

NASSAU COUNTY
NEW YORK



COMPREHENSIVE
ANNUAL FINANCIAL
REPORT
OF THE
COMPTROLLER

FOR THE FISCAL YEARS ENDED
DECEMBER 31, 2005 AND 2004

HOWARD S. WEITZMAN
COMPTROLLER

NASSAU COUNTY
NEW YORK



COMPREHENSIVE
ANNUAL FINANCIAL
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OF THE
COMPTROLLER

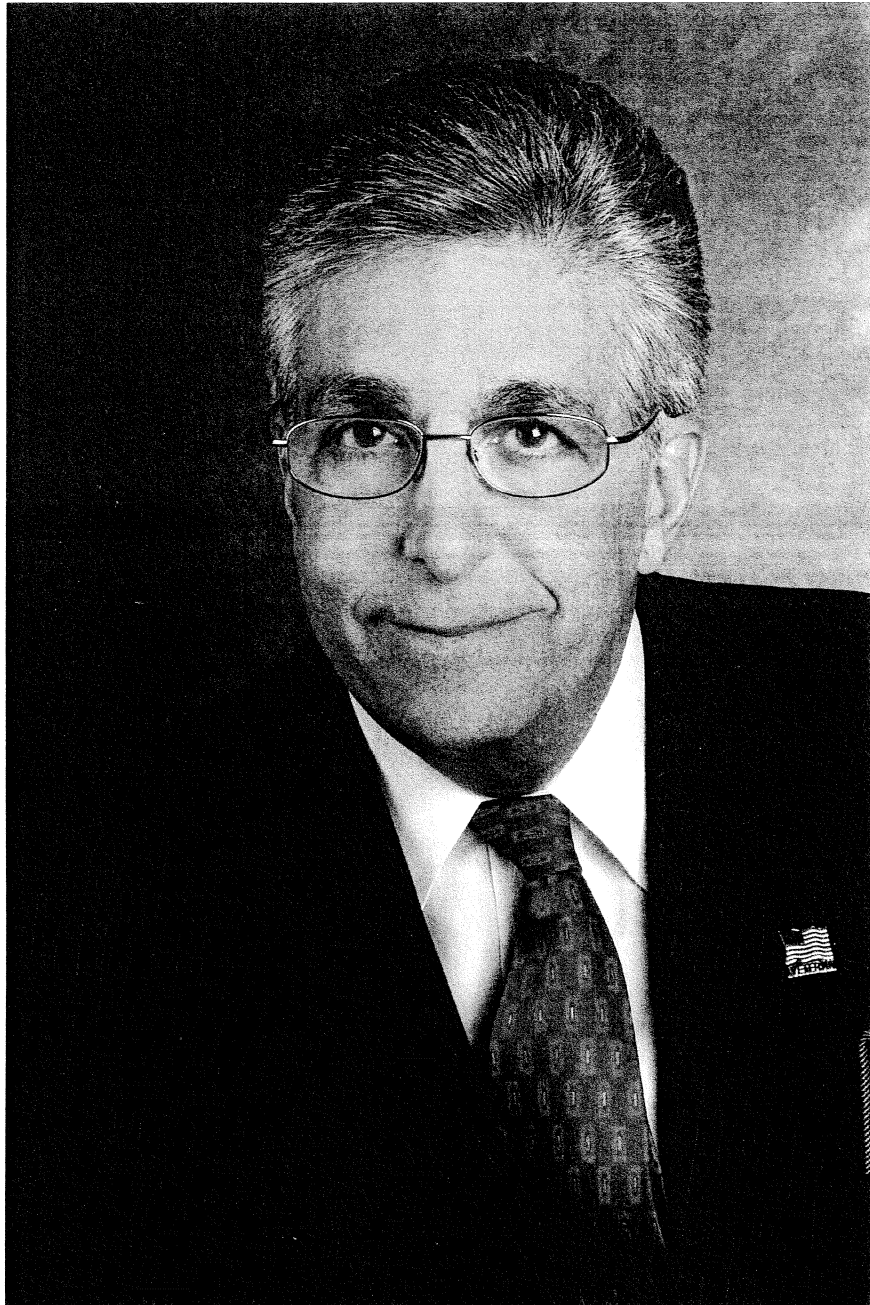
FOR THE FISCAL YEARS ENDED
DECEMBER 31, 2005 AND 2004

HOWARD S. WEITZMAN
COMPTROLLER

ELIZABETH D. BOTWIN
CHIEF DEPUTY COMPTROLLER

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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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INTRODUCTORY SECTION

HOWARD S. WEITZMAN



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June 30, 2006

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, 2005, as required by New York State County Law, Article 14 § 577.1(j-k). During 2005 the county achieved its fourth annual surplus under the current administration, although the county still faces financial difficulties in the years ahead. In my role as independent fiscal watchdog, I remain committed to working with you to help the county maintain the fiscal health achieved during the past four years.

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, and its various funds and component units, and includes necessary disclosures.

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, 2005. 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.

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 29. This letter of transmittal is designed to complement 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. 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.

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, and 64 incorporated villages, 56 school districts and over 200 special districts. 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. This occurred during a decade of substantial economic growth nationwide, as county services and expenses grew over the years without a corresponding increase in revenues. 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.

The year-end financial position of the county's major 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, 2005, with a combined budgetary surplus in its primary funds of \$78.5 million, however, the county elected to apply the entire amount to establish reserves that will be used to provide future budget relief. This was the fourth annual surplus under the current county administration, however, it included approximately \$115 million of non-recurring revenues and expense reductions, without which, the county would not have achieved a surplus.

The 2005 budgetary surplus before discretionary reserves is primarily attributable to conservative budgeting, the use of capital debt reserves, unbudgeted retroactive revenues from the Sewer and Storm Water District Fund to pay for personnel costs initially charged to the county's General Fund, debt restructuring and transitional aid from NIFA, investment income that exceeded budget projections, savings from the recently enacted Medicaid cap legislation, the release of reserves for extraordinary police termination pay, and favorably negotiated salary increases.

During 2005, the county's estimated liability for property tax refunds resulting from successful assessment challenges was reduced to \$131 million, the lowest level since 1985. Factors contributing to this achievement included \$250 million of refund payments made during the year, legislative changes which extended the time period in which the county can make assessment corrections before establishing the final assessment roll, and improved accuracy of assessments. These changes, coupled with the lower backlog liability, will improve the county's ability to follow its plan of paying for future property tax refunds from operating funds, as opposed to borrowed funds, as was historically done.

The county and NIFA have approved the *2006-2009 Multi-Year Financial Plan*, which presents the administration's strategy for maintaining fiscal stability. 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).

Debt Administration

As of December 31, 2005, 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 \$3,237,847,350. 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 Dec. 31, 2005	
Indenture	Amount (\$)
County GO	507,720,001
County Sewer	128,307,439
NIFA	2,086,960,000
SSWFA	78,575,000
Tobacco Corp.	272,125,000
EFC	164,159,910
Total	3,237,847,350

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 Aa3. 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 2005, the only debt issued by the county consisted of \$120,000,000 in tax anticipation notes. Starting with 2006, consistent with the NIFA enabling legislation, county debt will no longer be issued by NIFA, but instead, 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, 2005 was 20.8 percent of its constitutional debt limit, which represents a decrease from 2004. The county's long-term debt per capita was \$2,424. The Sewer and Storm Water Finance Authority created an \$85,000,000 commercial paper program.

Cash Management

While the county has an aggressive cash-management program, its policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Substantially all idle funds are deposited in interest bearing checking accounts and money market accounts, which are fully collateralized by securities prescribed in the law and held in trust by the county's agent, in the name of the county, for this purpose. As of December 31, 2005, the county maintained approximately \$510 million in these accounts. Annual interest rates averaged 2.965% percent for the year.

Risk Management

The county is exposed to various risks of loss related to torts, property loss, 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.

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 to pay successful property tax assessment challenges over the last twelve years. However, prudent fiscal management has enabled the county to continue to address the demands of rehabilitating and expanding the county's infrastructure. Projects completed during 2005 include over \$21.1 million of improvements to the county road system through the resurfacing program. Additionally, individual road improvements to Glen Cove Road, Bayville Avenue, Marcus Avenue, Denton Avenue, and others, were completed at a total cost of approximately \$8 million. Part of the county's Building Consolidation Program, the new Health and Human Services Campus was opened under the No Wrong Door Policy. The cost for this improvement was approximately \$12 million, significantly less than the \$40 million estimate to refurbish and modernize the offices previously occupied. Projects completed as part of the county's Ten-Point Plan park improvement initiative included recreational and comfort facility and site improvements at Nickerson Beach, at a cost of \$2.9 million, and site and facility upgrades to Eisenhower, Bay Park, Wantagh, Christopher Morley, Cantiague and other county parks. Improvements were also completed at Nassau Community College and the Eisenhower Park Veterans Plaza.

Significant projects currently underway include the \$50 million renovation of the historic Old Courthouse building, \$46 million upgrade of the Police Department's Interoperable Radio system and \$10.5 million modernization of the police dispatch system. Additionally, \$28 million of upgrades of the county's road network are in process.

Pending approval, work planned to begin in 2006 includes the \$7 million rehabilitation of the County's Aquatic Center located in Eisenhower Park, \$3.25 million of renovations to other county swimming pools, \$1.75 million of sewer repairs, and a \$1.5 million initiative to automate the county's fuel sites and fleet.

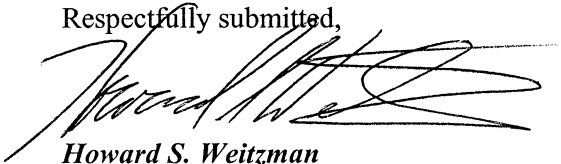
Awards and Acknowledgements

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, 2004. This is the twenty-first 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 preparation of this 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,

A handwritten signature in black ink, appearing to read "Howard S. Weitzman", written over a horizontal line.

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, 2004

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.



Carla E. Perry

President

Jeffrey R. Emer

Executive Director

COUNTY OF NASSAU, NEW YORK

PRINCIPAL OFFICIALS

December 31, 2005

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
Henry M. Dachowitz
Lorna B. Goodman
Mark D. Young
Denis Dillon
Karen V. Murphy
Harvey B. Levinson

Legislative

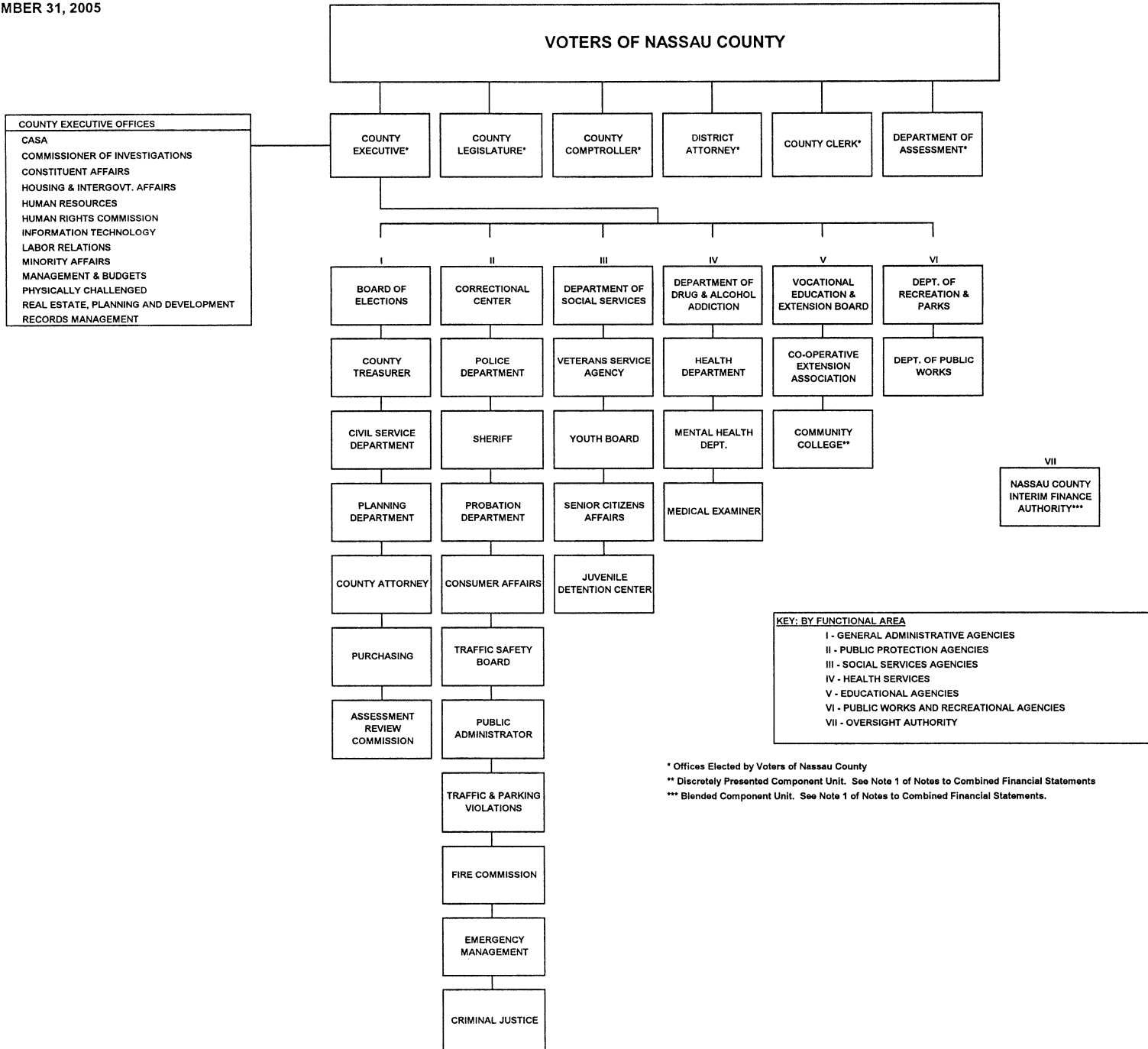
Judith A. Jacobs, Presiding Officer
Roger Corbin, Deputy Presiding Officer
Jeffrey Toback, Alternate Deputy Presiding Officer
Peter J. Schmitt, Minority Leader
Legislator Kevan M. Abrahams
Legislator John J. Ciotti
Legislator Denise Ford
Legislator Joseph Scannell
Legislator Francis X. Becker, Jr.
Legislator 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
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COUNTY OF NASSAU, NEW YORK

COUNTY DEPARTMENTS AND OFFICES

AS OF DECEMBER 31, 2005



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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, 2005 and 2004, (with the Nassau Community College for the years ended August 31, 2005 and 2004), 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, 2005 and 2004 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 10 and 9 percent and 16 and 15 percent, respectively, of the assets and revenues of the County for each of the years ended December 31, 2005 and 2004. We did not audit the 2004 financial statements of the Nassau County Sewer and Storm Water Finance Authority, a blended component unit, which represents 25 percent and 2 percent, respectively, of the assets and revenues of the County for the year ended December 31, 2004. 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 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, 2005 and 2004, 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, 2005 and 2004, 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.

The Management's Discussion and Analysis on pages 15 through 29 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 2005 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 27, 2006, 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 27, 2006

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, 2005 and 2004. This section should be read in conjunction with the letter of transmittal and the county's financial statements.

FINANCIAL HIGHLIGHTS

- The county's negative net worth remained relatively stable during 2005, increasing by only \$0.9 million. The county's deficit of \$1.43 billion continues to be caused by its historical reliance on long-term working capital borrowing for the payment of property tax refunds, judgments, and settlements.
- The county generated a budgetary surplus of \$78.5 million in its major operating funds in 2005. 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.
- The county allocated \$50 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 first step in the county's transition to utilizing pay-as-you-go financing (PAYGO) for all property tax refunds from operating funds instead of using borrowed proceeds. Another \$24.8 million was deposited into the Retirement Contribution Fund for the purpose of offsetting future pension costs. The county also set aside \$3 million to pay routine judgments and settlements.
- The county made significant progress during 2005 in addressing one of the greatest risks to its long-term financial recovery: reducing the backlog of unresolved property tax grievances. It reduced its outstanding liability from \$400 million in 2001 to \$131 million in 2005, well less than the \$230 million target estimated by the County Comptroller to sustain the viability of an annual \$50 million PAYGO appropriation. In addition, new liability was reduced 46% from \$99 million in 2001 to \$53 million in 2005.
- 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 remained at \$90.5 million on a budgetary basis, and \$78.1 million on GAAP basis, of which \$88.5 million is in the

General Fund. Unreserved fund balance in the Sewer and Storm Water District Fund totals \$52.1 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 2005

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 2005 fiscal year shows that Nassau County has a deficit balance totaling \$1.43 billion. Table 1 shows that the county's negative net worth remained relatively stable during 2005, increasing by only \$0.9 million since 2004.

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

	Total Primary Governmental Activities		
	<u>2005</u>	<u>2004</u>	<u>Change</u>
Current and Other Assets	\$ 1,253.4	\$ 1,323.4	(70.0)
Capital Assets	<u>2,313.0</u>	<u>2,322.1</u>	<u>(9.1)</u>
Total Assets	<u>3,566.4</u>	<u>3,645.5</u>	<u>(79.1)</u>
Long-Term Liabilities	4,185.7	4,206.3	(20.6)
Other Liabilities	<u>811.1</u>	<u>868.7</u>	<u>(57.6)</u>
Total Liabilities	<u>4,996.8</u>	<u>5,075.0</u>	<u>(78.2)</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	1,429.7	1,554.7	(125.0)
Restricted	113.6	136.7	(23.1)
Unrestricted	<u>(2,973.7)</u>	<u>(3,120.9)</u>	<u>147.2</u>
Total Net Assets (Deficit)	<u>\$ (1,430.4)</u>	<u>\$ (1,429.5)</u>	<u>\$ (0.9)</u>

The county's total assets declined by \$79.1 million in 2005, from \$3.65 billion to \$3.57 billion. This decrease primarily resulted from the deferral of the pension contribution initially due in 2004, to 2005. The deferral was made possible by a pension relief initiative proposed by the State Comptroller and passed by the State Legislature. It had the one-time effect of increasing county cash balances at the end of 2004, which subsequently declined when the payment was made in 2005. The county also chose to pay the 2006 pension bill in 2005, which had no impact on total current assets, since cash decreased and prepaid retirement expense increased

Table 1 also shows that total liabilities declined in 2005 by \$78.2 million. This was due in large part to the county's aggressive effort to reduce the outstanding property tax refund liability -- \$250.7 million in tax certiorari payments were made in 2005 and total tax certiorari liability dropped by \$179.5 million, from \$310.5 million to \$131 million. The liability for bonded indebtedness increased, resulting from the county and its blended component units issuing approximately \$392.1 million in new debt, and paying off \$211.6 million and refunding \$132.2 million of existing debt. The county's other liabilities declined by a net of \$57.6 million. Current liabilities increased as the result of the County's issuance of a tax anticipation note to generate savings by paying its 2006 pension bill in 2005. Current liabilities decreased by \$39.6 million as a result of the recently enacted Medicaid cap legislation which eliminated our 2006 liability for 2005 Medicaid claims. This decrease is partially offset by a corresponding decrease in current assets for related State aid.

The county has \$1.43 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 \$113.6 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 \$2.97 billion in unrestricted net assets in 2005, which represents a decrease of \$147.3 million in the county's deficit balance of unrestricted net assets since the close of the 2004 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, 2005, 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 erroneous 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. Beginning in 2006, the county will be paying tax certiorari settlements using operating funds.

As of December 31, 2005, Nassau County had \$1.6 billion in outstanding debt related to the payment of property tax refunds and \$147.8 million in outstanding debt issued to finance the payment of judgments and settlements. No corresponding assets exist to offset the liabilities generated by the issuance of long-term debt for what are essentially working capital purposes. A deficit balance of net assets that results from the issuance

of debt to cover current operating costs is a cause of concern for the financial health of the county.

The Statement of Activities

The statement of activities for the fiscal year that ended December 31, 2005 further explains changes in the county's net worth from 2004 to 2005. Table 2 summarizes the changes in the county's net assets. There are several events that impacted the county's net worth. They include:

- Charges for Services decreased by \$65.2 million, primarily because the county's intergovernmental transfer payment to the Nassau Health Care Corporation dropped by \$81 million. This decrease in reimbursements has a corresponding decrease in expenses for IGT payments made by the county.
- Operating Grants dropped by \$67.3. As a result of the recently enacted State Medicaid cap, year end accruals for Medicaid expenditures and related State reimbursements are no longer required. In 2004, the accrual for State aid was \$25 million. Additionally, 2004 operating grant receipts were increased by reimbursements for prior year drug and alcohol programs and 2005 reimbursements for federal prisoners decreased due to a declining federal inmate population..
- Capital Grants decreased by \$29.1 million due to a 2004 reclassification of bus transportation grant revenues which resulted in a one-time increase in fiscal 2004 capital grants.
- Sales Tax Revenues increased \$18.8 million, while Other Taxes grew \$4.9 million due primarily to the enactment of an increase in motor vehicle registration fees.
- Investment Income grew \$18.5 million due both to larger cash balances and rising short-term interest rates.
- General Government Expenses were reduced by \$67.3 million. This included a \$179.5 million decrease in the outstanding property tax liability, partially offset by a \$61 million increase in the amount of refunds paid during 2005 and other increases in general operating expenses.
- Protection of Persons expenses increased by \$18 million due primarily to growing salary, fringe benefit and equipment costs in the Police Headquarters Fund.

- Social Services expenses dropped \$92.5 million due primarily to the \$81 million reduction in the intergovernmental transfer program.
- Corrections expenditures increased by \$24.7 million as a result of growing salary costs and rising contractual services expenditures, primarily related to medical services provided to inmates by the Nassau Health Care Corporation.
- Interest on Long-Term Debt grew by \$28.2 million due to, among other things, less NIFA restructuring of county debt.

Table 2
Change in Net Assets
(dollars in millions)

	2005	2004	Change
Revenues			
Program Revenues			
Charges for Services	\$ 217.0	\$ 282.2	\$ (65.2)
Operating Grants	381.3	448.6	(67.3)
Capital Grants	27.3	56.4	(29.1)
General Revenues			
Property Taxes	884.9	881.9	3.0
Sales Taxes	952.7	933.9	18.8
Other Taxes	40.9	36.0	4.9
Tobacco Settlement Revenues	45.3	45.7	(0.4)
Investment Income	36.6	18.1	18.5
Other General Revenues	21.4	22.7	(1.3)
Total Revenues	<u>2,607.4</u>	<u>2,725.5</u>	<u>(118.1)</u>
Expenses			
Legislative	8.3	6.9	1.4
Judicial	42.5	45.6	(3.1)
General Government	493.1	560.4	(67.3)
Protection of Persons	638.4	620.4	18.0
Health	239.1	233.9	5.2
Public Works	228.1	222.8	5.3
Recreation and Parks	41.5	37.7	3.8
Social Services	535.0	627.5	(92.5)
Corrections	218.1	193.4	24.7
Education	13.6	15.0	(1.4)
Interest on Long Term Debt	150.6	122.4	28.2
Total Expenses	<u>2,608.3</u>	<u>2,686.0</u>	<u>(77.7)</u>
Increase / (Decrease) in Net Assets	(0.9)	39.5	(40.4)
Net Assets - (Deficit) Beginning	<u>(1,429.5)</u>	<u>(1,469.0)</u>	<u>39.5</u>
Net Assets - (Deficit) Ending	<u>\$ (1,430.4)</u>	<u>\$ (1,429.5)</u>	<u>\$ (0.9)</u>

ANALYSIS OF FUND FINANCIAL STATEMENTS FOR 2005

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 major 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 major 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 2005 fiscal year with a budgetary surplus totaling \$78.5 million aggregated across its major operating funds.

The county allocated \$50 million of these surplus funds for the purpose of paying 2006 tax certiorari settlements. This represents the first step in the county's transition to utilizing PAYGO funds instead of using borrowed proceeds. Another \$24.8 million was deposited into the Retirement Contribution Fund for the purpose of offsetting future

pension costs. Lastly, \$3 million was set aside to pay routine judgments and settlements out of operating funds.

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

	2005	2004	Change
Primary Operating Funds			
General Fund	\$ 88.5	\$ 85.6	\$ 2.9
Parks Fund	(0.2)	0.0	(0.2)
Fire Commission	(0.3)	0.0	(0.3)
Police Headquarters	(9.7)	0.0	(9.7)
Police District	(0.2)	4.9	(5.1)
Debt Service Fund	0.0	10.0	(10.0)
Total Primary Operating Funds	<u>\$ 78.1</u>	<u>\$ 100.5</u>	<u>\$ (22.4)</u>
Sewer District Fund -			
Sewer and Storm Water District	<u>\$ 52.1</u>	<u>\$ 21.4</u>	<u>\$ 30.7</u>

As Table 3 shows, even after factoring in the resources transferred to advance the purposes enumerated above, accumulated unreserved, undesignated fund balance in the major operating funds totaled \$78.1 million in 2005 on a financial reporting basis. The drop of \$22.4 million from 2004 is primarily the result of two factors. First, the County utilized all \$10 million of its Debt Service Fund balance to cover operations in 2005. Second, major fund pension expenditures are \$12.4 million higher on a GAAP basis than a budgetary basis and consequently, unreserved fund balance is lower on a GAAP basis.

On a budgetary basis, accumulated unreserved and undesignated fund balance in the five major operating funds remained constant at \$90.5 million.

Unreserved fund balance in the sewer and storm water resources district grew by \$30.7 million, reflecting the transfer of fund balance to reserve funds established by the Sewer and Storm Water Finance Authority (“SSWFA”).

The county’s operating surplus and its ability to keep its accumulated unreserved, undesignated fund balance at \$90.5 million 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. Throughout the

year, full-time staffing levels were below budgeted levels and, for example, on December 22, 2005, full-time staffing in the major operating funds was 101 positions below the budget allotment of 9,012. The Office of Management and Budget estimates that 2005 savings due to workforce management exceeded \$6 million.

- The county successfully implemented a series of “smart government initiatives” the value of which totaled \$15.7 million. These initiatives included: the Medicaid utilization project, workers compensation cost containment, improved consumer affairs revenue collection and a limited administrative purchase freeze.
- As expected and assumed in the Multi-Year Financial Plan, the county recognized three categories of one-time revenue in 2005 to preserve fiscal stability until the recurring benefits of the Medicaid cap are realized. They were approximately \$25 million in Capital Fund debt reserve recoveries, \$15 million of prior period expenditure recoveries from the Sewer and Storm Water Resources District and a non-recurring benefit of approximately \$8 million from Medicaid relief as a result of the new State Medicaid cap.
- The county’s health insurance expenses were \$9 million less than budget, due to the effects of the workforce management program and lower than anticipated growth rates for retiree health insurance compared to the budget assumption (2.5 percent versus 9.5 percent).
- The county saved approximately \$8.7 million in principal and interest expenses from the 2004 NIFA fall borrowing and an additional \$3.8 million from low interest rates on NIFA floating rate debt.
- Investment income exceeded budget by \$8.8 million due to a conservative budget estimate and higher than expected increases in interest rates.
- Partially offsetting these positive results were several negative factors including poor sales tax receipts (only 1.5 percent growth over 2004), higher than budgeted public safety overtime, increasing Early Intervention and Special Education costs, rising energy rates and reduced federal reimbursement for housing federal inmates in the local correctional facility.

Nassau Health Care Corporation: Remaining Risk to the County’s Long-Term Recovery

The major risk to the county’s long-term fiscal recovery has been the financial condition of the Nassau Health Care Corporation. In the absence of significant corrective actions, the corporation could deplete its cash balances, raising the possibility that the county

would need to increase its subsidy to the corporation, draining resources that might be required to balance future county budgets. To stabilize the finances of the corporation, the county engaged a consultant – Manatt, Phelps, and Phillips (“Manatt”) – to assess the problems facing the corporation and provide a series of recommendations for its eventual recovery.

Manatt identified six basic flaws in the operations of the corporation that included a weak governance structure, a high debt burden, a strained relationship between the county and the corporation, underutilized programming and the generally problematic environment for public hospitals in the State of New York. In January 2004 Manatt issued a plan to restructure the operations of the corporation to focus on its core competency as a community health care provider. It recommended operational improvements designed to reduce costs and improve revenue generation, State reimbursement rate changes, relocation of NHCC’s nursing home facility and the sale of existing property to reduce debt, a refunding of 1999 bonds and the approval of an interim stabilization agreement. In October of 2004, the county and the corporation executed the stabilization agreement and closed on a combined refunding and new money transaction.

Adherence to the recovery plan would have produced a break-even run rate by the end of 2005 and a year-end operating loss of only \$6.5 million. Though the corporation’s financial performance closely tracked its budget through August 2005, significant negative variances were experienced during the final third of the year, particularly in the areas of salaries, fringe benefits and utilities. As a result, NHCC ended 2005 with an operating loss of \$14.3 million.

The management team of the hospital is working closely with the county to implement the steps necessary to bring the corporation’s financial performance in line with 2006 projections.

During 2006, the Nassau County Tobacco Securitization Corporation resecuritized previously outstanding tobacco debt and generated funds that, with the approval of the county legislature, can be used for capital improvements and financial stability at the NHCC.

CAPITAL INVESTMENTS

In 2005, Nassau County utilized \$227.9 million in bond proceeds and other financing sources, such as investment earnings, for both capital and working capital purposes. Nassau invested \$33.3 million in bond proceeds and associated interest earnings (14.6%) in physical plant improvements, equipment purchases, and the acquisition of land. The remaining \$194.6 million (85.4%) of these bond proceeds and associated investment earnings were used by the county to pay property tax refunds, legal settlements, and judgments. Management has already discussed the problems with the county’s historical reliance on long-term debt to finance working capital expenses, as well as its plan to transition the burden of these payments, over time, to the county’s operating budget.

The county completed a number of capital projects during the 2005 fiscal year, including the refurbishment of Nickerson Beach, road widening at Glen Cove Road and Northern Boulevard, the raising of Bayville Avenue and reconfiguration of Marcus and Denton Avenues. In addition, there were various capital improvements that occurred within the county's major parks. Two construction projects to renovate the Old County Courthouse began or continued in 2005. In addition the county's new Health and Human Services facility was opened.

The county made capital improvements during 2005 in the following areas:

Table 4
Capital Improvements
December 31, 2004 to December 31, 2005
(amounts in millions)

Project Category	Amount
Roads	\$30.2
Real Estate Consolidation Program	\$19.1
Public Safety	\$11.6
Parks	\$8.6
Sewer and Storm Water Improvements	\$6.1
Property Acquisition	\$5.9
Building Improvements	\$5.1
Traffic	\$5.0
Technology	\$4.6
Infrastructure and Community Development	\$4.3
Equipment	\$3.0
Transportation	\$2.6
Total	\$106.1

DEBT

Nassau County and its blended component units - NIFA, the Tobacco Settlement Corporation ("TSC"), and the SSWFA - had approximately a combined \$3.22 billion in outstanding long-term debt as of December 31, 2005, representing an increase of almost \$48 million (or 1.5 percent) over the combined long-term debt outstanding as of December 31, 2004. The county also provides a direct-pay guarantee of \$300.96 million outstanding from the refunding and new money debt issued in October of 2004 by the Nassau Health Care Corporation and \$21.81 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, its debt is not itemized in Table 5 below.

Table 5
Changes in Long-Term Debt Obligations
December 31, 2004 to December 31, 2005
(dollars in thousands)

	<u>Balance</u> <u>31-Dec-04</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>31-Dec-05</u>
General Obligation County Bonds	\$ 750,955		\$ 257,719	\$ 493,236
Sewage Purpose Bonds	148,324		20,016	128,308
SRF Revenue Bonds	170,584	1,775	8,199	164,160
Total county Long -Term Debt	<u>1,069,863</u>	<u>1,775</u>	<u>285,934</u>	<u>785,704</u>
NIFA Sales Tax Secured Bonds	<u>1,748,425</u>	<u>390,295</u>	<u>51,760</u>	<u>2,086,960</u>
Tobacco Settlement Asset-Backed Bonds	<u>275,295</u>		<u>3,170</u>	<u>272,125</u>
Sewer Financing Authority	<u>81,550</u>		<u>2,975</u>	<u>78,575</u>
TOTAL LONG TERM DEBT	<u>\$ 3,175,133</u>	<u>\$ 392,070</u>	<u>\$ 343,839</u>	<u>\$ 3,223,364</u>

Nassau County's outstanding long-term debt declined \$257.7 million because the county has been issuing long-term debt through NIFA since its inception in June of 2000. 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 increased \$338.5 million during the 2005 fiscal year. This increase reflects a refunding of NIFA and county debt and the issuance of \$286.7 million of new money debt for the county's capital and working capital needs.

The TSC issued \$294.5 million in debt to securitize future tobacco settlement revenues. As of December 31, 2005, the TSC had \$272.1 million in outstanding asset-backed debt. Approximately \$37.6 million in securitization proceeds remain for use by the county.

During 2005, the SSWFA issued \$41.7 million in commercial paper notes and repaid \$29.8 million of those notes, for the net amount of \$11.9 million outstanding at December 31, 2005.

The county issued a cash flow note during the 2005 fiscal year. Management anticipates issuing a cash flow note in 2006.

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

In spite of the acceleration of borrowing to reduce the county's backlog of unpaid real estate tax refunds, the net worth of the county only declined from 2004 to 2005 by \$0.9 million, though the county has a significant deficit balance of net assets totaling \$1.43 billion. The county's deficit balance of net assets is a function of its reliance for over a decade on the issuance of long-term working capital debt to finance the payment of property tax refunds, judgments, and settlements. Management has committed to transitioning to the payment of these expenses from the county's operating budget and Fiscal 2006 represents the first year that \$50 million in operating funds were made available for this purpose.

During 2005, the county generated a positive budgetary surplus of \$78.5 million across its major operating funds. This surplus was a function, 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 \$50 million to make property tax refund payments, and \$24.8 was added to the Retirement Contribution Reserve Fund to hedge against future pension cost growth. Unreserved, undesignated fund balance in the county's major operating funds remained at \$90.5 million on a budgetary basis. The county also made considerable progress in addressing one of the major risks to its long-term financial stability: the reduction of the backlog of unresolved property tax grievances. The three credit rating agencies responded to these improvements in the county's financial position with a series of positive rating actions.

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. And the county must also continue to work with the Nassau Health Care Corporation to implement the remaining elements of its recovery plan.

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BASIC FINANCIAL STATEMENTS

EXHIBIT X-1

COUNTY OF NASSAU, NEW YORK

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

	Primary Government	
	Governmental Activities	Component Units
ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 638,133	\$ 66,803
Investments, Including Accrued Interest (Note 2)	30,817	
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	25,243	17,468
Total Current Assets	1,128,167	255,172
NON CURRENT ASSETS:		
Deferred Financing Costs	130,776	8,349
Less Accumulated Amortization	(16,648)	(1,620)
Assets Whose Use is Limited		63,133
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	
Total Non Current Assets	2,438,211	325,590
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 Malpractice Liability (Notes 9 and 15)	5,832	
Estimated Tax Certiorari Payable (Notes 9 and 15)	81,000	
Estimated Liability for Litigation and Workers' Compensation (Notes 9 and 15)	289,085	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-1

COUNTY OF NASSAU, NEW YORK

STATEMENT OF NET ASSETS
DECEMBER 31, 2004 (Dollars in Thousands)

	Primary Government	
	Governmental Activities	Component Units
ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 809,420	\$ 74,202
Investments, Including Accrued Interest (Note 2)	26,761	
Sales Tax Receivable	100,808	
Interest Receivable	397	
Student Accounts and Loans Receivable		5,173
Less Allowance for Doubtful Amounts		(1,583)
Due from Other Governments (Note 3)	193,238	12,762
Less Allowance for Doubtful Accounts	(4,569)	
Other Receivables		5,748
Accounts Receivable	17,340	169,902
Less Allowance for Doubtful Accounts		(80,493)
Real Property Taxes Receivable	49,926	
Less Allowance for Doubtful Accounts	(8,841)	
Due from Component Unit (Note 6)	2,568	
Inventories		3,999
Other Assets	16,585	28,306
Total Current Assets	1,203,633	218,016
NON CURRENT ASSETS:		
Deferred Financing Costs	118,467	9,178
Less Accumulated Amortization	(9,758)	(2,637)
Assets Whose Use is Limited		65,123
Capital Assets not being depreciated (Note 7)	374,166	25,348
Depreciable Capital Assets (Note 7)	2,777,302	589,951
Less Accumulated Depreciation	(829,425)	(358,954)
Leasehold Acquisition Costs		1,020
Less Accumulated Amortization		(884)
Deposits Held by Trustees		5,301
Deposits Held in Custody for Others		1,866
Tax Sale Certificates (Note 5)	4,602	
Tax Real Estate Held for Sale (Note 4)	6,542	
Total Non Current Assets	2,441,896	335,312
Total Assets	3,645,529	553,328
LIABILITIES		
CURRENT LIABILITIES:		
Accounts Payable	44,273	45,035
Accrued Liabilities	212,943	18,882
Bond Anticipation Notes Payable		12,000
Accrued Medical Assistance Liability	39,583	
Accrued Interest Payable	20,482	
Notes Payable - Current		41
Due to Primary Government (Note 6)		6,615
Unearned Revenue - Current	30,124	14,697
Liability for the Retirement of Pension Debt	8,158	
Current Portion of Long Term Liabilities (Note 9)	423,350	8,293
Other Liabilities - Current	89,767	42,267
Total Current Liabilities	868,680	147,830
NON CURRENT LIABILITIES:		
Notes Payable		380
Serial Bonds Payable (Notes 9 and 10)	2,952,321	313,292
Unearned Revenue - Non Current	4,234	
Deferred Bond Premium (Net of Amortization)	84,964	1,421
Accrued Vacation and Sick Pay (Note 9 and 15)	579,977	67,588
Estimated Malpractice Liability (Notes 9 and 15)	6,024	
Estimated Tax Certiorari Payable (Notes 9 and 15)	183,658	
Estimated Liability for Litigation and Workers' Compensation (Notes 9 and 15)	290,778	29,029
Capital Lease (Note 8)	5,573	
Other Liabilities - Non Current	98,777	
Deposits Held in Custody for Others		1,871
Insurance Reserve Liability		1,644
Liability for Future Pension Expense		1,334
Total Non Current Liabilities	4,206,306	416,559
Total Liabilities	5,074,986	564,389
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	1,554,662	103,245
Restricted:		
Special Revenue		2,086
Capital Projects	136,826	1,798
Debt Service		5,301
Student Loans		622
Unrestricted deficit	(3,120,945)	(124,113)
Total Net Assets (deficit)	\$ (1,429,457)	\$ (11,061)

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			Primary Government	Component Units
		Charges for Services	Operating Grants	Capital Grants	Governmental Activities	
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-2

COUNTY OF NASSAU, NEW YORK

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004 (Dollars in Thousands)**

Functions/Programs						Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Program Revenues			Capital Grants	Primary Government	Component Units
		Charges for Services	Operating Grants			Governmental Activities	
Primary Government:							
Legislative	\$ 6,866	\$ 23	\$	\$	\$	(6,843)	\$
Judicial	45,584	13,047	5,657			(26,880)	
General Government	560,382	55,609	27,747			(477,026)	
Protection of Persons	620,384	29,379	14,800			(576,205)	
Health	233,916	17,021	143,921			(72,974)	
Public Works	222,859	2,764	640	56,369		(163,086)	
Recreation and parks	37,704	16,335				(21,369)	
Social Services	627,511	138,304	229,475			(259,732)	
Corrections	193,434	2,579	24,846			(166,009)	
Education	14,975	7,186	1,538			(6,251)	
Debt Service Interest	122,391					(122,391)	
Total Primary Government	\$ 2,686,006	\$ 282,247	\$ 448,624	\$ 56,369		(1,898,766)	
Component Units	\$ 723,412	\$ 567,615	\$ 127,772	\$ 1,523			(26,502)
General Revenues:							
Taxes:							
Property Taxes					\$	881,934	
Sales Taxes						933,863	
Other Taxes						36,027	
Tobacco Settlement Revenue and Tobacco Receipts						45,656	
Investment Income						18,066	4,863
Other						22,723	(3,183)
Total General Revenues						1,938,269	1,680
Change in Net Assets						39,503	(24,822)
Net Assets (Deficit) - Beginning						(1,468,960)	15,397 *
Cumulative Effect of Change in Accounting Principle							(1,636)
Net Assets (Deficit) - Ending						\$ (1,429,457)	\$ (11,061)

* As restated to include the College's component units as of September 1, 2003 (See Note 1)

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	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS									
Cash	\$ 123,367	\$ 5,301	\$ 6,381	\$ 4,781	\$ 27,118	\$ 90	\$ 266	\$ 470,829	\$ 638,133
Investments (Note 2)								30,817	30,817
Sales Tax Receivable		97,031							97,031
Interest Receivable		9						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	5	33	2,142	12,375
Real Property Taxes Receivable	57,522								57,522
Less Allowance for Doubtful Accounts	(8,832)								(8,832)
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		8,459	12,461	196,613	377,400
Prepaid Expenses	29,736			765	1,337	25,597	19,001	3,565	80,001
Due from Component Units (Note 6)	45,471							1,214	46,685
Other Assets	7,023	31		116	461	3,158	3,146	11,308	25,243
TOTAL ASSETS	\$ 542,793	\$ 102,372	\$ 39,850	\$ 5,675	\$ 29,477	\$ 37,309	\$ 36,448	\$ 732,358	\$ 1,526,282
LIABILITIES AND FUND EQUITY									
LIABILITIES:									
Accounts Payable	\$ 32,456	\$	\$	\$ 28	\$ 304	\$ 573	\$ 572	\$ 16,123	\$ 50,056
Accrued Liabilities	142,760	136	237	1,051	1,264	12,155	26,657	47,771	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	131,590	377,400
Due to Component Units (Note 6)				2,284			46	7,347	9,677
Other Liabilities	28,044			16	159	436	435	83,529	112,619
Total Liabilities	389,250	101,725	39,850	5,708	28,644	36,159	42,900	322,783	967,019
FUND EQUITY :									
Fund Balances:									
Reserved for Retirement of Temporary Financing								7,816	7,816
Reserved for Encumbrances	65,052		-	261	1,012	1,349	3,252	239,615	310,541
Unreserved and Designated for Ensuing Year's Budget (Note 13):									-
General	13,367								13,367
Special Revenue								52,087	52,087
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)		65,395
Total Fund Equity	153,543	647	-	(33)	833	1,150	(6,452)	409,575	559,263
Commitments and Contingencies (Note 15)									
TOTAL LIABILITIES AND FUND EQUITY	\$ 542,793	\$ 102,372	\$ 39,850	\$ 5,675	\$ 29,477	\$ 37,309	\$ 36,448	\$ 732,358	\$ 1,526,282

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, 2004 (Dollars in Thousands)

ASSETS	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	Nonmajor Governmental Funds	Total Governmental Funds
Cash	\$ 18,867	\$ 5,128	\$ 18,663	\$ 8,997	\$ 31,915	\$ 81,764	\$ 71,032	\$ 573,054	\$ 809,420	
Investments (Note 2)								26,761	26,761	
Sales Tax Receivable		100,808							100,808	
Interest Receivable		3						394	397	
Due from Other Governments (Note 3)	182,273			25			1,385	9,555	193,238	
Less Allowance for Doubtful Accounts	(4,569)								(4,569)	
Accounts Receivable	16,364			1	171	216	30	558	17,340	
Real Property Taxes Receivable	49,926								49,926	
Less Allowance for Doubtful Accounts	(8,841)								(8,841)	
Tax Sale Certificates (Note 5)	4,602								4,602	
Tax Real Estate Held for Sale (Note 4)	6,542								6,542	
Interfund Receivables (Note 6)	217,428	27	37,850			216	6,910	256,800	519,231	
Due from Component Units (Note 6)	4,236							424	4,660	
Other Assets	6,846	110		114	440	2,956	2,963	860	14,289	
TOTAL ASSETS	\$ 493,674	\$ 106,076	\$ 56,513	\$ 9,137	\$ 32,526	\$ 85,152	\$ 82,320	\$ 868,406	\$ 1,733,804	
LIABILITIES AND FUND EQUITY										
LIABILITIES:										
Accounts Payable	\$ 27,187	\$	\$	\$ 14	\$ 307	\$ 350	\$ 552	\$ 15,863	\$ 44,273	
Accrued Liabilities	112,732			2,336	1,014	17,682	14,996	64,127	212,887	
Accrued Medical Assistance Liability	39,583								39,583	
Unearned Revenue	39,174				18			16,064	55,256	
Interfund Payables (Note 6)	94,752	105,622	38,355	5,885	30,367	57,842	62,467	123,941	519,231	
Due to Component Units (Note 6)				460			46	1,586	2,092	
Liability for Retirement of Pension Debt			8,158						8,158	
Other Liabilities	27,493		-	17	63	426	427	160,118	188,544	
Total Liabilities	340,921	105,622	46,513	8,712	31,769	76,300	78,488	381,699	1,070,024	
FUND EQUITY :										
Fund Balances:										
Reserved for Retirement of Temporary Financing								64,106	64,106	
Reserved for Encumbrances	67,123			425	757	3,982	3,832	161,367	237,486	
Unreserved and designated for Ensuing Year's Budget (Note 13)			10,000						10,000	
Unreserved, non major fund balances:										
Special Revenue Funds								77,362	77,362	
Capital Project Funds								132,855	132,855	
Debt Service Funds								51,017	51,017	
Unreserved major fund balances (Note 13)	85,630	454		425	757	4,870			90,954	
Total Fund Equity	152,753	454	10,000	425	757	8,852	3,832	486,707	663,780	
Commitments and Contingencies (Note 15)										
TOTAL LIABILITIES AND FUND EQUITY	\$ 493,674	\$ 106,076	\$ 56,513	\$ 9,137	\$ 32,526	\$ 85,152	\$ 82,320	\$ 868,406	\$ 1,733,804	

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, 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-4**COUNTY OF NASSAU, NEW YORK****RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2004 (Dollars in Thousands)****Amounts reported for governmental activities in the Statement of Net Assets are different because:**

Total fund balances - governmental funds	\$ 663,780
Revenue recorded in the statement of net assets is recorded as unearned revenue in the governmental funds	23,194
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	(84,964)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net	2,322,043
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	108,653
Long-term liabilities are not due and payable in the current period and accordingly are not reported in the funds:	
Bonds and notes payable	(2,952,320)
Other long term liabilities	(1,066,010)
Current portion of long term liabilities	(423,351)
Accrued interest payable	<u>(20,482)</u>
Net assets (deficit) of governmental activities	\$ <u>(1,429,457)</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, 2005 (Dollars in Thousands)**

	<u>General</u>	<u>NIFA General</u>	<u>Debt Service Fund</u>	<u>Fire Prevention, Safety, Communication and Education Fund</u>	<u>County Parks and Recreation Fund</u>	<u>Police District Fund</u>	<u>Police Headquarters Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:									
Interest and Penalties on Taxes	\$ 21,369								\$ 21,369
Unrealized Gain on Investments								5,382	5,382
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	14,733	24,886
Rents and Recoveries	29,272				1,000	95	397	217	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	3,727	128,950
Interdepartmental Revenue	121,599			95		188	7,824	807	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	281,960	2,731,409
EXPENDITURES:									
Current:									
Legislative	8,325								8,325
Judicial	39,791							1,853	41,644
General Administration	230,902	1,136						29,217	261,255
Protection of Persons	11,702			20,041		328,964	314,012	8,216	682,935
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	306,797	2,740,299
Debt Service:									
Principal			140,280					86,121	226,401
Interest			36,002					107,167	143,169
Financing Costs			841					4,290	5,131
Total Debt Service			177,123					197,578	374,701
Total Expenditures	1,717,939	1,136	177,829	20,041	50,704	328,964	314,012	504,375	3,115,000
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(110,018)	129,628	(169,147)	202	15,192	(14,427)	(12,606)	(222,415)	(383,591)
OTHER FINANCING SOURCES (USES):									
Other Financing Sources - Premium Deposited with Escrow Agent for Defeasance			1,287					15,965	17,252
Transfers In	146,402		335,816		2,905		8,608	(130,798)	(130,798)
Transfers In of Investment Income	3,249							52,703	56,434
Transfers Out	(297,558)		(181,402)	(660)	(18,021)	(775)	(6,286)	1,232	4,481
Transfers Out of Investment Income								(41,732)	(546,434)
Transfers In from NIFA	5,783	13,179	441			7,500		(4,481)	(4,481)
Transfers Out from NIFA		(142,614)						197,515	224,418
Transfers In from SFA			3,005					(334,736)	(477,350)
Transfers Out from SFA								109,566	112,571
Proceeds from Borrowings								(112,571)	(112,571)
Transfers from NIFA for Tax Certiorari and Other Judgment Borrowings	252,932							392,620	392,620
Total Other Financing Sources (Uses)	110,808	(129,435)	159,147	(660)	(15,116)	6,725	2,322	145,283	279,074
NET CHANGE IN FUND BALANCES	790	193	(10,000)	(458)	76	(7,702)	(10,284)	(77,132)	(104,517)
TOTAL FUND BALANCES AT BEGINNING OF YEAR	152,753	454	10,000	425	757	8,852	3,832	486,707	663,780
TOTAL FUND BALANCES AT END OF YEAR	\$ 153,543	\$ 647	\$	\$ (33)	\$ 833	\$ 1,150	\$ (6,452)	\$ 409,575	\$ 559,263

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, 2004 (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	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:									
Interest and Penalties on Taxes	\$ 22,682	\$	\$	\$	\$	\$	\$	\$	\$ 22,682
Unrealized Gain on Investments								41	41
Licenses and Permits	6,050								6,050
Fines and Forfeits	14,477								14,477
Interest Income	5,717	521		18	46	71	101	6,754	13,228
Rents and Recoveries	29,994			6	985	632	612	241	32,470
Tobacco Settlement Revenue	23,682								23,682
Tobacco Receipts								21,974	21,974
Departmental Revenue	168,726			3,856	14,098	5,250	14,529	4,116	210,575
Interdepartmental Revenue	98,641		941	2		481	2,122	2,580	104,767
Federal Aid	125,791						417	49,629	175,837
State Aid	207,850			138			1,031	66,300	275,319
State Aid from NIFA								7,500	7,500
Sales Tax	788,888	95,004							883,892
Preempted Sales Tax in Lieu of Property Taxes	49,971								49,971
Property Taxes	141,275			17,782	43,577	301,297	239,071	138,932	881,934
Payments in Lieu of Taxes	3,632								3,632
Special Taxes	12,779				195		19,421		32,395
Other Revenues	1,163		9,935					7,622	18,720
Total Revenues	1,701,318	95,525	10,876	21,802	58,901	307,731	277,304	305,689	2,779,146
EXPENDITURES:									
Current:									
Legislative	7,629								7,629
Judicial	44,715							749	45,464
General Administration	208,701	1,251						32,797	242,749
Protection of Persons	11,799			18,487		333,153	290,128	5,657	659,224
Health	190,873							45,179	236,052
Public Works	87,453							78,453	165,906
Recreation and Parks					46,440			422	46,862
Capital Outlay								70,381	70,381
Sewage Districts								5,840	5,840
Social Services	625,213							5,509	630,722
Corrections	193,390							1,684	195,074
Education	5,801								5,801
Payments for Tax Certiorari and Other Judgments	198,663								198,663
Other	156,254								156,254
Total Current	1,730,491	1,251		18,487	46,440	333,153	290,128	246,671	2,666,621
Debt Service:									
Principal			171,434					55,118	226,552
Interest			60,269					91,294	151,563
Financing Costs			612					10,165	10,777
Total Debt Service			232,315					156,577	388,892
Total Expenditures	1,730,491	1,251	232,315	18,487	46,440	333,153	290,128	403,248	3,055,513
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(29,173)	94,274	(221,439)	3,315	12,461	(25,422)	(12,824)	(97,559)	(276,367)
OTHER FINANCING SOURCES (USES):									
Other Financing Sources - Premium Deposited with Escrow Agent for Defeasance								33,915	33,915
Transfer from NIFA for Escrow Agent	(9,076)							(322,806)	(322,806)
Payments to Refunding Bond Escrow Holder			(397,200)						(397,200)
Transfers In	1,785		230,729		7,623		4,629	87,107	331,873
Transfers In of Investment Income	1,767							784	2,551
Transfers Out	(200,931)			(3,215)	(20,375)	(5,579)	(7,450)	(94,323)	(331,873)
Transfers Out of Investment Income								(2,551)	(2,551)
Transfers In from NIFA	20,031	3,659	315,843			7,500		147,845	494,878
Transfers Out from NIFA		(98,078)						(595,463)	(693,541)
Transfers In from SFA	2,097		82,067					154,393	238,557
Transfers Out from SFA								(238,557)	(238,557)
Proceeds from Borrowings								1,023,955	1,023,955
Transfers from NIFA for Tax Certiorari and Other Judgment Borrowings	198,663								198,663
Total Other Financing Sources (Uses)	14,336	(94,419)	231,439	(3,215)	(12,752)	1,921	(2,821)	194,299	328,788
NET CHANGE IN FUND BALANCES	(14,837)	(145)	10,000	100	(291)	(23,501)	(15,645)	96,740	52,421
TOTAL FUND BALANCES AT BEGINNING OF YEAR	167,590	599		325	1,048	32,353	19,477	389,967	611,359
TOTAL FUND BALANCES AT END OF YEAR	\$ 152,753	\$ 454	\$ 10,000	\$ 425	\$ 757	\$ 8,852	\$ 3,832	\$ 486,707	\$ 663,780

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	<u>(60,422)</u>	(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	(392,620)	
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	<u>19</u>	<u>112,557</u>

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

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, 2004 (Dollars in Thousands)****Amounts reported for governmental activities in the Statement of Activities are different because:**

Net change in fund balances - total governmental funds	\$	52,421
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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	\$	130,630	
Depreciation expense		(107,507)	
Other		(11,606)	11,517

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	(1,023,955)	
Principal payments of bonds	955,636	
Accrued interest payable	36,229	
Amortized debt issuance costs	3,877	
Payment of component unit debt costs	(9,174)	
Other	12,952	(24,435)

Change in net assets - governmental activities	\$	<u>39,503</u>
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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 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-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, 2004 (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	\$ 23,380	\$ 23,380	\$ 22,682	\$	\$ 22,682	\$ (698)
Licenses and Permits	5,597	5,597	6,050		6,050	453
Fines and Forfeits	15,441	15,441	14,477		14,477	(964)
Interest Income	8,000	8,000	5,717		5,717	(2,283)
Rents and Recoveries	29,508	29,870	29,994		29,994	124
Tobacco Settlement Revenue	23,850	23,850	23,682		23,682	(168)
Departmental Revenue	96,918	180,967	168,726		168,726	(12,241)
Interdepartmental Revenue	118,462	122,246	98,641		98,641	(23,605)
Federal Aid	112,951	120,437	125,791		125,791	5,354
State Aid	205,768	210,278	207,850		207,850	(2,428)
Sales Tax	851,906	874,306	788,888		788,888	(85,418)
Preempted Sales Tax in Lieu of Property Taxes	49,971	49,971	49,971		49,971	
Property Taxes	136,984	136,984	141,275		141,275	4,291
Payments in Lieu of Taxes	3,803	3,803	3,632		3,632	(171)
Special Taxes	13,857	13,857	12,779		12,779	(1,078)
Other Revenues	13,068	13,268	1,163		1,163	(12,105)
Total Revenues	1,709,464	1,832,255	1,701,318		1,701,318	(130,937)
Expenditures:						
Current:						
Legislative	8,613	8,179	7,629	(112)	7,517	662
Judicial	48,993	45,955	44,715	(1,903)	42,812	3,143
General Administration	234,053	234,754	208,701	12,459	221,160	13,594
Protection of Persons	12,953	12,794	11,799	(407)	11,392	1,402
Health	201,933	206,137	190,873	6,309	197,182	8,955
Public Works	106,161	96,658	87,453	6,948	94,401	2,257
Recreation and Parks	5	5		5	5	
Social Services	601,297	653,060	625,213	14,014	639,227	13,833
Corrections	191,268	202,762	193,390	(5,205)	188,185	14,577
Education	3,910	5,990	5,801		5,801	189
Payments for Tax Certiorari and Other Judgments			198,663	(198,663)		
Other	108,066	162,441	156,254	35,015	191,269	(28,828)
Total Current	1,517,252	1,628,735	1,730,491	(131,540)	1,598,951	29,784
Debt Service:						
Financing Costs	36	36				36
Total Debt Service	36	36				36
Total Expenditures	1,517,288	1,628,771	1,730,491	(131,540)	1,598,951	29,820
Excess (Deficiency) of Revenues Over (Under) Expenditures	192,176	203,484	(29,173)	131,540	102,367	(101,117)
Other Financing Sources (Uses):						
Transfers In			1,785		1,785	1,785
Transfers In of Investment Income			1,767		1,767	1,767
Transfers Out	(283,659)	(294,967)	(200,931)		(200,931)	94,036
Transfer In from SFA			2,097		2,097	2,097
Transfer In from NIFA			20,031	(17,446)	2,585	2,585
Transfer from NIFA Tax Certiorari and Other Judgment Borrowings			198,663	(190,293)	8,370	8,370
Transfer from NIFA for Escrow Agent			(9,076)	9,076		
Total Other Financing Sources (Uses)	(283,659)	(294,967)	14,336	(198,663)	(184,327)	110,640
Net Change in Fund Balance	(91,483)	(91,483)	(14,837)	(67,123)	(81,960)	9,523
Fund Balances at Beginning of Year	91,483	91,483	167,590		167,590	76,107
Fund Balances at End of Year	\$	\$	\$ 152,753	\$ (67,123)	\$ 85,630	\$ 85,630

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)**

	<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	\$	\$	\$	\$	\$	\$
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	<u>15,444</u>	<u>15,444</u>	<u>15,444</u>		<u>15,444</u>	
Total Revenues	<u>19,394</u>	<u>19,744</u>	<u>20,243</u>		<u>20,243</u>	<u>499</u>
Expenditures:						
Current:						
Protection of Persons	<u>18,953</u>	<u>20,088</u>	<u>20,041</u>	(33)	<u>20,008</u>	<u>80</u>
Total Expenditures	<u>18,953</u>	<u>20,088</u>	<u>20,041</u>	(33)	<u>20,008</u>	<u>80</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>441</u>	<u>(344)</u>	<u>202</u>	<u>33</u>	<u>235</u>	<u>579</u>
Other Financing Uses:						
Transfers In		250				(250)
Transfers Out	<u>(866)</u>	<u>(660)</u>	<u>(660)</u>		<u>(660)</u>	
Total Other Financing Sources (Uses)	<u>(866)</u>	<u>(410)</u>	<u>(660)</u>		<u>(660)</u>	<u>(250)</u>
Net Change in Fund Balance	(425)	(754)	(458)	33	(425)	329
Fund Balances at Beginning of Year	<u>425</u>	<u>754</u>	<u>425</u>		<u>425</u>	<u>(329)</u>
Fund Balances at End of Year	<u>\$</u>	<u>\$</u>	<u>\$ (33)</u>	<u>\$ 33</u>	<u>\$</u>	<u>\$</u>

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, 2004 (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	\$	\$ 193	\$ 6	\$	\$ 6	\$ (187)
Interest Income		18	18		18	
Departmental Revenue	3,364	3,856	3,856		3,856	
Interdepartmental Revenue		2	2		2	
State Aid	100	138	138		138	
Property Taxes	17,782	17,782	17,782		17,782	
Total Revenues	21,246	21,989	21,802		21,802	(187)
Expenditures:						
Current:						
Protection of Persons	18,684	18,912	18,487	425	18,912	
Total Expenditures	18,684	18,912	18,487	425	18,912	
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,562	3,077	3,315	(425)	2,890	(187)
Other Financing Uses:						
Transfers Out	(2,886)	(3,215)	(3,215)		(3,215)	
Total Other Financing Sources (Uses)	(2,886)	(3,215)	(3,215)		(3,215)	
Net Change in Fund Balance	(324)	(138)	100	(425)	(325)	(187)
Fund Balances at Beginning of Year	324	138	325		325	187
Fund Balances at End of Year	\$	\$	\$ 425	\$ (425)	\$	\$

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)**

	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	\$ 1,490	\$ 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-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, 2004 (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	\$ 1,122	\$ 1,122	\$ 985	\$	\$ 985	\$ (137)
Interest Income	15	15	46		46	31
Departmental Revenue	18,546	18,547	14,098		14,098	(4,449)
Property Taxes	43,577	43,577	43,577		43,577	
Special Taxes	575	575	195		195	(380)
Total Revenues	63,835	63,836	58,901		58,901	(4,935)
Expenditures:						
Current:						
Recreation and Parks	45,662	47,197	46,440	757	47,197	
Total Expenditures	45,662	47,197	46,440	757	47,197	
Excess (Deficiency) of Revenues Over (Under) Expenditures	18,173	16,639	12,461	(757)	11,704	(4,935)
Other Financing Sources (Uses):						
Transfers In		2,823	7,623		7,623	4,800
Transfers Out	(19,221)	(20,375)	(20,375)		(20,375)	
Total Other Financing Uses	(19,221)	(17,552)	(12,752)		(12,752)	4,800
Net Change in Fund Balance	(1,048)	(913)	(291)	(757)	(1,048)	(135)
Fund Balances at Beginning of Year	1,048	913	1,048		1,048	135
Fund Balances at End of Year	\$	\$	\$ 757	\$ (757)	\$	\$

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)**

	<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	\$ 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	<u>309,307</u>	<u>309,307</u>	<u>309,307</u>		<u>309,307</u>	
Total Revenues	<u>315,590</u>	<u>315,698</u>	<u>314,537</u>		<u>314,537</u>	<u>(1,161)</u>
Expenditures:						
Current:						
Protection of Persons	<u>321,241</u>	<u>325,419</u>	<u>328,964</u>	<u>(3,707)</u>	<u>325,257</u>	<u>162</u>
Total Expenditures	<u>321,241</u>	<u>325,419</u>	<u>328,964</u>	<u>(3,707)</u>	<u>325,257</u>	<u>162</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,651)</u>	<u>(9,721)</u>	<u>(14,427)</u>	<u>3,707</u>	<u>(10,720)</u>	<u>(999)</u>
Other Financing Sources (Uses):						
Transfers In		4,000	7,500		7,500	3,500
Transfer Out	<u>(845)</u>	<u>(775)</u>	<u>(775)</u>		<u>(775)</u>	
Total Other Financing Sources (Uses)	<u>(845)</u>	<u>3,225</u>	<u>6,725</u>		<u>6,725</u>	<u>3,500</u>
Net Change in Fund Balance	(6,496)	(6,496)	(7,702)	3,707	(3,995)	2,501
Fund Balances at Beginning of Year	<u>6,496</u>	<u>6,496</u>	<u>8,852</u>		<u>8,852</u>	<u>2,356</u>
Fund Balances at End of Year	<u>\$</u>	<u>\$</u>	<u>\$ 1,150</u>	<u>\$ 3,707</u>	<u>\$ 4,857</u>	<u>\$ 4,857</u>

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, 2004 (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	\$ 716	\$ 632	\$	\$ 632	\$ (84)
Licenses and Permits	1,200	1,787				(1,787)
Interest Income	10	65	71		71	6
Departmental Revenue	3,117	3,117	5,250		5,250	2,133
Interdepartmental Revenue			481		481	481
Property Taxes	301,297	301,297	301,297		301,297	
Total Revenues	305,774	306,982	307,731		307,731	749
Expenditures:						
Current:						
Protection of Persons	328,186	338,447	333,153	3,982	337,135	1,312
Total Expenditures	328,186	338,447	333,153	3,982	337,135	1,312
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,412)	(31,465)	(25,422)	(3,982)	(29,404)	2,061
Other Financing Sources (Uses):						
Transfers In			7,500		7,500	7,500
Transfer Out	(5,071)	(5,579)	(5,579)		(5,579)	
Total Other Financing Sources (Uses)	(5,071)	(5,579)	1,921		1,921	7,500
Net Change in Fund Balance	(27,483)	(37,044)	(23,501)	(3,982)	(27,483)	9,561
Fund Balances at Beginning of Year	27,483	37,044	32,353		32,353	(4,691)
Fund Balances at End of Year	\$	\$	\$ 8,852	\$ (3,982)	\$ 4,870	\$ 4,870

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)**

	<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	\$ 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	
Other Revenues	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:						
Current:						
Protection of Persons	<u>299,844</u>	<u>308,061</u>	<u>314,012</u>	<u>(6,452)</u>	<u>307,560</u>	<u>501</u>
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	<u>(3,832)</u>	<u>(3,832)</u>	<u>(10,284)</u>	<u>6,452</u>	<u>(3,832)</u>	
Fund Balances at Beginning of Year	<u>3,832</u>	<u>3,832</u>	<u>3,832</u>		<u>3,832</u>	
Fund Balances at End of Year	<u>\$</u>	<u>\$</u>	<u>\$ (6,452)</u>	<u>\$ 6,452</u>	<u>\$</u>	<u>\$</u>

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, 2004 (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	\$ 430	\$ 430	\$	\$	\$	\$ (430)
Rents and Recoveries	200	1,046	612		612	(434)
Interest Income	13	13	101		101	88
Departmental Revenue	13,098	13,098	14,529		14,529	1,431
Interdepartmental Revenue	5,358	5,358	2,122		2,122	(3,236)
Federal Aid	334	334	417		417	83
State Aid	589	589	1,031		1,031	442
Property Taxes	239,071	239,071	239,071		239,071	
Other Revenues	21,388	21,388	19,421		19,421	(1,967)
Total Revenues	280,481	281,327	277,304		277,304	(4,023)
Expenditures:						
Current:						
Protection of Persons	298,992	296,991	290,128	3,832	293,960	3,031
Total Expenditures	298,992	296,991	290,128	3,832	293,960	3,031
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,511)	(15,664)	(12,824)	(3,832)	(16,656)	(992)
Other Financing Sources (Uses):						
Transfers In	4,178	4,178	4,629		4,629	451
Transfers Out	(5,144)	(7,450)	(7,450)		(7,450)	
Total Other Financing Sources (Uses)	(966)	(3,272)	(2,821)		(2,821)	451
Net Change in Fund Balance	(19,477)	(18,936)	(15,645)	(3,832)	(19,477)	(541)
Fund Balances at Beginning of Year	19,477	18,936	19,477		19,477	541
Fund Balances at End of Year	\$	\$	\$ 3,832	\$ (3,832)	\$	\$

See accompanying notes to financial statements.

EXHIBIT X -12

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>1,167</u>
TOTAL ASSETS	<u>\$ 94,239</u>
<u>LIABILITIES:</u>	
Accounts Payable	\$ 3,776
Other Liabilities	<u>90,463</u>
TOTAL LIABILITIES	<u>\$ 94,239</u>

See accompanying notes to financial statements.

COUNTY OF NASSAU, NEW YORK

**STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
DECEMBER 31, 2004 (Dollars in Thousands)**

AGENCY FUND

	Balance December 31, <u>2004</u>
<u>ASSETS:</u>	
Cash	\$ 71,370
Investments	100
Due From Tobacco Settlement Corporation	36,976
Due From Component Unit	<u>706</u>
TOTAL ASSETS	\$ <u>109,152</u>
<u>LIABILITIES:</u>	
Accounts Payable	\$ 282
Other Liabilities	<u>108,870</u>
TOTAL LIABILITIES	\$ <u>109,152</u>

See accompanying notes to financial statements.

EXHIBIT X-13

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
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	1,269	15,924	268	7	17,468
Total Current Assets	47,710	192,495	12,608	2,359	255,172
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		63,133			63,133
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
Total Non Current Assets	122,292	176,523	26,749	26	325,590
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.

EXHIBIT X-13

COUNTY OF NASSAU, NEW YORK

STATEMENT OF NET ASSETS

ALL DISCRETELY PRESENTED COMPONENT UNITS

DECEMBER 31, 2004 (WITH THE NASSAU COMMUNITY COLLEGE AUGUST 31, 2004)

(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	\$ 39,627	\$ 30,050	\$ 3,239	\$ 1,286	\$ 74,202
Student Accounts and Loans Receivable	5,173				5,173
Less Allowance for Doubtful Amounts	(1,583)				(1,583)
Due from Other Governments	3,152	9,610			12,762
Other Receivables	261	5,486		1	5,748
Accounts Receivable		168,895	950	57	169,902
Less Allowance for Doubtful Amounts		(80,493)			(80,493)
Inventories		3,999			3,999
Other Assets	613	26,639	1,040	14	28,306
Total Current Assets	47,243	164,186	5,229	1,358	218,016
NON CURRENT ASSETS:					
Deferred Financing Costs	1,859	7,319			9,178
Less Accumulated Amortization		(2,637)			(2,637)
Assets Whose Use Is limited		65,123			65,123
Capital Assets not being depreciated	3,616	15,939	5,793		25,348
Depreciable Capital Assets	198,830	361,325	29,747	49	589,951
Less Accumulated Depreciation	(86,166)	(264,360)	(8,393)	(35)	(358,954)
Leasehold Acquisition Costs			1,020		1,020
Less Accumulated Amortization			(884)		(884)
Deposits Held by Trustees	5,301				5,301
Deposits Held in Custody for Others	1,866				1,866
Total Non Current Assets	125,306	182,709	27,283	14	335,312
Total Assets	172,549	346,895	32,512	1,372	553,328
LIABILITIES					
CURRENT LIABILITIES:					
Accounts Payable	7,072	35,653	2,288	22	45,035
Accrued Liabilities		15,381	3,501		18,882
Bond Anticipation Notes Payable			12,000		12,000
Notes Payable - Current			41		41
Due To Primary Government	3,444	939	2,232		6,615
Unearned Revenue	14,684			13	14,697
Current Portion of Long Term Liabilities	4,007	2,395	1,891		8,293
Other Liabilities	358	40,199	1,710		42,267
Total Current Liabilities	29,565	94,567	23,663	35	147,830
NON CURRENT LIABILITIES:					
Notes Payable			380		380
Serial Bonds Payable	48,020	265,272			313,292
Accrued Vacation and Sick Pay	42,066	25,498		24	67,588
Estimated Liability for Litigation	2,500	26,529			29,029
Deposits Held in Custody for Others	1,871				1,871
Insurance Reserve Liability	1,644				1,644
Liability for Future Pension Expense	1,334				1,334
Deferred Bond Premium Net of Amortization	1,421				1,421
Total Non Current Liabilities	98,856	317,299	380	24	416,559
Total Liabilities	128,421	411,866	24,043	59	564,389
NET ASSETS					
Invested in Capital Assets, Net of Related Debt Restricted:	64,090	30,672	8,469	14	103,245
Special Revenue	2,086				2,086
Capital Projects	1,798				1,798
Debt Service	5,301				5,301
Student Loans	622				622
Unrestricted (deficit)	(29,769)	(95,643)		1,299	(124,113)
Total Net Assets (deficit)	\$ 44,128	\$ (64,971)	\$ 8,469	\$ 1,313	\$ (11,061)

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.

COUNTY OF NASSAU, NEW YORK

STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS - PROPRIETARY
FOR THE YEAR ENDED DECEMBER 31, 2004 (WITH THE NASSAU COMMUNITY COLLEGE AUGUST 31, 2004)
(Dollars in Thousands)

	Nassau Community College	Nassau Health Care Corporation	Nassau Regional Off-Track Betting Corp.	Nassau County Industrial Development Agency	Total
Expenses	\$ 173,209	\$ 476,046	\$ 73,558	\$ 599	\$ 723,412
Program Revenues:					
Charges for Services	40,375	457,429	68,870	941	567,615
Operating Grants and Contributions	127,772				127,772
Capital Grants and Contributions	400		1,123		1,523
Total Program Revenues	168,547	457,429	69,993	941	696,910
Net (Expenses) Program Revenues	(4,662)	(18,617)	(3,565)	342	(26,502)
General Revenues (Expenses):					
Investment Income	149	4,657	48	9	4,863
Other	(1,239)	(4,678)	2,734		(3,183)
Net General Revenues (Expenses)	(1,090)	(21)	2,782	9	1,680
Change in Net Assets	(5,752)	(18,638)	(783)	351	(24,822)
Net Assets - Beginning of Year	49,880 *	(44,697)	9,252	962	15,397
Cumulative Effect of Change in Accounting Principle		(1,636)			(1,636)
Net Assets - End of Year	\$ 44,128	\$ (64,971)	\$ 8,469	\$ 1,313	\$ (11,061)

* As restated to include the College's component units as of September 1, 2003 (See Note 1)

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004

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, 2005 and 2004, respectively.

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, 2005. 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, 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, 2005 AND 2004

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.

Effective January 1, 2004, the Corporation changed its method of accounting for its investment in a limited liability company (LLC) through the adoption of Financial Accounting Standards Board Emerging Task Force Issue 03-16, Accounting for Investments in Limited Liability Companies. As a result, the Corporation's investment in the LLC is now accounted for 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 year ended December 31, 2005 and 2004, 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 year ended December 31, 2005 and 2004, respectively.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004

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 three Director’s position 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 only \$15 million can be issued in 2006, and \$10 million 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 \$25 million for tax certiorari judgments in 2006 and 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.

- (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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Blended Component Unit (Continued)

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.

- (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 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 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 sewerage and storm water resources services.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Blended Component Unit (Continued)

In 2004, the NCSSWFA completed its first two financings on behalf of the county, the proceeds of which were used to refinance certain outstanding County Bonds.

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 or account group, 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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Blended Component Unit (Continued)

assets and noncurrent liabilities of the county, which were previously recorded in the General Fixed Assets Account Group and the General Long-term Obligations Account Group. In addition to the capital assets previously recorded in the General Fixed Assets Account Group, the county retroactively capitalized infrastructure assets that were acquired beginning with fiscal year ended December 31, 1980. In addition, the government-wide statement of activities reflects depreciation expenses on the county's capital assets, including infrastructure.

In addition to the government-wide financial statements, fund financial statements, continue to be reported using the modified accrual basis of accounting and the current financial resources measurement focus. Accordingly, the accounting and financial reporting for the county's General Fund, NIFA General Fund, Debt Service Fund, County Parks and Recreation Fund, Fire Prevention, Safety, Communication and Education Fund, Police District Fund and Police Headquarters 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, 2005 AND 2004

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 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, 2005 AND 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. BASIS OF PRESENTATION (Continued)

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 countywide 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

The county has implemented Governmental Accounting Standards Board (“GASB”) Statement No. 40, *Deposit and Investment Risk Disclosure*, an amendment of GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*. The county has determined that there is no impact from Statement No. 40 on its financial position and results of operations resulting from this adoption.

The county has implemented GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. The county reviews long-lived assets for impairment when events or circumstances indicate that the carrying amount may not be recoverable. The county records the appropriate loss when assets are disposed of or are determined to be impaired.

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 Statement of Governmental Accounting Standards No. 46, *Net Assets Restricted by Legislation an amendment of GASB Statement No. 34 (“GASB 46”)*, as discussed in Note 1. The county is therefore unable to disclose the impact that adopting Statement of Governmental Accounting Standards No. 45 and No. 46 will have on its financial position and results of operations when such statements are adopted.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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 accrual 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*".

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2005 and 2004, 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):

	2005	2004
Supplemental Appropriations:		
General Fund	\$ 31,822	\$ 122,791
Police District	4,107	11,009
Police Headquarters	9,286	846
Fire Prevention, Safety, Communication and Education	1,362	743
County Parks and Recreation	2,823	2,823
Debt Service Fund	50,792	9,935
Nonmajor Governmental	5,200	-
 Total supplemental appropriations	 \$ 105,392	 \$ 148,147
Grant Fund appropriated budgets	97,585	147,201
 Total supplemental appropriations and Grant Fund appropriated budgets	 \$ 202,977	 \$ 295,348

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

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004**

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

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.
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 2005 and 2004 fiscal years, the county and the county on behalf of the College, discontinued investing in repurchase agreements and instead maintained approximately \$510 million and \$600 million of the total cash and cash equivalents of \$638.1 million and \$880.8 million in money market interest bearing bank accounts at rates averaging 4.1% and 2% annually for the years ended December 31, 2005 and 2004, respectively.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**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 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 totaling approximately 176,507 volumes 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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004

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

G. DEPRECIATION (Continued)

(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 available financial resources. For those employees who have retired prior to December 31, 2005, 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.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004**

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

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 2005 and 2004 fiscal years was \$3.2 billion and \$2.8 billion respectively. The constitutional tax margin was \$2.4 billion or approximately 75.37% in 2005 and \$2.0 billion or approximately 72% in 2004.

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.

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.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**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 are made to the 2004 financial statements to conform to the 2005 presentation. Reclassifications from the prior year include the presentation of capital assets. In 2005, capital assets that are being depreciated are reported separately from capital assets that are not being depreciated.

R. USE OF ESTIMATES

In 2001, the county hired an outside accounting firm to perform a more detailed review of the outstanding property tax liabilities resulting from tax appeals. As a result, the county revised their estimate to approximately \$325 million in 2002. In 2004 and 2005, the county further tailored its estimate assumptions. The estimates as of December 31, 2005 and 2004, respectively, were approximately \$131 and \$311 million and are reflected in the 2005 government-wide financial statements. The decrease of \$179 million was primarily the result of payments of over \$250 million made during the year.

NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2005 AND 2004

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, 2005 and 2004, the carrying amount of the county's deposits including certificates of deposit reported as investments was approximately \$638.1 and \$880.8 million, respectively and the bank balance was \$538.1 and \$602.8 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 2005 and 2004 fiscal years, the county discontinued investing in repurchase agreements and instead maintained approximately \$511.2 and \$600 million of the total cash and cash equivalents of \$731.2 and \$880.8 million, respectively, in money market interest bearing bank accounts at rates averaging 6.0% and 2.0% annually, respectively.

The investments at December 31, 2005 and 2004 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.

The following table summarizes the county's unrestricted cash and investment position at December 31, 2005, all investments mature in less than one year:

	<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>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004

2. DEPOSITS AND INVESTMENTS (Continued)

The following table summarizes the county's unrestricted cash and investment position at December 31, 2004:

	<u>Total</u>	<u>Cash and Cash</u>	
		<u>Equivalents</u>	<u>Investments</u>
	<u>(Dollars in Thousands)</u>		
Cash	\$ 551,671	\$ 551,671	\$ -
Treasury Notes & Commercial Paper	350,759	323,998	26,761
Certificates of Deposits			
(Maturities less than 3 months)	5,121	5,121	-
(Maturities more than 3 months)	100	-	100
Totals	<u>\$ 907,651</u>	<u>\$ 880,790</u>	<u>\$ 26,861</u>
Governmental Funds	\$ 836,181	\$ 809,420	\$ 26,761
Fiduciary Fund	71,470	71,370	100
Totals	<u>\$ 907,651</u>	<u>\$ 880,790</u>	<u>\$ 26,861</u>

The county maintains a consolidated disbursement account with a financial institution on behalf of the College. At August 31, 2005 and 2004, the College had a cash balance of \$37.1 and of \$36.9 million, respectively; and the bank balance was \$37.1 and \$37.3 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, 2005 and 2004, the carrying amount (fair value) of the College's investments was \$0.

At December 31, 2005 and 2004, the carrying amount of deposits for the OTB was \$11.7 and \$3.2 million; NHCC was \$76.1 and \$95.2 million; and NCIDA was \$2.3 million and \$1.3 million, respectively. The bank balance was \$13.5 and \$4.9 million for the OTB; NHCC was \$78.0 and \$94.6 million; and NCIDA was \$2.4 million and \$1.3 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, 2005 AND 2004

3. DUE FROM OTHER GOVERNMENTS

The account "Due from Other Governments" at December 31, 2005 and 2004 represents aid, grants, and other amounts receivable from the State and Federal governments. The following summarizes such receivables (dollars in thousands):

Fund	2005			2004		
	Total	Federal	State/Other*	Total	Federal	State/Other*
General	\$ 146,018	\$ 36,399	\$ 109,619	\$ 182,273	\$ 35,477	\$ 146,796
Fire Prevention, Safety, Communication and Education				25	25	
Police Headquarters	1,541	1,541		1,385	58	1,327
Nonmajor Governmental	<u>13,713</u>	<u>6,633</u>	<u>7,080</u>	<u>9,555</u>	<u>7,693</u>	<u>1,862</u>
Totals	<u>\$ 161,272</u>	<u>\$ 44,573</u>	<u>\$ 116,699</u>	<u>\$ 193,238</u>	<u>\$ 43,253</u>	<u>\$ 149,985</u>

* Includes \$10,388 and \$10,336 of sales taxes receivable at December 31, 2005 and 2004, 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, 2005 AND 2004

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, 2005 and 2004 are reconciled as follows:

<u>December 31, 2005</u>	General Fund	NIFA General Fund	Debt Service Fund	Fire Comm Fund	Park Fund	Police District Fund	Police Headquarters Fund	Nonmajor Funds	Total
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
Nonmajor Funds	18,563	-	7,727	13	-	8,459	8,017	88,811	131,590
TOTAL RECEIVABLE	\$ 126,385	\$ -	\$ 33,469	\$ 13	\$ -	\$ 8,459	\$ 12,461	\$ 196,613	\$ 377,400
INTERFUND PAYABLE									
General Fund	\$ -	\$ (74,035)	\$ (3,907)	\$ (1,517)	\$ (8,748)	\$ (11,951)	\$ (7,664)	\$ (18,563)	\$ (126,385)
NIFA General	-	-	-	-	-	-	-	-	-
Debt Service Fund	-	-	-	(660)	(18,021)	(775)	(6,286)	(7,727)	(33,469)
Fire Comm Fund	-	-	-	-	-	-	-	(13)	(13)
Police District	-	-	-	-	-	-	-	(8,459)	(8,459)
Police Headquarters	-	-	-	-	-	(4,444)	-	(8,017)	(12,461)
Nonmajor Funds	(37,195)	(27,554)	(35,706)	(152)	(130)	(5,825)	(1,240)	(88,811)	(196,613)
TOTAL PAYABLE	\$ (37,195)	\$(101,589)	\$ (39,613)	\$ (2,329)	\$ (26,899)	\$ (22,995)	\$ (15,190)	\$ (131,590)	\$ (377,400)

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004

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

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

<u>December 31, 2004</u>	General Fund	NIFA General Fund	Debt Service Fund	Fire Comm Fund	Park Fund	Police District Fund	Police Headquarters Fund	Nonmajor Funds	Total
INTERFUND RECEIVABLE									
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 94,752	\$ 94,752
NIFA General	80,914	-	-	-	-	-	-	24,708	105,622
Debt Service Fund	38,355	-	-	-	-	-	-	-	38,355
Fire Comm Fund	2,165	-	2,901	-	-	138	90	729	6,023
Parks Fund	7,096	-	20,375	-	-	-	1,201	1,557	30,229
Police District	10,866	-	950	-	-	-	5,493	40,533	57,842
Police Headquarters	22,504	-	5,980	-	-	-	-	33,983	62,467
Nonmajor Funds	55,528	27	7,644	-	-	78	126	60,538	123,941
TOTAL RECEIVABLE	\$ 217,428	\$ 27	\$ 37,850	\$ -	\$ -	\$ 216	\$ 6,910	\$ 256,800	\$ 519,231
INTERFUND PAYABLE									
General Fund	\$ -	\$ (80,914)	\$ (38,355)	\$ (2,165)	\$ (7,096)	\$ (10,866)	\$ (22,504)	\$ (55,528)	\$ (217,428)
NIFA General	-	-	-	-	-	-	-	(27)	(27)
Debt Service Fund	-	-	-	(2,901)	(20,375)	(950)	(5,980)	(7,644)	(37,850)
Police District	-	-	-	-	(138)	-	-	(78)	(216)
Police Headquarters	-	-	-	(90)	(1,201)	(5,493)	-	(126)	(6,910)
Nonmajor Funds	(94,752)	(24,708)	-	(729)	(1,557)	(40,533)	(33,983)	(60,538)	(256,800)
TOTAL PAYABLE	\$ (94,752)	\$ (105,622)	\$ (38,355)	\$ (5,885)	\$ (30,367)	\$ (57,842)	\$ (62,467)	\$ (123,941)	\$ (519,231)

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, 2005 and 2004 do not offset each other as they include accounts of the Nassau Community College at the end of their fiscal years on August 31, 2005 and 2004. The following reconciles the December 31, 2005 and 2004 amounts by carrying forward the Nassau Community College transactions affecting these accounts from September 1, 2005 through December 31, 2005 and from September 1, 2004 through December 31, 2004, respectively.

NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2005 AND 2004

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>2005</u>	<u>2004</u>
Net Due to Primary Government (Exhibit X-1)	<u>\$ (39,930)</u>	<u>\$ (6,615)</u>
Nassau Community College Transactions from September 1, to December 31:		
Decrease in due to Debt Service Fund		
Increase in due to ATF	\$ (279)	\$ (706)
Decrease in due from Capital Fund	(1,145)	(50)
Decrease (Increase) in due to Grant Fund	787	202
Decrease in Capital Chargeback	68	76
Decrease in due to General Fund	<u>2,324</u>	<u>3,819</u>
Subtotals	1,755	3,341
Due From Component Units - Fiduciary per Balance Sheet: (Exhibit X-12)	1,167	706
Net Due From Component Units - Governmental per Balance Sheet: (Exhibit X-1)	<u>37,008</u>	<u>2,568</u>
Net Due From Component Units Fiduciary and Governmental	<u>\$ 39,930</u>	<u>\$ 6,615</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004

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):

<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>-</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>-</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, 2005 AND 2004

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

<u>Primary Government</u>	<u>Balance, December 31, 2003</u>	<u>Additions</u>	<u>Deletions*</u>	<u>Balance, December 31, 2004</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 108,243	\$ 6,219	\$ 41	\$ 114,421
Construction in progress	<u>234,153</u>	<u>57,699</u>	<u>32,107</u>	<u>259,745</u>
Total capital assets, not being depreciated	<u>342,396</u>	<u>63,918</u>	<u>32,148</u>	<u>374,166</u>
Capital assets, being depreciated:				
Land Improvements	68,571	5,388	-	73,959
Buildings	1,002,341	11,719	375,269	638,791
Equipment	413,783	79,780	74,792	418,771
Infrastructure	<u>1,848,421</u>	<u>10,938</u>	<u>1,239,111</u>	<u>620,248</u>
Total capital assets, being depreciated	<u>3,333,116</u>	<u>107,825</u>	<u>1,689,172</u>	<u>1,751,769</u>
Total capital assets	<u>3,675,512</u>	<u>171,743</u>	<u>1,721,320</u>	<u>2,125,935</u>
Less accumulated depreciation:				
Land Improvements	20,382	3,325	-	23,707
Buildings	264,698	44,648	98,335	211,011
Equipment	234,585	40,100	63,394	211,291
Infrastructure	<u>845,321</u>	<u>34,531</u>	<u>519,901</u>	<u>359,951</u>
Total accumulated depreciation	<u>1,364,986</u>	<u>122,604</u>	<u>681,630</u>	<u>805,960</u>
Total capital assets, being depreciated, net	<u>1,968,130</u>	<u>(14,779)</u>	<u>1,007,542</u>	<u>945,809</u>
Governmental activities capital assets, net	<u>\$ 2,310,526</u>	<u>\$ 49,139</u>	<u>\$ 1,039,690</u>	<u>\$ 1,319,975</u>

*Deletions include buildings in the amount of \$374,775 with accumulated depreciation of \$69,117; equipment in the amount of \$8,186 with accumulated depreciation of \$7,521; and infrastructure in the amount of \$1,239,112 with accumulated depreciation of \$519,901 transferred to the Nassau County Sewer and Storm Water Finance Authority.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation expense was charged to functions of the county for the fiscal year ended December 31, 2005 and 2004 as follows (dollars in thousands):

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	11	2,081	-	-	2,092
Total Depreciation Expense	<u>\$ 3,509</u>	<u>\$ 12,022</u>	<u>\$ 30,938</u>	<u>\$ 21,019</u>	<u>\$ 67,488</u>

December 31, 2004	<u>Land Improvements</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Total</u>
Functions:					
Legislative	\$ -	\$ 6	\$ -	\$ -	\$ 6
Judicial	61	6,498	1,539	-	8,098
General Administration	30	1,401	2,249	-	3,680
Protection of Persons	9	8,213	5,435	-	13,657
Health	-	589	135	-	724
Public Works	-	4,170	1,316	33,850	39,336
Recreation and Parks	3,184	2,761	152	681	6,778
Social Services	30	480	73	-	583
Corrections	-	2,722	505	-	3,227
Other Expenditures/MSBA	-	317	17,613	-	17,930
Metropolitan Transportation Authority	-	-	11,083	-	11,083
Misc. Unclassified	11	17,491	-	-	17,502
Total Depreciation Expense	<u>\$ 3,325</u>	<u>\$ 44,648</u>	<u>\$ 40,100</u>	<u>\$ 34,531</u>	<u>\$ 122,604</u>

NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2005 AND 2004

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

Sources of funding of the general fixed assets at December 31, 2005 and 2004 were as follows (dollars in thousands):

December 31,	<u>2005</u>	<u>2004</u>
Long Term Serial Bonds	\$ 1,842,406	\$ 1,496,368
Temporary financing and bond anticipation notes	57,517	54,625
Federal grants	4,929	54,624
New York State grants	44,854	34,051
General Fund Revenues	120,410	55,337
Special Revenue Funds revenues	56,588	94,647
Gifts	28,577	29,764
Acquisitions prior to December 31, 1985	46,977	301,062
Capitalized lease	<u>5,457</u>	<u>5,457</u>
Total funding sources	<u>\$ 2,207,715</u>	<u>\$ 2,125,935</u>

NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2005 AND 2004

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

General capital assets of the county by function at December 31, 2005 and 2004 were as follows (dollars in thousands):

	2005	2004
Legislative	\$ 331	\$ 331
Judicial	79,329	92,344
General Administration	91,779	76,386
Protection of Persons	137,341	118,113
Health	8,905	8,658
Public Works	1,716,992	1,688,997
Recreation and Parks	211,686	202,880
Social Services	25,601	26,108
Corrections	190,993	190,437
Other Expenditures/MSBA	144,481	156,539
Metropolitan Transportation Authority	140,040	140,000
Misc. Unclassified	193,115	190,930
Construction Work in Progress	293,143	259,745
	<hr/>	<hr/>
Total	3,233,736	3,151,468
Less: accumulated depreciation	920,691	829,425
	<hr/>	<hr/>
Total net capital assets	\$ 2,313,045	\$ 2,322,043
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004

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, June 4, 2004			Balance, December 31, 2004			Balance, December 31, 2005		
		Additions	Disposals		Additions	Disposals		Additions	Disposals
Buildings	\$ 305,658	\$ -	\$ -	\$ 305,658	\$ 142	\$ 65	\$ 305,735		
Equipment	665	-	-	665	27	3	689		
Infrastructure	719,211	-	-	719,211	386	-	719,597		
Total capital assets	\$ 1,025,534	\$ -	\$ -	\$ 1,025,534	\$ 555	\$ 68	\$ 1,026,021		
Less Accumulated Depreciation:									
Buildings	\$ -	\$ 5,403	\$ -	\$ 5,403	\$ 8,798	\$ 4	\$ 14,197		
Equipment	-	47	-	47	49	-	96		
Infrastructure	-	18,016	-	18,016	29,094	-	47,110		
	-	23,466	-	23,466.00	37,941	4	61,403		
Property, Plant & Equipment (net)	\$ 1,025,534	\$ 23,466	\$ -	\$ 1,002,068	\$ (37,386)	\$ 64	\$ 964,618		

Total combined Property, Plant & Equipment of the County, including its blended component unit, Nassau County Sewer and Storm Water Finance Authority, is \$3,233,736 with the Accumulated Depreciation of \$920,691.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004

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):

	Balance, August 31, 2003			Balance, August 31, 2004			Balance, August 31, 2005		
	August 31, 2003	Additions	Disposals	August 31, 2004	Additions	Disposals	August 31, 2005		
Property, Plant & Equipment not being depreciated:									
Land	\$ 2,733	\$ -	\$ -	\$ 2,733	\$ -	\$ -	\$ 2,733		
Library *	877	6	-	883	15	-	898		
Total	3,610	6	-	3,616	15	-	3,631		
Property, Plant & Equipment being depreciated:									
Land Improvements	1,133	-	-	1,133	-	-	1,133		
Infrastructure	1,269	6	-	1,275	-	-	1,275		
Buildings	165,468	548	-	166,016	50	-	166,066		
Building Improvements	22,289	1,542	-	23,831	193	-	24,024		
Equipment	5,717	357	96	5,978	186	65	6,099		
Total capital assets, being depreciated	195,876	2,453	96	198,233	429	65	198,597		
Total capital assets	199,486	2,459	96	201,849	444	65	202,228		
Less Accumulated Depreciation:									
Land Improvements	605	48	-	653	49	-	702		
Infrastructure	544	64	-	608	64	-	672		
Buildings	66,599	3,106	-	69,705	3,112	-	72,817		
Building Improvements	8,609	1,123	-	9,732	1,164	-	10,896		
Equipment	4,805	294	66	5,033	248	65	5,216		
	81,162	4,635	66	85,731	4,637	65	90,303		
Net Property, Plant & Equipment									
Being Depreciated	114,714	(2,182)	30	112,502	(4,208)	-	108,294		
Property, Plant & Equipment (net)	\$ 118,324	\$ (2,176)	\$ 30	\$ 116,118	\$ (4,193)	\$ -	\$ 111,925		

* 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, 2005 AND 2004

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

Capital assets of the Faculty-Student Association, the Component unit of Nassau Community College as of August 31, 2004 and 2005 respectively, consisted of the following (dollars in thousands):

Property, Plant & Equipment	<u>Balance, August 31, 2004</u>	<u>Balance, August 31, 2005</u>
Furniture and equipment	\$ 387	\$ 328
Vans	<u>210</u>	<u>187</u>
Total Capital assets	<u>597</u>	<u>515</u>
Less Accumulated Depreciation:	<u>435</u>	<u>353</u>
Total Capital assets (net)	<u>\$ 162</u>	<u>\$ 162</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, 2005, were \$199,112 with the accumulated depreciation of \$90,656.

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. 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, 2005 and 2004 were approximately \$5.4 and \$1.3 million, respectively.

NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2005 AND 2004

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
Governmental Activities			
Fiscal Year Ending December 31,			
2006	\$ 733	\$ 6,349	\$ 7,082
2007	740	6,470	7,210
2008	749	6,595	7,344
2009	757	6,722	7,479
2010	766	6,851	7,617
2011-2015	3,995	35,014	39,009
2016-2020	4,300	7,362	11,662
2021-2025	4,249	-	4,249
Future Minimum Payments	<u>16,289</u>	<u>\$ 75,363</u>	<u>\$ 91,652</u>
Less Interest	<u>10,715</u>		
Present Value of Future Minimum Lease Payments	<u>\$ 5,574</u>		

NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2005 AND 2004

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 2005 and 2004 was \$5.9 and \$5.7 million, respectively.

As of December 31, 2005, 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>
2006	\$ 5,384
2007	5,397
2008	5,454
2009	5,622
2010	5,707
2011-2015	28,874
2016-2020	19,081
2021-2025	7,626
2026-2030	1,582
2031-2035	442
2036-2040	329
2041-2045	329
2046-2050	329
2051-2055	329
2056-2060	329
2061-2065	329
2066-2070	329
2071-2075	329
2076-2078	143
Total	<u>\$ 87,944</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, \$18,061,543 and \$1,731,921 respectively for buildings at December 31, 2005.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004

9. NOTES PAYABLE AND LONG-TERM OBLIGATIONS

County of Nassau Notes Payable

On December 13, 2005 the county issued \$103,000,000 Tax Anticipation Notes, Series 2005 A and \$17,000,000 Tax Anticipation Notes, Series 2005 B, (the “2005 A Notes” and “2005 B Notes”, respectively). The Notes were issued to finance cash flow needs of Nassau County. The 2005 A Notes bear interest at the rate of 4.25% - 4.5% per annum, pay interest only at maturity, and will mature on October 31, 2006. The 2005 B Notes bear interest at the rate of 4.5% per annum, pay interest only at maturity, and will mature on November 30, 2006.

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

	<u>Balance,</u> <u>December 31,</u> <u>2003</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>December 31,</u> <u>2004</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>December 31,</u> <u>2005</u>
General Fund:							
Tax anticipation notes - (2.0% issued in 2003, maturity dates in 2004)	\$ 120,000	\$ -	\$ 120,000	\$ -	\$ -	\$ -	\$ -
Tax anticipation notes - (4.25% to 4.5% issued in 2005, maturity dates in 2006)	-	-	-	-	120,000	-	120,000
Total General Fund	<u>\$ 120,000</u>	<u>\$ -</u>	<u>\$ 120,000</u>	<u>\$ -</u>	<u>\$ 120,000</u>	<u>\$ -</u>	<u>\$ 120,000</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, 2005 AND 2004

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

Long – Term Obligations

	Balance, December 31,			Balance, December 31,			Balance, December 31,		Due
	2003	Additions	Reductions	2004	Additions	Reductions	2005	Within	
								One Year	
General Long-Term Obligations									
Debt:									
General obligation County bonds - (2.90% to 11.50%, issued in 1970 through 2000, maturity dates 2002 through 2024)	\$ 1,208,511	\$	\$ 457,556	\$ 750,955	\$	\$ 257,718	\$ 493,237	\$ 111,198	
Sewage purpose bonds - (2.20% to 7.90%, issued in 1970 through 2000, maturity dates 2002 through 2020) - County	244,394		96,070	148,324		20,016	128,308	23,133	
State Water Pollution Control Revolving Fund revenue bonds - (2.65% to 7.10%, issued in 1991 through 2002, maturity dates 2002 through 2029) - County	174,771	4,066	8,253	170,584	1,774	8,199	164,159	8,348	
Total Serial Bonds - County	1,627,676	4,066	561,879	1,069,863	1,774	285,933	785,704	142,679	
Sales Tax Secured Bonds, Series 2000A 4.50% to 5.625% Serial and term bonds due 2002 to 2020 - NIFA	216,560		193,965	22,595		9,750	12,845		
Sales Tax Secured Bonds, Series 2001A 4% to 5.375% Serial and term bonds due 2002 to 2021 - NIFA	171,680		101,950	69,730		7,035	62,695	6,740	
Sales Tax Secured Bonds, Series 2002A&B (variable rate)Term Bond Due 2022 with mandatory sinking fund redemptions 2003-2021 - NIFA	220,605		5,300	215,305		7,650	207,655	8,035	
Sales Tax Secured Bonds, Series 2003A&B 2% to 6% Serial Bonds Due 2023 with mandatory sinking fund redemptions 2004-2023 - NIFA	514,475		14,315	500,160		20,235	479,925	22,625	
Sales Tax Secured Bonds, Series 2004A 2% to 5% Serial Bonds due 2005 to 2013		153,360		153,360		3,835	149,525	6,395	
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		187,275		3,255	184,020	4,665	
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		
Sales Tax Secured Bonds, Series 2005 B-C Auction Rate Securities due 2025					122,300		122,300		
Sales Tax Secured Bonds, Series 2005D Auction Rate Securities due 2025					143,795		143,795		
Nassau County Sewer and Storm Water Finance Authority System Revenue Bonds, Series 2004A&B 1.4% to 5% 2002-2029		81,550		81,550		2,975	78,575	3,125	
Tobacco Settlement Asset-Backed Bonds, Series A (variable rate)Term Bond Due 2029 with mandatory sinking fund redemptions 2004-2039 - NCTSC	278,095		2,800	275,295		3,170	272,125	3,495	
Total Serial Bonds - NIFA, NCSSWFA, NCTSC	\$ 1,401,415	\$ 1,022,185	\$ 318,330	\$ 2,105,270	\$ 390,295	\$ 57,905	\$ 2,437,660	\$ 55,080	

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004

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

Long – Term Obligations (Continued)

	Balance, December 31,			Balance, December 31,			Balance,	Due
	2003	Additions	Reductions	2004	Additions	Reductions	December 31, 2005	Within One Year
General Long-Term Obligations (continued)								
Other:								
Deferred payroll	\$ 37,627	\$ 3,368	\$ 3,807	\$ 37,188	\$ 1,085	\$ 3,991	\$ 34,282	\$ 34,282
Accrued vacation and sick pay	560,668	70,658	36,876	594,450	68,977	48,148	615,279	15,057
Capital lease obligations	5,566	7	-	5,573	1	-	5,574	7
Estimated tax certiorari payable	365,000	-	54,498	310,502	71,232	250,734	131,000	50,000
Estimated liability for litigation & workers' compensation	326,500	-	17,500	309,000	13,570	18,507	304,063	14,978
Estimated liability for malpractice claims	13,273	-	3,437	9,836	9,822	9,804	9,854	4,022
Total Other	1,308,634	74,033	116,118	1,266,549	164,687	331,184	1,100,052	118,346
Total General Long-term Obligations	\$ 4,337,725	\$ 1,018,734	\$ 996,327	\$ 4,360,132	\$ 1,109,388	\$ 996,327	\$ 4,473,193	\$ 316,105

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.

During 2004, NIFA issued \$603,360,000 Sales Tax Secured Bonds, Series 2004 A-G of which \$315,738,098 was used to advance refund \$289,270,000 of outstanding NIFA Bonds, including portions of the Series 2000A, Series 2001A, and Series 2003A Bonds and \$286,400,000 was used to advance refund \$295,295,000 outstanding County Bonds, including portions of the Series 1993D, 1993H, 1999B, 1999C, 1999D, 2000E, 2000F, County Series U and County Series V Bonds. Portion of the proceeds was deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, a portion of NIFA Series 2000A, Series 2001A and Series 2003A Bonds as well Nassau County Series 1993D Bonds, Series 1993H Bonds, Series 1999B Bonds, Series 1999C Bonds, Series 2000E Bonds, Series 2000F Bonds, and Series U and V General Improvement Bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide financial statements of net assets. As a result of this advance refunding NIFA had decreased combined County and NIFA aggregate debt service payments by approximately \$36.8 million and provided net present value savings of approximately \$42.9 million.

During 2005, NIFA issued \$124,200,000 Sales Tax Secured Bonds, Series 2005 A and \$122,300,000 Sales Tax Secured Variable Rate Bonds, Series 2005 B and C, of which \$130,797,594 was used to advance refund \$122,735,000 of outstanding County Bonds, including portions of the Series 1996U, 1997V, 1997W, 1997X, 1999B, 1999D. Portion of the proceeds in the amount of \$130,797,594 was deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, portions of County Bonds Series 1996U, 1997V, 1997W, 1997X, 1999B and 1999D, are considered to be defeased and the liability for those bonds has been removed from the government-wide financial statements of net assets. As a result of this advance refunding

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004**

9. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)**Long – Term Obligations (Continued)**

NIFA had increased combined County and NIFA aggregate debt service payments by approximately \$186.2 million and provided net present value savings of approximately \$5.6 million.

During 2004, NCSSWFA issued \$54,200,000 of the Series 2004A Bonds and \$27,350,000 of the Series 2004B System Revenue Bonds. \$1,841,413 of the Series 2004A Bonds was used to advance refund \$1,805,000 of a portion of outstanding Nassau County Series 1993I Refunding Sewer Bonds. \$12,640,629 of the Series 2004B Bonds was used to advance refund \$11,180,000 of the Nassau County Series 1995S Sewer Bonds, 1995T Sewer Bonds, Series 1996U Sewer Bonds, Series 1996V Sewer Bonds, series 1996W Sewer Bonds, Series 1997X Sewer Bonds, Series 1999E Sewer Bonds, Series 2000F Sewer Bonds. A portion of the proceeds was deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, Nassau County Series 1993I Refunding Sewer Bonds as well as Nassau County Series 1995S Sewer Bonds, 1995T Sewer Bonds, Series 1996U Sewer Bonds, Series 1996V Sewer Bonds, series 1996W Sewer Bonds, Series 1997X Sewer Bonds, Series 1999E Sewer Bonds, Series 2000F Sewer Bonds are considered to be defeased and the liability for those bonds has been removed from the 2004 government-wide financial statement of net assets. As a result of this advance refunding NCSSWFA had increased the county's total debt service payments by \$6,857,017 and obtained an economic gain of \$3,073,817 million.

NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2005 AND 2004

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, 2005 are as follows (dollars in thousands):

Year Ending	Debt Service Requirements			Sources		
	Principal	Interest	Total	General County Budgets	Sewage District Budgets	Total
2006	\$ 142,677	\$ 39,767	\$ 182,444	\$ 136,058	\$ 46,386	\$ 182,444
2007	123,516	32,405	155,921	112,368	43,553	155,921
2008	107,982	26,191	134,173	92,880	41,293	134,173
2009	94,572	20,654	115,226	79,864	35,362	115,226
2010	79,229	15,777	95,006	64,235	30,771	95,006
2011-2015	151,727	40,602	192,329	87,026	105,303	192,329
2016-2020	48,420	17,616	66,036	4,803	61,233	66,036
2021-2025	32,375	5,871	38,246	-	38,246	38,246
2026-2030	4,925	636	5,561	-	5,561	5,561
2031-2034	281	25	306	-	306	306
Total	\$ 785,704	\$ 199,544	\$ 985,248	\$ 577,234	\$ 408,014	\$ 985,248

The county’s constitutional debt margin was approximately \$12.7 and \$11.4 billion and total long-term obligation bonds authorized but unissued for general county and sewage district purposes were approximately \$788.0 and \$781.0 million at December 31, 2005 and 2004, 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, 2005 the Authority had outstanding bonds in the amount of \$2,086,960,000 including \$390,295,000 of debt issued during 2005. These 2005 borrowings were comprised of the following:

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004**

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

On July 14, 2005 the Authority issued \$124,200,000 of fixed rate Sales Tax Secured Bonds, Series 2005A, and the \$122,300,000 of Sales Tax Secured Variable Rate Bonds Series 2005 B-C (collectively, the "Bond Proceeds")

The fixed rate bonds were issued at rates ranging between 3.25% and 5%, and the auction rate bonds were auctioned in daily and seven day modes. Of the Bond Proceeds, \$130,797,593.67 was used to fund an escrow account to pay county debt service, with the remainder used to fund various county needs, and pay costs associated with the financings.

On December 8, 2005 the Authority issued \$143,795,000 of fixed rate Sales Tax Secured Bonds, Series 2005D at rates ranging from 3.25% to 5%. The proceeds were used to fund various county needs and pay costs associated with the financing.

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 \$15 million in 2006 and \$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 \$12.5 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

NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2005 AND 2004

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

NIFA Long-Term Debt (Continued)

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.

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, 2005 is as follows (Dollars in thousands):

Year Ending December 31	Principal	Interest*	Total
2006	\$ 48,460	\$ 88,382	\$ 136,842
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 - 2015	705,110	290,096	995,206
2016 - 2020	630,900	138,843	769,743
2021 - 2025	318,005	32,748	350,753
	<u>\$ 2,086,960</u>	<u>\$ 878,047</u>	<u>\$ 2,965,007</u>

* Interest on the Variable Rate Bonds is calculated at 5%, the interest rate in effect as of December 31, 2005. During 2005, the interest rate on the Variable Rate Bonds ranged from 1.39% to 3.50%.

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, 2005 AND 2004**

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, 2005 AND 2004**

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, 2005, 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, 2005, 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, 2005, the total marked-to-market valuation, net of accruals, of NIFA's Swaps was negative \$280,017. 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, 2005 AND 2004

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	50	8.40 %
Total	600	100.00 %

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, 2005 AND 2004**

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, 2005 AND 2004

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, 2005:

Interest Rate Swap Valuation (as of December 31, 2005)

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	3.186%	3.188%	3.231%	3.186%	3.188%	3.230%	3.305%	3.305%	3.305%	
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	(280,237)	(285,821)	(233,288)	(269,031)	(285,821)	(294,618)	(155,107)	(155,107)	(155,107)	(2,114,137)
Principal	288,386	301,724	1,375,668	288,386	301,724	1,368,734	(696,834)	(696,834)	(696,834)	1,834,120
Total Value of Swap	8,149	15,903	1,142,380	19,355	15,903	1,074,116	(851,941)	(851,941)	(851,941)	(280,017)

(a) Moodys/S&P/Fitch

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004

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.

- Beginning in 2006, it is assumed that the variable rate bonds would bear interest at a rate of 3.19% per annum.
- 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 December 31	Principal	Interest	Net Swap Payments	Total
2006	\$ -	\$ 17,662	\$ 4	\$ 17,666
2007	-	18,656	1,534	20,190
2008	-	18,493	1,697	20,190
2009	-	18,749	1,441	20,190
2010	-	18,898	1,293	20,191
2011 - 2015	108,125	92,569	4,994	205,688
2016 - 2020	343,250	60,286	2,818	406,354
2021 - 2025	148,625	12,097	601	161,323

NCSSWFA Long-Term Debt

The Authority issued its System Revenue Bonds, 2005 Series A (the “2005A 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 1.40% to 1.75% per annum at December 31, 2005) 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, 2005 AND 2004

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.

During 2005, the authority issued \$11,885,007 of commercial paper at interest rates ranging between 2.10%–3.05%. Rollovers totaled \$29,860,000. As of December 31, 2005 \$11,885,007 remained open and is included in the following Aggregate debt service to maturity as of December 31, 2005.

Aggregate debt service to maturity as of December 31, 2005 is as follows (in thousands):

Year Ending December 31,	Dollars in Thousands		
	Principal	Interest	Total
2006	\$ 15,010	\$ 3,626	\$ 18,636
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
2011-2015	19,680	13,559	33,239
2016-2020	23,720	8,286	32,006
2021-2024	18,560	2,082	20,642
	<u>\$ 90,460</u>	<u>\$ 41,004</u>	<u>\$ 131,464</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004

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.

The payment of the Series A 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. In the event sufficient funds are not available to meet Planned Payment Maturities, Rated Maturity dates will be used.

Each Series A Bond bears interest at a fixed annual rate, between 4.20% and 6.60% payable semi-annually until the principal is redeemed. Each Series A Bond has a Planned Principal Payment Date and a Rated Maturity Date. Planned Principal Payment Dates are July 15, 2006 through 2029 and Rated Maturity Dates are July 15, 2006 through 2039. Series A Bonds of the NCTSC were refunded using proceeds of the NCTSC Asset-Backed Bonds, “Series 2006 Bonds”, issued on March 31, 2006 in the amount of \$431,034,246.

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 A Bonds when due or principal of the Series A 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. NCTSC debt service requirements based upon Planned Principal Payments are as follows:

	Principal	Interest	Total Debt Service
Twelve months ending December 31:			
2006	\$ 3,495,000	\$ 17,462,385	\$ 20,957,385
2007	3,805,000	17,296,500	21,101,500
2008	4,570,000	17,079,270	21,649,270
2009	4,995,000	16,810,528	21,805,528
2010	5,540,000	16,510,828	22,050,828
2011-2015	36,190,000	76,730,331	112,920,331
2016-2020	63,900,000	62,209,125	126,109,125
2021-2025	81,875,000	38,567,370	120,442,370
2026-2029	67,755,000	10,691,340	78,446,340
	<u>\$272,125,000</u>	<u>\$273,357,677</u>	<u>\$545,482,677</u>

NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2005 AND 2004

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

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):

	<u>Balance,</u> <u>August 31,</u> <u>2003</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>August 31,</u> <u>2004</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>August 31,</u> <u>2005</u>	<u>Current</u> <u>Portion</u>
Debt:								
General Obligations	\$ 30,723	\$ -	\$ 5,989	\$ 24,734	\$ -	\$ 8,801	\$ 15,933	\$ 3,638
DASNY	32,037	22,908	27,652	27,293	5,351	3,362	29,282	77
Other:								
Accrued vacation and sick pay	39,089	2,977	-	42,066	-	761	41,305	-
Insurance Reserve Liability	1,620	24	-	1,644	48	-	1,692	-
Estimated liability for litigation	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>-</u>
Total	<u>\$ 105,969</u>	<u>\$ 25,909</u>	<u>\$ 33,641</u>	<u>\$ 98,237</u>	<u>\$ 5,399</u>	<u>\$ 12,924</u>	<u>\$ 90,712</u>	<u>\$ 3,715</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004

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, 2005 was \$15,933,383 and principal is scheduled to mature from 2006 to 2034. 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, 2005, principal and interest payments relating to the Authority and general obligation bonds are as follows:

Principal Year Ending August 31,	DASNY	General Obligations	Total
2006	\$ 76,689	\$ 3,638,058	\$ 3,714,747
2007	579,667	3,616,313	4,195,980
2008	443,958	2,639,563	3,083,521
2009	1,446,868	1,979,869	3,426,737
2010	1,513,015	1,100,480	2,613,495
2011-2015	7,539,031	2,632,000	10,171,031
2016-2020	10,403,953	327,100	10,731,053
2021-2025	5,647,532	-	5,647,532
2026-2030	1,127,411	-	1,127,411
2031-2034	503,497	-	503,497
	<hr/>	<hr/>	<hr/>
Total	\$ 29,281,621	\$ 15,933,383	\$ 45,215,004

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004

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

Nassau Community College Long-Term Debt (Continued)

Interest Year Ending August 31,	DASNY	General Obligations	Total
2005	\$ 144,133	\$	\$ 144,133
2006	1,365,667	803,138	2,168,805
2007	1,363,237	603,281	1,966,518
2008	1,340,652	425,010	1,765,662
2009	1,320,250	297,406	1,617,656
2010	1,256,067	210,925	1,466,992
2011-2015	5,313,716	416,810	5,730,526
2016-2020	3,416,591	26,727	3,443,318
2021-2025	861,005	-	861,005
2026-2030	230,922	-	230,922
2031-2034	15,732	-	15,732
Total	<u>\$ 16,627,972</u>	<u>\$ 2,783,297</u>	<u>\$ 19,411,269</u>

Interest on the Authority and general obligation bonds range from 3.094% to 5.788% and from 4.25% to 9%, respectively.

NHCC Long-Term Debt

In October 2005, the Series 2005 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 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 \$991,000 for the year ended December 31, 2005.

The county guarantees, to the Trustee, the Owners of Series 2005 Bonds and the Bond Insurer, the full and prompt payment of the principal and interest of Series of 2005 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 2005 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 2005 Bonds. In addition to the county guarantee, the bond payments are insured by a municipal bond insurance policy, through a commercial insurer.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004

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

NHCC Long-Term Debt (Continued)

Long-term debt at December 31, 2005 and 2004 consists of the following (dollars in thousands):

	December 31	
	2005	2004
2004 Series A Bonds payable at varying dates through August 1, 2022 bearing interest at taxable variable rates.	\$ 63,475	\$ 65,475
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%.	17,876	18,270
2004 Series C Bonds payable at varying dates through August 1, 2029, bearing interest at tax-exempt variable rates.	219,610	219,610
	<u>300,961</u>	<u>303,355</u>
Deferred loss on refunding	(34,855)	(37,226)
Net unamortized bond premium	1,313	1,538
Current portion	(2,370)	(2,395)
	<u>\$ 265,049</u>	<u>\$ 265,272</u>

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, 2005 are as follows (dollars in thousands):

<u>Years Ending</u> <u>December 31</u>	<u>Principal</u>	<u>Estimated</u> <u>Interest</u>
2006	\$ 2,370	\$ 11,215
2007	2,380	11,118
2008	2,390	11,021
2009	7,090	10,869
2010	9,395	9,717
2011 to 2015	54,095	46,077
2016 to 2020	66,646	32,226
2021 to 2025	80,550	19,864
2026 to 2029	76,045	5,552
	<u>\$ 300,961</u>	<u>\$ 157,659</u>

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004**

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

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. 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. 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 (swap liability) was \$2,210 and \$3,687 at December 31, 2005 and 2004, respectively.

10. REFINANCING OF LONG-TERM OBLIGATIONS

Prior to December 31, 2005, 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, 2005 and 2004, respectively, approximately \$712.1 and \$795.7million 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.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004**

11. PENSION PLANS (Continued)

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 December 2004, GASB issued Technical Bulletin No. 2004-2, *Recognition of Pension and Other Post Employment Benefit Expenditures/Expense and Liabilities by Cost-Sharing Employers*. GASB TB 2004-2 clarifies GASB Statement No. 27, *Accounting for Pensions by State and Local Governments*.

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 2005, 2006 and 2008. During 2005, the county used approximately \$35 million of the Retirement Contribution Reserve Fund to offset a portion the 2005 pension expense and \$34.1 million was used to fund a portion of the prepayment the 2006 pension bill. Of the \$78.5 surplus in the primary funds that was generated during 2005, the county transferred an additional \$24.8 million to the Retirement Contribution Reserve Fund to fund future pension costs. The use of such funds to support budgetary relief will be under the control of the Nassau County Legislature.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004

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>
2005	\$ 61,399	\$56,805
2004	59,092	58,805
2003	19,065	16,843

12. RECONCILIATION OF GAAP FUND BALANCES TO BUDGETARY BASIS

The following reconciles fund balances at December 31, 2005 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>Nonmajor Governmental Funds</u>
Fund Balances at December 31, 2005 prepared in accordance with GAAP	\$ 153,543	\$ 1,150	\$ (6,452)	\$	\$ (33)	\$ 833	\$ 421,460
Add:							
Proceeds from NIFA Tax Certiorari and Other Judgments Borrowings	260,207						
Pension benefits - accrual basis only		3,707	6,452		33		
Less:							
Encumbrances	(67,956)					(833)	(29,859)
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							46,282
Unbudgeted SWA General Fund							(107,614)
Unbudgeted NIFA Debt Service Fund							(14,457)
Fund Balances at December 31, 2005 prepared on the budgetary basis of reporting	<u>\$ 85,587</u>	<u>\$ 4,857</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 37,647</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004

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

The following reconciles fund balances at December 31, 2004 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	Nonmajor Governmental Funds
Fund Balances at December 31, 2004 prepared in accordance with GAAP	\$ 152,753	\$ 8,852	\$ 3,832	\$ 10,000	\$ 425	\$ 757	\$ 486,707
Add:							
Proceeds from NIFA Tax Certiorari and Other Judgments Borrowings	207,739						
Less:							
Encumbrances	(67,123)	(3,982)	(3,832)		(425)	(757)	(16,175)
Payments to Refunded Escrow Agent	(9,076)						
Payments for Tax Certiorari and Other Judgments	(198,663)						
Unbudgeted Grant Fund							(34,669)
Unbudgeted Capital Fund							(92,953)
Unbudgeted NIFA Capital Projects Fund							(151,437)
Unbudgeted NCTSC General Fund							164
Open Space Fund							(338)
Unbudgeted Sewage Disposal Construction Fund							(39,514)
Unbudgeted Sewage Collection Construction Fund							(4,359)
Unbudgeted NCTSC Debt Service Fund							(47,550)
Unbudgeted SFA Debt Service Fund							8,659
Unbudgeted SWA General Fund							(69,587)
Unbudgeted NIFA Debt Service Fund							(12,126)
Fund Balances at December 31, 2004 prepared on the budgetary basis of reporting	<u>\$ 85,630</u>	<u>\$ 4,870</u>	<u>\$</u>	<u>\$ 10,000</u>	<u>\$</u>	<u>\$</u>	<u>\$ 26,822</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004

13. DESIGNATION OF UNRESERVED FUND BALANCES

Portions of the unreserved fund balances at December 31, 2005 and 2004 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, 2005	\$ <u>162,144</u>	\$ <u>52,087</u>	\$ <u>110,057</u>
December 31, 2004	\$ <u>261,234</u>	\$ _____	\$ <u>261,234</u>
 <u>Major Governmental Funds</u>			
December 31, 2005	\$ <u>78,762</u>	\$ <u>13,367</u>	\$ <u>65,395</u>

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/Empire Plan.

Under the provisions of the Empire Plan, premiums are adjusted on a prospective basis for any losses experienced by the Empire Plan. The county has the option to terminate its participation in the Empire Plan at any time without liability for its respective share of any previously incurred loss.

Eligibility for health benefits upon retirement are governed by 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; 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.

The county recognizes the expenditure of providing current and postretirement health care benefits in the year to which the insurance premiums apply. Empire insurance premiums are billed in advance and therefore the county has recorded a prepaid asset for these amounts at December 31, 2005 and 2004. The total cost for providing health care benefits was \$188.2 and \$175.6 million in 2005 and 2004, respectively, of which approximately \$92.9 and \$90.0 million was for retirees and approximately \$95.3 and \$85.6 million was for active employees and other eligible individuals, in 2005 and 2004 respectively.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004**

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 \$304.1 and \$309.0 million for settlement of litigation and claims other than malpractice claims have been recorded as a long-term liability in the government-wide financial statement of net assets as of December 31, 2005 and 2004, respectively. The County Attorney is of the opinion that the ultimate settlement of such claims and litigation outstanding at December 31, 2005 will not result in a material adverse effect on the county's financial position. Approximately \$9.9 and \$9.8 million has been accrued as a liability at December 31, 2005 and 2004, respectively, related to malpractice claims where the County Attorney and NHCC management can reasonably estimate the ultimate outcome. The liability for certain other asserted and unasserted malpractice claims can not be estimated as of December 31, 2005. 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 2005 and 2004, respectively, there were approximately 125,014 and 160,423 taxpayers' claims filed against Board of Assessors, for the incorrect determination of assessed valuation (certiorari proceedings) for the 2006 (May 1, 2005) and 2005 (May 1, 2004) 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 \$1.6 billion at December 31, 2005 and \$1.4 billion at December 31, 2004. 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 \$131.0 million and \$310.5 million has also been recorded as a long-term liability in the government-wide financial statement of net assets at December 31, 2005 and 2004, respectively.

Tax certiorari settlements are usually financed by the issuance of long-term debt or through BANs which are thereafter refinanced by bond issuances. For the year ended December 31, 2005, tax certiorari settlements 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. Pursuant to NIFA enabling legislation, beginning in 2006, the county will pay substantially all property tax refunds from operating funds. For the year ended December 31, 2004, tax certiorari settlements were \$184 million and were substantially financed by \$189 million of NIFA bonds reported in the government-wide financial statement of net assets.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004

15. CONTINGENCIES AND COMMITMENTS (Continued)

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, 2005, the audits of certain programs have not been completed. Provisions for certain expected disallowances, where considered necessary, have been made as of December 31, 2005. 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 2005 and 2004. 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 \$615.3 and \$594.5 million at December 31, 2005 and 2004, respectively. At August 31, 2005 and 2004, the Nassau Community College's vacation leave and sick leave liability was \$41.6 and \$42.1 million, respectively.

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, 2005 and 2004 was approximately \$23.7 million and \$22.6 million, 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, 2005 and 2004 was approximately \$1.2 million and \$1.3 million, respectively, and is also reported in the government-wide financial statement of net assets. In addition, termination pay for

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004**

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

accumulated leave in excess of \$5,000 for CSEA 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, 2005 and 2004 was approximately \$9.5 million and \$13.3 million, respectively, and is also reported in the government-wide financial statement of net assets.

H. Capital Commitments

At December 31, 2005 and 2004, there were capital project contract commitments of \$174.8 and \$94.6 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, 2005 and 2004, 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, 2005 and 2004.

16. NASSAU HEALTH CARE CORPORATION ("NHCC") (dollars in thousands)

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.

Going Concern, Liquidity and Stabilization agreement

At December 31, 2005 and 2004, the Corporation had total net assets (deficiency) of \$77,184 and \$64,971, respectively. For the years ended December 31, 2005 and 2004, the Corporation had incurred deficiencies of revenue over expenses of \$12,213 and \$18,638, respectively, which include the favorable impact of rate settlements and revisions to estimates of \$2,832 for the year ended December 31, 2004 (none in 2005).

In January 2004, the County's consultants issued a comprehensive report outlining various options regarding the Corporation's future existence. The report contains many suggestions for operational improvements that management is in varying stages of implementing, including the continued right-sizing of the labor force to

NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2005 AND 2004

16. NASSAU HEALTH CARE CORPORATION (“NHCC”) (Continued) (dollars in thousands)

Going Concern, Liquidity and Stabilization agreement (Continued)

industry standards. The Corporation’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. The Corporation 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 the Corporation’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.

17. FUND BALANCE DEFICIT

The following nongovernmental funds reported deficits as of December 31 (in thousands):

	<u>2005</u>	<u>2004</u>
Tobacco Settlement Corporation:		
General Fund	\$ (135)	\$ (164)
Debt Service Fund	51,560	47,550
Total	<u>\$ 51,425</u>	<u>\$ 47,386</u>
Sewer Financing Authority:		
General Fund	\$ 111,470	\$ 69,587
Debt Service Fund	(62,023)	(8,659)
Total	<u>\$ 49,447</u>	<u>\$ 60,928</u>

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

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				Total
	Technology Fund	NIFA Special Revenue Fund	Tobacco Settlement Corp General Fund	Sewer Financing Authority General Fund	Open Space Fund	Retirement Contribution Reserve Fund	Employee Benefit Accd Liab Reserve Fund	Bonded Indebtedness Reserve Fund	Sewer and Storm Water District 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	\$ 5,653	\$	\$ 68	\$ 23,723	\$ 393	\$ 10,703	\$ 28,916	\$ 25,035	\$ 86,847	\$ 15,576	\$ 67,202	\$ 100,013	\$ 271	\$ 11,806	\$ 2,871	\$ 35,723	\$ 52,070	\$ 3,959	\$ 470,829
Investments																		28,245	30,817
Interest Receivable				1,081								143			824			129	2,157
Due From Other Governments										13,713									13,713
Due From Component Units										1,214									1,214
Accounts Receivable									359	71			1,712						2,142
Interfund Receivables		4,833		86,686		24,766		706	994	11,608	43,146		881			250	22,721		196,613
Prepaid Expenses									1,675	1,890									3,565
Other Assets		7,500	72						375	208	3,153								11,308
TOTAL ASSETS	\$ 5,653	\$ 12,333	\$ 140	\$ 111,470	\$ 393	\$ 35,491	\$ 28,916	\$ 25,741	\$ 90,250	\$ 44,280	\$ 113,501	\$ 102,728	\$ 271	\$ 14,399	\$ 2,871	\$ 36,547	\$ 52,320	\$ 55,054	\$ 732,358
LIABILITIES AND FUND BALANCES (DEFICITS)																			
Liabilities:																			
Accounts Payable	\$ 685	\$	\$ 25	\$	\$	\$	\$	\$	2,839	4,046	5,672	201	18	2,539	299				16,123
Accrued Liabilities	403								3,199	2,705								760	40,502
Notes Payable															11,885				11,885
Unearned Revenue										24,538									24,538
Interfund Payables		12,333	250			7,500		21,219	1,489	881	143	33	869	93	86,685		95		131,590
Due to Component Unit									1,043	6,304									7,347
Other Liabilities						35,491	21,416	25,741	52	28	801								83,529
Total Liabilities	1,088	12,333	275			35,491	28,916	25,741	27,309	33,850	13,656	344	51	3,408	392	98,570	760	40,597	322,783
Fund Balances (Deficits):																			
Reserved for Retirement of Temporary Financing											7,816								7,816
Reserved for Encumbrances	3,826								10,854	50,797	162,872		3,229	7,183	894				239,615
Unreserved and Designated for Ensuing Year's Budget									52,087										52,087
Unreserved	739		(135)	111,470	393					(40,327)	(70,845)	102,384	(3,009)	3,808	1,585	(62,023)	51,560	14,457	110,057
Total Fund Balances	4,565		(135)	111,470	393				62,941	10,430	99,843	102,384	220	10,991	2,479	(62,023)	51,560	14,457	409,575
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,653	\$ 12,333	\$ 140	\$ 111,470	\$ 393	\$ 35,491	\$ 28,916	\$ 25,741	\$ 90,250	\$ 44,280	\$ 113,501	\$ 102,728	\$ 271	\$ 14,399	\$ 2,871	\$ 36,547	\$ 52,320	\$ 55,054	\$ 732,358

EXHIBIT A-1

COUNTY OF NASSAU, NEW YORK
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
December 31, 2004
(In thousands)

	Nonmajor Special Revenue Funds									Nonmajor Capital Projects Funds					Nonmajor Debt Service Funds			Total	
	Technology Fund	NIFA Special Revenue Fund	Tobacco Settlement Corp General Fund	Sewer Financing Authority General Fund	Open Space Fund	Retirement Contribution Reserve Fund	Employee Benefit Acct Liab Reserve Fund	Bonded Indebtedness Reserve Fund	Sewer and Storm Water District 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	\$ 10,998	\$	\$ 60,590	\$ 11,120	\$ 338	\$	\$	\$ 64,630	\$ 11,464	\$ 114,731	\$ 151,610	\$	\$ 42,068	\$ 4,760	\$ 49,601	\$ 48,306	\$ 2,838	\$ 573,054	
Investments																		26,761	
Interest Receivable				42							86				165			394	
Due From Other Governments									9,555									424	
Due From Component Units									424									558	
Accounts Receivable								288		270								256,800	
Interfund Receivables		4,833		58,425		79,826	28,916	25,035	676	38,195						19	19,875	880	
Other Assets			63						370	200	227								
TOTAL ASSETS	\$ 10,998	\$ 4,833	\$ 60,653	\$ 69,587	\$ 338	\$ 79,826	\$ 28,916	\$ 25,035	\$ 65,964	\$ 60,838	\$ 115,228	\$ 151,696	\$ 42,068	\$ 4,760	\$ 49,766	\$ 48,325	\$ 49,575	\$ 868,406	
LIABILITIES AND FUND BALANCES (DEFICITS)																			
Liabilities:																			
Accounts Payable	\$ 427	\$	\$ 2	\$	\$	\$	\$	\$ 2,094	\$ 3,447	\$ 7,614	\$ 232	\$	\$ 1,982	\$ 297	\$	\$	\$ 775	\$ 37,449	\$ 15,863
Accrued Liabilities		4,833	17,731					2,699	408										64,127
Unearned Revenue									16,064										16,064
Interfund Payables			23,619					28,692	205	12,297	27		572	104	58,425			123,941	
Due to Component Unit										1,586								1,586	
Other Liabilities			19,465			79,826	28,916	25,035	53	6,045	778							160,118	
Total Liabilities	427	4,833	60,817			79,826	28,916	25,035	33,538	26,169	22,275		2,554	401	58,425	775	37,449	381,699	
Fund Balances (Deficits):																			
Reserved for Retirement of Temporary Financing										31,554			30,718	1,834					64,106
Reserved for Encumbrances	5,190							11,024	53,891	62,298			(611)	7,068	2,517				161,367
Unreserved	5,421		(164)	69,587	338			21,402	(19,222)	(20,899)	151,437		611	1,698	8	(6,659)	47,550	12,126	261,234
Total Fund Balances	10,571	(164)	69,587	338				32,426	34,669	92,953	151,437		39,514	4,359	(6,659)	47,550	12,126	486,707	
TOTAL LIABILITIES AND FUND BALANCES	\$ 10,998	\$ 4,833	\$ 60,653	\$ 69,587	\$ 338	\$ 79,826	\$ 28,916	\$ 25,035	\$ 65,964	\$ 60,838	\$ 115,228	\$ 151,696	\$ 42,068	\$ 4,760	\$ 49,766	\$ 48,325	\$ 49,575	\$ 868,406	

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 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	Sewer and Storm Water District 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:																		
Unrealized Gain on Investments	\$	\$	\$	\$	5,302	\$	\$	\$	\$	\$	\$	\$	\$	\$	80	\$	\$	5,382
Fines and Forfeits																		1,478
Interest Income	288		147		1	2,730	175	3,249	3,179		1,096	136	23	2,502	1,207			14,733
Rents and Recoveries						32	185											217
Departmental Revenue						1,508	2,219											3,727
Interdepartmental Revenue						82	725											807
Federal Aid							49,010	1,972										50,982
State Aid							10,549	21,122										31,671
State Aid from NIFA		7,500																7,500
Tobacco Receipts																	22,284	22,284
Property Taxes						138,943												138,943
Other Revenues					54		6	2,440			1,734				2			4,236
Total Revenues	288	7,500	147	5,302	55	143,295	64,347	28,783	3,179	2,830	136	23	24,868	1,207			281,960	
Expenditures:																		
Current:																		
Judicial							1,853											1,853
General Administration	6,294		118				22,805											29,217
Protection of Persons							8,195							21				8,216
Health							45,706											45,706
Public Works						103,354												103,354
Recreation and Parks							636											636
Capital Outlay								103,055										103,055
Sewage Districts										998	2,228	2,143						5,369
Social Services							6,083											6,083
Corrections							3,328											3,328
Total Current Expenditures	6,294		118			103,354	88,586	103,055		998	2,228	2,143			21		306,797	
Debt Service:																		
Principal							28,215						2,975	3,170	51,761			86,121
Interest							12,423							17,667	74,577			107,167
Financing Costs									3,799					491				4,290
Total Debt Service							40,638		3,799				5,966	20,837	126,338			197,578
Total Expenditures	6,294		118			143,992	88,586	103,055	3,799	998	2,228	2,143	5,966	20,858	126,338			504,375
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,006)	7,500	29	5,302	55	(697)	(24,239)	(74,272)	(620)	(998)	602	(2,007)	(5,943)	4,010	(125,131)			(222,415)
Other Financing Sources (Uses):																		
Other Financing Sources - Premium Deposited with Escrow Agent for Defeasance									15,965	(130,798)								15,965
Transfers In								50,000		827	1,713	163						(130,798)
Transfers In of Investment Income						1,232												52,703
Transfers Out						(10,430)		(31,302)										1,232
Transfers Out of Investment Income								(3,249)			(1,096)	(136)						(41,732)
Transfers In from NIFA								65,713			999							(4,481)
Transfers Out from NIFA		(7,500)							(323,895)									130,803
Transfers In from SFA						36,581							32,575					(334,736)
Transfers Out from SFA							40,410						(79,996)					109,566
Proceeds from Borrowings									390,295	391		1,934						(112,571)
Total Other Financing Sources (Uses)		(7,500)		36,581		31,212		81,162	(48,433)	1,218	(29,125)	127	(47,421)		127,462			145,283
Net Change in Fund Balance	(6,006)		29	41,883	55	30,515	(24,239)	6,890	(49,053)	220	(28,523)	(1,880)	(53,364)	4,010	2,331			(77,132)
Fund Balances Beginning of Year	10,571		(164)	69,587	338	32,426	34,669	92,953	151,437		39,514	4,359	(8,659)	47,550	12,126			486,707
Fund Balances (Deficits) End of Year	\$ 4,565	\$	\$ (135)	\$ 111,470	\$ 393	\$ 62,941	\$ 10,430	\$ 99,843	\$ 102,384	\$ 220	\$ 10,991	\$ 2,479	\$ (62,023)	\$ 51,560	\$ 14,457			\$ 409,575

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, 2004
 (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	Sewer and Storm Water District Fund	Sewage Disposal District #1 Maintenance Fund	Sewage Disposal District #2 Maintenance Fund	Sewage Disposal District #3 Maintenance Fund	Sewage Collection District Maintenance 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:																				
Unrealized Gain on Investments	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Interest Income	237			115		715				60	1,767	1,387		701	83	375	41	789	525	
Rents and Recoveries						225				16										
Departmental Revenue						1,450				2,666										
Intra-departmental Revenue						596				1,584										
Federal Aid										47,830	1,560			239						
State Aid						224				57,842	8,086			147		1				
State Aid from NIFA		7,500																		
Tobacco Receipts						136,932											21,974			
Property Taxes					337					49	7,232							1		
Other Revenues			3																	
Total Revenues	237	7,500	3	115	337	142,442				110,147	18,645	1,387		1,087	84	375	22,805	525	305,689	
Expenditures:																				
Current:																				
Judicial										749										
General Administration	9,577		175							23,045										
Protection of Persons										5,857										
Health										45,179										
Public Works						76,453														
Recreation and Parks										422										
Capital Outlay											70,381									
Sewage Districts													10	3,365	2,465					
Social Services										5,509										
Corrections										1,684										
Total Current Expenditures	9,577		175			76,453				82,245	70,381		10	3,365	2,465				246,671	
Debt Service:																				
Principal						26,058											2,800	26,260	55,118	
Interest						14,726										427	17,818	58,323	91,294	
Financing Costs												8,838				1,327			10,165	
Total Debt Service						40,784						8,838			1,754	20,618	84,583	156,577		
Total Expenditures	9,577		175			119,237				82,245	70,381	8,838	10	3,365	2,465	1,754	20,618	84,583	403,248	
Excess (Deficiency) of Revenue Over (Under) Expenditures	(9,340)	7,500	(172)	115	337	23,205				27,902	(51,736)	(7,451)	(10)	(2,278)	(2,381)	(1,379)	2,187	(84,058)	(97,559)	
Other Financing Sources (Uses):																				
Other Financing Sources - Premium Deposited with Escrow Agent for Defeasance												32,128				1,787			33,915	
Transfers In						83,104					49	(315,109)						(7,697)	(322,806)	
Transfers In of Investment Income						784							10	3,826	118				87,107	
Transfers Out						(11,648)	(1,209)	(34,838)	(29,061)	(17,567)									784	
Transfers Out of Investment Income																			(94,323)	
Transfers In from NIFA											(1,767)			(701)	(83)				(2,551)	
Transfers Out from NIFA											52,938			742	2			94,163	147,845	
Transfers In from SFA		(7,500)										(587,045)						(818)	(595,463)	
Transfers Out from SFA				69,472		10,951										73,970			154,393	
Proceeds from Borrowings						(73,870)									(164,567)	81,550			(238,557)	
Total Other Financing Sources (Uses)		(7,500)		69,472		9,221	(1,209)	(34,838)	(29,061)	(17,567)	51,220	70,809	10	3,867	1,807	(7,280)		85,548	194,299	
Net Change in Fund Balance	(9,340)		(172)	69,587	337	32,428	(1,209)	(34,838)	(29,061)	(17,567)	27,902	(516)		1,589	(574)	(6,659)	2,187	1,490	96,740	
Fund Balances Beginning of Year	19,911		8		1		1,209	34,838	29,061	17,567	6,767	93,469	88,279	37,825	4,933		45,363	10,636	389,967	
Fund Balances (Deficits) End of Year	\$ 10,571	\$	\$ (164)	\$ 69,587	\$ 338	\$ 32,428	\$	\$	\$	\$	\$ 34,669	\$ 92,953	\$ 151,437	\$	\$ 39,514	\$ 4,359	\$ (6,659)	\$ 47,550	\$ 12,126	\$ 486,707

OTHER SUPPLEMENTARY INFORMATION

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 Verification	64	64	67		67	3
	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)

	<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>
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)**

	<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>INTERDEPARTMENTAL REVENUE (Continued)</u>						
Revenues from Indirect Cost Chargebacks	\$ 638	\$ 638	\$	\$	\$	\$ (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)
<u>FEDERAL AID</u>						
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)
<u>STATE AID</u>						
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>
STATE AID (Continued)						
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>
SALES TAX *	<u>907,089</u>	<u>907,089</u>	<u>765,485</u>		<u>765,485</u>	<u>(141,604)</u>
PREEMPTED SALES TAX IN LIEU OF PROPERTY TAXES						
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>	
PROPERTY TAXES	<u>112,770</u>	<u>115,097</u>	<u>119,973</u>		<u>119,973</u>	<u>4,876</u>
PAYMENTS IN LIEU OF TAXES	<u>4,500</u>	<u>4,500</u>	<u>4,298</u>		<u>4,298</u>	<u>(202)</u>
SPECIAL TAXES						
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	\$ 1,787,122	\$ 1,818,944	** \$ 2,016,287	\$ (260,207)	\$ 1,756,080	\$ (62,864)

* 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)

31,822

\$ 1,818,928

COUNTY OF NASSAU, NEW YORK

**COMPARATIVE SCHEDULE OF ACTUAL REVENUES VS. MODIFIED BUDGET
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004 (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	\$ 23,380	\$ 23,380	\$ 22,682	\$	\$ 22,682	\$ (698)
LICENSES AND PERMITS						
Day Camp Permits	6	6	5		5	(1)
Food Establishments	2,000	2,000	1,963		1,963	(37)
Hazardous Materials Registration Fees	770	770	781		781	11
Home Improvements	1,100	1,100	1,571		1,571	471
Manufacturing Frozen Desserts	16	16	15		15	(1)
Realty Subdivision Filing	36	36	217		217	181
Road Openings	180	180	235		235	55
Sewage Connections	96	96				(96)
Swimming Pools and Bathing Beaches	157	157	148		148	(9)
Temporary Residence Inspection Permit Verification	61	61	66		66	5
Weights & Measures	100	100				(100)
X-rays, Surveys and Inspections	800	800	741		741	(59)
Cross Connections	100	100	112		112	12
Water Supply Plan Review	60	60	67		67	7
Tattoo Parlor / Piercing	63	63	87		87	24
Lifeguard Certification	7	7	6		6	(1)
	45	45	36		36	(9)
Total Licenses and Permits	5,597	5,597	6,050		6,050	453
FINES AND FORFEITS	15,441	15,441	14,477		14,477	(964)
INVESTMENT INCOME	8,000	8,000	5,717		5,717	(2,283)
RENTS AND RECOVERIES						
Coliseum & Mitchell Field Rents	5,095	5,445	5,846		5,846	401
Coliseum Rental	294	294	45		45	(249)
Coliseum Utilities	1,680	1,680	1,572		1,572	(108)
Recovery of Restored Taxes			2,093		2,093	2,093
Recovery from BPA Settlement			3,250		3,250	3,250
Recovery of Damage to County Property	600	600	374		374	(226)
Recovery of Property and Restaurant Tax	1,500	1,500	653		653	(847)
Recovery of Prior Year Appropriations	13,500	13,500	12,095		12,095	(1,405)
Recovery of Workers' Compensation	1,200	1,200	1,630		1,630	430
Rental of County Property	381	381	429		429	48
Rental of Voting Machines	120	120	109		109	(11)
Sale of County Property	30	42	44		44	2
Tobacco Settlement Revenue	23,850	23,850	23,682		23,682	(168)
Other Recoveries	5,108	5,108	1,503		1,503	(3,605)
Recoveries from Enterprise Funds			351		351	351
Total Rents and Recoveries	53,358	53,720	53,676		53,676	(44)
DEPARTMENTAL REVENUE						
Assessment	337	337	194		194	(143)
Assessment Review	18	18	5		5	(13)
Board of Elections	35	35	31		31	(4)
CASA	83	83	25		25	(58)
Civil Service	156	156	332		332	176
Correctional Center	220	220	196		196	(24)
County Attorney	110	110	122		122	12
County Clerk	12,150	12,150	18,530		18,530	6,380
County Comptroller	19	19	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, 2004 (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	\$ 1,275	\$ 1,275	\$ 2	\$	\$ 2	\$ (1,273)
Drug and Alcohol Addiction	51	51	320		320	269
Health						
Administration	6	6	13		13	7
Environmental Health			2		2	2
Children's Early Intervention	7,000	7,000	7,211		7,211	211
Laboratory Research	30	30	51		51	21
Personal Health	55	55	323		323	268
Information Technology	700	700	1,164		1,164	464
Medical Examiner	15	15	14		14	(1)
Mental Health	1,076	1,076	1,709		1,709	633
Planning	1,470	1,470	1,319		1,319	(151)
Probation	1,235	1,235	1,659		1,659	424
Public Administrator	260	260	235		235	(25)
Public Works						
Administration	150	150	217		217	67
Highways and Engineering	120	120	97		97	(23)
Facilities Maintenance	1,222	1,222	574		574	(648)
Water Supply	245	245				(245)
Roads & Bridge Maintenance			1		1	1
Purchasing			4		4	4
Real Estate	76	76	76		76	
Senior Citizens Affairs	15	15	15		15	
Sheriff	980	980	1,112		1,112	132
Social Services						
Administration	60	60	4		4	(56)
Aid to Dependent Children	4,735	4,735	3,871		3,871	(864)
Burials	12	12	14		14	2
Children in Foster Homes	125	125	175		175	50
Children in Institutions	450	450	363		363	(87)
Division of Services	20	20				(20)
Education of Handicapped Children			1,648		1,648	1,648
Home Relief	1,800	1,800	2,009		2,009	209
Juvenile Delinquents	75	75	77		77	2
Medicaid MMIS	60,052	144,101	123,588		123,588	(20,513)
Title XX	50	50	344		344	294
Treasurer	280	280	880		880	600
Traffic Safety Board	150	150	183		183	33
Total Departmental Revenue	96,918	180,967	168,726		168,726	(12,241)
INTERDEPARTMENTAL REVENUE						
Budget						
Constituent Affairs	4,523	4,523	4,146		4,146	(377)
Correctional Center		120	393		393	273
County Attorney	6,239	6,239	7,834		7,834	1,595
District Attorney		132	120		120	(12)
Drug and Alcohol		582	906		906	324
Information Technology	19,311	19,311	1,605		1,605	(17,706)
Mental Health		1,374	854		854	(520)
Planning	1,005	1,140	963		963	(177)
Probation		1,241	1,186		1,186	(55)
Purchasing	1,686	1,686	2,057		2,057	371
Public Works	22,260	22,260	20,789		20,789	(1,471)
Real Estate	5,228	5,228				(5,228)
Records Maintenance	796	796	1,003		1,003	207
Revenues from Capital Fund	11,061	11,061	2,811		2,811	(8,250)
Revenues from Debt Service Chargebacks	30,985	30,985	30,980		30,980	(5)

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL REVENUES VS. MODIFIED BUDGET
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2004 (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	\$ 15,368	\$ 15,368	\$ 20,242	\$	\$ 20,242	\$ 4,874
Interdepartmental Revenue			2,253		2,253	2,253
Post-Conviction Forfeiture			170		170	170
Stop DWI Grant Revenue			160		160	160
Sheriff		150	169		169	19
Youth Board		50				(50)
Total Interdepartmental Revenue	118,462	122,246	98,641		98,641	(23,605)
FEDERAL AID						
Budget	151	151				(151)
Correctional Center	13,606	19,406	19,358		19,358	(48)
County Attorney	225	225				(225)
District Attorney	9	9	75		75	66
Emergency Management	169	169	169		169	
Miscellaneous General Fund Aid	210	210	337		337	127
Planning		1,218	1,146		1,146	(72)
Public Works		415	416		416	1
Senior Citizen Affairs	5,023	5,076	5,089		5,089	13
Sheriff	600	600	701		701	101
Social Services						
Administration	5,221	5,221	4,197		4,197	(1,024)
Aid to Dependent Children	13,419	13,419	6,896		6,896	(6,523)
Children in Foster Homes	1,682	1,682	2,504		2,504	822
Children in Institutions	9,132	9,132	12,894		12,894	3,762
Division of Services	7,242	7,242	13,817		13,817	6,575
Home Energy Assistance Program	1,591	1,591	1,924		1,924	333
Juvenile Delinquents	3,370	3,370	3,453		3,453	83
Medicaid MMIS	397	397	657		657	260
Public Financial Assistance	21,004	21,004	28,575		28,575	7,571
Subsidized Adoptions	1,885	1,885	1,321		1,321	(564)
Title XX	27,957	27,957	21,998		21,998	(5,959)
Transitional Care			264		264	264
Veterans Services	58	58				(58)
Total Federal Aid	112,951	120,437	125,791		125,791	5,354
STATE AID						
Assessment	712	712	864		864	152
Assessment Review	1,800	1,800				(1,800)
Budget	76	76				(76)
Consumer Affairs	45	45	45		45	
Correctional Center	900	900	789		789	(111)
County Attorney	60	60				(60)
Court Facility Aid	2,079	2,079	2,156		2,156	77
District Attorney	65	65	58		58	(7)
Drug and Alcohol Addiction	3,311	3,311	3,061		3,061	(250)
Emergency Management		10	10		10	
Health						
Administration	1,110	1,110	776		776	(334)
Children's Early Intervention	22,010	22,010	19,925		19,925	(2,085)
Environmental Health	1,160	1,160	1,254		1,254	94
Laboratory Research	900	900	955		955	55
Personal Health	1,710	1,710	1,712		1,712	2
Medical Examiner	1,496	1,496	1,659		1,659	163

(Continued)

COUNTY OF NASSAU, NEW YORK

**COMPARATIVE SCHEDULE OF ACTUAL REVENUES VS. MODIFIED BUDGET
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004 (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	\$ 1,369	\$ 1,369	\$ 2,128	\$	\$ 2,128	\$ 759
Contractual Services	2,803	2,803	2,469		2,469	(334)
Direct Services	412	412	400		400	(12)
Education of Handicapped Children	44,100	48,600	48,064		48,064	(536)
Miscellaneous General Fund Aid	15,583	15,583	103		103	(15,480)
Probation	4,253	4,253	2,187		2,187	(2,066)
Public Works						
Water Supply	55	55				(55)
Real Estate	316	316				(316)
Senior Citizen Affairs	3,927	3,927	3,817		3,817	(110)
Sheriff	150	150	181		181	31
Social Services						
Administration	3,102	3,102	2,404		2,404	(698)
Aid to Dependent Children	7,062	7,062	8,509		8,509	1,447
Burials	70	70	6		6	(64)
Children in Foster Homes	1,019	1,019				(1,019)
Children in Institutions	6,887	6,887	3,873		3,873	(3,014)
Division of Services	5,112	5,112	7,971		7,971	2,859
Education of Handicapped Children	5,250	5,250	5,288		5,288	38
Home Relief	6,850	6,850	6,590		6,590	(260)
Juvenile Delinquents	2,296	2,296				(2,296)
Juvenile Detention Center	2,902	2,902	2,257		2,257	(645)
Medicaid MMIS	40,000	40,000	56,651		56,651	16,651
Public Financial Assistance	6,884	6,884	12,764		12,764	5,880
Subsidized Adoptions	1,839	1,839	2,491		2,491	652
Title XX	4,301	4,301	4,833		4,833	532
Veterans Service Agency	33	33				(33)
Nassau County Youth Board	1,759	1,759	1,600		1,600	(159)
<u>Total State Aid</u>	<u>205,768</u>	<u>210,278</u>	<u>207,850</u>		<u>207,850</u>	<u>(2,428)</u>
SALES TAX *	851,906	874,306	788,888		788,888	(85,418)
PREEMPTED SALES TAX IN LIEU OF PROPERTY TAXES						
Towns and City of Glen Cove	49,971	49,971	49,971		49,971	
<u>Total Preempted Sales Tax in Lieu of Property Taxes</u>	<u>49,971</u>	<u>49,971</u>	<u>49,971</u>		<u>49,971</u>	
PROPERTY TAXES	136,984	136,984	141,275		141,275	4,291
PAYMENTS IN LIEU OF TAXES	3,803	3,803	3,632		3,632	(171)
SPECIAL TAXES						
Admission Tax - Belmont Park	70	70	52		52	(18)
Entertainment Tax	3,000	3,000	2,149		2,149	(851)
Off-Track Betting Surtax	7,187	7,187	7,043		7,043	(144)
Amusement Devices	50	50				(50)
Hotel-Motel Room Tax	3,550	3,550	3,535		3,535	(15)
<u>Total Special Taxes</u>	<u>13,857</u>	<u>13,857</u>	<u>12,779</u>		<u>12,779</u>	<u>(1,078)</u>

(Continued)

COUNTY OF NASSAU, NEW YORK

**COMPARATIVE SCHEDULE OF ACTUAL REVENUES VS. MODIFIED BUDGET
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004 (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	\$ 13,068	\$ 13,268	\$ 1,163	\$	\$ 1,163	\$ (12,105)
<u>Total Other Revenues</u>	<u>13,068</u>	<u>13,268</u>	<u>1,163</u>		<u>1,163</u>	<u>(12,105)</u>
<u>Total Revenues</u>	<u>1,709,464</u>	<u>1,832,255</u>	<u>1,701,318</u>		<u>1,701,318</u>	<u>(130,937)</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers In			1,785		1,785	1,785
Transfer in from NIFA			20,031	(17,446)	2,585	2,585
Transfers from NIFA for Tax Certiorari and Other Judgment Borrowings			198,663	(190,293)	8,370	8,370
Transfer in from SFA			2,097		2,097	2,097
Transfers in of Investment Income			1,767		1,767	1,767
Transfer from NIFA for Escrow Agent			(9,076)	9,076		
<u>Total Other Financing Sources</u>			<u>215,267</u>	<u>(198,663)</u>	<u>16,604</u>	<u>16,604</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 1,709,464	\$ 1,832,255	** \$ 1,916,585	\$ (198,663)	\$ 1,717,922	\$ (114,333)

* Paid to County \$49,478; paid to NIFA \$884,384

** Total revenues and other financing sources, estimates per 2004 County budget as adopted
 Add: Supplemental appropriations

Budget estimates, total revenues and other financing sources

\$ 1,709,464
122,791
\$ 1,832,255

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)
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>
Total Legislative	<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	<u>2,609</u>	<u>2,609</u>	<u>2,322</u>		<u>2,322</u>	<u>287</u>
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)

<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>
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	4,658	5,157	4,181	116	4,297	860
<u>Total Judicial</u>	<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	24,552	24,569	20,203	2,333	22,536	2,033
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	9,587	9,269	4,948	3,430	8,378	891
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	14,603	14,094	12,047	109	12,156	1,938
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	15
Materials and Supplies						
General Expenses	301	301	152	77	229	72
Contractual Services	8	8				8
Interdepartmental Charges	2,586	931	931		931	
Civil Service Total	9,441	7,535	7,131	77	7,208	327

(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)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
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	45,000	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)

<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>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	1	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)

<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>
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 IIIIE (Caregivers)						
Contractual Services	528	619	341	141	482	137
Senior Citizens Affairs Total	17,602	18,811	13,168	3,013	16,181	2,630
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	<u>580,055</u>	<u>533,453</u>	<u>503,931</u>	<u>21,932</u>	<u>525,863</u>	<u>7,590</u>
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	<u>1,258</u>	<u>1,278</u>	<u>821</u>		<u>821</u>	<u>457</u>
Youth Board						
Salaries	554	554	546	-	546	8
Fringe Benefits	223	316	316		316	
General Expenses	2	2				2
Contractual Services	8,051	8,171	7,187	752	7,939	232
Interdepartmental Charges	594	594	297		297	297
Youth Board Total	<u>9,424</u>	<u>9,637</u>	<u>8,346</u>	<u>752</u>	<u>9,098</u>	<u>539</u>
Total Social Services	<u>619,511</u>	<u>575,082</u>	<u>537,107</u>	<u>25,714</u>	<u>562,821</u>	<u>12,261</u>
<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	<u>191,415</u>	<u>183,098</u>	<u>178,479</u>	<u>1,209</u>	<u>179,688</u>	<u>3,410</u>
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	<u>7,170</u>	<u>8,193</u>	<u>7,438</u>	<u>19</u>	<u>7,457</u>	<u>736</u>
Correctional Center Total	<u>198,585</u>	<u>191,291</u>	<u>185,917</u>	<u>1,228</u>	<u>187,145</u>	<u>4,146</u>
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	<u>28,008</u>	<u>27,201</u>	<u>26,011</u>	<u>69</u>	<u>26,080</u>	<u>1,121</u>
Total Corrections	<u>226,593</u>	<u>218,492</u>	<u>211,928</u>	<u>1,297</u>	<u>213,225</u>	<u>5,267</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>
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

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004 (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:						
<u>LEGISLATIVE</u>						
Legislature						
Legislators						
Salaries	\$ 3,231	\$ 3,222	\$ 3,180	\$	\$ 3,180	\$ 42
Fringe Benefits	1,214	1,083	1,213	(356)	857	226
Equipment	8	7	5		5	2
General Expenses	8	9	8		8	1
Contractual Services	60	108	15	50	65	43
Interdepartmental Charges	1,265	507	507		507	
Legislative Central Staff						
Salaries	486	545	545		545	
Fringe Benefits	183	210	210		210	
Equipment	2	2	2		2	
General Expenses	216	593	577	5	582	11
Contractual Services	573	623	401	189	590	33
Interdepartmental Charges	426	179	179		179	
Legislative Budget Review						
Salaries	512	512	509		509	3
Fringe Benefits	193	195	195		195	
Equipment	5	5				5
Materials and Supplies	1	1				1
General Expenses	6	6	1		1	5
Contractual Services	17	17				17
Interdepartmental Charges	207	207	82		82	125
Legislature Total	<u>8,613</u>	<u>8,031</u>	<u>7,629</u>	<u>(112)</u>	<u>7,517</u>	<u>514</u>
<u>Total Legislative</u>	<u>8,613</u>	<u>8,031</u>	<u>7,629</u>	<u>(112)</u>	<u>7,517</u>	<u>514</u>
<u>JUDICIAL</u>						
Court Administration						
Fringe Benefits	<u>2,327</u>	<u>2,412</u>	<u>2,412</u>		<u>2,412</u>	
District Attorney						
Salaries	23,189	22,264	22,264		22,264	
Fringe Benefits	7,438	5,726	7,567	(1,841)	5,726	
Equipment	91	290	9	220	229	61
Materials and Supplies	81	81	64	13	77	4
General Expenses	409	609	557	13	570	39
Contractual Services	692	692	480	74	554	138
Interdepartmental Charges	2,196	691	691		691	
District Attorney Total	<u>34,096</u>	<u>30,353</u>	<u>31,632</u>	<u>(1,521)</u>	<u>30,111</u>	<u>242</u>
Public Administrator						
Salaries	414	410	397		397	13
Fringe Benefits	184	189	187	(35)	152	37
Equipment	6	6	3		3	3
Materials and Supplies	2	2				2
General Expenses	3	3	2		2	1
Contractual Services	7	11	3	7	10	1
Interdepartmental Charges	57	57	32		32	25
Public Administrator Total	<u>673</u>	<u>678</u>	<u>624</u>	<u>(28)</u>	<u>596</u>	<u>82</u>
Sheriff						
Salaries	4,666	4,459	4,459		4,459	
Fringe Benefits	1,865	1,362	1,898	(536)	1,362	
Equipment	2	2				2
Materials and Supplies	34	29	1	3	4	25
General Expenses	72	72	53	4	57	15
Interdepartmental Charges	583	195	195		195	
Sheriff Total	<u>7,222</u>	<u>6,119</u>	<u>6,606</u>	<u>(529)</u>	<u>6,077</u>	<u>42</u>

(Continued)

COUNTY OF NASSAU, NEW YORK

**COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004 (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>
JUDICIAL (Continued)						
Traffic and Parking Violations						
Salaries	\$ 1,693	\$ 1,873	\$ 1,870	\$	\$ 1,870	\$ 3
Fringe Benefits	568	463	578	(115)	463	
Equipment	25	25	16	1	17	8
General Expenses	93	114	101	13	114	
Contractual Services	1,384	1,187	749	276	1,025	162
Interdepartmental Charges	912	127	127		127	
Traffic and Parking Violations Total	<u>4,675</u>	<u>3,789</u>	<u>3,441</u>	<u>175</u>	<u>3,616</u>	<u>173</u>
<u>Total Judicial</u>	<u>48,993</u>	<u>43,351</u>	<u>44,715</u>	<u>(1,903)</u>	<u>42,812</u>	<u>539</u>
GENERAL ADMINISTRATION						
Assessment						
Salaries	8,391	7,017	7,017		7,017	
Fringe Benefits	3,259	57	3,315	(3,258)	57	
Equipment	328	17	17		17	
Materials and Supplies	82	82	50	23	73	9
General Expenses	876	634	445	186	631	3
Contractual Services	9,305	4,370	1,267	3,102	4,369	1
Interdepartmental Charges	1,149	305	305		305	
Assessment Total	<u>23,390</u>	<u>12,482</u>	<u>12,416</u>	<u>53</u>	<u>12,469</u>	<u>13</u>
Board of Assessment Review						
Salaries	2,367	2,063	2,063		2,063	
Fringe Benefits	1,339	1,197	1,362	(165)	1,197	
Equipment	75	75				75
Materials and Supplies	10	10				10
General Expenses	116	116	54	3	57	59
Contractual Services	5,987	5,988	2,415	3,573	5,988	
Interdepartmental Charges	367	130	130		130	
Board of Assessment Review Total	<u>10,261</u>	<u>9,579</u>	<u>6,024</u>	<u>3,411</u>	<u>9,435</u>	<u>144</u>
Board of Elections						
Administration						
Salaries	2,899	3,109	3,021		3,021	88
Fringe Benefits	932	460	990	(530)	460	
Equipment	64	64	5	52	57	7
General Expenses	52	52	39	2	41	11
Interdepartmental Charges	1,207	106	106		106	
General Elections						
Salaries	4,482	4,293	4,293		4,293	
Fringe Benefits	1,441	1,417	1,415		1,415	2
Equipment	40	40	21	6	27	13
General Expenses	549	599	567	9	576	23
Contractual Services	584	305	282	15	297	8
Primary Elections						
Salaries	1,268	1,268	1,224		1,224	44
Fringe Benefits	408	424	424		424	
Equipment	4	4				4
General Expenses	223	223	165		165	58
Contractual Services	375	375	133	54	187	188
Board of Elections Total	<u>14,528</u>	<u>12,739</u>	<u>12,685</u>	<u>(392)</u>	<u>12,293</u>	<u>446</u>
Civil Service						
Salaries	4,016	4,116	4,018		4,018	98
Fringe Benefits	863	552	878	(326)	552	
Equipment	21	101	3	83	86	15
Materials and Supplies	4	4	1		1	3
General Expenses	233	233	163	16	179	54
Contractual Services	361	181				181
Interdepartmental Charges	2,063	89	89		89	
Civil Service Total	<u>7,561</u>	<u>5,276</u>	<u>5,152</u>	<u>(227)</u>	<u>4,925</u>	<u>351</u>
Commerce and Industry						
Contractual Services	71	71				71
Commerce and Industry Total	<u>71</u>	<u>71</u>				<u>71</u>

(Continued)

COUNTY OF NASSAU, NEW YORK

**COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004 (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	\$ 8,919	\$ 9,746	\$ 9,621	\$	\$ 9,621	\$ 125
Fringe Benefits	7,576	2,572	3,294	(722)	2,572	
Equipment	129	129	118	9	127	2
Materials and Supplies	33	33	25	8	33	
General Expenses	288	538	407	2	409	129
Contractual Services	7,192	7,575	5,126	2,355	7,481	94
Other Suits and Damages	1,134	86	86		86	
Interdepartmental Charges	1,500	1,754	1,754		1,754	
Workman's Compensation Expense						
Fringe Benefits	14,546	19,393	19,210	183	19,393	
Interdepartmental Charges	25	25				25
County Attorney Total	<u>41,342</u>	<u>41,851</u>	<u>39,641</u>	<u>1,835</u>	<u>41,476</u>	<u>375</u>
County Clerk						
Salaries	4,122	4,122	3,950		3,950	172
Fringe Benefits	2,483	2,211	2,527	(316)	2,211	
Equipment	100	100	94	5	99	1
Materials and Supplies	28	28	9	9	18	10
General Expenses	172	172	90	27	117	55
Contractual Services	378	378	193	146	339	39
Interdepartmental Charges	1,657	664	664		664	
County Clerk Total	<u>8,940</u>	<u>7,675</u>	<u>7,527</u>	<u>(129)</u>	<u>7,398</u>	<u>277</u>
County Comptroller						
Salaries	5,364	5,164	5,163		5,163	1
Fringe Benefits	2,413	2,014	2,455	(441)	2,014	
Equipment	152	152	28	27	55	97
General Expenses	66	66	48	4	52	14
Contractual Services	2,013	1,734	957	775	1,732	2
Interdepartmental Charges	5,276	173	173		173	
County Comptroller Total	<u>15,284</u>	<u>9,303</u>	<u>8,824</u>	<u>365</u>	<u>9,189</u>	<u>114</u>
County Executive						
Salaries	816	2,985	2,940		2,940	45
Fringe Benefits	830	730	845	(115)	730	
Equipment	15	21	3	5	8	13
General Expenses	31	71	60	5	65	6
Contractual Services	35	685	1	575	576	109
Interdepartmental Charges	968	100	100		100	
County Executive Total	<u>2,695</u>	<u>4,592</u>	<u>3,949</u>	<u>470</u>	<u>4,419</u>	<u>173</u>
County Treasurer						
Salaries	2,295	2,445	2,328		2,328	117
Fringe Benefits	1,185	796	1,206	(410)	796	
Equipment	8	8	8		8	
General Expenses	338	326	250	1	251	75
Contractual Services	702	702	376	216	592	110
Interdepartmental Charges	754	162	162		162	
County Treasurer Total	<u>5,282</u>	<u>4,439</u>	<u>4,330</u>	<u>(193)</u>	<u>4,137</u>	<u>302</u>
Office of Constituent Affairs						
Salaries	631	906	886		886	20
General Expenses		5	1		1	4
Office of Constituent Affairs Printing & Graphics						
Salaries	1,689	1,754	1,749		1,749	5
Equipment	454	449	305	143	448	1
Materials and Supplies	143	143	112	9	121	22
General Expenses	2,203	2,548	2,244	262	2,506	42
Contractual Services	155					
Interdepartmental Charges	936	376	376		376	
Office of Constituent Affairs Total	<u>6,211</u>	<u>6,181</u>	<u>5,673</u>	<u>414</u>	<u>6,087</u>	<u>94</u>
Office of Emergency Management						
Salaries	495	354	354		354	
Fringe Benefits	29	30	29	(2)	27	3
Equipment	19	42	19	23	42	
Materials and Supplies	53	50	31	4	35	15
General Expenses	54	49	44	5	49	
Interdepartmental Charges	188	184	143		143	41
Office of Emergency Management Total	<u>838</u>	<u>709</u>	<u>620</u>	<u>30</u>	<u>650</u>	<u>59</u>

(Continued)

COUNTY OF NASSAU, NEW YORK

**COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004 (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)						
Information Technology						
Salaries	\$ 7,471	\$ 8,971	\$ 8,886	\$	\$ 8,886	\$ 85
Fringe Benefits	1,612	967	1,639	(672)	967	
Equipment	3,422	3,422	2,503	917	3,420	2
Materials and Supplies	13	13	1	1	2	11
General Expenses	2,072	2,072	1,718	151	1,869	203
Contractual Services	11,176	13,276	10,077	2,775	12,852	424
Utilities	5,127	5,127	5,110	13	5,123	4
Interdepartmental Charges	1,356	850	850		850	
Information Technology Total	<u>32,249</u>	<u>34,698</u>	<u>30,784</u>	<u>3,185</u>	<u>33,969</u>	<u>729</u>
Housing and Intergovernmental Affairs:						
Salaries		641	641		641	
Fringe Benefits	409	420	416	(5)	411	9
Equipment		8				8
General Expenses		100	10	1	11	89
Contractual Services		275	275		275	
Interdepartmental Charges		847	847		847	
Housing and Intergovernmental Affairs Total	<u>409</u>	<u>2,291</u>	<u>2,189</u>	<u>(4)</u>	<u>2,185</u>	<u>106</u>
Labor Relations						
Salaries	286	317	317		317	
Fringe Benefits	102	105	104	(31)	73	32
Equipment	10	5				5
Materials and Supplies	8	4				4
General Expenses	14	9	3		3	6
Contractual Services	34	34				34
Interdepartmental Charges	62	62	25		25	37
Labor Relations Total	<u>516</u>	<u>536</u>	<u>449</u>	<u>(31)</u>	<u>418</u>	<u>118</u>
Management and Budgets						
Salaries	1,022	1,367	1,356		1,356	11
Fringe Benefits	317	101	431	(330)	101	
Equipment	37	37				37
General Expenses	31	31	24	2	26	5
Contractual Services	467	813	371	409	780	33
Interdepartmental Charges	874	32	32		32	
Vertical Administration						
Salaries	1,381	835	835		835	
Fringe Benefits	429	281	269		269	12
Fiscal Analysis						
Salaries	1,009	1,179	1,153		1,153	26
Fringe Benefits	313	377	377		377	
Management and Budgets Total	<u>5,880</u>	<u>5,053</u>	<u>4,848</u>	<u>81</u>	<u>4,929</u>	<u>124</u>
Personnel						
Salaries	532	577	557		557	20
Fringe Benefits	254	261	259	(43)	216	45
Materials and Supplies	8	8	8		8	
General Expenses	48	36	36		36	
Contractual Services	43	54	26	28	54	
Interdepartmental Charges	193	193	37		37	156
Personnel Total	<u>1,078</u>	<u>1,129</u>	<u>923</u>	<u>(15)</u>	<u>908</u>	<u>221</u>
Planning						
Salaries	1,849	1,296	1,296		1,296	
Fringe Benefits	637	655	648	(68)	580	75
Equipment	31	31	2	24	26	5
Materials and Supplies	10	10	1	3	4	6
General Expenses	66	117	97	1	98	19
Contractual Services	3,769	5,601	2,941	2,364	5,305	296
Interdepartmental Charges	829	533	175		175	358
Bus Shelter Maint. & Cleaning	52	52		52	52	
Mass Transportation						
Pt.Lookout/Lido Beach Bus Route	60	60				60
Metropolitan Suburban Bus Authority	2,961	4,361	4,361		4,361	
LIRR Station Maintenance	22,339	22,339	22,270		22,270	69
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>47,187</u>	<u>49,639</u>	<u>46,375</u>	<u>2,376</u>	<u>48,751</u>	<u>888</u>

(Continued)

COUNTY OF NASSAU, NEW YORK

**COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004 (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>GENERAL ADMINISTRATION (Continued)</u>						
Purchasing						
Salaries	\$ 1,265	\$ 1,277	\$ 1,275	\$	\$ 1,275	\$ 2
Fringe Benefits	383	394	390	(109)	281	113
Equipment	7	7	6		6	1
Materials and Supplies	5	5	3		3	2
General Expenses	19	19	14	2	16	3
Interdepartmental Charges	377	377	221		221	156
Purchasing Total	<u>2,056</u>	<u>2,079</u>	<u>1,909</u>	<u>(107)</u>	<u>1,802</u>	<u>277</u>
Office of Real Estate Services						
Salaries	707	887	877		877	10
Fringe Benefits	143	141	141	(62)	79	62
Equipment	2	2	2		2	
Materials and Supplies	9	9	5		5	4
General Expenses	435	435	43	80	123	312
Interdepartmental Charges	264	264	187		187	77
Insurance on Buildings	250	250	211		211	39
Rent	5,087	4,876	3,876	659	4,535	341
Office of Real Estate Services Total	<u>6,897</u>	<u>6,864</u>	<u>5,342</u>	<u>677</u>	<u>6,019</u>	<u>845</u>
Building Management						
Salaries		3,204	3,204		3,204	
Equipment		27	14	13	27	
Supplies		1,259	942	317	1,259	
General Expenses		311	240	71	311	
Contractual Services		455	408	47	455	
Utility Costs		2,023	1,973	50	2,023	
Interdepartmental Charges		1,275	1,275		1,275	
Building Management Total		<u>8,554</u>	<u>8,056</u>	<u>498</u>	<u>8,554</u>	
Office of Records Management						
Salaries	443	534	530		530	4
Fringe Benefits	252	259	256	(45)	211	48
Equipment		16		14	14	2
Materials and Supplies	98	82	32	16	48	34
General Expenses	165	160	66	51	117	43
Contractual Services	158	158	31	126	157	1
Interdepartmental Charges	262	262	70		70	192
Office of Records Management Total	<u>1,378</u>	<u>1,471</u>	<u>985</u>	<u>162</u>	<u>1,147</u>	<u>324</u>
Total General Administration	<u>234,053</u>	<u>227,211</u>	<u>208,701</u>	<u>12,459</u>	<u>221,160</u>	<u>6,051</u>
<u>PROTECTION OF PERSONS</u>						
Commission on Human Rights						
Salaries	604	604	524		524	80
Fringe Benefits	349	359	355	(35)	320	39
Equipment	7	7		1	1	6
Materials and Supplies	3	3				3
General Expenses	25	25	1	3	4	21
Contractual Services	25	25				25
Interdepartmental Charges	134	134	33		33	101
Commission on Human Rights Total	<u>1,147</u>	<u>1,157</u>	<u>913</u>	<u>(31)</u>	<u>882</u>	<u>275</u>
Commissioner of Accounts						
Salaries	418	373	350		350	23
Fringe Benefits	191	196	194	(14)	180	16
Equipment	24	24	7		7	17
Materials and Supplies	11	11	1		1	10
General Expenses	52	52				52
Contractual Services	92	92	17	16	33	59
Interdepartmental Charges	47	47	25		25	22
Commissioner of Accounts Total	<u>835</u>	<u>795</u>	<u>594</u>	<u>2</u>	<u>596</u>	<u>199</u>

(Continued)

COUNTY OF NASSAU, NEW YORK

**COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004 (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>
PROTECTION OF PERSONS (Continued)						
Consumer Affairs						
Salaries	\$ 1,859	\$ 1,959	\$ 1,887	\$	\$ 1,887	\$ 72
Fringe Benefits	914	775	929	(154)	775	
Equipment	2	53	19	33	52	1
Materials and Supplies	4	4	4		4	
General Expenses	5	15	5		5	10
Interdepartmental Charges	371	400	400		400	
Consumer Affairs Total	<u>3,155</u>	<u>3,206</u>	<u>3,244</u>	<u>(121)</u>	<u>3,123</u>	<u>83</u>
Medical Examiner						
Salaries	4,641	4,491	4,404		4,404	87
Fringe Benefits	1,427	1,064	1,452	(388)	1,064	
Equipment	107	107	95		95	12
Materials and Supplies	293	293	214	3	217	76
General Expenses	79	79	38	4	42	37
Contractual Services	414	577	422	145	567	10
Interdepartmental Charges	516	114	114		114	
Medical Examiner Total	<u>7,477</u>	<u>6,725</u>	<u>6,739</u>	<u>(236)</u>	<u>6,503</u>	<u>222</u>
Traffic Safety Board						
Salaries	204	204	204		204	
Fringe Benefits	76	79	77	(21)	56	23
Interdepartmental Charges	59	59	28		28	31
Traffic Safety Board Total	<u>339</u>	<u>342</u>	<u>309</u>	<u>(21)</u>	<u>288</u>	<u>54</u>
Total Protection of Persons	<u>12,953</u>	<u>12,225</u>	<u>11,799</u>	<u>(407)</u>	<u>11,392</u>	<u>833</u>
HEALTH						
Drug and Alcohol						
Administration						
Salaries	447	1,375	1,375		1,375	
Fringe Benefits	450	118	669	(551)	118	
Equipment	2	2	1		1	1
Materials and Supplies	8	8				8
General Expenses	32	19	19		19	
Interdepartmental Charges	2,724	105	105		105	
Chemical Dependency Services						
Salaries	2,067	3,992	3,992		3,992	
Fringe Benefits	2,080	1,930	1,904		1,904	26
Materials and Supplies	4	4				4
General Expenses	33	33	22	5	27	6
Contractual Services	7,926	6,962	5,017	1,465	6,482	480
Interdepartmental Charges	4,576	35	35		35	
Drug and Alcohol Total	<u>20,349</u>	<u>14,583</u>	<u>13,139</u>	<u>919</u>	<u>14,058</u>	<u>525</u>
Health Department						
Administration						
Salaries	2,158	2,158	2,135		2,135	23
Fringe Benefits	988		1,014	(1,014)		
Materials and Supplies	21	21	14	1	15	6
General Expenses	62	638	25	577	602	36
Contractual Services	5	5				5
Interdepartmental Charges	1,695	568	568		568	
Environmental Health						
Salaries	5,813	5,813	5,664		5,664	149
Fringe Benefits	2,662	2,754	2,754		2,754	
Equipment	23	23	22		22	1
Supplies	18	18	17	1	18	
General Expenses	530	530	378	95	473	57
Contractual Services	86	86	5	78	83	3
Interdepartmental Charges	167	167	4		4	163
Laboratory Research						
Salaries	2,036	2,036	1,917		1,917	119
Fringe Benefits	932	943	942		942	1
Equipment	14	14	13	1	14	
Supplies	432	432	392	25	417	15
General Expenses	221	221	124	50	174	47
Contractual Services	20	20				20
Interdepartmental Charges	102	102	29		29	73

(Continued)

COUNTY OF NASSAU, NEW YORK

**COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004 (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	\$ 2,095	\$ 2,095	\$ 1,959	\$	\$ 1,959	\$ 136
Fringe Benefits	959	987	942		942	45
Equipment	1	1				1
Supplies	193	191	188	2	190	1
General Expenses	122	122	87	8	95	27
Contractual Services	5,693	5,693	5,595	73	5,668	25
Interdepartmental Charges	47	47				47
Early Intervention						
Salaries	3,455	3,455	3,368		3,368	87
Fringe Benefits	1,582	1,628	1,594		1,594	34
Supplies	7	7	5		5	2
General Expenses	451	551	470	2	472	79
Contractual Services	55,486	53,751	45,598	3,891	49,489	4,262
Interdepartmental Charges		679	679		679	
Health Department Total	88,076	85,756	76,502	3,790	80,292	5,464
Mental Health						
Administration						
Salaries	1,154	1,154	1,061		1,061	93
Fringe Benefits	615	663	663	(109)	554	109
Supplies	3	3	3		3	
General Expenses	622	1,304	842	462	1,304	
Contractual Services	1,519	837	802	35	837	
Interdepartmental Charges	344	56	56		56	
Contractual Services						
Contractual Services	5,191	5,191	4,158	338	4,496	695
Direct Services						
Salaries	107	107	34		34	73
Fringe Benefits	57	28	21		21	7
Supplies	2	2				2
Contractual Services	1,129	1,129	914	53	967	162
Education of Handicapped Children						
Other Expenses	82,765	93,754	92,678	821	93,499	255
Mental Health Total	93,508	104,228	101,232	1,600	102,832	1,396
Total Health	201,933	204,567	190,873	6,309	197,182	7,385
PUBLIC WORKS						
Administration						
Salaries	2,578	1,765	1,765		1,765	
Fringe Benefits	1,281	1,054	1,054		1,054	
Equipment	4	4	3		3	1
Supplies	16	16	12	2	14	2
General Expenses	41	41	13	26	39	2
Contractual Services	745	782	760	20	780	2
Interdepartmental Charges	2,565	813	813		813	
Highway and Engineering						
Salaries	6,379	7,524	7,506		7,506	18
Fringe Benefits	3,169	4,393	4,393		4,393	
Equipment	32	32	13	13	26	6
Supplies	50	50	12	1	13	37
General Expenses	66	66	36	21	57	9
Contractual Services	10,328	5,619	3,450	2,160	5,610	9
Utility Costs	1,324	1,611	1,487	122	1,609	2
Interdepartmental Charges	243					
Highway and Bridge Maintenance						
Salaries	7,209	7,663	7,663		7,663	
Fringe Benefits	3,581	4,568	4,568		4,568	
Equipment	49	48	41	6	47	1
Supplies	259	268	218	19	237	31
General Expenses	96	121	29	24	53	68
Contractual Services	753	759	640	110	750	9
Utility Costs	424	2,330	2,292	38	2,330	
Interdepartmental Charges	255	1,754	1,754		1,754	

(Continued)

COUNTY OF NASSAU, NEW YORK

**COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004 (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	\$ 163	\$ 163	\$ 161	\$	\$ 161	\$ 2
Fringe Benefits	81	176	176		176	
Equipment	39	39	5		5	34
Supplies	46	95	84	10	94	1
General Expenses	14	15	15		15	
Contractual Services	404	404	102	154	256	148
Utility Costs	402	401	286	51	337	64
Snow Removal						
Salaries	800	600	425		425	175
Fringe Benefits	397	176	176		176	
Equipment	10	184	5	173	178	6
Supplies	553	794	789	2	791	3
General Expenses	38	13	3		3	10
Contractual Services	116	116	64	51	115	1
Buildings						
Salaries	7,183	4,700	4,699		4,699	1
Fringe Benefits	3,569	2,811	2,811		2,811	
Equipment	48	21	7	14	21	
Supplies	1,986	726	404	213	617	109
General Expenses	603	293	121	92	213	80
Contractual Services	9,452	8,997	6,904	1,583	8,487	510
Utility Costs	18,314	18,010	16,578	1,376	17,954	56
Interdepartmental Charges	1,471	196				196
Water Supply						
Salaries	3,751	3,766	3,766		3,766	
Fringe Benefits	1,863	2,284	2,284		2,284	
Equipment	25	25	21	1	22	3
Supplies	27	27	21		21	6
General Expenses	22	22	17	2	19	3
Contractual Services	1,451	1,451	926	453	1,379	72
Utility Costs	54	65	58	3	61	4
Interdepartmental Charges		125	125		125	
Sanitation						
Salaries	3,603	3,205	3,130		3,130	75
Fringe Benefits	1,790	1,933	1,933		1,933	
Equipment	1	1				1
Supplies	4	4	2		2	2
General Expenses	10	10	5	1	6	4
Contractual Services	5	5				5
Interdepartmental Charges		74	74		74	
Fleet Maintenance						
Salaries	2,151	1,038	861		861	177
Fringe Benefits	1,069	346	176		176	170
Equipment	32	32	26	3	29	3
Supplies	1,189	1,401	1,341	59	1,400	1
General Expenses	142	142	81	18	99	43
Contractual Services	20	20	17	1	18	2
Interdepartmental Charges	115	115	105		105	10
Traffic Maintenance						
Salaries	951	51				51
Fringe Benefits	472	27				27
Equipment	3	3	1		1	2
Supplies	271	271	145	126	271	
General Expenses	2	2				2
Contractual Services	2	2	1		1	1
Total Public Works	106,161	96,658	87,453	6,948	94,401	2,257
<u>RECREATION AND PARKS</u>						
Cultural Development						
Supplies	1	1		1	1	
Contractual Services	4	4		4	4	
Cultural Development Total	5	5		5	5	
Total Recreation and Parks	5	5		5	5	

(Continued)

COUNTY OF NASSAU, NEW YORK

**COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004 (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</u>						
Bar Association - Public Defender	\$ 4,867	\$ 4,148	\$ 4,063	\$ 6	\$ 4,069	\$ 79
CASA						
Salaries	316	338	336		336	2
Fringe Benefits	115	119	117	(26)	91	28
Equipment	5	10		9	9	1
Supplies	6	1				1
General Expenses	9	2	2		2	
Contractual Services	15					
Interdepartmental Charges	197	197	40		40	157
CASA Total	663	667	495	(17)	478	189
Legal Aid Society	3,917	3,917	3,832	85	3,917	
Minority Affairs						
Salaries	428	467	459		459	8
Fringe Benefits	143	147	146	(26)	120	27
Supplies	3	4				4
General Expenses	40	31	4	5	9	22
Contractual Services	1	1				1
Interdepartmental Charges	68	68	41		41	27
Minority Affairs Total	683	718	650	(21)	629	89
Senior Citizens Affairs						
Administration						
Salaries	2,151	2,153	2,137		2,137	16
Fringe Benefits	1,214	1,043	1,235	(192)	1,043	
Equipment	6	6		6	6	
Supplies	11	11	3	1	4	7
General Expenses	25	17	13	4	17	
Contractual Services	74	74	47	20	67	7
Interdepartmental Charges	681	112	112		112	
Community Services						
Contractual Services	2,099	2,099	2,067		2,067	32
Nutrition Program						
Contractual Services	4,266	4,266	4,239		4,239	27
Community Centers						
Equipment	95	95	95		95	
Supplies	15	15	3	2	5	10
Contractual Services	160	160	66	80	146	14
Area Agency Title III						
Contractual Services	2,154	2,208	1,905	300	2,205	3
Foster Grandparents Program						
Supplies	2	2				2
General Expenses	1	1				1
Contractual Services	79	79	56	13	69	10
Extended In-home Services						
Contractual Services	3,153	3,153	3,148		3,148	5
SNAP (Nutrition)						
Contractual Services	879	879	769	103	872	7
TITLE IIID/CSI (Health Promotion)						
Contractual Services	139	139	90	43	133	6
TITLE IIIIE (Caregivers)						
Contractual Services	473	473	363	105	468	5
Senior Citizens Affairs Total	17,677	16,985	16,348	485	16,833	152
Social Services Department						
Administration						
Salaries	4,043	4,043	3,949		3,949	94
Fringe Benefits	1,779	1,854	1,843		1,843	11
Equipment	8	8	6		6	2
General Expenses	328	6,068	279	5,787	6,066	2
Contractual Services	2,233	2,019	1,762	254	2,016	3
Interdepartmental Charges	4,265	877	877		877	
Public Financial Assistance						
Salaries	24,137	23,072	23,072		23,072	
Fringe Benefits	10,623	6,957	10,647	(3,690)	6,957	
Equipment	105	105	65	8	73	32
General Expenses	674	674	658	11	669	5
Contractual Services	13,826	13,826	6,389	6,085	12,474	1,352
Interdepartmental Charges		1,017	1,017		1,017	

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004 (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	\$ 14,917	\$ 15,345	\$ 15,345	\$	\$ 15,345	\$
Fringe Benefits	6,565	7,035	6,961		6,961	74
General Expenses	361	361	256	1	257	104
Contractual Services	350	350	115	58	173	177
Interdepartmental Charges		1,415	1,296		1,296	119
Juvenile Detention Center						
Salaries	2,634	2,434	2,323		2,323	111
Fringe Benefits	1,159	1,116	1,024		1,024	92
Equipment	69	69	35	9	44	25
Supplies	30	42	35	6	41	1
General Expenses	85	85	65	14	79	6
Contractual Services	1,117	1,117	558	474	1,032	85
Utility Costs	90	90	2		2	88
Interdepartmental Charges	79	274	120		120	154
Real Estate Expense						
General Expenses	10	10				10
Handicapped Children Education						
Emergency Vendor Payments	11,802	12,702	12,164	20	12,184	518
Physically Challenged						
Salaries	242	277	274		274	3
Fringe Benefits	49	50	50	(23)	27	23
Equipment	2	2	1		1	1
Supplies	24	24	3		3	21
General Expenses	3	132	1		1	131
Contractual Services	26	26	20	6	26	
Interdepartmental Charges	77	77	36		36	41
Food Stamp Program						
Recipient Grants	5	5				5
Aid to Dependent Children						
Recipient Grants	23,500	25,500	25,458		25,458	42
Emergency Vendor Payments	4,856	4,105	3,921	150	4,071	34
Home Relief						
Recipient Grants	14,000	16,100	16,100		16,100	
Emergency Vendor Payments	1,500	1,300	1,299		1,299	1
Children in Institutions						
Emergency Vendor Payments	24,517	23,662	21,043	49	21,092	2,570
Children in Foster Homes						
Recipient Grants	1,100	1,325	1,325		1,325	
Purchased Services	5	5				5
Emergency Vendor Payments	189	364	363		363	1
Juvenile Delinquents						
Emergency Vendor Payments	10,969	9,969	7,097	1,151	8,248	1,721
Training Schools						
Emergency Vendor Payments	2,432	2,432	2,379		2,379	53
Children in Institutions - Title 4E						
Emergency Vendor Payments	2,840	2,715	1,756	630	2,386	329
Children in Foster Homes - Title 4E						
Recipient Grants	2,150	945	930		930	15
Emergency Vendor Payments	490	315	315		315	
Subsidized Adoption						
Recipient Grants	4,378	4,652	4,640		4,640	12
Burials						
Emergency Vendor Payments	325	273	252		252	21
Medicaid						
Medicaid	318,304	369,291	369,266		369,266	25
Home Energy Assistance						
Recipient Grants	1,591	1,791	1,787		1,787	4
Title-XX						
Purchased Services	48,641	44,785	42,041	1,841	43,882	903
Social Services Department Total	563,504	613,087	591,220	12,841	604,061	9,026
Veterans Service Agency						
Salaries	539	537	523		523	14
Fringe Benefits	212	217	215	(50)	165	52
Equipment		61		46	46	15
Supplies	3	3				3
General Expenses	3	89	2		2	87
Interdepartmental Charges	443	66	66		66	
Veterans Service Agency Total	1,200	973	806	(4)	802	171

(Continued)

COUNTY OF NASSAU, NEW YORK

 COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004 (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>						
Youth Board						
Salaries	\$ 529	\$ 529	\$ 515	\$	\$ 515	\$ 14
Fringe Benefits	316	325	321	(45)	276	49
General Expenses	2	1				1
Contractual Services	7,452	7,712	6,914	684	7,598	114
Interdepartmental Charges	487	49	49		49	
Youth Board Total	<u>8,786</u>	<u>8,616</u>	<u>7,799</u>	<u>639</u>	<u>8,438</u>	<u>178</u>
Total Social Services	<u>601,297</u>	<u>649,111</u>	<u>625,213</u>	<u>14,014</u>	<u>639,227</u>	<u>9,884</u>
<u>CORRECTIONS</u>						
Correctional Center						
Salaries	98,507	108,980	108,980		108,980	
Fringe Benefits	35,359	23,910	35,971	(12,061)	23,910	
Equipment	271	271	267	1	268	3
Supplies	4,472	3,799	3,347	409	3,756	43
General Expenses	721	543	469	56	525	18
Contractual Services	22,111	26,565	18,526	7,907	26,433	132
Utility Costs	561	583	556	23	579	4
Interdepartmental Charges	2,566	406	406		406	
Correctional Center Total	<u>164,568</u>	<u>165,057</u>	<u>168,522</u>	<u>(3,665)</u>	<u>164,857</u>	<u>200</u>
Probation						
Administration						
Salaries	16,740	16,415	16,411		16,411	4
Fringe Benefits	7,473	5,896	7,603	(1,707)	5,896	
Equipment	211	264	195	58	253	11
Supplies	8	8	8		8	
General Expenses	318	430	283	96	379	51
Contractual Services	124	111	44	13	57	54
Interdepartmental Charges	1,826	324	324		324	
Probation Total	<u>26,700</u>	<u>23,448</u>	<u>24,868</u>	<u>(1,540)</u>	<u>23,328</u>	<u>120</u>
Total Corrections	<u>191,268</u>	<u>188,505</u>	<u>193,390</u>	<u>(5,205)</u>	<u>188,185</u>	<u>320</u>
<u>EDUCATION</u>						
Cooperative Extension Service	400	400	400		400	
Payment to Long Beach Schools	159	159	150		150	9
Public Library Services	180	180				180
State School Tuition	3,171	5,251	5,251		5,251	
Total Education	<u>3,910</u>	<u>5,990</u>	<u>5,801</u>		<u>5,801</u>	<u>189</u>
<u>PAYMENTS FOR TAX CERTIORARI AND OTHER JUDGMENTS</u>						
			198,663	(198,663)		

(Continued)

COUNTY OF NASSAU, NEW YORK

**COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004 (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>OTHER EXPENDITURES</u>						
Nassau Health Care Corporation	\$ 40,322	\$ 39,985	\$ 39,985	\$	\$ 39,985	\$
Aid to Towns and Cities	53,647	55,517	55,517		55,517	
County Executive Associations	14	14	14		14	
Lido-Point Lookout Fire District	6	6				6
Miscellaneous Contractual	4,852	4,852	4,402	283	4,685	167
Specialized Legal Services	325	324	1	70	71	253
HIPPA Payments	551	902	543	359	902	
NYS Association of Counties	45	45	45		45	
NIFA Expenditures	2,000	968				968
Rents	416	416		146	146	270
Reserve for Contingencies	147	467	320		320	147
Reserve for Future Medical Expense		23,600	23,600		23,600	
Reserve for Future Bonded Indebtedness		25,035	25,035		25,035	
Pension Contribution Liability		30,640		30,640	30,640	
SJK Foundation	4	5	5		5	
Suits and Damages	1,640	3,803	503	3,300	3,803	
Unallocated Salary	20	2,213	2,213		2,213	
Unallocated Fringe Benefits	4,077	4,289	4,071	217	4,288	1
Total Other Expenditures	108,066	193,081	156,254	35,015	191,269	1,812
Total Current	1,517,252	1,628,735	1,730,491	(131,540)	1,598,951	29,784
<u>DEBT SERVICE</u>						
Financing Costs	36	36				36
Total Debt Service	36	36				36
Total Expenditures	1,517,288	1,628,771	1,730,491	(131,540)	1,598,951	29,820
<u>TRANSFERS OUT</u>						
Debt Service Fund	283,659	287,343	193,307		193,307	94,036
County Parks & Recreation Fund		7,624	7,624		7,624	
Total Transfers Out	283,659	294,967	200,931		200,931	94,036
<u>TOTAL EXPENDITURES AND TRANSFERS OUT</u>						
	\$ 1,800,947	\$ 1,923,738	\$ 1,931,422	\$ (131,540)	\$ 1,799,882	\$ 123,856
*Appropriations per 2004 budget as adopted						\$ 1,709,464
Outstanding encumbrances, January 1, 2004						91,483
Supplemental appropriations						122,791
Total Budgetary Authority						\$ 1,923,738

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 of Revenues Over 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
FIRE PREVENTION, SAFETY, COMMUNICATION AND EDUCATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2004 (Dollars in Thousands)

	Original Budget	Total Budgetary Authority	Actual	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
Revenues:						
Interest Income	\$	\$ 18	\$ 18	\$	\$ 18	\$
Rents and Recoveries		193	6		6	(187)
Departmental Revenue	3,364	3,856	3,856		3,856	
Interdepartmental Revenue		2	2		2	
State Aid	100	138	138		138	
Property Taxes	17,782	17,782	17,782		17,782	
Total Revenues	21,246	21,989	21,802		21,802	(187)
Expenditures:						
Salaries	8,583	9,073	9,073		9,073	
Fringe Benefits	2,933	2,279	2,952	(673)	2,279	
Equipment	361	548	268		548	
Other	6,807	7,012	6,194	818	7,012	
Total Expenditures	18,684	18,912	18,487	425	18,912	
Excess of Revenues Over Expenditures	2,562	3,077	3,315	(425)	2,890	(187)
Other Financing Use:						
Transfers Out	(2,886)	(3,215)	(3,215)		(3,215)	
Total Other Financing Use	(2,886)	(3,215)	(3,215)		(3,215)	
Net Change in Fund Balance	(324)	(138)	100	(425)	(325)	(187)
Fund Balance Beginning of Year	324	138	325		325	187
Fund Balance End of Year	\$	\$	\$ 425	\$ (425)	\$	\$

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	
Other Revenues	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
COUNTY PARKS AND RECREATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2004 (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	\$ 1,122	\$ 1,122	\$ 985	\$	\$ 985	\$ (137)
Interest Income	15	15	46		46	31
Departmental Revenue	18,546	18,547	14,098		14,098	(4,449)
Property Tax	43,577	43,577	43,577		43,577	
Other Revenues	575	575	195		195	(380)
Total Revenues	63,835	63,836	58,901		58,901	(4,935)
Expenditures:						
Salaries	16,482	17,008	17,008		17,008	
Fringe Benefits	9,456	7,811	9,368	(1,557)	7,811	
Equipment	371	486	459	27	486	
Other	19,353	21,892	19,605	2,287	21,892	
Total Expenditures	45,662	47,197	46,440	757	47,197	
Excess (Deficiency) of Revenues Over (Under) Expenditures	18,173	16,639	12,461	(757)	11,704	(4,935)
Other Financing Sources (Uses):						
Transfers In		2,823	7,623		7,623	4,800
Transfers Out	(19,221)	(20,375)	(20,375)		(20,375)	
Total Other Financing Sources (Uses)	(19,221)	(17,552)	(12,752)		(12,752)	4,800
Net Change in Fund Balance	(1,048)	(913)	(291)	(757)	(1,048)	(135)
Fund Balance Beginning of Year	1,048	913	1,048		1,048	135
Fund Balance End of Year	\$	\$	\$ 757	\$ (757)	\$	\$

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)

	<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	\$ 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	<u>315,590</u>	<u>315,698</u>	<u>314,537</u>		<u>314,537</u>	<u>(1,161)</u>
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	<u>321,241</u>	<u>325,419</u>	<u>328,964</u>	<u>(3,707)</u>	<u>325,257</u>	<u>162</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,651)</u>	<u>(9,721)</u>	<u>(14,427)</u>	<u>3,707</u>	<u>(10,720)</u>	<u>(999)</u>
Other Financing Sources (Uses):						
Transfers In		4,000	7,500		7,500	3,500
Transfers Out		(775)	(775)		(775)	
Total Other Financing Sources (Uses)		<u>3,225</u>	<u>6,725</u>		<u>6,725</u>	<u>3,500</u>
Net Change in Fund Balance	(5,651)	(6,496)	(7,702)	3,707	(3,995)	2,501
Fund Balance Beginning of Year	<u>5,651</u>	<u>6,496</u>	<u>8,852</u>		<u>8,852</u>	<u>2,356</u>
Fund Balance End of Year	<u>\$</u>	<u>\$</u>	<u>\$ 1,150</u>	<u>\$ 3,707</u>	<u>\$ 4,857</u>	<u>\$ 4,857</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, 2004 (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	\$ 716	\$ 632	\$	\$ 632	\$ (84)
Permits & Licenses	1,200	1,787				(1,787)
Interest Income	10	65	71		71	6
Departmental Revenue	3,117	3,117	5,250		5,250	2,133
Interdepartmental Revenue			481		481	481
Property Tax	<u>301,297</u>	<u>301,297</u>	<u>301,297</u>		<u>301,297</u>	
Total Revenues	<u>305,774</u>	<u>306,982</u>	<u>307,731</u>		<u>307,731</u>	<u>749</u>
Expenditures:						
Salaries	217,166	227,412	226,150		226,150	1,262
Fringe Benefits	81,482	53,598	78,294	(24,707)	53,587	11
Equipment	6,266	8,264	5,504	2,721	8,225	39
Other	<u>23,272</u>	<u>49,173</u>	<u>23,205</u>	<u>25,968</u>	<u>49,173</u>	
Total Expenditures	<u>328,186</u>	<u>338,447</u>	<u>333,153</u>	<u>3,982</u>	<u>337,135</u>	<u>1,312</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(22,412)</u>	<u>(31,465)</u>	<u>(25,422)</u>	<u>(3,982)</u>	<u>(29,404)</u>	<u>2,061</u>
Other Financing Sources (Uses):						
Transfers In			7,500		7,500	7,500
Transfers Out	<u>(5,071)</u>	<u>(5,579)</u>	<u>(5,579)</u>		<u>(5,579)</u>	
Total Other Financing Sources (Uses)	<u>(5,071)</u>	<u>(5,579)</u>	<u>1,921</u>		<u>1,921</u>	<u>7,500</u>
Net Change in Fund Balance	(27,483)	(37,044)	(23,501)	(3,982)	(27,483)	9,561
Fund Balance Beginning of Year	<u>27,483</u>	<u>37,044</u>	<u>32,353</u>		<u>32,353</u>	<u>(4,691)</u>
Fund Balance End of Year	<u>\$</u>	<u>\$</u>	<u>\$ 8,852</u>	<u>\$ (3,982)</u>	<u>\$ 4,870</u>	<u>\$ 4,870</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	
Other Revenues	22,454	23,454	23,329		23,329	(125)
Total Revenues	301,230	303,230	301,406		301,406	(1,824)
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	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 Balance Beginning of Year	3,832	3,832	3,832		3,832	
Fund Balance End of Year	\$	\$	\$ (6,452)	\$ 6,452	\$	\$

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, 2004 (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	\$ 1,046	\$ 612	\$	\$ 612	\$ (434)
Permits & Licenses	430	430				(430)
Interest Income	13	13	101		101	88
Departmental Revenue	13,098	13,098	14,529		14,529	1,431
Interdepartmental Revenue	5,358	5,358	2,122		2,122	(3,236)
Federal Aid	334	334	417		417	83
State Aid	589	589	1,031		1,031	442
Property Tax	239,071	239,071	239,071		239,071	
Other Revenues	21,388	21,388	19,421		19,421	(1,967)
Total Revenues	280,481	281,327	277,304		277,304	(4,023)
Expenditures:						
Salaries	183,971	188,379	188,340		188,340	39
Fringe Benefits	81,067	55,174	73,233	(20,893)	52,340	2,834
Equipment	907	902	544	316	860	42
Other	33,047	31,643	28,011	3,516	31,527	116
Total Expenditures	298,992	276,098	290,128	(17,061)	273,067	3,031
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,511)	5,229	(12,824)	17,061	4,237	(992)
Other Financing Sources (Uses):						
Transfers In	4,178	4,178	4,629		4,629	451
Transfers Out	(5,144)	(28,343)	(7,450)	(20,893)	(28,343)	
Total Other Financing Sources (Uses)	(966)	(24,165)	(2,821)	(20,893)	(23,714)	451
Net Change in Fund Balance	(19,477)	(18,936)	(15,645)	(3,832)	(19,477)	(541)
Fund Balance Beginning of Year	19,477	18,936	19,477		19,477	541
Fund Balance End of Year	\$	\$	\$ 3,832	\$ (3,832)	\$	\$

COUNTY OF NASSAU, NEW YORK

COMBINED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TOTAL BUDGETARY AUTHORITY AND ACTUAL
NONMAJOR BUDGETED SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005 (Dollars in Thousands)

	NON MAJOR FUNDS BUDGETED SPECIAL REVENUE FUNDS					Variance Over (Under)
	Original Budget	Total Budgetary Authority	Actual	GAAP to Budgetary Basis Conversion (Note 12)	Actual on a Budgetary Basis	
Revenues:						
Rents and Recoveries	\$ 632	\$ 632	\$ 32	\$ -	\$ 32	\$ (600)
Interest Income	500	500	3,018		3,018	2,518
Departmental Revenue	1,255	1,255	1,508		1,508	253
Interdepartmental Revenue	349	349	82		82	(267)
Interfund Revenue	111,651	111,651				(111,651)
Property Taxes			138,943		138,943	138,943
Total Revenues	114,387	114,387	143,583		143,583	29,196
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	252	2,515	130	2,122	2,252	263
General		85	10	75	85	
Other	84,635	94,754	80,492	12,481	92,973	1,781
Debt Service:						
Principal	16,154	28,215	28,215		28,215	
Interest	17,117	12,423	12,423		12,423	
Total Expenditures	153,759	172,708	150,286	13,685	163,971	8,737
Excess (Deficiency) of Revenues Over (Under) Expenditures	(39,372)	(58,321)	(6,703)	(13,685)	(20,388)	37,933
Other Financing Sources (Uses):						
Transfers In						
Transfers In of Investment Income	250	250	1,232		1,232	982
Transfers Out		(10,430)	(10,430)		(10,430)	
Transfers In From SFA	13,894	31,591	40,410		40,410	8,819
Transfers Out From SFA						
Total Other Financing Sources (Uses)	14,144	21,411	31,212		31,212	9,801
Net Change in Fund Balances	(25,228)	(36,910)	24,509	(13,685)	10,824	47,734
Fund Balances at Beginning of Year	25,228	36,910	42,997		42,997	6,087
Fund Balances (Deficits) at End of Year	\$	\$	\$ 67,506	\$ (13,685)	\$ 53,821	\$ 53,821

COUNTY OF NASSAU, NEW YORK

COMBINED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 TOTAL BUDGETARY AUTHORITY AND ACTUAL
 NONMAJOR BUDGETED SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2004 (Dollars in Thousands)

	NON MAJOR FUNDS BUDGETED SPECIAL REVENUE FUNDS					Variance Over (Under)
	Original Budget	Total Budgetary Authority	Actual	GAAP to Budgetary Basis Conversion (Note 12)	Actual on a Budgetary Basis	
Revenues:						
Rents and Recoveries	\$ 782	\$ 782	\$ 225	\$	\$ 225	\$ (557)
Interest Income			952		952	952
Departmental Revenue	2,178	2,178	1,450		1,450	(728)
Interdepartmental Revenue	536	536	896		896	360
State Aid			224		224	224
Property Taxes	138,932	138,932	138,932		138,932	
Total Revenues	142,428	142,428	142,679		142,679	251
Expenditures:						
Salaries	26,371	18,543	18,543		18,543	
Fringe Benefits	8,897	8,897	8,050	(1,357)	6,693	2,204
Equipment	154	154	72	16	88	66
Other	82,158	87,818	61,365	16,159	77,524	10,294
Debt Service:						
Principal	21,200	26,059	26,058		26,058	1
Interest	20,037	16,444	14,726		14,726	1,718
Total Expenditures	158,817	157,915	128,814	14,818	143,632	14,283
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,389)	(15,487)	13,865	(14,818)	(953)	14,534
Other Financing Sources (Uses):						
Transfers In			83,104		83,104	83,104
Transfers In of Investment Income	291	291	784		784	493
Transfers Out	(13,411)	(13,411)	(11,648)	(1,356)	(13,004)	407
Transfers In From SFA			10,951		10,951	10,951
Transfers Out From SFA	(52,062)	(73,970)	(73,970)		(73,970)	
Total Other Financing Sources (Uses)	(65,182)	(87,090)	9,221	(1,356)	7,865	94,955
Net Change in Fund Balances	(81,571)	(102,577)	23,086	(16,174)	6,912	109,489
Fund Balances at Beginning of Year	81,571	102,577	19,911		19,911	(82,666)
Fund Balances (Deficits) at End of Year	\$	\$	\$ 42,997	\$ (16,174)	\$ 26,823	\$ 26,823

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, 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	<u>5,065</u>	<u>7,917</u>	<u>6,249</u>	<u>1,668</u>	<u>7,917</u>	
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	<u>5,150</u>	<u>10,350</u>	<u>10,571</u>		<u>10,571</u>	<u>221</u>
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 REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 TOTAL BUDGETARY AUTHORITY AND ACTUAL
 TECHNOLOGY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004 (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	\$	\$	\$ 237	\$	\$ 237	\$ 237
Expenditures:						
General	5,260	5,260	4,808	85	4,893	367
Contractual	<u>14,640</u>	<u>14,640</u>	<u>4,769</u>	<u>5,065</u>	<u>9,834</u>	<u>4,806</u>
Total Expenditures	<u>19,900</u>	<u>19,900</u>	<u>9,577</u>	<u>5,150</u>	<u>14,727</u>	<u>5,173</u>
Net Change in Fund Balances	(19,900)	(19,900)	(9,340)	(5,150)	(14,490)	5,410
Fund Balance Beginning of Year	<u>19,900</u>	<u>19,900</u>	<u>19,911</u>	<u></u>	<u>19,911</u>	<u>11</u>
Fund Balance End of Year	<u>\$</u>	<u>\$</u>	<u>\$ 10,571</u>	<u>\$ (5,150)</u>	<u>\$ 5,421</u>	<u>\$ 5,421</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	20,078	26,560	32,426		32,426	5,866
Fund Balance End of Year	\$	\$	\$ 62,941	\$ (9,859)	\$ 53,082	\$ 53,082

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, 2004 (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	\$ 782	\$ 782	\$ 225	\$	\$ 225	\$ (557)
Interest Income			715		715	715
Departmental Revenue	2,178	2,178	1,450		1,450	(728)
Interdepartmental Revenue	536	536	896		896	360
State Aid			224		224	224
Property Taxes	<u>138,932</u>	<u>138,932</u>	<u>138,932</u>		<u>138,932</u>	
Total Revenues	<u>142,428</u>	<u>142,428</u>	<u>142,442</u>		<u>142,442</u>	<u>14</u>
Expenditures:						
Salaries	26,371	18,543	18,543		18,543	
Fringe Benefits	8,897	8,897	8,050	(1,357)	6,693	2,204
Equipment	154	154	72	16	88	66
Other	62,258	67,918	51,788	11,009	62,797	5,121
Debt Service						
Principal	21,200	26,059	26,058		26,058	1
Interest	<u>20,037</u>	<u>16,444</u>	<u>14,726</u>		<u>14,726</u>	<u>1,718</u>
Total Expenditures	<u>138,917</u>	<u>138,015</u>	<u>119,237</u>	<u>9,668</u>	<u>128,905</u>	<u>9,110</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,511</u>	<u>4,413</u>	<u>23,205</u>	<u>(9,668)</u>	<u>13,537</u>	<u>9,124</u>
Other Financing Sources (Uses):						
Transfer In			83,104		83,104	83,104
Transfer In of Investment Income	291	291	784		784	493
Transfer Out	(13,411)	(13,411)	(11,648)	(1,356)	(13,004)	407
Transfer In from SFA			10,951		10,951	10,951
Transfer Out to SFA	<u>(52,062)</u>	<u>(73,970)</u>	<u>(73,970)</u>		<u>(73,970)</u>	
Total Other Financing Sources (Uses)	<u>(65,182)</u>	<u>(87,090)</u>	<u>9,221</u>	<u>(1,356)</u>	<u>7,865</u>	<u>94,955</u>
Net Change in Fund Balances	(61,671)	(82,677)	32,426	(11,024)	21,402	104,079
Fund Balance Beginning of Year	<u>61,671</u>	<u>82,677</u>				<u>(82,677)</u>
Fund Balance End of Year	<u>\$</u>	<u>\$</u>	<u>\$ 32,426</u>	<u>\$ (11,024)</u>	<u>\$ 21,402</u>	<u>\$ 21,402</u>

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY AND ACTUAL
SEWAGE DISPOSAL DISTRICT #1 MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2004 (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>	\$	\$	\$	\$	\$	\$
<u>Expenditures:</u>						
<u>Other Financing Use:</u>						
Transfer Out			(1,209)		(1,209)	(1,209)
Total Other Financing Use			(1,209)		(1,209)	(1,209)
Net Change in Fund Balances			(1,209)		(1,209)	(1,209)
Fund Balance Beginning of Year			1,209		1,209	1,209
Fund Balance End of Year	\$	\$	\$	\$	\$	\$

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 TOTAL BUDGETARY AUTHORITY AND ACTUAL
 SEWAGE DISPOSAL DISTRICT #2 MAINTENANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004 (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:	\$	\$	\$	\$	\$	\$
Expenditures:						
Other Financing Use:						
Transfer Out	_____	_____	(34,838)	_____	(34,838)	(34,838)
Total Other Financing Use	_____	_____	(34,838)	_____	(34,838)	(34,838)
Net Change in Fund Balances			(34,838)		(34,838)	(34,838)
Fund Balance Beginning of Year	_____	_____	34,838	_____	34,838	34,838
Fund Balance End of Year	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 TOTAL BUDGETARY AUTHORITY AND ACTUAL
 SEWAGE DISPOSAL DISTRICT #3 MAINTENANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004 (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:	\$	\$	\$	\$	\$	\$
Expenditures:						
Other Financing Use:						
Transfer Out			(29,061)		(29,061)	(29,061)
Total Other Financing Use			(29,061)		(29,061)	(29,061)
Net Change in Fund Balances			(29,061)		(29,061)	(29,061)
Fund Balance Beginning of Year			29,061		29,061	29,061
Fund Balance End of Year	\$	\$	\$	\$	\$	\$

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 TOTAL BUDGETARY AUTHORITY AND ACTUAL
 SEWAGE COLLECTION DISTRICTS MAINTENANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004 (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:	\$	\$	\$	\$	\$	\$
Expenditures:						
Other Financing Use:						
Transfer Out	_____	_____	(17,567)	_____	(17,567)	(17,567)
Total Other Financing Use	_____	_____	(17,567)	_____	(17,567)	(17,567)
Net Change in Fund Balances			(17,567)		(17,567)	(17,567)
Fund Balance Beginning of Year	_____	_____	17,567	_____	17,567	17,567
Fund Balance End of Year	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

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

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, 2004
(INCLUDING LIFETIME ACTIVITY THROUGH DECEMBER 31, 2004) (Dollars in Thousands)

<u>County Departments, Offices and Boards</u>	<u>Total Budgetary Authority</u>	<u>All Prior Years' Actual Expenditures</u>	<u>Remaining Budgetary Authority January 1, 2004</u>	<u>2004 Actual Expenditures</u>	<u>Remaining Budgetary Authority December 31, 2004</u>
Affirmative Action	\$ 1,240	\$ 1,140	\$ 101	\$	\$ 101
Assessment	13,000	11,363	1,637		1,637
CASA	703	545	158	31	127
Correctional Center	7,156	5,282	1,874	342	1,532
County Attorney	295	295			
County Clerk	225	47	178	102	76
County Comptroller	805	446	359		359
Criminal Justice Coordinating Council	52,066	45,525	6,541	1,873	4,668
Cultural Development	441	438	3		3
District Attorney	8,532	5,870	2,662	528	2,134
Drug and Alcohol	670,693	460,264	210,429	20,356	190,073
Emergency Management	2,479		2,479	1,240	1,239
Fire Commission	804	64	740		740
General Services	415	335	80		80
Health	120,688	85,296	35,392	13,612	21,780
Housing and Inter- governmental Affairs	509,177	427,870	81,308	21,369	59,939
Human Rights	1,794	1,665	128	46	82
Labor	50	46	4		4
Medical Center	5,119	188	4,932		4,932
Medical Examiner	2,742	615	2,127	221	1,906
Mental Health	199,957	136,451	63,504	11,211	52,293
Planning	22,696	17,159	5,537	334	5,203
Police	53,501	31,339	22,161	1,739	20,422
Probation	27,258	21,696	5,563	1,342	4,221
Public Works	14,596	12,738	1,858		1,858
Recreation and Parks	4,309	2,743	1,566	422	1,144
Senior Citizen Affairs	57,120	53,811	3,309	866	2,443
Sheriff	66	55	12		12
Social Services	20,202	10,101	10,101	3,526	6,575
Traffic Safety Board	44,144	38,572	5,572	1,999	3,573
Veterans Services	368	63	304	141	163
Women's Services	194	148	47		47
Youth Board	32,431	25,184	7,247	945	6,302
Total	\$ 1,875,266	\$ 1,397,354	\$ 477,913	\$ 82,245	\$ 395,668

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	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
	\$ 123,018	\$ 50,230	\$ 717,064	\$ 191,482	\$ 938,108	2,019,902
Construction in Progress						293,143
Total Net Capital Assets						\$ 2,313,045

COUNTY OF NASSAU, NEW YORK

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2004 (Dollars in Thousands)

	Land	Improvements	Buildings	Equipment	Infrastructure	Total
Legislative	\$	\$	\$ 254	\$ 77	\$	\$ 331
Judicial	2,593	1,933	83,570	4,248		92,344
General Administration	4,030	1,197	43,912	27,247		76,386
Protection of Persons	9,115	190	52,055	56,753		118,113
Health	475		4,705	3,478		8,658
Public Works*	12,002	432	317,528	35,358	1,323,677	1,688,997
Recreation and Parks	28,929	65,651	79,529	12,990	15,781	202,880
Social Services	545	3,840	19,722	2,001		26,108
Corrections			183,283	7,154		190,437
Other Expenditures/MSBA			26,409	130,130		156,539
Metropolitan Transportation Authority				140,000		140,000
Misc. Unclassified	56,732	716	133,482			190,930
Total	114,421	73,959	944,449	419,436	1,339,458	2,891,723
Less: Accumulated Depreciation		23,707	216,414	211,338	377,966	829,425
	\$ 114,421	\$ 50,252	\$ 728,035	\$ 208,098	\$ 961,492	2,062,298
Construction in Progress						259,745
Total Net Capital Assets						\$ 2,322,043

* Due to the creation in 2004 of the Nassau County Sewer and Storm Water Authority, significant transfers of capital assets occurred within buildings, equipment and infrastructure.

EXHIBIT C-2**COUNTY OF NASSAU, NEW YORK****SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION
DECEMBER 31, 2005 (Dollars in Thousands)**

	<u>Capital Assets</u> <u>January 1, 2005</u>	<u>Additions*</u>	<u>Deletions*</u>	<u>Capital Assets</u> <u>December 31, 2005</u>
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	<u>259,745</u>	<u>77,508</u>	<u>44,110</u>	<u>293,143</u>
Total	3,151,468	156,853	74,585	3,233,736
Less: Accumulated Depreciation	<u>829,425</u>	<u>105,429</u>	<u>14,163</u>	<u>920,691</u>
Total Changes in Net Capital Assets	<u>\$ 2,322,043</u>	<u>\$ 51,424</u>	<u>\$ 60,422</u>	<u>\$ 2,313,045</u>

* 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.

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION
DECEMBER 31, 2004 (Dollars in Thousands)

	<u>Capital Assets</u> <u>January 1, 2004*</u>	<u>Additions**</u>	<u>Deletions**</u>	<u>Capital Assets</u> <u>December 31, 2004</u>
Legislative	\$ 341	\$	\$ 10	\$ 331
Judicial	88,119	5,069	844	92,344
General Administration	100,806	9,946	34,366	76,386
Protection of Persons	121,462	9,965	13,314	118,113
Health	9,112	209	663	8,658
Public Works	2,269,466	1,042,026	1,622,495	1,688,997
Recreation and Parks	187,185	15,960	265	202,880
Social Services	24,842	1,453	187	26,108
Corrections	190,938	493	994	190,437
Other Expenditures/MSBA	117,624	54,456	15,541	156,539
Metropolitan Transportation Authority	140,000			140,000
Misc. Unclassified	191,464		534	190,930
Construction Work in Progress	234,153	57,699	32,107	259,745
Total	<u>3,675,512</u>	<u>1,197,276</u>	<u>1,721,320</u>	<u>3,151,468</u>
Less: Accumulated Depreciation	1,364,986	146,069	681,630	829,425
Total Changes in Net Capital Assets	<u>\$ 2,310,526</u>	<u>\$ 1,051,207</u>	<u>\$ 1,039,690</u>	<u>\$ 2,322,043</u>

* Amounts include Infrastructure and Capitalized Building leases previously not reported.

** 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, 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:						
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>8,457</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	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

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, 2004 (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:						
Interdepartmental Revenue	\$	\$	\$ 941	\$	\$ 941	\$ 941
Other Revenue		9,935	9,935		9,935	
Total Revenues		9,935	10,876		10,876	941
Expenditures:						
Debt Service:						
Principal	158,681	174,909	171,434		171,434	3,475
Interest	66,562	60,269	60,269		60,269	
Financing Costs	96,873	96,873	612		612	96,261
Total Expenditures	322,116	332,051	232,315		232,315	99,736
Excess (Deficiency) of Revenues Over (Under) Expenditures	(322,116)	(322,116)	(221,439)		(221,439)	100,677
Other Financing Sources (Uses):						
Transfers In	322,116	322,116	230,729		230,729	(91,387)
Transfers In from NIFA		315,133	315,843		315,843	710
Transfers In from SFA		82,067	82,067		82,067	
Payments to Refunded Bond Escrow Agent		(397,200)	(397,200)		(397,200)	
Total Other Financing Sources (Uses)	322,116	322,116	231,439		231,439	(90,677)
Net Change in Fund Balance			10,000		10,000	10,000
Fund Balances at Beginning of Year						
Fund Balances at End of Year	\$	\$	\$ 10,000	\$	\$ 10,000	\$ 10,000

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>
<u>ASSETS:</u>				
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>706</u>	<u>92,589</u>	<u>92,128</u>	<u>1,167</u>
TOTAL ASSETS	<u>\$ 109,152</u>	<u>\$ 1,607,618</u>	<u>\$ 1,622,531</u>	<u>\$ 94,239</u>
<u>LIABILITIES:</u>				
Accounts Payable	\$ 282	\$ 331,836	\$ 328,342	\$ 3,776
Other Liabilities	<u>108,870</u>	<u>1,286,694</u>	<u>1,305,101</u>	<u>90,463</u>
TOTAL LIABILITIES	<u>\$ 109,152</u>	<u>\$ 1,618,530</u>	<u>\$ 1,633,443</u>	<u>\$ 94,239</u>

COUNTY OF NASSAU, NEW YORK

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUND
DECEMBER 31, 2004 (Dollars in Thousands)

AGENCY FUND

	Balance January 1, <u>2004</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2004</u>
<u>ASSETS:</u>				
Cash	\$ 43,146	\$ 514,936	\$ 486,712	\$ 71,370
Investments	100	800	800	100
Due From Tobacco Settlement Corporation		36,976		36,976
Due From Component Unit	<u>362</u>	<u>24,261</u>	<u>23,917</u>	<u>706</u>
TOTAL ASSETS	<u>\$ 43,608</u>	<u>\$ 576,973</u>	<u>\$ 511,429</u>	<u>\$ 109,152</u>
<u>LIABILITIES:</u>				
Accounts Payable	\$ 404	\$ 33,566	\$ 33,688	\$ 282
Other Liabilities	<u>43,204</u>	<u>1,130,352</u>	<u>1,064,686</u>	<u>108,870</u>
TOTAL LIABILITIES	<u>\$ 43,608</u>	<u>\$ 1,163,918</u>	<u>\$ 1,098,374</u>	<u>\$ 109,152</u>

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	849	5,249	4,172	1,926
	<u>849</u>	<u>5,249</u>	<u>4,172</u>	<u>1,926</u>
Total Other Liabilities	<u>\$ 108,870</u>	<u>\$ 1,286,694</u>	<u>\$ 1,305,101</u>	<u>\$ 90,463</u>

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF CHANGES IN OTHER LIABILITIES

FIDUCIARY FUND

FOR THE YEAR ENDED DECEMBER 31, 2004 (Dollars in Thousands)

	Balance January 1, <u>2004</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2004</u>
Bid Deposits	\$ 330	\$ 87	\$ 99	\$ 318
Cash Bail	9,499	13,942	10,651	12,790
Contractors' Cash Bond Escrow	1,043	488	241	1,290
Dental Insurance	130	4,980	4,988	122
Eggers College Settlement	1,377	25		1,402
Estate Suspense Account	111	924	649	386
Federal Withholding Taxes	249	130,659	130,828	80
FICA Refunds	1,360		1,328	32
Flex Benefit Plan		1,825	1,825	
Health Insurance		187,267	187,267	
Highway Deposits	839	402	302	939
Liability for Tobacco Corp Medical Expenses		60,576		60,576
Medical Assistance Pay In	2,263	998	54	3,207
Mortgage Taxes	16,356	118,910	117,820	17,446
New York City Withholding Taxes	3	895	893	5
New York State Withholding Taxes	233	47,311	47,145	399
Optical Insurance	97	1,450	1,464	83
Payments in Lieu of Taxes	2,309	12,680	10,781	4,208
Payroll Deductions	(83)	74,922	74,858	(19)
Payroll Deferred Compensation		50,276	50,241	35
Plans and Specification Deposits	42			42
Real Estate Escrow	164			164
Reimbursements	51	4		55
Retirement System	822	18,740	19,447	115
Social Security Taxes	(9)	116,519	116,345	165
TIAA/CREF Payroll Deductions	643	12,466	12,423	686
TIAA Escrow	86	288	266	108
Traffic Violations Clearing Account	4,418	18,668	19,834	3,252
Unclaimed Matured Bonds and Coupons		252,618	252,618	
Unemployment Insurance	153	557	592	118
United States Savings Bonds	20	1,212	1,215	17
All Other Liabilities	698	663	512	849
	<u>43,204</u>	<u>1,130,352</u>	<u>1,064,686</u>	<u>108,870</u>
Total Other Liabilities	\$ 43,204	\$ 1,130,352	\$ 1,064,686	\$ 108,870

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	93,072

Total Cash Balances By Funds \$ 731,205

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	783

Total Cash Balances By Bank \$ 731,205

*See Exhibit X-15 Note 2, Deposits and Investments

COUNTY OF NASSAU, NEW YORK

**SCHEDULE OF CASH IN BANKS*
ALL FUNDS OF THE PRIMARY GOVERNMENT
DECEMBER 31, 2004 (Dollars in Thousands)**

CASH BALANCES BY FUND:

General Fund	\$ 18,867
NIFA General Fund	5,128
Police District	81,764
Police Headquarters	71,032
County Parks and Recreation Fund	31,915
Fire Prevention, Safety, Communication and Education Fund	8,997
Nonmajor Governmental Funds	573,054
Debt Service Fund	18,663
Agency Fund	<u>71,370</u>

Total Cash Balances By Funds	<u>\$ 880,790</u>
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CASH BALANCES BY BANK:

The Bank of New York	\$ 2,389
The Bank of New York-NIFA	154,448
The Bank of New York-Sewer	60,721
Citibank	10,186
Commerce	333,428
Fleet Bank, N.A.	7,210
Fleet Bank, N.A. - NIFA	5,128
JP Morgan Chase	15,223
State Bank of Long Island	37,337
North Fork Bank	136,964
City National Bank of New Jersey	8,100
Deutsche Bank	108,874
Petty Cash	<u>782</u>

Total Cash Balances By Bank	<u>\$ 880,790</u>
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*See Exhibit X-15 Note 2, Deposits and Investments

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STATISTICAL DATA

This section contains comprehensive statistical data for the County, and includes in some cases statistical information for the towns, cities, villages, school districts, and special districts which are not part of the County reporting entity. 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. Many tables in this section cover several fiscal years for comparison purposes, and may present data from outside of the County's accounting records.

COUNTY OF NASSAU, NEW YORK

ALL GOVERNMENTAL FUND TYPES OF THE PRIMARY GOVERNMENT(a)
TOTAL EXPENDITURES
FOR THE FISCAL PERIODS ENDED IN 1996 THROUGH 2005 (Dollars in Thousands)

	2005(b)	2004(b)	2003(b)	2002(b)	2001(c)	2000(c)	1999(c)	1998	1997	1996(d)	1995(e)
Governmental Funds											
Major Governmental Funds											
Legislative	\$ 8,325	\$ 7,629	\$ 6,572	\$ 5,865							
Judicial	39,791	44,715	42,063	39,049							
General Administration	232,038	209,952	208,464	183,150							
Protection of Persons	674,719	653,567	562,281	579,692							
Health	197,873	190,873	183,073	169,065							
Public Works	93,124	87,453	54,430	44,104							
Recreation and Parks	50,704	46,440	61,654	59,886							
Social Services	537,107	625,213	523,765	538,402							
Corrections	211,928	193,390	183,931	171,289							
Education	6,740	5,801	4,953	5,017							
Payments for Tax Certiorari and Other Judgments	260,207	198,663	141,820	125,545							
Other	120,946	156,254	106,367	116,253							
Debt Service:											
Principal	140,280	171,434	196,314	195,975							
Interest	36,002	60,269	96,525	126,725							
Financing Costs	841	812	415	691							
Total Major Governmental Funds	<u>2,610,625</u>	<u>2,652,265</u>	<u>2,372,627</u>	<u>2,360,708</u>							
Nonmajor Governmental Funds											
Judicial	1,853	749	926	855							
General Administration	29,217	32,797	23,252	34,935							
Protection of Persons	8,216	5,657	7,547	5,607							
Health	45,706	45,179	50,585	45,034							
Public Works	103,354	78,453	71,700	65,624							
Recreation and Parks	636	422	395	301							
Capital Outlay-General County	103,055	70,381	31,360	48,569							
Sewage Districts	5,369	5,840	11,234	27,497							
Social Services	6,063	5,509	6,077	2,632							
Corrections	3,328	1,684	711	1,053							
Education			1,313	1,053							
Debt Service:											
Principal	115,981	55,118	22,975	16,860							
Interest	107,167	91,294	68,052	40,831							
Financing Costs	4,290	10,165	5,195	1,703							
Total Nonmajor Governmental Funds	<u>534,235</u>	<u>403,248</u>	<u>301,322</u>	<u>292,554</u>							
General Fund											
Legislative					\$ 5,643	\$ 5,232	\$ 5,012	\$ 5,331	\$ 4,896	\$ 5,054	\$ 1,715
Judicial					45,752	41,671	41,184	40,294	37,396	44,782	26,079
General Administration					179,530	171,575	164,029	160,327	154,584	134,827	79,914
Protection of Persons					10,088	9,985	10,380	10,271	9,629	11,921	6,846
Health					162,353	145,904	150,854	154,184	141,648	166,677	96,927
Public Works					44,039	41,307	43,726	41,371	40,679	32,286	20,639
Recreation and Parks					3	797	954	993	1,170	38,897	22,856
Social Services					518,640	499,740	475,762	466,395	439,427	515,120	287,045
Corrections					171,555	143,723	144,130	140,880	131,533	154,549	88,645
Education					4,779	5,354	5,066	5,274	4,871	5,342	4,298
Payments for Tax Certiorari and Other Judgments (f)					175,474	122,890	104,730	147,212	116,815		
Other					94,840	84,354	76,118	57,446	51,066	137,282	84,898
Debt Service:											
Principal							273,573	347,624	165,080	205,384	94,546
Interest					1,421	2,074	111,099	106,027	94,814	107,529	54,706
Total General Fund					<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>	<u>1,559,650</u>	<u>869,114</u>

COUNTY OF NASSAU, NEW YORK

ALL GOVERNMENTAL FUND TYPES OF THE PRIMARY GOVERNMENT(a)
 TOTAL EXPENDITURES
 FOR THE FISCAL PERIODS ENDED IN 1996 THROUGH 2005 (Dollars in Thousands)

	2005(b)	2004(b)	2003(b)	2002(b)	2001(c)	2000(c)	1999(c)	1998	1997	1996(d)	1995(e)
Governmental Funds											
Special Revenue Funds											
Judicial					\$ 477	\$ 759	\$ 135	\$ 619	\$ 1,158	\$ 427	\$ 289
General Administration					35,139	23,954	28,003	19,820	21,676	25,690	16,100
Protection of Persons					551,881	535,294	504,416	477,657	453,674	553,594	316,753
Health					40,888	45,779	33,160	39,368	38,122	43,000	34,279
Public Works					68,964	64,437	61,894	57,255	60,948	93,725	55,001
Recreation and Parks					58,639	56,124	56,979	52,978	43,456	80	37
Social Services					3,129	2,356	3,441	3,273	2,684	3,674	2,398
Corrections					344	641	318	1,006	1,307	2,704	1,284
Education					803	914	750	721	686	873	456
Other					257	229	3,443				
Debt Service:											
Principal					450	5,235	50,691	68,671	49,044	56,136	36,944
Interest					18,387	992	37,847	27,946	29,817	37,804	23,811
Cost of Issuance					86	191					
Total Special Revenue Funds					<u>779,444</u>	<u>736,905</u>	<u>781,077</u>	<u>749,334</u>	<u>702,572</u>	<u>817,707</u>	<u>487,352</u>
Debt Service Fund (g)											
Debt Service:											
Principal					186,383	218,747					
Interest					178,892	134,530					
Total Debt Service Fund					<u>365,275</u>	<u>353,277</u>					
Capital Projects Funds					246,968	136,872	185,298	177,185	221,206	249,207	131,811
Total Governmental Funds	\$ 3,144,860	\$ 3,055,513	\$ 2,673,949	\$ 2,653,262	\$ 2,805,804	\$ 2,501,680	\$ 2,572,992	\$ 2,610,148	\$ 2,317,386	\$ 2,626,564	\$ 1,488,277

- (a) For the periods 1994 through 1999 the debt service expenditures of the General Fund included expenditures for the debt service of the Enterprise Funds. As of September 29, 1999, the Nassau County Medical Center, A. Holly Patterson Geriatric Center, and Nassau County health clinics were sold to the Nassau Health Care Corporation. For fiscal periods prior to the sale, expenditures for the Medical Center and Geriatric Center are reported as Enterprise Fund transactions, expenditures for the health clinics are reported in the General Fund. Subsequent to the sale, expenditures for these entities are reported as component unit transactions.
- (b) Beginning in 2002, presentation of Governmental Fund expenditures is in conformance with the GASB 34 format.
- (c) From 1999 through 2001, blended component units are included within Special Revenue Funds.
- (d) 1996 data indicates expenditures for the fifteen month fiscal period ended December 31, 1996.
- (e) 1995 data indicates expenditures for the nine month fiscal period ended September 30, 1995.
- (f) For periods prior to 1997, payments for Tax Certiorari and Other Judgments were reported as an other financing use.
- (g) In 2000, a debt service fund was established to account for debt service activity for both the County and NIFA. In previous fiscal years, this activity was identified within the General Fund and Special Revenue Funds.

COUNTY OF NASSAU, NEW YORK

ALL GOVERNMENTAL FUND TYPES OF THE PRIMARY GOVERNMENT (a)

TOTAL REVENUES

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

	2005(b)	2004(b)	2003(b)	2002(b)	2001(c)	2000(c)	1999(c)	1998	1997	1996(d)	1995(e)
Governmental Funds											
Major Governmental Funds											
Interest and Penalties on Taxes	\$ 21,369	\$ 22,682	\$ 22,456	\$ 20,156							
Licenses and Permits	9,455	6,050	6,776	4,751							
Fines and Forfeits	21,237	14,477	13,059	12,785							
Interest Income	10,153	6,474	3,661	6,875							
Rents and Recoveries	30,764	32,229	13,951	48,657							
Tobacco Settlement Revenue	23,017	23,682									
Departmental Revenue	125,223	206,459	147,938	176,335							
Interdepartmental Revenue	129,706	102,187	123,729	105,357							
Federal Aid	114,519	126,208	107,592	124,491							
State Aid	199,715	209,019	198,767	191,488							
Sales Tax	895,107	863,892	841,940	814,160							
Preempted Sales Tax in Lieu of Property Taxes	57,568	49,971	48,920	48,997							
Property Taxes	745,916	743,002	741,779	618,846							
Payments in Lieu of Taxes	4,298	3,632	4,205	2,974							
Special Taxes	36,572	32,395	25,982	25,347							
Other Revenue	24,830	11,098	9,922	13,231							
Total Major Governmental Funds	2,449,449	2,473,457	2,310,677	2,214,450							
Nonmajor Governmental Funds											
Unrealized Gain on Investments	5,382	41	968	1,317							
Fines and Forfeits	1,478										
Interest Income	14,733	6,754	5,539	5,858							
Rents and Recoveries	217	241	283	243							
Departmental Revenue	3,727	4,118	15,372	11,316							
Interdepartmental Revenue	807	2,580	1,494	1,336							
Federal Aid	50,982	49,829	61,539	53,523							
State Aid	31,671	66,300	38,301	32,972							
State Aid from NIFA	7,500	7,500	15,000	20,000							
Tobacco Receipts	22,284	21,974	26,186	26,180							
Property Taxes	139,843	139,832	142,838	139,421							
Other Revenues	4,236	7,622	1,357	988							
Total Nonmajor Governmental Funds	\$ 281,960	\$ 305,689	\$ 308,657	\$ 293,154							
General Fund											
Interest and Penalties on Taxes				\$ 19,014	\$ 13,297	\$ 9,006	\$ 10,036	\$ 12,549	\$ 17,872	\$ 7,705	\$ 7,705
Gifts and Donations					2	10					9
Licenses and Permits				4,276	3,653	4,033	2,878	3,445	3,725	2,978	2,978
Fines and Forfeits				11,802	9,941	9,954	8,104	8,853	9,833	6,257	6,257
Interest, Rents and Recoveries				49,387	81,264	238,810	23,316	35,450	42,036	20,683	20,683
Departmental Revenue				127,275	149,233	77,766	42,162	41,242	57,230	37,282	37,282
Interdepartmental Revenue				101,196	105,289	108,545	130,435	103,476	100,311	47,908	47,908
Federal Aid				102,767	105,153	97,908	95,685	86,399	92,442	58,651	58,651
State Aid				189,917	185,958	170,725	178,151	178,075	268,484	125,724	125,724
Sales Tax				762,966	756,111	720,395	678,017	655,830	794,593	437,561	437,561
Preempted Sales Tax in Lieu of Property Taxes				43,717	42,570	37,830	37,499	38,164	42,702	25,407	25,407
Property Taxes				145,100	72,455	68,529	73,560	81,853	170,888	89,713	89,713
Payments in Lieu of Taxes				3,450	2,329	1,392	1,156	230	265	191	191
Special Taxes(f)				8,259	5,518	9,370	3,063	3,216	10,234	7,207	7,207
Other Revenues(f)				1,635	4,983	2,321	389	450	10,383	7,806	7,806
Total General Fund				1,570,761	1,537,756	1,556,594	1,284,451	1,247,232	1,620,998	874,882	874,882

COUNTY OF NASSAU, NEW YORK

ALL GOVERNMENTAL FUND TYPES OF THE PRIMARY GOVERNMENT (a)

TOTAL REVENUES

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

	2005(b)	2004(b)	2003(b)	2002(b)	2001(c)	2000(c)	1999(c)	1998	1997	1996(d)	1995(e)
Governmental Funds											
Special Revenue Funds											
Interest, Rents and Recoveries					\$ 6,481	\$ 6,791	\$ 8,452	\$ 809	\$ 1,074	\$ 5,249	\$ 1,718
Departmental Revenue					36,561	32,352	30,484	30,165	26,874	20,118	12,483
Interdepartmental Revenue					2,623	2,557	2,216	2,074	3,690	6,349	5,171
Federal Aid					54,308	33,705	50,656	34,189	44,702	43,276	21,498
State Aid					62,108	52,168	21,800	35,974	24,443	38,957	36,218
State Aid from NIFA					25,167	25,000					
Sales Tax					22,128	4,721					
Property Taxes					561,484	587,606	526,345	494,711	496,224	569,330	350,290
Other Revenues					36,780	38,941	8,879	9,734	9,494	11,474	6,211
Total Special Revenue Funds					807,640	763,841	648,832	607,656	608,501	694,753	433,589
Capital Projects Funds											
Interest, Rents and Recoveries					18,109	27,992	18,997	15,787	15,499	9,316	5,526
Federal Aid					13,518	2,298	7,334	21,550	41,189	14,598	4,884
State Aid					6,932	5,337	8,422	14,363	16,280	21,763	5,110
Other Revenues					961	1,616	757	438		4,183	891
Total Capital Projects Funds					39,520	37,243	35,510	52,138	72,948	49,858	16,411
Debt Service Funds											
Interest Income					207						
Unrealized gain on investments					18	9					
Total Debt Service Funds					225	9					
Total Governmental Funds	\$ 2,731,409	\$ 2,779,146	\$ 2,619,334	\$ 2,507,604	\$ 2,418,146	\$ 2,338,849	\$ 2,240,936	\$ 1,944,245	\$ 1,926,681	\$ 2,365,609	\$ 1,324,682

(a) For the periods 1997 and subsequent, revenues relating to County Parks, which were previously reported in the General Fund, are reported in a special revenue fund. Effective January of 1997, the operations of the County Road Fund, which was previously accounted for as a special revenue fund, has been combined with the General Fund. Additionally, as of September 29, 1999, the Nassau County Medical Center, A. Holly Patterson Geriatric Center, and Nassau County health clinics were sold to the Nassau Health Care Corporation. For fiscal periods prior to the sale, revenues for the Medical Center and Geriatric Center are reported as Enterprise Fund transactions, revenues for the health clinics are reported in the General Fund. Subsequent to the sale, revenues for these entities are reported as component unit transactions.

(b) Beginning in 2002, presentation of Governmental Fund revenues is in conformance with the GASB 34 format.

(c) From 1999 through 2001, blended component units are included within Special Revenue Funds.

(d) 1996 data indicates revenues for the fifteen month fiscal period ended December 31, 1996.

(e) 1995 data indicates revenues for the nine month fiscal period ended September 30, 1995.

(f) For fiscal periods subsequent to 1996, data for Special Taxes and Other Revenues is significantly different than prior years as a result of an accounting reclassification for most Off-track Betting Corporation activity from operating revenues to other financing sources

COUNTY OF NASSAU, NEW YORK

COUNTY, TOWNS, AND SPECIAL DISTRICTS(a)
 PROPERTY TAX LEVIES AND COLLECTIONS
 FOR THE YEARS ENDED IN 1996 THROUGH 2005 (Dollars in Thousands)

<u>Fiscal Year Beginning January 1</u>	<u>Total Ad Valorem or General Property Tax Levy</u>	<u>Amount Uncollected at End of Fiscal Year December 31</u>	<u>Percentage Uncollected at End of Fiscal Year December 31</u>	<u>Amount Uncollected December 31, 2005</u>	<u>Percentage Uncollected December 31, 2005</u>
2005	\$ 1,531,582	\$ 17,064	1.1141%	\$ 17,064	1.1141%
2004	1,478,831	13,455	0.9098%	645	0.0436%
2003	1,451,342	13,493	0.9297%	1,430	0.0985%
2002	1,292,438	19,689	1.5234%	874	0.0676%
2001	1,230,980	16,465	1.3376%	705	0.0573%
2000	1,143,781	17,141	1.4986%	439	0.0384%
1999	1,080,129	16,616	1.5383%	283	0.0262%
1998	1,045,461	17,075	1.6333%	203	0.0194%
1997	1,041,785	17,990	1.7268%	179	0.0172%
1996 (b)	1,147,381	20,788	1.8118%	208	0.0181%

(a) The property tax levies and collections referred to above include not only the taxes levied for County purposes, but also such taxes levied for the towns and special districts as are included in the tax rolls containing the taxes levied for County purposes.

(b) 1996 data is presented as of December 31, 1996, the end of the fifteen month 1996 fiscal period.

COUNTY OF NASSAU, NEW YORK

**COUNTY, TOWNS AND CITIES
 TAXABLE ASSESSED VALUATIONS AND EQUALIZATION RATES FOR APPLICATION
 IN 2005* (Dollars in Thousands)**

	<u>Taxable Assessed Valuation, Real Property</u>	<u>Taxable Assessed Valuation, Special Franchises</u>	<u>Total Taxable Assessed Valuation</u>	<u>State Equali- zation Rate</u>	<u>Full Valuation</u>
Town of Hempstead	\$ 705,338	\$ 8,182	\$ 713,520	0.82 %	\$ 87,014,634
Town of North Hempstead	387,336	3,365	390,701	0.82 %	\$ 47,646,463
Town of Oyster Bay	414,823	3,490	418,313	0.81 %	\$ 51,643,580
City of Long Beach	28,767	425	29,192	0.82 %	\$ 3,560,000
City of Glen Cove	30,266	300	30,566	0.82 %	\$ 3,727,561
	<u>\$ 1,566,530</u>	<u>\$ 15,762</u>	<u>\$ 1,582,292</u>		<u>\$ 193,592,238</u>

* Last completed assessed valuation fixed in 2004 on which the 2005 taxes are levied.

**COUNTY, TOWNS AND CITIES
 TOTAL TAXABLE ASSESSED AND FULL VALUATION OF TAXABLE PROPERTY
 FOR THE FISCAL YEARS ENDED IN 1996 THROUGH 2005 (Dollars in Thousands)**

	<u>Total Taxable Assessed Valuation</u>		<u>Average State Equalization Rate (rounded)</u>		<u>Full Valuation*</u>
2005	\$ 1,582,292	**	0.82%	**	\$ 193,592,238
2004	1,613,805	**	0.90%	**	179,807,935
2003	4,119,080		2.56%		161,160,799
2002	4,121,421		2.94%		140,129,811
2001	4,083,060		3.24%		125,852,983
2000	4,048,032		3.52%		115,091,989
1999	4,024,225		3.97%		101,427,301
1998	4,040,053		4.04%		99,957,476
1997	4,036,444		4.18%		96,524,943
1996	4,033,259		4.20%		95,984,449

* Full valuation is determined by dividing the total taxable assessed valuation by the unrounded average State equalization rate. A surge in County property values during the periods 2000 through 2005 has significantly increased the full valuation.

** Beginning in 2004, 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.

COUNTY OF NASSAU, NEW YORK

COUNTY, TOWNS AND CITIES, INCORPORATED VILLAGE GOVERNMENTS
AND SPECIAL DISTRICTS
PROPERTY TAX LEVIES AND TAX RATES
FOR THE FISCAL PERIODS ENDED IN 1995 THROUGH 2004 (Dollars in Thousands)

(Tax Rates per \$100 of Assessed Valuation)

	2004		2003		2002		2001		2000	
	Tax Levy	Tax Rate/Range	Tax Levy	Tax Rate/Range	Tax Levy	Tax Rate/Range	Tax Levy	Tax Rate/Range	Tax Levy	Tax Rate/Range
<u>County of Nassau</u>										
General County Government (Net)	\$ 136,984	5.96/ 34.02	\$ 126,463	.49/ 5.47	\$ 105,502	.43/ 4.61	\$ 144,458	1.28/ 5.14	\$ 72,995	
Police District	301,297	16.93/ 174.58	299,979	9.20/ 9.68	270,610	8.39	272,520	8.51	258,632	
Police Headquarters	239,071	11.72/ 42.84	252,173	2.52/ 7.74	225,364	2.48/ 6.58	131,022	1.62/ 3.65	131,022	
Fire Prevention	17,782	.88/ 3.2	17,012	.17/ 0.52	14,195	.16/ 0.42	14,946	.19/ 0.42	14,747	
Community College	43,117	2.10/ 7.66	41,499	.41/ 1.3	39,941	.44/ 1.17	38,039	.47/ 1.06	35,959	
Sewage Disposal Districts	-	-	102,422	2.92/ 4.19	100,131	2.82/ 3.74	104,805	.47/ 3.90	82,956	
Sewer & Stormwater District Fund	138,932	.42/ 210.77	-	-	-	-	-	-	-	
Sewage Collection Districts	-	-	40,217	.22/ 11.10	39,290	.14/ 8.46	38,192	.00/ 7.42	43,779	
Parks & Recreation	43,577	2.26/ 8.28	43,085	.43/ 1.32					36,471	
Total County of Nassau	\$ 920,760		922,850		795,033		743,982		676,561	
	(20.61)%		(21.82)%		(20.46)%		(20.47)%		(19.65)%	
<u>Town and City Governments</u>	183,267	.69/ 38.02	175,251	.13/ 12.20	165,369	.01/ 11.42	161,635	.01/ 21.15	190,739	
	(4.10)%		(4.14)%		(4.25)%		(4.45)%		(5.54)%	
<u>Incorporated Village Governments</u>	330,851	.14/ 63.5	311,028	.15/ 42.09	328,463	.15/ 38.28	258,155	.17/ 36.45	\$ 248,260	
	(7.41)%		(7.35)%		(8.45)%		(7.10)%		(7.21)%	
<u>School Districts</u>	2,618,054	1.71/ 697.32	2,431,227	1.69/ 118.09	2,229,206	1.80/ 102.84	2,111,613	7.02/ 93.88	1,984,885	
	(58.60)%		(57.49)%		(57.36)%		(58.10)%		(57.64)%	
<u>Special Districts</u>										
Fire	84,143	1.93/ 152.86	78,685	.92/ 7.05	76,239	.83/ 7.05	73,344	.80/ 7.05	72,091	
Fire Protection	14,239	.48/ 144.88	13,595	.41/ 7.72	12,751	.41/ 7.3	12,126	.41/ 7.05	11,480	
Garbage, Refuse and Sanitary	169,131	.17/ 162.54	160,868	.12/ 8.41	150,799	.10/ 7.3	147,420	.11/ 6.71	136,536	
Lighting	12,643	.50/ 11.2	12,027	.31/ .56	12,010	.32/ 0.54	11,792	.29/ 0.54	11,414	
Park	54,730	.43/ 85.75	51,548	.22/ 7.11	47,496	.32/ 5.72	47,546	.34/ 8.88	45,787	
Parking and Improvement	38,582	.02/ 307.14	33,876	.01/ 12.59	32,528	.01/ 11.67	32,337	.01/ 11.16	32,814	
Sewage - Special	11,501	.00/ 208.83	11,258	.00/ 12.17	11,051	.00/ 10.59	10,576	.00/ 9.37	10,174	
Water	29,405	.00/ 90.35	27,094	.05/ 4.62	25,504	.05/ 2.63	23,772	.05/ 2.63	22,881	
Total Special Districts	414,374		388,951		368,378		358,913		343,177	
	(9.28)%		(9.20)%		(9.48)%		(9.88)%		(9.96)%	
Totals	\$ 4,467,306		\$ 4,229,307		\$ 3,886,449		\$ 3,634,298		\$ 3,443,622	
	(100.00)%		(100.00)%		(100.00)%		(100.00)%		(100.00)%	

** Indicates tax rate credit.

EXHIBIT T-6

1999			1998		1997		1996		1995	
Tax Rate/ Range	Tax Levy	Tax Rate/ Range	Tax Levy	Tax Rate/ Range	Tax Levy	Tax Rate/ Range	Tax Levy	Tax Rate/ Range	Tax Levy	Tax Rate/ Range
.73/ 3.01 8.14	\$ 70,119 221,100	.91/ 2.95 6.98	\$ 71,753 228,296	.90/ 2.91 7.17	\$ 73,527 228,200	1.19/ 2.98 7.17	\$ 150,450 285,250	3.39/ 5.05 8.96	\$ 91,441 149,433	2.06/ 3.29 4.72
2.02/ 3.48	127,265	2.22/ 3.40	107,627	1.81/ 2.89	108,626	2.10/ 2.9	130,407	3.02/ 3.04	106,654	2.47/ 4.63
.23/ 0.39 .56/ 0.96	13,861 27,025	.24/ .37 .47/ 0.72	6,734 27,435	.11/ 0.18 .46/ 0.73	6,779 27,818	.13/ .18 .54/ .74	6,269 27,818	.15/ .17 .65/ .73	3,782 27,818	.09/ .11 .64/ .79
2.52/ 3.34	84,240	2.53/ 7.05	76,856	2.30/ 5.23	76,987	2.30/ 5.33	95,707	2.82/ 5.23	59,470	1.82/ 4.34
.24/ 9.80	43,356	0.22/ 10.07	42,679	.33/ 8.43	43,113	.18/ 6.84	51,696	(.08)**/ 9.24	30,951	.00/ 6.30
.56/ 0.97	36,523	.64/ 0.98	32,519	.55/ 0.87	32,519	.63/ .87				
	623,489 (18.64)%		593,899 (18.03)%		597,569 (18.55)%		747,597 (22.79)%		469,549 (16.16)%	
.22/ 73.36	183,369 (5.48)%	.25/ 71.07	187,660 (5.69)%	.25/ 69.63	185,157 (5.75)%	.29/ 68.37	180,841 (5.51)%	.24/ 66.63	179,564 (6.18)%	.24/ 64.24
.20/ 34.95	\$ 239,772 (7.17)%	1.10/ 32.92	\$ 232,562 (7.06)%	.04/ 32.92	\$ 228,778 (7.10)%	.04/ 33.53	\$ 229,109 (6.98)%	.08/ 33.53	\$ 219,278 (7.55)%	.41/ 31.99
6.27/ 82.73	1,962,065 (58.66)%	5.77/ 74.20	1,949,068 (59.16)%	5.28/ 69.53	1,884,793 (58.51)%	4.99/ 68.23	1,809,572 (55.17)%	7.32/ 74.79	1,725,690 (59.39)%	14.01/ 91.7
.82/ 7.05 .41/ 7.07	70,352 11,490	.73/ 6.96 .41/ 6.88	69,884 11,715	.69/ 6.51 .41/ 6.93	66,600 11,380	.74/ 6.51 .34/ 7.96	64,142 10,591	.69/ 6.51 .41/ 7.72	62,502 10,437	.71/ 6.81 .26/ 7.18
.11/ 6.39 .17/ 0.54 .36/ 8.16	134,390 11,719 45,565	.11/ 5.99 .26/ 0.54 .31/ 8.37	131,678 11,811 44,501	.21/ 5.99 .27/ 0.54 .29/ 8.65	131,190 12,190 44,939	.16/ 5.99 .36/ .54 .23/ 8.65	125,812 11,540 43,476	.12/ 5.88 .28/ .52 .18/ 9.78	125,226 11,810 45,391	.12/ 5.65 .27/ 0.53 .14/ 8.90
.01/ 11.20 .00/ 9.51 .05/ 2.63	31,332 9,524 21,733	.01/ 11.34 .00/ 10.11 .05/ 2.57	31,163 9,120 21,462	.01/ 11.11 .00/ 9.16 .05/ 2.45	29,730 8,896 20,282	.01/ 9.52 1.97/ 9.22 .05/ 2.45	29,643 8,622 19,263	.01/ 9.83 8.41/ 8.41 .05/ 3.97	29,839 8,417 18,042	.01/ 9.73 6.88/ 6.88 .21/ 3.43
	336,105 (10.05)%		331,334 (10.06)%		325,207 (10.09)%		313,089 (9.55)%		311,664 (10.72)%	
	\$ 3,344,800 (100.00)%		\$ 3,294,523 (100.00)%		\$ 3,221,504 (100.00)%		\$ 3,280,208 (100.00)%		\$ 2,905,745 (100.00)%	

COUNTY OF NASSAU, NEW YORK

PERCENTAGE OF LONG-TERM DEBT TO TAXABLE ASSESSED VALUATION
AND LONG-TERM DEBT PER CAPITA
FOR THE YEARS ENDED IN 1996 THROUGH 2005 (Dollars in Thousands)

	<u>Taxable Assessed Valuation</u>	<u>Long-Term Debt (b)</u>	<u>Long-Term Debt Per Capita (c)</u>	<u>Percentage of Long- Term Debt To Taxable Assessed Valuation</u>
2005	\$1,582,292(e)	3,268,579(f)	\$2,424	206.57%(f)
2004	1,613,805(e)	3,227,160(f)	2,399	199.97%(f)
2003	4,119,080	3,091,851(d)	2,303	75.06 %
2002	4,121,421	3,077,345(d)	2,296	74.67 %
2001	4,083,060	3,129,738(d)	2,345	76.65 %
2000	4,048,032	3,222,666(d)	2,487	79.61 %
1999	4,024,225	2,910,670(d)	2,250	72.33 %
1998	4,040,053	2,443,417	1,893	60.48 %
1997	4,036,444	2,400,248	1,864	59.46 %
1996 (a)	4,033,259	2,134,465	1,660	52.92 %

(a) 1996 data is for the fifteen month fiscal period ended December 31, 1996.

(b) Includes debt of Nassau Community College as of August 31, a discretely presented component unit.

(c) Actual amount per capita, not expressed in thousands.

(d) Includes debt of the Tobacco Settlement Corporation and NIFA (blended component units).

(e) Beginning in 2004, 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.

(f) Includes all debt of blended component units stated in footnote (e) above, as well as, the debt for the Sewer and Storm Water Finance Authority.

COUNTY OF NASSAU, NEW YORK

STATEMENT OF CONSTITUTIONAL DEBT MARGIN
DECEMBER 31, 2005 (Dollars in Thousands)

(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 2001 Through 2005*

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	125,852,983
	<u>\$ 800,543,766</u>
Average Full Valuation	<u>\$ 160,108,753</u>

Constitutional Debt Margin:

Constitutional Limit of Total Indebtedness, 10% Average Full Valuation

\$ 16,010,875

Outstanding Indebtedness: **

General Government (Including College***)	\$ 507,720
NIFA Serial Bonds	2,086,960
Sewer District	128,307
Environmental Facilities Corporation	164,160
Notes Payable	120,000
Real Property Liabilities	8,500
Guarantees	322,770
Contract Liabilities	174,178
	<u>3,512,595</u>

Total Outstanding Indebtedness \$ 3,512,595

Less: Constitutional Exclusions

Cash and Investments - Capital Projects Funds	66,210
Tax and Revenue Anticipation Notes Payable	120,000
Less: Total Exclusions	<u>186,210</u>

Net Outstanding Indebtedness (20.78%) 3,326,385Constitutional Debt Margin (79.22%) \$ 12,684,490

* 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 College serial bonds payable as of December 31, 2005 are unaudited. The last audit of the College was for the fiscal year ended August 31, 2005.

COUNTY OF NASSAU, NEW YORK

ALL COMMERCIAL AND FDIC REGULATED SAVINGS BANK DEPOSITS,
NASSAU COUNTY BANKING INSTITUTIONS
FOR THE YEARS ENDED JUNE 30, 1996 THROUGH JUNE 30, 2005*
(Dollars in Thousands)

<u>Year</u>	<u>Bank Deposits</u>
2005	\$ 46,692,000
2004	46,178,000
2003	42,577,000
2002	38,574,000
2001	36,533,000
2000	35,297,000
1999	33,953,000
1998	32,897,000
1997	32,267,000
1996	31,925,000

*Data only available through the years ended June 30, 2005.

Source: Federal Deposit Insurance Corporation.

COUNTY OF NASSAU, NEW YORK

STATEMENT OF CONSTITUTIONAL TAX MARGIN
FOR THE YEAR ENDED DECEMBER 31, 2005 (Dollars 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:*

2004 Full Valuation	\$ 179,807,935	
2003 Full Valuation	161,160,799	
2002 Full Valuation	140,129,811	
2001 Full Valuation	125,852,983	
2000 Full Valuation	<u>115,091,989</u>	
	722,043,517	
Average Full Valuation	<u>\$ 144,408,703</u>	
<u>Constitutional Tax Margin:</u>		
Constitutional Limit of Real Property Taxation, 2% of Average Full Valuation	\$ 2,888,174	
<u>Add:</u> Exclusions for Debt Service	<u>292,541</u>	
Net Constitutional Tax Limit		\$ 3,180,715
<u>2005 Tax Levies:</u>		
General County Government	\$ 170,338	
<u>Less:</u> Sales Tax Allocation Credit	<u>57,568</u>	
Net General County Government		112,770
Police District		309,307
Police Headquarters		252,898
Fire Prevention, Safety, Communication and Education		15,444
Community College		44,799
County Parks and Recreation		<u>48,294</u>
Total 2005 Tax Levies which are subject to the Constitutional Tax Limit (24.63%)		<u>783,512</u>
Constitutional Tax Margin (75.37%)		<u>\$ 2,397,203</u>

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

COUNTY OF NASSAU, NEW YORK

GENERAL COUNTY GOVERNMENT, TOWNS AND CITIES
 COMPUTATION OF DIRECT AND OVERLAPPING NET DEBT
 FOR THE FISCAL PERIODS ENDED IN 1995 THROUGH 2004 (Dollars in Thousands) (Continued)

	2004	2003	2002	2001	2000	1999
DIRECT DEBT, COUNTY OF NASSAU:						
General Government:						
Bonds	\$ 3,091,974 *	\$ 2,933,339 *	\$ 2,870,029 *	\$ 2,868,307 *	\$ 2,911,365 *	\$ 2,621,386
Other Debt Obligations			202,155 *	465,965 *	224,360 *	85,826
Total	3,091,974	2,933,339	3,072,184	3,334,272	3,135,725	2,707,212
Sewage Disposal						
District #1:						
Bonds		11,027	11,550	12,280	13,123	13,460
Other Debt Obligations						466
Total		11,027	11,550	12,280	13,123	13,926
Sewage Collection						
District #1:						
Bonds		2,089	2,221	2,417	2,610	2,800
Other Debt Obligations						
Total		2,089	2,221	2,417	2,610	2,800
Sewage Disposal						
District #2:						
Bonds		150,218	169,994	184,629	199,432	204,718
Other Debt Obligations						9,140
Total		150,218	169,994	184,629	199,432	213,858
Sewage Collection						
District #2:						
Bonds		25,296	27,496	29,999	32,539	33,785
Other Debt Obligations						776
Total		25,296	27,496	29,999	32,539	34,561
Sewage Disposal						
District #3:						
Bonds		120,931	131,331	150,347	163,986	156,852
Other Debt Obligations						8,113
Total		120,931	131,331	150,347	163,986	164,965
Sewage Collection						
District #3:						
Bonds		106,886	122,659	139,477	156,949	169,185
Other Debt Obligations				2,696	2,696	7,989
Total		106,886	122,659	142,173	159,645	177,174
Sewer and Stormwater						
District Fund:						
Bonds	400,458					
Other Debt Obligations						
Total	400,458					
County of Nassau:						
Bonds	3,492,432	3,349,786	3,335,280	3,387,456	3,480,004	3,202,186
Other Debt Obligations			202,155	468,661	227,056	112,310
Total	3,492,432	3,349,786	3,537,435	3,856,117	3,707,060	3,314,496

*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.

EXHIBIT T-11
(continued)

	1998	1997	1996	1995
*	\$ 1,816,510	\$ 1,742,715	\$ 1,437,815	\$ 1,221,419
*	<u>85,321</u>	<u>102,215</u>	<u>178,124</u>	<u>216,395</u>
	<u>1,901,831</u>	<u>1,844,930</u>	<u>1,615,939</u>	<u>1,437,814</u>
	13,639	4,542	4,366	4,415
	<u>19</u>	<u>570</u>	<u>158</u>	<u>144</u>
	<u>13,658</u>	<u>5,112</u>	<u>4,524</u>	<u>4,559</u>
	2,990	3,118	3,286	3,453
	<u>2,990</u>	<u>3,118</u>	<u>3,286</u>	<u>3,453</u>
	218,969	228,309	236,420	223,312
	<u>4,887</u>	<u>3,988</u>	<u>3,288</u>	<u>3,188</u>
	<u>223,856</u>	<u>232,297</u>	<u>239,708</u>	<u>226,500</u>
	33,244	34,059	33,334	33,520
	<u>1,204</u>	<u>523</u>	<u>1,358</u>	<u>690</u>
	<u>34,448</u>	<u>34,582</u>	<u>34,692</u>	<u>34,210</u>
	170,400	183,279	196,812	179,141
	<u>974</u>		<u>632</u>	<u>4,267</u>
	<u>171,374</u>	<u>183,279</u>	<u>197,444</u>	<u>183,408</u>
	187,665	204,226	222,432	244,185
	<u>3</u>	<u>1,685</u>	<u>536</u>	<u>381</u>
	<u>187,668</u>	<u>205,911</u>	<u>222,968</u>	<u>244,566</u>
	2,443,417	2,400,248	2,134,465	1,909,445
	<u>92,408</u>	<u>108,981</u>	<u>184,096</u>	<u>225,065</u>
	<u>2,535,825</u>	<u>2,509,229</u>	<u>2,318,561</u>	<u>2,134,510</u>

COUNTY OF NASSAU, NEW YORK

GENERAL COUNTY GOVERNMENT, TOWNS AND CITIES
COMPUTATION OF DIRECT AND OVERLAPPING NET DEBT

FOR THE FISCAL PERIODS ENDED IN 1995 THROUGH 2004 (Dollars in Thousands) (Concluded)

	2004	2003	2002	2001	2000	1999
OVERLAPPING DEBT, TOWNS AND CITIES:						
Town of Hempstead						
Bonds	\$ 988,954	\$ 871,471	\$ 801,123	\$ 737,337	\$ 724,874	\$ 674,839
Other Debt Obligations	77,920	152,269	90,467	113,413	29,488	51,299
Less Sinking Funds	(1,605)	(1,611)	(1,511)	(1)	(1,501)	(52)
Total	1,065,269	1,022,129	890,079	850,749	752,861	726,086
Town of North Hempstead:						
Bonds	599,574	619,421	487,111	430,789	435,450	468,168
Other Debt Obligations	63,990	98,143	135,633	109,528	42,656	33,308
Less Sinking Funds	(114)	(35)	(53)		(95)	(115)
Total	663,450	717,529	622,691	540,317	478,011	501,361
Town of Oyster Bay:						
Bonds	626,207	566,167	502,638	453,624	362,325	299,429
Other Debt Obligations	76,152	74,153	62,479	106,283	115,952	101,893
Less Sinking Funds		(871)	(871)			(406)
Total	702,359	639,449	564,246	559,907	478,277	400,916
City of Glen Cove:						
Bonds	34,605	28,530	32,309	37,765	38,248	40,671
Other Debt Obligations	16,054	19,115	17,661	7,377	5,794	965
Total	50,659	47,645	49,970	45,142	44,042	41,636
City of Long Beach:						
Bonds	64,673	34,204	37,275	40,205	27,758	24,475
Other Debt Obligations		10,000	4,065	7,050	13,312	12,288
Less Sinking Funds		(418)	(576)	(781)	(1,033)	
Total	64,673	43,786	40,764	46,474	40,037	36,763
Total Overlapping Debt, Towns and Cities:						
Bonds	2,314,013	2,119,793	1,860,456	1,699,720	1,588,655	1,507,582
Other Debt Obligations	234,116	353,680	310,305	343,651	207,202	199,753
Less Sinking Funds	(1,719)	(2,935)	(3,011)	(782)	(2,629)	(573)
Total	2,546,410	2,470,538	2,167,750	2,042,589	1,793,228	1,706,762
TOTAL DIRECT & OVERLAPPING NET DEBT:						
Bonds	5,806,445	5,469,579	5,195,736	5,087,176	5,068,659	4,709,768
Other Debt Obligations	234,116	353,680	512,460	812,312	434,258	312,063
Less Sinking Funds	(1,719)	(2,935)	(3,011)	(782)	(2,629)	(573)
TOTAL	\$ 6,038,842	\$ 5,820,324	\$ 5,705,185	\$ 5,898,706	\$ 5,500,288	\$ 5,021,258

EXHIBIT T-11
(concluded)

<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$ 589,922	\$ 522,839	\$ 415,691	\$ 395,577
78,481	60,287	84,041	62,706
<u>(1,577)</u>	<u>(170)</u>	<u>(398)</u>	<u>(398)</u>
666,826	582,956	499,334	457,885
417,729	321,055	251,598	282,631
40,397	109,119	113,133	41,556
<u>(110)</u>	<u>(110)</u>	<u>(501)</u>	<u>(250)</u>
458,016	430,064	364,230	323,937
246,737	282,546	269,613	288,498
74,090	74,478	36,275	17,434
<u>(355)</u>			
320,472	357,024	305,888	305,932
41,777	38,527	45,520	36,216
<u>5,644</u>	<u>4,605</u>		
47,421	43,132	45,520	36,216
24,386	16,141	24,185	34,633
13,177	16,432	10,469	
			<u>(31)</u>
37,563	32,573	34,654	34,602
1,320,551	1,181,108	1,006,607	1,037,555
211,789	264,921	243,918	121,696
<u>(2,042)</u>	<u>(280)</u>	<u>(899)</u>	<u>(679)</u>
1,530,298	1,445,749	1,249,626	1,158,572
3,763,968	3,371,741	3,141,072	2,947,000
304,197	373,902	428,014	346,761
<u>(2,042)</u>	<u>(280)</u>	<u>(899)</u>	<u>(679)</u>
\$ 4,066,123	\$ 3,745,363	\$ 3,568,187	\$ 3,293,082

COUNTY OF NASSAU, NEW YORK

ALL GOVERNMENTAL FUND TYPES OF THE PRIMARY GOVERNMENT
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
 LONG-TERM DEBT TO TOTAL EXPENDITURES
 FOR THE FISCAL YEARS ENDED IN 1996 THROUGH 2005 (Dollars in Thousands)

Year	Debt Service Expenditures for Long-Term Debt (a)	Total Expenditures	Ratio of Debt Service Expenditures to Total Expenditures
2005(b)	\$ 399,117	\$ 3,115,000	12.81%
2004(b)	376,444	3,055,513	12.32%
2003(b)	386,646	2,673,949	14.46%
2002(b)	370,885	2,653,262	13.98%
2001(b)	365,586	2,805,804	13.03%
2000(b)	344,541	2,501,660	13.77%
1999(b)	394,358	2,572,992	15.33%
1998	369,955	2,610,148	14.17%
1997	323,374	2,317,386	13.95%
1996(c)	388,790	2,626,564	14.80%

(a) For the periods 1994 through 1999, the debt service expenditures included expenditures for the debt service of the Enterprise Funds.

(b) From 1999 and thereafter, includes blended component units expenditures.

(c) 1996 data indicates expenditures for the fifteen month fiscal period ended December 31, 1996.

EXHIBIT T-13

COUNTY OF NASSAU, NEW YORK

**DEMOGRAPHIC STATISTICS
FOR THE FISCAL YEARS ENDED IN 1996 THROUGH 2005**

<u>Year</u>	<u>Population (In Thousands) (a)</u>	<u>Per Capita Personal Income (b)</u>	<u>Unemployment Rate (c)</u>
2005	1,348	\$ N.A.	4.1%
2004	1,345	52,899	4.5%
2003	1,343	49,831	4.7%
2002	1,340	49,213	4.7%
2001	1,335	49,636	3.7%
2000	1,296	47,446	3.3%
1999	1,294	44,729	3.1%
1998	1,291	43,580	2.9%
1997	1,288	41,107	3.4%
1996	1,286	38,660	3.8%

Sources:

(a) Long Island Lighting Company and LIPA estimates

(b) United States Bureau of Economic Analysis

(c) NYS Department of Labor

COUNTY OF NASSAU, NEW YORK

**CONSTRUCTION PERMIT DATA
 FOR THE FISCAL YEARS ENDED IN 1996 THROUGH 2005 (Dollars in Thousands)**

<u>Year</u>	<u>Value of New Construction</u>	<u>Value of Residential Construction (a)</u>	<u>Value of Commercial Construction (a)</u>	<u>Number of New Dwelling Units (b)</u>
2005	\$ 1,378,515	\$ 949,951	\$ 428,564 (c)	870
2004	1,187,522	747,428	440,094	853
2003	746,355	232,315	514,040	333
2002	915,143	739,542	175,601	791
2001	790,527	395,040	395,487	945
2000	889,888	437,733	462,135	1,083
1999	809,066	351,584	457,481	977
1998	762,806	321,540	441,266	1,005
1997	615,414	276,904	338,509	948
1996	570,286	248,898	321,388	851

(a) Data are based on construction permits issued.

(b) Actual new dwelling units, not expressed in thousands.

(c) Estimated

Source: Nassau County Department of Assessment

COUNTY OF NASSAU, NEW YORK

PRINCIPAL TAXPAYERS
DECEMBER 31, 2005 (Dollars in Thousands)

<u>Taxpayer</u>	<u>Type of Property</u>	<u>2005 Taxable Assessed Valuation</u>	<u>Percentage of Taxable Assessed Valuation</u>
Long Island Power Authority (1)	Public Utility	\$ 15,156	0.96 %
Verizon	Public Utility	5,530	0.35 %
Keyspan Energy Corp.	Public Utility	5,260	0.33 %
Retail Property Trust	Shopping Mall	3,395	0.21 %
Reckson	Multi-use Buildings	2,270	0.14 %
Coliseum Plaza Assoc	Office Buildings	1,768	0.11 %
EQK Green Acres LP	Shopping Mall	1,648	0.10 %
GG & A Broadway Partners LLC	Shopping Mall	1,438	0.09 %
NY Racing/Greater NY Assoc.	Belmont Raceway	1,405	0.09 %
Northrop/Grumman	Aerospace Manufacturing	1,326	0.08 %
Long Island Water	Public Utility	1,306	0.08 %
Industrial & Research Assoc.	Industrial Park	1,237	0.08 %
We're Associates	Office Buildings	1,195	0.08 %
CLPF Roosevelt Raceway LP	Real Estate Develop. Co.	1,064	0.07 %
JQI Associates LLC	Office Buildings	1,031	0.07 %
Hudson Resources et al.	Shopping Mall	950	0.06 %
Federated Dept. Stores	Retail Stores	930	0.06 %
CLK/Houlihan-Parnes	Real Estate Develop. Co.	888	0.06 %
Farhaven Apartments	Rental Apartments	830	0.05 %
S & E Realty	Real Estate Develop. Co.	824	0.05 %
Matterhorn USA Inc.	Office Buildings	813	0.05 %
WS Associates	Rental Apartments	721	0.05 %
Home Depot	Retail Home Improvement	554	0.03 %
Franklin Ave Plaza One LLC	Office Buildings	536	0.03 %
SRI Franklin Ave. Venture LLC	Office Buildings	532	0.03 %
New York Water Service	Public Utility	504	0.03 %

(1) \$4,768 of the total taxable valuation is deeded in the name of Long Island Lighting Company.

Source: Nassau County Department of Assessment.

COUNTY OF NASSAU, NEW YORK

MISCELLANEOUS STATISTICS

December 31, 2005

Current Data:

Date of incorporation.....	1899
Form of government.....	County
Area.....	287 square miles
Population.....	1,348,357
Resident labor force.....	694,600
Number of shopping centers.....	291
Number of banking offices.....	447
Number of housing units.....	458,004
Acres of public park lands.....	15,190

Educational Information:

Number of school districts.....	56
Number of colleges.....	14
Public school enrollment.....	214,043
Number of public school classroom teachers.....	19,717

Health and Hospital Facilities:

Number of hospitals.....	12
Number of certified hospital beds.....	4,442

Motor Vehicle Information:

Number of passenger vehicle registrations.....	963,360
Number of driver licenses.....	977,518

Nassau County Employees:

Number of full time employees excluding uniformed police personnel.....	7,892
Number of part time employees.....	4,023
Number of uniformed police personnel.....	2,688

Sources:

- LIPA
- Long Island Business News
- Nassau County Official Statements
- Nassau County Department of Assessment
- New York State Education Department
- New York State Transportation Department
- United States Bureau of the Census
- Nassau County Public Schools - Board of Cooperative Educational Services

COUNTY OF NASSAU, NEW YORK

MAJOR NON-GOVERNMENTAL EMPLOYERS
December 31, 2005

<u>Employer</u>	<u>Type of Activity</u>	<u>Approximate Number of Employees</u>
North Shore-Long Island Jewish Health System	Medical Care	26,896
Catholic Health Services	Religious Institution	14,000
Stop & Shop	Supermarket	7,000
Winthrop-South Nassau University Health System	Medical Care	6,300
Waldbaum's	Supermarket	6,250
Verizon	Communications	5,034
Diocese of Rockville Center	Religious Institution	5,000
King Kullen	Supermarket	4,800
Adecco	Personnel Recruiter	4,633
Pathmark	Supermarket	4,500
Federated Department Stores	Merchandising	4,493
Keyspan	Utility	4,337
Long Island University	Education	4,257
Wal-Mart	Merchandising	3,768
Eckerd	Pharmacy	3,736
J. P. Morgan Chase	Financial Institution	3,730
Geico	Insurance	3,600
CVS	Pharmacy	3,520
Target	Merchandising	3,372
Newsday	Publishing	3,139
North Fork Bank	Financial Institution	3,103

Source: Newsday

COUNTY OF NASSAU, NEW YORK

ACTUAL EXPENDITURES- ALL FUNDS
 CLAIMS AND LITIGATION, INCLUDING TAX CERTIORARI
 FOR THE FISCAL PERIODS ENDED IN 1996 THROUGH 2005 (Dollars in Thousands)

<u>Period</u>	<u>Operating Expenditures</u>	<u>Bonded Expenditures</u>	<u>Total Claims and Litigation</u>
2005	\$ 17,800	\$ 260,207	\$ 278,007
2004	2,816	198,663	201,479
2003	4,863	142,631	147,494
2002	2,788	125,545	128,333
2001	757	175,473	176,230
2000	433	122,890	123,323
1999	743	104,730	105,473
1998	626	147,212	147,838
1997	810	194,369	195,179
1996(a)	419	203,357	203,776

(a) Fifteen month fiscal year

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, 2005, (with the Nassau Community College for the year ended August 31, 2005) and have issued our report thereon dated June 27, 2006. 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, 2005, 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 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 in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the County Legislature, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

June 27, 2006