

NASSAU COUNTY
NEW YORK



COMPREHENSIVE
ANNUAL FINANCIAL
REPORT
OF THE
COMPTROLLER

FOR THE FISCAL YEARS ENDED
DECEMBER 31, 2006 AND 2005

HOWARD S. WEITZMAN
COMPTROLLER

NASSAU COUNTY
NEW YORK



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DECEMBER 31, 2006 AND 2005

HOWARD S. WEITZMAN
COMPTROLLER

ELIZABETH D. BOTWIN
CHIEF DEPUTY COMPTROLLER

SUSAN D. WAGNER
DEPUTY COMPTROLLER FOR OPERATIONS

RANDOLPH GHISONE
DEPUTY COMPTROLLER FOR ACCOUNTING



HOWARD S. WEITZMAN
NASSAU COUNTY COMPTROLLER

COUNTY OF NASSAU, NEW YORK

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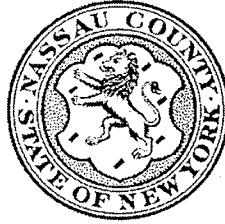
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INTRODUCTORY SECTION

HOWARD S. WEITZMAN



OFFICE OF THE COUNTY COMPTROLLER

240 Old Country Road

Mineola, NY 11501

(516) 571-2386

Fax (516) 571-5900

E-Mail: hweitzman@nassaucountyny.gov

June 30, 2007

Hon. Thomas R. Suozzi, Nassau County Executive
Members of the Nassau County Legislature:

I am pleased to submit this Comprehensive Annual Financial Report (“the report”) for the year ended December 31, 2006, as required by New York State County Law § 577[1] (j)-(k). During 2006 the County achieved its fifth annual surplus under the current administration. Although the County still faces financial difficulties in the years ahead, I remain committed to working with you in my role as independent fiscal watchdog to help the County maintain its fiscal health.

The County is responsible for the accuracy of the report’s data and the completeness and fairness of the data’s presentation – including all disclosures. I believe 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 necessary disclosures.

This report contains three sections: introductory, financial, and supplementary information. In addition to this transmittal letter, the introductory section includes the County’s organizational chart and a listing of principal officials. The financial section incorporates the basic and fund financial statements and schedules, as well as the independent auditors’ report, and management’s discussion and analysis (MD&A), which is an analytical overview of the County’s financial activities and can be found on pages 15 through 26 . This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Notes to the Financial Statements are an integral part of this report and must be referred to when assessing the financial data. The supplementary information section includes selected financial and demographic information that is generally presented on a multi-year basis. This year’s statistical section is presented using Governmental Accounting Standards Board Statement No. 44 (GASB 44) – *Economic Condition Reporting: The Statistical Section*, which is intended to improve the usefulness of the information provided. While the data included in the statistical section has been verified and is believed to be accurate, it has not been subject to the audit process applied to the statements and schedules contained within the financial section.

The accounting firm of Deloitte & Touche LLP was selected by the County to perform an independent audit of the County’s financial statements as of, and for the year ended, December 31, 2006. The auditors’ report

on the basic financial statements and combined and individual fund statements and schedules is located on pages 13 and 14 of this report.

County programs receiving federal funds 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 usually presented as a separate report. The independent auditors’ report on internal controls over financial reporting and or compliance and other matters is included 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 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 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 – including public safety, health and education, highways and 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 taxing jurisdictions that provide services in specific areas, such as garbage collection and water supply. With a population of approximately 1.3 million people, it occupies 287 square miles located approximately 15 miles east from 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 the Nassau County Interim Finance Authority, the Nassau County Tobacco Settlement Corporation, 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, and the Nassau County Industrial Development Agency.

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 budgets, 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 Condition

Although it continues to be one of America's wealthiest suburban communities, Nassau County had, in recent years, increasingly encountered severe financial difficulties, including deepening structural deficits and diminished debt ratings. In response to the increasingly perilous financial situation, in 2000 New York State established the Nassau County Interim Finance Authority (NIFA) to reduce the cost of borrowing and oversee the County's financial management. By 2006, all NIFA financial assistance and borrowing had been completed, and the interim finance period of active NIFA oversight of the County is scheduled to end at the close of 2007. Citing their increasing confidence in the County's ability to manage its fiscal situation, the three principal debt-rating agencies upgraded the County's general obligation debt ratings eleven times between February 2003 and November 2005 (see p. 4).

The year-end financial position of the County's primary funds (General Fund, Police Headquarters, Police Districts, County Parks, Fire Safety and Debt Service) remains a leading indicator of the County's fiscal health. Nassau County completed the fiscal year ended December 31, 2006, with a combined budgetary surplus in its primary funds of \$45.4 million. The County elected to apply \$43.5 million to establish reserves and fund initiatives that will be used to provide future budget relief. This was the fifth annual surplus under the current County administration, however, it included approximately \$121.6 million of non-recurring revenues and expense reductions, without which, the County would not have achieved a surplus.

The 2006 budgetary surplus before discretionary reserves is primarily attributable to conservative budgeting, payroll costs that were \$31 million under budget, due in part to the County Executive's freeze on non-essential hiring, and investment income that exceeded budget projections.

The County's estimated liability for property tax refunds at December 31, 2006 was approximately \$137 million, as compared to \$131 million estimated at the end of the prior year. During 2006 approximately \$50 million of refunds were paid from a reserve established from excess operating funds at the end of 2005, and \$19.5 million was accrued for the current portion of the backlog of refund claims. This accrual resulted from the County's transition from using debt to pay for property tax refunds to "pay-as-you-go" funding from the operating budget. The County's year-end surplus would have been \$19.5 million higher without the one-time impact from this first time accrual.

As required by the NIFA Act, and by local law, the County annually adopts long term financial plans with its budget. The County and NIFA have approved the *2007-2010 Multi-Year Financial Plan*, which presents the administration's strategy for maintaining fiscal stability.

Debt Administration

As of December 31, 2006, the outstanding long-term debt issued by the County, NIFA, the Nassau County Sewer and Storm Water Finance Authority (SSWFA), the Nassau County Tobacco Settlement Corporation, and the New York State Environmental Facilities Corporation (EFC) on behalf of the County totaled \$3,198,847,236. The County general obligation debt includes County debt for Nassau Community College. This outstanding debt, categorized by issuing entity, is broken down as follows:

Outstanding Principal As of December 31, 2006

Indenture	Amount (\$)
County General Obligation	\$ 392,873,000
County Sewer	105,176,096
NIFA	2,038,500,000
SSWFA	75,450,000
Tobacco Corporation	431,034,246
EFC	155,813,894
Total	\$ 3,198,847,236

The amount of long-term debt issued by the County and by NIFA to finance property tax refund payments totaled approximately \$1.6 billion. Between February 2003 and December 2005, the County earned eleven rating upgrades from the three principal credit rating agencies. Moody's Investors Service increased the County's rating from Baa3 to A3. Standard and Poor's upgraded its rating of the County's general obligation debt from BBB- to A. Fitch Ratings increased the credit rating it has assigned to the County's general obligation debt from BBB to A+. During 2006, the only debt issued by the County consisted of \$150,000,000 in tax anticipation notes. Since the beginning of 2006, consistent with the NIFA Act, County debt is no longer being issued by NIFA, but instead, future debt issuances will be issued by the County on its own behalf.

The County is subject to a state constitutional limit on the amount of debt it may finance, excluding sewer and water project debt, of ten percent of the county's average real property valuation for the previous five years. The County's net outstanding indebtedness on December 31, 2006 was 17.82 percent of its constitutional debt limit, which represents a decrease from 2005. The County's long-term debt per capita of General Bonded Debt Outstanding was \$1,799. The Sewer and Storm Water Finance Authority maintains a \$44.4 million commercial paper program.

Cash Management

The Office of the Treasurer is responsible for investing the County's excess funds, which range from \$400 million to \$700 million on a daily basis. In accordance with General Municipal Law of the State of New York, permitted investments include certificates of deposit, money markets, time deposits, repurchase agreements and obligations of the United States Government, the State of New York, and its various municipal subdivisions. In 2006, the Office of the Treasurer invested these funds primarily in demand deposits and money market accounts, which are fully collateralized. The County earned an average interest rate of 4.9% on its investments in 2006.

The County's investment policy is designed to ensure the prudent management of public funds by accomplishing the following objectives: (i) the investment of County funds shall comply with all Federal, State, County and other applicable legal requirements; (ii) investments shall be undertaken in a manner that seeks to ensure the preservation of capital; (iii) the County's investments shall be managed in a manner such that funds are available as needed to meet operating requirements of the County, including but not limited to, payroll, accounts payable, capital projects and debt service payments; and (iv) the County's funds shall be managed to maximize the rate of return on investments, but within the context of the objectives set forth above.

Risk Management

The County is exposed to various risks of loss related to torts, property loss, motor vehicle accidents, employee injuries, errors related to and omissions of its employees, and natural disasters. A risk management committee monitors and directs policies and procedures to reduce and control overall risk exposure. Except for police helicopter insurance, which includes hull insurance and personal injury and property damage coverage, and a blanket fidelity bond covering all County employees, the County presently self-insures for most risk exposures, with loss payments paid directly from operating or capital funds. The County utilizes a contractor to provide insurance brokerage services and to assist with the overall development of a County risk management program.

The County also uses a third party administrator to provide claims management of the workers compensation program. The administrator provides an automated system to record all losses reported and expenditures associated with workers compensation. The County Attorney's office records other claims and loss activity. County contracts transfer risk to vendors by requiring that vendors' insurance policies name the County as an additional insured. In addition, the County will continue its review of risk exposures, and programs to transfer and reduce those risks, including the possible procurement of additional outside insurance. In 2007 the County will focus more on risk management as part of a County Executive initiative, a Director of Risk Management will be appointed, and a more formal and structured Risk Management Policy will be developed.

Risk is also limited through the activities of an independent audit committee. In response to the private sector's Sarbanes-Oxley Act and Government Finance Officers Association recommendation that state and local governments create audit committees, the County Comptroller established an independent audit advisory committee during 2003. The committee provides advice and oversight for the County's financial and auditing operations.

Major Initiatives

The County's capital improvement program continues to be affected negatively by the substantial amount of debt incurred in the past to pay for successful property tax assessment challenges. However, prudent fiscal management has enabled the County to address the demands of rehabilitating and expanding its infrastructure. Projects completed during 2006 include almost \$17 million of road resurfacing and approximately \$7 million of additional road improvements, including those at Old Country Road and Franklin Avenue, Syosset-Woodbury Road and Woodbury Road, and rehabilitation of the Bayville Bridge. The Meadowmere Road drainage improvement project was also completed, which alleviated severe tidal flooding. Approximately \$10 million of parks site and facility upgrade projects were completed during 2006, including comfort stations, fencing, court refurbishment, lighting, and pathway improvements, to Eisenhower, Bay Park, Wantagh, Cow Meadow, Christopher Morley, Reverend Arthur Mackey Sr., Cantiague, and other parks. Restoration of Nassau Community College's Plaza and improvements to the Eisenhower Park Veterans Plaza were also completed during the year.

Significant projects currently underway include the renovation of the historic Old Courthouse building, as well as a \$40 million project for the design and construction of a new Life Science Building at the Community College. The \$45 million Police Department interoperable radio project is continuing. When completed, it will improve the transmission of public safety messages throughout the County.

Pending approval, capital projects planned to begin in 2007 include a \$65 million Police and Fire Communications Center, \$15 million for new voting machines, \$7.6 million for synthetic turf fields at various County parks, \$3 million of improvements to Middle Neck Road, and \$3 million of work to the East Hills sewage pump station. An additional \$18.5 million of work is planned for upgrading the County's road network.

Awards and Acknowledgements

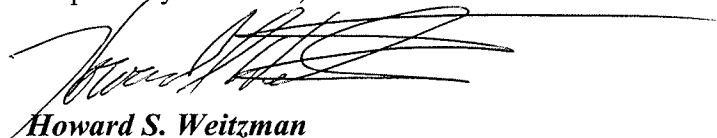
The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for the year ended December 31, 2005. This is the twenty-second consecutive year 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 another certificate.

The County has also earned GFOA's Distinguished Budget Presentation Awards for its 2006 and 2007 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 this 2006 Comprehensive Annual Financial Report on a timely basis 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,



Howard S. Weitzman
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, 2005

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.



President

Executive Director

COUNTY OF NASSAU, NEW YORK

PRINCIPAL OFFICIALS

December 31, 2006

Executive

County Executive
County Comptroller
County Treasurer
County Attorney
Director of the Budget
District Attorney
County Clerk
Chairman, Board of Assessors

Thomas R. Suozzi
Howard S. Weitzman
Steven D. Conkling
Lorna B. Goodman
Mark D. Young
Kathleen M. Rice
Maureen C. O'Connell
Harvey B. Levinson

Legislative

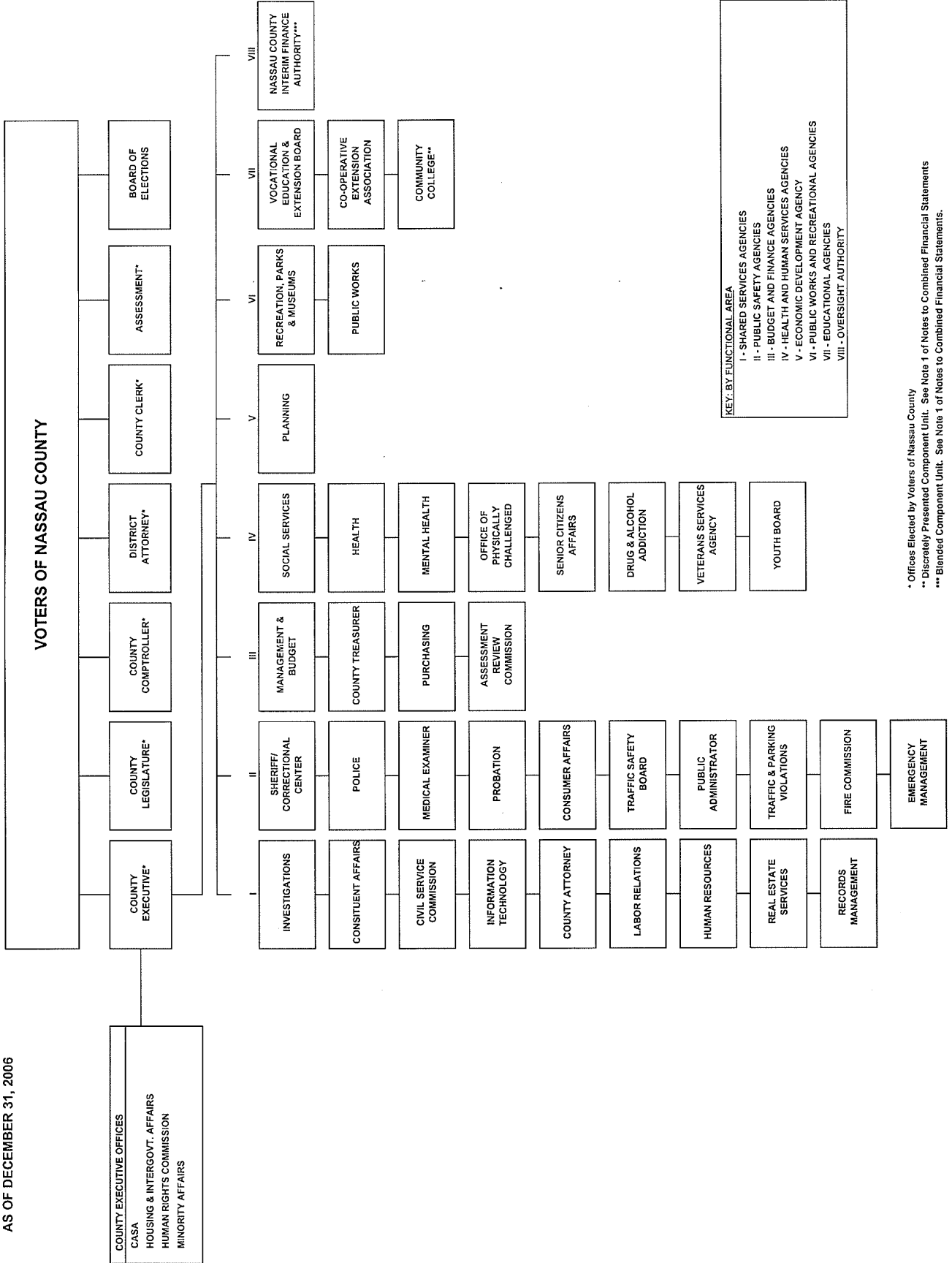
Judith A. Jacobs, Presiding Officer
Roger Corbin, Deputy Presiding Officer
Jeffrey Toback, Alternate Deputy Presiding Officer
Peter J. Schmitt, Minority Leader
Legislator Kevan M. Abrahams
Legislator John J. Ciotti
Legislator Denise Ford
Legislator Joseph Scannell
Legislator Francis X. Becker, Jr.
Legislator Jeffrey Toback
Legislator Vincent T. Muscarella
Legislator Richard J. Nicoletto
Legislator Lisanne G. Altmann
Legislator Craig M. Johnson
Legislator Norma Gonsalves
Legislator David Mejias
Legislator Dennis Dunne, Sr.
Legislator Edward P. Mangano
Legislator Diane Yatauro
Legislator David Denenberg

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

COUNTY OF NASSAU, NEW YORK

COUNTY DEPARTMENTS AND OFFICES

AS OF DECEMBER 31, 2006



* Offices Elected by Voters of Nassau County
 ** Discretely Presented Component Unit. See Note 1 of Notes to Combined Financial Statements
 *** Blended Component Unit. See Note 1 of Notes to Combined Financial Statements.

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Honorable Thomas R. Suozzi, 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 December 31, 2006 and 2005, (with the Nassau Community College for the years ended August 31, 2006 and 2005), 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, 2006 and 2005 and for the years then ended as listed in the table of contents. These financial statements are the responsibility of the County of Nassau's management. Our responsibility is to express opinions 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, and the Nassau Health Care Corporation, all discretely presented component units, which as combined represent 13 and 10 percent and 28 and 16 percent, respectively, of the assets and revenues of the County for each of the years ended December 31, 2006 and 2005. 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 for Nassau Health Care Corporation contained an explanatory paragraph concerning its ability to continue as a going concern (see Note 16).

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 audits and the reports of other auditors provide a reasonable basis for our opinions. The financial statements of the Nassau Regional Off-Track Betting Corporation, the Nassau County Industrial Development Agency and Nassau Health Care Corporation were not audited in accordance with *Government Auditing Standards*.

In our opinion, based on our audits and the reports of 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, 2006 and 2005, and the respective changes in financial position, where applicable, thereof for the years 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, 2006 and 2005, 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.

The Management's Discussion and Analysis on pages 15 through 26 is not a required part of the basic financial statements but is 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 2006 supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Nassau'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 of Nassau'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 in the audit of the basic financial statements and, in our opinion, based on our audit, 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, has 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 June 28, 2007, on our consideration of the County of Nassau'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.

Deloitte & Touche LLP

June 28, 2007

MANAGEMENT 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 the County's financial activities and performance for the fiscal years ended December 31, 2006 and 2005. This section should be read in conjunction with the letter of transmittal and the County's financial statements.

FINANCIAL HIGHLIGHTS

- The County's net worth declined by \$34.1 million during 2006 to negative \$1.46 billion. This was due to several factors. On the positive side, there was a \$41.4 million increase in revenues over 2005, primarily the result of rising sales tax collections and investment income earnings. More than offsetting this increase in revenues was \$74.6 million in expenditure growth over 2005. This was the result of a multitude of factors including increased tobacco residual trust contributions, increased estimates of long-term workers compensation costs and rising interest on long-term debt.
- The County generated a budgetary surplus of \$45.4 million in its major operating funds in 2006. This surplus can be attributed to conservative budgeting, expense relief, one-time revenues, and progress in the implementation of key components of the multi-year financial plan.
- In 2007, the County allocated \$25 million of these surplus funds for the purpose of making refund payments to residential and commercial property taxpayers who successfully challenge their assessments. This represents the second step in the County's transition to pay-as-you-go financing (PAYGO) for all property tax refunds from operating funds instead of using borrowed proceeds by 2007. The transition to PAYGO is required by NIFA enabling legislation. Another \$16 million was deposited into the Retirement Contribution Fund for the purpose of offsetting future pension costs.
- These financial statements are presented on a Generally Accepted Accounting Principles (GAAP) basis. In addition, certain statements present GAAP to budgetary basis conversion columns to present actual results on a budgetary basis. Unreserved fund balance in the County's primary operating funds (General, Police Headquarters, Police Districts, Parks, and Fire Safety) remained at \$104.1 million on a budgetary basis, and \$91.8 million on a GAAP basis, of which \$87.8 million is in the General Fund. Unreserved fund balance in the Sewer and Storm Water District Fund totals \$121.3 million.
- Since February of 2003, the rating agencies have increased Nassau's credit rating a combined total of 11 times. In June 2005, Fitch Ratings awarded Nassau County a double-notch upgrade, increasing its rating from an A- to an

A+. In November 2005 Standard and Poor's increased the rating from A- to A. Moody's Investor Services maintains its A3 rating.

ANALYSIS OF GOVERNMENT-WIDE FINANCIAL STATEMENTS FOR 2006

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 paid off or otherwise satisfied; 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 (if applicable), and the activities of its component units.

The Statement of Net Assets

The statement of net assets for the 2006 fiscal year shows that Nassau County has a deficit balance totaling \$1.46 billion. Table 1 shows that the County's negative net worth increased by \$34.1 million during 2006.

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

	Total Primary Governmental Activities		Change
	<u>2006</u>	<u>2005</u>	
Current and Other Assets	\$ 1,177.0	\$ 1,253.4	(76.4)
Capital Assets	<u>2,332.9</u>	<u>2,313.0</u>	<u>19.9</u>
Total Assets	<u>3,509.9</u>	<u>3,566.4</u>	<u>(56.5)</u>
Long-Term Liabilities	4,114.5	4,185.7	(71.2)
Other Liabilities	<u>859.9</u>	<u>811.1</u>	<u>48.8</u>
Total Liabilities	<u>4,974.4</u>	<u>4,996.8</u>	<u>(22.4)</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	1,556.2	1,429.7	126.5
Restricted	32.7	113.6	(80.9)
Unrestricted	<u>(3,053.4)</u>	<u>(2,973.7)</u>	<u>(79.7)</u>
Total Net Assets (Deficit)	<u>\$ (1,464.5)</u>	<u>\$ (1,430.4)</u>	<u>\$ (34.1)</u>

The County's total assets declined by \$56.5 million in 2006, from \$3.57 billion to \$3.51 billion. This occurred primarily because in 2006 the County was required to utilize operating funds to make tax certiorari payments (as opposed to borrowing) and this resulted in a decrease in cash balances.

Table 1 also shows that total liabilities declined in 2006 by \$22.4 million. Again, this was primarily due to the utilization of operating funds to make tax certiorari payments, which reduced the need for long-term borrowings. In addition, a reduction in estimated long-term liabilities for accrued vacation and sick leave was partially offset by an increase in estimated long-term liabilities for workers compensation claims. There was also an increase in other liabilities due to a \$32.5 million increase in the issuance of commercial paper by the Sewer and Storm Water Finance Authority.

The County has \$1.56 billion invested in its capital assets, 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, because it is tied up in the County's capital assets, is not immediately available to support future expenses.

The County has \$32.7 million in restricted net assets. Restricted net assets are subject to requirements imposed by legislation or by outside parties; accordingly, such assets are also not readily available to offset financial commitments made by the County in the future. The County's restricted net assets consist of fund balances that have been accumulated in its capital project funds.

Finally, the County's statement of net assets shows a deficit balance of \$3.05 billion in unrestricted net assets in 2006, which represents an increase in the deficit of \$79.7 million since the close of the 2005 fiscal year. Unrestricted net assets reflect all liabilities that are not related to the County's capital assets and which 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 well.

Notwithstanding their unique budgetary pressures, counties in New York State generally have a positive balance of net assets, so Nassau's substantial negative net worth requires additional explanation.

As of December 31, 2006, Nassau County and its blended component units had a combined \$3.2 billion in outstanding long-term debt. All of the County's debt indicators and ratios are disproportionately high, exceeding comparable indicators and ratios of peer counties in New York State. This is because the County has historically issued long-term debt to finance judgments, settlements, and the payment of property tax refunds resulting from successful grievances of property tax assessments.

Nassau 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 225 special districts. Prior to the 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. In 2006, the County began paying tax certiorari settlements using operating funds.

The Statement of Activities

The statement of activities for the fiscal year that ended December 31, 2006 details the decline in the County's net worth from 2005 to 2006. Table 2 summarizes the changes in the County's net assets. There are several factors that impacted the County's net worth. They include:

- Charges for Services decreased by \$21.6 million, primarily because there were no separate Medicaid Intergovernmental Transfer Program payments during 2006 compared to \$38.5 million in 2005.
- Capital Grants increased by \$5.2 million due primarily to the receipt of a \$6.5 million award from the Environmental Protection Agency for the settlement of an administrative action related to sewage treatment plant construction.
- Sales Tax Revenues increased \$36.5 million, as the County experienced 3.9 percent growth over 2005.

- Investment Income grew \$12.8 million due both to larger cash balances and rising short-term interest rates.
- General Government Expenses grew by a net of \$94.7 million. Approximately \$140 million of the increase was related to the establishment of the tobacco residual trust. In addition, workers compensation expenses grew by approximately \$44 million. Partially offsetting this increase was a \$186 million-reduction in tax certiorari payments.
- Social Services expenses dropped \$44.7 million due primarily to the fact that there was no separate Medicaid Intergovernmental Transfer Program payment in 2006.

Table 2
Change in Net Assets
(dollars in millions)

	2006	2005	Change
Revenues			
Program Revenues			
Charges for Services	\$ 195.4	\$ 217.0	\$ (21.6)
Operating Grants	383.0	381.3	1.7
Capital Grants	32.5	27.3	5.2
General Revenues			
Property Taxes	883.6	884.9	(1.3)
Sales Taxes	989.2	952.7	36.5
Other Taxes	39.5	40.9	(1.4)
Tobacco Settlement Revenues	53.7	45.3	8.4
Investment Income	49.4	36.6	12.8
Other General Revenues	22.5	21.4	1.1
Total Revenues	<u>2,648.8</u>	<u>2,607.4</u>	<u>41.4</u>
Expenses			
Legislative	8.8	8.3	0.5
Judicial	45.0	42.5	2.5
General Government	587.8	493.1	94.7
Protection of Persons	633.2	638.4	(5.2)
Health	248.8	239.1	9.7
Public Works	226.6	228.1	(1.5)
Recreation and Parks	45.7	41.5	4.2
Social Services	490.3	535.0	(44.7)
Corrections	225.3	218.1	7.2
Education	10.5	13.6	(3.1)
Interest on Long Term Debt	160.9	150.6	10.3
Total Expenses	<u>2,682.9</u>	<u>2,608.3</u>	<u>74.6</u>
Increase / Decrease	(34.1)	(0.9)	(33.2)
Net Assets - (Deficit) Beginning	<u>(1,430.4)</u>	<u>(1,429.5)</u>	<u>(0.9)</u>
Net Assets - (Deficit) Ending	<u>\$ (1,464.5)</u>	<u>\$ (1,430.4)</u>	<u>\$ (34.1)</u>

ANALYSIS OF FUND FINANCIAL STATEMENTS FOR 2006

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 assets that will become cash in the next year) and the current liabilities that these assets will be used to retire.

The County's general operations are financed through five primary operating funds: the General Fund; the County Parks and Recreation 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 Nassau County. The County also has a Technology Fund, an Open Space Fund, as well as a series of other non-major operating and capital project funds.

The Governmental Fund Statements

Nassau County ended the 2006 fiscal year with a budgetary surplus totaling \$45.4 million aggregated across its primary operating funds.

The County allocated \$25 million of these surplus funds for the purpose of paying 2007 tax certiorari settlements. This represents the second step in the County's transition to utilizing PAYGO funds instead of using borrowed proceeds. Another \$16 million was deposited into the Retirement Contribution Fund for the purpose of offsetting future pension costs.

Table 3
Summary of Changes in Unreserved Fund Balance
Major Operating Funds
Primary Operating Funds and Sewer District Fund
(dollars in millions)

	2006	2005	Change
Primary Operating Funds			
General Fund	\$ 85.8	\$ 88.5	\$ (2.7)
Parks Fund	(0.2)	(0.2)	
Fire Commission	(0.2)	(0.3)	0.1
Police Headquarters	(12.0)	(9.7)	(2.3)
Police District	14.3	(0.2)	14.5
Total Primary Operating Funds	<u>\$ 87.7</u>	<u>\$ 78.1</u>	<u>\$ 9.6</u>
Sewer District Fund -			
Sewer and Storm Water District	<u>\$ 121.3</u>	<u>\$ 52.1</u>	<u>\$ 69.2</u>

As Table 3 shows, accumulated unreserved, undesignated fund balance in the primary operating funds totaled \$87.7 million at the end of 2006 on a financial reporting basis. On a budgetary basis, while the County ended 2006 with accumulated unreserved and undesignated fund balance totaling \$103.91 million, it should be pointed out that \$13 million was appropriated for non-recurring purposes in the Adopted 2007 Budget and \$25 million subsequently was supplementally appropriated into the 2007 Budget to make tax certiorari payments.

Unreserved fund balance in the sewer and storm water resources district grew by \$69.6 million, reflecting several factors including budget surpluses, debt restructuring, and the receipt of Federal and State grant recoveries.

The County's operating surplus and its ability to increase the size of its accumulated unreserved, undesignated fund balance on a budgetary basis were the result of conservative budgeting, a series of one-time benefits, and substantial progress in the implementation of core elements of the multi-year financial plan. Specific factors that contributed to the County's fiscal performance were as follows:

- The County's workforce management program limited new hiring primarily to essential and/or emergency functional areas, and throughout the year, full-time staffing levels were below budgeted levels. For example, on December 21, 2006, full-time staffing in the primary operating funds was 269 positions below the budget allotment of 9,163.
- The County successfully implemented a series of "smart government initiatives" the value of which totaled \$8.9 million. These initiatives included Police Department overtime management, health and human services administrative consolidation and various revenue enhancements.

- Investment income exceeded budget by \$12.8 million due to a conservative budget estimate and higher than expected increases in interest rates.
- There were several one-time recoveries in 2006, including \$4.1 million in State reimbursement for prior Medicaid expenses, \$6 million in Medicaid cap reconciliations, and \$2.2 million from a settlement related to defective bullet-proof vests.
- Partially offsetting these positive results were several negative factors including a \$7.6 million shortfall in sales tax receipts, increasing Early Intervention and Special Education costs and rising energy rates.

CAPITAL INVESTMENTS

The County completed a number of capital projects during the 2006 fiscal year, including the improvement of the intersection of Woodbury Road at Syosset Woodbury Road with the creation of a signalized tee intersection, the improvement of Plainview Road from 500' east of the LIRR to South Oyster Bay Road with the installation of new pavement, curbs and sidewalks and improved drainage, and the improvement of Old Country Road and Franklin Avenue with the addition of an eastbound right-hand turn lane. The County also worked together with the Town of Hempstead to complete a project which involved raising the elevation of the roads and the installation of a detention basin within the Meadowmere district. During 2006 some of the capital improvements at various County parks included renovations throughout Rev. Arthur Mackey Sr. Park, installation of a new HVAC system at Cantiague Park ice skating rink, installation of a playground and path resurfacing at Cow Meadow Park and rehabilitation of Mill Pond, Silver Lake and Lofts Pond. In addition, other notable capital improvement projects included the replacement of a Bell Helicopter for the Nassau County Police Department and the restoration of the Bayville Bridge. Two construction projects to renovate the Old County Courthouse continued in 2006. The restoration of the Portico is now complete. The re- construction of the Old Courthouse, which began in 2005, is well past the halfway point. In addition the County's new Police and Fire Communication Center is nearing design completion.

The County made capital improvements during 2006 in the following areas:

Table 4
Capital Improvements
December 31, 2005 to December 31, 2006
(amounts in millions)

Project Category	Amount
Roads	\$28.5
Real Estate Consolidation	\$26.4
Public Safety	\$8.7
Parks	\$7.9
Sewer and Storm Water	\$10.2
Property Acquisition	\$0.5
Building Improvements	\$5.3
Traffic	\$6.0
Technology	\$4.5
Infrastructure and Community Development	\$7.0
Equipment	\$3.1
Transportation	\$0.7
Total	\$108.8

Detailed information on capital asset activity is available in the Notes to the Financial Statements Exhibit X16, Note 7.

DEBT

Nassau County and its blended component units - NIFA, the Tobacco Settlement Corporation (“TSC”), and the SSWFA - had approximately a combined \$3.19 billion in outstanding long-term debt as of December 31, 2006, representing a decrease of almost \$35.4 million over the combined long-term debt outstanding as of December 31, 2005. The County also provides a direct-pay guarantee of \$298.59 million outstanding from the refunding and new money debt issued in October of 2004 by the Nassau Health Care Corporation and \$20.36 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-05</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>31-Dec-06</u>
General Obligation County Bonds	\$ 493,237	\$	\$ (111,201)	\$ 382,036
Sewage Purpose Bonds	128,308		(23,132)	105,176
SRF Revenue Bonds	<u>164,159</u>		<u>(8,345)</u>	<u>155,814</u>
Total county Long -Term Debt	<u>785,704</u>		<u>(142,678)</u>	<u>643,026</u>
NIFA Sales Tax Secured Bonds	<u>2,086,960</u>		<u>(48,460)</u>	<u>2,038,500</u>
Tobacco Settlement Asset-Backed Bonds	<u>272,125</u>	<u>431,034</u>	<u>(272,125)</u>	<u>431,034</u>
Sewer Financing Authority	<u>78,575</u>		<u>(3,125)</u>	<u>75,450</u>
TOTAL LONG TERM DEBT	<u>\$ 3,223,364</u>	<u>\$ 431,034</u>	<u>\$ (466,388)</u>	<u>\$ 3,188,010</u>

Nassau County's outstanding long-term debt has declined by \$142.7 million during 2006 and \$399.6 million since 2000, because the County has been issuing long-term debt through NIFA since that time. The only exception has been the County's continued issuance of debt through the State Revolving Loan Fund ("SRF") for sewer and storm water improvement initiatives. The SRF is administered by the New York State Environmental Facilities Corporation. It provides interest-subsidized loans to local governments for eligible environmental projects.

NIFA's long-term debt decreased \$48.5 million during the 2006 fiscal year. This decrease reflects the maturity of existing NIFA debt.

During 2006, the Tobacco Settlement Corporation (TSC) restructured the 1999 securitization of the tobacco settlement revenues. As of December 31, 2006, the TSC had \$431.0 million in outstanding asset-backed debt. Approximately \$134.0 million in new and existing securitization proceeds remain for use by the County. The County intends to dedicate most of these resources to the Nassau Health Care Corporation.

During 2006, the SSWFA added \$32.6 million in commercial paper notes and repaid \$3.125 million of outstanding bonds.

Detailed information on long term debt activity is available in the Notes to the Financial Statements Exhibit X16, Note 9.

The County issued a cash flow note during the 2006 fiscal year. Management anticipates issuing one or more cash flow notes in 2007.

NASSAU COUNTY'S CREDIT RATING

The three major credit rating agencies have responded to the County's fiscal progress by increasing the ratings assigned to the County's long-term general obligation debt a total of 11 times from February of 2003 through November of 2005.

From February through December of 2003, Moody's Investors Service raised Nassau's credit rating from Baa3 to Baa1, Standard and Poor's increased Nassau's credit rating from BBB- to BBB+, and Fitch Ratings elevated the County's credit rating from BBB to BBB+ with a positive outlook.

During 2004, Moody's Investors Service raised Nassau's credit rating from Baa1 to A3, Standard and Poor's increased Nassau's credit rating from BBB+ to A-, and Fitch Ratings elevated the County's credit rating from BBB+ with a positive outlook to A- with a positive outlook.

In June of 2005, Fitch Ratings awarded Nassau County a double-notch upgrade, raising the County's credit rating from A- with a positive outlook to A+ with a positive outlook. In November of 2005 Standard and Poor's raised the County's rating from A- to A.

CONCLUSION

The County's net worth declined by \$34.1 million during 2006 to negative \$1.46 billion. This was due to several factors. On the positive side, there was a \$41.4 million increase in revenues over 2005, primarily the result of rising sales tax collections and investment income earnings. More than offsetting this increase in revenues was \$74.6 million in expenditure growth over 2005. This was the result of a multitude of factors including increased tobacco residual trust contributions, estimated long-term workers compensation liability growth and rising interest on long-term debt.

During 2006, the County generated a positive budgetary surplus of \$45.4 million across its major operating funds. This surplus was a result, in large part, of conservative budgeting, one time benefits, and progress in the implementation of the multi-year financial plan. Of these funds, the County directed \$25 million to make property tax refund payments, and \$16 was added to the Retirement Contribution Reserve Fund to hedge against future pension cost growth. At the end of 2006, unreserved, undesignated fund balance in the County's primary operating funds stood at \$103.9 million on a budgetary basis.

Despite the County's considerable financial progress, significant challenges to the County's future fiscal health remain. The multi-year financial plan continues to project out-year budget gaps which will require new fiscal initiatives to close.

BASIC FINANCIAL STATEMENTS

EXHIBIT X-1

COUNTY OF NASSAU, NEW YORK

STATEMENT OF NET ASSETS
DECEMBER 31, 2006 (Dollars in Thousands)

	Primary Government	
	Governmental Activities	Component Units
ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 439,529	\$ 77,170
Investments, Including Accrued Interest (Note 2)	84,186	
Assets Whose Use is Limited- Current		15,137
Sales Tax Receivable	98,128	
Interest Receivable	6,107	
Student Accounts and Loans Receivable		5,970
Less Allowance for Doubtful Amounts		(2,287)
Due from Other Governments (Note 3)	177,603	5,786
Less Allowance for Doubtful Accounts	(1,752)	
Other Receivables		6,568
Accounts Receivable	27,674	266,296
Less Allowance for Doubtful Accounts		(167,903)
Real Property Taxes Receivable	61,189	
Less Allowance for Doubtful Accounts	(7,945)	
Due from Component Unit (Note 6)	14,710	
Inventories		4,652
Prepays	111,196	
Other Assets - Current	16,215	17,586
Total Current Assets	1,026,840	228,975
NON CURRENT ASSETS:		
Deferred Financing Costs	164,012	8,525
Less Accumulated Amortization	(25,099)	(2,193)
Assets Whose Use is Limited		35,582
Capital Assets Not Being Depreciated (Note 7)	500,002	17,517
Depreciable Capital Assets (Note 7)	2,852,059	626,496
Less Accumulated Depreciation	(1,019,240)	(403,083)
Leasehold Acquisition Costs		1,020
Less Accumulated Amortization		(1,020)
Deposits Held by Trustees		7,669
Deposits Held in Custody for Others		1,496
Tax Sale Certificates (Note 5)	4,681	
Tax Real Estate Held for Sale (Note 4)	6,578	
Other Assets		7,442
Total Non Current Assets	2,482,993	299,451
Total Assets	3,509,833	528,426
LIABILITIES		
CURRENT LIABILITIES:		
Accounts Payable	70,433	39,912
Accrued Liabilities	194,619	20,019
Tax Anticipation Notes Payable	150,000	
Accrued Interest Payable	13,088	1,459
Notes Payable - Current	44,435	46
Due to Primary Government (Note 6)		6,993
Unearned Revenue - Current	30,634	16,250
Current Portion of Long Term Liabilities (Note 9)	326,651	8,040
Other Liabilities - Current	30,026	17,359
Total Current Liabilities	859,886	110,078
NON CURRENT LIABILITIES:		
Notes Payable		291
Serial Bonds Payable (Notes 9 and 10)	2,981,294	321,527
Deferred Bond Premium (Net of Amortization)	89,289	2,426
Unearned Revenue	2,034	
Accrued Vacation and Sick Pay (Note 9 and 15)	513,587	75,100
Estimated Workers' Compensation Liability (Notes 9 and 15)	132,631	
Estimated Tax Certiorari Payable (Notes 9 and 15)	87,200	
Estimated Liability for Litigation and Malpractice (Notes 9 and 15)	215,163	42,236
Capital Lease (Note 8)	5,550	
Other Liabilities - Non Current	87,748	2,198
Deposits Held in Custody for Others		1,496
Insurance Reserve Liability		1,775
Total Non Current Liabilities	4,114,496	447,049
Total Liabilities	4,974,382	557,127
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	1,556,170	97,870
Restricted:		
Special Revenue		2,006
Capital Projects	32,719	1,397
Debt Service		9,852
Student Loans		502
Unrestricted deficit	(3,053,438)	(140,328)
Total Net Assets (deficit)	\$ (1,464,549)	\$ (28,701)

See accompanying notes to financial statements.

EXHIBIT X-1

COUNTY OF NASSAU, NEW YORK

**STATEMENT OF NET ASSETS
DECEMBER 31, 2005 (Dollars in Thousands)**

	<u>Primary Government</u>	
	<u>Governmental Activities</u>	<u>Component Units</u>
ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 638,133	\$ 66,803
Investments, Including Accrued Interest (Note 2)	30,817	
Assets Whose Use is Limited- Current		24,723
Sales Tax Receivable	97,031	
Interest Receivable	2,166	
Student Accounts and Loans Receivable		5,490
Less Allowance for Doubtful Amounts		(1,872)
Due from Other Governments (Note 3)	161,272	51,788
Less Allowance for Doubtful Accounts	(4,569)	
Other Receivables		17,740
Accounts Receivable	12,375	246,753
Less Allowance for Doubtful Accounts		(153,860)
Real Property Taxes Receivable	57,522	
Less Allowance for Doubtful Accounts	(8,832)	
Due from Component Unit (Note 6)	37,008	
Inventories		4,862
Prepaid Expenses	80,001	
Other Assets - Current	25,243	12,645
Total Current Assets	1,128,167	275,072
NON CURRENT ASSETS:		
Deferred Financing Costs	130,776	8,349
Less Accumulated Amortization	(16,648)	(1,620)
Assets Whose Use is Limited		38,410
Capital Assets Not Being Depreciated (Note 7)	416,161	19,237
Depreciable Capital Assets (Note 7)	2,817,575	609,059
Less Accumulated Depreciation	(920,691)	(381,009)
Leasehold Acquisition Costs		1,020
Less Accumulated Amortization		(952)
Deposits Held by Trustees		6,945
Deposits Held in Custody for Others		1,428
Tax Sale Certificates (Note 5)	4,400	
Tax Real Estate Held for Sale (Note 4)	6,638	
Other Assets		4,823
Total Non Current Assets	2,438,211	305,690
Total Assets	3,566,378	580,762
LIABILITIES		
CURRENT LIABILITIES:		
Accounts Payable	50,056	52,714
Accrued Liabilities	232,012	30,381
Tax Anticipation Notes Payable	120,000	
Accrued Interest Payable	20,261	
Notes Payable - Current	11,885	43
Due to Primary Government (Note 6)		39,930
Unearned Revenue - Current	30,763	15,280
Current Portion of Long Term Liabilities (Note 9)	316,105	9,639
Other Liabilities - Current	29,971	19,683
Total Current Liabilities	811,053	167,670
NON CURRENT LIABILITIES:		
Notes Payable		337
Serial Bonds Payable (Notes 9 and 10)	3,025,605	326,904
Deferred Bond Premium (Net of Amortization)	95,782	2,028
Accrued Vacation and Sick Pay (Note 9 and 15)	600,221	70,012
Estimated Workers' Compensation Liability (Notes 9 and 15)	88,917	
Estimated Tax Certiorari Payable (Notes 9 and 15)	81,000	
Estimated Liability for Litigation and Malpractice (Notes 9 and 15)	206,000	31,469
Capital Lease (Note 8)	5,567	
Other Liabilities - Non Current	82,648	
Deposits Held in Custody for Others		1,428
Insurance Reserve Liability		1,692
Total Non Current Liabilities	4,185,740	433,870
Total Liabilities	4,996,793	601,540
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	1,429,730	100,354
Restricted:		
Special Revenue		2,368
Capital Projects	113,534	1,748
Debt Service		7,674
Student Loans		501
Unrestricted deficit	(2,973,679)	(133,423)
Total Net Assets (deficit)	\$ (1,430,415)	\$ (20,778)

See accompanying notes to financial statements.

EXHIBIT X-2

COUNTY OF NASSAU, NEW YORK

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006 (Dollars in Thousands)

Functions/Programs						Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Program Revenues			Capital Grants	Primary Governmental Component Units	
		Charges for Services	Operating Grants			Governmental Activities	
Primary Government:							
Legislative	\$ 8,754	\$ 18	\$	\$	\$	(8,736)	\$
Judicial	45,018	20,062	4,724			(20,232)	
General Government	587,841	71,494	30,358			(485,989)	
Protection of Persons	633,154	36,127	9,378			(587,649)	
Health	248,782	19,807	138,271			(90,704)	
Public Works	226,599	5,245	621	32,484		(188,249)	
Recreation and parks	45,687	17,458				(28,229)	
Social Services	490,302	20,364	179,355			(290,583)	
Corrections	225,334	4,822	20,247			(200,265)	
Education	10,545					(10,545)	
Debt Service Interest	160,847					(160,847)	
Total Primary Government	\$ 2,682,863	\$ 195,397	\$ 382,954	\$ 32,484		(2,072,028)	
Component Units	\$ 743,251	\$ 594,809	\$ 129,760	\$ 1,077			(17,605)
General Revenues:							
Taxes:							
Property Taxes					\$	883,637	
Sales Taxes						989,243	
Other Taxes						39,452	
Tobacco Settlement Revenue and Tobacco Receipts						53,661	
Investment Income						49,369	5,097
Other						22,532	4,585
Total General Revenues						2,037,894	9,682
Change in Net Assets						(34,134)	(7,923)
Net Assets (Deficit) - Beginning						(1,430,415)	(20,778)
Net Assets (Deficit) - Ending						\$ (1,464,549)	\$ (28,701)

See accompanying notes to financial statements.

EXHIBIT X-2

COUNTY OF NASSAU, NEW YORK

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005 (Dollars in Thousands)**

Functions/Programs						Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Program Revenues			Capital Grants	Primary Governmental Activities	Component Units
		Charges for Services	Operating Grants				
Primary Government:							
Legislative	\$ 8,321	\$ 1	\$	\$		\$ (8,320)	\$
Judicial	42,533	18,065	5,399			(19,069)	
General Government	493,012	55,543	32,025			(405,444)	
Protection of Persons	638,393	31,406	18,056			(588,931)	
Health	239,111	28,209	107,583			(103,319)	
Public Works	228,119	5,975	933	27,269		(193,942)	
Recreation and parks	41,541	16,623				(24,918)	
Social Services	535,021	55,782	193,228			(286,011)	
Corrections	218,053	5,389	24,069			(188,595)	
Education	13,621					(13,621)	
Debt Service Interest	150,564					(150,564)	
Total Primary Government	\$ 2,608,289	\$ 216,993	\$ 381,293	\$ 27,269		(1,982,734)	
Component Units	\$ 719,084	\$ 574,046	\$ 129,305	\$ 1,091			(14,642)
General Revenues:							
Taxes:							
Property Taxes					\$ 884,859		
Sales Taxes					952,675		
Other Taxes					40,870		
Tobacco Settlement Revenue and Tobacco Receipts					45,301		
Investment Income					36,622		2,670
Other					21,449		2,255
Total General Revenues					1,981,776		4,925
Change in Net Assets						(958)	(9,717)
Net Assets (Deficit) - Beginning						(1,429,457)	(11,061)
Net Assets (Deficit) - Ending						\$ (1,430,415)	\$ (20,778)

See accompanying notes to financial statements.

EXHIBIT X-3

COUNTY OF NASSAU, NEW YORK

GOVERNMENTAL FUNDS

BALANCE SHEET

DECEMBER 31, 2006 (Dollars in Thousands)

ASSETS	Fire Prevention, Safety, Communication and Education										Sewer and Storm Water District Fund	Nonmajor Governmental Funds	Total Governmental Funds
	General	NIFA General Fund	Debt Service Fund	County Parks and Recreation Fund	Police District Fund	Police Headquarters Fund	Police District Fund	County Parks and Recreation Fund	Police District Fund	Police Headquarters Fund			
Cash	\$ 47,411	\$ 633	\$ 43	\$ 3,221	\$ 23,010	\$ 9,262	\$ 1,356	\$ 93,331	\$ 261,262	\$ 84,186	\$ 439,529	\$ 439,529	\$ 439,529
Investments (Note 2)													
Sales Tax Receivable	98,128												98,128
Interest Receivable													3,496
Due from Other Governments (Note 3)	163,845												177,603
Less Allowance for Doubtful Accounts	(1,752)												(1,752)
Accounts Receivable	19,661				917	873	1,674	555					27,674
Real Property Taxes Receivable	61,189												61,189
Less Allowance for Doubtful Accounts	(7,945)												(7,945)
Tax Sale Certificates (Note 5)	4,681												4,681
Tax Real Estate Held for Sale (Note 4)	6,578												6,578
Interfund Receivables (Note 6)	213,143		38,415	17	1,228	1,180	7,182	43,628	53,675				358,468
Prepays	39,908			946		35,527	31,207	1,992	1,616				111,196
Due from Component Units (Note 6)	14,850								1,512				16,362
Other Assets	7,665	64		127	508	3,394	3,512	407	538				16,215
TOTAL ASSETS	\$ 569,234	\$ 98,827	\$ 38,458	\$ 4,311	\$ 25,663	\$ 50,236	\$ 45,433	\$ 139,913	\$ 423,533	\$ 423,533	\$ 1,395,608	\$ 1,395,608	\$ 1,395,608
LIABILITIES AND FUND EQUITY													
LIABILITIES:													
Accounts Payable	\$ 48,621	\$ 112	\$	\$ 216	\$ 485	\$ 949	\$ 406	\$ 5,277	\$ 14,479	\$ 50,628	\$ 70,433	\$ 70,433	\$ 70,433
Accrued Liabilities	111,078			571	1,044	9,276	19,460	2,484			194,653	194,653	194,653
Tax Anticipation Notes Payable (Note 9)	150,000										150,000	150,000	150,000
Notes Payable											44,435	44,435	44,435
Unearned Revenue	26,144				18						27,307	53,469	53,469
Interfund Payables (Note 6)	62,226	98,127	38,458	3,635	20,424	22,827	34,435	4,486	73,850	1,638	358,468	358,468	
Due to Component Units (Note 6)							14				1,652	1,652	1,652
Other Liabilities	29,912				210				88,552		117,774	117,774	117,774
Total Liabilities	427,081	98,239	38,458	4,422	22,181	33,052	54,315	12,247	300,889	300,889	990,884	990,884	990,884
FUND EQUITY :													
Fund Balances:													
Reserved for Retirement of Temporary Financing													25,961
Reserved for Encumbrances	56,324			109	3,717	2,845	3,081	6,388	25,961	250,025	322,489	322,489	322,489
Rescinded - Senior Liquidity Reserve													24,009
Unreserved and Designated for Ensuing Year's Budget (Note 13):													
General	13,075												13,075
Unreserved nonmajor fund balances:													
Special Revenue													(29,733)
Capital Projects													(149,672)
Debt Service													2,054
Unreserved major fund balances (Note 13)	72,754	588		(220)	(235)	14,339	(11,963)	121,278	(29,733)	(149,672)	196,541	196,541	
Total Fund Equity	142,153	588		(111)	3,482	17,184	(8,882)	127,666	122,644	122,644	404,724	404,724	404,724
Commitments and Contingencies (Note 15)													
TOTAL LIABILITIES AND FUND EQUITY	\$ 569,234	\$ 98,827	\$ 38,458	\$ 4,311	\$ 25,663	\$ 50,236	\$ 45,433	\$ 139,913	\$ 423,533	\$ 423,533	\$ 1,395,608	\$ 1,395,608	\$ 1,395,608

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 schedule.

See accompanying notes to financial statements.

EXHIBIT X-3

COUNTY OF NASSAU, NEW YORK

GOVERNMENTAL FUNDS

BALANCE SHEET

DECEMBER 31, 2005 (Dollars in Thousands)

	General	NIFA General Fund	Debt Service Fund	Fire Prevention, Safety, Communication and Education Fund	County Parks and Recreation Fund	Police District Fund	Police Headquarters Fund	Sewer and Storm Water District Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash	\$ 123,367	\$ 5,301	\$ 6,381	\$ 4,781	\$ 27,118	\$ 90	\$ 266	\$ 86,847	\$ 383,982	\$ 638,133
Investments (Note 2)									30,817	30,817
Sales Tax Receivable		97,031								97,031
Interest Receivable									2,157	2,166
Due from Other Governments (Note 3)	146,018					1,541			13,713	161,272
Less Allowance for Doubtful Accounts	(4,569)									(4,569)
Accounts Receivable	9,634				561				1,783	12,375
Real Property Taxes Receivable	57,522									57,522
Less Allowance for Doubtful Accounts	(6,832)									(6,832)
Tax Sale Certificates (Note 5)	4,400									4,400
Tax Real Estate Held for Sale (Note 4)	6,638									6,638
Interfund Receivables (Note 6)	126,385		33,469	13			12,461	994	195,619	377,400
Prepays	29,736			765	1,337		19,001	1,675	1,890	80,001
Due from Component Units (Note 6)	45,471				461		3,146	375	1,214	46,685
Other Assets	7,023	31		116					10,933	25,243
TOTAL ASSETS	\$ 542,793	\$ 102,372	\$ 39,850	\$ 5,675	\$ 29,477	\$ 37,309	\$ 36,448	\$ 90,250	\$ 642,108	\$ 1,526,282

LIABILITIES AND FUND EQUITY

LIABILITIES:

Accounts Payable	\$ 32,456	\$ 136	\$ 237	\$ 28	\$ 304	\$ 573	\$ 572	\$ 2,839	\$ 13,284	\$ 50,056
Accrued Liabilities	142,760			1,051	1,264	12,155	26,657	3,199	44,572	232,031
Tax Anticipation Notes Payable (Note 9)	120,000									120,000
Notes Payable									11,885	11,885
Unearned Revenue	28,795				18				24,538	53,351
Interfund Payables (Note 6)	37,195	101,589	39,613	2,329	26,899	22,995	15,190	21,219	110,371	377,400
Due to Component Units (Note 6)				2,284			46		7,347	9,677
Other Liabilities	28,044			16	159	436		52	83,477	112,619
Total Liabilities	389,250	101,725	39,850	5,708	28,644	36,159	42,900	27,309	295,474	967,019

FUND EQUITY:

Fund Balances:										
Reserved for Retirement of Temporary Financing									7,816	7,816
Reserved for Encumbrances	65,062			261	1,012	1,349	3,252	10,854	228,761	310,541
Unreserved and Designated for Ensuing Year's Budget (Note 13):										
General	13,367									13,367
Special Revenue										
Unreserved nonmajor fund balances:										
Special Revenue									72,140	72,140
Capital Projects									33,923	33,923
Debt Service									3,994	3,994
Unreserved major fund balances (Note 13)	75,124	647		(294)	(179)	(199)	(9,704)		346,634	65,395
Total Fund Equity	153,543	647		(33)	833	1,150	(6,452)	62,941		559,263

Commitments and Contingencies (Note 15)

TOTAL LIABILITIES AND FUND EQUITY

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 schedule.

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, 2006 (Dollars in Thousands)**

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

Total fund balances - governmental funds	\$ 404,724
Revenue recorded in the statement of net assets is recorded as unearned revenue in the governmental funds	20,801
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	(89,289)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net	2,332,821
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	138,913
Long-term liabilities are not due and payable in the current period and accordingly are not reported in the funds:	
Bonds payable	(2,981,294)
Other long term liabilities	(954,131)
Current portion of long term liabilities and short term notes payable	(326,651)
Accrued expenses and interest payable	<u>(10,443)</u>
Net assets (deficit) of governmental activities	\$ <u>(1,464,549)</u>

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, 2005 (Dollars in Thousands)**

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

Total fund balances - governmental funds	\$ 559,263
Revenue recorded in the statement of net assets is recorded as unearned revenue in the governmental funds	22,588
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	(95,782)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net	2,313,045
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	114,128
Long-term liabilities are not due and payable in the current period and accordingly are not reported in the funds:	
Bonds payable	(3,025,605)
Other long term liabilities	(981,705)
Current portion of long term liabilities and short term notes payable	(316,105)
Accrued expenses and interest payable	<u>(20,242)</u>
Net assets (deficit) of governmental activities	<u>\$ (1,430,415)</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 BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2006 (Dollars in Thousands)

	General	NIFA General	Debt Service Fund	Fire Prevention, Safety, Communication and Education Fund	County Parks and Recreation Fund	Police District Fund	Police Headquarters Fund	Sewer and Storm Water District Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:										
Interest and Penalties on Taxes	\$ 22,532	\$	\$	\$	\$ 5	\$ 1,828	\$ 936	\$	\$	\$ 22,532
Licenses and Permits	7,756									10,525
Fines and Forfeits	22,921					80			2,559	25,560
Interest Income	12,101	1,751		39	156	1,510	435	6,741	17,532	40,265
Rents and Recoveries	39,038			744	1,011	472	2,351	80	169	43,865
Tobacco Settlement Revenue	23,000									23,000
Tobacco Proceeds	10,273									10,273
Tobacco Receipts									20,388	20,388
Departmental Revenue	45,358			4,911	15,824	3,411	16,807	1,484	2,470	90,265
Interdepartmental Revenue	124,681					314	10,225	258	710	136,188
Federal Aid	114,965						228		54,461	169,654
State Aid	186,732			205			862		55,639	243,438
Sales Tax	783,680	146,137								929,817
Preempted Sales Tax in Lieu of Property Taxes	59,426									59,426
Property Taxes	86,875			15,850	51,168	333,627	258,050	138,942		884,512
Payments in Lieu of Taxes	4,551									4,551
Special Taxes	10,805				1,064		23,032			34,901
Other Revenues	10,528		10,900	27	292	1,356	1,828	150	2,447	27,528
Total Revenues	1,565,222	147,888	10,900	21,776	69,520	342,598	314,754	147,655	156,375	2,776,688
EXPENDITURES:										
Current:										
Legislative	8,747									8,747
Judicial	41,733								1,725	43,458
General Administration	227,312	1,139							28,360	256,811
Protection of Persons	11,961			19,131		325,827	315,102		8,497	680,518
Health	215,413								42,580	257,993
Public Works	95,862							86,718	223	182,803
Recreation and Parks					55,919				458	56,377
Capital Outlay									125,298	125,298
Sewage Districts									8,949	8,949
Social Services	505,817								5,258	511,075
Corrections	217,820								2,596	220,416
Education	6,898									6,898
Payments for Tax Certiorari and Other Judgments	74,670									74,670
Other	125,336									125,336
Total Current	1,531,569	1,139		19,131	55,919	325,827	315,102	86,718	223,944	2,559,349
Debt Service:										
Principal			114,845					31,479	94,015	240,339
Interest			30,370					11,005	118,643	160,018
Financing Costs			249						1,543	1,792
Total Debt Service			145,464					42,484	214,201	402,149
Total Expenditures	1,531,569	1,139	145,464	19,131	55,919	325,827	315,102	129,202	438,145	2,961,498
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	33,653	146,749	(134,564)	2,645	13,601	16,771	(348)	18,453	(281,770)	(184,810)
OTHER FINANCING SOURCES (USES):										
Other Financing Sources - EFC drawdowns									912	912
Other Financing Uses - Funding of Residual Trust									(140,265)	(140,265)
Deposited with Escrow Agent for Defeasance									(248,564)	(248,564)
Transfers In	197,098	5,437	279,692		7,077		1,429		149,675	640,408
Transfers In of Investment Income	4,139							799		4,938
Transfers Out	(258,190)	(145,568)	(145,128)	(2,723)	(18,029)	(737)	(3,511)	(11,085)	(55,437)	(640,408)
Transfers Out of Investment Income									(4,938)	(4,938)
Transfers In from NIFA	11,910								65,931	77,841
Transfers Out from NIFA		(6,677)							(71,164)	(77,841)
Transfers In from SFA								56,558	369,952	426,510
Transfers Out from SFA									(426,510)	(426,510)
Issuance of Debt									418,188	418,188
Total Other Financing Sources (Uses)	(45,043)	(146,808)	134,564	(2,723)	(10,952)	(737)	(2,082)	46,272	57,780	30,271
NET CHANGE IN FUND BALANCES	(11,390)	(59)		(78)	2,649	16,034	(2,430)	64,725	(223,990)	(154,539)
TOTAL FUND BALANCES AT BEGINNING OF YEAR	153,543	647		(33)	833	1,150	(6,452)	62,941	346,634	559,263
TOTAL FUND BALANCES AT END OF YEAR	\$ 142,153	\$ 588	\$	\$ (111)	\$ 3,482	\$ 17,184	\$ (8,882)	\$ 127,666	\$ 122,544	\$ 404,724

See accompanying notes to financial statements.

EXHIBIT X-5

COUNTY OF NASSAU, NEW YORK

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2005 (Dollars in Thousands)**

	General	NIFA General	Debt Service Fund	Fire Prevention, Safety, Communication and Education Fund	County Parks and Recreation Fund	Police District Fund	Police Headquarters Fund	Sewer and Storm Water District Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:										
Interest and Penalties on Taxes	\$ 21,369									\$ 21,369
Gain on Investments									80	80
Licenses and Permits	7,558					1,508	389			9,455
Fines and Forfeits	21,135					102			1,478	22,715
Interest Income	8,286	1,142		47	431	113	134	2,730	17,305	30,188
Rents and Recoveries	29,272				1,000	95	397	32	185	30,981
Tobacco Settlement Revenue	23,017									23,017
Tobacco Receipts									22,284	22,284
Departmental Revenue	87,270			4,422	15,080	3,101	15,350	1,508	2,219	128,950
Interdepartmental Revenue	121,599			95		188	7,824	62	725	130,513
Federal Aid	114,046						473		50,982	165,501
State Aid	198,745			235		123	612		31,671	231,386
State Aid from NIFA									7,500	7,500
Sales Tax	765,485	129,622								895,107
Preempted Sales Tax in Lieu of Property Taxes	57,568									57,568
Property Taxes	119,973			15,444	48,294	309,307	252,898	138,943		884,859
Payments in Lieu of Taxes	4,298									4,298
Special Taxes	12,152				1,091		23,329			36,572
Other Revenues	16,148		8,682						4,236	29,066
Total Revenues	1,607,921	130,764	8,682	20,243	65,896	314,537	301,406	143,295	138,665	2,731,409
EXPENDITURES:										
Current:										
Legislative	8,325									8,325
Judicial	39,791								1,853	41,644
General Administration	230,902	1,136							29,238	261,276
Protection of Persons	11,702			20,041		328,964	314,012		8,195	682,914
Health	197,873								45,706	243,579
Public Works	93,124							103,354		196,478
Recreation and Parks					50,704				636	51,340
Capital Outlay									103,055	103,055
Sewage Districts									5,369	5,369
Social Services	537,107								6,063	543,170
Corrections	211,928								3,328	215,256
Education	6,740									6,740
Payments for Tax Certiorari and Other Judgments	260,207									260,207
Other	120,240		706							120,946
Total Current	1,717,939	1,136	706	20,041	50,704	328,964	314,012	103,354	203,443	2,740,299
Debt Service:										
Principal			140,280					28,215	57,906	226,401
Interest			36,002					12,423	94,744	143,169
Financing Costs			841						4,290	5,131
Total Debt Service			177,123					40,638	156,940	374,701
Total Expenditures	1,717,939	1,136	177,829	20,041	50,704	328,964	314,012	143,992	360,383	3,115,000
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(110,018)	129,628	(169,147)	202	15,192	(14,427)	(12,606)	(697)	(221,718)	(383,591)
OTHER FINANCING SOURCES (USES):										
Other Financing Sources - Premium			1,287						15,965	17,252
Other Financing Sources - EFC Drawdowns									550	550
Deposited with Escrow Agent for Defeasance									(130,798)	(130,798)
Transfers In	146,402		335,816		2,905		8,608		52,703	546,434
Transfers In of Investment Income	3,249							1,232		4,481
Transfers Out	(297,558)		(181,402)	(660)	(18,021)	(775)	(6,286)	(10,430)	(31,302)	(546,434)
Transfers Out of Investment Income									(4,481)	(4,481)
Transfers In from NIFA	5,783	13,179	441			7,500			197,515	224,418
Transfers Out from NIFA		(142,614)							(334,736)	(477,350)
Transfers In from SFA			3,005					40,410	69,156	112,571
Transfers Out from SFA									(112,571)	(112,571)
Issuance of Debt									392,070	392,070
Transfers from NIFA for Tax Certiorari and Other Judgment Borrowings	252,932									252,932
Total Other Financing Sources (Uses)	110,808	(129,435)	159,147	(660)	(15,116)	6,725	2,322	31,212	114,071	279,074
NET CHANGE IN FUND BALANCES	790	193	(10,000)	(458)	76	(7,702)	(10,284)	30,515	(107,647)	(104,517)
TOTAL FUND BALANCES AT BEGINNING OF YEAR	152,753	454	10,000	425	757	8,852	3,832	32,426	454,281	663,780
TOTAL FUND BALANCES AT END OF YEAR	\$ 153,543	\$ 647	\$	\$ (33)	\$ 833	\$ 1,150	\$ (6,452)	\$ 62,941	\$ 346,634	\$ 559,263

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, 2006 (Dollars in Thousands)**

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

Net change in fund balances - total governmental funds \$ (154,539)

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	\$ 174,972	
Depreciation expense	(110,426)	
Other	<u>(44,767)</u>	19,779

The issuance of long-term debt (e.g., bonds, 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.

Proceeds from sales of bonds	(125,673)	
Principal payments of bonds	197,909	
Accrued interest payable	7,173	
Amortized debt issuance costs	(8,451)	
Amortized deferred liabilities	6,493	
Payment of component unit debt costs	(3,648)	
Adjust long-term liabilities	25,986	
Other	<u>837</u>	<u>100,626</u>

Change in net assets - governmental activities \$ (34,134)

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, 2005 (Dollars in Thousands)**

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

Net change in fund balances - total governmental funds \$ (104,517)

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	\$ 156,853	
Depreciation expense	(105,429)	
Other	(60,422)	(8,998)

The issuance of long-term debt (e.g., bonds, 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.

Proceeds from sales of bonds	(392,070)	
Principal payments of bonds	357,198	
Accrued interest payable	221	
Amortized debt issuance costs	(2,644)	
Payment of component unit debt costs	(5,296)	
Adjust long-term liabilities	155,679	
Other	(531)	112,557

Change in net assets - governmental activities \$ (958)

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, 2006 (Dollars in Thousands)

	Original Budget	Total Budgetary Authority	Actual	GAAP to Budgetary Basis Conversion (Note 12)	Actual on a Budgetary Basis	Variance Over (Under)
Revenues:						
Interest and Penalties on Taxes	\$ 24,000	\$ 24,000	\$ 22,532	\$	\$ 22,532	\$ (1,468)
Licenses and Permits	9,987	9,987	7,756		7,756	(2,231)
Fines and Forfeits	22,584	22,584	22,921		22,921	337
Interest Income	13,474	16,249	12,101		12,101	(4,148)
Rents and Recoveries	29,185	29,186	39,038		39,038	9,852
Tobacco Settlement Revenue	23,000	23,000	23,000		23,000	
Tobacco Proceeds		10,273	10,273		10,273	
Departmental Revenue	84,256	84,256	45,358		45,358	(38,898)
Interdepartmental Revenue	131,845	132,184	124,681		124,681	(7,503)
Federal Aid	114,787	115,156	114,965		114,965	(191)
State Aid	170,520	172,334	186,732		186,732	14,398
Sales Tax	936,369	936,369	783,680		783,680	(152,689)
Preempted Sales Tax in Lieu of Property Taxes	65,421	65,421	59,426		59,426	(5,995)
Property Taxes	80,016	80,016	86,875		86,875	6,859
Payments in Lieu of Taxes	4,500	4,500	4,551		4,551	51
Special Taxes	11,060	11,060	10,805		10,805	(255)
Other Revenues	15,763	16,663	10,528	(3,445)	7,083	(9,580)
Total Revenues	1,736,767	1,753,238	1,565,222	(3,445)	1,561,777	(191,461)
Expenditures:						
Current:						
Legislative	9,671	9,801	8,747	355	9,102	699
Judicial	42,897	43,038	41,733	349	42,082	956
General Administration	246,156	247,804	227,312	14,026	241,338	6,466
Protection of Persons	13,000	13,009	11,961	36	11,997	1,012
Health	221,539	235,684	215,413	12,844	228,257	7,427
Public Works	102,825	103,546	95,862	4,546	100,408	3,138
Social Services	579,397	548,172	505,817	18,950	524,767	23,405
Corrections	220,480	228,794	217,820	2,711	220,531	8,263
Education	5,999	6,899	6,898		6,898	1
Payments for Tax Certiorari and Other Judgments		19,562	74,670	(55,108)	19,562	
Other	124,662	125,426	125,336	(2,828)	122,508	2,918
Total Expenditures	1,566,626	1,581,735	1,531,569	(4,119)	1,527,450	54,285
Excess (Deficiency) of Revenues Over (Under) Expenditures	170,141	171,503	33,653	674	34,327	(137,176)
Other Financing Sources (Uses):						
Transfers In			197,098	(50,000)	147,098	147,098
Transfers In of Investment Income			4,139		4,139	4,139
Transfers Out	(257,717)	(259,079)	(258,190)		(258,190)	889
Transfer In from NIFA			6,896		6,896	6,896
Transfer In from NIFA Tax Certiorari and Other Judgment Borrowings			5,014	(5,014)		
Total Other Financing Sources (Uses)	(257,717)	(259,079)	(45,043)	(55,014)	(100,057)	159,022
Net Change in Fund Balance	(87,576)	(87,576)	(11,390)	(54,340)	(65,730)	21,846
Fund Balances at Beginning of Year	87,576	87,576	153,543		153,543	65,967
Fund Balances at End of Year	\$	\$	\$ 142,153	\$ (54,340)	\$ 87,813	\$ 87,813

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, 2005 (Dollars in Thousands)

	Original Budget	Total Budgetary Authority	Actual	GAAP to Budgetary Basis Conversion (Note 12)	Actual on a Budgetary Basis	Variance Over (Under)
Revenues:						
Interest and Penalties on Taxes	\$ 24,180	\$ 24,180	\$ 21,369	\$	\$ 21,369	\$ (2,811)
Licenses and Permits	6,915	6,915	7,558		7,558	643
Fines and Forfeits	16,817	16,817	21,135		21,135	4,318
Interest Income	9,000	11,000	8,286		8,286	(2,714)
Rents and Recoveries	26,519	26,779	29,272		29,272	2,493
Tobacco Settlement Revenue	23,175	23,175	23,017		23,017	(158)
Departmental Revenue	82,741	84,925	87,270		87,270	2,345
Interdepartmental Revenue	141,466	156,501	121,599		121,599	(34,902)
Federal Aid	123,092	123,184	114,046		114,046	(9,138)
State Aid	226,352	235,784	198,745		198,745	(37,039)
Sales Tax	907,089	907,089	765,485		765,485	(141,604)
Preempted Sales Tax in Lieu of Property Taxes	57,568	57,568	57,568		57,568	
Property Taxes	112,770	115,097	119,973		119,973	4,876
Payments in Lieu of Taxes	4,500	4,500	4,298		4,298	(202)
Special Taxes	12,870	12,870	12,152		12,152	(718)
Other Revenues	12,068	12,560	16,148		16,148	3,588
Total Revenues	1,787,122	1,818,944	1,607,921		1,607,921	(211,023)
Expenditures:						
Current:						
Legislative	11,137	10,883	8,325	328	8,653	2,230
Judicial	46,253	43,954	39,791	230	40,021	3,933
General Administration	265,995	268,875	230,902	17,420	248,322	20,553
Protection of Persons	14,751	15,318	11,702	75	11,777	3,541
Health	211,742	224,480	197,873	10,548	208,421	16,059
Public Works	100,779	101,023	93,124	5,763	98,887	2,136
Recreation and Parks	5	5				5
Social Services	619,511	575,082	537,107	25,714	562,821	12,261
Corrections	226,593	218,492	211,928	1,297	213,225	5,267
Education	6,518	6,943	6,740	90	6,830	113
Payments for Tax Certiorari and Other Judgments			260,207	(260,207)		
Other	104,835	131,689	120,240	6,491	126,731	4,958
Total Expenditures	1,608,119	1,596,744	1,717,939	(192,251)	1,525,688	71,056
Excess (Deficiency) of Revenues Over (Under) Expenditures	179,003	222,200	(110,018)	192,251	82,233	(139,967)
Other Financing Sources (Uses):						
Transfers In			146,402		146,402	146,402
Transfers In of Investment Income			3,249		3,249	3,249
Transfers Out	(252,177)	(297,558)	(297,558)		(297,558)	
Transfer In from NIFA			5,783		5,783	5,783
Transfer In from NIFA Tax Certiorari and Other Judgment Borrowings			252,932	(260,207)	(7,275)	(7,275)
Total Other Financing Sources (Uses)	(252,177)	(297,558)	110,808	(260,207)	(149,399)	148,159
Net Change in Fund Balance	(73,174)	(75,358)	790	(67,956)	(67,166)	8,192
Fund Balances at Beginning of Year	73,174	75,358	152,753		152,753	77,395
Fund Balances at End of Year	\$	\$	\$ 153,543	\$ (67,956)	\$ 85,587	\$ 85,587

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
 FIRE PREVENTION, SAFETY, COMMUNICATION AND EDUCATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006 (Dollars in Thousands)

	Original Budget	Total Budgetary Authority	Actual	GAAP to Budgetary Basis Conversion (Note 12)	Actual on a Budgetary Basis	Variance Over (Under)
Revenues:						
Rents and Recoveries	\$	\$ 753	\$ 744	\$	\$ 744	\$ (9)
Interest Income	45	45	39		39	(6)
Departmental Revenue	4,237	4,765	4,911		4,911	146
Interdepartmental Revenue	108	108				(108)
State Aid	120	190	205		205	15
Property Taxes	15,850	15,850	15,850		15,850	
Other Revenues	47	47	27	(27)		(47)
Total Revenues	20,407	21,758	21,776	(27)	21,749	(9)
Expenditures:						
Current:						
Protection of Persons	19,899	19,296	19,131	(138)	18,993	303
Total Expenditures	19,899	19,296	19,131	(138)	18,993	303
Excess (Deficiency) of Revenues Over (Under) Expenditures	508	2,462	2,645	111	2,756	294
Other Financing Uses:						
Transfers Out	(768)	(2,723)	(2,723)		(2,723)	
Total Other Financing Sources (Uses)	(768)	(2,723)	(2,723)		(2,723)	
Net Change in Fund Balance	(260)	(261)	(78)	111	33	294
Fund Balances at Beginning of Year	260	261	(33)		(33)	(294)
Fund Balances at End of Year	\$	\$	\$ (111)	\$ 111	\$	\$

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
 FIRE PREVENTION, SAFETY, COMMUNICATION AND EDUCATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005 (Dollars in Thousands)

	Original Budget	Total Budgetary Authority	Actual	GAAP to Budgetary Basis Conversion (Note 12)	Actual on a Budgetary Basis	Variance Over (Under)
Revenues:						
Interest Income	\$		\$ 47	\$	\$ 47	\$ 47
Departmental Revenue	3,850	4,100	4,422		4,422	322
Interdepartmental Revenue			95		95	95
State Aid	100	200	235		235	35
Property Taxes	15,444	15,444	15,444		15,444	
Total Revenues	19,394	19,744	20,243		20,243	499
Expenditures:						
Current:						
Protection of Persons	18,953	20,088	20,041	(33)	20,008	80
Total Expenditures	18,953	20,088	20,041	(33)	20,008	80
Excess (Deficiency) of Revenues Over (Under) Expenditures	441	(344)	202	33	235	579
Other Financing Uses:						
Transfers In		250				(250)
Transfers Out	(866)	(660)	(660)		(660)	
Total Other Financing Sources (Uses)	(866)	(410)	(660)		(660)	(250)
Net Change in Fund Balance	(425)	(754)	(458)	33	(425)	329
Fund Balances at Beginning of Year	425	754	425		425	(329)
Fund Balances at End of Year	\$	\$	\$ (33)	\$ 33	\$	\$

See accompanying notes to financial statements.

EXHIBIT X-9

COUNTY OF NASSAU, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 TOTAL BUDGETARY AUTHORITY AND ACTUAL
 COUNTY PARKS AND RECREATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006 (Dollars in Thousands)

	Original Budget	Total Budgetary Authority	Actual	GAAP to Budgetary Basis Conversion (Note 12)	Actual on a Budgetary Basis	Variance Over (Under)
Revenues:						
Rents and Recoveries	\$ 1,416	\$ 1,416	\$ 1,011	\$	\$ 1,011	\$ (405)
Licenses and Permits			5		5	5
Interest Income	250	250	156		156	(94)
Departmental Revenue	17,107	17,118	15,824		15,824	(1,294)
Property Taxes	51,168	51,168	51,168		51,168	
Special Taxes	975	975	1,064		1,064	89
Other Revenues	511		292	(292)		
Total Revenues	71,427	70,927	69,520	(292)	69,228	(1,699)
Expenditures:						
Current:						
Recreation and Parks	59,705	59,422	55,919	3,190	59,109	313
Total Expenditures	59,705	59,422	55,919	3,190	59,109	313
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,722	11,505	13,601	(3,482)	10,119	(1,386)
Other Financing Sources (Uses):						
Transfers In		5,000	7,077		7,077	2,077
Transfers Out	(17,736)	(18,029)	(18,029)		(18,029)	
Total Other Financing Uses	(17,736)	(13,029)	(10,952)		(10,952)	2,077
Net Change in Fund Balance	(6,014)	(1,524)	2,649	(3,482)	(833)	691
Fund Balances at Beginning of Year	6,014	1,524	833		833	(691)
Fund Balances at End of Year	\$	\$	\$ 3,482	\$ (3,482)	\$	\$

See accompanying notes to financial statements.

EXHIBIT X-9

COUNTY OF NASSAU, NEW YORK

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TOTAL BUDGETARY AUTHORITY AND ACTUAL
COUNTY PARKS AND RECREATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2005 (Dollars in Thousands)**

	<u>Original Budget</u>	<u>Total Budgetary Authority</u>	<u>Actual</u>	<u>GAAP to Budgetary Basis Conversion (Note 12)</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Over (Under)</u>
Revenues:						
Rents and Recoveries	\$ 1,490	\$ 1,490	\$ 1,000	\$	\$ 1,000	\$ (490)
Interest Income	45	45	431		431	386
Departmental Revenue	20,350	20,350	15,080		15,080	(5,270)
Property Taxes	48,294	48,294	48,294		48,294	
Special Taxes	1,225	1,225	1,091		1,091	(134)
Total Revenues	71,404	71,404	65,896		65,896	(5,508)
Expenditures:						
Current:						
Recreation and Parks	53,812	53,812	50,704	833	51,537	2,275
Total Expenditures	53,812	53,812	50,704	833	51,537	2,275
Excess (Deficiency) of Revenues Over (Under) Expenditures	17,592	17,592	15,192	(833)	14,359	(3,233)
Other Financing Sources (Uses):						
Transfers In			2,905		2,905	2,905
Transfers Out	(18,349)	(18,349)	(18,021)		(18,021)	328
Total Other Financing Uses	(18,349)	(18,349)	(15,116)		(15,116)	3,233
Net Change in Fund Balance	(757)	(757)	76	(833)	(757)	
Fund Balances at Beginning of Year	757	757	757		757	
Fund Balances at End of Year	\$	\$	\$ 833	\$ (833)	\$	\$

See accompanying notes to financial statements.

EXHIBIT X-10

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, 2006 (Dollars in Thousands)**

	<u>Original Budget</u>	<u>Total Budgetary Authority</u>	<u>Actual</u>	<u>GAAP to Budgetary Basis Conversion (Note 12)</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Over (Under)</u>
Revenues:						
Rents and Recoveries	\$ 150	\$ 150	\$ 472	\$	\$ 472	\$ 322
Licenses and Permits	1,680	1,680	1,828		1,828	148
Fines and Forfeits	100	100	80		80	(20)
Interest Income	113	113	1,510		1,510	1,397
Departmental Revenue	3,166	3,166	3,411		3,411	245
Interdepartmental Revenue	936	936	314		314	(622)
Property Taxes	333,627	333,627	333,627		333,627	
Other Revenue	1,468	1,468	1,356	(1,356)		(1,468)
Total Revenues	341,240	341,240	342,598	(1,356)	341,242	2
Expenditures:						
Current:						
Protection of Persons	335,302	335,302	325,827	(316)	325,511	9,791
Total Expenditures	335,302	335,302	325,827	(316)	325,511	9,791
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,938	5,938	16,771	(1,040)	15,731	9,793
Other Financing Sources (Uses):						
Transfer Out	(7,301)	(7,301)	(737)		(737)	6,564
Total Other Financing Sources (Uses)	(7,301)	(7,301)	(737)		(737)	6,564
Net Change in Fund Balance	(1,363)	(1,363)	16,034	(1,040)	14,994	16,357
Fund Balances at Beginning of Year	1,363	1,363	1,150		1,150	(213)
Fund Balances at End of Year	\$	\$	\$ 17,184	\$ (1,040)	\$ 16,144	\$ 16,144

See accompanying notes to financial statements.

EXHIBIT X-10

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, 2005 (Dollars in Thousands)

	Original Budget	Total Budgetary Authority	Actual	GAAP to Budgetary Basis Conversion (Note 12)	Actual on a Budgetary Basis	Variance Over (Under)
Revenues:						
Rents and Recoveries	\$ 150	\$ 150	\$ 95	\$	\$ 95	\$ (55)
Licenses and Permits	1,800	1,800	1,508		1,508	(292)
Fines and Forfeits	200	200	102		102	(98)
Interest Income	65	65	113		113	48
Departmental Revenue	3,167	3,167	3,101		3,101	(66)
Interdepartmental Revenue	901	901	188		188	(713)
Federal Aid		21				(21)
State Aid		87	123		123	36
Property Taxes	309,307	309,307	309,307		309,307	
Total Revenues	315,590	315,698	314,537		314,537	(1,161)
Expenditures:						
Current:						
Protection of Persons	321,241	325,419	328,964	(3,707)	325,257	162
Total Expenditures	321,241	325,419	328,964	(3,707)	325,257	162
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,651)	(9,721)	(14,427)	3,707	(10,720)	(999)
Other Financing Sources (Uses):						
Transfers In from NIFA		4,000	7,500		7,500	3,500
Transfer Out	(845)	(775)	(775)		(775)	
Total Other Financing Sources (Uses)	(845)	3,225	6,725		6,725	3,500
Net Change in Fund Balance	(6,496)	(6,496)	(7,702)	3,707	(3,995)	2,501
Fund Balances at Beginning of Year	6,496	6,496	8,852		8,852	2,356
Fund Balances at End of Year	\$	\$	\$ 1,150	\$ 3,707	\$ 4,857	\$ 4,857

See accompanying notes to financial statements.

EXHIBIT X-11

COUNTY OF NASSAU, NEW YORK

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TOTAL BUDGETARY AUTHORITY AND ACTUAL
POLICE HEADQUARTERS FUND
FOR THE YEAR ENDED DECEMBER 31, 2006 (Dollars in Thousands)**

	<u>Original Budget</u>	<u>Total Budgetary Authority</u>	<u>Actual</u>	<u>GAAP to Budgetary Basis Conversion (Note 12)</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Over (Under)</u>
Revenues:						
Licenses and Permits	\$ 800	\$ 800	\$ 936	\$	\$ 936	\$ 136
Rents and Recoveries	200	2,449	2,351		2,351	(98)
Interest Income	121	121	435		435	314
Departmental Revenue	14,879	14,879	16,807		16,807	1,928
Interdepartmental Revenue	13,977	13,977	10,225		10,225	(3,752)
Federal Aid	330	330	228		228	(102)
State Aid	589	589	862		862	273
Property Taxes	258,050	258,050	258,050		258,050	
Special Taxes	23,453	23,453	23,032		23,032	(421)
Other Revenues			1,828	(1,828)		
Total Revenues	312,399	314,648	314,754	(1,828)	312,926	(1,722)
Expenditures:						
Current:						
Protection of Persons	115,919	316,464	315,102	(10,710)	304,392	12,072
Total Expenditures	115,919	316,464	315,102	(10,710)	304,392	12,072
Excess (Deficiency) of Revenues Over (Under) Expenditures	196,480	(1,816)	(348)	8,882	8,534	10,350
Other Financing Sources (Uses):						
Transfers In			1,429		1,429	1,429
Transfers Out	(3,134)	(3,511)	(3,511)		(3,511)	
Total Other Financing Sources (Uses)	(3,134)	(3,511)	(2,082)		(2,082)	1,429
Net Change in Fund Balance	193,346	(5,327)	(2,430)	8,882	6,452	11,779
Fund Balances at Beginning of Year	(193,346)	5,327	(6,452)		(6,452)	(11,779)
Fund Balances at End of Year	\$	\$	\$ (8,882)	\$ 8,882	\$	\$

See accompanying notes to financial statements.

EXHIBIT X-11

COUNTY OF NASSAU, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 TOTAL BUDGETARY AUTHORITY AND ACTUAL
 POLICE HEADQUARTERS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005 (Dollars in Thousands)

	Original Budget	Total Budgetary Authority	Actual	GAAP to Budgetary Basis Conversion (Note 12)	Actual on a Budgetary Basis	Variance Over (Under)
Revenues:						
Licenses and Permits	\$ 325	\$ 325	\$ 389	\$	\$ 389	\$ 64
Rents and Recoveries	200	200	397		397	197
Interest Income	86	86	134		134	48
Departmental Revenue	13,679	14,679	15,350		15,350	671
Interdepartmental Revenue	10,665	10,665	7,824		7,824	(2,841)
Federal Aid	334	334	473		473	139
State Aid	589	589	612		612	23
Property Taxes	252,898	252,898	252,898		252,898	
Special Taxes	22,454	23,454	23,329		23,329	(125)
Total Revenues	301,230	303,230	301,406		301,406	(1,824)
Expenditures:						
Current:						
Protection of Persons	299,844	308,061	314,012	(6,452)	307,560	501
Total Expenditures	299,844	308,061	314,012	(6,452)	307,560	501
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,386	(4,831)	(12,606)	6,452	(6,154)	(1,323)
Other Financing Sources (Uses):						
Transfers In		7,285	8,608		8,608	1,323
Transfers Out	(5,218)	(6,286)	(6,286)		(6,286)	
Total Other Financing Sources (Uses)	(5,218)	999	2,322		2,322	1,323
Net Change in Fund Balance	(3,832)	(3,832)	(10,284)	6,452	(3,832)	
Fund Balances at Beginning of Year	3,832	3,832	3,832		3,832	
Fund Balances at End of Year	\$	\$	\$ (6,452)	\$ 6,452	\$	\$

See accompanying notes to financial statements.

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY AND ACTUAL
SEWER & STORM WATER DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2006 (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 Over (Under)</u>
Revenues:						
Rents and Recoveries	\$ 325	\$ 325	\$ 80	\$	\$ 80	\$ (245)
Interest Income	750	750	6,741		6,741	5,991
Departmental Revenue	1,788	1,788	1,484		1,484	(304)
Interdepartmental Revenue	452	452	258		258	(194)
Interfund Revenues	24,813	24,813				(24,813)
Property Taxes	138,932	138,932	138,942		138,942	10
Other Revenues			150	(150)		
Total Revenues	<u>167,060</u>	<u>167,060</u>	<u>147,655</u>	<u>(150)</u>	<u>147,505</u>	<u>(19,555)</u>
Expenditures:						
Current:						
Public Works	<u>241,995</u>	<u>241,995</u>	<u>129,202</u>	<u>5,834</u>	<u>135,036</u>	<u>106,959</u>
Total Expenditures	<u>241,995</u>	<u>241,995</u>	<u>129,202</u>	<u>5,834</u>	<u>135,036</u>	<u>106,959</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(74,935)</u>	<u>(74,935)</u>	<u>18,453</u>	<u>(5,984)</u>	<u>12,469</u>	<u>87,404</u>
Other Financing Sources (Uses):						
Transfer In of Investment Income	500	500	799		799	299
Transfer Out	(5,587)		(11,085)		(11,085)	(11,085)
Transfer In from SFA			<u>56,558</u>		<u>56,558</u>	<u>56,558</u>
Total Other Financing Sources (Uses)	<u>(5,087)</u>	<u>500</u>	<u>46,272</u>		<u>46,272</u>	<u>45,772</u>
Net Change in Fund Balances	(80,022)	(74,435)	64,725	(5,984)	58,741	133,176
Fund Balance Beginning of Year	<u>80,022</u>	<u>74,435</u>	<u>62,941</u>		<u>62,941</u>	<u>(11,494)</u>
Fund Balance End of Year	<u>\$</u>	<u>\$</u>	<u>\$ 127,666</u>	<u>\$ (5,984)</u>	<u>\$ 121,682</u>	<u>\$ 121,682</u>

See accompanying notes to financial statements.

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY AND ACTUAL
SEWER & STORM WATER DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2005 (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 Over (Under)</u>
Revenues:						
Rents and Recoveries	\$ 632	\$ 632	\$ 32	\$	\$ 32	\$ (600)
Interest Income	500	500	2,730		2,730	2,230
Departmental Revenue	1,255	1,255	1,508		1,508	253
Interdepartmental Revenue	349	349	82		82	(267)
Interfund Revenues	111,651	111,651				(111,651)
Property Taxes			138,943		138,943	138,943
Total Revenues	<u>114,387</u>	<u>114,387</u>	<u>143,295</u>		<u>143,295</u>	<u>28,908</u>
Expenditures:						
Current:						
Public Works	<u>148,609</u>	<u>162,358</u>	<u>143,992</u>	<u>9,859</u>	<u>153,851</u>	<u>8,507</u>
Total Expenditures	<u>148,609</u>	<u>162,358</u>	<u>143,992</u>	<u>9,859</u>	<u>153,851</u>	<u>8,507</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(34,222)</u>	<u>(47,971)</u>	<u>(697)</u>	<u>(9,859)</u>	<u>(10,556)</u>	<u>37,415</u>
Other Financing Sources (Uses):						
Transfer In of Investment Income	250	250	1,232		1,232	982
Transfer Out		(10,430)	(10,430)		(10,430)	
Transfer In from SFA	<u>13,894</u>	<u>31,591</u>	<u>40,410</u>		<u>40,410</u>	<u>8,819</u>
Total Other Financing Sources (Uses)	<u>14,144</u>	<u>21,411</u>	<u>31,212</u>		<u>31,212</u>	<u>9,801</u>
Net Change in Fund Balances	(20,078)	(26,560)	30,515	(9,859)	20,656	47,216
Fund Balance Beginning of Year	<u>20,078</u>	<u>26,560</u>	<u>32,426</u>		<u>32,426</u>	<u>5,866</u>
Fund Balance End of Year	<u>\$</u>	<u>\$</u>	<u>\$ 62,941</u>	<u>\$ (9,859)</u>	<u>\$ 53,082</u>	<u>\$ 53,082</u>

See accompanying notes to financial statements.

EXHIBIT X-13

COUNTY OF NASSAU, NEW YORK

**STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
DECEMBER 31, 2006 (Dollars in Thousands)**

AGENCY FUND

	Balance December 31, <u>2006</u>
<u>ASSETS:</u>	
Cash	\$ <u>225,757</u>
TOTAL ASSETS	\$ <u>225,757</u>
<u>LIABILITIES:</u>	
Accounts Payable	\$ 3,725
Due to Component Unit	1,155
Other Liabilities	<u>220,877</u>
TOTAL LIABILITIES	\$ <u>225,757</u>

See accompanying notes to financial statements.

EXHIBIT X-13

COUNTY OF NASSAU, NEW YORK

**STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
DECEMBER 31, 2005 (Dollars in Thousands)**

AGENCY FUND

	Balance December 31, <u>2005</u>
<u>ASSETS:</u>	
Cash	\$ 93,072
Due From Component Unit	<u>82</u>
TOTAL ASSETS	<u>\$ 93,154</u>
<u>LIABILITIES:</u>	
Accounts Payable	\$ 3,776
Other Liabilities	<u>89,378</u>
TOTAL LIABILITIES	<u>\$ 93,154</u>

See accompanying notes to financial statements.

EXHIBIT X-14

COUNTY OF NASSAU, NEW YORK

STATEMENT OF NET ASSETS
 ALL DISCRETELY PRESENTED COMPONENT UNITS
 DECEMBER 31, 2006 (WITH THE NASSAU COMMUNITY COLLEGE AUGUST 31, 2006)
 (Dollars in Thousands)

	Nassau Community College	Nassau Health Care Corporation	Nassau Regional Off-Track Betting Corp.	Nassau County Industrial Development Agency	Total
ASSETS					
CURRENT ASSETS:					
Cash and Cash Equivalents	\$ 39,209	\$ 22,875	\$ 11,694	\$ 3,392	\$ 77,170
Assets Whose Use Is Limited - Current		15,137			15,137
Student Accounts and Loans Receivable	5,970				5,970
Less Allowance for Doubtful Amounts	(2,287)				(2,287)
Due from Other Governments	5,786				5,786
Due from Primary Government		3			3
Other Receivables	108	6,454		6	6,568
Accounts Receivable		265,815	447	34	266,296
Less Allowance for Doubtful Amounts		(167,903)			(167,903)
Inventories		4,652			4,652
Other Assets - Current	872	15,839	868	7	17,586
Total Current Assets	49,658	162,872	13,009	3,439	228,978
NON CURRENT ASSETS:					
Deferred Financing Costs	3,186	4,807	532		8,525
Less Accumulated Amortization	(1,421)	(719)	(53)		(2,193)
Assets Whose Use Is Limited		35,582			35,582
Capital Assets Not Being Depreciated	3,632	12,498	1,387		17,517
Depreciable Capital Assets	200,001	389,500	36,926	69	626,496
Less Accumulated Depreciation	(94,997)	(294,682)	(13,355)	(49)	(403,083)
Leasehold Acquisition Costs			1,020		1,020
Less Accumulated Amortization			(1,020)		(1,020)
Deposits Held by Trustees	7,669				7,669
Deposits Held in Custody for Others	1,496				1,496
Other Assets		7,442			7,442
Total Non Current Assets	119,566	154,428	25,437	20	299,451
Total Assets	169,224	317,300	38,446	3,459	528,429
LIABILITIES					
CURRENT LIABILITIES:					
Accounts Payable	6,507	31,704	1,599	102	39,912
Accrued Liabilities		14,935	5,084		20,019
Interest Payable		1,459			1,459
Notes Payable - Current			46		46
Due To Primary Government	6,071		925		6,996
Unearned Revenue	16,171			79	16,250
Current Portion of Long Term Liabilities	4,205	2,380	1,455		8,040
Other Liabilities	641	14,832	1,886		17,359
Total Current Liabilities	33,595	65,310	10,995	181	110,081
NON CURRENT LIABILITIES:					
Notes Payable			291		291
Serial Bonds Payable	37,825	264,802	18,900		321,527
Accrued Vacation and Sick Pay	44,715	30,348		37	75,100
Estimated Liability for Litigation	2,500	39,736			42,236
Deposits Held in Custody for Others	1,496				1,496
Insurance Reserve Liability	1,775				1,775
Deferred Bond Premium Net of Amortization	2,426				2,426
Other Liabilities		2,198			2,198
Total Non Current Liabilities	90,737	337,084	19,191	37	447,049
Total Liabilities	124,332	402,394	30,186	218	557,130
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	66,457	25,316	6,077	20	97,870
Restricted:					
Special Revenue	2,006				2,006
Capital Projects	1,397				1,397
Debt Service	7,669		2,183		9,852
Student Loans	502				502
Unrestricted (deficit)	(33,139)	(110,410)		3,221	(140,328)
Total Net Assets (deficit)	\$ 44,892	\$ (85,094)	\$ 8,260	\$ 3,241	\$ (28,701)

See accompanying notes to financial statements.

EXHIBIT X-14

COUNTY OF NASSAU, NEW YORK

STATEMENT OF NET ASSETS
 ALL DISCRETELY PRESENTED COMPONENT UNITS
 DECEMBER 31, 2005 (WITH THE NASSAU COMMUNITY COLLEGE AUGUST 31, 2005)
 (Dollars in Thousands)

	Nassau Community College	Nassau Health Care Corporation	Nassau Regional Off-Track Betting Corp.	Nassau County Industrial Development Agency	Total
ASSETS					
CURRENT ASSETS:					
Cash and Cash Equivalents	\$ 39,807	\$ 12,944	\$ 11,738	\$ 2,314	\$ 66,803
Assets Whose Use Is Limited - Current		24,723			24,723
Student Accounts and Loans Receivable	5,490				5,490
Less Allowance for Doubtful Amounts	(1,872)				(1,872)
Due from Other Governments	2,921	48,867			51,788
Other Receivables	95	17,635		10	17,740
Accounts Receivable		246,123	602	28	246,753
Less Allowance for Doubtful Amounts		(153,860)			(153,860)
Inventories		4,862			4,862
Other Assets - Current	1,269	11,101	268	7	12,645
Total Current Assets	47,710	212,395	12,608	2,359	275,072
NON CURRENT ASSETS:					
Deferred Financing Costs	3,011	4,806	532		8,349
Less Accumulated Amortization	(1,179)	(423)	(18)		(1,620)
Assets Whose Use Is Limited		38,410			38,410
Capital Assets Not Being Depreciated	3,631	13,278	2,328		19,237
Depreciable Capital Assets	199,112	374,862	35,018	67	609,059
Less Accumulated Depreciation	(90,656)	(279,133)	(11,179)	(41)	(381,009)
Leasehold Acquisition Costs			1,020		1,020
Less Accumulated Amortization			(952)		(952)
Deposits Held by Trustees	6,945				6,945
Deposits Held in Custody for Others	1,428				1,428
Other Assets		4,823			4,823
Total Non Current Assets	122,292	156,623	26,749	26	305,690
Total Assets	170,002	369,018	39,357	2,385	580,762
LIABILITIES					
CURRENT LIABILITIES:					
Accounts Payable	8,002	42,473	2,232	7	52,714
Accrued Liabilities		27,574	2,807		30,381
Notes Payable - Current			43		43
Due To Primary Government	4,923	34,532	475		39,930
Unearned Revenue	15,217			63	15,280
Current Portion of Long Term Liabilities	3,715	2,370	3,554		9,639
Other Liabilities	979	16,805	1,899		19,683
Total Current Liabilities	32,836	123,754	11,010	70	167,670
NON CURRENT LIABILITIES:					
Notes Payable			337		337
Serial Bonds Payable	41,500	265,049	20,355		326,904
Accrued Vacation and Sick Pay	41,551	28,430		31	70,012
Estimated Liability for Litigation	2,500	28,969			31,469
Deposits Held in Custody for Others	1,428				1,428
Insurance Reserve Liability	1,692				1,692
Deferred Bond Premium Net of Amortization	2,028				2,028
Total Non Current Liabilities	90,699	322,448	20,692	31	433,870
Total Liabilities	123,535	446,202	31,702	101	601,540
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	66,710	26,691	6,927	26	100,354
Restricted:					
Special Revenue	2,368				2,368
Capital Projects	1,748				1,748
Debt Service	6,946		728		7,674
Student Loans	501				501
Unrestricted (deficit)	(31,806)	(103,875)		2,258	(133,423)
Total Net Assets (deficit)	\$ 46,467	\$ (77,184)	\$ 7,655	\$ 2,284	\$ (20,778)

See accompanying notes to financial statements.

COUNTY OF NASSAU, NEW YORK

STATEMENT OF ACTIVITIES
 DISCRETELY PRESENTED COMPONENT UNITS - PROPRIETARY
 FOR THE YEAR ENDED DECEMBER 31, 2006 (WITH THE NASSAU COMMUNITY COLLEGE AUGUST 31, 2006)
 (Dollars in Thousands)

	Nassau Community College	Nassau Health Care Corporation	Nassau Regional Off-Track Betting Corp.	Nassau County Industrial Development Agency	Total
Expenses	\$ 183,498	\$ 483,117	\$ 76,076	\$ 560	\$ 743,251
Program Revenues:					
Charges for Services	51,182	470,102	72,139	1,386	594,809
Operating Grants and Contributions	129,760				129,760
Capital Grants and Contributions			1,077		1,077
Total Program Revenues	180,942	470,102	73,216	1,386	725,646
Net (Expenses) Program Revenues	(2,556)	(13,015)	(2,860)	826	(17,605)
General Revenues (Expenses):					
Investment Income	496	3,960	510	131	5,097
Other	485	1,145	2,955		4,585
Net General Revenues (Expenses)	981	5,105	3,465	131	9,682
Change in Net Assets	(1,575)	(7,910)	605	957	(7,923)
Net Assets - Beginning of Year	46,467	(77,184)	7,655	2,284	(20,778)
Net Assets - End of Year	\$ 44,892	\$ (85,094)	\$ 8,260	\$ 3,241	\$ (28,701)

See accompanying notes to financial statements.

COUNTY OF NASSAU, NEW YORK

STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS - PROPRIETARY
FOR THE YEAR ENDED DECEMBER 31, 2005 (WITH THE NASSAU COMMUNITY COLLEGE AUGUST 31, 2005)
(Dollars in Thousands)

	Nassau Community College	Nassau Health Care Corporation	Nassau Regional Off-Track Betting Corp.	Nassau County Industrial Development Agency	Total
Expenses	\$ 173,936	\$ 467,226	\$ 77,502	\$ 420	\$ 719,084
Program Revenues:					
Charges for Services	46,689	453,829	72,182	1,346	574,046
Operating Grants and Contributions	129,305				129,305
Capital Grants and Contributions			1,091		1,091
Total Program Revenues	175,994	453,829	73,273	1,346	704,442
Net (Expenses) Program Revenues	2,058	(13,397)	(4,229)	926	(14,642)
General Revenues (Expenses):					
Investment Income	248	2,078	299	45	2,670
Other	33	(894)	3,116		2,255
Net General Revenues (Expenses)	281	1,184	3,415	45	4,925
Change in Net Assets	2,339	(12,213)	(814)	971	(9,717)
Net Assets - Beginning of Year	44,128	(64,971)	8,469	1,313	(11,061)
Net Assets - End of Year	\$ 46,467	\$ (77,184)	\$ 7,655	\$ 2,284	\$ (20,778)

See accompanying notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005**

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, *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 either it is 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 No. 14. The Nassau County Interim Finance Authority (NIFA) is included, because exclusion would be misleading. 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 - governmental as the County appoints its governing body, the County approves its budget, issues debt for College purposes and provides approximately 27% of the College's revenues through a Countywide real property tax levy. 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 the Governmental Accounting Standards Board ("GASB"): Statement No.35, Basic Financial Statements – and Management's Discussion and Analysis for Public Colleges and Universities*, and in accordance with the New York State Education Law. Therefore, the College is discretely presented. This component unit is presented as of and for its fiscal years ended August 31, 2006 and 2005.

Financial Reporting Entity – GASB Statement No. 39, an amendment of GASB Statement No. 14, was issued and became effective for the year ended August 31, 2006. This statement provided additional guidance in determining whether certain organizations for which the primary government is not financially accountable should be reported as component units based on the nature and significance of their relationship with the primary government. As a result of this statement, the College's financial statements include two component units as of August 31, 2006 and 2005.

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.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Discretely Presented Component Units (Continued)

Each component unit is reported separately to emphasize that they are legally separate from the primary government. Each of the College's discretely presented component units has a fiscal year end of August 31st, the same as that of the College.

- (b) Nassau Health Care Corporation (the "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. Concurrent with the transaction, \$259.7 million of Nassau Health Care Corporation Health System Revenue Bonds, Series 1999 were issued. During 2004, \$303,355,000 of Nassau Health Care Corporation Bonds, Series 2005 were issued to refund the Corporation's Revenue Bond Series 1999, fund certain capital projects and provide working capital. The bonds are insured and guaranteed by the County. NHCC is fiscally dependent on the County should certain NHCC debt service reserve funds fall below their requirements. 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. The Corporation accounts for its investment in the limited liability company using the equity method.

The Board of the NHCC consists of fifteen voting and three nonvoting Directors. Eight voting Directors are appointed by the Governor, four by the County Legislature and three by the County Executive. The nonvoting Directors are the Chief Executive Officer of NHCC, one individual appointed by the County Executive and one individual appointed by the County Legislature. 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.

- (c) The Nassau Regional Off-Track Betting Corporation (the "OTB") was created by the New York State Legislature as a public benefit corporation. It is reported as a component unit as the County Legislature appoints its governing body and receives 4.375% of wagers made at Nassau 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 years ended December 31, 2006 and 2005, respectively.
- (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 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 provides support to the NCIDA in the form of employees and facilities. Support expenditures are 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 years ended December 31, 2006 and 2005, respectively.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Blended Component Unit

- (a) *Nassau County Interim Finance Authority* (“NIFA”) is included as a blended component unit of the County’s primary government pursuant to GASB No. 14 because exclusion would be misleading. 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 special revenue funds, debt service funds and capital projects funds.

The Nassau County Interim Finance Authority 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 2004 (the “Act”). The Act became effective June 23, 2000.

The Authority 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 two Director’s positions are vacant.

The Authority 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. The Authority is also empowered to issue its bonds and notes for various County purposes, defined in the Act as “Financeable Costs”. The Act authorizes the issuance of bonds and notes, without limit, to finance capital projects and cash flow needs of the County, as well as, to the extent authorized by State law, any County deficit. In addition, the Authority may issue bonds up to the limits as currently set forth in the Act, exclusive of any bonds issued to finance reserves, capitalized interest or costs of issuing such obligations, to refinance any County’s indebtedness (up to \$415,000,000); to refinance only tax certiorari settlements or assignments of any kind to which the County is a party (up to \$790,000,000); and to finance tax certiorari judgments and settlements of the County (up to \$400,000,000 if the proceeding commenced before June 1, 2000 and up to \$400,000,000, in aggregate, for proceedings commenced between June 1, 2000 and December 31, 2007, however of said amount approximately \$1.7 million of such capacity remains that could be borrowed in 2007. Bonds issued to refund bonds theretofore issued for purposes subject to the debt limits described above are not counted against such limits. The Act currently provides that the Authority may not issue bonds or notes after 2005, other than to retire or otherwise refund Authority debt and as discussed above to finance up to \$1.7 million for tax certiorari purposes in 2007. No bond of the Authority may mature later than January 31, 2036 or more than 30 years from its date of issuance.

Revenues of the Authority (“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 Authority accounts. Sales Tax Revenues collected by the State Comptroller for transfer to the Authority are not subject to appropriation by the State or County. Revenues of the Authority that are not required to pay debt service, operating expenses and other costs of the Authority are payable to the County as frequently as practicable.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005**

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

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

The board of directors of NCTSC has three members, one of which must meet certain requirements of independence: (i) one elected by 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). Currently only two positions are occupied.

On November 23, 1999, NCTSC entered into a Purchase and Sale 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 Decree and Final Judgment (the “Decree”). These rights include the County’s share of all Tobacco Settlement Revenues 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 \$247,500,000 cash (of which \$77,500,000 was paid into escrow for the benefit of the County) and the sole beneficial interest in NCTSC Residual Trust, a Delaware business trust to which NCTSC has conveyed a residual interest in all the Tobacco Settlement Revenues, annually received in excess of those required to pay debt service on the Series A Bonds (the “Residual”). NCTSC’s right to receive Tobacco Settlement Revenues is its most significant asset and is expected to produce funding for all its obligations.

On March 31, 2006, NCTSC, issued \$431,034,246 of Nassau County Tobacco Settlement Corporation Tobacco Settlement Asset-Backed bonds, Series 2006. Proceeds were used to refund all of NCTSC’s 1999 Bonds and 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.

- (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, 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 \$350,000,000 for such purposes (exclusive of debt issued to refund or otherwise repay the NCSSWFA debt).

The NCSSWFA has acquired all of the sewer and storm water resources facilities, buildings, equipment and related assets other than land 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 is to pay for the assets acquired in installments by undertaking to pay debt service on outstanding bonds issued by or on behalf of the County originally issued 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. Most of the NCSSWFA’s revenues are derived through the imposition by the County of assessments for sewer and storm

NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2006 AND 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Blended Component Unit (Continued)

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 “District”). The District is responsible for the operations of the County’s sewer and storm water resources services.

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

Nassau Community College
 One Education Drive
 Garden City, New York 11530

Nassau Regional Off-Track Betting Corp.
 220 Fulton Avenue
 Hempstead, New York 11550

Nassau County Industrial
 Development Agency
 1550 Franklin Avenue
 Mineola, New York 11501

Nassau Health Care
 Corporation
 2201 Hempstead Turnpike
 East Meadow, New York 11554

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

Nassau County Tobacco
 Settlement Corporation
 240 Old Country Road
 Mineola, New York 11501

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

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), which represents a very significant change in the financial reporting model used by state and local governments. 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. Significantly, the County’s statement of net assets includes both noncurrent assets and noncurrent

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005**

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

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, Debt Service Fund, County Parks and Recreation Fund, Fire Prevention, Safety, Communication and Education Fund, Police District Fund, Police Headquarters 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.

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 Fund, Major Special Revenue Funds and Nonmajor Special Revenue Funds' budgets with actual results.

The Nassau Community College prepares its financial statements in accordance with GASB No. 35, "*Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*".

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.

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:

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005**

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

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 (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 nonmajor 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."

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 Countywide services. Its principal sources of revenue are sales tax, the Countywide real property tax, other local taxes and charges, departmental revenues, and Federal and State aid.

NIFA General Fund - This fund accounts for sales tax revenues received by NIFA and for general operating expenses of NIFA. Short term borrowings of NIFA are also accounted for in its General Fund except for those bond anticipation notes intended to be refinanced with long term obligations, which are accounted for in the NIFA's Capital Fund.

Debt Service Funds - The debt service fund is established to account for the payment of the principal of and interest on outstanding bonds and other long-term obligations of the County.

Fire Prevention, Safety, Communication and Education Fund - This fund is used to enforce the Nassau County Fire Prevention Ordinance, coordinate services to the County's Volunteer Fire Departments, investigate arson and provide education at the EMT Academy. Revenues are raised primarily through a special property tax levied on a County-wide basis.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005**

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

Sewer and Storm Water District Fund – This 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.

County Parks and Recreation Fund – This fund has been established to maintain parks, museums and all recreational facilities. The principal sources of revenue in this fund are user fees and through a special real property tax levied on a County-wide basis.

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. This fund does not include Police Department headquarters expenses which are funded through the Police Headquarters Fund.

Police Headquarters Fund - This fund is used to record all the costs of police headquarters. Revenues are raised principally through a special real property tax levied on a County-wide basis. The Police Department headquarters services the entire County with all police services that the local police departments cannot provide.

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 June 2004, GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The Statement 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 County has not completed the process of evaluating the impact that will result from adopting Statement of Governmental Accounting Standards No. 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other Than Pensions*; and is therefore unable to disclose the impact that adopting Statement of Governmental Accounting Standards No. 45 will have on its financial position and results of operations when such statement is required to be adopted for FY 2007.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005**

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

In December 2004, GASB issued Statement No. 46, *Net Assets Restricted by Enabling Legislation*. This statement clarifies that a legally enforceable enabling legislation restriction is one that a party external to a government can compel a government to honor. The County has determined that the adoption of this statement has no impact on the County's financial statements.

In July 2005, GASB issued statement No. 47, *Accounting for Termination Benefits*. There was no impact on the County's financial statements as a result of the implementation of Statement No. 47. For termination benefits provided through a deferred benefit OPEB plan, the provisions of this Statement will be implemented in conjunction with Statement No. 45, and therefore the County is unable to disclose the impact that adopting Statement of Governmental Accounting Standards No. 47 will have on its financial position and results of operations when such statement is required to be adopted for FY 2007.

In September 2005, GASB issued the Proposed Statement No. 48, *Sales and Pledges of Receivables and Future Revenues* which should be implemented beginning with fiscal years ending December 31, 2007. The County has not completed the process of implementing GASB Statement No. 48 and is therefore unable to determine the impact that adopting this statement will have on its financial position and results of operations when such statement is adopted.

In January 2006, GASB issued the Proposed Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* which is effective for periods beginning after December 15, 2007. The County has not completed the process of implementing GASB Statement No. 49 and is therefore unable to determine the impact that adopting this statement will have on its financial position and results of operations when such statement is adopted.

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. Nonexchange 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

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**B. BASIS OF ACCOUNTING AND MEASUREMENT FOCUS (Continued)**

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 accounting principles generally accepted in the United States of America: 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.

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".

C. BUDGETS AND BUDGETARY ACCOUNTING

An appropriated budget is legally adopted for each fiscal year for the General Fund, Debt Service 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 Legislature. During the fiscal years ended December 31, 2006 and 2005, supplemental appropriations for the General Fund, Debt Service Fund and for the Special Revenue Funds 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):

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BUDGETS AND BUDGETARY ACCOUNTING (Continued)

	2006	2005
Supplemental Appropriations:		
General Fund	\$ 16,471	\$ 31,822
Police District		4,107
Police Headquarters	2,249	9,286
Fire Prevention, Safety, Communication and Education	1,351	1,362
County Parks and Recreation	11	2,823
Debt Service Fund		50,792
Nonmajor Governmental		<u>5,200</u>
Total Supplemental Appropriations	\$ 20,082	\$ 105,392
Grant Fund Appropriated Budgets	<u>106,159</u>	<u>97,585</u>
Total Supplemental Appropriations and Grant Fund Appropriated Budgets	<u>\$ 126,241</u>	<u>\$ 202,977</u>

Appropriations which have not been expended or encumbered by the end of the fiscal period lapse at that time.

The County follows 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 appropriated budgets include proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer 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.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005**

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

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 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 as reservations of fund balances since they do not constitute expenditures or liabilities.

E. CASH AND INVESTMENTS

Cash includes amounts in demand deposits as well as short-term investments with original maturities of three months or less from the date acquired by the County. Investments are carried at cost, which approximates market, and are fully collateralized in accordance with the New York State Local Finance Law (the Law”).

During the course of the 2006 and 2005 fiscal years, the County discontinued investing in repurchase agreements and instead maintained approximately \$613.5 million and \$511.2 million of the total cash and cash equivalents of \$665.3 million and \$731.2 million, respectively, in money market interest bearing bank accounts at rates averaging 4.9% and 4.1% annually for the years ended December 31, 2006 and 2005, respectively.

F. 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.

G. 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

NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2006 AND 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. DEPRECIATION (Continued)

rational manner. GASB 34 states that capital assets should be depreciated over their estimated useful lives, unless they are inexhaustible. Pursuant to GASB 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, and 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 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 is recorded over the assets’ estimated useful lives using the straight-line method (4 to 20 years) and is 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 (4 to 20 years). Leasehold improvements are amortized over 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 basis over an estimated useful life of five years, utilizing the half-year convention.

Nassau County Sewer and Storm Water Finance Authority - Capital assets are depreciated over their economic useful life using straight-line method.

H. RESERVES

Portions of governmental fund equity are reserved for specific purposes, and are therefore not available as spendable resources.

I. 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 financial statements of net assets. The compensated absences for the governmental funds are treated as long term as they will not be liquidated with expendable

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**I. ACCUMULATED UNPAID VACATION, SICK PAY, AND OTHER EMPLOYEE BENEFITS (Continued)**

available financial resources. For those employees who have retired prior to December 31, 2006, any accumulated and unpaid benefits as of that date have been recorded in the government-wide financial statements of net assets.

J. GRANTS AND OTHER INTERGOVERNMENT 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.

K. 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 semiannual 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, the County assumes the burden of such uncollected taxes, and has the responsibility for their collection from the taxpayers.

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 constitutional tax limit controlling the levy of County real property taxes for 2006 and 2005 fiscal years was \$3.4 billion and \$3.2 billion, respectively. The constitutional tax margin was \$2.6 billion or approximately 76.57% in 2006 and \$2.4 billion or approximately 75.37% in 2005.

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 and 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.

L. 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.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**M. 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 financial statement of net assets.

N. 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 financial 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.

O. 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.

P. CLAIMS AND CONTINGENCIES

The County is self-insured with respect to risks including, but not limited to, property damage, personal injury, and workers' compensation. In the fund financial statements, expenditures for judgments and claims and workers' compensation are recorded when paid. In the government-wide financial statements the estimated liability for all judgments and claims is recorded as a liability.

Q. RECLASSIFICATIONS

Certain reclassifications were made to the 2005 financial statements to conform to the 2006 presentation.

R. 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.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005

2. DEPOSITS AND INVESTMENTS

In accordance 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.

Deposits - As required by law, all cash deposits and cash equivalents are required to be fully collateralized or insured. At December 31, 2006 and 2005, the carrying amount of the County's deposits was approximately \$439.5 and \$638.1 million, respectively and the bank balance was \$492.5 and \$538.1 million, respectively. The bank balance was 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.

Investments - To the extent authorized by law, in prior years the County has invested in repurchase agreements and certificates of deposit with various commercial banks and investment firms as approved by the New York State Comptroller. Repurchase agreements and certificates of deposit are collateralized by obligations of the United States Government. During the course of the 2006 and 2005 fiscal years, the County discontinued investing in repurchase agreements and instead maintained approximately \$613.5 and \$511.2 million of the total cash and cash equivalents of \$665.3 and \$731.2 million, respectively, in money market interest bearing bank accounts at rates averaging 4.9% and 4.1% annually, respectively.

The investments at December 31, 2006 and 2005 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.

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.

The following table summarizes the County's unrestricted cash and investment position at December 31, 2006, all investments mature in less than one year:

	<u>Total</u>	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
	(Dollars in Thousands)		
Cash	\$ 613,455	\$ 613,455	\$
Treasury Notes, Commercial Paper and Investment Contract	<u>136,017</u>	<u>51,831</u>	<u>84,186</u>
Totals	<u>\$ 749,472</u>	<u>\$ 665,286</u>	<u>\$ 84,186</u>
Governmental Funds	\$ 523,715	\$ 439,529	\$ 84,186
Fiduciary Fund	<u>225,757</u>	<u>225,757</u>	<u></u>
Totals	<u>\$ 749,472</u>	<u>\$ 665,286</u>	<u>\$ 84,186</u>

NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2006 AND 2005

2. DEPOSITS AND INVESTMENTS (Continued)

The following table summarizes the County's unrestricted cash and investment position at December 31, 2005:

	<u>Total</u>	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
	(Dollars in Thousands)		
Cash	\$ 511,173	\$ 511,173	\$
Treasury Notes & Commercial Paper	<u>250,849</u>	<u>220,032</u>	<u>30,817</u>
Totals	<u>\$ 762,022</u>	<u>\$ 731,205</u>	<u>\$ 30,817</u>
Governmental Funds	\$ 668,950	\$ 638,133	\$ 30,817
Fiduciary Fund	<u>93,072</u>	<u>93,072</u>	<u></u>
Totals	<u>\$ 762,022</u>	<u>\$ 731,205</u>	<u>\$ 30,817</u>

The County maintains a consolidated disbursement account with a financial institution on behalf of the College. At August 31, 2006 and 2005, the College had a cash balance of \$36.1 and of \$37.1 million, respectively; and the bank balance was \$35.9 and \$37.1 million, respectively. 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, 2006 and 2005, the carrying amount (fair value) of the College's investments was \$0.

At December 31, 2006 and 2005, the carrying amount of deposits for the OTB was \$11.7 and \$11.7 million; NHCC was \$22.9 and \$12.9 million; and NCIDA was \$3.4 million and \$2.3 million, respectively. The bank balance was \$12.0 and \$13.5 million for the OTB; NHCC was \$55.9 and \$51.9 million; and NCIDA was \$3.5 million and \$2.4 million, respectively. The bank balances were covered by Federal depository insurance or by collateral consisting of obligations of the United States Government which for the OTB, NHCC and NCIDA are held by an independent trustee serving as the OTB's, NHCC's and NCIDA's agent in the name of the OTB, NHCC and NCIDA.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005

3. DUE FROM OTHER GOVERNMENTS

The account "Due from Other Governments" at December 31, 2006 and 2005 represents aid, grants, and other amounts receivable from the State and Federal governments. The following summarizes such receivables (dollars in thousands):

Fund	2006			2005		
	Total	Federal	State/Other*	Total	Federal	State/Other*
General	\$ 163,845	\$ 41,668	\$ 122,177	\$ 146,018	\$ 36,399	\$ 109,619
Police Headquarters	502	94	408	1,541	1,541	
Nonmajor Governmental	13,256	4,606	8,650	13,713	6,633	7,080
Totals	<u>\$ 177,603</u>	<u>\$ 46,368</u>	<u>\$ 131,235</u>	<u>\$ 161,272</u>	<u>\$ 44,573</u>	<u>\$ 116,699</u>

* Includes \$10,677 and \$10,388 of sales taxes receivable at December 31, 2006 and 2005, respectively.

4. TAX REAL ESTATE

The account "Tax Real Estate" includes real property which the County has acquired through foreclosure proceedings. The property is valued at the amount of the delinquent tax liens which could not be sold at the public tax lien sale 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 bidders. 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 financial statements 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 at the public tax lien sale and which the County was required to retain. It also includes the value of tax sale certificates bought by the public at the tax lien sale which the County subsequently reacquired upon default of the purchaser.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005

6. RECONCILIATION OF INTERFUND AND COMPONENT UNIT RECEIVABLES AND PAYABLES

A. Interfund Receivables and Interfund Payables (dollars in thousands)

The individual fund Interfund Receivables and Interfund Payables as of December 31, 2006 and 2005 are reconciled as follows:

December 31, 2006	General Fund	NIFA General Fund	Debt Service Fund	Fire Comm Fund	Park Fund	Police District Fund	Police Headquarters Fund	Sewer & Storm Water District Fund	Nonmajor Funds	Total
INTERFUND RECEIVABLE										
General Fund	\$	\$	\$	\$	\$ 1,153	\$	\$	\$ 42,754	\$ 18,319	\$ 62,226
NIFA General	71,696								26,431	98,127
Debt Service Fund	38,458									38,458
Fire Comm Fund	2,883		752							3,635
Parks Fund			18,029				800		1,595	20,424
Police District	9,678		737				5,482		6,930	22,827
Police Headquarters	30,924		3,511							34,435
Sewer & Storm District			4,486							4,486
Nonmajor Funds	59,504		10,900	17	75	1,180	900	874	400	73,850
TOTAL RECEIVABLE	\$ 213,143	\$	\$ 38,415	\$ 17	\$ 1,228	\$ 1,180	\$ 7,182	\$ 43,628	\$ 53,675	\$ 358,468
INTERFUND PAYABLE										
General Fund	\$	\$ (71,696)	\$ (38,458)	\$ (2,883)	\$	\$ (9,678)	\$ (30,924)	\$	\$ (59,504)	\$ (213,143)
NIFA General										
Debt Service Fund				(752)	(18,029)	(737)	(3,511)	(4,486)	(10,900)	(38,415)
Fire Comm Fund									(17)	(17)
Parks Fund	(1,153)								(75)	(1,228)
Police District									(1,180)	(1,180)
Police Headquarters					(800)	(5,482)			(900)	(7,182)
Sewer & Storm District	(42,754)								(874)	(43,628)
Nonmajor Funds	(18,319)	(26,431)			(1,595)	(6,930)			(400)	(53,675)
TOTAL PAYABLE	\$ (62,226)	\$ (98,127)	\$ (38,458)	\$ (3,635)	\$ (20,424)	\$ (22,827)	\$ (34,435)	\$ (4,486)	\$ (73,850)	\$ (358,468)

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005

6. RECONCILIATION OF INTERFUND AND COMPONENT UNIT RECEIVABLES AND PAYABLES
(Continued)

A. Interfund Receivables and Interfund Payables (dollars in thousands) (Continued)

December 31, 2005	General	NIFA General	Debt Service	Fire Comm	Park	Police	Police	Sewer &	Nonmajor	Total	
	Fund	Fund	Fund	Fund	Fund	District Fund	Headquarters Fund	Storm Water District Fund	Funds		
INTERFUND RECEIVABLE											
General Fund	\$	\$	\$	\$	\$	\$	\$	\$	\$	37,195	\$ 37,195
NIFA General		74,035								27,554	101,589
Debt Service Fund		3,907								35,706	39,613
Fire Comm Fund		1,517		660						152	2,329
Parks Fund		8,748		18,021						130	26,899
Police District		11,951		775			4,444			5,825	22,995
Police Headquarters		7,664		6,286						1,240	15,190
Sewer & Storm District				7,727							7,727
Nonmajor Funds		18,563			13	8,459	8,017	994	87,817		123,863
TOTAL RECEIVABLE	\$ 126,385	\$	\$ 33,469	\$ 13	\$	\$ 8,459	\$ 12,461	\$ 994	\$ 195,619	\$	\$ 377,400
INTERFUND PAYABLE											
General Fund	\$	\$ (74,035)	\$ (3,907)	\$ (1,517)	\$ (8,748)	\$ (11,951)	\$ (7,664)	\$ (13,492)	\$ (5,071)	\$	\$ (126,385)
NIFA General											
Debt Service Fund				(660)	(18,021)	(775)	(6,286)	(7,727)			(33,469)
Fire Comm Fund										(13)	(13)
Parks Fund											
Police District										(8,459)	(8,459)
Police Headquarters							(4,444)			(8,017)	(12,461)
Sewer & Storm District										(994)	(994)
Nonmajor Funds		(37,195)	(27,554)	(35,706)	(152)	(130)	(5,825)	(1,240)		(87,817)	(195,619)
TOTAL PAYABLE	\$ (37,195)	\$ (101,589)	\$ (39,613)	\$ (2,329)	\$ (26,899)	\$ (22,995)	\$ (15,190)	\$ (21,219)	\$ (110,371)	\$	\$ (377,400)

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.

The total amounts shown as Due to Primary Government and Due from/to Component Units at December 31, 2006 and 2005 do not offset each other as they include accounts of the Nassau Community College at the end of their fiscal years on August 31, 2006 and 2005. The following reconciles the December 31, 2006 and 2005 amounts by carrying forward the Nassau Community College transactions affecting these accounts from September 1, 2006 through December 31, 2006 and from September 1, 2005 through December 31, 2005, respectively.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005

6. RECONCILIATION OF INTERFUND AND COMPONENT UNIT RECEIVABLES AND PAYABLES
(Continued)

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

	<u>Dollars in Thousands</u>	
	<u>2006</u>	<u>2005</u>
Net Due to Primary Government (Exhibit X-1)	<u>\$ (6,993)</u>	<u>\$ (39,930)</u>
Nassau Community College Transactions from September 1, to December 31:		
Increase in Due to ATF	\$ (12)	\$ (279)
Decrease in Due from Capital Fund	(1,397)	(1,145)
(Increase) Decrease in Due to Grant Fund	(26)	787
Decrease in Capital Chargeback	322	68
Decrease in Due to General Fund	<u>5,096</u>	<u>2,324</u>
Subtotals	3,983	1,755
Nassau Health Care Corporation		
Net Change in Encumbrances	(4,045)	1,085
NHCC Recognition of the IGT Revenues on the Cash Basis	<u>(6,500)</u>	
Subtotals	(10,545)	1,085
Due To/From Component Units - Fiduciary per Balance Sheet: (Exhibit X-13)	(1,155)	82
Net Due From Component Units - Governmental per Balance Sheet: (Exhibit X-1)	<u>14,710</u>	<u>37,008</u>
Net Due From Component Units Fiduciary and Governmental	<u>\$ 6,993</u>	<u>\$ 39,930</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005

7. PROPERTY, PLANT AND EQUIPMENT

Activity for capital assets excluding the Nassau Community College, which are capitalized by the County, is summarized below (dollars in thousands):

Primary Government	Balance, December 31, 2005	Additions	Deletions	Balance, December 31, 2006
Governmental activities:				
Capital Assets, Not Being				
Depreciated:				
Land	\$ 123,018	\$ 14,575	\$ 19	\$ 137,574
Construction in progress	<u>293,143</u>	<u>112,848</u>	<u>43,563</u>	<u>362,428</u>
Total Capital Assets, Not Being Depreciated	<u>416,161</u>	<u>127,423</u>	<u>43,582</u>	<u>500,002</u>
Capital Assets, Being Depreciated:				
Land Improvements	77,446	142	1	77,587
Buildings	648,558	2,405	56	650,907
Equipment	418,960	18,563	13,008	424,515
Infrastructure	<u>646,590</u>	<u>18,814</u>		<u>665,404</u>
Total Capital Assets, Being Depreciated	<u>1,791,554</u>	<u>39,924</u>	<u>13,065</u>	<u>1,818,413</u>
Total Capital Assets	<u>2,207,715</u>	<u>167,347</u>	<u>56,647</u>	<u>2,318,415</u>
Less Accumulated Depreciation:				
Land Improvements	27,216	3,531		30,747
Buildings	223,032	15,349	30	238,351
Equipment	228,071	31,525	11,847	247,749
Infrastructure	<u>380,969</u>	<u>21,136</u>		<u>402,105</u>
Total Accumulated Depreciation	<u>859,288</u>	<u>71,541</u>	<u>11,877</u>	<u>918,952</u>
Total Capital Assets, Being Depreciated, Net	<u>932,266</u>	<u>(31,617)</u>	<u>1,188</u>	<u>899,461</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,348,427</u>	<u>\$ 95,806</u>	<u>\$ 44,770</u>	<u>\$ 1,399,463</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

<u>Primary Government</u>	<u>Balance, December 31, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, December 31, 2005</u>
Governmental activities:				
Capital Assets, Not Being				
Depreciated:				
Land	\$ 114,421	\$ 8,636	\$ 39	\$ 123,018
Construction in progress	<u>259,745</u>	<u>77,508</u>	<u>44,110</u>	<u>293,143</u>
Total Capital Assets, Not Being Depreciated	<u>374,166</u>	<u>86,144</u>	<u>44,149</u>	<u>416,161</u>
Capital Assets, Being Depreciated:				
Land Improvements	73,959	3,487		77,446
Buildings	638,791	9,828	61	648,558
Equipment	418,771	30,496	30,307	418,960
Infrastructure	<u>620,247</u>	<u>26,343</u>		<u>646,590</u>
Total Capital Assets, Being Depreciated	<u>1,751,768</u>	<u>70,154</u>	<u>30,368</u>	<u>1,791,554</u>
Total Capital Assets	<u>2,125,935</u>	<u>156,298</u>	<u>74,517</u>	<u>2,207,715</u>
Less Accumulated Depreciation:				
Land Improvements	23,707	3,509		27,216
Buildings	211,011	12,022	1	223,032
Equipment	211,291	30,938	14,158	228,071
Infrastructure	<u>359,950</u>	<u>21,019</u>		<u>380,969</u>
Total Accumulated Depreciation	<u>805,959</u>	<u>67,488</u>	<u>14,159</u>	<u>859,288</u>
Total Capital Assets, Being Depreciated, Net	<u>945,809</u>	<u>2,666</u>	<u>16,209</u>	<u>932,266</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,319,975</u>	<u>\$ 88,810</u>	<u>\$ 60,358</u>	<u>\$ 1,348,427</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation expense was charged to functions of the County for the fiscal year ended December 31, 2006 and 2005 as follows (dollars in thousands):

December 31, 2006	<u>Land Improvements</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Total</u>
Functions:					
Legislative	\$	\$ 6	\$ 1	\$	\$ 7
Judicial	60	1,409	168		1,637
General Administration	85	1,189	2,444		3,718
Protection of Persons	9	1,639	5,760		7,408
Health		113	182		295
Public Works		277	2,073	20,443	22,793
Recreation and Parks	3,308	2,064	555	693	6,620
Social Services	60	338	93		491
Corrections		4,582	304		4,886
Other Expenditures/MSBA		660	8,861		9,521
Metropolitan Transportation Authority			11,084		11,084
Misc. Unclassified	<u>9</u>	<u>3,072</u>			<u>3,081</u>
Total Depreciation Expense	<u>\$ 3,531</u>	<u>\$ 15,349</u>	<u>\$ 31,525</u>	<u>\$ 21,136</u>	<u>\$ 71,541</u>

December 31, 2005	<u>Land Improvements</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Total</u>
Functions:					
Legislative	\$	\$ 6	\$	\$	\$ 6
Judicial	90	1,588	290		1,968
General Administration	60	1,143	2,341		3,544
Protection of Persons	9	1,600	5,436		7,045
Health		113	190		303
Public Works		278	1,407	20,319	22,004
Recreation and Parks	3,279	2,017	315	700	6,311
Social Services	60	489	284		833
Corrections		2,047	724		2,771
Other Expenditures/MSBA		660	8,868		9,528
Metropolitan Transportation Authority			11,083		11,083
Misc. Unclassified	<u>11</u>	<u>2,081</u>			<u>2,092</u>
Total Depreciation Expense	<u>\$ 3,509</u>	<u>\$ 12,022</u>	<u>\$ 30,938</u>	<u>\$ 21,019</u>	<u>\$ 67,488</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

Sources of funding of the general fixed assets at December 31, 2006 and 2005 were as follows (dollars in thousands):

December 31,	2006	2005
Long Term Serial Bonds	\$ 1,946,951	\$ 1,842,406
Temporary Financing and Bond Anticipation Notes	59,922	57,517
Federal Grants	7,151	4,929
New York State Grants	45,945	44,854
General Fund Revenues	121,675	120,410
Special Revenue Funds Revenues	58,813	56,588
Gifts	28,577	28,577
Acquisitions Prior to December 31, 1985	43,924	46,977
Capitalized Lease	5,457	5,457
Total Funding Sources	\$ 2,318,415	\$ 2,207,715

General capital assets of the County by function at December 31, 2006 and 2005 were as follows (dollars in thousands):

	2006	2005
Legislative	\$ 364	\$ 331
Judicial	80,004	79,329
General Administration	107,637	91,779
Protection of Persons	138,592	137,341
Health	9,061	8,905
Public Works	1,747,495	1,716,992
Recreation and Parks	213,828	211,686
Social Services	25,607	25,601
Corrections	191,478	190,993
Other Expenditures/MSBA	142,431	144,481
Metropolitan Transportation Authority	140,040	140,040
Misc. Unclassified	193,096	193,115
Construction Work in Progress	362,428	293,143
Total	3,352,061	3,233,736
Less: Accumulated Depreciation	1,019,240	920,691
Total Net Capital Assets	\$ 2,332,821	\$ 2,313,045

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

The following is a summary of the Nassau County Sewer and Storm Water Finance Authority capital assets at cost, except as noted (dollars in thousands):

Property, Plant & Equipment	Balance, December 31, 2004	Additions	Disposals	Balance, December 31, 2005	Additions	Disposals	Balance, December 31, 2006
Buildings	\$ 305,658	\$ 142	\$ 65	\$ 305,735	\$ 2,263		\$ 307,998
Equipment	665	27	3	689			689
Infrastructure	719,211	386		719,597	5,362		724,959
Total Capital Assets	\$ 1,025,534	\$ 555	\$ 68	\$ 1,026,021	\$ 7,625		\$ 1,033,646
Less Accumulated Depreciation:							
Buildings	\$ 5,403	\$ 8,798	\$ 4	\$ 14,197	\$ 8,997		\$ 23,194
Equipment	47	49		96	61		157
Infrastructure	18,016	29,094		47,110	29,827		76,937
Total Accumulated Depreciation	23,466.00	37,941	4	61,403	38,885		100,288
Property, Plant & Equipment (Net)	\$ 1,002,068	\$ (37,386)	\$ 64	\$ 964,618	\$ (31,260)		\$ 933,358

Total combined Property, Plant & Equipment of the County, including its blended component unit, Nassau County Sewer and Storm Water Finance Authority, is \$3,352,061 with the Accumulated Depreciation of \$1,019,240.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

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

Property, Plant & Equipment	Balance, August 31, 2004			Balance, August 31, 2005			Balance, August 31, 2006		
		Additions	Disposals		Additions	Disposals		Additions	Disposals
Not Being Depreciated:									
Land	\$ 2,733	\$	\$	\$ 2,733	\$	\$	\$ 2,733		
Library*	883	15		898	1		899		
Total	<u>3,616</u>	<u>15</u>		<u>3,631</u>	<u>1</u>		<u>3,632</u>		
Property, Plant & Equipment Being Depreciated:									
Land Improvements	1,133			1,133			1,133		
Infrastructure	1,275			1,275			1,275		
Buildings	166,016	50		166,066	65		166,131		
Building Improvements	23,831	193		24,024	755		24,779		
Equipment	5,978	186	65	6,099	487	339	6,247		
Total Capital Assets, Being Depreciated	<u>198,233</u>	<u>429</u>	<u>65</u>	<u>198,597</u>	<u>1,307</u>	<u>339</u>	<u>199,565</u>		
Total Capital Assets	<u>201,849</u>	<u>444</u>	<u>65</u>	<u>202,228</u>	<u>1,308</u>	<u>339</u>	<u>203,197</u>		
Less Accumulated Depreciation:									
Land Improvements	653	49		702	49		751		
Infrastructure	608	64		672	64		736		
Buildings	69,705	3,112		72,817	3,113		75,930		
Building Improvements	9,732	1,164		10,896	1,196		12,092		
Equipment	5,033	248	65	5,216	323	335	5,204		
Total Accumulated Depreciation	<u>85,731</u>	<u>4,637</u>	<u>65</u>	<u>90,303</u>	<u>4,745</u>	<u>335</u>	<u>94,713</u>		
Net Property, Plant & Equipment									
Being Depreciated	<u>112,502</u>	<u>(4,208)</u>		<u>108,294</u>	<u>(3,438)</u>	<u>4</u>	<u>104,852</u>		
Property, Plant & Equipment (Net)	<u>\$ 116,118</u>	<u>\$ (4,193)</u>	<u>\$</u>	<u>\$ 111,925</u>	<u>\$ (3,437)</u>	<u>\$ 4</u>	<u>\$ 108,484</u>		

*Library items include books and audiovisual items, all of which are assigned a nominal value of \$5 per item. Periodicals and micro-forms are excluded.

NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2006 AND 2005

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

Capital assets of the Faculty-Student Association, the Component unit of Nassau Community College as of August 31, 2005 and 2006 respectively, consisted of the following (dollars in thousands):

	Balance, August 31, 2005	Balance, August 31, 2006
Property, Plant & Equipment	<u> </u>	<u> </u>
Furniture and Equipment	\$ 328	\$ 247
Vans	<u>187</u>	<u>189</u>
Total Capital Assets	<u>515</u>	<u>436</u>
Less Accumulated Depreciation:	<u>353</u>	<u>284</u>
Total Capital Assets (Net)	<u>\$ 162</u>	<u>\$ 152</u>

Total Property, Plant and Equipment of the Nassau Community College and Faculty-Student Association, the component unit of Nassau Community College as of August 31, 2006, were \$203,633 with the accumulated depreciation of \$94,997.

8. 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. The County leases a building valued at \$5.5 million, under a capital lease. 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 ended December 31, 2006 and 2005 were approximately \$6.3 and \$5.4 million, respectively.

NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2006 AND 2005

8. LEASES (Continued)

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

	Capital Leases	Operating Leases	Total
	<u> </u>	<u> </u>	<u> </u>
Governmental Activities			
Fiscal Year Ending December 31,			
2007	\$ 741	\$ 6,874	\$ 7,615
2008	749	7,010	7,759
2009	757	7,150	7,907
2010	766	6,894	7,660
2011	777	6,991	7,768
2012-2016	4,052	35,402	39,454
2017-2021	4,367		4,367
2022-2026	3,348		3,348
Future Minimum Payments	<u>\$ 15,557</u>	<u>\$ 70,321</u>	<u>\$ 85,878</u>
Less Interest	<u>9,990</u>		
Present Value of Future Minimum Lease Payments	<u>\$ 5,567</u>		

NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2006 AND 2005

8. LEASES (Continued)

The County also leases County-owned property to others and the leases are classified as operating leases. Total rental revenue on these leases for 2006 and 2005 was \$6.0 and \$5.9 million, respectfully.

As of December 31, 2006, the following future minimum rentals are provided for by the leases (dollars in thousands):

Fiscal Year Ending <u>December 31</u>	Operating <u>Leases</u>
2007	\$ 5,873
2008	5,930
2009	6,107
2010	6,234
2011	6,282
2012-2016	29,835
2017-2021	16,372
2022-2026	5,921
2027-2031	1,397
2032-2036	329
2037-2041	329
2042-2046	329
2047-2051	329
2052-2056	329
2057-2061	329
2062-2066	329
2067-2071	329
2072-2076	329
2077-2079	<u>79</u>
Total	<u>\$ 86,991</u>

These leases are for land and buildings with the total cost and carrying amount of \$10,552,023 for land, and the original cost, accumulated depreciation and carrying cost of \$19,793,464, \$18,556,337 and \$1,237,087 respectively for buildings at December 31, 2006.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005

9. NOTES PAYABLE AND LONG-TERM OBLIGATIONS

County of Nassau Notes Payable

On December 8, 2006 the County issued \$100,000,000 Tax Anticipation Notes, Series 2006 A and \$50,000,000 Tax Anticipation Notes, Series 2006 B, (the "2006 A Notes" and "2006 B Notes", respectively). The Notes were issued to finance cash flow needs of Nassau County. The 2006 A Notes bear interest at the rate of 4.00% - 4.25% per annum, pay interest only at maturity, and will mature on September 30, 2007. The 2006 B Notes bear interest at the rate of 4.00% per annum, pay interest only at maturity, and will mature on October 31, 2007.

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

	Balance, December 31, <u>2004</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2005</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2006</u>
General Fund:							
Tax Anticipation Notes - (4.0% to 4.25% issued in 2006, maturity dates in 2007)	\$	\$	\$	\$	\$ 150,000	\$	\$ 150,000
Tax Anticipation Notes - (4.25% to 4.5% issued in 2005, maturity dates in 2006)	<u> </u>	<u>120,000</u>	<u> </u>	<u>120,000</u>	<u> </u>	<u>120,000</u>	<u> </u>
Total General Fund	<u>\$</u>	<u>\$ 120,000</u>	<u>\$</u>	<u>\$ 120,000</u>	<u>\$ 150,000</u>	<u>\$ 120,000</u>	<u>\$ 150,000</u>

Long-term obligations of the County, NIFA, NCTSC and NCSSWFA are recorded in the government-wide financial statements of net assets. The amounts including the range of interest rates, issue dates, and maturity dates, are as follows (dollars in thousands):

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005

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

Long – Term Obligations

	Balance, December 31, 2004			Balance, December 31, 2005			Balance, December 31, 2006		Due Within One Year
		Additions	Reductions		Additions	Reductions			
General Long-Term Obligations									
Debt:									
General Obligation County Bonds - (2.90% to 11.50%, issued in 1970 through 2000, maturity dates 2002 through 2024)	\$ 750,955	\$	\$ 257,718	\$ 493,237	\$	\$ 111,201	\$ 382,036	\$ 93,298	
Sewage purpose bonds - (2.20% to 7.90%, issued in 1970 through 2000, maturity dates 2002 through 2020) - County	148,324		20,016	128,308		23,132	105,176	21,784	
State Water Pollution Control Revolving Fund revenue bonds - (2.65% to 7.10%, issued in 1991 through 2002, maturity dates 2002 through 2029) - County	170,584	1,774	8,199	164,159		8,345	155,814	8,434	
Total Serial Bonds - County	1,069,863	1,774	285,933	785,704		142,678	643,026	123,516	
Sales Tax Secured Bonds, Series 2000A 4.50% to 5.625% Serial and term bonds due 2002 to 2020 - NIFA	22,595		9,750	12,845			12,845		
Sales Tax Secured Bonds, Series 2001A 4% to 5.375% Serial and term bonds due 2002 to 2021 - NIFA	69,730		7,035	62,695		6,740	55,955	7,555	
Sales Tax Secured Bonds, Series 2002A&B (variable rate)Term Bond Due 2022 with mandatory sinking fund redemptions 2003-2021 - NIFA	215,305		7,650	207,655		8,035	199,620	8,440	
Sales Tax Secured Bonds, Series 2003A&B 2% to 6% Serial Bonds Due 2023 with mandatory sinking fund redemptions 2004-2023 - NIFA	500,160		20,235	479,925		22,625	457,300	34,675	
Sales Tax Secured Bonds, Series 2004A 2% to 5% Serial Bonds due 2005 to 2013	153,360		3,835	149,525		6,395	143,130	21,695	
Sales Tax Secured Variable Rate Bonds, Series 2004 B-G Auction Rate Securities due 2016 to 2024	450,000			450,000			450,000		
Sales Tax Secured Bonds, Series 2004H 2.15% to 5% Serial Bonds due 2005 to 2017	187,275		3,255	184,020		4,665	179,355	3,190	
Sales Tax Secured Bonds, Series 2004 I-K Auction Rate Securities due 2025	150,000			150,000			150,000		
Sales Tax Secured Bonds, Series 2005A Auction Rate Securities due 2024		124,200		124,200			124,200	3,650	
Sales Tax Secured Bonds, Series 2005 B-C Auction Rate Securities due 2025		122,300		122,300			122,300		
Sales Tax Secured Bonds, Series 2005D Auction Rate Securities due 2025		143,795		143,795			143,795	770	
Nassau County Sewer and Storm Water Finance Authority System Revenue Bonds, Series 2004A&B 1.4% to 5% 2002-2029	81,550		2,975	78,575		3,125	75,450	3,225	
Tobacco Settlement Asset-Backed Bonds, Series A (variable rate)Term Bond Due 2029 with mandatory sinking fund redemptions 2004-2039 - NCTSC	275,295		3,170	272,125		272,125			
Series 2006A Senior Bonds 2006 - 2046					372,090		372,090		
Series 2006B-E CABs Due 2046 -2060					58,944		58,944		
Total Serial Bonds - NIFA, NCSSWFA, NCTSC	\$ 2,105,270	\$ 390,295	\$ 57,905	\$ 2,437,660	\$ 431,034	\$ 323,710	\$ 2,544,984	\$ 83,200	

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005

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

Long – Term Obligations (Continued)

	Balance, December 31, 2004			Balance, December 31, 2005			Balance, December 31, 2006			Due Within One Year
	Balance	Additions	Reductions	Balance	Additions	Reductions	Balance	Additions	Reductions	
General Long-Term Obligations (continued)										
Other:										
Deferred Payroll	\$ 37,188	\$ 1,085	\$ 3,991	\$ 34,282	\$ 8,127	\$ 5,572	\$ 36,837			\$ 36,837
Accrued Vacation and Sick Pay	594,450	68,977	48,148	615,279	60,804	139,252	536,831			23,244
Capital Lease Obligations	5,573	1		5,574		7	5,567			17
Estimated Tax Certiorari Payable	310,502	71,232	250,734	131,000	76,760	70,560	137,200			50,000
Estimated Liability for Litigation & Malpractice Claims	234,352	7,644	16,996	225,000	7,105	7,105	225,000			9,837
Estimated Liability for Workers' Compensation	84,484	21,093	16,660	88,917	62,315	18,601	132,631			
Total Other	1,266,549	170,032	336,529	1,100,052	215,111	241,097	1,074,066			119,935
Total General Long-Term Obligations	\$ 4,441,682	\$ 562,101	\$ 680,367	\$ 4,323,416	\$ 646,145	\$ 707,487	\$ 4,262,074			\$ 326,651

Revenues from the Special Revenue Sewer Funds will be utilized to finance the debt service for the Sewer purpose bonds and a portion of the State Water Pollution Control Revolving Fund revenue bonds. All other debt service will be financed by the General Fund. Also, for the governmental activities, claims and judgments are generally liquidated by the general fund and compensated absences are liquidated principally by the general, police, parks and fire safety funds.

During 2006, NCTSC issued \$431,034,246 of Tobacco Settlement Asset-Backed Bonds, Series 2006 pursuant to an Amended and Restated Indenture dated as of March 1, 2006. The Series 2006 Bonds consist of the "Series 2006A-1 Taxable Senior Current Interest Bonds" of \$42,645,000, the "Series 2006A-2 Senior Convertible Bonds" of \$37,905,610, the "Series 2006A-3 Senior Current Interest Bonds" of \$291,540,000, and the "Series 2006B-E Subordinate CABs" of \$58,943,636. NCTSC has used the proceeds from the Series 2006 Bonds to (i) refund all of the 1999 Bonds currently outstanding in the aggregate principal amount of \$272,125,000; (ii) fund a liquidity reserve for the Series 2006 Senior Bonds of \$24,009,156; (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 December 1, 2007 payment; and (vi) pay certain amounts to the Residual Trust as registered owner of the Residual Certificate. The Government wide financial statements show Series 2006 Bonds in the amount of \$431,034,246 which were issued with the discount of \$9,010,405 and issuer's discount of \$3,836,330, for net proceeds of \$418,187,511, reported in the statement of revenues, expenditures and changes in fund balances.

NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2006 AND 2005

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

Long – Term Obligations (Continued)

The annual requirements and sources to amortize the County’s General Obligation serial bonds payable as of December 31, 2006 are as follows (dollars in thousands):

Year Ending	Debt Service Requirements			Sources		
	Principal	Interest	Total	General County Budgets	Sewage District Budgets	Total
2007	\$ 123,516	\$ 32,405	\$ 155,921	\$ 112,367	\$ 43,553	\$ 155,920
2008	107,981	26,191	134,172	92,879	41,293	134,172
2009	94,573	20,654	115,227	79,865	35,363	115,228
2010	79,229	15,777	95,006	64,235	30,771	95,006
2011	55,714	11,949	67,663	41,978	25,685	67,663
2012-2016	107,585	33,221	140,806	47,269	93,537	140,806
2017-2021	44,724	15,087	59,811	2,582	57,229	59,811
2022-2026	25,809	4,091	29,900		29,900	29,900
2027-2031	3,685	388	4,073		4,073	4,073
2032-2035	210	14	224		224	224
Total	\$ 643,026	\$ 159,777	\$ 802,803	\$ 441,175	\$ 361,628	\$ 802,803

The County’s constitutional debt margin was approximately \$14.6 and \$12.7 billion and total long-term obligation bonds authorized but unissued for general County and sewage district purposes were approximately \$1,271.1 and \$788.0 million at December 31, 2006 and 2005, respectively.

NIFA Long-Term Debt

Bonds of the Authority are issued pursuant to an Indenture, as supplemented and amended (the “Indenture”) between the Authority and the United States Trust Company of New York and its successor The Bank of New York (the “Trustee”), under which the Authority has pledged its right, title and interest in the Revenues of the Authority to secure repayment of Authority debt. The Act provides that the Authority’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 Authority bonds is prior to all other liens thereon. The Authority does not have any significant assets or sources of funds other than Sales Tax Revenues and amounts on deposit pursuant to the Indenture. The Authority does not have independent taxing power.

As of December 31, 2006 the NIFA had outstanding bonds in the amount of \$2,038,500,000. NIFA did not issue any new short or long term debt in 2006.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005**

9. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)**NIFA Long-Term Debt (Continued)**

NIFA's debt matures through the year 2025, and is comprised of fixed, variable and auction rate bonds issued at variable rates, which are discussed below. Other than a possible refunding of its debt if market conditions permit, and the possible issuance of \$10 million in 2007 for certiorari refund purposes, the Authority has no plans to issue additional debt.

Fixed Rate Bonds - The Authority has issued fixed rate bonds at rates ranging between 2% and 6%. Interest on the Authority'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 on 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. For the Variable Rate Bonds, this is one-twelfth of the next principal payment and the amount needed to maintain a prudent level of funding in excess of the anticipated interest expense to be accrued that month. Because of this monthly deposit requirement, the amount accrued for debt service in the Authority's financial statements in any year will not be the same as the debt service on the bonds paid to bondholders in that year.

The County has assumed responsibility for calculating arbitrage rebate liability on bonds or notes issued by the Authority. The County does not believe that there is any arbitrage liability on bonds or notes issued by the Authority in addition to the approximately \$5 million accrued by the County in its general fund.

Variable Rate Bonds - Interest rates on the non-auction Variable Rate Bonds are currently reset weekly by a remarketing agent 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 2002A Bonds and 2002B Bonds subject to optional or mandatory tender for purchase and not remarketed by the remarketing agent, will be made under and pursuant to, and subject to the terms, conditions and provisions of, a liquidity facility issued by Dexia Credit Local, acting through its New York Agency, with respect to the Series 2002A Bonds; or a liquidity facility issued by BNP Paribas, acting through its New York branch, with respect to the Series 2002B Bonds. Each liquidity facility is slated to expire July 9, 2007, subject to extension or early termination. Bonds that are purchased by Dexia Credit Local or BNP Paribas and not remarketed, if any, must be paid over a five year period. If this was to occur, annual Authority debt service expense would increase substantially.

NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2006 AND 2005

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

NIFA Long-Term Debt (Continued)

Auction Rate Bonds - Auction rate bonds, which are variable rate bonds issued in an auction rate mode, are auctioned at intervals between 7 days, 28 days and 35 days. As rates vary, variable rate and auction rate interest payments and net swap payments will vary. Also see note 7 regarding interest rate exchange agreements.

Bonds are recorded at the principal amount outstanding and consist of the following:
 Aggregate debt service to maturity as of December 31, 2006 is as follows (Dollars in thousands):

Year Ending December 31	Dollars in Thousands		
	Principal	Interest*	Total
2007	\$ 79,975	\$ 87,536	\$ 167,511
2008	95,315	84,266	179,581
2009	104,265	80,549	184,814
2010	104,930	75,627	180,557
2011	119,690	70,777	190,467
2012-2016	722,640	257,631	980,271
2017-2021	586,760	113,762	700,522
2022-2025	<u>224,925</u>	<u>19,517</u>	<u>244,442</u>
	<u>\$2,038,500</u>	<u>\$789,665</u>	<u>\$ 2,828,165</u>

* Interest on the Variable Rate Bonds is calculated at 5%, the interest rate in effect as of December 31, 2006. During 2006, the interest rate on the Variable Rate Bonds ranged from 2.90% to 3.95%.

Swap Agreements

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.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005**

9. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)**NIFA Long-Term Debt (Continued)**

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, 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 Swaps during FY 2004 (the "Swaps").

Activity during the Period.

- 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.
 - \$72.5 million notional amount (2004 Series B) with Goldman Sachs Mitsui Marine Derivative Products, L.P. ("GSMMDP")
 - \$72.5 million notional amount (2004 Series C) with Goldman Sachs Mitsui Marine Derivative Products, L.P.
 - \$80.0 million notional amount (2004 Series D) with Goldman Sachs Mitsui Marine Derivative Products, L.P.
 - \$72.5 million notional amount (2004 Series E) with UBS AG
 - \$72.5 million notional amount (2004 Series F) with UBS AG
 - \$80.0 million notional amount (2004 Series G) 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.
 - \$50.0 million notional amount (2004 Series I) with Goldman Sachs Mitsui Marine Derivative Products, L.P.
 - \$50.0 million notional amount (2004 Series J) with UBS AG
 - \$50.0 million notional amount (2004 Series K) with Morgan Stanley Capital Services ("MSCS")

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005**

9. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)**NIFA Long-Term Debt (Continued)**

Fair Value. Replacement interest rates on the Swaps, as of December 31, 2006, are reflected in the chart entitled "Interest Rate Swap Valuation" (the "Chart"). As noted in the Chart, replacement rates in some cases were higher than, and in some cases lower than, market interest rates on the effective date of the Swaps. Consequently, as of December 31, 2006, some of the Swaps had negative fair values and some had positive 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 cost to NIFA to terminate 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 auction 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, 2006, the total marked-to-market valuation, net of accruals, of NIFA's Swaps was positive \$6,728,999. 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 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 the Authority, there is no requirement to collateralize until the Authority is at an A3/A- level, and then only for the amount over \$50 million (threshold amount) of exposure. The threshold amount declines if the Authority 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 any one 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

NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2006 AND 2005

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

NIFA Long-Term Debt (Continued)

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.

Counterparty	(\$ in millions)	Percentage
GSMMDP	275	45.80 %
UBS AG	275	45.80 %
MSCS	<u>50</u>	<u>8.40 %</u>
Total	<u><u>600</u></u>	<u><u>100.00 %</u></u>

NIFA insured its performance in connection with the Swaps associated with the Series 2004 B-G bonds with Ambac Assurance (Aaa/AAA), including NIFA termination payments. NIFA’s payments to the counterparties on the Swaps associated with the Series 2004 I-K bonds are insured with CDC IXIS Financial Guaranty North America, Inc. (“CIFG NA”), which is rated Aaa/AAA/AAA. 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 \$2.0 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 auction 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, the expected cost savings may not be realized. Conversely, should the relationship between LIBOR and NIFA’s variable rate on its bonds move to diverge, there is a benefit to NIFA.

- *Termination Risk* – The swap agreement will be terminated and NIFA will be required to make a large termination payment to the counterparty.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005**

9. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)**NIFA Long-Term Debt (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 the Authority, the Authority can pay such excess amount over six months, financing the delay at LIBOR plus 1%. However, adverse termination for credit deterioration is remote since the Swaps are insured and the insurers will control termination. 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.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005

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

NIFA Long-Term Debt (Continued)

The following chart represents NIFA's Interest Rate Swap Valuation as of December 31, 2006:

Interest Rate Swap Valuation (as of December 31, 2006)

Series	2004 Series B	2004 Series C	2004 Series D	2004 Series E	2004 Series F	2004 Series G	2004 Series I	2004 Series J	2004 Series K	Total
Notional Amount	72,500,000	72,500,000	80,000,000	72,500,000	72,500,000	80,000,000	50,000,000	50,000,000	50,000,000	600,000,000
Counterparty	GSMMDP	GSMMDP	GSMMDP	UBS	UBS	UBS	GSMMDP	UBS	MSCS	
Counterparty Rating (1)	Aaa/AA+NR	Aaa/AA+NR	Aaa/AA+NR	Aa2/AA+AA+	Aa2/AA+AA+	Aa2/AA+AA+	Aaa/AA+NR	Aa2/AA+AA+	Aa3/A+/AA-	
Effective Date	4/8/2004	4/8/2004	4/8/2004	4/8/2004	4/8/2004	4/8/2004	12/9/2004	12/9/2004	12/9/2004	
Maturity Date	11/15/2024	11/15/2024	11/15/2016	11/15/2024	11/15/2024	11/15/2016	11/15/2025	11/15/2025	11/15/2025	
NIFA Pays	3.146%	3.146%	3.002%	3.146%	3.146%	3.003%	3.432%	3.432%	3.432%	
Replacement Rate	3.314%	3.314%	3.364%	3.314%	3.314%	3.364%	3.443%	3.443%	3.443%	
NIFA Receives	60% of LIBOR plus 16 basis points weekly (Tuesday).	60% of LIBOR plus 16 basis points weekly (Friday).	60% of LIBOR plus 26 basis points monthly (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.	
Net Accrued	(264,746)	(285,106)	(215,378)	(264,746)	(285,106)	(184,533)	(141,786)	(141,786)	(141,786)	(1,924,973)
Principal	1,135,201	1,135,841	1,977,016	1,135,201	1,135,841	1,970,244	54,876	54,876	54,876	8,653,972
Total Value of Swap	870,455	850,735	1,761,638	870,455	850,735	1,785,711	(86,910)	(86,910)	(86,910)	6,728,999

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

NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2006 AND 2005

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

NIFA Long-Term Debt (Continued)

The following table contains the aggregate amount of estimated variable-rate bond debt service and net swap payments during certain years that such swaps were entered into in order to: protect against the potential of rising interest rates; achieve a lower net cost of borrowing; reduce exposure to changing interest rates on a related bond issue; or, in some cases where Federal tax law prohibits an advance refunding, achieve debt service savings through a synthetic fixed rate.

- The net swap payments were calculated using the actual fixed rate on swap agreements. An assumption of 10 – 25 basis points spread was factored in for basis risk to be conservative.

Nassau County Interim Finance Authority
 Variable-Rate Bonds (in Thousands)

Year(s) Ending	Principal	Interest	Net Swap Payments	Total
December 31				
2007	\$	\$ 19,707	\$ (1,667)	\$ 18,040
2008		19,761	(1,724)	18,037
2009		19,707	(1,667)	18,040
2010		19,707	(1,667)	18,040
2011		19,707	(1,667)	18,040
2012-2016	169,400	90,599	(7,239)	252,760
2017-2021	333,025	47,076	(2,616)	377,485
2022-2025	97,575	6,591	(259)	103,907
Total	<u>\$ 600,000</u>	<u>\$ 242,855</u>	<u>\$ (18,506)</u>	<u>\$ 824,349</u>

NCSSWFA Long-Term Debt

The Authority issued its System Revenue Bonds, 2004 Series A (the “2004A Bonds”) pursuant to the Authority’s General Revenue Bond Resolution dated as of March 1, 2004, as supplemented by a First Supplemental Resolution dated as of March 1, 2004.

The 2004 Bonds were issued to refund a portion of the County Bonds associated with the System and pay for the related costs of issuance and refinancing.

The 2004A Bonds bear interest at an auction rate (which rates vary from 3.00% to 3.65% per annum at December 31, 2006) and are subject to redemption at the option of the Authority, in whole on any date, or in part by lot on any interest payment date immediately following an auction period (35 day increments), at a redemption price of 100% of the principal amount of such 2004A Bonds or portion thereof to be redeemed plus accrued interest to the date of redemption.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005

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

NCSSWFA Long-Term Debt (Continued)

At the option of the Authority, all of the 2004A Bonds may be converted to a variable interest rate other than the auction rate or a fixed interest rate, as described in the Official Statement. Unless the 2004A Bonds are bearing interest at the fixed interest rate, such 2004A Bonds are subject to redemption prior to maturity through sinking fund payments established by the First Supplemental Resolution on each of the dates set forth below and in the respective principal and interest amounts set forth opposite each such date (the particular 2004A Bonds or portion thereof are to be selected by the Trustee as described in the General Revenue Bond Resolution), in each case at a redemption price of 100% of the principal amount of the applicable 2004A Bonds or portion thereof to be redeemed, plus accrued interest to the date of redemption.

The 2004B Bonds were issued to refund a portion of the County Bonds associated with the system and to pay for the related costs of issuance and refinancing.

Each 2004B Bond maturing on and after October 1, 2015 is subject to redemption on or after October 1, 2014, at the option of the Authority, in whole on any date, or in part by lot on any interest payment date, at a redemption price of 100% of the principal amount of such 2004B Bond or portion thereof to be redeemed plus accrued interest to the date of redemption. The 2004B Bonds bear interest rates ranging from 2.5% to 5.0%, per annum.

The authority issued \$32,550,000 and \$11,885,007 of commercial paper notes in 2006 and 2005 respectively, at interest rates ranging between 2.10%–3.79%. Rollovers in 2006 totaled \$183,935,000. As of December 31, 2006, \$44,435,000 of commercial paper notes remained outstanding and is included in the following aggregate debt service to maturity as of December 31, 2006.

Aggregate debt service to maturity as of December 31, 2006 is as follows (in thousands):

Year Ending December 31,	Principal	Interest	Total
2007	\$ 3,225	\$ 3,503	\$ 6,728
2008	3,295	3,422	6,717
2009	3,430	3,323	6,753
2010	3,540	3,203	6,743
2011	3,655	3,061	6,716
2012-2016	20,420	12,612	33,032
2017-2021	24,630	7,100	31,730
2022-2024	<u>13,255</u>	<u>1,154</u>	<u>14,409</u>
	<u>\$ 75,450</u>	<u>\$ 37,378</u>	<u>\$ 112,828</u>

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005**

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

In 1999, the NCTSC issued \$294,500,000 of Tobacco Settlement Asset Backed Bonds, Series A pursuant to an Indenture dated as of October 1, 1999. On April 5, 2006, NCTSC issued \$431,034,246 of Tobacco Settlement Asset-Backed Bonds, Series 2006 pursuant to an Amended and Restated Indenture dated as of March 1, 2006. The Series 2006 Bonds consist of the "Series 2006A-1 Taxable Senior Current Interest Bonds" of \$42,645,000, the "Series 2006A-2 Senior Convertible Bonds" of \$37,905,610, the "Series 2006A-3 Senior Current Interest Bonds" of \$291,540,000, and the "Series 2006B-E Subordinate CABs" of \$58,943,636.

NCTSC has used the proceeds from the Series 2006 Bonds to (i) refund all of the 1999 Bonds currently outstanding in the aggregate principal amount of \$272,125,000; (ii) fund a liquidity reserve for the Series 2006 Senior Bonds of \$24,009,156; (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 December 1, 2007 payment; and (vi) pay certain amounts to the Residual Trust as registered owner of the Residual Certificate.

The payment of the Series 2006 Bonds is dependent on the receipt of Tobacco Settlement Revenues ("TSR"). The amount of TSRs actually collected is dependent on many factors including cigarette consumption and the continued operations of the Original Participating Manufacturers ("OPMs"). Such bonds are secured by and payable solely from TSRs and investment earnings pledged under the Bond Indenture and amounts established and held in accordance with the Bond Indenture.

Interest on the Series 2006A-1 Bonds, the Series 2006A-2 Bonds, and the Series 2006 A-3 Bonds bear interest at a fixed annual rate, between 5.21% and 6.83% payable semi-annually on June 1 and December 1 until the principal is redeemed. Interest on the Series 2006B-E CABs will bear interest at a rate of 5.80% to 7.35% due and payable at maturity.

The financial statements reflect transactions assuming the Planned Principal Maturity schedule is met. Failure to make a Planned Principal Payment will not constitute default. However, no payments will be made to the County and no additional bonds may be issued unless NCTSC is current on the Planned Principal Payments.

Failure to pay interest on the Series 2006 Bonds when due or principal of the Series 2006 Bonds when due on a Rated Maturity Date will constitute a default. In the event it is determined that revenues exist and debt service requirements and operating expenses are being met on an annual basis, the excess revenues shall be payable to the County of Nassau.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005

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

NCTSC Long-Term Debt (Continued)

NCTSC debt service requirements based upon Planned Principal Payments are as follows:

	Principal	Interest	Total Debt Service
Twelve months ending December 31:			
2007	\$ -	\$ 17,732,822	\$ 17,732,822
2008	2,840,000	17,635,836	20,475,836
2009	2,105,000	18,638,765	20,743,765
2010	1,270,000	19,695,308	20,965,308
2011	1,610,000	19,596,956	21,206,956
2012-2016	12,665,000	95,703,732	108,368,732
2017-2021	27,037,555	90,076,877	117,114,432
2022-2026	33,023,055	85,270,027	118,293,081
2027-2031	48,655,000	68,270,220	116,925,220
Thereafter	301,828,636	1,437,841,719	1,739,670,355
	<u>\$431,034,246</u>	<u>\$ 1,870,462,262</u>	<u>\$ 2,301,496,508</u>

Nassau Community College Long-Term Debt

Long-term obligations of the Nassau Community College and Nassau County general obligation serial bonds issued for various College constructions, including the range of interest rates, issue dates, and maturity dates are as follows (dollars in thousands):

	Balance, August 31, 2004			Balance, August 31, 2005			Balance, August 31, 2006			Current Portion
		Additions	Reductions		Additions	Reductions		Additions	Reductions	
Debt:										
General Obligations	\$ 24,734	\$	\$ 8,801	\$ 15,933	\$	\$ 3,636	\$ 12,297	\$	\$	\$ 3,617
DASNY	27,293	5,351	3,362	29,282	452		29,734			588
Other:										
Accrued Vacation and Sick Pay	42,066		761	41,305	3,410		44,715			
Insurance Reserve Liability	1,644	48		1,692	82		1,774			
Estimated Liability for Litigation	2,500			2,500			2,500			
Total	<u>\$ 98,237</u>	<u>\$ 5,399</u>	<u>\$ 12,924</u>	<u>\$ 90,712</u>	<u>\$ 3,944</u>	<u>\$ 3,636</u>	<u>\$ 91,020</u>			<u>\$ 4,205</u>

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005**

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

Dormitory Authority of the State of New York ("DASNY") - The College has entered into financing agreements with the Dormitory Authority - State of New York (the "Authority" or "DASNY") for the purpose of financing the State's one-half share of various capital construction costs. The Bonds are special obligations of the Authority, 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 the Authority. The Authority 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 the Authority under the agreement in each bond year (the "Annual Payments") is equal to debt service on the bonds plus certain administrative and other expenses of the Authority. 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. The Authority 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.

General Obligation Serial Bonds - The County of Nassau has issued general obligation serial bonds in the name of the County for various College construction projects. The amount of serial bonds outstanding at August 31, 2006 was \$12,297,279 and principal is scheduled to mature from 2007 to 2035. 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. As of August 31, 2006, principal and interest payments relating to the Authority and general obligation bonds are as follows:

NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2006 AND 2005

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

Nassau Community College Long-Term Debt (Continued)

Principal Year Ending August 31,	DASNY	General Obligations	Total
2007	\$ 588,117	\$ 3,617,227	\$ 4,205,344
2008	452,863	2,640,503	3,093,366
2009	1,456,227	1,979,970	3,436,197
2010	1,522,829	1,100,480	2,623,309
2011	1,598,362	658,732	2,257,094
2012-2016	8,047,216	2,112,140	10,159,356
2017-2021	10,897,799	188,227	11,086,026
2022-2026	3,500,112		3,500,112
2027-2031	1,290,905		1,290,905
2031-2035	379,017		379,017
	<u>379,017</u>	<u> </u>	<u>379,017</u>
Total	<u>\$ 29,733,447</u>	<u>\$ 12,297,279</u>	<u>\$ 42,030,726</u>

Interest Year Ending August 31,	DASNY	General Obligations	Total
2007	\$ 1,389,451	\$ 603,392	\$ 1,992,843
2008	1,366,433	425,062	1,791,495
2009	1,346,546	297,411	1,643,957
2010	1,280,911	210,925	1,491,836
2011	1,205,679	150,852	1,356,531
2012-2016	5,126,135	281,617	5,407,752
2017-2021	2,987,169	11,068	2,998,237
2022-2026	650,739		650,739
2027-2031	219,934		219,934
2032-2035	16,698		16,698
	<u>16,698</u>	<u> </u>	<u>16,698</u>
Total	<u>\$ 15,589,695</u>	<u>\$ 1,980,327</u>	<u>\$ 17,570,022</u>

Interest on the Authority and general obligation bonds range from 3.1% to 5.5% and from 4.25% to 9%, respectively.

NHCC Long-Term Debt

In October 2004, the Series 2004 Bonds were issued to refund the NHCC Series 1999 Revenue Bonds, finance capital projects and pay the costs of issuance, including the required premium of the Bond Insurer. The bond issuance resulted in NHCC receiving approximately \$41 million of cash at closing of which \$26

NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2006 AND 2005

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

NHCC Long-Term Debt (Continued)

million being available for working capital and \$15 million of new capital project financing at closing and approximately \$22 million in net present value savings from lower debt service payment requirements. In connection with the refunding, the NHCC incurred a loss of approximately \$38 million. 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 sheet. Amortization of the deferred loss is \$2,353,000 for the year ended December 31, 2006.

The County guarantees, to the Trustee, the Owners of Series 2004 Bonds and the Bond Insurer, the full and prompt payment of the principal and interest of Series of 2004 Bonds. The County guaranty may be amended without consent of the bond owners but only with consent of the Bond Insurer. Payments with respect to principal of and interest in the Series 2004 bonds under the County guaranty are required to be made directly by the County to the Trustee. Pursuant to the Stabilization Agreement the County deposits Historical Mission and Article VI Health Center subsidies, payable to the NHCC monthly, in an escrow account reserved for payment of the Series 2004 Bonds. In addition to the County guarantee, the bond payments are insured by a municipal bond insurance policy, through a commercial insurer.

Long-term debt at December 31, 2006 and 2005 consists of the following (dollars in thousands):

	December 31	
	2006	2005
2004 Series A Bonds payable at varying dates through August 1, 2022 bearing interest at taxable variable rates.	\$ 61,475	\$ 63,475
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%.	17,506	17,876
2004 Series C Bonds payable at varying dates through August 1, 2029, bearing interest at tax-exempt variable rates.	219,610	219,610
	298,591	300,961
Deferred loss on refunding	(32,502)	(34,855)
Net unamortized bond premium	1,093	1,313
Current portion	(2,380)	(2,370)
	\$ 264,802	\$ 265,049

NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2006 AND 2005

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

NHCC Long-Term Debt (Continued)

Principal payments are due annually on August 1. Interest payments are due semiannually on February 1 and August 1. Payments applicable to long-term debt for years subsequent to December 31, 2006 are as follows (dollars in thousands):

<u>Years Ending</u> <u>December 31</u>	<u>Principal</u>	<u>Estimated</u> <u>Interest</u>
2007	\$ 2,380	\$ 11,118
2008	2,390	11,021
2009	7,090	10,869
2010	9,395	10,512
2011	9,840	10,079
2012 to 2016	56,585	43,263
2017 to 2021	69,240	31,360
2022 to 2026	83,595	17,966
2027 to 2029	58,076	3,395
	<u>\$ 298,591</u>	<u>\$ 149,583</u>

In connection with the issuance of the Series 2004 Bonds, the NHCC entered into interest rate swap agreements with commercial banks to convert the variable interest rate Series C Bonds to a fixed interest rate based on total initial notional amount of \$220,000,000. The fixed interest rate paid by the NHCC under the swap agreements is 3.46% and the variable rate received is based on LIBOR. The swap agreements expire on August 1, 2029.

NHCC also entered into a cancelable swap agreement with a commercial bank to convert the variable interest rate Series A Bonds to a fixed interest rate based on an initial notional amount of \$65,000,000. The fixed interest rate paid by the NHCC under the swap agreement is 4.61% and the variable rate received is based on LIBOR. The swap agreement 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 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 an asset of approximately \$1,288,000 at December 31, 2006 and a liability of approximately \$2,210,000 at December 31, 2005.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005**

10. REFINANCING OF LONG-TERM OBLIGATIONS

Prior to December 31, 2006, 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, 2006 and 2005, respectively, approximately \$493.5 and \$712.1 million of bonds outstanding are considered defeased.

11. PENSION PLANS

Plan Descriptions - The County participates in the New York State and Local Employees' Retirement System (ERS), the New York State and Local Police and Fire Retirement System (PFRS) and the Public Employees' Group Life Insurance Plan (Systems). These are cost-sharing multiple-employer defined benefit retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue 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 Systems are noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976 who contribute 3% of their salary. The State legislature passed legislation in 2000 that suspends the 3% contribution for employees who have 10 years or more of credited service. In addition, members who meet certain eligibility requirement 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. Under the authority of the NYSRSSL, the NYS Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by the employers to the pension accumulation fund. The County is required to contribute an actuarially determined amount.

In addition, legislation enacted in New York State during 2004 changed the date by which municipalities are required to make yearly New York State & Local Retirement System contributions, from December 15 to February 1 of the following year. Consistent with GASB's guidance, the County recognized this liability during 2004 for financial reporting purposes. As a result of the new State legislation, which was enacted to grant counties budgetary relief, the Nassau County Legislature established a reserve to fund anticipated higher pension costs in 2006, 2007 and 2008. During 2006, the County used approximately \$34.1 million of the Retirement Contribution Reserve Fund to offset a portion the 2006 pension expense. Of the \$45.4 surplus in the primary funds that was generated during 2006, the County transferred an additional \$16 million to the Retirement Contribution Reserve Fund to fund future pension costs. The use of such funds is under the control of the Nassau County Legislature.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005

11. PENSION PLANS (Continued)

The required contributions for the current year and two preceding years were (dollars in thousands):

	<u>ERS</u>	<u>PFRS</u>
2006	\$ 54,531	\$60,497
2005	61,399	56,805
2004	59,092	58,805

12. RECONCILIATION OF GAAP FUND BALANCES TO BUDGETARY BASIS

The following reconciles fund balances at December 31, 2006 as prepared on a GAAP basis to the budgetary basis of reporting (dollars in thousands):

	<u>General</u>	<u>Police District Fund</u>	<u>Police Headquarters Fund</u>	<u>Debt Service Fund</u>	<u>Fire Prevention, Safety, Communication and Education Fund</u>	<u>County Parks and Recreation Fund</u>	<u>Sewer & Storm Water District Fund</u>	<u>Nonmajor Governmental Funds</u>
Fund Balances at December 31, 2006 Prepared in Accordance with GAAP	\$ 142,153	\$ 17,184	\$ (8,882)	\$	\$ (111)	\$ 3,482	\$ 127,666	\$ 122,644
Add:								
Funding for Tax Certiorari and Other Judgments	55,108							
Medicare and Pension Benefits - Accrual Basis Only	1,984	1,805	11,963		220	235	404	
Less:								
Encumbrances	(56,324)	(2,845)	(3,081)		(109)	(3,717)	(6,388)	(570)
Payments to Refunded Escrow Agent								
Payments for Tax Certiorari and Other Judgments	(55,108)							
Unbudgeted Grant Fund								(10,839)
Unbudgeted Capital Fund								(15,715)
Unbudgeted NIFA Capital Projects Fund								(31,497)
Unbudgeted NCTSC General Fund								289
Open Space Fund								(489)
Unbudgeted Sewage Disposal Construction Fund								(15,783)
Unbudgeted Sewar and Storm Water District								623
Unbudgeted Sewage Collection Construction Fund								(1,844)
Unbudgeted NCTSC Debt Service Fund								(40,608)
Unbudgeted SFA Debt Service Fund								32,744
Unbudgeted SFA General Fund								(19,514)
Unbudgeted NIFA Debt Service Fund								(18,199)
Fund Balances at December 31, 2006 Prepared on the Budgetary Basis of Reporting	<u>\$ 87,813</u>	<u>\$ 16,144</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 121,682</u>	<u>\$ 1,242</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005

12. RECONCILIATION OF GAAP FUND BALANCES TO BUDGETARY BASIS (Continued)

The following reconciles fund balances at December 31, 2005 as prepared on a GAAP basis to the budgetary basis of reporting (dollars in thousands):

	General	Police District Fund	Police Headquarters Fund	Debt Service Fund	Fire Prevention, Safety, Communication and Education Fund	County Parks and Recreation Fund	Sewer & Storm Water District Fund	Nonmajor Governmental Funds
Fund Balances at December 31, 2005 Prepared in Accordance with GAAP	\$ 153,543	\$ 1,150	\$ (6,452)	\$	\$ (33)	\$ 833	\$ 62,941	\$ 346,634
Add:								
Proceeds from NIFA Tax Certiorari and Other Judgments Borrowings	260,207							
Pension Benefits - Accrual Basis Only		3,707	6,452		33		995	
Less:								
Encumbrances	(67,956)					(833)	(10,854)	(3,826)
Payments to Refunded Escrow Agent								
Payments for Tax Certiorari and Other Judgments	(260,207)							
Unbudgeted Grant Fund								(10,430)
Unbudgeted Capital Fund								(99,843)
Unbudgeted NIFA Capital Projects Fund								(102,384)
Unbudgeted NCTSC General Fund								135
Open Space Fund								(393)
Unbudgeted Sewage Disposal Construction Fund								(10,991)
Unbudgeted Sewer and Storm Water District								(220)
Unbudgeted Sewage Collection Construction Fund								(2,479)
Unbudgeted NCTSC Debt Service Fund								(51,560)
Unbudgeted SFA Debt Service Fund								62,023
Unbudgeted SWA General Fund								(111,470)
Unbudgeted NIFA Debt Service Fund								(14,457)
Fund Balances at December 31, 2005 Prepared on the Budgetary Basis of Reporting	\$ 85,587	\$ 4,857	\$	\$	\$	\$	\$ 53,082	\$ 739

NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2006 AND 2005

13. DESIGNATION OF UNRESERVED FUND BALANCES

Portions of the unreserved fund balances at December 31, 2006 and 2005 were designated as sources of revenue in the ensuing year's operating budgets as follows (dollars in thousands)

<u>Nonmajor Governmental Funds</u>	<u>Total Fund Balance Unreserved</u>	<u>Fund Balance Unreserved and Designated for Ensuing Year's Budget</u>	<u>Fund Balance Unreserved and Undesignated</u>
December 31, 2006	\$ (177,351)	\$ _____	\$ (177,351)
December 31, 2005	\$ 110,057	\$ _____	\$ 110,057
 <u>Major Governmental Funds</u>			
December 31, 2006	\$ 209,616	\$ 13,075	\$ 196,541
December 31, 2005	\$ 130,849	\$ 65,454	\$ 65,395

14. POST-EMPLOYMENT BENEFITS

Health Insurance - The County provides health care benefits in accordance with New York State Health Insurance Rules and Regulations administered by 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.

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.

Eligibility for health benefits upon retirement are governed by Ordinance bargaining unit, age, and years of service. The current CSEA agreement increased the years of service required with the County to be eligible for post retirement health insurance benefits for CSEA members to 10 years of employment with the County; all other bargaining units 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 retired 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.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005**

14. POST-EMPLOYMENT BENEFITS (Continued)

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 these amounts at December 31, 2006 and 2005. The total cost for providing health care benefits was \$205.5 and \$188.2 million in 2006 and 2005, respectively, of which approximately \$98.0 and \$92.9 million was for retirees and approximately \$107.5 and \$95.3 million was for active employees and other eligible individuals, in 2006 and 2005 respectively. In 2006, the subsidy provided by the Medicare Reform Act of 2003 to employers who continued prescription drug coverage for its Medicare eligible retirees of \$7.0 million was recorded as income.

15. 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, including those claims arising from events which occurred prior to the closing date of the Nassau Health Care Corporation of September 29, 1999. The County self-insures for everything except helicopter accidents and employee bonding. The County annually appropriates sums for the settlement of claims and litigation. The County intends to defend itself vigorously against all claims. Estimated liabilities of approximately \$225 million for settlement of litigation and malpractice claims have been recorded as a long-term liability in the government-wide financial statement of net assets as of December 31, 2006 and 2005. The County Attorney is of the opinion that the ultimate settlement of such claims and litigation outstanding at December 31, 2006 will not result in a material adverse effect on the County's financial position. Approximately \$132.6 and \$88.9 million has been accrued as a liability at December 31, 2006 and 2005, respectively, related to workers' compensation where the County Attorney can reasonably estimate the ultimate outcome. The liability for certain other asserted and unasserted malpractice claims can not be estimated as of December 31, 2006. All malpractice occurrences prior to September 29, 1999 are the responsibility of the County. Subsequent occurrences are the responsibility of the NHCC.

B. Tax Certioraris

In fiscal 2006 and 2005, respectively, there were approximately 146,439 and 125,014 taxpayers' claims filed against Board of Assessors, for the incorrect determination of assessed valuation (certiorari proceedings) for the 2007 (May 1, 2006) and 2006 (May 1, 2005) assessment roll, respectively. During 2005, NIFA issued approximately \$238.1 million of bonds and during 2004, NIFA issued approximately \$194.7 million of bonds, on behalf of the County, to fund County tax certioraris judgments and settlements, bringing the total amount of bonds issued and outstanding by both the County and NIFA to approximately \$2.7 billion at December 31, 2006 and \$2.9 billion at December 31, 2005. 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 \$137.2 million and \$131.0 million has

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005**

15. CONTINGENCIES AND COMMITMENTS (Continued)**B. Tax Certioraris (Continued)**

also been recorded as a long-term liability in the government-wide financial statements of net assets at December 31, 2006 and 2005, respectively. In prior years, tax certiorari settlements were financed by the issuance of long-term debt or through BANs which are thereafter refinanced by bond issuances. Pursuant to NIFA enabling legislation, beginning in 2006, the County paid substantially all property tax refunds from operating funds. For the year ended December 31, 2006, tax certiorari expenditures were \$70.6 million and were substantially financed by operations. For the year ended December 31, 2005, tax certiorari payments were \$250.7 million and were substantially financed by \$238.1 million of NIFA bonds reported in the government-wide financial statement of net assets. The County utilized the benefit of NIFA's long-term financing by expediting the 2005 payments.

C. Contingencies under Grant Programs

The County participates in a number of Federal and State grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. As of December 31, 2006, the audits of certain programs have not been completed. Provisions for certain expected disallowances, where considered necessary, have been made as of December 31, 2006. 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 payor 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 and a blanket fidelity bond covering all County employees. Essentially all other risks are assumed directly by the County. The County suffered no material property losses during 2006 and 2005. Settlements have not exceeded County insurance coverage for each of the past three years.

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 \$536.8 and \$615.3 million at December 31, 2006 and 2005, respectively. At August 31, 2006 and 2005, the Nassau Community College's vacation leave and sick leave liability was \$44.7 and \$41.5 million, respectively.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005**

15. CONTINGENCIES AND COMMITMENTS (Continued)**G. Deferred Payroll**

The County has entered into agreements with the Civil Service Employees' Association ("CSEA"), the Police Benevolent Association, ("PBA"), Superior Officers Association, ("SOA"), and the Detective Association, Inc. ("DAI"), 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 amount deferred at December 31, 2006 and 2005 was approximately \$23.1 million and \$23.7million, respectively. This deferral is reported as a long-term liability in the government-wide financial 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 payable to eligible employees on September 1, 2002. The amount deferred at the College close of August 31, 2006 and 2005 was approximately \$1.1 million and \$1.2 million, respectively, and is also reported in the government-wide financial 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, 2006 and 2005 was approximately \$12.6 million and \$9.5 million, respectively, and is also reported in the government-wide financial statement of net assets.

H. Capital Commitments

At December 31, 2006 and 2005, there were capital project contract commitments of \$189.9 and \$174.8 million, respectively.

I. MTA Commitment

The Metropolitan Transportation Authority ("MTA") paid \$121.0 million cumulatively to the County pursuant to a mass transportation funding agreements in return for the County's provision in the future of \$242.0 million for capital costs incurred by the MTA in connection with capital improvements and rolling stock. The \$121.0 million could be used by the County for any purpose and was recognized in the General Fund in years 1999 and prior. The County has authorized capital appropriations of \$242.0 million to meet its obligation which was financed by County bond issuances. As of December 31, 2006 and 2005, the County has repurchased and financed \$221.0 million of capital improvements and rolling stock and a \$21.0 million commitment remains at December 31, 2006 and 2005.

16. NASSAU HEALTH CARE CORPORATION ("NHCC")

Effective September 29, 1999, the Nassau Health Care Corporation (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.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005**

16. NASSAU HEALTH CARE CORPORATION (“NHCC”) (Continued)**Going Concern, Liquidity, Stabilization Agreement and Accreditation**

At December 31, 2006 and 2005, the NHCC had total net assets deficiency of \$85,094 and \$77,184, respectively. For the years ended December 31, 2006 and 2005, NHCC had incurred deficiencies of revenue over expenses of \$7,910 and \$12,213, respectively.

NHCC has undertaken a number of initiatives to stem its operating losses and sustain positive cash flows. NHCC's continued existence is dependent upon returning to profitability, continued progress with collecting on patient accounts, especially those accounts eligible for Medicaid that are being processed by the Department of Social Services, and the successful execution of the successor agreement to the September 30, 2004 Stabilization agreement. NHCC continues to execute actions intended to improve its financial condition. Such actions include continued revenue cycle enhancements, changes to medical management practices, improved supply chain and inventory management and further cost reductions. The ultimate success of these initiatives cannot be determined.

The above matters raise substantial doubt about NHCC'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.

The Joint Commission on Accreditation of Healthcare Organizations (the JCAHO) represents one way of meeting the survey pre-requisite to participation in third-party payor programs, including Medicare and Medicaid. JCAHO conducted its triennial accreditation survey at the Corporation's facilities (NUMC, AHP and the Health Centers) in May 2006. In August 2006, the JCAHO granted AHP full accreditation, while placing NUMC and the Health Centers on conditional accreditation. The assignment of conditional accreditation by the JCAHO required the Corporation to address a series of Requirements for Improvement (RFIs) in order to be substantially compliant with JCAHO standards as well as to provide Evidence of Standards Compliance (ESC) to the JCAHO to demonstrate that these RFIs had been resolved. The JCAHO conducted another survey of the Corporation in April 2007. Based upon the ESC and the results of that survey, the JCAHO awarded full accreditation to NUMC and to the Health Centers in May 2007. NUMC, AHP and the Health Centers are fully accredited by the JCAHO through May 2009.

NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2006 AND 2005

17. FUND BALANCE SURPLUS/DEFICIT

The following non-major governmental funds reported surplus/deficits as of December 31 (in thousands):

	<u>2006</u>	<u>2005</u>
Tobacco Settlement Corporation:		
General Fund	\$ (289)	\$ (135)
Debt Service Fund	40,608	51,560
Total	<u>\$ 40,319</u>	<u>\$ 51,425</u>
Sewer Financing Authority:		
General Fund	\$ 19,514	\$ 111,470
Debt Service Fund	(32,744)	(62,023)
Total	<u>\$ (13,230)</u>	<u>\$ 49,447</u>

* * * * *

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

EXHIBIT A-1
COUNTY OF MASSACHUSETTS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 December 31, 2006
 (in thousands)

	Nonmajor Special Revenue Funds										Nonmajor Capital Projects Funds					Nonmajor Debt Service Funds					Total
	Technology Fund	General Fund	Sewer Financing Authority General Fund	Open Space Fund	Retirement Contribution Reserve Fund	Employee Benefit Acc'd Liab Reserve Fund	Bonded Indebtedness Reserve Fund	Grant Fund	Capital Fund	NIFA Capital Projects Fund	Sewer and Storm Water District Construction Fund	Sewage Disposal District Construction Funds	Sewage Collection Districts Construction Fund	Sewer Financing Authority Debt Service Fund	Tobacco Settlement Corp Debt Service Fund	NIFA Debt Service Fund					
ASSETS																					
Cash	\$ 1,826	\$ 32	\$ 18,504	\$ 489	\$ 37,140	\$ 22,661	\$ 25,741	\$ 13,966	\$ 79,743	\$ 28,783	\$ 44	\$ 19,373	\$ 2,400	\$ 10,089	\$ 40,208	\$ 462	\$ 281,262				
Investments										2,728				1,593		41,250	84,186				
Interest Receivable			1,010							47						844	3,494				
Due From Other Governments								13,256									13,256				
Due From Component Units								70	3,924								1,512				
Accounts Receivable			274		14,481			12,069									3,894				
Interfund Receivables							1,616								400		51,675				
Prepays																	1,616				
Residual Trust																					
Liabilities Due		79																			
Other Assets								241	218								538				
TOTAL ASSETS	\$ 1,826	\$ 111	\$ 19,788	\$ 489	\$ 51,621	\$ 22,661	\$ 25,741	\$ 42,750	\$ 83,885	\$ 31,558	\$ 44	\$ 19,373	\$ 2,400	\$ 11,691	\$ 40,608	\$ 68,987	\$ 423,553				

LIABILITIES AND FUND BALANCES (DEFICITS)

	Technology Fund	General Fund	Sewer Financing Authority General Fund	Open Space Fund	Retirement Contribution Reserve Fund	Employee Benefit Acc'd Liab Reserve Fund	Bonded Indebtedness Reserve Fund	Grant Fund	Capital Fund	NIFA Capital Projects Fund	Sewer and Storm Water District Construction Fund	Sewage Disposal District Construction Funds	Sewage Collection Districts Construction Fund	Sewer Financing Authority Debt Service Fund	Tobacco Settlement Corp Debt Service Fund	NIFA Debt Service Fund	Total
Liabilities:																	
Accounts Payable	\$ 14	\$	\$	\$	\$	\$	\$	\$ 3,436	\$ 9,136	\$ 14	\$ 105	\$ 1,489	\$ 299	\$	\$	\$ 50,614	\$ 14,479
Accrued Liabilities								27,307	56,989	47	582	2,101	257	44,435			90,628
Notes Payable								762	1,524								2,286
Unearned Revenue								406	1,524								2,930
Interfund Payables		400	274		130	1,245	10,900	782	56,989	47	582	2,101	257			174	73,850
Due to Component Unit					51,491	21,416	14,841	804	1,524								1,638
Other Liabilities																	
Total Liabilities	14	400	274		51,621	22,661	25,741	31,911	68,170	61	667	3,590	556	44,435		50,788	300,889
Fund Balances (Deficits):																	
Reserved for Retirement of Temporary Financing																	25,961
Reserved for Encumbrances								61,528	150,414		2,711		335				250,025
Restricted - Senior Liquidity Reserve								(50,689)	(152,448)	31,497	(3,334)	(26,696)	1,509	(32,744)			24,009
Unreserved	1,242	(289)	19,514	489				10,839	15,715	31,497	(623)	15,783	1,844	(32,744)			(177,351)
Total Fund Balances	1,812	(289)	19,514	489				10,839	15,715	31,497	(623)	15,783	1,844	(32,744)			122,644
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,826	\$ 111	\$ 19,788	\$ 489	\$ 51,621	\$ 22,661	\$ 25,741	\$ 42,750	\$ 83,885	\$ 31,558	\$ 44	\$ 19,373	\$ 2,400	\$ 11,691	\$ 40,608	\$ 68,987	\$ 423,553

EXHIBIT A-1
 COUNTY OF NASSAU, NEW YORK
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 December 31, 2005
 (in thousands)

	Nonmajor Special Revenue Funds										Nonmajor Capital Projects Funds				Nonmajor Debt Service Funds					
	Technology Fund	NIFA Special Revenue Fund	Tobacco Corp Settlement Capital Fund	Sewer Financing Authority Capital Fund	Open Space Fund	Retirement Contribution Fund	Employee Benefit Acc'd Liab. Refund Fund	Bonded Indebtedness Refund Fund	Grant Fund	Capital Fund	NIFA Capital Projects Fund	Sewer and Storm Water Construction Fund	Sewerage Disposal Construction Fund	Sewerage Collection Construction Fund	Sewer Financing Debt Service Fund	Tobacco Settlement Debt Service Fund	NIFA Debt Service Fund	Total		
ASSETS																				
Cash	\$ 5,653	\$ 68	\$ 23,723	\$ 393	\$ 10,703	\$ 28,916	\$ 25,035	\$ 15,576	\$ 67,202	\$ 100,013	\$ 271	\$ 11,695	\$ 2,871	\$ 35,723	\$ 52,070	\$ 3,959	\$ 393,982			
Accounts Receivable			1,061							2,572							30,817			
Due From Other Governments								13,713		143							2,157			
Due From Component Units								71									1,214			
Accounts Receivable		4,833	86,886		24,788		706	11,608	43,146		1,712				250		1,793			
Prepays		7,500						1,800				881					196,880			
Other Assets								200	3,153								10,933			
TOTAL ASSETS	\$ 5,653	\$ 12,333	\$ 111,470	\$ 393	\$ 35,491	\$ 28,916	\$ 25,741	\$ 44,280	\$ 113,501	\$ 102,728	\$ 271	\$ 14,399	\$ 2,871	\$ 36,547	\$ 52,320	\$ 55,054	\$ 642,108			
LIABILITIES AND FUND BALANCES (DEFICITS)																				
Liabilities:																				
Accounts Payable	\$ 685	\$ 25	\$ 4,046	\$ 5,672	\$ 201	\$ 18	\$ 2,539	\$ 299	\$ 760	\$ 40,502							13,284			
Accrued Liabilities	403																44,572			
Notes Payable																	11,885			
Unearned Revenue		12,333	250			7,500		24,538	681	143	33	669	93	86,885	95		24,538			
Interfund Payables								1,043	6,304								119,347			
Due to Component Unit								20	881								83,477			
Other Liabilities																				
Total Liabilities	1,088	12,333	275			28,916	25,741	33,850	13,658	344	51	3,408	392	98,570	760	40,597	296,474			
Fund Balances (Deficits):																				
Reserved for Retirement of Temporary Financing	3,836								7,816								7,816			
Reserved for Encumbrances	739	(135)	111,470	393				56,757	162,872	102,384	3,229	7,183	884	(62,023)	51,560	14,457	228,761			
Unreserved								(40,327)	(70,845)		(3,009)	3,806	1,565				110,057			
Total Fund Balances	4,565	(135)	111,470	393				10,430	99,842	102,384	220	10,991	2,479	(62,023)	51,560	14,457	346,634			
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,653	\$ 12,333	\$ 111,470	\$ 393	\$ 35,491	\$ 28,916	\$ 25,741	\$ 44,280	\$ 113,501	\$ 102,728	\$ 271	\$ 14,399	\$ 2,871	\$ 36,547	\$ 52,320	\$ 55,054	\$ 642,108			

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, 2006
 (in thousands)

	Nonmajor Special Revenue Funds				Nonmajor Capital Project Funds				Nonmajor Debt Service Funds				Total Nonmajor Governmental Funds
	Tobacco Settlement General Fund	Sewer Financing Authority General Fund	Open Space Fund	Grant Fund	Capital Fund	NIFA Capital Projects Fund	Sewer and Storm Water District Construction Fund	Sewage Disposal District Construction Funds	Sewage Collection Districts Construction Fund	Sewer Financing Authority Debt Service Fund	Tobacco Settlement Corp Debt Service Fund	NIFA Debt Service Fund	
Revenues:													
Fines and Forfeits													
Interest Income	\$ 139	\$ 903	\$ 4	\$ 2,559	\$ 4,139	\$ 2,987	\$ 5	\$ 864	\$ 130	\$ 769	\$ 3,615	\$ 3,763	\$ 2,559
Rents and Recoveries				414									17,532
Departmental Revenue				169									169
Interdepartmental Revenue				2,470									2,470
Federal Aid				710	1,405			6,500					710
State Aid				46,556	22,233								54,461
Tobacco Receipts			92	3	2,346						20,388		55,639
Other Revenues											6		20,388
Total Revenues	139	903	96	86,287	30,123	2,987	5	7,164	130	765	24,009	3,763	156,375
Expenditures:													
Current:													
Judicial				1,725									1,725
General Administration				24,541									24,541
Protection of Persons				8,497									8,497
Health				42,580									42,580
Public Works				223									223
Recreation and Parks				458									458
Capital Outlay					125,298		2,939	5,071	939				125,298
Sewage Districts													8,949
Social Services													5,258
Corrections													2,596
Total Current Expenditures	2,892	154	773	85,878	125,298	2,981	2,939	5,071	939	7,000	64,320	142,657	223,944
Debt Service:													
Principal										3,125	42,430		48,460
Interest										3,875	20,371		118,643
Financing Costs											1,519		1,543
Total Debt Service										7,000	64,320		142,657
Total Expenditures	2,892	154	781	85,878	125,298	2,981	2,939	5,071	939	7,000	142,657		438,145
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,753)	(154)	112	409	(85,175)	2,981	(2,934)	2,093	(609)	(6,231)	(40,311)	(139,094)	(281,770)
Other Financing Sources (Uses):													
Other Financing Sources - EFC Drawdowns						609							912
Other Financing Uses - Funding of Residual Trust Deposited with Escrow Agent for Deleasance													(140,265)
Transfers In					612		1,325	2,169					(248,564)
Transfers Out					(50,000)								149,675
Transfers Out of Investment Income													(55,437)
Transfers In from NIFA													(4,938)
Transfers Out from NIFA													65,931
Transfers In from SFA													(71,164)
Transfers Out from SFA													369,952
Issuance of Debt													(428,510)
													418,188
Total Other Financing Sources (Uses)					11,047	(73,869)	2,091	2,699	174	35,510	29,359	142,836	57,780
Net Change in Fund Balance	(2,753)	(154)	96	409	(84,128)	(70,887)	(843)	4,792	(635)	29,279	(10,952)	3,742	(723,990)
Fund Balances Beginning of Year	4,565	(135)	111,470	10,430	95,643	102,384	220	10,991	2,479	(62,023)	51,560	14,457	346,634
Fund Balances (Deficits) End of Year	\$ 1,812	\$ (289)	\$ 19,514	\$ 439	\$ 15,715	\$ 31,497	\$ (623)	\$ 15,783	\$ 1,844	\$ (32,744)	\$ 40,608	\$ 18,199	\$ 122,644

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, 2005
(in thousands)

	Nonmajor Special Revenue Funds										Nonmajor Capital Project Funds					Nonmajor Debt Service Funds					Total Nonmajor Governmental Funds
	Technology Fund	NIFA Special Revenue Fund	Tobacco Settlement Corp General Fund	Sewer Financing Authority General Fund	Open Space Fund	Grant Fund	Capital Fund	NIFA Capital Projects Fund	Sewer Storm Water District Construction Fund	Sewage Disposal District Construction Funds	Sewage Collection Districts Construction Fund	Sewer Financing Authority Debt Service Fund	Tobacco Settlement Corp Debt Service Fund	NIFA Debt Service Fund							
Revenues:																					
Gain on Investments																					
Fees and Forfeits	288		147	5,302	1	1,478	3,249	3,179		1,096	136	23	2,502	1,207							
Rents and Recoveries						175															
Departmental Revenue						185															
Interdepartmental Revenue						2,219															
Federal Aid						725	1,972														
State Aid						49,010	21,122														
State Aid from NIFA		7,500				10,549															
Tobacco Receipts						6	2,440			1,724			22,284								
Other Revenues																					
Total Revenues	288	7,500	147	5,302	55	64,347	28,783	3,179	2,850	136	23	24,868	1,207								
Expenditures:																					
Current:																					
Judicial						1,853															
General Administration	6,294		118			22,805						21									
Protection of Persons						8,165															
Health						45,706															
Recreation and Parks						636															
Capital Outlay							103,055														
Sewage Districts						6,063															
Social Services						3,328															
Corrections																					
Total Current Expenditures	6,294		118		55	88,596	103,055		2,228	2,143		21									
Debt Service:																					
Principal																					
Interest																					
Financing Costs								3,759													
Total Debt Service								3,759													
Total Expenditures	6,294		118		55	88,596	103,055	3,759	2,228	2,143		21									
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,006)	7,500	29	5,302	55	(24,239)	(74,272)	(620)	602	(2,007)	(5,943)	4,010	(125,131)								
Other Financing Sources (Uses):																					
Other Financing Sources - Premium								15,965													
Other Financing Sources - EFC Drawdowns								(130,790)		550											
Deposited with Escrow Agent for Defaultance										163											
Transfers In							50,000														
Transfers Out							(31,302)														
Transfers Out of Investment Income							(3,249)														
Transfers In from NIFA		(7,500)					65,713	(323,895)													
Transfers In from NIFA																					
Transfers In from SFA																					
Transfers Out from SFA																					
Issuance of Debt																					
Total Other Financing Sources (Uses)		(7,500)					81,162	(48,433)	1,218	(28,125)	127	(47,421)	127,462								
Net Change in Fund Balance	(6,006)		29	5,302	55	(24,239)	6,890	(48,083)	(28,523)	(1,860)	(53,364)	4,010	2,331								
Fund Balances Beginning of Year	10,571		(164)	69,587	338	34,866	92,863	151,437	39,514	4,358	(8,659)	47,550	12,126								
Fund Balances (Deficits) End of Year	4,565		(135)	111,470	393	10,430	99,843	102,384	10,991	2,479	(82,023)	51,560	14,457								

OTHER SUPPLEMENTARY INFORMATION

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL REVENUES VS. MODIFIED BUDGET
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006 (Dollars in Thousands)

	Original Budget	Modified Budget	Actual Revenues	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
<u>INTEREST AND PENALTIES ON TAXES</u>	\$ 24,000	\$ 24,000	\$ 22,532	\$	\$ 22,532	\$ (1,468)
<u>LICENSES AND PERMITS</u>						
Day Camp Permits	6	6	5		5	(1)
Food Establishments	2,120	2,120	2,122		2,122	2
Hazardous Materials Registration Fees	901	901	948		948	47
Home Improvements	4,000	4,000	1,731		1,731	(2,269)
Manufacturing Frozen Desserts	15	15	15		15	
Realty Subdivision Filing	63	63	103		103	40
Road Openings	182	182	255		255	73
Sewage Connections			152		152	152
Swimming Pools and Bathing Beaches	160	160	177		177	17
Temporary Residence Inspection Permit Verification	65	65	79		79	14
Weights & Measures	800	800	810		810	10
X-rays, Surveys and Inspections	106	106	89		89	(17)
Cross Connections	64	64	60		60	(4)
Water Supply Plan Review	50	50	88		88	38
Tattoo Parlor / Piercing	7	7	9		9	2
Taxi and Limo Registration Fees	1,000	1,000	940		940	(60)
ATM Registration Fees	400	400	12		12	(388)
Lifeguard Certification	48	48	48		48	
<u>Total Licenses and Permits</u>	9,987	9,987	7,756		7,756	(2,231)
<u>FINES AND FORFEITS</u>	22,584	22,584	22,921		22,921	337
<u>INVESTMENT INCOME</u>	13,474	16,249	12,101		12,101	(4,148)
<u>RENTS AND RECOVERIES</u>						
Rental of Mitchell Field	5,428	5,428	5,434		5,434	6
Coliseum Concessions	767	767	362		362	(405)
Coliseum Rental	40	40	240		240	200
Coliseum Utilities	1,817	1,817	2,103		2,103	286
Recovery of Damage to County Property	400	400	470		470	70
Recovery of Prior Year Appropriations	17,439	17,440	26,958		26,958	9,518
Recovery of Workers' Compensation	2,000	2,000	132		132	(1,868)
Rental of County Property	189	189	1,029		1,029	840
Rental of Voting Machines	120	120	116		116	(4)
Sale of County Property	50	50	286		286	236
Tobacco Settlement Revenue	23,000	23,000	23,000		23,000	
Tobacco Proceeds		10,273	10,273		10,273	
Other Recoveries	735	735	1,790		1,790	1,055
Recoveries from Enterprise Funds	200	200	118		118	(82)
<u>Total Rents and Recoveries</u>	52,185	62,459	72,311		72,311	9,852
<u>DEPARTMENTAL REVENUE</u>						
Assessment	245	245	157		157	(88)
Board of Elections	35	35	33		33	(2)
CASA	25	25	18		18	(7)
Civil Service	235	235	274		274	39
Consumer Affairs			1		1	1
Correctional Center	2,120	2,120	2,329		2,329	209
County Attorney	110	110	70		70	(40)
County Clerk	16,500	16,500	13,940		13,940	(2,560)
County Comptroller	15	15	17		17	2

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL REVENUES VS. MODIFIED BUDGET
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006 (Dollars in Thousands)

	Original Budget	Modified Budget	Actual Revenues	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
DEPARTMENTAL REVENUE (Continued)						
Health	\$	\$	\$	\$	\$	\$
Administration	15	15	10		10	(5)
Environmental Health			141		141	141
Children's Early Intervention	6,950	6,950	8,755		8,755	1,805
Pre School Education	1,500	1,500	1,024		1,024	(476)
Laboratory Research	58	58	87		87	29
Personal Health	79	79	108		108	29
Human Resources			4		4	4
Information Technology	202	202				(202)
Medical Examiner	20	20	19		19	(1)
Mental Health	328	328	45		45	(283)
Miscellaneous			791		791	791
Planning	1,096	1,096	1,439		1,439	343
Probation	1,500	1,500	1,706		1,706	206
Public Administrator	328	328	321		321	(7)
Public Utility Authority	2,269	2,269	1,893		1,893	(376)
Public Works						
Administration	865	865	981		981	116
Roads & Bridge Maintenance			20		20	20
Purchasing	15	15	1		1	(14)
Real Estate	76	76	112		112	36
Senior Citizens Affairs	15	15	15		15	
Social Services						
Administration	9	9	36		36	27
Aid to Dependent Children	3,879	3,879	3,825		3,825	(54)
Burials	13	13	12		12	(1)
Children in Foster Homes	175	175	465		465	290
Children in Institutions	400	400	85		85	(315)
Education of Handicapped Children	2,600	2,600	2,425		2,425	(175)
Home Relief	2,000	2,000	2,343		2,343	343
Juvenile Delinquents	90	90	10		10	(80)
Medicaid MMIS	39,574	39,574	680		680	(38,894)
Title XX	300	300	357		357	57
Treasurer	440	440	635		635	195
Traffic Safety Board	175	175	174		174	(1)
Total Departmental Revenue	84,256	84,256	45,358		45,358	(38,898)
INTERDEPARTMENTAL REVENUE						
Constituent Affairs	1,184	1,184	2,612		2,612	1,428
Correctional Center	120	120	232		232	112
County Attorney	9,332	9,332	10,492		10,492	1,160
District Attorney	110	110	186		186	76
Drug and Alcohol	750	750	894		894	144
Physically Challenged	600	600				(600)
Information Technology	5,560	5,560	5,445		5,445	(115)
Mental Health	509	847	739		739	(108)
Probation	3,000	3,000	2,002		2,002	(998)
Purchasing	859	859	593		593	(266)
Public Works	13,781	13,781				(13,781)
Groundwater Remediation	1,864	1,864	1,827		1,827	(37)
Roads & Bridge Maintenance			14,520		14,520	14,520
Real Estate	7,485	7,485	8,722		8,722	1,237
Records Maintenance	129	129	88		88	(41)
Revenues from Capital Fund	6,881	6,881	4,409		4,409	(2,472)

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL REVENUES VS. MODIFIED BUDGET
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006 (Dollars in Thousands)

	Original Budget	Modified Budget	Actual Revenues	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
INTERDEPARTMENTAL REVENUE (Continued)						
Revenues from Indirect Cost Chargebacks	\$ 47,107	\$ 47,107	\$ 42,632	\$	\$ 42,632	\$ (4,475)
Revenues from Grant Closeouts	542	542	184		184	(358)
Interfund Revenue	29,267	29,268	27,307		27,307	(1,961)
Interdepartmental Revenue	1,084	1,084	1,071		1,071	(13)
Post-Conviction Forfeiture	130	130	130		130	
Stop DWI Grant Revenue	160	160	160		160	
Senior Citizens Affairs	391	391	383		383	(8)
Social Services			53		53	53
Veterans Service Agency	1,000	1,000				(1,000)
Total Interdepartmental Revenue	131,845	132,184	124,681		124,681	(7,503)
FEDERAL AID						
Correctional Center	13,390	13,390	13,576		13,576	186
County Attorney	228	228	24		24	(204)
District Attorney	28	28	17		17	(11)
Emergency Management	171	171	274		274	103
Housing and Minority Affairs	400	400	50		50	(350)
Miscellaneous General Fund Aid	320	320	1,349		1,349	1,029
Planning	110	110	548		548	438
Probation			6		6	6
Public Works	440	440				(440)
Senior Citizen Affairs	5,035	5,094	5,240		5,240	146
Social Services						
Administration	6,168	6,168	9,207		9,207	3,039
Aid to Dependent Children	8,625	8,625	4,411		4,411	(4,214)
Children in Foster Homes	1,720	1,720	1,474		1,474	(246)
Children in Institutions	12,000	12,000	13,247		13,247	1,247
Division of Services	9,119	9,119	7,626		7,626	(1,493)
Home Energy Assistance Program	2,650	2,650	2,002		2,002	(648)
Juvenile Delinquents	3,518	3,518	5,478		5,478	1,960
Medicaid MMIS			1,767		1,767	1,767
Public Financial Assistance	22,133	22,444	18,792		18,792	(3,652)
Subsidized Adoptions	1,830	1,830	1,352		1,352	(478)
Title XX	26,902	26,901	28,525		28,525	1,624
Total Federal Aid	114,787	115,156	114,965		114,965	(191)
STATE AID						
Assessment	800	800	917		917	117
Consumer Affairs	46	46	45		45	(1)
Correctional Center	1,050	1,050	1,079		1,079	29
County Attorney	61	61	5		5	(56)
Court Facility Aid	2,018	2,018	2,070		2,070	52
District Attorney	52	52	56		56	4
Drug and Alcohol Addiction Health	3,323	3,323	3,323		3,323	
Health						
Administration	1,148	1,148	1,726		1,726	578
Children's Early Intervention	21,600	21,600	17,951		17,951	(3,649)
Pre School Education	56,973	56,973	65,554		65,554	8,581
Environmental Health	1,396	1,396	1,310		1,310	(86)
Laboratory Research	830	830	1,063		1,063	233
Personal Health	3,135	3,135	3,205		3,205	70
Housing and Intergovernmental Affairs	1,800	1,800				(1,800)
Information Technology	372	372	484		484	112
Medical Examiner	1,526	1,526	1,654		1,654	128

(Continued)

COUNTY OF NASSAU, NEW YORK

 COMPARATIVE SCHEDULE OF ACTUAL REVENUES VS. MODIFIED BUDGET
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006 (Dollars in Thousands)

	<u>Original Budget</u>	<u>Modified Budget</u>	<u>Actual Revenues</u>	<u>GAAP to Budgetary Basis Conversion</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Over (Under)</u>
STATE AID (Continued)						
Mental Health						
Administration	\$ 738	\$ 738	\$ 1,084	\$	\$ 1,084	\$ 346
Contractual Services	2,888	2,888	2,508		2,508	(380)
Miscellaneous General Fund Aid	1,646	1,646	3,967		3,967	2,321
Probation	3,576	3,576	3,977		3,977	401
Public Works			73		73	73
Real Estate	94	94				(94)
Senior Citizen Affairs	4,688	5,920	5,884		5,884	(36)
Social Services						
Administration	10,392	10,392	3,661		3,661	(6,731)
Aid to Dependent Children	8,050	8,050	8,883		8,883	833
Burials	6	6	5		5	(1)
Children in Foster Homes	948	948	65		65	(883)
Children in Institutions	1,400	1,400	4,431		4,431	3,031
Division of Services	6,056	6,251	5,489		5,489	(762)
Education of Handicapped Children	5,200	5,200	4,944		4,944	(256)
Home Relief	7,554	7,554	7,123		7,123	(431)
Juvenile Delinquents	2,470	2,470	2,008		2,008	(462)
Juvenile Detention Center	2,910	2,910	3,653		3,653	743
Medicaid MMIS			3,311		3,311	3,311
Public Financial Assistance	7,425	7,812	17,592		17,592	9,780
Subsidized Adoptions	2,287	2,287	2,447		2,447	160
Title XX	4,506	4,506	3,607		3,607	(899)
Veterans Service Agency	33	33	35		35	2
Nassau County Youth Board	1,523	1,523	1,543		1,543	20
<u>Total State Aid</u>	<u>170,520</u>	<u>172,334</u>	<u>186,732</u>		<u>186,732</u>	<u>14,398</u>
SALES TAX *	<u>936,369</u>	<u>936,369</u>	<u>783,680</u>		<u>783,680</u>	<u>(152,689)</u>
PREEMPTED SALES TAX IN LIEU OF PROPERTY TAXES						
Towns and City of Glen Cove	65,421	65,421	59,426		59,426	(5,995)
<u>Total Preempted Sales Tax in Lieu of Property Taxes</u>	<u>65,421</u>	<u>65,421</u>	<u>59,426</u>		<u>59,426</u>	<u>(5,995)</u>
PROPERTY TAXES	<u>80,016</u>	<u>80,016</u>	<u>86,875</u>		<u>86,875</u>	<u>6,859</u>
PAYMENTS IN LIEU OF TAXES	<u>4,500</u>	<u>4,500</u>	<u>4,551</u>		<u>4,551</u>	<u>51</u>
SPECIAL TAXES						
Admission Tax - Belmont Park	60	60	51		51	(9)
Entertainment Tax	3,000	3,000	2,579		2,579	(421)
Off-Track Betting Surtax	6,500	6,500	6,580		6,580	80
Hotel-Motel Room Tax	1,500	1,500	1,595		1,595	95
<u>Total Special Taxes</u>	<u>11,060</u>	<u>11,060</u>	<u>10,805</u>		<u>10,805</u>	<u>(255)</u>

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL REVENUES VS. MODIFIED BUDGET
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006 (Dollars in Thousands)

	<u>Original Budget</u>	<u>Modified Budget</u>	<u>Actual Revenues</u>	<u>GAAP to Budgetary Basis Conversion</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Over (Under)</u>
<u>OTHER REVENUES</u>						
Miscellaneous	\$ 15,763	\$ 16,663	\$ 10,528	\$ (3,445)	\$ 7,083	\$ (9,580)
<u>Total Other Revenues</u>	<u>15,763</u>	<u>16,663</u>	<u>10,528</u>	<u>(3,445)</u>	<u>7,083</u>	<u>(9,580)</u>
<u>Total Revenues</u>	<u>1,736,767</u>	<u>1,753,238</u>	<u>1,565,222</u>	<u>(3,445)</u>	<u>1,561,777</u>	<u>(191,461)</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers In			197,098	(50,000)	147,098	147,098
Transfer in from NIFA			6,896		6,896	6,896
Transfers from NIFA for Tax Certiorari and Other Judgment Borrowings			5,014	(5,014)		
Transfers in of Investment Income			4,139		4,139	4,139
<u>Total Other Financing Sources</u>			<u>213,147</u>	<u>(55,014)</u>	<u>158,133</u>	<u>158,133</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ <u>1,736,767</u>	\$ <u>1,753,238</u>	** \$ <u>1,778,369</u>	\$ <u>(58,459)</u>	\$ <u>1,719,910</u>	\$ <u>(33,328)</u>

* Paid to County \$56,670; paid to NIFA \$932,573

** Total revenues and other financing sources, estimates per 2006 County budget as adopted
Less: Budgeted opening fund balance
Add: Supplemental appropriations
Budget estimates, total revenues and other financing sources

\$ 1,750,134
(13,367)
16,471
\$ 1,753,238

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL REVENUES VS. MODIFIED BUDGET
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005 (Dollars in Thousands)

	Original Budget	Modified Budget	Actual Revenues	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
INTEREST AND PENALTIES ON TAXES	\$ 24,180	\$ 24,180	\$ 21,369	\$	\$ 21,369	\$ (2,811)
LICENSES AND PERMITS						
Day Camp Permits	6	6	6		6	
Food Establishments	2,120	2,120	2,062		2,062	(58)
Hazardous Materials Registration Fees	901	901	857		857	(44)
Home Improvements	2,122	2,122	2,257		2,257	135
Manufacturing Frozen Desserts	15	15	14		14	(1)
Realty Subdivision Filing	47	47	360		360	313
Road Openings	180	180	126		126	(54)
Sewage Connections	100	100	106		106	6
Swimming Pools and Bathing Beaches	154	154	195		195	41
Temporary Residence Inspection Permit	64	64	67		67	3
Verification	110	110	108		108	(2)
Weights & Measures	800	800	773		773	(27)
X-rays, Surveys and Inspections	106	106	54		54	(52)
Cross Connections	63	63	74		74	11
Water Supply Plan Review	67	67	50		50	(17)
Tattoo Parlor / Piercing	7	7	13		13	6
Taxi and Limo Registration Fees			360		360	360
ATM Registration Fees			28		28	28
Lifeguard Certification	53	53	48		48	(5)
Total Licenses and Permits	6,915	6,915	7,558		7,558	643
FINES AND FORFEITS	16,817	16,817	21,135		21,135	4,318
INVESTMENT INCOME	9,000	11,000	8,286		8,286	(2,714)
RENTS AND RECOVERIES						
Rental of Mitchell Field	5,192	5,192	5,375		5,375	183
Coliseum Concessions	354	354	337		337	(17)
Coliseum Rental	303	303	308		308	5
Coliseum Utilities	1,740	1,740	1,840		1,840	100
Recovery of Damage to County Property	2,600	2,600	482		482	(2,118)
Recovery of Prior Year Appropriations	13,500	13,760	4,785		4,785	(8,975)
Recovery of Workers' Compensation	1,450	1,450	123		123	(1,327)
Rental of County Property	320	320	548		548	228
Rental of Voting Machines	120	120	135		135	15
Sale of County Property	30	30	148		148	118
Tobacco Settlement Revenue	23,175	23,175	23,017		23,017	(158)
Other Recoveries	910	910	14,976		14,976	14,066
Recoveries from Enterprise Funds			215		215	215
Total Rents and Recoveries	49,694	49,954	52,289		52,289	2,335
DEPARTMENTAL REVENUE						
Assessment	245	245	176		176	(69)
Assessment Review	9	9				(9)
Board of Elections	35	35	36		36	1
CASA	30	30	25		25	(5)
Civil Service	201	201	376		376	175
Correctional Center	1,222	1,222	1,377		1,377	155
County Attorney	110	110	101		101	(9)
County Clerk	14,150	14,150	15,947		15,947	1,797
County Comptroller	19	19	14		14	(5)

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL REVENUES VS. MODIFIED BUDGET
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005 (Dollars in Thousands)

	Original Budget	Modified Budget	Actual Revenues	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
DEPARTMENTAL REVENUE (Continued)						
District Attorney	\$ 1,031	\$ 1,031	\$ 1	\$	\$ 1	\$ (1,030)
Drug and Alcohol Addiction Health	1	1				(1)
Administration	15	15	12		12	(3)
Environmental Health			88		88	88
Children's Early Intervention	6,700	6,700	6,744		6,744	44
Laboratory Research	57	57	70		70	13
Personal Health	64	64	272		272	208
Information Technology	700	700	1,038		1,038	338
Medical Examiner	36	36	16		16	(20)
Mental Health	1,828	1,828	1,002		1,002	(826)
Planning	1,095	1,095	1,433		1,433	338
Probation	1,400	1,400	1,702		1,702	302
Public Administrator	285	285	329		329	44
Public Utility Authority		2,184	2,097		2,097	(87)
Public Works						
Administration	870	870	1,317		1,317	447
Water Supply			134		134	134
Purchasing	254	254				(254)
Real Estate	76	76	82		82	6
Senior Citizens Affairs	15	15	15		15	
Social Services						
Administration	41	41	14		14	(27)
Aid to Dependent Children	4,210	4,210	3,653		3,653	(557)
Burials	13	13	8		8	(5)
Children in Foster Homes	125	125	331		331	206
Children in Institutions	500	500	369		369	(131)
Education of Handicapped Children	2,200	2,200	2,701		2,701	501
Home Relief	1,700	1,700	2,011		2,011	311
Juvenile Delinquents	85	85	83		83	(2)
Medicaid MMIS	42,779	42,779	42,661		42,661	(118)
Title XX	200	200	333		333	133
Treasurer	280	280	542		542	262
Traffic Safety Board	160	160	160		160	
Total Departmental Revenue	82,741	84,925	87,270		87,270	2,345
INTERDEPARTMENTAL REVENUE						
Constituent Affairs	4,527	4,527	1,714		1,714	(2,813)
Correctional Center	387	387	488		488	101
County Attorney	8,662	8,662	9,022		9,022	360
District Attorney			142		142	142
Drug and Alcohol	547	547	1,016		1,016	469
Information Technology	21,672	21,672	4,746		4,746	(16,926)
Mental Health	1,374	1,374	1,055		1,055	(319)
Planning	1,509	1,509	168		168	(1,341)
Probation	835	835	2,218		2,218	1,383
Purchasing	2,202	2,202	935		935	(1,267)
Public Works	23,343	23,343	14,787		14,787	(8,556)
Real Estate	10,862	10,862	3,183		3,183	(7,679)
Records Maintenance	690	690	353		353	(337)
Revenues from Capital Fund	5,440	5,440	5,349		5,349	(91)
Revenues from Debt Service Chargebacks	30,985	30,985	32,776		32,776	1,791

(Continued)

COUNTY OF NASSAU, NEW YORK

 COMPARATIVE SCHEDULE OF ACTUAL REVENUES VS. MODIFIED BUDGET
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005 (Dollars in Thousands)

	Original Budget	Modified Budget	Actual Revenues	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
INTERDEPARTMENTAL REVENUE (Continued)						
Revenues from Indirect Cost Chargebacks	\$ 638	\$ 638	\$ 336	\$	\$ 336	\$ (638)
Revenues from Grant Closeouts	656	656	336		336	(320)
Interfund Revenue	27,065	42,100	42,176		42,176	76
Interdepartmental Revenue			856		856	856
Post-Conviction Forfeiture			98		98	98
Stop DWI Grant Revenue			160		160	160
Senior Citizens Affairs	72	72				(72)
Social Services			21		21	21
Total Interdepartmental Revenue	141,466	156,501	121,599		121,599	(34,902)
FEDERAL AID						
Correctional Center	17,027	17,027	15,523		15,523	(1,504)
County Attorney	225	225	154		154	(71)
District Attorney	201	201	71		71	(130)
Emergency Management	169	169	169		169	
Housing and Minority Affairs	300	300	118		118	(182)
Miscellaneous General Fund Aid	210	210	429		429	219
Planning			396		396	396
Probation			9		9	9
Senior Citizen Affairs	5,148	5,240	4,885		4,885	(355)
Social Services						
Administration	9,089	9,089	4,043		4,043	(5,046)
Aid to Dependent Children	12,162	12,162	3,824		3,824	(8,338)
Children in Foster Homes	1,877	1,877	2,207		2,207	330
Children in Institutions	9,600	9,600	6,048		6,048	(3,552)
Division of Services	7,375	7,375	11,694		11,694	4,319
Home Energy Assistance Program	1,900	1,900	2,010		2,010	110
Juvenile Delinquents	3,518	3,518	438		438	(3,080)
Medicaid MMIS	2,500	2,500	728		728	(1,772)
Public Financial Assistance	21,347	21,347	24,638		24,638	3,291
Subsidized Adoptions	1,963	1,963	1,323		1,323	(640)
Title XX	28,447	28,447	35,339		35,339	6,892
Veterans Services	34	34				(34)
Total Federal Aid	123,092	123,184	114,046		114,046	(9,138)
STATE AID						
Assessment	664	664	1,362		1,362	698
Assessment Review	4,300	4,300	4,833		4,833	533
Consumer Affairs	45	45	50		50	5
Correctional Center	942	942	1,064		1,064	122
County Attorney	60	60	40		40	(20)
Court Facility Aid	2,476	2,476	2,016		2,016	(460)
District Attorney	56	56	82		82	26
Drug and Alcohol Addiction	3,403	3,403	1,668		1,668	(1,735)
Health						
Administration	1,300	1,300	1,129		1,129	(171)
Children's Early Intervention	21,700	21,700	17,906		17,906	(3,794)
Environmental Health	1,429	1,429	1,475		1,475	46
Laboratory Research	900	900	852		852	(48)
Personal Health	2,342	2,342	3,230		3,230	888
Housing and Intergovernmental Affairs	4,950	4,950				(4,950)
Information Technology			506		506	506
Medical Examiner	1,496	1,496	1,675		1,675	179

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL REVENUES VS. MODIFIED BUDGET
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005 (Dollars in Thousands)

	<u>Original Budget</u>	<u>Modified Budget</u>	<u>Actual Revenues</u>	<u>GAAP to Budgetary Basis Conversion</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Over (Under)</u>
<u>STATE AID (Continued)</u>						
Mental Health						
Administration	\$ 1,237	\$ 1,237	\$ 1,122	\$	\$ 1,122	\$ (115)
Contractual Services	3,148	3,148	2,582		2,582	(566)
Education of Handicapped Children	50,836	58,836	60,271		60,271	1,435
Miscellaneous General Fund Aid	8,083	8,805	1,333		1,333	(7,472)
Probation	4,037	4,037	3,962		3,962	(75)
Public Works	55	55	362		362	307
Real Estate	359	359				(359)
Senior Citizen Affairs	4,025	4,735	3,986		3,986	(749)
Social Services						
Administration	2,922	2,922	1,743		1,743	(1,179)
Aid to Dependent Children	3,507	3,507	7,459		7,459	3,952
Burials	6	6	3		3	(3)
Children in Foster Homes	916	916	883		883	(33)
Children in Institutions	2,921	2,921	4,164		4,164	1,243
Division of Services	5,363	5,363	4,572		4,572	(791)
Education of Handicapped Children	4,184	4,184	5,067		5,067	883
Home Relief	7,865	7,865	7,182		7,182	(683)
Juvenile Delinquents	1,922	1,922				(1,922)
Juvenile Detention Center	2,790	2,790	2,330		2,330	(460)
Medicaid MMIS	61,000	61,000	35,488		35,488	(25,512)
Public Financial Assistance	6,927	6,927	10,947		10,947	4,020
Subsidized Adoptions	2,012	2,012	2,502		2,502	490
Title XX	4,542	4,542	3,070		3,070	(1,472)
Veterans Service Agency	33	33	68		68	35
Nassau County Youth Board	1,599	1,599	1,761		1,761	162
<u>Total State Aid</u>	<u>226,352</u>	<u>235,784</u>	<u>198,745</u>		<u>198,745</u>	<u>(37,039)</u>
<u>SALES TAX *</u>	<u>907,089</u>	<u>907,089</u>	<u>765,485</u>		<u>765,485</u>	<u>(141,604)</u>
<u>PREEMPTED SALES TAX IN LIEU OF PROPERTY TAXES</u>						
Towns and City of Glen Cove	<u>57,568</u>	<u>57,568</u>	<u>57,568</u>		<u>57,568</u>	
<u>Total Preempted Sales Tax in Lieu of Property Taxes</u>	<u>57,568</u>	<u>57,568</u>	<u>57,568</u>		<u>57,568</u>	
<u>PROPERTY TAXES</u>	<u>112,770</u>	<u>115,097</u>	<u>119,973</u>		<u>119,973</u>	<u>4,876</u>
<u>PAYMENTS IN LIEU OF TAXES</u>	<u>4,500</u>	<u>4,500</u>	<u>4,298</u>		<u>4,298</u>	<u>(202)</u>
<u>SPECIAL TAXES</u>						
Admission Tax - Belmont Park	70	70	167		167	97
Entertainment Tax	3,000	3,000	1,788		1,788	(1,212)
Off-Track Betting Surtax	6,900	6,900	6,924		6,924	24
Hotel-Motel Room Tax	2,900	2,900	3,273		3,273	373
<u>Total Special Taxes</u>	<u>12,870</u>	<u>12,870</u>	<u>12,152</u>		<u>12,152</u>	<u>(718)</u>

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL REVENUES VS. MODIFIED BUDGET
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005 (Dollars in Thousands)

	<u>Original Budget</u>	<u>Modified Budget</u>	<u>Actual Revenues</u>	<u>GAAP to Budgetary Basis Conversion</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Over (Under)</u>
<u>OTHER REVENUES</u>						
Miscellaneous	\$ 12,068	\$ 12,560	\$ 16,148	\$	\$ 16,148	\$ 3,588
<u>Total Other Revenues</u>	<u>12,068</u>	<u>12,560</u>	<u>16,148</u>		<u>16,148</u>	<u>3,588</u>
<u>Total Revenues</u>	<u>1,787,122</u>	<u>1,818,944</u>	<u>1,607,921</u>		<u>1,607,921</u>	<u>(211,023)</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers In			146,402		146,402	146,402
Transfer in from NIFA			5,783		5,783	5,783
Transfers from NIFA for Tax Certiorari and Other						
Judgment Borrowings			252,932	(260,207)	(7,275)	(7,275)
Transfers in of Investment Income			3,249		3,249	3,249
<u>Total Other Financing Sources</u>			<u>408,366</u>	<u>(260,207)</u>	<u>148,159</u>	<u>148,159</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 1,787,122</u>	<u>\$ 1,818,944</u>	<u>** \$ 2,016,287</u>	<u>\$ (260,207)</u>	<u>\$ 1,756,080</u>	<u>\$ (62,864)</u>

* Paid to County \$55,270; paid to NIFA \$897,405

** Total revenues and other financing sources, estimates per 2005 County budget as adopted

Less: Budgeted opening fund balance

Add: Supplemental appropriations

Budget estimates, total revenues and other financing sources

\$	1,789,306
	(2,200)
	<u>31,822</u>
\$	<u>1,818,928</u>

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
CURRENT:						
LEGISLATIVE						
Legislature						
Legislators						
Salaries	\$ 4,154	\$ 4,133	\$ 3,682	\$	\$ 3,682	\$ 451
Fringe Benefits	1,217	1,282	1,282		1,282	
Equipment	11	6	1		1	5
General Expenses	19	19	9	1	10	9
Contractual Services	184	154	61	68	129	25
Legislative Central Staff						
Salaries	638	638	579		579	59
Fringe Benefits	152	202	202		202	
Equipment	61	61	59		59	2
General Expenses	994	1,124	1,079	27	1,106	18
Contractual Services	950	920	612	252	864	56
Legislative Budget Review						
Salaries	798	798	792		792	6
Fringe Benefits	304	276	276		276	
Equipment	1	1				1
General Expenses	4	10	3		3	7
Contractual Services	184	177	110	7	117	60
Legislature Total	<u>9,671</u>	<u>9,801</u>	<u>8,747</u>	<u>355</u>	<u>9,102</u>	<u>699</u>
Total Legislative	<u>9,671</u>	<u>9,801</u>	<u>8,747</u>	<u>355</u>	<u>9,102</u>	<u>699</u>
JUDICIAL						
Court Administration						
Fringe Benefits	<u>2,436</u>	<u>2,436</u>	<u>2,097</u>		<u>2,097</u>	<u>339</u>
District Attorney						
Salaries	25,620	25,120	24,921		24,921	199
Fringe Benefits	8,063	8,161	8,161		8,161	
Equipment	69	369	294	1	295	74
Materials and Supplies	11	11	10		10	1
General Expenses	714	914	855	50	905	9
Contractual Services	852	852	731	66	797	55
District Attorney Total	<u>35,329</u>	<u>35,427</u>	<u>34,972</u>	<u>117</u>	<u>35,089</u>	<u>338</u>
Public Administrator						
Salaries	420	425	424		424	1
Fringe Benefits	152	202	202		202	
Equipment	3	2	2		2	
General Expenses	6	6	5		5	1
Contractual Services	14	14	14		14	
Public Administrator Total	<u>595</u>	<u>649</u>	<u>647</u>		<u>647</u>	<u>2</u>
Traffic and Parking Violations						
Salaries	2,446	2,446	2,398		2,398	48
Fringe Benefits	761	764	764		764	
Equipment	26	24	8		8	16
General Expenses	164	257	191	4	195	62
Contractual Services	1,140	1,035	656	228	884	151
Traffic and Parking Violations Total	<u>4,537</u>	<u>4,526</u>	<u>4,017</u>	<u>232</u>	<u>4,249</u>	<u>277</u>
Total Judicial	<u>42,897</u>	<u>43,038</u>	<u>41,733</u>	<u>349</u>	<u>42,082</u>	<u>956</u>

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
GENERAL ADMINISTRATION						
Assessment						
Salaries	\$ 11,375	\$ 11,925	\$ 11,795	\$	\$ 11,795	\$ 130
Fringe Benefits	4,716	4,809	4,809		4,809	
Equipment	442	393	392	1	393	
Materials and Supplies	14	14	5	2	7	7
General Expenses	997	988	888	48	936	52
Contractual Services	3,575	2,779	1,198	1,581	2,779	
Assessment Total	<u>21,119</u>	<u>20,908</u>	<u>19,087</u>	<u>1,632</u>	<u>20,719</u>	<u>189</u>
Board of Assessment Review						
Salaries	3,548	3,548	3,283		3,283	265
Fringe Benefits	913	946	946		946	
Equipment	63	60	39		39	21
General Expenses	172	159	52	6	58	101
Contractual Services	5,193	5,193	2,575	2,431	5,006	187
Board of Assessment Review Total	<u>9,889</u>	<u>9,906</u>	<u>6,895</u>	<u>2,437</u>	<u>9,332</u>	<u>574</u>
Board of Elections						
Administration						
Salaries	3,386	3,386	3,302		3,302	84
Fringe Benefits	1,065	1,125	1,125		1,125	
Equipment	36	33	31		31	2
General Expenses	27	25	17		17	8
General Elections						
Salaries	4,666	4,716	4,574		4,574	142
Fringe Benefits	1,521	1,557	1,557		1,557	
Equipment	107	100	94		94	6
General Expenses	708	652	587	2	589	63
Contractual Services	425	425	260	87	347	78
Primary Elections						
Salaries	724	724	724		724	
Fringe Benefits	304	247	247		247	
General Expenses	165	102	81		81	21
Contractual Services	199	199	78	11	89	110
Board of Elections Total	<u>13,333</u>	<u>13,291</u>	<u>12,677</u>	<u>100</u>	<u>12,777</u>	<u>514</u>
Civil Service						
Salaries	4,530	4,530	4,362		4,362	168
Fringe Benefits	1,673	1,704	1,704		1,704	
Equipment	21	20	11		11	9
General Expenses	364	341	262	11	273	68
Contractual Services	8	8	8		8	8
Interdepartmental Charges	150	150	53		53	97
Civil Service Total	<u>6,746</u>	<u>6,753</u>	<u>6,392</u>	<u>11</u>	<u>6,403</u>	<u>350</u>
County Attorney						
Salaries	10,895	10,895	10,613		10,613	282
Fringe Benefits	3,651	3,731	3,731		3,731	
Equipment	73	69	64	4	68	1
Materials and Supplies	6	6	3	2	5	1
General Expenses	754	697	678	16	694	3
Contractual Services	4,952	5,763	4,564	875	5,439	324
Other Suits and Damages	1,500	1,500	1,500		1,500	
Workman's Compensation Expense						
Fringe Benefits	17,747	21,384	21,193	191	21,384	
County Attorney Total	<u>39,578</u>	<u>44,045</u>	<u>42,346</u>	<u>1,088</u>	<u>43,434</u>	<u>611</u>
County Clerk						
Salaries	4,932	4,932	4,868		4,868	64
Fringe Benefits	2,586	2,700	2,700		2,700	
Equipment	145	145	87	11	98	47
Materials and Supplies	5	5	3	2	5	
General Expenses	199	199	171	25	196	3
Contractual Services	487	487	110	50	160	327
County Clerk Total	<u>8,354</u>	<u>8,468</u>	<u>7,939</u>	<u>88</u>	<u>8,027</u>	<u>441</u>
County Comptroller						
Salaries	6,446	5,998	5,998		5,998	
Fringe Benefits	2,586	2,600	2,600		2,600	
Equipment	142	142	64	63	127	15
General Expenses	79	79	68	1	69	10
Contractual Services	1,379	1,379	572	679	1,251	128
County Comptroller Total	<u>10,632</u>	<u>10,198</u>	<u>9,302</u>	<u>743</u>	<u>10,045</u>	<u>153</u>

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
GENERAL ADMINISTRATION (Continued)						
County Executive						
Salaries	\$ 3,803	\$ 4,306	\$ 4,287	\$	\$ 4,287	\$ 19
Fringe Benefits	1,217	1,187	1,187		1,187	
Equipment	31	29	9		9	20
General Expenses	59	55	35	3	38	17
Contractual Services	501	501	260	220	480	21
County Executive Total	<u>5,611</u>	<u>6,078</u>	<u>5,778</u>	<u>223</u>	<u>6,001</u>	<u>77</u>
County Treasurer						
Salaries	2,683	2,683	2,501		2,501	182
Fringe Benefits	1,217	1,251	1,251		1,251	
Equipment	10	9	8		8	1
General Expenses	331	305	294	5	299	6
Contractual Services	785	1,185	1,174		1,174	11
County Treasurer Total	<u>5,026</u>	<u>5,433</u>	<u>5,228</u>	<u>5</u>	<u>5,233</u>	<u>200</u>
Office of Constituent Affairs						
Salaries	789	1,189	1,183		1,183	6
Fringe Benefits	456	398	398		398	
Office of Constituent Affairs Printing & Graphics						
Salaries	1,955	1,965	1,945		1,945	20
Fringe Benefits	609	655	655		655	
Equipment	5	5	3	1	4	1
Materials and Supplies	4	4	4		4	
General Expenses	1,969	2,219	2,119	33	2,152	67
Interdepartmental Charges	940	425	425		425	
Office of Constituent Affairs Total	<u>6,727</u>	<u>6,860</u>	<u>6,732</u>	<u>34</u>	<u>6,766</u>	<u>94</u>
Office of Emergency Management						
Salaries	543	543	517		517	26
Fringe Benefits	152	108	108		108	
Equipment	72	694	37	606	643	51
Materials and Supplies	1	1	1		1	
General Expenses	37	34	21	3	24	10
Interdepartmental Charges	108	108				108
Office of Emergency Management Total	<u>913</u>	<u>1,488</u>	<u>684</u>	<u>609</u>	<u>1,293</u>	<u>195</u>
Information Technology						
Administration						
Salaries	8,734	7,849	7,659		7,659	190
Fringe Benefits	2,738	2,745	2,745		2,745	
Equipment	1,001	341	239	101	340	1
Materials and Supplies	1					
General Expenses	2,974	2,974	2,494	199	2,693	281
Contractual Services	8,111	6,411	4,860	1,517	6,377	34
Utilities	3,730	4,472	3,977	139	4,116	356
Interdepartmental Charges	1,889	1,889	1,561		1,561	328
Project Management						
Salaries	1,199	1,049	968		968	81
Fringe Benefits	304	347	347		347	
General Expenses	150	138		63	63	75
Contractual Services	650	650	477		477	173
Information Technology Total	<u>31,481</u>	<u>28,865</u>	<u>25,327</u>	<u>2,019</u>	<u>27,346</u>	<u>1,519</u>
Housing and Intergovernmental Affairs						
Salaries	1,100	1,100	1,056		1,056	44
Fringe Benefits	609	585	585		585	
Equipment	7	6	2		2	4
General Expenses	222	206	92	12	104	102
Contractual Services	2,725	185	177	8	185	
Interdepartmental Charges	1,049	549	512		512	37
Housing and Intergovernmental Affairs Total	<u>5,712</u>	<u>2,631</u>	<u>2,424</u>	<u>20</u>	<u>2,444</u>	<u>187</u>

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
GENERAL ADMINISTRATION (Continued)						
Labor Relations						
Salaries	\$ 423	\$ 423	\$ 420	\$	\$ 420	\$ 3
Fringe Benefits	152	132	132		132	
General Expenses	10	9	7		7	2
Contractual Services	3	3				3
Labor Relations Total	588	567	559		559	8
Management and Budgets						
Salaries	1,180	1,378	1,377		1,377	1
Fringe Benefits	456	474	474		474	
Equipment	5	4				4
General Expenses	32	30	30		30	
Contractual Services	180	720	247	473	720	
Fiscal Analysis						
Salaries	1,398	1,400	1,362		1,362	38
Fringe Benefits	456	469	469		469	
Equipment	4	3	1		1	2
General Expenses	13	12	9		9	3
Contractual Services	1,039	3,414	3,038	375	3,413	1
Management and Budgets Total	4,763	7,904	7,007	848	7,855	49
Personnel						
Salaries	696	758	753		753	5
Fringe Benefits	304	322	322		322	
General Expenses	107	75	45	9	54	21
Contractual Services	143	131	83	12	95	36
Personnel Total	1,250	1,286	1,203	21	1,224	62
Planning						
Salaries	1,713	1,713	1,631		1,631	82
Fringe Benefits	761	758	758		758	
Equipment	1	14				14
General Expenses	100	80	66		66	14
Contractual Services	2,464	2,449	1,720	635	2,355	94
Bus Shelter Maint. & Cleaning	10	9				9
Employee Commute Options Program						
General Expenses	13	12				12
Mass Transportation						
Pt. Lookout/Lido Beach Bus Route	60	75	75		75	
Metropolitan Suburban Bus Authority	7,500	7,500	7,500		7,500	
LIRR Station Maintenance	23,897	23,897	23,819		23,819	78
MTA-LIRR Operating Assistance	11,584	11,584	11,584		11,584	
Physically Challenged Transportation	3,000	3,000	3,000		3,000	
Planning Total	51,103	51,091	50,153	635	50,788	303
Purchasing						
Salaries	1,429	1,429	1,427		1,427	2
Fringe Benefits	761	776	776		776	
Equipment	2	2				2
General Expenses	35	33	16	2	18	15
Contractual Services	186	186	185		185	1
Interdepartmental Charges	238	238	122		122	116
Purchasing Total	2,651	2,664	2,526	2	2,528	136
Office of Real Estate Services						
Salaries	830	830	806		806	24
Fringe Benefits	304	272	272		272	
General Expenses	303	285	58	149	207	78
Contractual Services	96	96	17	26	43	53
Insurance on Buildings	500	27	12		12	15
Rent	13,115	12,865	10,534	2,167	12,701	164
Office of Real Estate Services Total	15,148	14,375	11,699	2,342	14,041	334
Public Utility Authority						
General Expenses	2,184	2,184	1,819	363	2,182	2
Contractual Services	44	44				44
Interdepartmental Charges	41	41	41		41	
Public Utility Authority Total	2,269	2,269	1,860	363	2,223	46

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
GENERAL ADMINISTRATION (Continued)						
Building Management						
Supplies	\$ 142	\$ 142	\$ 2	\$ 133	\$ 135	\$ 7
General Expenses	98	98	2	94	96	2
Contractual Services	579	579	205	355	560	19
Utility Costs	44	44	11		11	33
Building Management Total	<u>863</u>	<u>863</u>	<u>220</u>	<u>582</u>	<u>802</u>	<u>61</u>
Office of Records Management						
Salaries	709	709	563		563	146
Fringe Benefits	456	517	517		517	
Equipment	38	38				38
Materials and Supplies	4	4	2	2	4	
General Expenses	237	237	72	54	126	111
Contractual Services	276	276	45	168	213	63
Interdepartmental Charges	680	80	75		75	5
Office of Records Management Total	<u>2,400</u>	<u>1,861</u>	<u>1,274</u>	<u>224</u>	<u>1,498</u>	<u>363</u>
<u>Total General Administration</u>	<u>246,156</u>	<u>247,804</u>	<u>227,312</u>	<u>14,026</u>	<u>241,338</u>	<u>6,466</u>
PROTECTION OF PERSONS						
Commission on Human Rights						
Salaries	647	647	571		571	76
Fringe Benefits	304	372	372		372	
Equipment	7	6				6
General Expenses	27	25	4	2	6	19
Contractual Services	25	25				25
Commission on Human Rights Total	<u>1,010</u>	<u>1,075</u>	<u>947</u>	<u>2</u>	<u>949</u>	<u>126</u>
Commissioner of Accounts						
Salaries	414	414	329		329	85
Fringe Benefits	152	190	190		190	
Equipment	7	7	4		4	3
General Expenses	20	18	3		3	15
Contractual Services	71	71	16		16	55
Commissioner of Accounts Total	<u>664</u>	<u>700</u>	<u>542</u>		<u>542</u>	<u>158</u>
Consumer Affairs						
Salaries	2,636	2,636	2,305		2,305	331
Fringe Benefits	1,065	1,036	1,036		1,036	
Equipment	19	18	5	2	7	11
General Expenses	26	24	23		23	1
Consumer Affairs Total	<u>3,746</u>	<u>3,714</u>	<u>3,369</u>	<u>2</u>	<u>3,371</u>	<u>343</u>
Medical Examiner						
Salaries	5,018	5,013	4,786		4,786	227
Fringe Benefits	1,521	1,507	1,507		1,507	
Equipment	51	47	31		31	16
Materials and Supplies	34	34	33		33	1
General Expenses	458	422	406	11	417	5
Contractual Services	230	230	73	21	94	136
Medical Examiner Total	<u>7,312</u>	<u>7,253</u>	<u>6,836</u>	<u>32</u>	<u>6,868</u>	<u>385</u>
Traffic Safety Board						
Salaries	191	191	191		191	
Fringe Benefits	76	76	76		76	
General Expenses	1					
Traffic Safety Board Total	<u>268</u>	<u>267</u>	<u>267</u>		<u>267</u>	
<u>Total Protection of Persons</u>	<u>13,000</u>	<u>13,009</u>	<u>11,961</u>	<u>36</u>	<u>11,997</u>	<u>1,012</u>

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
HEALTH						
Drug and Alcohol Administration						
Salaries	\$ 1,491	\$ 1,491	\$ 1,329	\$	\$ 1,329	\$ 162
Fringe Benefits	761	791	791		791	
Equipment	2	1				1
General Expenses	31	28	9		9	19
Interdepartmental Charges	1,481	2,512	2,512		2,512	
Chemical Dependency Services						
Salaries	3,830	3,830	3,505		3,505	325
Fringe Benefits	1,978	2,086	2,086		2,086	
General Expenses	56	52	36	2	38	14
Contractual Services	7,879	7,879	4,305	2,332	6,637	1,242
Interdepartmental Charges	379	412	412		412	
Drug and Alcohol Total	<u>17,888</u>	<u>19,082</u>	<u>14,985</u>	<u>2,334</u>	<u>17,319</u>	<u>1,763</u>
Health Department Administration						
Salaries	2,262	2,062	1,987		1,987	75
Fringe Benefits	913	942	942		942	
General Expenses	407	400	182	188	370	30
Contractual Services	10	10				10
Interdepartmental Charges	5,139	5,139	3,906		3,906	1,233
Environmental Health						
Salaries	6,574	6,524	6,352		6,352	172
Fringe Benefits	2,891	3,011	3,011		3,011	
Equipment	20	18	15		15	3
General Expenses	465	437	378	10	388	49
Contractual Services	211	211	51	107	158	53
Interdepartmental Charges		398	398		398	
Laboratory Research						
Salaries	1,965	1,965	1,903		1,903	62
Fringe Benefits	913	902	902		902	
Equipment	10	9	8		8	1
Supplies	110	110	101	2	103	7
General Expenses	618	593	546	37	583	10
Contractual Services	23	3				3
Interdepartmental Charges	106	207	207		207	
Public Health						
Salaries	2,154	2,404	2,234		2,234	170
Fringe Benefits	1,065	1,059	1,059		1,059	
Equipment	1	1				1
Supplies	21	21	9		9	12
General Expenses	367	338	148	21	169	169
Contractual Services	7,803	7,803	6,257	1,098	7,355	448
Interdepartmental Charges	58	299	299		299	
Early Intervention						
Salaries	3,817	3,817	3,816		3,816	1
Fringe Benefits	1,826	1,809	1,809		1,809	
General Expenses	520	478	437	2	439	39
Contractual Services	24	24				24
Interdepartmental Charges	152	152				152
Early Intervention Charges	53,306	51,949	47,830	3,024	50,854	1,095
Preschool Education						
Salaries	396	396	360		360	36
Fringe Benefits	152	171	171		171	
General Expenses	4	4	2		2	2
Contractual Services	25	25	10		10	15
Early Intervention Charges	<u>98,086</u>	<u>110,217</u>	<u>106,385</u>	<u>3,830</u>	<u>110,215</u>	<u>2</u>
Health Department Total	<u>192,414</u>	<u>203,908</u>	<u>191,715</u>	<u>8,319</u>	<u>200,034</u>	<u>3,874</u>

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
HEALTH (Continued)						
Mental Health						
Administration						
Salaries	\$ 785	\$ 739	\$ 710	\$	\$ 710	\$ 29
Fringe Benefits	456	541	541		541	
General Expenses	917	915	327	41	368	547
Contractual Services	1,555	1,555	937	18	955	600
Interdepartmental Charges	631	1,705	1,705		1,705	
Contractual Services						
Contractual Services	6,470	6,808	4,342	2,095	6,437	371
Direct Services						
Salaries	33	33	11		11	22
Fringe Benefits		8	8		8	
General Expenses	1	1				1
Contractual Services	275	275	128	37	165	110
Education of Handicapped Children						
Early Intervention Charges	102	102	3		3	99
Other Expenses	12	12	1		1	11
Mental Health Total	<u>11,237</u>	<u>12,694</u>	<u>8,713</u>	<u>2,191</u>	<u>10,904</u>	<u>1,790</u>
Total Health	<u>221,539</u>	<u>235,684</u>	<u>215,413</u>	<u>12,844</u>	<u>228,257</u>	<u>7,427</u>
PUBLIC WORKS						
Administration						
Salaries	3,550	2,970	2,953		2,953	17
Fringe Benefits	1,521	1,627	1,627		1,627	
Equipment	4	4	3		3	1
Supplies	1	1		1	1	
General Expenses	86	80	39	4	43	37
Contractual Services	878	878	807	9	816	62
Highway and Engineering						
Salaries	11,814	10,186	10,117		10,117	69
Fringe Benefits	5,477	5,574	5,574		5,574	
Equipment	71	69	42		42	27
Supplies	59	59	38	16	54	5
General Expenses	160	156	84	20	104	52
Contractual Services	5,979	5,979	3,584	1,383	4,967	1,012
Utility Costs	1,970	2,570	2,395	29	2,424	146
Highway and Bridge Maintenance						
Salaries	18,683	18,333	17,070		17,070	1,263
Fringe Benefits	9,280	9,406	9,406		9,406	
Equipment	132	125	111	4	115	10
Supplies	502	502	323	70	393	109
General Expenses	2,951	2,472	2,192	278	2,470	2
Contractual Services	3,582	4,845	2,618	2,227	4,845	
Utility Costs	25,265	31,140	30,857	213	31,070	70
Interdepartmental Charges	4,352					
Groundwater Remediation						
Salaries	2,260	2,115	2,002		2,002	113
Fringe Benefits	1,065	1,103	1,103		1,103	
Equipment	265	252	242	9	251	1
Supplies	99	99	77	21	98	1
General Expenses	1,758	1,938	1,834	69	1,903	35
Contractual Services	377	377	79	192	271	106
Utility Costs	1	1		1	1	
Interfund Charges	683	685	685		685	
Total Public Works	<u>102,825</u>	<u>103,546</u>	<u>95,862</u>	<u>4,546</u>	<u>100,408</u>	<u>3,138</u>

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
SOCIAL SERVICES						
Bar Association - Public Defender	\$ 4,662	\$ 4,662	\$ 4,159	\$ 348	\$ 4,507	\$ 155
CASA						
Salaries	425	425	360		360	65
Fringe Benefits	152	126	126		126	
Equipment	7	7	2		2	5
General Expenses	12	11	3		3	8
Contractual Services	15	15				15
CASA Total	611	584	491		491	93
Legal Aid Society	4,828	4,828	4,828		4,828	
Minority Affairs						
Salaries	688	688	660		660	28
Fringe Benefits	304	237	237		237	
General Expenses	67	87	52	22	74	13
Contractual Services	207	183	2		2	181
Minority Affairs Total	1,266	1,195	951	22	973	222
Senior Citizens Affairs						
Administration						
Salaries	2,443	2,443	2,289		2,289	154
Fringe Benefits	1,217	1,230	1,230		1,230	
Equipment	8	8	6	2	8	
General Expenses	45	44	38		38	6
Contractual Services	470	520	293	202	495	25
Interdepartmental Charges	1,408	1,408	1,087		1,087	321
Community Services						
Contractual Services	1,896	1,896	1,364	516	1,880	16
Nutrition Program						
Contractual Services	4,475	4,475	4,295	180	4,475	
Community Centers						
Supplies	2	2	2		2	
General Expenses	13	12	8	1	9	3
Contractual Services	160	160	49	80	129	31
Area Agency Title III						
Contractual Services	2,196	2,324	2,087	236	2,323	1
Foster Grandparents Program						
General Expenses	1	1				1
Contractual Services	21	21	21		21	
Extended In-home Services						
Contractual Services	4,444	6,293	6,165	128	6,293	
SNAP (Nutrition)						
Contractual Services	845	845	783	62	845	
TITLE IIID/CSI (Health Promotion)						
Contractual Services	136	136	81	42	123	13
TITLE III E (Caregivers)						
Contractual Services	1,046	1,046	704	334	1,038	8
Senior Citizens Affairs Total	20,826	22,864	20,502	1,783	22,285	579
Social Services Department						
Administration						
Salaries	5,250	5,250	4,850		4,850	400
Fringe Benefits	2,130	2,138	2,138		2,138	
Equipment	7	6	4		4	2
General Expenses	2,416	2,474	1,904	455	2,359	115
Contractual Services	3,512	3,512	2,222	805	3,027	485
Interdepartmental Charges	19,186	19,036	18,396		18,396	640
Public Financial Assistance						
Salaries	23,395	24,093	23,524		23,524	569
Fringe Benefits	10,193	10,372	10,372		10,372	
Equipment	68	63	54		56	7
General Expenses	511	473	387	34	421	52
Contractual Services	17,741	17,741	7,976	5,220	13,196	4,545

(Continued)

COUNTY OF NASSAU, NEW YORK

 COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
SOCIAL SERVICES (continued)						
Division Of Services						
Salaries	\$ 18,678	\$ 18,873	\$ 18,529	\$	\$ 18,529	\$ 344
Fringe Benefits	8,063	8,170	8,170		8,170	
General Expenses	285	265	217	16	233	32
Contractual Services	774	719	171	88	259	460
Juvenile Detention Center						
Salaries	2,741	2,741	2,603		2,603	138
Fringe Benefits	1,065	1,148	1,148		1,148	
Equipment	81	76	48	4	52	24
Supplies	16	16	15	1	16	
General Expenses	143	132	113	17	130	2
Contractual Services	1,457	1,457	821	185	1,006	451
Interdepartmental Charges	355	981	981		981	
Real Estate Expense						
General Expenses	1	1				1
Handicapped Children Education						
Emergency Vendor Payments	13,002	14,002	13,992	6	13,998	4
Physically Challenged						
Salaries	342	368	356		356	12
Fringe Benefits	152	157	157		157	
Equipment	2	2	2		2	
Supplies						
General Expenses	18	17	12		12	5
Contractual Services	41	41	12	18	30	11
Interdepartmental Charges	282	282	159		159	123
Food Stamp Program						
Recipient Grants	1	1				1
Aid to Dependent Children						
Recipient Grants	24,560	22,970	22,967		22,967	3
Emergency Vendor Payments	4,680	5,430	5,388	41	5,429	1
Home Relief						
Recipient Grants	17,000	17,500	17,479		17,479	21
Emergency Vendor Payments	1,534	2,200	2,184		2,184	16
Children in Institutions						
Emergency Vendor Payments	24,638	23,638	16,941	5,025	21,966	1,672
Children in Foster Homes						
Recipient Grants	1,375	1,475	1,411		1,411	64
Purchased Services	1	1	1		1	
Emergency Vendor Payments	400	450	449		449	1
Juvenile Delinquents						
Emergency Vendor Payments	10,763	10,263	8,097	1,333	9,430	833
Training Schools						
Emergency Vendor Payments	2,250	2,250	2,250		2,250	
Children in Institutions - Title 4E						
Emergency Vendor Payments	2,654	2,654	2,163	397	2,560	94
Children in Foster Homes - Title 4E						
Recipient Grants	1,500	800	773		773	27
Emergency Vendor Payments	315	315	219		219	96
Subsidized Adoptions						
Recipient Grants	4,817	5,177	5,068		5,068	109
Burials						
Emergency Vendor Payments	300	300	295		295	5
Medicaid						
Medicaid	254,183	220,130	213,770		213,770	6,360
Home Energy Assistance						
Recipient Grants	2,400	2,400	2,314		2,314	86
Title-XX						
Purchased Services	49,839	49,431	43,798	1,870	45,668	3,763
Social Services Department Total	<u>535,117</u>	<u>501,991</u>	<u>464,900</u>	<u>15,517</u>	<u>480,417</u>	<u>21,574</u>
Veterans Service Agency						
Salaries	568	588	582		582	6
Fringe Benefits	304	244	244		244	
General Expenses	6	5	3		3	2
Contractual Services	1	1	1		1	
Interdepartmental Charges	344	344	64		64	280
Veterans Service Agency Total	<u>1,223</u>	<u>1,182</u>	<u>894</u>		<u>894</u>	<u>288</u>

(Continued)

COUNTY OF NASSAU, NEW YORK

 COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
<u>SOCIAL SERVICES (continued)</u>						
Youth Board						
Salaries	\$ 519	\$ 519	\$ 455	\$	\$ 455	\$ 64
Fringe Benefits	304	282	282		282	
General Expenses	12	11	7		7	4
Contractual Services	9,429	9,454	7,906	1,280	9,186	268
Interdepartmental Charges	600	600	442		442	158
Youth Board Total	<u>10,864</u>	<u>10,866</u>	<u>9,092</u>	<u>1,280</u>	<u>10,372</u>	<u>494</u>
Total Social Services	<u>579,397</u>	<u>548,172</u>	<u>505,817</u>	<u>18,950</u>	<u>524,767</u>	<u>23,405</u>
<u>CORRECTIONS</u>						
Correctional Center						
Salaries	114,129	115,831	115,831		115,831	
Fringe Benefits	38,034	38,837	38,837		38,837	
Equipment	111	102	95		95	7
Supplies	330	330	228	54	282	48
General Expenses	4,285	4,305	3,980	173	4,153	152
Contractual Services	29,662	36,335	26,385	2,357	28,742	7,593
Utility Costs	660	660	640	5	645	15
Interdepartmental Charges		12	10		10	2
Correctional Center Total	<u>187,211</u>	<u>196,412</u>	<u>186,006</u>	<u>2,589</u>	<u>188,595</u>	<u>7,817</u>
Sheriff						
Salaries	5,108	5,108	5,087		5,087	21
Fringe Benefits	456	479	479		479	
Equipment	2	2	2		2	2
Materials and Supplies	13	13	13		13	
General Expenses	75	70	29	10	39	31
Sheriff Total	<u>5,654</u>	<u>5,672</u>	<u>5,608</u>	<u>10</u>	<u>5,618</u>	<u>54</u>
Correctional Center Total	<u>192,865</u>	<u>202,084</u>	<u>191,614</u>	<u>2,599</u>	<u>194,213</u>	<u>7,871</u>
Probation						
Administration						
Salaries	19,173	18,087	17,712		17,712	375
Fringe Benefits	8,063	8,169	8,169		8,169	
Equipment	26	24	20	2	22	2
General Expenses	234	219	182	26	208	11
Contractual Services	119	205	121	84	205	
Interdepartmental Charges		6	2		2	4
Probation Total	<u>27,615</u>	<u>26,710</u>	<u>26,206</u>	<u>112</u>	<u>26,318</u>	<u>392</u>
Total Corrections	<u>220,480</u>	<u>228,794</u>	<u>217,820</u>	<u>2,711</u>	<u>220,531</u>	<u>8,263</u>
<u>EDUCATION</u>						
Cooperative Extension Service	248	248	247		247	1
Payment to Long Beach Schools	106	106	106		106	
State School Tuition	5,645	6,545	6,545		6,545	
Total Education	<u>5,999</u>	<u>6,899</u>	<u>6,898</u>		<u>6,898</u>	<u>1</u>
<u>PAYMENTS FOR TAX CERTIORARI AND OTHER JUDGMENTS</u>						
		19,562	74,670	(55,108)	19,562	
<u>OTHER EXPENDITURES</u>						
Nassau Health Care Corporation	38,059	45,305	45,157		45,157	148
Aid to Towns and Cities	59,736	59,743	59,357		59,357	386
County Executive Associations	45	28	10		10	18
Lido-Point Lookout Fire District	6	23	23		23	
HIPPA Payments	51	51	17	9	26	25
NYS Association of Counties	52	52	49		49	3
NIFA Expenditures	1,450	1,450				1,450
Reserves	7,750	920	32		32	888
Suits and Damages	3,640	3,647	647	3,000	3,647	
Unallocated Expenses	13,873	14,207	20,044	(5,837)	14,207	
Total Other Expenditures	<u>124,662</u>	<u>125,426</u>	<u>125,336</u>	<u>(2,828)</u>	<u>122,508</u>	<u>2,918</u>
Total Expenditures	<u>1,566,626</u>	<u>1,581,735</u>	<u>1,531,569</u>	<u>(4,119)</u>	<u>1,527,450</u>	<u>54,285</u>

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006 (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 Over (Under)</u>
TRANSFERS OUT						
Debt Service Fund	\$ 252,717	\$ 250,573	\$ 249,684	\$	\$ 249,684	\$ 889
County Parks & Recreation Fund	5,000	7,077	7,077		7,077	
Police Headquarters Fund		1,429	1,429		1,429	
<u>Total Transfers Out</u>	<u>257,717</u>	<u>259,079</u>	<u>258,190</u>		<u>258,190</u>	<u>889</u>
TOTAL EXPENDITURES AND TRANSFERS OUT						
	\$ 1,824,343	\$ 1,840,814	\$ 1,789,759	\$ (4,119)	\$ 1,785,640	\$ 55,174
*Appropriations per 2006 budget as adopted						\$ 1,750,134
Outstanding encumbrances, January 1, 2006						74,209
Supplemental appropriations						<u>16,471</u>
Total Budgetary Authority						<u>\$ 1,840,814</u>

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005 (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 Over (Under)</u>
CURRENT:						
LEGISLATIVE						
Legislature						
Legislators						
Salaries	\$ 3,939	\$ 3,888	\$ 3,471	\$	\$ 3,471	\$ 417
Fringe Benefits	1,586	1,225	1,225		1,225	
Equipment	15	15	7	1	8	7
General Expenses	15	14	14		14	
Contractual Services	181	182	85	47	132	50
Interdepartmental Charges	943	943				943
Legislative Central Staff						
Salaries	632	632	517		517	115
Fringe Benefits	254	278	182		182	96
Equipment	17	17	6	9	15	2
General Expenses	859	1,208	1,197	4	1,201	7
Contractual Services	1,039	741	552	150	702	39
Interdepartmental Charges	310	310	10		10	300
Legislative Budget Review						
Salaries	727	726	704		704	22
Fringe Benefits	293	319	248		248	71
Equipment	1	1				1
Materials and Supplies	1	1				1
General Expenses	3	6	5		5	1
Contractual Services	167	222	102	117	219	3
Interdepartmental Charges	155	155				155
Legislature Total	<u>11,137</u>	<u>10,883</u>	<u>8,325</u>	<u>328</u>	<u>8,653</u>	<u>2,230</u>
<u>Total Legislative</u>	<u>11,137</u>	<u>10,883</u>	<u>8,325</u>	<u>328</u>	<u>8,653</u>	<u>2,230</u>
JUDICIAL						
Court Administration						
Fringe Benefits	2,609	2,609	2,322		2,322	287
District Attorney						
Salaries	24,426	24,326	23,582		23,582	744
Fringe Benefits	9,836	7,548	7,548		7,548	
Equipment	264	264	250	6	256	8
Materials and Supplies	96	96	48	11	59	37
General Expenses	509	609	576	21	597	12
Contractual Services	845	845	535	69	604	241
Interdepartmental Charges	2,339	1,808	150		150	1,658
District Attorney Total	<u>38,315</u>	<u>35,496</u>	<u>32,689</u>	<u>107</u>	<u>32,796</u>	<u>2,700</u>
Public Administrator						
Salaries	412	411	396		396	15
Fringe Benefits	166	187	187		187	
Equipment	3	3	2		2	1
Materials and Supplies	3	3	2		2	1
General Expenses	3	4	4		4	
Contractual Services	14	14	7	7	14	
Interdepartmental Charges	70	70	1		1	69
Public Administrator Total	<u>671</u>	<u>692</u>	<u>599</u>	<u>7</u>	<u>606</u>	<u>86</u>

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
JUDICIAL (Continued)						
Traffic and Parking Violations						
Salaries	\$ 1,792	\$ 2,316	\$ 2,316	\$	\$ 2,316	\$
Fringe Benefits	722	653	653		653	
Equipment	26	20	19	1	20	
General Expenses	92	159	136	10	146	13
Contractual Services	1,163	1,227	960	105	1,065	162
Interdepartmental Charges	863	782	97		97	685
Traffic and Parking Violations Total	<u>4,658</u>	<u>5,157</u>	<u>4,181</u>	<u>116</u>	<u>4,297</u>	<u>860</u>
Total Judicial	<u>46,253</u>	<u>43,954</u>	<u>39,791</u>	<u>230</u>	<u>40,021</u>	<u>3,933</u>
GENERAL ADMINISTRATION						
Assessment						
Salaries	9,804	9,804	9,515		9,515	289
Fringe Benefits	3,948	3,828	3,828		3,828	
Equipment	330	330	54	109	163	167
Materials and Supplies	106	106	90	14	104	2
General Expenses	957	957	623	137	760	197
Contractual Services	7,476	9,055	5,830	2,073	7,903	1,152
Interdepartmental Charges	1,931	489	263		263	226
Assessment Total	<u>24,552</u>	<u>24,569</u>	<u>20,203</u>	<u>2,333</u>	<u>22,536</u>	<u>2,033</u>
Board of Assessment Review						
Salaries	2,735	2,764	2,707		2,707	57
Fringe Benefits	1,101	754	754		754	
Equipment	50	50	13	23	36	14
Materials and Supplies	5	5				5
General Expenses	114	114	47	4	51	63
Contractual Services	4,706	4,706	1,302	3,403	4,705	1
Interdepartmental Charges	876	876	125		125	751
Board of Assessment Review Total	<u>9,587</u>	<u>9,269</u>	<u>4,948</u>	<u>3,430</u>	<u>8,378</u>	<u>891</u>
Board of Elections						
Administration						
Salaries	3,303	3,303	3,255		3,255	48
Fringe Benefits	1,330	1,141	1,141		1,141	
Equipment	58	58	48	1	49	9
General Expenses	27	27	18	2	20	7
Interdepartmental Charges	1,132	1,132				1,132
General Elections						
Salaries	4,540	4,540	4,277		4,277	263
Fringe Benefits	1,828	1,483	1,483		1,483	
Equipment	83	83	12	30	42	41
General Expenses	604	604	510	1	511	93
Contractual Services	366	366	258	75	333	33
Primary Elections						
Salaries	699	699	616		616	83
Fringe Benefits	282	307	228		228	79
General Expenses	98	98	95		95	3
Contractual Services	253	253	106		106	147
Board of Elections Total	<u>14,603</u>	<u>14,094</u>	<u>12,047</u>	<u>109</u>	<u>12,156</u>	<u>1,938</u>
Civil Service						
Salaries	4,593	4,593	4,361		4,361	232
Fringe Benefits	1,849	1,598	1,598		1,598	
Equipment	104	104	89		89	
General Expenses	301	301	152	77	229	72
Contractual Services	8	8				8
Interdepartmental Charges	2,586	931	931		931	
Civil Service Total	<u>9,441</u>	<u>7,535</u>	<u>7,131</u>	<u>77</u>	<u>7,208</u>	<u>327</u>

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
VS. TOTAL BUDGETARY AUTHORITY
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005 (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 Over (Under)</u>
GENERAL ADMINISTRATION (Continued)						
County Attorney						
Salaries	\$ 9,980	\$ 10,484	\$ 10,484	\$	\$ 10,484	\$
Fringe Benefits	4,019	3,408	3,408		3,408	
Equipment	62	62	42	19	61	1
Materials and Supplies	39	39	33	6	39	
General Expenses	436	677	591	40	631	46
Contractual Services	5,710	6,113	4,138	1,602	5,740	373
Interfund Charges	1,276	36	36		36	
Other Suits and Damages	1,500	1,500				1,500
Workman's Compensation Expense						
Fringe Benefits	15,985	19,122	18,931	191	19,122	
Interdepartmental Charges	28	28				28
County Attorney Total	<u>39,035</u>	<u>41,469</u>	<u>37,663</u>	<u>1,858</u>	<u>39,521</u>	<u>1,948</u>
County Clerk						
Salaries	4,681	4,681	4,476		4,476	205
Fringe Benefits	1,885	2,545	2,545		2,545	
Equipment	105	105	103	1	104	1
Materials and Supplies	37	37	31	5	36	1
General Expenses	130	130	39	58	97	33
Contractual Services	496	496	73	133	206	290
Interdepartmental Charges	1,595	11	11		11	
County Clerk Total	<u>8,929</u>	<u>8,005</u>	<u>7,278</u>	<u>197</u>	<u>7,475</u>	<u>530</u>
County Comptroller						
Salaries	6,225	6,225	5,741		5,741	484
Fringe Benefits	2,507	2,500	2,500		2,500	
Equipment	173	173	39	9	48	125
General Expenses	69	69	62	1	63	6
Contractual Services	1,495	1,495	545	746	1,291	204
Interdepartmental Charges	5,182	10	10		10	
County Comptroller Total	<u>15,651</u>	<u>10,472</u>	<u>8,897</u>	<u>756</u>	<u>9,653</u>	<u>819</u>
County Executive						
Salaries	3,072	3,606	3,606		3,606	
Fringe Benefits	1,237	981	981		981	
Equipment	35	35	10	1	11	24
General Expenses	59	59	50	5	55	4
Contractual Services	720	686	211	399	610	76
Interdepartmental Charges	1,852	586	586		586	
County Executive Total	<u>6,975</u>	<u>5,953</u>	<u>5,444</u>	<u>405</u>	<u>5,849</u>	<u>104</u>
County Treasurer						
Salaries	2,861	2,761	2,509		2,509	252
Fringe Benefits	1,152	1,215	1,215		1,215	
Equipment	10	10	1		1	9
General Expenses	326	326	250	3	253	73
Contractual Services	867	1,227	745	226	971	256
Interdepartmental Charges	947	947	9		9	938
Other Suits and Damages		10,843	10,843		10,843	
County Treasurer Total	<u>6,163</u>	<u>17,329</u>	<u>15,572</u>	<u>229</u>	<u>15,801</u>	<u>1,528</u>
Office of Constituent Affairs						
Salaries	889	972	972		972	
Fringe Benefits	358	326	326		326	
Office of Constituent Affairs Printing & Graphi						
Salaries	1,832	1,820	1,812		1,812	8
Fringe Benefits	738	800	606		606	194
Equipment	169	169	158	1	159	10
Materials and Supplies	140	140	135	4	139	1
General Expenses	1,711	2,220	2,048	150	2,198	22
Contractual Services	158					
Interdepartmental Charges	1,161	1,161	412		412	749
Office of Constituent Affairs Total	<u>7,156</u>	<u>7,608</u>	<u>6,469</u>	<u>155</u>	<u>6,624</u>	<u>984</u>
Office of Emergency Management						
Salaries	615	623	579		579	44
Fringe Benefits	248	274	81		81	193
Equipment	38	66	29	36	65	1
Materials and Supplies	31	7	4	1	5	2
General Expenses	40	28	20	2	22	6
Interdepartmental Charges	358	358	3		3	355
Office of Emergency Management Total	<u>1,330</u>	<u>1,356</u>	<u>716</u>	<u>39</u>	<u>755</u>	<u>601</u>

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
GENERAL ADMINISTRATION (Continued)						
Information Technology						
Salaries	\$ 9,268	\$ 8,885	\$ 8,840	\$	\$ 8,840	\$ 45
Fringe Benefits	3,732	2,952	2,952		2,952	
Equipment	1,167	1,167	198	749	947	220
Materials and Supplies	13	13	8	1	9	4
General Expenses	2,116	2,116	1,049	678	1,727	389
Contractual Services	8,073	8,073	5,640	1,551	7,191	882
Utilities	5,498	5,730	5,609	120	5,729	1
Interdepartmental Charges	1,297	1,064	874		874	190
Information Technology Total	<u>31,164</u>	<u>30,000</u>	<u>25,170</u>	<u>3,099</u>	<u>28,269</u>	<u>1,731</u>
Housing and Intergovernmental Affairs:						
Salaries	882	1,010	1,010		1,010	
Fringe Benefits	355	664	664		664	
Equipment	8	8	4		4	4
General Expenses	74	73	15	26	41	32
Contractual Services	6,025	175	25	150	175	
Interdepartmental Charges	514	514	154		154	360
Housing and Intergovernmental Affairs Total	<u>7,858</u>	<u>2,444</u>	<u>1,872</u>	<u>176</u>	<u>2,048</u>	<u>396</u>
Labor Relations						
Salaries	317	406	406		406	
Fringe Benefits	128	178	119		119	59
Equipment	4	4				4
General Expenses	7	7	3		3	4
Contractual Services	3	3				3
Interdepartmental Charges	191	191	61		61	130
Labor Relations Total	<u>650</u>	<u>789</u>	<u>589</u>		<u>589</u>	<u>200</u>
Management and Budgets						
Salaries	1,132	1,272	1,245		1,245	27
Fringe Benefits	456	559	400		400	159
Equipment	30	15	1		1	14
General Expenses	27	42	22		22	20
Contractual Services	709	820	618	180	798	22
Interdepartmental Charges	399	399	4		4	395
Vertical Administration						
Salaries	246	250	229		229	21
Fringe Benefits	99	110	78		78	32
Fiscal Analysis						
Salaries	1,314	1,539	1,539		1,539	
Fringe Benefits	529	677	497		497	180
Equipment	8	8	3	1	4	4
General Expenses	6	6	3		3	3
Contractual Services		1,930	1,141	789	1,930	
Management and Budgets Total	<u>4,955</u>	<u>7,627</u>	<u>5,780</u>	<u>970</u>	<u>6,750</u>	<u>877</u>
Personnel						
Salaries	701	703	703		703	
Fringe Benefits	282	309	301		301	8
Materials and Supplies	8	8	4		4	4
General Expenses	83	82	56	15	71	11
Contractual Services	148	493	390	25	415	78
Interdepartmental Charges	237	237	1		1	236
Personnel Total	<u>1,459</u>	<u>1,832</u>	<u>1,455</u>	<u>40</u>	<u>1,495</u>	<u>337</u>
Planning						
Salaries	1,708	1,630	1,534		1,534	96
Fringe Benefits	688	717	707		707	10
Equipment	31	31	29		29	2
Materials and Supplies	7	7	6		6	1
General Expenses	59	59	41	9	50	9
Contractual Services	2,950	3,356	2,224	1,116	3,340	16
Interdepartmental Charges	872	872	7		7	865
Bus Shelter Maint. & Cleaning	52	52				52
Employee Commute Options Program						
General Expenses	15					
Mass Transportation						
Pt.Lookout/Lido Beach Bus Route	60	195	195		195	
Metropolitan Suburban Bus Authority	7,500	7,500	7,500		7,500	
LIRR Station Maintenance	23,012	23,089	23,089		23,089	
MTA-LIRR Operating Assistance	11,584	11,584	11,584		11,584	
Physically Challenged Transportation	3,000	3,000	3,000		3,000	
Planning Total	<u>51,538</u>	<u>52,092</u>	<u>49,916</u>	<u>1,125</u>	<u>51,041</u>	<u>1,051</u>

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
VS. TOTAL BUDGETARY AUTHORITY
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005 (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 Over (Under)</u>
GENERAL ADMINISTRATION (Continued)						
Purchasing						
Salaries	\$ 1,316	\$ 1,356	\$ 1,322	\$	\$ 1,322	\$ 34
Fringe Benefits	530	764	764		764	
Equipment	3	3				3
Materials and Supplies	1	1				1
General Expenses	22	22	10	2	12	10
Contractual Services		93		93	93	
Interdepartmental Charges	464	464	127		127	337
Purchasing Total	<u>2,336</u>	<u>2,703</u>	<u>2,223</u>	<u>95</u>	<u>2,318</u>	<u>385</u>
Office of Real Estate Services						
Salaries	891	1,116	1,047		1,047	69
Fringe Benefits	359	400	260		260	140
Materials and Supplies	11	11	4		4	7
General Expenses	212	212	96	91	187	25
Interdepartmental Charges	226	226	11		11	215
Insurance on Buildings	1,000	1,000	14		14	986
Rent	13,652	11,996	9,942	1,023	10,965	1,031
Office of Real Estate Services Total	<u>16,351</u>	<u>14,961</u>	<u>11,374</u>	<u>1,114</u>	<u>12,488</u>	<u>2,473</u>
Public Utility Authority						
General Expenses		2,102	1,953	146	2,099	3
Contractual Services		36				36
Interdepartmental Charges		46	46		46	
Public Utility Authority Total		<u>2,184</u>	<u>1,999</u>	<u>146</u>	<u>2,145</u>	<u>39</u>
Building Management						
Salaries		21	21		21	
Fringe Benefits		9				9
Equipment	200	200	200		200	
Supplies	532	532	260	144	404	128
General Expenses	160	160	57	97	154	6
Contractual Services	1,682	1,682	967	581	1,548	134
Utility Costs	1,426	1,426	1,364	44	1,408	18
Interdepartmental Charges						
Building Management Total	<u>4,000</u>	<u>4,030</u>	<u>2,869</u>	<u>866</u>	<u>3,735</u>	<u>295</u>
Office of Records Management						
Salaries	642	642	598		598	44
Fringe Benefits	259	551	551		551	
Equipment	14	15	15		15	
Materials and Supplies	96	95	20	4	24	71
General Expenses	150	150	18	55	73	77
Contractual Services	549	549	84	142	226	323
Interdepartmental Charges	552	552	1		1	551
Office of Records Management Total	<u>2,262</u>	<u>2,554</u>	<u>1,287</u>	<u>201</u>	<u>1,488</u>	<u>1,066</u>
Total General Administration	<u>265,995</u>	<u>268,875</u>	<u>230,902</u>	<u>17,420</u>	<u>248,322</u>	<u>20,553</u>
PROTECTION OF PERSONS						
Commission on Human Rights						
Salaries	623	623	572		572	51
Fringe Benefits	251	360	360		360	
Equipment	7	7				7
Materials and Supplies	3	3				3
General Expenses	25	25	2	1	3	22
Contractual Services	25	25				25
Interdepartmental Charges	219	219	1		1	218
Commission on Human Rights Total	<u>1,153</u>	<u>1,262</u>	<u>935</u>	<u>1</u>	<u>936</u>	<u>326</u>
Commissioner of Accounts						
Salaries	358	358	293		293	65
Fringe Benefits	144	188	188		188	
Equipment	9	9	3		3	6
Materials and Supplies	10	10	1		1	9
General Expenses	21	21	1		1	20
Contractual Services	70	70	16	16	32	38
Interdepartmental Charges	80	80				80
Commissioner of Accounts Total	<u>692</u>	<u>736</u>	<u>502</u>	<u>16</u>	<u>518</u>	<u>218</u>

(Continued)

COUNTY OF NASSAU, NEW YORK

 COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
PROTECTION OF PERSONS (Continued)						
Consumer Affairs						
Salaries	\$ 2,475	\$ 2,475	\$ 2,166	\$	\$ 2,166	\$ 309
Fringe Benefits	997	1,088	979		979	109
Equipment	43	43	39		39	4
Materials and Supplies	5	5	5		5	
General Expenses	7	7	4		4	3
Interdepartmental Charges	612	612	5		5	607
Consumer Affairs Total	<u>4,139</u>	<u>4,230</u>	<u>3,198</u>		<u>3,198</u>	<u>1,032</u>
Medical Examiner						
Salaries	4,681	4,788	4,780		4,780	8
Fringe Benefits	1,885	2,105	1,443		1,443	662
Equipment	51	39	33		33	6
Materials and Supplies	286	252	163	34	197	55
General Expenses	77	77	46	1	47	30
Contractual Services	350	384	334	23	357	27
Interdepartmental Charges	1,046	1,046	4		4	1,042
Medical Examiner Total	<u>8,376</u>	<u>8,691</u>	<u>6,803</u>	<u>58</u>	<u>6,861</u>	<u>1,830</u>
Traffic Safety Board						
Salaries	216	216	189		189	27
Fringe Benefits	87	95	75		75	20
Interdepartmental Charges	88	88				88
Traffic Safety Board Total	<u>391</u>	<u>399</u>	<u>264</u>		<u>264</u>	<u>135</u>
Total Protection of Persons	<u>14,751</u>	<u>15,318</u>	<u>11,702</u>	<u>75</u>	<u>11,777</u>	<u>3,541</u>
HEALTH						
Drug and Alcohol Administration						
Salaries	1,463	1,463	1,424		1,424	39
Fringe Benefits	589	682	682		682	
Equipment	2	2	1		1	1
Materials and Supplies	6	6	6		6	
General Expenses	16	16	16		16	
Interdepartmental Charges	979	979	930		930	49
Chemical Dependency Services						
Salaries	4,634	4,540	4,151		4,151	389
Fringe Benefits	1,866	1,995	1,993		1,993	2
Materials and Supplies	4	4	4		4	
General Expenses	41	41	29	7	36	5
Contractual Services	7,598	7,568	5,588	1,200	6,788	780
Interdepartmental Charges	386	416	416		416	
Drug and Alcohol Total	<u>17,584</u>	<u>17,712</u>	<u>15,240</u>	<u>1,207</u>	<u>16,447</u>	<u>1,265</u>
Health Department Administration						
Salaries	2,305	2,165	2,154		2,154	11
Fringe Benefits	928	998	998		998	
Materials and Supplies	21	21	6		6	15
General Expenses	634	634	285	330	615	19
Contractual Services	5	5	5		5	
Interdepartmental Charges	2,232	2,232	1,621		1,621	611
Interfund Charges	25	25				25
Environmental Health						
Salaries	6,278	6,433	6,348		6,348	85
Fringe Benefits	2,528	2,971	2,971		2,971	
Equipment	20	20	9		9	11
Supplies	18	18	17		17	1
General Expenses	437	437	265	106	371	66
Contractual Services	158	158	24	131	155	3
Interdepartmental Charges	1	158	158		158	
Other Suits and Damages		175	175		175	
Laboratory Research						
Salaries	2,032	1,972	1,965		1,965	7
Fringe Benefits	818	915	915		915	
Equipment	10	10	8		8	2
Supplies	415	415	291	110	401	14
General Expenses	223	223	92	55	147	76
Contractual Services	20	20	12	3	15	5
Interdepartmental Charges	128	183	183		183	

(Continued)

COUNTY OF NASSAU, NEW YORK

 COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
HEALTH (Continued)						
Public Health						
Salaries	\$ 2,169	\$ 2,184	\$ 2,174	\$	\$ 2,174	\$ 10
Fringe Benefits	873	1,013	1,013		1,013	
Equipment	1	1				1
Supplies	199	199	148	21	169	30
General Expenses	101	101	55	8	63	38
Contractual Services	5,706	6,206	5,565	620	6,185	21
Interdepartmental Charges	67	244	244		244	
Early Intervention						
Salaries	3,544	3,574	3,572		3,572	2
Fringe Benefits	1,427	1,663	1,663		1,663	
Supplies	6	6	4		4	2
General Expenses	513	516	512	2	514	2
Contractual Services	8,097	8,097	52		52	8,045
Interdepartmental Charges	1,200	1,200	748		748	452
Early Intervention Charges	45,006	43,607	32,414	7,306	39,720	3,887
Health Department Total	<u>88,139</u>	<u>88,799</u>	<u>66,666</u>	<u>8,692</u>	<u>75,358</u>	<u>13,441</u>
Mental Health						
Administration						
Salaries	1,260	1,257	1,125		1,125	132
Fringe Benefits	507	690	690		690	
Supplies	5	5	2		2	3
General Expenses	1,266	1,266	616	97	713	553
Contractual Services	1,361	1,361	1,275	54	1,329	32
Interdepartmental Charges	554	554	266		266	288
Contractual Services						
Contractual Services	4,963	4,963	4,556	334	4,890	73
Direct Services						
Salaries	31	34	33		33	1
Fringe Benefits	13	21	21		21	
Supplies	1	1				1
Contractual Services	278	278	149	50	199	79
Education of Handicapped Children						
Other Expenses	95,780	107,539	107,234	114	107,348	191
Mental Health Total	<u>106,019</u>	<u>117,969</u>	<u>115,967</u>	<u>649</u>	<u>116,616</u>	<u>1,353</u>
Total Health	<u>211,742</u>	<u>224,480</u>	<u>197,873</u>	<u>10,548</u>	<u>208,421</u>	<u>16,059</u>
PUBLIC WORKS						
Administration						
Salaries	3,578	3,278	3,022		3,022	256
Fringe Benefits	1,441	1,579	1,578		1,578	1
Equipment	4	4	4		4	
Supplies	22	22	18	1	19	3
General Expenses	66	66	38	8	46	20
Contractual Services	776	776	764	7	771	5
Interdepartmental Charges	7,214	1,967	1,967		1,967	
Highway and Engineering						
Salaries	11,684	11,484	11,398		11,398	86
Fringe Benefits	4,705	5,613	5,613		5,613	
Equipment	80	154	104	7	111	43
Supplies	274	274	185	56	241	33
General Expenses	110	110	80	27	107	3
Contractual Services	6,620	6,545	4,027	1,777	5,804	741
Utility Costs	1,905	2,250	1,925	158	2,083	167
Highway and Bridge Maintenance						
Salaries	19,789	18,615	18,615		18,615	
Fringe Benefits	7,968	9,295	9,295		9,295	
Equipment	154	154	118	18	136	18
Supplies	2,578	2,578	1,984	502	2,486	92
General Expenses	305	306	183	96	279	27
Contractual Services	3,243	3,243	2,245	764	3,009	234
Utility Costs	22,522	26,692	24,907	1,778	26,685	7

(Continued)

COUNTY OF NASSAU, NEW YORK

 COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
<u>PUBLIC WORKS (continued)</u>						
Groundwater Remediation						
Salaries	\$ 2,151	\$ 2,155	\$ 1,962	\$	\$ 1,962	\$ 193
Fringe Benefits	866	1,052	1,052		1,052	
Equipment	270	270	173	96	269	1
Supplies	1,498	1,585	1,486	99	1,585	
General Expenses	102	102	86	11	97	5
Contractual Services	627	627	241	357	598	29
Utility Costs	55	55	54	1	55	
Interfund Charges	172	172				172
Total Public Works	100,779	101,023	93,124	5,763	98,887	2,136
<u>RECREATION AND PARKS</u>						
Cultural Development						
Supplies	1	1				1
Contractual Services	4	4				4
Cultural Development Total	5	5				5
Total Recreation and Parks	5	5				5
<u>SOCIAL SERVICES</u>						
Bar Association - Public Defender	\$ 4,298	\$ 4,873	\$ 4,866	\$ 2	\$ 4,868	\$ 5
CASA						
Salaries	355	335	299		299	36
Fringe Benefits	143	147	105		105	42
Equipment	14	14	10	2	12	2
Supplies	1	1				1
General Expenses	12	12	2		2	10
Contractual Services	15	35	34		34	1
Interdepartmental Charges	319	319	1		1	318
CASA Total	859	863	451	2	453	410
Legal Aid Society	4,522	4,647	4,562		4,562	85
Minority Affairs						
Salaries	746	746	706		706	40
Fringe Benefits	301	328	212		212	116
Supplies	6	6				6
General Expenses	53	53	19	13	32	21
Contractual Services	205	205	24		24	181
Interdepartmental Charges	182	182	1		1	181
Minority Affairs Total	1,493	1,520	962	13	975	545
Senior Citizens Affairs						
Administration						
Salaries	2,257	2,283	2,222	i	2,223	60
Fringe Benefits	909	1,224	1,224		1,224	
Equipment	12	12	8	2	10	2
Supplies	11	11	5		5	6
General Expenses	14	14	11		11	3
Contractual Services	46	46	35	11	46	
Interdepartmental Charges	995	995	567		567	428
Community Services						
Contractual Services	1,731	1,801	1,067	368	1,435	366
Nutrition Program						
Contractual Services	4,377	4,377	2,893	814	3,707	670
Community Centers						
Supplies	15	15	2	2	4	11
Contractual Services	160	160	66	80	146	14
Area Agency Title III						
Contractual Services	2,169	2,169	1,755	318	2,073	96
Foster Grandparents Program						
Salaries	1					
Supplies	2	2				2
General Expenses	3	3	2		2	1
Contractual Services	33	33	13	19	32	1

(Continued)

COUNTY OF NASSAU, NEW YORK

 COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
SOCIAL SERVICES (continued)						
Extended In-home Services						
Contractual Services	\$ 3,405	\$ 4,099	\$ 2,169	\$ 1,104	\$ 3,273	\$ 826
SNAP (Nutrition)						
Contractual Services	794	809	690	119	809	
TITLE IIID/CSI (Health Promotion)						
Contractual Services	140	139	98	34	132	7
TITLE IIIE (Caregivers)						
Contractual Services	528	619	341	141	482	137
Senior Citizens Affairs Total	<u>17,602</u>	<u>18,811</u>	<u>13,168</u>	<u>3,013</u>	<u>16,181</u>	<u>2,630</u>
Social Services Department						
Administration						
Salaries	4,496	4,746	4,667		4,667	79
Fringe Benefits	1,810	2,125	2,125		2,125	
Equipment	5	5	2	1	3	2
General Expenses	6,088	6,088	3,938	2,115	6,053	35
Contractual Services	1,994	2,671	2,117	537	2,654	17
Interdepartmental Charges	10,467	7,538	7,538		7,538	
Public Financial Assistance						
Salaries	24,909	23,759	23,063		23,063	696
Fringe Benefits	10,028	10,443	10,410		10,410	33
Equipment	64	64	26	10	36	28
General Expenses	481	481	375	33	408	73
Contractual Services	14,848	14,948	6,059	7,155	13,214	1,734
Division Of Services						
Salaries	16,433	17,333	17,314	-	17,314	19
Fringe Benefits	6,617	7,648	7,648		7,648	
General Expenses	271	271	187	35	222	49
Contractual Services	535	535	138	81	219	316
Juvenile Detention Center						
Salaries	2,650	2,651	2,508		2,508	143
Fringe Benefits	1,067	1,062	1,062		1,062	
Equipment	75	75	37	16	53	22
Supplies	54	74	47	16	63	11
General Expenses	76	76	59	13	72	4
Contractual Services	1,305	1,305	640	610	1,250	55
Utility Costs	1	1				1
Interdepartmental Charges	196	350	350		350	
Real Estate Expense						
General Expenses	3	3				3
Handicapped Children Education						
Emergency Vendor Payments	11,020	13,020	12,995	2	12,997	23
Physically Challenged						
Salaries	275	323	323		323	
Fringe Benefits	111					
Equipment	2	2	2		2	
Supplies	25	25	5		5	20
General Expenses	3	1				1
Contractual Services	32	32	24	6	30	2
Interdepartmental Charges	256	256	106		106	150
Food Stamp Program						
Recipient Grants	2	2				2
Aid to Dependent Children						
Recipient Grants	25,778	23,074	22,786		22,786	288
Emergency Vendor Payments	4,400	5,050	4,870	180	5,050	
Home Relief						
Recipient Grants	16,204	16,504	16,356		16,356	148
Emergency Vendor Payments	1,250	2,000	1,998		1,998	2
Children in Institutions						
Emergency Vendor Payments	20,049	19,049	13,661	4,638	18,299	750
Children in Foster Homes						
Recipient Grants	1,375	1,200	1,186		1,186	14
Purchased Services	5	5	5		5	
Emergency Vendor Payments	400	400	280		280	120
Juvenile Delinquents						
Emergency Vendor Payments	9,712	9,487	7,284	2,202	9,486	1
Training Schools						
Emergency Vendor Payments	2,550	2,300	1,855		1,855	445

(Continued)

COUNTY OF NASSAU, NEW YORK

 COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005 (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 Over (Under)</u>
<u>SOCIAL SERVICES (continued)</u>						
Children in Institutions - Title 4E						
Emergency Vendor Payments	\$ 2,830	\$ 2,830	\$ 2,007	\$ 454	\$ 2,461	\$ 369
Children in Foster Homes - Title 4E						
Recipient Grants	1,670	1,670	974		974	696
Emergency Vendor Payments	313	313	220		220	93
Transitional Care						
Emergency Vendor Payments	4,675	4,675	4,532		4,532	143
Burials						
Emergency Vendor Payments	300	300	278		278	22
Medicaid						
Medicaid	322,722	279,923	279,923		279,923	
Home Energy Assistance						
Recipient Grants	1,900	2,150	2,017		2,017	133
Title-XX						
Purchased Services	47,723	44,610	39,934	3,828	43,762	848
Social Services Department Total	580,055	533,453	503,931	21,932	525,863	7,590
Veterans Service Agency						
Salaries	552	552	548		548	4
Fringe Benefits	222	242	222		222	20
Equipment	46	46	46		46	
Supplies	2	2	1		1	1
General Expenses	3	3	3		3	
Interdepartmental Charges	433	433	1		1	432
Veterans Service Agency Total	1,258	1,278	821		821	457
Youth Board						
Salaries	554	554	546	-	546	8
Fringe Benefits	223	316	316		316	
General Expenses	2	2				
Contractual Services	8,051	8,171	7,187	752	7,939	232
Interdepartmental Charges	594	594	297		297	297
Youth Board Total	9,424	9,637	8,346	752	9,098	539
Total Social Services	619,511	575,082	537,107	25,714	562,821	12,261
<u>CORRECTIONS</u>						
Correctional Center						
Salaries	109,785	109,335	107,710		107,710	1,625
Fringe Benefits	44,206	34,376	34,376		34,376	
Equipment	61	61	60		60	1
Supplies	4,427	4,352	3,666	330	3,996	356
General Expenses	440	440	389	31	420	20
Contractual Services	28,739	33,657	31,429	820	32,249	1,408
Utility Costs	644	644	616	28	644	
Interdepartmental Charges	3,113	233	233		233	
Correctional Center Total	191,415	183,098	178,479	1,209	179,688	3,410
Sheriff						
Salaries	4,598	4,873	4,808		4,808	65
Fringe Benefits	1,852	2,600	2,600		2,600	
Equipment	2	2	1		1	1
Materials and Supplies	26	26	13	13	26	
General Expenses	24	24	16	6	22	2
Interdepartmental Charges	668	668				668
Sheriff Total	7,170	8,193	7,438	19	7,457	736
Correctional Center Total	198,585	191,291	185,917	1,228	187,145	4,146
Probation						
Administration						
Salaries	18,268	18,254	17,814		17,814	440
Fringe Benefits	7,356	7,708	7,708		7,708	
Equipment	83	83	60	1	61	22
General Expenses	294	294	236	51	287	7
Contractual Services	114	129	96	17	113	16
Interdepartmental Charges	1,893	733	97		97	636
Probation Total	28,008	27,201	26,011	69	26,080	1,121
Total Corrections	226,593	218,492	211,928	1,297	213,225	5,267

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005 (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 Over (Under)</u>
EDUCATION						
Cooperative Extension Service	430	430	340	90	430	
Payment to Long Beach Schools	159	584	584		584	
State School Tuition	5,929	5,929	5,816		5,816	113
Total Education	6,518	6,943	6,740	90	6,830	113
PAYMENTS FOR TAX CERTIORARI AND OTHER JUDGMENTS						
			260,207	(260,207)		
OTHER EXPENDITURES						
Nassau Health Care Corporation	\$ 38,075	\$ 41,688	\$ 40,756	\$	\$ 40,756	\$ 932
Aid to Towns and Cities	57,631	57,632	56,946		56,946	686
County Executive Associations	26	26	25		25	1
Lido-Point Lookout Fire District	6	6	6		6	
Miscellaneous Contractual	283	282	161		161	121
Specialized Legal Services	70	70				70
HIPPA Payments	384	384	358	26	384	
NYS Association of Counties	46	46	46		46	
NIFA Expenditures	2,000	2,000				2,000
Reserve for Federal & State Disallowances		34	34		34	
SJK Foundation	4	4				4
Suits and Damages	3,935	10,154	6,015	2,995	9,010	1,144
Unallocated Salary	2,375	19,363	15,893	3,470	19,363	
Total Other Expenditures	104,835	131,689	120,240	6,491	126,731	4,958
Total Expenditures	1,608,119	1,596,744	1,717,939	(192,251)	1,525,688	71,056
TRANSFERS OUT						
Debt Service Fund	252,177	271,045	271,045		271,045	
Capital Fund		15,000	15,000		15,000	
County Parks & Recreation Fund		2,905	2,905		2,905	
Police Headquarters Fund		8,608	8,608		8,608	
Total Transfers Out	252,177	297,558	297,558		297,558	
TOTAL EXPENDITURES AND TRANSFERS OUT						
	\$ 1,860,296	\$ 1,894,302	\$ 2,015,497	\$ (192,251)	\$ 1,823,246	\$ 71,056
*Appropriations per 2005 budget as adopted						\$ 1,787,122
Outstanding encumbrances, January 1, 2005						73,174
Supplemental appropriations						34,006
Total Budgetary Authority						\$ 1,894,302

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY AND ACTUAL
FIRE PREVENTION, SAFETY, COMMUNICATION AND EDUCATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2006 (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 Over (Under)</u>
Revenues:						
Rents and Recoveries	\$	\$ 753	\$ 744	\$	\$ 744	\$ (9)
Interest Income	45	45	39		39	(6)
Departmental Revenue	4,237	4,765	4,911		4,911	146
Interdepartmental Revenue	108	108				(108)
State Aid	120	190	205		205	15
Property Taxes	15,850	15,850	15,850		15,850	
Other Revenues	47	47	27	(27)		(47)
Total Revenues	20,407	21,758	21,776	(27)	21,749	(9)
Expenditures:						
Salaries	9,413	9,655	9,655		9,655	
Fringe Benefits	3,167	3,193	3,146	(247)	2,899	294
Equipment	297	186	186		186	
Other	7,022	6,262	6,144	109	6,253	9
Total Expenditures	19,899	19,296	19,131	(138)	18,993	303
Excess of Revenues Over Expenditures	508	2,462	2,645	111	2,756	294
Other Financing Use:						
Transfers In						
Transfers Out	(768)	(2,723)	(2,723)		(2,723)	
Total Other Financing Use	(768)	(2,723)	(2,723)		(2,723)	
Net Change in Fund Balance	(260)	(261)	(78)	111	33	294
Fund Balance Beginning of Year	260	261	(33)		(33)	(294)
Fund Balance End of Year	\$	\$	\$ (111)	\$ 111	\$	\$

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 TOTAL BUDGETARY AUTHORITY AND ACTUAL
 FIRE PREVENTION, SAFETY, COMMUNICATION AND EDUCATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005 (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 Over (Under)</u>
Revenues:						
Interest Income	\$	\$	\$ 47	\$	\$ 47	\$ 47
Departmental Revenue	3,850	4,100	4,422		4,422	322
Interdepartmental Revenue			95		95	95
State Aid	100	200	235		235	35
Property Taxes	15,444	15,444	15,444		15,444	
Total Revenues	19,394	19,744	20,243		20,243	499
Expenditures:						
Salaries	9,091	9,478	9,478		9,478	
Fringe Benefits	3,069	3,222	3,516	(294)	3,222	
Equipment	432	489	332	157	489	
Other	6,361	6,899	6,715	104	6,819	80
Total Expenditures	18,953	20,088	20,041	(33)	20,008	80
Excess (Deficiency) of Revenues Over (Under) Expenditures	441	(344)	202	33	235	579
Other Financing Use:						
Transfers In		250				(250)
Transfers Out	(866)	(660)	(660)		(660)	
Total Other Financing Use	(866)	(410)	(660)		(660)	(250)
Net Change in Fund Balance	(425)	(754)	(458)	33	(425)	329
Fund Balance Beginning of Year	425	754	425		425	(329)
Fund Balance End of Year	\$	\$	\$ (33)	\$ 33	\$	\$

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY AND ACTUAL
COUNTY PARKS AND RECREATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2006 (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 Over (Under)</u>
<u>Revenues:</u>						
Rents and Recoveries	\$ 1,416	\$ 1,416	\$ 1,011	\$	\$ 1,011	\$ (405)
Licenses and Permits			5		5	5
Interest Income	250	250	156		156	(94)
Departmental Revenue	17,107	17,118	15,824		15,824	(1,294)
Property Tax	51,168	51,168	51,168		51,168	
Special Taxes	975	975	1,064		1,064	89
Other Revenues	511		292	(292)		
Total Revenues	<u>71,427</u>	<u>70,927</u>	<u>69,520</u>	<u>(292)</u>	<u>69,228</u>	<u>(1,699)</u>
<u>Expenditures:</u>						
Salaries	19,442	19,646	19,617		19,617	29
Fringe Benefits	10,263	9,930	10,279	(530)	9,749	181
Equipment	419	377	345	32	377	
Other	29,581	29,469	25,678	3,688	29,366	103
Total Expenditures	<u>59,705</u>	<u>59,422</u>	<u>55,919</u>	<u>3,190</u>	<u>59,109</u>	<u>313</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>11,722</u>	<u>11,505</u>	<u>13,601</u>	<u>(3,482)</u>	<u>10,119</u>	<u>(1,386)</u>
<u>Other Financing Sources (Uses):</u>						
Transfers In		5,000	7,077		7,077	2,077
Transfers Out	(17,736)	(18,029)	(18,029)		(18,029)	
Total Other Financing Sources (Uses)	<u>(17,736)</u>	<u>(13,029)</u>	<u>(10,952)</u>		<u>(10,952)</u>	<u>2,077</u>
Net Change in Fund Balance	(6,014)	(1,524)	2,649	(3,482)	(833)	691
Fund Balance Beginning of Year	6,014	1,524	833		833	(691)
Fund Balance End of Year	\$	\$	\$ 3,482	\$ (3,482)	\$	\$

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY AND ACTUAL
COUNTY PARKS AND RECREATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2005 (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 Over (Under)</u>
Revenues:						
Rents and Recoveries	\$ 1,490	\$ 1,490	\$ 1,000	\$	\$ 1,000	\$ (490)
Interest Income	45	45	431		431	386
Departmental Revenue	20,350	20,350	15,080		15,080	(5,270)
Property Tax	48,294	48,294	48,294		48,294	
Special Taxes	1,225	1,225	1,091		1,091	(134)
Total Revenues	71,404	71,404	65,896		65,896	(5,508)
Expenditures:						
Salaries	18,903	18,903	18,581		18,581	322
Fringe Benefits	10,065	10,065	9,576	(179)	9,397	668
Equipment	1,143	1,143	1,088	52	1,140	3
Other	23,701	23,701	21,459	960	22,419	1,282
Total Expenditures	53,812	53,812	50,704	833	51,537	2,275
Excess (Deficiency) of Revenues Over (Under) Expenditures	17,592	17,592	15,192	(833)	14,359	(3,233)
Other Financing Sources (Uses):						
Transfers In			2,905		2,905	2,905
Transfers Out	(18,349)	(18,349)	(18,021)		(18,021)	328
Total Other Financing Sources (Uses)	(18,349)	(18,349)	(15,116)		(15,116)	3,233
Net Change in Fund Balance	(757)	(757)	76	(833)	(757)	
Fund Balance Beginning of Year	757	757	757		757	
Fund Balance End of Year	\$	\$	\$ 833	\$ (833)	\$	\$

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY AND ACTUAL
POLICE DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2006 (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 Over (Under)</u>
Revenues:						
Rents and Recoveries	\$ 150	\$ 150	\$ 472	\$	\$ 472	\$ 322
Licenses & Permits	1,680	1,680	1,828		1,828	148
Fines and Forfeits	100	100	80		80	(20)
Interest Income	113	113	1,510		1,510	1,397
Departmental Revenue	3,166	3,166	3,411		3,411	245
Interdepartmental Revenue	936	936	314		314	(622)
Property Tax	333,627	333,627	333,627		333,627	
Other Revenue	<u>1,468</u>	<u>1,468</u>	<u>1,356</u>	<u>(1,356)</u>		<u>(1,468)</u>
Total Revenues	<u>341,240</u>	<u>341,240</u>	<u>342,598</u>	<u>(1,356)</u>	<u>341,242</u>	<u>2</u>
Expenditures:						
Salaries	223,672	213,429	203,467		203,467	9,962
Fringe Benefits	85,784	90,904	88,984	(3,173)	85,811	5,093
Equipment	1,992	3,906	1,492	1,963	3,455	451
Other	<u>23,854</u>	<u>27,063</u>	<u>31,884</u>	<u>894</u>	<u>32,778</u>	<u>(5,715)</u>
Total Expenditures	<u>335,302</u>	<u>335,302</u>	<u>325,827</u>	<u>(316)</u>	<u>325,511</u>	<u>9,791</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,938</u>	<u>5,938</u>	<u>16,771</u>	<u>(1,040)</u>	<u>15,731</u>	<u>9,793</u>
Other Financing Sources (Uses):						
Transfers In						
Transfers Out	<u>(7,301)</u>	<u>(7,301)</u>	<u>(737)</u>		<u>(737)</u>	<u>6,564</u>
Total Other Financing Sources (Uses)	<u>(7,301)</u>	<u>(7,301)</u>	<u>(737)</u>		<u>(737)</u>	<u>6,564</u>
Net Change in Fund Balance	(1,363)	(1,363)	16,034	(1,040)	14,994	16,357
Fund Balance Beginning of Year	<u>1,363</u>	<u>1,363</u>	<u>1,150</u>		<u>1,150</u>	<u>(213)</u>
Fund Balance End of Year	<u>\$</u>	<u>\$</u>	<u>\$ 17,184</u>	<u>\$ (1,040)</u>	<u>\$ 16,144</u>	<u>\$ 16,144</u>

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY AND ACTUAL
POLICE DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2005 (Dollars in Thousands)

	Original Budget	Total Budgetary Authority	Actual	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
Revenues:						
Rents and Recoveries	\$ 150	\$ 150	\$ 95	\$	\$ 95	\$ (55)
Licenses & Permits	1,800	1,800	1,508		1,508	(292)
Fines and Forfeits	200	200	102		102	(98)
Interest Income	65	65	113		113	48
Departmental Revenue	3,167	3,167	3,101		3,101	(66)
Interdepartmental Revenue	901	901	188		188	(713)
Federal Aid		21				(21)
State Aid		87	123		123	36
Property Tax	309,307	309,307	309,307		309,307	
Total Revenues	315,590	315,698	314,537		314,537	(1,161)
Expenditures:						
Salaries	203,639	205,579	205,579		205,579	
Fringe Benefits	84,907	87,559	92,628	(5,070)	87,558	1
Equipment	3,610	3,595	2,920	605	3,525	70
Other	29,085	28,686	27,837	758	28,595	91
Total Expenditures	321,241	325,419	328,964	(3,707)	325,257	162
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,651)	(9,721)	(14,427)	3,707	(10,720)	(999)
Other Financing Sources (Uses):						
Transfers In from NIFA		4,000	7,500		7,500	3,500
Transfers Out	(845)	(775)	(775)		(775)	
Total Other Financing Sources (Uses)	(845)	3,225	6,725		6,725	3,500
Net Change in Fund Balance	(6,496)	(6,496)	(7,702)	3,707	(3,995)	2,501
Fund Balance Beginning of Year	6,496	6,496	8,852		8,852	2,356
Fund Balance End of Year	\$	\$	\$ 1,150	\$ 3,707	\$ 4,857	\$ 4,857

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY AND ACTUAL
POLICE HEADQUARTERS FUND
FOR THE YEAR ENDED DECEMBER 31, 2006 (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 Over (Under)</u>
<u>Revenues:</u>						
Rents and Recoveries	\$ 200	\$ 2,449	\$ 2,351	\$	\$ 2,351	\$ (98)
Permits & Licenses	800	800	936		936	136
Interest Income	121	121	435		435	314
Departmental Revenue	14,879	14,879	16,807		16,807	1,928
Interdepartmental Revenue	13,977	13,977	10,225		10,225	(3,752)
Federal Aid	330	330	228		228	(102)
State Aid	589	589	862		862	273
Property Tax	258,050	258,050	258,050		258,050	
Special Taxes	23,453	23,453	23,032		23,032	(421)
Other Revenues			1,828	(1,828)		
Total Revenues	<u>312,399</u>	<u>314,648</u>	<u>314,754</u>	<u>(1,828)</u>	<u>312,926</u>	<u>(1,722)</u>
<u>Expenditures:</u>						
Salaries	1,468	201,689	201,559		201,559	130
Fringe Benefits	77,681	77,437	80,755	(13,791)	66,964	10,473
Equipment	669	1,325	326	822	1,148	177
Other	36,101	36,013	32,462	2,259	34,721	1,292
Total Expenditures	<u>115,919</u>	<u>316,464</u>	<u>315,102</u>	<u>(10,710)</u>	<u>304,392</u>	<u>12,072</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>196,480</u>	<u>(1,816)</u>	<u>(348)</u>	<u>8,882</u>	<u>8,534</u>	<u>10,350</u>
<u>Other Financing Sources (Uses):</u>						
Transfers In			1,429		1,429	1,429
Transfers Out	(3,134)	(3,511)	(3,511)		(3,511)	
Total Other Financing Sources (Uses)	<u>(3,134)</u>	<u>(3,511)</u>	<u>(2,082)</u>		<u>(2,082)</u>	<u>1,429</u>
Net Change in Fund Balance	193,346	(5,327)	(2,430)	8,882	6,452	11,779
Fund Balance Beginning of Year	(193,346)	5,327	(6,452)		(6,452)	(11,779)
Fund Balance End of Year	<u>\$</u>	<u>\$</u>	<u>\$ (8,882)</u>	<u>\$ 8,882</u>	<u>\$</u>	<u>\$</u>

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY AND ACTUAL
POLICE HEADQUARTERS FUND
FOR THE YEAR ENDED DECEMBER 31, 2005 (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 Over (Under)</u>
Revenues:						
Rents and Recoveries	\$ 200	\$ 200	\$ 397	\$	\$ 397	\$ 197
Permits & Licenses	325	325	389		389	64
Interest Income	86	86	134		134	48
Departmental Revenue	13,679	14,679	15,350		15,350	671
Interdepartmental Revenue	10,665	10,665	7,824		7,824	(2,841)
Federal Aid	334	334	473		473	139
State Aid	589	589	612		612	23
Property Tax	252,898	252,898	252,898		252,898	
Special Taxes	22,454	23,454	23,329		23,329	(125)
Total Revenues	<u>301,230</u>	<u>303,230</u>	<u>301,406</u>		<u>301,406</u>	<u>(1,824)</u>
Expenditures:						
Salaries	181,158	193,765	193,765		193,765	
Fringe Benefits	83,208	74,501	84,205	(9,704)	74,501	
Equipment	3,015	4,991	4,848	134	4,982	9
Other	32,463	34,804	31,194	3,118	34,312	492
Total Expenditures	<u>299,844</u>	<u>308,061</u>	<u>314,012</u>	<u>(6,452)</u>	<u>307,560</u>	<u>501</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,386</u>	<u>(4,831)</u>	<u>(12,606)</u>	<u>6,452</u>	<u>(6,154)</u>	<u>(1,323)</u>
Other Financing Sources (Uses):						
Transfers In		7,285	8,608		8,608	1,323
Transfers Out	<u>(5,218)</u>	<u>(6,286)</u>	<u>(6,286)</u>		<u>(6,286)</u>	
Total Other Financing Sources (Uses)	<u>(5,218)</u>	<u>999</u>	<u>2,322</u>		<u>2,322</u>	<u>1,323</u>
Net Change in Fund Balance	(3,832)	(3,832)	(10,284)	6,452	(3,832)	
Fund Balance Beginning of Year	<u>3,832</u>	<u>3,832</u>	<u>3,832</u>		<u>3,832</u>	
Fund Balance End of Year	<u>\$</u>	<u>\$</u>	<u>\$ (6,452)</u>	<u>\$ 6,452</u>	<u>\$</u>	<u>\$</u>

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY AND ACTUAL
SEWER & STORM WATER DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2006 (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 Over (Under)</u>
Revenues:						
Rents and Recoveries	\$ 325	\$ 325	\$ 80	\$	\$ 80	\$ (245)
Interest Income	750	750	6,741		6,741	5,991
Departmental Revenue	1,788	1,788	1,484		1,484	(304)
Interdepartmental Revenue	452	452	258		258	(194)
Interfund Charges	24,813	24,813				(24,813)
Property Taxes	138,932	138,932	138,942		138,942	10
Miscellaneous Revenues			150	(150)		
Total Revenues	<u>167,060</u>	<u>167,060</u>	<u>147,655</u>	<u>(150)</u>	<u>147,505</u>	<u>(19,555)</u>
Expenditures:						
Salaries	29,244	26,744	19,525		19,525	7,219
Fringe Benefits	11,482	11,482	8,159	(555)	7,604	3,878
Equipment	266	266	207	25	232	34
Other	154,326	156,827	58,827	6,364	65,191	91,636
Debt Service						
Principal	30,412	31,479	31,479		31,479	
Interest	16,265	15,197	11,005		11,005	4,192
Total Expenditures	<u>241,995</u>	<u>241,995</u>	<u>129,202</u>	<u>5,834</u>	<u>135,036</u>	<u>106,959</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(74,935)</u>	<u>(74,935)</u>	<u>18,453</u>	<u>(5,984)</u>	<u>12,469</u>	<u>87,404</u>
Other Financing Sources (Uses):						
Transfer In of Investment Income	500	500	799		799	299
Transfer Out	(5,587)		(11,085)		(11,085)	(11,085)
Transfer In from SFA			56,558		56,558	56,558
Total Other Financing Sources (Uses)	<u>(5,087)</u>	<u>500</u>	<u>46,272</u>		<u>46,272</u>	<u>45,772</u>
Net Change in Fund Balances	(80,022)	(74,435)	64,725	(5,984)	58,741	133,176
Fund Balance Beginning of Year	<u>80,022</u>	<u>74,435</u>	<u>62,941</u>		<u>62,941</u>	<u>(11,494)</u>
Fund Balance End of Year	<u>\$</u>	<u>\$</u>	<u>\$ 127,666</u>	<u>\$ (5,984)</u>	<u>\$ 121,682</u>	<u>\$ 121,682</u>

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY AND ACTUAL
SEWER & STORM WATER DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2005 (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 Over (Under)</u>
Revenues:						
Rents and Recoveries	\$ 632	\$ 632	\$ 32	\$	\$ 32	\$ (600)
Interest Income	500	500	2,730		2,730	2,230
Departmental Revenue	1,255	1,255	1,508		1,508	253
Interdepartmental Revenue	349	349	82		82	(267)
Interfund Charges	111,651	111,651				(111,651)
Property Taxes			138,943		138,943	138,943
Total Revenues	<u>114,387</u>	<u>114,387</u>	<u>143,295</u>		<u>143,295</u>	<u>28,908</u>
Expenditures:						
Salaries	24,361	23,476	19,572		19,572	3,904
Fringe Benefits	11,240	11,240	9,444	(993)	8,451	2,789
Equipment	167	167	95	39	134	33
Other	79,570	86,837	74,243	10,813	85,056	1,781
Debt Service						
Principal	16,154	28,215	28,215		28,215	
Interest	17,117	12,423	12,423		12,423	
Total Expenditures	<u>148,609</u>	<u>162,358</u>	<u>143,992</u>	<u>9,859</u>	<u>153,851</u>	<u>8,507</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(34,222)</u>	<u>(47,971)</u>	<u>(697)</u>	<u>(9,859)</u>	<u>(10,556)</u>	<u>37,415</u>
Other Financing Sources (Uses):						
Transfer In of Investment Income	250	250	1,232		1,232	982
Transfer Out		(10,430)	(10,430)		(10,430)	
Transfer In from SFA	13,894	31,591	40,410		40,410	8,819
Total Other Financing Sources (Uses)	<u>14,144</u>	<u>21,411</u>	<u>31,212</u>		<u>31,212</u>	<u>9,801</u>
Net Change in Fund Balances	(20,078)	(26,560)	30,515	(9,859)	20,656	47,216
Fund Balance Beginning of Year	<u>20,078</u>	<u>26,560</u>	<u>32,426</u>		<u>32,426</u>	<u>5,866</u>
Fund Balance End of Year	<u>\$</u>	<u>\$</u>	<u>\$ 62,941</u>	<u>\$ (9,859)</u>	<u>\$ 53,082</u>	<u>\$ 53,082</u>

EXHIBIT B-8

COUNTY OF NASSAU, NEW YORK

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY AND ACTUAL
TECHNOLOGY FUND
FOR THE YEAR ENDED DECEMBER 31, 2006 (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 Over (Under)</u>
Revenues:						
Interest Income	\$ _____	\$ _____	\$ 139	\$ _____	\$ 139	\$ 139
Expenditures:						
Equipment	2,083	2,083	2,054	20	2,074	9
General	75	75		75	75	
Contractual	<u>2,185</u>	<u>2,185</u>	<u>838</u>	<u>475</u>	<u>1,313</u>	<u>872</u>
Total Expenditures	<u>4,343</u>	<u>4,343</u>	<u>2,892</u>	<u>570</u>	<u>3,462</u>	<u>881</u>
Net Change in Fund Balances	(4,343)	(4,343)	(2,753)	(570)	(3,323)	1,020
Fund Balance Beginning of Year	<u>4,343</u>	<u>4,343</u>	<u>4,565</u>		<u>4,565</u>	<u>222</u>
Fund Balance End of Year	\$ _____	\$ _____	\$ 1,812	\$ (570)	\$ 1,242	\$ 1,242

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY AND ACTUAL
TECHNOLOGY FUND
FOR THE YEAR ENDED DECEMBER 31, 2005 (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 Over (Under)</u>
Revenues:						
Interest Income	\$ _____	\$ _____	\$ 288	\$ _____	\$ 288	\$ 288
Expenditures:						
Equipment		2,348	35	2,083	2,118	230
General	85	85	10	75	85	
Contractual	5,065	7,917	6,249	1,668	7,917	
Total Expenditures	<u>5,150</u>	<u>10,350</u>	<u>6,294</u>	<u>3,826</u>	<u>10,120</u>	<u>230</u>
Net Change in Fund Balances	(5,150)	(10,350)	(6,006)	(3,826)	(9,832)	518
Fund Balance Beginning of Year	5,150	10,350	10,571		10,571	221
Fund Balance End of Year	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 4,565</u>	<u>\$ (3,826)</u>	<u>\$ 739</u>	<u>\$ 739</u>

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF EXPENDITURES BY COUNTY DEPARTMENTS AND OFFICES
TOTAL BUDGETARY AUTHORITY AND ACTUAL
GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2006
(INCLUDING LIFETIME ACTIVITY THROUGH DECEMBER 31, 2006) (Dollars in Thousands)

County Departments, Offices and Boards	Total Budgetary Authority	All Prior Years' Actual Expenditures	Remaining Budgetary Authority January 1, 2006	2006 Actual Expenditures	Remaining Budgetary Authority December 31, 2006
Affirmative Action	\$ 1,240	\$ 1,140	\$ 100	\$	\$ 100
Assessment	13,000	11,363	1,637		1,637
Behavioral Health	34,755		34,755		34,755
CASA	735	606	129	20	109
Correctional Center	8,085	6,631	1,454	849	605
County Attorney	295	295			
County Clerk	225	149	76		76
County Comptroller	805	446	359		359
Criminal Justice Coordinating Council	53,385	48,786	4,599	887	3,712
Cultural Development	441	438	3		3
District Attorney	11,843	7,425	4,418	1,266	3,152
Drug and Alcohol	693,474	501,382	192,092	20,908	171,184
Emergency Management	3,525	1,911	1,614	660	954
Fire Commission	1,467	238	1,229	762	467
General Services	415	335	80		80
Health	149,569	113,367	36,202	13,302	22,900
Housing and Inter- governmental Affairs	562,239	470,665	91,574	23,692	67,882
Human Rights	1,897	1,752	145	53	92
Labor	50	46	4		4
Medical Center	5,119	188	4,931		4,931
Medical Examiner	3,624	1,661	1,963	459	1,504
Mental Health	213,875	158,147	55,728	8,370	47,358
Planning	24,496	18,202	6,294	189	6,105
Police	64,407	36,837	27,570	4,709	22,861
Probation	32,317	25,359	6,958	1,747	5,211
Public Works	14,771	12,738	2,033	223	1,810
Recreation and Parks	6,638	3,801	2,837	458	2,379
Senior Citizen Affairs	59,412	55,645	3,767	945	2,822
Sheriff	66	55	11		11
Social Services	29,470	17,585	11,885	3,020	8,865
Traffic Safety Board	49,264	43,404	5,860	2,086	3,774
Veterans Services	448	341	107	76	31
Women's Services	194	148	46		46
Youth Board	34,933	27,099	7,834	1,197	6,637
Total	\$ 2,076,479	\$ 1,568,185	\$ 508,294	\$ 85,878	\$ 422,416

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF EXPENDITURES BY COUNTY DEPARTMENTS AND OFFICES
 TOTAL BUDGETARY AUTHORITY AND ACTUAL
 GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005
 (INCLUDING LIFETIME ACTIVITY THROUGH DECEMBER 31, 2005) (Dollars in Thousands)

County Departments, Offices and Boards	Total Budgetary Authority	All Prior Years' Actual Expenditures	Remaining Budgetary Authority January 1, 2005	2005 Actual Expenditures	Remaining Budgetary Authority December 31, 2005
Affirmative Action	\$ 1,240	\$ 1,140	\$ 100	\$	\$ 100
Assessment	13,000	11,363	1,637		1,637
CASA	735	576	159	31	128
Correctional Center	7,396	5,624	1,772	1,007	765
County Attorney	295	295			
County Clerk	225	149	76		76
County Comptroller	805	446	359		359
Criminal Justice Coordinating Council	52,981	47,398	5,583	1,388	4,195
Cultural Development	441	438	3		3
District Attorney	9,960	6,398	3,562	1,028	2,534
Drug and Alcohol	693,258	480,620	212,638	20,762	191,876
Emergency Management	2,654	1,240	1,414	670	744
Fire Commission	817	64	753	174	579
General Services	415	335	80		80
Health	141,900	98,908	42,992	14,459	28,533
Housing and Inter- governmental Affairs	534,241	449,239	85,002	21,426	63,576
Human Rights	1,844	1,711	133	41	92
Labor	50	46	4		4
Medical Center	5,119	188	4,931		4,931
Medical Examiner	2,695	836	1,859	825	1,034
Mental Health	212,436	147,662	64,774	10,485	54,289
Planning	23,473	17,493	5,980	709	5,271
Police	58,449	33,078	25,371	3,759	21,612
Probation	28,768	23,038	5,730	2,321	3,409
Public Works	14,771	12,738	2,033		2,033
Recreation and Parks	4,309	3,165	1,144	636	508
Senior Citizen Affairs	58,176	54,677	3,499	968	2,531
Sheriff	66	55	11		11
Social Services	20,601	13,627	6,974	3,958	3,016
Traffic Safety Board	46,268	40,571	5,697	2,833	2,864
Veterans Services	368	204	164	136	28
Women's Services	194	148	46		46
Youth Board	33,621	26,129	7,492	970	6,522
Total	\$ 1,971,571	\$ 1,479,599	\$ 491,972	\$ 88,586	\$ 403,386

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, 2006 (Dollars in Thousands)

	Land	Land Improvements	Buildings	Equipment	Infrastructure	Total
Legislative	\$	\$	\$ 254	\$ 110	\$	\$ 364
Judicial	2,593	1,933	73,628	1,850		80,004
General Administration	28,610	1,197	47,593	30,237		107,637
Protection of Persons	4,251	190	65,549	68,602		138,592
Health	475		4,707	3,879		9,061
Public Works	13,491	432	319,868	40,826	1,372,878	1,747,495
Recreation and Parks	28,952	69,279	83,492	14,620	17,485	213,828
Social Services	545	3,840	19,680	1,542		25,607
Corrections			183,286	8,192		191,478
Other Expenditures/MSBA		716	26,409	115,306		142,431
Metropolitan Transportation Authority				140,040		140,040
Misc. Unclassified	58,657		134,439			193,096
Total	137,574	77,587	958,905	425,204	1,390,363	2,989,633
Less: Accumulated Depreciation		30,747	261,545	247,906	479,042	1,019,240
	\$ 137,574	\$ 46,840	\$ 697,360	\$ 177,298	\$ 911,321	1,970,393
Construction in Progress						362,428
Total Net Capital Assets						\$ 2,332,821

COUNTY OF NASSAU, NEW YORK

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2005 (Dollars in Thousands)

	Land	Land Improvements	Buildings	Equipment	Infrastructure	Total
Legislative	\$	\$	\$ 254	\$ 77	\$	\$ 331
Judicial	2,593	1,933	73,150	1,653		79,329
General Administration	14,035	1,197	47,527	29,020		91,779
Protection of Persons	4,251	190	65,536	67,364		137,341
Health	475		4,706	3,724		8,905
Public Works	13,492	432	317,605	36,761	1,348,702	1,716,992
Recreation and Parks	28,952	69,138	81,650	14,461	17,485	211,686
Social Services	545	3,840	19,732	1,484		25,601
Corrections			183,284	7,709		190,993
Other Expenditures/MSBA		716	26,409	117,356		144,481
Metropolitan Transportation Authority				140,040		140,040
Misc. Unclassified	58,675		134,440			193,115
Total	123,018	77,446	954,293	419,649	1,366,187	2,940,593
Less: Accumulated Depreciation		27,216	237,229	228,167	428,079	920,691
	<u>\$ 123,018</u>	<u>\$ 50,230</u>	<u>\$ 717,064</u>	<u>\$ 191,482</u>	<u>\$ 938,108</u>	<u>2,019,902</u>
Construction in Progress						293,143
Total Net Capital Assets						<u>\$ 2,313,045</u>

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION
DECEMBER 31, 2006 (Dollars in Thousands)

	Capital Assets January 1, 2006	Additions*	Deletions*	Capital Assets December 31, 2006
Legislative	\$ 331	\$ 33	\$	\$ 364
Judicial	79,329	687	12	80,004
General Administration	91,779	16,321	463	107,637
Protection of Persons	137,341	9,311	8,060	138,592
Health	8,905	156		9,061
Public Works	1,716,992	31,886	1,383	1,747,495
Recreation and Parks	211,686	3,014	872	213,828
Social Services	25,601	79	73	25,607
Corrections	190,993	636	151	191,478
Other Expenditures/MSBA	144,481		2,050	142,431
Metropolitan Transportation Authority	140,040			140,040
Misc. Unclassified	193,115	1	20	193,096
Construction Work in Progress	293,143	112,848	43,563	362,428
Total	3,233,736	174,972	56,647	3,352,061
Less: Accumulated Depreciation	920,691	110,426	11,877	1,019,240
Total Changes in Net Capital Assets	\$ 2,313,045	\$ 64,546	\$ 44,770	\$ 2,332,821

* Additions include buildings, equipment and infrastructure 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 work in progress to the Nassau County Sewer and Storm Water Finance Authority.

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION
DECEMBER 31, 2005 (Dollars in Thousands)

	Capital Assets January 1, 2005	Additions*	Deletions*	Capital Assets December 31, 2005
Legislative	\$ 331	\$	\$	\$ 331
Judicial	92,344	359	13,374	79,329
General Administration	76,386	15,677	284	91,779
Protection of Persons	118,113	19,712	484	137,341
Health	8,658	285	38	8,905
Public Works	1,688,997	29,293	1,298	1,716,992
Recreation and Parks	202,880	9,238	432	211,686
Social Services	26,108	90	597	25,601
Corrections	190,437	684	128	190,993
Other Expenditures/MSBA	156,539	446	12,504	144,481
Metropolitan Transportation Authority	140,000	1,336	1,296	140,040
Misc. Unclassified	190,930	2,225	40	193,115
Construction Work in Progress	259,745	77,508	44,110	293,143
Total	3,151,468	156,853	74,585	3,233,736
Less: Accumulated Depreciation	829,425	105,429	14,163	920,691
Total Changes in Net Capital Assets	\$ 2,322,043	\$ 51,424	\$ 60,422	\$ 2,313,045

* Additions include buildings, equipment and infrastructure transferred to the Nassau County Sewer and Storm Water Finance, net of accumulated depreciation. Deletions include buildings, equipment and infrastructure transferred to the Nassau County Sewer and Storm Water Finance Authority.

EXHIBIT D-1

COUNTY OF NASSAU, NEW YORK

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TOTAL BUDGETARY AUTHORITY AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2006 (Dollars in Thousands)**

	<u>Original Budget</u>	<u>Total Budgetary Authority</u>	<u>Actual</u>	<u>GAAP to Budgetary Basis Conversion (Note 12)</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Over (Under)</u>
Revenues:						
Other Revenue	\$	\$	\$ 10,900	\$	\$ 10,900	\$ 10,900
Expenditures:						
Other						
Debt Service:						
Principal	115,124	115,124	114,845		114,845	279
Interest	27,788	30,370	30,370		30,370	
Financing Costs	148,676	146,094	249		249	145,845
Total Expenditures	<u>291,588</u>	<u>291,588</u>	<u>145,464</u>		<u>145,464</u>	<u>146,124</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(291,588)</u>	<u>(291,588)</u>	<u>(134,564)</u>		<u>(134,564)</u>	<u>157,024</u>
Other Financing Sources (Uses):						
Transfers In	286,001	286,001	279,692		279,692	(6,309)
Transfers Out			(145,128)		(145,128)	(145,128)
Total Other Financing Sources (Uses)	<u>286,001</u>	<u>286,001</u>	<u>134,564</u>		<u>134,564</u>	<u>(151,437)</u>
Net Change in Fund Balance	(5,587)	(5,587)				5,587
Fund Balances at Beginning of Year	<u>5,587</u>	<u>5,587</u>				<u>(5,587)</u>
Fund Balances at End of Year	\$	\$	\$	\$	\$	\$

See accompanying notes to financial statements.

EXHIBIT D-1

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 TOTAL BUDGETARY AUTHORITY AND ACTUAL
 DEBT SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005 (Dollars in Thousands)

	Original Budget	Total Budgetary Authority	Actual	GAAP to Budgetary Basis Conversion (Note 12)	Actual on a Budgetary Basis	Variance Over (Under)
Revenues:						
Other Revenue	\$	\$ 8,159	\$ 8,682	\$	\$ 8,682	\$ 523
Expenditures:						
Other		706	706		706	
Debt Service:						
Principal	140,554	140,280	140,280		140,280	
Interest	48,222	36,002	36,002		36,002	
Financing Costs	119,663	841	841		841	
Total Expenditures	<u>308,439</u>	<u>177,829</u>	<u>177,829</u>		<u>177,829</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(308,439)</u>	<u>(169,670)</u>	<u>(169,147)</u>		<u>(169,147)</u>	<u>523</u>
Other Financing Sources (Uses):						
Transfers In	289,459	331,651	335,816		335,816	4,165
Transfers Out		(181,402)	(181,402)		(181,402)	
Transfers In from NIFA		441	441		441	
Transfers In from SFA			3,005		3,005	3,005
Premium on TANS			1,287		1,287	1,287
Total Other Financing Sources (Uses)	<u>289,459</u>	<u>150,690</u>	<u>159,147</u>		<u>159,147</u>	<u>3,457</u>
Net Change in Fund Balance	(18,980)	(18,980)	(10,000)		(10,000)	8,980
Fund Balances at Beginning of Year	<u>18,980</u>	<u>18,980</u>	<u>10,000</u>		<u>10,000</u>	<u>(8,980)</u>
Fund Balances at End of Year	\$	\$	\$	\$	\$	\$

See accompanying notes to financial statements.

COUNTY OF NASSAU, NEW YORK

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 FIDUCIARY FUND
 DECEMBER 31, 2006 (Dollars in Thousands)

AGENCY FUND

	Balance January 1, <u>2006</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2006</u>
<u>ASSETS:</u>				
Cash	\$ 93,072	\$ 1,293,962	\$ 1,161,277	\$ 225,757
Due From Component Unit	<u>82</u>	<u>77,758</u>	<u>77,840</u>	<u> </u>
TOTAL ASSETS	<u>\$ 93,154</u>	<u>\$ 1,371,720</u>	<u>\$ 1,239,117</u>	<u>\$ 225,757</u>
<u>LIABILITIES:</u>				
Accounts Payable	\$ 3,776	\$ 333,486	\$ 333,537	\$ 3,725
Due to Component Unit		16,157	15,002	1,155
Other Liabilities	<u>89,378</u>	<u>1,276,811</u>	<u>1,145,312</u>	<u>220,877</u>
TOTAL LIABILITIES	<u>\$ 93,154</u>	<u>\$ 1,626,454</u>	<u>\$ 1,493,851</u>	<u>\$ 225,757</u>

See accompanying notes to financial statements.

COUNTY OF NASSAU, NEW YORK

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 FIDUCIARY FUND
 DECEMBER 31, 2005 (Dollars in Thousands)

AGENCY FUND

	Balance January 1, <u>2005</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2005</u>
ASSETS:				
Cash	\$ 71,370	\$ 1,514,529	\$ 1,492,827	\$ 93,072
Investments	100	500	600	
Due From Tobacco Settlement Corporation	36,976		36,976	
Due From Component Unit		<u>92,988</u>	<u>92,906</u>	<u>82</u>
TOTAL ASSETS	<u>\$ 108,446</u>	<u>\$ 1,608,017</u>	<u>\$ 1,623,309</u>	<u>\$ 93,154</u>
LIABILITIES:				
Accounts Payable	\$ 282	\$ 331,836	\$ 328,342	\$ 3,776
Due to Component Unit	19	87	106	
Other Liabilities	<u>108,145</u>	<u>1,286,228</u>	<u>1,304,995</u>	<u>89,378</u>
TOTAL LIABILITIES	<u>\$ 108,446</u>	<u>\$ 1,618,151</u>	<u>\$ 1,633,443</u>	<u>\$ 93,154</u>

See accompanying notes to financial statements.

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF CHANGES IN OTHER LIABILITIES
 FIDUCIARY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006 (Dollars in Thousands)

	Balance January 1, 2006	Additions	Deductions	Balance December 31, 2006
Bid Deposits	\$ 339	\$ 375	\$ 394	\$ 320
Cash Bail	12,776	17,653	14,715	15,714
Contractors' Cash Bond Escrow	2,090	105	84	2,111
Dental Insurance	129	5,637	5,660	106
Eggers College Settlement	1,453	78		1,531
Estate Suspense Account	248	681	507	422
Federal Withholding Taxes		141,602	141,247	355
FICA Refunds	32			32
Flex Benefit Plan		2,443	2,443	
Health Insurance		224,770	224,770	
Highway Deposits	1,068	428	389	1,107
Liability for Tobacco Corp. Medical Expenses	37,657		23,000	14,657
Liability for Future Nassau Health Care Corp. Cap. Expenses		145,861		145,861
Medical Assistance Pay In	3,655	859	40	4,474
Mortgage Taxes	18,825	104,074	105,879	17,020
New York City Withholding Taxes	5	998	999	4
New York State Withholding Taxes	488	49,519	49,645	362
Optical Insurance	83	1,578	1,578	83
Payments in Lieu of Taxes	3,397	14,163	15,918	1,642
Payroll Deductions	(2,804)	72,220	72,115	(2,699)
Payroll Deferred Compensation		58,422	58,422	
Plans and Specification Deposits	42			42
Real Estate Escrow	164			164
Reimbursements	1	12	9	4
Retirement System	78	124,023	124,044	57
Social Security Taxes		127,146	126,926	220
TIAA/CREF Payroll Deductions	626	6,696	6,087	1,235
TIAA Escrow	21	99	76	44
Traffic Violations Clearing Account	2,994	28,254	28,814	2,434
Unclaimed Matured Bonds and Coupons	5,082	140,439	136,516	9,005
Unemployment Insurance	88	496	483	101
United States Savings Bonds		524	548	(24)
All Other Liabilities	841	7,656	4,004	4,493
Total Other Liabilities	\$ 89,378	\$ 1,276,811	\$ 1,145,312	\$ 220,877

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF CHANGES IN OTHER LIABILITIES
 FIDUCIARY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005 (Dollars in Thousands)

	Balance January 1, <u>2005</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2005</u>
Bid Deposits	\$ 318	\$ 126	\$ 105	\$ 339
Cash Bail	12,790	14,301	14,315	12,776
Contractors' Cash Bond Escrow	1,290	852	52	2,090
Dental Insurance	122	4,732	4,725	129
Eggers College Settlement	1,402	51		1,453
Estate Suspense Account	386	1,091	1,229	248
Federal Withholding Taxes	80	144,387	144,467	
FICA Refunds	32			32
Flex Benefit Plan		2,088	2,088	
Health Insurance		219,761	219,761	
Highway Deposits	939	389	260	1,068
Liability for Tobacco Corp Medical Expenses	60,576	81	23,000	37,657
Medical Assistance Pay In	3,207	1,010	562	3,655
Mortgage Taxes	17,446	115,355	113,976	18,825
New York City Withholding Taxes	5	970	970	5
New York State Withholding Taxes	399	51,405	51,316	488
Optical Insurance	83	1,529	1,529	83
Payments in Lieu of Taxes	4,208	15,923	16,734	3,397
Payroll Deductions	(19)	74,927	77,712	(2,804)
Payroll Deferred Compensation	35	54,196	54,231	
Plans and Specification Deposits	42			42
Real Estate Escrow	164			164
Reimbursements	55	5	59	1
Retirement System	115	245,487	245,524	78
Social Security Taxes	165	123,170	123,335	
TIAA/CREF Payroll Deductions	686	6,559	6,619	626
TIAA Escrow	108	43	130	21
Traffic Violations Clearing Account	3,252	26,744	27,002	2,994
Unclaimed Matured Bonds and Coupons		175,050	169,968	5,082
Unemployment Insurance	118	626	656	88
United States Savings Bonds	17	587	604	
All Other Liabilities	124	4,783	4,066	841
Total Other Liabilities	\$ 108,145	\$ 1,286,228	\$ 1,304,995	\$ 89,378

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF CASH IN BANKS*
 ALL FUNDS OF THE PRIMARY GOVERNMENT
 DECEMBER 31, 2006 (Dollars in Thousands)

CASH BALANCES BY FUND:

General Fund	\$ 47,411
NIFA General Fund	633
Police District	9,262
Police Headquarters	1,356
County Parks and Recreation Fund	23,010
Fire Prevention, Safety, Communication and Education Fund	3,221
Debt Service Fund	43
Sewer & Storm Water	93,331
Nonmajor Governmental Funds	261,262
Agency Fund	<u>225,757</u>
Total Cash Balances By Funds	<u>\$ 665,286</u>

CASH BALANCES BY BANK:

The Bank of New York	\$ 2,099
The Bank of New York-NCTSC	31
The Bank of New York-SFA	28,602
The Bank of New York-NIFA	29,244
Citibank	102,066
Commerce	270,824
Bank of America	9,034
Bank of America - NIFA	633
JP Morgan Chase	27,679
State Bank of Long Island	31,469
North Fork Bank	148,455
Signature Bank	2,223
City National Bank of New Jersey	7,071
Wachovia Bank	5,074
Petty Cash	<u>782</u>
Total Cash Balances By Bank	<u>\$ 665,286</u>

*See Exhibit X-16 Note 2, Deposits and Investments

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF CASH IN BANKS*
 ALL FUNDS OF THE PRIMARY GOVERNMENT
 DECEMBER 31, 2005 (Dollars in Thousands)

CASH BALANCES BY FUND:

General Fund	\$ 123,367
NIFA General Fund	5,301
Police District	90
Police Headquarters	266
County Parks and Recreation Fund	27,118
Fire Prevention, Safety, Communication and Education Fund	4,781
Nonmajor Governmental Funds	470,829
Debt Service Fund	6,381
Agency Fund	<u>93,072</u>
Total Cash Balances By Funds	<u>\$ 731,205</u>

CASH BALANCES BY BANK:

The Bank of New York	\$ 2,321
The Bank of New York-NCTSC	97
The Bank of New York-Sewer	59,446
Citibank	134,470
Commerce	132,296
Bank of America	7,668
Bank of America - NIFA	109,273
JP Morgan Chase	27,633
State Bank of Long Island	23,291
North Fork Bank	108,417
Signature Bank	61,325
City National Bank of New Jersey	7,121
Wachovia Bank	5,024
Deutsche Bank -NCTSC	52,040
Petty Cash	<u>783</u>
Total Cash Balances By Bank	<u>\$ 731,205</u>

*See Exhibit X-16 Note 2, Deposits and Investments

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 2002 is presented when available. Implementation of GASB 34 in 2002 precludes the reporting of similar financial information in the prior year.

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

FINANCIAL TRENDS INFORMATION

COUNTY OF NASSAU, NEW YORK

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

	Fiscal Year				
	2006	2005	2004	2003	2002
Primary Government					
Invested in Capital Assets, Net of Related Debt	\$ 1,556,170	\$ 1,429,730	\$ 1,554,662	\$ 1,530,864	\$ 1,491,579
Restricted:					
Statutory					(2,076,191)
Special Revenue					(227,012)
Capital Projects	32,719	113,534	136,826	136,327	78,167
Unrestricted (Deficit)	<u>(3,053,438)</u>	<u>(2,973,679)</u>	<u>(3,120,945)</u>	<u>(3,136,151)</u>	<u>(510,432)</u>
Total Primary Government Net Assets / (Deficit)	<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>

COUNTY OF NASSAU, NEW YORK

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

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

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>
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
2001	706,584	785,094	43,717	3,450	19,086	1,557,931
2000	640,061	760,832	42,570	2,329	14,778	1,460,570
1999	594,874	720,395	37,830	1,392	16,181	1,370,672
1998	568,271	678,017	37,499	1,156	9,625	1,294,568
1997	578,077	655,830	38,164	230	9,684	1,281,985

*For 1997 through 2001 Special Taxes were previously presented as "Other Revenues" in the Police Department Headquarters Fund.

COUNTY OF NASSAU, NEW YORK

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

	Fiscal Year									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
General Fund (includes NIFA General Fund)										
Reserved for Encumbrances	\$ 56,324	\$ 65,052	\$ 67,123	\$ 91,483	\$ 70,433	\$ 66,907	\$ 56,949	\$ 46,138	\$ 39,215	\$ 32,939
Unreserved and Designated for Ensuing Year's Budget	13,075	13,367				18,000			11,042	
Unreserved	73,342	75,771	86,084	76,706	68,956	9,525	35,396	39,327	(74,562)	
Total General Fund	142,741	154,190	153,207	168,189	139,389	94,432	92,345	85,465	(24,305)	32,939
All Other Governmental Funds										
Reserved for Retirement of Temporary Financing	25,961	7,816	64,106	54,642	36,590	16,718	14,568	17,763	23,979	14,235
Reserved for State Revolving Fund					1,499	13,647	19,264	14,088	20,674	38,968
Reserved for Encumbrances	266,165	245,489	170,363	136,614	141,057	211,355	251,835	258,119	281,142	333,171
Reserved for Police Terminations				38,500						
Unreserved and Designated for Ensuing Year's Budget	24,009	52,087	10,000	44,311	23,305	9,819	14,683	7,480	28,892	18,661
Unreserved:										
Special Revenue Fund	123,199	(10,376)	4,870	4,870	(3,372)	(19,278)	(57,309)	(50,677)	(177,373)	(62,770)
Nonmajor Special Revenue Funds	(29,733)	72,140	77,362	15,469						
Nonmajor Capital Projects Funds	(149,672)	33,923	132,855	92,765	50,168	26,314	306,060	94,571	(140,051)	(192,515)
Nonmajor Debt Service Funds	2,054	3,994	51,017	55,999	45,273	10,121	49,603			
Total All Other Governmental Funds	261,983	405,073	510,573	443,170	294,520	268,696	598,704	341,344	37,263	149,750
Total Governmental Funds	\$ 404,724	\$ 559,263	\$ 663,780	\$ 611,359	\$ 433,909	\$ 363,128	\$ 691,049	\$ 426,809	\$ 12,958	\$ 182,689

COUNTY OF NASSAU, NEW YORK

Exhibit T-5

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

	Fiscal Year									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Revenues										
Major Governmental Funds										
Interest and Penalties on Taxes	\$ 22,532	\$ 21,369	\$ 22,682	\$ 22,456	\$ 20,156	\$ 19,014	\$ 13,297	\$ 9,006	\$ 10,036	\$ 12,549
Gifts and Donations								10		
Licenses and Permits	10,525	9,455	6,050	6,776	4,751	4,276	2	4,033	2,878	3,445
Fines and Forfeitures	23,001	21,237	14,477	13,059	12,785	11,802	3,653	9,954	8,104	8,853
Interest Income	22,733	12,883	6,474	3,561	6,874					
Rents and Recoveries ¹	43,696	30,796	32,229	13,951	48,088	49,387	81,264	238,810	23,316	35,450
Tobacco Settlement Revenue	23,000	23,017	23,682							
Tobacco Receipts	10,273									
Departmental Revenue	87,795	126,731	206,459	147,938	158,516	127,275	149,233	77,766	42,162	41,242
Interdepartmental Revenue	135,478	129,788	102,187	123,729	105,357	101,196	105,289	108,545	130,435	103,476
Federal Aid	115,193	114,519	126,208	107,592	124,421	102,767	105,153	97,508	95,685	86,399
State Aid	187,799	199,715	209,019	198,767	191,342	189,917	185,958	170,725	178,151	176,075
Sales Tax	929,817	895,107	883,692	841,940	814,160	762,966	756,111	720,395	678,017	655,830
Preempted Sales Tax in Lieu of Property Taxes	59,426	57,568	49,971	48,920	48,997	43,717	42,570	37,830	37,499	38,164
Property Taxes	884,512	884,859	743,002	741,779	604,651	145,100	72,455	68,529	73,560	81,853
Payments in Lieu of Taxes	4,551	4,298	3,632	4,205	2,974	3,450	2,329	1,392	1,156	230
Special Taxes	34,901	36,572	32,395	25,982	25,142	8,259	5,518	9,370	3,063	3,216
Other Revenue	25,081	24,830	11,098	9,922	13,231	1,635	4,983	2,321	389	450
Total Major Governmental Funds	<u>2,620,313</u>	<u>2,592,744</u>	<u>2,473,457</u>	<u>2,310,677</u>	<u>2,181,445</u>	<u>1,570,761</u>	<u>1,537,756</u>	<u>1,556,594</u>	<u>1,284,451</u>	<u>1,247,232</u>
Nonmajor Governmental Funds										
Unrealized Gain on Investments		80	41	968	1,317	18				
Fines and Forfeits	2,559	1,478								
Interest Income ¹	17,532	17,305	6,754	5,539	5,859					
Rents and Recoveries ¹	169	185	241	263	812	24,797	34,792	27,449	16,596	16,573
Departmental Revenue	2,470	2,219	4,116	15,372	29,135	36,561	32,352	30,484	30,165	26,874
Interdepartmental Revenue	710	725	2,580	1,454	1,336	2,623	2,557	2,216	2,074	3,690
Federal Aid	54,461	50,982	49,629	51,539	53,593	67,826	36,003	57,990	55,739	65,891
State Aid	55,639	31,671	66,300	38,301	33,118	69,040	57,505	30,222	50,337	40,703
State Aid from NIFA		7,500	7,500	15,000	20,000	25,167	25,000			
Sales Tax										
Tobacco Receipts	20,388	22,284	21,974	26,185	26,180					
Property Taxes			138,932	142,638	153,616	561,484	567,606	526,345	494,711	496,224
Special Taxes					205					
Other Revenues	2,447	4,236	7,622	1,357	988	11,788	13,179	8,889	10,172	9,494
Total Nonmajor Governmental Funds	<u>156,375</u>	<u>138,665</u>	<u>305,689</u>	<u>308,657</u>	<u>326,159</u>	<u>821,432</u>	<u>773,715</u>	<u>683,695</u>	<u>659,794</u>	<u>679,449</u>
Total Revenues	2,776,688	2,731,409	2,779,146	2,619,334	2,507,604	2,392,193	2,311,471	2,240,289	1,944,245	1,926,681
Expenditures										
Major Governmental Funds										
Legislative	8,747	8,325	7,629	6,572	5,865	5,643	5,232	5,012	5,331	4,896
Judicial	41,733	39,791	44,715	42,063	39,049	45,752	41,671	41,184	40,294	37,396
General Administration	228,451	232,038	209,952	226,558	183,150	179,530	171,575	164,029	160,327	154,584
Protection of Persons	672,021	674,719	653,567	562,281	569,389	10,088	9,805	10,390	10,271	9,629
Health	215,413	197,873	190,873	193,073	169,065	162,353	145,904	150,854	154,184	141,648
Public Works	182,580	196,478	87,453	54,430	44,104	44,039	41,307	43,726	41,371	40,679
Recreation and Parks	55,919	50,704	46,440	61,654		3	797	954	993	1,170
Social Services	505,817	537,107	625,213	523,765	538,402	318,640	499,740	475,762	466,395	439,427
Corrections	217,820	211,928	193,390	183,931	171,289	171,555	143,723	144,130	140,880	131,533
Education	8,898	6,740	5,801	4,953	5,017	4,779	5,354	5,066	5,274	4,871
Payments for Tax Certiorari and Other Judgments	71,670	200,207	198,663	141,820	125,545	175,474	122,890	104,730	147,212	116,815
Other	125,336	120,946	156,254	106,267	116,253	94,840	84,354	76,118	57,446	51,066
Debt Service:										
Principal	146,324	168,495	171,434	196,314	195,975		2,074	273,573	347,624	165,080
Interest	41,375	48,425	60,269	96,525	126,725			111,099	106,027	94,814
Financing Costs	249	841	612	1,189	691	1,421				
Total Major Governmental Funds	<u>2,523,353</u>	<u>2,754,617</u>	<u>2,652,265</u>	<u>2,391,455</u>	<u>2,281,519</u>	<u>1,414,117</u>	<u>1,274,606</u>	<u>1,606,617</u>	<u>1,683,629</u>	<u>1,393,608</u>
Nonmajor Governmental Funds										
Judicial	1,725	1,853	749	926	855	477	759	135	619	1,158
General Administration	28,360	29,238	32,797	23,252	34,935	35,139	23,954	28,003	19,820	21,676
Protection of Persons	8,497	8,195	5,657	7,547	24,910	531,881	535,294	504,416	477,857	453,674
Health	42,500	45,706	45,179	50,585	45,034	40,888	45,779	33,160	39,388	38,122
Public Works	223		78,453	71,700	65,624	68,964	64,437	61,894	57,255	60,948
Recreation and Parks	458	636	422	395	60,187	58,639	56,124	56,979	52,978	43,456
Capital Outlay-General County	125,298	103,055	70,381	31,360	48,569	246,968	136,872	185,298	177,185	221,206
Capital Outlay-Sewage Districts	8,949	5,369	5,840	11,234	27,497					
Social Services	5,288	6,083	5,509	6,077	2,632	3,129	2,356	3,441	3,273	2,684
Corrections	2,596	3,328	1,884	711	1,053	344	641	318	1,006	1,307
Education				1,313	1,053	803	914	750	721	686
Debt Service:										
Principal	94,015	57,906	55,118	22,975	16,860	186,383	218,747	50,691	68,671	49,044
Interest	118,643	94,744	91,294	68,052	40,831	178,892	134,530	26,847	27,946	29,817
Financing Costs	1,543	4,290	10,165	5,195	1,703	86	191			
Total Nonmajor Governmental Funds	<u>438,145</u>	<u>360,383</u>	<u>403,248</u>	<u>301,322</u>	<u>371,743</u>	<u>1,372,593</u>	<u>1,220,598</u>	<u>951,932</u>	<u>926,519</u>	<u>923,778</u>
Total Expenditures	2,961,498	3,115,000	3,055,513	2,692,817	2,653,262	2,786,710	2,495,204	2,558,549	2,610,148	2,317,386
Other Financing Sources (Uses)										
Transfers In - Component Unit						18,037	22,333	16,997	16,019	15,559
Transfers Out - Component Unit						(93)	(85)	(8,843)	(8,460)	(8,145)
Transfers In from MTA								70,000		
Other Financing Sources - premium		17,252	33,915	48,013	13,595					
Other Financing Sources - EFC Subsidy	912	550		4,884						
Other Financing Uses - Funding of Residual Trust	(140,265)									
Transfer from NIFA for Escrow Agent			(9,076)	(41,623)						
Operating Transfers to R-N Withholding Account						(2,812)	(1,289)			
Deposited with Escrow Agent for Defeasance	(248,564)	(130,798)	(322,806)	(26,417)						
Payments to Refunding Bond Escrow Holder:			(397,200)	(341,731)	(114,817)	(90,426)	(42,497)			
Transfers In	640,408	546,434	331,873	420,881	410,673	490,833	523,352	295,947	94,306	165,104
Transfers In of Investment Income	4,938	4,481	2,551	3,477	2,783	13,133	25,857	18,763	15,787	15,499
Transfers In of Investment Income on Sales Tax from NIFA						2,783				
Transfers Out	(640,408)	(546,434)	(331,873)	(358,750)	(634,233)	(864,438)	(668,029)	(260,411)	(63,834)	(107,865)
Transfers Out of Investment Income	(4,938)	(4,481)	(3,573)	(3,477)	(2,783)	(13,133)	(25,857)	(18,763)	(15,787)	(15,499)
Transfers In from NIFA	77,841	224,416	494,878	67,943	108,305	145,357	79,088			
Transfers Out from NIFA	(77,841)	(477,350)	(693,541)	(271,995)						
Transfers In from SFA	426,510	112,571	238,557							
Transfers Out from SFA	(426,510)	(112,571)	(238,557)							
Transfers to RAN Withholding Account - NIFA					(220)					
Payments to Refunded Bond Escrow Agent					(58,329)				(9,281)	(137,366)
Transfers Out of Investment Income on Sales Tax to County					(2,783)					
Proceeds from BANS								100,119	145,213	
Issuance of Debt	418,188	392,070	1,023,955	565,511	328,268	181,480	395,153	358,784	291,471	279,469
Proceeds from Refunding Bonds								20,780	130,775	
Proceeds from Sale of Assets to Nassau Health Care Corporation								82,000		
Transfers from NIFA - Tax Certiorari and Other		252,932	198,663	183,444	125,545	186,102	138,395	70,966		116,815
Judgment Borrowings				673	1,813	2,556	917		9,958	8,094
Other Sources										
Total Financing Sources (Uses)	<u>30,271</u>	<u>279,074</u>								

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REVENUE CAPACITY INFORMATION

COUNTY OF NASSAU, NEW YORK

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

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Preempted Sales Tax in Lieu of Property Taxes</u>	<u>Payments in Lieu of Taxes</u>	<u>Special Taxes*</u>	<u>Total</u>
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
2001	706,584	785,094	43,717	3,450	19,086	1,557,931
2000	640,061	760,832	42,570	2,329	14,778	1,460,570
1999	594,874	720,395	37,830	1,392	16,181	1,370,672
1998	568,271	678,017	37,499	1,156	9,625	1,294,568
1997	578,077	655,830	38,164	230	9,684	1,281,985

*For 1997 through 2001 Special Taxes were previously presented as "Other Revenues" in the Police Department Headquarters Fund.

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	Property Tax Rate per \$100 Assessed Value	Estimated Actual Taxable Full Valuation	Assessed Value as a Percentage of Actual Taxable Full Valuation
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%
2001	828,811	4.25%	2,434,142	149,466	401,100	1,098,352	4,083,060	706,584	17.31	125,852,983	3.24%
2000	803,402	4.25%	2,426,382	150,520	365,210	1,105,920	4,048,032	640,061	15.81	115,091,989	3.52%
1999	758,225	4.25%	2,424,659	151,305	335,912	1,112,349	4,024,225	594,874	14.78	101,427,301	3.97%
1998	715,516	4.25%	2,432,181	153,635	326,591	1,127,646	4,040,053	568,271	14.07	99,957,476	4.04%
1997	693,994	4.25%	2,447,719	154,726	291,261	1,142,738	4,036,444	578,077	14.32	96,524,943	4.18%

* 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.

** Beginning 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.

***Addtl Source: 2006 Nassau County Adopted Budget

COUNTY OF MASSACHUSETTS, NEW YORK

PROPERTY TAX LEVIES AND TAX RATES, DIRECT AND OVERLAPPING GOVERNMENTS

FOR THE FISCAL PERIODS ENDED IN 1996 THROUGH 2005 (Amounts Expressed in Thousands)

(Tax Rates per \$100 of Assessed Valuation)

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
	Tax Levy	Tax Levy	Tax Levy	Tax Levy	Tax Levy	Tax Levy	Tax Levy	Tax Levy	Tax Levy	Tax Levy
	Tax Rate/Range	Tax Rate/Range	Tax Rate/Range	Tax Rate/Range	Tax Rate/Range	Tax Rate/Range	Tax Rate/Range	Tax Rate/Range	Tax Rate/Range	Tax Rate/Range
County of Nassau* General County Government (Net)	\$ 112,770	\$ 136,984	\$ 126,463	\$ 105,502	\$ 144,458	\$ 72,985	\$ 70,119	\$ 71,753	\$ 73,527	\$ 150,450
Police District	309,307	301,297	299,979	270,610	272,520	258,632	221,100	228,296	228,200	285,250
Police Headquarters	252,998	239,071	252,173	225,364	131,022	131,022	127,655	107,627	108,626	130,407
Fire Prevention	15,444	17,782	17,012	14,195	14,946	14,747	13,861	6,734	6,779	6,269
Community College	44,799	43,117	41,499	39,941	38,039	35,959	27,025	27,435	27,816	27,816
Sewage Disposal Districts	138,932	138,932	102,422	100,131	104,805	82,956	84,240	76,856	76,987	95,707
Sewer & Stormwater District Fund	205,18	42/	210,77	4,19	3,74	3,90	3,34	5,23	5,33	5,23
Sewage Collection Districts	48,294	43,577	40,217	39,290	38,192	43,779	43,356	42,679	43,113	51,696
Parks & Recreation	922,444	920,611	922,850	785,033	743,982	676,561	623,489	593,899	597,569	747,597
Total County of Nassau	\$ 922,444	\$ 920,611	\$ 922,850	\$ 785,033	\$ 743,982	\$ 676,561	\$ 623,489	\$ 593,899	\$ 597,569	\$ 747,597
Town and City Governments	208,654	183,267	175,251	165,369	161,635	190,739	183,369	187,650	185,157	180,841
Incorporated Village Governments	344,668	330,851	311,028	328,463	258,155	246,280	239,772	232,562	228,776	229,109
School Districts	2,833,955	2,616,054	2,431,227	2,229,206	2,111,613	1,984,885	1,962,065	1,949,068	1,884,793	1,809,572
Special Districts	88,558	84,143	78,685	76,239	73,344	72,091	70,352	69,884	66,600	64,142
Fire	15,292	14,239	13,595	12,751	12,226	11,480	11,490	11,715	11,380	10,591
Fire Protection and Sanitary	174,235	169,131	160,868	150,799	147,420	136,536	134,390	131,678	131,190	125,812
Lighting	14,194	12,643	12,027	12,010	11,792	11,414	11,719	11,811	12,190	11,540
Park	60,837	54,730	51,548	47,496	47,546	45,787	45,565	44,501	44,939	43,476
Parking and Improvement	49,159	38,582	33,876	32,528	32,337	32,814	31,332	31,163	29,730	29,643
Sewage - Special	12,015	11,501	11,258	11,051	10,576	10,174	9,524	9,120	8,895	8,622
Water	31,739	29,405	27,094	25,504	23,772	22,881	21,733	21,462	20,282	19,263
Total Special Districts	446,029	414,374	388,951	368,378	358,913	345,177	336,105	331,334	325,207	313,089
Totals	\$ 4,755,750	\$ 4,467,306	\$ 4,229,307	\$ 3,866,449	\$ 3,634,298	\$ 3,443,622	\$ 3,344,800	\$ 3,224,523	\$ 3,221,504	\$ 3,280,208
	(100.00)%	(100.00)%	(100.00)%	(100.00)%	(100.00)%	(100.00)%	(100.00)%	(100.00)%	(100.00)%	(100.00)%

* For 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 2005 is the most recent data available.
 Sources: Various County, Towns, Schools, and Special Districts

COUNTY OF NASSAU, NEW YORK

Principal Property Taxpayers
December 31, 2006
(Dollars in Thousands)

Taxpayer	2006*			1997		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Long Island Lighting Co. & LIPA	\$ 14,278	1	1.34%	\$ 249,001	1	6.17%
Verizon	5,778	2	0.54			
KEYSPAN	5,323	3	0.50			
Retail Property Trust	3,484	4	0.33			
Reckson Association	2,141	5	0.20	10,116	7	0.25
E Q K Green Acres LP	1,989	6	0.19			
CLK-HP (Industrial Research)	1,864	7	0.18			
Galaxy LI Assoc LLC	1,579	8	0.15			
G G & A Broadway Partners LLC	1,318	9	0.12			
Northrop Grumman Corp.	1,300	10	0.12	13,233	5	0.33
Bell Atlantic				65,459	2	1.62
Corporate Property Investors				22,624	3	0.56
Long Island Water Corp.				18,322	4	0.45
Greater NY Assoc & NYRA				11,156	6	0.28
MCS Realty Partnership				8,490	8	0.21
We're Associates				8,397	9	0.21
Coliseum Plaza Associates				9,171	10	0.23
Totals	\$ 39,054		3.67%	\$ 415,969		10.31%

* Beginning 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 I properties and utilizing one percent of market value for class II, III and IV property classes.

Source: Department of Assessment

COUNTY OF NASSAU, NEW YORK

STATEMENT OF CONSTITUTIONAL TAX MARGIN
FOR THE YEAR ENDED DECEMBER 31, 2006 (Amounts Expressed in Thousands)

(The Constitutional limit of real property taxation is 2% of the average full valuation of real estate for the five years preceding the current year.)

Average Full Valuation of Real Estate
for the Five Years Preceding the Current Year:*

2005 Full Valuation	\$ 193,592,238
2004 Full Valuation	179,807,935
2003 Full Valuation	161,160,799
2002 Full Valuation	140,129,811
2001 Full Valuation	<u>125,852,983</u>

800,543,766

Average Full Valuation \$ 160,108,753

Constitutional Tax Margin:

Constitutional Limit of Real Property Taxation,
2% of Average Full Valuation \$ 3,202,175

Add: Exclusions for Debt Service 150,000

Net Constitutional Tax Limit \$ 3,352,175

2006 Tax Levies:

General County Government \$ 139,442

Less: Sales Tax Allocation Credit 59,426

Net General County Government 80,016

Police District 333,627

Police Headquarters 258,050

Fire Prevention, Safety, Communication and Education 15,850

Community College 46,546

County Parks and Recreation 51,168

Total 2006 Tax Levies which are subject
to the Constitutional Tax Limit (23.43%) 785,257

Constitutional Tax Margin (76.57%) \$ 2,566,918

* 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 Five Fiscal Years
(Dollars in Thousands)**

Fiscal Year Beginning January 1	Total Ad Valorem or General Property Tax Levy	Amount Collected at End of Fiscal Year December 31	Percentage Collected at End of Fiscal Year December 31	Amount Collected December 31, 2006	Percentage Collected December 31, 2006
2006	\$ 1,557,392	\$ 1,538,101	98.7613%	\$ 1,538,101	98.7613%
2005	1,531,582	1,514,518	98.8859%	1,530,969	99.9600%
2004	1,478,831	1,465,377	99.0902%	1,478,363	99.9684%
2003	1,451,342	1,437,849	99.0703%	1,450,874	99.9678%
2002	1,292,438	1,272,749	98.4766%	1,291,804	99.9509%
2001	1,230,980	1,214,515	98.6624%	1,230,423	99.9548%
2000	1,143,781	1,126,640	98.5014%	1,143,474	99.9732%
1999	1,080,129	1,063,513	98.4617%	1,079,923	99.9809%
1998	1,045,461	1,028,386	98.3667%	1,045,331	99.9876%
1997	1,041,785	1,023,795	98.2732%	1,041,672	99.9892%

DEBT CAPACITY INFORMATION

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		Sewage Purpose Bonds		State Water Pollution Control Fund Revolving Revenue Bonds		Nassau County Sewer and Storm Water Finance Authority Notes Payable		Dormitory Authority State of NY Bonds (DASNY)		Sales Tax Secured Bonds, Series 2000A - NIFA		Sales Tax Secured Bonds, Series 2001A - NIFA		Sales Tax Secured Bonds, Series 2002A&B - NIFA		Sales Tax Secured Bonds, Series 2003A&B - NIFA		Sales Tax Secured Variable Rate Bonds, Series 2004A - NIFA		Sales Tax Secured Bonds, Series 2004B - NIFA		Sales Tax Secured Bonds, Series 2004H - NIFA		Sales Tax Secured Bonds, Series 2004I-K - NIFA				
	(a)																												
2006	\$ 384,333	\$ 105,176	\$ 155,812	\$	\$ 150,000	\$	\$ 44,435	\$ 29,733	\$ 12,845	\$ 55,955	\$ 199,620	\$ 457,300	\$ 143,130	\$ 450,000	\$ 179,355	\$ 150,000													
2005	509,170	126,308	164,159		120,000		11,885	29,282	12,845	62,695	207,655	479,925	149,525	450,000	184,020	150,000													
2004	775,689	148,324	170,584					27,283	22,995	69,730	215,305	500,160	153,360	450,000	187,275	150,000													
2003	1,239,234	244,394	174,771		120,000			32,037	216,560	171,680	220,605	514,475																	
2002	1,646,214	277,093	191,030		68,920			30,276	247,740	176,790	225,650																		
2001	1,851,917	317,140	205,390		159,150	109,145		31,200	254,720	181,480																			
2000	2,075,461	346,450	225,570		224,360	180,920		31,200	254,720	181,480																			
1999	2,031,742	388,314	196,114		200,000	245,000																							
1998	1,812,640	423,183	207,594		195,000	230,000																							
1997	1,738,611	452,022	209,615		150,000	165,000																							

(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) Beginning 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 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

(continued)

EXHIBIT T-12

COUNTY OF NASSAU, NEW YORK

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

Fiscal Year	Sales Tax Secured Bonds, Series 2005A - NIFA		Sales Tax Secured Bonds, Series 2005B-C - NIFA		Sales Tax Secured Bonds, Series 2005D - NIFA		Nassau County Sewer and Storm		Tobacco Settlement Asset-Backed Bonds, Series A		Total Serial Bonds - NIFA, NCSWFA, NCTSC		State Revolving Fund Loan		Capital Leases		Total Primary Government (a)		Taxable Assessed Valuation		Percentage of Debt to Taxable Assessed Valuation		Debt Per Capita		Percentage of Debt to Estimated Total Full Valuation		
	\$		\$		\$		\$		\$		\$		\$		\$		\$		\$		\$		\$		\$		\$
2006	124,200	122,300	143,795	143,795	75,450	431,034	264,802	2,544,994	431,034	2,544,994	2,544,994	2,544,994	5,567	3,694,842	1,063,177	5,567	3,694,842	1,063,177	1,063,177	347.53%	2,733	2,733	1.74%				
2005	124,200	122,300	143,795	143,795	78,575	272,125	265,049	2,437,660	272,125	2,437,660	2,437,660	2,437,660	5,574	3,671,087	1,582,292	5,574	3,671,087	1,582,292	1,582,292	232.01%	2,723	2,723	1.90%				
2004					81,550	275,285	265,272	2,105,270	275,285	2,105,270	2,105,270	2,105,270	5,573	3,498,005	1,613,805	5,573	3,498,005	1,613,805	1,613,805	216.76%	2,601	2,601	1.95%				
2003						278,095	258,158	1,401,415	278,095	1,401,415	1,401,415	1,401,415	5,566	3,475,575	4,119,080	5,566	3,475,575	4,119,080	4,119,080	84.36%	2,588	2,588	2.16%				
2002						283,625	257,935	933,805	283,625	933,805	933,805	933,805	5,552	3,721,052	4,121,421	5,552	3,721,052	4,121,421	4,121,421	90.29%	2,777	2,777	2.66%				
2001						288,815	257,717	725,015	288,815	725,015	725,015	725,015	2,696	4,176,420	4,083,060	2,696	4,176,420	4,083,060	4,083,060	102.77%	3,143	3,143	3.33%				
2000						289,265	257,338	543,885	289,265	543,885	543,885	543,885	2,696	4,176,420	4,048,032	2,696	4,176,420	4,048,032	4,048,032	103.17%	3,223	3,223	3.63%				
1999						294,500	257,254	294,500	294,500	294,500	294,500	294,500	15,297	3,744,596	4,024,225	15,297	3,744,596	4,024,225	4,024,225	93.05%	2,894	2,894	3.69%				
1998														2,895,825	4,040,053		2,895,825	4,040,053	4,040,053	71.68%	2,243	2,243	2.90%				
1997														2,899,229	4,036,444		2,899,229	4,036,444	4,036,444	70.34%	2,204	2,204	2.94%				

(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) Beginning 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 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

(concluded)

EXHIBIT T-13

COUNTY OF NASSAU, NEW YORK

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

<u>Fiscal Year</u>	<u>General Obligation Bonds (Expressed in Thousands) (a)</u>	<u>Percentage of Estimated Average Full Valuation of Property</u>	<u>Per Capita</u>
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
2001	2,288,117	1.82%	1,766
2000	2,330,181	2.02%	1,746
1999	2,031,742	2.00%	1,571
1998	1,812,640	1.81%	1,404
1997	1,738,611	1.80%	1,350

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

COUNTY OF NASSAU, NEW YORK
GENERAL COUNTY GOVERNMENT, TOWNS AND CITIES
DIRECT AND OVERLAPPING NET DEBT
FOR THE FISCAL PERIODS ENDED IN 1995 THROUGH 2005 (Dollars in Thousands)

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
DIRECT DEBT, COUNTY OF NASSAU:										
General Government:										
Bonds	\$ 3,162,586	\$ 3,091,974	\$ 2,933,562	\$ 2,870,029	\$ 2,868,306	\$ 2,911,365	\$ 2,621,466	\$ 1,816,510	\$ 1,742,715	\$ 1,437,815
Other Debt Obligations				202,155	465,985	224,360	85,826	85,321	102,215	178,124
Total	3,162,586	3,091,974	2,933,562	3,072,184	3,334,271	3,135,725	2,707,312	1,901,831	1,844,930	1,615,939
Sewer and Stormwater District Fund:										
Bonds	371,042	400,458	416,447	465,251	519,149	568,639	590,800	626,907	657,533	696,650
Other Debt Obligations					2,696	26,484	7,087	7,087	6,766	5,972
Total	371,042	400,458	416,447	465,251	521,845	571,335	607,284	633,994	664,299	702,622
County of Nassau:										
Bonds	3,533,628	3,492,432	3,350,009	3,335,280	3,387,455	3,480,004	3,202,286	2,443,417	2,400,248	2,134,465
Other Debt Obligations				202,155	466,691	227,056	112,310	92,408	108,991	184,098
Total	3,533,628	3,492,432	3,350,009	3,537,435	3,856,116	3,707,060	3,314,596	2,535,825	2,509,229	2,318,561
OVERLAPPING DEBT, TOWNS AND CITIES:										
Town of Hempstead:										
Bonds	1,050,612	988,554	871,471	801,123	737,337	724,874	674,839	589,922	522,839	415,691
Other Debt Obligations	29,338	77,920	152,269	90,467	113,413	29,488	51,299	78,461	60,287	84,041
Less Sinking Funds	(1,435)	(1,605)	(1,611)	(1,511)	(1)	(1,501)	(62)	(1,577)	(170)	(398)
Total	1,078,513	1,065,269	1,022,129	890,079	850,749	752,861	726,086	666,826	582,956	499,334
Town of North Hempstead:										
Bonds	660,883	599,574	619,421	487,111	430,769	435,450	468,168	417,729	321,055	251,588
Other Debt Obligations	35,550	63,990	98,143	135,633	109,528	42,656	33,308	40,397	109,119	113,133
Less Sinking Funds	(105)	(114)	(35)	(53)	(95)	(95)	(115)	(110)	(110)	(501)
Total	696,328	663,450	717,529	622,691	540,317	478,011	501,361	458,016	430,064	364,230
Town of Oyster Bay:										
Bonds	597,447	626,207	566,167	502,638	453,624	362,325	299,429	246,737	282,546	269,613
Other Debt Obligations	141,085	76,152	74,153	62,479	106,283	115,952	101,893	74,090	74,178	36,275
Less Sinking Funds			(871)	(871)		(355)	(406)	(355)		
Total	738,532	702,359	639,449	564,246	559,907	478,277	400,916	320,472	357,024	305,888
City of Glen Cove:										
Bonds	35,684	34,605	28,530	32,309	37,765	38,248	40,671	41,777	38,927	46,520
Other Debt Obligations	17,123	18,054	19,115	17,661	7,377	5,794	965	5,644	4,605	
Total	53,007	50,659	47,645	49,970	45,142	44,042	41,636	47,421	43,132	45,520
City of Long Beach:										
Bonds	39,657	64,673	34,204	37,275	40,205	27,758	24,475	24,206	16,141	24,185
Other Debt Obligations			10,000	4,065	7,050	13,312	12,288	13,177	16,432	10,489
Less Sinking Funds			(418)	(576)	(781)	(1,033)				
Total	39,657	64,673	43,786	40,764	46,474	40,037	36,763	37,563	32,573	34,654
Total Overlapping Debt, Bonds and Cities:										
Bonds	2,984,483	2,314,013	2,119,793	1,860,456	1,699,720	1,588,655	1,507,582	1,320,551	1,181,108	1,006,607
Other Debt Obligations	223,084	234,116	363,680	310,305	343,651	207,202	199,753	211,759	254,921	243,918
Less Sinking Funds	(1,540)	(1,719)	(2,935)	(3,011)	(782)	(2,629)	(573)	(2,042)	(280)	(899)
Total	2,606,027	2,546,410	2,470,538	2,167,750	2,042,589	1,793,228	1,706,762	1,530,268	1,445,749	1,249,626
TOTAL DIRECT & OVERLAPPING NET DEBT:										
Bonds	5,918,111	5,806,445	5,469,802	5,195,726	5,087,175	5,088,659	4,709,868	3,753,958	3,371,741	3,141,072
Other Debt Obligations	223,084	234,116	363,680	310,305	343,651	207,202	199,753	211,759	254,921	243,918
Less Sinking Funds	(1,540)	(1,719)	(2,935)	(3,011)	(782)	(2,629)	(573)	(2,042)	(280)	(899)
TOTAL	6,139,655	6,038,842	5,820,547	5,705,185	5,698,705	5,500,288	5,021,358	4,066,123	3,745,363	3,568,187

Nassau County has elected to keep this schedule in its original format since it has been requested for both internal and external agency purposes. 2003 Fiscal Year is most recent data available.

* Beginning with fiscal year 1999, County of Nassau direct debt also includes all blended component units, the NHCC, NCC (proprietary component units) and DASNY debt.

** Sewer District Funds listed separately prior to 2004 were combined for comparison purposes.

EXHIBIT T-15

COUNTY OF NASSAU, NEW YORK

**COUNTY, TOWNS AND CITIES
TAXABLE FULL VALUE CALCULATION FOR 2006*
(Dollars in Thousands)**

	Taxable Assessed Valuation, Real Property	Taxable Assessed Valuation, Special Franchises	Total Taxable Assessed Valuation	State Equali- zation Rate	Average Full Valuation
Town of Hempstead	\$ 469,771	\$ 8,182	\$ 477,953	0.50 %	\$ 95,590,600
Town of North Hempsteac	259,773	3,365	263,138	0.50 %	52,627,600
Town of Oyster Bay	276,296	3,490	279,786	0.50 %	55,957,200
City of Long Beach	20,618	425	21,043	0.53 %	3,970,377
City of Glen Cove	<u>20,957</u>	<u>300</u>	<u>21,257</u>	0.51 %	<u>4,168,039</u>
	<u>\$ 1,047,415</u>	<u>\$ 15,762</u>	<u>\$ 1,063,177</u>		<u>\$ 212,313,816</u>

* Last completed assessed valuation fixed in 2005 on which the 2006 taxes are levied.

Beginning in 2006, a new Department of Assessment methodology was developed and approved by New York 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.

COUNTY OF NASSAU, NEW YORK

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

	2006	2005	2004	2003	Fiscal Year					
					2002	2001	2000	1999	1998	1997
Debt Limit (10% of Average Full Valuation)*	\$ 17,740,092	\$ 16,010,875	\$ 14,440,870	\$ 12,873,258	\$ 11,649,191	\$ 10,779,437	\$ 10,182,066	\$ 9,778,078	\$ 9,616,329	\$ 9,798,961
Total Net Debt Applicable to Limit	3,161,557	3,326,385	3,085,302	3,264,837	2,958,862	2,887,184	2,725,062	2,769,243	2,543,191	2,513,086
Legal Debt Margin	\$ 14,578,535	\$ 12,684,490	\$ 11,355,568	\$ 9,608,421	\$ 8,690,329	\$ 7,892,253	\$ 7,457,004	\$ 7,008,835	\$ 7,073,138	\$ 7,285,875
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	17.82%	20.78%	21.37%	25.36%	25.40%	26.78%	26.76%	28.32%	26.45%	25.65%

Legal Debt Margin Calculation for Fiscal Year 2006

Average Full Valuation	\$ 177,400,920
Debt Limit (10% of Average Full Valuation)	17,740,092
Debt Applicable to Limit:**	
General Government (Including College)***	392,875
NIFA Serial Bonds	2,038,500
Sewer District	105,176
Environmental Facilities Corporation	155,812
Notes Payable	150,000
Real Property Liabilities	8,000
Guarantees	318,945
Contract Liabilities	187,927
Total Debt Applicable to Limit	3,357,235
Less: Legal Exclusions	
Cash and Investments -Capital Projects Funds	45,678
Tax and Revenue Anticipation Notes Payable	150,000
Less: Total Exclusions	195,678
Total Net Debt Applicable to Limit	3,161,557
Legal Debt Margin	\$ 14,578,535

Calculation of 2006 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 2002 Through 2006

2006 Full Valuation	\$ 212,313,816
2005 Full Valuation	193,592,238
2004 Full Valuation	179,807,935
2003 Full Valuation	161,160,799
2002 Full Valuation	140,129,811
	<u>\$ 887,004,599</u>

Average Full Valuation \$ 177,400,920

Constitutional Debt Margin:
Constitutional Limit of Total Indebtedness, 10% Average Full Valuation \$ 17,740,092

* 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, 2006 are unaudited. The last Audit conducted on behalf of the Community College was for the Fiscal Year ended August 31, 2006.

COUNTY OF NASSAU, NEW YORK

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

<u>NIFA Sales Tax Secured Bonds</u>				
<u>Debt Service</u>				
<u>Fiscal Year*</u>	<u>Sales Tax Paid to NIFA</u>	<u>Principal</u>	<u>Interest</u>	<u>Coverage</u>
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
2001	782,707		24,400	32.08
2000	251,467	4,571		55.01

* Nassau County did not have pledged revenue prior to 2000, the year NIFA came into existence.

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DEMOGRAPHIC AND ECONOMIC INFORMATION

COUNTY OF NASSAU, NEW YORK

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

<u>Year</u>	<u>Population (In Thousands) (a)</u>	<u>Total Personal Income (In Thousands)</u>	<u>Per Capita Personal Income (b)</u>	<u>Unemployment Rate (c)</u>
2006	1,352	\$ N/A	\$ N/A	3.7%
2005	1,348	74,060,468	54,941	4.1%
2004	1,345	71,149,155	52,899	4.5%
2003	1,343	66,923,033	49,831	3.9%
2002	1,340	65,945,420	49,213	4.1%
2001	1,335	66,264,060	49,636	3.1%
2000	1,296	61,490,016	47,446	2.7%
1999	1,294	57,879,326	44,729	3.1%
1998	1,291	56,261,780	43,580	2.9%
1997	1,288	52,945,816	41,107	3.4%

Sources:

(a) 2006 LIPA Long Island Population Survey estimates

(b) United States Bureau of Economic Analysis

(c) NYS Department of Labor

COUNTY OF NASSAU, NEW YORK

Principal Employers
Current Year and Nine Years Ago

Employer	2006			1997		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
North Shore- Long Island Jewish Health System (1,3)	31,715	1	4.71%	19,361	1	2.92%
State government (5,6)	25,000	2	3.71%	NA	NA	NA
Federal government (2,5,6)	18,061	3	2.68%	NA	NA	NA
Catholic Health Services	15,000	4	2.23%	----	----	----
Nassau County Government	10,526	5	1.56%	14,445	4	2.18%
Stop & Shop	7,000	6	1.04%	2,700	10	0.41%
Winthrop- South Nassau University Health System	6,468	7	0.96%	3,266	9	0.49%
Long Island Railroad	6,131	8	0.91%	5,900	3	0.89%
Cablevision	6,100	9	0.91%	2,300	13	0.35%
Verizon (4)	5,243	10	0.78%	5,500	5	0.83%
Diocese of Rockville Centre	----	----	----	12,500	2	1.88%
Long Island Lighting Company	----	----	----	5,700	4	0.86%
Long Island University	----	----	----	4,686	6	0.71%
King Kullen	----	----	----	4,550	7	0.69%
Northrop Grumman	----	----	----	3,700	8	0.56%
Total	131,244		19.49%	84,608		12.77%

(1) Includes Queens

(2) Includes 9,200 postal workers

(3) In 1997 Long Island Jewish Medical Center and North Shore Health System were separate entities. Their combined employment number is entered for the 1997 data.

(4) In 1997 Verizon was known as NYNEX

(5) State and Federal Government Employment Statistics not Available for 1997

(6) State and Federal Government includes both Nassau and Suffolk County--Federal and State Employees by County Not Available

NA - Not Available

Sources: 1997 Long Island Almanac, 2006 Newsday

Notes:

Some Employers have locations in both Nassau and Suffolk County. Section 537 of NYS Labor Law requires the information provided to the NYS Department of Labor by individual employers to be kept confidential.

COUNTY OF NASSAU, NEW YORK

Annual Average Employment by Industry
Last Five Fiscal Years*

Industry Title	Fiscal Year				
	2006 (P)	2005	2004	2003	2002
Total, All Industries	586,943	594,557	595,369	592,013	591,381
Total, All Private	516,063	511,980	512,858	507,801	507,846
Agriculture, Forestry, Fishing & Hunting	254	211	206	218	235
Crop Production	86	41	36	35	49
Animal Production	56	50	57	59	56
Fishing, Hunting and Trapping	11	16	18	15	16
Agriculture & Forestry Support Activity	101	104	95	109	114
Utilities	2,803	2,862	2,888	2,891	3,043
Utilities	2,803	2,862	2,888	2,891	3,043
Construction	30,652	27,121	27,056	26,270	26,400
Construction of Buildings	7,663	6,480	6,432	6,047	6,111
Heavy and Civil Engineering Construction	1,778	1,851	2,100	1,868	1,784
Specialty Trade Contractors	20,911	18,790	18,524	18,355	18,505
Manufacturing	25,888	27,438	28,385	29,305	32,320
Food Manufacturing	2,047	2,107	2,111	2,095	2,105
Beverage & Tobacco Product Manufacturing	54	66	64	80	108
Textile Mills	111	131	331	307	323
Textile Product Mills	323	315	356	384	388
Apparel Manufacturing	394	464	529	595	824
Leather and Allied Product Manufacturing	124	134	123	130	120
Wood Product Manufacturing	326	293	271	176	151
Paper Manufacturing	461	445	465	344	376
Printing and Related Support Activities	2,414	2,515	2,459	2,586	2,809
Petroleum & Coal Products Manufacturing	28	19	19	23	21
Chemical Manufacturing	1,335	1,672	2,148	2,770	3,022
Plastics & Rubber Products Manufacturing	1,286	1,310	1,182	1,283	1,563
Nonmetallic Mineral Product Mfg	347	298	245	306	278
Primary Metal Manufacturing	175	211	218	234	261
Fabricated Metal Product Manufacturing	2,728	2,746	2,879	3,014	3,356
Machinery Manufacturing	3,320	3,610	3,787	3,811	3,811
Computer and Electronic Product Mfg	3,891	4,254	4,460	4,461	5,566
Electrical Equipment and Appliances	481	503	401	420	443
Transportation Equipment Manufacturing	2,767	2,916	2,808	2,482	2,615
Furniture and Related Product Mfg	1,052	1,016	926	1,024	1,206
Miscellaneous Manufacturing	2,212	2,430	2,597	2,766	2,976
Wholesale Trade	30,020	28,929	30,993	31,191	31,445
Merchant Wholesalers, Durable Goods	15,583	15,333	17,028	17,043	17,794
Merchant Wholesalers, Nondurable Goods	10,946	10,249	10,686	10,977	10,793
Electronic Markets and Agents/Brokers	3,491	3,347	3,279	3,171	2,858
Retail Trade	80,370	82,528	83,147	82,286	82,070
Motor Vehicle and Parts Dealers	7,710	7,604	7,985	7,777	7,693
Furniture and Home Furnishings Stores	3,633	4,321	4,329	4,017	3,989
Electronics and Appliance Stores	3,195	3,267	3,189	3,122	3,279
Building Material & Garden Supply Stores	5,675	5,355	5,080	5,007	5,108
Food and Beverage Stores	16,237	17,112	15,815	15,911	15,268
Health and Personal Care Stores	7,128	6,878	6,951	6,768	6,765
Gasoline Stations	1,630	1,717	1,759	1,824	1,785
Clothing and Clothing Accessories Stores	12,600	13,040	13,030	12,525	12,304
Sporting Goods/Hobby/Book/Music Stores	3,434	3,745	3,556	3,655	3,843
General Merchandise Stores	11,241	11,357	12,343	11,996	11,942
Miscellaneous Store Retailers	4,442	4,486	4,566	4,816	4,633
Nonstore Retailers	3,245	3,645	4,542	4,848	5,160
Transportation and Warehousing	13,771	14,302	14,102	13,685	13,546
Air Transportation	432	386	404	402	419
Water Transportation	552	776	852	852	816
Truck Transportation	2,349	2,369	2,325	2,194	2,464
Transit and Ground Passenger Transport	3,151	3,689	3,667	3,518	3,449
Scenic and Sightseeing Transportation	115	42	46	46	31
Support Activities for Transportation	3,360	3,467	3,172	3,238	2,952
Couriers and Messengers	2,883	2,869	2,868	2,745	2,734
Warehousing and Storage	929	684	768	660	681
Information	14,973	14,201	14,010	14,010	16,382
Publishing Industries	2,934	2,600	2,526	2,971	2,971
Motion Picture & Sound Recording Ind	1,854	1,782	1,863	1,789	1,944
Broadcasting (except Internet)	4,525	4,243	4,154	3,943	4,662
Internet Publishing and Broadcasting	100	86	73	95	92
Telecommunications	3,809	3,730	3,663	3,524	4,384
ISPs, Search Portals, & Data Processing	1,291	1,309	1,501	1,557	1,613
Other Information Services	460	451	410	436	457
Finance and Insurance	36,988	39,827	41,338	41,279	40,990
Credit Intermediation & Related Activity	14,818	16,984	17,668	18,177	17,995
Financial Investment & Related Activity	4,185	3,882	4,163	3,558	3,973
Insurance Carriers & Related Activities	17,501	18,510	19,088	19,088	18,019
Funds, Trusts & Other Financial Vehicles	484	451	444	482	401
Real Estate and Rental and Leasing	10,741	10,560	10,437	9,931	10,312
Real Estate	8,895	8,493	8,340	7,842	7,859
Rental and Leasing Services	1,729	1,904	2,020	2,099	2,393
Lessors, Nonfinancial Intangible Assets	117	163	77	80	60
Professional and Technical Services	36,112	35,738	34,878	34,901	34,797
Professional and Technical Services	36,112	35,738	34,878	34,901	34,797
Management of Companies and Enterprises	7,542	7,090	6,416	6,449	7,036
Management of Companies and Enterprises	7,542	7,090	6,416	6,449	7,036
Administrative and Waste Services	33,143	31,731	30,783	29,830	30,148
Administrative and Support Services	31,876	30,458	29,549	28,872	29,107
Waste Management and Remediation Service	1,267	1,273	1,234	958	1,041
Educational Services	17,391	18,869	18,285	18,030	16,822
Educational Services	17,391	18,869	18,285	18,030	16,822
Health Care and Social Assistance	92,452	91,054	89,675	88,014	86,520
Ambulatory Health Care Services	38,135	39,122	39,438	39,152	38,950
Hospitals	23,818	22,291	22,596	22,995	22,013
Nursing and Residential Care Facilities	15,113	14,619	13,177	12,255	11,875
Social Assistance	15,086	15,022	14,464	14,012	13,782
Arts, Entertainment, and Recreation	14,295	11,390	11,509	11,454	11,095
Performing Arts and Spectator Sports	4,687	3,965	4,062	4,059	3,894
Museums, Parks and Historical Sites	334	322	321	359	280
Amusement, Gambling & Recreation Ind	9,264	7,093	7,106	7,036	6,921
Accommodation and Food Services	39,139	38,616	39,728	38,293	36,764
Accommodation	2,277	2,508	2,473	2,412	2,394
Food Services and Drinking Places	36,862	36,108	37,255	35,881	34,370
Other Services	25,635	26,161	25,781	25,616	25,463
Repair and Maintenance	6,037	6,228	5,854	5,995	6,005
Personal and Laundry Services	10,297	9,873	10,132	9,540	9,235
Membership Organizations & Associations	7,267	7,903	7,635	7,860	7,961
Private Households	2,034	2,157	2,169	2,231	2,252
Total, All Government	70,880	82,577	82,514	84,212	83,535
Federal Government	7,788	7,971	8,137	8,542	8,778
State Government	3,748	3,794	3,772	3,758	3,787
Local Government	59,346	70,812	70,605	71,912	70,970
Unclassified	4,794	3,352	3,218	3,743	3,068

* Information prior to 2002 is not readily available.
(P) Data for 2006 is Preliminary 3rd Quarter Data and subject to revision. 2006 Annual Data is not yet available.

Source : NYS Department Of Labor Website

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OPERATING INFORMATION

COUNTY OF NASSAU, NEW YORK

County Government Employees by Function**
Last Five 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															
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

* Information prior to 2002 is not readily available.

** 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

COUNTY OF NASSAU, NEW YORK

Capital Asset Statistics by Function Last Five Fiscal Years*

Function	Fiscal Year				
	2006	2005	2004	2003	2002
Public Safety					
Police:					
Stations	9	9	9	9	9
Patrol units	205	205	205	205	205
Highways, streets, bridges					
Streets (lane miles)	1,969	1,969	1,969	1,970	1,970
Streetlights	581	581 (2)	581 (2)	581 (2)	581 (2)
Miscellaneous Street Light Devices	22	22 (2)	22 (2)	22 (2)	22 (2)
Miscellaneous Traffic Control Devices	425	425 (2)	425 (2)	425 (2)	425 (2)
Traffic signals	1,540	1,540 (2)	1,540 (2)	1,540 (2)	1,540 (2)
Bridges (Vehicle) ⁽¹⁾	84	84	84	84	84
Bridges (Pedestrian)	13	13	13	13	13
Culture and Recreation					
Parks acreage	6,116	6,116	6,116	6,116	6,116
Parks	80	80	80	80	80
Swimming pools	7	7	7	7	7
Tennis courts	72	72	72	72	72
Sewer and Drainage					
Bay Park Service Area Sanitary Sewers (miles)	1,400	1,400	1,400	1,400	1,400
Cedar Creek Service Area Sanitary Sewers (miles)	1,550	1,550	1,550	1,550	1,550
Bay Park Plant Design Flow (MGD)	70	70	70	70	70
Cedar Creek Plant Design Flow (MGD)	72	72	72	72	72
Storm Sewers (lane miles)	2,000	2,000	2,000	2,000	2,000
Storm Water Basins	559	559	559	559	559
Water Pump Stations	6	6	6	6	6
Drainage Stream Corridors (miles)	60	60	60	60	60

* Information prior to 2002 is not readily available

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.

Sources: Various Nassau County Departments

COUNTY OF NASSAU, NEW YORK

Operating Indicators by Function
Last Five Fiscal Years*

Function	Fiscal Year				
	2006	2005	2004	2003	2002
Judicial					
District Attorney					
Felony Conviction Rate ⁽¹⁾	91.7%	91.1%	91.5%	90.6%	88.7%
Total Number of Cases Handled	38,397	36,264	35,118	38,015	38,014
General Administration					
Assessment					
Number of Building Permits Issued	24,008	28,896	26,790	NA	NA
Number of Building Inspections Performed	47,169	40,099	36,657	24,380	19,696
Number of Basic STAR Exemptions	50,276 ⁽²⁾	51,385 ⁽²⁾	52,014 ⁽²⁾	48,675 ⁽²⁾	51,132 ⁽²⁾
Number of Enhanced STAR Exemptions	265,098 ⁽²⁾	260,679 ⁽²⁾	259,987 ⁽²⁾	244,400 ⁽²⁾	248,556 ⁽²⁾
Number of Veterans Exemptions	58,758 ⁽²⁾	60,994 ⁽²⁾	64,618 ⁽²⁾	65,193 ⁽²⁾	73,553 ⁽²⁾
Number of Solar Energy Exemptions	37 ⁽²⁾	37 ⁽²⁾	38 ⁽²⁾	39 ⁽²⁾	70 ⁽²⁾
Assessment Review Commission					
Number of Residential Appeal Applications Reviewed	122,027 ⁽³⁾	128,220 ⁽³⁾	106,678 ⁽³⁾	141,043 ⁽³⁾	98,984 ⁽³⁾
Number of Commercial Appeal Applications Reviewed	18,370 ⁽³⁾	18,219 ⁽³⁾	18,336 ⁽³⁾	19,505 ⁽³⁾	18,320 ⁽³⁾
Purchasing Department					
Number of Purchase Orders Processed	11,581	12,401	13,299	12,106	10,461
County Comptroller					
Number of Claims Processed	97,500	101,919	110,072	83,817	83,400
County Treasurer					
Investment Portfolio return	5.20%	3.10%	2.20%	1.35%	1.28%
Total number of Tax Liens Sold ⁽⁴⁾	3,755	3,517	3,445	3,817	3,741
County Clerk					
Land Records Recorded	211,790	273,496	306,324	236,170	208,851
Court Records Recorded	309,755	281,772	368,037	234,947	287,789
Miscellaneous Records Recorded	100,597	94,665	89,723	85,654	89,916
Certified Copies Issued	28,522	27,091	34,341	28,440	23,227
Board of Elections					
Voting Precincts	1,160	1,160	1,160	1,160	1,160
Polling Places	388	388	388	388	388
Voters	853,651	888,631	886,352	844,156	867,611
Poll Workers	4,560	4,534	4,783	4,600	4,552
Civil Service					
Number of Civil Service Applications Reviewed	3,222	3,227	3,187	NA	4,401
Number of Performance Tests Conducted	753	903	2,245	NA	2,084
Number of Psychological Tests Conducted	896	369	505	NA	135
Planning Department					
Number of New Zoning Applications Received	2,989	2,623	2,759	2,947	NA
Number of Subdivision Waiver Applications Approved	129	108	95	65	NA
Number of Bus Shelters	340	340	341	340	340
Number of Maintenance Checks Performed	280	277	264	200	NA
Protection of Persons					
Police					
Physical arrests	16,860	15,339	15,595	15,627	16,546
Parking violations	118,855	115,013	100,218	164,924	117,027
Moving violations	202,009	183,873	158,533	123,155	202,908
Fire Commission					
Emergency Light Tests	2,018	1,593	1,277	761	468
Automatic Extinguishing System Reviews	488	557	577	493	333
Hospital Plans Developed	63	48	53	54	60
Rescue / Ambulance Dispatched	32,057	33,282	32,687	32,941	33,195
Medical Examiner					
Number of Cases Reported and Investigated by ME	4,828	2,037	4,990	5,130	5,064
Number of Cases Accepted and Certified by ME Office	1,371	1,381	1,345	1,455	1,495
Total Number of DNA Cases Received	482	412	484	NA	NA
Average Number of Days to complete Forensic DNA Cases	60	86	42	NA	NA

continued

COUNTY OF NASSAU, NEW YORK

Operating Indicators by Function
Last Five Fiscal Years*

Function	Fiscal Year				
	2006	2005	2004	2003	2002
Probation Department					
Supervision Caseload (Criminal & Family)	8,245	7,975	7,800	7,834	6,950
Adult Intake: Number of Cases Assigned	3,778	4,515	5,707	5,400	6,510
Juvenile Intake: Number of Cases Assigned	1,948	1,963	2,376	2,524	2,203
Pre-trial Cases Interviewed	3,464	3,090	NA	NA	NA
Pre-trial Supervision Caseload (Criminal & Family)	627	519	NA	NA	NA
Investigations Assigned (Criminal & Family)	6,274	6,323	6,062	6,341	6,065
Consumers Affairs					
Number of Weights and Measures Inspections	16,898	16,003	13,340	14,510	14,039
Total Number of Stores Participating in Item Price Exemption	160	170	151	73	NA
Number of Home Improvement License Applications Issued	4,169	5,645	3,852	5,260	2,941
Total Number of Investigations with a Violation Issued	1,445	1,590	1,652	1,094	1,265
Health					
Drug & Alcohol					
Caseload referred by DSS Screening	6,262	6,996	5,432	4,681	NA
Assessments, Consultations, Support Services	3,693	3,775	2,886	2,374	NA
Referrals to Treatment	2,510	2,199	2,125	1,760	NA
TIPS Treatment Placement Number of Unique Clients Served	1,194	1,232	1,050	415 ⁽⁶⁾	NA
EAP Number of Training and Management Consultation Attendees	519	788	679	1,521	NA
Mental Health					
Average Monthly Assisted Outpatient Treatment (AOT) Caseload	108	131	130	NA	NA
Average Monthly AOT Cases Under Court Order	76	87	89	NA	NA
Average Monthly AOT Voluntary Cases	23	31	21	NA	NA
Average Monthly AOT Cases under Investigation	9	14	19	NA	NA
Significant AOT Event Episodes	338	397	373	NA	NA
Family Court Number of Individuals Remanded	109	149	146	NA	NA
Family Court Number of Diversions	63	66	79	NA	NA
Number of Forensic Evaluations	319	251	210	195	267
Number of Individuals seen	283	285	230	182	244
Health Department					
Total Number of Communicable Diseases Reports Received	20,983	24,062	22,095	NA	NA
Total Number of Communicable Diseases Reports Confirmed	3,811	3,443	5,004	NA	NA
Number of Immediate Response Investigations	52	50	15 ⁽⁶⁾	NA	NA
Number of 72 Hour Response Investigations	1,390	1,421	871 ⁽⁶⁾	NA	NA
Number of 1 Week Response Investigations	2,369	1,971	2,076 ⁽⁶⁾	NA	NA
Monthly Environmental Nuisances All Cases	3,880	4,872	5,127	NA	NA
Community Sanitation Inspections	3,100	3,261	2,859	NA	NA
Food Protection Inspections	14,811	15,667	14,254	NA	NA
Social Services					
Senior Citizens Affairs					
Number of Congregate Meals Served at Centers	251,675	264,520	250,901	260,368	273,555
Number of Seniors Served Meals	6,596	6,769	8,555	7,767	8,196
Number of Home Meals Served	506,508	410,734	404,113	400,167	393,934
Total Number of Funded Senior Center Trips	208,508	235,673	201,918	243,353	261,483
Number of Senior Passengers Transported	1,964	1,872	1,659	2,037	2,267
Social Services					
Medicaid Medical Assistance Active Cases	73,385	70,058	67,553	55,852	45,787
Medicaid Applications Pending	3,393	4,416	3,727	9,488	8,471
Percentage of Applications Processed over 30 Days	37%	41%	33%	54%	63%
Child Protective Investigative Cases / Caseworker	16	18	20	20 ⁽⁷⁾	24
Child Protection Caseload / Caseworker	14	17	19	19 ⁽⁷⁾	21
Active Public Assistance Cases	4,701	5,093	4,706	4,355	3,863
Number of Public Assistance Applications pending over 30 Days	621	633	565	453	480
HEAP Individuals (Clients, HEAP-Only)	5,822	5,399	5,814	5,136	4,956
Social Service Applications Processed	4,060	5,037	5,293	6,129	4,201
Emergency Shelter Individuals (Clients, Homeless)	373	479	458	584	430
Food Stamp Individuals (Clients, Total)	27,097	26,877	27,169	20,156	17,916
Services Active Cases	4,915	4,679	5,086	5,474	5,232
Office for Physically Challenged					
Number of Parking Permits Issued	15,511	18,053	19,411	20,280	12,593
Number of Inquiries Responded To	17,550	18,970	13,550	18,970	17,550
Number of Institutional Outreach Contacts	280	295	275	195	150

continued

COUNTY OF NASSAU, NEW YORK

Operating Indicators by Function Last Five Fiscal Years*

Function	Fiscal Year				
	2006	2005	2004	2003	2002
Veterans Services					
Number of Clients Helped	11,506	12,726	12,395	20,373	24,648
Number of Services Provided	19,365	24,856	25,995	40,270	48,035
Number of Claims Opened	773	761	436	1,181	1,769
Veterans Population ⁽⁸⁾	87,721	91,269	94,953	95,582	102,256
Youth Board					
Number of Contacts for Contract Management and Assessment	1,379	1,350	1,385	1,323	1,350
Number of Youths Participating within Three Community Service Learning Programs	30	30	70	50	55
Number of Grant Applications Written by Department	7	7	5	3	9
Number of Youths Served Through Various Programs	22,000	22,000	22,000	21,500	21,500
Number of Referrals to Other Departments and Other Organizations	422	400	400	375	380
Number of Summer Lunches Served	72,000	61,362	78,635	98,876	103,420
Number of Professional Development Trainings	15	15	10	6	10
Number of Staff Members Attending Training	1,000	1,000	800	220	525
Public Works					
Maintenance / Engineering					
Lane Miles Resurfaced	111.11	122.19	98.60	66.47	22.93
Street Sweeping (lane miles)	34,172	36,809	NA	NA	NA
Bridge Maintenance (man hours/year)	97	62	58	NA	NA
Average Number of Potholes filled	2,653	2,134	3,327	NA	NA
Snow Plowing (man hours/year)	2,277	4,592	2,396	NA	NA
Average Flow - Bay Sewage Treatment Plant (MGD)	59.4	58.1	57.1	57.4	55.3
Average Flow - Cedar Creek Water Pollution Control Plant (MGD)	57.3	61.2	53.8	55.2	50.4
Culture and Recreation					
Parks Department					
Athletic field use permits issued	442	450	440	NA	NA
Museum Admissions	2,505,319	342,365	681,542	312,403	263,089
Pool Admissions	581,703	NA	NA	NA	NA
Golf Admissions	254,632	245,077	259,709	245,039	304,281
Corrections					
Corrections / Sheriff					
Number of Inmates Transported To Court	22,409	21,045	23,570	20,069	NA
Average Monthly Number of Inmates	1,633	1,581	1,646	1,685	1,740
Number of Summonses Issued	8,645	10,008	10,234	8,618	10,444
Number of Court Orders Enforced	26,015	29,013	27,990	26,468	27,976

* Information prior to 2002 is not readily available.

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 2004 are for Tax Year 2005/2006, Exemptions processed in 2005 are for Tax Year 2006/2007, and Exemptions Processed in 2006 are for Tax Year 2007/2008.

(3) Appeals for correction of assessments are filed yearly between January 1 and March 1 with the Assessment Review Commission. The appeals filed in 2006 were for the 2007/08 tax year; ARC reviews the applications and reduces the assessment roll where appropriate. The review process is completed on or around March 10th of the following year.

(4) Includes liens sold to Nassau County by Default

(5) Program Start - 7/03

(6) Statistics started to be collected in May 2004

(7) Estimated

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

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

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APPENDIX

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

The Honorable Thomas R. Suozzi, 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, 2006, (with the Nassau Community College for the year ended August 31, 2006) and have issued our report thereon dated June 28, 2007. We did not audit the financial statements of the Nassau Regional Off-Track Betting Corporation, the Nassau County Industrial Development Agency, and the Nassau Health Care Corporation, for the year ended December 31, 2006, 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 for the Nassau Health Care Corporation contained an explanatory paragraph concerning its 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 Regional Off-Track Betting Corporation, the Nassau County Industrial Development Agency and 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 control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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, federal awarding agencies, and pass through entities and management, and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

June 28, 2007