection areas and maintaining and enhancing the region's water environment.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**A. BASIS OF PRESENTATION (Continued)**

Police District Fund - This fund is used to provide police services to those areas of the County that do not maintain their own local police forces. Revenues are raised principally through a special real property tax levied only in those areas served by the County police.

Capital Fund - This fund is used to account for the cost of County general improvement capital construction projects. Some of the major project initiatives included in this fund are aimed at enhancements to County buildings, rehabilitation of County roadways, drainage improvements, redevelopment of park facilities and major capital equipment purchases. Funding for these projects is primarily provided by the issuance of long term debt but also may be supplemented by Federal and State aid grant awards. Three non-major capital projects funds have been consolidated into the Capital Fund as a result of the County's implementation of GASB Statement No. 54. Those funds are the Sewer and Storm Water District Construction Fund, the Sewage Disposal District Construction Funds and the Sewage Collection Districts Construction Fund.

Additionally, the County reports the following fund type:

Fiduciary Fund - The Fiduciary Fund is an agency fund used to account for resources received and held by the County as the agent for others. These resources include among other things, withholdings for payroll taxes and garnishments. Use of this fund facilitates the discharge of responsibilities placed upon the County by law or other authority. Individual accounts are maintained for all other escrow-type and fiduciary accounts required by law or other authority in administering such monies received by the County.

New Accounting Standards

In December 2009, GASB issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, an amendment to Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Statement No. 57 clarifies actuarially determined OPEB measures reported by an agent multiple-employer OPEB plan and its participating employers. Those measures should be determined by a common date and at a minimum frequency to satisfy the agent multiple-employer OPEB plan's financial reporting requirement. This Statement also expands the use of the alternative measurement method to an agent employer that has an individual-employer OPEB plan with fewer than 100 total plan members. This Statement is effective for financial statements for periods beginning after June 15, 2011. The County has not completed the process of evaluating the impact that will result from implementing this Statement and is therefore unable to determine the impact that adopting this Statement will have on its financial position and results of operations. However, the provisions of Statement No. 57 related to the use and reporting of the alternative measurement method, effective immediately upon issuance of the Statement in December 2009, are not applicable to the County, as the County is not an agent employer with fewer than 100 total plan members.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**A. BASIS OF PRESENTATION (Continued)**

In November 2010, GASB issued Statements No. 60, *Accounting and Financial Reporting for Service Concession Arrangements* and No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 (The Reporting Entity) and No. 34 (Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments)*. The requirement of Statement No. 60 improves financial reporting by establishing recognition, measurement and disclosure requirements for service concession arrangements (SCAs), which are a type of public-private or public-public partnership, for both transferors and governmental operators. The Statement requires governments to account for and report SCAs in the same manner, which improves the comparability of financial statements. Statement No. 60 is effective for financial statements for periods beginning after December 15, 2011. The County has not completed the process of evaluating the impact that will result from implementing this Statement and is therefore unable to determine the impact that adopting this Statement will have on its financial position and results of operations.

The objective of Statement No. 61 is to improve financial reporting for a governmental financial reporting entity. Statement No. 61 is effective for financial statements for periods beginning after June 15, 2012. The County has not completed the process of evaluating the impact that will result from implementing this Statement and is therefore unable to determine the impact that adopting this Statement will have on its financial position and results of operations.

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which is effective for financial statements for periods beginning after December 15, 2011. The objective of this Statement is to incorporate certain pronouncements issued on or before November 30, 1989 that do not contradict or conflict with GASB pronouncements. The County has not completed the process of evaluating the impact that will result from implementing this Statement and is therefore unable to determine the impact that adopting this Statement will have on its financial position and results of operations.

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, to provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The objective of this Statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government’s net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011. The adoption of this Statement is not expected to affect the results of operations or cash flows, however, it will result in changes to the presentation of the financial statements.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**A. BASIS OF PRESENTATION (Continued)**

In June 2011, the GASB issued Statement No. 64, *Application of Hedge Accounting Termination Provisions-an amendment of GASB Statement No. 53*. The objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. This Statement is effective for financial statements for periods beginning after June 15, 2011. The County has not completed the process of evaluating the impact that will result from implementing this Statement and is therefore unable to determine the impact that adopting this Statement will have on its financial position and results of operations.

B. BASIS OF ACCOUNTING AND MEASUREMENT FOCUS

The basis of accounting determines when transactions are reported on the financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County either gives or receives value without directly receiving or giving equal value in exchange, include, for example sales and property taxes, grants, and donations. On an accrual basis, revenue from sales taxes is recognized when the underlying 'exchange' transaction takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

All discretely presented component units-proprietary funds are accounted for on a flow of economic resources measurement focus.

Governmental funds are accounted for on the modified accrual basis of accounting. Governmental fund revenues are recognized in the accounting period in which they become susceptible to accrual (i.e., both measurable and available to finance expenditures of the fiscal period). Revenue items accrued are property taxes and sales taxes, provided the revenue is collected within 60 days of the fiscal year end; and reimbursable amounts from Federal and State supported programs, provided the revenue is collected within one year of year-end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, with the following exceptions that are in conformity with GAAP: general long-term obligation principal and interest are reported only when due, vacation and sick leave when paid, pension costs when due, and judgments and claims when settled. Discretely presented component units proprietary funds are accounted for on the accrual basis of accounting. Their revenues are recognized in the period earned and expenses are recognized in the period incurred. Proprietary funds' unbilled services receivable are recognized as revenue.

The fiduciary fund is accounted for on the cash basis of accounting for the purpose of asset and liability recognition.

Transfers among funds are recognized in the accounting period in which the interfund receivable and payable arise.

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF ACCOUNTING AND MEASUREMENT FOCUS (Continued)

Nassau Community College - The College reports as a special purpose government engaged only in business type activities as defined in GASB Statement No. 35 *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities*.

In its accounting and financial reporting, the NHCC follows the pronouncements of the Governmental Accounting Standards Board (“GASB”). In addition, the NHCC has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (“FASB”), including those issued after November 30, 1989, that do not conflict with or contradict GASB pronouncements.

C. BUDGETS AND BUDGETARY ACCOUNTING

An appropriated budget is legally adopted for each fiscal year for the General Fund, and each of the Special Revenue Funds, with the exception of NIFA, NCSSWFA, NCTSC, and the Grant Fund. NIFA funds consist of sales tax revenues collected by the State Comptroller and transferred to the fund and are not subject to appropriation by the State or County. NCTSC Funds consist of Tobacco Settlement Revenues received annually as a result of a Master Settlement Agreement between the Tobacco Settlement Corporation and Tobacco Manufacturing Companies. The Grant Funds are appropriated for the life of specific grants, not for annual fiscal periods. Accordingly, the Grant Funds are excluded from the Combined Statement of Revenues, Expenditures, and Changes in Fund Balance presented for budgeted special revenue funds

The budget amounts as shown include prior year encumbrances carried forward as well as current year authorizations. In the case of the Grant Fund, an appropriated budget is legally adopted for the life of each grant as it is received. The County Legislature also authorizes and rescinds spending and financing authority in a Capital Budget. Each project authorized has continuing budget authority until the project is completed or rescinded. All appropriated budgets are adopted by ordinance of the County Legislature on the same modified accrual basis of accounting used to report revenues and expenditures except that appropriations are not provided for certain interfund indirect costs and encumbrances are treated as charges to appropriations when incurred. All supplemental appropriations amending appropriated budgets as originally adopted are also provided by ordinance of the County Legislature.

During the fiscal year ended December 31, 2011, supplemental appropriations for the General Fund and appropriation budgets for the Grant Fund were adopted and are included in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budgeted Funds as follows (dollars in thousands):

| | |
|--|-------------------|
| Supplemental Appropriations: | |
| General Fund | \$ 52,065 |
| Grant Fund Appropriated Budgets | <u>113,213</u> |
| Total Supplemental Appropriations and Grant Fund Appropriated Budgets | <u>\$ 165,278</u> |

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**C. BUDGETS AND BUDGETARY ACCOUNTING (Continued)**

Appropriations, which have not been expended or encumbered by the end of the fiscal period, lapse at that time, except for the Grant and Capital Funds, whose budgets are legally adopted for the life of the grant, or until the capital project is completed.

The County followed these procedures in establishing the budgetary data reflected in the financial statements:

1. The proposed budget must be presented to the County Legislature and NIFA not later than September 15. (For the College, the proposed budget is submitted on or before the second Monday in July for the fiscal year commencing the following September 1). The proposed budgets include proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain public comments.
3. Budgets must be adopted by the County Legislature no later than October 30 of the prior year. (For the College, the budget is legally enacted on or before the third Monday in August).
4. The appropriated budget can be legally amended by the County Legislature subsequent to its initial adoption. Proposed amendments can be submitted by the County Executive to the Legislature at any time during the fiscal year. These proposed amendments are then voted on by the Legislature at the next available meeting. Amendments, which are legally approved by the Legislature, are immediately reflected in the operating appropriated budget.
5. Formal budgetary integration is employed as a management control device during the year for the governmental funds. The legal level of budgetary control is exercised at the object appropriation level within a fund's departmental control center. The County Legislature must approve all transfers and supplemental appropriations at this level.

D. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Encumbrances outstanding at year-end are reported within governmental funds as restricted, committed or assigned fund balance and as reservations of fund balances in Net Assets since they do not constitute expenditures or liabilities.

E. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits as well as highly liquid investments with original maturities of three months or less from the date acquired by the County or its component units, except for assets whose use has been restricted. In accordance

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**E. CASH AND CASH EQUIVALENTS (Continued)**

with General Municipal Law of the State of New York, the County may invest in certificates of deposits, money market and time deposit accounts, repurchase agreements, obligations of the United States Government and obligations of the State of New York and its various municipal subdivisions.

As required by law, all cash deposits and cash equivalents are required to be fully collateralized or insured. Bank balances are covered by Federal Depository Insurance Corporation insurance or by collateral consisting of obligations of the United States Government held by the County's agent in the County's name, or agents of its component units in their names.

F. INVESTMENTS

The County carries investments at cost, which approximates market, and are fully collateralized in accordance with the New York State Local Finance Law. The County's investments consisted of U.S. Treasury Notes and other obligations of the U.S. government, which are explicitly guaranteed by the U.S. government and therefore not considered to have credit risk, and shares of an investment fund, held by NCTSC, which invests in short-term U.S. Treasury securities paying a fixed, variable or floating interest rate and in repurchase agreements backed by U.S. Treasury securities.

G. CAPITAL ASSETS

All capital assets, which are acquired or constructed for general governmental purposes, are reported as expenditures in the fund that finances the asset acquisition and are accounted for and reported in the government-wide financial statements, as capital assets, if they meet the County's capitalization criteria. These statements also contain the County's infrastructure elements that are now required to be capitalized under GAAP. Infrastructure assets include public domain assets such as roads, bridges, streets, sidewalks, curbs and gutters, drainage systems, lighting systems, and the like. Real property acquired in 1984 and prior (except for infrastructure assets) is recorded at historical cost based on an appraisal performed in 1984. Real property acquired after 1984 as well as all infrastructure assets are recorded at historical cost. Capital leases are classified as capital assets in amounts equal to the lesser of the fair market value or the present value of net minimum lease payments at the inception of the lease.

Equipment with a unit cost of \$5,000 or more is included in the financial statements as general capital assets of the County. Electronic equipment valued at a unit cost of \$500 or more and all other equipment valued at \$1,000 or more is inventoried and recorded for internal control purposes. Donated capital assets, if material, are stated at their fair market value as of the date of the donation. Intangible assets are classified as capital assets if identifiable. Intangible assets are characterized as an asset that lacks physical substance, is nonfinancial in nature, and has an initial useful life extending beyond a single reporting period. All of the County's intangible capital assets have indefinite useful lives.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**H. DEPRECIATION**

Depreciation is defined by the AICPA as a method of accounting which aims to distribute the cost or value of tangible capital assets, less any salvage value, over the estimated useful life of the assets in a systematic and rational manner. GASB Statement No. 34 states that capital assets should be depreciated over their estimated useful lives, unless they are inexhaustible. Pursuant to GASB Statement No. 34, accumulated depreciation is reported for land improvements, buildings, equipment and infrastructure. (The County's land improvements consist of exhaustible capital assets such as swimming pools, parking lots, and playgrounds.) Land, which is an inexhaustible asset, and construction in progress are not depreciated. Land improvements, buildings, equipment, and infrastructure are depreciated, using straight-line method of depreciation, over their estimated useful lives of 20 years for land improvements, 40 years for buildings, 3 to 25 years for equipment and 15 to 40 years for infrastructure. Capital lease assets are amortized over the term of the lease or the life of the asset, whichever is less.

Depreciation is recorded by the proprietary type entities, as follows:

Nassau Community College - Depreciation on buildings, land improvements and infrastructure, and equipment is calculated using the straight line method over the assets' estimated useful lives, ranging from 5 to 50 years. Library books and audiovisual items are not depreciated.

Nassau Health Care Corporation - Depreciation is provided over the estimated useful life of each class of depreciable assets, ranging from 3 to 40 years, and is computed using the straight-line method. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring these assets.

Nassau Regional Off-Track Betting Corporation - For capital improvement assets, depreciation and amortization are recorded over the assets' estimated useful lives using the straight-line method (5 to 20 years) and are charged directly against the assets. No charge to operations is recorded. For all other assets, depreciation and amortization are computed on the straight-line method and charged to operations over the assets' estimated useful lives (5 to 10 years). Leasehold improvements are amortized over the shorter of their estimated useful lives, or the remaining term of the leases, exclusive of renewal options.

Nassau County Industrial Development Agency - Depreciation is calculated on the straight-line method over the estimated useful life of the assets, ranging from 3 to 7 years, depending on the type of asset.

Nassau County Sewer and Storm Water Finance Authority - Capital assets are depreciated over their economic useful life, ranging from 5 to 40 years, depending on the type of asset, using straight-line method.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**I. INVENTORIES AND PREPAID EXPENSES**

Inventory on hand for the County is not significant and is recorded as an expenditure in the period purchased. The NHCC carries its inventories at the lower of cost or market, with cost being determined by the first-in, first-out method.

Prepaid expenses represent amounts paid as of year-end, which will benefit future operations and are accounted for using the consumption method.

J. DERIVATIVE INSTRUMENTS – INTEREST RATE SWAP/DEFERRED OUTFLOW OF RESOURCES

In accordance with GASB Statement No. 53, NIFA's derivative instruments, consisting of interest rate swap agreements, qualify as hedging derivative instruments and have been recorded at fair value, using the zero coupon methodology, in the Statement of Net Assets as derivative instruments – interest rate swaps. The recording of the fair value of hedging derivative instruments has not affected investment income or NIFA's net assets (deficit) position, but has been reported as a deferral and is included in the deferred outflow of resources in NIFA's Statement of Net Assets.

K. FUND EQUITY CLASSIFICATIONS

In accordance with GASB Statement No. 54, the classification of Fund Balance is based on the extent to which the County is obligated to abide by constraints on the specific purposes for which government funds may be spent. Previously, fund balance was reported in the governmental funds balance sheet in a manner to distinguish whether the resources were available for appropriation and further constrained as restricted. The Fund Balance classifications are as follows:

Nonspendable – includes fund balance amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The County's prepaid assets, primarily comprised of prepaid retirement expense that is required to be paid in the current year for the following year's expense, are deemed to be not in spendable form, and have therefore been categorized as Nonspendable.

Restricted – includes fund balance amounts that are restricted to specific purposes. The restrictions must be imposed by external parties, such as creditors, grantors, or other governments, constitutional provisions, or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes pursuant to formal action of the government's highest level of authority. For the County, the highest level of authority is the County's Legislature. The action committing the funds must be taken prior to year-end. The funds may not be used for any other purpose unless the constraint is changed by a similar action taken by Legislature prior to year-end.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**K. FUND EQUITY CLASSIFICATIONS (Continued)**

Assigned - includes fund balance amounts that are constrained by the government's intent to be used for specific purposes, but are considered neither restricted nor committed.

Unassigned – includes fund balance amounts that have no constraints as to their use. The County's general-purpose fund balance is reported as Unassigned.

When both restricted and unrestricted fund balance is available, the County normally uses unrestricted amounts to be spent first, unless there are legal requirements to the contrary. The County does not have a formal policy with respect to the order in which unrestricted resources will be used, therefore, in accordance with Statement No. 54, the County's unrestricted resources shall be used in the following order: committed, assigned and unassigned.

The County has a policy to set recommended levels of unreserved fund balance (now Assigned and Unassigned) of no less than four percent and no more than five percent of normal prior-year expenditures made from its internally defined General Fund and County-wide Special Revenue Funds. The policy stipulates that use of unreserved fund balance is restricted to: (i) non-recurring expenses that promote important policy objectives; or (ii) extraordinary operating and capital purposes that could not be anticipated and which otherwise cannot be financed with current revenues in the annual Operating Budget. At the year ended 2011, the fund balance level is 1.47% of 2010 normal, recurring expenditures. This is well below the County's self-imposed policy.

The County's policy further mandates that it shall maintain combined level of financial resources in its unreserved and reserve funds (now Nonspendable, Restricted and Committed) of no less than five percent of normal prior-year expenditures.

L. ACCUMULATED UNPAID VACATION, SICK PAY, AND OTHER EMPLOYEE BENEFITS

County employees receive vacation time, sick leave, and other benefits pursuant to the labor contract or County ordinance covering their terms of employment. The cash value of these accumulated unpaid employee benefits and the related employer costs (e.g., Social Security) has been accrued and reported with other long-term liabilities in the government-wide Statement of Net Assets. The compensated absences for the governmental funds are treated as long-term as they will not be liquidated with expendable available financial resources. For those employees who have retired prior to December 31, 2011, any accumulated and unpaid benefits as of that date have been recorded in the government-wide Statement of Net Assets.

M. GRANTS AND OTHER INTERGOVERNMENTAL REVENUES

Federal and State grants and assistance awards made on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. All other Federal and State reimbursement type grants are recorded as intergovernmental receivables and revenues when the related expenditures or expenses are incurred.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**M. GRANTS AND OTHER INTERGOVERNMENTAL REVENUES (Continued)**

In 2011, the County received \$7.6 million from the U.S. Environmental Protection Agency (“EPA”) as reimbursement for expenditures incurred in the 1970’s through 1990’s related to the installation of a lateral sewer system in the County. The EPA did not reimburse the expenditures at the time they were originally incurred and submitted, and the County was finally successful in obtaining reimbursement in 2011 for a portion of the original expenditures set aside by the EPA. The County is continuing to pursue reimbursement from the EPA for the remaining expenditures set aside.

The County determined that for reporting purposes, the expenses for certain grants were not reimbursable and therefore, an adjustment to the General Fund of \$6.2 million was recorded in fiscal year 2011. This adjustment has been deemed immaterial in relation to the County’s financial statements.

N. REAL PROPERTY TAX

County real property taxes are levied on or before the third Monday in December and recorded as a receivable on January 1, the first day of the fiscal year. They are collected in two semi-annual installments, payable on January 1 and July 1 by the town and city receivers of taxes together with the town and city tax levies, all of which become a lien on January 1. At year-end, adjustments are made for taxes that are estimated to be uncollectible, or collectible but not available soon enough in the next year to finance current period expenditures. The town receivers of taxes likewise collect real property taxes for all towns, school districts and special districts in the County, and return to the County after June 1 any uncollected taxes receivable. Pursuant to the Nassau County Administrative Code (“Administration Code”), the County assumes the burden of such uncollected taxes, and has the responsibility for their collection from the taxpayers. However, in October 2010, the Legislature repealed the provisions of this section of the Administrative Code to require that the jurisdiction that received the benefit of the taxes (or other levies or assessments) bear the cost of refunds, cancellations or credits of such taxes, levies or assessments. The local law, which took effective immediately, will be applied to assessment rolls that take effect April 2012 and thereafter.

The New York State constitutional limit of real property taxation for counties is set at two percent of the average full valuation of real estate for the five years preceding the current year for general government services other than the payment of principal and interest on its long-term debt. The maximum taxing authority controlling the levy of County real property taxes for 2011 was \$5.1 billion. The constitutional tax margin was \$4.1 billion or approximately 80.7% of the maximum taxing authority in 2011.

Property tax revenue is recognized in the year for which it is levied provided that it is payable and collected before the current fiscal year-end or within 60 days thereafter in order to be available to pay for liabilities of the current fiscal year. Property tax revenue not so available is presented as deferred revenue for the fund financial statements. Additionally, the government-wide financial statements recognize real estate tax revenue, which is not available to the governmental fund type in the fiscal year for which the taxes are levied.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**N. REAL PROPERTY TAX (Continued)**

The New York State Legislature and the New York State Governor enacted legislation in 2011 that establishes a “property tax cap” on the amount that a local government’s property tax levy can increase each year. Chapter 97 of the Laws of 2011 (Part A-Property Tax Cap) establishes a tax levy limit (hereafter referred to as the “property tax cap”) that affects all local governments, most school districts in New York State, except New York City, and a host of other independent taxing entities such as library, fire and water districts. The law is effective for local fiscal years beginning in 2012 and for the 2012-13 school year. Under this law, the growth in the property tax levy, the total amount to be raised through property taxes charged on the municipality’s taxable assessed value of property, will be capped at 2 percent or the rate of inflation, whichever is less, with some exceptions. Local communities have the ability to override the cap.

The tax cap is a restriction on the year-to-year increase in the tax levy, while the constitutional tax limit is a restriction on the total amount of the levy in any single year. Therefore, the tax levy limit is a separate restriction imposed upon counties, cities and villages that is in addition to the threshold constraint of the constitutional tax limit. Counties, cities and villages must meet both requirements.

O. INTERFUND TRANSACTIONS

During the course of normal operations, the County has numerous transactions among funds, including transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as operating transfers. The General Fund provides administrative and other services to other funds. Amounts charged to the users for these services are based on the County’s cost allocation plan and are treated as revenues in the General Fund and as expenditures or operating expenses in the user funds.

P. NOTES PAYABLE

Tax anticipation notes and revenue anticipation notes are generally recorded as fund liabilities in the fund receiving the proceeds. Bond anticipation notes are classified as fund liabilities in the funds receiving the proceeds unless all legal steps have been taken to refinance the notes and the intent is supported by an ability to consummate refinancing the short-term note on a long-term basis at which time they are recorded in the government-wide Statement of Net Assets.

Q. LONG-TERM LIABILITIES

For long-term liabilities, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. All long-term liabilities are reported in the government-wide Statement of Net Assets. Long-term liabilities expected to be financed from discretely presented component unit operations are accounted for in those component unit financial statements.

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. ISSUANCE COSTS

In the governmental fund types, issuance costs are recognized as expenditures in the period incurred. Issuance costs recorded in the government-wide financial statements units are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond discounts are presented as a reduction of the face amount of bonds payable, whereas issuance costs are recorded as deferred charges.

S. CLAIMS AND CONTINGENCIES

The County is self-insured with respect to most risks including, but not limited to, property damage, personal injury, and workers' compensation. The County carries insurance on its police helicopters, a blanket fidelity bond on all County employees, and accident and liability insurance on its summer recreation program. In the fund financial statements, expenditures for judgments and claims and workers' compensation are recorded when paid or accruable. In the government-wide financial statements, the estimated liability for all judgments and claims is recorded as a liability.

T. RECLASSIFICATIONS

During the implementation of Statement No. 54, the County reclassified funds within the governmental funds category. Beginning fund balance for governmental funds as of January 1, 2011 was unchanged in total. The table below shows the adjustments of the December 31, 2010 fund balance for the County's governmental funds for the new fund balance classifications required by Statement No. 54.

| | General Fund | NIFA General Fund | Debt Service Fund | Fire Prevention, Safety, Communication and Education Fund | Police District Fund | Police Headquarters Fund | Sewer and Storm Water District Fund | Capital Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|--------------|-------------------|-------------------|---|----------------------|--------------------------|-------------------------------------|---------------|-----------------------------|--------------------------|
| Fund Balance, as of December 31, 2010, as previously reported | \$163,234 | \$16,491 | \$ | \$ (138) | \$3,668 | \$ (1,157) | \$ 102,567 | \$197,643 | \$ 125,781 | \$ 608,089 |
| Nonmajor capital funds | | | | | | | | 29,272 | (29,272) | |
| Nonmajor funds formerly reported as special revenue funds | 3,591 | | | | | | | | (3,591) | |
| Major funds formerly reported as special revenue funds | (1,295) | | | 138 | | 1,157 | | | | |
| Debt service fund | | | | | | | | | | |
| Total Changes in Fund Balance | 2,296 | | | 138 | | 1,157 | | 29,272 | (32,863) | |
| Fund Balance, as of December 31, 2010, restated | \$165,530 | \$16,491 | \$ | \$ | \$3,668 | \$ | \$ 102,567 | \$226,915 | \$ 92,918 | \$ 608,089 |

U. USE OF ESTIMATES

Significant accounting estimates reflected in the County's financial statements include estimated tax certiorari liability, the allowance for doubtful accounts, allowance for property taxes, accrued liabilities, workers' compensation claims, accrued vacation and sick leave, deferred payroll, estimated malpractice liability, liability for litigation and claims, and depreciation. Actual results could differ from these estimates.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

2. DEPOSITS AND INVESTMENTS

At December 31, 2011, the carrying amount of the County’s deposits was approximately \$547 million, and the bank balance was \$597.7 million. At December 31, 2011, total cash and cash equivalents amounted to \$606.6 million in 2011, which consisted of approximately \$606.6 million in money market interest bearing bank accounts at rates averaging 0.45% annually.

As of December 31, 2011, total investments amounted to \$95.6 million. The investments consisted of U.S. Treasury Notes and other obligations of the U.S. government, which are explicitly guaranteed by the U.S. government and therefore not considered to have credit risk, and shares of an investment fund, held by NCTSC, which invests in short-term U.S. Treasury securities paying a fixed, variable or floating interest rate and in repurchase agreements backed by U.S. Treasury securities.

Interest rate risk is the risk that the fair value of investments could be adversely affected by the change in interest rates. Duration limits are used to control the portfolios exposure to interest rate changes. Investments are limited to less than one year in duration.

Credit risk is the risk of loss of principal or loss of a financial reward stemming from a borrower's failure to repay a loan or otherwise meet a contractual obligation. Credit risk arises whenever a borrower is expecting to use future cash flows to pay a current debt. Investors are compensated for assuming credit risk by way of interest payments from the borrower or issuer of a debt obligation. Credit risk may be eliminated or minimized by purchasing certain securities, such as obligations of the U.S. government or those explicitly guaranteed by the U.S. government.

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

The following table summarizes the County’s unrestricted cash (including Agency and Trust cash) and investment position at December 31, 2011; all investments mature in less than one year (dollars in thousands):

| | Total | Cash and Cash | |
|--------------------------------|--------------------------|--------------------------|-------------------------|
| | | Equivalents | Investments |
| Cash | \$ 606,570 | \$ 606,570 | \$ |
| Treasury Notes and Investments | <u>95,554</u> | <u> </u> | <u>95,554</u> |
| Totals | <u><u>\$ 702,124</u></u> | <u><u>\$ 606,570</u></u> | <u><u>\$ 95,554</u></u> |
| Governmental Funds | \$ 642,514 | \$ 546,960 | \$ 95,554 |
| Fiduciary Funds | <u>59,610</u> | <u>59,610</u> | <u> </u> |
| Totals | <u><u>\$ 702,124</u></u> | <u><u>\$ 606,570</u></u> | <u><u>\$ 95,554</u></u> |

The County maintains a consolidated disbursement account with a financial institution on behalf of the College. At August 31, 2011, the College had a cash balance of \$51.6 million, and the bank balance was \$35.4 million. The bank balance is covered by Federal Depository Insurance or by collateral consisting of obligations of the United States Government held by the County’s agent in the County’s name.

At August 31, 2011, the carrying amount (fair value) of the College’s investments was \$7.4 million.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

3. DUE FROM OTHER GOVERNMENTS

The account “Due from Other Governments” at December 31, 2011 represents aid, grants, and other amounts receivable from the State and Federal governments. The following summarizes such receivables (dollars in thousands):

| Fund | <u>Total</u> | <u>Federal</u> | <u>State/Other*</u> |
|-----------------------|---------------------|-----------------------|----------------------------|
| General | \$ 226,916 | \$ 81,029 | \$ 145,887 |
| Sewer and Storm Water | 131 | 112 | 19 |
| Capital Fund | 19,814 | 19,814 | |
| Nonmajor Governmental | <u>15,481</u> | <u>13,823</u> | <u>1,658</u> |
| Totals | <u>\$ 262,342</u> | <u>\$ 114,778</u> | <u>\$ 147,564</u> |

* Includes \$11,742 of sales taxes receivable at December 31, 2011.

4. TAX REAL ESTATE

The account “Tax Real Estate” includes real property, which the County has acquired through tax enforcement proceedings. The property is valued at the amount of the delinquent tax liens, which could not be sold and which the County was required to retain.

Real property designated as Tax Real Estate is accounted for as an asset of the General Fund inasmuch as it is not being considered for use by the County at this time, but rather is available for sale to private buyers. Since any taxes unpaid to other funds from this property were paid to those funds by the General Fund, no portion of this asset is allocable to those other funds.

Certain real property which was acquired by the County as Tax Real Estate and subsequently designated for public use is currently not available for sale and is included as part of the capital assets in the government-wide Statement of Net Assets.

5. TAX SALE CERTIFICATES

The account “Tax Sale Certificates” includes the amount of delinquent real property tax liens, which could not be sold and which the County was required to retain. It also includes the value of tax sale certificates bought by the public, which the County subsequently reacquired upon default of the purchaser. During 2011, the County entered into an agreement with a third party to assign the bulk of the Tax Sales Certificates and their related subsequent taxes. The net book value of the liens, and related taxes, transferred as of the transfer date of September 23, 2011 was \$7.4 million. The County will receive a share of the redemption amount of each lien as it is redeemed.

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2011

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A. Interfund Receivables, Payables and Transfers

The individual fund Interfund Receivables and Interfund Payables as of December 31, 2011 are reconciled as follows (dollars in thousands):

| <u>December 31, 2011</u> | <u>General Fund</u> | <u>NIFA General Fund</u> | <u>Police Districts Fund</u> | <u>Sewer & Storm Water District Fund</u> | <u>Capital Fund</u> | <u>Nonmajor Funds</u> | <u>Total</u> |
|-----------------------------|---------------------|--------------------------|------------------------------|--|---------------------|-----------------------|---------------------|
| INTERFUND RECEIVABLE | | | | | | | |
| General Fund | \$ | \$ | \$ 11,890 | \$ | \$ 459 | \$ 471 | \$ 12,820 |
| NIFA General | 89,608 | | | | | 17,565 | 107,173 |
| Police District | 39,524 | | | | 3,541 | | 43,065 |
| Sewer & Storm District | 29,281 | | | | 213 | | 29,494 |
| Capital Fund | 84,733 | | | | | | 84,733 |
| Nonmajor Funds | <u>11,695</u> | <u>3</u> | <u>495</u> | <u></u> | <u>61</u> | <u></u> | <u>12,254</u> |
| TOTAL RECEIVABLE | <u>\$ 254,841</u> | <u>\$ 3</u> | <u>\$ 12,385</u> | <u>\$</u> | <u>\$ 4,274</u> | <u>\$ 18,036</u> | <u>\$ 289,539</u> |
| INTERFUND PAYABLE | | | | | | | |
| General Fund | \$ | \$ (89,608) | \$ (39,524) | \$ (29,281) | \$ (84,733) | \$ (11,695) | \$ (254,841) |
| NIFA General | | | | | | (3) | (3) |
| Police District | (11,890) | | | | | (495) | (12,385) |
| Sewer & Storm District | | | | | | | |
| Capital Fund | (459) | | (3,541) | (213) | | (61) | (4,274) |
| Nonmajor Funds | <u>(471)</u> | <u>(17,565)</u> | <u></u> | <u></u> | <u></u> | <u></u> | <u>(18,036)</u> |
| TOTAL PAYABLE | <u>\$ (12,820)</u> | <u>\$(107,173)</u> | <u>\$ (43,065)</u> | <u>\$ (29,494)</u> | <u>\$ (84,733)</u> | <u>\$ (12,254)</u> | <u>\$ (289,539)</u> |

2011

| | <u>Transfers In:</u> | | | | |
|------------------------|----------------------|------------------------|-----------------------------------|-----------------------|------------------|
| | <u>General Fund</u> | <u>Police District</u> | <u>Sewer & Storm District</u> | <u>Nonmajor Funds</u> | <u>Total</u> |
| Transfers Out: | | | | | |
| General Fund | \$ | \$ 3,845 | \$ 533 | \$ 61 | 4,439 |
| Police District | 1,750 | | | | 1,750 |
| Sewer & Storm District | 12,594 | | | | 12,594 |
| Capital Fund | 13,150 | | 203 | | 13,353 |
| Nonmajor Funds | <u>8,468</u> | <u></u> | <u></u> | <u></u> | <u>8,468</u> |
| TOTAL | <u>\$ 35,962</u> | <u>\$ 3,845</u> | <u>\$ 736</u> | <u>\$ 61</u> | <u>\$ 40,604</u> |

* Interfund transactions are described in Note 1(O)

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2011

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (Continued)

A. Interfund Receivables, Payables and Transfers (Continued)

The outstanding balances between funds result primarily from the time lag between the date the reimbursement is received and the date the interfund goods and services are provided.

B. Due from/Due to Primary Government and Component Units

The total amounts shown as Due to Primary Government and Due from/to Component Units (discretely presented) at December 31, 2011 do not offset each other as they include accounts of the College at the end of their fiscal year on August 31, 2011, and the NHCC, which has timing differences with the County. The following reconciles the December 31, 2011 amount by carrying forward the College transactions affecting these accounts from September 1, 2011 through December 31, 2011 and the NHCC for the timing differences.

| <u>Dollars in Thousands</u> | <u>2011</u> |
|--|--------------------|
| Net Due from Primary Government (Exhibit X-1), Component units | <u>\$ 14,823</u> |
| Nassau Community College Transactions from September 1, to December 31: | |
| Increase in due from Capital Fund | (3,311) |
| (Decrease) in due to ATF | (5,519) |
| Increase in due from Grant Fund | 916 |
| Subtotals | (7,914) |
| Nassau Health Care Corporation | |
| Net Change in Encumbrances | (16,117) |
| Due From Component Units - Fiduciary per Balance Sheet: (Exhibit X-10) | <u>5,472</u> |
| Due From Component Units - Governmental per Balance Sheet (Exhibit X-1) | <u>3,736</u> |
| Due to Component Units - Fiduciary and Governmental | <u>\$ (14,823)</u> |

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2011

7. DEFERRED CHARGES

NCTSC Deferred Charges

Deferred charges, created as a result of the issuance of the NCTSC's 2006 Serial Bonds and the deferral of cost from purchase of the future TSRs, as of December 31, 2011 are as follows (dollars in thousands):

| | | |
|--|----|-----------------------|
| Cost of Issuance | \$ | 1,519 |
| Original issue discount | | 9,011 |
| Underwriter's discount | | 3,836 |
| Loss on defeasance | | <u>18,869</u> |
| Total cost of issuance | | 33,235 |
| | | |
| Less: related amortization | | <u>(6,231)</u> |
| Deferred charges, net - cost of issuance | \$ | <u><u>27,004</u></u> |
| | | |
| Purchase of TSRs | \$ | 387,765 |
| Less: related amortization | | <u>(59,792)</u> |
| Deferred charges, net - purchase of TSRs | \$ | <u><u>327,973</u></u> |

Total amortization expense for the cost of issuance and purchase of TSRs for the year ended December 31, 2011 totaled \$1.0 million and \$12.0 million, respectively.

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2011

8. CAPITAL ASSETS

The following schedule for the 2011 capital assets is reconciled to the 2011 amounts reported on Exhibit X-1 in the table below:

Summary of Capital Asset Balances
 (dollars in thousands)

| | <u>Primary Government</u> | <u>NCSSWFA</u> | <u>Total per X-1</u> |
|---|-------------------------------|-------------------|----------------------|
| Capital Assets Not Being Depreciated | \$ 642,026 | \$ | \$ 642,026 |
| Depreciable Capital Assets | 2,152,539 | 1,348,671 | 3,501,210 |
| Accumulated Depreciation | <u>(1,261,901)</u> | <u>(305,369)</u> | <u>(1,567,270)</u> |
| Capital Assets - Net | 1,532,664 | 1,043,302 | 2,575,966 |
| Outstanding Related Debt | <u>(739,506)</u> | <u>(154,595)</u> | <u>(894,101)</u> |
| Invested In Capital Assets, Net of Related Debt | <u>\$ 793,158</u> | <u>\$ 888,707</u> | <u>\$ 1,681,865</u> |

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2011

8. CAPITAL ASSETS (Continued)

Activity for capital assets, reconciled to the 2011 amount reported in Exhibit X-1, is summarized below (dollars in thousands):

| Primary Government | Balance January 1, 2011 | Additions | Deletions | Balance December 31, 2011 |
|--|-------------------------------|-------------------|------------------|---------------------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 231,550 | \$ 1,003 | \$ | \$ 232,553 |
| Intangible - Land Dev Rights | 8,804 | | | 8,804 |
| Construction in progress | <u>367,391</u> | <u>87,363</u> | <u>54,085</u> | <u>400,669</u> |
| Total capital assets, not being depreciated: | <u>607,745</u> | <u>88,366</u> | <u>54,085</u> | <u>642,026</u> |
| Capital assets, being depreciated: | | | | |
| Land Improvements | 78,679 | 1,879 | | 80,558 |
| Buildings | 999,135 | 22,698 | | 1,021,833 |
| Equipment | 504,813 | 28,955 | 2,073 | 531,695 |
| Infrastructure | <u>1,712,419</u> | <u>154,705</u> | <u></u> | <u>1,867,124</u> |
| Total capital assets, being depreciated | <u>3,295,046</u> | <u>208,237</u> | <u>2,073</u> | <u>3,501,210</u> |
| Total capital assets | 3,902,791 | 296,603 | 56,158 | 4,143,236 |
| Less accumulated depreciation: | | | | |
| Land Improvements | 44,667 | 3,467 | | 48,134 |
| Buildings | 354,030 | 24,603 | | 378,633 |
| Equipment | 364,082 | 32,568 | 1,969 | 394,681 |
| Infrastructure | <u>685,470</u> | <u>60,352</u> | <u></u> | <u>745,822</u> |
| Total accumulated depreciation | <u>1,448,249</u> | <u>120,990</u> | <u>1,969</u> | <u>1,567,270</u> |
| Total capital assets, being depreciated, net | <u>1,846,797</u> | <u>87,247</u> | <u>104</u> | <u>1,933,940</u> |
| Governmental activities capital assets, net | <u>\$ 2,454,542</u> | <u>\$ 175,613</u> | <u>\$ 54,189</u> | <u>\$ 2,575,966</u> |

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2011

8. CAPITAL ASSETS (Continued)

Activity for capital assets, excluding the College and NCSSWFA, is summarized below (dollars in thousands):

| Primary Government | Balance January 1, 2011 | Additions | Deletions | Balance December 31, 2011 |
|--|-------------------------------|------------------|------------------|---------------------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 231,550 | \$ 1,003 | \$ | \$ 232,553 |
| Intangible - Land Dev Rights | 8,804 | | | 8,804 |
| Construction in progress | <u>367,391</u> | <u>87,363</u> | <u>54,085</u> | <u>400,669</u> |
| Total capital assets, not being depreciated: | <u>607,745</u> | <u>88,366</u> | <u>54,085</u> | <u>642,026</u> |
| Capital assets, being depreciated: | | | | |
| Land Improvements | 78,679 | 1,879 | | 80,558 |
| Buildings | 672,808 | 22,574 | | 695,382 |
| Equipment | 502,607 | 28,609 | 2,073 | 529,143 |
| Infrastructure | <u>821,392</u> | <u>26,064</u> | | <u>847,456</u> |
| Total capital assets, being depreciated | <u>2,075,486</u> | <u>79,126</u> | <u>2,073</u> | <u>2,152,539</u> |
| Total capital assets | 2,683,231 | 167,492 | 56,158 | 2,794,565 |
| Less accumulated depreciation: | | | | |
| Land Improvements | 44,667 | 3,467 | | 48,134 |
| Buildings | 293,555 | 15,118 | | 308,673 |
| Equipment | 363,384 | 32,240 | 1,969 | 393,655 |
| Infrastructure | <u>486,706</u> | <u>24,733</u> | | <u>511,439</u> |
| Total accumulated depreciation | <u>1,188,312</u> | <u>75,558</u> | <u>1,969</u> | <u>1,261,901</u> |
| Total capital assets, being depreciated, net | <u>887,174</u> | <u>3,568</u> | <u>104</u> | <u>890,638</u> |
| Governmental activities capital assets, net | <u>\$ 1,494,919</u> | <u>\$ 91,934</u> | <u>\$ 54,189</u> | <u>\$ 1,532,664</u> |

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2011

8. CAPITAL ASSETS (Continued)

The table below presents the reconciliation of the reduction of Construction in Progress to the additions to Capital Assets.

Reconciliation of Reductions of Construction In Progress to Additions to Capital Assets
 (dollars in thousands)

| | <u>Primary</u> <u>Government</u> | <u>NCSSWFA</u> | <u>Total</u> |
|---|-------------------------------------|-----------------|------------------|
| Transfer from Construction in Progress | \$ (54,085) | \$ | \$ (54,085) |
| Additions to Capital Assets: | | | |
| Capital Assets being Depreciated | | | |
| Land Improvements | \$ 1,879 | \$ | \$ 1,879 |
| Land | 1,003 | | 1,003 |
| Buildings | 22,574 | 124 | 22,698 |
| Infrastructure | 26,064 | 2,441 | 28,505 |
| | <u>\$ 51,520</u> | <u>\$ 2,565</u> | <u>\$ 54,085</u> |

Depreciation expense was charged to functions of the County for the fiscal year ended December 31, 2011 as follows (dollars in thousands):

| | <u>Land</u> <u>Improvements</u> | <u>Buildings</u> | <u>Equipment</u> | <u>Infrastructure</u> | <u>Total</u> |
|---------------------------------------|------------------------------------|------------------|------------------|-----------------------|------------------|
| Functions: | | | | | |
| Legislative | \$ | \$ 6 | \$ | \$ | \$ 6 |
| Judicial | 80 | 1,231 | 267 | | 1,578 |
| General Administration | 60 | 1,572 | 791 | | 2,423 |
| Protection of Persons | 9 | 1,879 | 6,886 | | 8,774 |
| Health | | 113 | 254 | | 367 |
| Public Works | 55 | 262 | 2,999 | 23,522 | 26,838 |
| Recreation and Parks | 3,198 | 2,293 | 295 | 1,211 | 6,997 |
| Social Services | 60 | 185 | 38 | | 283 |
| Corrections | | 4,582 | 369 | | 4,951 |
| Other Expenditures/MSBA | | 660 | 9,258 | | 9,918 |
| Metropolitan Transportation Authority | | | 11,083 | | 11,083 |
| Misc. Unclassified | 5 | 2,335 | | | 2,340 |
| Total Depreciation Expense | <u>\$ 3,467</u> | <u>\$ 15,118</u> | <u>\$ 32,240</u> | <u>\$ 24,733</u> | <u>\$ 75,558</u> |

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2011

8. CAPITAL ASSETS (Continued)

Sources of funding of the general capital assets at December 31, 2011 were as follows (dollars in thousands):

| | |
|---|---------------------|
| Long Term Serial Bonds | \$ 2,358,666 |
| Temporary Financing and Bond Anticipation Notes | 59,921 |
| Federal Grants | 31,456 |
| New York State Grants | 94,497 |
| General Fund Revenues | 119,073 |
| Special Revenue Fund Revenues | 59,968 |
| Gifts | 27,755 |
| Acquisitions prior to December 31, 1985 | 37,772 |
| Capitalized Lease | 5,457 |
| Total Funding Sources | <u>\$ 2,794,565</u> |

General capital assets of the County by function at December 31, 2011 were as follows (dollars in thousands):

| | |
|---------------------------------------|---------------------|
| Legislative | \$ 331 |
| Judicial | 81,634 |
| General Administration | 227,393 |
| Protection of Persons | 177,179 |
| Health | 8,311 |
| Public Works | 2,238,763 |
| Recreation and Parks | 242,545 |
| Social Services | 26,205 |
| Corrections | 193,599 |
| Other Expenditures/MSBA | 203,968 |
| Metropolitan Transportation Authority | 140,040 |
| Misc. Unclassified | 193,795 |
| Construction in Progress | 400,669 |
| Intangible Assets | 8,804 |
| Total | 4,143,236 |
| Less: Accumulated Depreciation | 1,567,270 |
| Total Net Capital Assets | <u>\$ 2,575,966</u> |

Total combined capital assets of the County (in thousands), including its blended component unit, NCSSWFA as of December 31, 2011, is \$4.1 billion with accumulated depreciation of \$1.6 billion.

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2011

8. CAPITAL ASSETS (Continued)

NCSSWFA Capital Assets

The following is a summary of the NCSSWFA capital assets at cost, except as noted (dollars in thousands):

Property, Plant and Equipment
Nassau County Sewer and Storm Water Finance Authority Fixed Assets
 (Dollars in Thousands)

| | Balance | Additions | Reductions | Balance |
|---------------------------------------|------------------------|------------------|-------------------|--------------------------|
| | January 1, 2011 | | | December 31, 2011 |
| Capital assets | | | | |
| Buildings | \$ 326,327 | \$ 124 | \$ | \$ 326,451 |
| Equipment | 2,206 | 346 | | 2,552 |
| Infrastructure | 891,027 | 128,641 | | 1,019,668 |
| Total Capital Assets | 1,219,560 | 129,111 | | 1,348,671 |
| Less Accumulated Depreciation: | | | | |
| Buildings | 60,475 | 9,485 | | 69,960 |
| Equipment | 698 | 328 | | 1,026 |
| Infrastructure | 198,764 | 35,619 | | 234,383 |
| Total Accumulated Depreciation | 259,937 | 45,432 | | 305,369 |
| Capital Assets - net | \$ 959,623 | \$ 83,679 | \$ | \$ 1,043,302 |

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2011

8. CAPITAL ASSETS (Continued)

Nassau Community College Capital Assets

The following is a summary of the College capital assets at cost, except as noted (dollars in thousands):

| | Balance September 1, 2010 | Additions | Reductions | Balance August 31, 2011 |
|---|--|------------------|-------------------|--|
| Capital Assets Not Being Depreciated | | | | |
| Land | \$ 2,733 | \$ | \$ | \$ 2,733 |
| Library | <u>983</u> | <u>25</u> | <u></u> | <u>1,008</u> |
| Total Capital Assets, Not Being Depreciated | <u>3,716</u> | <u>25</u> | <u></u> | <u>3,741</u> |
| Capital Assets Being Depreciated | | | | |
| Land Improvements | 1,796 | 2,279 | | 4,075 |
| Infrastructure | 4,995 | 4,213 | | 9,208 |
| Buildings | 173,453 | 21,046 | | 194,499 |
| Building Improvements | 34,666 | 1,882 | | 36,548 |
| Equipment | <u>7,314</u> | <u>531</u> | <u>396</u> | <u>7,449</u> |
| Total Capital Assets, Being Depreciated | <u>222,224</u> | <u>29,951</u> | <u>396</u> | <u>251,779</u> |
| Total Capital Assets | <u>225,940</u> | <u>29,976</u> | <u>396</u> | <u>255,520</u> |
| Less Accumulated Depreciation: | | | | |
| Land Improvements | 903 | 114 | | 1,017 |
| Infrastructure | 1,432 | 399 | | 1,831 |
| Buildings | 86,776 | 3,156 | | 89,932 |
| Building Improvements | 17,459 | 1,672 | | 19,131 |
| Equipment | <u>5,952</u> | <u>584</u> | <u>379</u> | <u>6,157</u> |
| Total Accumulated Depreciation | <u>112,522</u> | <u>5,925</u> | <u>379</u> | <u>118,068</u> |
| Net Capital Assets Being Depreciated | <u>109,702</u> | <u>24,026</u> | <u>17</u> | <u>133,711</u> |
| Capital Assets - net | <u>\$ 113,418</u> | <u>\$ 24,051</u> | <u>\$ 17</u> | <u>\$ 137,452</u> |

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2011

8. CAPITAL ASSETS (Continued)

Nassau Community College Capital Assets (Continued)

Capital assets of the Faculty-Student Association, the Component unit of the College as of August 31, 2011 consisted of the following (dollars in thousands):

| | Balance August 31, 2011 |
|-------------------------------|--|
| Furniture and equipment | \$ 385 |
| Vans | <u>237</u> |
| | 622 |
| Less accumulated depreciation | <u>(444)</u> |
| Total Capital assets (net) | <u>\$ 178</u> |

Total depreciable capital assets of the College and Faculty-Student Association, the component unit of the College as of August 31, 2011, was \$252 thousand with accumulated depreciation of \$118 thousand.

9. LEASES

The County leases some property and equipment. Leased property having elements of ownership is recorded in the government-wide financial statements. The related obligations, in amounts equal to the present value of minimum lease payments payable during the remaining term of the leases, are also recorded in the government-wide financial statements. Other leased property, not having elements of ownership, are classified as operating leases. Both capital and operating lease payments are recorded as expenditures when payable. Total expenditures on such leases for the fiscal year ending December 31, 2011 were approximately \$8.5 million.

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2011

9. LEASES (Continued)

The County (excluding discretely presented component units) had future minimum lease payments under capital and operating leases with a remaining term in excess of one year as follows (dollars in thousands):

| | <u>Capital Lease</u> | <u>Operating Leases</u> | <u>Total Capital & Operating Leases</u> |
|---|--------------------------|-----------------------------|---|
| Governmental Activities | | | |
| Fiscal Year ending December 31: | | | |
| 2012 | \$ 787 | \$ 7,689 | \$ 8,476 |
| 2013 | 799 | 7,646 | 8,445 |
| 2014 | 810 | 6,945 | 7,755 |
| 2015 | 822 | 6,980 | 7,802 |
| 2016 | 834 | 7,361 | 8,195 |
| 2017-2021 | 4,367 | | 4,367 |
| 2022-2025 | <u>3,348</u> | <u> </u> | <u>3,348</u> |
| Future Minimum Payment: | 11,767 | <u>\$ 36,621</u> | <u>\$ 48,388</u> |
| Less: Interest | <u>6,416</u> | | |
| Present value of future Minimum lease payments | <u>\$ 5,351</u> | | |

The County also leases County-owned property to others and the leases are classified as operating leases. Total rental revenue on these leases for 2011 was \$2.6 million.

As of December 31, 2011, the following future minimum rentals are provided for by the leases (dollars in thousands):

| Fiscal year ending December 31: | <u>Operating Leases (in thousands)</u> |
|---------------------------------|--|
| 2012 | \$ 2,590 |
| 2013 | 2,590 |
| 2014 | 2,525 |
| 2015 | 2,347 |
| 2016 | 1,354 |
| 2017-2021 | 3,522 |
| 2022-2026 | <u>1,591</u> |
| Total | <u>\$ 16,519</u> |

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2011

9. LEASES (Continued)

These leases are for land and buildings with the total cost and carrying amount of \$4.7 million for land, and the original cost of \$19.8 million, which has been fully depreciated for buildings at December 31, 2011.

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS

County of Nassau Notes Payable

On May 25, 2011, the County issued Series A and Series B Revenue Anticipation Notes in the amount of \$155 million and \$75 million, respectively, to finance cash flow needs within the County. The Series A notes were offered in two tranches, \$35 million bear interest at 2%, and \$120 million bear interest at 3%. These notes matured March 30, 2012. The Series B notes bear interest at 3.5% and matured April 30, 2012.

On December 13, 2011, the County issued Series A and Series B Tax Anticipation Notes in the amount of \$145 million and \$85 million, respectively, to finance cash flow needs within the County. The Series A notes bear interest at 2.5%, and mature September 30, 2012. The Series B notes bear interest at 2.5% and mature October 31, 2012.

During 2011, the County did not issue any Bond Anticipation Notes.

Governmental fund notes payable of the County, including the range of interest rates, issue dates, and maturity dates, are as follows (dollars in thousands):

| | Balance, January 1, <u>2011</u> | <u>Additions</u> | <u>Reductions</u> | Balance, December 31, <u>2011</u> |
|--|--|-------------------------|--------------------------|--|
| General Fund: | | | | |
| Tax Anticipation Notes - (2.5% issued 2011, maturity dates in 2012) | \$ 270,000 | \$ 230,000 | \$ 270,000 | \$ 230,000 |
| Revenue Anticipation Notes - (2.0% to 3.5% issued in 2011, maturity dates in 2012) | <u>210,000</u> | <u>230,000</u> | <u>210,000</u> | <u>230,000</u> |
| Total General Fund | <u>\$ 480,000</u> | <u>\$ 460,000</u> | <u>\$ 480,000</u> | <u>\$ 460,000</u> |

Long - Term Obligations

Long-term obligations of the County, NIFA, NCTSC and NCSSWFA are recorded in the government-wide Statement of Net Assets.

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2011

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

Long – Term Obligations (Continued)

The amounts including the range of interest rates, issue dates, and maturity dates, are as follows (dollars in thousands):

| | Balance | | | Balance | Due |
|---|---------------------|---------------------|-------------------|---------------------|-------------------|
| | January 1, | Additions | Reductions | December | Within |
| | 2011 | | | 31, 2011 | One Year |
| General Long-Term Obligations | | | | | |
| Debt: | | | | | |
| General Obligation County Bonds - (2.00% to 11.50%, issued in 1981 through 2011, maturity dates 2011 through 2039) | \$ 1,157,574 | \$ 76,409 | \$ 68,238 | \$ 1,165,745 | \$ 56,588 |
| Sewage purpose bonds - (3.50% to 6.00%, issued in 1993 through 2009, maturity dates 2013 through 2039) - County | 77,755 | | 8,995 | 68,760 | 7,455 |
| State Water Pollution Control Revolving Fund revenue bonds - (2.70% to 7.10%, issued in 1991 through 2005, maturity dates 2011 through 2034) - County | <u>121,169</u> | | <u>9,084</u> | <u>112,085</u> | <u>9,223</u> |
| Total Serial Bonds - County | <u>1,356,498</u> | <u>76,409</u> | <u>86,317</u> | <u>1,346,590</u> | <u>73,266</u> |
| Sales Tax Secured Bonds -NIFA, various interest rates % and maturity dates | 1,648,185 | | 119,745 | 1,528,440 | 144,580 |
| Nassau County Sewer and Storm Water Finance Authority System Revenue Bonds, Series 2004B & Series 2008A (various interest rates, 2012-2028) | 161,955 | | 7,360 | 154,595 | 7,800 |
| Tobacco Settlement Asset-Backed Bonds, Series 2006 (various interest rates % and maturity dates) | <u>446,382</u> | <u>5,406</u> | | <u>451,788</u> | |
| Total Serial Bonds - NIFA, NCSSWFA, NCTSC | <u>2,256,522</u> | <u>5,406</u> | <u>127,105</u> | <u>2,134,823</u> | <u>152,380</u> |
| Total Serial Bonds | <u>3,613,020</u> | <u>81,815</u> | <u>213,422</u> | <u>3,481,413</u> | <u>225,646</u> |
| Other: | | | | | |
| Derivative instruments - interest rate swaps | 53,229 | 31,407 | | 84,636 | |
| Deferred Bond Premium/Discount (net of amortization) | 118,770 | 9,323 | 24,175 | 103,918 | |
| Deferred Revenue | 24,952 | 64,551 | | 89,503 | 38,070 |
| Accrued Vacation and Sick Pay | 538,019 | 34,266 | 25,086 | 547,199 | 25,959 |
| Deferred Payroll | 86,360 | 23,719 | 26,884 | 83,195 | 19,619 |
| Estimated Liability for Workers' Compensation | 276,679 | 37,096 | 25,019 | 288,756 | 31,074 |
| Estimated Tax Certiorari Payable | 152,314 | 134,691 | 64,112 | 222,893 | 75,000 |
| Estimated Liability for Litigation & Malpractice Claims | 225,000 | 76,583 | 6,583 | 295,000 | 18,714 |
| Capital Lease Obligations | 5,426 | | 75 | 5,351 | 97 |
| Other Liabilities | 14,366 | | 32 | 14,334 | |
| Postemployment Retirement Benefits Liability | <u>3,856,129</u> | <u>852,679</u> | | <u>4,708,808</u> | |
| Total Other | <u>5,351,244</u> | <u>1,264,315</u> | <u>171,966</u> | <u>6,443,593</u> | <u>208,533</u> |
| Total General Long-Term Obligations | <u>\$ 8,964,264</u> | <u>\$ 1,346,130</u> | <u>\$ 385,388</u> | <u>\$ 9,925,006</u> | <u>\$ 434,179</u> |

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2011

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

Long – Term Obligations (Continued)

The proceeds from the issuance of long-term serial bonds by the County and its blended component units are used to fund various purposes including, capital asset purchases, tax certiorari and, other suits and damages claims, termination pay disbursements and the purchase of non-capitalizable equipment. For the year-ended December 31, 2011, total serial bonds outstanding were \$3.5 billion of which \$2.6 billion were utilized to pay approximately: \$1.1 million in tax certiorari claims; \$0.4 billion for bonded operating expenses; \$1.0 billion for the purchase of non-capitalizable equipment; and \$0.1 billion for debt on capital assets of the NHCC and its affiliates that are no longer the County’s assets. The remaining outstanding debt of approximately \$0.9 billion is related to capitalizable assets.

Revenues from the Special Revenue Sewer Funds will be utilized to finance the debt service for the sewer and storm water purpose bonds and a portion of the State Water Pollution Control Revolving Fund revenue bonds. All other County debt service will be financed by the General Fund. For the governmental activities, claims and judgments are generally liquidated by the General Fund and compensated absences are liquidated principally by the General and Police Funds.

The annual requirements and sources to amortize the County’s General Obligation serial bonds payable as of December 31, 2011 are as follows (dollars in thousands):

| <u>Year Ending</u> | <u>Debt Service Requirements</u> | | | <u>Sources</u> | | |
|--------------------|----------------------------------|-------------------|---------------------|-------------------------------|-------------------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>General County Budgets</u> | <u>Sewer District Budgets</u> | <u>Total</u> |
| 2012 | \$ 73,266 | \$ 63,915 | \$ 137,181 | \$ 111,474 | \$ 25,707 | \$ 137,181 |
| 2013 | 71,571 | 60,791 | 132,362 | 109,713 | 22,649 | 132,362 |
| 2014 | 68,161 | 57,709 | 125,870 | 104,588 | 21,282 | 125,870 |
| 2015 | 70,349 | 54,905 | 125,254 | 105,504 | 19,750 | 125,254 |
| 2016 | 65,137 | 51,960 | 117,097 | 100,559 | 16,538 | 117,097 |
| 2017-2021 | 350,096 | 220,505 | 570,601 | 497,834 | 72,767 | 570,601 |
| 2022-2026 | 318,883 | 132,086 | 450,969 | 404,570 | 46,399 | 450,969 |
| 2027-2031 | 177,584 | 69,347 | 246,931 | 226,332 | 20,599 | 246,931 |
| 2032-2036 | 121,983 | 27,885 | 149,868 | 139,045 | 10,823 | 149,868 |
| 2037-2039 | 29,560 | 2,377 | 31,937 | 28,948 | 2,989 | 31,937 |
| Total | <u>\$ 1,346,590</u> | <u>\$ 741,480</u> | <u>\$ 2,088,070</u> | <u>\$ 1,828,567</u> | <u>\$ 259,503</u> | <u>\$ 2,088,070</u> |

The County’s legal debt margin was approximately \$21.5 billion and total long-term obligation bonds authorized but unissued for general County and sewage district purposes were approximately \$1,357.5 million at December 31, 2011. Authorized but unissued long-term obligation bonds for general County purposes include approximately \$192.8 million to finance property tax refunds. Under the current NIFA control period, all unissued County borrowings require NIFA approval. In connection with this authorization for borrowing to finance property tax refunds, the County legislature must also authorize the spending of these proceeds.

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2011

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

NIFA Long-Term Debt

A summary of changes in long-term debt for governmental activities is as follows (dollars in thousands):

| | Balance | | | Balance | | |
|---------------------------------|--------------------|---------------|---------------------|---------------------|-------------------|---------------------|
| | January 1, | | | December 31, | Due within | |
| | 2011 | Additions | Reductions | 2011 | one year | Non-current |
| Bonds payable: | | | | | | |
| Sales tax secured bonds payable | \$ 1,648,185 | | \$ (119,745) | \$ 1,528,440 | \$ 144,580 | \$ 1,383,860 |
| Premiums | <u>67,779</u> | | <u>(5,010)</u> | <u>62,769</u> | | <u>62,769</u> |
| Total bonds payable | 1,715,964 | | (124,755) | 1,591,209 | 144,580 | 1,446,629 |
| OPEB liability | 1,046 | 88 | | 1,134 | | 1,134 |
| Compensated absences | <u>259</u> | <u>21</u> | | <u>280</u> | | <u>280</u> |
| Total long term debt | <u>\$1,717,269</u> | <u>\$ 109</u> | <u>\$ (124,755)</u> | <u>\$ 1,592,623</u> | <u>\$ 144,580</u> | <u>\$ 1,448,043</u> |

Bonds of NIFA are issued pursuant to an Indenture, as supplemented and amended (the "Indenture") between NIFA and the United States Trust Company of New York and its successor The Bank of New York Mellon (the "Trustee"), under which NIFA has pledged its right, title and interest in the revenues of NIFA to secure repayment of NIFA debt. The Act provides that NIFA's pledge of its revenues represents a perfected first security interest on behalf of holders of its bonds. The lien of the indenture on the revenues for the security of NIFA bonds is prior to all other liens thereon. NIFA does not have any significant assets or sources of funds other than sales tax revenues and amounts on deposit pursuant to the indenture. NIFA does not have independent taxing power. As of December 31, 2011, NIFA had outstanding sales tax secured bonds in the amount of \$1.5 billion maturing through the year 2025, of which \$928 million are fixed rate and \$600 million are hedged variable rate. Other than a possible refunding of its debt if market conditions permit, NIFA has no plans or authority to issue additional bonds, except to cover the costs of issuance incurred in connection with the refunding of its bonds.

Fixed Rate Bonds - NIFA has outstanding fixed rate bonds at rates ranging between 1% and 6%. Interest on NIFA's fixed rate bonds is payable on May 15 and November 15 of each year, and interest on the variable rate bonds is payable on the first business day of each month. Principal on all bonds is payable on November 15. A debt service account has been established under the indenture to provide for the payment of interest and principal of bonds outstanding under the indenture. The trustee makes monthly deposits to the debt service account in the amount of debt service accrued through the end of that month. For the fixed rate bonds, this is essentially one-sixth of the next interest payment and one-twelfth of the next principal payment. Because of this monthly deposit requirement, the amount accrued for debt service (-debt service set aside") in NIFA's financial statements in any year will not be the same as the debt service on the bonds paid to bondholders in that year.

Variable Rate Bonds - Interest rates on the variable rate bonds are currently reset weekly by remarketing agents at the minimum rate necessary for the bonds to have a market value equal to the principal amount. Interest rates are set separately for each series of variable rate bonds. The variable rate bonds are in most circumstances subject to tender at the option of the bondholder. Payment of the purchase price of eligible

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2011

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

NIFA Long-Term Debt (Continued)

Series 2008 A-E bonds are subject to optional or mandatory tender for purchase and if not remarketed by the remarketing agent, payment will be made under and pursuant to, and subject to the terms, conditions and provisions of liquidity facility agreements. The liquidity facility agreements currently in effect are slated to expire between April 30, 2013 and November 15, 2025 and are subject to extension or early termination. Bonds that are purchased by financial institutions under the liquidity facility and not remarketed, if any, must be paid over a periods varying between three and five years. If this was to occur, annual Authority debt service expense would increase substantially. A debt service account has been established under the indenture to provide for the payment of principal of bonds outstanding under the indenture. The Trustee makes monthly deposits to the debt service account for principal debt service requirements. Additionally, the Trustee makes monthly interest payments.

Aggregate debt service to maturity as of December 31, 2011, is as follows (dollars in thousands):

| Years Ending December 31, | Principal | Interest* | Total |
|------------------------------|---------------------|-------------------|---------------------|
| 2012 | \$ 144,580 | \$ 63,844 | \$ 208,424 |
| 2013 | 150,965 | 57,064 | 208,029 |
| 2014 | 156,850 | 50,293 | 207,143 |
| 2015 | 142,570 | 43,648 | 186,218 |
| 2016 | 136,155 | 37,233 | 173,388 |
| 2017-2021 | 579,705 | 110,085 | 689,790 |
| 2022-2025 | 217,615 | 18,313 | 235,928 |
| | <u>\$ 1,528,440</u> | <u>\$ 380,480</u> | <u>\$ 1,908,920</u> |

*Interest on the Variable Rate Bonds is calculated at the fixed payer rates on the associated interest rate swaps.

In 2011, the only major transactions that that affected NIFA's bonds was the replacement or renewal of the standby bond purchase agreements with JPMorgan Chase Bank, National Association in connection with NIFA's 2008A Bonds; KBC Bank N.V., New York Branch in connection with NIFA's 2008B Bonds; and Bank of America, NA in connection with NIFA's 2008D-1 Bonds. The new agreements expire on May 15, 2014, May 15, 2014, and June 1, 2014, respectively.

DERIVATIVE INSTRUMENTS - SWAP AGREEMENTS

Derivative instruments, which consist of interest rate swap agreements, have been reported at fair value as of December 31, 2011. As the interest rate swap agreements qualify as a hedging derivative instrument, the fair value has been recorded as a deferred outflow of resources.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)***NIFA Long-Term Debt (Continued)*****DERIVATIVE INSTRUMENTS - SWAP AGREEMENTS (Continued)**

Board-Adopted Guidelines - On March 25, 2004, NIFA adopted guidelines (“Interest Rate Swap Policy”) with respect to the use of swap contracts to manage the interest rate exposure of its debt. The Interest Rate Swap Policy establishes specific requirements that must be satisfied for NIFA to enter into a swap contract.

Objectives of Swaps - To protect against the potential of rising interest rates, to achieve a lower net cost of borrowing, to reduce exposure to changing interest rates on a related bond issue or in some cases where Federal tax law prohibits an advance refunding, and to achieve debt service savings through a synthetic fixed rate. In an effort to hedge against rising interest rates, NIFA entered into nine separate pay-fixed, receive-variable interest rate Swap Agreements during FY 2004 (the “Swaps”).

Background -NIFA entered into the following six swap contracts with an effective date of April 8, 2004, in connection with the issuance of \$450 million in auction rate securities to provide for the refunding or restructuring of a portion of the County's outstanding bonds, refunding of certain outstanding NIFA bonds, tax certiorari judgments and settlements to which the County is a party, other legal judgments and settlements, County capital projects and to pay costs of issuance. These auction rate securities were subsequently refunded on May 16, 2008 with variable rate demand bonds and the swap agreements transferred to the 2008 Bond Series A-E.

- \$72.5 million notional amount (2004 Series B – swap agreement) with Goldman Sachs Mitsui Marine Derivative Products, L.P. (“GSMMDP”)
- \$72.5 million notional amount (2004 Series C – swap agreement) with GSMMDP
- \$80 million notional amount (2004 Series D – swap agreement) with GSMMDP
- \$72.5 million notional amount (2004 Series E – swap agreement) with UBS AG
- \$72.5 million notional amount (2004 Series F – swap agreement) with UBS AG
- \$80 million notional amount (2004 Series G – swap agreement) with UBS AG

NIFA entered into the following three swap contracts with an effective date of December 9, 2004, in connection with the issuance of \$150 million in Auction Rate Securities to provide for the refunding of a portion of the County's outstanding bonds, tax certiorari judgments and settlements to which the County is a party, other legal judgments, and settlements and to pay costs of issuance. These auction rate securities were subsequently refunded on May 16, 2008 with variable rate demand bonds and the swap agreements transferred to the 2008 Bond Series A-E.

- \$50 million notional amount (2004 Series I – swap agreement) with GGSMMMP
- \$50 million notional amount (2004 Series J - swap agreement) with UBS AG
- \$50 million notional amount (2004 Series K – swap agreement) with Morgan Stanley Capital Services (“MSCS”)

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)***NIFA Long-Term Debt (Continued)*****DERIVATIVE INSTRUMENTS - SWAP AGREEMENTS (Continued)**

Fair Value - Replacement interest rates on the swaps, as of December 31, 2011 are reflected in the chart entitled "Derivative instruments - Interest Rate Swap Valuation" (the "Chart"). As noted in the Chart, replacement rates were lower than market interest rates on the effective date of the swaps. Consequently, as of December 31, 2011, the swaps had negative fair values. In the event there is a positive fair value, NIFA would be exposed to the credit risk of the counterparties in the amount of the swaps' fair value should the swap be terminated.

The total value of each swap, including accrued interest, is provided in the chart. The total value of each swap listed represents the theoretical value/(cost) to NIFA if it terminated the swap as of the date indicated, assuming that a termination event occurred on that date. Negative fair values may be offset by reductions in total interest payments required under the related variable interest rate bonds. The market value is calculated at the mid-market for each of the swaps. Fair values were estimated using the zero coupon methodology. This methodology calculates the future net settlement payments under the swap agreement, assuming the current forward rates implied by the yield curve correctly anticipate future spot rates. These payments are then discounted using rates derived from the same yield curve. As of December 31, 2011, the total market-to-market valuation of NIFA's swaps, including accrued interest, was negative \$84,636,000. In the event that both parties continue to perform their obligations under the swap, there is not a risk of termination and neither party is required to make a termination payment to the other. NIFA is not aware of any event that would lead to a termination event with respect to any of its swaps.

Risks Associated with the Swap Agreements - From NIFA's perspective, the following risks are generally associated with swap agreements:

- *Credit/Counterparty Risk* - The counterparty becomes insolvent or is otherwise not able to perform its financial obligations. In the event of deterioration in the credit ratings of the counterparty or NIFA, the swap agreement may require that collateral be posted to secure the party's obligations under the swap agreement.

Under the swap agreements, neither party has to collateralize its termination exposure unless its ratings, or that of the insurer, fall below certain triggers. For NIFA, there is no requirement to collateralize until NIFA is at an A3/A- level, and then only for the amount over \$50 million (threshold amount) of exposure. The threshold amount declines if NIFA falls into the BBB ratings category.

NIFA's swap policy requires that counterparties have credit ratings from at least one nationally recognized statistical rating agency that is within the two highest investment grade categories, without distinction as to grade within the category. If after entering into an agreement the ratings of the counterparty or its guarantor or credit support party are downgraded below the described ratings by anyone of the rating agencies, then the agreement is subject to termination unless the counterparty provides either a substitute guarantor or assigns the agreement, in either case, to a party meeting the rating criteria reasonably acceptable to NIFA or collateralizes its obligations in accordance with the criteria set forth in the transaction documents. The counterparties have the ratings set forth below. The table shows the diversification, by percentage of notional amount, among the various counterparties that have entered into agreements with NIFA.

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2011

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

NIFA Long-Term Debt (Continued)

DERIVATIVE INSTRUMENTS - SWAP AGREEMENTS (Continued)

| Counterparty | Dollars in millions | Notional percentage |
|--------------|------------------------|------------------------|
| GSMMDP | \$ 275 | 45.8% |
| UBS AG | 275 | 45.8% |
| MSCS | <u>50</u> | <u>8.4%</u> |
| | <u>\$ 600</u> | <u>100.0%</u> |

NIFA insured its performance in connection with the swaps originally associated with the Series 2004 B-G bonds with Ambac Assurance Corporation (“Ambac”), which is rated Caa2/R (Moody's/S&P/Fitch), including NIFA termination payments. NIFA's payments to the counterparties on the swaps originally associated with the Series 2004 I-K bonds are insured with CDC IXIS Financial Guaranty North America, Inc. (“CIFG NA”), which is rated WR/NR/NR (Moody's/S&P/Fitch); however, termination payments from NIFA are not guaranteed except on NIFA's swap with UBS AG, where it is guaranteed up to a maximum of \$2 million.

- *Basis Risk* - The variable interest rate paid by the counterparty under the swap and the variable interest rate paid by NIFA on the associated variable interest rate bonds are not the same. If the counterparty's rate under the swap is lower than the bond interest rate, then the counterparty's payment under the swap agreement does not fully reimburse NIFA for its interest payment on the associated bonds. Conversely, if the bond interest rate is lower than the counterparty's rate on the swap, there is a net benefit to NIFA.

NIFA is exposed to basis risk on the swaps. NIFA is paying a fixed rate of interest to the counterparties and the counterparties are paying a variable rate to NIFA represented by a percentage of the One-Month LIBOR (“London Inter-bank Offered Rate”), rate plus a fixed spread. The amount of the variable rate swap payments received from the counterparties does not normally equal the actual variable rate payable to the bondholders. Should the historical relationship between LIBOR and NIFA's variable rate on its bonds move to converge, there is a cost to NIFA. Conversely, should the relationship between LIBOR and NIFA's variable rate on its bonds move to diverge, there is a benefit to NIFA.

- *Interest Rate Risk* – The risk that changes in interest rates will adversely affect the fair value of the financial instrument or its cash flows.

NIFA is exposed to interest rate risk on its pay fixed, receive variable interest rate swap. As LIBOR decreases, NIFA's net payment on the swaps increases.

- *Termination Risk* - The swap agreement will be terminated and if at the time of termination the fair value of the swap is negative, NIFA will be liable to the counterparty for an amount equal to the fair value.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)**NIFA Long-Term Debt (Continued)****DERIVATIVE INSTRUMENTS - SWAP AGREEMENTS (Continued)**

The swaps use International Swaps and Derivative Association (“ISDA”) documentation and use standard provisions regarding termination events with one exception: if the termination amount is over \$5 million for NIFA, NIFA can pay such excess amount over six months, financing the delay at LIBOR, plus 1%.

However, adverse termination for credit deterioration is unlikely due to NIFA’s current credit rating. NIFA or the counterparty may terminate any of the swaps if the other party fails to perform under the terms of the contract. In addition, NIFA may terminate the swaps at their fair market value at any time. NIFA would be exposed to variable rates if the counterparty to the swap defaults or if the swap is terminated. A termination of the swap agreement may also result in NIFA making or receiving a termination payment. NIFA is not aware of any event that would lead to a termination event with respect to any of its swaps.

- *Rollover Risk* - The notional amount under the swap agreement terminates prior to the final maturity of the associated bonds, and NIFA may be exposed to then market rates and cease to get the benefit of the synthetic fixed rate for the duration of the bond issue.

NIFA is not exposed to rollover risk, because the notional amounts under the swaps do not terminate prior to the final maturity of the associated variable interest auction rate bonds.

- *Market-access Risk* – NIFA is not exposed to market-access risk on its hedging derivative instruments.
- *Foreign Currency Risk* – NIFA is not exposed to foreign currency risk on its hedging derivative instruments.
- *Contingency* – Generally, the derivative instruments require NIFA to post collateral at varying thresholds by counterparty based on NIFA’s credit rating in the form of cash, U.S. Treasury securities, or specified Agency securities. If NIFA were not to post collateral when required, the counterparty may terminate the hedging derivative instrument.

At December 31, 2011, the aggregate fair value of all hedging derivative instrument agreements whose terms contain such collateral provisions is \$84.6 million. If the collateral posting requirements had been triggered at December 31, 2011, NIFA would have been required to post \$27.6 million in collateral to UBS AG if NIFA's credit rating was A3/A-. NIFA would have been required to post \$12.6 million in collateral to GSMMDP, \$37.6 million in collateral to UBS AG and \$9.5 million in collateral to MSCS if NIFA's credit rating was Baa1/BBB+. NIFA would have been required to post \$27.6 million in collateral to GSMMDP, \$37.6 million in collateral to UBS AG and \$9.5 million in collateral to MSCS if NIFA's credit rating was Baa2/BBB. NIFA would have been required to post \$37.6 million in collateral to GSMMDP, \$37.6 million in collateral to UBS AG, and \$9.5 million in collateral to MSCS if NIFA's credit rating was Baa3/BBB-. Because NIFA's credit rating is Aa1/AAA, no collateral has been required or posted.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

NIFA Long-Term Debt (Continued)

DERIVATIVE INSTRUMENTS - SWAP AGREEMENTS (Continued)

As of December 31, 2011, NIFA's Derivative Instrument - Interest Rate Swap Valuation is as follows:
(\$'s in thousands)

| Swap Agreements | <u>2004 Series B</u> | <u>2004 Series C</u> | <u>2004 Series D</u> | <u>2004 Series E</u> | <u>2004 Series F</u> | <u>2004 Series G</u> | <u>2004 Series I</u> | <u>2004 Series J</u> | <u>2004 Series K</u> | <u>Total</u> |
|---------------------------------|--|---|--|--|---|---|--|--|--|--------------|
| Notional Amount | \$ 72,500 | \$ 72,500 | \$ 80,000 | \$ 72,500 | \$ 72,500 | \$ 80,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 600,000 |
| Counterparty | GSMMDP | GSMMDP | GSMMDP | UBS | UBS | UBS | GSMMDP | UBS | MSCS | |
| Counterparty Rating (1) | Aa1/AAA/NR | Aa1/AAA/NR | Aa1/AAA/NR | Aa2/A+/A+ | Aa2/A+/A+ | Aa2/A+/A+ | Aa1/AAA/NR | Aa2/A+/A+ | A2/A/A | |
| Effective Date | April 8, 2004 | April 8, 2004 | April 8, 2004 | April 8, 2004 | April 8, 2004 | April 8, 2004 | December 9, 2004 | December 9, 2004 | December 9, 2004 | |
| Maturity Date | November 15, 2024 | November 15, 2024 | November 15, 2016 | November 15, 2024 | November 15, 2024 | November 15, 2016 | November 15, 2025 | November 15, 2025 | November 15, 2025 | |
| NIFA Pays | 3.146% | 3.146% | 3.002% | 3.146% | 3.146% | 3.003% | 3.432% | 3.432% | 3.432% | |
| Replacement Rate | 1.190% | 1.189% | 0.778% | 1.190% | 1.189% | 0.775% | 1.423% | 1.423% | 1.423% | |
| NIFA Receives | 60% of LIBOR plus 16 basis points weekly (Tuesday) | 60% of LIBOR plus 16 basis points weekly (Friday) | 60% of LIBOR plus 26 basis points weekly (4th Monday) | 60% of LIBOR plus 16 basis points weekly (Tuesday) | 60% of LIBOR plus 16 basis points weekly (Friday) | 60% of LIBOR plus 26 basis points monthly (5th Thursday) | 61.5% of LIBOR plus 20 basis points | 61.5% of LIBOR plus 20 basis points | 61.5% of LIBOR plus 20 basis points | |
| Change in Fair Value | \$ (4,364) | \$ (4,362) | \$ (751) | \$ (4,364) | \$ (4,362) | \$ (707) | \$ (4,166) | \$ (4,166) | \$ (4,166) | \$ (31,407) |
| Net Accrued | \$ (283) | \$ (285) | \$ (283) | \$ (283) | \$ (285) | \$ (279) | \$ (207) | \$ (207) | \$ (207) | \$ (2,319) |
| Net Present Value | (10,550) | (10,555) | (6,102) | (10,550) | (10,555) | (6,115) | (9,297) | (9,297) | (9,297) | (82,317) |
| Total Fair Value of Swap | \$ (10,833) | \$ (10,840) | \$ (6,386) | \$ (10,833) | \$ (10,840) | \$ (6,395) | \$ (9,504) | \$ (9,504) | \$ (9,504) | \$ (84,636) |

(1) Moody's/S&P/Fitch

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2011

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

NIFA Long-Term Debt (Continued)

Swap Payments and Associated Debt - Using rates as of December 31, 2011, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, is shown below. As rates change over time, variable-rate bond interest payments and net swap payments will change.

Swap payments and associated variable-rate debt is as follows (dollars in thousands):

| Years Ending December 31, | Variable-Rate Bonds | | Interest Rate Swaps, Net | Total |
|------------------------------|---------------------|----------------|-----------------------------|----------------|
| | Principal | Interest | | |
| 2012 | \$ | \$ 2,506 | \$ 16,791 | \$ 19,297 |
| 2013 | | 31,100 | 16,698 | 50,270 |
| 2014 | | 45,300 | 15,857 | 63,462 |
| 2015 | | 31,725 | 14,740 | 48,606 |
| 2016 | | 61,275 | 13,826 | 77,140 |
| 2017-2021 | | 333,025 | 42,171 | 382,037 |
| 2022-2025 | | 97,575 | 179 | 103,803 |
| Total | \$ | <u>600,000</u> | <u>126,132</u> | <u>744,615</u> |

NCSSWFA Long-Term Debt

The NCSSWFA issued System Revenue Bonds, where the NCSSWFA pledges income derived from the acquired or constructed assets to pay debt service.

The 2008 Series A revenue bonds (the “2008A Bonds”) mature at various dates through 2028 and bear interest at rates ranging from 3.2% to 5.275%. Berkshire Hathaway Assurance Corporation has provided a financial guarantee insurance policy totaling \$120.8 million. This policy guarantees the payment of principal and interest on 2008A Bonds maturing January 1, 2014 through January 1, 2028.

The 2004 Series B revenue bonds (the “2004B Bonds”) mature at various dates through 2024 and bear interest at rates ranging from 2.5% to 5.0%. MBIA Insurance Corporation has provided a financial guarantee insurance policy, which guarantees the scheduled payment of principal and interest of the 2004B Bonds.

The County has assumed responsibility for calculating arbitrage rebate liability on bonds or notes issued by the NCSSWFA, however, any resulting payments would be made by the NCSSWFA.

During 2011, the County issued 2011 Series A bonds, with which a portion of the proceeds will be used to finance sewer and storm water related projects. Additionally, during 2011, the NCSSWFA obtained additional information related to the outstanding debt associated with the System since the date of the NCSSWFA’s inception and additional debt was allocated to the NCSSWFA. These transactions resulted in an additional amount due to the County for related debt service totaling \$16.0 million.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

NCSSWFA Long-Term Debt (Continued)

2004B and 2008A Bonds

Aggregate debt service to maturity as of December 31, 2011 is as follows (dollars in thousands):

| Years Ending | Principal | Interest | Total |
|--------------|-------------------|------------------|-------------------|
| 2012 | \$ 7,800 | \$ 7,679 | \$ 15,479 |
| 2013 | 7,955 | 7,310 | 15,265 |
| 2014 | 8,425 | 6,956 | 15,381 |
| 2015 | 8,545 | 6,607 | 15,152 |
| 2016 | 8,980 | 6,252 | 15,232 |
| 2017 - 2021 | 50,450 | 24,350 | 74,800 |
| 2022 - 2026 | 46,485 | 10,959 | 57,444 |
| 2027 - 2028 | <u>15,955</u> | <u>1,297</u> | <u>17,252</u> |
| Total | <u>\$ 154,595</u> | <u>\$ 71,410</u> | <u>\$ 226,005</u> |

Aggregate amounts due to the County for debt issued on behalf of NCSSWFA have debt service to maturity as of December 31, 2011 of the following (dollars in thousands):

| Years Ending December 31, | Total | | | Payments to be made by NIFA | Cash Requirements of NCSSWFA |
|------------------------------|-------------------|-------------------|-------------------|-----------------------------------|------------------------------------|
| | Principal | Interest | Total | | |
| 2012 | \$ 22,954 | \$ 14,686 | \$ 37,640 | \$ (5,824) | \$ 31,816 |
| 2013 | 20,145 | 13,591 | 33,736 | (5,223) | 28,513 |
| 2014 | 19,944 | 12,607 | 32,551 | (5,502) | 27,049 |
| 2015 | 18,325 | 11,673 | 29,998 | (4,517) | 25,481 |
| 2016 | 16,260 | 10,861 | 27,121 | (5,071) | 22,050 |
| 2017 - 2021 | 79,903 | 43,159 | 123,062 | (22,150) | 100,912 |
| 2022 - 2026 | 58,956 | 23,169 | 82,125 | (6,854) | 75,271 |
| 2027 - 2028 | 31,447 | 12,137 | 43,584 | | 43,584 |
| Thereafter | <u>28,132</u> | <u>4,998</u> | <u>33,130</u> | | <u>33,130</u> |
| Total | <u>\$ 296,066</u> | <u>\$ 146,881</u> | <u>\$ 442,947</u> | <u>\$ (55,141)</u> | <u>\$ 387,806</u> |

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)**NCTSC Long-Term Debt**

In 1999, the NCTSC issued \$294.5 million of the 1999 Bonds. On April 5, 2006, NCTSC issued \$431.0 million of Tobacco Settlement Asset-Backed Bonds, Series 2006 ("Series 2006 Bonds") pursuant to an Amended and Restated Indenture dated as of March 1, 2006 ("Indenture"). The Series 2006 Bonds consist of the "Series 2006A-1 Taxable Senior Current Interest Bonds" of \$42.6 million the "Series 2006A-2 Senior Convertible Bonds" of \$37.9 million the "Series 2006A-3 Senior Current Interest Bonds" of \$291.5 million and the "Series 2006B-E Subordinate CABs" of \$58.9 million. Unless otherwise indicated, defined terms have the meanings ascribed to them in the Offering Circular for the Series 2006 Bonds dated March 31, 2006.

NCTSC used the proceeds from the Series 2006 Bonds, along with other funds, to: (i) refund all of the 1999 Bonds then-currently outstanding in the aggregate principal amount of \$272.1 million; (ii) fund a Senior Liquidity Reserve for the Series 2006 Senior Bonds of \$24.0 million; (iii) pay the costs of issuance of the Series 2006 Bonds; (iv) fund certain projected requirements for the Operating Account; (v) fund interest on the Series 2006 Bonds through the December 1, 2007 payment; and (vi) pay certain amounts to the NCTSC Residual Trust as registered owner of the Residual Certificate. Pursuant to the Indenture, TSRs paid on or after April 1, 2009, are subject to the lien of the Indenture. Interest paid on these bonds in 2011 totaled \$19.3 million.

Any additional revenues received above the required debt service payments are required to fund sinking fund installments and/or Turbo Redemptions. NCTSC did not receive sufficient TSRs to make the required debt service payment of \$19.3 million against its Series 2006 Bonds during 2011. NCTSC withdrew \$628 thousand from the Senior Liquidity Reserve Account to pay a portion of the interest payment on the Bonds due December 1, 2011.

Payments with respect to the Series 2006 Bonds are dependent upon the receipt of TSRs. The Series 2006 Bonds are special obligations of the NCTSC payable solely from the pledged revenues, the Senior Liquidity Reserve Account, and the other funds and accounts under the Indenture. NCTSC has no other assets available for the payment of the Series 2006 Bonds.

Failure to pay when due any interest of Senior Bonds or any Serial Maturity of Turbo Term Bond Maturity for Senior Bonds, among other things will constitute an event of default.

The amount of TSRs actually collected is dependent on many factors, including future domestic cigarette consumption, the financial capability of the Participating Manufacturers (the "PMs"), litigation affecting the MSA and related legislation, enforcement of state legislation related to the MSA and the tobacco industry. Payments by the PMs under the MSA are subject to certain adjustments, which may be material.

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2011

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

NCTSC Long-Term Debt (Continued)

Bonds outstanding at December 31, 2011, are as follows (dollars in thousands):

| <u>Description</u> | <u>Original Date Issued</u> | <u>Original Amount</u> | <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Amount Outstanding</u> | <u>Amount Outstanding Including Acc. Interest</u> |
|--------------------|-----------------------------|------------------------|----------------------|----------------------|---------------------------|---|
| 2006A1 | 4/5/2006 | \$ 42,645 | 6.83% | 6/1/2021 | \$ 31,740 | \$ 31,740 |
| 2006A2 | 4/5/2006 | 37,906 | 5.25% | 6/1/2026 | 37,906 | 44,640 |
| 2006A3(2035) | 4/5/2006 | 97,005 | 5.00% | 6/1/2035 | 97,005 | 97,005 |
| 2006A3(2046) | 4/5/2006 | 194,535 | 5.13% | 6/1/2046 | 194,535 | 194,535 |
| 2006B | 4/5/2006 | 10,670 | 5.80% | 6/1/2046 | 10,670 | 14,815 |
| 2006C | 4/5/2006 | 9,867 | 6.00% | 6/1/2046 | 9,867 | 13,854 |
| 2006D | 4/5/2006 | 37,604 | 6.40% | 6/1/2060 | 37,604 | 53,985 |
| 2006E | 4/5/2006 | 802 | 7.35% | 6/1/2060 | 802 | 1,214 |
| | | | | | <u>\$ 420,129</u> | <u>\$ 451,788</u> |

The following table summarizes NCTSC's minimum future debt service requirements as of December 31, 2011 (dollars in thousands):

| <u>Year Ending</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Debt Service</u> |
|--------------------|-------------------|---------------------|---------------------------|
| 2012 | \$ | \$ 19,332 | \$ 19,332 |
| 2013 | | 19,332 | 19,332 |
| 2014 | | 19,331 | 19,331 |
| 2015 | | 19,332 | 19,332 |
| 2016 | | 19,332 | 19,332 |
| 2017-2021 | 31,739 | 95,574 | 127,313 |
| 2022-2026 | 37,906 | 91,381 | 129,287 |
| 2027-2030 | | 74,101 | 74,101 |
| 2032-2036 | 97,005 | 66,825 | 163,830 |
| 2037-2041 | | 49,850 | 49,850 |
| 2042-2046 | 215,072 | 236,292 | 451,364 |
| 2047-2051 | | | |
| 2052-2056 | | | |
| 2057-2060 | 38,407 | 1,141,808 | 1,180,215 |
| | <u>\$ 420,129</u> | <u>\$ 1,852,490</u> | <u>\$ 2,272,619</u> |

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2011

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

Nassau Community College Long-Term Debt

Long-term liability activity for the year ended August 31, 2011 follows (dollars in thousands):

| | <u>Balance 2010</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance 2011</u> | <u>Current Portion</u> |
|---|-------------------------|------------------|-------------------|-------------------------|----------------------------|
| General obligation bonds | \$ 17,715 | \$ 22,497 | \$ 1,676 | \$ 38,536 | \$ 1,066 |
| Dormitory Authority-State of NY bonds | 36,607 | 2 | 1,703 | 34,906 | 1,451 |
| Endo note payable | 912 | | 22 | 890 | 24 |
| Litigation liability | 400 | 5 | 80 | 325 | |
| Postemployment retirement benefits payable | 296,131 | 29,091 | 8,026 | 317,196 | |
| Insurance reserve liability | 1,984 | 4 | | 1,988 | |
| Deposits held in custody for others | 1,660 | 1 | | 1,661 | |
| Deferred bond premium | 2,004 | | 138 | 1,866 | |
| Liability for future pension expense | 1,333 | | | 1,333 | |
| Accrued compensated absences | <u>53,907</u> | | <u>1,647</u> | <u>52,260</u> | <u>1,140</u> |
| Total long-term liabilities | <u>\$ 412,653</u> | <u>\$ 51,600</u> | <u>\$ 13,292</u> | <u>\$ 450,961</u> | <u>\$ 3,681</u> |

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)***Nassau Community College Long-Term Debt (Continued)***

Dormitory Authority - State of New York - The College has entered into financing agreements with the Dormitory Authority - State of New York ("DASNY") for the purpose of financing the State's one-half share of various capital construction costs. The Bonds are special obligations of DASNY, payable from amounts to be appropriated each year by the State pursuant to a provision of the State Education Law, and from moneys in the Debt Service Reserve Fund held by the trustee. The amounts to be appropriated annually are assigned under the agreement from the County to DASNY. DASNY has no taxing power. Accordingly, under the constitution of the State of New York, the availability of funds to make annual payments is subject to annual appropriations being made by the State Legislature. The State Education Law that allows the State to make these appropriations does not constitute a legally enforceable obligation of the State and the State is not legally required to appropriate such funds. The Bonds are not a debt of the State and the State is not liable for them.

The aggregate amount due DASNY under the agreement in each bond year is equal to debt service on the bonds plus certain administrative and other expenses of DASNY. No revenues or assets of the College or the County have been pledged or will be available to pay the debt service on the bonds. The County has not pledged its full faith and credit to the payments of principal and interest on the bonds. DASNY will not have title to, a lien on, or a security interest in any of the projects being financed by the bonds or in other property of the County or College.

County of Nassau - The County has issued general obligation serial bonds for various College construction projects. The amount of serial bonds outstanding at August 31, 2011, is \$38.5 million and principal is scheduled to mature from 2012 to 2039. This debt is the obligation of the County. No revenues or assets of the College have been pledged or will be available to pay debt service on the bonds. The County has pledged its full faith and credit to the payment of principal and interest on the bonds.

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2011

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

Nassau Community College Long-Term Debt (Continued)

As of August 31, 2011, principal and interest payments relating to the DASNY and General Obligation bonds are as follows (dollars in thousands):

| Principal | | | General | | Endo | |
|-------------------------------|------------------|----|--------------------|----|---------------|------------------|
| Year Ending August 31, | DASNY | | Obligations | | Note | Total |
| 2012 | \$ 1,451 | \$ | 1,066 | \$ | 23 | \$ 2,540 |
| 2013 | 1,504 | | 1,489 | | 25 | 3,018 |
| 2014 | 1,560 | | 1,193 | | 28 | 2,781 |
| 2015 | 1,944 | | 1,219 | | 30 | 3,193 |
| 2016 | 2,181 | | 1,239 | | 32 | 3,452 |
| 2017-2021 | 11,660 | | 6,756 | | 207 | 18,623 |
| 2022-2026 | 6,949 | | 7,178 | | 308 | 14,435 |
| 2027-2031 | 3,924 | | 7,937 | | 237 | 12,098 |
| 2032-2036 | 2,359 | | 9,372 | | | 11,731 |
| 2037-2040 | 1,374 | | 1,087 | | | 2,461 |
| Total | <u>\$ 34,906</u> | | <u>\$ 38,536</u> | | <u>\$ 890</u> | <u>\$ 74,332</u> |

| Interest | | | General | | Endo | |
|-------------------------------|------------------|----|--------------------|----|---------------|------------------|
| Year Ending August 31, | DASNY | | Obligations | | Note | Total |
| 2012 | \$ 1,727 | \$ | 1,945 | \$ | 70 | \$ 3,742 |
| 2013 | 1,680 | | 1,937 | | 68 | 3,685 |
| 2014 | 1,628 | | 1,877 | | 66 | 3,571 |
| 2015 | 1,569 | | 1,830 | | 64 | 3,463 |
| 2016 | 1,486 | | 1,781 | | 62 | 3,329 |
| 2017-2021 | 5,787 | | 8,121 | | 262 | 14,170 |
| 2022-2026 | 2,992 | | 6,576 | | 162 | 9,730 |
| 2027-2031 | 1,645 | | 4,700 | | 29 | 6,374 |
| 2032-2036 | 759 | | 1,867 | | | 2,626 |
| 2037-2040 | 157 | | 102 | | | 259 |
| Total | <u>\$ 19,430</u> | | <u>\$ 30,736</u> | | <u>\$ 783</u> | <u>\$ 50,949</u> |

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2011

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

Nassau Community College Long-Term Debt (Continued)

Interest on the DASNY and General Obligation bonds range from 2.5% to 6% and from 3.25% to 6%, respectively. The current amortization expense for the deferred financing costs for these bonds is \$227 thousand.

During fiscal 2011, DASNY issued State of New York Consolidated Service Contract Revenue Refunding Bonds, Series 2010 par amount \$4.6 million of which \$2 thousand, were allocated to the College.

In December 2010, the County issued \$125 million General Obligation Bonds Series E and F, of which \$16.9 million were earmarked for the various College construction projects. In May 2011, the County issued \$82.0 million General Improvement Bonds Series A, of which \$5.6 million were earmarked for the various College construction projects.

NHCC Notes Payable

In March 2011, the NHCC issued \$55.7 million of taxable 2011 Revenue Anticipation Notes that were due in December 2011. The notes were repaid in full in December 2011.

NHCC Long-Term Debt

The NHCC's long-term debt at December 31, 2011 consisted of the following (dollars in thousands):

| | |
|---|-------------------|
| 2004 Series B Bonds payable at varying dates through August 1, 2014 at tax-exempt fixed interest rates ranging from 3.0% to 5.0% | \$ 9,812 |
| 2009 Series A bonds payable at varying dates through August 1, 2022; variable rate demand bonds bearing interest at taxable variable rates with an average of approximately 4.61% in 2011 | 25,995 |
| 2009 Series B, C and D bonds payable at varying dates through August 1, 2029; variable rate demand bonds bearing interest at tax-exempt variable rates with an average of approximately 3.46% in 2011 | <u>220,840</u> |
| | 256,647 |
| Deferred loss on refunding | (24,653) |
| Net unamortized bond premium | 161 |
| Current portion | <u>(4,815)</u> |
| Total long term debt | <u>\$ 227,340</u> |

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)***NHCC Long-Term Debt (Continued)***

In October 2004, the Series 2004 A, B and C Bonds were issued to refund the NHCC's Series 1999 Revenue Bonds, finance capital projects and pay the costs of issuance, including the required premium of the Bond Insurer. The transaction resulted in the NHCC receiving approximately \$41.0 million of cash, of which \$26.0 million was available for working capital and \$15.0 million for new capital project financing.

In April 2009, Series 2009 A (taxable), B, C and D bonds were issued as variable rate demand bonds ("VRDBs") backed by new letters of credit ("LOCs") to redeem the 2004 Series A and 2004 Series C outstanding bank term bonds. The LOCs were scheduled to expire in May 2012 and were extended with expiration dates for the various series of bonds ranging from February 2015 to April 2015. If the NHCC draws on the LOCs to purchase the Series 2009 bonds, the VRDBs will convert to bank term bonds and repayment will commence no earlier than 270 days from the drawing date. Principal amounts related to the Series 2009 A bonds mature annually each August 1, beginning in fiscal 2013 through fiscal 2022. Principal amounts related to the Series 2009 B, C, and D bonds mature annually each August 1, beginning in fiscal 2015 through fiscal 2029. The interest rates under the VRDBs are determined on a periodic basis (weekly or quarterly depending on the series of bonds) through a remarketing process.

The County guarantees to the Trustee and the owners of Series 2009 Bonds the full and prompt payment of the principal and interest of the Series 2004 and Series 2009 Bonds. The County guaranty may be amended without consent of the bond owners.

In connection with the issuance of the Series 2004 and 2009 Bonds, the NHCC incurred a loss of approximately \$38.0 million and \$3.7 million, respectively. The loss (the difference between the reacquisition price and the net carrying amount of the old debt) is carried as a deferred item, net in long-term debt, in the accompanying consolidated balance sheets. The total deferred loss to be amortized has not been adjusted for the prepayment in 2008 of a portion of outstanding debt and the issuance of the Series 2009 Bonds; however, future amortization of the deferred loss was so adjusted. Amortization of the deferred loss is \$2.3 million for the year ended December 31, 2011. Pursuant to the Stabilization Agreement and, subsequently, the Successor Agreement, the County deposits subsidies, payable to the NHCC monthly, in an escrow account reserved for payment of the Series 2009 Bonds.

In connection with the issuance of the Series 2004 Bonds, the NHCC entered into interest rate swap agreements with commercial banks to effectively convert interest payments on the variable interest rate Series C Bonds to a fixed interest rate based on a total initial notional amount of \$220.0 million that declines as debt is repaid. The fixed interest rate paid by the NHCC under the swap agreements is 3.46% and the variable rate received is based on LIBOR. Subsequent to the redemption of the Series 2004 C Bonds through the issuance of the Series 2009 Bonds, the swap agreements remain in place for the Series 2009 bonds and expire on August 1, 2029.

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2011

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

NHCC Long-Term Debt (Continued)

The NHCC also entered into a cancelable swap agreement with a commercial bank to effectively convert interest payments on the variable interest rate for the Series 2004 A Bonds to a fixed interest rate based on an initial notional amount of \$65.0 million that declines as debt is repaid. The fixed interest rate paid by the NHCC under the swap agreement is 4.61% and the variable rate received is based on LIBOR. Subsequent to the redemption of the Series 2004 A Bonds through the issuance of the Series 2009 Bonds, the swap agreement remains in place for the Series 2009 bonds and expires on August 1, 2012.

The swap agreements expose the NHCC to market risk, in the event of changes in interest rates, and credit risk, in the event of nonperformance by the counterparty. However, the NHCC believes that the risk of a material impact to its consolidated financial condition arising from such events is low. The County guarantees payments to the swap contract counterparties. The fair value of the derivative instruments was a liability of approximately \$41.8 million at December 31, 2011.

Principal payments on long-term debt are due annually on August 1. Interest payments are due semiannually on February 1 and August 1. Estimated interest is based on the original amortization schedules. Payments applicable to long-term debt for years subsequent to December 31, 2011 are as follows (dollars in thousands):

| | <u>Principal</u> | <u>Estimated Interest</u> |
|-------------|-------------------|---------------------------|
| 2012 \$ | 4,815 | \$ 9,940 |
| 2013 | 4,360 | 9,700 |
| 2014 | 4,522 | 9,484 |
| 2015 | 13,005 | 9,261 |
| 2016 | 13,545 | 8,754 |
| 2017 - 2021 | 76,575 | 35,372 |
| 2022 - 2026 | 84,940 | 19,667 |
| 2027 - 2029 | <u>54,885</u> | <u>4,103</u> |
| | <u>\$ 256,647</u> | <u>\$ 106,281</u> |

OTB Long-Term Debt

In June 2005, OTB issued \$21.8 million in Series 2005 Revenue Bonds. The sources of the funds included \$21.8 million in principal, \$33 thousand original issue discount, and OTB’s equity contribution of \$0.1 million, to total \$21.9 million. The proceeds were used as follows: \$12.3 million to redeem prior notes that were used to finance the acquisition and rehabilitation of the Race Palace, \$0.5 million to pay issuance costs, \$6.8 million for various ongoing and future capital projects, and \$2.3 million to deposit to a debt service reserve fund. The Series 2005 Revenue Bonds are general obligations of OTB and are secured by a pledge directly by the County pursuant to a support agreement that is described in the following paragraph. Rates on this obligation range from 3% to 5%.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

OTB Long-Term Debt (Continued)

Under the support agreement with the County, OTB is obligated to deposit required debt service payments due into a capital reserve fund. This transfer of funds must occur no later than 15 days prior to the due date of such payment. In addition, as consideration for entering into this support agreement and in recognition of the benefits anticipated to be derived, OTB is currently required to pay the County \$620 thousand on each February 15 until the Series 2005 Revenue Bonds are paid in full. OTB paid the County \$620 thousand in 2011.

Mortgage and bond payable at December 31, 2011, consisted of the following (dollars in thousands):

Mortgage note – payable in 120 monthly installments of \$5.5 thousand including interest at 6.2%. A final payment is due on February 1, 2013. The mortgage is secured by the underlying real property.

\$ 74

Bond payable - due in 15 annual installments of \$1.455 million plus semi-annual interest payments ranging from 3% to 5%. A final payment is due on July 1, 2020. The bond is secured by the underlying real property.

13,080

\$ 13,154

Future minimum payments on the mortgage and bond payable including interest are as follows (dollars in thousands):

| <u>Years Ending December 31:</u> | <u>Principal</u> | <u>Interest</u> |
|----------------------------------|------------------|-----------------|
| 2012 | \$ 1,518 | \$ 504 |
| 2013 | 1,466 | 452 |
| 2014 | 1,455 | 398 |
| 2015 | 1,455 | 343 |
| 2016 | 1,455 | 289 |
| 2017-2020 | <u>5,805</u> | <u>580</u> |
| | <u>\$ 13,154</u> | <u>\$ 2,566</u> |

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

11. REFINANCING OF LONG-TERM OBLIGATIONS

Prior to December 31, 2011, the County defeased certain general obligation bonds and Combined Sewer District Bonds by refinancing them and placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. As of December 31, 2011, approximately \$6.3 million of outstanding bonds (including NIFA) are considered defeased.

12. PENSION PLANS**Plan Description**

The County participates in the New York State and Local Retirement System ("Retirement System"), which is comprised of the following plans, the Employees' Retirement System ("ERS"), the Police and Fire Retirement System ("PFRS") and the Public Employees' Group Life Insurance Plan. These are cost-sharing multiple-employer defined benefit retirement plans. The Retirement System provides retirement benefits as well as death and disability benefits to members. Obligations of employers and employees to contribute, and benefits paid to retirees are governed by New York State Retirement and Social Security Law ("NYSRSSL"). As set forth in the NYSRSSL, the Comptroller of the State of New York ("State Comptroller") serves as sole trustee and administrative head of the Retirement System. The State Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Retirement System and for the custody and control of its funds. The Retirement 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, 110 State Street, Albany, NY 12244.

Funding Policy

The Retirement System is noncontributory for those ERS members who joined the retirement system prior to July 27, 1976 and for those PFRS members in Tiers 1 through 4. ERS employees who joined the Retirement System after that date must contribute 3% of their salary, however, NYS legislation passed in 2000, suspended the 3% contribution for those employees who have 10 or more years of credited service. In addition, members who meet certain eligibility requirements will receive one month's additional service credit for each completed year of service up to a maximum of two additional years of service credit. In December 2009, the Governor signed a bill requiring ERS and PFRS members hired January 2010 and later to contribute 3% of their salary for all their years of public service, increased the numbers of years required to vest for retirement benefits from 5 to 10 years, and placed a limitation on the annual amount of overtime credited as retirement earnings. As of December 31, 2011, the County did not have any PFRS employees who were Tier 5 members.

The Common Retirement Fund ("Fund") was established to hold all the assets and income of the Retirement System in a single unified investment program. The overall methodology for ensuring that the Fund maintains adequate assets is determined by the NYSRSSL. The Fund's assets come from three main sources: employee or member contributions, investment income and participating employer contribution. The value of the Fund and the rate of return on the investments directly affect the employer's annual contribution rates. Each year, the State evaluates the Fund's assets and compares the value of those assets to the funds needed to pay

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2011

12. PENSION PLANS (Continued)

current and future benefits. The difference between these two amounts is spread over the future working lifetimes of active members to actuarially determine the annual contribution rates. Under the authority of the NYSRSSL, the State Comptroller is annually required to certify these contribution rates. The State calculates the County’s required annual contribution payment using these contribution rates and the projected retirement earnings of the County’s current employees.

The required contributions for the current year and two preceding years (dollars in thousands) and the percentage of the required contribution that was actually contributed to a cost-sharing multiple-employer defined benefit postemployment benefit plan were:

| | <u>ERS</u> | <u>PFRS</u> | <u>Contribution Percentage</u> |
|------|------------|-------------|------------------------------------|
| 2011 | \$57,765 | \$56,347 | 100% |
| 2010 | 42,637 | 52,555 | 100% |
| 2009 | 46,306 | 55,882 | 100% |

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2011

13. RECONCILIATION OF GAAP FUND BALANCES TO BUDGETARY BASIS

The following reconciles fund balances at December 31, 2011 as prepared on a GAAP basis to the budgetary basis of reporting (dollars in thousands):

| | General | Police District Fund | Sewer & Storm Water District Fund | Capital Fund | Nonmajor Governmental Funds |
|---|------------------|----------------------------|---|-----------------|-----------------------------------|
| Fund Balances at December 31, 2011, Prepared in accordance with GAAP | \$ 79,915 | \$ 4,025 | \$ 89,881 | \$ 143,711 | \$ 97,859 |
| Add: | | | | | |
| Funding for Tax Certiorari and Other Judgments | 25,598 | | | | |
| Funding for Termination Pay | 13,277 | 3,845 | 533 | | |
| Pension Benefits - Accrual Basis Only | 4,042 | 4,981 | (49) | | |
| Less: | | | | | |
| Encumbrances | (85,288) | (132) | (8,499) | | |
| Payments for Tax Certiorari and Other Judgments | (25,598) | | | | |
| Payments for Termination Pay | (13,277) | (3,845) | (533) | | |
| Sale of Mitchel Field Leases | 37,062 | | | | |
| Unbudgeted Sewer and Storm Water District Fund | | | | | |
| Unbudgeted Grant Fund | | | | | (23,451) |
| Unbudgeted NCTSC General Fund | | | | | (222) |
| Unbudgeted Capital Project Fund | | | | (143,711) | |
| Unbudgeted NCTSC Debt Service Fund | | | | | (23,600) |
| Unbudgeted SFA General Fund | | | | | (20,862) |
| Unbudgeted NIFA Debt Service Fund | | | | | (15,302) |
| | _____ | _____ | _____ | _____ | _____ |
| Fund Balances at December 31, 2011, Prepared on the Budgetary Basis of Reporting | <u>\$ 35,731</u> | <u>\$ 8,874</u> | <u>\$ 81,333</u> | <u>\$ _____</u> | <u>\$ 14,422</u> |

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

14. FUND BALANCES

Fund Balance classifications for the governmental funds at December 31, 2011 were (dollars in thousands):

FUND BALANCE

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2011 (Dollars in Thousands)

| | General | NIFA GEN Fund | Police District Fund | Sewer & Storm Water Fund | Capital Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|--------------------------|------------------|---------------------|----------------------------|--------------------------------|-------------------|-----------------------------------|--------------------------------|
| Nonspendable: | | | | | | | |
| Prepaid expenditures | 87,662 | 49 | 40,711 | 1,759 | | 2,481 | 132,662 |
| Spendable: | | | | | | | |
| Restricted for: | | | | | | | |
| Capital projects | | | | | 7,082 | | 7,082 |
| Debt service | | 17,369 | | | | | 17,369 |
| Open space | 2,269 | | | | | | 2,269 |
| Judicial | | | | | | 345 | 345 |
| General Administration | | | | | | 29,974 | 29,974 |
| Protection of Persons | | | | | | 2,843 | 2,843 |
| Health | | | | | | 26,976 | 26,976 |
| Public Works | | | | | | 6 | 6 |
| Recreation and Parks | | | | | | 1,128 | 1,128 |
| Social Services | | | | | | 802 | 802 |
| Corrections | | | | | | 301 | 301 |
| Other | | | | | | 634 | 634 |
| Committed to: | | | | | | | |
| Capital projects | | | | | 136,629 | | 136,629 |
| Public Works | | | | 67,565 | | | 67,565 |
| Environmental Protection | | | | | | 14,422 | 14,422 |
| Protection of Persons | | | 4,025 | | | | 4,025 |
| Assigned to: | | | | | | | |
| Legislative | 406 | | | | | | 406 |
| Judicial | 1,256 | | | | | | 1,256 |
| General Administration | 10,637 | | | | | | 10,637 |
| Protection of Persons | 47 | | | | | | 47 |
| Health | 46,439 | | | | | | 46,439 |
| Public Works | 5,717 | | | 20,557 | | | 26,274 |
| Recreation and Parks | 3,159 | | | | | | 3,159 |
| Social Services | 14,183 | | | | | | 14,183 |
| Corrections | 7,529 | | | | | | 7,529 |
| Other | (3,332) | | | | | | (3,332) |
| Unassigned | (96,056) | 993 | (40,711) | | | 17,946 | (117,828) |
| Total Fund Balance | <u>\$ 79,915</u> | <u>\$ 18,411</u> | <u>\$ 4,025</u> | <u>\$ 89,881</u> | <u>\$ 143,711</u> | <u>\$ 97,859</u> | <u>\$ 433,802</u> |

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

15. OTHER POSTEMPLOYMENT BENEFITS**Plan Description**

The County provides health care benefits in accordance with New York State Health Insurance Rules and Regulations administered by the New York State Department of Civil Service (the "NYSHIP" plan). The County's several union contracts and ordinances require the County to provide all eligible enrollees with either the NYSHIP plan or other equivalent health insurance. Substantially all of the County's retirees and employees are enrolled in the NYSHIP Plan. NYSHIP is a defined benefit agent multiple-employer healthcare plan. Under the provisions of the NYSHIP Plan, premiums are adjusted on a prospective basis for any losses experienced by the NYSHIP Plan. The County has the option to terminate its participation in the NYSHIP Plan at any time without liability for its respective share of any previously incurred loss.

Funding Policy

Eligibility for health benefits upon retirement are governed by Ordinance bargaining unit, age, and years of service. Non-union employees hired after August 2008 are required to have 10 years of governmental service, 5 of which must be with the County to be eligible for post retirement health insurance benefits. CSEA employees hired after August 2003 are required to have 10 years of County employment. All other employees are eligible after 5 years of service. The County contributes 100% of the health insurance costs for the Government Employees Health Insurance program for all police officers and County employees who retired after December 31, 1975, with the exception of Ordinance employees hired after January 1, 2002 who are required to contribute either 5% or 10% of the cost depending on coverage. For employees who retired prior to December 31, 1975, the County's contribution is reduced in accordance with the union agreement applicable to their respective retirement dates. Nassau County is not required by law to provide funding other than the pay-as-you-go amount necessary to provide current benefits to retirees and eligible beneficiaries/dependents. The County recognizes the expenditure of providing current and postretirement health care benefits in the year to which the insurance premiums apply. NYSHIP plan insurance premiums are billed in advance and therefore the County has recorded a prepaid asset for this amount at December 31, 2011. The total cost for providing health care benefits was \$272.7 million in 2011, of which approximately \$143.7 million was for retirees and approximately \$129.0 million was for active employees and other eligible individuals. In 2011, the subsidy provided by the Medicare Reform Act of 2003 to employers who continued prescription drug coverage for its Medicare eligible retirees of \$7.9 million was recorded as income.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

15. OTHER POSTEMPLOYMENT BENEFITS (Continued)**Annual OPEB Cost and Net OPEB Obligation**

The County provides group health care benefits for retirees (and for eligible dependents and survivors of retirees). The following are the retiree contributions for non-union (Ordinance #543) employees:

- Hired prior to January 1, 2002 or earning less than \$30,000 in the year of retirement: none
- Hired on or after January 1, 2002 and earning more than \$30,000 per year in the year of retirement: 5% of premium for single coverage and 10% of the premium for family coverage
- Union employees (CSEA Local 830): none
- Public safety employees: none
- Employees who retired prior to 1976 pay contributions (varies as a percentage of the premium)

An actuarially determined valuation of these benefits was performed by an outside consultant to estimate the impact of changes in GASB accounting rules applicable to the retiree medical benefits for retired employees and their eligible dependents.

The County elected to record the entire amount of the Unfunded Actuarial Accrued Liability (“UAAL”), totaling approximately \$3.5 billion in the fiscal year ended December 31, 2007, and not to fund the UAAL. The UAAL, including accrued interest relating to postemployment benefits is approximately \$4.6 billion as of December 31, 2011 which included both the County and an allocation of the Nassau Health Care Corporation’s cost as of December 31, 2011. The County is not required by law or contractual agreement to provide funding for postemployment retirement benefits other than the pay-as-you-go amount necessary to provide current benefits to retirees and eligible beneficiaries/dependents. During the fiscal year ended December 31, 2011, the County paid \$143.7 million on behalf of the Plan.

The County’s annual OPEB cost (expense) is calculated based on the annual required contribution (“ARC”) of the employer, an amount that was actuarially determined by using the Projected Unit Credit Method (one of the actuarial cost methods that meet the requirements of GASB Statement No. 45). The portion of this Actuarial Present Value allocated to a valuation year is called the Normal Cost. The County uses a level dollar amount and an amortization period of one year on an open basis.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

15. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Annual OPEB Cost and Net OPEB Obligation (Continued)

The following table shows the elements of the County’s annual OPEB cost for the year, the amount actually paid, and changes in the County’s net OPEB obligation to the plan for the year ended December 31, 2011 (dollars in thousands):

Calculation of ARC and Annual OPEB Cost

| | Nassau County | *Nassau Community College | ** Nassau Health Care Corporation | Nassau Regional Off-Track Betting Corp. | Nassau County Industrial Development Agency | Nassau County Interim Finance Authority | Total |
|--|---------------|---------------------------------|---|---|--|---|--------------|
| Amortization of UAAL | \$ 4,618,696 | \$ 315,699 | \$ 23,989 | \$ 41,863 | \$ 3 | \$ 1,094 | \$ 5,001,344 |
| Service Cost at the Beginning of year | 131,722 | 9,373 | 35,852 | 1,150 | 66 | 55 | 178,218 |
| Interest | 100,946 | 398 | 1,272 | 49 | 3 | 2 | 102,670 |
| Annual Required Contribution | 4,851,364 | 325,470 | 61,113 | 43,062 | 72 | 1,151 | 5,282,232 |
| Interest on net OPEB Obligations | 163,841 | 12,585 | 6,850 | 2,080 | 6 | 44 | 185,406 |
| Adjustment to ARC | (4,018,924) | (308,964) | (9,607) | (50,622) | (6) | (1,090) | (4,389,213) |
| Total Annual OPEB cost | 996,281 | 29,091 | 58,356 | (5,480) | 72 | 105 | 1,078,425 |
| Actual Contributions | 143,690 | 8,026 | 5,602 | 1,359 | | 17 | 158,694 |
| Increase in net OPEB obligation | 852,591 | 21,065 | 52,754 | (6,839) | 72 | 88 | 919,731 |
| Net OPEB Obligation at December 31, 2010 | 3,855,083 | 296,132 | 161,176 | 48,934 | 16 | 1,046 | 4,362,387 |
| Net OPEB Obligation at December 31, 2011 | \$ 4,707,674 | \$ 317,197 | \$ 213,930 | \$ 42,095 | \$ 88 | \$ 1,134 | \$ 5,282,118 |

* Nassau Community College data as of fiscal year ended August 31, 2011

** Nassau Health Care Corporation uses a 30 year basis for amortization

As of December 31, 2011, the OPEB liability was approximately \$4.6 billion and the 2011 payroll cost was \$880.4 million or 524.6% of the unfunded liability amount. The County’s annual OPEB cost, the actual annual OPEB amount contributed to the plan, and the net OPEB obligation for the fiscal years ended December 31, 2011, 2010 and 2009, were as follows (dollars in thousands):

| Fiscal Year Ended | Annual OPEB Cost | Actual Annual OPEB Cost Paid | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|----------------------|---------------------|---------------------------------|--|------------------------|
| 12/31/2011 | \$ 996,281 | \$ 143,690 | 14.4% | \$ 4,707,674 |
| 12/31/2010 | 353,539 | 112,521 | 31.8% | 3,855,083 |
| 12/31/2009 | 265,384 | 106,956 | 40.3% | 3,614,065 |

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2011

15. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Methods and Assumptions

The OPEB-specific actuarial assumptions used (which is required at least biennially) in the January 1, 2011, OPEB actuarial valuations are as follows:

| | |
|-----------------------------------|---|
| Valuation date: | January 1, 2011 |
| Actuarial cost method: | Projected Unit Credit Method |
| Discount rate: | 4.25% per annum |
| Per-capita retiree contributions: | Retiree contributions are assumed to increase at the same rates as incurred claims. |

Healthcare Inflation Rate – The healthcare trend assumption is based on the Society of Actuaries-Getzen Model version 11.1 utilizing the baseline assumptions included in the model for medical and pharmacy benefits. Further adjustments are made for aging, percentage of costs associated with administrative expenses, trend on administrative costs and potential excise taxes due to healthcare reform. Short-term trends reflect current conditions and are graded into the long-term trend that takes into account a variety of factors such as medical cost increases, changes in utilization of healthcare services, and technological advances.

Medicare Part B reimbursements were assumed to have a separate annual trend of 5.5%. Vision benefit costs are limited by contract and no trend was applied. For medical benefits, actual 2012 Empire premiums were used. Trend increases start in 2013 at a 7.8% level. The trend assumption utilized in this valuation has changed from the assumption used in the previous valuation.

Health insurance benefits are provided by the New York State Health Insurance Plan. This also includes a reimbursement of Medicare Part B premium. Benefits vest at five to ten years of service and are subject to continuous participation in NYSHIP.

The premium rate is used for all non-Medicare eligible retirees and dependents with basic medical coverage.

Monthly premium rates for fiscal year 2011 are shown in the following table:

| | | |
|--------------------------------|----|----------|
| Pre-65 Non-Medicare: | | |
| Single | \$ | 693.92 |
| Family | | 1,513.92 |
| Post- 65 Medicare: | | |
| Single | | 405.64 |
| Family | | 937.31 |
| Medicare (Part B) - per person | | 96.40 |

Medicare Part B premiums for 2011 are \$96.40 per person monthly. A separate trend assumption of 5.5% per year was used for Medicare Part B reimbursements.

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2011

15. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Methods and Assumptions (Continued)

No retiree assumed to have income in excess of the threshold, which would result in increasing Part B premium above 25% of Medicare Part B Costs. **Health Care Cost Trend Rate (“HCCTR”)** - Covered medical expenses are assumed to increase by the following percentages:

HCCTR Assumptions:

| <u>Fiscal Year</u> | <u>Prior to Medicare Eligibility</u> | <u>After Medicare Eligibility</u> |
|--------------------|--|---------------------------------------|
| 2011 | N/A | N/A |
| 2012 | 7.8 % | 7.8 % |
| 2013 | 8.3 | 8.3 |
| 2014 | 6.8 | 6.8 |
| 2015 | 6.6 | 6.6 |
| 2016 | 6.4 | 6.4 |
| 2021 | 5.9 | 5.9 |
| 2026 | 6.0 | 5.8 |
| 2031 | 6.8 | 6.1 |
| 2036 | 6.3 | 6.4 |
| 2041 | 5.9 | 6.0 |
| 2046 | 5.6 | 5.7 |
| 2095 | 4.4 | 4.5 |

Mortality - Mortality rates are those recommended by the actuary:

Preretirement

RP2000 Employee Mortality Table for Males and Females. Rates are projected for mortality improvement on a generational basis using Scale AA

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

15. OTHER POSTEMPLOYMENT BENEFITS (Continued)**Actuarial Methods and Assumptions (Continued)**

Postretirement

RP2000 Healthy Annuitant Mortality Table for Males and Females. Rates are projected for mortality improvement on a generational basis using Scale AA

The cost of providing health care to retirees not including the accrual for prior service costs, totaled \$143.7 million during fiscal year 2011.

It should be noted that actuarial valuations have inherent limitations, reflect a long-term perspective, and involve estimates of the value of the reported amounts and assumptions about the probability of events far into the future, and that actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and of the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal and contractual funding limitations on the pattern of costs sharing between the employer and plan members in the future. Actuarial methods and assumptions used also include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2011

15. OTHER POSTEMPLOYMENT BENEFITS (Continued)

The schedule of funding progress presents the results of OPEB valuations as of January 1, 2011, 2010 and 2009 for the fiscal year ending December 31, 2011. The schedule provides trend information about whether the actuarial values of the plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits (dollars in thousands):

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL)* (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll (b-a)/c |
|--------------------------|-------------------------------|--|---------------------------|--------------------|---------------------|---|
| 1/1/2011 | \$ 0 | \$ 4,618,696 | \$ 4,618,696 | 0.0% | \$ 880,434 | 524.6% |
| 1/1/2010 | 0 | 3,854,422 | 3,854,422 | 0.0% | 857,856 | 449.3% |
| 1/1/2009 | 0 | 3,467,421 | 3,467,421 | 0.0% | 831,168 | 417.2% |

* Based on the Projected Unit Credit Actuarial Cost Method.

16. CONTINGENCIES AND COMMITMENTS

A. Claims and Litigation

The County, its officers and employees are defendants in litigation. Such litigation includes, but is not limited to, actions commenced and claims asserted against the County arising out of alleged torts, alleged breaches of contracts (which include union and employee disputes), condemnation proceedings, medical malpractice actions and other alleged violations of law. The County self-insures for everything except police helicopter accidents, employee bonding and, certain accident and liability coverage for its summer recreation program. The County annually appropriates sums for the payment of judgments and settlements of claims and litigation, which appropriations may be financed, in whole or in part, pursuant to the Local Finance Law by the issuance of County debt. The County intends to defend itself vigorously against all claims and in all litigation. Estimated liabilities of approximately \$295 million for claims and litigation (excluding tax certiorari claims) have been recorded as a liability in the government-wide financial Statement of Net Assets as of December 31, 2011. The County Attorney is of the opinion that the ultimate resolution of such claims and litigation outstanding at December 31, 2011 will not result in a material adverse effect on the County's financial position. Approximately \$288.8 million has been accrued as a liability at December 31, 2011, related to workers' compensation claims where the County Attorney can reasonably estimate the ultimate outcome. The liability for certain other asserted and unasserted malpractice claims cannot be estimated as of December 31, 2011. All malpractice occurrences prior to September 29, 1999 are the responsibility of the County.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

16. CONTINGENCIES AND COMMITMENTS (Continued)**A. Claims and Litigation (Continued)**

Subsequent malpractice occurrences arising from events in connection with NHCC are the responsibility of NHCC.

B. Tax Certioraris

In fiscal 2011, there were approximately 118,792 taxpayers' claims (residential and commercial) filed against the Board of Assessors, for the incorrect determination of assessed valuation (certiorari proceedings) for the 2011 (May 1, 2010) assessment roll. The total amount of tax certiorari bonds issued and outstanding by both the County and NIFA was approximately \$1.1 billion at December 31, 2011. This amount has been included with serial bonds reported in the government-wide financial Statement of Net Assets. An amount estimated for future settlements and judgments of \$222.9 million has also been recorded as a long-term liability in the government-wide financial statement of Net Assets at December 31, 2011. For the year-ended December 31, 2011, tax certiorari expenditures were \$64.1 million, \$43.1 million financed by operating funds in addition to \$21.0 million of borrowed funds.

C. Contingencies under Grant Programs

The County participates in a number of Federal and State grant programs some of which are funded under the American Recovery and Reinvestment Act ("ARRA"). These programs are subject to financial and compliance audits by the grantors or their representatives.

Provisions for certain expected disallowances, where considered necessary, have been made as of December 31, 2011. In the County's opinion, any additional disallowances resulting from these audits will not be material.

D. Certain Third - Party Reimbursement Matters

Net patient service revenue of NHCC's health facilities included amounts estimated to be reimbursable by third-party payer programs. Such amounts are subject to revision based on changes in a variety of factors as set forth in the applicable regulations. It is the opinion of NHCC's management that adjustments, if any, would not have a material effect on the County's financial position.

E. Insurance

The County carries property insurance on its police helicopters, a blanket fidelity bond covering all County employees and the following coverage for the summer recreation program: accident insurance, umbrella liability and general liability. Essentially all other risks are assumed directly by the County. The County suffered no material property losses during 2011.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

16. CONTINGENCIES AND COMMITMENTS (Continued)**F. Accumulated Vacation and Sick Leave Entitlements**

County employees are entitled to accumulate unused vacation leave and sick leave up to certain contractual amounts. At current salary levels, the County's liability for the payment of these accumulations is approximately \$546.9 million at December 31, 2011. At August 31, 2011, the College's vacation leave and sick leave liability was \$52.2 million.

G. Deferred Payroll

In 2009, the County entered into agreements with the Civil Service Employees' Association ("CSEA"), the Police Benevolent Association, ("PBA"), Superior Officers Association, ("SOA"), Detective Association, Inc. ("DAI"), and the Sheriff Officers Association, Inc ("ShOA") and certain Ordinance employees, to defer 10 days' pay, which shall be paid to the employee on separation of service at the salary rate then in effect. The County also entered into bargaining agreements with CSEA, PBA, SOA, DAI, and ShOA that include deferrals of wages and longevity that cover various periods of time during 2007 through 2011. In 2011, these deferred wages began to be paid to the employee and additional payments are scheduled to be paid through 2015 depending on the bargaining unit, or at termination at the rate earned. The amount deferred at December 31, 2011 was approximately \$57.4 million. The non-current component of this deferral is reported as a long-term liability in the government-wide Statement of Net Assets, as certain contractual arrangements to provide for the payment of these commitments at specific dates in future fiscal periods. The College, a component unit of the County, entered into a similar agreement in 1992 originally to be paid to eligible employees on September 1, 2002, but continues to be deferred in accordance with their current contractual agreement. The amount deferred at the College's fiscal year close of August 31, 2011 was approximately \$0.9 million and is also reported in the government-wide Statement of Net Assets. In addition, termination pay for accumulated leave in excess of \$5,000 for CSEA and Ordinance members shall be paid by the County in three equal installments of accumulated days on the three consecutive Januarys following termination. The amount deferred at December 31, 2011 was approximately \$24.8 million, and is also reported in the government-wide Statement of Net Assets.

H. Capital Commitments

At December 31, 2011, there were capital project contract commitments of \$289.1 million.

I. MTA Commitment

In a contract action between the County and Metropolitan Transportation Authority (the "MTA"), the County sought rescission and invalidation of the Mass Transportation Funding Agreement (the "Agreement") dated as of December 30, 1996 between the County and the MTA (and a similar 1999 mass transportation funding agreement). The MTA moved to dismiss the County's Complaint and counterclaimed for breach of contract and conversion, seeking damages of approximately \$13.6 million plus interest, along with approximately \$7.4 million in additional capital funding. The County opposed the counterclaims on various grounds including the statute

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2011

16. CONTINGENCIES AND COMMITMENTS (Continued)

I. MTA Commitment (Continued)

of limitations and the MTA’s failure to meet a condition precedent to payment under the Agreement. The motion court issued a decision on December 22, 2010 dismissing the County’s Complaint and granting the MTA summary judgment on its counterclaims. The County moved for reargument of the ruling for the MTA on the counterclaims and the court denied this motion in a one-sentence decision on December 5, 2011. The County has appealed both decisions to the Appellate Division, First Department. Authorization for the County to fund substantially all potential further payments under the Agreement nevertheless remains available under approved County bond ordinances.

J. Material Encumbrances

Material encumbrances (greater than \$5 million) as of the year ended December 31, 2011 were as follows (dollars in thousands):

| | |
|---|-----------|
| <u>General Fund</u> | |
| Pre-School/Special Education contracts with the Health Department | \$ 19,632 |
| Early Intervention contracts with the Health Department | 9,331 |
| <u>Capital Fund</u> | |
| Construction: | |
| Protection of Persons | 5,460 |
| Public Works | 8,267 |
| General government consulting | 7,556 |

There were no material encumbrances as of December 31, 2011 in the non-major funds.

17. NASSAU HEALTH CARE CORPORATION (“NHCC”)

Effective September 29, 1999, the NHCC acquired the “Health Facilities” of the County. The purchase, pursuant to the terms of an acquisition agreement between the NHCC and the County (the “Acquisition Agreement”), resulted in the transfer of all real property owned by the County on which the Nassau University Medical Center and A. Holly Patterson Extended Care are situated, as defined. Additionally, as defined in the Acquisition Agreement, the County assumed the net accounts receivable and the majority of liability balances, as defined, of the Health Facilities, which existed on September 28, 1999, as well as commitments to making annual historic mission payments, funding certain capital projects and other costs associated with NHCC.

At December 31, 2011, the NHCC had total net assets deficiency of \$309 million. The deficiency arose from operating losses and postemployment benefits other than pension liability. NHCC is continuously striving to improve its net asset position by returning to profitability before other operating items, by

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

17. NASSAU HEALTH CARE CORPORATION (“NHCC”) (Continued)

continuing to progress with collecting on patient accounts, and through cash flows provided by government subsidies and funding of capital projects. NHCC has undertaken a number of initiatives to return to positive cash flows. Such actions include continued revenue cycle enhancements, renegotiation of all commercial managed care contracts, changes to medical management practices, improved supply chain, inventory management and, further cost reductions from the major modernization program undertaken over the past several years. The modernization program included significant investments in real estate consolidation, facility improvements, clinical equipment and information technology, and enhancements to the community health centers. The Successor Agreement, which commenced in November 2007 and is in effect to 2029, clarifies the services provided by NHCC to the County and establishes the mechanism for payments to the Corporation. The Successor Agreement also provides NHCC with capital funding.

18. SUBSEQUENT EVENTS

Long Island Bus/Nassau Inter-County Express

On January 1, 2012, Nassau Inter-County Express (“NICE”) Bus commenced service as the exclusive transit operator of the County-owned bus system. NICE replaced the former operator, the MTA Long Island Bus, a subsidiary of the Metropolitan Transportation Authority (the “MTA”), which ceased operations as the County’s bus system pursuant to a mutual agreement. Funding for the operations and capital maintenance of the buses is through a combination of fare box and advertising revenues, Federal and State Aid, and County financing.

Debt Issuance

In April 2012, the County issued Series A Bond Anticipation Notes (“BANS”) of \$ 34.6 million with an interest rate of 1.5% and are due April 1, 2013.

The County issued Series A General Obligation Bonds in April 2012 in the amount of \$196.6 million. The bonds bear interest at varying rates from 3.0% to 5%, with maturity dates varying from April 2014 to April 2034. The bonds maturing on or after April 1, 2022 are subject to optional redemption on April 1, 2021 or any date thereafter.

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REQUIRED SUPPLEMENTARY INFORMATION

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EXHIBIT X-14

COUNTY OF NASSAU, NEW YORK

**SCHEDULE OF FUNDING PROGRESS - NASSAU COUNTY PORTION
POST-EMPLOYMENT RETIREMENT HEALTHCARE BENEFIT PLAN
DECEMBER 31, 2011 (Dollars in Thousands)**

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial | | Funded Ratio (a/b) | Covered Payroll (c) | Accrued Percentage of Covered Payroll (b-a)/c |
|-----------------------------|----------------------------------|-----------------------------------|---------------------------------|-----------------------|---------------------------|--|
| | | Accrued Liability (AAL) (b) | Unfunded AAL (UAAL) (b-a) | | | |
| 1/1/2011 | \$ 0 | \$ 4,618,696 | \$ 4,618,696 | 0.0% | \$ 880,434 | 524.6% |
| 1/1/2010 | 0 | 3,854,422 | 3,854,422 | 0.0% | 857,856 | 449.3% |
| 1/1/2009 | 0 | 3,467,421 | 3,467,421 | 0.0% | 831,168 | 417.2% |

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**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

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EXHIBIT A-1

COUNTY OF NASSAU, NEW YORK

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2011 (Dollars in Thousands)**

| | <u>Nonmajor Special Revenue Funds</u> | | | | <u>Nonmajor Debt Service Funds</u> | | |
|--|--|---|---|-----------------------|--|---|--|
| | <u>Environmental Protection Fund</u> | <u>Tobacco Settlement Corp General Fund</u> | <u>Sewer Financing Authority General Fund</u> | <u>Grant Fund</u> | <u>Tobacco Settlement Corp Debt Service Fund</u> | <u>NIFA Debt Service Fund</u> | <u>Total Nonmajor Governmental Funds</u> |
| ASSETS | | | | | | | |
| Cash | \$ 22,890 | \$ 210 | \$ 1 | \$ 49,022 | \$ | \$ 8 | \$ 72,131 |
| Investments | | | 20,861 | | 23,600 | 51,093 | 95,554 |
| Interest Receivable | | | | | | 40 | 40 |
| Due From Other Governments | | | | 15,481 | | | 15,481 |
| Accounts Receivable | | | | 318 | | | 318 |
| Interfund Receivables | | | | 471 | | 17,565 | 18,036 |
| Prepays | | 12 | | 2,469 | | | 2,481 |
| Other Assets | | | | 106 | | | 106 |
| TOTAL ASSETS | \$ 22,890 | \$ 222 | \$ 20,862 | \$ 67,867 | \$ 23,600 | \$ 68,706 | \$ 204,147 |
| LIABILITIES AND FUND EQUITY | | | | | | | |
| <u>Liabilities:</u> | | | | | | | |
| Accounts Payable | \$ | \$ | \$ | \$ 7,355 | \$ | \$ | \$ 7,355 |
| Accrued Liabilities | | | | 575 | | 53,278 | 53,853 |
| Deferred Revenue | | | | 31,793 | | | 31,793 |
| Interfund Payables | 8,468 | | | 3,783 | | 3 | 12,254 |
| Due to Component Unit | | | | 910 | | | 910 |
| Due to Other Governments | | | | | | 123 | 123 |
| Other Liabilities | | | | | | | |
| Total Liabilities | 8,468 | | | 44,416 | | 53,404 | 106,288 |
| <u>Fund Equity:</u> | | | | | | | |
| Nonspendable | | 12 | | 2,469 | | | 2,481 |
| Spendable | | | | | | | |
| Restricted | | | 3,126 | 20,982 | 23,600 | 15,302 | 63,010 |
| Committed | 14,422 | | | | | | 14,422 |
| Assigned | | | | | | | |
| Unassigned | | 210 | 17,736 | | | | 17,946 |
| Total Fund Equity | 14,422 | 222 | 20,862 | 23,451 | 23,600 | 15,302 | 97,859 |
| TOTAL LIABILITIES AND FUND EQUITY | \$ 22,890 | \$ 222 | \$ 20,862 | \$ 67,867 | \$ 23,600 | \$ 68,706 | \$ 204,147 |

EXHIBIT A-2

COUNTY OF NASSAU, NEW YORK

NONMAJOR GOVERNMENTAL FUNDS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

FOR THE YEAR ENDED DECEMBER 31, 2011 (Dollars in Thousands)

| | Nonmajor Special Revenue Funds | | | | Nonmajor Debt Service Funds | | | Total Nonmajor Governmental Funds |
|---|--------------------------------|--------------------------------------|--|------------------|---|---|------------------------|-----------------------------------|
| | Environmental Protection Fund | Tobacco Settlement Corp General Fund | Sewer Financing Authority General Fund | Grant Fund | Sewer Financing Authority Debt Service Fund | Tobacco Settlement Corp Debt Service Fund | NIFA Debt Service Fund | |
| Revenues: | | | | | | | | |
| Fines and Forfeits | \$ | \$ | \$ | \$ 1,784 | \$ | \$ | \$ | \$ 1,784 |
| Interest Income | 29 | | | 63 | | 3 | | 95 |
| Rents and Recoveries | | | | 652 | | | 100 | 752 |
| Departmental Revenue | | | | 2,998 | | | | 2,998 |
| Interdepartmental Revenue | | | | 27 | | | | 27 |
| Federal Aid | | | 3,126 | 72,651 | | | | 75,777 |
| State Aid | | | | 29,211 | | | | 29,211 |
| Tobacco Receipts | | | | | | 18,849 | | 18,849 |
| Property Taxes | 11,254 | | | | | | | 11,254 |
| Special Taxes | | | | 2,747 | | | | 2,747 |
| Other Revenues | | 23 | | 67 | | | | 90 |
| Total Revenues | <u>11,283</u> | <u>23</u> | <u>3,126</u> | <u>110,200</u> | <u>15,352</u> | <u>19,332</u> | <u>100</u> | <u>143,584</u> |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Judicial | | | | 2,629 | | | | 2,629 |
| General Administration | | 93 | 110 | 28,719 | 157 | | 4,174 | 33,253 |
| Protection of Persons | | | | 11,806 | | | | 11,806 |
| Health | | | | 48,630 | | | | 48,630 |
| Recreation and Parks | | | | 3,795 | | | | 3,795 |
| Sewage Districts | | | | | | | | |
| Social Services | | | | 8,591 | | | | 8,591 |
| Corrections | | | | 1,637 | | | | 1,637 |
| Total Current | | <u>93</u> | <u>110</u> | <u>105,807</u> | <u>157</u> | | <u>4,174</u> | <u>110,341</u> |
| Debt Service: | | | | | | | | |
| Principal | | | | | 7,360 | | 119,745 | 127,105 |
| Interest | | | | | 7,992 | 19,332 | 73,394 | 100,718 |
| Financing Costs | | | | | | | | |
| Total Debt Service | | | | | <u>15,352</u> | <u>19,332</u> | <u>193,139</u> | <u>227,823</u> |
| Total Expenditures | | <u>93</u> | <u>110</u> | <u>105,807</u> | <u>15,509</u> | <u>19,332</u> | <u>197,313</u> | <u>338,164</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>11,283</u> | <u>(70)</u> | <u>3,016</u> | <u>4,393</u> | <u>(15,509)</u> | <u>(480)</u> | <u>(197,213)</u> | <u>(194,580)</u> |
| Other Financing Sources (Uses): | | | | | | | | |
| Other Financing Sources - EFC Drawdowns | | | | | | | | |
| Transfers In | | | | 61 | | | | 61 |
| Transfers Out | (8,468) | | | | | | | (8,468) |
| Transfers Out of Investment Income | | | | | | | | |
| Transfers In from NIFA | | | | | | | 198,800 | 198,800 |
| Transfers Out to NIFA | | | | | | | (2,209) | (2,209) |
| Transfers In from SFA | | | 119,041 | | 48,213 | | | 167,254 |
| Transfers Out to SFA | | | (123,213) | | (32,704) | | | (155,917) |
| Transfers In from TSC | | 300 | | | | | | 300 |
| Transfers Out to TSC | | | | | | (300) | | (300) |
| Issuance of Bonds | | | | | | | | |
| Total Other Financing Sources (Uses) | <u>(8,468)</u> | <u>300</u> | <u>(4,172)</u> | <u>61</u> | <u>15,509</u> | <u>(300)</u> | <u>196,591</u> | <u>199,521</u> |
| Net Change in Fund Equity (Deficits) | 2,815 | 230 | (1,156) | 4,454 | (780) | (622) | | 4,941 |
| Fund Equity (Deficit) Beginning of Year | <u>11,607</u> | <u>(8)</u> | <u>22,018</u> | <u>18,997</u> | <u>24,380</u> | <u>15,924</u> | | <u>92,918</u> |
| Fund Equity End of Year | <u>\$ 14,422</u> | <u>\$ 222</u> | <u>\$ 20,862</u> | <u>\$ 23,451</u> | <u>\$ 23,600</u> | <u>\$ 15,302</u> | | <u>\$ 97,859</u> |

OTHER SUPPLEMENTARY INFORMATION

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EXHIBIT B-1**COUNTY OF NASSAU, NEW YORK****COMPARATIVE STATEMENT OF ACTUAL REVENUES VS. MODIFIED BUDGET
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011 (Dollars in Thousands)**

| | <u>Original Budget</u> | <u>Total Budgetary Authority</u> | <u>Actual Revenues</u> | <u>GAAP to Budgetary Basis Conversion</u> | <u>Actual on a Budgetary Basis</u> | <u>Variance Positive (Negative)</u> |
|--|----------------------------|--|----------------------------|---|--|---|
| INTEREST AND PENALTIES ON TAXES | \$ 28,500 | \$ 28,500 | \$ 28,165 | \$ | \$ 28,165 | (335) |
| LICENSES AND PERMITS | | | | | | |
| Pistol Permit | 900 | 900 | 908 | | 908 | 8 |
| Day Camp Permits | 5 | 5 | 10 | | 10 | 5 |
| Food Establishments | 2,452 | 2,452 | 2,686 | | 2,686 | 234 |
| Hazardous Materials Registration Fees | 987 | 987 | 1,001 | | 1,001 | 14 |
| Home Improvements | 2,250 | 2,250 | 2,225 | | 2,225 | (25) |
| Manufacturing Frozen Desserts | 16 | 16 | 18 | | 18 | 2 |
| Realty Subdivision Filing | 142 | 142 | 48 | | 48 | (94) |
| Road Openings | 1,293 | 1,293 | 794 | | 794 | (499) |
| Swimming Pools and Bathing Beaches | 239 | 239 | 224 | | 224 | (15) |
| Temporary Residence Inspection Permit | 76 | 76 | 84 | | 84 | 8 |
| Weights & Measures | 950 | 950 | 978 | | 978 | 28 |
| Cross Connections | 42 | 42 | 58 | | 58 | 16 |
| Water Supply Plan Review | 90 | 90 | 151 | | 151 | 61 |
| Tattoo Parlor / Piercing | 12 | 12 | 17 | | 17 | 5 |
| Predemolition Inspection | 54 | 54 | 65 | | 65 | 11 |
| Day Camp Inspections | 106 | 106 | 111 | | 111 | 5 |
| Taxi and Limo Registration Fees | 250 | 250 | 320 | | 320 | 70 |
| Lifeguard Certification | 64 | 64 | 66 | | 66 | 2 |
| ATM Registration Fees | 50 | 50 | 53 | | 53 | 3 |
| <u>Total Licenses and Permits</u> | <u>9,978</u> | <u>9,978</u> | <u>9,817</u> | | <u>9,817</u> | <u>(161)</u> |
| FINES AND FORFEITS | 93,876 | 93,876 | 51,622 | | 51,622 | (42,254) |
| INTEREST INCOME | 7,152 | 7,152 | 1,341 | | 1,341 | (5,811) |
| RENTS AND RECOVERIES | | | | | | |
| Rental of Mitchell Field | 36,014 | 36,014 | 6,367 | 37,062 | 43,429 | 7,415 |
| Coliseum Concessions | 559 | 559 | | | | (559) |
| Coliseum Rental | 220 | 220 | 359 | | 359 | 139 |
| Coliseum Utilities | 2,507 | 2,507 | 2,381 | | 2,381 | (126) |
| Landmark Property Rental | 700 | 700 | | | | (700) |
| Mitchel Field Veterans Housing | | 350 | 333 | | 333 | (17) |
| Stop DWI Grand Revenues | 250 | 250 | | | | (250) |
| Lost and Abandoned Property | 55 | 55 | | | | (55) |
| Cash Recoveries | 824 | 824 | | | | (824) |
| Audit Recoveries | 250 | 250 | | | | (250) |
| Grant fund Recoveries | 1,144 | 1,144 | | | | (1,144) |
| Police Vehicle Recovery | 200 | 200 | 280 | | 280 | 80 |
| Vendor Recoveries | 807 | 807 | | | | (807) |
| Red Light Camera Processing Fee Recoveries | | | 7 | | 7 | 7 |
| Revenue Recovery Account | | | 124 | | 124 | 124 |
| Settlement Reimbursement | | | 915 | | 915 | 915 |
| Recovery of Damage to County Property | 400 | 400 | 133 | | 133 | (267) |
| Recovery of Prior Year Appropriations | 11,037 | 11,987 | | | | (11,987) |
| Recovery of Workers' Compensation | 850 | 850 | 1,745 | | 1,745 | 895 |
| Rental of County Property | 1,117 | 1,117 | 1,302 | | 1,302 | 185 |
| Rental of Voting Machines | 120 | 120 | 101 | | 101 | (19) |
| Sale of County Property | 25,100 | 25,100 | 9,824 | | 9,824 | (15,276) |
| Proceeds from Online Auction | | | 78 | | 78 | 78 |
| Recoveries from Enterprise Funds | 20 | 20 | 12 | | 12 | (8) |
| Other Recoveries | | | 6,902 | | 6,902 | 6,902 |
| <u>Total Rents and Recoveries</u> | <u>82,174</u> | <u>83,474</u> | <u>30,863</u> | <u>37,062</u> | <u>67,925</u> | <u>(15,549)</u> |
| DEPARTMENTAL REVENUE | | | | | | |
| Assessment | 150 | 150 | 115 | | 115 | (35) |
| Board of Elections | 35 | 35 | 55 | | 55 | 20 |
| CASA | 18 | 18 | 19 | | 19 | 1 |
| Civil Service | 335 | 335 | 230 | | 230 | (105) |
| Correctional Center | 6,188 | 6,188 | 6,768 | | 6,768 | 580 |
| County Attorney | 95 | 95 | 125 | | 125 | 30 |
| County Clerk | 23,932 | 23,932 | 24,486 | | 24,486 | 554 |

(Continued)

EXHIBIT B-1

COUNTY OF NASSAU, NEW YORK

**COMPARATIVE STATEMENT OF ACTUAL REVENUES VS. MODIFIED BUDGET
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011 (Dollars in Thousands)**

| | <u>Original Budget</u> | <u>Total Budgetary Authority</u> | <u>Actual Revenues</u> | <u>GAAP to Budgetary Basis Conversion</u> | <u>Actual on a Budgetary Basis</u> | <u>Variance Positive (Negative)</u> |
|---|----------------------------|--|----------------------------|---|--|---|
| DEPARTMENTAL REVENUE (Continued) | | | | | | |
| County Comptroller | \$ 16 | \$ 16 | \$ 17 | \$ | \$ 17 | \$ 1 |
| District Attorney | 25 | 25 | 19 | | 19 | (6) |
| Fire Commission | 6,147 | 6,147 | 6,046 | | 6,046 | (101) |
| Health | | | | | | |
| Administration | 3 | 3 | 4 | | 4 | 1 |
| Children's Early Intervention | 9,613 | 9,613 | 9,537 | | 9,537 | (76) |
| Pre School Education | 2,026 | 2,026 | 936 | | 936 | (1,090) |
| Laboratory Research | 10 | 10 | 18 | | 18 | 8 |
| Personal Health | 2 | 2 | | | | (2) |
| Information Technology | 27 | 27 | | | | (27) |
| Medical Examiner | 20 | 20 | 19 | | 19 | (1) |
| Mental Health, Chemical Dependency and Disabled Services | 200 | 200 | | | | (200) |
| Miscellaneous | 620 | 620 | 628 | | 628 | 8 |
| Parks and Recreation | | | | | | |
| Administration | 1,038 | 1,038 | 25 | | 25 | (1,013) |
| Recreation Services | 10,919 | 10,919 | 9,837 | | 9,837 | (1,082) |
| Museums | 675 | 675 | 571 | | 571 | (104) |
| Golf Operations | 10,120 | 10,120 | 7,821 | | 7,821 | (2,299) |
| Planning | 993 | 993 | 767 | | 767 | (226) |
| Police Ambulance Fees | 29,150 | 29,150 | 22,197 | | 22,197 | (6,953) |
| Police Fees | 683 | 683 | 512 | | 512 | (171) |
| Probation | 1,834 | 1,834 | 1,795 | | 1,795 | (39) |
| Public Administrator | 400 | 400 | 414 | | 414 | 14 |
| Public Utility Authority | 1,664 | 1,664 | 2,721 | | 2,721 | 1,057 |
| Public Works - Administration | 920 | 920 | 602 | | 602 | (318) |
| Public Works - Roads and Bridge Maintenance | | 291 | 291 | | 291 | |
| Purchasing | 21 | 21 | 23 | | 23 | 2 |
| Real Estate | 180 | 180 | 144 | | 144 | (36) |
| Senior Citizen Affairs | 17 | 17 | 9 | | 9 | (8) |
| Social Services | | | | | | |
| Administration | 62 | 62 | 235 | | 235 | 173 |
| Aid to Dependent Children | 4,290 | 4,290 | 4,108 | | 4,108 | (182) |
| Burials | 13 | 13 | 4 | | 4 | (9) |
| Children in Foster Homes | 280 | 280 | 274 | | 274 | (6) |
| Home Energy Assistance Program | 70 | 70 | 122 | | 122 | 52 |
| Children in Institutions | 175 | 175 | 139 | | 139 | (36) |
| Education of Handicapped Children | 2,900 | 2,900 | 6,751 | | 6,751 | 3,851 |
| Home Relief | 2,500 | 2,500 | 2,907 | | 2,907 | 407 |
| Juvenile Delinquents | 80 | 80 | 210 | | 210 | 130 |
| Medicaid MMIS | 1,250 | 1,250 | 1,858 | | 1,858 | 608 |
| Title XX | 375 | 375 | 149 | | 149 | (226) |
| Treasurer | 750 | 750 | 626 | | 626 | (124) |
| Traffic and Parking Violations | | | 3 | | 3 | 3 |
| Total Departmental Revenue | 120,821 | 121,112 | 114,137 | | 114,137 | (6,975) |
| INTERDEPARTMENTAL REVENUE | | | | | | |
| Office of Budget and Management | 783 | 783 | 702 | | 702 | (81) |
| Constituent Affairs | 1,309 | 1,309 | 358 | | 358 | (951) |
| Correctional Center | 290 | 290 | 120 | | 120 | (170) |
| County Attorney | 1,598 | 1,598 | 1,040 | | 1,040 | (558) |
| District Attorney | 262 | 262 | 356 | | 356 | 94 |
| General Revenue | 57,182 | 57,182 | | | | (57,182) |
| Information Technology | 8,586 | 8,586 | 7,501 | | 7,501 | (1,085) |
| Police Department | 12,774 | 12,774 | 10,156 | | 10,156 | (2,618) |
| Purchasing | 291 | 291 | | | | (291) |
| Public Works - Roads & Bridge Maintenance | 8,718 | 8,718 | 6,938 | | 6,938 | (1,780) |
| Real Estate | 12,473 | 12,473 | 10,891 | | 10,891 | (1,582) |
| Parks | | | 30 | | 30 | 30 |
| Revenues from Capital Fund | 12,695 | 12,695 | 5,597 | | 5,597 | (7,098) |

(Continued)

EXHIBIT B-1

COUNTY OF NASSAU, NEW YORK

**COMPARATIVE STATEMENT OF ACTUAL REVENUES VS. MODIFIED BUDGET
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011 (Dollars in Thousands)**

| | <u>Original Budget</u> | <u>Total Budgetary Authority</u> | <u>Actual Revenues</u> | <u>GAAP to Budgetary Basis Conversion</u> | <u>Actual on a Budgetary Basis</u> | <u>Variance Positive (Negative)</u> |
|--|----------------------------|--|----------------------------|---|--|---|
| INTERDEPARTMENTAL REVENUE (Continued) | | | | | | |
| Revenues from Indirect Cost Chargebacks | \$ 2,231 | \$ 2,231 | \$ 54,897 | \$ | \$ 54,897 | \$ 52,666 |
| Revenues from Grant Closeouts | 225 | 225 | 178 | | 178 | (47) |
| Interfund Revenue | 23,998 | 23,998 | 19,885 | | 19,885 | (4,113) |
| Interfund Revenue from Sewer & Stormwater Fund | 14,802 | 14,802 | | | | (14,802) |
| Interfund Revenue from Environmental Bond Fund | 12,040 | 12,040 | | | | (12,040) |
| NHCC Reimbursement on Guaranteed Debt | 15,138 | 15,138 | 13,602 | | 13,602 | (1,536) |
| OTB Reimbursement | 1,980 | 1,980 | 1,980 | | 1,980 | |
| Interdepartmental Revenue | 123,357 | 123,357 | | | | (123,357) |
| Stop DWI Grant Revenue | 496 | 496 | 268 | | 268 | (228) |
| Senior Citizens Affairs | 470 | 470 | 350 | | 350 | (120) |
| Social Services | 110 | 110 | 68 | | 68 | (42) |
| Treasurer | 19 | 19 | | | | (19) |
| Veterans Service Agency | 1,765 | 1,765 | | | | (1,765) |
| Total Interdepartmental Revenue | 313,592 | 313,592 | 134,917 | | 134,917 | (178,675) |
| FEDERAL AID | | | | | | |
| Correctional Center | 14,069 | 14,069 | 11,952 | | 11,952 | (2,117) |
| County Attorney | 300 | 300 | 222 | | 222 | (78) |
| Debt Service | 3,380 | 3,380 | 4,815 | | 4,815 | 1,435 |
| District Attorney | 34 | 34 | 29 | | 29 | (5) |
| Emergency Management | 519 | 519 | 531 | | 531 | 12 |
| Housing and Minority Affairs | | | 151 | | 151 | 151 |
| Mental Health | | | | | | |
| Administration | | | 230 | | 230 | 230 |
| Contractual Services | | | 178 | | 178 | 178 |
| Miscellaneous General Fund Aid | 137 | 137 | 135 | | 135 | (2) |
| Planning | 25 | 25 | 39 | | 39 | 14 |
| Police Department | 3,664 | 3,664 | 1,026 | | 1,026 | (2,638) |
| Probation | | | 290 | | 290 | 290 |
| Public Works | | 14,706 | 11,897 | | 11,897 | (2,809) |
| Senior Citizen Affairs | 5,577 | 5,812 | 5,542 | | 5,542 | (270) |
| Social Services | | | | | | |
| Administration | 10,858 | 10,858 | 13,627 | | 13,627 | 2,769 |
| Aid to Dependent Children | 12,863 | 12,863 | 32,590 | | 32,590 | 19,727 |
| Children in Foster Homes | 1,641 | 1,641 | 417 | | 417 | (1,224) |
| Children in Institutions | 11,725 | 11,725 | 7,463 | | 7,463 | (4,262) |
| Division of Services | 10,192 | 10,192 | 11,077 | | 11,077 | 885 |
| Home Energy Assistance Program | 1,020 | 1,020 | 335 | | 335 | (685) |
| Juvenile Delinquents | 3,600 | 3,600 | 2,955 | | 2,955 | (645) |
| Medicaid MMIS | 17,660 | 17,660 | 18,691 | | 18,691 | 1,031 |
| Public Financial Assistance | 22,146 | 22,146 | 23,506 | | 23,506 | 1,360 |
| Subsidized Adoptions | 2,385 | 2,385 | 2,664 | | 2,664 | 279 |
| Title XX | 30,000 | 30,000 | 27,975 | | 27,975 | (2,025) |
| Total Federal Aid | 151,795 | 166,736 | 178,337 | | 178,337 | 11,601 |
| STATE AID | | | | | | |
| Assessment | 500 | 500 | | | | (500) |
| Consumer Affairs | 46 | 46 | 43 | | 43 | (3) |
| Correctional Center | 372 | 372 | 375 | | 375 | 3 |
| County Attorney | 75 | 75 | 57 | | 57 | (18) |
| Court Facility Aid | 1,833 | 1,833 | 1,679 | | 1,679 | (154) |
| District Attorney | 42 | 42 | 39 | | 39 | (3) |
| Fire Prevention, Safety, Communication and Education | 190 | 190 | 142 | | 142 | (48) |
| Health | | | | | | |
| Administration | 1,900 | 1,900 | 926 | | 926 | (974) |
| Children's Early Intervention | 20,560 | 20,560 | 17,271 | | 17,271 | (3,289) |
| Pre School Education | 71,761 | 71,761 | 69,165 | | 69,165 | (2,596) |
| Environmental Health | 1,400 | 1,400 | 1,168 | | 1,168 | (232) |
| Laboratory Research | 790 | 790 | 793 | | 793 | 3 |
| Personal Health | 2,700 | 2,700 | 3,198 | | 3,198 | 498 |

(Continued)

EXHIBIT B-1

COUNTY OF NASSAU, NEW YORK

**COMPARATIVE STATEMENT OF ACTUAL REVENUES VS. MODIFIED BUDGET
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011 (Dollars in Thousands)**

| | <u>Original Budget</u> | <u>Total Budgetary Authority</u> | <u>Actual Revenues</u> | <u>GAAP to Budgetary Basis Conversion</u> | <u>Actual on a Budgetary Basis</u> | <u>Variance Positive (Negative)</u> |
|--|----------------------------|--|----------------------------|---|--|---|
| STATE AID (Continued) | | | | | | |
| Human Services | | | | | | |
| Administration | \$ 1,062 | \$ 1,062 | \$ 1,555 | \$ | \$ 1,555 | \$ 493 |
| Contractual Services | 4,863 | 4,863 | 4,104 | | 4,104 | (759) |
| Direct Services | 1,150 | 1,150 | 828 | | 828 | (322) |
| Information Technology | 408 | 408 | 442 | | 442 | 34 |
| Medical Examiner | 2,150 | 2,150 | 1,208 | | 1,208 | (942) |
| Miscellaneous General Fund Aid | 7,475 | 7,475 | 300 | | 300 | (7,175) |
| Police Department | 2,589 | 2,589 | | | | (2,589) |
| Probation | 2,850 | 2,850 | 2,777 | | 2,777 | (73) |
| Public Works | | | | | | |
| Administration | 55 | 55 | 201 | | 201 | 146 |
| Highway and Bridge Maintenance | | | 20 | | 20 | 20 |
| Roads and Bridge Maintenance | | | 1,251 | | 1,251 | 1,251 |
| Senior Citizen Affairs | 6,853 | 6,853 | 6,894 | | 6,894 | 41 |
| Social Services | | | | | | |
| Administration | 6,981 | 6,981 | 5,794 | | 5,794 | (1,187) |
| Aid to Dependent Children | 11,025 | 11,025 | 5,405 | | 5,405 | (5,620) |
| Burials | 5 | 5 | 2 | | 2 | (3) |
| Children in Foster Homes | 839 | 839 | 265 | | 265 | (574) |
| Children in Institutions | 4,104 | 4,104 | 2,746 | | 2,746 | (1,358) |
| Division of Services | 9,691 | 9,691 | 7,209 | | 7,209 | (2,482) |
| Education of Handicapped Children | 5,800 | 5,800 | 2,542 | | 2,542 | (3,258) |
| Home Relief | 18,525 | 18,525 | 11,053 | | 11,053 | (7,472) |
| Juvenile Delinquents | 1,859 | 1,859 | 1,302 | | 1,302 | (557) |
| Juvenile Detention Center | 4,178 | 4,178 | 5,387 | | 5,387 | 1,209 |
| Medicaid MMIS | 2,000 | 2,000 | | | | (2,000) |
| Public Financial Assistance | 15,298 | 15,298 | 18,177 | | 18,177 | 2,879 |
| Subsidized Adoptions | 2,650 | 2,650 | 1,477 | | 1,477 | (1,173) |
| Title XX | 5,750 | 5,750 | 6,618 | | 6,618 | 868 |
| Veterans Service Agency | 33 | 33 | | | | (33) |
| Nassau County Youth Board | 1,169 | 1,169 | 799 | | 799 | (370) |
| <u>Total State Aid</u> | <u>221,531</u> | <u>221,531</u> | <u>183,212</u> | | <u>183,212</u> | <u>(38,319)</u> |
| SALES TAX * | <u>951,472</u> | <u>951,472</u> | <u>750,762</u> | | <u>750,762</u> | <u>(200,710)</u> |
| PREEMPTED SALES TAX IN LIEU OF PROPERTY TAXES | | | | | | |
| Towns and City of Glen Cove | <u>71,865</u> | <u>71,865</u> | <u>70,243</u> | | <u>70,243</u> | <u>(1,622)</u> |
| <u>Total Preempted Sales Tax in Lieu of Property Taxes</u> | <u>71,865</u> | <u>71,865</u> | <u>70,243</u> | | <u>70,243</u> | <u>(1,622)</u> |
| PROPERTY TAXES | <u>435,827</u> | <u>435,826</u> | <u>432,251</u> | | <u>432,251</u> | <u>(3,575)</u> |
| PAYMENTS IN LIEU OF TAXES | <u>6,805</u> | <u>6,805</u> | <u>7,369</u> | | <u>7,369</u> | <u>564</u> |
| SPECIAL TAXES | | | | | | |
| Admission Tax - Belmont Park | 55 | 55 | 109 | | 109 | 54 |
| Emergency Phone Tax | 7,448 | 7,448 | 6,464 | | 6,464 | (984) |
| Entertainment Tax | 2,495 | 2,495 | 1,968 | | 1,968 | (527) |
| Motor Vehicle Tax | 16,453 | 16,453 | 16,622 | | 16,622 | 169 |
| Off-Track Betting Surtax | 5,000 | 5,000 | 3,874 | | 3,874 | (1,126) |
| Hotel-Motel Room Tax | 1,325 | 1,325 | 1,448 | | 1,448 | 123 |
| <u>Total Special Taxes</u> | <u>32,776</u> | <u>32,776</u> | <u>30,485</u> | | <u>30,485</u> | <u>(2,291)</u> |

(Continued)

EXHIBIT B-1

COUNTY OF NASSAU, NEW YORK

**COMPARATIVE STATEMENT OF ACTUAL REVENUES VS. MODIFIED BUDGET
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011 (Dollars in Thousands)**

| | <u>Original Budget</u> | <u>Total Budgetary Authority</u> | <u>Actual Revenues</u> | <u>GAAP to Budgetary Basis Conversion</u> | <u>Actual on a Budgetary Basis</u> | <u>Variance Positive (Negative)</u> |
|---|----------------------------|--|----------------------------|---|--|---|
| <u>OTHER REVENUES</u> | | | | | | |
| OTB Profits | \$ 1,500 | \$ 1,500 | \$ | \$ | \$ | \$ |
| Miscellaneous | 19,945 | 19,946 | 18,110 | (6,188) | 11,922 | (1,500) (8,024) |
| <u>Total Other Revenues</u> | <u>21,445</u> | <u>21,446</u> | <u>18,110</u> | <u>(6,188)</u> | <u>11,922</u> | <u>(9,524)</u> |
| <u>Total Revenues</u> | <u>2,549,609</u> | <u>2,566,141</u> | <u>2,041,631</u> | <u>30,874</u> | <u>2,072,505</u> | <u>(493,636)</u> |
| <u>OTHER FINANCING SOURCES</u> | | | | | | |
| Bond Premium | 6,000 | 6,000 | 9,323 | | 9,323 | 3,323 |
| Transfers In | 319,239 | 354,540 | 74,837 | | 74,837 | (279,703) |
| Transfer in from NIFA | | | 546 | | 546 | 546 |
| Transfers in of Investment Income | | | 1,018 | | 1,018 | 1,018 |
| Proceeds from Borrowing | | | 43,314 | (38,875) | 4,439 | 4,439 |
| <u>Total Other Financing Sources</u> | <u>325,239</u> | <u>360,540</u> | <u>129,038</u> | <u>(38,875)</u> | <u>90,163</u> | <u>(270,377)</u> |
| TOTAL REVENUES AND OTHER FINANCING SOURCES | <u>\$ 2,874,848</u> | <u>\$ 2,926,681</u> | <u>\$ 2,170,669</u> | <u>\$ (8,001)</u> | <u>\$ 2,162,668</u> | <u>\$ (764,013)</u> |

* Paid to County \$56,102; paid to NIFA \$967,026

** Total revenues and other financing sources, estimates per the 2011 County budget as adopted

| | |
|--|---------------------|
| Original Budget per above | \$ 2,874,848 |
| Less: Appropriated fund balance | (232) |
| Add: Supplemental appropriations | 52,065 |
| Budget estimates, total revenues and other financing sources | <u>\$ 2,926,681</u> |

EXHIBIT B-2

COUNTY OF NASSAU, NEW YORK

**COMPARATIVE STATEMENT OF ACTUAL EXPENDITURES
VS. TOTAL BUDGETARY AUTHORITY
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011 (Dollars in Thousands)**

| <u>FUNCTIONS</u> | <u>Original Budget</u> | <u>Total Budgetary Authority</u> | <u>Actual Expenditures</u> | <u>GAAP to Budgetary Basis Conversion</u> | <u>Actual on a Budgetary Basis</u> | <u>Variance Positive (Negative)</u> |
|--------------------------------------|----------------------------|--|--------------------------------|---|--|---|
| CURRENT: | | | | | | |
| LEGISLATIVE | | | | | | |
| Legislature | | | | | | |
| Legislators | | | | | | |
| Salaries | \$ 4,569 | \$ 4,369 | \$ 4,013 | \$ | \$ 4,013 | \$ 356 |
| Fringe Benefits | 1,882 | 1,781 | 1,729 | (6) | 1,723 | 58 |
| Equipment | 13 | 13 | 1 | | 1 | 12 |
| General Expenses | 21 | 21 | 12 | 3 | 15 | 6 |
| Contractual Services | 224 | 74 | 69 | | 69 | 5 |
| Legislative Central Staff | | | | | | |
| Salaries | 581 | 581 | 537 | | 537 | 44 |
| Fringe Benefits | 232 | 238 | 232 | (1) | 231 | 7 |
| Equipment | 17 | 17 | 1 | | 1 | 16 |
| General Expenses | 1,672 | 2,092 | 2,053 | 23 | 2,076 | 16 |
| Contractual Services | 1,015 | 945 | 532 | 98 | 630 | 315 |
| Legislative Budget Review | | | | | | |
| Salaries | 868 | 868 | 768 | | 768 | 100 |
| Fringe Benefits | 328 | 341 | 331 | (1) | 330 | 11 |
| Equipment | 3 | 3 | | | | 3 |
| General Expenses | 7 | 7 | 4 | | 4 | 3 |
| Contractual Services | 4 | 4 | | | | 4 |
| Total Legislative | 11,436 | 11,354 | 10,282 | 116 | 10,398 | 956 |
| JUDICIAL | | | | | | |
| Court Administration | | | | | | |
| Fringe Benefits | 2,117 | 2,117 | 1,531 | (49) | 1,482 | 635 |
| District Attorney | | | | | | |
| Salaries | 29,570 | 29,570 | 28,479 | (283) | 28,196 | 1,374 |
| Fringe Benefits | 11,041 | 11,342 | 10,954 | (56) | 10,898 | 444 |
| Equipment | 65 | 65 | 52 | | 52 | 13 |
| General Expenses | 1,124 | 1,124 | 944 | 124 | 1,068 | 56 |
| Contractual Services | 1,377 | 1,377 | 875 | 266 | 1,141 | 236 |
| District Attorney Total | 43,177 | 43,478 | 41,304 | 51 | 41,355 | 2,123 |
| Public Administrator | | | | | | |
| Salaries | 502 | 527 | 523 | (4) | 519 | 8 |
| Fringe Benefits | 263 | 271 | 259 | (3) | 256 | 15 |
| General Expenses | 6 | 6 | 2 | 1 | 3 | 3 |
| Contractual Services | 21 | 21 | 7 | | 7 | 14 |
| Public Administrator Total | 792 | 825 | 791 | (6) | 785 | 40 |
| Traffic and Parking Violations | | | | | | |
| Salaries | 3,442 | 3,442 | 3,343 | | 3,343 | 99 |
| Fringe Benefits | 1,345 | 1,416 | 1,373 | (5) | 1,368 | 48 |
| Equipment | 12 | 12 | 3 | | 3 | 9 |
| General Expenses | 347 | 347 | 213 | 17 | 230 | 117 |
| Contractual Services | 17,092 | 17,092 | 9,129 | 653 | 9,782 | 7,310 |
| Interfund Charges | 61,626 | 18,534 | | | | 18,534 |
| Traffic and Parking Violations Total | 83,864 | 40,843 | 14,061 | 665 | 14,726 | 26,117 |
| Total Judicial | 129,950 | 87,263 | 57,687 | 661 | 58,348 | 28,915 |

(Continued)

EXHIBIT B-2

COUNTY OF NASSAU, NEW YORK

**COMPARATIVE STATEMENT OF ACTUAL EXPENDITURES
VS. TOTAL BUDGETARY AUTHORITY
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011 (Dollars in Thousands)**

| <u>FUNCTIONS</u> | <u>Original Budget</u> | <u>Total Budgetary Authority</u> | <u>Actual Expenditures</u> | <u>GAAP to Budgetary Basis Conversion</u> | <u>Actual on a Budgetary Basis</u> | <u>Variance Positive (Negative)</u> |
|--------------------------------------|----------------------------|--|--------------------------------|---|--|---|
| <u>GENERAL ADMINISTRATION</u> | | | | | | |
| Assessment | | | | | | |
| Salaries | \$ 13,075 | \$ 13,075 | \$ 11,386 | \$ (104) | \$ 11,282 | \$ 1,793 |
| Fringe Benefits | 6,540 | 6,475 | 6,253 | (32) | 6,221 | 254 |
| Equipment | 5 | 5 | | | | 5 |
| General Expenses | 583 | 583 | 466 | 19 | 485 | 98 |
| Contractual Services | 201 | 61 | 25 | 13 | 38 | 23 |
| Assessment Total | <u>20,404</u> | <u>20,199</u> | <u>18,130</u> | <u>(104)</u> | <u>18,026</u> | <u>2,173</u> |
| Board of Assessment Review | | | | | | |
| Salaries | 3,228 | 3,228 | 2,730 | (44) | 2,686 | 542 |
| Fringe Benefits | 1,322 | 1,349 | 1,308 | (4) | 1,304 | 45 |
| General Expenses | 95 | 95 | 51 | 2 | 53 | 42 |
| Contractual Services | 2,119 | 1,969 | 289 | 1,334 | 1,623 | 346 |
| Board of Assessment Review Total | <u>6,764</u> | <u>6,641</u> | <u>4,378</u> | <u>1,288</u> | <u>5,666</u> | <u>975</u> |
| Board of Elections | | | | | | |
| Administration | | | | | | |
| Salaries | 3,205 | 3,455 | 3,390 | (31) | 3,359 | 96 |
| Fringe Benefits | 1,131 | 1,252 | 1,207 | (7) | 1,200 | 52 |
| Equipment | 17 | 17 | 12 | 5 | 17 | |
| General Expenses | 52 | 52 | 26 | 1 | 27 | 25 |
| General Elections | | | | | | |
| Salaries | 8,351 | 9,228 | 8,842 | (81) | 8,761 | 467 |
| Fringe Benefits | 2,878 | 3,266 | 3,147 | (19) | 3,128 | 138 |
| Equipment | 48 | 48 | 21 | 23 | 44 | 4 |
| General Expenses | 643 | 1,720 | 1,660 | 47 | 1,707 | 13 |
| Contractual Services | 5 | 240 | 100 | 3 | 103 | 137 |
| Primary Elections | | | | | | |
| Salaries | 814 | 464 | 468 | (4) | 464 | |
| Fringe Benefits | 359 | 173 | 166 | (1) | 165 | 8 |
| General Expenses | 151 | 181 | 116 | 1 | 117 | 64 |
| Contractual Services | 547 | 212 | 90 | | 90 | 122 |
| Board of Elections Total | <u>18,201</u> | <u>20,308</u> | <u>19,245</u> | <u>(63)</u> | <u>19,182</u> | <u>1,126</u> |
| Civil Service | | | | | | |
| Salaries | 4,760 | 4,760 | 4,475 | (114) | 4,361 | 399 |
| Fringe Benefits | 2,042 | 2,019 | 1,933 | (16) | 1,917 | 102 |
| General Expenses | 257 | 257 | 174 | 19 | 193 | 64 |
| Contractual Services | 44 | 44 | | 35 | 35 | 9 |
| Interdepartmental Charges | 10 | 10 | | | | 10 |
| Civil Service Total | <u>7,113</u> | <u>7,090</u> | <u>6,582</u> | <u>(76)</u> | <u>6,506</u> | <u>584</u> |
| County Attorney | | | | | | |
| Salaries | 11,116 | 10,616 | 9,541 | (52) | 9,489 | 1,127 |
| Fringe Benefits | 4,447 | 4,357 | 4,207 | (22) | 4,185 | 172 |
| Equipment | 15 | 15 | 2 | | 2 | 13 |
| General Expenses | 747 | 747 | 421 | 10 | 431 | 316 |
| Contractual Services | 3,610 | 10,410 | 6,915 | 1,705 | 8,620 | 1,790 |
| County Attorney Total | <u>19,935</u> | <u>26,145</u> | <u>21,086</u> | <u>1,641</u> | <u>22,727</u> | <u>3,418</u> |
| County Clerk | | | | | | |
| Salaries | 6,139 | 6,139 | 5,849 | (48) | 5,801 | 338 |
| Fringe Benefits | 3,367 | 3,391 | 3,248 | (27) | 3,221 | 170 |
| Equipment | 99 | 99 | 39 | 58 | 97 | 2 |
| General Expenses | 348 | 348 | 257 | 14 | 271 | 77 |
| Contractual Services | 681 | 681 | 471 | 197 | 668 | 13 |
| County Clerk Total | <u>10,634</u> | <u>10,658</u> | <u>9,864</u> | <u>194</u> | <u>10,058</u> | <u>600</u> |
| County Comptroller | | | | | | |
| Salaries | 7,247 | 7,247 | 6,189 | (88) | 6,101 | 1,146 |
| Fringe Benefits | 3,305 | 3,203 | 3,052 | (32) | 3,020 | 183 |
| Equipment | 105 | 105 | 1 | 4 | 5 | 100 |
| General Expenses | 154 | 154 | 54 | 5 | 59 | 95 |
| Contractual Services | 900 | 900 | 42 | 673 | 715 | 185 |
| County Comptroller Total | <u>11,711</u> | <u>11,609</u> | <u>9,338</u> | <u>562</u> | <u>9,900</u> | <u>1,709</u> |

(Continued)

EXHIBIT B-2

COUNTY OF NASSAU, NEW YORK

**COMPARATIVE STATEMENT OF ACTUAL EXPENDITURES
VS. TOTAL BUDGETARY AUTHORITY
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011 (Dollars in Thousands)**

| <u>FUNCTIONS</u> | <u>Original Budget</u> | <u>Total Budgetary Authority</u> | <u>Actual Expenditures</u> | <u>GAAP to Budgetary Basis Conversion</u> | <u>Actual on a Budgetary Basis</u> | <u>Variance Positive (Negative)</u> |
|---|----------------------------|--|--------------------------------|---|--|---|
| GENERAL ADMINISTRATION (Continued) | | | | | | |
| County Executive | | | | | | |
| Salaries | \$ 2,564 | \$ 2,564 | \$ 1,970 | \$ | \$ 1,970 | \$ 594 |
| Fringe Benefits | 1,174 | 1,098 | 1,045 | (11) | 1,034 | 64 |
| General Expenses | 67 | 67 | 53 | 7 | 60 | 7 |
| Contractual Services | <u>262</u> | <u>262</u> | <u>170</u> | <u>62</u> | <u>232</u> | <u>30</u> |
| County Executive Total | <u>4,067</u> | <u>3,991</u> | <u>3,238</u> | <u>58</u> | <u>3,296</u> | <u>695</u> |
| County Treasurer | | | | | | |
| Salaries | 2,683 | 2,683 | 2,424 | (42) | 2,382 | 301 |
| Fringe Benefits | 1,388 | 1,363 | 1,306 | (11) | 1,295 | 68 |
| Equipment | 8 | 4 | | | | 4 |
| General Expenses | 237 | 260 | 260 | | 260 | |
| Contractual Services | <u>133</u> | <u>113</u> | <u>87</u> | | <u>87</u> | <u>26</u> |
| County Treasurer Total | <u>4,449</u> | <u>4,423</u> | <u>4,077</u> | <u>(53)</u> | <u>4,024</u> | <u>399</u> |
| Office of Constituent Affairs | | | | | | |
| Salaries | 749 | 769 | 773 | (4) | 769 | |
| Fringe Benefits | 396 | 360 | 350 | (1) | 349 | 11 |
| Contractual Services | <u>3</u> | <u>3</u> | | | | <u>3</u> |
| Office of Constituent Affairs Printing & Graphics | | | | | | |
| Salaries | 1,897 | 1,877 | 1,767 | (10) | 1,757 | 120 |
| Fringe Benefits | 844 | 823 | 797 | (3) | 794 | 29 |
| Equipment | 1 | 1 | | | | 1 |
| General Expenses | 2,111 | 2,111 | 1,965 | 145 | 2,110 | 1 |
| Contractual Services | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | |
| Office of Constituent Affairs Total | <u>6,004</u> | <u>5,947</u> | <u>5,652</u> | <u>130</u> | <u>5,782</u> | <u>165</u> |
| Office of Emergency Management | | | | | | |
| Salaries | 556 | 556 | 445 | | 445 | 111 |
| Fringe Benefits | 169 | 204 | 199 | (1) | 198 | 6 |
| General Expenses | 51 | 57 | 51 | | 51 | 6 |
| Contractual Services | <u>10</u> | <u>156</u> | <u>154</u> | <u>2</u> | <u>156</u> | |
| Office of Emergency Management Total | <u>786</u> | <u>973</u> | <u>849</u> | <u>1</u> | <u>850</u> | <u>123</u> |
| Information Technology | | | | | | |
| Administration | | | | | | |
| Salaries | 10,219 | 8,792 | 8,404 | (220) | 8,184 | 608 |
| Fringe Benefits | 4,714 | 4,051 | 3,882 | (32) | 3,850 | 201 |
| General Expenses | 525 | 518 | 199 | 62 | 261 | 257 |
| Contractual Services | 13,999 | 13,999 | 8,602 | 1,634 | 10,236 | 3,763 |
| Utilities | 4,813 | 4,820 | 4,524 | 296 | 4,820 | |
| Interdepartmental Charges | <u>1,108</u> | <u>1,108</u> | <u>1,108</u> | | <u>1,108</u> | |
| Information Technology Total | <u>35,378</u> | <u>33,288</u> | <u>26,719</u> | <u>1,740</u> | <u>28,459</u> | <u>4,829</u> |
| Housing and Intergovernmental Affairs: | | | | | | |
| Salaries | 316 | 3,080 | 3,080 | | 3,080 | |
| Fringe Benefits | 848 | 3,763 | 3,660 | (9) | 3,651 | 112 |
| Equipment | | 348 | 348 | | 348 | |
| General Expenses | 8 | 253 | 253 | | 253 | |
| Contractual Services | 702 | 762 | 60 | 590 | 650 | 112 |
| Interdepartmental Charges | <u>1,098</u> | <u>411</u> | <u>411</u> | | <u>411</u> | |
| Housing and Intergovernmental Affairs Total | <u>2,972</u> | <u>8,617</u> | <u>7,812</u> | <u>581</u> | <u>8,393</u> | <u>224</u> |

(Continued)

EXHIBIT B-2

COUNTY OF NASSAU, NEW YORK

COMPARATIVE STATEMENT OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011 (Dollars in Thousands)

| FUNCTIONS | Original Budget | Total Budgetary Authority | Actual Expenditures | GAAP to Budgetary Basis Conversion | Actual on a Budgetary Basis | Variance Positive (Negative) |
|---|--------------------|---------------------------------|------------------------|---|-----------------------------------|------------------------------------|
| GENERAL ADMINISTRATION (Continued) | | | | | | |
| Labor Relations | | | | | | |
| Salaries | \$ 396 | \$ 396 | \$ 364 | \$ | \$ 364 | \$ 32 |
| Fringe Benefits | 159 | 131 | 127 | (1) | 126 | 5 |
| General Expenses | 9 | 9 | 2 | 1 | 3 | 6 |
| Contractual Services | 702 | 477 | 282 | 129 | 411 | 66 |
| Labor Relations Total | <u>1,266</u> | <u>1,013</u> | <u>775</u> | <u>129</u> | <u>904</u> | <u>109</u> |
| Management and Budgets | | | | | | |
| Salaries | 2,696 | 2,786 | 2,757 | | 2,757 | 29 |
| Fringe Benefits | 1,110 | 1,120 | 1,083 | (5) | 1,078 | 42 |
| Equipment | 10 | 10 | | | | 10 |
| General Expenses | 51 | 51 | 40 | | 40 | 11 |
| Contractual Services | 2,557 | 2,557 | 4,434 | (2,597) | 1,837 | 720 |
| Worker's Compensation Expense | | | | | | |
| Fringe Benefits | 10,512 | 10,512 | 8,999 | (548) | 8,451 | 2,061 |
| Management and Budgets Total | <u>16,936</u> | <u>17,036</u> | <u>17,313</u> | <u>(3,150)</u> | <u>14,163</u> | <u>2,873</u> |
| Personnel | | | | | | |
| Salaries | 781 | 781 | 722 | | 722 | 59 |
| Fringe Benefits | 440 | 354 | 341 | (2) | 339 | 15 |
| General Expenses | 38 | 38 | 9 | 1 | 10 | 28 |
| Contractual Services | 118 | 118 | | 90 | 90 | 28 |
| Personnel Total | <u>1,377</u> | <u>1,291</u> | <u>1,072</u> | <u>89</u> | <u>1,161</u> | <u>130</u> |
| Planning | | | | | | |
| Salaries | 1,708 | 1,755 | 1,825 | (76) | 1,749 | 6 |
| Fringe Benefits | 939 | 893 | 849 | (9) | 840 | 53 |
| General Expenses | 20 | 20 | 5 | | 5 | 15 |
| Contractual Services | 749 | 749 | 75 | 612 | 687 | 62 |
| Various Direct Expenses | 200 | 200 | 40 | | 40 | 160 |
| Interdepartmental Charges | 1,007 | 1,007 | 571 | | 571 | 436 |
| Mass Transportation | | | | | | |
| Pt. Lookout/Lido Beach Bus Route | 75 | 75 | 75 | | 75 | |
| Metropolitan Suburban Bus Authority | 6,888 | 6,888 | 6,888 | | 6,888 | |
| LIRR Station Maintenance | 27,223 | 27,223 | 27,151 | | 27,151 | 72 |
| MTA-LIRR Operating Assistance | 11,584 | 11,584 | 11,584 | | 11,584 | |
| Physically Challenged Transportation | 2,180 | 2,180 | 2,180 | | 2,180 | |
| Planning Total | <u>52,573</u> | <u>52,574</u> | <u>51,243</u> | <u>527</u> | <u>51,770</u> | <u>804</u> |
| Purchasing | | | | | | |
| Salaries | 1,261 | 1,261 | 1,192 | (51) | 1,141 | 120 |
| Fringe Benefits | 914 | 849 | 801 | (11) | 790 | 59 |
| General Expenses | 17 | 17 | 15 | 1 | 16 | 1 |
| Contractual Services | 1 | 2 | 1 | | 1 | 1 |
| Purchasing Total | <u>2,193</u> | <u>2,129</u> | <u>2,009</u> | <u>(61)</u> | <u>1,948</u> | <u>181</u> |
| Office of Real Estate Services | | | | | | |
| Salaries | 568 | 635 | 620 | | 620 | 15 |
| Fringe Benefits | 248 | 243 | 236 | (2) | 234 | 9 |
| General Expenses | 100 | 100 | 19 | 1 | 20 | 80 |
| Contractual Services | 173 | 523 | 467 | 1 | 468 | 55 |
| Interdepartmental Charges | | | | 1,319 | 1,319 | (1,319) |
| Insurance on Buildings | 987 | 987 | 218 | 769 | 987 | |
| Rent | 14,606 | 14,474 | 12,380 | | 12,380 | 2,094 |
| Office of Real Estate Services Total | <u>16,682</u> | <u>16,962</u> | <u>13,940</u> | <u>2,088</u> | <u>16,028</u> | <u>934</u> |
| Public Utility Authority | | | | | | |
| General Expenses | 1,600 | 1,600 | 1,342 | 259 | 1,601 | (1) |
| Contractual Services | 54 | 54 | | | | 54 |
| Interdepartmental Charges | 10 | 10 | 10 | | 10 | |
| Public Utility Authority Total | <u>1,664</u> | <u>1,664</u> | <u>1,352</u> | <u>259</u> | <u>1,611</u> | <u>53</u> |

(Continued)

EXHIBIT B-2

COUNTY OF NASSAU, NEW YORK

**COMPARATIVE STATEMENT OF ACTUAL EXPENDITURES
VS. TOTAL BUDGETARY AUTHORITY
GENERAL FUND**

FOR THE YEAR ENDED DECEMBER 31, 2011 (Dollars in Thousands)

| <u>FUNCTIONS</u> | <u>Original Budget</u> | <u>Total Budgetary Authority</u> | <u>Actual Expenditures</u> | <u>GAAP to Budgetary Basis Conversion</u> | <u>Actual on a Budgetary Basis</u> | <u>Variance Positive (Negative)</u> |
|---|----------------------------|--|--------------------------------|---|--|---|
| GENERAL ADMINISTRATION (Continued) | | | | | | |
| Office of Records Management | | | | | | |
| Salaries | \$ 863 | \$ 863 | \$ 745 | \$ (1) | \$ 744 | \$ 119 |
| Fringe Benefits | 643 | 617 | 579 | (9) | 570 | 47 |
| Equipment | 1 | 1 | 1 | | 1 | |
| General Expenses | 179 | 179 | 118 | 50 | 168 | 11 |
| Contractual Services | 188 | 188 | 103 | 76 | 179 | 9 |
| Office of Records Management Total | <u>1,874</u> | <u>1,848</u> | <u>1,546</u> | <u>116</u> | <u>1,662</u> | <u>186</u> |
| Total General Administration | <u>242,983</u> | <u>254,406</u> | <u>226,220</u> | <u>5,896 #</u> | <u>232,116</u> | <u>22,290</u> |
| PROTECTION OF PERSONS | | | | | | |
| Commission on Human Rights | | | | | | |
| Salaries | 613 | 613 | 516 | | 516 | 97 |
| Fringe Benefits | 416 | 397 | 374 | (6) | 368 | 29 |
| General Expenses | 5 | 5 | 1 | | 1 | 4 |
| Contractual Services | 19 | 19 | 1 | | 1 | 18 |
| Commission on Human Rights Total | <u>1,053</u> | <u>1,034</u> | <u>892</u> | <u>(6)</u> | <u>886</u> | <u>148</u> |
| Commissioner of Accounts | | | | | | |
| Salaries | 7 | 7 | 7 | | 7 | |
| Fringe Benefits | 162 | 115 | 104 | (4) | 100 | 15 |
| Contractual Services | 18 | 18 | | | | 18 |
| Commissioner of Accounts Total | <u>187</u> | <u>140</u> | <u>111</u> | <u>(4)</u> | <u>107</u> | <u>33</u> |
| Consumer Affairs | | | | | | |
| Salaries | 2,119 | 2,119 | 1,974 | (9) | 1,965 | 154 |
| Fringe Benefits | 1,240 | 1,214 | 1,156 | (13) | 1,143 | 71 |
| Equipment | 3 | 3 | 1 | | 1 | 2 |
| General Expenses | 27 | 27 | 16 | | 16 | 11 |
| Consumer Affairs Total | <u>3,389</u> | <u>3,363</u> | <u>3,147</u> | <u>(22)</u> | <u>3,125</u> | <u>238</u> |
| Fire Commission | | | | | | |
| Salaries | 10,424 | 10,443 | 10,716 | (273) | 10,443 | |
| Fringe Benefits | 4,159 | 4,159 | 3,887 | 7 | 3,894 | 265 |
| Equipment | 29 | 29 | 2 | | 2 | 27 |
| General Expenses | 155 | 155 | 105 | 8 | 113 | 42 |
| Contractual Services | 4,370 | 4,333 | 4,238 | 21 | 4,259 | 74 |
| Interdepartmental Charges | 2,680 | 2,113 | 2,078 | | 2,078 | 35 |
| Fire Commission Total | <u>21,817</u> | <u>21,232</u> | <u>21,026</u> | <u>(237)</u> | <u>20,789</u> | <u>443</u> |
| Police Headquarters | | | | | | |
| Salaries | 167,707 | 205,884 | 213,244 | (7,360) | 205,884 | |
| Fringe Benefits | 103,205 | 99,321 | 100,833 | (3,989) | 96,844 | 2,477 |
| Worker's Compensation | 3,342 | 3,187 | 3,187 | | 3,187 | |
| Equipment | 384 | 249 | 200 | 49 | 249 | |
| General Expenses | 2,907 | 3,910 | 3,840 | 57 | 3,897 | 13 |
| Contractual Services | 11,512 | 9,949 | 8,470 | 1,126 | 9,596 | 353 |
| Utilities | 2,434 | 2,618 | 2,615 | 3 | 2,618 | |
| Other Suits | 256 | 252 | 252 | | 252 | |
| Interdepartmental Charges | 25,420 | 24,429 | 24,429 | | 24,429 | |
| Police Headquarters Total | <u>317,167</u> | <u>349,799</u> | <u>357,070</u> | <u>(10,114)</u> | <u>346,956</u> | <u>2,843</u> |
| Medical Examiner | | | | | | |
| Salaries | 5,415 | 5,556 | 5,485 | (185) | 5,300 | 256 |
| Fringe Benefits | 1,861 | 2,024 | 1,953 | (11) | 1,942 | 82 |
| Equipment | 7 | 7 | | | | 7 |
| General Expenses | 438 | 438 | 389 | 17 | 406 | 32 |
| Contractual Services | 86 | 86 | 48 | 30 | 78 | 8 |
| Interdepartmental Charges | 1,116 | 1,182 | 1,182 | | 1,182 | |
| Medical Examiner Total | <u>8,923</u> | <u>9,293</u> | <u>9,057</u> | <u>(149)</u> | <u>8,908</u> | <u>385</u> |
| Total Protection of Persons | <u>352,536</u> | <u>384,861</u> | <u>391,303</u> | <u>(10,532)</u> | <u>380,771</u> | <u>4,090</u> |

(Continued)

EXHIBIT B-2

COUNTY OF NASSAU, NEW YORK

**COMPARATIVE STATEMENT OF ACTUAL EXPENDITURES
VS. TOTAL BUDGETARY AUTHORITY
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011 (Dollars in Thousands)**

| <u>FUNCTIONS</u> | <u>Original Budget</u> | <u>Total Budgetary Authority</u> | <u>Actual Expenditures</u> | <u>GAAP to Budgetary Basis Conversion</u> | <u>Actual on a Budgetary Basis</u> | <u>Variance Positive (Negative)</u> |
|---|----------------------------|--|--------------------------------|---|--|---|
| HEALTH | | | | | | |
| Health Department | | | | | | |
| Administration | | | | | | |
| Salaries | \$ 1,317 | \$ 1,941 | \$ 1,906 | \$ (66) | \$ 1,840 | \$ 101 |
| Fringe Benefits | 1,062 | 1,108 | 1,056 | (11) | 1,045 | 63 |
| General Expenses | 342 | 342 | 96 | 144 | 240 | 102 |
| Interdepartmental Charges | 7,512 | 7,512 | 5,989 | | 5,989 | 1,523 |
| Environmental Health | | | | | | |
| Salaries | 6,880 | 6,920 | 7,028 | (243) | 6,785 | 135 |
| Fringe Benefits | 4,030 | 4,084 | 3,892 | (40) | 3,852 | 232 |
| Equipment | 10 | 10 | 7 | 1 | 8 | 2 |
| General Expenses | 122 | 122 | 99 | 7 | 106 | 16 |
| Contractual Services | 144 | 144 | 24 | 109 | 133 | 11 |
| Interdepartmental Charges | 40 | 40 | 40 | | 40 | |
| Laboratory Research | | | | | | |
| Salaries | 1,661 | 1,411 | 1,341 | (46) | 1,295 | 116 |
| Fringe Benefits | 804 | 780 | 744 | (8) | 736 | 44 |
| Equipment | 25 | 25 | 21 | | 21 | 4 |
| General Expenses | 864 | 837 | 680 | 83 | 763 | 74 |
| Contractual Services | 150 | 150 | | | | 150 |
| Interdepartmental Charges | 144 | 171 | 171 | | 171 | |
| Public Health | | | | | | |
| Salaries | 1,703 | 1,613 | 1,400 | (48) | 1,352 | 261 |
| Fringe Benefits | 894 | 814 | 776 | (8) | 768 | 46 |
| General Expenses | 145 | 145 | 94 | 5 | 99 | 46 |
| Contractual Services | 1,018 | 967 | 341 | 67 | 408 | 559 |
| Various Direct Expenses | 5,000 | 5,000 | 5,000 | | 5,000 | |
| Interdepartmental Charges | 56 | 108 | 108 | | 108 | |
| Early Intervention | | | | | | |
| Salaries | 4,029 | 3,879 | 3,865 | (133) | 3,732 | 147 |
| Fringe Benefits | 2,268 | 2,247 | 2,142 | (22) | 2,120 | 127 |
| General Expenses | 551 | 551 | 528 | 6 | 534 | 17 |
| Contractual Services | 24 | 24 | 24 | | 24 | |
| Early Intervention Charges | 61,087 | 61,087 | 42,120 | 9,332 | 51,452 | 9,635 |
| Preschool Education | | | | | | |
| Salaries | 369 | 369 | 367 | (13) | 354 | 15 |
| Fringe Benefits | 210 | 213 | 204 | (2) | 202 | 11 |
| General Expenses | 2 | 2 | 2 | | 2 | |
| Contractual Services | 181 | 181 | 61 | 119 | 180 | 1 |
| Early Intervention Charges | 155,127 | 155,127 | 115,107 | 31,068 | 146,175 | 8,952 |
| Health Department Total | <u>257,771</u> | <u>257,924</u> | <u>195,233</u> | <u>40,301</u> | <u>235,534</u> | <u>22,390</u> |
| Mental Health, Chemical Dependency and Disabled Services | | | | | | |
| Administration | | | | | | |
| Salaries | 2,426 | 2,426 | 2,327 | (30) | 2,297 | 129 |
| Fringe Benefits | 1,718 | 1,688 | 1,581 | (28) | 1,553 | 135 |
| General Expenses | 55 | 55 | 41 | 1 | 42 | 13 |
| Contractual Services | 40 | 40 | | | | 40 |
| Interdepartmental Charges | 1,452 | 1,452 | 872 | | 872 | 580 |
| Contractual Services | | | | | | |
| Contractual Services | 13,350 | 13,415 | 6,291 | 4,716 | 11,007 | 2,408 |
| Direct Services | | | | | | |
| Salaries | 2,662 | 2,487 | 2,408 | (32) | 2,376 | 111 |
| Fringe Benefits | 2,311 | 1,997 | 1,879 | (29) | 1,850 | 147 |
| General Expenses | 384 | 384 | 371 | 5 | 376 | 8 |
| Contractual Services | 2,067 | 2,067 | 307 | | 307 | 1,760 |
| Mental Health, Chemical Dependency and Disabled Services | <u>26,465</u> | <u>26,011</u> | <u>16,077</u> | <u>4,603</u> | <u>20,680</u> | <u>5,331</u> |
| Total Health | <u>284,236</u> | <u>283,935</u> | <u>211,310</u> | <u>44,904</u> | <u>256,214</u> | <u>27,721</u> |

(Continued)

EXHIBIT B-2

COUNTY OF NASSAU, NEW YORK

**COMPARATIVE STATEMENT OF ACTUAL EXPENDITURES
VS. TOTAL BUDGETARY AUTHORITY
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011 (Dollars in Thousands)**

| <u>FUNCTIONS</u> | <u>Original Budget</u> | <u>Total Budgetary Authority</u> | <u>Actual Expenditures</u> | <u>GAAP to Budgetary Basis Conversion</u> | <u>Actual on a Budgetary Basis</u> | <u>Variance Positive (Negative)</u> |
|------------------------------------|----------------------------|--|--------------------------------|---|--|---|
| <u>PUBLIC WORKS</u> | | | | | | |
| Administration | | | | | | |
| Salaries | \$ 2,650 | \$ 2,603 | \$ 2,351 | \$ (67) | \$ 2,284 | \$ 319 |
| Fringe Benefits | 1,568 | 1,467 | 1,396 | (15) | 1,381 | 86 |
| Worker's Compensation | 1,901 | 1,901 | 1,791 | | 1,791 | 110 |
| General Expenses | 66 | 66 | 49 | 7 | 56 | 10 |
| Contractual Services | 49 | 49 | 5 | 26 | 31 | 18 |
| Highway and Engineering | | | | | | |
| Salaries | 9,291 | 9,291 | 8,739 | (251) | 8,488 | 803 |
| Fringe Benefits | 5,385 | 5,452 | 5,186 | (58) | 5,128 | 324 |
| Equipment | 17 | 17 | 2 | | 2 | 15 |
| General Expenses | 53 | 53 | 21 | | 21 | 32 |
| Contractual Services | 3,714 | 3,876 | 1,935 | 548 | 2,483 | 1,393 |
| Utility Costs | 2,265 | 2,335 | 2,153 | 166 | 2,319 | 16 |
| Highway and Bridge Maintenance | | | | | | |
| Salaries | 22,023 | 21,108 | 21,731 | (623) | 21,108 | |
| Fringe Benefits | 15,209 | 13,576 | 12,911 | (145) | 12,766 | 810 |
| Equipment | 135 | 122 | 17 | 43 | 60 | 62 |
| General Expenses | 2,366 | 3,896 | 3,140 | 354 | 3,494 | 402 |
| Contractual Services | 7,290 | 15,562 | 10,988 | 1,622 | 12,610 | 2,952 |
| Utility Costs | 28,547 | 32,452 | 28,628 | 430 | 29,058 | 3,394 |
| Interdepartmental Charges | 7,340 | 7,340 | 7,340 | | 7,340 | |
| Groundwater Remediation | | | | | | |
| Salaries | 2,299 | 2,299 | 2,236 | (64) | 2,172 | 127 |
| Fringe Benefits | 2,306 | 1,395 | 1,326 | (15) | 1,311 | 84 |
| Equipment | 15 | 15 | | 3 | 3 | 12 |
| General Expenses | 2,677 | 2,807 | 2,335 | 178 | 2,513 | 294 |
| Contractual Services | 105 | 105 | 51 | 31 | 82 | 23 |
| Interdepartmental Charges | 1,481 | 1,481 | 1,481 | | 1,481 | |
| Total Public Works | 118,752 | 129,268 | 115,812 | 2,170 | 117,982 | 11,286 |
| <u>RECREATION AND PARKS</u> | | | | | | |
| Administration | | | | | | |
| Salaries | 1,860 | 2,080 | 2,080 | (25) | 2,055 | 25 |
| Fringe Benefits | 1,069 | 863 | 826 | (7) | 819 | 44 |
| Equipment | 24 | 24 | 11 | 2 | 13 | 11 |
| General Expenses | 114 | 114 | 52 | | 52 | 62 |
| Contractual Services | 1,327 | 1,327 | 769 | 250 | 1,019 | 308 |
| Interdepartmental Charges | 80 | 80 | | | | 80 |
| Technical Service | | | | | | |
| Fringe Benefits | | 3,651 | 3,633 | | 3,633 | 18 |
| Equipment | | 1,525 | 1,462 | (12) | 1,450 | 75 |
| General Expenses | | 13 | 2 | 10 | 12 | 1 |
| Contractual Services | | 223 | 216 | 4 | 220 | 3 |
| Interdepartmental Charges | | 644 | 346 | 252 | 598 | 46 |
| Recreation Service | | | | | | |
| Salaries | 5,344 | 5,344 | 5,382 | (65) | 5,317 | 27 |
| Fringe Benefits | 2,420 | 2,232 | 2,139 | (18) | 2,121 | 111 |
| Equipment | 95 | 95 | 57 | 11 | 68 | 27 |
| General Expenses | 242 | 242 | 120 | 6 | 126 | 116 |
| Contractual Services | 580 | 580 | 306 | 33 | 339 | 241 |
| Museum | | | | | | |
| Salaries | 2,935 | 2,760 | 2,683 | (32) | 2,651 | 109 |
| Fringe Benefits | 1,394 | 1,113 | 1,066 | (9) | 1,057 | 56 |
| Equipment | 12 | 12 | 3 | | 3 | 9 |
| General Expenses | 83 | 83 | 34 | 17 | 51 | 32 |
| Contractual Services | 3,012 | 3,012 | 256 | | 256 | 2,756 |
| Golf Operations | | | | | | |
| Salaries | 3,745 | 3,745 | 3,760 | (45) | 3,715 | 30 |
| Fringe Benefits | 1,727 | 1,559 | 1,494 | (13) | 1,481 | 78 |
| Equipment | 148 | 148 | 141 | | 141 | 7 |
| General Expenses | 608 | 608 | 474 | 46 | 520 | 88 |
| Contractual Services | 445 | 445 | 374 | 41 | 415 | 30 |
| Total Recreation and Parks | 27,264 | 32,522 | 27,686 | 446 | 28,132 | 4,390 |

(Continued)

EXHIBIT B-2

COUNTY OF NASSAU, NEW YORK

**COMPARATIVE STATEMENT OF ACTUAL EXPENDITURES
VS. TOTAL BUDGETARY AUTHORITY
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011 (Dollars in Thousands)**

| <u>FUNCTIONS</u> | <u>Original Budget</u> | <u>Total Budgetary Authority</u> | <u>Actual Expenditures</u> | <u>GAAP to Budgetary Basis Conversion</u> | <u>Actual on a Budgetary Basis</u> | <u>Variance Positive (Negative)</u> |
|-----------------------------------|----------------------------|--|--------------------------------|---|--|---|
| SOCIAL SERVICES | | | | | | |
| Bar Association - Public Defender | \$ 6,352 | \$ 7,505 | \$ 7,390 | \$ 115 | \$ 7,505 | \$ |
| CASA | | | | | | |
| Salaries | 213 | 265 | 269 | (7) | 262 | 3 |
| Fringe Benefits | 167 | 165 | 161 | | 161 | 4 |
| General Expenses | 2 | 10 | 5 | | 5 | 5 |
| Contractual Services | 31 | 23 | | | | 23 |
| CASA Total | 413 | 463 | 435 | (7) | 428 | 35 |
| Legal Aid Society | 5,704 | 5,704 | 2,782 | | 2,782 | 2,922 |
| Minority Affairs | | | | | | |
| Salaries | 461 | 461 | 461 | | 461 | |
| Fringe Benefits | 231 | 256 | 247 | (1) | 246 | 10 |
| Equipment | 1 | 1 | | | | 1 |
| General Expenses | 13 | 13 | 10 | 2 | 12 | 1 |
| Contractual Services | 64 | 64 | 26 | 35 | 61 | 3 |
| Minority Affairs Total | 770 | 795 | 744 | 36 | 780 | 15 |
| Senior Citizens Affairs | | | | | | |
| Administration | | | | | | |
| Salaries | 2,440 | 2,168 | 2,146 | (4) | 2,142 | 26 |
| Fringe Benefits | 1,492 | 1,416 | 1,341 | (18) | 1,323 | 93 |
| General Expenses | 27 | 27 | 14 | | 14 | 13 |
| Contractual Services | 1,077 | 1,137 | 630 | 320 | 950 | 187 |
| Interdepartmental Charges | 1,449 | 1,847 | 1,847 | | 1,847 | |
| Community Services | | | | | | |
| Contractual Services | 2,508 | 2,508 | 1,223 | 367 | 1,590 | 918 |
| Nutrition Program | | | | | | |
| Contractual Services | 4,780 | 4,780 | 3,539 | 677 | 4,216 | 564 |
| Community Centers | | | | | | |
| General Expenses | 3 | 3 | | | | 3 |
| Contractual Services | 137 | 137 | | 80 | 80 | 57 |
| Area Agency Title III | | | | | | |
| Contractual Services | 2,128 | 2,128 | 1,526 | 126 | 1,652 | 476 |
| Foster Grandparents Program | | | | | | |
| General Expenses | 10 | 10 | | | | 10 |
| Extended In-home Services | | | | | | |
| Contractual Services | 6,331 | 6,331 | 4,642 | 1,260 | 5,902 | 429 |
| SNAP (Nutrition) | | | | | | |
| Contractual Services | 1,507 | 1,507 | 934 | 145 | 1,079 | 428 |
| TITLE IIID/CSI (Health Promotion) | | | | | | |
| Contractual Services | 174 | 174 | 107 | 20 | 127 | 47 |
| TITLE IIIIE (Caregivers) | | | | | | |
| Contractual Services | 1,063 | 1,063 | 742 | 170 | 912 | 151 |
| Senior Citizens Affairs Total | 25,126 | 25,236 | 18,691 | 3,143 | 21,834 | 3,402 |
| Social Services Department | | | | | | |
| Administration | | | | | | |
| Salaries | 2,124 | 4,610 | 4,662 | (62) | 4,600 | 10 |
| Fringe Benefits | 2,121 | 2,566 | 2,466 | (18) | 2,448 | 118 |
| Equipment | 14 | 14 | 9 | 2 | 11 | 3 |
| General Expenses | 385 | 411 | 361 | 49 | 410 | 1 |
| Contractual Services | 1,953 | 1,803 | 1,128 | 250 | 1,378 | 425 |
| Interdepartmental Charges | 21,793 | 21,766 | 17,049 | | 17,049 | 4,717 |
| Public Financial Assistance | | | | | | |
| Salaries | 27,111 | 25,809 | 25,873 | (344) | 25,529 | 280 |
| Fringe Benefits | 13,299 | 14,240 | 13,686 | (96) | 13,590 | 650 |
| Equipment | 12 | 12 | 7 | 3 | 10 | 2 |
| General Expenses | 464 | 464 | 284 | 72 | 356 | 108 |
| Contractual Services | 14,204 | 13,804 | 8,013 | 2,927 | 10,940 | 2,864 |

(Continued)

EXHIBIT B-2

COUNTY OF NASSAU, NEW YORK

**COMPARATIVE STATEMENT OF ACTUAL EXPENDITURES
VS. TOTAL BUDGETARY AUTHORITY
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011 (Dollars in Thousands)**

| <u>FUNCTIONS</u> | <u>Original Budget</u> | <u>Total Budgetary Authority</u> | <u>Actual Expenditures</u> | <u>GAAP to Budgetary Basis Conversion</u> | <u>Actual on a Budgetary Basis</u> | <u>Variance Positive (Negative)</u> |
|-------------------------------------|----------------------------|--|--------------------------------|---|--|---|
| SOCIAL SERVICES (continued) | | | | | | |
| Division of Services | | | | | | |
| Salaries | \$ 20,934 | \$ 19,184 | \$ 19,223 | \$ (256) | \$ 18,967 | \$ 217 |
| Fringe Benefits | 10,315 | 10,580 | 10,167 | (71) | 10,096 | 484 |
| General Expenses | 256 | 256 | 138 | 35 | 173 | 83 |
| Contractual Services | 181 | 136 | 78 | 25 | 103 | 33 |
| Juvenile Detention Center | | | | | | |
| Salaries | 3,204 | 2,704 | 2,576 | (34) | 2,542 | 162 |
| Fringe Benefits | 1,658 | 9 | 9 | | 9 | |
| Equipment | 22 | 22 | 9 | 1 | 10 | 12 |
| General Expenses | 226 | 226 | 100 | 57 | 157 | 69 |
| Contractual Services | 1,560 | 1,510 | 580 | 408 | 988 | 522 |
| Interdepartmental Charges | 1,277 | 684 | 684 | | 684 | |
| Real Estate | | | | | | |
| General Expenses | 1 | 1 | | | | 1 |
| Handicapped Children Education | | | | | | |
| Emergency Vendor Payments | 14,735 | 16,743 | 16,507 | (1,100) | 15,407 | 1,336 |
| Physically Challenged | | | | | | |
| Salaries | 305 | 330 | 325 | | 325 | 5 |
| Fringe Benefits | 129 | 115 | 109 | (1) | 108 | 7 |
| Equipment | 1 | 1 | | | | 1 |
| General Expenses | 21 | 21 | 8 | 3 | 11 | 10 |
| Interdepartmental Charges | 359 | 359 | 158 | | 158 | 201 |
| Aid to Dependent Children | | | | | | |
| Recipient Grants | 30,750 | 29,682 | 29,643 | | 29,643 | 39 |
| Emergency Vendor Payments | 10,092 | 7,845 | 7,732 | 79 | 7,811 | 34 |
| Home Relief | | | | | | |
| Recipient Grants | 34,000 | 33,500 | 33,329 | | 33,329 | 171 |
| Emergency Vendor Payments | 7,000 | 8,000 | 8,000 | | 8,000 | |
| Children in Institutions | | | | | | |
| Emergency Vendor Payments | 16,885 | 17,385 | 13,443 | 3,828 | 17,271 | 114 |
| Children in Foster Homes | | | | | | |
| Recipient Grants | 1,440 | 1,400 | 1,371 | | 1,371 | 29 |
| Purchased Services | 1 | 1 | 1 | | 1 | |
| Emergency Vendor Payments | 650 | 550 | 502 | | 502 | 48 |
| Juvenile Delinquents | | | | | | |
| Emergency Vendor Payments | 8,223 | 10,233 | 9,861 | 362 | 10,223 | 10 |
| Training Schools | | | | | | |
| Emergency Vendor Payments | 4,947 | 4,947 | 4,947 | | 4,947 | |
| Children in Institutions - Title 4E | | | | | | |
| Emergency Vendor Payments | 1,909 | 1,034 | 622 | 10 | 632 | 402 |
| Children in Foster Homes - Title 4E | | | | | | |
| Recipient Grants | 540 | 540 | 505 | | 505 | 35 |
| Emergency Vendor Payments | 255 | 255 | 253 | | 253 | 2 |
| Subsidized Adoptions | | | | | | |
| Recipient Grants | 5,300 | 4,900 | 4,780 | | 4,780 | 120 |
| Burials | | | | | | |
| Emergency Vendor Payments | 306 | 206 | 204 | | 204 | 2 |
| Medicaid | | | | | | |
| Medicaid | 242,763 | 242,333 | 242,330 | | 242,330 | 3 |
| Home Energy Assistance | | | | | | |
| Recipient Grants | 1,020 | 600 | 512 | | 512 | 88 |
| Title-XX | | | | | | |
| Purchased Services | 61,603 | 65,788 | 63,369 | 1,294 | 64,663 | 1,125 |
| Social Services Department Total | <u>566,348</u> | <u>567,579</u> | <u>545,613</u> | <u>7,423</u> | <u>553,036</u> | <u>14,543</u> |
| Veterans Service Agency | | | | | | |
| Salaries | 492 | 508 | 504 | | 504 | 4 |
| Fringe Benefits | 334 | 297 | 285 | (3) | 282 | 15 |
| General Expenses | 18 | 18 | 1 | | 1 | 17 |
| Contractual Services | 1 | 1 | | | | 1 |
| Interdepartmental Charges | 1,207 | 1,207 | 229 | | 229 | 978 |
| Veterans Service Agency Total | <u>2,052</u> | <u>2,031</u> | <u>1,019</u> | <u>(3)</u> | <u>1,016</u> | <u>1,015</u> |

(Continued)

EXHIBIT B-2

COUNTY OF NASSAU, NEW YORK

COMPARATIVE STATEMENT OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011 (Dollars in Thousands)

| FUNCTIONS | Original Budget | Total Budgetary Authority | Actual Expenditures | GAAP to Budgetary Basis Conversion | Actual on a Budgetary Basis | Variance Positive (Negative) |
|---|--------------------|---------------------------------|------------------------|---|-----------------------------------|------------------------------------|
| <u>SOCIAL SERVICES (continued)</u> | | | | | | |
| Youth Board | | | | | | |
| Salaries | \$ 391 | \$ 391 | \$ 382 | \$ (13) | \$ 369 | \$ 22 |
| Fringe Benefits | 296 | 283 | 264 | (5) | 259 | 24 |
| General Expenses | 5 | 5 | 5 | | 5 | 5 |
| Contractual Services | 8,016 | 8,016 | 6,563 | 990 | 7,553 | 463 |
| Interdepartmental Charges | 623 | 623 | 564 | | 564 | 59 |
| Youth Board Total | <u>9,331</u> | <u>9,318</u> | <u>7,773</u> | <u>972</u> | <u>8,745</u> | <u>573</u> |
| Total Social Services | <u>616,096</u> | <u>618,631</u> | <u>584,447</u> | <u>11,679</u> | <u>596,126</u> | <u>22,505</u> |
| <u>CORRECTIONS</u> | | | | | | |
| Correctional Center | | | | | | |
| Salaries | 117,368 | 119,098 | 119,880 | (782) | 119,098 | |
| Fringe Benefits | 50,410 | 51,410 | 49,818 | (192) | 49,626 | 1,784 |
| Worker's Compensation | 5,131 | 4,673 | 4,673 | | 4,673 | |
| Equipment | 15 | 6 | 3 | 3 | 6 | |
| General Expenses | 3,991 | 3,540 | 3,331 | 206 | 3,537 | 3 |
| Contractual Services | 41,666 | 48,551 | 36,318 | 4,898 | 41,216 | 7,335 |
| Utility Costs | 561 | 449 | 434 | | 434 | 15 |
| Interfund Charges | 177 | 28 | 28 | | 28 | |
| Correctional Center Total | <u>219,319</u> | <u>227,755</u> | <u>214,485</u> | <u>4,133</u> | <u>218,618</u> | <u>9,137</u> |
| Sheriff | | | | | | |
| Salaries | 6,240 | 6,334 | 6,376 | (42) | 6,334 | |
| Fringe Benefits | 3,228 | 3,256 | 3,121 | (25) | 3,096 | 160 |
| General Expenses | 34 | 20 | 20 | | 20 | |
| Sheriff Total | <u>9,502</u> | <u>9,610</u> | <u>9,517</u> | <u>(67)</u> | <u>9,450</u> | <u>160</u> |
| Correctional Center and Sheriff Total | <u>228,821</u> | <u>237,365</u> | <u>224,002</u> | <u>4,066</u> | <u>228,068</u> | <u>9,297</u> |
| Probation | | | | | | |
| Administration | | | | | | |
| Salaries | 17,555 | 17,555 | 17,257 | (864) | 16,393 | 1,162 |
| Fringe Benefits | 9,956 | 9,774 | 9,279 | (111) | 9,168 | 606 |
| Equipment | 19 | 19 | 3 | 5 | 8 | 11 |
| General Expenses | 168 | 168 | 147 | 6 | 153 | 15 |
| Contractual Services | 376 | 376 | 214 | 105 | 319 | 57 |
| Interfund Charges | 1 | 1 | 1 | | 1 | 1 |
| Probation Total | <u>28,075</u> | <u>27,893</u> | <u>26,900</u> | <u>(859)</u> | <u>26,041</u> | <u>1,852</u> |
| Total Corrections | <u>256,896</u> | <u>265,258</u> | <u>250,902</u> | <u>3,207</u> | <u>254,109</u> | <u>11,149</u> |
| <u>EDUCATION</u> | | | | | | |
| Payment to Long Beach Schools | 106 | 106 | 106 | | 106 | |
| Public Library Services | 70,259 | 13,057 | | | | 13,057 |
| State School Tuition | 10,600 | 10,600 | 10,256 | | 10,256 | 344 |
| Total Education | <u>80,965</u> | <u>23,763</u> | <u>10,362</u> | | <u>10,362</u> | <u>13,401</u> |
| <u>PAYMENTS FOR TAX CERTIORARI AND OTHER JUDGMENTS</u> | | | | | | |
| | | <u>43,092</u> | <u>68,142</u> | <u>(25,050)</u> | <u>43,092</u> | |
| <u>OTHER EXPENDITURES</u> | | | | | | |
| Nassau Health Care Corporation | 37,874 | 37,874 | 34,280 | (547) | 33,733 | 4,141 |
| Aid to Towns and Cities | 61,531 | 61,793 | 61,793 | | 61,793 | |
| County Executive Associations | 53 | 53 | 43 | | 43 | 10 |
| Lido-Point Lookout Fire District | 6 | 6 | 6 | | 6 | |
| Climate Change | 9 | 9 | | | | 9 |
| LI Association | 1 | 1 | | | | 1 |
| Local Governments for Sustain | 6 | 6 | | | | 6 |
| Healthy Nassau | 16 | 16 | | | | 16 |
| HIPPA Payments | 25 | 25 | | | | 25 |
| Miscellaneous Expense | 30,837 | 29,588 | 25,982 | 3,233 | 29,215 | 373 |
| NYS Association of Counties | 57 | 57 | 57 | | 57 | |
| NIFA Expenditures | 1,400 | 2,900 | | | | 2,900 |
| Suits and Damages | 1,285 | 1,345 | 1,327 | | 1,327 | 18 |
| Total Other Expenditures | <u>133,100</u> | <u>133,673</u> | <u>123,488</u> | <u>2,686</u> | <u>126,174</u> | <u>7,499</u> |

(Continued)

EXHIBIT B-2

COUNTY OF NASSAU, NEW YORK

**COMPARATIVE STATEMENT OF ACTUAL EXPENDITURES
VS. TOTAL BUDGETARY AUTHORITY
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011 (Dollars in Thousands)**

| FUNCTIONS | Original Budget | Total Budgetary Authority | Actual Expenditures | GAAP to Budgetary Basis Conversion | Actual on a Budgetary Basis | Variance Positive (Negative) |
|---|----------------------------|--|--------------------------------|---|--|---|
| Debt Service: | | | | | | |
| Principal | \$ 77,087 | \$ 77,087 | \$ 69,620 | \$ | \$ 69,620 | \$ 7,467 |
| Interest | 73,009 | 73,009 | 62,584 | | 62,584 | 10,425 |
| Financing Costs | <u>4,000</u> | <u>4,000</u> | <u>3,125</u> | | <u>3,125</u> | <u>875</u> |
| Total Debt Service | <u>154,096</u> | <u>154,096</u> | <u>135,329</u> | | <u>135,329</u> | <u>18,767</u> |
| Total Expenditures | <u>2,408,310</u> | <u>2,422,122</u> | <u>2,212,970</u> | <u>36,183</u> | <u>2,249,153</u> | <u>172,969</u> |
| TRANSFERS OUT | | | | | | |
| Debt Service Fund | 510,154 | 489,822 | 43,314 | | 43,314 | 446,508 |
| Other | <u>70,254</u> | <u>128,839</u> | | | | <u>128,839</u> |
| Total Transfers Out | <u>580,408</u> | <u>618,661</u> | <u>43,314</u> | | <u>43,314</u> | <u>575,347</u> |
| TOTAL EXPENDITURES AND TRANSFERS OUT | <u>\$ 2,988,718</u> | <u>\$ 3,040,783</u> | <u>\$ 2,256,284</u> | <u>\$ 36,183</u> | <u>\$ 2,292,467</u> | <u>\$ 748,316</u> |

| | |
|--|---------------------|
| *Appropriations per the 2011 budget as adopted | \$ 2,874,848 |
| Outstanding encumbrances, January 1, 2011 | <u>113,870</u> |
| Original Budget per above | 2,988,718 |
| Add: Supplemental appropriations | <u>52,065</u> |
| Total Budgetary Authority | <u>\$ 3,040,783</u> |

EXHIBIT B-3**COUNTY OF NASSAU, NEW YORK**
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 TOTAL BUDGETARY AUTHORITY AND ACTUAL
 POLICE DISTRICT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011 (Dollars in Thousands)**

| | <u>Original Budget</u> | <u>Total Budgetary Authority</u> | <u>Actual</u> | <u>GAAP to Budgetary Basis Conversion</u> | <u>Actual on a Budgetary Basis</u> | <u>Variance Positive (Negative)</u> |
|--|----------------------------|--|-----------------|---|--|---|
| Revenues: | | | | | | |
| Rents and Recoveries | \$ 350 | \$ 350 | \$ 538 | \$ 11 | \$ 549 | \$ 199 |
| Licenses & Permits | 2,828 | 2,828 | 2,753 | | 2,753 | (75) |
| Fines and Forfeits | 1,750 | 1,750 | 920 | | 920 | (830) |
| Interest Income | 271 | 271 | 73 | | 73 | (198) |
| Departmental Revenue | 3,412 | 3,412 | 3,690 | | 3,690 | 278 |
| Interdepartmental Revenue | 2,569 | 2,569 | 364 | | 364 | (2,205) |
| Property Taxes | 364,489 | 364,489 | 364,493 | | 364,493 | 4 |
| Other Revenue | <u>1,460</u> | <u>1,460</u> | <u>1,516</u> | <u>(1,516)</u> | <u></u> | <u>(1,460)</u> |
| Total Revenues | <u>377,129</u> | <u>377,129</u> | <u>374,347</u> | <u>(1,505)</u> | <u>372,842</u> | <u>(4,287)</u> |
| Expenditures: | | | | | | |
| Salaries | 229,128 | 229,128 | 231,196 | (3,845) | 227,351 | 1,777 |
| Fringe Benefits | 115,701 | 115,700 | 116,559 | (6,497) | 110,062 | 5,638 |
| Equipment | 295 | 295 | 194 | 38 | 232 | 63 |
| Other | <u>30,705</u> | <u>30,705</u> | <u>28,136</u> | <u>105</u> | <u>28,241</u> | <u>2,464</u> |
| Total Expenditures | <u>375,829</u> | <u>375,828</u> | <u>376,085</u> | <u>(10,199)</u> | <u>365,886</u> | <u>9,942</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>1,300</u> | <u>1,301</u> | <u>(1,738)</u> | <u>8,694</u> | <u>6,956</u> | <u>5,655</u> |
| Other Financing Sources (Uses): | | | | | | |
| Transfers In | | | 3,845 | (3,845) | | |
| Transfers Out | <u>(1,822)</u> | <u>(1,822)</u> | <u>(1,750)</u> | <u></u> | <u>(1,750)</u> | <u>72</u> |
| Total Other Financing Sources (Uses) | <u>(1,822)</u> | <u>(1,822)</u> | <u>2,095</u> | <u>(3,845)</u> | <u>(1,750)</u> | <u>72</u> |
| Net Change in Fund Equity (Deficit) | (522) | (521) | 357 | 4,849 | 5,206 | 5,727 |
| Fund Balance Beginning of Year | <u>522</u> | <u>521</u> | <u>3,668</u> | <u></u> | <u>3,668</u> | <u>3,147</u> |
| Fund Balance End of Year | <u>\$</u> | <u>\$</u> | <u>\$ 4,025</u> | <u>\$ 4,849</u> | <u>\$ 8,874</u> | <u>\$ 8,874</u> |

EXHIBIT B-4**COUNTY OF NASSAU, NEW YORK**
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY AND ACTUAL
SEWER & STORM WATER DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011 (Dollars in Thousands)**

| | <u>Original Budget</u> | <u>Total Budgetary Authority</u> | <u>Actual</u> | <u>GAAP to Budgetary Basis Conversion</u> | <u>Actual on a Budgetary Basis</u> | <u>Variance Positive (Negative)</u> |
|--|----------------------------|--|------------------|---|--|---|
| Revenues: | | | | | | |
| Licenses and Permits | \$ 710 | \$ 710 | \$ 859 | \$ | \$ 859 | \$ 149 |
| Rents and Recoveries | 1,771 | 1,771 | 32 | | 32 | (1,739) |
| Interest Income | 307 | 307 | 388 | | 388 | 81 |
| Departmental Revenue | 20,604 | 20,604 | 1,774 | | 1,774 | (18,830) |
| Interdepartmental Revenue | 434 | 434 | 451 | | 451 | 17 |
| Federal Aid | | | 112 | | 112 | 112 |
| State Aid | | | 19 | | 19 | 19 |
| Property Taxes | | | 119,041 | | 119,041 | 119,041 |
| Other Revenues | 165 | 165 | 532 | (192) | 340 | 175 |
| Total Revenues | <u>23,991</u> | <u>23,991</u> | <u>123,208</u> | <u>(192)</u> | <u>123,016</u> | <u>99,025</u> |
| Expenditures: | | | | | | |
| Salaries | 19,124 | 19,124 | 19,124 | | 19,124 | |
| Fringe Benefits | 9,685 | 10,367 | 10,364 | (143) | 10,221 | 146 |
| Equipment | 358 | 358 | 251 | 35 | 286 | 72 |
| Other | 104,755 | 103,726 | 57,576 | 8,464 | 66,040 | 37,686 |
| Debt Service | | | | | | |
| Principal | 17,772 | 18,119 | 18,079 | | 18,079 | 40 |
| Interest | 10,037 | 10,037 | 7,350 | | 7,350 | 2,687 |
| Total Expenditures | <u>161,731</u> | <u>161,731</u> | <u>112,744</u> | <u>8,356</u> | <u>121,100</u> | <u>40,631</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(137,740)</u> | <u>(137,740)</u> | <u>10,464</u> | <u>(8,548)</u> | <u>1,916</u> | <u>139,656</u> |
| Other Financing Sources (Uses): | | | | | | |
| Other Financing Sources - Premium | | | | | | |
| Transfer In of Investment Income | 1,031 | 1,031 | 45 | | 45 | (986) |
| Transfer In | | | 736 | | 736 | 736 |
| Transfer Out | (14,802) | (14,802) | (12,594) | | (12,594) | 2,208 |
| Transfer In from SFA | 102,929 | 102,929 | (11,337) | | (11,337) | (114,266) |
| Total Other Financing Sources (Uses) | <u>89,158</u> | <u>89,158</u> | <u>(23,150)</u> | | <u>(23,150)</u> | <u>(112,308)</u> |
| Net Change in Fund Balances | (48,582) | (48,582) | (12,686) | (8,548) | (21,234) | 27,348 |
| Fund Balance (Deficit) Beginning of Year | <u>48,582</u> | <u>48,582</u> | <u>102,567</u> | | <u>102,567</u> | <u>53,985</u> |
| Fund Balance (Deficit) End of Year | <u>\$</u> | <u>\$</u> | <u>\$ 89,881</u> | <u>\$ (8,548)</u> | <u>\$ 81,333</u> | <u>\$ 81,333</u> |

EXHIBIT B-5

COUNTY OF NASSAU, NEW YORK

**STATEMENT OF EXPENDITURES BY COUNTY DEPARTMENTS AND OFFICES
TOTAL BUDGETARY AUTHORITY AND ACTUAL
GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011 (Dollars in Thousands)
(INCLUDING LIFETIME ACTIVITY THROUGH DECEMBER 31, 2011)**

| County Departments, Offices and Boards | Budgetary Authority as of December 31, 2011 | Expenditures through December 31, 2010 | Available Budgetary Authority for 2011 | 2011 Expenditures | Remaining Budgetary Authority December 31, 2011 |
|---|--|---|---|------------------------------|--|
| Affirmative Action | \$ 1,240 | \$ 1,140 | \$ 100 | \$ | \$ 100 |
| Assessment | 13,000 | 11,363 | 1,637 | | 1,637 |
| Behavioral Health | 246,114 | 129,149 | 116,965 | 34,907 | 82,058 |
| CASA | 735 | 627 | 108 | (161) | 269 |
| Consumer Affairs | 250 | | 250 | 178 | 72 |
| Correctional Center | 11,462 | 9,806 | 1,656 | 856 | 800 |
| County Attorney | 295 | 295 | | | |
| County Clerk | 321 | 189 | 132 | 55 | 77 |
| County Comptroller | 805 | 446 | 359 | | 359 |
| Criminal Justice Coordinating Council | 58,384 | 53,246 | 5,138 | 789 | 4,349 |
| Cultural Development | 441 | 437 | 4 | | 4 |
| District Attorney | 27,664 | 18,682 | 8,982 | 1,804 | 7,178 |
| Drug and Alcohol | 693,474 | 527,055 | 166,419 | (60) | 166,479 |
| Board of Election | 1,378 | 649 | 729 | 33 | 696 |
| Emergency Management | 14,757 | 7,252 | 7,505 | 2,111 | 5,394 |
| Fire Commission | 2,469 | 1,678 | 791 | 269 | 522 |
| General Services | 415 | 335 | 80 | (20) | 100 |
| Health | 243,442 | 185,290 | 58,152 | 13,809 | 44,343 |
| Housing and Inter- governmental Affairs | 713,137 | 607,911 | 105,226 | 26,219 | 79,007 |
| Human Rights | 1,897 | 1,817 | 80 | (115) | 195 |
| Information Technology | 198 | 187 | 11 | 11 | |
| Labor | 50 | 46 | 4 | | 4 |
| Medical Center | 5,119 | 188 | 4,931 | | 4,931 |
| Medical Examiner | 7,785 | 5,254 | 2,531 | 825 | 1,706 |
| Mental Health | 213,875 | 169,598 | 44,277 | (26) | 44,303 |
| Miscellaneous | 91,126 | 72,570 | 18,556 | | 18,556 |
| Planning | 28,234 | 20,858 | 7,376 | 76 | 7,300 |
| Police | 105,439 | 71,248 | 34,191 | 8,590 | 25,601 |
| Probation | 39,909 | 32,646 | 7,263 | 781 | 6,482 |
| Public Works | 16,812 | 13,340 | 3,472 | | 3,472 |
| Records Management | 114 | 57 | 57 | 56 | 1 |
| Recreation and Parks | 25,779 | 13,217 | 12,562 | 3,795 | 8,767 |
| Senior Citizen Affairs | 63,161 | 60,035 | 3,126 | 256 | 2,870 |
| Sheriff | 66 | 55 | 11 | | 11 |
| Social Services | 68,482 | 41,879 | 26,603 | 8,492 | 18,111 |
| Traffic Safety Board | 60,370 | 54,417 | 5,953 | 2,273 | 3,680 |
| Veterans Services | 458 | 428 | 30 | (4) | 34 |
| Women's Services | 194 | 148 | 46 | | 46 |
| Youth Board | 38,621 | 31,199 | 7,422 | 8 | 7,414 |
| Total | \$ 2,797,472 | \$ 2,144,737 | \$ 652,735 | \$ 105,807 | \$ 546,928 |

EXHIBIT B-6

COUNTY OF NASSAU, NEW YORK

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY AND ACTUAL
ENVIRONMENTAL PROTECTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2011 (Dollars in Thousands)**

| | <u>Original Budget</u> | <u>Total Budgetary Authority</u> | <u>Actual</u> | <u>GAAP to Budgetary Basis Conversion</u> | <u>Actual on a Budgetary Basis</u> | <u>Variance Positive (Negative)</u> |
|--------------------------------|----------------------------|--|------------------|---|--|---|
| Revenues: | | | | | | |
| Interest Income | \$ 745 | \$ 745 | \$ 29 | \$ | \$ 29 | \$ (716) |
| Property Taxes | 11,250 | 11,250 | 11,254 | | 11,254 | 4 |
| Total Revenues | <u>11,995</u> | <u>11,995</u> | <u>11,283</u> | | <u>11,283</u> | <u>(712)</u> |
| Other Financing Use: | | | | | | |
| Transfer Out | (12,040) | (12,040) | (8,468) | | (8,468) | 3,572 |
| Total Other Financing Uses | <u>(12,040)</u> | <u>(12,040)</u> | <u>(8,468)</u> | | <u>(8,468)</u> | <u>3,572</u> |
| Net Change in Fund Balance | (45) | (45) | 2,815 | | 2,815 | 2,860 |
| Fund Balance Beginning of Year | 45 | 45 | 11,607 | | 11,607 | 11,562 |
| Fund Balance End of Year | <u>\$</u> | <u>\$</u> | <u>\$ 14,422</u> | <u>\$</u> | <u>\$ 14,422</u> | <u>\$ 14,422</u> |

EXHIBIT C-1

COUNTY OF NASSAU, NEW YORK

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2011 (Dollars in Thousands)**

| | <u>Land</u> | <u>Land Improvements</u> | <u>Buildings</u> | <u>Equipment</u> | <u>Infrastructure</u> | <u>Total</u> |
|---------------------------------------|-------------------|------------------------------|-------------------|-------------------|-----------------------|---------------------|
| Legislative | \$ | \$ | \$ 254 | \$ 77 | \$ | \$ 331 |
| Judicial | 2,593 | 1,933 | 73,629 | 3,479 | | 81,634 |
| General Administration | 122,603 | 1,197 | 69,583 | 34,010 | | 227,393 |
| Protection of Persons | 5,254 | 190 | 75,498 | 96,237 | | 177,179 |
| Health | 475 | | 4,709 | 3,127 | | 8,311 |
| Public Works | 13,491 | 1,522 | 338,235 | 51,238 | 1,834,277 | 2,238,763 |
| Recreation and Parks | 28,952 | 71,160 | 95,823 | 13,763 | 32,847 | 242,545 |
| Social Services | 545 | 3,840 | 19,967 | 1,853 | | 26,205 |
| Corrections | | | 183,287 | 10,312 | | 193,599 |
| Other Expenditures/MSBA | | | 26,409 | 177,559 | | 203,968 |
| Metropolitan Transportation Authority | | | | 140,040 | | 140,040 |
| Misc. Unclassified | 58,640 | 716 | 134,439 | | | 193,795 |
| Total | 232,553 | 80,558 | 1,021,833 | 531,695 | 1,867,124 | 3,733,763 |
| Less: Accumulated Depreciation | | 48,134 | 378,633 | 394,681 | 745,822 | 1,567,270 |
| | <u>\$ 232,553</u> | <u>\$ 32,424</u> | <u>\$ 643,200</u> | <u>\$ 137,014</u> | <u>\$ 1,121,302</u> | <u>2,166,493</u> |
| Construction in Progress | | | | | | 400,669 |
| Intangible Assets | | | | | | 8,804 |
| Total Net Capital Assets | | | | | | <u>\$ 2,575,966</u> |

EXHIBIT C-2

COUNTY OF NASSAU, NEW YORK

**STATEMENT OF CHANGES IN CAPITAL ASSETS BY FUNCTION
DECEMBER 31, 2011 (Dollars in Thousands)**

| | <u>Capital Assets</u> <u>January 1, 2011</u> | <u>Additions*</u> | <u>Deletions*</u> | <u>Capital Assets</u> <u>December 31, 2011</u> |
|---------------------------------------|---|-------------------|-------------------|---|
| Legislative | \$ 331 | \$ | \$ | \$ 331 |
| Judicial | 81,284 | 356 | 6 | 81,634 |
| General Administration | 213,463 | 13,930 | | 227,393 |
| Protection of Persons | 169,189 | 9,888 | 1,898 | 177,179 |
| Health | 8,384 | 96 | 169 | 8,311 |
| Public Works | 2,091,377 | 147,386 | | 2,238,763 |
| Recreation and Parks | 223,006 | 19,539 | | 242,545 |
| Social Services | 25,926 | 279 | | 26,205 |
| Corrections | 192,631 | 968 | | 193,599 |
| Other Expenditures/MSBA | 187,170 | 16,798 | | 203,968 |
| Metropolitan Transportation Authority | 140,040 | | | 140,040 |
| Misc. Unclassified | 193,795 | | | 193,795 |
| Construction in Progress | 367,391 | 87,363 | 54,085 | 400,669 |
| Intangible Assets | <u>8,804</u> | | | <u>8,804</u> |
| Total | 3,902,791 | 296,603 | 56,158 | 4,143,236 |
| Less: Accumulated Depreciation | <u>1,448,249</u> | <u>120,990</u> | <u>1,969</u> | <u>1,567,270</u> |
| Total Changes in Net Capital Assets | <u>\$ 2,454,542</u> | <u>\$ 175,613</u> | <u>\$ 54,189</u> | <u>\$ 2,575,966</u> |

* Additions include buildings, equipment, infrastructure and intangible assets for both the County and the Nassau County Sewer and Storm Water Finance Authority and the transfer of construction in progress. Deletions include buildings, equipment and infrastructure for the County and the transfer of construction in progress to the Nassau County Sewer and Storm Water Finance Authority.

EXHIBIT D-1
COUNTY OF NASSAU, NEW YORK

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2011 (Dollars in Thousands)

| | <u>Balance</u> <u>January 1,</u> <u>2011</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> <u>December 31,</u> <u>2011</u> |
|--|--|---------------------|---------------------|--|
| Agency Fund | | | | |
| <u>ASSETS:</u> | | | | |
| Cash | \$ 65,570 | \$ 1,107,136 | \$ 1,131,544 | \$ 41,162 |
| Due From Component Unit | <u>1,474</u> | <u>95,568</u> | <u>91,570</u> | <u>5,472</u> |
| TOTAL ASSETS | <u>\$ 67,044</u> | <u>\$ 1,202,704</u> | <u>\$ 1,223,114</u> | <u>\$ 46,634</u> |
| <u>LIABILITIES:</u> | | | | |
| Accounts Payable | \$ 1,029 | \$ 410,915 | \$ 410,471 | \$ 1,473 |
| Other Liabilities | <u>66,015</u> | <u>1,099,558</u> | <u>1,120,412</u> | <u>45,161</u> |
| TOTAL LIABILITIES | <u>\$ 67,044</u> | <u>\$ 1,510,473</u> | <u>\$ 1,530,883</u> | <u>\$ 46,634</u> |
| Nassau County Tobacco Securitization Corporation Residual Trust | | | | |
| <u>ASSETS:</u> | | | | |
| Cash | <u>\$ 18,412</u> | <u>\$ 36</u> | <u>\$</u> | <u>\$ 18,448</u> |
| <u>LIABILITIES:</u> | | | | |
| Other Liabilities | <u>\$ 18,412</u> | <u>\$ 36</u> | <u>\$</u> | <u>\$ 18,448</u> |

EXHIBIT D-2**COUNTY OF NASSAU, NEW YORK****STATEMENT OF CHANGES IN OTHER LIABILITIES
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011 (Dollars in Thousands)**

| | Balance January 1, 2011 | Additions | Deductions | Balance December 31, 2011 |
|--|-------------------------------|---------------------|---------------------|---------------------------------|
| Agency Fund | | | | |
| Cash Bail | \$ 15,491 | \$ 10,358 | \$ 15,984 | \$ 9,865 |
| Coliseum Deferred Revenue | 4,684 | | | 4,684 |
| Contractors' Cash Bond Escrow | 3,081 | 3 | 1,949 | 1,135 |
| Declining Balance Account - Staples | | 1,407 | 1,407 | |
| Dental Insurance | 85 | 5,412 | 5,451 | 46 |
| Eggers College Settlement | 1,661 | 1 | 1,662 | |
| Estate Suspense Account | 778 | 1,327 | 1,674 | 431 |
| Federal Withholding Taxes | 948 | 156,951 | 157,475 | 424 |
| Flex Benefit Plan | | 4,054 | 3,979 | 75 |
| Grainger Declining Balance Account | | 1,321 | 1,321 | |
| Health Insurance | | 283,519 | 283,519 | |
| Highway Deposits | 958 | 675 | 484 | 1,149 |
| Medical Assistance Pay In | 3,697 | 969 | 1,661 | 3,005 |
| Mortgage Taxes | 4,796 | 38,560 | 37,563 | 5,793 |
| Nassau County Bridge Authority | | 1,578 | | 1,578 |
| New York City Withholding Taxes | 45 | 1,208 | 1,212 | 41 |
| New York State Withholding Taxes | 2,219 | 60,082 | 60,373 | 1,928 |
| Optical Insurance | 210 | 1,611 | 1,762 | 59 |
| Payments in Lieu of Taxes | 17,171 | 27,666 | 38,270 | 6,567 |
| Payroll Deductions - others | 62 | 61,704 | 61,699 | 67 |
| Payroll Deferred Compensation | | 56,682 | 56,682 | |
| Real Estate Escrow | 3,019 | 509 | 3,034 | 494 |
| Retirement System | 1,356 | 132,652 | 133,961 | 47 |
| Social Security Taxes | 434 | 118,984 | 119,345 | 73 |
| Social Service Trust | | 6,861 | 6,861 | |
| TIAA/CREF Payroll Deductions | 845 | 7,845 | 7,808 | 882 |
| Traffic Violations Clearing Account | 4,231 | 26,343 | 26,330 | 4,244 |
| Triad Worker's Compensation Account | 124 | 22,841 | 22,511 | 454 |
| Trust Fund Deposits | (1,385) | 59,125 | 56,483 | 1,257 |
| Trust Fund Deposits - short term | | 1,153 | 1,153 | |
| Unemployment Insurance | (39) | 2,587 | 2,548 | |
| All Other Liabilities | 1,544 | 5,570 | 6,251 | 863 |
| Total Other Liabilities | \$ 66,015 | \$ 1,099,558 | \$ 1,120,412 | \$ 45,161 |
| Nassau County Tobacco Securitization Corporation Residual Trust | | | | |
| Other Liabilities - undisbursed bond proceeds | \$ 18,412 | \$ 36 | \$ | \$ 18,448 |

EXHIBIT E-1

COUNTY OF NASSAU, NEW YORK

**STATEMENT OF CASH IN BANKS*
ALL FUNDS OF THE PRIMARY GOVERNMENT
DECEMBER 31, 2011 (Dollars in Thousands)**

CASH BALANCES BY FUND:

| | | |
|------------------------------|----|----------------|
| General Fund | \$ | 130,950 |
| NIFA General Fund | | 312 |
| Police District | | 649 |
| Capital | | 222,187 |
| Sewer & Storm Water | | 120,731 |
| Nonmajor Governmental Funds | | 72,131 |
| Agency Fund | | <u>59,610</u> |
| Total Cash Balances By Funds | \$ | <u>606,570</u> |

CASH BALANCES BY BANK:

| | | |
|----------------------------------|----|----------------|
| The Bank of New York | \$ | 16,954 |
| JP Morgan Chase | | 46,526 |
| Citibank | | 5,850 |
| Wachovia Bank | | 112,602 |
| TD Bank | | 124,600 |
| Capital One Bank | | 82,226 |
| Signature Bank | | 165,276 |
| City National Bank of New Jersey | | 2,918 |
| HSBC | | 48,687 |
| Petty Cash | | <u>931</u> |
| Total Cash Balances By Bank | \$ | <u>606,570</u> |

*See Exhibit X-13 Note 2, Deposits and Investments

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STATISTICAL SECTION

This Section of the County of Nassau's Comprehensive Annual Financial Report presents additional information, schedules, and historical content as a context to assist financial users to provide a greater understanding of the information in the financial statements, note disclosures, and required supplementary information, and to assist in the assessment of the County's overall financial condition. It is intended to provide readers of this report with a broader and more complete understanding of the County and its financial affairs than is possible from the financial statements and schedules included in the Financial section. In some cases, statistical information comes from towns, cities, villages, school districts, and special districts which are not part of the County reporting entity. Many schedules cover several fiscal years for comparison purposes, and present certain data from outside the County's accounting records.

Contents

Financial Trends Information

These schedules contain trend information to help the reader understand how the County's financial performance and position has changed over time.

Revenue Capacity Information

These schedules contain information to assist readers in understanding the factors affecting the County's local revenue sources, namely property and sales taxes.

Debt Capacity Information

These schedules contain information to assist readers in assessing the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Economic and Demographic Information

These schedules provide demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information

These schedules provide contextual information about the County's operations and resources to assist readers in understanding how the information in the County's financial report relates to the services it provides and the activities it performs.

Note: Certain information prior to 2011 is presented pre-implementation of GASB 54.

Sources: The information in these schedules is derived from the Comprehensive Annual Financial Report for the applicable year, unless otherwise noted.

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FINANCIAL TRENDS INFORMATION

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COUNTY OF NASSAU, NEW YORK

Exhibit T-1

**Net Assets of Primary Government
Last Nine Fiscal Years
(Accrual Basis of Accounting)
(Dollars in Thousands)**

| Fiscal Year | Invested in Capital Assets, Net of Related Debt | Restricted | | | Unrestricted (Deficit) | Total Primary Government Net Assets / (Deficit) |
|-------------|---|-------------|--------------------|---------------------|---------------------------|---|
| | | Statutory | Special Revenue | Capital Projects | | |
| 2011 | \$ 1,681,865 | | | \$ 143,711 | \$ (8,080,413) | \$ (6,254,837) |
| 2010 | 1,534,318 | | | 226,915 | (7,068,439) | (5,307,206) |
| 2009 | 1,503,411 | | | 143,133 | (6,656,450) | (5,009,906) |
| 2008 | 1,356,866 | | | 56,742 | (6,132,850) | (4,719,242) |
| 2007 | 1,602,186 | | | | (6,029,636) | (4,427,450) |
| 2006 | 1,556,170 | | | 32,719 | (3,053,438) | (1,464,549) |
| 2005 | 1,429,730 | | | 113,534 | (2,973,679) | (1,430,415) |
| 2004 | 1,554,662 | | | 136,826 | (3,120,945) | (1,429,457) |
| 2003 | 1,530,864 | | | 136,327 | (3,136,151) | (1,468,960) |
| 2002 | 1,491,579 | (2,076,191) | (227,012) | 78,167 | (510,432) | (1,243,889) |

COUNTY OF NASSAU, NEW YORK

Changes in Net Assets
Last Nine Fiscal Years
(Accrual Basis of Accounting)
(Dollars in Thousands)

| | Fiscal Year | | | | |
|---|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | 2011 | 2010 | 2009 | 2008 | 2007 |
| Expenses | | | | | |
| Primary Government: | | | | | |
| Legislative | \$ 10,288 | \$ 10,213 | \$ 10,108 | \$ 10,126 | \$ 9,789 |
| Judicial | 61,894 | 65,765 | 51,142 | 52,998 | 49,995 |
| General Government | 1,486,306 | 739,650 | 752,102 | 759,162 | 529,185 |
| Postemployment Retirement Benefits | | | | | 3,354,770 |
| Protection of Persons | 742,535 | 771,480 | 725,762 | 718,984 | 672,293 |
| Health | 253,059 | 243,078 | 268,204 | 259,517 | 254,856 |
| Public Works | 245,813 | 238,683 | 218,257 | 224,577 | 221,678 |
| Recreation and Parks | 39,010 | 34,035 | 33,369 | 43,125 | 48,833 |
| Social Services | 572,783 | 564,636 | 539,817 | 519,326 | 501,254 |
| Corrections | 259,782 | 231,627 | 253,576 | 212,124 | 225,968 |
| Education | 9,826 | 12,086 | 11,457 | 10,741 | 10,216 |
| Debt Service Interest | 186,056 | 171,156 | 164,498 | 159,632 | 157,439 |
| Total Primary Government Expenses | <u>3,867,352</u> | <u>3,082,409</u> | <u>3,028,292</u> | <u>2,970,312</u> | <u>6,036,276</u> |
| Program Revenues | | | | | |
| Primary Government: | | | | | |
| Charges for services: | | | | | |
| Legislative | | 193 | 274 | 233 | 122 |
| Judicial | 49,008 | 33,961 | 19,705 | 17,953 | 18,329 |
| General Government | 74,097 | 61,742 | 45,522 | 43,712 | 70,641 |
| Protection of Persons | 42,060 | 36,495 | 37,462 | 33,285 | 35,544 |
| Health | 23,475 | 22,196 | 22,245 | 22,208 | 22,798 |
| Public Works | 6,119 | 6,060 | 9,146 | 7,612 | 5,366 |
| Recreation and Parks | 19,875 | 19,426 | 19,665 | 19,775 | 17,902 |
| Social Services | 19,046 | 18,497 | 17,903 | 19,227 | 14,558 |
| Corrections | 9,014 | 4,784 | 5,300 | 7,420 | 5,483 |
| Education | | | 1,011 | 2,579 | 3,668 |
| Operating Grants | 463,523 | 485,243 | 463,438 | 412,965 | 397,531 |
| Capital Grants | 159,156 | 42,576 | 63,479 | 15,106 | 37,031 |
| Total Primary Government Program Revenues | <u>865,373</u> | <u>731,173</u> | <u>705,150</u> | <u>602,075</u> | <u>628,973</u> |
| Total Primary Government Net (Expenses)/Revenues | <u>(3,001,979)</u> | <u>(2,351,236)</u> | <u>(2,323,142)</u> | <u>(2,368,237)</u> | <u>(5,407,303)</u> |
| General Revenues and Other Changes in Net Assets | | | | | |
| Primary Government: | | | | | |
| Taxes: | | | | | |
| Property Taxes | 922,894 | 931,585 | 919,653 | 889,519 | 886,691 |
| Sales Taxes | 1,023,128 | 997,175 | 949,710 | 998,733 | 1,010,566 |
| Other Taxes | 40,601 | 40,900 | 41,149 | 38,991 | 45,037 |
| Tobacco Settlement Revenue and Tobacco Receipts | 18,849 | 19,881 | 82,210 | 74,078 | 59,153 |
| Investment Income | 20,711 | 13,654 | 13,757 | 48,701 | 45,284 |
| Other Federal and State Aid | | | | | |
| Other | 28,165 | 26,521 | 25,999 | 26,423 | 21,865 |
| Total Primary Government | <u>2,054,348</u> | <u>2,029,716</u> | <u>2,032,478</u> | <u>2,076,445</u> | <u>2,068,596</u> |
| Change in Net Assets | (947,631) | (321,520) | (290,664) | (291,792) | (3,338,707) |
| Implementation of GASB 48 | | | | | 375,806 |
| Net Assets (Deficit) - Beginning | <u>(5,307,206)</u> | <u>(4,985,686) *</u> | <u>(4,719,242)</u> | <u>(4,427,450)</u> | <u>(1,464,549)</u> |
| Net Assets (Deficit) - Ending | <u><u>\$ (6,254,837)</u></u> | <u><u>\$ (5,307,206)</u></u> | <u><u>\$ (5,009,906)</u></u> | <u><u>\$ (4,719,242)</u></u> | <u><u>\$ (4,427,450)</u></u> |

* Opening Net Assets for 2010 has been restated

(Continued)

COUNTY OF NASSAU, NEW YORK

Changes in Net Assets
Last Nine Fiscal Years
(Accrual Basis of Accounting)
(Dollars in Thousands)

| | Fiscal Year | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2006 | 2005 | 2004 | 2003 | 2002 |
| Expenses | | | | | |
| Primary Government: | | | | | |
| Legislative | \$ 8,754 | \$ 8,321 | \$ 6,866 | \$ 6,525 | \$ 5,847 |
| Judicial | 45,018 | 42,533 | 45,584 | 42,764 | 40,974 |
| General Government | 587,841 | 493,012 | 560,382 | 788,063 | 479,242 |
| Postemployment Retirement Benefits | | | | | |
| Protection of Persons | 633,154 | 638,393 | 620,384 | 522,711 | 556,196 |
| Health | 248,782 | 239,111 | 233,916 | 230,590 | 207,803 |
| Public Works | 226,599 | 228,119 | 222,859 | 177,691 | 177,418 |
| Recreation and Parks | 45,687 | 41,541 | 37,704 | 46,037 | 44,778 |
| Social Services | 490,302 | 535,021 | 627,511 | 529,093 | 540,759 |
| Corrections | 225,334 | 218,053 | 193,434 | 184,199 | 172,361 |
| Education | 10,545 | 13,621 | 14,975 | 22,649 | 10,097 |
| Debt Service Interest | 160,847 | 150,564 | 122,391 | 186,041 | 214,186 |
| Total Primary Government Expenses | <u>2,682,863</u> | <u>2,608,289</u> | <u>2,686,006</u> | <u>2,736,363</u> | <u>2,449,661</u> |
| Program Revenues | | | | | |
| Primary Government: | | | | | |
| Charges for services: | | | | | |
| Legislative | 18 | 1 | 23 | 2 | |
| Judicial | 20,062 | 18,065 | 13,047 | 11,121 | 10,514 |
| General Government | 71,494 | 55,543 | 55,609 | 45,211 | 77,693 |
| Protection of Persons | 36,127 | 31,406 | 29,379 | 31,002 | 19,371 |
| Health | 19,807 | 28,209 | 17,021 | 16,712 | 17,521 |
| Public Works | 5,245 | 5,975 | 2,764 | 10,813 | 10,182 |
| Recreation and Parks | 17,458 | 16,623 | 16,335 | 14,229 | 15,791 |
| Social Services | 20,364 | 55,782 | 138,304 | 77,277 | 115,040 |
| Corrections | 4,822 | 5,389 | 2,579 | 2,269 | 1,206 |
| Education | | | 7,186 | 7,399 | 233 |
| Operating Grants | 382,954 | 381,293 | 448,624 | 397,876 | 396,994 |
| Capital Grants | 32,484 | 27,269 | 56,369 | 29,548 | 35,032 |
| Total Primary Government Program Revenues | <u>610,835</u> | <u>625,555</u> | <u>787,240</u> | <u>643,459</u> | <u>699,577</u> |
| Total Primary Government Net (Expenses)/Revenues | <u>(2,072,028)</u> | <u>(1,982,734)</u> | <u>(1,898,766)</u> | <u>(2,092,904)</u> | <u>(1,750,084)</u> |
| General Revenues and Other Changes in Net Assets | | | | | |
| Primary Government: | | | | | |
| Taxes: | | | | | |
| Property Taxes | 883,637 | 884,859 | 881,934 | 883,616 | 757,481 |
| Sales Taxes | 989,243 | 952,675 | 933,863 | 890,860 | 863,157 |
| Other Taxes | 39,452 | 40,870 | 36,027 | 30,187 | 28,321 |
| Tobacco Settlement Revenue and Tobacco Receipts | 53,661 | 45,301 | 45,656 | 26,186 | 26,180 |
| Investment Income | 49,369 | 36,622 | 18,066 | 13,560 | 15,906 |
| Other Federal and State Aid | | | | | 20,000 |
| Other | 22,532 | 21,449 | 22,723 | 23,424 | 21,472 |
| Total Primary Government | <u>2,037,894</u> | <u>1,981,776</u> | <u>1,938,269</u> | <u>1,867,833</u> | <u>1,732,517</u> |
| Change in Net Assets | (34,134) | (958) | 39,503 | (225,071) | (17,567) |
| Implementation of GASB 48 | | | | | |
| Net Assets (Deficit) - Beginning | (1,430,415) | (1,429,457) | (1,468,960) | (1,243,889) | (1,226,322) |
| Net Assets (Deficit) - Ending | <u>\$ (1,464,549)</u> | <u>\$ (1,430,415)</u> | <u>\$ (1,429,457)</u> | <u>\$ (1,468,960)</u> | <u>\$ (1,243,889)</u> |

* Opening Net Assets for 2010 has been restated

COUNTY OF NASSAU, NEW YORK

Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Dollars in Thousands)

| <u>Fiscal Year</u> | <u>Property Tax</u> | <u>Sales Tax</u> | <u>Preempted Sales Tax in Lieu of Property Taxes</u> | <u>Payments in Lieu of Taxes</u> | <u>Special Taxes*</u> | <u>Total</u> |
|--------------------|---------------------|------------------|--|----------------------------------|-----------------------|--------------|
| 2011 | \$ 922,894 | \$ 952,885 | \$ 70,243 | \$ 7,369 | \$ 33,232 | \$1,986,623 |
| 2010 | 931,585 | 939,610 | 57,565 | 6,881 | 34,019 | 1,969,660 |
| 2009 | 919,653 | 887,530 | 62,180 | 6,158 | 34,991 | 1,910,512 |
| 2008 | 889,519 | 936,304 | 62,429 | 4,154 | 34,837 | 1,927,243 |
| 2007 | 886,691 | 948,937 | 61,629 | 7,356 | 37,681 | 1,942,294 |
| 2006 | 883,637 | 929,817 | 59,426 | 4,551 | 34,901 | 1,912,332 |
| 2005 | 884,859 | 895,107 | 57,568 | 4,298 | 36,572 | 1,878,404 |
| 2004 | 881,934 | 883,892 | 49,971 | 3,632 | 32,395 | 1,851,824 |
| 2003 | 883,616 | 841,940 | 48,920 | 4,205 | 25,982 | 1,804,663 |
| 2002 | 757,481 | 814,160 | 48,997 | 2,974 | 25,347 | 1,648,959 |

COUNTY OF NASSAU, NEW YORK

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Dollars in Thousands)

| | Fiscal Year | | | | | | | | | |
|---|-------------|------------|------------|-------------|------------|------------|------------|------------|------------|------------|
| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
| General Fund (Includes NIFA General Fund) | | | | | | | | | | |
| Nonspendable | \$ 87,711 | | | | | | | | | |
| Spendable | | | | | | | | | | |
| Restricted | 19,638 | | | | | | | | | |
| Committed | | | | | | | | | | |
| Assigned | 86,040 | | | | | | | | | |
| Unassigned | (95,063) | | | | | | | | | |
| Reserved for Encumbrances | | \$ 86,227 | \$ 68,459 | \$ 72,597 | \$ 73,592 | \$ 56,324 | \$ 65,052 | \$ 67,123 | \$ 91,483 | \$ 70,433 |
| Unreserved and Designated for Ensuing Year's Budget | | | | 10,000 | 10,000 | 13,075 | 13,367 | | | |
| Unreserved | | 93,498 | 52,784 | 47,928 | 56,271 | 73,342 | 75,771 | 86,084 | 76,706 | 68,956 |
| Total General Fund | 98,326 | 179,725 | 121,243 | 130,525 | 139,863 | 142,741 | 154,190 | 153,207 | 168,189 | 139,389 |
| All Other Governmental Funds | | | | | | | | | | |
| Nonspendable | 44,951 | | | | | | | | | |
| Spendable | | | | | | | | | | |
| Restricted | 70,092 | | | | | | | | | |
| Committed | 222,641 | | | | | | | | | |
| Assigned | 20,557 | | | | | | | | | |
| Unassigned | (22,765) | | | | | | | | | |
| Reserved for Retirement of Temporary Financing | | 8,588 | 8,835 | 4,679 | 7,326 | 25,961 | 7,816 | 64,106 | 54,642 | 36,590 |
| Reserved for State Revolving Fund | | | | | | | | | | 1,499 |
| Reserved for Encumbrances | | 342,310 | 339,976 | 339,524 | 241,394 | 266,165 | 245,489 | 170,363 | 136,614 | 141,057 |
| Reserved for Police Terminations | | | | | | | | | 38,500 | |
| Restricted - Senior Liquidity Reserve | | 24,009 | 24,009 | 24,009 | 24,009 | 24,009 | | | | |
| Unreserved and Designated for Ensuing Year's Budget | | 35,538 | 52,785 | 59,496 | 53,203 | | 52,087 | 10,000 | 44,311 | 23,305 |
| Unreserved: | | | | | | | | | | |
| Special Revenue Fund | | 56,481 | 71,477 | 65,174 | 114,954 | 123,199 | (10,376) | 4,870 | 4,870 | |
| Capital Fund | | (11,774) | (75,019) | (155,310) * | | | | | | |
| Nonmajor Special Revenue Funds | | (10,353) | (11,348) | (31,613) | (41,132) | (29,733) | 72,140 | 77,362 | 15,469 | (3,372) |
| Nonmajor Capital Projects Funds | | (32,730) | (48,728) | (23,728) | (219,450) | (149,672) | 33,923 | 132,855 | 92,765 | 50,168 |
| Nonmajor Debt Service Funds | | 16,295 | 18,054 | 21,477 | (26,424) | 2,054 | 3,994 | 51,017 | 55,999 | 45,273 |
| Total All Other Governmental Funds | 335,476 | 428,364 | 380,041 | 303,708 | 153,880 | 261,983 | 405,073 | 510,573 | 443,170 | 294,520 |
| Total Governmental Funds | \$ 433,802 | \$ 608,089 | \$ 501,284 | \$ 434,233 | \$ 293,743 | \$ 404,724 | \$ 559,263 | \$ 663,780 | \$ 611,359 | \$ 433,909 |

* Beginning in 2008, the Capital Fund became a Major Fund

COUNTY OF NASSAU, NEW YORK

Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)
 (Dollars in Thousands)

| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | Fiscal Year | | 2003 | 2002 |
|--|---------------|----------------|----------------|----------------|---------------|---------------|----------------|----------------|----------------|----------------|
| | | | | | | | 2005 | 2004 | | |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Transfers In - Component Unit | | | | | | | | | | |
| Transfers Out - Component Unit | | | | | | | | | | |
| Other Financing Sources - Premium | 9,323 | 28,748 | 51,339 | 8,800 | 1,055 | | 17,252 | 33,915 | 48,013 | 13,595 |
| Other Financing Sources - EFC Subsidy | 0 | 1,141 | | | 356 | | 550 | | 4,884 | |
| Other Financing Uses - Funding of Residual Trust | | | | | (21,073) | (140,265) | | | | |
| Transfer from NIFA for Escrow Agent | | | | | | | | (9,076) | (41,623) | |
| Operating Transfers to RAN Withholding Account | | | | | | | | | | |
| Deposited with Escrow Agent for Defeasance | | | (389,335) | (789,735) | | (248,564) | (130,798) | (322,806) | (26,417) | |
| Payments to Refunding Bond Escrow Holder | | | | | | | | (397,200) | (341,731) | (114,817) |
| Transfers In | 40,604 | 604,630 | 641,377 | 487,053 | 448,731 | 640,408 | 546,434 | 331,873 | 420,981 | 410,673 |
| Transfers In of Investment Income | 1,063 | 549 | 2,144 | 4,144 | 6,684 | 4,938 | 4,481 | 2,551 | 3,477 | 2,783 |
| Transfers In of Investment Income on Sales Tax from NIFA | | | | | | | | | | 2,783 |
| Transfers Out | (40,604) | (604,630) | (641,377) | (487,053) | (448,731) | (640,408) | (546,434) | (331,873) | (358,750) | (634,233) |
| Transfers Out of Investment Income | (1,063) | (549) | (2,144) | (4,144) | (6,684) | (4,938) | (4,481) | (2,551) | (3,477) | (2,783) |
| Transfers In from NIFA | 201,429 | 170,044 | 183,911 | 189,852 | 208,350 | 77,841 | 224,418 | 494,878 | 67,943 | 108,305 |
| Transfers Out from NIFA | (201,429) | (170,044) | (183,911) | (189,852) | (208,350) | (77,841) | (477,350) | (693,541) | (271,995) | |
| Transfers In from SFA | 167,254 | 49,755 | 148,986 | 268,028 | 330,440 | 426,510 | 112,571 | 238,557 | | |
| Transfers Out from SFA | (167,254) | (49,755) | (148,986) | (268,028) | (330,440) | (426,510) | (112,571) | (238,557) | | |
| Transfers to RAN Withholding Account - NIFA | | | | | | | | | | (220) |
| Payments to Refunded Bond Escrow Agent | | | | | | | | | | (58,329) |
| Transfers Out of Investment Income on Sales Tax to County | | | | | | | | | | (2,783) |
| Issuance of Notes | | | | 50,757 | | | | | | |
| Issuance of Debt | 76,409 | 344,990 | 808,205 | 1,173,343 | 74,562 | 431,034 | 392,070 | 1,023,955 | 565,511 | 328,268 |
| Redemption of Notes | | | (50,757) | | | | | | | |
| Transfers from NIFA - Tax Certiorari and Other | | | | | | | | | | |
| Judgment Borrowings | | | | | | | 252,932 | 198,663 | 183,444 | 125,545 |
| Other Sources | | | | | | | | | 673 | 1,813 |
| Total Financing Sources | 85,732 | 374,879 | 419,452 | 443,165 | 54,900 | 43,117 | 279,074 | 328,788 | 250,933 | 180,600 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | (174,287) | 106,805 | 67,051 | 140,490 | (110,981) | (154,539) | (104,517) | 52,421 | 177,450 | 34,942 |
| Total Fund Balances at Beginning of Year ² | 608,089 | 501,284 | 434,233 | 293,743 | 404,724 | 559,263 | 663,780 | 611,359 | 433,909 | 398,967 |
| Total Fund Balances at End of Year | \$ 433,802 | \$ 608,089 | \$ 501,284 | \$ 434,233 | \$ 293,743 | \$ 404,724 | \$ 559,263 | \$ 663,780 | \$ 611,359 | \$ 433,909 |
| Debt Service as a Percentage of Noncapital Expenditures | 13.38% | 13.18% | 13.00% | 13.91% | 14.48% | 14.12% | 12.32% | 12.83% | 14.46% | 14.38% |

³ Beginning in 2007, Capital Projects is a Major Fund

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REVENUE CAPACITY INFORMATION

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COUNTY OF NASSAU, NEW YORK

**Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Dollars in Thousands)**

| <u>Fiscal Year</u> | <u>Property Tax</u> | <u>Sales Tax</u> | <u>Preempted Sales Tax in Lieu of Property Taxes</u> | <u>Payments in Lieu of Taxes</u> | <u>Special Taxes</u> | <u>Total</u> |
|--------------------|---------------------|------------------|--|----------------------------------|----------------------|--------------|
| 2011 | \$ 927,039 | \$ 952,885 | \$ 70,243 | \$ 7,369 | \$ 33,232 | \$ 1,990,768 |
| 2010 | 932,205 | 939,610 | 57,565 | 6,881 | 34,019 | 1,970,280 |
| 2009 | 919,653 | 887,530 | 62,180 | 6,158 | 34,991 | 1,910,512 |
| 2008 | 889,519 | 936,304 | 62,429 | 4,154 | 34,837 | 1,927,243 |
| 2007 | 886,691 | 948,937 | 61,629 | 7,356 | 37,681 | 1,942,294 |
| 2006 | 884,512 | 929,817 | 59,426 | 4,551 | 34,901 | 1,913,207 |
| 2005 | 884,859 | 895,107 | 57,568 | 4,298 | 36,572 | 1,878,404 |
| 2004 | 881,934 | 883,892 | 49,971 | 3,632 | 32,395 | 1,851,824 |
| 2003 | 884,417 | 841,940 | 48,920 | 4,205 | 25,982 | 1,805,464 |
| 2002 | 758,267 | 814,160 | 48,997 | 2,974 | 25,347 | 1,649,745 |

COUNTY OF NASSAU, NEW YORK

Sales Tax, Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Dollars in Thousands)

| Fiscal Year Ended December 31 | Sales Tax Revenue | Sales Tax Rate | Class 1 Assessed Value | Class 2 Assessed Value | Class 3 Assessed Value | Class 4 Assessed Value | Total Taxable Assessed Value | Levied Property Taxes | Total Direct Property Tax Rate per \$100 Assessed Value | Estimated Actual Taxable Full Valuation | Assessed Value as a Percentage of Actual Taxable Full Valuation |
|-------------------------------------|----------------------|-------------------|------------------------------|------------------------------|------------------------------|------------------------------|---------------------------------------|-----------------------------|---|---|---|
| 2011 | \$ 1,023,128 | 4.25% | \$ 467,353 **** | \$ 37,798 **** | \$ 39,629 **** | \$ 226,538 **** | 771,318 *** | \$ 927,039 | 120.19 | \$ 218,338,458 | 0.35% |
| 2010 | 997,175 | 4.25% | 543,233 **** | 35,924 **** | 38,155 **** | 220,140 **** | 837,452 *** | 932,205 | 111.43 | 252,854,423 | 0.33% |
| 2009 | 949,710 | 4.25% | 542,881 **** | 34,202 **** | 34,660 **** | 207,054 **** | 818,797 *** | 919,653 | 112.32 | 257,054,119 | 0.32% |
| 2008 | 998,733 | 4.25% | 523,214 **** | 31,036 **** | 30,820 **** | 193,634 **** | 778,704 *** | 889,519 | 114.23 | 261,031,961 | 0.30% |
| 2007 | 1,010,566 | 4.25% | 493,266 **** | 28,852 **** | 28,680 **** | 177,797 **** | 728,595 *** | 886,691 | 121.70 | 244,238,974 | 0.30% |
| 2006 | 989,243 | 4.25% | 833,629 | 27,593 | 24,576 | 177,379 | 1,063,177 ** | 884,512 | 83.20 | 212,313,816 | 0.50% |
| 2005 | 952,675 | 4.25% | 1,353,982 | 26,684 | 24,748 | 176,878 | 1,582,292 * | 884,859 | 55.92 | 193,592,238 | 0.82% |
| 2004 | 933,863 | 4.25% | 1,380,126 | 28,135 | 24,590 | 180,954 | 1,613,805 * | 881,934 | 54.65 | 179,807,935 | 0.90% |
| 2003 | 890,860 | 4.25% | 2,455,967 | 142,131 | 453,775 | 1,067,207 | 4,119,080 | 884,417 | 21.47 | 161,160,799 | 2.56% |
| 2002 | 863,157 | 4.25% | 2,444,307 | 148,778 | 438,892 | 1,089,444 | 4,121,421 | 758,267 | 18.40 | 140,129,811 | 2.94% |

* In 2004 and 2005, a new Department of Assessment methodology was developed and approved by the State in deriving total taxable assessed valuation by utilizing one percent of market value applicable to each of the four property classes.

** In 2006, a new Department of Assessment methodology was developed and approved by the State in deriving total taxable assessed valuation by utilizing one half of one percent of market value for Class 1 properties and utilizing one percent of market value for the other property classes.

*** Beginning in 2007, a new Department of Assessment methodology was developed and approved by the State in deriving total taxable assessed valuation by utilizing one quarter of one percent of market value for Class 1 properties and utilizing one percent of market value for the other property classes.

****Additional Source: Nassau County Adopted Budget

COUNTY OF NASSAU, NEW YORK

PROPERTY TAX LEVIES AND TAX RATES,
DIRECT AND OVERLAPPING GOVERNMENTS
FOR THE FISCAL PERIODS ENDED IN 2000 THROUGH 2010
(Dollars in Thousands)

EXHIBIT T-8

| (Tax Rates per \$100 of Assessed Valuation) | | | | | | | | | | |
|---|----------------------------------|------------------|----------------------------------|------------------|---------------------------------|------------------|---------------------------------|------------------|----------------------------------|------------------|
| | 2010 | | 2009 | | 2008 | | 2007 | | 2006 | |
| | Tax Levy | Tax Rate/Range | Tax Levy | Tax Rate/Range | Tax Levy | Tax Rate/Range | Tax Levy | Tax Rate/Range | Tax Levy | Tax Rate/Range |
| <u>County of Nassau *</u> | | | | | | | | | | |
| General County | | | | | | | | | | |
| Government (Net) | \$ 162,839 | 12.69/ 30.75 | \$ 156,498 | 13.73/ 31.19 | \$ 145,858 | 14.53/ 30.78 | \$ 123,962 | 14.08/ 28.70 | \$ 80,016 | 6.09/ 24.63 |
| Police District | 343,354 | 46.16/ 123.51 | 345,036 | 49.18/ 138.64 | 332,326 | 49.52/ 146.55 | 331,640 | 52.41/ 160.16 | 333,627 | 31.05/ 190.84 |
| Police Headquarters | 279,980 | 24.83/ 37.70 | 289,074 | 27.92/ 40.19 | 279,632 | 29.96/ 40.14 | 287,070 | 34.38/ 43.10 | 258,050 | 21.87/ 43.55 |
| Fire Prevention | 15,401 | 1.38/ 2.09 | 15,466 | 1.51/ 2.17 | 15,555 | 1.68/ 2.25 | 15,699 | 1.90/ 2.38 | 15,850 | 1.35/ 2.02 |
| Community College | 52,207 | 4.59/ 6.97 | 52,207 | 4.92/ 7.18 | 50,247 | 5.33/ 7.19 | 48,361 | 5.73/ 7.19 | 46,546 | 3.91/ 7.78 |
| Sewage Disposal Districts | | | | | | | | | | |
| Sewer & Storm Water District Fund | 116,032 | 1.40/ 98.62 | 110,032 | 1.40/ 47.93 | 103,932 | 1.03/ 41.09 | 118,932 | 1.03/ 140.70 | 138,932 | .71/ 211.49 |
| Sewage Collection Districts | | | | | | | | | | |
| Parks & Recreation | | | | | | | | | 51,168 | 4.60/ 9.15 |
| Environmental Bond | 9,000 | .81/ 1.23 | 4,850 | .49/ 0.70 | 7,375 | .81/ 1.09 | 4,128 | .52/ 0.65 | | |
| Total County of Nass | 978,813 (17.01)% | | 973,163 (17.17)% | | 934,925 (17.43)% | | 929,792 (17.96)% | | 924,189 (18.55)% | |
| <u>Town and City Governments</u> | | | | | | | | | | |
| | 250,961 | .61/ 42.69 | 247,128 | .55/ 41.40 | 231,735 | .54/ 38.12 | 220,779 | .53/ 36.56 | 206,090 | 0.47/ 42.22 |
| | (4.36)% | | (4.36)% | | (4.32)% | | (4.27)% | | (4.14)% | |
| <u>Incorporated Village Governments</u> | | | | | | | | | | |
| | 406,839 | .003/ 213.97 | 423,741 | .10/ 214.35 | 383,097 | .10/ 214.90 | 367,733 | .14/ 203.37 | 367,408 | .11/ 116.09 |
| | (7.07)% | | (7.48)% | | (7.14)% | | (7.11)% | | (7.37)% | |
| <u>School Districts</u> | | | | | | | | | | |
| | 3,575,807 | 1.30/ 809.20 | 3,480,489 | 1.20/ 893.76 | 3,309,803 | 1.18/ 980.37 | 3,167,626 | 1.18/ 1005.38 | 3,010,688 | 1.31/ 1106.35 |
| | (62.13)% | | (61.41)% | | (61.70)% | | (61.20)% | | (60.43)% | |
| <u>Special Districts</u> | | | | | | | | | | |
| Fire | 104,341 | 3.10/ 650.83 | 109,452 | 3.78/ 600.86 | 101,065 | 3.93/ 450.52 | 96,001 | 4.37/ 421.75 | 97,873 | 2.96/ 505.37 |
| Fire Protection | 18,183 | 1.68/ 131.58 | 18,291 | 1.68/ 128.10 | 17,524 | 2.38/ 131.56 | 16,882 | 2.88/ 145.37 | 15,853 | 1.16/ 132.98 |
| Garbage, Refuse and Sanitary | 225,586 | .66/ 141.84 | 222,555 | .58/ 156.28 | 207,014 | .59/ 176.34 | 201,869 | .51/ 179.01 | 191,776 | .29/ 192.98 |
| Lighting | 16,642 | 1.30/ 8.64 | 17,125 | 1.30/ 10.02 | 15,972 | 1.30/ 10.10 | 15,358 | 1.26/ 11.54 | 14,525 | .92/ 12.72 |
| Park | 78,464 | 1.65/ 213.28 | 78,164 | 1.74/ 222.96 | 68,345 | .75/ 85.75 | 67,036 | .89/ 78.40 | 64,291 | .49/ 83.64 |
| Parking and Improvement | 46,497 | .08/ 310.03 | 45,862 | .09/ 273.43 | 44,294 | .08/ 231.66 | 43,807 | .11/ 268.51 | 42,116 | .06/ 299.60 |
| Sewage – Special | 14,553 | .00/ 149.46 | 13,602 | .00/ 189.64 | 14,809 | .00/ 218.93 | 13,776 | .00/ 319.84 | 12,866 | .00/ 224.17 |
| Water | 38,548 | .05/ 78.54 | 38,095 | .05/ 82.41 | 35,546 | .00/ 88.52 | 34,975 | .00/ 154.17 | 34,295 | .00/ 143.57 |
| Total Special Districts | 542,814 (9.43)% | | 543,146 (9.58)% | | 504,569 (9.41)% | | 489,704 (9.46)% | | 473,595 (9.51)% | |
| Totals | \$ 5,755,234 (100.00)% | | \$ 5,667,667 (100.00)% | | \$5,364,129 (100.00)% | | \$5,175,634 (100.00)% | | \$ 4,981,970 (100.00)% | |

* Per Approved Legislative Tax Ordinances.

** Indicates Tax Rate Credit.

Note: Nassau County has elected to keep this schedule since it has been requested for both internal and external agency purposes.

Fiscal Year 2010 is the most recent data available

Sources: Various County, Towns, Schools, and Special Districts

(Continued)

COUNTY OF NASSAU, NEW YORK

PROPERTY TAX LEVIES AND TAX RATES,
DIRECT AND OVERLAPPING GOVERNMENTS
FOR THE FISCAL PERIODS ENDED IN 2000 THROUGH 2010
(Dollars in Thousands)

EXHIBIT T-8

| | 2005 | | 2004 | | 2003 | | 2002 | | 2001 | |
|---|---------------------|-------------------|---------------------|------------------|---------------------|-----------------|---------------------|-----------------|---------------------|----------------|
| | Tax Levy | Tax Rate/Range | Tax Levy | Tax Rate/Range | Tax Levy | Tax Rate/Range | Tax Levy | Tax Rate/Range | Tax Levy | Tax Rate/Range |
| <u>County of Nassau *</u> | | | | | | | | | | |
| General County Government (Net) | \$ 112,770 | 4.89/ 33.05 | \$ 136,984 | 5.96/ 34.02 | \$ 126,463 | .49/ 5.47 | \$ 105,502 | .43/ 4.61 | \$ 144,458 | 1.28/ 5.14 |
| Police District | 309,307 | 17.69/ 175.22 | 301,297 | 16.93/ 174.58 | 299,979 | 9.20/ 9.68 | 270,610 | 8.39/ 6.58 | 272,520 | 8.51/ 1.62/ |
| Police Headquarters | 252,898 | 12.87/ 47.74 | 239,071 | 11.72/ 42.84 | 252,173 | 2.52/ 7.74 | 225,364 | 2.48/ 6.58 | 131,022 | 1.62/ 3.65 |
| Fire Prevention | 15,444 | .79/ 2.93 | 17,782 | .88/ 3.20 | 17,012 | .17/ 0.52 | 14,195 | .16/ 0.42 | 14,946 | .19/ 0.42 |
| Community College | 44,799 | 2.26/ 8.38 | 43,117 | 2.10/ 7.66 | 41,499 | .41/ 1.30 | 39,941 | .44/ 1.17 | 38,039 | .47/ 1.06 |
| Sewage Disposal Districts | | | | | 102,422 | 2.92/ 4.19 | 100,131 | 2.82/ 3.74 | 104,805 | .47/ 3.9 |
| Sewer & Storm Water District Fund | 138,932 | .42/ 205.18 | 138,932 | .42/ 210.77 | | | | | | |
| Sewage Collection Districts | | | | | 40,217 | .22/ 11.10 | 39,290 | .14/ 8.46 | 38,192 | .00/ 7.42 |
| Parks & Recreation | 48,294 | 2.60/ 9.64 | 43,577 | 2.26/ 8.28 | 43,085 | .43/ 1.32 | | | | |
| Environmental Bond | | | | | | | | | | |
| Total County of Nassau: | <u>922,444</u> | | <u>920,760</u> | | <u>922,850</u> | | <u>795,033</u> | | <u>743,982</u> | |
| | (19.39)% | | (20.61)% | | (21.82)% | | (20.46)% | | (20.47)% | |
| <u>Town and City Governments</u> | | | | | | | | | | |
| | 208,654 | .01/ 39.20 | 183,267 | .69/ 38.02 | 175,251 | .13/ 12.20 | 165,369 | .01/ 11.42 | 161,635 | .01/ 21.15 |
| | (4.39)% | | (4.10)% | | (4.14)% | | (4.25)% | | (4.45)% | |
| <u>Incorporated Village Governments</u> | | | | | | | | | | |
| | 344,668 | .12/ 68.50 | 330,851 | .14/ 63.50 | 311,028 | .15/ 42.09 | 328,463 | .15/ 38.28 | 258,155 | .17/ 36.45 |
| | (7.25)% | | (7.41)% | | (7.35)% | | (8.45)% | | (7.10)% | |
| <u>School Districts</u> | | | | | | | | | | |
| | 2,833,955 | 21.62/ 1109.50 | 2,618,054 | 1.71/ 697.32 | 2,431,227 | 1.69/ 118.09 | 2,229,206 | 1.80/ 102.84 | 2,111,613 | 7.02/ 93.88 |
| | (59.59)% | | (58.60)% | | (57.49)% | | (57.36)% | | (58.10)% | |
| <u>Special Districts</u> | | | | | | | | | | |
| Fire | 88,558 | 1.99/ 164.42 | 84,143 | 1.93/ 152.86 | 78,685 | .92/ 7.05 | 76,239 | .83/ 7.05 | 73,344 | .80/ 7.05 |
| Fire Protection | 15,292 | .50/ 137.46 | 14,239 | .48/ 144.88 | 13,595 | .41/ 7.72 | 12,751 | .41/ 7.30 | 12,126 | .41/ 7.05 |
| Garbage, Refuse and Sanitary | 174,235 | .17/ 220.28 | 169,131 | .17/ 162.54 | 160,868 | .12/ 8.41 | 150,799 | .10/ 7.30 | 147,420 | .11/ 6.71 |
| Lighting | 14,194 | .52/ 12.46 | 12,643 | .50/ 11.20 | 12,027 | .31/ 0.56 | 12,010 | .32/ 0.54 | 11,792 | .29/ 0.54 |
| Park | 60,837 | .25/ 85.97 | 54,730 | .43/ 85.75 | 51,548 | .22/ 7.11 | 47,496 | .32/ 5.72 | 47,546 | .34/ 8.88 |
| Parking and Improvement | 49,159 | .04/ 311.80 | 38,582 | .02/ 307.14 | 33,876 | .01/ 12.59 | 32,528 | .01/ 11.67 | 32,337 | .01/ 11.16 |
| Sewage – Special | 12,015 | .00/ 220.28 | 11,501 | .00/ 208.83 | 11,258 | .00/ 12.17 | 11,051 | .00/ 10.59 | 10,576 | .00/ 9.37 |
| Water | 31,739 | .00/ 95.96 | 29,405 | .00/ 90.35 | 27,094 | .05/ 4.62 | 25,504 | .05/ 2.63 | 23,772 | .05/ 2.63 |
| Total Special Districts | <u>446,029</u> | | <u>414,374</u> | | <u>388,951</u> | | <u>368,378</u> | | <u>358,913</u> | |
| | (9.38)% | | (9.28)% | | (9.20)% | | (9.48)% | | (9.88)% | |
| Totals | <u>\$ 4,755,750</u> | | <u>\$ 4,467,306</u> | | <u>\$ 4,229,307</u> | | <u>\$ 3,886,449</u> | | <u>\$ 3,634,298</u> | |
| | (100.00)% | | (100.00)% | | (100.00)% | | (100.00)% | | (100.00)% | |

* Per Approved Legislative Tax Ordinances.

** Indicates Tax Rate Credit.

Note: Nassau County has elected to keep this schedule since it has been requested for both internal and external agency purposes.

Fiscal Year 2010 is the most recent data available

Sources: Various County, Towns, Schools, and Special Districts

COUNTY OF NASSAU, NEW YORK

Principal Sources of Own Source Revenue

Principal Property Taxpayers

December 31, 2011

(Dollars in Thousands)

| Taxpayer | 2011 | | | 2002 | | |
|--|------------------------|------|--|------------------------|------|--|
| | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| Long Island Power Authority | \$ 17,887 | 1 | 2.32% | \$ 224,532 | 1 | 5.45% |
| KEYSPAN | 15,505 | 2 | 2.01 | 103,715 | 2 | 2.52 |
| Verizon | 6,770 | 3 | 0.88 | 81,629 | 3 | 1.98 |
| Retail Property Trust | 4,521 | 4 | 0.59 | 17,616 | 5 | 0.43 |
| CLK-HP | 2,755 | 5 | 0.36 | | | |
| E Q K Green Acres LP | 1,933 | 6 | 0.25 | | | |
| Rexcorp Plaza Spe LLC (formerly Galaxy LI Assoc LLC) | 1,777 | 7 | 0.23 | | | |
| 1 Park Lake Success LLC | 1,532 | 8 | 0.20 | | | |
| Broadway Mall EAT LLC | 1,432 | 9 | 0.19 | 16,256 | 6 | 0.39 |
| Sunrise Mall LLC | 1,431 | 10 | 0.19 | | | |
| Long Island Water Corp. | | | | 20,791 | 4 | 0.50 |
| Greater NY Assoc & NYRA | | | | 11,182 | 7 | 0.27 |
| Cablevision | | | | 10,354 | 8 | 0.25 |
| Northrop Grumman Corp. | | | | 9,751 | 9 | 0.24 |
| New York Water Corp | | | | 8,367 | 10 | 0.20 |
| Totals | \$ 55,543 | | 7.20% | \$ 504,193 | | 12.23% |

* Beginning in 2007, a new Department of Assessment methodology was developed and approved by the State in deriving total taxable assessed valuation by utilizing one quarter of one percent of market value for Class I properties and utilizing one percent of market value for class II, III and IV property classes.

Source: Department of Assessment

Taxable Sales by Industry
For Year Ending in February
(Dollars in Thousands)

| Industry | 2010* | | | 2001 | | |
|--|---------------|------|------------------------------|---------------|------|------------------------------|
| | Tax Base | Rank | Percentage of Total Tax Base | Tax Base | Rank | Percentage of Total Tax Base |
| Retail Trade | \$ 9,727,827 | 1 | 53.139% | \$ 9,166,692 | 1 | 53.529% |
| Accommodation and Food Services | 2,067,538 | 2 | 11.294% | 1,526,984 | 2 | 8.917% |
| Information | 1,357,653 | 3 | 7.416% | 1,208,618 | 4 | 7.058% |
| Wholesale Trade | 1,278,718 | 4 | 6.985% | 1,273,821 | 3 | 7.438% |
| Ag., Mining, Trans., FIRE, Educ., Govt. | 670,732 | 5 | 3.664% | 782,548 | 5 | 4.570% |
| Administrative/Support Services | 640,705 | 6 | 3.500% | 509,853 | 7 | 2.977% |
| Other Services | 597,057 | 7 | 3.261% | 411,910 | 9 | 2.405% |
| Utilities (excluding residential energy) | 520,155 | 8 | 2.841% | 467,613 | 8 | 2.731% |
| Manufacturing | 346,556 | 9 | 1.893% | 335,268 | 10 | 1.958% |
| Arts, Entertainment, and Recreation | 346,442 | 10 | 1.892% | 278,024 | 12 | 1.624% |
| Construction | 330,084 | 11 | 1.803% | 295,469 | 11 | 1.725% |
| Professional, Scientific, and Technical | 256,049 | 12 | 1.399% | 267,895 | 13 | 1.564% |
| Unclassified by Industry | 124,687 | 13 | 0.681% | 580,388 | 6 | 3.389% |
| Health Care | 42,063 | 14 | 0.230% | 19,692 | 14 | 0.115% |
| Totals | \$ 18,306,266 | | 100.00% | \$ 17,124,775 | | 100.00% |

* 2010 is Most Recent Available Data

Source: New York State Department of Taxation and Finance

COUNTY OF NASSAU, NEW YORK

STATEMENT OF CONSTITUTIONAL TAX MARGIN
FOR THE YEAR ENDED DECEMBER 31, 2011 (Dollars in Thousands)

The Constitutional tax limit is the maximum amount of real property tax that may be levied in any fiscal year. The Constitutional tax margin represents the difference between the tax levy and the tax limit.

The Constitutional limit of real property taxation is 2% of the average full valuation of real estate for the last five years.

Average Full Valuation of Real Estate
for the Last Five Years:*

| | |
|---------------------|----------------------|
| 2011 Full Valuation | \$ 218,338,458 |
| 2010 Full Valuation | 252,854,423 |
| 2009 Full Valuation | 257,054,119 |
| 2008 Full Valuation | 261,031,961 |
| 2007 Full Valuation | <u>244,238,974</u> |
| | <u>1,233,517,935</u> |

Average Full Valuation \$ 246,703,587

Constitutional Tax Margin:

| | |
|--|----------------|
| Constitutional Limit of Real Property Taxation, 2% of Average Full Valuation | \$ 4,934,072 |
| <u>Add: Exclusions for Debt Service</u> | <u>151,369</u> |

Maximum Taxing Authority \$ 5,085,441

2011 Tax Levies:

| | |
|--|---------------|
| General County Government | \$ 512,694 |
| <u>Less: Sales Tax Allocation Credit and Other Adjustments</u> | <u>76,867</u> |

| | |
|---|----------------|
| General County Government - net | 435,827 |
| Police District | 364,489 |
| Community College | 52,207 |
| Environmental Bond Fund | 11,250 |
| Sewer & Storm Water Financing Authority | <u>119,032</u> |

Total 2011 Tax Levies which are subject to the Maximum Taxing Authority 982,805

Percentage of Taxing Authority Exhausted 19.33%

Constitutional Tax Margin \$ 4,102,636

Constitutional Tax Margin as a Percentage of Maximum Taxing Authority 80.67%

* Full valuation is determined by dividing the total taxable assessed valuation by the average State equalization rate.

EXHIBIT T-11**COUNTY OF NASSAU, NEW YORK**
**Property Tax Levies and Collections
 Last Ten Fiscal Years
 (Dollars in Thousands)**

| Fiscal Year Beginning January 1 | Total Ad Valorem or General Property Tax Levy | Amount Collected at End of Fiscal Year December 31 | Percentage Collected at End of Fiscal Year December 31 | Amount Collected in Subsequent Years | Amount Collected at December 31, 2011 | Percentage Collected at December 31, 2011 |
|--|--|---|---|---|--|--|
| 2011 | \$ 1,753,993 | \$ 1,729,814 | 98.6215% | \$ | \$ 1,729,814 | 98.6215% |
| 2010 | 1,719,446 | 1,696,405 | 98.6600% | 22,589 | 1,718,994 | 99.9737% |
| 2009 | 1,710,828 | 1,684,918 | 98.4855% | 25,064 | 1,709,982 | 99.9506% |
| 2008 | 1,620,669 | 1,601,364 | 98.8088% | 19,063 | 1,620,427 | 99.9851% |
| 2007 | 1,592,436 | 1,574,231 | 98.8568% | 17,693 | 1,591,924 | 99.9678% |
| 2006 | 1,557,392 | 1,538,101 | 98.7613% | 18,994 | 1,557,095 | 99.9809% |
| 2005 | 1,531,582 | 1,514,518 | 98.8859% | 16,994 | 1,531,512 | 99.9954% |
| 2004 | 1,478,831 | 1,465,377 | 99.0902% | 13,399 | 1,478,776 | 99.9963% |
| 2003 | 1,451,342 | 1,437,849 | 99.0703% | 13,446 | 1,451,295 | 99.9968% |
| 2002 | 1,292,438 | 1,272,749 | 98.4766% | 19,620 | 1,292,369 | 99.9947% |

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DEBT CAPACITY INFORMATION

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COUNTY OF NASSAU, NEW YORK

EXHIBIT T-12

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Dollars in Thousands, Except Per Capita Amount)

| Fiscal Year | General Obligation Bonds (a) | Sewage Purpose Bonds | State Water Pollution Control Fund Revolving Revenue Bonds | Bond Anticipation Notes | Tax Anticipation Notes | Revenue Anticipation Notes | Nassau County Sewer and Storm Water Finance Authority Notes Payable | Dormitory Authority State of NY Bonds (DASNY) (a) | NCC Endo Note (a) | Sales Tax Secured Bonds, NIFA | Nassau County Sewer and Storm Water Finance Authority System Revenue Bonds |
|-------------|---------------------------------------|----------------------------|--|-------------------------------|---------------------------|----------------------------------|--|--|-------------------------|-------------------------------------|---|
| 2011 | \$ 1,204,281 | \$ 68,760 | \$ 112,085 | \$ | \$ 230,000 | \$ 230,000 | \$ | \$ 34,906 | \$ 890 | \$ 1,528,440 | \$ 154,595 |
| 2010 | 1,175,289 | 77,755 | 121,169 | | 270,000 | 210,000 | | 36,607 | 912 | 1,648,185 | 161,955 |
| 2009 | 901,868 | 90,735 | 130,085 | | 150,000 | 190,000 | | 38,234 | 932 | 1,752,600 | 169,250 |
| 2008 | 549,918 | 79,065 | 138,810 | 125,000 (g) | 132,000 | 105,000 | | 31,546 | | 1,875,075 | 175,795 |
| 2007 | 371,980 | 83,392 | 147,379 | 87,345 (g) | 125,000 | 75,000 | 69,135 | 32,072 | | 1,958,525 | 72,225 |
| 2006 | 394,333 | 105,176 | 155,814 | | 150,000 | | 44,435 | 29,733 | | 2,038,500 | 75,450 |
| 2005 | 509,170 | 128,308 | 164,159 | | 120,000 | | 11,885 | 29,282 | | 2,086,960 | 78,575 |
| 2004 | 775,689 | 148,324 | 170,584 | | | | | 27,293 | | 1,748,425 | 81,550 |
| 2003 | 1,239,234 | 244,394 | 174,771 | | 120,000 | | | 32,037 | | 1,123,320 | |
| 2002 | 1,646,214 | 277,093 | 191,030 | 202,155 | 68,920 | 109,145 | | 29,203 | | 650,180 | |

(Continued)

- (a) Includes debt of Nassau Community College as of August 31, a discretely presented component unit.
 - (b) Includes debt of the Tobacco Settlement Corporation and NIFA (blended component units).
 - (c) In 2004 and 2005, a new Department of Assessment methodology was developed and approved by the State in deriving total taxable assessed valuation by utilizing one percent of market value applicable to each of the four property classes.
 - (d) For 2006, a new Department of Assessment methodology was developed and approved by the State in deriving total taxable assessed valuation by utilizing one half of one percent of market value applicable to Class I properties and utilizing one percent of market value for Class II, III, and IV property classes.
 - (e) Includes all debt of blended component units stated in footnote (b) above, as well as, the debt for the Sewer and Storm Water Finance Authority
 - (f) Beginning in 2007, a new Department of Assessment methodology was developed and approved by the State in deriving total taxable assessed valuation by utilizing one quarter of one percent of market value applicable to Class I properties and utilizing one percent of market value for Class II, III, and IV property classes.
 - (g) Includes debt of Nassau Community College as of December 31, a discretely presented component unit.
- NA Not available

COUNTY OF NASSAU, NEW YORK

EXHIBIT T-12

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Dollars in Thousands, Except Per Capita Amount)

| Fiscal Year | Tobacco Settlement Asset-Backed Bonds, Series A | NHCC Bonds | OTB Bonds | Total Serial Bonds - NIFA, NCSSWFA, NCTSC | Capital Leases | Total Primary Government (a) | Taxable Assessed Valuation | Percentage of Debt to Taxable Assessed Valuation | Debt Per Capita | Percentage of Debt to Total Personal Income | Percentage of Debt to Estimated Total Full Valuation |
|-------------|---|------------|-----------|---|----------------|------------------------------|----------------------------|--|-----------------|---|--|
| 2011 | \$ 451,788 | \$ 261,505 | \$ 13,080 | \$ 2,136,834 | \$ 5,351 | \$ 4,297,692 (e) | \$ 771,315 (f) | 557.19% | NA | NA | 1.97% |
| 2010 | 446,382 | 259,085 | 14,535 | 2,258,532 | 5,426 | \$ 4,429,310 (e) | 837,452 (f) | 528.90% | 3,250 | 4.95% | 1.75% |
| 2009 | 442,108 | 261,505 | 15,990 | 2,365,967 | 5,482 | \$ 4,150,798 (e) | 818,797 (f) | 506.94% | 3,059 | 4.76% | 1.61% |
| 2008 | 442,389 | 262,120 | 17,445 | 2,495,267 | 5,522 | \$ 3,941,693 (e) | 778,704 (f) | 506.19% | 2,905 | 4.21% | 1.56% |
| 2007 | 440,740 | 296,210 | 18,900 | 2,473,497 | 5,550 | \$ 3,785,460 (e) | 728,595 (f) | 519.56% | 2,794 | 4.24% | 1.55% |
| 2006 | 434,765 | 298,591 | 20,355 | 2,550,721 | 5,567 | \$ 3,754,725 (e) | 1,063,177 (d) | 353.16% | 2,777 | 4.55% | 1.76% |
| 2005 | 272,125 | 300,961 | 21,800 | 2,439,665 | 5,574 | \$ 3,730,804 (e) | 1,582,292 (c) | 235.78% | 2,768 | 4.89% | 1.93% |
| 2004 | 275,295 | 303,355 | | 2,107,274 | 5,573 | \$ 3,538,092 (e) | 1,613,805 (c) | 219.24% | 2,629 | 5.00% | 1.97% |
| 2003 | 278,095 | 261,482 | | 1,403,418 | 5,566 | \$ 3,480,902 (b) | 4,119,080 | 84.51% | 2,590 | 5.17% | 2.16% |
| 2002 | 283,625 | 261,482 | | 935,807 | 5,552 | \$ 3,726,601 (b) | 4,121,421 | 90.42% | 2,780 | 5.67% | 2.66% |

- (a) Includes debt of Nassau Community College as of August 31, a discretely presented component unit.
 - (b) Includes debt of the Tobacco Settlement Corporation and NIFA (blended component units).
 - (c) In 2004 and 2005, a new Department of Assessment methodology was developed and approved by the State in deriving total taxable assessed valuation by utilizing one percent of market value applicable to each of the four property classes.
 - (d) For 2006, a new Department of Assessment methodology was developed and approved by the State in deriving total taxable assessed valuation by utilizing one half of one percent of market value applicable to Class I properties and utilizing one percent of market value for Class II, III, and IV property classes.
 - (e) Includes all debt of blended component units stated in footnote (b) above, as well as, the debt for the Sewer and Storm Water Finance Authority
 - (f) Beginning in 2007, a new Department of Assessment methodology was developed and approved by the State in deriving total taxable assessed valuation by utilizing one quarter of one percent of market value applicable to Class I properties and utilizing one percent of market value for Class II, III, and IV property classes.
 - (g) Includes debt of Nassau Community College as of December 31, a discretely presented component unit.
- NA Not available

EXHIBIT T-13

COUNTY OF NASSAU, NEW YORK

**Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years**

| Fiscal Year | General Obligation Bonds (Expressed in Thousands) (a) | Percentage of Estimated Average Full Valuation of Property | Per Capita |
|--------------------|--|---|-------------------|
| 2011 | \$ 2,732,721 | 1.25% | NA |
| 2010 | 2,823,474 | 1.12% | \$ 2,072 |
| 2009 | 2,654,468 | 1.03% | 1,952 |
| 2008 | 2,424,993 | 0.93% | 1,787 |
| 2007 | 2,330,505 | 0.95% | 1,720 |
| 2006 | 2,432,833 | 1.15% | 1,799 |
| 2005 | 2,596,130 | 1.34% | 1,926 |
| 2004 | 2,524,114 | 1.40% | 1,877 |
| 2003 | 2,362,554 | 1.47% | 1,759 |
| 2002 | 2,296,394 | 1.64% | 1,714 |

(a) Includes Nassau Community College General Obligation Bonds and NIFA
Sales Tax Secured Bonds

NA - Not Available

EXHIBIT T-14**COUNTY OF NASSAU, NEW YORK****COUNTY, TOWNS AND CITIES
TAXABLE FULL VALUE CALCULATION FOR 2011*
(Dollars in Thousands)**

| | Taxable Assessed Valuation, Real Property | Taxable Assessed Valuation, Special Franchises | Total Taxable Assessed Valuation | State Equali- zation Rate | Average Full Valuation |
|-------------------------|--|---|---|--|---------------------------------------|
| Town of Hempstead | \$ 337,842 | \$ 12,823 | \$ 350,665 | 0.36 % | \$ 97,406,944 |
| Town of North Hempstead | 187,481 | 5,132 | 192,613 | 0.35 % | 55,032,286 |
| Town of Oyster Bay | 188,364 | 6,099 | 194,463 | 0.34 % | 57,195,000 |
| City of Long Beach | 17,740 | 618 | 18,358 | 0.41 % | 4,477,561 |
| City of Glen Cove | <u>14,666</u> | <u>550</u> | <u>15,216</u> | 0.36 % | <u>4,226,667</u> |
| | <u>\$ 746,093</u> | <u>\$ 25,222</u> | <u>\$ 771,315</u> | | <u>\$ 218,338,458</u> |

* Last completed assessed valuation fixed in 2010 on which the 2011 taxes are levied.

Beginning in 2007, a new Department of Assessment methodology was developed and approved by New York State in deriving total taxable assessed valuation by utilizing one quarter of one percent of market value for Class 1 properties and utilizing one percent of market value for the other property classes.

COUNTY OF NASSAU, NEW YORK

Legal Debt Margin Information Last Ten Fiscal Years (Dollars in Thousands)

| | Fiscal Year | | | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
| Debt Limit (10% of Average Full Valuation)* | \$ 24,670,359 | \$ 24,549,866 | \$ 23,368,973 | \$ 21,824,049 | \$ 19,822,275 | \$ 17,740,092 | \$ 16,010,875 | \$ 14,440,870 | \$ 12,873,258 | \$ 11,649,191 |
| Total Net Debt Applicable to Limit | 3,215,298 | 3,246,603 | 3,211,256 | 3,115,417 | 3,140,619 | 3,161,557 | 3,326,385 | 3,085,302 | 3,264,837 | 2,958,862 |
| Legal Debt Margin | \$ 21,455,061 | \$ 21,303,263 | \$ 20,157,717 | \$ 18,708,632 | \$ 16,681,656 | \$ 14,578,535 | \$ 12,684,490 | \$ 11,355,568 | \$ 9,608,421 | \$ 8,690,329 |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 13.03% | 13.22% | 13.74% | 14.28% | 15.84% | 17.82% | 20.78% | 21.37% | 25.36% | 25.40% |

Legal Debt Margin Calculation for Fiscal Year 2011

| | |
|---|----------------|
| Average Full Valuation | \$ 246,703,587 |
| Debt Limit (10% of Average Full Valuation) | 24,670,359 |
| Debt Applicable to Limit:** | |
| General Government (Including College)*** | \$ 1,204,365 |
| NIFA Serial Bonds | 1,528,440 |
| Sewer District | 68,760 |
| Environmental Facilities Corporation | 112,085 |
| Notes Payable | 460,890 |
| Real Property Liabilities | 8,672 |
| Guarantees | 269,725 |
| Contract Liabilities | 244,127 |
| Total Debt Applicable to Limit | 3,897,064 |
| Less: Legal Exclusions | |
| Cash and Investments - Capital Projects Funds | 221,766 |
| Tax and Revenue Anticipation Notes Payable | 460,000 |
| Less: Total Exclusions | 681,766 |
| Total Net Debt Applicable to Limit | 3,215,298 |
| Legal Debt Margin | \$ 21,455,061 |

Calculation of 2011 Constitutional limit of total indebtedness

(The Constitutional limit of total indebtedness is 10% of the average full valuation of real estate for the latest five years.)

Average Full Valuation of Real Estate for the Fiscal Years Ended in 2006 Through 2011

| | |
|---------------------|-------------------------|
| 2011 Full Valuation | \$ 218,338,458 |
| 2010 Full Valuation | 252,854,423 |
| 2009 Full Valuation | 257,054,119 |
| 2008 Full Valuation | 261,031,961 |
| 2007 Full Valuation | 244,238,974 |
| | <u>\$ 1,233,517,935</u> |

Average Full Valuation \$ 246,703,587

Constitutional Debt Margin:

Constitutional Limit of Total Indebtedness, 10% Average Full Valuation \$ 24,670,359

* Full valuation is determined by dividing the total taxable assessed valuation by the average State equalization rate.

** The Tobacco Settlement and the Sewer and Storm Water Finance Authority Serial Bonds Payable are not included in the calculation of the Constitutional Debt Margin

*** The Community College Serial Bonds Payable as of December 31, 2011 are unaudited. The last Audit conducted on behalf of the Community College was for the Fiscal Year ended August 31, 2011.

COUNTY OF NASSAU, NEW YORK

Pledged-Revenue Coverage
 Last Ten Fiscal Years
 (Dollars in Thousands, Except for Coverage)

| Fiscal Year | NIFA Sales Tax Secured Bonds | | | Coverage |
|-------------|------------------------------|------------|-----------|----------|
| | Sales Tax Paid to NIFA | Principal | Interest | |
| 2011 | \$ 967,026 | \$ 119,745 | \$ 73,394 | 5.01 |
| 2010 | 950,852 | 104,415 | 64,489 | 5.63 |
| 2009 | 896,601 | 87,525 | 84,376 | 5.22 |
| 2008 | 944,104 | 88,915 | 96,501 | 5.09 |
| 2007 | 952,509 | 79,975 | 90,949 | 5.57 |
| 2006 | 932,573 | 48,460 | 94,397 | 6.53 |
| 2005 | 897,405 | 51,761 | 74,577 | 7.10 |
| 2004 | 884,384 | 26,260 | 58,323 | 10.46 |
| 2003 | 842,881 | 17,445 | 49,161 | 12.65 |
| 2002 | 814,350 | 11,670 | 22,465 | 23.86 |

DEMOGRAPHIC AND ECONOMIC INFORMATION

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COUNTY OF NASSAU, NEW YORK**DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years**

| <u>Year</u> | <u>Population (In Thousands) (a)</u> | <u>Total Personal Income (In Thousands)</u> | <u>Per Capita Personal Income (b)</u> | <u>Unemployment Rate (c)</u> |
|-------------|--|---|---|----------------------------------|
| 2011 | NA | \$ NA | \$ NA | 6.7% |
| 2010 | 1,363 | 89,433,245 | 65,615 | 7.1% |
| 2009 | 1,360 | 87,208,640 | 64,124 | 6.9% |
| 2008 | 1,357 | 93,521,726 | 68,918 | 4.7% |
| 2007 | 1,355 | 89,340,570 | 65,934 | 3.6% |
| 2006 | 1,352 | 82,531,488 | 61,044 | 3.7% |
| 2005 | 1,348 | 76,349,372 | 56,639 | 4.1% |
| 2004 | 1,345 | 70,771,210 | 52,618 | 4.5% |
| 2003 | 1,343 | 67,332,648 | 50,136 | 3.9% |
| 2002 | 1,340 | 65,686,800 | 49,020 | 4.1% |

Sources:

(a) Annual LIPA Long Island Population Survey estimates

(b) United States Bureau of Economic Analysis

(c) NYS Department of Labor

NA - Not Available

COUNTY OF NASSAU, NEW YORK

Principal Employment by Sector
Current Year and Nine Years Ago

| Employment Sector | 2011 | | | 2002 | | |
|-------------------------------------|----------------|------|---------------------------------------|----------------|------|---------------------------------------|
| | Employees | Rank | Percentage of Total County Employment | Employees | Rank | Percentage of Total County Employment |
| Health Care and Social Assistance | 114,948 | 1 | 19.95% | 86,520 | 1 | 14.63% |
| Retail Trade | 76,889 | 2 | 13.34% | 82,070 | 3 | 13.88% |
| Government* | 68,325 | 3 | 11.86% | 83,535 | 2 | 14.13% |
| Accommodation and Food Services | 42,737 | 4 | 7.42% | 36,764 | 5 | 6.22% |
| Professional and Technical Services | 33,900 | 5 | 5.88% | 34,797 | 6 | 5.88% |
| Finance and Insurance | 30,546 | 6 | 5.30% | 40,390 | 4 | 6.83% |
| Administrative and Waste Services | 29,661 | 7 | 5.15% | 30,148 | 9 | 5.10% |
| Other Services | 27,517 | 8 | 4.77% | 25,453 | 11 | 4.30% |
| Wholesale Trade | 27,034 | 9 | 4.69% | 31,445 | 8 | 5.32% |
| Construction | 25,791 | 10 | 4.48% | 26,400 | 10 | 4.46% |
| Manufacturing | 18,979 | 11 | 3.29% | 32,320 | 7 | 5.47% |
| Educational Services | 17,493 | 12 | 3.04% | 16,822 | 12 | 2.84% |
| Transportation and Warehousing | 13,848 | 13 | 2.40% | 13,546 | 14 | 2.29% |
| Information | 13,416 | 14 | 2.33% | 16,382 | 13 | 2.77% |
| Arts, Entertainment, and Recreation | 13,270 | 15 | 2.30% | 11,095 | 15 | 1.88% |
| Real Estate and Rental and Leasing | 9,734 | 16 | 1.69% | 10,312 | 16 | 1.74% |
| Total | <u>564,088</u> | | <u>97.89%</u> | <u>577,999</u> | | <u>97.74%</u> |

* 2011 Government consists of 59,305 Local Govt, 5,403 Federal, and 3,617 State Employees
2002 Government consists of 70,971 Local Govt, 8,778 Federal, and 3,787 State Employees

Data Source: Quarterly Census of Employment and Wages, developed through a cooperative program between the State of New York and the U. S. Bureau of Labor Statistics.

COUNTY OF NASSAU, NEW YORK

EXHIBIT T-19

Annual Average Employment by Industry
Last Ten Fiscal Years

| Industry Title | Fiscal Year | | | | | | | | | |
|--|----------------|----------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2011(P) | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
| Management of Companies and Enterprises | 6,561 | 6,776 | 6,891 | 7,059 | 6,938 | 7,552 | 7,090 | 6,416 | 6,449 | 7,036 |
| Management of Companies and Enterprises | 6,561 | 6,776 | 6,891 | 7,059 | 6,938 | 7,552 | 7,090 | 6,416 | 6,449 | 7,036 |
| Administrative and Waste Services | 29,661 | 27,421 | 29,300 | 31,691 | 32,510 | 32,243 | 31,731 | 30,793 | 29,830 | 30,148 |
| Administrative and Support Services | 28,265 | 26,109 | 28,240 | 30,650 | 31,502 | 31,042 | 30,458 | 29,549 | 28,872 | 29,107 |
| Waste Management and Remediation Service | 1,396 | 1,312 | 1,060 | 1,041 | 1,008 | 1,201 | 1,273 | 1,244 | 958 | 1,041 |
| Educational Services | 17,493 | 19,651 | 19,437 | 19,411 | 19,107 | 19,216 | 18,869 | 18,285 | 18,030 | 16,822 |
| Educational Services | 17,493 | 19,651 | 19,437 | 19,411 | 19,107 | 19,216 | 18,869 | 18,285 | 18,030 | 16,822 |
| Health Care and Social Assistance | 114,948 | 111,494 | 104,276 | 101,880 | 99,628 | 95,303 | 91,054 | 89,675 | 88,014 | 86,520 |
| Ambulatory Health Care Services | 42,217 | 41,984 | 40,866 | 39,830 | 38,866 | 38,139 | 39,122 | 39,438 | 39,152 | 38,850 |
| Hospitals | 39,391 | 36,727 | 31,716 | 30,394 | 29,314 | 26,906 | 22,291 | 22,596 | 22,595 | 22,013 |
| Nursing and Residential Care Facilities | 14,844 | 14,854 | 14,746 | 14,962 | 15,395 | 14,867 | 14,619 | 13,177 | 12,255 | 11,875 |
| Social Assistance | 18,496 | 17,929 | 16,948 | 16,694 | 16,053 | 15,391 | 15,022 | 14,464 | 14,012 | 13,782 |
| Arts, Entertainment, and Recreation | 13,270 | 11,357 | 11,616 | 12,077 | 11,846 | 11,801 | 11,390 | 11,509 | 11,454 | 11,095 |
| Performing Arts and Spectator Sports | 4,161 | 4,057 | 3,959 | 4,239 | 4,075 | 4,159 | 3,985 | 4,082 | 4,059 | 3,894 |
| Museums, Parks and Historical Sites | 338 | 309 | 426 | 425 | 369 | 324 | 322 | 321 | 359 | 280 |
| Amusement, Gambling & Recreation Ind | 8,771 | 6,991 | 7,231 | 7,413 | 7,402 | 7,318 | 7,083 | 7,106 | 7,036 | 6,921 |
| Accommodation and Food Services | 42,737 | 40,231 | 38,591 | 38,946 | 39,635 | 38,341 | 38,616 | 39,728 | 38,293 | 36,764 |
| Accommodation | 2,468 | 2,341 | 2,176 | 2,272 | 2,400 | 2,204 | 2,508 | 2,473 | 2,412 | 2,394 |
| Food Services and Drinking Places | 40,269 | 37,890 | 36,415 | 36,674 | 37,235 | 36,137 | 36,108 | 37,255 | 35,881 | 34,370 |
| Other Services | 27,517 | 27,169 | 26,761 | 27,061 | 26,633 | 25,865 | 26,161 | 25,781 | 25,616 | 25,453 |
| Repair and Maintenance | 6,651 | 6,610 | 6,229 | 6,287 | 6,295 | 6,124 | 6,228 | 5,854 | 5,995 | 6,005 |
| Personal and Laundry Services | 11,038 | 10,566 | 10,408 | 10,317 | 10,092 | 9,888 | 9,873 | 10,132 | 9,540 | 9,235 |
| Membership Organizations & Associations | 7,951 | 8,197 | 8,334 | 8,590 | 8,136 | 7,803 | 7,903 | 7,635 | 7,850 | 7,961 |
| Private Households | 1,877 | 1,796 | 1,790 | 1,867 | 2,110 | 2,050 | 2,157 | 2,160 | 2,231 | 2,252 |
| Total, All Government | 68,325 | 83,252 | 83,566 | 83,778 | 82,396 | 83,125 | 82,577 | 82,514 | 84,212 | 83,535 |
| Federal Government | 5,403 | 6,174 | 6,122 | 6,256 | 6,352 | 7,862 | 7,971 | 8,137 | 8,542 | 8,778 |
| State Government | 3,617 | 3,770 | 3,825 | 3,802 | 3,777 | 3,772 | 3,794 | 3,772 | 3,758 | 3,787 |
| Local Government | 59,305 | 73,308 | 73,619 | 73,720 | 72,267 | 71,491 | 70,812 | 70,605 | 71,912 | 70,970 |
| Unclassified | 2,849 | 2,211 | 2,177 | 1,845 | 2,628 | 3,971 | 3,352 | 3,218 | 3,743 | 3,068 |

(P) Data for 2011 is Preliminary 3rd Quarter Data and subject to revision.

Data Source: Quarterly Census of Employment and Wages, developed through a cooperative program between the State of New York and the U. S. Bureau of Labor Statistics.

OPERATING INFORMATION

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COUNTY OF NASSAU, NEW YORK

EXHIBIT T-20

County Government Employees by Function**
Last Ten Fiscal Years

| Function | Fiscal Year | | | | | | | | | | | | | | |
|---------------------------------------|-------------|-------|------|-------|-------|------|-------|-------|------|-------|-------|------|-------|-------|------|
| | 2011 | | | 2010 | | | 2009 | | | 2008 | | | 2007 | | |
| | F/T | P/T | SEAS | F/T | P/T | SEAS | F/T | P/T | SEAS | F/T | P/T | SEAS | F/T | P/T | SEAS |
| Legislative | | | | | | | | | | | | | | | |
| Legislature | 84 | 3 | 22 | 86 | 3 | 30 | 87 | 2 | 36 | 89 | 1 | 21 | 88 | 1 | 59 |
| Judicial | | | | | | | | | | | | | | | |
| District Attorney | 375 | 3 | | 371 | 3 | | 378 | 1 | | 384 | 1 | | 387 | 1 | |
| Public Administrator | 7 | | | 7 | | | 7 | | | 7 | | | 7 | | |
| Traffic Violations Bureau | 46 | 33 | | 45 | 31 | | 43 | 35 | | 38 | 33 | | 37 | 30 | |
| General Administration | | | | | | | | | | | | | | | |
| Assessment | 168 | | | 212 | 1 | | 224 | 1 | | 244 | 2 | | 252 | 3 | |
| Assessment Review Commission | 30 | 3 | | 43 | 3 | | 46 | 6 | | 46 | 6 | | 45 | 6 | |
| Board of Elections | 146 | 81 | 40 | 130 | 76 | 38 | 119 | 85 | 34 | 114 | 70 | 36 | 108 | 58 | 8 |
| Civil Service | 56 | 35 | 1 | 55 | 36 | 1 | 58 | 35 | 1 | 63 | 36 | 1 | 62 | 36 | |
| County Attorney | 112 | 2 | | 123 | 2 | | 154 | 1 | | 161 | 1 | | 157 | 1 | |
| County Clerk / Records Management | 111 | 44 | 16 | 114 | 48 | 1 | 108 | 52 | 2 | 112 | 52 | 3 | 105 | 54 | 5 |
| County Comptroller | 72 | 3 | | 76 | 3 | | 80 | 2 | | 92 | 3 | | 95 | 3 | |
| County Executive | 20 | 1 | | 20 | 2 | 2 | 30 | | | 34 | 2 | | 36 | 2 | |
| County Treasurer | 32 | 1 | | 35 | 1 | | 40 | 1 | | 41 | 1 | | 41 | | |
| Office of Constituent Affairs | 42 | 3 | | 41 | 4 | | 46 | 5 | | 50 | 4 | | 52 | 4 | |
| Office of Emergency Management | 7 | | | 8 | | | 5 | | | 6 | | | 7 | | |
| Information Technology | 78 | | | 116 | 5 | | 133 | 6 | 1 | 139 | 6 | 1 | 99 | 1 | |
| Housing and Intergovernmental Affairs | 82 | 1 | | 110 | 1 | 2 | 102 | | 4 | 83 | | | 75 | 1 | |
| Labor Relations | 4 | | | 5 | | | 3 | | | 7 | | | 6 | | |
| Office of Management and Budget | 27 | 3 | 1 | 27 | 3 | 1 | 31 | 3 | 1 | 39 | 3 | | 41 | 3 | 1 |
| Personnel / Human Resources | 9 | 1 | 1 | 9 | 1 | 1 | 15 | 1 | | 17 | 1 | 1 | 15 | 1 | 1 |
| Planning | 20 | 11 | | 22 | 11 | | 26 | 11 | | 27 | 10 | | 27 | 11 | |
| Purchasing Department | 16 | | | 16 | | | 20 | | | 23 | | | 22 | | |
| Real Estate Services | 8 | | | 7 | | | 9 | 1 | | 9 | 1 | | 8 | 1 | |
| Protection of Persons | | | | | | | | | | | | | | | |
| Police | | | | | | | | | | | | | | | |
| Uniformed Personnel / Officers | 2,526 | 426 | | 2,586 | 427 | | 2,715 | 442 | | 2,868 | 446 | | 2,818 | 469 | |
| Administrative / Support | 655 | 40 | 1 | 630 | 44 | 1 | 576 | 43 | 1 | 654 | 30 | 1 | 675 | 26 | 1 |
| Fire Commission | | | | | | | | | | | | | | | |
| Fire Commissioners / Inspectors | 79 | 3 | | 80 | 3 | | 89 | 2 | | 93 | | | 91 | | |
| Administrative / Support | 18 | 27 | | 9 | 27 | | 12 | 26 | | 16 | 24 | | 13 | 26 | |
| Probation Department | 193 | 7 | | | | | | | | | | | | | |
| Uniformed Personnel / Officers | 20 | 2 | | 190 | 7 | | 195 | 8 | | 213 | 8 | | 208 | 9 | |
| Administrative / Support | | | | 19 | 4 | | 24 | 4 | | 26 | 5 | | 29 | 3 | |
| Parks Department - Security | | | | | | | | | | | | | | | |
| Human Rights Commission | 8 | 2 | | 9 | 2 | | 8 | 2 | 1 | 9 | 2 | 1 | 10 | 2 | 1 |
| Dept of Investigations | | | | | | | 1 | | | 1 | | | 2 | | |
| Medical Examiner | 58 | 9 | | 47 | 9 | | 49 | 8 | | 52 | 5 | | 55 | 6 | |
| Traffic Safety Board | | | | | | | | | | | | | 2 | | |
| Consumer Affairs | 31 | 1 | | 32 | 1 | | 36 | 2 | 1 | 38 | 3 | | 43 | 3 | |
| Health | | | | | | | | | | | | | | | |
| Behavioral Health*** | 88 | 2 | | 103 | 4 | | 111 | 4 | | 119 | 4 | | 124 | 5 | |
| Drug and Alcohol | | | | | | | | | | | | | | | |
| Mental Health | | | | | | | | | | | | | | | |
| Health Department | 284 | 22 | 7 | 282 | 26 | 10 | 302 | 27 | 11 | 330 | 22 | 9 | 314 | 26 | 11 |
| Social Services | | | | | | | | | | | | | | | |
| CASA | 5 | | | 4 | | | 7 | 1 | | 8 | 1 | | 8 | 1 | |
| Criminal Justice Coordinating Council | 2 | | | 2 | | | 2 | | | 1 | 1 | | 1 | 1 | |
| Minority Affairs | 6 | 2 | | 6 | 2 | | 6 | | | 8 | | | 9 | | |
| Senior Citizens Affairs | 27 | 5 | | 30 | 6 | | 33 | 6 | | 36 | 8 | | 38 | 8 | |
| Social Services | 868 | 86 | | 862 | 99 | | 889 | 102 | | 904 | 101 | | 912 | 130 | |
| Office for the Physically Challenged | 5 | | | 4 | | | 3 | | | 7 | 1 | | 7 | 1 | |
| Veterans Services | 3 | | | 7 | | | 8 | | | 8 | | | 9 | | |
| Youth Board | 4 | | | 4 | | | 5 | | | 6 | | | 7 | | |
| Public Works | | | | | | | | | | | | | | | |
| Maintenance / Engineering | 727 | 36 | 14 | 749 | 55 | 24 | 869 | 46 | 20 | 773 | 32 | 39 | 790 | 31 | 66 |
| Culture and Recreation | | | | | | | | | | | | | | | |
| Parks Department | 177 | 201 | 512 | 149 | 184 | 247 | 153 | 175 | 246 | 258 | 174 | 357 | 265 | 214 | 299 |
| Corrections | | | | | | | | | | | | | | | |
| Corrections / Sheriff | | | | | | | | | | | | | | | |
| Uniformed Personnel / Officers | 1,069 | | | 1,078 | | | 1,130 | | | 1,124 | | | 1,089 | | |
| Administrative / Support | 128 | 10 | | 116 | 11 | | 119 | 13 | | 125 | 14 | | 132 | 14 | |
| Total | 8,533 | 1,109 | 615 | 8,676 | 1,145 | 358 | 9,106 | 1,158 | 360 | 9,502 | 1,114 | 470 | 9,423 | 1,192 | 452 |

** Full-Time, Part-Time and Seasonal Employee numbers are shown at 12/31 of each year.

F/T = Full Time, P/T = Part Time, SEAS = Seasonal

*** Starting in 2007 Drug and Alcohol and Mental Health were combined into Behavioral Health

(Continued)

COUNTY OF NASSAU, NEW YORK

EXHIBIT T-20

County Government Employees by Function**
Last Ten Fiscal Years

| Function | Fiscal Year | | | | | | | | | | | | | | |
|---------------------------------------|-------------|-------|------|-------|-------|------|-------|-------|------|-------|-------|------|-------|-----|------|
| | 2006 | | | 2005 | | | 2004 | | | 2003 | | | 2002 | | |
| | F/T | P/T | SEAS | F/T | P/T | SEAS | F/T | P/T | SEAS | F/T | P/T | SEAS | F/T | P/T | SEAS |
| Legislative | | | | | | | | | | | | | | | |
| Legislature | 87 | 1 | 17 | 87 | 1 | 35 | 83 | 1 | 24 | 86 | 1 | 12 | 90 | 1 | 5 |
| Judicial | | | | | | | | | | | | | | | |
| District Attorney | 368 | | | 357 | | | 340 | | | 343 | 1 | | 340 | 1 | |
| Public Administrator | 7 | | | 7 | | | 7 | | | 7 | | | 7 | | |
| Traffic Violations Bureau | 36 | 30 | | 37 | 24 | | 34 | 17 | | 28 | 12 | | 28 | 8 | |
| General Administration | | | | | | | | | | | | | | | |
| Assessment | 258 | 4 | | 222 | 4 | | 172 | 4 | | 130 | 4 | | 116 | 7 | |
| Assessment Review Commission | 45 | 7 | | 43 | 7 | | 30 | 8 | | 31 | 9 | | 17 | 10 | |
| Board of Elections | 106 | 40 | 8 | 107 | 38 | 20 | 106 | 38 | 20 | 107 | 37 | 18 | 102 | 31 | 14 |
| Civil Service | 62 | 32 | | 60 | 32 | | 62 | 27 | | 60 | 15 | | 61 | 8 | |
| County Attorney | 153 | 1 | | 159 | 4 | | 158 | 4 | | 146 | 4 | | 128 | 4 | |
| County Clerk / Records Management | 108 | 49 | | 110 | 49 | | 96 | 46 | | 100 | 24 | | 85 | 13 | 1 |
| County Comptroller | 89 | 3 | | 89 | 2 | | 84 | 2 | 1 | 80 | 1 | 4 | 76 | 3 | |
| County Executive | 48 | 3 | | 42 | 4 | | 39 | 3 | 2 | 16 | | | 32 | 1 | 2 |
| County Treasurer | 45 | | | 44 | | | 45 | | | 45 | | | 47 | | |
| Office of Constituent Affairs | 56 | 7 | | 56 | 8 | 1 | 56 | 1 | 10 | 57 | 1 | 4 | | | |
| Office of Emergency Management | 5 | | | 5 | | | 5 | | | 3 | | | | | |
| Information Technology | 100 | 4 | 1 | 95 | 2 | 3 | 93 | 6 | 20 | 97 | 21 | 22 | 89 | | |
| Housing and Intergovernmental Affairs | 71 | 1 | | 68 | | 1 | 62 | | | 59 | | 13 | 48 | | 6 |
| Labor Relations | 5 | | | 6 | | | 4 | | | 4 | | | | | |
| Office of Management and Budget | 33 | 1 | | 40 | 1 | | 42 | 3 | 9 | 53 | 1 | 11 | 26 | | |
| Personnel / Human Resources | 12 | 1 | 2 | 12 | 2 | | 11 | 1 | 3 | 9 | | 3 | 9 | | 1 |
| Planning | 27 | 10 | | 25 | 10 | | 22 | 10 | | 16 | 10 | | 21 | 11 | |
| Purchasing Department | 23 | | | 21 | | | 23 | | | 23 | | | 24 | | |
| Real Estate Services | 10 | | | 12 | 5 | | 13 | 4 | | 11 | | | | | |
| Protection of Persons | | | | | | | | | | | | | | | |
| Police | | | | | | | | | | | | | | | |
| Uniformed Personnel / Officers | 2,764 | 458 | | 2,849 | 477 | | 2,655 | 485 | | 2,556 | 485 | | 2,616 | 458 | |
| Administrative / Support | 685 | 15 | 1 | 669 | 19 | | 651 | 18 | 1 | 605 | 10 | | 614 | 6 | |
| Fire Commission | | | | | | | | | | | | | | | |
| Fire Commissioners / Inspectors | 93 | | | 97 | | | 99 | | | 97 | | | 98 | | |
| Administrative / Support | 17 | 24 | | 15 | 27 | | 15 | 26 | | 16 | 23 | | 16 | 19 | |
| Probation Department | | | | | | | | | | | | | | | |
| Uniformed Personnel / Officers | 232 | 2 | | 214 | 9 | | 209 | 9 | | 180 | 6 | | 186 | 2 | |
| Administrative / Support | 36 | 1 | | 37 | 3 | | 41 | 4 | | 36 | 3 | | 42 | 2 | |
| Parks Department - Security | | | | | | | | | | | | | | | |
| Human Rights Commission | 10 | 1 | 2 | 10 | 1 | | 10 | 1 | | 9 | 1 | | 10 | 1 | |
| Dept of Investigations | 5 | | | 4 | | | 4 | | | 3 | | | 4 | | |
| Medical Examiner | 52 | 6 | | 52 | 6 | | 47 | 6 | | 49 | 2 | | 46 | | |
| Traffic Safety Board | 2 | | | 2 | | | 3 | | | 3 | | | 3 | | |
| Consumer Affairs | 41 | 3 | | 39 | 3 | | 34 | 3 | | 30 | 3 | | 31 | 2 | |
| Health | | | | | | | | | | | | | | | |
| Behavioral Health*** | | | | | | | | | | | | | | | |
| Drug and Alcohol | 100 | 2 | | 114 | 2 | | 124 | 2 | | 124 | 5 | | 135 | 7 | |
| Mental Health | 21 | 1 | | 28 | | | 31 | | | 31 | | | 29 | | |
| Health Department | 333 | 27 | 5 | 326 | 23 | 8 | 335 | 28 | 22 | 340 | 39 | | 331 | 25 | |
| Social Services | | | | | | | | | | | | | | | |
| CASA | 7 | 2 | | 6 | 2 | | 6 | 5 | | 6 | 5 | | 4 | 5 | |
| Criminal Justice Coordinating Council | 1 | 1 | | 1 | | | 2 | | | 2 | | | 2 | | |
| Minority Affairs | 10 | 1 | | 10 | | | 6 | | | 6 | | | 5 | | |
| Senior Citizens Affairs | 35 | 7 | | 37 | 8 | | 34 | 3 | | 35 | 3 | | 37 | 3 | |
| Social Services | 919 | 127 | | 899 | 158 | | 899 | 182 | | 893 | 177 | | 890 | 73 | |
| Office for the Physically Challenged | 7 | | | 7 | | | 6 | | | 6 | | | 6 | | |
| Veterans Services | 9 | | | 9 | | | 8 | | | 9 | | | 9 | | |
| Youth Board | 5 | | | 7 | | | 7 | | | 7 | | | 7 | | |
| Public Works | | | | | | | | | | | | | | | |
| Maintenance / Engineering | 806 | 30 | 26 | 806 | 40 | 4 | 847 | 43 | 1 | 819 | 23 | 53 | 752 | 10 | |
| Culture and Recreation | | | | | | | | | | | | | | | |
| Parks Department | 277 | 222 | 225 | 258 | 240 | 193 | 221 | 205 | 402 | 267 | 238 | 572 | 437 | 224 | 479 |
| Corrections | | | | | | | | | | | | | | | |
| Corrections / Sheriff | | | | | | | | | | | | | | | |
| Uniformed Personnel / Officers | 1,120 | | | 1,099 | | | 1,077 | | | 1,082 | | | 1,115 | | |
| Administrative / Support | 133 | 9 | | 127 | 8 | | 119 | 8 | | 119 | 8 | | 124 | 12 | |
| Total | 9,474 | 1,133 | 287 | 9,426 | 1,219 | 265 | 9,077 | 1,204 | 515 | 8,841 | 1,174 | 712 | 8,934 | 962 | 508 |

** Full-Time, Part-Time and Seasonal Employee numbers are shown at 12/31

F/T = Full Time, P/T = Part Time, SEAS = Seasonal

*** Starting in 2007 Drug and Alcohol and Mental Health were combined into Behavioral Health

COUNTY OF NASSAU, NEW YORK

Capital Asset Statistics by Function
Last Ten Fiscal Years

| Function | Fiscal Year | | | | | | | | | |
|--|-------------|--------|--------|--------|--------|--------|-----------|-----------|-----------|-----------|
| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
| Public Safety | | | | | | | | | | |
| Police: | | | | | | | | | | |
| Stations | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Patrol Units | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 |
| Highways, Streets, Bridges | | | | | | | | | | |
| Streets (lane miles) | 1,963 | 1,963 | 1,963 | 1,963 | 1,969 | 1,969 | 1,969 | 1,969 | 1,970 | 1,970 |
| Streetlights | 581 | 581 | 581 | 581 | 581 | 581 | 581 (2) | 581 (2) | 581 (2) | 581 (2) |
| Miscellaneous Street Light Devices | 22 | 22 | 22 | 22 | 22 | 22 | 22 (2) | 22 (2) | 22 (2) | 22 (2) |
| Miscellaneous Traffic Control Devices | 278 | 280 | 275 | 275 | 260 | 260 | 260 (2) | 260 (2) | 260 (2) | 260 (2) |
| Traffic Signals | 1,561 | 1,557 | 1,554 | 1,548 | 1,542 | 1,540 | 1,540 (2) | 1,540 (2) | 1,540 (2) | 1,540 (2) |
| Bridges (Vehicle) | 80 (4) | 80 (4) | 80 (4) | 80 (4) | 81 (3) | 84 (1) | 84 (1) | 84 (1) | 84 (1) | 84 (1) |
| Bridges (Pedestrian) | 26 | 26 | 26 | 27 | 27 | 27 | 27 | 27 | 27 | 27 |
| Culture and Recreation | | | | | | | | | | |
| Parks Acreage | 5,187 | 5,187 | 5,187 | 5,187 | 5,810 | 6,116 | 6,116 | 6,116 | 6,116 | 6,116 |
| Parks | 68 | 68 | 68 | 68 | 70 | 80 | 80 | 80 | 80 | 80 |
| Swimming Pools | 5 | 5 | 5 | 5 | 5 | 7 | 7 | 7 | 7 | 7 |
| Tennis Courts | 70 | 70 | 70 | 70 | 70 | 72 | 72 | 72 | 72 | 72 |
| Sewer and Drainage | | | | | | | | | | |
| Bay Park Service Area Sanitary Sewers (miles) | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 |
| Cedar Creek Service Area Sanitary Sewers (miles) | 1,550 | 1,550 | 1,550 | 1,550 | 1,550 | 1,550 | 1,550 | 1,550 | 1,550 | 1,550 |
| Glen Cove Service Area Sanitary Sewers (miles) | 69 (5) | | | | | | | | | |
| Bay Park Plant Design Flow (MGD) | 70 | 70 | 70 | 70 | 70 | 70 | 70 | 70 | 70 | 70 |
| Cedar Creek Plant Design Flow (MGD) | 72 | 72 | 72 | 72 | 72 | 72 | 72 | 72 | 72 | 72 |
| Glen Cove Plant Design Flow (MGD) | 5.5 (5) | | | | | | | | | |
| Storm Sewers (lane miles) | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Storm Water Basins | 560 | 560 | 560 | 560 | 559 | 559 | 559 | 559 | 559 | 559 |
| Water Pump Stations | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Drainage Stream Corridors (miles) | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 |

MGD - Millions of Gallons per Day

(1) 41 Bridges solely owned by County and 43 co-owned with other Municipalities

(2) Estimated based on 2006 and relative stability of data.

(3) 40 Bridges solely owned by County and 41 co-owned with other Municipalities

(4) 39 Bridges solely owned by County and 41 co-owned with other Municipalities

(5) Nassau assumed responsibility of Glen Cove Sewer System in 2011

Sources: Various Nassau County Departments

COUNTY OF NASSAU, NEW YORK

Operating Indicators by Function
Last Ten Fiscal Years

| Function | Fiscal Year | | | | | | | | | |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
| Judicial | | | | | | | | | | |
| District Attorney | | | | | | | | | | |
| Felony Conviction Rate ⁽¹⁾ | 89.6% | 90.1% | 90.2% | 90.0% | 91.2% | 91.7% | 91.1% | 91.5% | 90.6% | 88.7% |
| Total Number of Cases Handled | 34,687 | 32,463 | 32,824 | 34,460 | 36,399 | 38,397 | 36,264 | 35,118 | 38,015 | 38,014 |
| Number of Indicted Cases | 994 | 963 | 1,003 | 1,032 | 900 | 688 | 494 | 508 | 490 | 587 |
| General Administration | | | | | | | | | | |
| Assessment | | | | | | | | | | |
| Number of Building Permits Issued | 21,101 | 21,527 | 21,352 | 20,704 | 29,915 | 24,008 | 28,896 | 26,790 | NA | NA |
| Number of Building Inspections Performed | 26,254 | 26,641 | 36,022 | 23,641 | 22,373 | 47,169 | 40,099 | 36,657 | 24,380 | 19,696 |
| Number of Basic STAR Exemptions | 275,824 ⁽²⁾ | 275,888 ⁽²⁾ | 276,063 ⁽²⁾ | 264,653 ⁽²⁾ | 251,746 ⁽²⁾ | 265,098 ⁽²⁾ | 260,679 ⁽²⁾ | 259,987 ⁽²⁾ | 244,400 ⁽²⁾ | 248,556 ⁽²⁾ |
| Number of Enhanced STAR Exemptions | 35,578 ⁽²⁾ | 35,282 ⁽²⁾ | 35,567 ⁽²⁾ | 49,865 ⁽²⁾ | 49,238 ⁽²⁾ | 50,276 ⁽²⁾ | 51,385 ⁽²⁾ | 52,014 ⁽²⁾ | 48,675 ⁽²⁾ | 51,132 ⁽²⁾ |
| Number of Veterans Exemptions | 55,007 ⁽²⁾ | 56,224 ⁽²⁾ | 55,007 ⁽²⁾ | 47,286 ⁽²⁾ | 59,526 ⁽²⁾ | 58,758 ⁽²⁾ | 60,994 ⁽²⁾ | 64,618 ⁽²⁾ | 65,193 ⁽²⁾ | 73,553 ⁽²⁾ |
| Number of Solar Energy Exemptions | 24 ⁽²⁾ | 29 ⁽²⁾ | 29 ⁽²⁾ | 37 ⁽²⁾ | 37 ⁽²⁾ | 37 ⁽²⁾ | 37 ⁽²⁾ | 38 ⁽²⁾ | 39 ⁽²⁾ | 70 ⁽²⁾ |
| Assessment Review Commission | | | | | | | | | | |
| Number of Residential Appeal Applications Reviewed | 111,019 ⁽³⁾ | 107,547 ⁽³⁾ | 107,287 ⁽³⁾ | 110,379 ⁽³⁾ | 114,808 ⁽³⁾ | 122,027 ⁽³⁾ | 128,220 ⁽³⁾ | 106,678 ⁽³⁾ | 141,043 ⁽³⁾ | 98,984 ⁽³⁾ |
| Number of Commercial Appeal Applications Reviewed | 18,940 ⁽³⁾ | 19,076 ⁽³⁾ | 19,077 ⁽³⁾ | 18,391 ⁽³⁾ | 18,181 ⁽³⁾ | 18,370 ⁽³⁾ | 18,219 ⁽³⁾ | 18,336 ⁽³⁾ | 19,505 ⁽³⁾ | 18,320 ⁽³⁾ |
| Purchasing Department | | | | | | | | | | |
| Number of Purchase Orders Processed | 9,015 ⁽¹⁹⁾ | 10,687 | 10,954 | 10,232 | 11,983 | 11,581 | 12,401 | 13,299 | 12,106 | 10,461 |
| County Comptroller | | | | | | | | | | |
| Number of Claims Processed | 83,935 ⁽¹⁹⁾ | 85,137 | 86,705 | 91,117 | 93,033 | 97,500 | 101,919 | 110,072 | 83,817 | 83,400 |
| County Treasurer | | | | | | | | | | |
| Investment Portfolio Return | 0.45% | 0.63% | 0.97% | 2.77% | 5.28% | 5.15% | 3.41% | 1.69% | 1.35% | 1.28% |
| Total number of Tax Liens Sold ⁽⁴⁾ | 4,155 | 4,335 | 4,513 | 5,330 | 4,520 | 3,748 | 3,498 | 3,426 | 3,791 | 3,730 |
| County Clerk | | | | | | | | | | |
| Land Records Recorded | 129,098 | 127,954 | 129,984 | 123,471 | 191,121 | 211,790 | 273,496 | 306,324 | 236,170 | 208,851 |
| Court Records Recorded | 281,733 | 363,728 | 347,316 | 322,025 | 346,879 | 309,755 | 281,772 | 368,037 | 234,947 | 287,789 |
| Miscellaneous Records Recorded | 108,381 | 102,059 | 97,168 | 89,702 | 105,455 | 100,597 | 94,665 | 89,723 | 85,654 | 89,916 |
| Certified Copies Issued | 28,770 | 28,953 | 30,702 | 30,598 | 21,529 | 28,522 | 27,091 | 34,341 | 28,440 | 23,227 |
| Board of Elections | | | | | | | | | | |
| Voting Precincts | 1,160 | 1,160 | 1,160 | 1,160 | 1,160 | 1,160 | 1,160 | 1,160 | 1,160 | 1,160 |
| Polling Places | 389 | 389 | 389 | 389 | 388 | 388 | 388 | 388 | 388 | 388 |
| Voters | 913,215 | 903,102 | 898,064 | 906,064 | 866,978 | 853,651 | 888,631 | 886,352 | 844,156 | 867,611 |
| Poll Workers | 5,618 | 5,618 | 4,749 | 6,210 | 5,394 | 4,560 | 4,534 | 4,783 | 4,600 | 4,552 |
| Civil Service | | | | | | | | | | |
| Number of Position Classification Reviews | 2,659 | 3,298 | 2,911 | 3,513 | 3,601 | 3,222 | 3,227 | 3,187 | NA | 4,401 |
| Number of Performance Tests Conducted | 585 | 3,015 | 1,675 | 2,008 | 2,270 | 753 | 903 | 2,245 | NA | 2,084 |
| Number of Psychological Tests Conducted | 189 | 439 | 390 | 747 | 822 | 896 | 369 | 505 | NA | 135 |
| Planning Department | | | | | | | | | | |
| Number of New Zoning Applications Received | 2,585 | 2,314 | 2,852 | 2,938 | 2,924 | 2,989 | 2,623 | 2,759 | 2,947 | NA |
| Number of Subdivision Waiver Applications Approved | 38 | 43 | 45 | 72 | 102 | 129 | 108 | 95 | 65 | NA |
| Number of Bus Shelters | 322 | 342 | 340 | 340 | 340 | 340 | 340 | 341 | 340 | 340 |
| Number of Maintenance Checks Performed | 493 | 185 | 173 | 203 | 210 | 280 | 277 | 264 | 200 | NA |
| Protection of Persons | | | | | | | | | | |
| Police | | | | | | | | | | |
| Physical Arrests | 15,858 | 15,866 | 17,298 | 16,778 | 16,436 | 16,860 | 15,339 | 15,595 | 15,627 | 16,546 |
| Parking Violations | 76,151 | 92,043 | 99,857 | 108,975 | 113,203 | 118,855 | 115,013 | 100,218 | 164,924 | 117,027 |
| Moving Violations | 157,403 | 201,688 | 206,769 | 200,886 | 203,180 | 202,009 | 183,873 | 158,533 | 123,155 | 202,908 |
| Fire Commission | | | | | | | | | | |
| Emergency Light Tests | 2,601 | 2,485 | 2,448 | 2,413 | 2,405 | 2,009 | 1,577 | 1,413 | 733 | 469 |
| General Fire Marshal Inspections | 6,513 | 6,304 | 6,722 | 4,473 | 4,823 | 3,931 | 2,835 | 1,508 | 1,122 | 620 |
| Plans Reviewed ⁽¹⁴⁾ | 2,701 | 2,649 | 2,923 | 3,035 | 2,891 | 2,943 | 3,043 | 3,167 | 4,114 | 3,437 |
| Fire & Ambulance Calls Dispatched | 70,924 | 73,489 | 67,658 | 64,357 | 63,106 | 62,396 | 62,798 | 61,031 | 59,835 | 59,237 |
| Medical Examiner | | | | | | | | | | |
| Number of Cases Reported to ME Office | 5,431 | 5,124 | 5,214 | 6,302 | 4,966 | 4,825 | 5,036 | 4,995 | 5,124 | 5,057 |
| Number of Cases Accepted and Certified by ME Office | 1,223 | 1,275 | 1,326 | 1,352 | 1,289 | 1,353 | 1,370 | NA | NA | NA |
| Number of Autopsies Performed | 702 | 772 | 779 | 830 | 830 | 859 | 853 | 795 | 854 | 888 |
| Number of Cremation Investigations | 1,791 | 1,642 | 1,663 | 1,560 | 1,458 | 1,410 | 1,406 | 1,373 | NA | NA |
| Number of ME Scenes Visited | 632 | 631 | 585 | 638 | 753 | 737 | 647 | NA | NA | NA |
| Toxicology Analysis Total Avg Days | 56 | 65 | 63 | 47 | 22.7 | 27 | 29 | 32 | 30 | 24 |
| Total Number of DNA Cases Received | 611 | 593 | 583 | 617 | 654 | 482 | 412 | 484 | NA | NA |
| Average Number of Days to complete Forensic DNA Cases | 108 | 118 | 153 ⁽¹⁵⁾ | 65 | 63 | 60 | 86 | 42 | NA | NA |

(Continued)

COUNTY OF NASSAU, NEW YORK

Operating Indicators by Function
Last Ten Fiscal Years

| Function | Fiscal Year | | | | | | | | | |
|--|-------------|------------|----------|-----------|---------|---------|---------|-----------|---------|---------|
| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
| Probation Department | | | | | | | | | | |
| Supervision Caseload (Criminal & Family) | 8,040 | 8,643 | 8,796 | 8,453 | 8,418 | 8,245 | 7,975 | 7,800 | 7,834 | 6,950 |
| Adult Intake: Number of Cases Assigned | | (16) | 4,657 | 3,928 | 3,562 | 3,778 | 4,515 | 5,707 | 5,400 | 6,510 |
| Juvenile Intake: Number of Cases Assigned | 645 | 753 | 782 (11) | 969 (10) | 1,874 | 1,948 | 1,963 | 2,376 | 2,524 | 2,203 |
| Pre-trial Cases Interviewed | 2,827 | 2,377 | 2,232 | 2,616 | 2,573 | 3,464 | 3,090 | NA | NA | NA |
| Pre-trial Supervision Caseload (Criminal & Family) | 875 | 895 | 1,217 | 1,235 | 813 | 627 | 519 | NA | NA | NA |
| Investigations Assigned (Criminal & Family) | 4,395 | 5,395 | 6,387 | 6,532 | 6,274 | 6,274 | 6,323 | 6,062 | 6,341 | 6,065 |
| Consumers Affairs | | | | | | | | | | |
| Number of Weights and Measures Inspections | 4,425 | 4,101 | 4,402 | 4,512 | 4,439 | NA | NA | NA | NA | NA |
| Number of Weights and Measures Devices Inspected | 16,881 | 16,650 | 16,228 | 16,135 | 16,185 | 16,898 | 16,003 | 13,340 | 14,510 | 14,039 |
| Total Number of Stores Participating in Item Price Exemption | 189 | 190 | 185 | 190 | 158 | 160 | 170 | 151 | 73 | NA |
| Number of Home Improvement License Applications Issued | 5,462 | 4,216 | 5,605 | 4,038 | 5,846 | 4,169 | 5,645 | 3,852 | 5,260 | 2,941 |
| Total Number of Violations Issued | 1,576 | 1,579 | 2,144 | 1,667 | 1,566 | 1,445 | 1,590 | 1,652 | 1,094 | 1,265 |
| Health | | | | | | | | | | |
| Behavioral Health (Drug & Alcohol) | | | | | | | | | | |
| Caseload Referred by DSS Screening | | 4,293 (17) | 7,673 | 6,687 | 6,778 | 6,262 | 6,996 | 5,432 | 4,681 | NA |
| Assessments, Consultations, Support Services | | 2,288 (17) | 4,307 | 4,459 | 3,136 | 3,693 | 3,775 | 2,886 | 2,374 | NA |
| Referrals to Treatment | | 1,286 (17) | 2,397 | 2,648 | 2,539 | 2,510 | 2,199 | 2,125 | 1,760 | NA |
| TIPS Treatment Placement Number of Unique Clients Served | | 158 (18) | 582 (12) | 154 (12) | 976 | 1,194 | 1,232 | 1,050 | 415 (5) | NA |
| EAP Number of Training and Management Consultation Attendees | 4,140 | 2,552 | 1,372 | 1,376 | 930 | 519 | 788 | 679 | 1,521 | NA |
| Methadone Maintenance Treatment Clinic Number of Clients Served | 714 | 747 | 735 | 689 | 725 | 717 | 711 | 694 | 691 | 775 |
| Behavioral Health (Mental Health) | | | | | | | | | | |
| Average Monthly Assisted Outpatient Treatment (AOT) Caseload | 151 | 149 | 140 | 132 | 111 | 108 | 131 | 130 | NA | NA |
| Average Monthly AOT Cases Under Court Order | 124 | 117 | 108 | 104 | 84 | 76 | 87 | 89 | NA | NA |
| Average Monthly AOT Voluntary Cases | 11 | 16 | 19 | 15 | 12 | 23 | 31 | 21 | NA | NA |
| Average Monthly AOT Cases under Investigation | 16 | 17 | 13 | 14 | 14 | 9 | 14 | 19 | NA | NA |
| Significant AOT Event Episodes | 434 | 403 | 307 | 186 | 309 | 338 | 397 | 373 | NA | NA |
| Family Court Number of Individuals Remanded | 44 | 50 | 71 | 110 | 91 | 109 | 149 | 146 | NA | NA |
| Family Court Number of Diversions | 36 | 36 | 24 | 50 | 42 | 63 | 66 | 79 | NA | NA |
| Number of Forensic Evaluations | 127 | 179 | 242 | 358 | 255 | 319 | 251 | 210 | 195 | 267 |
| Number of Individuals Seen | 113 | 163 | 227 | 308 | 223 | 283 | 285 | 230 | 182 | 244 |
| Health Department | | | | | | | | | | |
| Total Number of Communicable Diseases Reports Received | 25,281 | 25,518 | 27,786 | 22,743 | 21,403 | 20,983 | 24,062 | 22,095 | NA | NA |
| Total Number of Communicable Diseases Reports Confirmed | 3,667 | 1,488 | 8,453 | 4,162 | 3,480 | 3,811 | 3,443 | 6,004 | NA | NA |
| Number of Immediate Response Investigations | 28 | 71 | 54 | 89 | 21 | 52 | 50 | 15 (6) | NA | NA |
| Number of 72 Hour Response Investigations | 1,161 | 1,074 | 3,394 | 1,337 | 1,025 | 1,390 | 1,421 | 871 (6) | NA | NA |
| Number of 1 Week Response Investigations | 2,471 | 1,416 | 5,037 | 2,704 | 2,103 | 2,369 | 1,971 | 2,076 (6) | NA | NA |
| Monthly Environmental Nuisances All Cases | NA | NA | 3,168 | 3,674 | 3,730 | 3,880 | 4,872 | 5,127 | NA | NA |
| Community Sanitation Inspections | 2,354 | 2,925 | 2,915 | 3,395 | 3,098 | 3,100 | 3,261 | 2,859 | NA | NA |
| Food Protection Inspections | 18,410 | 13,462 | 17,059 | 14,734 | 16,426 | 14,811 | 15,667 | 14,254 | NA | NA |
| Social Services | | | | | | | | | | |
| Senior Citizens Affairs | | | | | | | | | | |
| Number of Congregate Meals Served at Centers | 207,469 | 219,986 | 211,888 | 237,855 | 247,179 | 251,675 | 264,520 | 250,901 | 260,368 | 273,555 |
| Number of Seniors Served Meals | 4,690 | 4,902 | 4,600 | 5,634 | 6,426 | 6,596 | 6,769 | 8,555 | 7,767 | 8,196 |
| Number of Home Meals Served | 451,941 | 469,418 | 387,019 | 500,203 | 535,882 | 506,508 | 410,734 | 404,113 | 400,167 | 393,934 |
| Total Number of Funded Senior Center Trips | 158,255 | 165,509 | 152,967 | 185,953 | 187,725 | 208,508 | 235,673 | 201,918 | 243,353 | 261,483 |
| Number of Senior Passengers Transported | 1,719 | 1,860 | 1,557 | 1,722 | 2,066 | 1,964 | 1,872 | 1,659 | 2,037 | 2,267 |
| Social Services (8) | | | | | | | | | | |
| Medicaid Total Medical Assistance Cases Only | 93,777 | 86,436 | 75,552 | 63,908 | 67,970 | 75,959 | 74,346 | 70,391 | 58,626 | 48,005 |
| Medicaid Applications Pending | 2,526 | 2,442 | 4,233 | 7,538 | 4,893 | 3,393 | 4,416 | 3,727 | 9,488 | 8,471 |
| Percentage of Applications Processed over 30 Days | 16% | 18% | 33% | 54% | 49% | 37% | 41% | 33% | 54% | 63% |
| Child Protective Investigative Unit Caseload / Per Caseworker | 17 | 22 | 16 | 19 | 17 | 16 | 18 | 20 | 19 | 24 |
| Child Protection Total Caseload / Per Caseworker | 15 | 19 | 17 | 18 | 15 | 14 | 17 | 19 | 18 | 21 |
| Child Protective Services Primary Open Investigations | 1,086 | 1,253 | 1,076 | 1,189 | 854 | 826 | 810 | 895 | 892 | 1,132 |
| Child Protective Services Primary Open Investigations / Per Caseworker | 14 | 16 | 14 | 15 | 14 | 13 | 14 | 13 | 14 | 17 |
| Active Public Assistance Cases | 8,302 | 8,538 | 6,932 | 5,695 | 4,865 | 4,754 | 5,031 | 4,704 | 4,389 | 3,891 |
| Number of Public Assistance Applications Pending Over 30 Days | 419 | 840 | 1,556 | 1,001 | 825 | 621 | 633 | 565 | 453 | 480 |
| HEAP Individuals (Clients, HEAP-Only) | 7,265 | 7,658 | 7,081 | 5,885 | 4,948 | 5,822 | 5,399 | 5,814 | 5,136 | 4,956 |
| Social Service Applications Disposed | 7,530 | 8,581 | 7,684 | 6,408 | 4,793 | 4,060 | 5,037 | 5,293 | 6,129 | 4,201 |
| Emergency Shelter Individuals (Clients, Homeless) | 574 | 805 | 515 | 509 | 380 | 433 | 479 | 458 | 584 | 430 |
| Food Stamp Individuals (Clients, Total) | 66,039 | 59,510 | 45,338 | 34,143 | 28,288 | 27,027 | 26,877 | 27,169 | 20,156 | 17,916 |
| Services Cases | 5,803 | 5,654 | 5,111 | 4,762 | 4,675 | 4,885 | 4,670 | 5,024 | 5,532 | 5,313 |
| Number of Summer Lunches Served (13) | 61,000 | 71,488 | 79,000 | 71,127 | | | | | | |
| Office for Physically Challenged | | | | | | | | | | |
| Number of Parking Permits Issued | NA | 14,945 | 17,087 | 11,201 | 13,806 | 15,511 | 18,053 | 19,411 | 20,280 | 12,593 |
| Number of Inquiries Responded To | NA | 17,250 | 18,500 | 11,201 | 18,000 | 17,550 | 18,970 | 13,550 | 18,970 | 17,550 |
| Number of Institutional Outreach Contacts | NA | 1,400 | 1,200 | 1,885 (7) | 285 | 280 | 295 | 275 | 195 | 150 |

(Continued)

COUNTY OF NASSAU, NEW YORK

Operating Indicators by Function
Last Ten Fiscal Years

| Function | Fiscal Year | | | | | | | | | |
|---|-------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
| Veterans Services | | | | | | | | | | |
| Number of Clients Helped | 10,025 | 15,079 | 10,844 | 12,476 | 14,383 | 11,506 | 12,726 | 12,395 | 20,373 | 24,648 |
| Number of Services Provided | 22,519 | 31,908 | 27,100 | 28,784 | 29,971 | 19,365 | 24,856 | 25,995 | 40,270 | 48,035 |
| Number of Claims Opened | 1,537 | 2,206 | 1,904 | 1,474 | 1,502 | 773 | 761 | 436 | 1,181 | 1,769 |
| Veterans Population ⁽⁹⁾ | 79,000 | 90,000 | 90,000 | 79,146 | 85,794 | 87,721 | 91,269 | 94,953 | 95,582 | 102,256 |
| Youth Board | | | | | | | | | | |
| Number of Contacts for Contract Management and Assessment | 446 | 562 | 851 | 783 | 860 | 1,379 | 1,350 | 1,385 | 1,323 | 1,350 |
| Number of Youths Participating within Three Community Service Learning Programs | 47 | 66 | 68 | 70 | 54 | 30 | 30 | 70 | 50 | 55 |
| Number of Grant Applications Written by Department | 18 | 18 | 10 | 12 | 4 | 7 | 7 | 5 | 3 | 9 |
| Number of Youths Served Through Various Programs | 23,284 | 22,000 | 25,078 | 24,390 | 25,000 | 22,000 | 22,000 | 22,000 | 21,500 | 21,500 |
| Number of Referrals to Other Departments and Other Organizations | 341 | 400 | 415 | 425 | 430 | 422 | 400 | 400 | 375 | 380 |
| Number of Professional Development Trainings | 15 | 22 | 12 | 21 | 16 | 15 | 15 | 10 | 6 | 10 |
| Number of Staff Members Attending Training | 946 | 880 | 625 | 1,365 | 1,159 | 1,000 | 1,000 | 800 | 220 | 525 |
| Number of Summer Lunches Served ⁽¹³⁾ | | | | | 67,000 | 72,000 | 61,362 | 78,635 | 98,876 | 103,420 |
| Public Works | | | | | | | | | | |
| Maintenance / Engineering | | | | | | | | | | |
| Lane Miles Resurfaced | 85 | 85.5 | 83 | 127.26 | 120.95 | 111.11 | 122.19 | 98.60 | 66.47 | 22.93 |
| Street Sweeping (lane miles) | 13,499 | 8,886 | 7,313 | 11,611 | 25,628 | 34,172 | 36,809 | NA | NA | NA |
| Bridge Maintenance (man hours/year) | 1594 | 119 | 52 | 145 | 35 | 97 | 62 | 58 | NA | NA |
| Average Number of Potholes Filled (per month) | 138 | 1,674 | 1,607 | 1,188 | 1,685 | 2,653 | 2,134 | 3,327 | NA | NA |
| Snow Plowing (man hours/year) | 2,244 | 1,576 | 3,270 | 5,903 | 2,750 | 2,277 | 4,592 | 2,396 | NA | NA |
| Average Flow - Bay Sewage Treatment Plant (MGD) | 51 | 49 | 49 | 60.1 | 60.3 | 59.4 | 58.1 | 57.1 | 57.4 | 55.3 |
| Average Flow - Cedar Creek Water Pollution Control Plant (MGD) | 55.9 | 59.3 | 55.4 | 55.3 | 55.4 | 57.3 | 61.2 | 53.8 | 55.2 | 50.4 |
| Average Flow - Glen Cove Wastewater Treatment Plant (MGD) | 3 ⁽²⁰⁾ | | | | | | | | | |
| Culture and Recreation | | | | | | | | | | |
| Parks Department | | | | | | | | | | |
| Athletic Field Use Permits Issued | NA | NA | NA | 440 | 653 | 442 | 450 | 440 | NA | NA |
| Field/Court Reservations | 9,008 | 9,476 | 8,057 | 8,258 | 8,943 | 8,734 | NA | NA | NA | NA |
| Museum Admissions | 647,054 | 821,416 | 921,983 | 941,608 | 899,065 | 909,928 | 342,365 | 681,542 | 312,403 | 263,089 |
| Pool Admissions | 412,584 | 427,148 | 374,728 | 418,842 | 446,800 | 447,050 | NA | NA | NA | NA |
| Golf Admissions | 257,723 | 277,035 | 295,463 | 273,540 | 271,641 | 254,632 | 245,077 | 259,709 | 245,039 | 304,281 |
| Corrections | | | | | | | | | | |
| Corrections / Sheriff | | | | | | | | | | |
| Number of Inmates Transported To Court | 31,999 | 33,573 | 34,121 | 34,306 | 34,278 | 22,409 | 21,045 | 23,570 | 20,069 | NA |
| Average Monthly Number of Inmates | 1,577 | 1,637 | 1,576 | 1,607 | 1,717 | 1,633 | 1,581 | 1,646 | 1,685 | 1,740 |
| Number of Summonses Issued | 2,671 | 2,827 | 7,000 | 5,674 | 5,939 | 8,645 | 10,008 | 10,234 | 8,618 | 10,444 |
| Number of Court Orders Enforced | 31,343 | 20,217 | 27,841 | 27,894 | 26,969 | 26,015 | 29,013 | 27,990 | 26,468 | 27,976 |

NA - data not available

MGD - Millions of Gallons per Day

(1) Source : Dept of Criminal Justice Services (DCJS)

(2) Exemptions processed in 2002 are for Tax Year 2003/2004, Exemptions processed in 2003 are for Tax Year 2004/2005, Exemptions processed in 2003 are for Tax Year 2004/2005, Exemptio processed in 2004 are for Tax Year 2005/2006, Exemptions processed in 2005 are for Tax Year 2006/2007, Exemptions Processed in 2006 are for Tax Year 2007/2008, Exemptions processed in 2007 are for Tax Year 2008/2009, Exemptions processed in 2008 are for Tax Year 2009/2010, Exemptions processed in 2009 are for Tax Year 2010/2011, Exemptions processed in 2010 are for Tax Year 2011/2012, and Exemptions processed in 2011 are for Tax Year 2012/2013.

(3) Appeals for correction of assessments are filed yearly between January 1 and March 1 with the Assessment Review Commission. The appeals filed in 2011 were for the 2012/13 tax year; ARC reviews the applications and reduces the assessment roll where appropriate. The review proce is completed on or around March 10th of the following year. The number of appeals represents the number of parcels appealed, multiple filings on a parcel is not included.

(4) Includes liens sold to Nassau County by Default

(5) Program Start - 7/03

(6) Statistics started to be collected in May 2004

(7) In 2008, Staff Members were increased to 4 that are doing Institutional Outreach.

(8) Data Sources: NYS WST-002, NYS WINR-1240, OCI Summary Report, CCRS/Connections, NCDSS Homeless Report

(9) Based on 2000 census - does not include Gulf War Veterans

(10) As of Jan 31, 2008, DSS took over all PINS (Persons in Need of Supervision) diversion cases at the Intake level.

(11) As of January 1, 2010, Adult Intake Family Offenses will be handled by Family Court Personnel.

(12) TIPS Unit lost 3 Staff Personnel during 2008, TIPS had only 1 Staff Person in 2009

(13) Summer Lunch Program transferred to Department of Social Services in 2008

(14) Includes Sprinkler Systems, Fire Alarm Systems, Automatic Extinguishing Systems, Hood & Duct Systems, Flammable Liquid Storage Tank Installations, Site Plans, Flammable Finish Spray Booths, etc.

(15) Methodology of Tracking Case Turnaround was changed in 2009 along with an increase in DNA analysis requests as a result of increased amounts of evidence collected at crime scenes are reasons for the increase in the average number of days to complete DNA Cases

(16) As of January 1, 2010, Adult Intake Family Offenses will be handled by Family Court Personnel.

(17) Data from January through July 2010. Unit was transferred to Department of Social Services

(18) TIPS date for January through March 2010. Program Closed.

(19) As of August 31, 2010, Nassau Community College is processing their own Purchase orders and Claims.

(20) Nassau Assumed Operations of Glen Cove Sewer System during 2011

Sources: Various County of Nassau Departments, Office of Management and Budget

For more information about County Departments and Services please visit our website - www.nassaucountyny.gov

APPENDIX

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

Honorable Edward P. Mangano, County Executive
and Members of the County Legislature
County of Nassau, New York

We have audited financial statements of the County of Nassau, New York, (the "County") as of and for the year ended December 31, 2011, (with the Nassau Community College for the year ended August 31, 2011) and have issued our report thereon dated July 27, 2012.

We did not audit the financial statements of the Nassau Regional Off-Track Betting Corporation, the Nassau County Industrial Development Agency, Nassau County Local Economic Assistance Corporation, and the Nassau Health Care Corporation, for the year ended December 31, 2011, all discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for such entities is based solely on the reports of the other auditors. The report of the independent auditor contained explanatory paragraphs concerning the Nassau Regional Off-Track Betting Corporation's ability to continue as a going concern.

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. The financial statements of the Nassau Health Care Corporation were not audited in accordance with *Government Auditing Standards*.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the County'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 County Legislature, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

July 27, 2012