



# TOWN OF **North Hempstead**

**NASSAU COUNTY, NEW YORK**

**TOWN HALL  
220 PLANDOME ROAD  
MANHASSET, NY 11030**



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2010**

**TOWN OF NORTH HEMPSTEAD  
NEW YORK**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2010**

Prepared by the Office of the Town Comptroller  
Kathleen H. Mitterway, Comptroller

**TOWN OF NORTH HEMPSTEAD**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED DECEMBER 31, 2010**  
**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

Letters of Transmittal .....	2-8
Principal Officials .....	9
Organizational Chart .....	10
Map .....	11

**FINANCIAL SECTION**

Independent Auditors' Report.....	14-15
-----------------------------------	-------

**REQUIRED SUPPLEMENTARY INFORMATION**

Management's Discussion and Analysis (MD&A).....	18-28
--	-------

**BASIC FINANCIAL STATEMENTS**

<b>Government-Wide Financial Statements</b>	
Statement of Net Assets .....	31
Statement of Activities .....	32-33
<b>Fund Financial Statements</b>	
<b>Governmental Fund Financial Statements</b>	
Balance Sheet .....	34-35
Reconciliation of the Governmental Funds Balance Sheet to The Statement of Net Assets.....	37
Statement of Revenues, Expenditures, and Changes in Fund Balances .....	38-39
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, And Changes in Fund Balances to the Statement of Activities.....	40
<b>Fiduciary Fund Financial Statements</b>	
Statement of Fiduciary Assets and Liabilities.....	41
Notes to Financial Statements .....	43-82

**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

<b>Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual</b>	
General Fund .....	84-87
Highway Fund.....	88-89
Solid Waste Management Authority.....	90-91
Postemployment Benefits Healthcare Costs – Schedule of Funding Progress .....	92

(Continued)

**TOWN OF NORTH HEMPSTEAD**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED DECEMBER 31, 2010**  
**TABLE OF CONTENTS**

**FINANCIAL SECTION (Continued)**

OTHER SUPPLEMENTARY INFORMATION

Combining Fund Statements	
Nonmajor Governmental Funds	
Combining Balance Sheet.....	94-95
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	96-97
Schedule of Revenues, Expenditures and Changes in Fund Balance –	
Budget and Actual – Nonmajor Special Revenue Funds	
Part Town.....	98-99
Refuse and Garbage Districts .....	100
Park Districts .....	101
Fire Protection Districts.....	102
Lighting District .....	103
Public Parking District.....	104
Sidewalk District .....	105
Water District .....	106
Fiduciary Funds	
Statement of Changes in Agency Assets and Liabilities.....	107
DISCRETELY PRESENTED COMPONENT UNITS	
Combining Statement of Net Assets .....	110-113
Combining Statement of Activities.....	114-117

<b>STATISTICAL SECTION</b>
----------------------------

*Financial Trends*

Net Assets by Component – Last Eight Years.....	120-121
Changes in Net Assets – Last Eight Years .....	122-123
Governmental Activities Tax Revenues by Source – Last Eight Years .....	124
Fund Balances of Governmental Funds – Last Eight Years .....	126-127
Changes in Fund Balances of Governmental Funds – Last Eight Years.....	128-129
General Governmental Tax Revenues by Source - Last Ten Years.....	130

*Revenue Capacity*

Assessed Value, State Equalization Rate, and Estimated Full Value of Real Property – Last Ten Years.....	131
Property Tax Rates – Direct and Overlapping Governments – Last Ten Years.....	132-133
Principal Property Taxpayers – Current Year and Nine Years Ago.....	134
Property Tax Levies and Collections – Last Ten Years.....	135

(Continued)

**TOWN OF NORTH HEMPSTEAD**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED DECEMBER 31, 2010**  
**TABLE OF CONTENTS**

**STATISTICAL SECTION (Continued)**

*Debt Capacity*

Ratios of Outstanding Debt by Type – Last Ten Years .....	136-137
Ratios of General Bonded Debt Outstanding – Last Ten Years .....	138
Direct and Overlapping Governmental Activities Debt .....	139
Legal Debt Margin Information .....	140

*Demographic and Economic Information*

Demographic and Economic Statistics – Last Ten Years .....	141
Principal Employers – Current Year and Nine Years Ago.....	142

*Operating Information*

Full-time Equivalent Government Employees by Function – Last Ten Years.....	143
Operating Indicators by Function – Last Ten Years.....	144-145
Capital Assets Statistics by Function – Last Ten Years.....	146-147

**THIS PAGE INTENTIONALLY LEFT BLANK**

**INTRODUCTORY  
SECTION**

*Town Board*  
VIVIANA RUSSELL  
THOMAS K. DWYER  
ANGELO P. FERRARA  
MARIA C. POONS  
LEE R. SEEMAN  
FRED L. POLLACK

*Town Clerk*  
LESLIE GROSS

*Receiver of Taxes*  
CHARLES BERMAN

## TOWN OF NORTH HEMPSTEAD OFFICE OF THE SUPERVISOR

TOWN HALL  
220 PLANDOME ROAD  
MANHASSET, NY 11030  
(516) 869-7700  
FAX (516) 627-4204



*Supervisor*  
JON KAIMAN

August 24, 2011

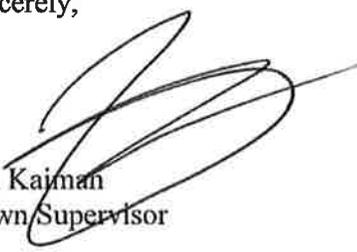
Honorable Members of the Town Board  
and Citizens of the Town of North Hempstead:

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Town of North Hempstead, New York for the year ended December 31, 2010. The financial statements have been audited by the accounting firm selected by the Town Board, Albrecht, Viggiano, Zureck & Company, P.C. The auditors' unqualified opinion is included in this report.

This report is published to provide the Town Board, Town employees, citizens, bond holders and other interested parties with detailed information concerning the Town's operations and financial positions.

The preparation of this report could not have been accomplished without the dedicated effort of the entire staff of the Comptroller's Office and the cooperation of other Town departments. Their hard work towards enhancing the accounting and financial reporting of the Town has led to the improved quality of the information provided to the Town Board and the citizens of the Town of North Hempstead.

Sincerely,



Jon Kaiman  
Town Supervisor

*Supervisor*  
**JON KAIMAN**

*Town Board*  
**VIVIANA RUSSELL**  
**THOMAS K. DWYER**  
**ANGELO P. FERRARA**  
**MARIA C. POONS**  
**LEE SEEMAN**  
**FRED L. POLLACK**

*Town Clerk*  
**LESLIE GROSS**

*Receiver of Taxes*  
**CHARLES BERMAN**

**TOWN OF NORTH HEMPSTEAD**  
**OFFICE OF THE**  
**COMPTROLLER**

**TOWN HALL**  
**220 PLANDOME ROAD**  
**MANHASSET, NY 11030**  
**(516) 869-7740**  
**FAX (516) 869-7762**



*Comptroller*  
**KATHLEEN H. MITTERWAY**

*Deputy Comptrollers*  
**ANGELO J. FERRARA**  
**KRISTIE HANSEN-HIGHTOWER**

August 24, 2011

Honorable Members of the Town Board  
and Citizens of the Town of North Hempstead:

The Comprehensive Annual Financial Report of the Town of North Hempstead, New York (the "Town") for the year ended December 31, 2010, prepared by the Office of the Comptroller is submitted herewith.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with those responsible for the management of Town government. Such responsibility is predicated on a comprehensive system of internal control that has been established for this purpose as well as to safeguard the Town's assets. The cost of a system of internal control should not exceed its anticipated benefits; therefore, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Albrecht, Viggiano, Zureck & Co. P.C., Certified Public Accountants, have issued an unqualified auditors' report dated August 24, 2011, for the Town and its discretely presented component units as of December 31, 2010, and the year then ended. Their report may be found at the beginning of the Financial Section.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

**Profile of the Government**

Originally, the Town of North Hempstead was part of the Town of Hempstead (Hempstead), which was a tract of land that was purchased by a group of 30 settlers in 1643. The Town of Hempstead spanned the width of Long Island from the Long Island Sound to the Atlantic Ocean.

In the 1770's, residents in the northern part of the Town predominantly sympathized with the forces for independence. On September 23, 1775, a group of leading residents adopted a declaration seceding from the Town of Hempstead, and British rule generally, creating what would become the Town of North Hempstead. British forces occupied the Town, after the Battle of New York in 1776, an occupation that did not end until the end of 1783. The division of Hempstead into North and South was ratified by the New York State Legislature in 1784, and North Hempstead officially became a separate township.

In the 19<sup>th</sup> century, North Hempstead became the seat of Queens County, which included the three eastern towns of North Hempstead, Hempstead and Oyster Bay. In 1899, these towns formed the new Nassau County when the remainder of Queens County joined New York City. The cities of Glen Cove and Long Beach were later created out of portions of Oyster Bay and Hempstead, respectively.

The Town is located at the western end of Nassau County adjacent to the Borough of Queens in New York City. On the East, it is bordered by the Town of Oyster Bay, on the South by the Town of Hempstead and on the North by the Long Island Sound.

North Hempstead includes all of Manhasset Bay and portions of both Little Neck Bay and Hempstead Harbor. The Town has two beaches, one within Manhasset Bay and one within Hempstead Harbor. Manhasset Bay in Port Washington is also the location of the Town Dock, which hosts a public mooring field, a kayak launch and docking facilities, as well as serving as a fishing spot and the starting point for a harborside trail. The Town also maintains additional boat launching sites on both Manhasset Bay and Hempstead Harbor.

In 1997, the Town opened the Harbor Links golf and athletic complex on a reclaimed sand mine in Port Washington. The complex includes an award-winning, Audubon-certified 18-hole championship golf course, a 9-hole executive course, a renovated miniature golf course and four multi-purpose athletic fields. A clubhouse with a pro shop, men's and women's locker rooms, a grill room and a 300-person capacity ball room was opened in 2006.

The Town also has an indoor pool and outdoor athletic stadium at Tully Park in New Hyde Park, seasonal pool facilities in New Hyde Park, Port Washington, Manhasset, and New Cassel, and numerous baseball and multi-purpose athletic fields at parks throughout the Town.

Water is received from the Water Authority of Western Nassau, the Water Authority of Great Neck North and eight Commissioner Operated Water Districts within the Town. Electricity and natural gas are furnished by the Long Island Power Authority and National Grid, respectively.

The Town is within easy commuting distance of New York City. The Long Island Rail Road, which has frequently scheduled trains, accommodates daily commutes and trips to New York City on three lines from ten stations within the Town. The Town is connected with New York City and other nearby points by four main east-west highways: Route 25A (Northern Boulevard), Route 25 (Jericho Turnpike), Northern State Parkway and the Long Island Expressway. Town residents may avail themselves of air travel from nearby John F. Kennedy International, La Guardia or Long Island-MacArthur Airports.

Colleges and universities located in or near the Town include C.W. Post University (Long Island University), New York Institute of Technology, SUNY at Old Westbury and the U.S. Merchant Marine Academy at Kings Point.

There are numerous public libraries located within the Town. Throughout the year, they offer various programs of general interest to adults and children. The Capital One Theater at Westbury offers programs featuring well known artists in the music field. The Tilles Center at C.W. Post offers programs of classical and popular music. In addition, Town residents are less than a one hour drive from New York City's museums, theaters and other cultural activities.

Town hospitals include North Shore-Long Island Jewish Medical Center, St. Francis Hospital and Winthrop University Hospital.

The Town of North Hempstead is governed by Town Law and other general laws of the State of New York and various local laws and ordinances. It is classified by New York State as a suburban town. Included in the Town are thirty-one incorporated villages. In addition, there are sixteen unincorporated hamlets in the Town. These include Albertson, Carle Place, Garden City Park, Great Neck Gardens, Greenvale, Harbor Hills, Herricks, Manhasset, New Cassel, North New Hyde Park, Port Washington, Roslyn Heights, Saddle Rock Estates, Seasingtown, Strathmore and University Gardens. The Town encompasses an area of 53.58 square land miles.

The Town of North Hempstead's Receiver of Taxes collects taxes for ten public school districts within the Town of North Hempstead and three school districts that have parcels in North Hempstead, but are largely in other adjacent towns.

The chief executive officer of the Town is the Supervisor, who is elected for a term of two years and is eligible for the right of succession. The Supervisor is also a member of the Town Board. In addition to the Supervisor, there are six members of the Town Board and as of January 1, 2006, they are elected to four-year terms. The terms are staggered so that every two years, three council members run for election. There is no limitation to the number of terms that may be served by members of the Town Board. The Supervisor is elected at large while council members are elected through council districts. The Town Clerk and Receiver of Taxes are elected for four-year terms.

Services are provided to residents by the following Town Departments: Administrative Services; Building and Safety Inspection; Community Services; Comptroller's; Department of Services for the Aging; Finance; Information Technology; Parks and Recreation; Planning and Economic Development; Public Safety; Public Works (including Highway); Receiver of Taxes, Supervisor's Office, Town Attorney and Town Clerk. Certain sanitation services are provided through the Town's Solid Waste Management Authority (SWMA). SWMA's assets, liabilities, revenues and expenditures are included in the financial statements of the Town.

Police protection is provided by Nassau County, six village police departments and by the Port Washington Police District whose patrol area is limited to selected portions of the Port Washington peninsula. Fire protection is provided by four independent fire districts and seven fire protection districts which are funded through contracts and are considered to be Town operated for financial reporting purposes.

The Town Board appoints the Town Attorney, Comptroller and other Departmental Commissioners. The Supervisor appoints the Deputy Supervisor, the Director of Finance and various members of his office staff.

The Town has 46 special districts of which 19 are Town operated and included in Primary Governmental Activities for financial reporting purposes. Of the remaining 27 districts, 21 are reported as "Discretely Presented Component Units" and 6 districts (2 library funding and 4 fire) are excluded. Inclusion in or exclusion from the financial statements is determined by whether there is a financial or operational interdependence between the Town and the District. Generally, the interdependence is predicated on the authority or lack of authority of the District to tax and borrow. Where such authority is lacking, the Town taxes and borrows in its own name on behalf of the District. In the case of the Town's Community Development Agency (CDA), the Town Board appoints the CDA Board of Directors.

Each year the Town Board is required to adopt a budget no later than November 20<sup>th</sup>, for the following calendar year. The budget is prepared by fund, department (which generally equates to function) down to individual expenditure line item. The adopted budget includes the Town's General Fund, Highway, Part Town, SWMA and all the Special Districts enumerated above, except for CDA, Capital Projects and the Debt Service Funds. CDA is excluded from the budget, as its principal source of revenue is not property taxes, but rather funding from the US Department of Housing & Urban Development. Capital Projects are budgeted on an individual project basis, with debt service and related costs budgeted in the Town operated General, Highway, Public Parking, Sidewalk, Lighting and three Park District funds, respectively. NYS legislation enacted in 2006 permitted the merging of the Highway and Part Town funds into the Town Outside Villages (TOV) fund and financial reporting may be done on a combined basis, prospectively. Department heads may reallocate budgeted amounts within their departments without Town Board approval. Transfers between departments require the Supervisor's approval and that of the Town Board.

### Local Economy

In 2010, North Hempstead was ranked #12 in CNN Money Magazine’s “Top-Earning Towns in America”. In 2009, North Hempstead was ranked #2 in CNN Money Magazine’s “Best Places to Live for a Healthy Retirement” and in 2008, North Hempstead was named one of CNN Money Magazine’s “100 Best Places to Live”, citing the Town’s solid economic foundation as one of the reasons.

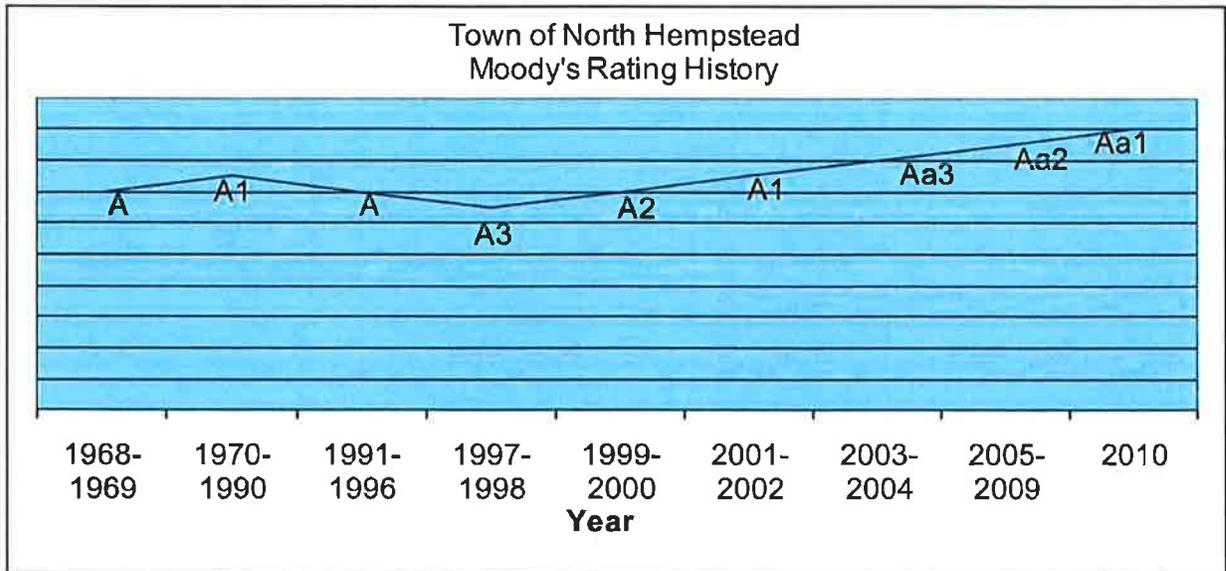
The Town’s award-winning hospitals and other medical providers offer an employment base for a largely highly educated and affluent population. These facilities not only employ thousands of local residents across a wide spectrum of occupations, but also bring thousands of patients and their families to Town. This pool of employees and customers further support a wide range of local businesses, from hotels to restaurants to retail establishments.

The Town’s low unemployment rate, which continues to fall below medians for both the County and the metropolitan region, according to the Federal Bureau of Labor Statistics, is indicative of a sound economic base. The Statistical Section of this report lists these and a number of additional economic indices whose trends are favorable.

The Town’s proximity to New York City also makes it a highly desirable suburban location for commuters, attracted both by the ease of access to employment as well as the Town’s highly regarded schools and overall quality of life.

### Long-term financial planning

The Town’s Aa1 rating from Moody’s compares favorably to New York City’s Aa2. The Town is committed to maintaining and trying to upgrade its current bond rating in future years.



The Town’s Capital Plan, which is revised annually, projects for five years those items of a capital nature that management has determined are likely to need replacement or are new to the Town. An estimated dollar amount of each capital project is assigned as well as a determination as to the funding source. This level of detail permits Town government to plan in reasonable detail and budget or borrow, as appropriate.

## **Relevant financial policies**

The annual budgetary process contributes to prudent fiscal planning, by using conservative revenue and expenditure forecasting, in the preparation of Town budgets. In addition, none of the Town's major funds employs appropriated fund balance to balance annual operating budgets.

## **Major Initiatives**

In 2010, the Town's 311 non-emergency phone number recorded more than 167,000 resident calls to the North Hempstead 311 Call Center. The 311 constituent response system permits our residents to make one call to Town Hall and get all the information that they need to resolve any Town related problem that they have. The Town was the first suburban community in the USA to install a 311 system, and plans further expansion of the service in the years ahead. Each call is logged, tracked to resolution and documented.

Through the management initiative known locally as "TownStat", Town officials monitor the efficiency and effectiveness of how the Town addresses constituents' concerns. By tracking and reporting on performance, and in turn making operational adjustments based on reliable data, the Town can make better informed decisions with respect to personnel, planning and budgeting, while also setting realistic goals and expectations for those both inside and outside Town Hall.

The Town's groundbreaking School Recycling Partnership Program initiated in 2008, saves every participating school district money while improving the Town's recycling efforts. The Town supplies 47 buildings in eleven school districts North Hempstead funded recycling containers, and 9 of its 11 school districts are served by a Town-contracted recycling provider, with over 30,000 students participating in the North Hempstead School Recycling Program. Since the inception of the program, students recycled an estimated 800 tons of paper, 175 tons of comingled (plastic, aluminum, glass) and collected an estimated 40 tons of electronic waste. The increase in recycling rates will help offset the Town's costs, but the real winner is the environment. In 2009, the Town received the New York State Environmental Excellence Award for this program and received an A+ by the Citizens Campaign for the Environment for their recycling efforts. In 2010, the Town's e-Waste collection generated almost 121 tons of unwanted electronics.

Partnering with the Nassau County Police Department, the schools and local pharmacies, North Hempstead hosted the County's first pharmaceutical disposal event in October 2010. To date, the program has collected more than 3,000 pounds of expired and unwanted prescription drugs, keeping them out of the drinking water system and landfills. The drug take back program helps the environment in part by discouraging people from using the typical disposal method, flushing unused pills or dumping them in the solid waste stream. The EPA reported that, in addition to steroids and antibiotics, more than one hundred pharmaceuticals and personal care products have been identified in drinking water across the country. In 2011, the Town was granted the U.S. Environmental Protection Agency (EPA) 2011 Environmental Quality Award for its Pharmaceutical Collection Program. The EPA cited the Town for its "outstanding commitment to protecting and enhancing environmental quality and public health."

Other environmental initiatives include, Long Island's first Composting Cooperative program which began in April 2010. Participating residents are given a composter for a nominal fee as well as a free instructional demonstration on proper composting techniques.

The Office of Intermunicipal Coordination (OIC) stands as a model of government partnerships to improve the way governments and municipal corporations communicate and work together. The Town currently has Intermunicipal Agreements (IMA's) with over 50 municipal entities, including incorporated villages, school, library, water, water pollution control, and police districts. The OIC provides a broad range of services, including: repaving, street sweeping, basin cleaning, sanding, snow removal, tree pruning, sign making, and dumping services at reduced costs for the benefit of the taxpayers. In 2009, the development of an OIC website was the next step in the Town's continuing efforts to help all the municipal entities that lie within the township work efficiently and effectively.

The Town's pioneering 'aging in place' program "Project Independence" continued to grow in 2010. This program connects seniors, through the 311 Call Center, with support services provided by social workers, nurses, and community advocates. These services include rides to and from the doctor and the grocery store, minor household repairs and support groups which help our seniors remain living in their homes longer than they otherwise might be able to. From two small pilot census tracts located in New Hyde Park, the Town took this idea and made it a Town-wide program. Project Independence now has five locations in the Town and the long-term plan is to establish seven Project Independence offices throughout the Town. However, all Town residents age 60 and older can access Project Independence services through 311, whether or not there is a local office in their community.

#### **Acknowledgements**

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Comptroller's Office and the guidance of our independent auditors, Albrecht, Viggiano, Zureck & Co. P.C. I would like to express my sincere appreciation to all members of the department who assisted in and contributed to its preparation.

Finally, I would like to thank the Supervisor and the councilmembers of the Town Board for their continuing interest and support in planning and conducting the financial operations of the Town of North Hempstead in a responsible and progressive manner.

Respectfully submitted, .



Kathleen H. Mitterway  
Town of North Hempstead  
Comptroller

**TOWN OF NORTH HEMPSTEAD**

**PRINCIPAL OFFICIALS**

December 31, 2010

**TOWN BOARD:**

SUPERVISOR	JON KAIMAN
COUNCILMAN	THOMAS K. DWYER
COUNCILMAN	ANGELO P. FERRARA
COUNCILMAN	FRED L. POLLACK
COUNCILWOMAN	MARIA - CHRISTINA POONS
COUNCILWOMAN	LEE R. SEEMAN
COUNCILWOMAN	VIVIANA RUSSELL

**TOWN CLERK:**

LESLIE GROSS

**RECEIVER OF TAXES:**

CHARLES BERMAN

**DEPUTY SUPERVISOR:**

CHRISTOPHER G. SENIOR

**TOWN ATTORNEY:**

RICHARD S. FINKEL

**COMMISSIONER OF ADMINISTRATIVE SERVICES:**

PETER M. HODA

**COMMISSIONER OF BUILDINGS:**

KEVIN M. CRONIN

**COMMISSIONER OF COMMUNITY SERVICES:**

KIMBERLY A. CORCORAN - GALANTE

**COMMISSIONER OF SERVICES FOR THE AGING:**

EVELYN ROTH

**COMMISSIONER OF FINANCE:**

JO-ANNE TAORMINA

**COMMISSIONER OF INFORMATION TECHNOLOGY:**

THOMAS P. HARTY until 10/9/2010

**COMMISSIONER OF INFORMATION TECHNOLOGY:**

FRANK PRISCIANDARO effective 10/11/2010

**COMMISSIONER OF PARKS & RECREATION:**

GERARD R. OLSEN until 11/12/2010

DONALD ZAUNER effective 1/1/2011

**COMMISSIONER OF PLANNING:**

MICHAEL A. LEVINE

**COMMISSIONER OF PUBLIC SAFETY:**

DERMOT KELLY until 11/3/2010

ANDREW DeMARTIN effective 1/6/2011

**COMMISSIONER OF PUBLIC WORKS:**

PAUL DIMARIA

**EXECUTIVE DIRECTOR OF SOLID WASTE MANAGEMENT:**

IGOR SIKIRIC

**SUPERINTENDENT OF HIGHWAYS:**

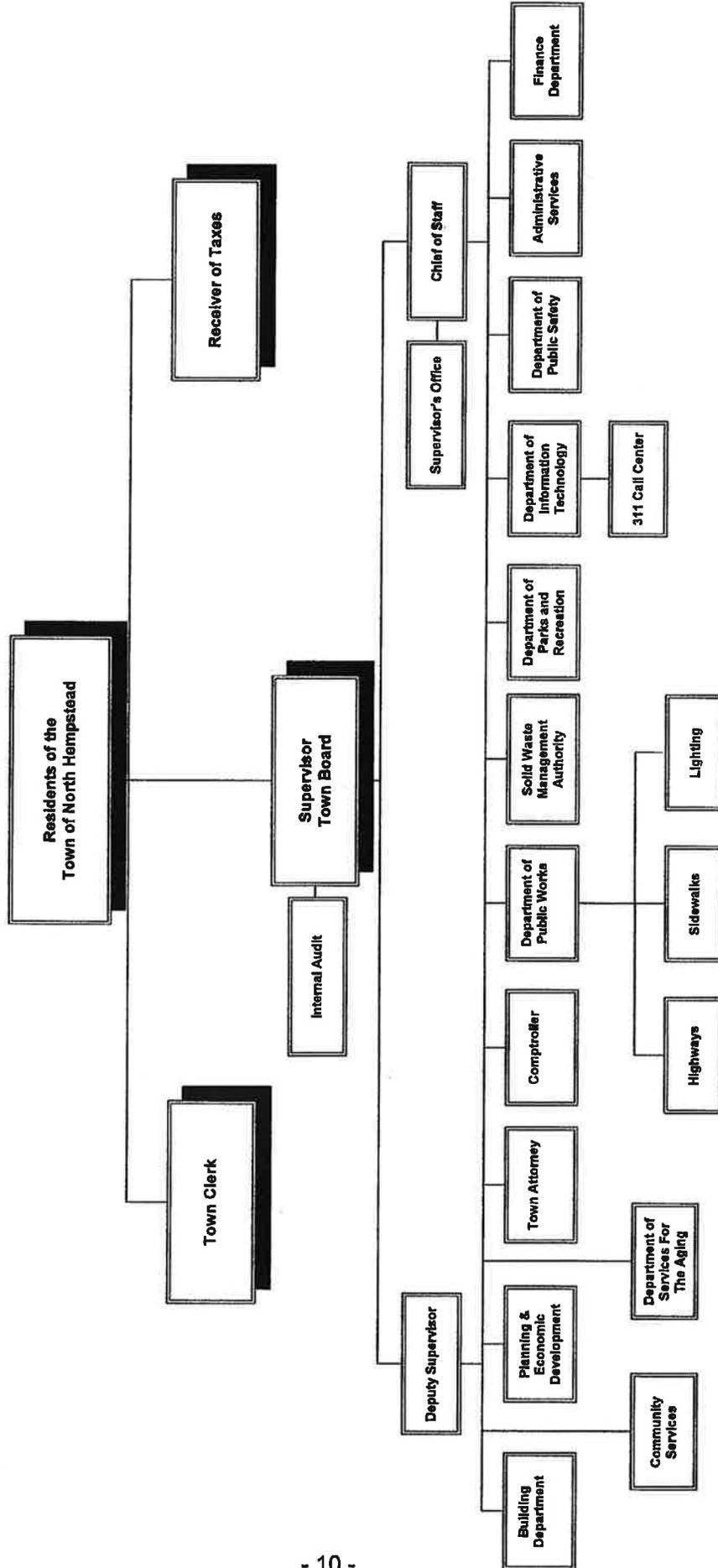
THOMAS P. TIERNAN

**COMPROLLER:**

KATHLEEN H. MITTERWAY

# TOWN OF NORTH HEMPSTEAD

## ORGANIZATIONAL CHART





**THIS PAGE INTENTIONALLY LEFT BLANK**

**FINANCIAL  
SECTION**



INDEPENDENT AUDITORS' REPORT

Honorable Supervisor and Town Board  
Town of North Hempstead  
Manhasset, 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 Town of North Hempstead, New York, as of and for the year ended December 31, 2010, which collectively comprise the Town’s basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We did not audit the financial statements of eighteen of twenty-one component units, which represent 94.7%, 94.7% and 95.0%, respectively, of the assets, net assets, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us and our opinion, insofar as it relates to the amounts included for those eighteen component units, is based solely on the reports of the other auditors.

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 five of the twenty-one component units have been audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and 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 Town of North Hempstead, New York, as of December 31, 2010, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note A.8 to the basic financial statements, the Town of North Hempstead, New York adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 51, “Accounting and Financial Reporting for Intangible Assets” as of and for the year ended December 31, 2010,

PERSONAL SERVICE. TRUSTED ADVICE. 

ALBRECHT, VIGGIANO, ZURECK & COMPANY, P.C.

245 PARK AVENUE, 24TH FLOOR  
NEW YORK, NY 10167  
T: 212.792.4075

25 SUFFOLK COURT  
HAUPPAUGE, NY 11788-3715  
T: 631.434.9500 F: 631.434.9518

[www.avz.com](http://www.avz.com)

INDEPENDENT MEMBER OF BKR INTERNATIONAL

In accordance with *Government Auditing Standards*, we have also issued our report dated August 24, 2011, on our consideration of the Town of North Hempstead, State of New York's internal control over financial reporting and on 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 controls 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 considered in assessing the results of our audit.

The management's discussion and analysis, scheduling of funding progress for the retiree medical program and the budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America and 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 supplementary information. However we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town of North Hempstead, New York's basic financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Albrecht, Vignano, Zurek & Co., P.C.*

Hauppauge, New York  
August 24, 2011

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **REQUIRED SUPPLEMENTARY INFORMATION**

### **Management's Discussion and Analysis**

**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2010

As management of the Town of North Hempstead, we offer readers of the Town of North Hempstead's financial statements this narrative overview and analysis of the financial statements of the Town of North Hempstead for the year ended December 31, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letters of transmittal, which can be found in the introductory section of this comprehensive annual financial report (CAFR).

**FINANCIAL HIGHLIGHTS**

- The Town's total net assets increased by \$121.5 million, mainly from the \$114.4 million land donation from Nassau County.
- The unreserved, undesignated fund balances of the General, Highway and Solid Waste Management funds totaled \$5.5 million.
- At the close of 2010, the Town's governmental funds reported combined ending fund balances, exclusive of the Capital Projects Fund, of \$29.5 million, of which \$20.7 million is available for spending at the Town's discretion; though the Town has earmarked \$4.5 million of the unreserved fund balance for special designations.
- The Town's bonded debt increased by \$29.9 million during 2010.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The reporting focus of this report is on the Town as a whole, as well as on the major individual funds. The report presents a more comprehensive view of the Town's financial activities and makes it easy to compare the performance of Town of North Hempstead's government to that of other governments.

The financial section of this annual report presents the Town's financial activities and position in four parts - (1) management's discussion and analysis (this section), (2) the basic financial statements, (3) required supplementary information other than management's discussion and analysis, and (4) other supplementary information presenting combining statements. The report also includes statistical and economic data.

The basic financial statements include government-wide financial statements, fund financial statements, and notes that provide more detailed information to supplement the basic financial statements.

**Reporting the Town as a Whole**

The government-wide financial statements are designed to present an overall picture of the financial position of the Town. These statements consist of the Statement of Net Assets and the Statement of Activities, which are prepared using the economic resources measurement focus and the accrual basis of accounting. This means that all the current year's revenues and expenses are included, regardless of when cash is received or paid, producing a view of the Town's financial position similar to that presented by most private-sector companies.

The Statement of Net Assets combines and consolidates the Town's current financial resources with capital assets and long-term obligations. This statement includes all of the Town's assets and liabilities.

Net assets are the difference between the Town's assets and its liabilities, and represent one measure of the Town's fiscal health. Over time increases or decreases in the Town's net assets are one indicator of whether its financial health is improving or deteriorating. The reader may wish to consider other nonfinancial factors, however, such as changes in the Town's property tax base and the condition of the Town's buildings, roads, drainage, and other assets to assess the overall health of the Town.

The Statement of Activities focuses on both the gross and net cost of various activities (governmental and component unit); these costs are paid by the Town's general tax and other revenues. This statement summarizes the cost of providing (or the subsidy provided by) specific government services, and includes all current year revenues and expenses.

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2010

**OVERVIEW OF FINANCIAL STATEMENTS** (continued)

**Reporting the Town as a Whole** (continued)

The Statement of Net Assets and the Statement of Activities divide the Town's activities into two types:

**Governmental Activities**

The Town's basic services are reported here, including: general government support; public safety; highway; sanitation; fire; water supply; lighting; community services; and parks departments. Property taxes, sales taxes, franchise fees, fines, and state and federal grants finance most of these activities. The Town also charges fees to customers to help it cover the cost of certain services it provides.

**Component Units**

Component units are legally separate organizations for which the Town is either financially accountable, or the nature and significance of their relationship with the Town is such that exclusion would cause the Town's financial statements to be misleading or incomplete. These entities are reported in a separate column in the government-wide statements. The Town includes twenty-one separate legal entities in its report (eight water districts, four sanitation districts, three sewer districts, one police district, two park districts, a business improvement district, a library district, and a community development agency).

Information on separately issued financial statements is shown in Note A.1 to the financial statements.

**Reporting the Town's Most Significant Funds**

Fund financial statements present financial information in a form more familiar to experienced users of governmental financial statements. However, these statements now focus on the most significant funds. Use these statements to find more detailed information about the Town's most significant activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The Town uses funds to keep track of sources of funding and spending related to specific activities.

**Governmental Funds**

The Town's activities are reported in governmental funds. Reporting of these funds focuses on how money flows into and out of the funds and amounts remaining at year-end for future spending.

Governmental funds are accounted for using the modified accrual basis of accounting, which measures cash and other assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. This information helps you determine whether there are more or fewer financial resources available for the Town's programs. The reconciliation following the fund financial statements explains the differences between the government's activities, reported in the government-wide Statement of Net Assets and the government-wide Statement of Activities, and the governmental funds. The General Fund, Highway Fund, Solid Waste Management Authority, Debt Service and Capital Projects are reported as major funds.

**Reporting the Town's Fiduciary Responsibilities**

Fiduciary funds are used to account for assets held for the benefit of parties outside the government. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2010

**FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE**

The comparative condensed statements below focus on the net assets and changes in net assets of the Town of North Hempstead's governmental activities.

Condensed Statement of Net Assets  
Governmental Activities  
as of December 31,

	2010	2009
<b>Assets</b>		
Current assets	\$ 84,025,481	\$ 53,196,108
Capital assets	374,364,257	236,499,454
Other non-current assets	8,981,474	8,978,798
<b>Total assets</b>	<b>467,371,212</b>	<b>298,674,360</b>
<b>Liabilities</b>		
Current and other liabilities	102,882,844	51,835,853
Long-term liabilities	195,867,097	199,725,627
<b>Total liabilities</b>	<b>298,749,941</b>	<b>251,561,480</b>
<b>Net assets</b>		
Invested in capital assets, net of related debt	217,695,935	81,566,768
Restricted	5,557,086	4,730,567
Unrestricted	(54,631,750)	(39,184,455)
<b>Total net assets</b>	<b>\$ 168,621,271</b>	<b>\$ 47,112,880</b>

Total assets of the Town of North Hempstead as of December 31, 2010 were \$467.4 million, an increase of \$168.7 million. Total liabilities as of December 31, 2010 were \$298.7 million, an increase of \$47.2 million. This resulted in a net asset balance of \$168.6 million for 2010, an increase of \$121.5 million. Of the Town's net asset balance, \$217.7 million was invested in capital assets, net of related debt, while \$5.6 million was restricted by statute or other specific purpose leaving a \$54.6 million unrestricted deficit. Continued recognition of Governmental Accounting Standards Board Statement (GASB) No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (OPEB) will result in decreases in net assets in future years. Additional information on Postemployment Benefits Healthcare Costs can be found in Note C.6 to the financial statements.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town of North Hempstead, assets exceeded liabilities by \$168.6 million at the close of the most recent year.

By far the largest portion of the Town of North Hempstead's net assets, \$217.7 million, reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, intangibles and infrastructure); less any related debt used to acquire those assets that is still outstanding. The Town of North Hempstead uses these capital assets to provide services to its citizens; consequently those assets are *not* available for future spending. Although the Town of North Hempstead's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves will not be used to liquidate these liabilities.

The deficit balance of unrestricted net assets does not necessarily indicate fiscal stress. At the end of the current year, the Town of North Hempstead reported a positive balance in the categories of invested in capital assets, net of related debt and restricted net assets. The same situation held true for the prior year. The deficit balance of unrestricted net assets arose primarily due to long-term liabilities which include other postemployment benefits, compensated absences, claims and judgments, due to the employees retirement system and landfill closure and postclosure care costs that will be funded through future budgetary appropriations when they become payable in future periods.

**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2010

**FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE (continued)**

Changes in Net Assets  
Governmental Activities  
For the years ended December 31,

	2010	2009
Program Revenues		
Charges for services	\$ 30,586,280	\$ 26,784,489
Operating grants and contributions	3,688,338	3,752,788
Capital grants and contributions	9,070,051	905,706
	43,344,669	31,442,983
General Revenues		
Real property taxes	63,816,162	61,685,941
Real property tax items	1,808,357	1,772,707
Non-property tax items	11,272,681	10,553,049
Interest earnings - unrestricted	1,328,722	796,401
Mortgage tax	5,863,439	5,643,419
State aid - unrestricted	1,044,454	1,111,654
County - land donation	114,400,740	
Other	1,775,865	3,751,664
	201,310,420	85,314,835
Total Revenues	244,655,089	116,757,818
Program Expenses		
General government support	25,899,656	23,933,803
Education	601,906	571,367
Public safety	10,541,116	10,859,785
Health	311,324	336,891
Transportation	23,896,533	23,299,489
Economic assistance and opportunity	2,931,069	2,098,481
Culture and recreation	24,971,385	24,682,702
Home and community services	26,943,688	22,950,170
Interest on debt	7,050,021	7,319,311
	123,146,698	116,051,999
Total Expenses	123,146,698	116,051,999
Change in Net Assets	121,508,391	705,819
Net Assets - Beginning	47,112,880	46,407,061
Net Assets - Ending	\$ 168,621,271	\$ 47,112,880

Net assets, from all governmental activities, increased by \$121.5 million in the current year.

Key element(s) of the governmental activities are:

- The Town received a donation of land valued at \$114.4 million from Nassau County in 2010.
- The increase in program revenues was in charges for services and capital grants and contributions of \$3.8 million and \$8.2 million respectively. Program revenue is inclusive of \$2.2 million in revenue related to affordable senior housing.
- Sales tax, mortgage tax and franchise fees increased by \$0.5 million, \$0.2 million and \$0.2 million, respectively.
- Real property taxes increased by \$2.1 million and other remaining revenues decreased by \$1.5 million, excluding the donation of land discussed above.
- Overall expenses increased by \$7.1 million. Included in this amount, and in the functional explanations in the following sentences, are \$1.6 million in retirement related liabilities. The \$2.0 million increase in general government support mostly related to increases in General Fund personnel and employees benefit expenses of \$1.4 million and additional Capital Fund expenses of \$0.5 million. Transportation increased \$0.6 million, mainly due to increases in Highway Fund personnel, contractual services for the Sidewalk District and employee benefits costs. The \$0.8 million increase in economic assistance and opportunity was primarily due to the \$0.7 million expansion of various senior programs in the General Fund. Home and community services was up \$4.0 million over 2009 mainly due to increases in the General Fund's disposal costs of \$0.9 million and SWMA's increased operating and landfill costs of \$1.5 million and \$1.4 million respectively.

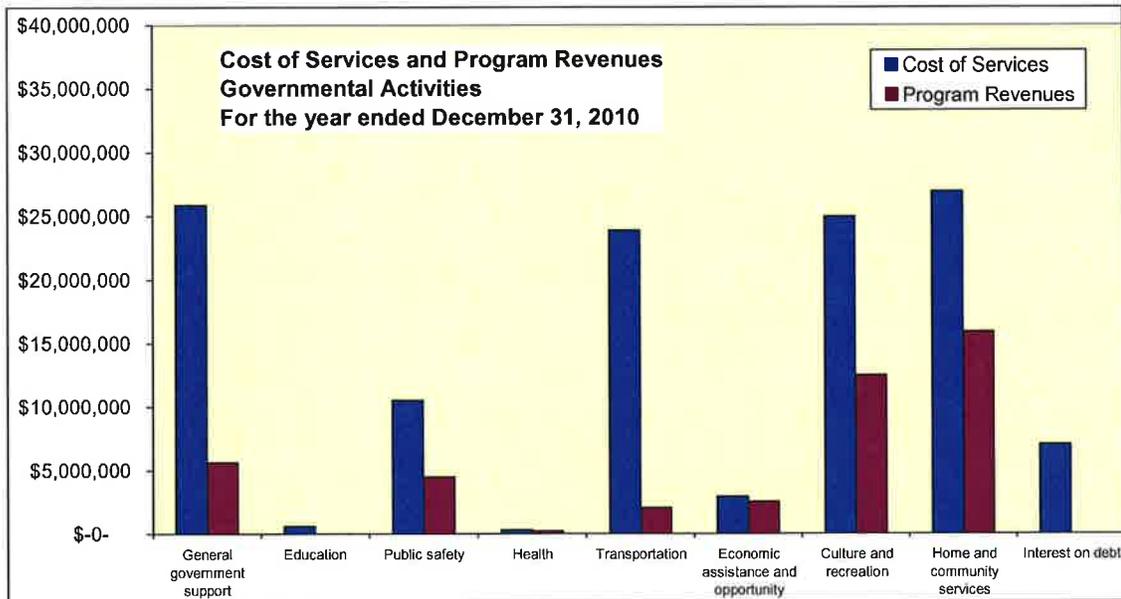
**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 December 31, 2010

**FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE** (continued)

The following chart illustrates the total expenses by program for the Town's governmental funds.

Total Cost of Services and Program Revenues  
 Governmental Activities  
 For the years ended December 31,

	Total Cost of Services		Program Revenues	
	2010	2009	2010	2009
General government support	\$ 25,899,656	\$ 23,933,803	\$ 5,630,383	\$ 1,319,032
Education	601,906	571,367		
Public safety	10,541,116	10,859,785	4,472,019	3,450,988
Health	311,324	336,891	241,740	244,784
Transportation	23,896,533	23,299,489	2,073,777	1,943,040
Economic assistance and opportunity	2,931,069	2,098,481	2,532,643	
Culture and recreation	24,971,385	24,682,702	12,476,511	11,124,471
Home and community services	26,943,688	22,950,170	15,917,596	13,360,668
Interest on debt	7,050,021	7,319,311		
	<u>\$ 123,146,698</u>	<u>\$ 116,051,999</u>	<u>\$ 43,344,669</u>	<u>\$ 31,442,983</u>



The cost of all governmental activities for 2010 was \$123.1 million. The cost of these services was subsidized by program revenues of \$43.3 million.

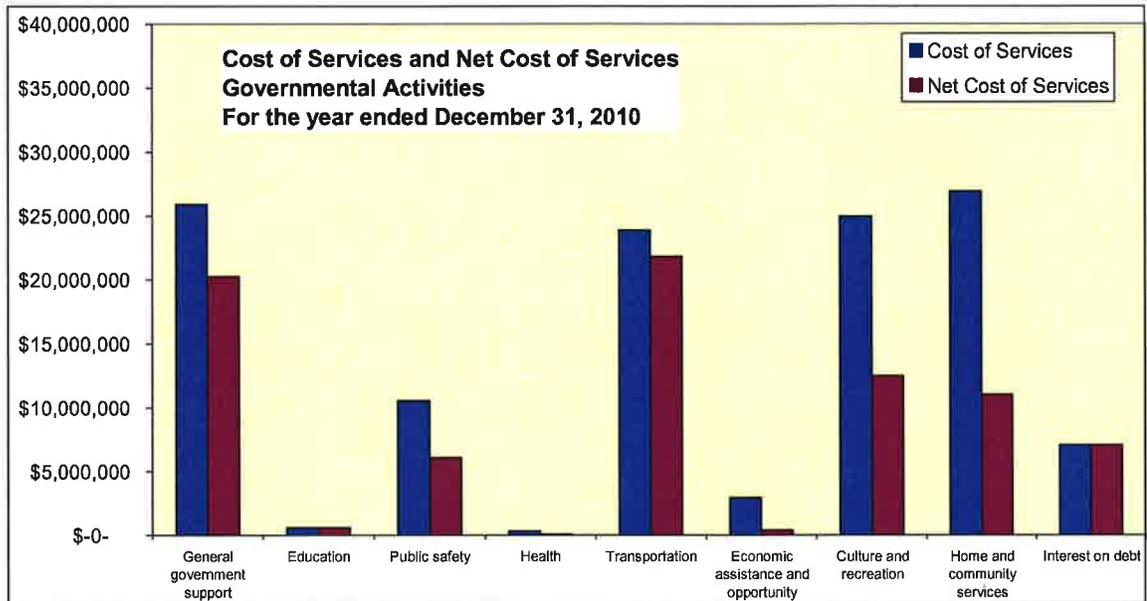
**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 December 31, 2010

**FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE (continued)**

The following chart illustrates the total expenses by net cost for the Town's governmental funds.

Total Cost of Services and Net Cost of Services  
 Governmental Activities  
 For the years ended December 31,

	Total Cost of Services		Net Cost of Services	
	2010	2009	2010	2009
General government support	\$ 25,899,656	\$ 23,933,803	\$ 20,269,273	\$ 22,614,771
Education	601,906	571,367	601,906	571,367
Public safety	10,541,116	10,859,785	6,069,097	7,408,797
Health	311,324	336,891	69,584	92,107
Transportation	23,896,533	23,299,489	21,822,756	21,356,449
Economic assistance and opportunity	2,931,069	2,098,481	398,426	2,098,481
Culture and recreation	24,971,385	24,682,702	12,494,874	13,558,231
Home and community services	26,943,688	22,950,170	11,026,092	9,589,502
Interest on debt	7,050,021	7,319,311	7,050,021	7,319,311
	<u>\$ 123,146,698</u>	<u>\$ 116,051,999</u>	<u>\$ 79,802,029</u>	<u>\$ 84,609,016</u>



The cost of these services after being subsidized by program revenues of \$43.3 million was \$79.8 million.

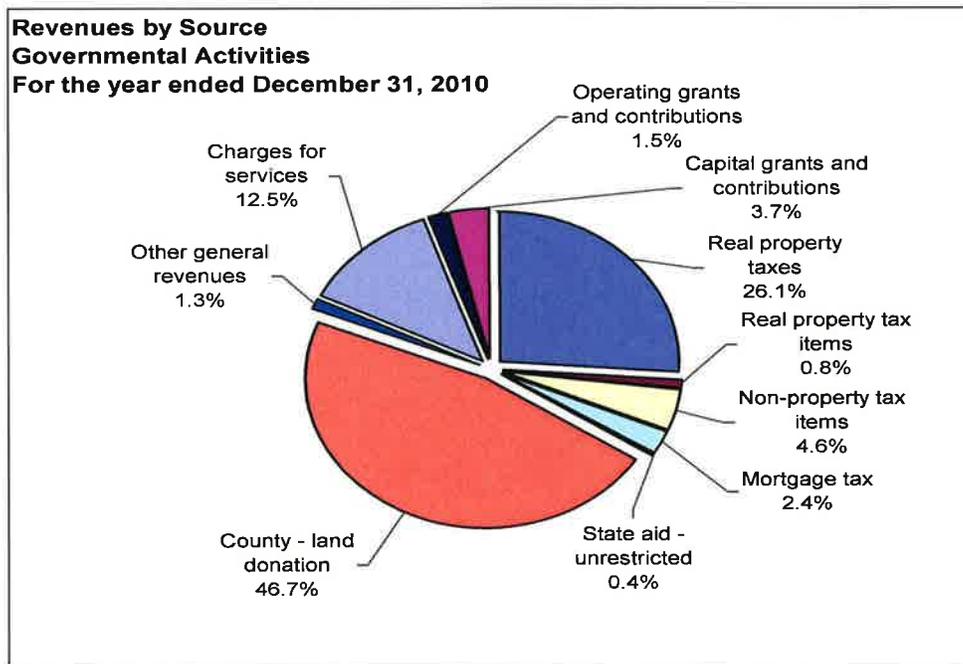
**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 December 31, 2010

**FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE** (continued)

The following chart illustrates the revenues by source for the Town's governmental funds.

Revenue by Source  
 years ended December 31,

	2010	2009
Real property taxes	\$ 63,816,162	\$ 61,685,941
Real property tax items	1,808,357	1,772,707
Non-property tax items	11,272,681	10,553,049
Mortgage tax	5,863,439	5,643,419
State aid - unrestricted	1,044,454	1,111,654
County - land donation	114,400,740	
Other general revenues	3,104,587	4,548,065
Charges for services	30,586,280	26,784,489
Operating grants and contributions	3,688,338	3,752,788
Capital grants and contributions	9,070,051	905,706
	<u>\$ 244,655,089</u>	<u>\$ 116,757,818</u>



**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS**

Governmental Funds – The focus of the Town of North Hempstead's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town of North Hempstead's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current year, the Town of North Hempstead's governmental funds reported combined ending fund balances of \$3.8 million, a decrease of \$20.5 million over the prior period. The governmental funds reported fund balances, exclusive of the Capital Projects Fund, of \$29.5 million. This change in total governmental fund balances was due principally to the following decrease in the Capital Projects Fund as explained on the next page.

**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2010

**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS** (continued)

- In 2010 the Capital Projects Fund's fund balance decreased by \$21.5 million, due to the use of short term borrowings to fund ongoing projects in anticipation of grant funding and long term debt issuance. Short term borrowings, versus serial bonds, are not accounted for as revenue but usually have the benefit of reduced interest rates. This reduction in fund balance will be rectified upon the receipt of expected grant funding and the issuance of long term debt.
- The \$0.6 million decrease in SWMA's fund balance was mainly the result of a decrease in the amount received as transfers from the General Fund.
- The \$1.3 million decrease in the Debt Service Fund's fund balance was the result of the utilization of prior years' interest earned on cash balances and premiums from debt issuances, to offset debt interest and principal payments in the General and Highway Funds.
- There were increases in the fund balances of the General Fund, the Highway Fund, and Other Governmental Funds totaling \$2.9 million.

Unreserved, undesignated fund balance, exclusive of Capital Projects, which is available for use at the Town's discretion, amounted to \$16.2 million. The remainder of fund balance is reserved or designated to indicate that it may not be available for new spending because it has already been committed.

**General Fund**

The General Fund is the chief operating fund of the Town of North Hempstead. At the end of the current year, unreserved, undesignated fund balance of the General Fund was \$6.0 million, while total fund balance was \$12.3 million. As a measure of the General Fund's financial condition, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 15.4% of total General Fund expenditures, while total fund balance represents 31.4% of the same amount.

The fund balance increased in the General Fund by \$0.2 million during the current year. The major components were:

- Recognition of \$2.2 million in revenue for affordable senior housing, offset by \$2.0 million in subsidy transfers to SWMA in accordance with the agreement between the Town and SWMA.

**Highway Fund**

The fund balance increased in the Highway Fund by \$0.4 million during the current year. This was mainly due to:

- Actual revenues exceeding budget by \$0.1 million, which was associated with state and federal aid for disaster assistance grant awards.
- Actual expenditures were less than budget by \$0.3 million, mainly due to savings in salaries and employee benefits.

**Solid Waste Management Authority**

The fund balance decreased in the Solid Waste Management Authority by \$0.6 million during the current fiscal year. This was mainly due to:

- Revenues for solid waste disposal fell short of budgeted amounts by \$3.7 million due to the lowering of the 2010 per ton tipping fee by 19%.
- Other revenue shortfalls of \$0.5 million were due to less subsidy transfers from the Town's General Fund than budgeted.
- Expenditures came in under budget by \$3.6 million, of which \$3.2 million is directly related to the decrease in the transfer station revenues.

**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2010

**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS** (continued)

**Capital Projects Fund**

The fund balance decreased in the Capital Projects Fund by \$21.5 million during the current year. This was primarily due to:

- Capital expenditures being financed by the issuance of short term debt.

**Nonmajor Governmental Funds**

The net change in fund balances was an increase of \$2.3 million. The primary factors were increases in the Part-Town, Refuse and Garbage and Park Districts of \$1.6 million, \$0.4 million and \$.02 million, respectively, while the other five nonmajor funds had no overall change in fund balance.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

During the year there was a \$0.1 million increase in overall spending between the original and final amended budget. There are no variances that are expected to have a significant effect on future services or liquidity. Please see the General Fund section for more details on the comparison of final budgets and actual amounts. The following are the main components of the increase in appropriations:

- Over the course of the year the Town Board revises the budget as needed so that expenditures do not exceed appropriations.
- The Town Board appropriated \$0.1 million in fund balance for the payment of litigation settlements.
- The budget was revised as a result of \$0.4 million in additional state and federal aid awarded during the year for existing programs.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The Town of North Hempstead's investment in capital assets for its governmental type activities as of December 31, 2010 amounts to \$374,364,257 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, building, improvement, machinery and equipment, roads, curb and sidewalks, drainage, street lighting and intangibles.

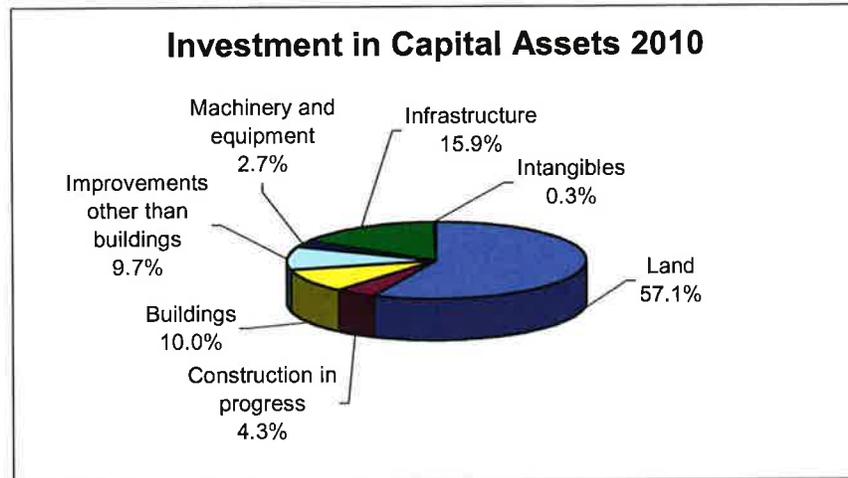
Capital Assets - Net of Depreciation  
as of December 31,

	Governmental Activities	
	2010	2009
Land	\$ 213,608,533	\$ 94,172,365
Construction in progress	16,075,166	18,353,061
Buildings	37,563,227	22,548,370
Improvements other than buildings	36,265,118	28,819,067
Machinery and equipment	10,270,777	10,175,472
Infrastructure	59,500,742	61,354,415
Intangibles	1,080,694	1,076,704
<b>Total Capital Assets</b>	<b>\$ 374,364,257</b>	<b>\$ 236,499,454</b>

**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 December 31, 2010

**CAPITAL ASSET AND DEBT ADMINISTRATION** (continued)

**Capital Assets** (continued)



Additional information of the Town of North Hempstead's capital assets is shown in Note C.3 to the financial statements.

The Town has five-year capital improvement plans for the General Fund and Highway Fund. The five-year plans allow for the continued improvements to infrastructure, buildings and equipment while remaining consistent with the parameters established in the Town's Debt Management Plan. The Debt Management Plan, adopted in 2000, as amended through 2004, provides the Town with the framework, over a ten-year period, to reduce by 15% the aggregate debt service obligation in the General Fund, and by 25% the aggregate debt service obligation in the Highway Fund. The Plan also provides the framework for the Town to reduce outstanding General Fund debt principal by 45% by the year 2014, and Highway Fund debt principal by 25% by the year 2011. Annually, the Town Board reviews, updates and amends, if necessary, the Capital Plans and Debt Management Plan.

**Long-Term Debt**

At the end of the year, the Town of North Hempstead had total bonded debt outstanding of \$219,204,184. General obligation bonds are shown net of premiums.

**Outstanding Debt**  
 as of December 31,

	Governmental Activities	
	2010	2009
General obligation bonds	\$ 146,514,740	\$ 160,142,656
Bond anticipations notes	61,654,444	16,018,500
Revenue bonds	11,035,000	13,130,000
<b>Total</b>	<b>\$ 219,204,184</b>	<b>\$ 189,291,156</b>

In 2010 the Town of North Hempstead's total debt increased by \$29.9 million or 15.8%.

In 2010, Moody's Investment Services reaffirmed the Town of North Hempstead's credit rating at "Aa1". The rating is the highest in the Town's history.

**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2010

**CAPITAL ASSET AND DEBT ADMINISTRATION** (continued)

**Long-Term Debt** (continued)

The New York State Constitution limits the power of the Town (and other municipalities and school districts of the State) to issue obligations and to otherwise contract for indebtedness.

Subject to certain enumerated exceptions, the Town shall not give or loan any money or property to, or in aid of, any individual or private corporation or private undertaking, or give or loan its credit to, or in aid of, any of the foregoing or any public corporation.

The Town may contract for indebtedness only for a Town purpose and shall pledge its faith and credit for the payment of principal and interest thereon.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7% of a 5-year average full valuation. The current debt limitation for the Town of North Hempstead is \$4.0 billion, which is significantly in excess of the Town of North Hempstead's outstanding general obligation debt.

Additional information on the Town's debt activity may be found in Note C.4 to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Property Tax

The Town has adopted a budget for 2011 that allows for inflation and other adjustments to revenues and expenditures. The 2011 General Fund budget includes a real property tax increase of approximately 4.0% over 2010.

State Aid and Local Assistance

The Town receives financial assistance from New York State and Nassau County. The 2011 budget includes financial assistance, i.e. mortgage tax state aid of \$6.1 million; per capita state aid of \$1.1 million and county local government assistance of \$9.9 million. If the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Town, may be affected by a delay in the payment of state aid. The State is not constitutionally obligated to maintain or continue state aid to the Town.

**CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

This financial report is designed to provide citizens, taxpayers, customers, and creditors with a general overview of the Town's finances, and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town of North Hempstead, Office of the Comptroller, 220 Plandome Rd., Manhasset, NY 11030.

## **BASIC FINANCIAL STATEMENTS**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**TOWN OF NORTH HEMPSTEAD**  
**GOVERNMENT-WIDE FINANCIAL STATEMENT**  
**STATEMENT OF NET ASSETS**  
December 31, 2010

	Primary Governmental Activities	Component Units
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and investments	\$ 63,285,628	\$ 63,246,884
Cash - restricted	5,557,086	
Accounts receivable, net of allowances	4,199,270	12,049,536
Prepays	51,965	1,145,578
Due from other governments	9,914,342	4,987,280
Inventory of materials and supplies	1,017,190	455,185
Total Current Assets	84,025,481	81,884,463
<b>Non-Current Assets:</b>		
Notes receivable	2,580,000	
Deferred charges, net of accumulated amortization	6,401,474	138,701
Non-depreciable capital assets	229,683,699	58,520,527
Depreciable capital assets, net of depreciation	144,680,558	115,903,043
Total Non-Current Assets	383,345,731	174,562,271
<b>Total Assets</b>	467,371,212	256,446,734
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued liabilities	14,186,712	9,869,440
Accrued interest payable	2,485,513	914,985
Bond anticipation notes payable	61,654,444	15,166,200
Bond interest and matured bonds	321,874	
Due to other governments	1,972,900	131,802
Unearned revenue/deferred revenues	2,000,000	1,453,033
Other liabilities		143,141
<b>Non-Current Liabilities due within one year:</b>		
General obligation bonds payable	16,100,842	6,777,754
Revenue bonds payable	2,155,000	
Due to employees' retirement system	32,954	
Compensated absences	207,794	1,267,556
Claims and judgments payable	595,000	
Estimated liability for landfill closure and postclosure care costs	1,169,811	
Installment purchase debt		60,194
Total Current Liabilities	102,882,844	35,784,105
<b>Non-Current Liabilities due in more than one year:</b>		
General obligation bonds payable	132,284,090	85,174,804
Revenue bonds payable	8,880,000	
Due to employees' retirement system	1,536,763	
Compensated absences	3,948,088	8,764,448
Claims and judgments payable	4,697,840	
Estimated liability for landfill closure and postclosure care costs	16,025,891	
Other postemployment obligations	28,494,425	24,303,932
Installment purchase debt		999,273
Total Non-Current Liabilities	195,867,097	119,242,457
<b>Total Liabilities</b>	298,749,941	155,026,562
<b>NET ASSETS</b>		
Investment in capital assets, net of related debt	217,695,935	75,961,992
Restricted for:		
Debt service	5,557,086	2,374,133
Unrestricted	(54,631,750)	23,084,047
<b>Total Net Assets</b>	\$ 168,621,271	\$ 101,420,172

The notes to the financial statements are an integral part of this statement.

**TOWN OF NORTH HEMPSTEAD**  
**GOVERNMENT-WIDE FINANCIAL STATEMENT**  
**STATEMENT OF ACTIVITIES**  
Year ended December 31, 2010

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Primary Government</b>				
Government Activities:				
General government support	\$ 25,899,656	\$ 316,511	\$ 286,640	\$ 5,027,232
Education	601,906			
Public safety	10,541,116	4,157,137	67,790	247,092
Health	311,324	241,740		
Transportation	23,896,533	1,464,958	608,724	95
Economic assistance and opportunity	2,931,069		2,532,643	
Culture and recreation	24,971,385	8,488,338	192,541	3,795,632
Home and community services	26,943,688	15,917,596		
Interest on debt	7,050,021			
Total Primary Government	<u>\$ 123,146,698</u>	<u>\$ 30,586,280</u>	<u>\$ 3,688,338</u>	<u>\$ 9,070,051</u>
<b>Component Units</b>				
Public safety	\$ 18,474,648	\$ 3,642	\$ 119,067	
Transportation	1,596,550	602,758		
Culture and recreation	18,097,266	3,745,225		\$ 68,038
Home and community services	47,752,910	20,980,964	622,982	1,010,742
	<u>\$ 85,921,374</u>	<u>\$ 25,332,589</u>	<u>\$ 742,049</u>	<u>\$ 1,078,780</u>

**General Revenues**

Real property taxes  
Real property tax items  
Sales tax distribution by County  
Franchise fees  
Interest and earnings - unrestricted  
Mortgage tax  
State aid - unrestricted  
Sale of property and compensation for loss  
County - land donation  
Other  
Gain (loss) on sale of capital assets

Total General Revenues

Change in Net Assets

**Net Assets - Beginning**

**Net Assets - Ending**

The notes to the financial statements are an integral part of this statement.

Net (Expenses) Revenues and  
Changes in Net Assets

Primary Government	Component Units
\$ (20,269,273)	
(601,906)	
(6,069,097)	
(69,584)	
(21,822,756)	
(398,426)	
(12,494,874)	
(11,026,092)	
(7,050,021)	
<u>(79,802,029)</u>	
	\$ (18,351,939)
	(993,792)
	(14,284,003)
	<u>(25,138,222)</u>
	<u>(58,767,956)</u>
63,816,162	56,997,615
1,808,357	354,007
9,550,499	
1,722,182	
1,328,722	1,107,321
5,863,439	
1,044,454	6,846
	750,105
114,400,740	
1,775,865	8,330,893
	(142,543)
<u>201,310,420</u>	<u>67,404,244</u>
<u>121,508,391</u>	<u>8,636,288</u>
<u>47,112,880</u>	<u>92,783,884</u>
<u>\$ 168,621,271</u>	<u>\$ 101,420,172</u>

**TOWN OF NORTH HEMPSTEAD**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2010

	MAJOR FUNDS				
	General	Highway	Solid Waste Management	Debt Service	Capital Projects
<b>ASSETS</b>					
Cash and investments	\$ 7,860,241	\$ 2,359,703	\$ 137,195	\$ 308,314	\$ 41,495,863
Cash - restricted			2,238,419	3,318,667	
Accounts receivable, net of allowances	656,164	878	1,511,986		2,188
Prepays	30,340		21,625		
Due from other funds	2,666,734	869,082	334,888	790,122	
State and federal aid receivables	380,934	105,311			2,706,507
Due from other governments	6,246,351	325,928			
Inventory of materials and supplies	235,330	781,860			
Total Assets	\$ 18,076,094	\$ 4,442,762	\$ 4,244,113	\$ 4,417,103	\$ 44,204,558
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable and accrued liabilities	\$ 3,352,787	\$ 1,372,498	\$ 1,611,914	\$ 24,242	\$ 6,729,349
Bond anticipation notes payable					61,654,444
Bond interest and matured bonds				321,874	
Due to other governments	1,928,066				1,415,533
Due to other funds	483,968	146,911	2,925,291		22,750
Deferred revenue					22,750
Total Liabilities	5,764,821	1,519,409	4,537,205	346,116	69,822,076
<b>Fund Balances (Deficit):</b>					
Reserved:					
Encumbrances					28,886,897
Noncurrent receivable	2,130,000				
Inventory of materials and supplies	235,330	781,860			
Debt service			2,238,419	3,318,667	
Prepays	30,340		21,625		
Unreserved, designated for:					
Nonmajor special revenue funds					
Workers' compensation	683,062				
Capital projects	113,873	150,000			
Insurance	355,793				
Tort claims	593,401				
Senior center	2,121,816				
Unreserved, undesignated reported in:					
General fund	6,047,658				
Special revenue funds		1,991,493	(2,553,136)	752,320	
Capital projects fund					(54,504,415)
Total Fund Balances (Deficits)	12,311,273	2,923,353	(293,092)	4,070,987	(25,617,518)
Total Liabilities and Fund Balances (Deficits)	\$ 18,076,094	\$ 4,442,762	\$ 4,244,113	\$ 4,417,103	\$ 44,204,558

The notes to the financial statements are an integral part of this statement.

Other Governmental Funds	Total Governmental Funds
\$ 11,124,312	\$ 63,285,628
	5,557,086
28,054	2,199,270
	51,965
341,192	5,002,018
22,790	3,215,542
126,521	6,698,800
	1,017,190
<u>\$ 11,642,869</u>	<u>\$ 87,027,499</u>

\$ 1,095,922	\$ 14,186,712
	61,654,444
	321,874
44,834	1,972,900
30,315	5,002,018
19,000	41,750
<u>1,190,071</u>	<u>83,179,698</u>

	28,886,897
	2,130,000
	1,017,190
	5,557,086
	51,965
490,715	490,715
	683,062
	263,873
	355,793
	593,401
	2,121,816
	6,047,658
9,962,083	10,152,760
	(54,504,415)
<u>10,452,798</u>	<u>3,847,801</u>
<u>\$ 11,642,869</u>	<u>\$ 87,027,499</u>

**THIS PAGE INTENTIONALLY LEFT BLANK**

**TOWN OF NORTH HEMPSTEAD**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE**  
**STATEMENT OF NET ASSETS**  
December 31, 2010

**Total Fund Balances - Governmental Funds** **\$ 3,847,801**

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

Capital assets less accumulated depreciation are included in the Statement of Net Assets:

Capital assets - non-depreciable	\$ 229,683,699	
Capital assets - depreciable	302,479,411	
Accumulated depreciation	<u>(157,798,853)</u>	374,364,257

Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period, and accordingly, are not reported in the funds. However these liabilities are included in the Statement of Net Assets:

General obligation bonds	(146,514,740)	
Revenue bonds	(11,035,000)	
Premiums on debt issuance	(1,870,192)	
Due to employees' retirement system	(1,569,717)	
Compensated absences	(4,155,882)	
Claims and judgments	(5,292,840)	
Estimated liability for landfill closure and postclosure care costs	(17,195,702)	
Other postemployment obligations	<u>(28,494,425)</u>	(216,128,498)

Deferred financing costs (net of accumulated amortization) 6,401,474

Unearned revenue/deferred revenues (1,958,250)

Accounts receivable applicable to the Town's governmental activities are not due and receivable in the current period, and accordingly, are not reported in the funds. However, these assets are included in the Statement of Net Assets. 2,000,000

Notes receivable applicable to the Town's governmental activities are not due and receivable in the current period, and accordingly, are not reported in the funds. However, these assets are included in the Statement of Net Assets. 2,580,000

Interest payable applicable to the Town's governmental activities are not due and payable in the current period, and accordingly, are not reported in the funds. However, these liabilities are included in the Statement of Net Assets. (2,485,513)

**Net Assets of Governmental Activities** **\$ 168,621,271**

The notes to the financial statements are an integral part of this statement.

**TOWN OF NORTH HEMPSTEAD**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
Year ended December 31, 2010

	MAJOR FUNDS				
	General	Highway	Solid Waste Management	Debt Service	Capital Projects
<b>REVENUES</b>					
Real property taxes	\$ 19,380,077	\$ 20,044,368			
Real property tax items	1,312,443	202,690			
Non-property tax items	11,122,681				
Departmental income	8,104,059		\$ 14,544,788		
Intergovernmental charges	93,900	555,931	912,500		
Use of money and property	233,177	87,036	29,070	\$ 780,192	
Licenses and permits	281,833	256,810			
Fines and forfeitures	50,000				
Sale of property and compensation for loss	170,605	2,070	287,035		
Miscellaneous revenue	3,487,620	1,987	56,470		\$ 117,284,066
Interfund revenues	5,050,596	1,038,692			
State aid	7,380,849	554,418			1,426,269
Federal aid	352,576	54,306			4,983,762
	<u>57,020,416</u>	<u>22,798,308</u>	<u>15,829,863</u>	<u>780,192</u>	<u>123,694,097</u>
<b>Total Revenues</b>					
<b>EXPENDITURES</b>					
Current:					
General government support	12,546,536	2,144,939			
Education	601,906				
Public safety	730,474				
Health					
Transportation		11,297,536			
Economic assistance and opportunity	2,075,798				
Culture and recreation	15,465,138				
Home and community services	1,187,708		15,415,014		
Employee benefits	6,577,721	3,807,635	527,200		
Capital Outlay:					
General government support					541,182
Public safety					410,420
Transportation					11,270,300
Culture and recreation					135,680,919
Home and community services					192,069
Debt Service:					
Principal				18,803,632	
Interest				6,988,606	
Bonds issuance cost				130,757	
	<u>39,185,281</u>	<u>17,250,110</u>	<u>15,942,214</u>	<u>25,922,995</u>	<u>148,094,890</u>
<b>Total Expenditures</b>					
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
	<u>17,835,135</u>	<u>5,548,198</u>	<u>(112,351)</u>	<u>(25,142,803)</u>	<u>(24,400,793)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	2,308,281	684,883	1,989,955	26,441,053	4,139,530
Transfers out	(19,683,302)	(5,763,967)	(2,523,413)	(2,691,768)	(4,455,374)
Debt issuance					2,879,000
Bond anticipation notes redeemed	(304,500)	(79,000)			
Retirement of debt by payment made by funds					383,500
Refunding bond Issued				7,547,603	
Payments to refunded bond escrow agent				(7,827,073)	
Premiums on debt issuance				410,228	
	<u>(17,679,521)</u>	<u>(5,158,084)</u>	<u>(533,458)</u>	<u>23,880,043</u>	<u>2,946,656</u>
<b>Total Other Financing Sources (Uses)</b>					
<b>Net Change in Fund Balances</b>	155,614	390,114	(645,809)	(1,262,760)	(21,454,137)
<b>Fund Balances (Deficits) at Beginning of Year</b>	<u>12,155,659</u>	<u>2,533,239</u>	<u>352,717</u>	<u>5,333,747</u>	<u>(4,163,381)</u>
<b>Fund Balances (Deficits) at End of Year</b>	<u>\$ 12,311,273</u>	<u>\$ 2,923,353</u>	<u>\$ (293,092)</u>	<u>\$ 4,070,987</u>	<u>\$ (25,617,518)</u>

The notes to the financial statements are an integral part of this statement.

Other Governmental Funds	Total Governmental Funds
\$ 24,391,717	\$ 63,816,162
293,224	1,808,357
150,000	11,272,681
1,751,820	24,400,667
60,000	1,622,331
87,084	1,216,559
3,207,323	3,745,966
251,504	301,504
	459,710
292	120,830,435
96,733	6,186,021
67,790	9,429,326
	5,390,644
<u>30,357,487</u>	<u>250,480,363</u>
3,349,788	18,041,263
	601,906
8,546,031	9,276,505
181,135	181,135
4,347,691	15,645,227
	2,075,798
861,415	16,326,553
7,965,650	24,568,372
2,352,552	13,265,108
	541,182
	410,420
	11,270,300
	135,680,919
	192,069
	18,803,632
	6,988,606
	130,757
<u>27,604,262</u>	<u>273,999,752</u>
<u>2,753,225</u>	<u>(23,519,389)</u>
83,640	35,647,342
(529,518)	(35,647,342)
	2,879,000
	(383,500)
	383,500
	7,547,603
	(7,827,073)
	410,228
<u>(445,878)</u>	<u>3,009,758</u>
2,307,347	(20,509,631)
8,145,451	24,357,432
<u>\$ 10,452,798</u>	<u>\$ 3,847,801</u>

**TOWN OF NORTH HEMPSTEAD**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
Year ended December 31, 2010

**Net Change in Fund Balance - Total Governmental Funds** \$ (20,509,631)

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

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. The amount by which capital outlay exceeds depreciation in the current period is:

Capital outlay	\$ 148,468,515	
Depreciation expense	<u>(10,603,712)</u>	
		137,864,803

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.

Deferred charges		(57,324)
------------------	--	----------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Unearned revenue/deferred revenues	41,750	
Interest income	60,000	
Premiums on debt issuance	<u>(151,231)</u>	
		(49,481)

The issuance of long-term debt and increase in obligations 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 has any effect on net assets.

Debt issued	(10,426,603)	
Repayment of bond principal	26,149,519	
Due to employees' retirement system	(1,569,717)	
Compensated absences	604,024	
Claims and judgments	(470,857)	
Estimated liability for landfill closure and postclosure care costs	(443,920)	
Other postemployment obligations	(9,521,007)	
Accrued interest payable	<u>(61,415)</u>	
		<u>4,260,024</u>

**Change in Net Assets of Governmental Activities** \$ 121,508,391

The notes to the financial statements are an integral part of this statement.

**TOWN OF NORTH HEMPSTEAD**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**December 31, 2010**

	Total Agency Funds
<b>ASSETS</b>	
Cash	\$ 23,136,738
<b>Total Assets</b>	<b>\$ 23,136,738</b>
 <b>LIABILITIES</b>	
Due to school districts	\$ 4,980,920
Other agency liabilities	18,155,818
<b>Total Liabilities</b>	<b>\$ 23,136,738</b>

The notes to the financial statements are an integral part of this statement.

**TOWN OF NORTH HEMPSTEAD**  
**INDEX FOR NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

<b>Note A – Summary of Significant Accounting Policies</b>	
A.1 Reporting Entity .....	43-44
A.2 Basis of Presentation .....	44-47
A.3 Basis of Accounting/Measurement Focus.....	47-48
A.4 Assets, Liabilities and Fund Equity.....	48-50
A.5 Revenues and Expenditures .....	50-52
A.6 Equity Classifications .....	52
A.7 Use of Estimates .....	52
A.8 New Accounting Principles .....	53
<b>Note B – Stewardship, Compliance and Accountability</b>	
B.1 Budgetary Data .....	53
B.2 Fund Balances .....	54-55
B.3 Excess of Expenditures over Appropriations .....	55
<b>Note C – Detailed Notes on All Funds</b>	
C.1 Cash and Investments.....	55-56
C.2 Interfund Receivables, Payables and Transfers .....	56
C.3 Capital Assets.....	57-58
C.4 Indebtedness .....	58-62
C.5 Retirement System .....	62-64
C.6 Postemployment Benefits Healthcare Costs .....	64-68
C.7 Compensated Absences .....	68
<b>Note D – Commitments and Contingencies</b>	
D.1 Risk Retention .....	69
D.2 Litigation .....	70-71
D.3 Landfill Closure and Postclosure Care Costs .....	71
D.4 Solid Waste Management Authority.....	71
D.5 Construction and Other Capital Acquisition Commitments .....	71
D.6 Lease Commitments and Leased Assets .....	71
D.7 Pollution Remediation Obligations .....	72
D.8 Length of Service Award Program (LOSAP) .....	72-78
<b>Note E – Condensed Financial Statements for the Discretely Presented Component Units</b> .....	79-81
<b>Note F – Subsequent Events</b> .....	81-82
<b>Note G – New Pronouncements</b> .....	82

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of North Hempstead (the "Town"), which was established in 1784, is governed by Town Law and other general laws of the State of New York and various local laws. The Town Board is the legislative body responsible for overall operations. The Town Board consists of the Supervisor, who is elected for a term of two years, and six council members who are elected for terms of four years. The Town Clerk and Receiver of Taxes are elected and serve for four years. The Town Board appoints the Town Attorney, Comptroller, Superintendent of Highways, Executive Director of the Solid Waste Management Authority and the Commissioners of the following departments: Administrative Services, Community Services, Public Works, Public Safety, Building, Finance, Parks and Recreation, Planning and Information Technology. The Supervisor serves as the Chief Executive Officer and Chief Fiscal Officer of the Town.

The Town provides a range of municipal services, including public safety, transportation, home and community services, public works and road maintenance, recreation and parks, and general and administrative services.

The financial statements of the Town of North Hempstead have been prepared in conformity with generally accepted accounting principles in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The most significant of the government's accounting policies are described below:

**1. REPORTING ENTITY**

The financial reporting entity consists of: (a) the primary government, which is the Town of North Hempstead; (b) organizations for which the primary government is financially accountable; and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement No. 14, as amended.

The decision to include a potential component unit in the Town of North Hempstead reporting entity is based on several criteria set forth in GASB Statement No. 14, as amended, including legal standing, dependency and financial accountability. Based on the application of these criteria, the following is a summary of certain entities considered in determining the Town of North Hempstead's reporting entity.

The Solid Waste Management Authority (the "Authority") is a separate public benefit corporation created by state legislation to provide and account for solid waste management services facilities for the benefit of the Town's inhabitants. The Town Board presides as the Authority's Board. The Authority's management is designated by the Town Board. The Town Board is completely accountable for fiscal matters of the Authority. The Authority is a component unit of the Town and is reported as a special revenue fund.

The North Hempstead Community Development Agency (the "Agency") is a separate public benefit corporation, created by state legislation, to promote the safety, health and welfare of the Town's inhabitants and to promote the sound growth and development of the Town. The Agency's Board of Directors is the legislative body responsible for overall operations. The Town appoints the Board of Directors. The Agency is a discretely presented component unit.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**1. REPORTING ENTITY** (continued)

Certain special districts of the Town of North Hempstead are separate legal entities and have separately elected boards of commissioners. These special districts provide water, park, sewer, sanitation, police, library and business services to residents and businesses within the districts. These special districts are organized under New York State Town Law. Special districts cannot issue bonded debt without the approval and the backing of the full faith and credit of the Town. Budgets and tax rates are approved by the Town. Tax levies of the special districts are collected by the Town Receiver of Taxes. As a result of this fiscal dependency, the Town is financially accountable for these special districts. Accordingly, these special districts have been determined to be component units of the Town and are presented discretely in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government. Condensed financial statements, along with the addresses of the administrative office for these component units, are presented in Note E.

**2. BASIS OF PRESENTATION**

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds).

**Government-wide Financial Statements**

The government-wide financial statements report information on the Town as a whole, except fiduciary activities, with separate columns for the primary governmental activities, as well as the discretely presented component units.

In the government-wide Statement of Net Assets, the Town's governmental activities are presented on a consolidated basis and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables, as well as long-term debt and obligations. The Town's net assets are reported in three parts—invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functional categories (public safety, transportation, home and community services, etc.), which are otherwise supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, to identify the net cost of each program. Program revenues include (a) charges for services and (b) operating and capital grants and contributions that are directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants. The net costs (by function) are normally covered by general revenue (property taxes, intergovernmental revenues, interest income, etc.).

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Eliminations have been made to prevent distortion of the direct costs and program revenues reported. Sales and purchases of goods and services for a price approximating their external value are not eliminated between the funds in the government-wide financial statements.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2. BASIS OF PRESENTATION (continued)**

**Government-wide Financial Statements (continued)**

This government-wide focus is more on the sustainability of the Town as an entity, and the change in the Town's net assets resulting from the current year's activities.

**Fund Financial Statements**

The fund financial statements are similar to the financial statements presented prior to GASB 34 implementation. The emphasis is on the major funds in the fund financial statements. Nonmajor funds are summarized into a single column.

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures. These funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds are presented by type in the fund financial statements. Accordingly, the Town maintains the following fund types:

**Governmental Funds** - Governmental funds are those through which most governmental functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is upon determination of financial position and changes in financial position. Governmental funds are further classified as major and nonmajor funds.

The Town reports the following major governmental funds:

General Fund - is the principal operating fund of the Town. This fund is used to account for all financial resources except those required to be accounted for in other funds.

Highway Fund - is a Special Revenue Fund used to account for revenues and expenditures for highway purposes.

Solid Waste Management Authority - is a public benefit corporation created in 1984, used to account for solid waste management services for the benefit of the town.

Debt Service Fund - is used to account for the accumulation of resources for the payment of debt principal, interest, and related costs.

Capital Projects Fund - is used to account for financial resources to be used for the acquisition or construction of major capital facilities and the acquisition of other equipment and vehicles.

Additionally, the Town reports the following nonmajor funds:

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2. BASIS OF PRESENTATION (continued)**

**Fund Financial Statements (continued)**

Special Revenue Funds - are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special Revenue Funds include the following:

Town Outside Village - is used for revenues and expenditures for certain services provided to the areas of the Town located outside of Incorporated Villages.

Special District Funds - are used to account for taxes or other revenues, which are raised or received to provide special services to areas that encompass less than the whole Town. The Special District Funds consist of a number of separate districts, which are administered by the Town Board as follows:

Fire Protection Districts:

Albertson	Great Neck
Carle Place	Port Washington
Floral Park Centre	Roslyn
Glenwood	

Lighting District

Park Districts:

Harbor Hills  
Manhasset Bay  
New Hyde Park – Clinton G. Martin

Sidewalk District

Refuse and Garbage Districts:

Albertson – Searingtown – Herricks	Great Neck
Manhasset	New Cassel
New Hyde Park – Garden City Park	

Port Washington Public Parking District

Great Neck Water District

Fiduciary Funds - are used to account for assets held by the Town in a trustee or custodial capacity.

Agency Funds - are used for money (and/or property) received and held in the capacity of trustee, custodian or agent.

Town Agency Funds - accounts for consolidated payroll and other agency liabilities.

Town Clerk Funds - accounts for permit and license fees collected on behalf of other governments.

Town Receiver of Taxes Agency Funds - accounts for amounts due to other governments for general and school taxes collected.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2. BASIS OF PRESENTATION (continued)**

**Fund Financial Statements (continued)**

**Discretely Presented Component Units**

Certain special districts, that have separately elected boards, provide services to residents and businesses within these districts, follow government fund accounting principles. These districts, which are accounted for as discretely presented component units, are as follows:

<u>Water Districts</u>	<u>Water Pollution Control Districts</u>
Albertson	Belgrave
Carle Place	Great Neck
Garden City Park	Port Washington
Glenwood	
Manhasset-Lakeville	<u>Garbage Districts</u>
Port Washington	Carle Place
Roslyn	Glenwood
Westbury	Port Washington
	Roslyn
<u>Park Districts</u>	
Great Neck	
Manhasset	
Greater Port Washington Business Improvement District	North Hempstead Community Development Agency
Port Washington Police District	Shelter Rock Public Library District

**3. BASIS OF ACCOUNTING/MEASUREMENT FOCUS**

Measurement focus refers to what is being measured, whereas the basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

In the government-wide statements, governmental activities are presented using the economic resources measurement focus and are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund statements, governmental funds use a current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (measurable and available to finance current operations). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Town considers all revenues available if they are collected within 60 days after the year end. Revenues susceptible to accrual include Nassau County local assistance, franchise fees, charges for services, intergovernmental revenues and operating transfers.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3. BASIS OF ACCOUNTING/MEASUREMENT FOCUS (continued)**

Permits, fees, and other similar revenues are not susceptible to accrual because generally they are not measurable until they are received in cash. In those instances where expenditures are the prime factor in determining eligibility for state and federal grants, revenues are recognized when the expenditure is incurred. In the Capital Projects Fund, long-term debt is recognized as revenue upon receipt of the proceeds. Expenditures are recorded on the accrual basis except that (a) expenditures for prepaid expenses are recognized when incurred; (b) principal and interest on indebtedness are recognized as expenditures when due; (c) compensated absences, such as vacation and sick leave, which vest or accumulate, are charged as expenditures when paid.

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded for budgetary control purposes, in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Appropriations for all governmental funds, except the Capital Projects Fund, lapse at year-end. However, encumbrances reserved against fund balances are re-appropriated in the ensuing year. Encumbrances are reported as reservations of fund balances because they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred. The only outstanding encumbrances at year end were in the Capital Projects Fund.

**4. ASSETS, LIABILITIES AND FUND EQUITY**

**CASH AND INVESTMENTS**

Cash consists of funds deposited in demand accounts, both interest bearing and non-interest bearing, petty cash, and when utilized, certificates of deposit with maturities of three months or less.

State statutes govern the Town's investment policy. The Town has a written investment policy stating that Town money must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Town is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies investments made by the Cooperative Liquid Asset Security System (CLASS), and repurchase agreements. When repurchase agreements are executed, the fair value of securities must be equal to 102% of the cost of the repurchase agreement.

CLASS is a cooperative investment plan consisting of U.S. Treasury Obligations and repurchase agreements relating to treasury obligations. Investments are stated at cost, which approximates market. CLASS was established as a cooperative investment arrangement organized under the CLASS Municipal Cooperation Agreement made pursuant to New York General Municipal Law, Article 3A and 5-G. The Town had no investments in CLASS for 2010.

It is the Town's policy to require collateral held in the name of the Town for demand deposits, money market deposits and certificates of deposit, if any, for all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

**RESTRICTED ASSETS**

Certain assets in the Solid Waste Management Fund, Debt Service Fund and Community Development Fund are classified as restricted assets because their use is restricted by law and/or contractual agreement.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4. ASSETS, LIABILITIES AND FUND EQUITY (continued)**

**RECEIVABLES**

Receivables include amounts due from federal, state, and other governments or entities for services provided by the Town. Receivables are recorded and revenues recognized as earned or as specific program expenditures are incurred.

**INVENTORY - MATERIALS AND SUPPLIES**

Inventory in the General and Special Revenue Funds is valued at cost, using the weighted average cost method. Inventory in these funds is accounted for under the consumption method.

**PREPAIDS**

Prepays in the government-wide statements represent retirement benefits that will benefit future periods.

**CAPITAL ASSETS**

Capital assets purchased or acquired with an original cost of \$2,500 or more are reported at historical cost or estimated historical cost. Infrastructure assets are reported at historical cost as of 1980. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation/amortization on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	45 years
Improvements other than buildings	7-20 years
Machinery and equipment	5-30 years
Infrastructure:	
Roads, curbs and sidewalks	20-25 years
Drainage systems	20-25 years
Street lighting	20 years
Parks	12-45 years
Intangibles	5-10 years

Infrastructure assets, consisting of certain improvements other than buildings including roads, curbs, sidewalks, drainage systems, street lighting and park structures, are capitalized along with other capital assets.

In the fund financial statements capital assets are recorded as capital outlay expenditures in the appropriate governmental fund upon acquisition.

**DEFERRED CHARGES**

Discounts and expenses related to the issuance of long-term debt and the loss on the early retirement of refunded debt are amortized on a straight-line basis over the life of the issue, and are presented net of accumulated amortization, in the government-wide financial statements. Generally, bond issuance costs that are immaterial are charged as operating expenses in the fund servicing the debt.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4. ASSETS, LIABILITIES AND FUND EQUITY (continued)**

**DEFERRED CHARGES (continued)**

In the fund financial statements bond issuance costs are recognized, during the current period, as debt service expenditures in the fund servicing the debt.

**PREMIUMS ON DEBT ISSUANCE**

Premiums related to the issuance of long-term debt are amortized on a straight-line basis over the life of the issue and are presented as part of general obligations in the changes in long-term current liabilities Note C.4.

In the fund financial statements premiums are recognized, during the current period, and reported as other financing sources.

**UNEARNED REVENUE/DEFERRED REVENUE**

Unearned revenue/deferred revenue are those where asset recognition criteria have been met, but which revenue recognition criteria have not been met. Such amounts include collections in advance, unearned income and amounts been deemed to be "measurable" but not "available" to finance current expenses. Accordingly, the amount has been recorded as deferred revenue in the fund statements and unearned revenue in the government-wide statements.

**LONG-TERM OBLIGATIONS**

The liabilities for long-term obligations consisting of general obligation and revenue bonds, compensated absences, postemployment benefits, claims and judgments, and liability for landfill closure and postclosure closure costs are recognized in the government-wide financial statements.

In the fund statements long-term obligations are not reported as liabilities. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

**5. REVENUES AND EXPENDITURES**

**REAL PROPERTY TAX ASSESSMENT AND COLLECTION PROCEDURES**

In Nassau County, the assessment and lien of real property for taxation is done by the County Department of Assessment. Real property taxes become a lien during the third week of February for both school and general taxes. The County assessment rolls are used for the levy of real property taxes by the Town and the School Districts, as well as by the County and by Special Districts of the County and the Town.

The Town of North Hempstead Receiver of Taxes collects all real property taxes for the Town, Nassau County, Town Special Districts and School Districts. Town and County taxes are levied on January 1, and are due in two installments, 50% on January 1 and 50% on July 1, payable without penalty to February 10 and August 10, respectively. Penalties are imposed thereafter at the rate of 1% per month, from January 1 and July 1 until August 31, after which taxes are payable to the County Treasurer. The Town retains the total amount of Town, Highway and Town Special Districts levies from the amount collected, and forwards the balance collected to the County, which assumes collection responsibility. The Town and Town's Special Districts therefore realize annually 100% collection of real property taxes.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**5. REVENUES AND EXPENDITURES (continued)**

**REAL PROPERTY TAX ASSESSMENT AND COLLECTION PROCEDURES (continued)**

Property taxes receivable includes restored taxes from prior tax rolls received within 60 days of year end.

School District property taxes are levied on October 1, and are also payable in two installments; however, a separate tax bill is sent out for school tax purposes. School property taxes are due in two installments, 50% on October 1 and 50% on April 1, payable without penalty to November 10 and May 10, respectively. The County is also responsible for uncollected school taxes.

**INTERFUND TRANSACTIONS**

Interfund transactions, exclusive of interfund services provided and used, have been eliminated from the government-wide financial statements. In the funds statements interfund transactions include:

**a) Interfund Revenues**

Interfund revenues, quasi-external transactions, in the General Fund represent amounts charged for services or facilities provided by the General Fund. The amounts paid by the fund receiving the benefit of the service or facilities are reflected as an expenditure of that fund.

**b) Operating Transfers**

Operating transfers represent payments to the Debt Service and Capital Projects Funds from the other funds for their appropriate share of the debt service or capital project costs.

**OTHER POSTEMPLOYMENT BENEFITS**

In addition to providing pension benefits, the Town provides health insurance coverage and survivor benefits for retired employees and their survivors. Town employees become eligible for these benefits when an employee completes ten years of service with the Town and can retire. Any employee who has five years of service with the Town, has reached the age of 70, and can retire is eligible for individual benefits.

Health care benefits are currently provided by the New York State Health Insurance Program (NYSHIP) (Empire Plan) whose premiums are based on the benefits paid throughout the State during the year. In addition, the Town offers retirees Health Insurance Plan of New York (HIP) Prime HMO and Island 65 for those retirees over 65.

The Town recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the government funds in the year paid. The liability for other postemployment benefits payable is recorded as a non-current liability in the government-wide statements. The current year increase in the liability is based on the most recent actuarial valuation in accordance with the parameters of GASB Statement No. 45.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**5. REVENUES AND EXPENDITURES (continued)**

**COMPENSATED ABSENCES**

The liability for vested or accumulated vacation or sick leave (compensated absences) is recorded as current and non-current obligations in the government-wide statements. The current portion of this debt is estimated based on historical trends. Compensated absence liabilities and expenditures are reported in the governmental funds only if they have matured, for example, as a result of employee resignations, terminations or retirements.

The amount that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a liability in the funds statement in the respective fund that will pay it.

**6. EQUITY CLASSIFICATIONS**

In the government-wide financial statements, equity is classified as net assets and presented in three components:

- a) Invested in capital assets, net of related debt—Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Accounts payable in the Capital Projects Fund are capital related debt and are used in the calculation of invested in capital assets, net of related debt.
- b) Restricted net assets—Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c) Unrestricted net assets—All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

When both restricted and unrestricted resources are available for use, it is the Town's practice to use restricted resources first, and then unrestricted resources as they are needed.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further allocated between designated and undesignated. Portions of fund equity are segregated for future use and therefore not available for future appropriation or expenditure. Amounts reserved for encumbrances, inventory, insurance claims and debt service, represent portions of fund equity, which are required to be segregated in accordance with state law or GAAP. Designations of fund balances in governmental funds indicate the utilization of these resources in the subsequent year's budget or tentative plans for future use.

**7. USE OF ESTIMATES**

The preparation of general purpose financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**8. NEW ACCOUNTING PRINCIPLES**

The Town has adopted all of the current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. During the year ended December 31, 2010, the Town adopted GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, which establishes requirements for reporting for intangible assets including easements, water rights, timber rights, patents, trademarks, and computer software and GASB Statement No. 53 (GASB 53), *Accounting and Financial Reporting for Derivative Instruments*, which establishes accounting and financial reporting requirements for derivative instruments. Implementation of GASB 51 required a reclass from machinery and equipment to intangible assets, and as the Town does not engage in derivative instruments GASB 53 had no effect on the financial statements.

**B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**1. BUDGETARY DATA**

The Town follows the procedures enumerated below in establishing the budgetary data reflected in the financial statements:

- a) On or before September 20th, each department, officer or district submits to the Budget Director and to the Comptroller a detailed estimate of the budget known as "departmental estimates" for the amount of revenue to be received and expenditures to be made for the ensuing year.
- b) On or before September 30th, the Budget Director files with the Town Clerk and the Comptroller and presents to the Town Board a tentative budget for the ensuing year.
- c) On or before October 5th, the Town Board receives the tentative budget from the Town Clerk. After review, it adopts the tentative budget as preliminary and sets a date for a budget hearing.
- d) The Town Board conducts a public hearing on the preliminary budget and on or before November 20th, the Town Board meets to adopt the budget then known as the "adopted budget".
- e) Formal budgetary integration is employed during the year as a management control device for the General and certain Special Revenue Funds. The Town Board adopts the budget and establishes legal level of control of the budget at the object level of expenditures. The object level identifies expenditures by the article purchased or service obtained in order to carry out a function. Appropriations are adopted at the object level. All budgetary amendments and transfers of appropriation require Town Board approval. Appropriations for all governmental funds except the Capital Projects Fund lapse at year end. In order to show the full legal budgetary compliance for the General and certain Special Revenue Funds, detailed individual statements of revenues, expenditures and changes in fund balances – budget and actual, are presented in a separate budget report.
- f) Budgets for the General and certain Special Revenue Service Funds are legally adopted for each year. The budgets are adopted on a basis of accounting consistent with GAAP. In the event that actual revenues received exceed budgeted amounts, additional budgetary appropriations may be made.
- g) Annual budgets are not prepared for the Capital Projects Fund, the Debt Service Fund and the Community Development Agency Fund. Capital Projects Funds are budgeted on a project basis.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)**

**2. FUND BALANCES**

**DESIGNATION OF FUND BALANCE**

Portions of the unreserved balances at December 31, 2010, were designated for the subsequent year's operating budgets as follows:

Fund	Total Fund Balance Unreserved	Fund Balance Unreserved and Designated for Subsequent Year's Budget	Fund Balance Unreserved Undesignated
<b>Nonmajor Funds:</b>			
Part Town	\$ 4,664,812		\$ 4,664,812
Refuse and Garbage Districts	2,124,879	\$ 192,849	1,932,030
Park Districts	354,677	3,464	351,213
Fire Protection Districts	1,029,032		1,029,032
Lighting District	814,949	193,417	621,532
Public Parking District	639,177	2,154	637,023
Sidewalk District	825,148	98,831	726,317
Water District	124		124
	<u>\$ 10,452,798</u>	<u>\$ 490,715</u>	<u>\$ 9,962,083</u>

**FUND DEFICITS**

Individual funds with unreserved and/or total fund deficits as of December 31, 2010, were as follows:

Fund	Fund Deficit Unreserved and Undesignated	Total Fund Balance
<b>Major Funds:</b>		
Solid Waste Management Authority	\$ (2,553,136)	\$ (293,092)
Capital Projects	(54,504,415)	(25,617,518)
	<u>\$ (57,057,551)</u>	<u>\$ (25,910,610)</u>

The SWMA deficit resulted from prior years' shortfalls in revenue as a result of the economic downturn. The Town is obligated to pay service fees to the authority to cover the shortfalls as long as the authority continues to provide solid waste services to the Town.

The Capital Projects Fund deficit resulted from differences in timing between project expenditures and encumbrances and the recognition of corresponding permanent financing sources. This deficit will be eliminated in subsequent years with the issuance of long-term bonds and operating transfers.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)**

**2. FUND BALANCES (continued)**

**FUND BALANCE RESERVE**

**Debt Reserve**

The Town has established Debt Reserves totaling \$5,557,086. These funds arise from unspent refunding bond proceeds, accrued interest and interest earnings. These funds will be used to pay off outstanding general obligation bond debt as the particular issues become due.

**3. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the year ended December 31, 2010, expenditures and transfers out exceeded appropriations in the General Fund by \$2,023,420. There is sufficient fund balance in this fund to cover the amount by which expenditures exceed appropriations.

**C. DETAILED NOTES ON ALL FUNDS**

**1. CASH AND INVESTMENTS**

Custodial Credit Risk – Deposits/Investments – Custodial credit risk for deposits exists when, in the event of the failure of a depository financial institution, a government may be unable to recover deposits, or recover collateral securities that are in possession of an outside agency. Custodial credit risk for investments exists when, in the event of the failure of the counterparty, a government will be unable to recover the value of its investments or collateral securities that are in possession of an outside party.

Governmental Accounting Standards Board Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either:

- Uncollateralized
- Collateralized with securities held by the pledging financial institution, or
- Collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Town's name.

At December 31, 2010, the Town's deposits were \$91,973,122. This amount is inclusive of Fiduciary fund deposits of \$23,136,738 and restricted cash of \$5,557,086 but exclusive of petty cash of \$6,330. The bank balance was \$89,903,340. Of the bank balance, \$2,532,192 was covered by Federal Deposit Insurance, and \$88,903,982 was covered by collateral held by the Town's agent, a third-party financial institution, in the Town's name. Collateral policies appear in Note A.4.

Credit Risk – State law and Town law limit investments to those authorized by State statutes. The Town has a written investment policy.

Interest-Rate Risk – Interest-rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates substantially increase, thereby affording potential purchasers more favorable rates on essentially equivalent securities. Accordingly, such investments would have to be held to maturity to avoid a potential loss.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**1. CASH AND INVESTMENTS (continued)**

Concentration of Credit Risk – Credit risk can arise as a result of failure to adequately diversify investments. Concentration risk disclosure is required for positions of 5 percent or more in securities of a single issuer.

As of December 31, 2010, the Town of North Hempstead did not have any investments subject to credit risk, interest-rate risk or concentration of credit risk.

**2. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

At December 31, 2010, individual fund interfund receivable and payable balances for the primary government, other than \$2,130,000 from the Solid Waste Management Authority, are expected to be paid currently. These balances represent various temporary loans, recharges and reimbursements between funds and are stated as follows:

	Amount Receivable	Amount Payable
<b>Primary Government</b>		
<u>Major Funds:</u>		
General Fund	\$ 2,666,734	\$ 483,968
Highway	869,082	146,911
Solid Waste Management Authority	334,888	2,925,291
Debt Service	790,122	
Capital Projects Fund		1,415,533
<u>Nonmajor Funds:</u>		
Part Town	246,986	12,097
Park Districts		3,098
Lighting District	32,768	2,723
Public Parking District		3,438
Sidewalk District	61,438	8,959
	\$ 5,002,018	\$ 5,002,018

At December 31, 2010, individual fund interfund transfers balances for the primary government primarily represent receipt and payment of debt service and capital projects expenditures, and are stated as follows:

	Transfers In	Transfers Out
<b>Primary Government</b>		
<u>Major Funds:</u>		
General Fund	\$ 2,308,281	\$ 19,683,302
Highway	684,883	5,763,967
Solid Waste Management Authority	1,989,955	2,523,413
Debt Service	26,441,053	2,691,768
Capital Projects Fund	4,139,530	4,455,374
<u>Nonmajor Funds:</u>		
Part Town		10,000
Park Districts	83,640	62,774
Public Parking District		248,658
Sidewalk District		208,086
	\$ 35,647,342	\$ 35,647,342

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**3. CAPITAL ASSETS**

	Balance 01/01/10	Additions	Deletions	Balance 12/31/10
<b><u>Primary government</u></b>				
Capital assets not being depreciated/amortized				
Land - other than landfills	\$ 94,172,365	\$ 119,436,168		\$ 213,608,533
Construction in progress	18,353,061	16,030,234	\$ 18,308,129	16,075,166
Total capital assets not being depreciated/amortized	<u>112,525,426</u>	<u>135,466,402</u>	<u>18,308,129</u>	<u>229,683,699</u>
Depreciable/amortizable capital assets				
Buildings	40,588,093	16,062,090		56,650,183
Improvements other than buildings	41,117,090	8,888,808		50,005,898
Machinery and equipment	27,225,800	1,699,322		28,925,122
Infrastructure	160,793,038	4,477,447		165,270,485
Intangibles - software	1,445,148	182,575		1,627,723
Total depreciable/amortized capital assets	<u>271,169,169</u>	<u>31,310,242</u>		<u>302,479,411</u>
Less accumulated depreciation/amortization				
Buildings	18,039,723	1,047,233		19,086,956
Improvements other than buildings	12,298,023	1,442,757		13,740,780
Machinery and equipment	17,050,328	1,604,017		18,654,345
Infrastructure	99,438,623	6,331,120		105,769,743
Intangibles - software	368,444	178,585		547,029
Total accumulated depreciation/amortization	<u>\$ 147,195,141</u>	<u>\$ 10,603,712</u>	<u>\$ -0-</u>	<u>157,798,853</u>
Total net depreciable/amortizable capital assets				<u>144,680,558</u>
Total net capital assets				<u>\$ 374,364,257</u>

The Town depreciated all fixed assets acquired or put in service during 2010 with an effective date of July 1, 2010, or on a six month depreciable basis.

Governmental Accounting Standard Board Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* has been implemented. Implementation required a reclass of the opening balances from machinery and equipment to intangibles. There were no prior amounts to restate.

The Town has expended funds to construct a sanitary sewer and pump station and install a sanitary force main at the Harbor Links Golf Course. Under contractual obligation, this project will be turned over to the Port Washington Water Pollution Control District, a component unit of the Town. As of December 31, 2010, the project was completed but title has not yet passed to the Port Washington Water Pollution Control District.

Depreciation and amortization expense were charged to governmental functions as follows:

General government support	\$ 633,571
Public safety	113,114
Transportation	5,553,369
Culture and recreation	3,211,139
Home and community services	<u>1,092,519</u>
Total governmental activities depreciation expense	<u>\$ 10,603,712</u>

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**3. CAPITAL ASSETS (continued)**

The Town of North Hempstead evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The Town's policy is to record an impairment loss in the period when the Town determines that the carrying amount of the asset will not be recoverable. At December 31, 2010, the Town has not recorded any such impairment losses.

<u>Component units</u>	<u>Balance 01/01/10</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/10</u>
Capital assets not being depreciated				
Land	\$ 15,425,438	\$ 40,195	\$ 2,352,021	\$ 13,113,612
Construction in progress	39,752,741	21,064,545	15,410,371	45,406,915
Total capital assets not being depreciated	<u>55,178,179</u>	<u>21,104,740</u>	<u>17,762,392</u>	<u>58,520,527</u>
Depreciable capital assets				
Buildings	73,726,209	6,737,958	843,199	79,620,968
Improvements other than buildings	39,055,950	420,317		39,476,267
Machinery and equipment	68,191,226	5,067,526	1,784,877	71,473,875
Infrastructure	46,193,602	12,587,796		58,781,398
Total depreciable capital assets	<u>227,166,987</u>	<u>24,813,597</u>	<u>2,628,076</u>	<u>249,352,508</u>
Less accumulated depreciation				
Buildings	40,776,024	1,574,375	796,804	41,553,595
Improvements other than buildings	16,017,778	1,181,813		17,199,591
Machinery and equipment	44,614,065	3,185,530	1,681,636	46,117,959
Infrastructure	27,626,848	951,472		28,578,320
Total accumulated depreciation	<u>\$129,034,715</u>	<u>\$ 6,893,190</u>	<u>\$ 2,478,440</u>	<u>133,449,465</u>
Total net depreciable capital assets				<u>115,903,043</u>
Total net capital assets				<u>\$174,423,570</u>

**4. INDEBTEDNESS**

**Bond Anticipation Notes (BANs)** – Bond Anticipation Notes (BANs) are used as a temporary means of financing capital expenditures in the Capital Projects Fund. State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. The notes or renewal thereof may not extend more than two years beyond the original date of issue, unless a portion is redeemed within two years and within each 12 month period thereafter. Liabilities for BANs are generally accounted for in the Capital Projects Fund. BANs are expected to be paid from the proceeds of future bond issues or renewal of the notes.

Also included in BANs are borrowings from the State Revolving Fund and Environmental Facilities Corporation (EFC). The Town, two Water Pollution Control Districts and two Water Districts have financed capital projects through the New York State EFC and State Revolving Fund Loans (bond issues). Under the financing plan, the Town and the Districts receive interest subsidies from the United States Environmental Protection Agency and the EFC. Proceeds of notes which have been refinanced by the issuance of serial bonds subsequent to the end of the year but prior to dating of this financial statement are reported as a financing source in the appropriate fund. At December 31, 2010, the Town had \$76,820,644 of BANs payable with interest rates ranging from 1.000% to 2.000% and maturities in 2011.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**4. INDEBTEDNESS (continued)**

These bond anticipation notes are summarized as follows:

	Balance 01/01/10	Issued	Redeemed	Balance 12/31/10
<b>Primary government:</b>				
Capital projects fund:				
General	\$ 12,873,500	\$ 53,684,500	\$ 16,141,838	\$ 50,416,162
Highway	3,145,000	9,465,500	6,097,218	6,513,282
Public parking		4,725,000		4,725,000
Total primary government	<u>16,018,500</u>	<u>67,875,000</u>	<u>22,239,056</u>	<u>61,654,444</u>
<b>Component units:</b>				
Park districts		700,000		700,000
Water districts	6,800,000	6,800,000	10,300,000	3,300,000
Water pollution control districts	11,717,555	11,166,200	11,717,555	11,166,200
Total component units	<u>18,517,555</u>	<u>18,666,200</u>	<u>22,017,555</u>	<u>15,166,200</u>
Total bond anticipation notes	<u>\$ 34,536,055</u>	<u>\$ 86,541,200</u>	<u>\$ 44,256,611</u>	<u>\$ 76,820,644</u>

**General Obligation Bonds** – The Town borrows money in order to acquire land or equipment, or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are backed by the full faith and credit of the Town, bear interest at various rates from 2.025% to 8.800% and have maturity dates in 2011 through 2039.

	Balance 01/01/10	Issued	Redeemed	Refunded	Balance 12/31/10
<b>Primary government:</b>					
Capital projects fund:					
General	\$ 119,963,484	\$ 3,391,673	\$ 12,052,611	\$ 3,323,237	\$ 107,979,309
Highway	38,536,443	6,989,122	4,196,305	3,977,400	37,351,860
Public parking	365,428		238,302		127,126
Sidewalk	907,296	45,808	173,145	45,250	734,709
Parks	370,005		48,269		321,736
Total primary government	<u>160,142,656</u>	<u>10,426,603</u>	<u>16,708,632</u>	<u>7,345,887</u>	<u>146,514,740</u>
<b>Component units:</b>					
Business improvement district	118,790	102,375	8,105	97,471	115,589
Park districts	21,273,267	2,390,569	1,545,825	2,290,596	19,827,415
Water districts	33,931,460	4,962,112	2,832,059	1,776,506	34,285,007
Water pollution control districts	18,999,182	16,265,101	2,070,308	1,079,540	32,114,435
Police district	178,054		15,056		162,998
Library district	5,600,000		231,425		5,368,575
Total component units	<u>80,100,753</u>	<u>23,720,157</u>	<u>6,702,778</u>	<u>5,244,113</u>	<u>91,874,019</u>
Total general obligation bonds	<u>\$ 240,243,409</u>	<u>\$ 34,146,760</u>	<u>\$ 23,411,410</u>	<u>\$ 12,590,000</u>	<u>\$ 238,388,759</u>

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**4. INDEBTEDNESS (continued)**

Future principal and interest payments to maturity for both the primary government and the component units are as follows:

	Principal	Interest	Total Principal and Interest
Year Ending December 31, 2011	\$ 22,140,760	\$ 8,842,042	\$ 30,982,802
2012	21,777,000	7,974,593	29,751,593
2013	21,289,000	7,088,183	28,377,183
2014	20,676,000	6,251,773	26,927,773
2015	20,182,000	5,437,017	25,619,017
2016-2020	79,991,000	16,624,036	96,615,036
2021-2025	39,093,000	4,730,959	43,823,959
2026-2030	6,405,000	1,130,994	7,535,994
2031-2035	4,000,000	594,374	4,594,374
2036-2039	2,834,999	152,312	2,987,311
	<u>\$ 238,388,759</u>	<u>\$ 58,826,283</u>	<u>\$ 297,215,042</u>

Outstanding Bond Issues	Rate	Original Amount	Outstanding Amount	Final Maturity
Public Improvement Serial Bonds-1984	8.800%	\$ 16,850,000	\$ 1,350,000	May 1, 2013
Public Improvement Serial Bonds-1985	8.700%	6,870,000	100,000	April 15, 2011
Public Improvement Serial Bonds-1986	6.900%	16,065,000	565,000	April 1, 2016
General Obligation Serial Bonds-1986	7.200%	1,500,000	300,000	February 15, 2016
Public Improvement Serial Bonds-1987	7.300%	14,240,000	100,000	April 1, 2011
Public Improvement Serial Bonds-1991, Series A	6.850%	1,725,000	45,000	February 1, 2011
General Obligation Serial Bonds-1992, Series A	6.300%	5,145,000	1,535,000	February 1, 2017
General Obligation Serial Bonds-1992, Series B	6.300%	72,230,000	9,755,000	April 1, 2017
New York State EFC Bonds-1992	6.500%	360,000	60,000	September 15, 2012
New York State EFC Bonds-1993, Series A	5.450%	698,000	178,000	September 15, 2018
New York State EFC Bonds-1998, Series B	4.600%	2,572,291	1,045,000	December 15, 2017
Refunding and Various Purposes Bonds-1999	4.250%	24,185,000	1,149,999	May 15, 2012
Various Purpose Serial Bonds-2001	4.375%	6,772,169	535,000	May 15, 2015
New York State EFC Bonds-2001, Series B	3.984%	8,154,789	4,685,000	November 15, 2022
Various Purposes Serial Bonds-2002	4.250%	12,055,000	1,065,000	May 1, 2022
New York State EFC Bonds-2002 Series F	4.661%	1,365,000	880,000	November 15, 2023
New York State EFC Bonds-2002 Series G	3.533%	3,452,513	1,910,000	October 15, 2019
New York State EFC Bonds-2002 Series I	2.810%/ 3.710%	1,160,000	539,000	September 15, 2022
General Obligation Serial Bonds-2003	3.000%	20,000,000	10,315,000	February 1, 2016
New York State EFC Bonds-2003 Series A	4.403%	1,160,000	905,000	April 15, 2031
New York State EFC Bonds-2003F	2.050%	985,000	685,000	January 15, 2023
Various Purposes Serial Bonds-2003	4.750%	24,060,000	14,940,000	July 15, 2019
General Obligation Serial Bonds-2004	3.000%	10,315,000	5,645,000	February 1, 2016
General Obligation Serial Bonds-2004	5.000%	3,880,000	275,000	February 15, 2022
General Obligation Serial/Refunding Bds-2004	3.000%	29,510,000	23,780,000	February 15, 2022
New York State EFC Bonds-2004 Series B	2.025%	6,861,511	4,390,000	May 15, 2021
General Obligation Serial Bonds-2004	3.700%	3,700,000	2,715,000	September 1, 2022
General Obligation Serial Bonds-2005	4.000%	16,060,000	13,355,000	April 15, 2025
Refunding Bonds - 2005	4.250%/5.250%	46,830,000	37,460,000	January 15, 2023
Public Improvement Serial Bonds-2006	4.375%	24,000,000	20,805,000	February 1, 2026
New York State EFC Bonds-2006 Series C	3.671%	3,442,810	3,110,000	April 1, 2036
Public Improvement Serial Bonds-2007	4.000%/4.250%	11,993,000	10,530,000	June 1, 2021
Public Improvement Serial Bonds-2007Series B	4.125%	5,788,500	5,185,000	November 1, 2027
Various Purposes Serial Bonds-2008	3.000%/4.250%	13,210,000	12,300,000	June 15, 2022
NYS EFC Bonds-2008, Series A-1, B-1, A-2, B-2	4.270%	1,783,412	1,690,000	April 1, 2038
Public Improvement Serial Bonds - 2009	2.500%	11,615,000	11,135,000	June 1, 2024
EFC Serial Bonds - 2010 Series C	.0286%/4.603%	845,000	845,000	October 1, 2039
EFC Refunding - 2010	.0286%/4.603%	15,173,760	14,593,760	October 1, 2018
Various Purposes Serial Bonds-2010 Series A	1.000%-2.650%	6,063,000	5,978,000	October 1, 2021
Refunding Serial Bonds - 2010	1.800%-4.000%	12,065,000	11,955,000	May 1, 2022
			<u>\$ 238,388,759</u>	

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**4. INDEBTEDNESS (continued)**

**Revenue Bonds** – The Town borrowed money in order to finance the purchase of certain real property. These bonds bear interest at rates ranging from 2.000% to 4.000% and mature on February 1, 2011 through 2014.

Future principal and interest payments to maturity for the Town's revenue bonds are as follows:

	Principal	Interest	Total Principal and Interest
Year Ending December 31, 2011	\$ 2,155,000	\$ 361,969	\$ 2,516,969
2012	2,230,000	290,713	2,520,713
2013	2,305,000	214,138	2,519,138
2014	4,345,000	86,900	4,431,900
	\$ 11,035,000	\$ 953,720	\$ 11,988,720

The Debt Service Reserve, of \$1,904,579, established in 2003 as part of the refunding bonds issued in the Debt Service Fund amounts to \$2,354,435 at December 31, 2010, and is expected to be used, if available, to partially offset the 2014 principal payment.

**CURRENT AND ADVANCE REFUNDING OF BONDS**

On October 15, 2010, the Town issued \$12,065,000 in Public Improvement Refunding (Serial) Bonds (\$7,547,602 was for the primary government and \$4,517,398 was for component units of another Town) with an average rate of 2.972% (issued as Series B) to advance refund, \$2,435,000 of 2001 Various Purpose Serial Bonds with an average rate of 4.862% through the year 2015, and \$7,155,000 of 2002 Various Purpose Serial Bonds with an average rate of 4.836% through the year 2022; and to current refund \$2,155,000 of 1993 Series A Public Improvement Bonds with an average rate of 5.365% through the year 2018

The net proceeds of \$12,556,400 (the par amount of the bonds plus the reoffering premium of \$700,702 less underwriting fees, and other issuance costs of \$209,302) were used to buy U.S. Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the 1993, 2001 and 2002 bonds are considered to be defeased and the liability for those bonds removed from the Statement of Net Assets.

The reacquisition price was equal to the net carrying amount of the old debt.

The Town current and advance refunding refunded the 1993, 2001 and 2002 Serial Bonds to reduce its total debt service payments over the next twelve years by \$1,317,237 and to obtain an economic gain (the difference between the present values of the debt service payments on the old and new debt) of \$1,203,425.

**Prior-Year Defeasance of Debt**

In prior years, the Town defeased certain general obligations and revenue bonds by placing the proceeds of 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 Town's financial statements. At December 31, 2010, \$9,590,000 of the bonds outstanding are considered defeased.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**4. INDEBTEDNESS (continued)**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended December 31, 2010, is as follows:

	Balance 01/01/10	Increases	Reductions	Balance 12/31/10	Non-current liabilities due within one year	Non-current liabilities
<b><u>Primary government:</u></b>						
Bonds Payable						
General obligation bonds	\$ 160,142,656	\$ 10,426,603	\$ 24,054,519	\$ 146,514,740	\$ 15,369,156	\$ 131,145,584
Revenue bonds	13,130,000		2,095,000	11,035,000	2,155,000	8,880,000
Plus deferred amounts:						
Premiums on issuance	1,718,961	410,228	258,997	1,870,192	731,686	1,138,506
Total Bonds Payable	174,991,617	10,836,831	26,408,516	159,419,932	18,255,842	141,164,090
Due to employees retirement system	-0-	1,569,717		1,569,717	32,954	1,536,763
Compensated absences	4,759,906	3,230,155	3,834,179	4,155,882	207,794	3,948,088
Claims and judgments	4,821,983	970,713	499,856	5,292,840	595,000	4,697,840
Estimated liability for landfill closure and postclosure care costs	16,751,782	1,190,000	746,080	17,195,702	1,169,811	16,025,891
Other postemployment benefits	18,973,418	12,215,837	2,694,830	28,494,425		28,494,425
	<u>\$ 220,298,706</u>	<u>\$ 30,013,253</u>	<u>\$ 34,183,461</u>	<u>\$ 216,128,498</u>	<u>\$ 20,261,401</u>	<u>\$ 195,867,097</u>
<b><u>Component units</u></b>						
General obligation bonds	\$ 80,100,753	\$ 23,720,157	\$ 11,946,891	\$ 91,874,019	\$ 6,771,604	\$ 85,102,415
Plus deferred amounts:						
Premiums on issuance	-0-	78,539		78,539	6,150	72,389
Total Bonds Payable	80,100,753	23,798,696	11,946,891	91,952,558	6,777,754	85,174,804
Compensated absences	10,473,966	673,854	1,115,816	10,032,004	1,267,556	8,764,448
Other postemployment benefits	16,658,662	8,888,198	1,242,928	24,303,932		24,303,932
Installment purchase debt	1,116,850		57,383	1,059,467	60,194	999,273
	<u>\$ 108,350,231</u>	<u>\$ 33,360,748</u>	<u>\$ 14,363,018</u>	<u>\$ 127,347,961</u>	<u>\$ 8,105,504</u>	<u>\$ 119,242,457</u>

Other long-term liabilities for claims and judgments, postemployment benefits, compensated absences, retirement system and the estimated liability for landfill closure and post closure costs are to be paid by the fund that gave rise to the liability.

**5. RETIREMENT SYSTEM**

**Plan Description**

The Town of North Hempstead participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits.

Obligation 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 (the "Comptroller") serves as sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of their funds.

A publicly available annual report containing financial statements and required supplemental information for the Employees' Retirement System may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**5. RETIREMENT SYSTEM (continued)**

Funding Policy

The System is non-contributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3% of their salary for the entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressed used in computing the employers' contributions based on salaries paid during the systems fiscal year ending March 31.

Contribution rates for the plan year ended March 31, 2010 are as follows:

<b>Contribution rates</b>		<b>03/31/10</b>
<b>Tier/Plan/Option</b>		<b>Rate</b>
1	75/41J	9.3%
2	75/41J	8.6%
3	A14/41J	7.0%
4	A15/41J	7.0%

The Town is required to contribute at an actuarially determined rate. The actual contributions were equal to 100% of the actuarially required amounts, using the maximum amortization allowed by law, and also included additional contributions to fund various early retirement incentives made available to Town employees. The credits and miscellaneous adjustments represent modifications made by the NYSERS for prior year's contributions due to differences between estimated and actual salaries for the plan year.

The required contributions, for the Town, for the current year and two preceding years were:

<b>Annual Required Contribution - ERS</b>					
<b>Amount</b>	<b>% of Covered Payroll</b>	<b>Credits &amp; Miscellaneous Adjustments</b>	<b>Prepayment Discount</b>	<b>Amortization Amount</b>	<b>Total Payment</b>
2010 \$ 3,329,425	12.07%	\$ (83,767)		\$ 349,463	\$ 2,896,195
2009 2,071,520	8.17%	13,099	\$ 19,959		2,064,660
2008 2,253,328	8.47%	106,519	22,594		2,337,253

Chapter 57 of the Laws of 2010 of the State of New York was enacted to allow local employers to amortize a portion of their retirement bill for 10 years in accordance with the following stipulations:

- For State fiscal year 2010-11, the amount in excess of the graded rate of 9.5 percent of employees' covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the amortization was instituted.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**C. DETAILED NOTES ON ALL FUNDS** (continued)

**5. RETIREMENT SYSTEM** (continued)

Funding Policy (continued)

- For subsequent State fiscal years, the graded rate will increase or decrease by up to one percent depending on the gap between the increase or decrease in the System's average rate and the previous graded rate.
- For subsequent State fiscal years in which the System's average rates are lower than the graded rates, the employer will be required to pay the graded rate. Any additional contributions made will first be used to pay off existing amortizations, and then any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.

This law requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years, when the local employer opts to participate in the program. The total unpaid liability at the end of the fiscal year, \$329,537, was recorded in the government-wide statements. Amortization contributions will be paid in ten equal installments, one per year, but may be prepaid at any time. The Town has, for now, opted to amortize over the ten-year period. The interest rate will be established annually for each amortization and paid out of current resources.

Pursuant to Chapter 105 of the Laws of 2010, the New York State Legislature authorized local governments to make available a retirement incentive program with estimated costs to the Town of \$1,240,180, exclusive of interest. The cost of the program is billed and paid over five years beginning in 2012, at an interest rate of 7.5%.

**6. POSTEMPLOYMENT BENEFITS HEALTHCARE COSTS**

In the government-wide financial statements, the cost of other postemployment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. The Town recognizes the costs of postemployment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Town's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years and commenced with the 2008 liability.

Plan Description

The Town, as a single-employer defined benefit plan, per its contracts with employees, will pay the full premium costs for the medical benefits, currently provided by the New York State Health Insurance Program (NYSHIP) (Empire Plan), HIP Prime HMO or Island 65. Active and retired employees of the Town have the Empire PPO Plan (Core Plus Enhancements), HIP Prime HMO and Island 65 is available for retirees over 65. Island 65 is a choice of coverage for retirees who are age 65 and over through a self-administered arrangement through Island Group Administration, Inc. The Empire Plan has separate pre-Medicare and Medicare rates. Since the plans are community rated, the retiree claim costs are based on the actual rates without adjustment for age.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**C. DETAILED NOTES ON ALL FUNDS** (continued)

**6. POSTEMPLOYMENT BENEFITS HEALTHCARE COSTS** (continued)

Plan Description (continued)

Benefits are provided to substantially all employees who retire with at least ten full years of service with the Town or five full years of service and have reached the age of 70, and can retire. The retiree is also eligible for Medicare Part B reimbursement in the amount of \$1,157 per year for those who were Medicare enrollees prior to January 1, 2010, \$1,326 per year for those enrolling on January 1, 2010 through December 31, 2010, and \$1,385 per year for those who will enroll January 1, 2011 and after, if they are over the age of sixty-five. The Medicare Part B premium that is charged varies by income level. Medicare Part B reimbursement valuation was assumed at the basic level. Upon death of a retiree the Town ceases to pay the full healthcare costs for the un-remarried survivor after three months. The Town does not pay the premium costs for survivors of former employees who became survivors before March 1, 1995 and pays 50% of the premium costs for survivors of former employees who became survivors after March 1, 1995. If at the time of death of the surviving spouse, he or she is survived by a qualified dependent of the former employee for whom there has been continuous coverage under the Town's medical plan, the Town will pay 50% of the premium to continue individual medical coverage for the qualified dependent for as long as such person remains a qualified dependent. The survivor does continue to receive the medicare reimbursement. These contracts may be renegotiated at various times in the future.

The Town, as administrator of the plan, does not issue a separate report.

The number of participants as of January 1, 2010, the effective date of the OPEB valuation, follows. There have been no significant changes in the number or the type of coverage since that date.

Active employees	405
Retired Employees and spouses	428
Surviving spouses of deceased retirees	39
Total	872

Funding Policy

The Town currently pays for postemployment health care benefits on a pay-as-you-go basis.

Annual Other Postemployment Benefit Cost

For the year ended December 31, 2010, the Town's annual other postemployment benefits cost (expenses) were \$12,215,937. Considering the annual expense as well as the payment of current health insurance premiums and medicare reimbursements, which totaled \$2,694,830 for retirees and their beneficiaries, the result was an increase in the other postemployment benefits liability of \$9,521,107 for the year ended December 31, 2010. The ARC for the component units for the year ended December 31, 2010 amounted to \$9,787,273. Considering health insurance payments totaling \$2,142,003, the increase in the other postemployment benefits liability for the component units for the year ended December 31, 2010 amounted to \$7,645,270.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**6. POSTEMPLOYMENT BENEFITS HEALTHCARE COSTS (continued)**

Benefit Obligations and Normal Cost

		<u>Medical and Medicare B</u>
Actuarial Accrued Liability (AAL)		
Active employees	\$	76,948,000
Retired employees		48,837,000
Total Actuarial Accrued Liability (AAL)		<u>125,785,000</u>
Actuarial value of plan assets		-0-
Unfunded actuarial accrued liability (UAAL)	\$	<u>125,785,000</u>
Funded ratio		0%
Normal cost at the beginning of the year	\$	5,340,300
Amortization cost at the beginning of the year	\$	6,941,400
Annual covered payroll	\$	30,437,386
UAAL as a percentage of covered payroll		413.26%

The Town's annual other postemployment benefit cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The unfunded actuarial accrued liability for the Town for the year ended December 31, 2010, amounted to \$125,785,000. The unfunded actuarial accrued liability for the components units for the year ended December 31, 2010, amounted to \$109,150,883.

The following table shows the components of the Town's other postemployment benefits liability:

Level Dollar Amortization

Calculation of ARC under the Projected Unit Credit Cost Method

Normal cost	\$	5,517,000
Amortization of unfunded actuarial liability (UAAL) over 30 years		<u>6,995,000</u>
Annual required contribution (ARC)		12,512,000
Interest in net OPEB obligation		758,937
Adjustment to ARC		<u>(1,055,000)</u>
Annual OPEB Cost		12,215,937
Less: Contribution for year ended December 31, 2010		<u>2,694,830</u>
Increase in other postemployment benefits liability		9,521,107
Other postemployment benefits liability at December 31, 2009		<u>18,973,418</u>
Other postemployment benefits liability at December 31, 2010	\$	<u>28,494,525</u>
Percentage of annual OPEB cost contributed		22.1%

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**6. POSTEMPLOYMENT BENEFITS HEALTHCARE COSTS (continued)**

Funded Status and Funding Progress

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended December 31, 2010, and the proceeding two years is not available at this time. Trend information will be shown as accumulated.

The percentage contributed for the current year and preceding year were:

	Annual OPEB Cost	Annual Contribution Made	Percentage Contributed	Net OPEB Obligation
2010	\$ 12,215,937	\$ 2,694,830	22.1%	\$ 28,494,525
2009	12,139,801	2,261,416	18.6%	18,973,418
2008	11,683,500	2,588,467	22.2%	9,095,033

The scheduling of funding progress presents trend information about whether the actuarial value of the plan assets is increasing or decreasing over time, relative to the actuarial accrued liability for benefits.

The funded status of the plan as of December 31, 2010, is as follows:

Actuarial Valuation Date January 1,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit Cost Method (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
Town	\$ -0-	\$ 125,785,000 *	\$ 125,785,000 *	0%	\$ 30,437,386	413.26%
Component Units	-0-	109,150,883	109,150,883	0%	28,464,981	383.46%

Actuarial Methods and Assumptions

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of future events far into the future. Amounts determined regarding the funded status of a plan and the employer's annual required contributions are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The required schedule of funding progress can be found immediately following the notes, in required supplementary information, and presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**6. POSTEMPLOYMENT BENEFITS HEALTHCARE COSTS (continued)**

Actuarial Methods and Assumptions (continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members), and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term liability in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

In the January 1, 2010 actuarial valuation, the liabilities were computed using the projected unit credit method, the level debt amortization method, and an open 30 year amortization period to amortize the initial unfunded liability. The actuarial assumptions utilized a 4.0% discount rate and assume that the benefits are not prefunded. GASB 45 requires the discount rate to be set based on the expected earnings of the Town's general fund. The valuation assumes a 13.68% healthcare cost trend increase for NYSHIP medical benefits for the year ended 2010, reduced by decrements to a rate of 5.0% after sixty-six years for pre-65 medical benefits and 11.32% for post-65 medical benefits, reduced by decrements to a rate of 5.0% after sixty-six years. The valuation assumes a 7.3% healthcare cost trend for Island 65 medical benefits, which is available for those age 65 and over, reduced by decrements to a rate of 5.0 % after sixty-six years. The valuation assumes a 0% cost trend for Medicare Part B benefits for the year ended 2010.

A copy of the Town of North Hempstead's Retiree Medical Program, December 31, 2010 Valuation is available by contacting the Town of North Hempstead, Office of the Comptroller, 220 Plandome Rd., Manhasset, New York 11030.

**7. COMPENSATED ABSENCES**

Town employees are granted vacation and sick leave, and earn compensatory absences in varying amounts. In the event of termination, or upon retirement, an employee is entitled to payment for accumulated vacation, and sick leave, subject to certain limitations.

Estimated vacation, sick leave and compensatory absences accumulated by governmental fund type employees have been recorded in the statements of net assets. Payment of vacation time and sick leave is dependent upon many factors; therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payments of vacation, sick leave and compensatory absences when such payments become due. As of December 31, 2010, the value of the accumulated vacation time and sick leave was \$4,155,882 for the primary government. The liability for compensated absences for the component units amounted to \$10,032,004.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**D. COMMITMENTS AND CONTINGENCIES**

**1. RISK RETENTION**

In common with other municipalities, the Town receives numerous notices of claims. The Town carries excess liability insurance coverage of \$1,000,000 per occurrence, with a \$3,000,000 annual aggregate, and is self-insured, up to \$250,000, for claims under this coverage. Although the eventual outcome of these claims cannot presently be determined, the Town Attorney has estimated unsettled claims and litigation to be \$5,292,840. The Town is of the opinion that the ultimate settlement of the outstanding claims will not result in a material adverse effect on the Town's financial position.

The Town is self-insured for property protection on the first \$100,000 per loss except for flood and earthquake, which is \$100,000 per loss with insurance protection coverage of up to \$5,000,000 for any one loss, and a \$5,000,000 annual aggregate. The Town carries building and contents coverage in excess of \$86,783,167.

The Town is self-insured for workers' compensation insurance and general liability insurance. Estimated benefits to be paid are appropriated in the various operating funds of the Town. The Town has provided an umbrella-type policy protecting against a catastrophic loss in the workers' compensation self-insurance protection program with \$475,000 retention, per occurrence, with benefits of up to \$25,000,000. The Town is also self-insured for unemployment benefits paid.

There have been no significant reductions in insurance coverage as compared to the prior year, and there were no settlements in excess of insurance coverage over the last three years.

The Town estimates its workers' compensation and general liability reserves by consulting with legal counsel and reviewing past experience with similar claims. The Town has not purchased any annuity contracts with regard to its workers' compensation or general liability claims. The schedule below presents the changes in claims liabilities for the past two years for workers' compensation and general liability, and includes an estimate of claims that have been incurred but not yet reported.

	Workers' Compensation		General Liability	
	2010	2009	2010	2009
Unpaid claims and claim adjustment expenditures at the beginning of the year	\$ 1,727,485	\$ 1,195,569	\$ 3,094,498	\$ 3,741,635
Insured claims and claim adjustment Expenditures:				
Provision for the insured events of the current year and increases/decreases in provision for insured events of prior years.	493,880	587,113	476,833	(604,622)
Total incurred claims and claim adjustment expenditures	493,880	587,113	476,833	(604,622)
Payments				
Claim and claim adjustment expenditures attributable to insured events of the current and prior years.	477,631	55,197	22,225	42,515
Total unpaid claims and claim adjustment expenditures at the end of the year.	<u>\$ 1,743,734</u>	<u>\$ 1,727,485</u>	<u>\$ 3,549,106</u>	<u>\$ 3,094,498</u>

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**D. COMMITMENTS AND CONTINGENCIES (continued)**

**2. LITIGATION**

The Town in the normal course of business is involved in various matters of litigation. In the opinion of the Town Attorney, there is no litigation by or pending against the Town that is not covered by insurance, budgetary appropriations or other reasons which could have a materially adverse impact on the financial condition of the Town.

There are currently a number of cases against the Town and the Commissioner-operated garbage districts within the Town challenging ad valorem garbage district taxes brought by several local utilities. One case by New York Telephone/Verizon has resulted in a judgment of approximately \$1.6 million. The Town has a judgment against Nassau County (the "County") requiring it to pay this judgment under what is colloquially referred to as the "County Guarantee", found in County Administrative Code Section 6-26.00. An action by Keypsan has resulted in a judgment of approximately \$1.4 million. Steps have been taken to obtain a similar judgment against the County in this case. The remaining cases are in various stages of litigation. It has been the Town's position that all of these matters are covered by the County Guarantee requiring an eventual payment or reimbursement of any judgments by the County. Further, liability would be apportioned between the Town and the Commissioner-operated districts.

FML Contracting, Inc. ("FML") has served a Notice of Claim seeking in excess of \$2,235,000 allegedly due under a contract for renovation of a Town pool, for change orders and costs incurred or to be incurred in repairing a leak in the pool. The outstanding payments are allegedly the result of improper administration by the engineering firm overseeing the contract as well as design errors. The Town had already made a claim against the FML's performance bond as there were numerous problems with the project and corrective measures were necessary. We believe there are meritorious defenses which will serve to reduce or eliminate the Town's potential liability for payments allegedly due.

In addition to the above referenced cases, the Town is involved in other lawsuits with claims ranging from several hundred to \$5.5 million dollars. These cases are in various stages of litigation and their outcome cannot presently be determined.

The Town is currently defending several personnel litigation matters. However, the current status of these matters does not appear to have a material effect in the Town's financial statements.

As of December 31, 2010, a liability in the amount of \$3,549,106 has been recorded in the government-wide financial statements related to the above matters.

In 2011, the Town filed a suit against the County as it is withholding sales tax revenue, claiming that the Town should be charged back amounts paid for its cost of educating County residents at the Fashion Institute of Technology ("FIT") under the community college reimbursement provisions of the New York State Education Law. However, the Town contends that FIT is not a community college as defined by the Education Law as it has bachelors and masters degree programs and, accordingly, the County has erroneously charged back to the cities and towns amounts paid by it for educating County residents at FIT. Further, there is no statutory basis to withhold the tax monies. The Supreme Court recently issued an order in this case. Although the Court upheld the charge back for expenses associated with FIT's two-year degree programs and the withholding of sales tax monies as a setoff, it found that the County could not charge back for expenses incurred by Town residents enrolled in the baccalaureate or masters degree program

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**D. COMMITMENTS AND CONTINGENCIES (continued)**

**2. LITIGATION (continued)**

The 2010 FIT tuition charge back to the Town amounts to \$1,172,220. The Court's order requires the County to calculate the expenses for Town residents attending a two-year program at FIT within 60 days of the date of the order. As a result, the tuition charge back set forth above would be reduced, though the amount of the reduction is unclear at this point. The County might also appeal this decision in whole or in part.

As of December 31, 2010, no liability has been recorded in the financial statements for this matter.

**3. LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS**

State and federal laws and regulations require the Town to place a final cover on its landfill sites and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. The L-4 Landfill stopped receiving waste in 1991 and was closed in 1996. The L-5 Landfill stopped receiving waste in 2002 and the capping was completed in 2004. Postclosure maintenance and monitoring activities for the L-4 and L-5 Landfills are estimated to be approximately \$750,000 per year. Accordingly, as of December 31, 2010, the Town has recorded a liability of \$17,195,702, in the government-wide financial statements, which represents the provision to be made in future budgets for unfunded closure and postclosure landfill costs. As this liability is based on 100% capacity there are no estimated costs of closure and postclosure closure remaining to be recognized. Actual costs may vary due to inflation, changes in technology, or changes in regulations or applicable laws.

**4. SOLID WASTE MANAGEMENT AUTHORITY**

The Town is obligated, via agreement, to pay service fees to the Solid Waste Management Authority (the "Authority") in an amount equal to the difference between Authority expenditures, including debt service, and Authority revenues. If the Authority revenues are insufficient to cover its expenditures, the Town is obligated to pay service fees to the Authority as long as the Authority continues to provide solid waste services to the Town.

**5. CONSTRUCTION AND OTHER CAPITAL ACQUISITION COMMITMENTS**

Constructions in progress, commitments for equipment purchases, and other capital acquisition commitments amounting to \$28,886,897, have been recorded as encumbrances in the Capital Projects Fund.

**6. LEASE COMMITMENTS AND LEASED ASSETS**

Operating Leases

The Town leases equipment and space under non-cancelable operating leases that commenced between July 2008 and June 2010 and expire between July 2011 and April 2014. Total rental expenditures on such leases for the year ended December 31, 2010 totaled \$280,585. The minimum future non-cancelable operating lease payments are as follows:

Years ending December 31, 2011	\$ 302,406
2012	211,817
2013	187,806
2014	58,931
Total minimum lease payments	\$ 760,960

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**D. COMMITMENTS AND CONTINGENCIES (continued)**

**7. POLLUTION REMEDIATION OBLIGATIONS**

The Town's policy is to estimate the components of expected pollution remediation outlays and determine whether outlays for those components should be accrued as a liability or, if appropriate, capitalized when goods and services are acquired. Obligating events include the following:

The Town:

- Is compelled to take remediation action because of imminent endangerment
- Violates a pollution related permit or license
- Is named or will be named as a responsible party or potentially responsible party for a remediation
- Is named or will be named in a lawsuit to compel pollution remediation
- Commences or obligates itself to remediate pollution

At December 31, 2010, the Town has recorded no pollution remediation obligations.

**8. LENGTH OF SERVICE AWARD PROGRAMS (LOSAP)**

The Town of North Hempstead's financial statements are for the year ended December 31, 2010. However, the information contained in this note is based on information for the Length of Service Awards Program for the plan years ending on various dates (see table #1), which are the most recent plan years for which complete information is available.

The Town of North Hempstead along with the respective Fire Companies and other municipalities, as required, sponsor seven Volunteer Firefighters Service Award Programs (the Plans): Albertson Hook & Ladder Engine & Hose Company #1, Alert Engine, Hook and Ladder and Hose Company #1, of Great Neck, Carle Place Fire Department, Floral Park Centre Fire Company, Inc., Glenwood H&L E&H Company, Port Washington Fire Department, inc. and Roslyn Volunteer Firefighter Service Award Program. The programs took effect on various dates (see table #1 below). The Plans established a defined benefit LOSAP for the active volunteer firefighters of the respective fire companies. All Plans are single-employer defined benefit plans and were established pursuant to Article 11A of General Municipal Law. The Plans provide municipal funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters. Two of the Plans, Alert Engine, Hook and Ladder and Hose Company #1 and Roslyn Volunteer Firefighter Service Award Program have multiple sponsors.

**Program Description**

Participation, Vesting, and Service Credit

Active volunteer firefighters who have reached a specific age (as determined by each Plan) on the last day of the year and who have completed one year of firefighting service (or a probationary period) are eligible to participate in the Plan. Participants acquire a nonforfeitable right to a service award after being credited with five years of firefighting service or upon attaining the Plan's entitlement age while active or becoming totally and permanently disabled or upon death while an active member. The Plan's entitlement ages vary, ranging from 55 to 65 (as determined by each Plan) and take effect after first year of service credit or after the probationary period (as determined by each plan).

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**D. COMMITMENTS AND CONTINGENCIES (continued)**

**8. LENGTH OF SERVICE AWARD PROGRAMS (LOSAP) (continued)**

Participation, Vesting, and Service Credit (continued)

In general, an active volunteer firefighter is credited with a year of firefighting service for each calendar year, after the establishment of the Plan, in which they become eligible to participate and accumulates specified number of points. Points are granted for the performance of certain activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A Participant may also receive credit for previous years (as determined by each Plan) of firefighting service (called "Prior Service") rendered prior to the establishment of the Plan.

Benefits

A Participant's benefit under the Plan is the actuarial equivalent of a monthly payment for life equal to \$20 to \$30 (as determined by each Plan), multiplied by the Participant's total number of years of firefighting service. The number of years of firefighting service used to compute the benefit cannot exceed twenty five to forty years (as determined by each Plan), including Prior Service credits. Except in the case of disability or death, benefits are payable when the Participant has attained the entitlement age of 55 to 65 (as determined by each Plan). The program provides statutorily mandated death and disability benefits. Additionally, some Plans provide for line-of-duty disability and/or death benefits (see table #1 below and continued on the next page).

**Table # 1 Program Description**

	<u>Albertson</u>	<u>Alert</u>	<u>Carle Place</u>	<u>Floral Park Centre</u>
Plan year end date	12/31/10	12/31/10	12/31/10	06/30/11
Plan established by:		Town of North Hempstead; Villages of Great Neck, Kings Point and Saddle Rock (Joint Sponsoring Board)	Carle Place Fire Dept	Town of North Hempstead
Sponsored by:	Albertson Hook & Ladder Town of North Hempstead	Same as above	Town of North Hempstead	Town of North Hempstead
Effective date of plan	01/01/91	01/01/96	01/01/91	01/01/91
Entitlement Age	62	65	62	65
Nonforfeitable right to award after:	5 years	5 years	5 years	5 years
Prior service credit (up to):	5 years	5 years	5 years	5 years
Eligible age	18	17	18	18
Required years of service	One	One	One	One
Benefits:				
Monthly pmt	\$20-\$30	\$20	\$20	\$20
Maximum years used to calculate	40	40	30	25
Benefits payable at	Entitlement Age except for disability or death	Entitlement Age except for disability or death	Entitlement Age except for disability or death	Entitlement Age except for disability or death
Optional line-of-duty disability	Yes	Yes	Yes	Yes

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
 December 31, 2010

**D. COMMITMENTS AND CONTINGENCIES (continued)**

**8. LENGTH OF SERVICE AWARD PROGRAMS (LOSAP) (continued)**

Benefits (continued)

**Table #1 Program Description** (continued)

	<u>Glenwood</u>	<u>Port Washington</u>	<u>Roslyn</u>
Plan year end date	12/31/10	12/31/10	12/31/09
Plan established by:	Towns of North Hempstead and Oyster Bay, Villages of Brookville and Roslyn	Port Washington Fire Department	Towns of North Hempstead and Oyster Bay; Villages of Brookville, East Hills, Flower Hill, Old Westbury, Roslyn, Roslyn Estates, Roslyn Harbor
Sponsored by:	Glenwood H&L E&H Company	Town of North Hempstead	Joint Sponsoring Board
Effective date of plan	01/01/90	01/01/93	01/01/91
Entitlement Age	55	65	62
Nonforfeitable right to award after:	5 years	5 years	5 years
Prior service credit (up to):	per Adoption Agreement	5 years	5 years
Eligible age	18	18	18
Required years of service	One	After probationary period	One
Benefits:			
Monthly pmt	\$20	\$20	\$20
Maximum years used to calculate	40	40	30
Benefits payable at	Entitlement Age except for disability or death	Entitlement Age except for disability or death	Entitlement Age except for disability or death
Optional line-of-duty disability	Yes	Yes	Yes

**Fiduciary Investment and Control**

Service credit is determined by the governing board of the sponsor, based on information certified to the governing board by each fire company having members who participate in the program. Each fire company must maintain all required records on forms prescribed by the governing board.

Some governing boards of the sponsors retained and designated organizations (see table #2) to assist in the administration of the program. The designated program administrator's functions include duties outlined in the service agreements. Disbursements of program assets for the payment of benefits or administrative expenses are approved by a representative of the Fire Company, the Plans Joint Sponsoring Board, or the Plan Administrator (as determined by each Plan).

Program assets are required to be held in trust by LOSAP legislation, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the program. Program assets are held in compliance with NY GML Article 11-A 217(j). Some Plans have designated trustees (see table #2).

Authority to invest program assets is vested in the sponsor's name in compliance with NY GML Article 11-A 217 (k). Assets are currently invested in group annuity contracts.

Plan sponsors are required to retain an actuary to determine the amount of the sponsor's contributions to the plan. The actuaries retained by the sponsors for this purpose are outlined in the table below. Portions of the following information are derived from the reports prepared by these actuaries (see table #2 for report dates).

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
 December 31, 2010

**D. COMMITMENTS AND CONTINGENCIES (continued)**

**8. LENGTH OF SERVICE AWARD PROGRAMS (LOSAP) (continued)**

**Fiduciary Investment and Control (continued)**

**Table #2**

	<u>Albertson</u>	<u>Alert</u>	<u>Carle Place</u>	<u>Floral Park Centre</u>
Administrated by:		Ackerman, Levine, Cullen, Brickman & Limmer LLP	VFIS	VFIS
Disbursements approved by	Fire Company	Joint Sponsoring Board	Fire Company	Plan Administrator
Plan Trustee	N/A	Joint Sponsoring Board	N/A	N/A
Authority to invest assets	Town of North Hempstead	RBC Wealth Management	Town of North Hempstead	Town of North Hempstead
Valuation date	12/31/10	12/31/10	12/31/10	06/30/10
Actuary report date	04/14/11	06/13/11	04/12/11	08/10/10

**Table #2 (continued)**

	<u>Glenwood</u>	<u>Port Washington</u>	<u>Roslyn</u>
Administrated by:	VFIS	VFIS Benefits Division	Penflex, Inc.
Disbursements approved by	Fire Company's Board	Plan Administrator	Joint Sponsoring Board
Plan Trustee	N/A	N/A	Joint Sponsoring Board
Authority to invest assets	Hartford Life Insurance Company	Hartford Life Insurance Company	Program Trustee
Valuation date	12/31/10	12/31/10	12/31/09
Actuary report date	06/10/11	03/18/11	11/15/10

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**D. COMMITMENTS AND CONTINGENCIES (continued)**

**8. LENGTH OF SERVICE AWARD PROGRAMS (LOSAP) (continued)**

**Fiduciary Investment and Control (continued)**

**Table #3 Program Financial Condition**

	<u>Albertson</u>	<u>Alert</u>	<u>Carle Place</u>	<u>Floral Park Centre</u>
<u>Assets</u>				
Actuarial present value of:				
benefits at 12/31/2010	\$ 2,696,171	\$ 2,176,457	\$ 2,067,178	
benefits at 6/30/2011				\$ 584,232
Less: assets available for benefits	<u>1,127,527</u>	<u>1,718,422</u>	<u>847,116</u>	<u>210,586</u>
Total unfunded benefits	1,568,644	458,035	1,220,062	373,646
Less: unfunded liability for prior service				100,187
Less: unfunded liability for separate costs		69,744		
Unfunded normal benefits	<u>\$ 1,568,644</u>	<u>\$ 388,291</u>	<u>\$ 1,220,062</u>	<u>\$ 273,459</u>
<u>Assets Available for Benefits</u>	<u>% of total</u>	<u>% of total</u>	<u>% of total</u>	<u>% of total</u>
Cash & short-term investments		\$ 19,903 1.163%		
Receivables		1,165 0.068%		
Government securities		81,869 4.784%		
Other securities/assets		<u>1,608,345 93.985%</u>		
Annuities	\$ 1,127,527 100%	1,711,282	\$ 847,116 100%	\$ 210,586 100%
Insurance contracts				
Benefits payable		7,140		
Total assets available for benefits	<u>\$ 1,127,527</u>	<u>\$ 1,718,422</u>	<u>\$ 847,116</u>	<u>\$ 210,586</u>
<u>Prior Service Costs/Separate Service Costs</u>				
Amortization period	-0-	-0-	-0-	21 years
Discount rate	-0-	-0-	-0-	6.25%
<u>Receipts and Disbursements</u>				
Plan assets, beginning of year	\$ 992,839	\$ 1,551,594	\$ 918,524	\$ 161,976
Plan contributions	155,135	143,164	134,263	47,000
Investment income earned	43,093	143,227	37,175	9,175
Other receipts			11,728	223
Plan benefit withdrawals	(47,910)	(100,580)	(237,432)	(3,840)
Life Insurance Premium	(12,620)		(13,820)	(3,108)
Administrative fees	(3,010)	(9,064)	(3,322)	(840)
Other expenses		(9,919)		
Plan assets- end of year	<u>\$ 1,127,527</u>	<u>\$ 1,718,422</u>	<u>\$ 847,116</u>	<u>\$ 210,586</u>
<u>Contributions</u>				
Recommended by Actuary	\$ 168,062	\$ 143,164	\$ 137,018	\$ 42,336
Actual contribution	\$ 155,135	\$ 143,164	\$ 134,263	\$ 47,000
Town of North Hempstead contribution for plans with multiple sponsors		\$ 9,850		
<u>Administration Fees</u>				
Paid to Plan Administrator	\$ 3,010	\$ 9,064	\$ 3,322	\$ 840
Paid to Trustee				

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**D. COMMITMENTS AND CONTINGENCIES (continued)**

**8. LENGTH OF SERVICE AWARD PROGRAMS (LOSAP) (continued)**

**Fiduciary Investment and Control (continued)**

**Table #3 Program Financial Condition (continued)**

	<u>Glenwood</u>		<u>Port Washington</u>		<u>Roslyn</u>
<u>Assets</u>					
Actuarial present value of					
benefits at 1/1/2009	\$ 1,708,866				
benefits at 12/31/2009			\$ 3,071,432		\$ 2,439,484
Less: assets available for benefits	<u>1,527,728</u>		<u>2,519,089</u>		<u>2,210,010</u>
Total unfunded benefits	181,138		552,343		229,474
Less: unfunded liability for prior service					
Less: unfunded liability for separate costs					
Unfunded normal benefits	<u>\$ 181,138</u>		<u>\$ 552,343</u>		<u>\$ 229,474</u>
<u>Assets Available for Benefits</u>		<u>% of total</u>		<u>% of total</u>	
Cash & short-term investments					\$ 138,626 6.293%
Receivables					7,669 0.348%
Government securities					32,375 1.470%
Other securities/assets					<u>2,024,120</u> 91.889%
Annuities					2,202,790
Insurance contracts	\$ 1,527,728	100%	\$ 2,519,089	100%	
Benefits payable					7,220
Total assets available for benefits	<u>\$ 1,527,728</u>		<u>\$ 2,519,089</u>		<u>\$ 2,210,010</u>
<u>Prior Service Costs</u>					
Amortization period	-0-		-0-		-0-
Discount rate	-0-		-0-		-0-
<u>Receipts and Disbursements</u>					
Plan assets, beginning of year	\$ 1,488,011		\$ 2,102,547		\$ 1,783,230
Plan contributions	125,342		423,675		252,334
Investment income earned	62,728		102,276		269,703
Other receipts	9,312		108,608		9,515
Plan benefit withdrawals	(144,778)		(111,960)		(86,775)
Life Insurance Premium	(11,315)		(103,516)		(8,175)
Administrative fees	(1,572)		(2,541)		(9,822)
Plan assets- end of year	<u>\$ 1,527,728</u>		<u>\$ 2,519,089</u>		<u>\$ 2,210,010</u>
<u>Contributions</u>					
Recommended by Actuary	\$ 154,979		\$ 359,473		\$ 252,334
Actual contribution	\$ 125,342		\$ 423,675		\$ 252,334
Town of North Hempstead contribution for plans with multiple sponsors	\$ 30,450				\$ 48,620
<u>Administration Fees</u>					
Paid to Plan Administrator	\$ 1,572		\$ 2,541		\$ 9,822

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
 December 31, 2010

**D. COMMITMENTS AND CONTINGENCIES (continued)**

**8. LENGTH OF SERVICE AWARD PROGRAMS (LOSAP) (continued)**

**Funding Methodology and Actuarial Assumptions**

	<u>Albertson</u>	<u>Alert</u>	<u>Carle Place</u>	<u>Floral Park Centre</u>
Actuarial cost method		Attained Age Normal Frozen		
	Entry Age Normal	Initial Liability	Entry Age Normal	Entry Age Normal
Assumed rate of return	5%	6.25%	4.75%	4.75%
Mortality table used for withdrawals, retirements, active and inactive deaths	U8400	*	U8400	U8400
Asset valuation method	Fair Value	Fair Value	Fair Value	Fair Value

\* 1994 Uninsured Pensioner Male Mortality Table projected with scale AA to 2007 for Post Entitlement Age Only- all others None

	<u>Glenwood</u>	<u>Port Washington</u>	<u>Roslyn Fire</u>
Actuarial cost method			Attained Age Normal Frozen
	Entry Age Normal	Entry Age Normal	Initial Liability
Assumed rate of return	5.75%	6.00%	6.00%
Mortality table used for withdrawals, retirements, active and inactive deaths	G 7100	U8400	*
Asset valuation method	Fair Value	Fair Value	Fair Value

\* 1994 Uninsured Pensioner Male Mortality Table projected with scale AA to 2007 for Post Entitlement Age Only- all others none

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**E. CONDENSED FINANCIAL STATEMENTS FOR THE DISCRETELY PRESENTED COMPONENT UNITS**

The following represents condensed financial statements for the discretely presented component units as of and for the year ended December 31, 2010:

**Condensed Statement of Net Assets:**

	Assets		Liabilities		Net Assets		
	Current and Other Assets	Capital Assets Net of Depreciation	Current Liabilities	Bonds and Other Long-Term Liabilities	Investment in Capital Assets, Net of Related Debt	Restricted	Unrestricted
<b><u>WATER DISTRICTS</u></b>							
Glenwood	\$ 152,207	\$ 93,121	\$ 141,523	\$ 51,141	\$ 62,884		\$ (10,220)
Albertson	2,643,596	7,145,185	587,126	6,154,814	1,920,034		1,126,807
Garden City Park	6,327,729	7,685,106	331,781	1,717,544	6,919,106		5,044,404
Port Washington	2,677,535	12,502,865	770,483	7,840,889	5,983,898	\$ 176,911	408,219
Westbury	3,874,696	7,674,839	731,904	6,430,910	2,691,317	158,971	1,536,433
Roslyn	3,934,674	5,040,570	846,729	2,437,100	3,851,960	965	1,838,490
Carle Place	2,587,080	3,976,366	212,392	1,698,631	3,231,630	34,949	1,385,844
Manhasset - Lakeville	13,335,260	30,519,484	6,418,025	14,471,519	16,575,465	314,420	6,075,315
<b><u>WATER POLLUTION CONTROL DISTRICTS</u></b>							
Great Neck	4,283,547	19,438,572	13,934,142	2,528,841	7,985,738	1,488	(728,090)
Belgrave	4,405,420	12,245,058	2,739,398	8,102,916	4,768,859	263,949	775,356
Port Washington	10,320,486	33,073,462	1,968,865	22,878,103	9,270,395	1,152,406	8,124,179
<b><u>GARBAGE DISTRICTS</u></b>							
Port Washington	794,261	24,750	137,989		24,750		656,272
Glenwood	12,180						12,180
Carle Place	134,904						134,904
Roslyn	232,656						232,656
<b><u>PARK DISTRICTS</u></b>							
Manhasset	1,469,553	2,054,343	55,423	1,174,350	2,024,343		269,780
Great Neck	7,509,918	26,415,498	3,404,525	22,351,862	6,938,745	191,157	1,039,127
<b><u>OTHER</u></b>							
Port Washington Police District	8,749,307	815,315	1,517,398	15,503,863	652,318		(8,108,957)
Shelter Rock Public Library District Community	6,072,068	3,530,551	1,125,719	5,519,481	780,332	64,662	2,112,425
Development Agency Port Washington Business Improvement District	2,217,207	2,244,455	839,004	272,804	2,244,455		1,105,399
	150,179	82,731	21,679	107,689	35,763	14,255	53,524
	<u>\$ 81,884,463</u>	<u>\$ 174,562,271</u>	<u>\$ 35,784,105</u>	<u>\$ 119,242,457</u>	<u>\$ 75,961,992</u>	<u>\$ 2,374,133</u>	<u>\$ 23,084,047</u>

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**E. CONDENSED FINANCIAL STATEMENTS FOR THE DISCRETELY PRESENTED COMPONENT UNITS (continued)**

**Condensed Statement of Activities:**

	Program				General Revenue			Net Assets	
	Expenses	Charges for Services	Operating/ Capital Grants and Contributions	Net Expense (Revenue)	Property Tax	Other	Change	01/01/10	12/31/10
<b><u>WATER DISTRICTS</u></b>									
Glenwood	\$ 529,078	\$ 141,004		\$ 388,074	\$ 152,923	\$ 486	\$ (234,665)	\$ 287,329	\$ 52,664
Albertson	2,917,918	1,395,343		1,522,575	1,577,197	121,584	176,206	2,870,635	3,046,841
Garden City Park	3,562,304	1,372,840		2,189,464	2,289,365	1,689,870	1,789,771	10,173,739	11,963,510
Port Washington	5,362,825	3,929,756		1,433,069	1,391,159	49,996	8,086	6,560,942	6,569,028
Westbury	4,462,908	1,822,724		2,640,184	2,543,641	1,413,122	1,316,579	3,070,142	4,386,721
Roslyn	4,017,100	2,006,710		2,010,390	1,929,387	85,727	4,724	5,686,691	5,691,415
Carle Place	2,275,770	771,745		1,504,025	1,596,174	861,913	954,062	3,698,361	4,652,423
Manhasset - Lakeville	7,822,476	6,712,172		1,110,304	2,399,668	1,184,791	2,474,155	20,491,045	22,965,200
<b><u>WATER POLLUTION CONTROL DISTRICTS</u></b>									
Great Neck	4,177,406	1,070,088		3,107,318	3,135,699	41,096	69,477	7,189,659	7,259,136
Belgrave	2,966,868	736,164	\$1,010,742	1,219,962	2,263,036	25,970	1,069,044	4,739,120	5,808,164
Port Washington	5,270,412	871,006		4,399,406	4,500,353	4,186,865	4,287,812	14,259,168	18,546,980
<b><u>GARBAGE DISTRICTS</u></b>									
Port Washington	1,888,401			1,888,401	2,051,346	1,817	164,762	516,260	681,022
Glenwood	45,560			45,560	46,748	26	1,214	10,966	12,180
Carle Place	660,876			660,876	536,481	2,756	(121,639)	256,543	134,904
Roslyn	539,318			539,318	582,694	1,845	45,221	187,435	232,656
<b><u>PARK DISTRICTS</u></b>									
Manhasset	1,596,550	602,758		993,792	713,423	15,995	(264,374)	2,558,497	2,294,123
Great Neck	14,022,265	3,592,888	68,038	10,361,339	10,134,412	132,430	(94,497)	8,263,526	8,169,029
<b><u>OTHER</u></b>									
Port Washington									
Police District	18,474,648	3,642	119,067	18,351,939	15,390,245	586,955	(2,374,739)	(5,081,900)	(7,456,639)
Shelter Rock Public Library District	4,075,001	152,337		3,922,664	3,593,827	68,535	(260,302)	3,217,721	2,957,419
Community Development Agency	1,073,360	145,818	622,982	304,560		(66,647)	(371,207)	3,721,061	3,349,854
Port Washington Business Improvement District	180,330	5,594		174,736	169,837	1,497	(3,402)	106,944	103,542
	<u>\$ 85,921,374</u>	<u>\$25,332,589</u>	<u>\$1,820,829</u>	<u>\$58,767,956</u>	<u>\$56,997,615</u>	<u>\$ 10,406,629</u>	<u>\$ 8,636,288</u>	<u>\$92,783,884</u>	<u>\$ 101,420,172</u>

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**E. CONDENSED FINANCIAL STATEMENTS FOR THE DISCRETELY PRESENTED COMPONENT UNITS (continued)**

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

Glenwood Water District 6 Third Street Glenwood Landing, NY 11547	Albertson Water District P.O. Box 335 Albertson, NY 11507	Garden City Park Water District 333 Marcus Avenue Garden City, NY 11040
Port Washington Water District 38 Sandy Hollow Rd Pt. Washington, NY 11050	Westbury Water District 160 Drexel Avenue Westbury, NY 11590	Roslyn Water District 24 West Shore Road Roslyn, NY 11576
Carle Place Water District 578 Mineola Avenue Carle Place, NY 11514	Manhasset-Lakeville Water District 170 E. Shore Road Great Neck, NY 11023	Great Neck Water Pollution Control District 236 East Shore Road Great Neck, NY 11023
Belgrave Water Pollution Control District P.O. Box 408 Great Neck, NY 11023	Port Washington Water Pollution Control District 70 Harbor Road Pt. Washington, NY 11050	Port Washington Garbage District P.O. Box 608 Pt. Washington, NY 11050
Glenwood Garbage District P.O. Box 262 Glenwood Landing, NY 11547	Carle Place Garbage District P.O. Box 11 Carle Place, NY 11514	Roslyn Garbage District P.O. Box 1366 Roslyn Heights, NY 11577
Manhasset Park District 62 Manhasset Avenue Manhasset, NY 11030	Great Neck Park District 5 Beach Road Great Neck, NY 11023	Port Washington Police District 500 Pt. Washington Blvd. Pt. Washington, NY 11050
Shelter Rock Public Library 165 Searingtown Road Albertson, NY 11507	North Hempstead Community Development Agency 51 Orchard Street Roslyn Heights, NY 11577	Greater Port Washington Business Improvement District Association, Inc. 329 Main Street P.O. Box 121 Port Washington, NY 11050

**F. SUBSEQUENT EVENTS**

On June 9, 2011, the Town issued \$41,232,500 in Bond Anticipation Notes (BANs) Series A and \$9,749,500 in Bond Anticipation Notes Series B, at interest rates of 2.00% maturing on June 8, 2012 and October 7, 2011 respectively. These BANs were used to rollover existing BANs in the amounts of \$28,045,438 and \$6,337,441, respectively, and provide new money for various capital projects in the amounts of \$13,187,062 and \$3,412,059, respectively.

In January 2011, the Public Parking District acquired a parcel of real property located in Port Washington, NY, from the Town's General Fund, at an approximate cost of \$1,075,000. The purchase price was funded through the October 2010 BAN issuance. This property will be utilized as additional public parking for the District.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**F. SUBSEQUENT EVENTS** (continued)

In June 2011, New York State enacted Chapter 97, Laws of 2011 Real Property Tax Levy Cap and Mandate Relief Provisions, which includes a 2% property tax cap for municipalities that affects the Town and its municipal component units. Beginning in 2012, and lasting through at least June 15, 2016, no local government is authorized to increase its property tax levy by more than 2% or the rate of inflation (whichever is less); however the permitted increase will not be less than 1%. Local governments can exceed the tax levy limit by a 60% vote of the governing body, or local law. There are permitted exceptions and adjustments. The Town is currently evaluating the effect of the cap on future year's budgets.

In April 2011, the Town filed a lawsuit against Nassau County related to community college charge backs and the withholding of the Town's sales tax revenue. See Note D.2 for details.

Subsequent to year end, the Town's General Fund advanced approximately \$1.26 million dollars to the Town's Solid Waste Management Authority.

**G. NEW PRONOUNCEMENTS**

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54 "*Fund Balance Reporting and Governmental Fund Type Definitions*". The purpose of this statement is to enhance the usefulness of fund balance information. The requirements of the new statement become effective for fiscal periods beginning after June 15, 2010.

The Town is currently evaluating the impact of the new pronouncements.

## **REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS**

Schedule of Revenues, Expenditures and  
Changes in Fund Balance – Budget and Actual  
Major Governmental Funds and Schedules

### **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The budgets are adopted on a basis of accounting consistent with GAAP. In the event that actual revenues received exceed budgeted amounts, generally, additional budgetary appropriations are made. The Capital Projects and Special Grant Funds are budgeted on a project or grant basis.

The Town adopts the budget and establishes legal level of control of the budget at the object level expenditures. The object level identifies expenditures by the article purchased or service obtained to carry out a function.

In order to show the full legal level of budgetary compliance for the General and certain Special Revenue Funds, detailed individual statements of expenditures – budget and actual, are presented in a separate budget report.

**TOWN OF NORTH HEMPSTEAD**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES:</b>				
Ad valorem taxes	\$ 19,380,077	\$ 19,380,077	\$ 19,380,077	\$ -0-
Total Real Property Taxes	19,380,077	19,380,077	19,380,077	-0-
<b>REAL PROPERTY TAX ITEMS:</b>				
Payment in lieu of taxes	225,000	225,000	147,992	(77,008)
Interest and penalties on taxes	1,300,000	1,300,000	1,164,451	(135,549)
Returned check charge: property tax	4,000			-0-
Total Real Property Tax Items	1,529,000	1,525,000	1,312,443	(212,557)
<b>NON-PROPERTY TAX ITEMS:</b>				
Nassau County local government assistance	9,227,420	9,227,420	9,550,499	323,079
Franchises-cable TV	1,300,000	1,300,000	1,572,182	272,182
Total Non-Property Tax Items	10,527,420	10,527,420	11,122,681	595,261
<b>DEPARTMENTAL INCOME:</b>				
Comptroller's fees	10,000	10,000	9,090	(910)
Town clerk fees	50,000	50,000	43,784	(6,216)
Other general departmental income	12,000	12,000	5,200	(6,800)
Public pound charge dog fees	7,500	7,500	6,491	(1,009)
Parks and recreation charges	1,500,000	1,500,000	1,234,977	(265,023)
Dock storage leases	35,000	35,000	29,540	(5,460)
Recreational concessions	15,000	15,000	16,000	1,000
Special recreational facility charges	6,885,230	6,885,229	6,758,977	(126,252)
Total Departmental Income	8,514,730	8,514,729	8,104,059	(410,670)
<b>INTERGOVERNMENTAL CHARGES:</b>				
Services for other governments		82,200	93,900	11,700
Total Intergovernmental Charges		82,200	93,900	11,700
<b>USE OF MONEY AND PROPERTY:</b>				
Interest and earnings	225,000	225,000	134,825	(90,175)
Rental of real property			97,962	97,962
Commissions			390	390
Total Use of Money and Property	225,000	225,000	233,177	8,177

(Continued)

**TOWN OF NORTH HEMPSTEAD**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>LICENSES AND PERMITS:</b>				
Games of chance	200	200	310	110
Bingo licenses	600	600	713	113
Dog license fund apportionment	40,000	40,000	34,660	(5,340)
Licensing fees	75,000	75,000	59,285	(15,715)
Town permits	124,000	124,000	170,225	46,225
Road opening permits	15,000	15,000	16,640	1,640
Total Licenses and Permits	<u>254,800</u>	<u>254,800</u>	<u>281,833</u>	<u>27,033</u>
<b>FINES AND FORFEITURES:</b>				
Court fines	50,000	50,000	50,000	-0-
Total Fines and Forfeitures	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-0-</u>
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS:</b>				
Sale of real property	900,000	900,000		(900,000)
Insurance recoveries	1,000	1,000	170,605	169,605
Total Sale of Property and Compensation for Loss	<u>901,000</u>	<u>901,000</u>	<u>170,605</u>	<u>(730,395)</u>
<b>MISCELLANEOUS REVENUE:</b>				
Refund of prior year expenditures	30,000	30,000	51,444	21,444
Miscellaneous revenue	1,000,000	1,004,000	3,436,176	2,432,176
Total Miscellaneous Revenue	<u>1,030,000</u>	<u>1,034,000</u>	<u>3,487,620</u>	<u>2,453,620</u>
<b>INTERFUND REVENUES</b>	<u>5,288,364</u>	<u>5,288,364</u>	<u>5,050,596</u>	<u>(237,768)</u>
<b>STATE AID:</b>				
State aid - per capita	1,079,276	1,079,276	1,044,454	(34,822)
State aid - mortgage tax	5,750,000	5,750,000	5,863,439	113,439
State aid - real property tax	5,000	5,000		(5,000)
State aid - other	27,500	229,400	308,251	78,851
State aid - capital projects			791	791
State aid - programs for the aging	33,600	33,600	68,117	34,517
State aid - youth program	75,000	75,000	95,797	20,797
Total State Aid	<u>6,970,376</u>	<u>7,172,276</u>	<u>7,380,849</u>	<u>208,573</u>
<b>FEDERAL AID:</b>				
Federal aid - programs for the aging	245,808	245,808	278,234	32,426
Federal aid - youth programs		75,000	74,342	(658)
Total Federal Aid	<u>245,808</u>	<u>320,808</u>	<u>352,576</u>	<u>31,768</u>
Total Revenues	<u>54,916,575</u>	<u>55,275,674</u>	<u>57,020,416</u>	<u>1,744,742</u>

(Continued)

**TOWN OF NORTH HEMPSTEAD**  
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
Year ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES</b>				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Town board	748,574	748,429	710,882	37,547
Supervisor	771,283	771,283	738,831	32,452
Director of finance	327,792	361,400	339,014	22,386
Comptroller	1,506,010	1,783,819	1,780,241	3,578
Internal auditor	218,500	103,001	103,000	1
Receiver of taxes	1,067,388	1,068,282	1,066,028	2,254
Purchasing	170,364	170,364	120,742	49,622
Credit card fees	89,250	95,413	95,411	2
Fiscal agent fees	40,000	44,229	34,184	10,045
Town clerk	674,929	737,487	728,792	8,695
Town attorney	1,169,133	1,345,293	1,345,288	5
Human resources	173,279	118,705	115,637	3,068
Engineering	232,000	447,628	447,624	4
Records management	192,945	192,945	167,350	25,595
Public information	383,200	406,316	403,093	3,223
Public works	253,800	358,950	343,891	15,059
General services	1,171,425	1,193,212	1,076,978	116,234
Central printing and mail	565,856	528,047	456,649	71,398
Technology services	1,516,696	1,493,581	1,448,103	45,478
Unallocated insurance	431,118	435,778	435,777	1
Other general government support	1,055,746	589,072	589,021	51
Total General Government Support	<u>12,759,288</u>	<u>12,993,234</u>	<u>12,546,536</u>	<u>446,698</u>
EDUCATION:				
Nassau County Community College	600,000	601,907	601,906	1
Total Education	<u>600,000</u>	<u>601,907</u>	<u>601,906</u>	<u>1</u>
PUBLIC SAFETY:				
Administration	195,111	233,025	232,760	265
Animal shelter	564,792	526,262	497,714	28,548
Total Public Safety	<u>759,903</u>	<u>759,287</u>	<u>730,474</u>	<u>28,813</u>
ECONOMIC ASSISTANCE AND OPPORTUNITY:				
Community services	363,386	435,972	435,970	2
Publicity	480,627	480,627	456,026	24,601
Veterans services	15,000	10,375	10,215	160
Programs for the aging	1,193,098	1,186,893	1,173,587	13,306
Total Economic Assistance and Opportunity	<u>2,052,111</u>	<u>2,113,867</u>	<u>2,075,798</u>	<u>38,069</u>

(Continued)

**TOWN OF NORTH HEMPSTEAD**

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

Year ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>CULTURE AND RECREATION:</b>				
Arts council		1,150	1,150	-0-
Parks and recreation	1,846,424	1,622,488	1,622,476	12
Parks	6,357,619	6,708,339	6,708,300	39
Community center	129,527	129,345	129,341	4
Special recreation facilities	5,760,103	6,166,936	6,166,918	18
Youth activities	996,376	847,429	836,953	10,476
<b>Total Culture and Recreation</b>	<b>15,090,049</b>	<b>15,475,687</b>	<b>15,465,138</b>	<b>10,549</b>
<b>HOME AND COMMUNITY SERVICES:</b>				
Environmental facilities	902,500	961,828	949,589	12,239
Housing authority	226,086	232,646	232,059	587
Emergency tenant protection act	7,500	6,060	6,060	-0-
<b>Total Home and Community Services</b>	<b>1,136,086</b>	<b>1,200,534</b>	<b>1,187,708</b>	<b>12,826</b>
<b>EMPLOYEE BENEFITS:</b>				
State employee retirement system	1,476,760	1,455,266	1,322,860	132,406
Social security	1,210,458	1,212,206	1,212,206	-0-
Workers' compensation	325,000	368,269	368,269	-0-
Unemployment benefits	50,000	56,150	56,149	1
Disability benefits	3,100	17	16	1
Hospital, medical and dental	4,020,577	3,554,137	3,554,135	2
Other employee benefits	71,798	64,086	64,086	-0-
<b>Total Employee Benefits</b>	<b>7,157,693</b>	<b>6,710,131</b>	<b>6,577,721</b>	<b>132,410</b>
<b>Total Expenditures</b>	<b>39,555,130</b>	<b>39,854,647</b>	<b>39,185,281</b>	<b>669,366</b>
<b>Excess of Revenues Over Expenditures</b>	<b>15,361,445</b>	<b>15,421,027</b>	<b>17,835,135</b>	<b>2,414,108</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,757,961	1,757,961	2,308,281	550,320
Transfers out	(17,030,406)	(16,990,516)	(19,683,302)	(2,692,786)
Bond anticipation notes redeemed	(89,000)	(304,500)	(304,500)	-0-
<b>Total Other Financing Uses</b>	<b>(15,361,445)</b>	<b>(15,537,055)</b>	<b>(17,679,521)</b>	<b>(2,142,466)</b>
<b>Net Change in Fund Balances</b>	<b>\$ -0-</b>	<b>\$ (116,028)</b>	<b>155,614</b>	<b>\$ 271,642</b>
<b>Fund Balances at Beginning of Year</b>			<b>12,155,659</b>	
<b>Fund Balances at End of Year</b>			<b>\$ 12,311,273</b>	

**TOWN OF NORTH HEMPSTEAD**  
**HIGHWAY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES:</b>				
Ad valorem taxes	\$ 20,027,248	\$ 20,027,248	\$ 20,044,368	\$ 17,120
Total Real Property Taxes	20,027,248	20,027,248	20,044,368	17,120
<b>REAL PROPERTY TAX ITEMS:</b>				
Payment in lieu of taxes	75,000	170,000	202,690	32,690
Total Real Property Tax Items	75,000	170,000	202,690	32,690
<b>INTERGOVERNMENTAL CHARGES:</b>				
Services for other governments	75,000	568,500	555,931	(12,569)
Total Intergovernmental Charges	75,000	568,500	555,931	(12,569)
<b>USE OF MONEY AND PROPERTY:</b>				
Interest and earnings	5,000	5,000	21,154	16,154
Rental of real property		65,000	65,882	882
Total Use of Money and Property	5,000	70,000	87,036	17,036
<b>LICENSES AND PERMITS:</b>				
Permits - road restoration fee	175,000	256,000	256,810	810
Total Licenses and Permits	175,000	256,000	256,810	810
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS:</b>				
Recovery of damage to Town property	1,000	1,000	2,070	1,070
Total Sale of Property and Compensation for Loss	1,000	1,000	2,070	1,070
<b>MISCELLANEOUS REVENUE:</b>				
Refund of prior year expenditures	1,000	1,000	670	(330)
Miscellaneous revenue			1,317	1,317
Total Miscellaneous Revenue	1,000	1,000	1,987	987
<b>INTERFUND REVENUES</b>	<b>970,450</b>	<b>1,080,950</b>	<b>1,038,692</b>	<b>(42,258)</b>
<b>STATE AID:</b>				
State aid - Other			41,954	41,954
State aid - Consolidated Highway Aid	501,341	501,341	503,413	2,072
State aid - Emergency Disaster Assistance			9,051	9,051
Total State Aid	501,341	501,341	554,418	53,077
<b>FEDERAL AID:</b>				
Federal aid - Emergency Disaster Assistance			54,306	54,306
Total Federal Aid			54,306	54,306
Total Revenues	21,831,039	22,676,039	22,798,308	122,269

(Continued)

**TOWN OF NORTH HEMPSTEAD**  
**HIGHWAY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES</b>				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Unallocated Insurance	217,642	220,622	218,462	2,160
Other general government support	2,053,046	2,014,930	1,926,477	88,453
Total General Government Support	<u>2,270,688</u>	<u>2,235,552</u>	<u>2,144,939</u>	<u>90,613</u>
TRANSPORTATION:				
Administration	3,682,516	4,454,368	4,358,135	96,233
Garage	4,724,469	4,970,026	4,970,020	6
Snow removal	870,000	945,710	945,707	3
Services for other governments	585,206	480,474	441,250	39,224
Signs	471,007	513,811	513,807	4
Traffic safety	70,905	68,617	68,617	-0-
Total Transportation	<u>10,404,103</u>	<u>11,433,006</u>	<u>11,297,536</u>	<u>135,470</u>
EMPLOYEE BENEFITS:				
State employee retirement system	693,328	670,442	607,657	62,785
Social security	515,275	520,618	520,618	-0-
Workers' compensation/disability benefits	229,000	304,642	300,839	3,803
Unemployment benefits		23,463	23,463	-0-
Hospital, medical and dental	2,535,790	2,329,538	2,327,668	1,870
Other employee benefits	32,901	27,901	27,390	511
Total Employee Benefits	<u>4,006,294</u>	<u>3,876,604</u>	<u>3,807,635</u>	<u>68,969</u>
Total Expenditures	<u>16,681,085</u>	<u>17,545,162</u>	<u>17,250,110</u>	<u>295,052</u>
<b>Excess of Revenues Over Expenditures</b>	<u>5,149,954</u>	<u>5,130,877</u>	<u>5,548,198</u>	<u>417,321</u>
<b>Other Financing Uses</b>				
Transfers in	712,090	712,090	684,883	(27,207)
Transfers out	(5,804,044)	(5,763,967)	(5,763,967)	-0-
Bond anticipation notes redeemed	(58,000)	(79,000)	(79,000)	-0-
Total Other Financing Uses	<u>(5,149,954)</u>	<u>(5,130,877)</u>	<u>(5,158,084)</u>	<u>(27,207)</u>
<b>Net Change in Fund Balances</b>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>390,114</u>	<u>\$ 390,114</u>
<b>Fund Balances at Beginning of Year</b>			<u>2,533,239</u>	
<b>Fund Balances at End of Year</b>			<u>\$ 2,923,353</u>	

**TOWN OF NORTH HEMPSTEAD**  
**SOLID WASTE MANAGEMENT AUTHORITY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>DEPARTMENTAL INCOME:</b>				
Solid waste	\$ 18,171,010	\$ 18,171,010	\$ 14,474,535	\$ (3,696,475)
Other	101,000	101,000	70,253	(30,747)
Total Departmental Income	<u>18,272,010</u>	<u>18,272,010</u>	<u>14,544,788</u>	<u>(3,727,222)</u>
<b>INTERGOVERNMENTAL CHARGES:</b>				
Services for other governments	912,500	912,500	912,500	-0-
Total Intergovernmental Charges	<u>912,500</u>	<u>912,500</u>	<u>912,500</u>	<u>-0-</u>
<b>USE OF MONEY AND PROPERTY:</b>				
Interest and earnings			1,470	1,470
Rental of real property	50,000	50,000	27,600	(22,400)
Total Use of Money and Property	<u>50,000</u>	<u>50,000</u>	<u>29,070</u>	<u>(20,930)</u>
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS:</b>				
Recycling	215,000	215,000	277,035	62,035
Sale of equipment			10,000	10,000
Total Sale of Property and Compensation for Loss	<u>215,000</u>	<u>215,000</u>	<u>287,035</u>	<u>72,035</u>
<b>MISCELLANEOUS REVENUE:</b>				
Refund of prior years expenditures			55,597	55,597
Miscellaneous revenue	75,000	75,000	873	(74,127)
Total Miscellaneous Revenue	<u>75,000</u>	<u>75,000</u>	<u>56,470</u>	<u>(18,530)</u>
Total Revenues	<u>19,524,510</u>	<u>19,524,510</u>	<u>15,829,863</u>	<u>(3,694,647)</u>

(Continued)

**TOWN OF NORTH HEMPSTEAD**  
**SOLID WASTE MANAGEMENT AUTHORITY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES</b>				
CURRENT:				
HOME AND COMMUNITY SERVICES:				
Administration	819,009	803,546	701,699	101,847
Leachate	744,798	678,077	557,883	120,194
Transfer station	16,366,696	16,374,245	13,208,349	3,165,896
Scale house	293,747	298,747	286,713	12,034
Maintenance	338,323	354,014	342,937	11,077
Equipment	104,000	96,500	75,862	20,638
Recycling	179,900	241,575	241,571	4
Total Home and Community Services	<u>18,846,473</u>	<u>18,846,704</u>	<u>15,415,014</u>	<u>3,431,690</u>
EMPLOYEE BENEFITS:				
State employee retirement system	109,011	107,506	75,886	31,620
Social security	131,529	127,254	92,087	35,167
Workers' compensation		5,780	5,779	1
Disability benefits		35	31	4
Hospital, medical and dental	431,651	431,651	351,120	80,531
Other employee benefits	5,846	5,580	2,297	3,283
Total Employee Benefits	<u>678,037</u>	<u>677,806</u>	<u>527,200</u>	<u>150,606</u>
Total Expenditures	<u>19,524,510</u>	<u>19,524,510</u>	<u>15,942,214</u>	<u>3,582,296</u>
<b>Deficiency of Revenues</b>				
<b>Under Expenditures</b>			(112,351)	(112,351)
<b>Other Financing Sources (Uses)</b>				
Transfers in	2,523,413	2,523,413	1,989,955	(533,458)
Transfers out	(2,523,413)	(2,523,413)	(2,523,413)	-0-
Total Other Financing Uses			<u>(533,458)</u>	<u>(533,458)</u>
<b>Net Change in Fund Balances</b>	<u>\$ -0-</u>	<u>\$ -0-</u>	(645,809)	<u>\$ (645,809)</u>
<b>Fund Balances at Beginning of Year</b>			<u>352,717</u>	
<b>Fund Balances (Deficits) at End of Year</b>			<u>\$ (293,092)</u>	

**TOWN OF NORTH HEMPSTEAD**  
**TOWN OF NORTH HEMPSTEAD RETIREE MEDICAL PROGRAM**  
**POSTEMPLOYMENT BENEFITS HEALTHCARE COSTS**  
**SCHEDULE OF FUNDING PROGRESS**  
December 31, 2010

Actuarial Valuation Date January 1,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit Cost Method (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll ( c )	UAAL as a Percentage of Covered Payroll ((b -a) / c)
2010	\$ -0-	\$ 125,785,000	\$ 125,785,000	0%	\$ 30,437,386	413.26%
2009	-0-	124,832,000 *	124,832,000 *	0%	25,364,344	492.16%
2008	-0-	117,768,000	117,768,000	0%	26,599,974	442.74%

\* Roll forward

## **OTHER SUPPLEMENTARY INFORMATION**

Combining and Individual Fund Schedules of  
Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual - Nonmajor  
Revenue Funds and Schedules

**TOWN OF NORTH HEMPSTEAD**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
December 31, 2010

	Special Revenue Funds				
	Part Town	Refuse and Garbage Districts	Park Districts	Fire Protection Districts	Lighting District
<b>ASSETS</b>					
Cash and investments	\$ 4,760,801	\$ 2,213,278	\$ 392,764	\$ 1,057,171	\$ 1,039,645
Accounts receivable, net of allowances	20,040		8,002		1
Due from other funds	246,986				32,768
State and federal aid receivables	22,790				
Due from other governments	92,648	3,793	177	20,481	3,316
Total Assets	<u>\$ 5,143,265</u>	<u>\$ 2,217,071</u>	<u>\$ 400,943</u>	<u>\$ 1,077,652</u>	<u>\$ 1,075,730</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 402,522	\$ 92,192	\$ 43,168	\$ 48,620	\$ 258,058
Due to other governments	44,834				
Due to other funds	12,097		3,098		2,723
Deferred revenue	19,000				
Total Liabilities	<u>478,453</u>	<u>92,192</u>	<u>46,266</u>	<u>48,620</u>	<u>260,781</u>
<b>FUND BALANCES</b>					
Unreserved, designated for:					
Subsequent year's budget		192,849	3,464		193,417
Unreserved, undesignated	4,664,812	1,932,030	351,213	1,029,032	621,532
Total Fund Balances	<u>4,664,812</u>	<u>2,124,879</u>	<u>354,677</u>	<u>1,029,032</u>	<u>814,949</u>
Total Liabilities and Fund Balances	<u>\$ 5,143,265</u>	<u>\$ 2,217,071</u>	<u>\$ 400,943</u>	<u>\$ 1,077,652</u>	<u>\$ 1,075,730</u>

Public Parking District	Sidewalk District	Water District	Total Nonmajor Governmental Funds
\$ 669,033 3	\$ 979,256 8 61,438	\$ 12,364	\$ 11,124,312 28,054 341,192 22,790 126,521
937	5,169		
<u>\$ 669,973</u>	<u>\$ 1,045,871</u>	<u>\$ 12,364</u>	<u>\$ 11,642,869</u>
\$ 27,358 3,438	\$ 211,764 8,959	\$ 12,240	\$ 1,095,922 44,834 30,315 19,000
30,796	220,723	12,240	1,190,071
2,154 637,023	98,831 726,317	124	490,715 9,962,083
639,177	825,148	124	10,452,798
<u>\$ 669,973</u>	<u>\$ 1,045,871</u>	<u>\$ 12,364</u>	<u>\$ 11,642,869</u>

**TOWN OF NORTH HEMPSTEAD**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
Year ended December 31, 2010

	Special Revenue Funds				
	Part Town	Refuse and Garbage Districts	Park Districts	Fire Protection Districts	Lighting District
<b>REVENUES</b>					
Real property taxes	\$ 4,323,104	\$ 7,554,803	\$ 1,050,885	\$ 6,042,372	\$ 1,989,127
Real property tax items	43,742	90,830	355	100,262	21,048
Non-property tax items	150,000				
Departmental income	814,374		372,821		
Intergovernmental charges			60,000		
Use of money and property	24,400	17,006	16,430	10,462	7,437
Licenses and permits	3,207,323				
Fines and forfeitures	251,504				
Miscellaneous revenue	172		100		
Interfund revenues	2,528				32,767
State aid	67,790				
Total Revenues	<u>8,884,937</u>	<u>7,662,639</u>	<u>1,500,591</u>	<u>6,153,096</u>	<u>2,050,379</u>
<b>EXPENDITURES</b>					
Current:					
General government support	1,176,530	413,397	244,494	664,294	281,300
Public safety	3,155,273			5,390,758	
Health	181,135				
Transportation					1,882,375
Culture and recreation			861,415		
Home and community services	1,088,242	6,826,019			
Employee benefits	1,643,202		194,203		62,121
Total Expenditures	<u>7,244,382</u>	<u>7,239,416</u>	<u>1,300,112</u>	<u>6,055,052</u>	<u>2,225,796</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>1,640,555</u>	<u>423,223</u>	<u>200,479</u>	<u>98,044</u>	<u>(175,417)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in			83,640		
Transfers out	(10,000)		(62,774)		
Total Other Financing Sources (Uses)	<u>(10,000)</u>		<u>20,866</u>		
<b>Net Change in Fund Balances</b>	1,630,555	423,223	221,345	98,044	(175,417)
<b>Fund Balances at Beginning of Year</b>	<u>3,034,257</u>	<u>1,701,656</u>	<u>133,332</u>	<u>930,988</u>	<u>990,366</u>
<b>Fund Balances at End of Year</b>	<u>\$ 4,664,812</u>	<u>\$ 2,124,879</u>	<u>\$ 354,677</u>	<u>\$ 1,029,032</u>	<u>\$ 814,949</u>

Public Parking District	Sidewalk District	Water District	Total Nonmajor Governmental Funds
\$ 310,570	\$ 3,069,467	\$ 51,389	\$ 24,391,717
4,183	32,804		293,224
			150,000
564,625			1,751,820
			60,000
2,666	8,601	82	87,084
			3,207,323
			251,504
20			292
	61,438		96,733
			67,790
<u>882,064</u>	<u>3,172,310</u>	<u>51,471</u>	<u>30,357,487</u>
88,978	480,795		3,349,788
			8,546,031
			181,135
394,805	2,070,511		4,347,691
			861,415
		51,389	7,965,650
90,585	362,441		2,352,552
<u>574,368</u>	<u>2,913,747</u>	<u>51,389</u>	<u>27,604,262</u>
307,696	258,563	82	2,753,225
			83,640
<u>(248,658)</u>	<u>(208,086)</u>		<u>(529,518)</u>
<u>(248,658)</u>	<u>(208,086)</u>		<u>(445,878)</u>
59,038	50,477	82	2,307,347
580,139	774,671	42	8,145,451
<u>\$ 639,177</u>	<u>\$ 825,148</u>	<u>\$ 124</u>	<u>\$ 10,452,798</u>

**TOWN OF NORTH HEMPSTEAD**  
**PART TOWN**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES:</b>				
Ad valorem taxes	\$ 4,323,104	\$ 4,323,104	\$ 4,323,104	\$ -0-
Total Real Property Taxes	4,323,104	4,323,104	4,323,104	-0-
<b>REAL PROPERTY TAX ITEMS:</b>				
Payment in lieu of taxes	21,500	21,500	43,742	22,242
Total Real Property Tax Items	21,500	21,500	43,742	22,242
<b>NON-PROPERTY TAX ITEMS:</b>				
Franchises-cable TV	150,000	150,000	150,000	-0-
Total Non-Property Tax Items	150,000	150,000	150,000	-0-
<b>DEPARTMENTAL INCOME:</b>				
Parking enforcement	539,000	539,000	475,969	(63,031)
Registrar of vital statistics	255,000	255,000	241,740	(13,260)
Zoning board fees	142,500	142,500	96,665	(45,835)
Total Departmental Income	936,500	936,500	814,374	(122,126)
<b>USE OF MONEY AND PROPERTY:</b>				
Interest and earnings	5,000	5,000	24,400	19,400
Total Use of Money and Property	5,000	5,000	24,400	19,400
<b>LICENSES AND PERMITS:</b>				
Building permits	2,000,000	2,000,000	3,207,323	1,207,323
Total Licenses and Permits	2,000,000	2,000,000	3,207,323	1,207,323
<b>FINES AND FORFEITURES:</b>				
Court fines	200,000	200,000	251,504	51,504
Total Fines and Forfeitures	200,000	200,000	251,504	51,504
<b>MISCELLANEOUS REVENUE:</b>				
Miscellaneous revenue			172	172
Total Miscellaneous Revenue			172	172
<b>INTERFUND REVENUES</b>			2,528	2,528
<b>STATE AID:</b>				
State aid - planning studies		100,000	67,790	(32,210)
Total State Aid		100,000	67,790	(32,210)
Total Revenues	7,636,104	7,736,104	8,884,937	1,148,833

(Continued)

**TOWN OF NORTH HEMPSTEAD**  
**PART TOWN**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES</b>				
<b>CURRENT:</b>				
<b>GENERAL GOVERNMENT SUPPORT:</b>				
Unallocated insurance	62,881	63,480	63,480	-0-
Other general government support	1,317,031	1,113,050	1,113,050	-0-
Total General Government Support	<u>1,379,912</u>	<u>1,176,530</u>	<u>1,176,530</u>	<u>-0-</u>
<b>PUBLIC SAFETY:</b>				
Parking enforcement	319,577	342,539	327,020	15,519
Building	3,214,472	3,165,407	2,828,253	337,154
Total Public Safety	<u>3,534,049</u>	<u>3,507,946</u>	<u>3,155,273</u>	<u>352,673</u>
<b>HEALTH:</b>				
Registrar of vital statistics	240,913	246,034	181,135	64,899
Total Health	<u>240,913</u>	<u>246,034</u>	<u>181,135</u>	<u>64,899</u>
<b>HOME AND COMMUNITY SERVICES:</b>				
Board of appeals	408,631	412,891	409,428	3,463
Planning and development - staff	531,163	603,494	603,492	2
Brownfields		100,000	75,322	24,678
Total Home and Community Services	<u>939,794</u>	<u>1,116,385</u>	<u>1,088,242</u>	<u>28,143</u>
<b>EMPLOYEE BENEFITS:</b>				
State employee retirement system	391,108	391,786	355,783	36,003
Social security	325,320	301,200	301,200	-0-
Workers' compensation/disability benefits	87,000	97,177	97,176	1
Unemployment benefits	10,530	26,556	26,555	1
Hospital, medical and dental	699,419	847,457	847,455	2
Other employee benefits	18,059	15,033	15,033	-0-
Total Employee Benefits	<u>1,531,436</u>	<u>1,679,209</u>	<u>1,643,202</u>	<u>36,007</u>
Total Expenditures	<u>7,626,104</u>	<u>7,726,104</u>	<u>7,244,382</u>	<u>481,722</u>
<b>Excess of Revenues Over Expenditures</b>	<u>10,000</u>	<u>10,000</u>	<u>1,640,555</u>	<u>1,630,555</u>
<b>Other Financing Uses</b>				
Transfers in	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-0-</u>
Total Other Financing Uses	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-0-</u>
<b>Net Change in Fund Balances</b>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>1,630,555</u>	<u>\$ 1,630,555</u>
<b>Fund Balances at Beginning of Year</b>			<u>3,034,257</u>	
<b>Fund Balances at End of Year</b>			<u>\$ 4,664,812</u>	

**TOWN OF NORTH HEMPSTEAD**  
**REFUSE AND GARBAGE DISTRICTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 7,554,803	\$ 7,554,803	\$ 7,554,803	\$ -0-
Total Real Property Taxes	7,554,803	7,554,803	7,554,803	-0-
REAL PROPERTY TAX ITEMS:				
Payment in lieu of taxes	52,537	52,537	90,830	38,293
Total Real Property Tax Items	52,537	52,537	90,830	38,293
USE OF MONEY AND PROPERTY:				
Interest and earnings			17,006	17,006
Total Use of Money and Property			17,006	17,006
Total Revenues	7,607,340	7,607,340	7,662,639	55,299
<b>EXPENDITURES</b>				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Other general government support	413,397	413,397	413,397	-0-
Total General Government Support	413,397	413,397	413,397	-0-
HOME AND COMMUNITY SERVICE:				
Sanitation	7,482,943	7,482,943	6,826,019	656,924
Total Home and Community Service	7,482,943	7,482,943	6,826,019	656,924
Total Expenditures	7,896,340	7,896,340	7,239,416	656,924
<b>Net Change in Fund Balances</b>	<b>\$ (289,000)</b>	<b>\$ (289,000)</b>	423,223	<b>\$ 712,223</b>
<b>Fund Balances at Beginning of Year</b>			1,701,656	
<b>Fund Balances at End of Year</b>			<b>\$ 2,124,879</b>	

**TOWN OF NORTH HEMPSTEAD**  
**PARK DISTRICTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
Year ended December 31, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES:</b>				
Ad valorem taxes	\$ 1,050,885	\$ 1,050,885	\$ 1,050,885	\$ -0-
Total Real Property Taxes	1,050,885	1,050,885	1,050,885	-0-
<b>REAL PROPERTY TAX ITEMS:</b>				
Payment in lieu of taxes	191	191	355	164
Total Real Property Tax Items	191	191	355	164
<b>DEPARTMENTAL INCOME:</b>				
Recreational concessions	7,500	7,500	8,000	500
Special recreational facility charge	345,400	345,400	364,821	19,421
Total Departmental Income	352,900	352,900	372,821	19,921
<b>INTERGOVERNMENTAL CHARGES:</b>				
Nassau County local government assistance	40,000	40,000	60,000	20,000
Total Intergovernmental Charges	40,000	40,000	60,000	20,000
<b>USE OF MONEY AND PROPERTY:</b>				
Interest and earnings	19,860	19,860	16,430	(3,430)
Total Use of Money and Property	19,860	19,860	16,430	(3,430)
<b>MISCELLANEOUS REVENUE</b>				
Miscellaneous revenue	40	40	100	60
Total Miscellaneous Revenue	40	40	100	60
Total Revenues	1,463,876	1,463,876	1,500,591	36,715
<b>EXPENDITURES</b>				
<b>CURRENT:</b>				
<b>GENERAL GOVERNMENT SUPPORT:</b>				
Credit card fees	1,250	1,250	633	617
Unallocated insurance	17,062	17,227	17,226	1
Other general government support	247,612	246,636	226,635	20,001
Total General Government Support	265,924	265,113	244,494	20,619
<b>CULTURE AND RECREATION:</b>				
Parks and pools	980,247	950,748	861,415	89,333
Total Culture and Recreation	980,247	950,748	861,415	89,333
<b>EMPLOYEE BENEFITS:</b>				
State employee retirement system	48,031	41,425	36,251	5,174
Social security	48,246	51,134	51,133	1
Workers' compensation	4,500	4,500	3,257	1,243
Disability benefits	400	400	3	397
Hospital, medical and dental	83,859	117,836	100,687	17,149
Other employee benefits	2,894	2,945	2,872	73
Total Employee Benefits	187,930	218,240	194,203	24,037
Total Current Expenditures	1,434,101	1,434,101	1,300,112	133,989
Total Expenditures	1,434,101	1,434,101	1,300,112	133,989
<b>Excess of Revenues</b>				
<b>Over Expenditures</b>	29,775	29,775	200,479	170,704
<b>Other Financing Sources (Uses)</b>				
Transfers in			83,640	83,640
Transfers out	(62,774)	(62,774)	(62,774)	-0-
Total Other Financing Sources (Uses)	(62,774)	(62,774)	20,866	83,640
<b>Net Change in Fund Balances</b>	\$ (32,999)	\$ (32,999)	221,345	\$ 254,344
<b>Fund Balances at Beginning of Year</b>			133,332	
<b>Fund Balances at End of Year</b>			\$ 354,677	

**TOWN OF NORTH HEMPSTEAD**  
**FIRE PROTECTION DISTRICTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 6,042,372	\$ 6,042,372	\$ 6,042,372	\$ -0-
Total Real Property Taxes	6,042,372	6,042,372	6,042,372	-0-
REAL PROPERTY TAX ITEMS:				
Payment in lieu of taxes	6,000	30,500	100,262	69,762
Total Real Property Tax Items	6,000	30,500	100,262	69,762
USE OF MONEY AND PROPERTY:				
Interest and earnings			10,462	10,462
Total Use of Money and Property			10,462	10,462
Total Revenues	6,048,372	6,072,872	6,153,096	80,224
<b>EXPENDITURES</b>				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Unallocated insurance	221,477	220,520	208,774	11,746
Other general government support	455,520	455,520	455,520	-0-
Total General Government Support	676,997	676,040	664,294	11,746
PUBLIC SAFETY:				
Fire protection	5,386,375	5,412,957	5,390,758	22,199
Total Public Safety	5,386,375	5,412,957	5,390,758	22,199
Total Expenditures	6,063,372	6,088,997	6,055,052	33,945
<b>Net Change in Fund Balances</b>	<b>\$ (15,000)</b>	<b>\$ (16,125)</b>	<b>98,044</b>	<b>\$ 114,169</b>
<b>Fund Balances at Beginning of Year</b>			<b>930,988</b>	
<b>Fund Balances at End of Year</b>			<b>\$ 1,029,032</b>	

**TOWN OF NORTH HEMPSTEAD**  
**LIGHTING DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
Year ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES:</b>				
Ad valorem taxes	\$ 1,989,127	\$ 1,989,127	\$ 1,989,127	\$ -0-
Total Real Property Taxes	1,989,127	1,989,127	1,989,127	-0-
<b>REAL PROPERTY TAX ITEMS:</b>				
Payment in lieu of taxes	7,500	7,500	21,048	13,548
Total Real Property Tax Items	7,500	7,500	21,048	13,548
<b>USE OF MONEY AND PROPERTY:</b>				
Interest and earnings	3,000	3,000	7,437	4,437
Total Use of Money and Property	3,000	3,000	7,437	4,437
<b>INTERFUND REVENUE</b>				
Total Revenues	1,999,627	2,032,127	2,050,379	18,252
<b>EXPENDITURES</b>				
<b>CURRENT:</b>				
<b>GENERAL GOVERNMENT SUPPORT:</b>				
Unallocated insurance	2,563	2,588	2,588	-0-
Other general government support	278,712	292,212	278,712	13,500
Total General Government Support	281,275	294,800	281,300	13,500
<b>TRANSPORTATION:</b>				
Lighting	1,884,807	1,882,910	1,882,375	535
Total Transportation	1,884,807	1,882,910	1,882,375	535
<b>EMPLOYEE BENEFITS:</b>				
State employee retirement system	11,170	22,828	20,549	2,279
Social security	14,493	15,078	15,077	1
Workers' compensation	600	986	976	10
Hospital, medical and dental	16,636	24,799	24,796	3
Other employee benefits	646	726	723	3
Total Employee Benefits	43,545	64,417	62,121	2,296
Total Expenditures	2,209,627	2,242,127	2,225,796	16,331
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(210,000)</u>	<u>(210,000)</u>	<u>(175,417)</u>	<u>34,583</u>
<b>Net Change in Fund Balances</b>	<u>\$ (210,000)</u>	<u>\$ (210,000)</u>	<u>(175,417)</u>	<u>\$ 34,583</u>
<b>Fund Balances at Beginning of Year</b>			<u>990,366</u>	
<b>Fund Balances at End of Year</b>			<u>\$ 814,949</u>	

**TOWN OF NORTH HEMPSTEAD**  
**PUBLIC PARKING DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES:</b>				
Ad valorem taxes	\$ 310,570	\$ 310,570	\$ 310,570	\$ -0-
Total Real Property Taxes	310,570	310,570	310,570	-0-
<b>REAL PROPERTY TAX ITEMS:</b>				
Payment in lieu of taxes	2,500	2,500	4,183	1,683
Total Real Property Tax Items	2,500	2,500	4,183	1,683
<b>DEPARTMENTAL INCOME:</b>				
Parking permits	50,000	50,000	47,255	(2,745)
Parking lots	340,000	340,000	330,677	(9,323)
Parking meter fees	160,000	160,000	161,693	1,693
Parking fines	25,000	25,000	25,000	-0-
Total Departmental Income	575,000	575,000	564,625	(10,375)
<b>USE OF MONEY AND PROPERTY:</b>				
Interest and earnings	6,312	6,312	2,666	(3,646)
Total Use of Money and Property	6,312	6,312	2,666	(3,646)
<b>MISCELLANEOUS REVENUE:</b>				
Miscellaneous revenue	89	89	20	(69)
Total Miscellaneous Revenue	89	89	20	(69)
<b>INTERFUND REVENUE</b>				
Total Revenues	894,691	894,691	882,064	(12,627)
<b>EXPENDITURES</b>				
<b>CURRENT:</b>				
<b>GENERAL GOVERNMENT SUPPORT:</b>				
Credit card fees		2,717	2,717	-0-
Unallocated insurance	13,377	13,504	13,504	-0-
Other general government support	99,990	72,757	72,757	-0-
Total General Government Support	113,367	88,978	88,978	-0-
<b>TRANSPORTATION:</b>				
Parking	405,041	428,087	394,805	33,282
Total Transportation	405,041	428,087	394,805	33,282
<b>EMPLOYEE BENEFITS:</b>				
State employee retirement system	27,200	27,200	24,167	3,033
Social security	19,336	23,008	23,008	-0-
Workers' compensation	5,300	2,881	2,581	300
Hospital, medical and dental	74,830	74,831	39,781	35,050
Other employee benefits	959	1,048	1,048	-0-
Total Employee Benefits	127,625	128,968	90,585	38,383
Total Expenditures	646,033	646,033	574,368	71,665
<b>Excess of Revenues Over Expenditures</b>	<b>248,658</b>	<b>248,658</b>	<b>307,696</b>	<b>59,038</b>
<b>Other Financing Uses</b>				
Transfers out	(248,658)	(248,658)	(248,658)	-0-
Total Other Financing Uses	(248,658)	(248,658)	(248,658)	-0-
<b>Net Change in Fund Balances</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>59,038</b>	<b>\$ 59,038</b>
<b>Fund Balances at Beginning of Year</b>			<b>580,139</b>	
<b>Fund Balances at End of Year</b>			<b>\$ 639,177</b>	

**TOWN OF NORTH HEMPSTEAD**  
**SIDEWALK DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 3,069,467	\$ 3,069,467	\$ 3,069,467	\$ -0-
Total Real Property Taxes	3,069,467	3,069,467	3,069,467	-0-
REAL PROPERTY TAX ITEMS:				
Payment in lieu of taxes	12,000	12,000	32,804	20,804
Total Real Property Tax Items	12,000	12,000	32,804	20,804
USE OF MONEY AND PROPERTY:				
Interest and earnings	7,500	7,500	8,601	1,101
Total Use of Money and Property	7,500	7,500	8,601	1,101
INTERFUND REVENUES	15,000	15,000	61,438	46,438
Total Revenues	3,103,967	3,103,967	3,172,310	68,343
<b>EXPENDITURES</b>				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Unallocated insurance	28,437	28,715	28,689	26
Other general government support	452,106	452,106	452,106	-0-
Total General Government Support	480,543	480,821	480,795	26
TRANSPORTATION:				
Sidewalk	2,093,493	2,093,242	2,070,511	22,731
Total Transportation	2,093,493	2,093,242	2,070,511	22,731
EMPLOYEE BENEFITS:				
State employee retirement system	104,918	104,918	81,188	23,730
Social security	78,462	78,461	74,292	4,169
Workers' compensation	8,000	8,000	6,902	1,098
Hospital, medical and dental	225,225	225,225	196,885	28,340
Other employee benefits	4,487	4,461	3,174	1,287
Total Employee Benefits	421,092	421,065	362,441	58,624
Total Expenditures	2,995,128	2,995,128	2,913,747	81,381
<b>Excess of Revenues Over Expenditures</b>	108,839	108,839	258,563	149,724
<b>Other Financing Sources (Uses)</b>				
Transfers out	(208,839)	(208,839)	(208,086)	753
Total Other Financing Sources (Uses)	(208,839)	(208,839)	(208,086)	753
<b>Net Change in Fund Balances</b>	<u>\$ (100,000)</u>	<u>\$ (100,000)</u>	50,477	<u>\$ 150,477</u>
<b>Fund Balances at Beginning of Year</b>			774,671	
<b>Fund Balances at End of Year</b>			<u>\$ 825,148</u>	

**TOWN OF NORTH HEMPSTEAD**  
**WATER DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 51,389	\$ 51,389	\$ 51,389	\$ -0-
Total Real Property Taxes	51,389	51,389	51,389	-0-
USE OF MONEY AND PROPERTY:				
Interest and earnings			82	82
Total Use of Money and Property			82	82
Total Revenues	51,389	51,389	51,471	82
<b>EXPENDITURES</b>				
CURRENT:				
HOME AND COMMUNITY SERVICE:				
Water	51,389	51,389	51,389	-0-
Total Home and Community Service	51,389	51,389	51,389	-0-
Total Expenditures	51,389	51,389	51,389	-0-
<b>Net Change in Fund Balances</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>82</b>	<b>\$ 82</b>
<b>Fund Balances at Beginning of Year</b>			<b>42</b>	
<b>Fund Balances at End of Year</b>			<b>\$ 124</b>	

**TOWN OF NORTH HEMPSTEAD**  
**FIDUCIARY FUNDS**  
**STATEMENT OF CHANGES IN AGENCY ASSETS AND LIABILITIES**  
Year ended December 31, 2010

<b>ASSETS</b>	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
<i>Town Agency Fund</i>				
Cash	\$ 24,355,719	\$ 268,893,105	\$ 275,141,336	\$ 18,107,488
<b>Total Assets - Town Agency Fund</b>	<u>24,355,719</u>	<u>268,893,105</u>	<u>275,141,336</u>	<u>18,107,488</u>
<i>Town Clerk Agency Fund</i>				
Cash	77,529	618,849	648,800	47,578
<b>Total Assets - Town Clerk Agency Fund</b>	<u>77,529</u>	<u>618,849</u>	<u>648,800</u>	<u>47,578</u>
<i>Town Receiver of Taxes Agency Fund</i>				
Cash	14,497,786	1,144,593,254	1,154,109,368	4,981,672
<b>Total Assets - Town Receiver of Taxes Agency Fund</b>	<u>14,497,786</u>	<u>1,144,593,254</u>	<u>1,154,109,368</u>	<u>4,981,672</u>
<b>Total Assets</b>	<u>\$ 38,931,034</u>	<u>\$ 1,414,105,208</u>	<u>\$ 1,429,899,504</u>	<u>\$ 23,136,738</u>
<b>LIABILITIES</b>				
<i>Town Agency Fund</i>				
Other liabilities	\$ 24,355,719	\$ 268,893,105	\$ 275,141,336	\$ 18,107,488
<b>Total Liabilities - Town Agency Fund</b>	<u>24,355,719</u>	<u>268,893,105</u>	<u>275,141,336</u>	<u>18,107,488</u>
<i>Town Clerk Agency Fund</i>				
Other liabilities	77,529	618,849	648,800	47,578
<b>Total Liabilities - Town Clerk Agency Fund</b>	<u>77,529</u>	<u>618,849</u>	<u>648,800</u>	<u>47,578</u>
<i>Town Receiver of Taxes Agency Fund</i>				
Due to school districts	14,497,349	789,737,668	799,254,097	4,980,920
Other liabilities	437	354,855,586	354,855,271	752
<b>Total Liabilities - Town Receiver of Taxes Agency Fund</b>	<u>14,497,786</u>	<u>1,144,593,254</u>	<u>1,154,109,368</u>	<u>4,981,672</u>
<b>Total Liabilities</b>	<u>\$ 38,931,034</u>	<u>\$ 1,414,105,208</u>	<u>\$ 1,429,899,504</u>	<u>\$ 23,136,738</u>

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **DISCRETELY PRESENTED COMPONENT UNITS**

The component units of the Town provide water, water pollution control, garbage, parks, police, library, community development, and business improvement services to residents and businesses within the districts. These districts are organized under New York State Town Law and have separately elected boards. Long-term debt, backed by the full faith and credit of the Town, and other matters result in interdependency with the Town.

**TOWN OF NORTH HEMPSTEAD**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**COMBINING STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2010**

**WATER DISTRICTS**

	Glenwood	Albertson	Garden City Park	Port Washington	Westbury	Roslyn	Carle Place	Manhasset - Lakeville
<b>ASSETS</b>								
<b>Current Assets:</b>								
Cash and investments	\$ 109,081	\$ 1,705,641	\$ 5,917,260	\$ 1,764,451	\$ 2,523,519	\$3,247,724	\$1,833,116	\$ 11,765,148
Accounts receivable, net of allowances	35,584	292,814	199,218	702,397	613,874	401,031	271,769	1,108,777
Prepays			91,559	28,820	59,802	111,510	10,718	58,476
Due from other governments	7,542	645,141	72,586	181,867	654,951	61,274	394,648	208,515
Inventory of materials and supplies			47,106		22,550	113,135	76,829	194,344
Total Current Assets	<u>152,207</u>	<u>2,643,596</u>	<u>6,327,729</u>	<u>2,677,535</u>	<u>3,874,696</u>	<u>3,934,674</u>	<u>2,587,080</u>	<u>13,335,260</u>
<b>Non-current Assets:</b>								
Deferred charges, net of accumulated depreciation		62,938						
Capital assets, net of depreciation	93,121	7,082,247	7,685,106	12,502,865	7,674,839	5,040,570	3,976,366	30,519,484
Total Non-Current Assets	<u>93,121</u>	<u>7,145,185</u>	<u>7,685,106</u>	<u>12,502,865</u>	<u>7,674,839</u>	<u>5,040,570</u>	<u>3,976,366</u>	<u>30,519,484</u>
Total Assets	<u>245,328</u>	<u>9,788,781</u>	<u>14,012,835</u>	<u>15,180,400</u>	<u>11,549,535</u>	<u>8,975,244</u>	<u>6,563,446</u>	<u>43,854,744</u>
<b>LIABILITIES</b>								
<b>Current Liabilities:</b>								
Accounts payable	50,469	62,312	179,742	161,339	302,856	656,968	73,289	1,418,451
Accrued liabilities								
Accrued interest payable	171	53,040	20,475	88,643	84,511	15,616	17,301	242,224
Bond anticipation notes payable								3,300,000
Due to other governments	86,762							3,248
Deferred revenue							39,437	3,939
Other liabilities		1,509	20,564	63,320		21,595		35,624
Non-current liabilities due within one year								
General obligation bonds payable	4,121	470,265	111,000	457,181	344,537	152,550	82,365	1,414,539
Compensated absences								
Installment purchase debt								
Total Current Liabilities	<u>141,523</u>	<u>587,126</u>	<u>331,781</u>	<u>770,483</u>	<u>731,904</u>	<u>846,729</u>	<u>212,392</u>	<u>6,418,025</u>
<b>Non-current liabilities:</b>								
General obligation bonds payable	26,116	5,114,671	655,000	6,061,786	4,638,985	1,036,060	1,022,070	12,767,539
Compensated absences	11,037	386,054	173,580	280,090	118,730	389,441	37,964	32,296
Other postemployment benefits	13,988	654,089	888,964	1,499,013	1,673,195	1,011,599	638,597	1,671,684
Installment purchase debt								
Total Non-Current Liabilities	<u>51,141</u>	<u>6,154,814</u>	<u>1,717,544</u>	<u>7,840,889</u>	<u>6,430,910</u>	<u>2,437,100</u>	<u>1,698,631</u>	<u>14,471,519</u>
Total Liabilities	<u>192,664</u>	<u>6,741,940</u>	<u>2,049,325</u>	<u>8,611,372</u>	<u>7,162,814</u>	<u>3,283,829</u>	<u>1,911,023</u>	<u>20,889,544</u>
<b>NET ASSETS</b>								
Investment in capital assets, net of related debt	62,884	1,920,034	6,919,106	5,983,898	2,691,317	3,851,960	3,231,630	16,575,465
Restricted				176,911	158,971	965	34,949	314,420
Unrestricted	(10,220)	1,126,807	5,044,404	408,219	1,536,433	1,838,490	1,385,844	6,075,315
Total Net Assets	<u>\$ 52,664</u>	<u>\$ 3,046,841</u>	<u>\$11,963,510</u>	<u>\$ 6,569,028</u>	<u>\$ 4,386,721</u>	<u>\$5,691,415</u>	<u>\$4,652,423</u>	<u>\$22,965,200</u>

WATER POLLUTION CONTROL DISTRICTS			GARBAGE DISTRICTS			
Great Neck	Belgrave	Port Washington	Port Washington	Glenwood	Carle Place	Roslyn
\$ 2,319,848	\$ 4,376,586	\$ 5,520,626	\$ 792,480	\$ 12,163	\$ 134,890	\$ 227,778
1,936,283	7,327	4,712,419	161			2,594
27,416	21,507	87,441	702	17		1,981
			918		14	303
<u>4,283,547</u>	<u>4,405,420</u>	<u>10,320,486</u>	<u>794,261</u>	<u>12,180</u>	<u>134,904</u>	<u>232,656</u>
		75,763				
19,438,572	12,245,058	32,997,699	24,750			
19,438,572	12,245,058	33,073,462	24,750			
<u>23,722,119</u>	<u>16,650,478</u>	<u>43,393,948</u>	<u>819,011</u>	<u>12,180</u>	<u>134,904</u>	<u>232,656</u>
4,123,445	440,474	526,423	137,646			
		175,340	343			
70,212	74,158	130,026				
9,381,200	1,785,000					
	18,474					
		15,000				
359,285	421,292	1,122,076				
<u>13,934,142</u>	<u>2,739,398</u>	<u>1,968,865</u>	<u>137,989</u>			
1,953,003	7,415,737	20,843,041				
32,616	32,287	272,875				
543,222	654,892	1,762,187				
<u>2,528,841</u>	<u>8,102,916</u>	<u>22,878,103</u>				
<u>16,462,983</u>	<u>10,842,314</u>	<u>24,846,968</u>	<u>137,989</u>			
7,985,738	4,768,859	9,270,395	24,750			
1,488	263,949	1,152,406				
(728,090)	775,356	8,124,179	656,272	12,180	134,904	232,656
<u>\$ 7,259,136</u>	<u>\$ 5,808,164</u>	<u>\$ 18,546,980</u>	<u>\$ 681,022</u>	<u>\$ 12,180</u>	<u>\$ 134,904</u>	<u>\$ 232,656</u>

(Continued)

**TOWN OF NORTH HEMPSTEAD**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**COMBINING STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2010**

	<b>PARK DISTRICTS</b>		<b>POLICE DISTRICT</b>	<b>PUBLIC LIBRARY DISTRICT</b>	<b>COMMUNITY DEVELOPMENT AGENCY</b>
	<u>Manhasset</u>	<u>Great Neck</u>	<u>Port Washington</u>	<u>Shelter Rock</u>	<u>Town of North Hempstead</u>
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash and investments	\$ 1,425,058	\$ 7,092,576	\$ 8,035,561	\$ 3,342,518	\$ 990,480
Accounts receivable, net of allowances	111	207,488	296,344	41,908	1,217,686
Prepays		158,237	417,402	60,949	9,041
Due from other governments	44,384	51,617		2,626,693	
Inventory of materials and supplies					
Total Current Assets	<u>1,469,553</u>	<u>7,509,918</u>	<u>8,749,307</u>	<u>6,072,068</u>	<u>2,217,207</u>
<b>Non-current Assets:</b>					
Deferred charges, net of accumulated depreciation					
Capital assets, net of depreciation	<u>2,054,343</u>	<u>26,415,498</u>	<u>815,315</u>	<u>3,530,551</u>	<u>2,244,455</u>
Total Non-Current Assets	<u>2,054,343</u>	<u>26,415,498</u>	<u>815,315</u>	<u>3,530,551</u>	<u>2,244,455</u>
Total Assets	<u>3,523,896</u>	<u>33,925,416</u>	<u>9,564,622</u>	<u>9,602,619</u>	<u>4,461,662</u>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts payable	45,423	525,475	77,366	545,032	32,386
Accrued liabilities			130,522	190,967	
Accrued interest payable		114,913	3,089		
Bond anticipation notes payable		700,000			
Due to other governments			23,318		
Deferred revenue		519,468		68,571	806,618
Other liabilities				529	
Non-current liabilities due within one year					
General obligation bonds payable	10,000	1,484,475	15,547	320,620	
Compensated absences			1,267,556		
Installment purchase debt		60,194			
Total Current Liabilities	<u>55,423</u>	<u>3,404,525</u>	<u>1,517,398</u>	<u>1,125,719</u>	<u>839,004</u>
<b>Non-current liabilities:</b>					
General obligation bonds payable	20,000	18,312,941	147,450	5,052,716	
Compensated absences	155,660	532,833	6,149,272	122,392	37,321
Other postemployment benefits	998,690	2,506,815	9,207,141	344,373	235,483
Installment purchase debt		999,273			
Total Non-Current Liabilities	<u>1,174,350</u>	<u>22,351,862</u>	<u>15,503,863</u>	<u>5,519,481</u>	<u>272,804</u>
Total Liabilities	<u>1,229,773</u>	<u>25,756,387</u>	<u>17,021,261</u>	<u>6,645,200</u>	<u>1,111,808</u>
<b>NET ASSETS</b>					
Investment in capital assets, net of related debt	2,024,343	6,938,745	652,318	780,332	2,244,455
Restricted		191,157		64,662	
Unrestricted	<u>269,780</u>	<u>1,039,127</u>	<u>(8,108,957)</u>	<u>2,112,425</u>	<u>1,105,399</u>
Total Net Assets	<u>\$ 2,294,123</u>	<u>\$ 8,169,029</u>	<u>\$ (7,456,639)</u>	<u>\$ 2,957,419</u>	<u>\$ 3,349,854</u>

**BUSINESS  
IMPROVEMENT  
DISTRICT**

<u>Port Washington</u>	<u>Totals</u>
\$ 110,380	\$ 63,246,884
1,751	12,049,536
	1,145,578
38,048	4,987,280
	455,185
<u>150,179</u>	<u>81,884,463</u>
	138,701
<u>82,731</u>	<u>174,423,570</u>
<u>82,731</u>	<u>174,562,271</u>
<u>232,910</u>	<u>256,446,734</u>
13,172	9,372,268
	497,172
606	914,985
	15,166,200
	131,802
	1,453,033
	143,141
7,901	6,777,754
	1,267,556
	60,194
<u>21,679</u>	<u>35,784,105</u>
107,689	85,174,804
	8,764,448
	24,303,932
	999,273
<u>107,689</u>	<u>119,242,457</u>
<u>129,368</u>	<u>155,026,562</u>
35,763	75,961,992
14,255	2,374,133
53,524	23,084,047
<u>\$ 103,542</u>	<u>\$ 101,420,172</u>

**TOWN OF NORTH HEMPSTEAD**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**COMBINING STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2010

**WATER DISTRICTS**

	Glenwood	Albertson	Garden City Park	Port Washington	Westbury	Roslyn	Carle Place	Manhasset - Lakeville
<b>REVENUES</b>								
Program revenues								
Charges for services	\$ 141,004	\$ 1,395,343	\$ 1,372,840	\$ 3,929,756	\$ 1,822,724	\$2,006,710	\$ 771,745	\$ 6,712,172
Operating grants and contributions								
Capital grants and contributions								
Real property taxes	152,923	1,577,197	2,289,365	1,391,159	2,543,641	1,929,387	1,596,174	2,399,668
Real property tax items				19,907		27,755		
Use of money and property - interest and earnings	441	11,587	32,642	8,956	300,488	25,630	283,956	97,338
Sales of property and compensation for loss		61,486					551,687	
Miscellaneous local sources	45	48,511	1,657,228	21,133	1,112,634	32,342	26,270	1,146,468
State aid								
Gain (loss) on sale of capital assets								(59,015)
Total Revenues	<u>294,413</u>	<u>3,094,124</u>	<u>5,352,075</u>	<u>5,370,911</u>	<u>5,779,487</u>	<u>4,021,824</u>	<u>3,229,832</u>	<u>10,296,631</u>
<b>EXPENSES</b>								
Current:								
Public safety								
Transportation								
Culture and recreation								
Home and community services	529,078	2,917,918	3,562,304	5,362,825	4,462,908	4,017,100	2,275,770	7,822,476
Total Expenses	<u>529,078</u>	<u>2,917,918</u>	<u>3,562,304</u>	<u>5,362,825</u>	<u>4,462,908</u>	<u>4,017,100</u>	<u>2,275,770</u>	<u>7,822,476</u>
<b>Change in Net Assets</b>	<u>(234,665)</u>	<u>176,206</u>	<u>1,789,771</u>	<u>8,086</u>	<u>1,316,579</u>	<u>4,724</u>	<u>954,062</u>	<u>2,474,155</u>
<b>Net Assets at Beginning of Year</b>	<u>287,329</u>	<u>2,870,635</u>	<u>10,173,739</u>	<u>6,560,942</u>	<u>3,070,142</u>	<u>5,686,691</u>	<u>3,698,361</u>	<u>20,491,045</u>
Net Assets at End of Year	<u>\$ 52,664</u>	<u>\$ 3,046,841</u>	<u>\$11,963,510</u>	<u>\$ 6,569,028</u>	<u>\$ 4,386,721</u>	<u>\$5,691,415</u>	<u>\$4,652,423</u>	<u>\$22,965,200</u>

WATER POLLUTION CONTROL DISTRICTS			GARBAGE DISTRICTS			
Great Neck	Belgrave	Port Washington	Port Washington	Glenwood	Carle Place	Roslyn
\$ 1,070,088	\$ 736,164	\$ 871,006				
	1,010,742					
3,135,699	2,263,036	4,500,353	\$2,051,346	\$ 46,748	\$ 536,481	\$ 582,694
					1,310	
13,668	26,330	33,288	1,817	26	1,446	1,845
27,428		4,153,577				
	(360)					
<u>4,246,883</u>	<u>4,035,912</u>	<u>9,558,224</u>	<u>2,053,163</u>	<u>46,774</u>	<u>539,237</u>	<u>584,539</u>
<u>4,177,406</u>	<u>2,966,868</u>	<u>5,270,412</u>	<u>1,888,401</u>	<u>45,560</u>	<u>660,876</u>	<u>539,318</u>
<u>4,177,406</u>	<u>2,966,868</u>	<u>5,270,412</u>	<u>1,888,401</u>	<u>45,560</u>	<u>660,876</u>	<u>539,318</u>
<u>69,477</u>	<u>1,069,044</u>	<u>4,287,812</u>	<u>164,762</u>	<u>1,214</u>	<u>(121,639)</u>	<u>45,221</u>
<u>7,189,659</u>	<u>4,739,120</u>	<u>14,259,168</u>	<u>516,260</u>	<u>10,966</u>	<u>256,543</u>	<u>187,435</u>
<u>\$ 7,259,136</u>	<u>\$ 5,808,164</u>	<u>\$ 18,546,980</u>	<u>\$ 681,022</u>	<u>\$ 12,180</u>	<u>\$ 134,904</u>	<u>\$ 232,656</u>

(continued)

**TOWN OF NORTH HEMPSTEAD**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**COMBINING STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2010

	<b>PARK DISTRICTS</b>		<b>POLICE DISTRICT</b>	<b>PUBLIC LIBRARY DISTRICT</b>	<b>COMMUNITY DEVELOPMENT AGENCY</b>
	<u>Manhasset</u>	<u>Great Neck</u>	<u>Port Washington</u>	<u>Shelter Rock</u>	<u>Town of North Hempstead</u>
<b>REVENUES</b>					
Program revenues					
Charges for services	\$ 602,758	\$ 3,592,888	\$ 3,642	\$ 152,337	\$ 145,818
Operating grants and contributions			119,067		622,982
Capital grants and contributions		68,038			
Real property taxes	713,423	10,134,412	15,390,245	3,593,827	
Real property tax items			305,035		
Use of money and property - interest and earnings	14,896	86,525	116,806	44,115	4,024
Sales of property and compensation for loss			135,489	1,443	
Miscellaneous local sources	1,099	56,210	29,625	16,131	2,192
State aid				6,846	
Gain (loss) on sale of capital assets		(10,305)			(72,863)
<b>Total Revenues</b>	<u>1,332,176</u>	<u>13,927,768</u>	<u>16,099,909</u>	<u>3,814,699</u>	<u>702,153</u>
<b>EXPENSES</b>					
Current:					
Public safety			18,474,648		
Transportation	1,596,550			4,075,001	
Culture & Recreation		14,022,265			1,073,360
Home and community services					
<b>Total Expenses</b>	<u>1,596,550</u>	<u>14,022,265</u>	<u>18,474,648</u>	<u>4,075,001</u>	<u>1,073,360</u>
<b>Change in Net Assets</b>	<u>(264,374)</u>	<u>(94,497)</u>	<u>(2,374,739)</u>	<u>(260,302)</u>	<u>(371,207)</u>
<b>Net Assets at Beginning of Year</b>	<u>2,558,497</u>	<u>8,263,526</u>	<u>(5,081,900)</u>	<u>3,217,721</u>	<u>3,721,061</u>
<b>Net Assets at End of Year</b>	<u>\$ 2,294,123</u>	<u>\$ 8,169,029</u>	<u>\$ (7,456,639)</u>	<u>\$ 2,957,419</u>	<u>\$ 3,349,854</u>

**BUSINESS  
IMPROVEMENT  
DISTRICT**

<u>Port Washington</u>	<u>Totals</u>
\$ 5,594	\$ 25,332,589
	742,049
	1,078,780
169,837	56,997,615
	354,007
1,497	1,107,321
	750,105
	8,330,893
	6,846
	(142,543)
<u>176,928</u>	<u>94,557,662</u>
	18,474,648
	1,596,550
	18,097,266
<u>180,330</u>	<u>47,752,910</u>
<u>180,330</u>	<u>85,921,374</u>
	18,474,648
	1,596,550
	18,097,266
	47,752,910
	85,921,374
<u>(3,402)</u>	<u>8,636,288</u>
<u>106,944</u>	<u>92,783,884</u>
<u>\$ 103,542</u>	<u>\$ 101,420,172</u>

**THIS PAGE INTENTIONALLY LEFT BLANK**

## STATISTICAL SECTION

This part of the Town of North Hempstead's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

<b><u>Contents</u></b>	<b>Page</b>
<b>Financial Trends</b> <i>These schedules contain information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	120-130
<b>Revenue Capacity</b> <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	131-135
<b>Debt Capacity</b> <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	136-140
<b>Demographic and Economic Information</b> <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	141-142
<b>Operating Information</b> <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	143-147

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Town implemented GASB Statement No. 34 in 2003; schedules presenting government-wide information include information beginning in that year.

**TOWN OF NORTH HEMPSTEAD**  
**Net Assets by Component**  
**Last Eight Years**  
**(accrual basis of accounting)**

<u>As of December 31,</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 217,695,935	\$ 81,566,768	\$ 76,605,301	\$ 63,227,590
Restricted	5,557,086	4,730,567	11,493,040	17,282,036
Unrestricted	<u>(54,631,750)</u>	<u>(39,184,455)</u>	<u>(41,691,280)</u>	<u>(34,576,956)</u>
Total primary government net assets	<u>\$ 168,621,271</u>	<u>\$ 47,112,880</u>	<u>\$ 46,407,061</u>	<u>\$ 45,932,670</u>

Note: Data not available prior to fiscal 2003 implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

Source: Town of North Hempstead Audited Financial Statements  
Statement of Net Assets

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 62,581,787	\$ 54,723,278	\$ 48,766,916	\$ 36,538,610
2,124,163	2,253,146	817,335	910,158
<u>(41,151,509)</u>	<u>(49,621,405)</u>	<u>(47,950,096)</u>	<u>(54,221,451)</u>
<u>\$ 23,554,441</u>	<u>\$ 7,355,019</u>	<u>\$ 1,634,155</u>	<u>\$ (16,772,683)</u>

**TOWN OF NORTH HEMPSTEAD**  
**Changes in Net Assets**  
**Last Eight Years**  
**(accrual basis of accounting)**

Year ended December 31,	2010	2009	2008	2007
<b>Expenses</b>				
Governmental activities:				
General government support	\$ 25,899,656	\$ 23,933,803	\$ 23,840,684	\$ 20,421,287
Education	601,906	571,367	629,492	282,439
Public safety	10,541,116	10,859,785	11,382,404	9,566,154
Health	311,324	336,891	318,914	253,083
Transportation	23,896,533	23,299,489	22,076,865	15,695,095
Economic assistance and opportunity	2,931,069	2,098,481	3,135,811	2,456,352
Culture and recreation	24,971,385	24,682,702	22,643,001	14,212,650
Home and community service	26,943,688	22,950,170	23,993,678	23,945,836
Interest on long-term debt	7,050,021	7,319,311	8,106,577	8,439,201
Total primary government expenses	<u>\$ 123,146,698</u>	<u>\$ 116,051,999</u>	<u>\$ 116,127,426</u>	<u>\$ 95,272,097</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government support	\$ 316,511	\$ 268,864	\$ 321,849	\$ 333,594
Public safety	4,157,137	3,632,095	4,491,380	4,153,285
Health	241,740			
Transportation	1,464,958	1,231,699	958,363	1,176,630
Culture and recreation	8,488,338	8,291,163	8,876,165	8,475,019
Home and community service	15,917,596	13,360,668	14,796,616	12,372,598
Operating grants and contributions	3,688,338	3,752,788	2,788,957	5,366,607
Capital grants and contributions	9,070,051	905,706	1,170,927	1,024,300
Total primary government program revenues	<u>\$ 43,344,669</u>	<u>\$ 31,442,983</u>	<u>\$ 33,404,257</u>	<u>\$ 32,902,033</u>
<b>Net (Expense) Revenue</b>				
Total primary government net expense	<u>\$ (79,802,029)</u>	<u>\$ (84,609,016)</u>	<u>\$ (82,723,169)</u>	<u>\$ (62,370,064)</u>
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental Activities				
Property taxes	\$ 63,816,162	\$ 61,685,941	\$ 56,422,999	\$ 54,216,380
Real property tax items	1,808,357	1,772,707	2,108,771	2,712,672
Non-property tax items	11,272,681	10,553,049	11,177,944	11,058,164
Interest earnings - unrestricted	1,328,722	796,401	1,270,556	2,201,639
Mortgage tax	5,863,439	5,643,419	7,677,222	12,071,333
State aid - unrestricted	1,044,454	1,111,654	1,111,654	1,502,952
Sale of property and compensation for loss	1,775,865			
Licenses and permits				
Other	114,400,740	3,751,664	1,342,723	985,153
Total primary government	<u>\$ 201,310,420</u>	<u>\$ 85,314,835</u>	<u>\$ 81,111,869</u>	<u>\$ 84,748,293</u>
<b>Change in Net Assets</b>				
Total primary government	<u>\$ 121,508,391</u>	<u>\$ 705,819</u>	<u>\$ (1,611,300)</u>	<u>\$ 22,378,229</u>

Note: Data not available prior to fiscal 2003 implementation of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

Source: Town of North Hempstead Audited Financial Statements  
Statement of Activities

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 19,851,465	\$ 18,651,307	\$ 22,032,064	\$ 11,617,344
412,968	507,426		
7,549,558	8,107,827	6,948,076	8,793,172
227,241	296,061	167,292	
20,033,989	13,652,265	15,335,273	16,331,484
2,566,294	2,310,049	1,480,033	
20,081,358	15,823,332	11,325,157	14,678,341
21,593,176	22,542,284	25,533,743	20,062,267
8,028,366	10,167,563	9,884,111	11,070,932
<u>\$ 100,344,415</u>	<u>\$ 92,058,114</u>	<u>\$ 92,705,749</u>	<u>\$ 82,553,540</u>
\$ 380,498	\$ 179,686	\$ 159,613	\$ 134,110
3,460,226	3,329,947	3,189,193	863,164
1,301,180	993,226	1,926,068	1,382,557
7,402,057	6,380,882	6,405,645	5,699,443
15,399,978	14,990,887	15,465,155	16,814,285
613,681	841,284	521,731	1,651,048
744,739			1,903,860
<u>\$ 29,302,359</u>	<u>\$ 26,715,912</u>	<u>\$ 27,667,405</u>	<u>\$ 28,448,467</u>
<u>\$ (71,042,056)</u>	<u>\$ (65,342,202)</u>	<u>\$ (65,038,344)</u>	<u>\$ (54,105,073)</u>
\$ 51,660,364	\$ 50,158,581	\$ 49,894,446	\$ 48,972,304
2,281,401	1,522,506	2,071,859	1,110,538
10,813,890	10,331,465	10,111,751	9,643,766
2,295,875	1,581,364	768,355	1,202,328
14,173,192	15,827,682	16,366,560	
1,469,508	1,247,154	1,448,571	12,312,486
		1,845,568	
	1,342,723		2,135,952
538,595	1,461,199	938,073	782,717
<u>\$ 83,232,825</u>	<u>\$ 83,472,674</u>	<u>\$ 83,445,183</u>	<u>\$ 76,160,091</u>
<u>\$ 12,190,769</u>	<u>\$ 18,130,472</u>	<u>\$ 18,406,839</u>	<u>\$ 22,055,018</u>

**TOWN OF NORTH HEMPSTEAD**  
**Governmental Activities Tax Revenues By Source**  
**Last Eight Years**  
**(accrual basis of accounting)**

<b>Year Ended December 31,</b>	<b>Real Property Tax</b>	<b>Other Real Property Tax</b>	<b>Non-Property Tax Items</b>	<b>Total</b>
2010	\$ 63,816,162	\$ 1,808,357	\$ 11,272,681	\$ 76,897,200
2009	61,685,941	1,772,707	10,553,049	74,011,697
2008	56,422,999	2,108,771	11,177,944	69,709,714
2007	54,216,380	2,712,672	11,058,164	67,987,216
2006	51,660,364	2,281,401	10,813,890	64,755,655
2005	50,158,581	1,522,506	10,331,465	62,012,552
2004	49,894,446	2,071,859	10,111,751	62,078,056
2003	48,972,304	1,110,533	9,643,766	59,726,603

Note: Data not available prior to fiscal 2003 implementation of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements and *Management's Discussion and Analysis for State and Local Governments*.

Source: Town of North Hempstead Audited Financial Statements  
Statement of Activities

**THIS PAGE INTENTIONALLY LEFT BLANK**

**TOWN OF NORTH HEMPSTEAD**  
**Fund Balances of Governmental Funds**  
**Last Eight Years**  
**(modified accrual basis of accounting)**

<u>As of December 31,</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund				
Reserved	\$ 2,395,670	\$ 519,264	\$ 552,305	\$ 559,395
Unreserved	9,915,603	11,636,395	17,289,914	17,840,400
Total General Fund	<u>\$ 12,311,273</u>	<u>\$ 12,155,659</u>	<u>\$ 17,842,219</u>	<u>\$ 18,399,795</u>
All other governmental funds				
Reserved	\$ 35,247,468	\$ 20,071,816	\$ 18,548,411	\$ 17,311,971
Unreserved, reported in:				
Special revenue funds	10,041,155	7,810,240	5,750,366	8,264,263
Capital projects funds	(54,504,415)	(18,493,070)	(6,046,966)	825,420
Debt service fund	752,320	2,812,787	2,477,787	2,126,273
Total All Other Governmental Funds	<u>\$ (8,463,472)</u>	<u>\$ 12,201,773</u>	<u>\$ 20,729,598</u>	<u>\$ 28,527,927</u>

Note: Data not being presented prior to fiscal 2003 implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

Source: Town of North Hempstead Audited Financial Statements  
Balance Sheet

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 602,523	\$ 21,681	\$ 127,867	\$ 2,723,422
20,142,431	20,477,742	20,226,247	8,505,742
<u>\$ 20,744,954</u>	<u>\$ 20,499,423</u>	<u>\$ 20,354,114</u>	<u>\$ 11,229,164</u>
\$ 12,968,754	\$ 12,988,696	\$ 12,274,359	\$ 12,962,587
12,612,181	12,848,692	13,614,207	12,408,148
(7,351,830)	(10,492,594)	(17,468,084)	(16,988,837)
1,646,265	1,382,758	288,624	44,958
<u>\$ 19,875,370</u>	<u>\$ 16,727,552</u>	<u>\$ 8,709,106</u>	<u>\$ 8,426,856</u>

**TOWN OF NORTH HEMPSTEAD**  
**Changes in Fund Balances of Governmental Funds**  
**Last Eight Years**  
**(modified accrual basis of accounting)**

Year ended December 31,	2010	2009	2008	2007
<b>Revenues</b>				
Real property taxes	\$ 63,816,162	\$ 61,685,941	\$ 56,422,999	\$ 54,216,380
Real property tax items	1,808,357	1,772,707	2,108,771	2,712,672
Non-property tax items	11,272,681	10,553,049	11,177,944	11,058,164
Charges for services	24,400,667	23,203,649	25,662,941	22,989,409
Intergovernmental charges	1,622,331	578,911	856,683	564,285
Use of money and property	1,216,559	842,928	1,323,318	2,087,042
License and permits	3,745,966	2,876,128	4,069,511	3,507,525
Fines and forfeitures	301,504	395,050	162,710	159,663
Sale of property and compensation for loss	459,710	2,204,692	601,074	277,099
Miscellaneous local sources	120,830,435	4,336,599	2,805,462	4,954,459
Interfund revenues	6,186,021	6,545,301	6,257,139	5,450,233
State aid	9,429,326	7,926,549	9,684,298	13,831,969
Federal aid	5,390,644	707,018	965,817	58,223
<b>Total Revenues</b>	<b>250,480,363</b>	<b>123,628,522</b>	<b>122,098,667</b>	<b>121,867,123</b>
<b>Expenditures</b>				
General government support	18,041,263	17,174,514	16,915,724	16,174,256
Education	601,906	571,367	629,492	282,439
Public safety	9,276,505	9,354,264	9,898,211	8,694,795
Health	181,135	191,946	189,337	179,701
Transportation	15,645,227	14,285,581	14,105,804	13,436,869
Economic assistance and opportunity	2,075,798	1,442,441	2,105,211	1,929,023
Culture and recreation	16,326,553	16,051,879	15,601,723	14,985,315
Home and community services	24,568,372	22,457,155	23,308,180	21,693,967
Employee benefits	13,265,108	12,829,691	12,761,276	12,229,435
Capital outlay	148,094,890	22,361,001	10,439,461	10,541,134
Debt Service				
Principal	18,803,632	19,597,605	18,440,527	18,733,803
Interest	6,988,606	7,540,463	8,329,626	8,735,528
Other charges	130,757			
<b>Total Expenditures</b>	<b>273,999,752</b>	<b>143,857,907</b>	<b>132,724,572</b>	<b>127,616,265</b>
Excess (Deficiency) of Revenues over (under) Expenditures	(23,519,389)	(20,229,385)	(10,625,905)	(5,749,142)
<b>Other Financing Sources (Uses)</b>				
Transfers in	35,647,342	30,969,268	27,543,991	32,502,871
Transfers out	(35,647,342)	(30,969,268)	(27,543,991)	(32,502,871)
Debt issuance	2,879,000	6,015,000	2,270,000	12,056,540
Refunding bonds issued	7,547,603			
Bond anticipation notes redeemed	(383,500)			
Retirement of debt made by funds	383,500			
Premium on bonds issued	410,228			
Payments to refund bond escrow agent	(7,827,073)			
<b>Total Other Financing Sources (Uses)</b>	<b>3,009,758</b>	<b>6,015,000</b>	<b>2,270,000</b>	<b>12,056,540</b>
<b>Net Change in Fund Balances</b>	<b>\$ (20,509,631)</b>	<b>\$ (14,214,385)</b>	<b>\$ (8,355,905)</b>	<b>\$ 6,307,398</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>20.55%</b>	<b>22.4%</b>	<b>22.0%</b>	<b>24.8%</b>

Note: Data not being presented prior to fiscal 2003 implementation of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

Source: Town of North Hempstead Audited Financial Statements  
Statement of Revenues, Expenditure, and Changes in Fund Balance

	2006	2005	2004	2003
\$	51,660,364	\$ 50,158,581	\$ 49,894,446	\$ 48,972,304
	2,281,401	1,522,506	2,071,859	1,110,538
	10,813,890	10,331,465	10,111,751	9,643,766
	24,634,712	23,059,773	23,663,869	24,004,900
	718,260	314,185	1,007,691	966,278
	2,181,278	1,581,364	874,392	752,335
	2,770,710	2,653,415	2,362,171	2,387,378
	157,575	248,730	261,340	50,150
	427,912	167,014	1,778,851	320,500
	260,265	1,490,244	1,553,287	571,735
	5,174,044	4,882,312	4,074,801	3,788,915
	16,478,668	17,324,015	18,143,409	15,614,376
	522,452	592,105	193,453	253,018
	<u>118,081,531</u>	<u>114,325,709</u>	<u>115,991,320</u>	<u>108,436,193</u>
	16,289,286	14,265,315	10,264,926	8,614,312
	412,968	507,426		
	7,511,865	7,273,249	8,145,434	8,161,085
	159,313	216,956		
	11,743,873	9,292,569	10,850,662	9,575,977
	2,036,580	1,766,579		
	13,876,255	11,862,827	12,003,478	10,910,362
	23,775,327	24,292,675	24,681,057	24,907,126
	12,548,262	11,776,837	10,319,301	9,218,942
	10,883,705	13,805,282	10,148,286	5,060,233
	16,244,807	16,971,276	17,934,906	17,109,058
	9,283,941	9,558,185	9,915,105	10,494,205
		1,989,226		
	<u>124,766,182</u>	<u>123,578,402</u>	<u>114,263,155</u>	<u>104,051,300</u>
	(6,684,651)	(9,252,693)	1,728,165	4,384,893
	28,820,810	32,609,941	28,080,577	28,355,912
	(28,820,940)	(32,609,941)	(28,080,577)	(28,355,912)
	10,078,000	13,507,000	37,138,761	44,180,346
		38,935,987		
		2,177,350		
		(39,124,111)	(29,459,726)	(43,736,346)
	<u>10,077,870</u>	<u>15,496,226</u>	<u>7,679,035</u>	<u>444,000</u>
\$	<u>3,393,219</u>	<u>6,243,533</u>	<u>9,407,200</u>	<u>4,828,893</u>
	22.5%	24.8%	27.2%	28.5%

**TOWN OF NORTH HEMPSTEAD**  
**General Governmental Tax Revenues By Source**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

<b>Year Ended December 31,</b>	<b>Real Property Tax<sup>1</sup></b>	<b>Sales Tax<sup>2</sup></b>	<b>Mortgage Tax<sup>3</sup></b>	<b>Franchise Tax</b>	<b>Total</b>
2010	\$ 63,816,162	\$ 9,550,499	\$ 5,863,439	\$ 1,722,182	\$ 80,952,282
2009	61,685,941	9,005,021	5,643,419	1,548,028	77,882,409
2008	56,422,999	9,724,584	7,677,222	1,453,360	75,278,165
2007	54,216,380	9,745,787	12,071,333	1,312,377	77,345,877
2006	51,660,364	9,645,396	14,173,192	1,168,494	76,647,446
2005	50,158,581	9,227,420	15,827,682	1,104,045	76,317,728
2004	49,894,446	9,033,724	16,366,560	1,078,027	76,372,757
2003	48,972,304	8,624,707	12,259,724	1,019,059	70,875,794
2002	44,171,679	8,413,533	9,502,256	983,772	63,071,240
2001	41,164,058	8,020,565	7,174,059	904,798	57,263,480

Source: Town of North Hempstead Audited Financial Statements  
Statement of Revenues, Expenditure, and Changes in Fund Balance

- <sup>1</sup> Primary government
- <sup>2</sup> Classified as Nassau County local assistance
- <sup>3</sup> Classified as part of State Aid

Town of North Hempstead  
 Assessed Value, State Equalization Rate, and Estimated Full Value of Real Property  
 Last Ten Years

Year Ended December 31,	Residential Property 1 to 4 Family Homes	Residential Property Condominia and Cooperatives	Utility Property	All Other Property	Total Net Assessed Value	State Equalization Rate	Full Valuation	Total Direct Tax Rate
2010	\$ 132,570,851	\$ 10,243,443	\$ 8,477,047	\$ 54,793,312	\$ 206,084,653	0.33%	\$ 62,449,894,848	\$ 96.924
2009	133,075,463	9,655,173	8,204,377	51,658,844	202,593,857	0.32%	63,310,580,313	96.505
2008	129,604,894	8,624,417	7,459,244	48,342,052	194,030,607	0.30%	64,676,869,000	92.669
2007	122,364,045	7,836,398	7,143,895	44,661,722	182,006,060 <sup>1</sup>	0.30%	60,668,686,667	94.180
2006	206,543,361	7,447,777	5,695,638	43,451,172	263,137,948 <sup>1</sup>	0.50%	52,627,589,600	62.168
2005	335,172,557	6,845,499	5,661,149	43,021,519	390,700,724	0.82%	47,646,429,756	39.896
2004	342,996,484	7,421,796	5,545,802	43,400,710	399,364,792 <sup>2</sup>	0.90%	44,373,865,778	38.648
2003	567,190,027	36,196,867	101,354,590	268,513,118	973,254,602	2.41%	40,384,008,382	15.566
2002	564,384,945	38,454,225	99,686,946	273,886,207	976,412,323	2.78%	35,122,745,432	14.863
2001	560,347,102	38,643,365	89,530,373	280,663,857	969,184,697	3.10%	31,264,022,484	15.063

Sources: Town of North Hempstead Budgets and Official Statements

Note: Assessed values are established by the Nassau County Department of Assessment.

<sup>1</sup> 2006 rate increases are due to decreases in assessed valuations by Nassau County.

<sup>2</sup> Nassau County completed a county-wide reassessment in 2004 wherein it reassessed all properties within the County based on approximately 1% of full value.

TOWN OF NORTH HEMPSTEAD  
Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Years

GOVERNMENTAL FUNDS

TOWN OPERATED DISTRICTS

Year Ended December 31,	Town <sup>1</sup>				TOWN OPERATED DISTRICTS						
	General	Outside Villages	Highway	Part-Town	Fire Protection	Garbage	Lighting	Parks	Public Parking	Sidewalk	Water
2010	\$ 9.404	\$ 29.436			\$ 18.276	\$ 15.043	\$ 2.349	\$ 15.995	\$ 0.999	\$ 3.625	\$ 1.798
2009	9.164	28.738			18.541	15.824	2.233	15.727	1.009	3.482	1.787
2008	8.504	26.751			18.408	16.182	2.090	14.592	1.004	3.327	1.811
2007	8.780	27.100			17.962	17.532	2.041	14.396	1.044	3.380	1.946
2006	5.795		\$ 17.179	\$ 1.616	11.838	12.186	1.367	7.963	0.671	2.293	1.260
2005	3.903		11.563	1.109	7.932	7.647	0.869	4.161	0.438	1.452	0.824
2004	3.819		11.360	1.089	7.699	7.332	0.825	3.924	0.429	1.391	0.780
2003	1.523		4.260	0.357	3.022	2.716	0.316	2.294	0.213	0.517	0.347
2002	1.108		4.115	0.327	2.952	2.685	0.324	2.305	0.218	0.500	0.328
2001	1.054		3.902	0.328	2.898	2.471	0.288	3.241	0.144	0.468	0.269

Source: Adopted Town Budgets

<sup>1</sup> NYS Legislation, Senate Bill No. 7570, permitted the consolidation of the Highway into the Part-Town (Town Outside Village) Fund.

<sup>2</sup> 2006 rate increases are due to decreases in assessed valuations by Nassau County.

<sup>3</sup> Nassau County completed a county-wide reassessment in 2004 wherein it reassessed all properties within the County based on approximately 1% of full value.

Includes all classes of property for each Fund/District

<b>Town Direct Rate</b>	<b>County Direct Rate</b>	<b>School Direct Rate</b>	<b>Total Direct &amp; Overlapping Rate</b>
\$ 96.924	\$ 110.06	\$ 389.58	\$ 596.56
96.505	92.62	396.29	585.42
92.669	113.80	406.07	612.53
94.180 <sup>2</sup>	119.42	394.15	607.75
62.168 <sup>2</sup>	79.92	256.12	398.21
39.896	53.61	172.50	266.00
38.648 <sup>3</sup>	52.43	168.75	259.83
15.566	20.84	69.25	105.65
14.863	17.72	69.02	101.60
15.063	16.69	69.54	101.29

**Town of North Hempstead  
Principal Property Taxpayers  
Current Year and Nine Years Ago**

2010				
Rank	Taxpayer	Nature of Business	Assessed Valuation	Percentage of Total Assessed Valuation <sup>(a) (b)</sup>
1	Keyspan Gas East	Utility	\$ 3,942,857	1.91%
2	Long Island Power Authority	Utility	3,571,788	1.73%
3	Park Lake Success	Real Estate	1,532,052	0.74%
4	Verizon New York	Utility	1,353,732	0.66%
5	Feiga-Olive Tree	Real Estate	1,280,474	0.62%
6	We're Associates Inc.	Real Estate	1,216,973	0.59%
7	Fifth Avenue of Long Island Realty Assoc.	Real Estate	922,534	0.45%
8	Country Glen LLC	Real Estate	684,421	0.33%
9	600 Community LLC	Real Estate	549,269	0.27%
10	1979 Marcus Avenue Associates LLC	Real Estate	529,329	0.26%
Total			<u>\$ 15,583,429</u>	<u>7.56%</u>

2001				
Rank	Taxpayer	Nature of Business	Assessed Valuation	Percentage of Total Assessed Valuation <sup>(a) (b)</sup>
1	Long Island Power Authority	Utility	\$ 110,342,770	11.39%
2	NY Telephone Co.	Utility	14,712,281	1.52%
3	BDG Management LTD	Office Buildings	4,790,600	0.49%
4	Reckson Associates	Office Buildings	3,237,200	0.33%
5	5th. Avenue of LI Association	Retail	2,676,800	0.28%
6	Pall Corporation	Manufacturing	2,428,110	0.25%
7	Avenue Reality Corporation	Office Building	2,286,230	0.24%
8	Lake Success Shopping Center	Retail	2,159,330	0.22%
9	Astoria Federal Savings	Banking	2,115,860	0.22%
10	Federated Department Stores	Retail	2,032,400	0.21%
Total			<u>\$ 146,781,581</u>	<u>15.15%</u>

Source: Town of North Hempstead 2010 and 2001 Official Statements

<sup>a</sup> Nassau County completed a county-wide reassessment in 2004 wherein it reassessed all properties within the County based on approximately 1% of full value.

<sup>b</sup> See Assessed Valuation, State Equalization Rate and Estimated Full Value of Real Property page 131 for total net assessed value.

**Town of North Hempstead  
Property Tax Levies and Collections  
Last Ten Years**

<u>Year Ended December 31,</u>	<u>Tax Levy For Town</u>	<u>Total Tax Levy<sup>1</sup></u>	<u>Amount Collected<sup>2</sup></u>	<u>Percent of Total Tax Levy Collected</u>	<u>Amount Uncollected<sup>2</sup></u>	<u>Percent of Total Tax Levy Uncollected</u>
2010	\$ 135,200,465	\$ 362,025,228	\$ 353,981,362	97.78%	\$ 8,043,866	2.22%
2009	132,256,987	319,905,676	313,611,841	98.03%	6,293,835	1.97%
2008	123,632,214	344,434,261	337,510,707	97.99%	6,923,554	2.01%
2007	119,033,554	336,388,044	329,563,031	97.97%	6,825,013	2.03%
2006	115,060,611	325,360,939	319,175,699	98.10%	6,185,240	1.90%
2005	110,445,336	319,905,676	313,611,941	98.03%	6,293,735	1.97%
2004	107,351,616	316,724,188	309,989,056	97.87%	6,735,132	2.13%
2003	97,809,793	300,603,279	294,031,943	97.81%	6,571,336	2.19%
2002	90,060,435	263,079,023	257,405,464	97.84%	5,673,559	2.16%
2001	84,759,215	246,561,816	240,856,196	97.69%	5,705,620	2.31%

Source: Town of North Hempstead Official Statements

<sup>1</sup> Total tax levy consists of Town of North Hempstead, Special Districts and Nassau County.

<sup>2</sup> The Town retains 100% of the amount levied for Town, Highway and Special District purposes; taxes uncollected at the expiration of the warrant are returned to the County for collection and enforcement. As a result there are no Town taxes collected in subsequent years.

**Town of North Hempstead  
Ratios of Outstanding Debt by Type  
Last Ten Years**

<b>Governmental Activities</b>					
<b>Year Ended December 31,</b>	<b>General Obligation Bonds</b>	<b>Bond Anticipation Notes Payable</b>	<b>Revenue Bonds</b>	<b>Installment Purchase Debt</b>	<b>NYS Loan Payable</b>
2010	\$ 146,514,740	\$ 61,654,444	\$ 11,035,000		
2009	160,142,656	16,018,500	13,130,000		
2008	171,685,261	2,000,000	15,170,000		
2007	185,870,788		17,155,000		
2006	190,598,051	3,658,540	19,105,000		
2005	196,764,858	6,178,040	19,105,000		
2004	200,287,258	13,286,000	19,235,000		
2003	195,688,403	27,496,837	19,955,000		
2002	188,614,242	40,737,421	17,250,000	\$ 29,215	
2001	196,954,826	34,146,000	17,360,000	113,080	\$ 2,924,298

Note: Details regarding the outstanding debt may be found in the notes to the financial statements.

<sup>1</sup> See the schedule of Demographic and Economic Statistics on page 141 for personal income and population.

<u>Total Primary Government</u>	<u>Percentage of Personal Income<sup>1</sup></u>	<u>Per Capita<sup>1</sup></u>
\$ 219,204,184	0.25%	\$ 969
189,291,156	0.23%	837
188,855,261	0.21%	838
203,025,788	0.23%	903
213,361,591	0.26%	953
222,047,898	0.29%	996
232,808,258	0.33%	1,048
243,140,240	0.43%	1,095
246,630,878	0.38%	1,113
251,498,204	0.38%	1,140

**Town of North Hempstead  
 Ratios of General Bonded Debt Outstanding  
 Last Ten Years**

<b>Year Ended December 31,</b>	<b>General Obligation Bonds</b>	<b>Percentage of Total Net Assessed Valuation<sup>1</sup></b>	<b>Percentage of Full Taxable Value<sup>1</sup> of Property</b>	<b>Per Capita<sup>2</sup></b>
2010	\$ 146,514,740	71.09%	0.23%	\$ 647
2009	160,142,656	79.05%	0.25%	708
2008	171,685,261	88.48%	0.27%	762
2007	185,870,788	102.12%	0.31%	827
2006	190,598,051	72.43%	0.36%	851
2005	196,764,858	50.36%	0.41%	883
2004	200,287,258	50.15% <sup>3</sup>	0.45%	902
2003	195,688,403	20.11%	0.48%	882
2002	188,614,242	19.32%	0.54%	851
2001	196,954,826	20.32%	0.63%	892

Note: Details regarding outstanding debt can be found in the notes to the financial statements.

<sup>1</sup> See the Schedule of Assessed Value, Equalization Rate and Estimated Full Value of Real Property on page 131.

<sup>2</sup> Population data can be found in the Schedule of Demographic and Economic Statistics on page 141.

<sup>3</sup> Nassau County completed a county-wide reassessment in 2004 wherein it reassessed all properties within the County based on approximately 1% of full value.

**Town of North Hempstead  
Direct and Overlapping Governmental Activities Debt  
As of December 31, 2010**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Direct:</b>			
Town of North Hempstead	\$ 326,244,403	100.00%	<u>\$ 326,244,403</u>
<b>Overlapping:</b>			
Nassau County	\$ 3,024,394,000	24.70%	\$ 747,025,318
Incorporated Villages	143,754,485	varied <sup>1</sup>	143,754,485
School Districts	289,894,114	varied <sup>2</sup>	289,894,114
Fire Districts	3,530,000	100.00%	<u>3,530,000</u>
<b>Total overlapping debt</b>			<u>1,184,203,917</u>
<b>Total direct and overlapping debt</b>			<u>\$ 1,510,448,320</u>

Source : Town of North Hempstead Comptroller's Office

<sup>1</sup> Six of the villages located in the Town are also partially located in one of the neighboring towns.

<sup>2</sup> One of the school districts located in the Town is also located in one of the neighboring towns.

**Town of North Hempstead  
Legal Debt Margin Information  
December 31, 2010**

Year Ended December 31,	Net Assessed Valuation	State Equalization Rate	Full Valuation
2010	\$ 206,084,653	0.33%	\$ 62,449,894,848
2009	202,593,857	0.32%	63,310,580,313
2008	194,030,607	0.30%	64,676,869,000
2007	182,006,060	0.30%	60,668,686,667
2006	263,137,948	0.50%	52,627,589,600
Total Five Year Full Valuation			<u>\$ 303,733,620,428</u>
Five Year Average Full Valuation of Taxable Real Property			<u>60,746,724,086</u>
Constitutional Debt Limit (7% of Average Full Valuation)			<u>4,252,270,686</u>
Outstanding Indebtedness at December 31st			326,244,403
Less: 2011 Appropriations for Non-Exempt Debt Principal			22,339,351
Less: Exclusions			<u>37,554,773</u>
Net Indebtedness Subject to Debt Limit			<u>266,350,279</u>
Net Debt Contracting Margin			<u>\$ 3,985,920,407</u>
Percentage of Net Debt Contracting Margin Available			93.74%
Percentage of Net Debt Contracting Power Exhausted			6.26%

Last Ten Years					
Year	Constitutional Debt Limit	Total Net Debt Subject to Limit	Net Debt Contracting Margin	Percentage of Debt Contracting Power Exhausted	Percentage of Net Debt Contracting Margin Available
2010	\$ 4,252,270,686	\$ 266,350,279	\$ 3,985,920,407	6.26%	93.74%
2009	4,045,022,175	225,179,837	3,819,842,338	5.57%	94.43%
2008	3,723,316,751	216,981,938	3,506,334,813	5.83%	94.17%
2007	3,439,808,123	214,779,024	3,225,029,099	6.24%	93.76%
2006	3,082,169,945	220,913,890	2,861,256,055	7.17%	92.83%
2005	2,783,075,006	211,879,579	2,571,195,427	7.61%	92.39%
2004	2,523,939,144	224,711,913	2,299,227,231	8.90%	91.10%
2003	2,256,642,631	236,382,517	2,020,260,114	10.47%	89.53%
2002	2,072,978,373	237,810,432	1,835,167,941	11.47%	88.53%
2001	1,940,061,876	214,089,376	1,725,972,500	11.04%	88.96%

Source: Town of North Hempstead Comptroller's Office

**Town of North Hempstead  
Demographic and Economic Statistics  
Last Ten Years**

<b>Year Ended December 31,</b>	<b>Population<sup>1</sup></b>	<b>Personal Income<sup>2</sup></b> (billions of dollars)	<b>Per Capita Income<sup>2</sup></b>	<b>Median Family Income<sup>3,4</sup></b>	<b>Unemployment Rate<sup>5</sup></b>	<b>Number of Households Estimate<sup>1</sup></b>	<b>Average Household Size Estimates<sup>1</sup></b>	<b>Population Density Per Square Mile</b>
2010	226,322	\$ 88,858	\$ 68,668	\$ 117,878	6.4%	78,080	2.86	4,224
2009	226,109	83,985	61,871	112,059	6.5%	78,097	2.86	4,220
2008	225,291	88,078	65,091	119,773	4.4%	77,764	2.86	4,205
2007	224,774	87,168	64,423	115,697	3.4%	77,420	2.85	4,195
2006	223,870	80,873	59,827	114,567	3.5%	77,420	2.85	4,178
2005	222,836	75,451	55,683	106,764	3.7%	77,108	2.85	4,159
2004	222,042	70,394	51,896	108,948	4.3%	76,973	2.85	4,144
2003	221,968	57,167	49,625	105,219	4.3%	77,126	2.84	4,143
2002	221,569	65,670	48,653	102,084	4.4%	77,034	2.84	4,135
2001	220,708	65,986	49,151	99,529	3.5%	76,799	2.84	4,119

Data Sources:

- <sup>1</sup> Long Island Power Authority Population survey - 2010 data not available.
- <sup>2</sup> U.S. Department of commerce, Bureau of Economic Analysis for Nassau County, 2010 data is estimated 2001-2007 source was Long Island Business News/Doing Business on Long Island.
- <sup>3</sup> 2005-2010 U.S. Census Bureau Data. 2001-2004 see note 4.
- <sup>4</sup> Long Island Business News/Doing Business on Long Island 2001-2004.
- <sup>5</sup> State of New York, Department of Labor - Division of Statistics - [www.workforcenewyork.org/li](http://www.workforcenewyork.org/li)  
(Note: Percentages are not seasonally adjusted).

**Town of North Hempstead  
Principal Employers  
Current Year and Nine Years Ago**

**2010**

<b>Rank</b>	<b>Name</b>	<b>Type of Business</b>	<b>Number of Employees</b>
1	North Shore - Long Island Jewish Health System	Hospital	12,406
2	Winthrop - University Hospital	Hospital	6,000
3	Parker Jewish Institute	Skilled Nursing and Rehabilitation Center	3,272
4	St. Francis Hospital	Hospital	2,965
5	ProHEALTH Care Associates	Comprehensive Multi-Specialty Medical Practice	2,000
6	Broadridge Financial Solutions Inc.	Finance	1,501
7	Canon USA	Imaging Solution Provider	1,243
8	Astoria Federal Savings & Loan Association	Banking	1,153
9	New York Community Bancorp Inc.	Banking	1,083
9	PALL Corp.	Technology	800

**2001**

<b>Rank</b>	<b>Name</b>	<b>Type of Business</b>	<b>Number of Employees</b>
1	North Shore - Long Island Jewish Health System	Hospital	39,244
2	Winthrop - University Hospital	Hospital	3,000
3	St. Francis Hospital	Hospital	2,323
4	PALL Corporation	Technology	1,900
5	Transervice Lease	Private Company	935
6	CMP Media	Technology	900
7	The NPD Group	Private Company	881
8	Canon USA	Technology	795
9	Thomson Industries	Technology	600
10	Systemax	Technology	500

Source: 2011 - Long Island Business News 2010 Book of Lists  
2001 - Town of North Hempstead Official Statements  
Percentage of total Town employment is not available.

**Town of North Hempstead  
Full-Time Equivalent Government Employees by Function  
Last Ten Years**

Function	Full-Time Equivalent Employees as of December 31,									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General government	78	89	94	83	88	77	78	60	63	66
Highways	89	94	92	102	93	93	73	70	74	76
Parks and recreation	82	90	96	93	86	82	84	84	84	84
Buildings and planning	39	46	35	51	38	44	41	41	40	37
Public works	21	17	22	20	22	21	33	38	33	37
Community services	21	24	23	20	19	18	15	17	17	18
Town clerk	21	21	17	16	19	17	15	15	15	14
Receiver of taxes	14	13	14	13	13	15	15	15	16	15
Public safety	25	23	20	15	16	10	19	21	22	31
Solid waste management	18	10	9	11	9	8	8	7	6	8
<b>Total</b>	<b>408</b>	<b>427</b>	<b>422</b>	<b>424</b>	<b>403</b>	<b>385</b>	<b>381</b>	<b>368</b>	<b>370</b>	<b>386</b>

Source: Town of North Hempstead Human Resource Department records

**Town of North Hempstead  
Operating Indicators by Function  
Last Ten Years**

<b>Year Ended December 31,</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>Function</b>				
<b>Town Clerk</b>				
Vital statistic documents	25,893	26,205	23,953	25,745
Dog licenses	5,339	5,612	5,844	5,843
Business licenses	1,062	1,104	1,329	1,346
Marriage licenses	910	1,009	1,137	1,099
Dumping permits	2,698	1,260	1,136	1,065
<b>Building</b>				
Building permits issued	4,053	4,336	4,399	1,881
Estimated value of building construction	\$ 86,648,174	\$ 91,009,096	\$ 83,557,923	\$ 45,020,443
<b>Public Safety</b>				
Dogs adopted or reclaimed by owners	366	365	354	343
Dog citations issued	57	262	275	313
<b>Fire</b>				
Number of fire protection districts	11	11	11	11
<b>Parking</b>				
Number of parking meters	807	803	775	775
Parking lots and garage revenue	\$ 308,602	\$ 335,286	\$ 335,032	\$ 344,567
Annual meter revenue	\$ 153,552	\$ 149,814	\$ 151,156	\$ 157,392
Parking permit revenue	\$ 45,945	\$ 47,445	\$ 47,687	\$ 48,853
<b>Highways and Streets</b>				
Street resurfacing (lane miles)	14	14	14	14
Number of trees planted	505	456	559	598
Number of trees trimmed	1,334	955	1,170	1,086
Number of trees removed	692	424	365	519
Road opening permits issued	754	721	855	762
Abandoned vehicles removed	10	8	12	16
Signs installed	1,688	1,457	1,450	815
<b>Sanitation (tons per annum)</b>				
Residential and commercial waste collected	166,610	135,769	142,860	143,301
Recyclables collected	12,181	13,050	2,557	2,208
Yardwaste	19,014	16,576	19,961	19,353
Construction and demolition debris	4,323	4,491	6,671	5,482
<b>Culture and recreation</b>				
Beach permits issued	3,000	3,175	3,120	1,608
Registration for adult programs	340	339	898	1,277
Registration for summer programs	3,150	3,104	1,477	2,096
Cultural passes issued	1,265	1,250	1,200	1,200

Source: Various government departments

Data not available for all ten years is noted as not available (N/A)

2006	2005	2004	2003	2002	2001
24,858	25,441	24,353	23,169	22,623	14,142
5,961	5,677	5,953	5,907	6,069	6,413
1,408	1,400	1,204	1,024	1,058	942
1,337	1,378	1,449	1,423	1,506	1,956
1,324	1,241	1,136	1,130	1,127	910
4,081	4,472	5,451	5,381	4,697	4,602
\$ 79,908,795	\$ 118,539,416	\$ 99,571,696	\$ 100,364,420	\$ 144,423,746	\$ 171,706,683
369	398	411	447	502	487
334	452	610	485	562	521
11	11	11	11	11	11
775	775	725	700	675	675
\$ 340,178	\$ 329,678	\$ 317,258	\$ 317,011	\$ 336,939	\$ 322,415
\$ 163,601	\$ 158,195	\$ 149,330	\$ 147,357	\$ 157,641	\$ 138,670
\$ 59,997	\$ 49,810	\$ 49,605	\$ 50,820	\$ 51,315	\$ 50,978
13	12	13	11	10	13
802	419	54	804	844	719
997	440	832	442	646	419
438	259	354	364	409	335
1,042	930	929	780	682	663
18	53	42	66	63	39
868	641	1,013	1,302	1,795	1,290
171,397	182,566	192,912	208,590	188,531	167,611
3,178	5,734	5,996	6,409	8,222	10,399
25,426	20,532	21,418	21,553	23,755	22,631
8,650	7,627	10,295	11,136	8,998	8,289
1,592	1,553	1,191	1,226	1,556	1,686
1,223	1,167	971	1,012	967	849
2,077	2,020	1,641	1,964	1,969	1,869
1,200	1,200	1,200	1,200	1,200	1,200

**Town of North Hempstead  
Capital Asset Statistics by Function  
Last Ten Years**

<b>Year Ended December 31,</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>Function</b>				
General Government				
Town Hall and annex	2	2	2	2
Sanitation				
Transfer station	1	1	1	1
Annual tonnage processed	198,526	161,564	172,049	170,344
Highways and Streets				
Streets (miles)	275	275	275	274
Culture and recreation				
Parks acreage	841 <sup>1</sup>	722 <sup>1</sup>	883	833
Parks	48 <sup>1</sup>	41 <sup>1</sup>	22	22
Swimming pools	6	6	6	6
Beaches	3	3	3	3
Docks	2	2	2	2
Boat ramps	2	2	2	2
Golf courses (18 hole)	1	1	1	1
Golf courses (9 hole)	1	1	1	1
Driving range	1	1	1	1
Miniature golf course	1	1	1	1
Tennis courts	35	35	35	35
Community centers	3	3	2	2

Source: Various government departments

<sup>1</sup> 2010 and 2009 reflect adjustments made due to classification errors in prior years.  
There is no data available for corrections to years prior to 2009.

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
2	2	2	2	2	2
1	1	1	1	1	1
208,652	216,459	230,621	247,688	146,506	208,930
268	268	268	269	269	269
672	672	672	672	672	672
15	15	15	15	15	15
5	5	5	5	5	5
2	2	2	2	2	2
2	2	2	2	2	2
2	2	2	2	2	2
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
31	31	31	31	31	31
2	2	2	2	2	2