

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  
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REPORT  
OF THE  
COMPTROLLER

FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2011

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George Maragos  
*NASSAU COUNTY COMPTROLLER*



# COUNTY OF NASSAU, NEW YORK

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011 TABLE OF CONTENTS

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	<b>Exhibit</b>	<b>Page</b>
<b><u>INTRODUCTORY SECTION</u></b>		
Letter of Transmittal .....		1
Certificate of Achievement for Excellence in Financial Reporting .....		5
Principal Officials .....		6
County Departments and Offices .....		7
<b><u>FINANCIAL SECTION</u></b>		
Independent Auditors' Report .....		11
Management's Discussion and Analysis .....		13
<b>BASIC FINANCIAL STATEMENTS</b>		
Government-wide Financial Statements:		
Statement of Net Assets – December 31, 2011 .....	X-1	29
Statement of Activities – for the year ended December 31, 2011 .....	X-2	31
Fund Financial Statements:		
Governmental Funds – Balance Sheet - December 31, 2011 .....	X-3	32
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets - December 31, 2011 .....	X-4	33
Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balances - for the year ended December 31, 2011 .....	X-5	34
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 .....	X-6	35
Statement of Revenues, Expenditures and Changes in Fund Balances - Total Budgetary Authority and Actual:		
General Fund for the year ended December 31, 2011 .....	X-7	36
Police District Fund for the year ended December 31, 2011 .....	X-8	37
Sewer and Storm Water District Fund - for the year ended December 31, 2011 .....	X-9	38
Statement of Fiduciary Net Assets – December 31, 2011 .....	X-10	39
Statement of Net Assets - All Discretely Presented Component Units December 31, 2011 .....	X-11	40
Statement of Activities - Discretely Presented Component Units – Proprietary – for the year ended December 31, 2011 .....	X-12	41

# COUNTY OF NASSAU, NEW YORK

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011 TABLE OF CONTENTS

---

### FINANCIAL SECTION (CONTINUED)

#### BASIC FINANCIAL STATEMENTS (CONTINUED)

	<b>Exhibit</b>	<b>Page</b>
Notes to Financial Statements.....	X-13	
1. Summary of Significant Accounting Policies .....		42
2. Deposits and Investments.....		66
3. Due from Other Governments.....		67
4. Tax Real Estate .....		67
5. Tax Sale Certificates .....		67
6. Interfund Receivables, Payables and Transfers.....		68
7. Deferred Charges .....		70
8. Capital Assets.....		71
9. Leases.....		78
10. Notes Payable and Long-Term Obligations .....		80
11. Refinancing of Long-Term Obligations.....		101
12. Pension Plans .....		101
13. Reconciliation of GAAP Fund Balances to Budgetary Basis.....		103
14. Fund Balances.....		104
15. Other Postemployment Benefits.....		105
16. Contingencies and Commitments.....		111
17. Nassau Health Care Corporation (“NHCC”).....		114
18. Subsequent Events .....		115
Required Supplementary Information.....		
Schedule of Funding Progress.....	X-14	119

#### COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

##### NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet – December 31, 2011 .....	A-1	123
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – for the year ended December 31, 2011 .....	A-2	124

#### OTHER SUPPLEMENTARY INFORMATION

##### MAJOR GOVERNMENTAL FUNDS

Comparative Statement of Actual Revenues vs. Modified Budget - General Fund - for the year ended December 31, 2011 .....	B-1	127
Comparative Statement of Actual Expenditures vs. Total Budgetary Authority - General Fund - for the year ended December 31, 2011 .....	B-2	132



# COUNTY OF NASSAU, NEW YORK

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011 TABLE OF CONTENTS

---

### FINANCIAL SECTION (CONTINUED)

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (CONTINUED)

OTHER SUPPLEMENTARY INFORMATION (CONTINUED)

### MAJOR GOVERNMENTAL FUNDS (CONTINUED)

	<b>Exhibit</b>	<b>Page</b>
Statement of Revenues, Expenditures and Changes in Fund Balance - Total Budgetary Authority and Actual:		
Police District Fund - for the year ended December 31, 2011.....	B-3	143
Sewer and Storm Water District Fund - for the year ended December 31, 2011 ....	B-4	144

### NONMAJOR GOVERNMENTAL FUNDS

Statement of Expenditures by County Departments and Offices Total Budgetary Authority and Actual – Grant Fund for the year ended December 31, 2011 .....	B-5	145
Statement of Revenues, Expenditures, and Changes in Fund Balances – Total Budgetary Authority and Actual: Environmental Protection Fund - for the year ended December 31, 2011 .....	B-6	146

### CAPITAL ASSETS

Capital Assets Used in the Operation of Governmental Funds by Function – December 31, 2011 .....	C-1	147
Capital Assets Statement of Changes by Function – December 31, 2011 .....	C-2	148

### FIDUCIARY FUNDS

Statement of Changes in Fiduciary Assets and Liabilities – December 31, 2011 .....	D-1	149
Statement of Changes in Other Liabilities – Fiduciary Fund for the year ended December 31, 2011.....	D-2	150

### CASH IN BANKS

Statement of Cash in Banks - All Funds of the Primary Government – December 31, 2011.....	E-1	151
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# COUNTY OF NASSAU, NEW YORK

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011 TABLE OF CONTENTS

---

### COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (CONTINUED)

	Exhibit	Page
<b><u>STATISTICAL SECTION</u></b>		
<b><u>FINANCIAL TRENDS</u></b>		
Net Assets of Primary Government .....	T-1	157
Changes in Net Assets .....	T-2	158
Governmental Activities Tax Revenue by Source (Accrual Basis) .....	T-3	160
Fund Balances of Governmental Funds .....	T-4	161
Changes in Fund Balances of Governmental Funds .....	T-5	162
<b><u>REVENUE CAPACITY INFORMATION</u></b>		
Government Activities Tax Revenues by Source (Modified Accrual Basis) .....	T-6	167
Sales Tax, Assessed Value and Estimated Actual Value of Taxable Property .....	T-7	168
Property Tax Levies, Rates, Direct and Overlapping Governments .....	T-8	169
Principal Sources of Own Source Revenue .....	T-9	171
Constitutional Tax Margin .....	T-10	172
Property Tax Levies and Collections .....	T-11	173
<b><u>DEBT CAPACITY INFORMATION</u></b>		
Ratios of Outstanding Debt by Type .....	T-12	177
Ratios of General Bonded Debt Outstanding .....	T-13	179
Taxable Full Value Calculation for 2011 .....	T-14	180
Legal Debt Margin Information .....	T-15	181
Pledged-Revenue Coverage .....	T-16	182
<b><u>DEMOGRAPHIC AND ECONOMIC INFORMATION</u></b>		
Demographic and Economic Statistics .....	T-17	185
Principal Employment by Sector - Current year and nine years ago .....	T-18	186
Average Yearly Employment by Industry .....	T-19	187
<b><u>OPERATING INFORMATION</u></b>		
County Government Employees by Function .....	T-20	191
Capital Asset Statistics by Function .....	T-21	193
Operating Indicators by Function .....	T-22	194
<b>APPENDIX</b>		
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 <i>Government Auditing Standards</i> .....		199

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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



**OFFICE OF THE COMPTROLLER**

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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**

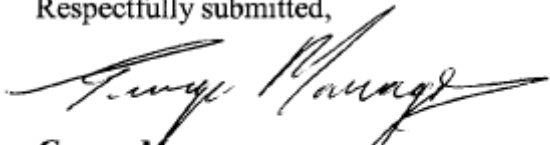
The Government Finance Officers Association of the United States and Canada (“GFOA”) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for the year ended December 31, 2010. This is the twenty-seventh consecutive 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

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### 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

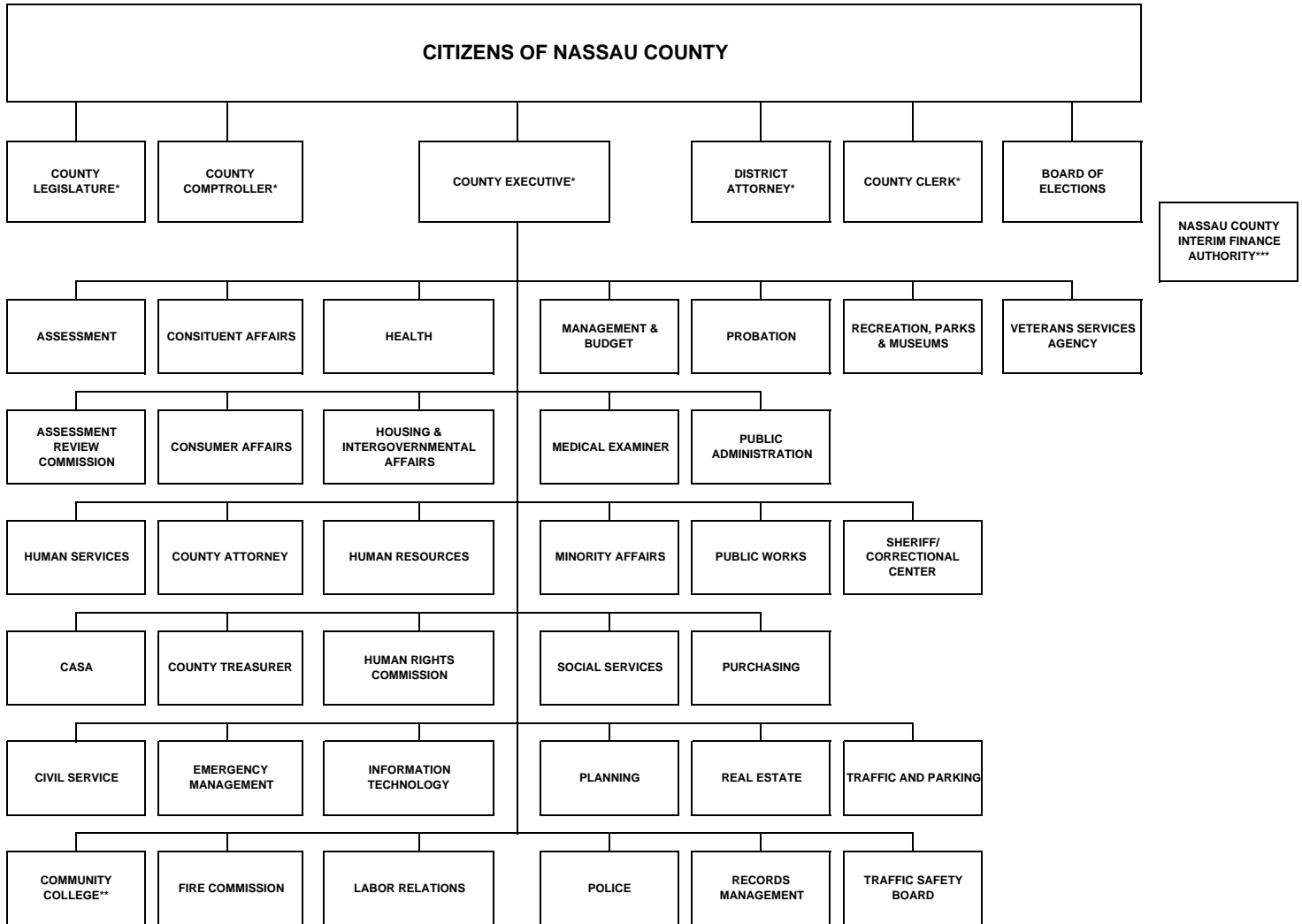
Peter J. Schmitt, Presiding Officer  
John J. Ciotti, Deputy Presiding Officer  
Norma L. Gonsalves, Alternate Deputy Presiding Officer  
Diane Yatauro, Minority Leader  
Legislator Kevan M. Abrahams  
Legislator Robert Troiano  
Legislator Denise Ford  
Legislator Joseph K. Scannell  
Legislator Francis 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  
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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*.

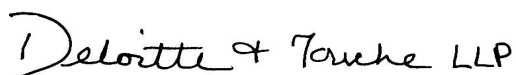
In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the 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)

	<b>Total Primary Governmental Activities</b>		<b>Change</b>
	<b>2011</b>	<b>2010</b>	
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>
<b>Total Assets</b>	<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>
<b>Total Liabilities</b>	<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>
<b>Total Net Assets (Deficit)</b>	<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
<b>Revenues</b>			
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
<b>Total Revenues</b>	<u>2,919.7</u>	<u>2,761.0</u>	<u>158.7</u>
<b>Expenses</b>			
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
<b>Total Expenses</b>	<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>
<b>Net Assets - (Deficit) Ending</b>	<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*
<b>Fund Equity, as of December 31, 2009</b> <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>
<b>Fund Equity as of December 31, 2010</b> <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>
<b>Fund Equity, as of December 31, 2011</b>	<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)**

<b>Project Category</b>	<b>Amount</b>
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>
<b>Total</b>	<b><u>\$ 175.5</u></b>

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>
<b>Total Long Term Debt</b>	<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)**

	<b>Primary Government</b>		<b>Component Units</b>
	<b>Governmental Activities</b>		<b>Units</b>
<b><u>ASSETS</u></b>			
<b>CURRENT ASSETS:</b>			
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			
<b>NON CURRENT ASSETS:</b>			
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			
Total Assets	<u>\$ 4,392,333</u>	\$	<u>629,010</u>

(Continued)

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

	<b>Primary Government</b>	
	<b>Governmental Activities</b>	<b>Component Units</b>
<b><u>LIABILITIES</u></b>		
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		
<b><u>NET ASSETS (DEFICIT)</u></b>		
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)**

<b>ASSETS</b>	<b>General Fund</b>	<b>NIFA General Fund</b>	<b>Police District Fund</b>	<b>Sewer and Storm Water District Fund</b>	<b>Capital Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
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
<b>TOTAL ASSETS</b>	<b>\$ 824,106</b>	<b>\$ 125,709</b>	<b>\$ 57,340</b>	<b>\$ 123,490</b>	<b>\$ 246,484</b>	<b>\$ 204,147</b>	<b>\$ 1,581,276</b>
<b>LIABILITIES AND FUND EQUITY</b>							
<b>LIABILITIES:</b>							
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
<b>Total Liabilities</b>	<b>744,191</b>	<b>107,298</b>	<b>53,315</b>	<b>33,609</b>	<b>102,773</b>	<b>106,288</b>	<b>1,147,474</b>
<b>FUND EQUITY</b>							
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)
<b>Total Fund Equity</b>	<b>79,915</b>	<b>18,411</b>	<b>4,025</b>	<b>89,881</b>	<b>143,711</b>	<b>97,859</b>	<b>433,802</b>
Commitments and Contingencies							
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 824,106</b>	<b>\$ 125,709</b>	<b>\$ 57,340</b>	<b>\$ 123,490</b>	<b>\$ 246,484</b>	<b>\$ 204,147</b>	<b>\$ 1,581,276</b>

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)**

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**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>
<b>REVENUES:</b>							
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	<u>2,041,631</u>	<u>202,123</u>	<u>374,347</u>	<u>123,208</u>	<u>32,021</u>	<u>143,584</u>	<u>2,916,914</u>
<b>EXPENDITURES:</b>							
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	<u>2,077,641</u>	<u>3,066</u>	<u>376,085</u>	<u>87,315</u>	<u>133,904</u>	<u>110,341</u>	<u>2,788,352</u>
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	<u>135,329</u>			<u>25,429</u>		<u>227,823</u>	<u>388,581</u>
Total Expenditures	<u>2,212,970</u>	<u>3,066</u>	<u>376,085</u>	<u>112,744</u>	<u>133,904</u>	<u>338,164</u>	<u>3,176,933</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(171,339)</u>	<u>199,057</u>	<u>(1,738)</u>	<u>10,464</u>	<u>(101,883)</u>	<u>(194,580)</u>	<u>(260,019)</u>
<b>OTHER FINANCING SOURCES (USES):</b>							
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)	<u>85,724</u>	<u>(197,137)</u>	<u>2,095</u>	<u>(23,150)</u>	<u>18,679</u>	<u>199,521</u>	<u>85,732</u>
NET CHANGE IN FUND EQUITY (DEFICITS)	<u>(85,615)</u>	<u>1,920</u>	<u>357</u>	<u>(12,686)</u>	<u>(83,204)</u>	<u>4,941</u>	<u>(174,287)</u>
TOTAL FUND EQUITY AT BEGINNING OF YEAR	<u>165,530</u>	<u>16,491</u>	<u>3,668</u>	<u>102,567</u>	<u>226,915</u>	<u>92,918</u>	<u>608,089</u>
TOTAL FUND EQUITY AT END OF YEAR	<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>

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)**

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**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)
<b>Revenues:</b>						
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)
<b>Total Revenues</b>	<b>2,549,609</b>	<b>2,566,141</b>	<b>2,041,631</b>	<b>30,874</b>	<b>2,072,505</b>	<b>(493,636)</b>
<b>Expenditures:</b>						
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
<b>Total Expenditures</b>	<b>2,254,214</b>	<b>2,268,026</b>	<b>2,077,641</b>	<b>36,183</b>	<b>2,113,824</b>	<b>154,202</b>
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
<b>Total Debt Service</b>	<b>154,096</b>	<b>154,096</b>	<b>135,329</b>		<b>135,329</b>	<b>18,767</b>
<b>Total Expenditures</b>	<b>2,408,310</b>	<b>2,422,122</b>	<b>2,212,970</b>	<b>36,183</b>	<b>2,249,153</b>	<b>172,969</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	141,299	144,019	(171,339)	(5,309)	(176,648)	(320,667)
<b>Other Financing Sources (Uses):</b>						
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
<b>Total Other Financing Sources (Uses)</b>	<b>(255,169)</b>	<b>(258,121)</b>	<b>85,724</b>	<b>(38,875)</b>	<b>46,849</b>	<b>304,970</b>
<b>Net Change in Fund Balance (Deficit)</b>	<b>(113,870)</b>	<b>(114,102)</b>	<b>(85,615)</b>	<b>(44,184)</b>	<b>(129,799)</b>	<b>(15,697)</b>
Fund Balance at Beginning of Year	113,870	114,102	165,530		165,530	51,428
<b>Fund Balance (Deficit) at End of Year</b>	<b>\$</b>	<b>\$</b>	<b>\$ 79,915</b>	<b>\$ (44,184)</b>	<b>\$ 35,731</b>	<b>\$ 35,731</b>

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>
<b>Revenues:</b>						
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>
<b>Expenditures:</b>						
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>
<b>Other Financing Sources (Uses):</b>						
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>
<b>Revenues:</b>						
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>
<b>Expenditures:</b>						
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>
<b>Other Financing Sources (Uses):</b>						
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)**

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**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>
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**LIABILITIES:**

Other Liabilities	\$	<u>18,448</u>
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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)**

	<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>
<b>ASSETS</b>						
<b>CURRENT ASSETS:</b>						
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
<b>Total Current Assets</b>	<b>64,562</b>	<b>155,058</b>	<b>8,832</b>	<b>2,469</b>	<b>271</b>	<b>231,192</b>
<b>NON CURRENT ASSETS:</b>						
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
<b>Total Non Current Assets</b>	<b>147,623</b>	<b>229,502</b>	<b>21,151</b>	<b>18</b>		<b>398,294</b>
<b>Total Assets</b>	<b>212,185</b>	<b>384,560</b>	<b>29,983</b>	<b>2,487</b>	<b>271</b>	<b>629,486</b>
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES:</b>						
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
<b>Total Current Liabilities</b>	<b>37,091</b>	<b>97,087</b>	<b>15,725</b>	<b>74</b>	<b>104</b>	<b>150,081</b>
<b>NON CURRENT LIABILITIES:</b>						
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
<b>Total Non Current Liabilities</b>	<b>447,281</b>	<b>596,483</b>	<b>55,231</b>	<b>148</b>		<b>1,099,143</b>
<b>Total Liabilities</b>	<b>484,372</b>	<b>693,570</b>	<b>70,956</b>	<b>222</b>	<b>104</b>	<b>1,249,224</b>
<b>NET ASSETS (DEFICIT)</b>						
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)
<b>Total Net Assets (Deficit)</b>	<b>\$ (272,187)</b>	<b>\$ (309,010)</b>	<b>\$ (40,973)</b>	<b>\$ 2,265</b>	<b>\$ 167</b>	<b>\$ (619,738)</b>

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>
<b>Expenses</b>	\$ 237,211	\$ 637,953	\$ 56,105	\$ 1,424	\$ 138	\$ 932,831
<b>Program Revenues:</b>						
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)
<b>General Revenues</b>						
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**

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**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 31<sup>st</sup>, the same as that of the College.

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

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**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**

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**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**

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**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**

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**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**

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**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**

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**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

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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**

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**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**

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**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**

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**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**

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**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**

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**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**

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**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**

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**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**

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**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**

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**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**

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**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**

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**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**

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**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**

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**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**

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**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										
<b>Total Changes in Fund Balance</b>	<b>2,296</b>			<b>138</b>		<b>1,157</b>		<b>29,272</b>	<b>(32,863)</b>	
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):

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

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**

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**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):

<b>Fund</b>	<b><u>Total</u></b>	<b><u>Federal</u></b>	<b><u>State/Other*</u></b>
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 &amp; Storm Water District Fund</u>	<u>Capital Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<b>INTERFUND RECEIVABLE</b>							
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>
<b>TOTAL RECEIVABLE</b>	<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>
<b>INTERFUND PAYABLE</b>							
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>
<b>TOTAL PAYABLE</b>	<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 &amp; Storm District</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<b>Transfers Out:</b>					
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>
<b>TOTAL</b>	<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

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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

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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):

<b>Primary Government</b>	<b>Balance January 1, 2011</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance December 31, 2011</b>
<b>Governmental activities:</b>				
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):

<b>Primary Government</b>	<b>Balance January 1, 2011</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance December 31, 2011</b>
<b>Governmental activities:</b>				
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>
<b>Transfer from Construction in Progress</b>	\$ (54,085)	\$	\$ (54,085)
<b>Additions to Capital Assets:</b>			
<b>Capital Assets being Depreciated</b>			
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>
<b>Functions:</b>					
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
<b>Total Depreciation Expense</b>	<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 )

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



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):

	<b>Balance September 1, 2010</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance August 31, 2011</b>
<b>Capital Assets Not Being Depreciated</b>				
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>
<b>Capital Assets Being Depreciated</b>				
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>
<b>Less Accumulated Depreciation:</b>				
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

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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):

	<b>Balance August 31, <u>2011</u></b>
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 &amp; 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):

	<b>Balance, January 1, <u>2011</u></b>	<b><u>Additions</u></b>	<b><u>Reductions</u></b>	<b>Balance, December 31, <u>2011</u></b>
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):

	<b>Balance</b>			<b>Balance</b>	<b>Due</b>
	<b>January 1,</b>	<b>Additions</b>	<b>Reductions</b>	<b>December</b>	<b>Within</b>
	<b>2011</b>			<b>31, 2011</b>	<b>One Year</b>
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**

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**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**

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**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**

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**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>
<b>Notional Amount</b>	\$ 72,500	\$ 72,500	\$ 80,000	\$ 72,500	\$ 72,500	\$ 80,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 600,000
<b>Counterparty</b>	GSMMDP	GSMMDP	GSMMDP	UBS	UBS	UBS	GSMMDP	UBS	MSCS	
<b>Counterparty Rating (1)</b>	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	
<b>Effective Date</b>	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	
<b>Maturity Date</b>	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	
<b>NIFA Pays</b>	3.146%	3.146%	3.002%	3.146%	3.146%	3.003%	3.432%	3.432%	3.432%	
<b>Replacement Rate</b>	1.190%	1.189%	0.778%	1.190%	1.189%	0.775%	1.423%	1.423%	1.423%	
<b>NIFA Receives</b>	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	
<b>Change in Fair Value</b>	\$ (4,364)	\$ (4,362)	\$ (751)	\$ (4,364)	\$ (4,362)	\$ (707)	\$ (4,166)	\$ (4,166)	\$ (4,166)	\$ (31,407)
<b>Net Accrued</b>	\$ (283)	\$ (285)	\$ (283)	\$ (283)	\$ (285)	\$ (279)	\$ (207)	\$ (207)	\$ (207)	\$ (2,319)
<b>Net Present Value</b>	(10,550)	(10,555)	(6,102)	(10,550)	(10,555)	(6,115)	(9,297)	(9,297)	(9,297)	(82,317)
<b>Total Fair Value of Swap</b>	\$ (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

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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

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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**

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**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

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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**

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**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

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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):

<b>Principal</b>			<b>General</b>		<b>Endo</b>	
<b>Year Ending August 31,</b>	<b>DASNY</b>		<b>Obligations</b>		<b>Note</b>	<b>Total</b>
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>

<b>Interest</b>			<b>General</b>		<b>Endo</b>	
<b>Year Ending August 31,</b>	<b>DASNY</b>		<b>Obligations</b>		<b>Note</b>	<b>Total</b>
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

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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	220,840
	<u>256,647</u>
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**

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**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

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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

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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
	<u>\$ 13,154</u>

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	5,805	580
	<u>\$ 13,154</u>	<u>\$ 2,566</u>



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

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**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

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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
<b>Nonspendable:</b>							
Prepaid expenditures	87,662	49	40,711	1,759		2,481	132,662
<b>Spendable:</b>							
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**

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**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**

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**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

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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

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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**

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**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**

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**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**

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**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

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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**

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**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)**

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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>
<b>ASSETS</b>							
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	<u>\$ 22,890</u>	<u>\$ 222</u>	<u>\$ 20,862</u>	<u>\$ 67,867</u>	<u>\$ 23,600</u>	<u>\$ 68,706</u>	<u>\$ 204,147</u>
<b>LIABILITIES AND FUND EQUITY</b>							
<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	<u>8,468</u>			<u>44,416</u>		<u>53,404</u>	<u>106,288</u>
<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	<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>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 22,890</u>	<u>\$ 222</u>	<u>\$ 20,862</u>	<u>\$ 67,867</u>	<u>\$ 23,600</u>	<u>\$ 68,706</u>	<u>\$ 204,147</u>

**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	
<b>Revenues:</b>								
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
<b>Total Revenues</b>	<b>11,283</b>	<b>23</b>	<b>3,126</b>	<b>110,200</b>		<b>18,852</b>	<b>100</b>	<b>143,584</b>
<b>Expenditures:</b>								
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
<b>Total Current</b>		<b>93</b>	<b>110</b>	<b>105,807</b>	<b>157</b>		<b>4,174</b>	<b>110,341</b>
Debt Service:								
Principal					7,360		119,745	127,105
Interest					7,992	19,332	73,394	100,718
Financing Costs								
<b>Total Debt Service</b>					<b>15,352</b>	<b>19,332</b>	<b>193,139</b>	<b>227,823</b>
<b>Total Expenditures</b>		<b>93</b>	<b>110</b>	<b>105,807</b>	<b>15,509</b>	<b>19,332</b>	<b>197,313</b>	<b>338,164</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,283	(70)	3,016	4,393	(15,509)	(480)	(197,213)	(194,580)
<b>Other Financing Sources (Uses):</b>								
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								
<b>Total Other Financing Sources (Uses)</b>	<b>(8,468)</b>	<b>300</b>	<b>(4,172)</b>	<b>61</b>	<b>15,509</b>	<b>(300)</b>	<b>196,591</b>	<b>199,521</b>
Net Change in Fund Equity (Deficits)	2,815	230	(1,156)	4,454		(780)	(622)	4,941
Fund Equity (Deficit) Beginning of Year	11,607	(8)	22,018	18,997		24,380	15,924	92,918
Fund Equity End of Year	\$ 14,422	\$ 222	\$ 20,862	\$ 23,451	\$	\$ 23,600	\$ 15,302	\$ 97,859



## **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>
<b>INTEREST AND PENALTIES ON TAXES</b>	\$ 28,500	\$ 28,500	\$ 28,165	\$	\$ 28,165	(335)
<b>LICENSES AND PERMITS</b>						
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
Pre-demolition 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>
<b>FINES AND FORFEITS</b>	<u>93,876</u>	<u>93,876</u>	<u>51,622</u>		<u>51,622</u>	<u>(42,254)</u>
<b>INTEREST INCOME</b>	<u>7,152</u>	<u>7,152</u>	<u>1,341</u>		<u>1,341</u>	<u>(5,811)</u>
<b>RENTS AND RECOVERIES</b>						
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>
<b>DEPARTMENTAL REVENUE</b>						
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>
<b>DEPARTMENTAL REVENUE (Continued)</b>						
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
<b>Total Departmental Revenue</b>	<b>120,821</b>	<b>121,112</b>	<b>114,137</b>		<b>114,137</b>	<b>(6,975)</b>
<b>INTERDEPARTMENTAL REVENUE</b>						
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>
<b>INTERDEPARTMENTAL REVENUE (Continued)</b>						
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)
<b>Total Interdepartmental Revenue</b>	<b>313,592</b>	<b>313,592</b>	<b>134,917</b>		<b>134,917</b>	<b>(178,675)</b>
<b>FEDERAL AID</b>						
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)
<b>Total Federal Aid</b>	<b>151,795</b>	<b>166,736</b>	<b>178,337</b>		<b>178,337</b>	<b>11,601</b>
<b>STATE AID</b>						
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>
<b>STATE AID (Continued)</b>						
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>
<b>SALES TAX *</b>	<u>951,472</u>	<u>951,472</u>	<u>750,762</u>		<u>750,762</u>	<u>(200,710)</u>
<b>PREEMPTED SALES TAX IN LIEU OF PROPERTY TAXES</b>						
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>
<b>PROPERTY TAXES</b>	<u>435,827</u>	<u>435,826</u>	<u>432,251</u>		<u>432,251</u>	<u>(3,575)</u>
<b>PAYMENTS IN LIEU OF TAXES</b>	<u>6,805</u>	<u>6,805</u>	<u>7,369</u>		<u>7,369</u>	<u>564</u>
<b>SPECIAL TAXES</b>						
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>
<b><u>OTHER REVENUES</u></b>						
OTB Profits	\$ 1,500	\$ 1,500	\$ 18,110	\$ (6,188)	\$ 11,922	\$ (1,500)
Miscellaneous	19,945	19,946	18,110	(6,188)	11,922	(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>
<b><u>OTHER FINANCING SOURCES</u></b>						
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>
<b>CURRENT:</b>						
<b>LEGISLATIVE</b>						
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
<b>JUDICIAL</b>						
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>
<b>GENERAL ADMINISTRATION</b>						
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>
<b>GENERAL ADMINISTRATION (Continued)</b>						
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	262	262	170	62	232	30
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	133	113	87		87	26
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	3	3				3
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	3	3		3	3	
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	10	156	154	2	156	
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	1,108	1,108	1,108		1,108	
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	1,098	411	411		411	
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)
<b>GENERAL ADMINISTRATION (Continued)</b>						
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>
<b>GENERAL ADMINISTRATION (Continued)</b>						
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>
<b>PROTECTION OF PERSONS</b>						
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>
<b>HEALTH</b>						
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>
<b>PUBLIC WORKS</b>						
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	
<b>Total Public Works</b>	<b>118,752</b>	<b>129,268</b>	<b>115,812</b>	<b>2,170</b>	<b>117,982</b>	<b>11,286</b>
<b>RECREATION AND PARKS</b>						
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
<b>Total Recreation and Parks</b>	<b>27,264</b>	<b>32,522</b>	<b>27,686</b>	<b>446</b>	<b>28,132</b>	<b>4,390</b>

(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>
<b>SOCIAL SERVICES</b>						
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>
<b>SOCIAL SERVICES (continued)</b>						
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	9	12
Equipment	22	22	9	1	10	69
General Expenses	226	226	100	57	157	522
Contractual Services	1,560	1,510	580	408	988	684
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		1	10
General Expenses	21	21	8	3	11	201
Interdepartmental Charges	359	359	158		158	
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	48
Emergency Vendor Payments	650	550	502		502	
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		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)
<b><u>SOCIAL SERVICES (continued)</u></b>						
Youth Board						
Salaries	\$ 391	\$ 391	\$ 382	\$ (13)	\$ 369	\$ 22
Fringe Benefits	296	283	264	(5)	259	24
General Expenses	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>
<b><u>CORRECTIONS</u></b>						
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
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>
<b><u>EDUCATION</u></b>						
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>
<b><u>PAYMENTS FOR TAX CERTIORARI AND OTHER JUDGMENTS</u></b>						
		<u>43,092</u>	<u>68,142</u>	<u>(25,050)</u>	<u>43,092</u>	
<b><u>OTHER EXPENDITURES</u></b>						
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)**

<b>FUNCTIONS</b>	<b>Original Budget</b>	<b>Total Budgetary Authority</b>	<b>Actual Expenditures</b>	<b>GAAP to Budgetary Basis Conversion</b>	<b>Actual on a Budgetary Basis</b>	<b>Variance Positive (Negative)</b>
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>
<b>TRANSFERS OUT</b>						
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>
<b>Revenues:</b>						
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>
<b>Expenditures:</b>						
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>
<b>Other Financing Sources (Uses):</b>						
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>
<b>Revenues:</b>						
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>
<b>Expenditures:</b>						
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>
<b>Other Financing Sources (Uses):</b>						
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)**

<b>County Departments, Offices and Boards</b>	<b>Budgetary Authority as of December 31, 2011</b>	<b>Expenditures through December 31, 2010</b>	<b>Available Budgetary Authority for 2011</b>	<b>2011 Expenditures</b>	<b>Remaining Budgetary Authority December 31, 2011</b>
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
<b>Total</b>	<b>\$ 2,797,472</b>	<b>\$ 2,144,737</b>	<b>\$ 652,735</b>	<b>\$ 105,807</b>	<b>\$ 546,928</b>

**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)**

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	<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>
<b>Revenues:</b>						
Interest Income	\$ 745	\$ 745	\$ 29	\$	\$ 29	\$ (716)
Property Taxes	11,250	11,250	11,254		11,254	4
<b>Total Revenues</b>	<u>11,995</u>	<u>11,995</u>	<u>11,283</u>		<u>11,283</u>	<u>(712)</u>
<b>Other Financing Use:</b>						
Transfer Out	<u>(12,040)</u>	<u>(12,040)</u>	<u>(8,468)</u>		<u>(8,468)</u>	<u>3,572</u>
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	<u>45</u>	<u>45</u>	<u>11,607</u>		<u>11,607</u>	<u>11,562</u>
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	<u>3,902,791</u>	<u>296,603</u>	<u>56,158</u>	<u>4,143,236</u>
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>
<b>Agency Fund</b>				
<b><u>ASSETS:</u></b>				
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>
<b><u>LIABILITIES:</u></b>				
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>
<b>Nassau County Tobacco Securitization Corporation Residual Trust</b>				
<b><u>ASSETS:</u></b>				
Cash	<u>\$ 18,412</u>	<u>\$ 36</u>	<u>\$</u>	<u>\$ 18,448</u>
<b><u>LIABILITIES:</u></b>				
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
<b>Agency Fund</b>				
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
<b>Total Other Liabilities</b>	<b>\$ 66,015</b>	<b>\$ 1,099,558</b>	<b>\$ 1,120,412</b>	<b>\$ 45,161</b>
<b>Nassau County Tobacco Securitization Corporation Residual Trust</b>				
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)**

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**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
<b>Expenses</b>					
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>
<b>Program Revenues</b>					
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>
<b>General Revenues and Other Changes in Net Assets</b>					
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>
<b>Change in Net Assets</b>	(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
<b>Expenses</b>					
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>
<b>Program Revenues</b>					
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>
<b>General Revenues and Other Changes in Net Assets</b>					
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>
<b>Change in Net Assets</b>	(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)

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Revenues</b>										
Major Governmental Funds										
Interest and Penalties on Taxes	\$ 28,165	\$ 26,521	\$ 25,998	\$ 26,423	\$ 21,865	\$ 22,532	\$ 21,369	\$ 22,682	\$ 22,456	\$ 20,156
Gifts and Donations										
Licenses and Permits	13,429	10,119	11,529	10,176	10,580	10,525	9,455	6,050	6,776	4,751
Fines and Forfeitures	52,542	37,251	24,075	22,019	22,266	23,001	21,237	14,477	13,059	12,785
Interest Income <sup>1</sup>	2,864	3,031	3,374	14,539	29,597	22,733	12,883	6,474	3,661	6,874
Rents and Recoveries <sup>1</sup>	31,440	21,036	23,737	30,921	25,338	43,696	30,796	32,229	13,951	48,088
Tobacco Settlement Revenue			15,166	23,000	23,000	23,000	23,017	23,682		
Tobacco Proceeds					14,500	10,273				
Departmental Revenue	119,601	97,692	98,998	90,673	94,902	87,795	126,731	206,459	147,938	158,516
Interdepartmental Revenue	135,732	156,320	164,334	138,074	133,402	135,478	129,788	102,187	123,729	105,357
Federal Aid	200,864	228,019	176,743	116,253	123,872	115,193	114,519	126,208	107,592	124,421
State Aid	191,768	177,426	212,556	209,058	201,682	187,799	199,715	209,019	198,767	191,342
Sales Tax	952,885	939,610	887,530	936,304	948,937	929,817	895,107	883,892	841,940	814,160
Preempted Sales Tax in Lieu of Property Taxes	70,243	57,565	62,180	62,429	61,629	59,426	57,568	49,971	48,920	48,997
Property Taxes	915,785	807,167	804,766	882,144	882,563	884,512	884,859	743,002	741,779	604,651
Payments in Lieu of Taxes	7,369	6,881	6,158	4,154	7,356	4,551	4,298	3,632	4,205	2,974
Special Taxes	30,485	31,378	32,623	31,726	33,654	34,901	36,572	32,395	25,982	25,142
Other Revenue	20,158	31,727	13,551	13,294	49,606	25,081	24,830	11,098	9,922	13,231
Total Major Governmental Funds	2,773,330	2,631,743	2,563,318	2,611,187	2,685,349	2,620,313	2,592,744	2,473,457	2,310,677	2,181,445
Nonmajor Governmental Funds										
Unrealized Gain on Investments							80	41	968	1,317
Fines and Forfeits	1,784	1,798	1,718	2,122	1,330	2,559	1,478			
Interest Income <sup>1</sup>	95	365	2,001	5,105	8,500	17,532	17,305	6,754	5,539	5,859
Rents and Recoveries <sup>1</sup>	752	281	761	272	343	169	185	241	263	812
Departmental Revenue	2,998	3,146	2,782	2,815	2,586	2,470	2,219	4,116	15,372	29,135
Interdepartmental Revenue	27	102	296	352	349	710	725	2,580	1,494	1,336
Federal Aid	75,777	73,858	65,738	51,831	47,955	54,461	50,982	49,629	61,539	53,593
State Aid	29,211	39,383	35,927	48,433	43,955	55,639	31,671	66,300	38,301	33,118
State Aid from NIFA							7,500	7,500	15,000	20,000
Sales Tax			43,155	29,415						
Tobacco Proceeds			23,889	21,663	21,053	20,388	22,284	21,974	26,186	26,180
Tobacco Receipts	18,849	19,881	114,887	111,315	4,128			138,932	142,638	153,616
Property Taxes	11,254	125,038	2,368	3,111	4,027					205
Special Taxes	2,747	2,641	72	1,629	890	2,447	4,236	7,622	1,357	988
Other Revenues	90	4,735	72	1,629	890	2,447	4,236	7,622	1,357	988
Total Nonmajor Governmental Funds	143,584	270,735	293,594	278,063	135,116	156,375	138,665	305,689	308,657	326,159
<b>Total Revenues</b>	<b>2,916,914</b>	<b>2,902,478</b>	<b>2,856,912</b>	<b>2,889,250</b>	<b>2,820,465</b>	<b>2,776,688</b>	<b>2,731,409</b>	<b>2,779,146</b>	<b>2,619,334</b>	<b>2,507,604</b>
<b>Expenditures</b>										
Major Governmental Funds										
Legislative	10,282	10,207	10,100	10,118	9,781	8,747	8,325	7,629	6,572	5,865
Judicial	57,687	62,677	47,778	49,998	46,304	41,733	39,791	44,715	42,063	39,049
General Administration	229,286	218,252	227,498	218,324	229,056	228,451	232,038	209,952	226,558	183,150
Protection of Persons	767,388	787,104	731,109	729,558	713,778	672,021	674,719	653,567	562,281	560,389
Health	211,310	204,416	222,934	214,808	216,106	215,413	197,873	190,873	183,073	169,065
Public Works	203,127	184,260	195,203	181,108	185,981	182,580	196,478	87,453	54,430	44,104
Recreation and Parks	27,686	23,282	24,533	34,244	40,863	55,919	50,704	46,440	61,654	
Capital Outlay-General County	103,275	118,353	162,473	149,533	124,129					
Capital Outlay-Sewage Districts	30,629									
Social Services	584,447	585,470	541,844	518,409	516,968	505,817	537,107	625,213	523,765	538,402
Corrections	250,902	225,207	247,009	205,186	218,509	217,820	211,928	193,390	183,931	171,289
Education	10,362	10,483	9,945	8,656	7,325	6,898	6,740	5,801	4,953	5,017
Payments for Tax Certiorari and Other Judgments	68,142	106,483	120,180	115,717	87,251	74,670	260,207	198,663	141,820	125,545
Other	123,488	127,608	116,649	123,649	116,683	125,336	120,946	156,254	106,367	116,253
Debt Service:										
Principal	87,699	98,606	104,015	110,066	126,407	146,324	168,495	171,434	196,314	195,975
Interest	69,934	53,304	38,940	34,885	35,947	41,375	48,425	60,269	96,525	126,725
Financing Costs	3,125	7,069	12,091	4,765	994	249	841	612	1,189	691
Total Major Governmental Funds	2,838,769	2,822,781	2,812,301	2,709,024	2,676,082	2,523,353	2,754,617	2,652,265	2,391,495	2,281,519
Nonmajor Governmental Funds										
Judicial	2,629	3,816	3,287	3,053	2,968	1,725	1,853	749	926	855
General Administration	33,253	37,116	32,809	33,015	27,125	28,360	29,238	32,797	23,252	34,935
Protection of Persons	11,806	11,009	14,999	8,935	7,951	8,497	8,195	5,657	7,547	24,910
Health	48,630	50,760	49,871	48,377	47,484	42,580	45,706	45,179	50,585	45,034
Public Works	3,795	4,467	5	165	208	223	233	78,453	71,700	65,624
Recreation and Parks					458	636	422	395	60,187	
Capital Outlay-General County										
Capital Outlay-Sewage Districts										
Social Services	8,591	8,481	7,131	6,424	5,802	5,258	6,063	5,509	6,077	2,632
Corrections	1,637	1,487	1,669	2,001	2,799	2,596	3,328	1,684	711	1,053
Education			43,155	29,415					1,313	1,053
Other										
Debt Service:										
Principal	127,105	112,113	99,891	96,893	83,200	94,015	57,906	55,118	22,975	16,860
Interest	100,718	92,514	111,041	119,144	113,487	118,643	94,744	91,294	68,052	40,831
Financing Costs			254	1,954		14,389	4,290	10,165	5,195	1,703
Total Nonmajor Governmental Funds	338,164	347,771	397,012	378,961	310,264	450,991	360,383	403,248	301,322	371,743
<b>Total Expenditures</b>	<b>3,176,933</b>	<b>3,170,552</b>	<b>3,209,313</b>	<b>3,087,985</b>	<b>2,986,346</b>	<b>2,974,344</b>	<b>3,115,000</b>	<b>3,055,513</b>	<b>2,692,817</b>	<b>2,653,262</b>

(Continued)

## 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		
<b>Other Financing Sources (Uses)</b>										
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
<b>Total Financing Sources</b>	<b>85,732</b>	<b>374,879</b>	<b>419,452</b>	<b>443,165</b>	<b>54,900</b>	<b>43,117</b>	<b>279,074</b>	<b>328,788</b>	<b>250,933</b>	<b>180,600</b>
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 <sup>2</sup>	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%

<sup>3</sup> 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)**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Preempted Sales Tax in Lieu of Property Taxes</b>	<b>Payments in Lieu of Taxes</b>	<b>Special Taxes</b>	<b>Total</b>
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		
<b>Total County of Nass</b>	<b>978,813</b>		<b>973,163</b>		<b>934,925</b>		<b>929,792</b>		<b>924,189</b>	
	(17.01)%		(17.17)%		(17.43)%		(17.96)%		(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
<b>Total Special Districts</b>	<b>542,814</b>		<b>543,146</b>		<b>504,569</b>		<b>489,704</b>		<b>473,595</b>	
	(9.43)%		(9.58)%		(9.41)%		(9.46)%		(9.51)%	
<b>Totals</b>	<b>\$ 5,755,234</b>		<b>\$ 5,667,667</b>		<b>\$5,364,129</b>		<b>\$5,175,634</b>		<b>\$ 4,981,970</b>	
	(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

(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)**

<b>Fiscal Year Beginning January 1</b>	<b>Total Ad Valorem or General Property Tax Levy</b>	<b>Amount Collected at End of Fiscal Year December 31</b>	<b>Percentage Collected at End of Fiscal Year December 31</b>	<b>Amount Collected in Subsequent Years</b>	<b>Amount Collected at December 31, 2011</b>	<b>Percentage Collected at December 31, 2011</b>
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**

<b>Fiscal Year</b>	<b>General Obligation Bonds (Expressed in Thousands) (a)</b>	<b>Percentage of Estimated Average Full Valuation of Property</b>	<b>Per Capita</b>
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)**

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	<b><u>Taxable Assessed Valuation, Real Property</u></b>	<b><u>Taxable Assessed Valuation, Special Franchises</u></b>	<b><u>Total Taxable Assessed Valuation</u></b>	<b><u>State Equali- zation Rate</u></b>	<b><u>Average Full Valuation</u></b>
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	<u>\$ 24,670,359</u>

\* 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**

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<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
<b>Management of Companies and Enterprises</b>	<b>6,561</b>	<b>6,776</b>	<b>6,891</b>	<b>7,059</b>	<b>6,938</b>	<b>7,552</b>	<b>7,090</b>	<b>6,416</b>	<b>6,449</b>	<b>7,036</b>
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
<b>Administrative and Waste Services</b>	<b>29,661</b>	<b>27,421</b>	<b>29,300</b>	<b>31,691</b>	<b>32,510</b>	<b>32,243</b>	<b>31,731</b>	<b>30,793</b>	<b>29,830</b>	<b>30,148</b>
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
<b>Educational Services</b>	<b>17,493</b>	<b>19,651</b>	<b>19,437</b>	<b>19,411</b>	<b>19,107</b>	<b>19,216</b>	<b>18,869</b>	<b>18,285</b>	<b>18,030</b>	<b>16,822</b>
Educational Services	17,493	19,651	19,437	19,411	19,107	19,216	18,869	18,285	18,030	16,822
<b>Health Care and Social Assistance</b>	<b>114,948</b>	<b>111,494</b>	<b>104,276</b>	<b>101,880</b>	<b>99,628</b>	<b>95,303</b>	<b>91,054</b>	<b>89,675</b>	<b>88,014</b>	<b>86,520</b>
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
<b>Arts, Entertainment, and Recreation</b>	<b>13,270</b>	<b>11,357</b>	<b>11,616</b>	<b>12,077</b>	<b>11,846</b>	<b>11,801</b>	<b>11,390</b>	<b>11,509</b>	<b>11,454</b>	<b>11,095</b>
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
<b>Accommodation and Food Services</b>	<b>42,737</b>	<b>40,231</b>	<b>38,591</b>	<b>38,946</b>	<b>39,635</b>	<b>38,341</b>	<b>38,616</b>	<b>39,728</b>	<b>38,293</b>	<b>36,764</b>
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
<b>Other Services</b>	<b>27,517</b>	<b>27,169</b>	<b>26,761</b>	<b>27,061</b>	<b>26,633</b>	<b>25,865</b>	<b>26,161</b>	<b>25,781</b>	<b>25,616</b>	<b>25,453</b>
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
<b>Total, All Government</b>	<b>68,325</b>	<b>83,252</b>	<b>83,566</b>	<b>83,778</b>	<b>82,396</b>	<b>83,125</b>	<b>82,577</b>	<b>82,514</b>	<b>84,212</b>	<b>83,535</b>
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
<b>Unclassified</b>	<b>2,849</b>	<b>2,211</b>	<b>2,177</b>	<b>1,845</b>	<b>2,628</b>	<b>3,971</b>	<b>3,352</b>	<b>3,218</b>	<b>3,743</b>	<b>3,068</b>

(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 1

## 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
<b>Public Safety</b>										
Police:										
Stations	9	9	9	9	9	9	9	9	9	9
Patrol Units	205	205	205	205	205	205	205	205	205	205
<b>Highways, Streets, Bridges</b>										
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
<b>Culture and Recreation</b>										
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
<b>Sewer and Drainage</b>										
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	
<b>Judicial</b>											
District Attorney											
Felony Conviction Rate <sup>(1)</sup>	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	
<b>General Administration</b>											
<b>Assessment</b>											
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 <sup>(2)</sup>	275,888 <sup>(2)</sup>	276,063 <sup>(2)</sup>	264,653 <sup>(2)</sup>	251,746 <sup>(2)</sup>	265,098 <sup>(2)</sup>	260,679 <sup>(2)</sup>	259,987 <sup>(2)</sup>	244,400 <sup>(2)</sup>	248,556 <sup>(2)</sup>	
Number of Enhanced STAR Exemptions	35,578 <sup>(2)</sup>	35,282 <sup>(2)</sup>	35,567 <sup>(2)</sup>	49,865 <sup>(2)</sup>	49,238 <sup>(2)</sup>	50,276 <sup>(2)</sup>	51,385 <sup>(2)</sup>	52,014 <sup>(2)</sup>	48,675 <sup>(2)</sup>	51,132 <sup>(2)</sup>	
Number of Veterans Exemptions	55,007 <sup>(2)</sup>	56,224 <sup>(2)</sup>	55,007 <sup>(2)</sup>	47,286 <sup>(2)</sup>	59,526 <sup>(2)</sup>	58,758 <sup>(2)</sup>	60,994 <sup>(2)</sup>	64,618 <sup>(2)</sup>	65,193 <sup>(2)</sup>	73,553 <sup>(2)</sup>	
Number of Solar Energy Exemptions	24 <sup>(2)</sup>	29 <sup>(2)</sup>	29 <sup>(2)</sup>	37 <sup>(2)</sup>	37 <sup>(2)</sup>	37 <sup>(2)</sup>	37 <sup>(2)</sup>	38 <sup>(2)</sup>	39 <sup>(2)</sup>	70 <sup>(2)</sup>	
<b>Assessment Review Commission</b>											
Number of Residential Appeal Applications Reviewed	111,019 <sup>(3)</sup>	107,547 <sup>(3)</sup>	107,287 <sup>(3)</sup>	110,379 <sup>(3)</sup>	114,808 <sup>(3)</sup>	122,027 <sup>(3)</sup>	128,220 <sup>(3)</sup>	106,678 <sup>(3)</sup>	141,043 <sup>(3)</sup>	98,984 <sup>(3)</sup>	
Number of Commercial Appeal Applications Reviewed	18,940 <sup>(3)</sup>	19,076 <sup>(3)</sup>	19,077 <sup>(3)</sup>	18,391 <sup>(3)</sup>	18,181 <sup>(3)</sup>	18,370 <sup>(3)</sup>	18,219 <sup>(3)</sup>	18,336 <sup>(3)</sup>	19,505 <sup>(3)</sup>	18,320 <sup>(3)</sup>	
<b>Purchasing Department</b>											
Number of Purchase Orders Processed	9,015 <sup>(19)</sup>	10,687	10,954	10,232	11,983	11,581	12,401	13,299	12,106	10,461	
<b>County Comptroller</b>											
Number of Claims Processed	83,935 <sup>(19)</sup>	85,137	86,705	91,117	93,033	97,500	101,919	110,072	83,817	83,400	
<b>County Treasurer</b>											
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 <sup>(4)</sup>	4,155	4,335	4,513	5,330	4,520	3,748	3,498	3,426	3,791	3,730	
<b>County Clerk</b>											
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	
<b>Board of Elections</b>											
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	
<b>Civil Service</b>											
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	
<b>Planning Department</b>											
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	
<b>Protection of Persons</b>											
<b>Police</b>											
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	
<b>Fire Commission</b>											
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 <sup>(14)</sup>	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	
<b>Medical Examiner</b>											
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 <sup>(15)</sup>	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
<b>Probation Department</b>										
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
<b>Consumers Affairs</b>										
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
<b>Health</b>										
<b>Behavioral Health (Drug &amp; Alcohol)</b>										
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
<b>Behavioral Health (Mental Health)</b>										
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
<b>Health Department</b>										
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
<b>Social Services</b>										
<b>Senior Citizens Affairs</b>										
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
<b>Social Services (8)</b>										
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						
<b>Office for Physically Challenged</b>										
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
<b>Veterans Services</b>										
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 <sup>(9)</sup>	79,000	90,000	90,000	79,146	85,794	87,721	91,269	94,953	95,582	102,256
<b>Youth Board</b>										
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 <sup>(13)</sup>					67,000	72,000	61,362	78,635	98,876	103,420
<b>Public Works</b>										
<b>Maintenance / Engineering</b>										
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 <sup>(20)</sup>									
<b>Culture and Recreation</b>										
<b>Parks Department</b>										
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
<b>Corrections</b>										
<b>Corrections / Sheriff</b>										
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 &amp; 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](http://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