

NASSAU COUNTY
NEW YORK



COMPREHENSIVE
ANNUAL FINANCIAL
REPORT
OF THE
COMPTROLLER

FOR THE FISCAL YEARS ENDED
DECEMBER 31, 2003 AND 2002

HOWARD S. WEITZMAN
COMPTROLLER

NASSAU COUNTY
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COUNTY OF NASSAU, NEW YORK

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PART I

INTRODUCTORY SECTION



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June 1, 2004

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

I am pleased to submit this Comprehensive Annual Financial Report ("the report") for the year ended December 31, 2003, as required by New York State County Law, Article 14 § 577.1(j-k). Although the county still faces serious financial difficulties in the years ahead, during 2003, significant progress was made towards achieving structural budgetary balance. In my role as independent fiscal watchdog, I remain committed to working with you to help the county maintain the fiscal health achieved during the past two years.

This is the second year in which the financial statements are presented using Governmental Accounting Standards Board Statement No. 34 (GASB 34) – *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. The new accounting model promulgated by GASB 34 incorporates significant changes, including consolidated financial statements for all county operations, utilization of the full accrual basis of accounting, presentation of the county's net asset value, including infrastructure assets and depreciation, and *Management's Discussion and Analysis* (MD&A) - an analytical overview of the county's financial activities. Because this is the second year in which the report is GASB 34 compliant, the MD&A has been expanded to present comparisons between the county's financial results for fiscal years 2003 and 2002. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors, on pages 17 through 18.

The year-end accounting of the county's primary funds (General Fund, Police Headquarters, Police Districts, County Parks, Fire Safety and Debt Service) remains a leading indicator of the county's fiscal health. Nassau County completed the fiscal year ended December 31, 2003, with a combined surplus in its primary funds of \$12.7 million, as determined by current governmental accounting principles generally accepted in the United States. The actual operating surplus was \$127.5 million, however, the county elected to apply \$114.8 million to reduce projected future budget deficits.

The 2003 surplus is primarily attributable to corrective budgetary actions taken by the administration, especially in employee salaries, the financial intervention of the Nassau Interim Finance Authority (NIFA), including \$56.6 million of debt restructuring and transitional aid, \$43.1 million in state pension relief, \$15.3 million of Medicaid liability forgiven by New York State and healthy sales tax receipts that grew significantly

at year-end. During 2003, the county further reduced its reliance on non-recurring revenue enhancers and expense reductions. The county would have achieved a small operating surplus even without the “one-shots” noted above.

The county is responsible for the accuracy of the report’s data and the completeness and fairness of the data’s presentation – including all disclosures. I believe the data, as presented, is accurate in material aspects; and presents the financial and operational condition of the county fairly – as measured by the financial activity of the governmental entity, and its various funds and component units, and includes necessary disclosures.

The report contains four sections: introduction, management’s discussion and analysis, financial statements and supplementary information. In addition to this transmittal letter, the introductory section includes the county’s organizational chart and a listing of principal officials. The management’s discussion and analysis section presents summary financial information and facts regarding the county’s fiscal condition. The financial section incorporates the basic and fund financial statements and schedules, as well as the independent auditors’ report prepared by Deloitte & Touche LLP. The Notes to the Combined Financial Statements are an integral part of this report and must be referred to when assessing the financial data. The supplementary information section includes selected financial and demographic information that is generally presented on a multi-year basis. While the data included in the statistical section has been verified and is believed to be accurate, it has not been subject to the audit process applied to the statements and schedules contained within the financial section.

The county is also required to undergo an annual “single audit” in conformance with the provisions of the Federal Single Audit Act (as amended) and the United States Office of Management and Budget’s Circular A-133: *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to this single audit – including the schedule of expenditures of federal grants, findings, recommendations and corrective action plan; the independent auditors’ report on internal controls over financial reporting, based on an audit of financial statements performed in accordance with *Government Auditing Standards* and its report on compliance with applicable laws, regulations, contracts and grants applicable to major federal programs; and internal controls over such compliance – are usually not provided in this report. This information is usually presented as a separate report. The independent auditors’ report on compliance and on internal controls over financial reporting is included as an appendix.

Nassau County funds a full range of municipal services – including public safety, health and education, highways and sanitation, public improvements and parks, recreational facilities and cultural events, as well as planning and general administrative services. Incorporated in 1899, the county contains three towns, two cities, and 64 incorporated villages, 56 school districts and various special districts. With a population of approximately 1.3 million people, it occupies 287 square miles located approximately 15 miles east from Manhattan.

The various funds and component units included in this report are deemed to be controlled by, or financially accountable to, the county based on criteria set forth by the Governmental Accounting Standards Statement No. 14 as discussed in Note 1 to the Combined Financial Statements. The county’s component units are comprised of the Nassau County Interim Finance Authority (NIFA), the Nassau County Tobacco Stabilization Corporation (NCTSC), the Nassau Community College, the Nassau Health Care Corporation (NHCC), the Nassau Regional Off-Track Betting Corporation (OTB), and the Nassau County Industrial Development Agency (NCIDA).

FINANCIAL CONDITION

Although it continues to be one of America's wealthiest suburban communities, Nassau County has, in recent years, increasingly encountered severe financial difficulties, including deepening structural deficits and diminished debt ratings. This occurred during a decade of substantial economic growth nationwide, as county services and expenses grew over the years without a corresponding increase in revenues. In response to the increasingly perilous financial situation, New York State established the Nassau County Interim Finance Authority (NIFA) to reduce the cost of borrowing and oversee the county's financial plan.

With NIFA's aid, and due to better fiscal management, the county ended 2003 with a combined surplus of \$12.7 million for its primary funds. Additionally, the county and NIFA have approved the *Multi-Year Financial Plan*, which presents the administration's strategy for achieving structural budgetary balance. Citing their increasing confidence in the county's ability to manage its fiscal situation, the three principal debt-rating agencies all raised their ratings for the county's debt (see p. 9).

MAJOR INITIATIVES

The county's capital improvement program continues to be affected negatively by the substantial amount of debt incurred to pay successful property tax assessment challenges, of which close to \$1 billion in bonds remains outstanding. However, during 2003 the county has been able to complete major public works projects previously underway. They include construction of aeration tank covers at the Bay Park Sewage Treatment Plant at a cost of \$18 million, \$15 million of aeration covers and odor control systems at the Cedar Creek Water Pollution Control Plant, \$5.2 million of road resurfacing and restoration, a \$3 million renovation of the Police Department's Marine Bureau facility, and \$2.6 million of various sewer restoration projects.

Significant projects currently underway include the \$12 million reconstruction of the Long Beach bridge, \$10.4 million of road resurfacing and restoration, \$6 million of improvements to the Secondary Gas Compressor Facility at the Cedar Creek Water Pollution Control Plant, \$4.6 million of pond and drainage improvements, construction of the county's new information technology data center in Bethpage at a cost of \$3.9 million, \$3.4 million of various sewer restoration projects, and \$1.2 million of county building electric service improvements.

Pending certain approvals, work planned to begin in 2004 includes the county office campus project, \$7 million of sewage pumping station rehabilitation, \$3.3 million of sewer corrosion repairs, the final grading and capping of the Beacon Hill Landfill at a cost of \$3.7 million, \$3.2 million of improvements to storage tank facilities at Bay Park and Cedar Creek sewer plants, \$2.8 million of improvements at the Nassau County Community College, \$2.5 million of renovations to various court buildings, \$2.2 million of road improvements, \$2.1 million of roof reconstruction on various county buildings, Nassau Beach cabana rehabilitation at a cost of \$2 million, \$1.9 million of Americans with Disabilities Act projects, and \$1.9 million of lighting improvements in various parks

FINANCIAL INFORMATION

Internal Controls

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

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

Budgetary Controls

In addition, the county establishes budgetary controls to ensure compliance with legal provisions contained in the annual appropriated budgets approved by the county legislature. Activities of the General Fund and of the Special Revenue Funds, with the exception of the Grant Fund, are provided for in annual appropriated budgets. Activities of the Grant Fund are appropriated for the life of each grant, as the individual grants are made available to the county. Project-length financial plans, as well as annual budgets, are adopted for the Capital Projects Funds. The level of budgetary control at which expenditures cannot exceed the appropriated amount is exercised by object appropriation level within a department control center. The county also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Appropriations, which have not been expended or encumbered, lapse at the end of the year. Encumbrances outstanding at year-end are recorded in order to reserve that portion of the applicable appropriation and may be expended in a subsequent budgetary period.

General Governmental Functions

The following schedule presents a summary of the revenues and other financing sources for the General Fund, Police Headquarters, County Parks and Fire Safety Fund, for the year ended December 31, 2003, and the amount and percentage of increases/ decreases in relation to prior-period revenues and other financing sources. Certain financial exhibit details have been combined for letter of transmittal presentation, in addition to the netting of sources and use of funds for debt refunding. These figures do not include the Police District Fund, which does not cover all county residents:

	2003 Amount	Percent of Total	Increase (Decrease) From 2002	Percent of of Increase (Decrease)
Interest and Penalties on Taxes	\$ 22,456	1.1%	\$ 2,300	10.2%
Investment Income	3,161	0.1%	(3,369)	-106.6%
Departmental	143,045	6.8%	(29,678)	-20.7%
Interdepartmental	105,303	5.0%	278	0.3%
Federal Aid	107,592	5.1%	(16,899)	-15.7%
State Aid	198,767	9.4%	7,279	3.7%
Sales Tax	890,859	42.2%	28,223	3.2%
NIFA withholding	(62,877)		(23,213)	6.8%
Net Sales Tax	827,982	39.3%	5,010	0.6%
Property Taxes	441,801	20.9%	93,565	21.2%
Proceeds from Tax Certiorari and other Judgments & Borrowings	141,821	6.7%	16,276	11.5%
Operating Transfers In	44,802	2.1%	(26,330)	-58.8%
Other	73,773	3.5%	(33,670)	-45.6%
TOTAL	\$2,110,503	100.0%	\$ 14,762	

The increase in interest and penalties on taxes results from the implementation of revenue generating initiatives and more favorable interest rates related to penalties and fees on delinquent property taxes. The decrease in investment income resulted from a decrease in the amount of available cash to invest, a decline in interest rates, and the payment of an arbitrage rebate penalty related to prior period borrowings. The lower cash level is indicative of improved cash management, with significantly less cash flow borrowings and related borrowing costs. Departmental revenues decreased primarily due to the contractual reimbursement of the intergovernmental transfer of charity care funding from New York State to the Nassau Health Care Corporation (NHCC), which was reduced during 2003. This decrease in departmental revenues was partially offset by aggressive Police Department ambulance fee collections and increased County Clerk fee receipts for an escalated volume of home re-financings. The revenue generated by intergovernmental transfer is offset by county expense. The decrease in total federal aid was primarily due to inflated 2002 reimbursements for retroactive prior year Social Service program costs and a decrease in the number of federal inmates held at the Nassau County Correctional Center. Reimbursements for increased Department of Mental Health early intervention program caseload, service levels and rates, primarily accounted for the increase in state aid. Sales tax receipts grew by approximately 3.2 percent over the prior year, and the amount of set-aides for debt repayment held by NIFA also increased. Property tax receipts increased as a result of an increase in the county tax levy. The amount of funds drawn down from NIFA borrowings necessary to fund successful property tax challenges increased, as did associated payments, since the county processed a larger portion of the backlog of these liabilities during 2003. While there were a number of offsetting variances from the prior year, operating transfers declined substantially due to a budget policy change whereby recreation and parks funding is currently provided by property tax revenues in the County Parks Fund, as opposed to a transfer from the General Fund, where the related property taxes were initially recorded in the past. This decrease was partially offset by an increase in investment and inactive capital project cash that was available for the payment of debt service costs. The decrease in other revenues primarily resulted from prior year amounts that were inflated due to the recognition of non-recurring revenue adjustments for revenues due from the NHCC and disputed collections from the Coliseum and a construction vendor.

The following schedule summarizes expenditures and other uses for the General Fund, Police Headquarters, County Parks and Fire Safety Fund, for the year ended December 31, 2003 and the amount and percentage of increases/ decreases in relation to prior-period expenditures and other uses as previously presented. Certain financial exhibit details have been combined for letter of transmittal presentation. These figures also do not include the Police District Fund, which does not cover all county residents.

	2003 Amount	Percent of Total	Increase (Decrease) From 2002	Percent of Increase (Decrease)
Legislative	\$ 6,572	0.3%	\$ 707	12.1%
Judicial	42,063	2.0%	3,014	7.7%
General Administration	207,328	10.0%	25,400	14.0%
Protection of Persons	291,715	14.1%	(5,287)	-1.8%
Health	183,073	8.9%	14,008	8.3%
Public Works	54,430	2.6%	10,326	23.4%
Recreation and Parks	61,654	3.0%	1,768	3.0%
Social Services	523,765	25.4%	(14,637)	-2.7%
Corrections	183,931	8.9%	12,642	7.4%
Education	4,953	0.2%	(64)	-1.3%
Aid to Towns and Cities	52,776	2.6%	1,287	2.5%
Payments for Tax Certiorari and Other Judgments & Borrowings	141,820	6.9%	16,275	13.0%
Other Expenditures	53,591	2.6%	(11,173)	-17.3%
Debt Service			(495)	-100.0%
Operating Transfers for debt	233,343	11.3%	(10,408)	-4.3%
Operating Transfers	25,455	1.2%	(28,402)	-52.7%
TOTAL	\$ 2,066,469	100.0%	\$14,961	

County expenditures typically increase as a result of scheduled step and cost of living increases paid to county workers pursuant to various collective bargaining agreements and county ordinances, in addition to growth in employee health insurance and more recently, pension contribution rates. During 2003, the county realized significant one-time budget savings from pension relief initiated by the New York State Comptroller. This added to a surplus that was used in part to fund the cost of the 2002 early retirement incentive program and the balance of certain other retirement benefit related debt. As a result, the county will not be burdened by these expenses in future years.

In addition to the personnel costs described above, there were a number of other significant expenditure variances from the prior fiscal year. General administrative expenditures increased as a result of the county's commitment to information technology initiatives, and the transfer of certain cost centers that were previously recorded in the "other expenditures" category. Reimbursable health expenditures rose as a result of increased early intervention program caseload, service levels and rates. Public works expenditures escalated as a result of contractual commitments for the relocation of the county's data center and police headquarters. Net social service expenditures decreased due to the contractual reimbursement of the intergovernmental transfer of charity care funding from New York State to the NHCC, which decreased during 2003, and the reversal of a Medicaid related liability forgiven by New York State. These decreases were partially offset by increases in the county's overall share of Medicaid costs. In addition to the employee costs described above, increased overtime accounted for the increase in expenditures at the Nassau County Correctional Center. County aid to towns and cities increases in proportion to overall sales tax revenue growth. Payments for successful property tax assessment challenges increased from the prior since the county processed a larger portion of the liability backlog. Other expenditures decreased primarily from prior year amounts that contained accruals for potential county responsibility for obligations on behalf of the Nassau Health Care Corporation. Operating transfers for debt payments decreased as a result of long-term debt restructuring. Operating transfers decreased substantially, due to a budget policy change whereby certain county parks funding is currently provided by property tax revenues in the County Parks Fund, as opposed to a transfer from the General Fund, where the related property taxes were initially recorded in the past. This decrease was partially offset by the transfer of a portion of the operating surplus to fund the county's investment in technology.

General Fund

The county ended the 2003 year with a \$76.1 million accumulated unreserved budgetary fund balance in the General Fund. The ending fund balance included \$68.3 million from prior years. A number of other significant non-recurring revenues and savings contributed to a significant operating surplus, most of which was used to pay future county debts. NIFA generated \$41.6 million of savings from the restructuring of outstanding county long-term debt. Other non-recurring gains include \$15 million NIFA transitional state aid and \$16.2 million of pension relief initiated by the State Comptroller.

Special Revenue Funds

Unreserved fund balances (deficits) for each of the special revenue funds are set forth below – as of December 31, 2003 and December 31, 2002 – together with the amount of increase or decrease over 2002.

	Fund Balance (Deficit) Unreserved	Fund Balance Unreserved and Designated for Ensuing Year's Budget	Fund Balance (Deficit) Unreserved and Undesignated	Fund Balance (Deficit) Unreserved, December 31, 2002	Increase (Decrease) over 2002
Police District	\$ 4,870	\$ -	\$ 4,870	\$ -	\$ 4,870
Police Headquarters					
Fire Prevention, Safety, Communication and Education					
Sewage Disposal District #1	1,209	822	387	809	400
Sewage Disposal District #2	31,633	18,663	12,970	24,496	7,137
Sewage Disposal District #3	24,856	14,773	10,083	15,647	9,209
Sewage Collection Districts	16,270	10,053	6,217	12,012	4,258
Grant	(34,108)		(34,108)	(40,134)	6,026
County Parks and Recreation					
Open Space Fund	1		1		1
NCTSC General Fund	8		8	3	5
NIFA General Fund	599		599	624	(25)
Technology Fund	19,911	-	19,911	7,100	12,811
TOTAL	\$ 65,249	\$ 44,311	\$ 20,938	\$ 20,557	\$ 44,692

The County Parks Fund's initial 2003 deficit was eliminated as a result of a \$3.8 million transfer from the county's General Fund.

Pension Funding

Almost all county employees are members of either the New York State and Local Employees' Retirement System or the New York State and Local Police and Fire Retirement System. During 2003, a pension contribution initiative proposed by the State Comptroller and passed by the State Legislature generated significant budget relief. Also during 2003, the cost of the county's 2002 early retirement incentive program and certain other retirement benefit expenses were paid in full from fiscal 2003 surplus funds.

Debt Administration

On December 31, 2003, the county had approximately \$1.6 billion of long-term serial bonds outstanding, with \$1.2 billion for general county purposes and nearly \$419.2 million for sewage district purposes. NIFA had \$1.1 billion of bonds for county purposes outstanding. The total amount outstanding at December 31, 2003 by both the county and NIFA to fund county tax certiorari settlements is \$1.2 billion. Despite the continued economic downturn and uncertainty regarding the future, the county earned rating upgrades from each of the three principal debt-rating agencies during 2003 and 2004. Citing improvements in the county's fiscal situation, the rating agencies indicated their confidence in the county, by improving its debt ratings and rating outlooks. Moody's Investors Service upgraded the county's rating from Baa3 to Baa1, Standard and Poor's Rating Group upgraded the rating from BBB- to BBB+ with a stable outlook, and Fitch Ratings maintained their the rating of BBB+. (Fitch Ratings upgraded the county to A in March of 2004.)

Under current New York State law, the county's bonded debt issuances, excluding debt for sewage and water projects, are subject to a constitutional limitation based on ten percent of the average full valuation of real property for the latest five years. The county's net outstanding indebtedness on December 31, 2003 was 25.4% of its constitutional debt limit, which represents a decrease of 2.47 percent from 2002. The county's bonded debt per-capita, including NIFA and Nassau Community College debt, was \$2,303. Beginning with 2004, the newly created Sewer and Storm Water Finance Authority will refinance sewer debt and assume debt service payments associated with obligations issued for sewer and storm water purposes by the county, NIFA and the Environmental Facilities Corporation on behalf of the county. The county estimates that the Authority will relieve the county's General Fund of approximately \$5.8 million of annual debt service payments.

Cash Management

While the county has an aggressive cash-management program, its policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Substantially all idle funds are invested from one to 28 days and are fully collateralized by securities prescribed in the law and held in trust by the county's agent, in the name of the county, for this purpose. As of December 31, 2003, the county maintained approximately \$189million in money market interest bearing bank accounts at rates averaging 1.35 percent annually.

Risk Management

The county is exposed to various risks of loss related to torts, property loss, employee injuries, errors related to and omissions of its employees, and natural disasters. The county carries property insurance on its police helicopters and a blanket fidelity bond covering all county employees. Essentially all other risks are assumed by the county directly and are paid out of its operating or capital funds. The county has recently issued an RFP for risk management and brokerage services and has just identified a vendor. The vendor will be responsible for a preliminary 90 day review of the county's risks, and will then proceed to develop a long term risk management plan. Where appropriate, and with the consent of the county, the vendor will broker insurance protection for county property and/or other prospective liability. Expenditures for claims are recorded when paid or when liabilities are recorded if it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

OTHER INFORMATION

Independent Audit

The accounting firm of Deloitte & Touche LLP was selected by the county to perform an independent audit of the county's financial statements as of, and for the year ended, December 31, 2003. The auditors' report on the general-purpose financial statements and combined and individual fund statements and schedules is in the Financial Section.

Awards

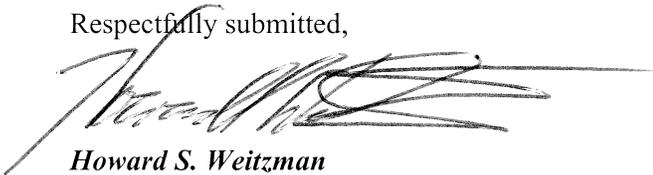
The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the county for its Comprehensive Annual Financial Report for the year ended December 31, 2002. This is the 19th consecutive year in which the county's Comprehensive Annual Financial Report has been so honored. In order to be awarded the Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

The preparation of this report on a timely basis could not have been accomplished without the invaluable assistance of the efficient and dedicated staff of the offices of the County Comptroller, the County Executive, the County Treasurer and our independent auditors, Deloitte & Touche LLP. I would like to express my appreciation to all those who assisted and contributed to its preparation.

Respectfully submitted,



Howard S. Weitzman

Nassau County Comptroller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Nassau,
New York

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2002

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



President

Executive Director

COUNTY OF NASSAU, NEW YORK

PRINCIPAL OFFICIALS

December 31, 2003

Executive

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

Thomas R. Suozzi
Howard S. Weitzman
Henry M. Dachowitz
Lorna B. Goodman
Mark D. Young
Denis Dillon
Karen V. Murphy
Charles O'Shea

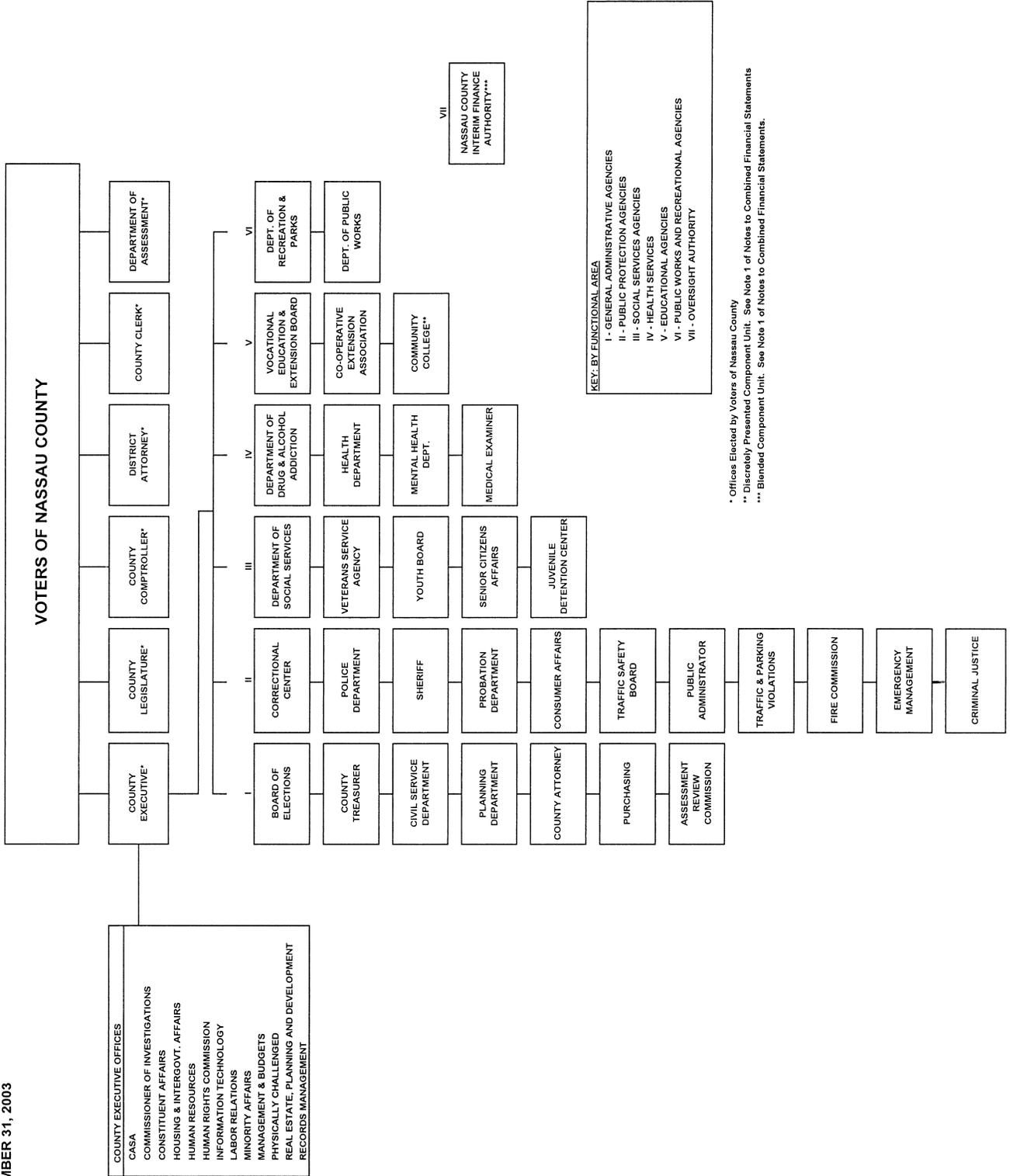
Legislative

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

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

COUNTY OF NASSAU, NEW YORK
 COUNTY DEPARTMENTS AND OFFICES

AS OF DECEMBER 31, 2003



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

PART II

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Honorable Thomas R. Suozzi, County Executive
and Members of the County Legislature
County of Nassau, New York

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Nassau, New York, (the "County"), as of December 31, 2003 and 2002, (with the Nassau Community College for the years ended August 31, 2003 and 2002), which collectively comprise the County's basic financial statements as listed in the table of contents. We also have audited the financial statements of the County's nonmajor governmental and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of December 31, 2003 and 2002 and for the years then ended as listed in the table of contents. These financial statements are the responsibility of the County of Nassau's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Nassau Regional Off-Track Betting Corporation, the Nassau County Industrial Development Agency, and the Nassau Health Care Corporation, all discretely presented component units, which represent 11 percent and 22 percent, respectively, of the assets and revenues of the County for each of the years ended December 31, 2003 and 2002. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for such entities is based solely on the reports of the other auditors. The report of the independent auditor contained an explanatory paragraph concerning the Nassau Health Care Corporation's ability to continue as a going concern (see Note 16).

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

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Nassau, New York, as of December 31, 2003 and 2002,

and the respective changes in financial position, where applicable, thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of nonmajor governmental and fiduciary funds of the County of Nassau, New York, as of December 31, 2003 and 2002, and the respective changes in financial position, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the financial statements, effective January 1, 2003 the County adopted Governmental Accounting Standards Board ("GASB") Statement No. 39, *Determining Whether Certain Organizations Are Component Units* ("GASB 39"), an amendment of the GASB Statement No. 14, *The Financial Reporting Entity*, and retroactively restated the opening net asset balance as of January 1, 2002.

The Management's Discussion and Analysis on pages 21 through 36 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required 2003 supplementary information. However, we did not audit the information and express no opinion on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2004, on our consideration of the County of Nassau's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Deloitte & Touche LLP

June 1, 2004

BASIC FINANCIAL STATEMENTS

MANAGEMENT DISCUSSION AND ANALYSIS

Nassau County's comprehensive annual financial report ("CAFR") complies with the requirements of Governmental Accounting Standards Board Statement No. 34 ("GASB 34"). This section of the Report, required under GASB 34, presents management's discussion and analysis ("MD&A") of the county's financial activities and performance for the fiscal years ended December 31, 2003 and December 31, 2002. This section should be read in conjunction with the letter of transmittal and the county's financial statements.

FINANCIAL HIGHLIGHTS

- The county's net worth appears to have declined by \$207 million in 2003; however, this apparent decline in net worth is primarily a function of changes in the way in which certain liabilities were estimated, not generally a result of activities that occurred during the 2003 fiscal year. Management believes that had these liabilities been estimated on a consistent basis across fiscal years, the county's net worth would have increased by \$68.9 million;
- The county generated a positive operating surplus of \$127.5 million in its major operating funds in 2003. This operating surplus can be attributed to conservative budgeting, one-time revenues and expense relief, and progress in the implementation of the multi-year financial plan, primarily in the areas of workforce reductions, smart government initiatives, and in the arbitration award with the Police Benevolent Association ("PBA"). This operating surplus was achieved despite the fact that the county decided not to utilize \$20.9 million in budgeted tobacco securitization proceeds and \$17 million in budgeted restructuring assistance from the Nassau County Interim Finance Authority ("NIFA");
- The county directed \$114.8 million of this operating surplus to reserve against future budgetary exposures, defease debt, avoid new debt issuance, and invest in its information technology;
- Unreserved, undesignated fund balance in the county's general fund grew from \$68.3 million to \$76.1 million. In the major operating funds, unreserved, undesignated fund balance increased from \$68.3 million to \$81.0 million;
- Moody's Investors Service, Standard and Poor's, and Fitch Ratings each increased the county's credit rating two levels from February of 2003 through March of 2004. Fitch Ratings assigned the county an A-level credit rating for the first time since 1999.

- The county re-entered the primary market for the first time since the creation of NIFA with a \$120 million tax anticipation note (“TAN”) issue concluded in December of 2003. The TAN issue marked the county’s lowest cash flow borrowing in over a decade, and it represented a significant decline from the county’s peak cash flow borrowing of \$469.4 million in 2000.

ANALYSIS OF GOVERNMENT-WIDE FINANCIAL STATEMENTS FOR 2003

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

Government-wide financial statements provide information about the county as a whole using accounting methods (full accrual accounting) similar to those used by private-sector companies. These statements present a long-term view of the county’s finances. There are two government-wide financial statements: the *statement of net assets* and the *statement of activities*.

The statement of net assets reports everything the county owns (its assets) and owes (its liabilities) as of year end. Net assets are what remain after liabilities have been paid off or otherwise satisfied; they signify the net worth of the government. This statement is designed to display assets and liabilities in order of their basic liquidity and maturity while presenting the basic accounting relationship applicable to public sector entities: *assets – liabilities = net assets*. This statement also presents all of the county’s economic resources – that is, all of its assets and liabilities, both financial and capital. The statement of activities tracks the county’s annual revenues and expenses as well as any other transactions that increase or reduce net assets. It divides the county’s activities into three elements: its governmental activities, its business-type activities (if applicable), and the activities of its component units.

Table 1
Summary of Net Assets
(dollars in millions)

	Total Primary Governmental		
	Activities		
	2003	2002	Change
Current and Other Assets	\$ 1,239.6	\$ 1,204.3	\$ 35.3
Capital Assets	<u>2,310.5</u>	<u>2,388.6</u>	<u>(78.1)</u>
Total Assets	<u>3,550.1</u>	<u>3,592.9</u>	<u>(42.8)</u>
Long-Term Liabilities	4,004.0	3,634.8	369.2
Other Liabilities	<u>997.0</u>	<u>1,202.0</u>	<u>(205.0)</u>
Total Liabilities	<u>5,001.0</u>	<u>4,836.8</u>	<u>164.2</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	1,530.9	1,491.5	39.4
Restricted	(2,472.4)	(2,225.0)	(247.4)
Unrestricted	<u>(509.4)</u>	<u>(510.4)</u>	<u>1.0</u>
Total Net Assets	<u>\$ (1,450.9)</u>	<u>\$ (1,243.9)</u>	<u>\$ (207.0)</u>

Note: Nassau County has no business-type activities to report.

The statement of net assets for the 2003 fiscal year shows that Nassau County has a deficit balance of net assets totaling \$1.451 billion. The county's net worth appears to have declined by \$207 million since 2002, when the county had a deficit balance of net assets totaling approximately \$1.244 billion. The estimate of the county's net worth as of the end of the 2002 fiscal year is different than the estimate of net assets included in last year's Comprehensive Annual Financial Report. As a result of implementing Governmental Accounting Standards Board ("GASB") Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, and amendment of the GASB Statement No. 14, *The Financial Reporting Entity*, the county has restated its net asset position as of January 1, 2002 in order to incorporate the assets and liabilities associated with the Nassau County Tobacco Securitization Corporation ("TSC"), a local development corporation created to securitize the county's share of the tobacco settlement revenues.

This apparent decline in net worth is primarily a function of changes in the way in which certain liabilities were estimated; these changes generally are not a result of activities that occurred during the 2003 fiscal year. Compliance with GASB 34 is a work in progress, so it is understandable that estimates may be periodically refined or altered. It is the view of Management that had these liabilities been estimated on a consistent basis across fiscal years, the county's net worth actually would have increased in 2003 by approximately \$68.9 million.

Table 1 shows that the value of the county's total assets declined by \$42.8 million from 2002 to 2003. The county's total asset value declined because the depreciation expense associated with the county's fixed assets exceeded investments in the county's property, plant, and equipment. The negative variance between the county's depreciation expense and the change in the value of its fixed assets is a function of the fact that the county has continued to issue long-term debt to finance its property tax refund payments. As a result, the county's capacity to issue long-term debt to finance improvements to its physical plant is constrained. Management has recognized this problem since the issuance of its initial multi-year financial recovery plan in April of 2002. The multi-year financial plan anticipates transitioning the burden of financing refund payments to the operating budget beginning in 2006. Ultimately, transitioning to pay-as-you-go financing of property tax refunds will free up debt issuance capacity for capital purposes. This question is discussed in greater detail below.

Table 1 also shows that total liabilities appear to have increased in 2003 by \$164.2 million. This apparent increase in total liabilities is really due to changes in estimates of the value of accumulated compensated absences, judgment and settlement liability, and the exposure related to the inventory of unresolved property assessment grievances. The Comptroller's office refined its estimate of the value of sick and vacation days accumulated by employees of the county resulting in a significant year-over-year negative variance of \$180.7 million. The County Attorney's office refined its estimate of the liability associated with ongoing litigation and outstanding workers' compensation claims, increasing this estimate by \$55.2 million. And finally, there was a change in the information available to calculate the liability associated with the unresolved inventory of property assessment grievances. This approach, which is substantially a more conservative estimate than the one used in prior years, resulted in an increase in estimated refund liability of approximately \$40 million.

Therefore, the reduction in net assets presented in Table 1 is primarily a result of changes in estimates and not a function of actual activities that occurred during the 2003 fiscal year. Changes in estimates account for \$275.9 million of the county's total liabilities, which more than offsets the apparent growth in total liabilities shown in Table 1. Accounting for the impact of these methodological changes across fiscal years, the county's overall net worth actually improved by \$68.9 million, as the county's cash position, year-end fiscal performance, and ratings improvements would indicate.

The county has \$1.531 billion invested in its capital assets, net of related debt. The portion of the county's net assets which are invested in its capital assets represents the equity the county has in its capital assets. Capital assets are used by the county in the provision of services to the taxpayers; hence, this investment of county equity, because it is tied up in the county's capital assets, is not immediately available to support future expenses.

The county has a deficit balance of restricted net assets of \$2.472 billion. Restricted net assets are subject to requirements imposed by legislation or by outside parties;

accordingly, such assets are also not readily available to offset financial commitments made by the county in the future. It is important to note that such liabilities include the value of accumulated compensated absences, for which the county, like other governments, has chosen to raise resources only as required to make payments as they come due. Accumulated compensated absences are included among the county's restricted net assets because they are governed by labor agreements which the county is legally bound to implement. The county will have to raise resources in the future to make up for this deficit balance in restricted net assets.

Finally, the county recorded a deficit balance of \$509.4 million in unrestricted net assets in 2003, which represents a small reduction of \$1.0 million in the county's deficit balance unrestricted net assets since the close of the 2002 fiscal year. Unrestricted net assets reflect all liabilities that are not related to the county's capital assets and which are not expected to be repaid from restricted resources. Accordingly, the county will have to allocate future revenues towards the payment of these liabilities as well.

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

As of December 31, 2003, Nassau County had \$2.8 billion in outstanding long-term debt, including \$1.1 billion in long-term NIFA debt secured by county sales tax revenue. All of the county's debt indicators and ratios are disproportionately high, exceeding comparable indicators and ratios of peer counties in New York State.

The county's debt profile is out of alignment with its peers because the county has historically issued long-term debt to finance judgment and settlement payments, as well as the payment of property tax refunds resulting from successful grievances of erroneous property tax assessments. The county's practice has been to issue long-term debt to finance judgments and settlements related to legal claims against the county. On average, the county has borrowed between \$30 million and \$40 million every year to finance its settlements and judgments. Additionally, the county has issued an average of \$100 million in long-term debt each year to pay property tax refunds to residential and commercial property owners. Nassau County is responsible under State law for guaranteeing the tax levy of the three towns within the county, all but one of the 56 school districts, 225 special districts, and seven villages. Prior to the mass property revaluation which was completed in 2002, the county had not reassessed its residential properties since 1938, nor had it reassessed its commercial properties since 1986. Even after the revaluation, over one-hundred thousand grievances have been filed annually by residential and commercial property owners protesting the accuracy of the assessed values assigned to their properties.

On its own and through NIFA, Nassau County has \$1.2 billion in outstanding long-term obligations associated with the payment of property tax refunds. No corresponding assets exist to offset the liabilities generated by the issuance of long-term debt for what are essentially working capital purposes. A deficit balance in net assets that results from the

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

Management recognizes that the county cannot continue its historical practice of issuing long-term debt to finance property tax refunds and litigation resolutions. The county's multi-year financial plan provides a strategy for gradually shifting the responsibility for these payments to the annual operating budget. The plan anticipates the county beginning to finance its property tax refunds on a pay-as-you-go basis in 2006, after reforms to the county's assessment and assessment review processes are in place and the inventory of unresolved commercial grievances has been substantially reduced. A recent amendment to the NIFA Act enables the county to borrow \$15 million through NIFA in 2006 and \$10 million in 2007 to ease the budgetary transition to full pay-as-you-go financing for property tax refunds. Beginning in 2007, the plan anticipates that the county will increase its appropriation in the operating budget for judgments and settlements by \$5 million each year, with a full shift to pay-as-you-go funding of these liabilities occurring by 2012. In both cases, a gradual transition to pay-as-you-go financing is necessary given the magnitude of the county's current annual expenses for these liabilities.

The statement of activities for the fiscal year that ended December 31, 2003 further explains changes in the county's net worth from 2002 to 2003. There are several events which happened that impacted the county's net worth. They include:

- Charges for services dropped \$51.5 million due primarily to the federally-mandated phase-out of the intergovernmental transfer payment to the Nassau Health Care Corporation. It should be noted that there was a corresponding reduction in expenses;
- Operating grants declined by \$14.1 million due to three factors: a decline in grant fund reimbursements for the Department of Health, a reduction in the federal inmate population in the Department of Corrections, and the fact that in 2002, the county had received a retroactive reimbursement for prior year program costs in the Department of Social Services, but did not receive an equivalent reimbursement in 2003;
- Property tax revenue increased by \$126.1 million due to primarily the multi-year plan initiative to augment the property tax levy in the five major operating funds in 2003. The multi-year financial plan assumes that property taxes will not be increased again until 2006;
- Sales tax revenues grew \$27.7 million due to general increases in economic activity in Nassau County;
- Health expenses grew by \$22.7 million, driven primarily by increases in the caseload enrolled in the early intervention program run by the Department of Mental Health;

- Protection of persons expenses declined by \$33.5 million due to continued reductions in the size of the workforce, as per the multi-year financial plan, as well as the reversal of prior year wage accruals facilitated by the county's arbitration award with the PBA;
- Social service expenses dropped by \$11.7 million due to, among other things, the reversal of an expense accrual for prior year Medicaid advances;
- Interest on long-term debt dropped by \$28.1 million because the county is currently issuing long-term debt through NIFA, and NIFA debt service set asides show up as general government expenses.

Table 2
Change in Net Assets
(dollars in millions)

	Total		
	Primary Governmental Activities		
	2003	2002	Change
Revenues			
Program Revenues			
Charges for Services	\$ 216.0	\$ 267.6	(51.6)
Operating Grants	382.9	397.0	(14.1)
Capital Grants	29.5	35.0	(5.5)
General Revenues			
Property Taxes	883.6	757.5	126.1
Sales Taxes	890.9	863.2	27.7
Other Taxes	30.2	28.3	1.9
Tobacco Settlement Revenues	26.2	26.2	-
Investment Income	13.6	15.9	(2.3)
Other Federal and State Aid	15.0	20.0	(5.0)
Other General Revenues	23.4	21.5	1.9
Total Revenues	2,511.3	2,432.2	79.1
Expenses			
Legislative	6.5	5.8	0.7
Judicial	42.8	41.0	1.8
General Government	770.0	479.2	290.8
Protection of Persons	522.7	556.3	(33.6)
Health	230.6	207.8	22.8
Public Works	177.7	177.4	0.3
Recreation and Parks	46.0	44.8	1.2
Social Services	529.1	540.8	(11.7)
Corrections	184.2	172.4	11.8
Education	22.7	10.1	12.6
Interest on Long Term Debt	186.0	214.2	(28.2)
Total Expenses	2,718.3	2,449.8	268.5
Increase / (Decrease) in Net Assets	(207.0)	(17.6)	(189.4)
Net Assets - Beginning	(1,243.9)	(1,226.3)	(17.6)
Net Assets - Ending	\$ (1,450.9)	\$ (1,243.9)	(207.0)

Note: Nassau County has no business-like activities to report. Figures may vary slightly due to rounding.

ANALYSIS OF FUND FINANCIAL STATEMENTS FOR 2003

The remaining statements in the CAFR are *fund financial statements* (*government fund statements and fiduciary fund statements*) that focus on individual parts of the county government, reporting on the county's operations in more detail than the government-wide statements. Funds are accounting devices that the county uses to keep track of specific sources of funding and spending on particular programs. The fund financial statements are presented on a modified-accrual basis and are consistent with the statements presented in the county's annual financial reports prior to its adoption of the GASB 34 reporting model.

The county's *governmental fund statements* (*balance sheet and statement of revenues, expenditures, and changes in fund balance*) tell how the general governmental services such as police, public works, and parks were financed in the short term as well as what money remains for future spending. These statements present the government's current financial resources (which include its cash and assets that will become cash in the next year) and the current liabilities that these assets will be used to retire.

The county's general operations are financed through five major operating funds: the general fund; the county parks and recreation fund; the fire prevention, safety, communication, and education fund; the police headquarters fund; and the police district fund. With the exception of the police district fund, the remaining major operating funds have identical tax bases; accordingly, the resources in these funds are fungible. The county also has a debt service fund into which resources are transferred to pay current and future debt service obligations of the major operating funds. The county's sewer operations are financed through three sewage disposal district maintenance funds as well as a sewage collection district maintenance fund for the twenty-seven sewer collection districts located throughout Nassau County. The county also has a technology fund, an open space fund, as well as a series of other non-major operating and capital project funds.

The county generated a positive operating surplus of \$127.5 million in its major operating funds. This operating surplus was achieved despite the fact that the county opted not to draw down on \$20.9 million in budgeted tobacco securitization proceeds and annual residual payments, though it should be noted that the residual payments, totaling approximately \$2.9 million, were subject to a trapping event and not available to provide budgetary relief. In addition, NIFA and the county jointly elected not to utilize \$17 million of budgeted restructuring assistance, since it was not necessary to use this assistance to achieve balanced operations.

The county directed \$114.8 million – or 90% – of the surplus resources generated from 2003 operations to reserve against future budgetary exposures, defease debt, avoid new debt issuance, and undertake strategic investments, most notably in the area of information technology. Management reserved \$38.5 million of surplus 2003 resources in order to protect the 2004 budget against a possible spike in police separation pay due to an incentive included in the arbitration award with the PBA. The county transferred

\$17.7 million to the debt service fund to defease the final two maturities associated with the 1993 retirement debt issuance, while utilizing \$16.5 million in surplus 2003 resources to satisfy its payment responsibility for participating in the 2002 early retirement incentive. Surplus resources totaling \$28.1 million were transferred to support the implementation of the county's information technology plan, while the county utilized \$14 million in surplus 2003 resources to make various other strategic investments to bolster its operations.

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

	<u>2003</u>	<u>2002</u>	<u>Change</u>
Primary Operating Funds			
General Fund	\$ 76.1	\$ 68.3	\$ 7.8
Parks Fund	-	-	-
Fire Commission	-	-	-
Police Headquarters	-	-	-
Police District	4.9	-	4.9
Debt Service Fund	-	-	-
Total Primary Operating Funds	<u>\$ 81.0</u>	<u>\$ 68.3</u>	<u>\$ 12.7</u>
Sewer District Funds			
Sewage Disposal District #1	\$ 1.2	\$ 0.8	\$ 0.4
Sewage Disposal District #2	31.6	24.5	7.1
Sewage Disposal District #3	24.9	15.6	9.3
Sewage Collection Districts	16.3	12.0	4.3
Total Sewer District Funds	<u>\$ 74.0</u>	<u>\$ 52.9</u>	<u>\$ 21.1</u>
Other Funds			
Technology Fund	\$ 19.9	\$ 7.1	\$ 12.8
Total Other Funds	<u>\$ 19.9</u>	<u>\$ 7.1</u>	<u>\$ 12.8</u>

As Table 3 shows, even after factoring in the resources transferred to advance the purposes enumerated above, accumulated unreserved fund balance in the major operating funds still increased by \$12.7 million in 2003, growing from \$68.3 million to \$81 million. Fund balance in the general fund alone increased by \$7.8 million from 2002 to 2003. Aggregate sewer district unreserved fund balance rose by \$21.1 million from \$52.9 million to \$74.0 million. Finally, fund balance in the technology fund grew, due to the decisions discussed above, to transfer surplus resources from the 2003 operating budget to facilitate investments in the county's information technology infrastructure.

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

- The county required growth of 2.3% in sales tax revenues in order to achieve the 2003 budgeted sales tax revenue estimate of \$882.5 million. Gross sales tax receipts grew 3.5% over 2002 levels, generating \$895.5 million in gross sales tax receipts, or \$13 million more than budget;
- The county assumed the worst-case scenario for pension contributions, as recommended by the Office of the New York State Comptroller, in its 2003 operating budget. This scenario anticipated blended contribution levels of 7.3% of payroll for civilian employees and 11.4% of payroll for sworn personnel. State Comptroller Hevesi proposed, and the State Legislature passed, a pension relief plan that, among other things, set the pension contribution level for 2003 at 4.5% of payroll. Accordingly, the Hevesi pension relief package provided an estimated \$43.1 million in one-time relief to the county in its major operating funds;
- The county budgeted 15% blended increases in health insurance premiums in 2003. Since the actual increase in health insurance costs was roughly 13%, the county recognized a savings of \$15.2 million relative to the 2003 operating budget;
- In 2002, the county established an expense accrual for the potential requirement to return to the State prior-year Medicaid advances administered by the Office of Mental Health. The State determined to forgive these prior-year Medicaid advances in 2003, generating a one-time benefit for Nassau County totaling \$15.3 million;
- The county assumed business-as-usual scenarios for the PBA arbitration award and its new contract with the Civil Service Employees Association ("CSEA"). Because the PBA arbitration award resulted in significant work rule concessions, and because the CSEA contract was less generous than what was assumed in the budget, the county recognized a \$17.8 million benefit relative to the 2003 budget generated primarily by the reversal of prior-year wage accruals;
- The temporary increase in the Federal Medicaid Assistance Program by 2.95% provided \$6.2 million in relief to the county in 2003;
- NIFA assistance in 2003 totaled \$56.6 million, including \$15 million in transitional State aid and \$41.6 million in debt restructuring;
- From January 2, 2002 through December 31, 2003, the county eliminated 1,127 full-time positions in its major operating funds. By the end of the 2003 fiscal

year, there were 333 less full-time employees than were included in the 2003 budget, resulting in a savings relative to budget of approximately \$18 million; and

- County departments successfully implemented \$32.4 million worth of so-called “smart government initiatives” designed to reduce spending, increase revenues, and streamline operations. Some successful examples include: the ambulance billing initiative (over \$10 million); the Medicaid utilization project (\$5 million); reduced reliance on outside legal counsel (\$5.8 million), and a tax lien sale initiative (\$2.4 million);

There are other significant revenue and expense variances that should be noted. Rents and recoveries in the general fund were budgeted at \$45.8 million, though the county recognized only \$12.5 million in these revenues. The negative variance of \$33.3 million in rents and recoveries was primarily attributable to the county’s decision not to draw down \$20.8 million in budgeted tobacco securitization proceeds. The county’s combined statement of revenues, expenditures, and changes in fund balance shows a \$54.4 million negative variance in sales tax revenues relative to budget. This is purely a function of the way in which the county presents its sales tax revenues and NIFA debt service set asides in its operating budget. The county has elected to present sales tax revenues on a gross basis while showing NIFA debt service set asides as an expense. The county presents this information in this manner because it is important not to give a false impression about the amount of money the county spends each year for its debt service obligations. NIFA intercepts the county’s sales tax revenues and applies them first to the payment of NIFA debt; the county receives sales tax revenues net of NIFA debt service expenses. As discussed above, the county’s 2003 gross sales tax receipts increased 3.5% over the receipts received in 2002. Social service expenses were \$21.2 million lower than budget due predominantly to two factors discussed above: the reversal of the expense accrual related to prior-year Medicaid advances, and the temporary 2.95% increase in expense relief provided through the Federal Medicaid Assistance Program.

Finally, the county made significant progress in achieving the objectives tied to two major components of the county’s multi-year financial plan.

After lengthy negotiations, the Governor and the State Legislature created the Nassau County Sewer and Storm Water Finance Authority (“SSWFA”) in October of 2003, though the SSFA had no financial transactions until the 2004 fiscal year. The SSWFA is empowered to finance or refinance sewer and storm water projects up to a cap of \$350 million. In addition, the SSWFA legislation consolidates twenty-seven county-run sewage collection districts, three county-run sewage disposal districts, and the county’s storm water management operations into a single Sewer and Storm Water Resources District (“SSWRD”). Pursuant to the legislation, the SSWRD will implement a ratepayer stabilization plan which will, among other things, utilize existing fund balance and debt restructuring to hold sewer tax rates constant through 2007. The SSWFA is also responsible for past and future storm water related debt payments. Since such payments were previously the responsibility of the county’s general fund, the SSWFA will provide a benefit to the county’s general fund of at least \$5.8 million annually. As a result of the

SSWFA negotiations, the Governor and State Legislature also authorized an increase in the county's automobile registration fees, which have been unchanged since 1991, to the New York City level. The new annual fees of \$15 for passenger vehicles and \$40 for commercial vehicles will generate recurring revenue approaching \$9.6 million annually.

The county's Assessment Review Commission ("ARC") continued to address the accumulated liability associated with the county's historically flawed assessments and its guarantee of property taxes. Since 2002, ARC has eliminated \$117.6 million in refund liability through settlements and unilateral actions prior to the promulgation of final tax rolls. In prior years, such liability would have been resolved after the close of the final tax rolls, thereby requiring the county to make refund payments to residential and commercial taxpayers. In each of the last two years, the county has resolved more commercial challenges than commercial taxpayers have filed, which is an important indicator that the county has begun to reverse years of growth in accumulated refund liability. As annual updates improve the quality of each successive tax roll, and as ARC takes maximum advantage of the one-year review period to substantially reduce the refund liability associated with each new roll, Management believes that substantial reductions will occur in the balance of accumulated refund liability and, as importantly, Management also believes that the county's annual payout for property tax refunds will be reduced to levels anticipated in the multi-year financial plan.

CAPITAL INVESTMENTS

In 2003, Nassau County utilized \$197.4 million in bond proceeds for both capital and working capital purposes. Nassau invested \$55.1 million in bond proceeds – or 27.9% – in physical plant improvements, equipment purchases, and the acquisition of land. The remaining \$142.3 million – or 72.1% of these bond proceeds – were used by the county to pay property tax refunds, legal settlements, and judgments. Management has already discussed the problems with the county's historical reliance on long-term debt to finance working capital expenses, as well as its plan to transition the burden of these payments, over time, to the county's operating budget.

The county spent bond proceeds on the following capital improvements in 2003: \$22.1 million on road reconstruction, road resurfacing, traffic signals, and drainage improvements; \$10.1 million on various sewer projects; \$6.0 million on facility planning and improvement; \$3.1 million on Nassau Health Care Corporation and community clinic improvements; \$2.9 million on planning and transportation; \$2.7 million on information technology; \$2.2 million on public safety improvements; \$2.0 million on improvements to the county's system of parks; \$938,000 on the county reassessment project; \$765,000 on various large equipment purchases; \$579,000 on various environmental improvements; \$537,000 on improvements in the Health Department and the Medical Examiner; \$515,000 on land acquisition; \$321,000 on community development projects; and \$350,000 on various uncategorized improvements.

DEBT

Nassau County, NIFA, and the TSC had a combined \$3.029 billion in outstanding long-term debt as of December 31, 2003, representing an increase of \$27.6 million (or 0.92%) over the combined long-term debt outstanding as of December 31, 2002.

Nassau County's outstanding long-term debt declined from \$2.068 billion to \$1.628 billion because the county has been issuing long-term debt through NIFA since its inception in June of 2000. The only exception has been the county's continued issuance of debt through the State Revolving Loan Fund ("SRF") for sewer and storm water improvement initiatives. The SRF is administered by the New York State Environmental Facilities Corporation. It provides interest-subsidized loans to local governments for eligible environmental projects.

NIFA's long-term debt increased from \$650.2 million to \$1.123 billion during the 2003 fiscal year. This increase reflected the NIFA Series 2003 A and B debt issue, which included \$276 million for new money and \$238.5 million in refunding bonds. The NIFA Series 2003 A and B issuance carried a true interest cost of 3.712%. The refunding generated a present value savings of \$8.9 million for the county.

The TSC issued \$294.5 million in debt to securitize future tobacco settlement revenues. As of December 31, 2003, the TSC had \$278.1 million in outstanding asset-backed debt. Approximately \$60 million in securitization proceeds remain for use by the county upon the approval of the TSC.

Table 4
Changes in Long-Term Debt Obligations
December 31, 2002 to December 31, 2003
(dollars in millions)

	<u>Balance</u> <u>31-Dec-02</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>31-Dec-03</u>
General Obligation County Bonds	\$ 1,599,498	\$ -	\$ 390,987	\$ 1,208,511
Sewage Purpose Bonds	277,093	-	32,699	244,394
SRF Revenue Bonds	191,030	51,036	67,295	174,771
Total County Long-Term Debt	<u>2,067,621</u>	<u>51,036</u>	<u>490,981</u>	<u>1,627,676</u>
NIFA Sales Tax Secured Bonds	<u>650,180</u>	<u>514,475</u>	<u>41,335</u>	<u>1,123,320</u>
Tobacco Settlement Asset-Backed Bonds	<u>283,625</u>	<u>-</u>	<u>5,530</u>	<u>278,095</u>
TOTAL LONG-TERM DEBT	<u>\$ 3,001,426</u>	<u>\$ 565,511</u>	<u>\$ 537,846</u>	<u>\$ 3,029,091</u>

Nassau County re-entered the primary market for the first time since 2000 by issuing a \$120 million TAN in December of 2003. The TAN included two \$60 million maturities, with a 1.05% price to yield for the first maturity and a 1.13% price to yield for the second. This was the county's only cash flow borrowing in 2003, marking the first time in recent history that the county has not required a second borrowing to stabilize its cash position. With its improved liquidity, the county's overall cash flow borrowing requirements have declined from a peak of \$469.4 million in 2000.

NASSAU COUNTY'S CREDIT RATING

The three major credit rating agencies responded to the county's fiscal progress by increasing the ratings assigned to the county's long-term general obligation debt. Between February of 2003 and March of 2004, each of the three rating agencies increased the county's credit rating by two levels. Moody's Investors Service increased its rating from Baa3 to Baa1. Standard and Poor's upgraded its rating assigned to the county's general obligation debt from BBB- to BBB+. And Fitch Ratings increased the credit rating it has assigned to the county's general obligation debt from BBB to A-. Standard and Poor's has assigned a stable outlook to the county's credit rating. Fitch Ratings has assigned Nassau's credit rating a positive outlook. And in June of 2004, Moody's Investors Service placed Nassau County on credit watch for a possible future upgrade in the county's credit rating.

The county was able to secure the highest possible short term ratings from each of the three major credit rating agencies for its TAN borrowing in December of 2003: a MIG 1 from Moody's Investors Service, a SP-1+ from Standard and Poor's, and a F1+ from Fitch Ratings.

CONCLUSION

Accounting for changes in the estimation of certain liabilities, Management believes that the net worth of the county rose from 2002 to 2003 by as much as \$68.9 million. During 2003, the county generated a positive operating surplus of \$127.5 million across its major operating funds. This operating surplus was a function, in large part, of conservative budgeting, one time benefits, and progress in the implementation of the multi-year financial plan. Of these funds, the county directed \$114.8 million to hedge against future budgetary exposures, defease debt, avoid new debt issuance, and make a series of strategic investments. Unreserved, undesignated fund balance in the county's major operating funds grew from \$68.3 million to \$81.0 million. The county's improved financial position was reflected in the size of the county's cash flow borrowing, which was its lowest in well over a decade. The three credit rating agencies responded to these improvements in the county's financial position with a series of positive rating actions, including a total of six rating upgrades, between February of 2003 and March of 2004.

Despite this progress, significant challenges to the county's future fiscal health remain. The multi-year financial plan continues to project substantial out-year budget gaps which

will require new fiscal initiatives to close. The burden of the local component of Medicaid, shared by all counties in New York State, is a serious impediment to achieving structurally balanced budgets. The county must substantially reduce the liability associated with its inventory of unresolved property assessment grievances before December 31, 2005. And finally, the county must work to stabilize the deteriorating financial position of the Nassau University Medical Center, which is projected to dissipate its cash balances by the end of 2004 unless dramatic fiscal and operational restructuring occurs.

EXHIBIT X-1

COUNTY OF NASSAU, NEW YORK

STATEMENT OF NET ASSETS
DECEMBER 31, 2003 (Dollars in Thousands)

	Primary Government	
	Governmental Activities	Component Units
ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 736,452	\$ 77,800
Investments, Including Accrued Interest (Note 2)	36,986	
Sales Tax Receivable	94,158	
Interest Receivable	285	
Student Accounts and Loans Receivable		4,335
Less Allowance for Doubtful Amounts		(1,400)
Due from Other Governments (Note 3)	230,345	3,506
Less Allowance for Doubtful Accounts	(4,464)	
Other Receivables		5,993
Less Allowance for Doubtful Amounts		(1)
Accounts Receivable	16,060	168,642
Less Allowance for Doubtful Accounts		(72,639)
Real Property Taxes Receivable	57,590	
Less Allowance for Doubtful Accounts	(9,091)	
Due from Component Unit (Note 6)	6,588	
Inventories		4,428
Other Assets	24,119	16,089
Total Current Assets	1,189,028	206,753
NON CURRENT ASSETS:		
Deferred Financing Costs	42,005	15,016
Less Accumulated Amortization	(3,426)	(3,641)
Assets Whose Use is Limited		65,374
Property, Plant and Equipment (Note 7)	3,675,512	588,272
Less Accumulated Depreciation	(1,364,986)	(338,226)
Leasehold Acquisition Costs		1,020
Less Accumulated Amortization		(816)
Deposits Held by Trustees		9,135
Deposits Held in Custody for Others		1,775
Tax Sale Certificates (Note 5)	5,081	
Tax Real Estate Held for Sale (Note 4)	6,926	-
Total Non Current Assets	2,361,112	337,909
Total Assets	3,550,140	544,662
LIABILITIES		
CURRENT LIABILITIES:		
Accounts Payable	46,283	48,014
Accrued Liabilities	229,564	29,100
Accrued Medical Assistance Liability	39,485	
Accrued Interest Payable	56,711	
Notes Payable - Current		38
Due to Primary Government (Note 6)		5,993
Deferred Revenue - Current	38,394	12,766
Current Portion of Long Term Liabilities (Note 9)	556,480	15,562
Other Liabilities - Current	30,085	19,599
Total Current Liabilities	997,002	131,072
NON CURRENT LIABILITIES:		
Notes Payable	-	421
Serial Bonds Payable (Notes 9 and 10)	2,785,486	315,215
Deferred Revenue - Non Current	4,470	
Deferred Bond Premium (Net of Amortization)	55,887	
Accrued Vacation and Sick Pay (Note 9 and 15)	544,459	62,742
Estimated Malpractice Liability (Notes 9 and 15)	-	
Estimated Tax Certiorari Payable (Notes 9 and 15)	255,873	
Estimated Liability for Litigation and Workers' Compensation (Notes 9 and 15)	309,853	22,619
Capital Lease (Note 8)	5,574	
Other Liabilities - Non Current	42,402	
Deposits Held in Custody for Others		1,775
Insurance Reserve Liability	-	1,620
Total Non Current Liabilities	4,004,004	404,392
Total Liabilities	5,001,006	535,464
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	1,530,864	95,662
Restricted:		
Statutory	(2,357,778)	
Special Revenue	(250,905)	
Capital Projects	136,327	
Debt Service		9,135
Student Loans		838
Unrestricted deficit	(509,374)	(96,437)
Total Net Assets (deficit)	\$ (1,450,866)	\$ 9,198

See accompanying notes to financial statements.

EXHIBIT X-1

COUNTY OF NASSAU, NEW YORK

**STATEMENT OF NET ASSETS
DECEMBER 31, 2002 (Dollars in Thousands)**

	<u>Primary Government</u>	
	<u>Governmental Activities</u>	<u>Component Units</u>
ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 264,990	\$ 99,443
Investments, Including Accrued Interest (Note 2)	404,643	
Investments - Tax Anticipation Notes (TAN) /Revenue Anticipation Notes (RAN)	178,065	
Sales Tax Receivable	86,292	
Interest Receivable	55	358
Student Accounts and Loans Receivable		3,978
Less Allowance for Doubtful Amounts		(1,431)
Due from Other Governments (Note 3)	170,989	3,910
Less Allowance for Doubtful Accounts	(4,464)	
Other Receivables		292
Less Allowance for Doubtful Amounts		(31)
Accounts Receivable	15,411	145,854
Less Allowance for Doubtful Accounts		(64,787)
Real Property Taxes Receivable	54,436	
Less Allowance for Doubtful Accounts	(8,772)	
Due from Component Unit (Note 6)	6,163	
Inventories		2,109
Other Assets	16,817	7,739
Total Current Assets	1,184,625	197,434
NON CURRENT ASSETS:		
Deferred Financing Costs	8,266	15,016
Less Accumulated Amortization	(690)	(2,868)
Assets Whose Use Is Limited		82,588
Property, Plant and Equipment (Note 7)	3,677,647	559,343
Less Accumulated Depreciation	(1,269,082)	(321,253)
Leasehold Acquisition Costs		1,020
Less Accumulated Amortization		(748)
Deposits Held by Trustees		5,762
Deposits Held in Custody for Others		1,758
Tax Sale Certificates (Note 5)	5,326	
Tax Real Estate Held for Sale (Note 4)	6,865	-
Total Non Current Assets	2,408,332	340,618
Total Assets	3,592,957	538,052
LIABILITIES		
CURRENT LIABILITIES:		
Accounts Payable	64,838	46,590
Accrued Liabilities	165,636	15,694
Accrued Medical Assistance Liability	31,738	
Accrued Interest Payable	43,886	
Due to Primary Government (Note 6)		7,803
Deferred Revenue - Current	28,033	14,683
Current Portion of Long Term Liabilities (Note 9)	840,144	10,580
Other Liabilities - Current	27,722	38,029
Total Current Liabilities	1,201,997	133,379
NON CURRENT LIABILITIES:		
Serial Bonds Payable (Notes 9 and 10)	2,753,262	328,163
Deferred Revenue - Non Current	1,161	
Deferred Bond Premium (Net of Amortization)	12,235	
Accrued Vacation and Sick Pay (Note 9 and 15)	355,460	46,792
Estimated Malpractice Liability (Notes 9 and 15)	3,013	
Estimated Tax Certiorari Payable (Notes 9 and 15)	213,905	
Estimated Liability for Litigation and Workers' Compensation (Notes 9 and 15)	248,387	2,500
Capital Lease (Note 8)	5,566	
Other Liabilities - Non Current	41,860	
Deposits Held in Custody for Others		1,758
Insurance Reserve Liability	-	1,533
Total Non Current Liabilities	3,634,849	380,746
Total Liabilities	4,836,846	514,125
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	1,491,579	80,299
Restricted:		
Statutory	(2,076,191)	
Special Revenue	(227,012)	
Capital Projects	78,167	4,453
Debt Service		5,762
Student Loans		741
Unrestricted (deficit)	(510,432)	(67,328)
Total Net Assets (deficit)	\$ (1,243,889)	\$ 23,927

See accompanying notes to financial statements.

EXHIBIT X-2

COUNTY OF NASSAU, NEW YORK

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2003 (Dollars in Thousands)**

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets					
	Expenses	Program Revenues			Primary Governmental	Component Units
		Charges for Services	Operating Grants	Capital Grants	Activities	
Primary Government:						
Legislative	\$ 6,525	\$ 2	\$ -	\$ -	\$ (6,523)	\$ -
Judicial	42,764	11,121	6,073		(25,570)	
General Government	769,969	45,211	27,857		(696,901)	
Protection of Persons	522,711	31,002	5,302		(486,407)	
Health	230,590	16,712	117,937		(95,941)	
Public Works	177,691	10,813	371	29,548	(136,959)	
Recreation and parks	46,037	14,229			(31,808)	
Social Services	529,093	77,277	204,130		(247,686)	
Corrections	184,199	2,269	18,529		(163,401)	
Education	22,649	7,399	2,677		(12,573)	
Debt Service Interest	186,041	-	-	-	(186,041)	
Total Primary Government	<u>\$ 2,718,269</u>	<u>\$ 216,035</u>	<u>\$ 382,876</u>	<u>\$ 29,548</u>	(2,089,810)	
Component Units	<u>\$ 717,334</u>	<u>\$ 571,992</u>	<u>\$ 21,761</u>	<u>\$ 1,522</u>		(122,059)
General Revenues:						
Taxes (Net of Refunds):						
Property Taxes					\$ 883,616	
Sales Taxes					890,860	
Other Taxes					30,187	
Tobacco Settlement Revenue					26,186	
Investment Income					13,560	3,422
Other Federal and State Aid					15,000	106,707
Other					23,424	(2,799)
Total General Revenues					<u>1,882,833</u>	<u>107,330</u>
Change in Net Assets					(206,977)	(14,729)
Net Assets - Beginning					<u>(1,243,889)</u>	<u>23,927</u>
Net Assets - Ending					<u>\$ (1,450,866)</u>	<u>\$ 9,198</u>

See accompanying notes to financial statements.

EXHIBIT X-2

COUNTY OF NASSAU, NEW YORK

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2002 (Dollars in Thousands)**

Functions/Programs						Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Program Revenues			Primary Governmental	Component Units	
		Charges for Services	Operating Grants	Capital Grants	Activities		
Primary Government:							
Legislative	\$ 5,847	\$ -	\$ -	\$ -	\$ (5,847)	\$ -	
Judicial	40,974	10,514	5,067		(25,393)		
General Government	479,242	77,693	36,760	28,564	(336,225)		
Protection of Persons	556,196	19,371	6,669		(530,156)		
Health	207,803	17,521	108,546		(81,736)		
Public Works	177,418	10,182	317	6,468	(160,451)		
Recreation and parks	44,778	15,791			(28,987)		
Social Services	540,759	115,040	215,641		(210,078)		
Corrections	172,361	1,206	23,624		(147,531)		
Education	10,097	233	370		(9,494)		
Debt Service Interest	214,186	-	-	-	(214,186)		
Total Primary Government	\$ 2,449,661	\$ 267,551	\$ 396,994	\$ 35,032	(1,750,084)		
Component Units	\$ 688,643	\$ 555,391	\$ 18,935	\$ 3,113		(111,204)	
General Revenues:							
Taxes (Net of Refunds):							
Property Taxes					\$ 757,481		
Sales Taxes					863,157		
Other Taxes					28,321		
Tobacco Settlement Revenue					26,180		
Investment Income					15,906	4,302	
Other Federal and State Aid					20,000	85,745	
Other					21,472	(1,041)	
Total General Revenues					1,732,517	89,006	
Change in Net Assets					(17,567)	(22,198)	
Net Assets - Beginning					(1,226,322)	46,125	
Net Assets - Ending					\$ (1,243,889)	\$ 23,927	

See accompanying notes to financial statements.

EXHIBIT X-3

COUNTY OF NASSAU, NEW YORK

**GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2003 (Dollars in Thousands)**

ASSETS	General	NIFA General Fund	Debt Service Fund	Police District Fund	Police Headquarters Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash	\$ 125,145	\$ 26,204	\$ 8,304	\$ 51,304	\$ 59,224	\$ 466,271	\$ 736,452
Investments (Note 2)						36,986	36,986
Sales Tax Receivable		94,158					94,158
Interest Receivable		9				276	285
Due from Other Governments (Note 3)	219,789				4	10,552	230,345
Less Allowance for Doubtful Accounts	(4,464)						(4,464)
Accounts Receivable	14,174			43	660	1,183	16,060
Real Property Taxes Receivable	57,590						57,590
Less Allowance for Doubtful Accounts	(9,091)						(9,091)
Tax Sale Certificates (Note 5)	5,081						5,081
Tax Real Estate Held for Sale (Note 4)	6,926						6,926
Interfund Receivables (Note 6)	150,373		9,790	114	4,058	70,550	234,885
Due from Component Units (Note 6)	10,430						10,430
Other Assets	10,648	36	-	5,659	5,466	2,309	24,118
TOTAL ASSETS	\$ 586,601	\$ 120,407	\$ 18,094	\$ 57,120	\$ 69,412	\$ 588,127	\$ 1,439,761

See accompanying notes to financial statements.

EXHIBIT X-3

COUNTY OF NASSAU, NEW YORK

GOVERNMENTAL FUNDS

BALANCE SHEET

DECEMBER 31, 2003 (Dollars in Thousands) (concluded)

<u>LIABILITIES AND FUND EQUITY</u>	<u>General</u>	<u>NIFA General Fund</u>	<u>Debt Service Fund</u>	<u>Police District Fund</u>	<u>Police Headquarters Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
LIABILITIES:							
Accounts Payable	\$ 28,850	\$ -	\$ -	\$ 339	\$ 873	\$ 16,221	\$ 46,283
Accrued Liabilities	135,671	25		8,863	20,665	64,340	229,564
Accrued Medical Assistance Liability	39,485						39,485
Tax Anticipation Notes Payable (Note 9)	120,000						120,000
Deferred Revenue	29,012					34,750	63,762
Interfund Payables (Note 6)	38,933	119,783		15,150	27,976	33,043	234,885
Due to Component Units (Note 6)						3,842	3,842
Other Liabilities	27,060	-	-	415	421	44,591	72,487
Total Liabilities	419,011	119,808	-	24,767	49,935	196,787	810,308
FUND EQUITY :							
Fund Balances:							
Reserved for Retirement of Temporary Financing						54,642	54,642
Reserved for Encumbrances	91,483			5,628	2,832	128,154	228,097
Reserved Police Terminations				21,855	16,645		38,500
Reserve for Retirement of Pension Debt			18,094				18,094
Unreserved and Designated for Ensuing Year's Budget (Note 13)						44,311	44,311
Unreserved (Note 13)	76,107	599	-	4,870	-	164,233	245,809
Total Fund Equity	167,590	599	18,094	32,353	19,477	391,340	629,453
Commitments and Contingencies (Note 15)							
TOTAL LIABILITIES AND FUND EQUITY	\$ 586,601	\$ 120,407	\$ 18,094	\$ 57,120	\$ 69,412	\$ 588,127	\$ 1,439,761

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

See accompanying notes to financial statements.

EXHIBIT X-3

COUNTY OF NASSAU, NEW YORK

**GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2002 (Dollars in Thousands)**

ASSETS	General	NIFA General Fund	Debt Service Fund	Police District Fund	Police Headquarters Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash	\$ 160,817	\$ 681	\$ -	\$ 1,961	\$ 6,137	\$ 95,394	\$ 264,990
Investments (Note 2)	41,885			25,000	14,300	323,458	404,643
Investments - Tax Anticipation Notes (TAN) / Revenue Anticipation Notes (RAN)		178,065					178,065
Sales Tax Receivable		86,292					86,292
Interest Receivable		5				50	55
Due from Other Governments (Note 3)	160,973			4	1,247	8,765	170,989
Less Allowance for Doubtful Accounts	(4,464)						(4,464)
Accounts Receivable	15,411						15,411
Real Property Taxes Receivable	54,436						54,436
Less Allowance for Doubtful Accounts	(8,772)						(8,772)
Tax Sale Certificates (Note 5)	5,326						5,326
Tax Real Estate Held for Sale (Note 4)	6,865						6,865
Interfund Receivables (Note 6)	102,458	2		453	2,830	95,578	201,321
Due from Component Units (Note 6)	8,652						8,652
Other Assets	7,096	16	-	3,550	3,778	2,377	16,817
TOTAL ASSETS	\$ 550,683	\$ 265,061	\$ -	\$ 30,968	\$ 28,292	\$ 525,622	\$ 1,400,626

See accompanying notes to financial statements.

EXHIBIT X-3

COUNTY OF NASSAU, NEW YORK

**GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2002 (Dollars in Thousands) (concluded)**

LIABILITIES AND FUND EQUITY	General	NIFA General Fund	Debt Service Fund	Police District Fund	Police Headquarters Fund	Nonmajor Governmental Funds	Total Governmental Funds
LIABILITIES:							
Accounts Payable	\$ 35,050	\$ -	\$ -	\$ 575	\$ 811	\$ 22,961	\$ 59,397
Accrued Liabilities	85,340	80		25,892	18,796	40,969	171,077
Accrued Medical Assistance Liability	31,738						31,738
Bond Anticipation Notes Payable (Note 9)		178,065				24,090	202,155
Tax Anticipation Notes Payable (Note 9)	68,920						68,920
Revenue Anticipation Notes Payable (Note 9)	109,145						109,145
Deferred Revenue	30,681				664	19,548	50,893
Interfund Payables (Note 6)	26,861	86,292		2,635	2,919	82,614	201,321
Due to Component Units (Note 6)					201	2,288	2,489
Other Liabilities	24,183	-	-	497	493	44,409	69,582
Total Liabilities	411,918	264,437	-	29,599	23,884	236,879	966,717
FUND EQUITY:							
Fund Balances:							
Reserved for Retirement of Temporary Financing						36,590	36,590
Reserved for State Revolving Fund						1,499	1,499
Reserved for Encumbrances	70,433			1,369	4,408	135,280	211,490
Unreserved and Designated for Ensuing Year's Budget (Note 13)						23,305	23,305
Unreserved (Note 13)	68,332	624	-	-	-	92,069	161,025
Total Fund Equity	138,765	624	-	1,369	4,408	288,743	433,909
Commitments and Contingencies (Note 15)							
TOTAL LIABILITIES AND FUND EQUITY	\$ 550,683	\$ 265,061	\$ -	\$ 30,968	\$ 28,292	\$ 525,622	\$ 1,400,626

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

See accompanying notes to financial statements.

EXHIBIT X-4

COUNTY OF NASSAU, NEW YORK

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2003 (Dollars in Thousands)**

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

Total fund balances - governmental funds	\$	629,453
Revenue recorded in the Statement of Net assets is recorded as deferred revenue in the governmental funds		20,898
Premium on debt issued is recorded in the governmental funds as revenue. In the statement of activities, the premium is amortized over the lives of the debt.		(55,887)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net		2,310,526
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds		38,579
Long-term liabilities are not due and payable in the current period and accordingly are not reported in the funds:		
Bonds and notes payable		(2,785,486)
Other long term liabilities		(1,115,758)
Current portion of long term liabilities		(436,480)
Accrued interest payable		<u>(56,711)</u>
Net assets (deficit) of governmental activities	\$	<u>(1,450,866)</u>

See accompanying notes to financial statements.

EXHIBIT X-4

COUNTY OF NASSAU, NEW YORK

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2002 (Dollars in Thousands)**

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

Total fund balances - governmental funds	\$	433,909
Revenue recorded in the Statement of Net assets is recorded as deferred revenue in the governmental funds		9,464
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net		2,388,565
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds		7,576
Long-term liabilities are not due and payable in the current period and accordingly are not reported in the funds:		
Bonds and notes payable		(2,753,262)
Other long term liabilities		(826,331)
Current portion of long term liabilities		(459,924)
Accrued interest payable		<u>(43,886)</u>
Net assets (deficit) of governmental activities	\$	<u>(1,243,889)</u>

See accompanying notes to financial statements.

EXHIBIT X-5

COUNTY OF NASSAU, NEW YORK

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2003 (Dollars in Thousands)**

	<u>General</u>	<u>NIFA General</u>	<u>Debt Service Fund</u>	<u>Police District Fund</u>	<u>Police Headquarters Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:							
Interest and Penalties on Taxes	\$ 22,456	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,456
Unrealized Gain on Investments						968	968
Licenses and Permits	6,776						6,776
Fines and Forfeits	13,059						13,059
Interest Income	3,129	479		21	22	5,549	9,200
Rents and Recoveries	12,492			122	394	1,206	14,214
Departmental Revenue	111,235			4,893	14,738	32,444	163,310
Interdepartmental Revenue	104,775		18,094	332	514	1,508	125,223
Federal Aid	107,183				398	61,550	169,131
State Aid	198,057				589	38,422	237,068
State Aid from NIFA						15,000	15,000
Sales Tax	779,062	62,878					841,940
Preempted Sales Tax in Lieu of Property Taxes	48,920						48,920
Tobacco Settlement Revenue						26,186	26,186
Property Taxes	129,530			299,978	252,174	202,735	884,417
Payments in Lieu of Taxes	4,205						4,205
Special Taxes	13,613				12,177	192	25,982
Other Revenues	9,922	-	-	-	-	1,357	11,279
Total Revenues	<u>1,564,414</u>	<u>63,357</u>	<u>18,094</u>	<u>305,346</u>	<u>281,006</u>	<u>387,117</u>	<u>2,619,334</u>
EXPENDITURES:							
Current:							
Legislative	6,572					-	6,572
Judicial	42,063					926	42,989
General Administration	207,328	1,136				23,252	231,716
Protection of Persons	10,361			270,566	261,128	27,773	569,828
Health	183,073					50,585	233,658
Public Works	54,430					71,700	126,130
Recreation and Parks						62,049	62,049
Capital Outlay						31,360	31,360
Sewage Districts						11,234	11,234
Social Services	523,765					6,077	529,842
Corrections	183,931					711	184,642
Education	4,953					1,313	6,266
Payments for Tax Certiorari and Other Judgments	141,820						141,820
Other	106,367	-	-	-	-	-	106,367
Total Current	<u>1,464,663</u>	<u>1,136</u>	<u>-</u>	<u>270,566</u>	<u>261,128</u>	<u>286,980</u>	<u>2,284,473</u>

See accompanying notes to financial statements.

EXHIBIT X-5

COUNTY OF NASSAU, NEW YORK

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2003 (Dollars in Thousands)**

	<u>General</u>	<u>NIFA General</u>	<u>Debt Service Fund</u>	<u>Police District Fund</u>	<u>Police Headquarters Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
EXPENDITURES: (continued)							
Debt Service:							
Principal	\$ -	\$ -	\$ 196,314	\$ -	\$ -	\$ 22,975	\$ 219,289
Interest			96,525			68,052	164,577
Financing Costs			415			5,195	5,610
Total Debt Service			293,254			96,222	389,476
Total Expenditures	1,464,663	1,136	293,254	270,566	261,128	383,202	2,673,949
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	99,751	62,221	(275,160)	34,780	19,878	3,915	(54,615)
OTHER FINANCING SOURCES (USES):							
Other Financing Sources - Premium	632					47,381	48,013
Other Financing Sources - EFC Subsidy			4,884				4,884
Other Financing Use - Cost of Issuance			(774)				(774)
Transfer from NIFA for Escrow Agent	(41,623)						(41,623)
Deposited with Escrow Agent for Defeasance		(112)	279,085			(305,390)	(26,417)
Payments to Refunding Bond Escrow Holder			(341,731)				(341,731)
Transfers In	18,211	1,817	300,754		3,796	96,403	420,981
Transfers In of Investment Income	3,016					461	3,477
Transfers Out	(249,948)			(3,796)	(8,605)	(96,401)	(358,750)
Transfers Out of Investment Income		(1,720)				(1,757)	(3,477)
Transfers In from NIFA	15,342					52,601	67,943
Transfers Out from NIFA		(62,231)				(209,764)	(271,995)
Other Sources						673	673
Proceeds from Borrowings			51,036			514,475	565,511
Transfers from NIFA for Tax Certiorari and Other Judgment Borrowings	183,444						183,444
Total Other Financing Sources (Uses)	(70,926)	(62,246)	293,254	(3,796)	(4,809)	98,682	250,159
NET CHANGE IN FUND BALANCES	28,825	(25)	18,094	30,984	15,069	102,597	195,544
TOTAL FUND BALANCES AT BEGINNING OF YEAR	138,765	624		1,369	4,408	288,743	433,909
TOTAL FUND BALANCES AT END OF YEAR	\$ 167,590	\$ 599	\$ 18,094	\$ 32,353	\$ 19,477	\$ 391,340	\$ 629,453

See accompanying notes to financial statements.

EXHIBIT X-5

COUNTY OF NASSAU, NEW YORK

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2002 (Dollars in Thousands)**

	<u>General</u>	<u>NIFA General</u>	<u>Debt Service Fund</u>	<u>Police District Fund</u>	<u>Police Headquarters Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:							
Interest and Penalties on Taxes	\$ 20,156	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,156
Unrealized Gain on Investments						1,317	1,317
Licenses and Permits	4,751						4,751
Fines and Forfeits	12,785						12,785
Interest Income	6,529	344		1		5,859	12,733
Rents and Recoveries	47,578			302	208	812	48,900
Departmental Revenue	144,323			3,612	10,581	29,135	187,651
Interdepartmental Revenue	104,558			332	467	1,336	106,693
Federal Aid	124,104				317	53,593	178,014
State Aid	191,342					33,118	224,460
State Aid from NIFA						20,000	20,000
Tobacco Settlement Revenue						26,180	26,180
Sales Tax	773,975	40,185					814,160
Preempted Sales Tax in Lieu of Property Taxes	48,997						48,997
Property Taxes	108,677			270,610	225,364	153,616	758,267
Payments in Lieu of Taxes	2,974						2,974
Special Taxes	14,351				10,791	205	25,347
Other Revenues	13,231	-	-	-	-	988	14,219
Total Revenues	1,618,331	40,529	-	274,857	247,728	326,159	2,507,604
EXPENDITURES:							
Current:							
Legislative	5,865						5,865
Judicial	39,049					855	39,904
General Administration	181,928	1,222				34,935	218,085
Protection of Persons	9,963			282,690	267,736	24,910	585,299
Health	169,065					45,034	214,099
Public Works	44,104					65,624	109,728
Recreation and Parks						60,187	60,187
Capital Outlay						48,569	48,569
Sewage Districts						27,497	27,497
Social Services	538,402					2,632	541,034
Corrections	171,289					1,053	172,342
Education	5,017					1,053	6,070
Payments for Tax Certiorari and Other Judgments	125,545						125,545
Other	116,253	-	-	-	-	-	116,253
Total Current	1,406,480	1,222	-	282,690	267,736	312,349	2,270,477

See accompanying notes to financial statements.

EXHIBIT X-5

COUNTY OF NASSAU, NEW YORK

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2002 (Dollars in Thousands)**

	<u>General</u>	<u>NIFA General</u>	<u>Debt Service Fund</u>	<u>Police District Fund</u>	<u>Police Headquarters Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
EXPENDITURES: (continued)							
Debt Service:							
Principal	\$ -	\$ -	\$ 195,975	\$ -	\$ -	\$ 16,860	\$ 212,835
Interest			126,725			40,831	167,556
Financing Costs	495	196				1,703	2,394
Total Debt Service	495	196	322,700			59,394	382,785
Total Expenditures	1,406,975	1,418	322,700	282,690	267,736	371,743	2,653,262
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	211,356	39,111	(322,700)	(7,833)	(20,008)	(45,584)	(145,658)
OTHER FINANCING SOURCES (USES):							
Other Financing Sources - Premium						13,595	13,595
Payments to Refunding Bond Escrow Holder						(114,817)	(114,817)
Transfers In		804	312,597		11,643	85,629	410,673
Transfer In from NIFA	61,199			11,563	8,437	27,106	108,305
Transfers In of Investment Income	2,170					613	2,783
Transfers Out	(297,608)	(41,290)		(3,798)		(291,537)	(634,233)
Transfers to RAN Withholding Account - NIFA		(220)					(220)
Payments to Refunded Bond Escrow Agent	(58,329)						(58,329)
Transfers Out of Investment Income						(2,783)	(2,783)
Proceeds from Borrowings						328,268	328,268
Proceeds from NIFA - Tax Certiorari and Other Judgment Borrowings	125,545						125,545
Other Sources		1,693				120	1,813
Total Other Financing Sources (Uses)	(167,023)	(39,013)	312,597	7,765	20,080	46,194	180,600
NET CHANGE IN FUND BALANCES	44,333	98	(10,103)	(68)	72	610	34,942
TOTAL FUND BALANCES AT BEGINNING OF YEAR	94,432	526	10,103	1,437	4,336	288,133	398,967
TOTAL FUND BALANCES AT END OF YEAR	\$ 138,765	\$ 624	\$ -	\$ 1,369	\$ 4,408	\$ 288,743	\$ 433,909

See accompanying notes to financial statements.

EXHIBIT X-6

COUNTY OF NASSAU, NEW YORK

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2003 (Dollars in Thousands)

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

Net change in fund balances - total governmental funds \$ 195,544

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

Purchase of capital assets	\$ 46,751	
Depreciation expense	(125,239)	
Other	<u>449</u>	(78,039)

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

Proceeds from sales of bonds	(565,511)	
Principal payments of bonds	587,437	
Accrued interest payable	(12,825)	
Amortized debt issuance costs	(42,700)	
Payment of component unit debt costs	(16,383)	
Other	<u>(273,699)</u>	(323,681)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (801)

Change in net assets - governmental activities \$ (206,977)

See accompanying notes to financial statements.

EXHIBIT X-6

COUNTY OF NASSAU, NEW YORK

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2002 (Dollars in Thousands)

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

Net change in fund balances - total governmental funds		\$	34,942
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period			
Purchase of capital assets	\$	48,090	
Donated assets		28,564	
Depreciation expense		(109,078)	
Other		<u>(361)</u>	(32,785)
The issuance of long term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.			
Proceeds from sales of bonds		(225,650)	
Principal payments of bonds		271,164	
Accrued interest payable		(43,886)	
Amortized debt issuance costs		1,077	
Payment of component unit debt costs		(4,027)	
Other		<u>(4,771)</u>	(6,093)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			<u>(13,631)</u>
Change in net assets - governmental activities		\$	<u>(17,567)</u>

See accompanying notes to financial statements.

EXHIBIT X-7

COUNTY OF NASSAU, NEW YORK

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TOTAL BUDGETARY AUTHORITY AND ACTUAL
GENERAL AND BUDGETED SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003 (Dollars in Thousands) (Continued)

	GENERAL FUND				MAJOR FUNDS				BUDGETED SPECIAL REVENUE POLICE DISTRICT FUND									
	Original Budget	Total Budgetary Authority	Actual	Budgetary Conversion (Note 12)	Actual on a Budgetary Basis	Variance Over (Under)	Original Budget	Total Budgetary Authority	Actual	Budgetary Conversion (Note 12)	Actual on a Budgetary Basis	Variance Over (Under)	Original Budget	Total Budgetary Authority	Actual	Budgetary Conversion (Note 12)	Actual on a Budgetary Basis	Variance Over (Under)
Revenues:																		
Interest and Penalties on Taxes	22,300	22,570	22,456	-	22,456	(114)												
Licenses and Permits	6,343	6,343	6,776		6,776	433												
Fines and Forfeits	13,940	13,940	13,059		13,059	(881)												
Rents and Recoveries	44,894	45,794	12,492		12,492	(33,302)	405	405	122	122	(283)							
Interest Income	6,901	6,901	3,129		3,129	(3,772)			21	21								21
Departmental Revenue	113,969	113,969	111,235		111,235	(2,734)	3,522	3,522	4,893	4,893	1,371							1,371
Interdepartmental Revenue	64,909	64,909	104,775		104,775	35,397			332	332	332							332
Federal Aid	112,265	114,167	107,163		107,163	(6,984)												
State Aid	202,634	202,634	198,057		198,057	(4,577)												
Sales Tax	833,546	833,546	779,062		779,062	(54,484)												
Preempted Sales Tax in Lieu of Property Taxes	48,920	48,920	48,920		48,920													
Property Taxes	126,463	126,463	129,530		129,530	3,067	299,979	299,979	299,978	299,978	(1)							(1)
Payments in Lieu of Taxes	3,915	3,915	4,205		4,205	290												
Special Taxes	14,148	14,148	13,613		13,613	(535)												
Other Revenues	13,986	14,191	9,922		9,922	(4,269)												
Total Revenues	1,629,133	1,636,879	1,564,414		1,564,414	(72,465)	303,906	303,906	303,346	303,346	(560)							1,440
Expenditures:																		
Current:																		
Legislative	6,500	6,945	6,572	165	6,737	208												
Judicial	45,744	43,840	42,063	573	42,636	1,204												
General Administration	223,542	247,277	207,328	32,048	239,376	7,901												
Protection of Persons	11,155	11,270	10,361	314	10,675	595												
Health	194,166	209,637	183,073	16,738	199,811	9,828												
Public Works	55,294	65,064	54,430	8,849	63,279	1,785												
Recreation and Parks	16	16	5	5	11	5												
Social Services	598,541	569,647	523,765	24,887	548,652	20,995												
Corrections	181,389	185,894	183,631	1,157	185,088	806												
Education	5,551	5,551	4,953	180	5,133	416												
Payments for Tax Certiorari and Other Judgements			141,820	(141,820)														
Other	120,265	113,787	106,367	6,530	112,897	880												
Total Current	1,442,153	1,458,923	1,464,963	(50,374)	1,414,289	44,639	301,479	301,479	270,566	270,566	(27,483)							3,430
Debt Service:																		
Principal																		
Interest																		
Financing Costs	201	36		36														
Total Debt Service	201	36		36														
Total Expenditures	1,442,354	1,458,964	1,464,963	(50,338)	1,414,325	44,639	301,479	301,479	270,566	270,566	(27,483)							3,430
Excess (Deficiency) of Revenues Over (Under) Expenditures																		
Other Financing Sources (Uses):																		
Other Financing Sources - premium	186,779	177,915	99,751	50,338	150,089	(27,628)	2,427	2,427	34,780	34,780	(27,483)							4,870
Transfers in from NIFA			632		632													
Transfers in from NIFA			18,211		18,211													
Transfers in from Investment Income			15,342		15,342													
Transfers Out	1,600	1,600	3,016		3,016	1,416												
Payments to Refunded Bond Escrow Agent	(258,812)	(249,948)	(249,948)		(249,948)													
Proceeds from NIFA Tax Certiorari and Other Judgement Borrowings			(41,623)	41,623														
Total Other Financing Sources (Uses)	(257,212)	(248,348)	183,444	(183,444)	(212,747)	35,601	(3,796)	(3,796)	(3,796)	(3,796)	(3,796)							(3,796)
Net Change in Fund Balance	(70,433)	(70,433)	28,825	(91,483)	(62,658)	7,775	(1,369)	(1,369)	30,984	30,984	(27,483)							4,870
Fund Balances at Beginning of Year	70,433	70,433	138,765	(91,483)	138,765	68,332	1,369	1,369	1,369	1,369	1,369							1,369
Fund Balances (Deficits) at End of Year	-	-	167,590	(91,482)	76,107	76,107	-	-	32,353	32,353	(27,483)							4,870

See accompanying notes to financial statements.

EXHIBIT X-7

COUNTY OF NASSAU, NEW YORK

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 TOTAL BUDGETARY AUTHORITY AND ACTUAL
 GENERAL AND BUDGETED SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2003 (Dollars in Thousands) (Concluded)

	MAJOR FUNDS - Continued						BUDGETED DEBT SERVICE FUND					
	Original Budget	Total Budgetary Authority	Actual	Budgetary Conversion (Note 12)	Actual on a Budgetary Basis	Variance Over (Under)	Original Budget	Total Budgetary Authority	Actual	Budgetary Conversion (Note 12)	Actual on a Budgetary Basis	Variance Over (Under)
Revenues:												
Interest and Penalties on Taxes												
Licenses and Permits												
Fines and Forfeits												
Rents and Recoveries			394		394	(982)						
Interest Income	300	1,376	22		22							
Departmental Revenue	10,468	15,203	14,738		14,738	(465)						
Interdepartmental Revenue	300	620	514		514	(106)					18,094	18,094
Federal Aid	346	352	388		388	(134)		18,094				
Sales Tax			369		369	569						
Presumptive Sales Tax in Lieu of Property Taxes												
Property Taxes	252,173	252,173	252,174		252,174	1						
Payments in Lieu of Taxes												
Special Taxes	11,450	12,154	12,177		12,177	23						
Other Revenues												
Total Revenues	275,037	282,080	281,006		281,006	(1,074)		18,094			18,094	18,094
Expenditures:												
Current:												
Legislative												
Judicial												
General Administration												
Protection of Persons	282,883	282,270	261,128	19,477	280,605	1,665						
Health												
Public Works												
Recreation and Parks												
Social Services												
Corrections												
Education												
Payments for Tax Certiorari and Other Judgements												
Other												
Total Current	282,883	282,270	261,128	19,477	280,605	1,665						
Debt Service:												
Principal												
Interest												
Financing Costs												
Total Debt Service												
Total Expenditures	282,883	282,270	261,128	19,477	280,605	1,665						
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,846)	(190)	19,878	(19,477)	401	591						
Other Financing Sources (Uses):												
Transfers In from NIFA	3,438	3,796	3,796		3,796							
Transfers In of Investment Income												
Transfers with Escrow Agent for Defeasance												
Payments to Refunded Bond Escrow Agent												
Other Financing Sources - Premium												
Other Financing Sources - EFC Subsidy												
Other Financing Sources - Cost of Issuance												
Proceeds from Borrowing												
Proceeds from NIFA Tax Certiorari and Other Judgement Borrowings												
Total Other Financing Sources (Uses)	3,438	(4,809)	(4,809)		(4,809)							
Net Change in Fund Balance	(4,408)	(4,999)	15,069	(19,477)	(4,408)	591						
Fund Balance at Beginning of Year	4,408	4,999	4,408		4,408	(591)						
Fund Balance (Deficit) at End of Year	-	-	19,477	(19,477)	-	-						

See accompanying notes to financial statements.

EXHIBIT X.2

COUNTY OF NASSAU, NEW YORK

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TOTAL BUDGETARY AUTHORITY AND ACTUAL
GENERAL AND BUDGETED SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002 (Dollars in Thousands) (Continued)

	GENERAL FUND				MAJOR FUNDS				BUDGETED SPECIAL REVENUE POLICE DISTRICT FUND			
	Original Budget	Total Budgetary Authority	Actual	Budgetary Basis Conversion (Note 12)	Actual on a Budgetary Basis	Variance Over (Under)	Original Budget	Total Budgetary Authority	Actual	Budgetary Basis Conversion (Note 12)	Actual on a Budgetary Basis	Variance Over (Under)
Revenues:												
Interest and Penalties on Taxes	\$ 15,768	\$ 15,768	\$ 20,156	\$ -	\$ 20,156	\$ 4,388	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	5,286	5,286	4,751	(635)	4,751	(535)						
Fines and Forfeits	13,590	13,590	12,785	(805)	12,785	(805)						
Rents and Recoveries	37,425	37,425	47,578	10,153	47,578	10,153	410	302	302	302	(108)	
Interest Income	1,623	1,623	6,529	4,906	6,529	4,906	15	15	15	15	(14)	
Departmental Revenue	116,249	140,323	144,323	28,074	144,323	28,074	4,161	4,161	3,612	3,612	(549)	
Interdepartmental Revenue	102,088	108,401	104,558	(3,843)	104,558	(3,843)	285	285	332	332	47	
Federal Aid	109,836	110,522	124,104	13,582	124,104	13,582						
State Aid	217,810	218,047	191,342	(26,705)	191,342	(26,705)						
Sales Tax	758,932	758,932	773,975	15,043	773,975	15,043						
Premitted Sales Tax in Lieu of Property Taxes	48,997	48,997	48,997		48,997		270,610	270,610	270,610	270,610		
Property Taxes	105,502	105,502	108,677	3,175	108,677	3,175						
Payments in Lieu of Taxes	3,046	3,046	2,974	(72)	2,974	(72)						
Special Taxes	14,452	14,452	14,351	(101)	14,351	(101)						
Other Revenues	19,713	19,713	13,231	(6,482)	13,231	(6,482)						
Total Revenues	1,570,317	1,601,627	1,618,331		1,618,331	16,704	275,481	275,481	274,857	274,857	(624)	
Expenditures:												
Current:												
Legislative	5,881	6,337	5,865	150	6,015	322						
Judicial	38,897	40,108	39,049	285	39,334	774						
General Administration	208,393	213,352	181,928	(18,354)	200,282	(13,070)	273,480	284,268	282,690	1,369	209	
Protection of Persons	9,565	10,978	9,963	274	10,237	741						
Health	186,455	192,230	169,065	(17,187)	186,252	(5,978)						
Public Works	44,916	46,758	44,104	(1,654)	45,482	1,276						
Recreation and Parks	16	16	16		16							
Social Services	574,687	581,982	538,402	(28,637)	567,039	(14,943)						
Corrections	163,876	175,327	171,289	(1,659)	172,948	2,379						
Education	4,879	5,416	5,017	(180)	5,197	219						
Payments for Tax Certiorari and Other Judgements			125,545	(125,545)	118,365	1,058						
Other			116,253	2,112	118,365	40,760						
Total Current	1,359,940	1,391,927	1,406,480	(55,313)	1,351,167	40,760	273,480	284,268	282,690	1,369	209	
Debt Service:												
Principal	148,936											
Interest	94,410											
Financing costs	701	701	495	(201)	696	5						
Total Debt Service	244,047	701	495	(201)	696	5						
Total Expenditures	1,603,987	1,392,628	1,406,975	(55,112)	1,351,863	40,765	273,480	284,268	282,690	1,369	209	
Excess (Deficiency) of Revenues Over (Under) Expenditures												
Other Financing Sources (Uses):												
Transfers in	(33,670)	208,999	211,356	55,112	266,468	57,469	2,001	(8,787)	(7,833)	(1,369)	(415)	
Transfer in from NIFA		3,209	61,199	(58,329)	2,870	(3,209)						
Transfers in of Investment Income	5,000	5,000	2,170	(2,830)	2,170	(2,830)	(3,438)	11,148	11,563	11,563	415	
Transfers Out	(57,860)	(303,738)	(297,608)	(6,130)	(297,608)	6,130						
Payments to Refunded Bond Escrow Agent			(58,329)		(58,329)							
Proceeds from NIFA Tax Certiorari and Other Judgement Borrowings			125,545	(125,545)								
Total Other Financing Sources (Uses)	(52,860)	(295,529)	(167,023)	(125,545)	(292,568)	2,961	(3,438)	7,350	7,765	(1,369)	415	
Net Change in Fund Balance	(86,530)	(86,530)	44,333	(70,433)	(26,100)	60,430	(1,437)	(1,437)	(1,437)	(1,437)		
Fund Balances at Beginning of Year	86,530	86,530	94,432	7,902	94,432	7,902	1,437	1,437	1,437	1,437		
Fund Balances (Deficits) at End of Year	-	-	\$ 138,765	\$ (70,433)	\$ 68,332	\$ 68,332	\$ -	\$ -	\$ 1,369	\$ (1,369)	\$ -	

See accompanying notes to financial statements.

EXHIBIT X-7

COUNTY OF NASSAU, NEW YORK

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 TOTAL BUDGETARY AUTHORITY AND ACTUAL
 GENERAL AND BUDGETED SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2002 (Dollars in Thousands) (Concluded)

	MAJOR FUNDS - Continued						Variance Over (Under)
	Original Budget	Total Budgetary Authority	Actual	Budgetary Conversion (Note 12)	Actual on a Budgetary Basis		
Revenues:							
Interest and Penalties on Taxes	\$	\$	\$	\$	\$	\$	\$
Licenses and Permits							
Fines and Forfeits							
Rents and Recoveries	400	400	208		208	(192)	
Interest Income	1	1				(1)	
Departmental Revenue	7,421	10,478	10,581		10,581	103	
Interdepartmental Revenue	375	375	467		467	92	
Federal Aid	435	435	317		317	(118)	
State Aid							
Sales Tax							
Preempted Sales Tax in Lieu of Property Taxes	225,364	225,364	225,364		225,364		
Property Taxes							
Payments in Lieu of Taxes							
Special Taxes							
Other Revenues	10,000	10,400	10,791		10,791	391	
Total Revenues	243,996	247,453	247,728		247,728	275	
Expenditures:							
Current:							
Legislative							
Judicial							
General Administration							
Protection of Persons							
Health							
Public Works							
Recreation and Parks							
Social Services							
Corrections							
Education							
Payments for Tax Certiorari and Other Judgements	261,770	275,276	267,736	4,408	272,144	3,132	
Other							
Total Current	261,770	275,276	267,736	4,408	272,144	3,132	
Debt Service:							
Principal							
Interest							
Financing costs							
Total Debt Service							
Total Expenditures	261,770	275,276	267,736	4,408	272,144	3,132	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,774)	(27,823)	(20,008)	(4,408)	(24,416)	3,407	
Other Financing Sources (Uses):							
Transfers In	13,438	13,888	11,643		11,643	(2,245)	
Transfer in from NIFA		9,600	8,437		8,437	(1,163)	
Transfers In of Investment Income							
Transfers Out							
Payments to Refunded Bond Escrow Agent							
Proceeds from NIFA Tax Certiorari and Other Judgement Borrowings							
Total Other Financing Sources (Uses)	13,438	23,488	20,080	(4,408)	20,080	(3,408)	
Net Change in Fund Balance	(4,336)	(4,335)	72		(4,336)	(1)	
Fund Balances at Beginning of Year	4,336	4,335	4,336		4,336	1	
Fund Balances (Deficits) at End of Year	\$ -	\$ -	\$ 4,408	\$ (4,408)	\$ -	\$ -	

See accompanying notes to financial statements.

EXHIBIT X-8

COUNTY OF NASSAU, NEW YORK

**STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
DECEMBER 31, 2003 (Dollars in Thousands)**

	<u>Agency Fund</u>
<u>ASSETS:</u>	
Cash	\$ 43,146
Investments	100
Due From Component Unit	<u>362</u>
TOTAL ASSETS	<u>43,608</u>
<u>LIABILITIES:</u>	
Accounts Payable	404
Other Liabilities	<u>43,204</u>
TOTAL LIABILITIES	<u>\$ 43,608</u>

See accompanying notes to financial statements.

EXHIBIT X-8

COUNTY OF NASSAU, NEW YORK

**STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
DECEMBER 31, 2002 (Dollars in Thousands)**

	<u>Agency Fund</u>
<u>ASSETS:</u>	
Cash	\$ 19,212
Investments	24,141
Due From Component Unit	<u>1,083</u>
TOTAL ASSETS	<u>44,436</u>
<u>LIABILITIES:</u>	
Accounts Payable	3,729
Other Liabilities	<u>40,707</u>
TOTAL LIABILITIES	<u>\$ 44,436</u>

See accompanying notes to financial statements.

EXHIBIT X-9

COUNTY OF NASSAU, NEW YORK

**STATEMENT OF NET ASSETS
ALL DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2003 (WITH THE NASSAU COMMUNITY COLLEGE AUGUST 31, 2003)
(Dollars in Thousands)**

	<u>Nassau Community College</u>	<u>Nassau Health Care Corporation</u>	<u>Nassau Regional Off-Track Betting Corp.</u>	<u>Nassau County Industrial Development Agency</u>	<u>Total</u>
ASSETS					
Cash and Cash Equivalents	\$ 35,480	\$ 35,050	\$ 6,294	\$ 976	\$ 77,800
Student Accounts and Loans Receivable	4,335				4,335
Less Allowance for Doubtful Amounts	(1,400)				(1,400)
Due from Other Governments	3,506				3,506
Other Receivables	289	5,704			5,993
Less Allowance for Doubtful Amounts	(1)				(1)
Accounts Receivable		167,835	754	53	168,642
Less Allowance for Doubtful Accounts		(72,639)			(72,639)
Inventories		4,428			4,428
Other Assets		15,345	744		16,089
Deferred Financing Costs	2,602	12,414			15,016
Less Accumulated Amortization	(1,004)	(2,637)			(3,641)
Assets Whose Use Is Limited		65,374			65,374
Property, Plant and Equipment	199,486	361,854	26,895	37	588,272
Less Accumulated Depreciation	(81,162)	(250,613)	(6,421)	(30)	(338,226)
Leasehold Acquisition Costs			1,020		1,020
Less Accumulated Amortization			(816)		(816)
Deposits Held by Trustees	9,135				9,135
Deposits Held in Custody for Others	1,775	-	-	-	1,775
	<u>173,041</u>	<u>342,115</u>	<u>28,470</u>	<u>1,036</u>	<u>544,662</u>
LIABILITIES					
Accounts Payable	5,770	40,406	1,792	46	48,014
Accrued Liabilities		26,273	2,827		29,100
Bond Anticipation Notes Payable			8,200		8,200
Notes Payable - Current			38		38
Due To Primary Government	3,094	189	2,710		5,993
Deferred Revenue	12,752		-	14	12,766
Current Portion of Long Term Liabilities	5,703		1,659		7,362
Other Liabilities		18,028	1,571		19,599
Notes Payable			421		421
Serial Bonds Payable	57,057	258,158			315,215
Accrued Vacation and Sick Pay	39,089	23,639		14	62,742
Estimated Liability for Litigation	2,500	20,119			22,619
Deposits Held in Custody for Others	1,775				1,775
Insurance Reserve Liability	1,620	-	-	-	1,620
	<u>129,360</u>	<u>386,812</u>	<u>19,218</u>	<u>74</u>	<u>535,464</u>
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	57,162	29,241	9,252	7	95,662
Restricted:					
Statutory					
Special Revenue					
Capital Projects					
Debt Service	9,135				9,135
Student Loans	838				838
Unrestricted (deficit)	<u>(23,454)</u>	<u>(73,938)</u>	<u> </u>	<u>955</u>	<u>(96,437)</u>
Total Net Assets (deficit)	<u>\$ 43,681</u>	<u>\$ (44,697)</u>	<u>\$ 9,252</u>	<u>\$ 962</u>	<u>\$ 9,198</u>

See accompanying notes to financial statements.

EXHIBIT X-9

COUNTY OF NASSAU, NEW YORK

STATEMENT OF NET ASSETS

ALL DISCRETELY PRESENTED COMPONENT UNITS

DECEMBER 31, 2002 (WITH THE NASSAU COMMUNITY COLLEGE AUGUST 31, 2002)

(Dollars in Thousands)

	Nassau Community College	Nassau Health Care Corporation	Nassau Regional Off-Track Betting Corp.	Nassau County Industrial Development Agency	Total
ASSETS					
Cash and Cash Equivalents	\$ 34,991	\$ 56,354	\$ 7,626	\$ 472	\$ 99,443
Interest Receivable	358				358
Student Accounts and Loans Receivable	3,978				3,978
Less Allowance for Doubtful Amounts	(1,431)				(1,431)
Due from Other Governments	3,910				3,910
Due from Primary Government		1,128			1,128
Other Receivables	292				292
Less Allowance for Doubtful Amounts	(31)				(31)
Accounts Receivable		144,650	1,149	55	145,854
Less Allowance for Doubtful Accounts		(64,787)			(64,787)
Inventories		2,109			2,109
Other Assets		7,188	551		7,739
Deferred Financing Costs	2,602	12,414			15,016
Less Accumulated Amortization	(830)	(2,038)			(2,868)
Assets Whose Use Is Limited		82,588			82,588
Property, Plant and Equipment	198,924	347,997	12,395	27	559,343
Less Accumulated Depreciation	(76,891)	(238,379)	(5,957)	(26)	(321,253)
Leasehold Acquisition Costs			1,020		1,020
Less Accumulated Amortization			(748)		(748)
Deposits Held by Trustees	5,762				5,762
Deposits Held in Custody for Others	1,758				1,758
	<u>173,392</u>	<u>349,224</u>	<u>16,036</u>	<u>528</u>	<u>539,180</u>
LIABILITIES					
Accounts Payable	5,824	39,191	1,500	75	46,590
Accrued Liabilities		13,288	2,406		15,694
Due To Primary Government	4,649		4,282		8,931
Deferred Revenue	13,291	1,377		15	14,683
Current Portion of Long Term Liabilities	5,691	3,500	1,389		10,580
Other Liabilities		36,365	1,664		38,029
Serial Bonds Payable	70,228	257,935			328,163
Accrued Vacation and Sick Pay	28,220	18,572			46,792
Estimated Liability for Litigation	2,500				2,500
Deposits Held in Custody for Others	1,758				1,758
Insurance Reserve Liability	1,533				1,533
	<u>133,694</u>	<u>370,228</u>	<u>11,241</u>	<u>90</u>	<u>515,253</u>
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	47,886	27,618	4,795		80,299
Restricted:					
Statutory					
Special Revenue					
Capital Projects	4,453				4,453
Debt Service	5,762				5,762
Student Loans	741				741
Unrestricted (deficit)	(19,144)	(48,622)		438	(67,328)
	<u>\$ 39,698</u>	<u>\$ (21,004)</u>	<u>\$ 4,795</u>	<u>\$ 438</u>	<u>\$ 23,927</u>

See accompanying notes to financial statements.

COUNTY OF NASSAU, NEW YORK

STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS - PROPRIETARY
FOR THE YEAR ENDED DECEMBER 31, 2003 (WITH THE NASSAU COMMUNITY COLLEGE AUGUST 31, 2003)
(Dollars in Thousands)

	Nassau Community College	Nassau Health Care Corporation	Nassau Regional Off-Track Betting Corp.	Nassau County Industrial Development Agency	Total
Expenses	\$ 163,017	\$ 488,981	\$ 64,625	\$ 711	\$ 717,334
Program Revenues:					
Charges for Services	36,537	435,178	63,343	1,196	536,254
Operating Grants and Contributions	21,761				21,761
Capital Grants and Contributions	358		1,164		1,522
Other Sources	-	35,738	-	-	35,738
Total Program Revenues	58,656	470,916	64,507	1,196	595,275
Net (Expenses) Program Revenues	(104,361)	(18,065)	(118)	485	(122,059)
General Revenues (Expenses):					
Investment Income	387	2,968	64	3	3,422
Unrestricted Federal, State and Local Aid	106,671			36	106,707
Other	1,286	(8,596)	4,511	-	(2,799)
Net General Revenues (Expenses)	108,344	(5,628)	4,575	39	107,330
Change in Net Assets	3,983	(23,693)	4,457	524	(14,729)
Net Assets - Beginning of Year	39,698	(21,004)	4,795	438	23,927
Net Assets - End of Year	\$ 43,681	\$ (44,697)	\$ 9,252	\$ 962	\$ 9,198

See accompanying notes to financial statements.

COUNTY OF NASSAU, NEW YORK

STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS - PROPRIETARY
FOR THE YEAR ENDED DECEMBER 31, 2002 (WITH THE NASSAU COMMUNITY COLLEGE AUGUST 31, 2002)
(Dollars in Thousands)

	Nassau Community College	Nassau Health Care Corporation	Nassau Regional Off-Track Betting Corp.	Nassau County Industrial Development Agency	Total
Expenses	\$ 144,975	\$ 476,635	\$ 65,975	\$ 1,058	\$ 688,643
Program Revenues:					
Charges for Services	34,406	425,985	64,536	537	525,464
Operating Grants and Contributions	18,935				18,935
Capital Grants and Contributions	1,916		1,197		3,113
Other Sources		29,927			29,927
Total Program Revenues	55,257	455,912	65,733	537	577,439
Net (Expenses) Program Revenues	(89,718)	(20,723)	(242)	(521)	(111,204)
General Revenues (Expenses):					
Investment Income	547	3,730	16	9	4,302
Unrestricted Federal, State and Local Aid	85,745				85,745
Other	(1,572)		531		(1,041)
Net General Revenues (Expenses)	84,720	3,730	547	9	89,006
Change in Net Assets	(4,998)	(16,993)	305	(512)	(22,198)
Net Assets - Beginning of Year	44,696	(4,011)	4,490	950	46,125
Net Assets - End of Year	\$ 39,698	\$ (21,004)	\$ 4,795	\$ 438	\$ 23,927

See accompanying notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

- (a) *The Nassau Community College* (the “College”) provides educational services under New York State Education Law. It is reported as a component unit - governmental as the county appoints its governing body, the county approves its budget, issues debt for College purposes and provides approximately 27% of the College’s revenues through a countywide real property tax levy. The College has authority to enter into contracts under New York State Education Law and to sue and be sued. *The College is presented in accordance with policies prescribed by the Governmental Accounting Standards Board (“GASB”): Statement No.35, Basic Financial Statements – and Management’s Discussion and Analysis for Public Colleges and Universities*, and in accordance with the New York State Education Law. Therefore, the College is discretely presented. This component unit is presented as of and for its fiscal years ended August 31, 2003 and 2002, respectively.
- (b) *Nassau Health Care Corporation* (the “NHCC”) is a public benefit corporation created in 1997 by an act of the New York State Legislature for the purpose of acquiring and operating the health facilities of Nassau County, State of New York. Effective September 29, 1999 (the “Transfer Date”), a transaction was executed which transferred ownership of the county health facilities to the NHCC. Concurrent with the transaction, \$259.7 million of Nassau Health Care Corporation Health System Revenue Bonds, Series 1999 were issued. The bonds are insured and guaranteed by the county. NHCC is fiscally dependent on the county should certain NHCC debt service reserve funds fall below their requirements. NHCC is considered to be a component unit of the county and is presented as a proprietary type component unit on the accrual basis of accounting.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Board of the NHCC consists of fifteen voting and three nonvoting Directors. Eight voting Directors are appointed by the Governor, four by the County Legislature and three by the County Executive. The nonvoting Directors are the Chief Executive Officer of NHCC, one individual appointed by the County Executive and one individual appointed by the County Legislature. The directors serve varying initial terms of two to four years and will serve five-year terms after the expiration of the initial terms. The County Executive selects one of the voting directors as Chairman of the Board.

- (c) *The Nassau Regional Off-Track Betting Corporation* (the "OTB") was created by the New York State Legislature as a public benefit corporation. It is reported as a component unit as the County Legislature appoints its governing body and receives 4.375% of wagers made at Nassau County racetracks and all net operating profits from OTB. These revenues are recorded in the county's General Fund. The OTB is shown as a proprietary type component unit, and is presented on the accrual basis of accounting for its fiscal year ended December 31, 2003 and 2002, respectively.
- (d) *The Nassau County Industrial Development Agency* (the "NCIDA") is a public benefit corporation established pursuant to the New York State General Municipal Law. The NCIDA's purpose is to arrange long-term low interest financing with the intent of developing commerce and industry in the county. It is reported as a component unit as the county appoints its governing body and may remove the NCIDA board at will. The county provides support to the NCIDA in the form of employees and facilities. Support expenditures are included in the county's General Fund under personal services. The NCIDA has sole authority for establishing administrative and fiscal policy in the pursuit of its objectives. The county is not liable for any obligations or deficits the NCIDA may incur, nor does it share in any surpluses. The NCIDA is shown as a proprietary type component unit and is presented on the accrual basis of accounting for its fiscal year ended December 31, 2003 and 2002, respectively.

Blended Component Unit

- (a) *Nassau County Interim Finance Authority* ("NIFA") is included as a blended component unit of the county's primary government pursuant to GASB No. 14 because exclusion would be misleading. It acts as a temporary financial intermediary to the county and is authorized to act as an oversight authority to the county under certain circumstances. It reports using the governmental model and its funds are reported as part of the county's special revenue funds, debt service funds and capital projects funds.

The Nassau County Interim Finance Authority is a corporate governmental agency and instrumentality of the State of New York (the "State") constituting a public benefit corporation created by the Nassau County Interim Finance Authority Act, Chapter 84 of the Laws of 2000, as supplemented by Chapter 179 of the Laws of 2000 and as may be amended from time to time, including but not limited to Chapter 528 of the laws of 2002, and Chapters 314 and 685 of the Laws of 2003 (the "Act"). The Act became effective June 23, 2000.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002**

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

The Authority is governed by seven directors, each appointed by the Governor, including one each appointed upon the recommendation of the Majority Leader of the State Senate, the Speaker of the Assembly and the State Comptroller. The Governor also designates the chairperson and vice-chairperson from among the directors. At present one Director's position is vacant

The Authority has power under the Act to monitor and oversee the finances of Nassau County, and upon declaration of a "Control Period" as defined in the Act, additional oversight authority. The Authority is also empowered to issue its bonds and notes for various county purposes, defined in the Act as "Financeable Costs". The Act authorizes the issuance of bonds and notes, without limit, to finance capital projects and cash flow needs of the county, as well as, to the extent authorized by State law, any county deficit. In addition, the Authority may issue bonds up to the limits as currently set forth in the Act, exclusive of any bonds issued to finance reserves, capitalized interest or costs of issuing such obligations, to refinance any county's indebtedness (up to \$415,000,000); to refinance only tax certiorari settlements or assignments of any kind to which the county is a party (up to \$790,000,000); and to finance tax certiorari judgments and settlements of the county (up to \$400,000,000 if the proceeding commenced before June 1, 2000 and up to \$400,000,000, in aggregate, for proceedings commenced between June 1, 2000 and December 31, 2007, however only \$15 million can be issued in 2006, and \$10 million in 2007. Bonds issued to refund bonds theretofore issued for purposes subject to the debt limits described above are not counted against such limits. The Act currently provides that the Authority may not issue bonds or notes after 2005, other than to retire or otherwise refund Authority debt and as discussed above to finance up to \$25 million for tax certiorari judgments in 2006 and 2007. No bond of the Authority may mature later than January 31, 2036 or more than 30 years from its date of issuance.

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

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

The board of directors of NCTSC has three members, one of which must meet certain requirements of independence: (i) one elected by the County Legislature, (ii) one, who must be the County Treasurer, *ex officio*, designated by the County Executive and (iii) one selected by (i) and (ii).

NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2003 AND 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Blended Component Unit (Continued)

On November 23, 1999, NCTSC entered into a Purchase and Sale Agreement dated as of October 1, 1999 with the county pursuant to which NCTSC acquired from the county all of the county’s right title and interest under the Master Settlement Agreement (the “MSA”) and the Consent Decree and Final Judgment (the “Decree”). These rights include the county’s share of all Tobacco Settlement Revenues received after November 23, 1999 and in perpetuity to be received under the MSA and the Decree. The consideration paid by NCTSC to the county for such acquisition consisted of \$247,500,000 cash (of which \$77,500,000 was paid into escrow for the benefit of the county) and the sole beneficial interest in NCTSC Residual Trust, a Delaware business trust to which NCTSC has conveyed a residual interest in all the Tobacco Settlement Revenues, annually received in excess of those required to pay debt service on the Series A Bonds (the “Residual”). NCTSC’s right to receive Tobacco Settlement Revenues is its most significant asset and is expected to produce funding for all its obligations

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

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

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. BASIS OF PRESENTATION

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

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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. BASIS OF PRESENTATION (Continued)

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

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

The county reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the county through which the county provides most countywide services. Its principal sources of revenue are the countywide real property tax, other local taxes and charges, departmental revenues, and Federal and State aid.

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

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

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

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

Additionally, the county reports the following fund type:

Fiduciary Fund - The fiduciary fund is used to account for resources received and held by the county as the agent for others. Use of this fund facilitates the discharge of responsibilities placed upon the county by law or other authority. Individual accounts are maintained for all other escrow-type and fiduciary accounts required by law or other authority in administering such monies received by the county.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**A. BASIS OF PRESENTATION (Continued)***New Accounting Standards Adopted*

In fiscal year 2003, the county adopted the following statements of financial accounting standards issued by the Governmental Accounting Standards Board (GASB):

— Statement No. 39 *Determining Whether Certain Organizations Are Component Units* (“GASB 39”), an amendment of Statement No. 14 of the Governmental Accounting Standards Board, *The Financial Reporting Entity*

In 2002, the county adopted Statement No. 34 (as amended by Statement No. 37), which represents a very significant change in the financial reporting model used by state and local governments. Statement No. 34 requires government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund or account group, but distinguish between the county’s governmental activities and activities of its discretely presented component units on the statement of net assets and statement of activities. Significantly, the county’s statement of net assets includes both noncurrent assets and noncurrent liabilities of the county, which were previously recorded in the General Fixed Assets Account Group and the General Long-term Obligations Account Group. In addition to the fixed assets previously recorded in the General Fixed Assets Account Group, the county retroactively capitalized infrastructure assets that were acquired beginning with fiscal year ended December 31, 1980. In addition, the government-wide statement of activities reflects depreciation expenses on the county’s fixed assets, including infrastructure.

In addition to the government-wide financial statements, fund financial statements, continue to be reported using the modified accrual basis of accounting and the current financial resources measurement focus. Accordingly, the accounting and financial reporting for the county’s General Fund, NIFA General Fund, Debt Service Fund, Police District Fund and Police Headquarters Fund is similar to that previously presented in the county’s financial statements, although the format of financial statements has been modified by Statement No. 34.

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

Also effective September 1, 2001, The Nassau Community College adopted GASB Statement GASB No. 35, “*Basic Financial Statements and Management’s Discussion and Analysis for Public Colleges and Universities*” and restated the opening net assets balance as of September 1, 2001.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002**

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

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

The county has not completed the process of evaluating the impact that will result from adopting Governmental Accounting Standards Board Statement No. 40 *Deposit and Investment Risk Disclosures* ("GASB 40") an amendment of Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements* and Governmental Accounting Standards Board Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries* ("GASB 42"). The county is therefore unable to disclose the impact that adopting of GASB No. 40 and GASB No. 42 will have on its financial position and results of operations when such statements are adopted.

B. BASIS OF ACCOUNTING AND MEASUREMENT FOCUS

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

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

Governmental funds are accounted for on the modified accrual basis of accounting. Governmental fund revenues are recognized in the accounting period in which they become susceptible to accrual (i.e., both measurable and available to finance expenditures of the fiscal period). Revenue items accrued are property taxes, sales taxes, and reimbursable amounts from Federal and State supported programs. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, with the following exceptions that are in conformity with accounting principles generally accepted in the United States of America: general long-term obligation principal and interest are reported only when due, vacation and sick leave when paid, pension costs when billed, and judgments and claims when settled. Discretely presented component units-proprietary funds are accounted for on the accrual basis of accounting. Their

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002**

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

revenues are recognized in the period earned and expenses are recognized in the period incurred. Proprietary funds' unbilled services receivable are recognized as revenue.

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

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

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

C. BUDGETS AND BUDGETARY ACCOUNTING

An appropriated budget is legally adopted for each fiscal year for the General Fund and each of the Special Revenue Funds, with the exception of NIFA, NCTSC and the Grant Fund. NIFA funds consist of sales tax revenues collected by the State Comptroller and transferred to the fund and are not subject to appropriation by the State or county. NCTSC Funds consist of Tobacco Settlement Revenues received annually as a result of a Master Settlement Agreement between the Tobacco Settlement Corporation and Tobacco Manufacturing Companies. The Grant Funds are appropriated for the life of specific grants, not for annual fiscal periods. Accordingly, the Grant Funds are excluded from the Combined Statement of Revenues, Expenditures, and Changes in Fund Balance presented for budgeted special revenue funds. The budget amounts as shown include prior year encumbrances carried forward as well as current year authorizations. In the case of the Grant Fund, an appropriated budget is legally adopted for the life of each grant as it is received. The County Legislature also authorizes and rescinds spending and financing authority in a Capital Budget. Each project authorized has continuing budget authority until the project is completed or rescinded. All appropriated budgets are adopted by ordinance of the County Legislature on the same modified accrual basis of accounting used to report revenues and expenditures except that appropriations are not provided for certain interfund indirect costs and encumbrances are treated as charges to appropriations when incurred. All supplemental appropriations amending appropriated budgets as originally adopted are also provided by ordinance of the Legislature. During the fiscal years ended December 31, 2003 and 2002, supplemental appropriations for the General Fund and for the Special Revenue Funds and appropriation budgets for the Grant Fund were adopted and are included in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budgeted Funds as follows (dollars in thousands):

NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2003 AND 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BUDGETS AND BUDGETARY ACCOUNTING (Continued)

	<u>2003</u>	<u>2002</u>
Supplemental Appropriations:		
General Fund	\$7,746	\$ 34,519
Police District	0	11,148
Police Headquarters	7,992	13,507
Nonmajor Governmental	<u>8,754</u>	<u>11,633</u>
Total supplemental appropriations	\$ 24,492	\$ 70,807
Grant Fund appropriated budgets	<u>81,379</u>	<u>89,860</u>
Total supplemental appropriations and Grant Fund appropriated budgets	<u>\$105,871</u>	<u>\$ 160,667</u>

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

The county follows these procedures in establishing the budgetary data reflected in the financial statements:

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

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002**

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

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds.

Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

E. CASH AND INVESTMENTS

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

As of December 31, 2002 (August 31, 2003 for the Nassau Community College), short-term investments consisted principally of repurchase agreements with banks and investment brokers that had maturities of three months or less. Due to the declining interest rates paid by the investment institutions, during the course of the 2003 fiscal year, the county and the county on behalf of the College, discontinued investing in repurchase agreements and instead maintained approximately \$189 million of the total cash and cash equivalents of \$779.6 million in money market interest bearing bank accounts at rates averaging 1.35% annually.

As of December 31, 2002, NIFA also held Nassau County Revenue Anticipation Notes, Series 2002A (the "RANs") in the principal amount of \$109,145,000, which matured on February 28, 2003; and Nassau County Tax Anticipation Notes, Series 2002A and 2002B (together, the "TANs"), in the aggregate principal amount of \$68,920,000 which matured in May and August 2003, respectively. The RANs were sold to NIFA at private sale, in connection with NIFA Series 2002A-1 Bond Anticipation Note issuance in July 2002. The TANs were sold to NIFA at private sale, in connection with the NIFA's 2002B-2 Bond Anticipation Note issuance in December 2002. The RANs and TANs are not considered to be marketable securities for financial reporting purposes.

F. CAPITAL ASSETS

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

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**F. CAPITAL ASSETS (Continued)**

payments at the inception of the lease. Equipment with a unit cost of \$5,000 or more is included in the financial statements as general fixed assets of the county. Electronic equipment valued at a unit cost of \$500 or more and all other equipment valued at \$1,000 or more is inventoried and recorded for internal control purposes. Donated fixed assets, if material, are stated at their fair market value as of the date of the donation.

G. DEPRECIATION

Depreciation is defined by the AICPA as a method of accounting which aims to distribute the cost or value of tangible capital assets, less any salvage value, over the estimated useful life of the assets in a systematic and rational manner. GASB 34 states that capital assets should be depreciated over their estimated useful lives, unless they are inexhaustible. Pursuant to GASB 34, accumulated depreciation is reported for land improvements, buildings, equipment and infrastructure. (The county's land improvements consist of exhaustible capital assets such as swimming pools, parking lots, and playgrounds.) Land, which is an inexhaustible asset, and construction in progress are not depreciated. Land improvements, buildings, equipment, and infrastructure are depreciated, using straight-line method of depreciation, over their estimated useful lives of 20 years for land improvements, 40 years for buildings, 3 to 25 years for equipment and 15 to 40 years for infrastructure. Capital lease assets are amortized over the term of the lease or the life of the asset, whichever is less.

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

Nassau Community College - Depreciation on buildings, land improvements and infrastructure, and equipment is calculated using the straight line method over the assets' estimated useful lives, ranging from 5 to 50 years. Library books totaling approximately 174,000 volumes and audiovisual items are not depreciated.

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

Nassau Regional Off-Track Betting Corporation - For capital improvement assets, depreciation and amortization is recorded over the assets' estimated useful lives using the straight-line method (4 to 20 years) and is charged directly against the assets. No charge to operations is recorded. For all other assets, depreciation and amortization are computed on the straight-line method and charged to operations over the assets' estimated useful lives (4 to 20 years). Leasehold improvements are amortized over their estimated useful lives, or the remaining term of the leases, exclusive of renewal options.

Nassau County Industrial Development Agency - Depreciation is calculated on the straight-line basis over an estimated useful life of five years, utilizing the half-year convention.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002**

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

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

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

County employees receive vacation time, sick leave, and other benefits pursuant to the labor contract or county ordinance covering their terms of employment. The cash value of these accumulated unpaid employee benefits and the related employer costs (e.g. Social Security) has been accrued and reported with other long-term liabilities in the government-wide financial statements of net assets. The compensated absences for the governmental funds are treated as long term as they will not be liquidated with expendable available financial resources. For those employees who have retired prior to December 31, 2003, any accumulated and unpaid benefits as of that date have been recorded in the government-wide financial statements of net assets.

J. GRANTS AND OTHER INTERGOVERNMENT REVENUES

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

K. REAL PROPERTY TAX

County real property taxes are levied on or before the third Monday in December and recorded as a receivable on January 1, the first day of the fiscal year. They are collected in two semiannual installments, payable on January 1 and July 1 by the town and city receivers of taxes together with the town and city tax levies, all of which become a lien on January 1. At year-end, adjustments are made for taxes that are estimated to be uncollectible, or collectible but not available soon enough in the next year to finance current period expenditures. The town receivers of taxes likewise collect real property taxes for all towns, school districts and special districts in the county, and return to the county after June 1 any uncollected taxes receivable. Pursuant to the Nassau County Administrative Code, the county assumes the burden of such uncollected taxes, and has the responsibility for their collection from the taxpayers.

The New York State constitutional limit of real property taxation for counties is set at two percent of the average full valuation of real estate for the five years preceding the current year for general government services other than the payment of principal and interest on its long-term debt. The constitutional tax limit controlling the levy of county real property taxes for 2003 and 2002 fiscal years was \$2.6 billion and \$2.4 billion respectively. The constitutional tax margin was \$1.8 billion or approximately 69% in 2003 and \$1.7 billion or approximately 73% in 2002.

Property tax revenue is recognized in the year for which it is levied provided that it is payable and collected before the current fiscal year-end, or within 60 days thereafter in order to be available to pay for liabilities of the current fiscal year and property tax revenue not so available is presented as

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002**

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

deferred revenue for the fund financial statements. Additionally, the government-wide financial statements recognize real estate tax revenue which is not available to the governmental fund type in the fiscal year for which the taxes are levied.

L. INTERFUND TRANSACTIONS

During the course of normal operations, the county has numerous transactions among funds, including transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as operating transfers.

The General Fund provides administrative and other services to other funds. Amounts charged to the users for these services are based on the county's cost allocation plan and are treated as revenues in the General Fund and as expenditures or operating expenses in the user funds.

M. NOTES PAYABLE

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

N. LONG-TERM LIABILITIES

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

O. ISSUANCE COSTS

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

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**P. CLAIMS AND CONTINGENCIES**

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

R. RECLASSIFICATIONS

Certain reclassifications are made to the 2002 financial statements to conform to the 2003 presentation.

Q. USE OF ESTIMATES

A number of estimates and assumptions relating to the reporting of revenues, expenditures, assets and liabilities and the disclosure of contingent liabilities were used to prepare these financial statements in conformity with GAAP. Actual results could differ from those estimates. The county estimated the 2002 liability of approximately \$380 million for vacation and sick leave based upon information available at that time. Additional information obtained on Union Contracts for Police Officers required the estimate to be increased by \$159 million, bringing the total increase in the estimate to approximately \$166 million and a total estimate to approximately \$546 million as of December 31, 2003. Such amount is reflected in the 2003 government-wide financial statements.

In 2002, the county hired an outside accounting firm to assist the county in developing a more accurate estimate of outstanding property tax liabilities resulting from tax appeals. As a result, the county revised their estimate to approximately \$325 million in 2002. In 2003, the amount was increased and a more conservative estimate of the liability was recorded to reflect the volume of actual grievances filed as a result of a revaluation. The estimate increased to approximately \$365 million. Such amount is reflected in the 2003 government-wide financial statements.

2. DEPOSITS AND INVESTMENTS

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

Deposits - As required by law, all cash deposits and cash equivalents are required to be fully collateralized or insured. At December 31, 2003 and 2002, the carrying amount of the county's deposits including certificates of deposit reported as investments was approximately \$779.6 and \$284.2 million, respectively and the bank balance was \$670.8 and \$292.4 million, respectively. The bank balance was covered by Federal depository insurance or by collateral consisting of obligations of the United States Government held by the county's agent in the county's name.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002

2. DEPOSITS AND INVESTMENTS (Continued)

Investments - To the extent authorized by law, in prior years the county has invested in repurchase agreements and certificates of deposit with various commercial banks and investment firms as approved by the New York State Comptroller. Repurchase agreements and certificates of deposit are collateralized by obligations of the United States Government. Due to the declining interest rates paid by the investment institutions, during the course of the 2003 fiscal year, the county discontinued investing in repurchase agreements and instead maintained approximately \$189 million of the total cash and cash equivalents of \$779.6 million in money market interest bearing bank accounts at rates averaging 1.35% annually.

The investments at December 31, 2003 and 2002 are categorized as either: (1) insured or registered, or securities held by the county's agent in the county's name; (2) uninsured and unregistered with securities held by the counterpart's trust department or agent in the county's name; or (3) uninsured and unregistered with securities held by the counter party, or by its trust department or agent but not in the county's name. At December 31, 2003 and 2002, the carrying amount (fair value) of investments was \$37.1 and \$428.8 million, respectively. Investments at December 31, 2003 which consisted of money market interest bearing bank accounts and certificates of deposit; and investments at December 31, 2002 which consisted of repurchase agreements, treasury notes and certificates of deposit are all categorized as category 1.

Certain deposits and investments are pooled for cash management purposes in the Sewage Disposal District Maintenance Special Revenue Funds and in the Sewage Disposal District Capital Project Funds. Interest earned in this manner is allocated to each fund based on its pro rata share of the total amount pooled by all the funds.

The following table summarizes the county's unrestricted cash and investment position at December 31, 2003:

	<u>Total</u>	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
		(Dollars in Thousands)	
Cash	\$ 581,324	\$ 581,324	\$ -
Treasury Notes & Commercial Paper	214,934	177,948	36,986
Certificates of Deposits			
(Maturities less than 3 months)	20,326	20,326	-
(Maturities more than 3 months)	100	-	100
Totals	<u>\$ 816,684</u>	<u>\$ 779,598</u>	<u>\$ 37,086</u>
Governmental Funds	\$ 773,438	\$ 736,452	\$ 36,986
Fiduciary Fund	43,246	43,146	100
Totals	<u>\$ 816,684</u>	<u>\$ 779,598</u>	<u>\$ 37,086</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002

2. DEPOSITS AND INVESTMENTS (Continued)

The following table summarizes the county's unrestricted cash and investment position at December 31, 2002:

	<u>Total</u>	Cash and Cash Equivalents	<u>Investments</u>
		(Dollars in Thousands)	
Cash	\$ 278,752	\$ 278,752	\$ -
Repurchase Agreements	322,562	-	322,562
Treasury Notes & Commercial Paper	106,122	-	106,122
Certificates of Deposits (Maturities less than 3 months)	<u>5,550</u>	<u>5,450</u>	<u>100</u>
Totals	<u>\$ 712,986</u>	<u>\$ 284,202</u>	<u>\$ 428,784</u>
Governmental Funds	\$ 669,633	\$ 264,990	\$ 404,643
Fiduciary Fund	<u>43,353</u>	<u>19,212</u>	<u>24,141</u>
Totals	<u>\$ 712,986</u>	<u>\$ 284,202</u>	<u>\$ 428,784</u>

An overdraft of \$337,508 at December 31, 2002 in Sewer Maintenance District #3 Fund was reclassified as accounts payable. The balance of the cash overdrafts were reflected as interfund receivables/payables at December 31, 2002 as follows:

Interfund Payable to	<u>Total</u>	<u>Interfund Receivable from</u>	
		<u>Sewer Disposal District #3 Maintenance</u>	<u>Sewer Disposal District #3 Construction</u>
Sewer Disposal District #1 Maintenance	\$ 706,903	\$ 706,903	\$ -
Sewer Disposal District #2 Maintenance	17,048,716	17,048,716	-
Sewer Disposal District #1 Construction	954,660	-	954,660
Sewer Disposal District #2 Construction	<u>17,440,098</u>	<u>-</u>	<u>17,440,098</u>
Totals, December 31, 2002	<u>\$36,150,377</u>	<u>\$17,755,619</u>	<u>\$18,394,758</u>

For a complete schedule of interfund receivables/payables, see Note 6.

The county maintains a consolidated disbursement account with a financial institution on behalf of the College. At August 31, 2003 and 2002, the College had a cash balance of \$1.4 and an overdraft of \$3.2 million, respectively; and the bank balance was \$2.1 and \$1.6 million, respectively. The bank balance is covered by Federal depository insurance or by collateral consisting of obligations of the United States Government held by the county's agent in the county's name.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002

2. DEPOSITS AND INVESTMENTS (Continued)

At August 31, 2003 and 2002, the carrying amount (fair value) of the College’s investments was \$34.0 and \$32.7 million, respectively. These were repurchase agreements with maturities less than 3 months and were category 1.

At December 31, 2003 and 2002, the carrying amount of deposits for the OTB was \$6.3 and \$7.6 million; NHCC was \$64.6 and \$99.9 million; and NCIDA was \$976 and \$472 thousand, respectively. The bank balance was for the OTB \$9.4 and \$7.7 million; NHCC was \$63.5 and \$99.5 million; and NCIDA was \$1 million and \$495 thousand, respectively. The bank balances were covered by Federal depository insurance or by collateral consisting of obligations of the United States Government which for the OTB, NHCC and NCIDA are held by an independent trustee serving as the OTB’s, NHCC’s and NCIDA’s agent in the name of the OTB, NHCC and NCIDA.

3. DUE FROM OTHER GOVERNMENTS

The account “Due from Other Governments” at December 31, 2003 and 2002 represents aid, grants, and other amounts receivable from the State and Federal governments. The following summarizes such receivables (dollars in thousands):

Fund	2003			2002		
	Total	Federal	State/Other*	Total	Federal	State/Other*
General	\$ 219,789	\$ 37,319	\$ 182,470	\$ 160,973	\$ 34,536	\$ 126,437
Police District				4		4
Police Headquarters	4	4		1,247		1,247
Nonmajor Governmental	<u>10,552</u>	<u>6,105</u>	<u>4,447</u>	<u>8,765</u>	<u>5,038</u>	<u>3,727</u>
Totals	<u>\$ 230,345</u>	<u>\$ 43,428</u>	<u>\$ 186,917</u>	<u>\$ 170,989</u>	<u>\$ 39,574</u>	<u>\$ 131,415</u>

* Includes \$10,319 and \$9,267 of sales taxes receivable at December 31, 2003 and 2002, respectively.

4. TAX REAL ESTATE

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

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

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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002

5. TAX SALE CERTIFICATES

The account "Tax Sale Certificates" includes the amount of delinquent real property tax liens which could not be sold at the public tax lien sale and which the county was required to retain. It also includes the value of tax sale certificates bought by the public at the tax lien sale which the county subsequently reacquired upon default of the purchaser.

6. RECONCILIATION OF INTERFUND AND COMPONENT UNIT RECEIVABLES AND PAYABLES

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

The individual fund interfund receivables and Interfund Payables as of December 31, 2003 and 2002 are reconciled as follows:

<u>December 31, 2003</u>	General Fund	NIFA General Fund	Debt Service Fund	Police District Fund	Police Headquarters Fund	Nonmajor Funds	Total
INTERFUND RECEIVABLE							
General Fund	\$ -	\$ -	\$ 488	\$ -	\$ -	\$ 38,445	\$ 38,933
NIFA General	88,155	-	-	-	-	31,628	119,783
Police District	6,932	-	4,422	-	3,796	-	15,150
Police Headquarters	24,200	-	3,776	-	-	-	27,976
Nonmajor Funds	<u>31,086</u>	<u>-</u>	<u>1,104</u>	<u>114</u>	<u>262</u>	<u>477</u>	<u>33,043</u>
TOTAL RECEIVABLE	<u>\$150,373</u>	<u>\$ -</u>	<u>\$ 9,790</u>	<u>\$ 114</u>	<u>\$ 4,058</u>	<u>\$ 70,550</u>	<u>\$234,885</u>
INTERFUND PAYABLE							
General Fund	\$ -	\$ 88,155	\$ -	\$ 6,932	\$ 24,200	\$ 31,086	\$150,373
NIFA General	-	-	-	-	-	-	-
Debt Service	488	-	-	4,422	3,776	1,104	9,790
Police District	-	-	-	-	-	114	114
Police Headquarters	-	-	-	3,796	-	262	4,058
Nonmajor Funds	<u>38,445</u>	<u>31,628</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>477</u>	<u>70,550</u>
TOTAL PAYABLE	<u>\$ 38,933</u>	<u>\$119,783</u>	<u>\$ -</u>	<u>\$ 15,150</u>	<u>\$ 27,976</u>	<u>\$ 33,043</u>	<u>\$234,885</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002

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

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

<u>December 31, 2002</u>	General Fund	NIFA General Fund	Police District Fund	Police Headquarters Fund	Nonmajor Funds	Total
INTERFUND RECEIVABLE						
General Fund	\$ -	\$ -	\$ 309	\$ -	\$ 26,552	\$ 26,861
NIFA General	79,370	-	-	-	6,922	86,292
Police District	-	-	-	2,635	-	2,635
Police Headquarters	2,919	-	-	-	-	2,919
Nonmajor Funds	<u>20,169</u>	<u>2</u>	<u>144</u>	<u>195</u>	<u>62,104</u>	<u>82,614</u>
TOTAL RECEIVABLE	<u>\$102,458</u>	<u>\$ 2</u>	<u>\$ 453</u>	<u>\$ 2,830</u>	<u>\$ 95,578</u>	<u>\$201,321</u>
INTERFUND PAYABLE						
General Fund	\$ -	\$ 79,370	\$ -	\$ 2,919	\$ 20,169	\$102,458
NIFA General	-	-	-	-	2	2
Police District	309	-	-	-	144	453
Police Headquarters	-	-	2,635	-	195	2,830
Nonmajor Funds	<u>26,552</u>	<u>6,922</u>	<u>-</u>	<u>-</u>	<u>62,104</u>	<u>95,578</u>
TOTAL PAYABLE	<u>\$ 26,861</u>	<u>\$ 86,292</u>	<u>\$ 2,635</u>	<u>\$ 2,919</u>	<u>\$ 82,614</u>	<u>\$201,321</u>

The total amounts shown as Due to Primary Government and Due from/to Component Units at December 31, 2003 and 2002 do not offset each other as they include accounts of the Nassau Community College at the end of their fiscal years on August 31, 2003 and 2002. The following reconciles the December 31, 2003 and 2002 amounts by carrying forward the Nassau Community College transactions affecting these accounts from September 1, 2003 through December 31, 2003 and from September 1, 2002 through December 31, 2002, respectively.

NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2003 AND 2002

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

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

	<u>Dollars in Thousands</u>	
	<u>2003</u>	<u>2002</u>
Net Due to Primary Government (Exhibit X-1)	<u>\$ (5,993)</u>	<u>\$ (7,803)</u>
Nassau Community College Transactions from September 1, to December 31:		
Decrease in due to Debt Service Fund	\$ 17	\$ -
Decrease/ (Increase) in due to ATF	(362)	291
Decrease in due from Grant Fund	(686)	(110)
Decrease in Capital Chargeback	<u>74</u>	<u>376</u>
Subtotals	(957)	557
Due From Component Units - Fiduciary per Balance Sheet: (Exhibit X-8)	362	1,083
Net Due From Component Units - Governmental per Balance Sheet: (Exhibit X-1)	<u>6,588</u>	<u>6,163</u>
Net Due From Component Units Fiduciary and Governmental	<u>\$ 5,993</u>	<u>\$ 7,803</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002

7. PROPERTY, PLANT AND EQUIPMENT

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

<u>Primary Government</u>	<u>Balance, December 31, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, December 31, 2003</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 108,243	\$ -	\$ -	\$ 108,243
Construction in progress	<u>221,779</u>	<u>32,879</u>	<u>20,505</u>	<u>234,153</u>
Total capital assets, not being depreciated	<u>330,022</u>	<u>32,879</u>	<u>20,505</u>	<u>342,396</u>
Capital assets, being depreciated:				
Land Improvements	68,512	59	-	68,571
Buildings	994,080	8,261	-	1,002,341
Equipment	448,236	20,988	55,441	413,783
Infrastructure	<u>1,836,797</u>	<u>11,624</u>	<u>-</u>	<u>1,848,421</u>
Total capital assets, being depreciated	<u>3,347,625</u>	<u>40,932</u>	<u>55,441</u>	<u>3,333,116</u>
Total capital assets	<u>3,677,647</u>	<u>73,811</u>	<u>75,946</u>	<u>3,675,512</u>
Less accumulated depreciation:				
Land Improvements	17,193	3,189	-	20,382
Buildings	240,372	24,326	-	264,698
Equipment	242,080	41,840	49,335	234,585
Infrastructure	<u>789,437</u>	<u>55,884</u>	<u>-</u>	<u>845,321</u>
Total accumulated depreciation	<u>1,289,082</u>	<u>125,239</u>	<u>49,335</u>	<u>1,364,986</u>
Total capital assets, being depreciated, net	<u>2,058,543</u>	<u>(84,307)</u>	<u>6,106</u>	<u>1,968,130</u>
Governmental activities capital assets, net	<u>\$ 2,388,565</u>	<u>\$ (51,428)</u>	<u>\$ 26,611</u>	<u>\$ 2,310,526</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

<u>Primary Government</u>	<u>Balance, December 31, 2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, December 31, 2002</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 104,213	\$ 4,030	\$ -	\$ 108,243
Construction in progress	215,103	40,511	33,835	221,779
Total capital assets, not being depreciated	<u>319,316</u>	<u>44,541</u>	<u>33,835</u>	<u>330,022</u>
Capital assets, being depreciated:				
Land Improvements	53,292	21,173	5,953	68,512
Buildings	952,490	41,592	2	994,080
Equipment	447,839	7,579	7,182	448,236
Infrastructure	<u>1,835,240</u>	<u>1,557</u>	<u>-</u>	<u>1,836,797</u>
Total capital assets, being depreciated	<u>3,288,861</u>	<u>71,901</u>	<u>13,137</u>	<u>3,347,625</u>
Total capital assets	<u>3,608,177</u>	<u>116,442</u>	<u>46,972</u>	<u>3,677,647</u>
Less accumulated depreciation:				
Land Improvements	14,386	2,807	-	17,193
Buildings	216,455	23,917	-	240,372
Equipment	221,078	27,825	6,823	242,080
Infrastructure	<u>734,908</u>	<u>54,529</u>	<u>-</u>	<u>789,437</u>
Total accumulated depreciation	<u>1,186,827</u>	<u>109,078</u>	<u>6,823</u>	<u>1,289,082</u>
Total capital assets, being depreciated, net	<u>2,102,034</u>	<u>(37,177)</u>	<u>6,314</u>	<u>2,058,543</u>
Governmental activities capital assets, net	<u>\$ 2,421,350</u>	<u>\$ 7,364</u>	<u>\$ 40,149</u>	<u>\$ 2,388,565</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation expense was charged to functions of the county for the fiscal year ended December 31, 2003 and 2002 as follows (dollars in thousands):

December 31, 2003	<u>Land Improvements</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Total</u>
Functions:					
Legislative	\$ -	\$ 3	\$ -	\$ -	\$ 3
Judicial	31	1,694	200	-	1,925
General Administration	-	1,389	1,537	-	2,926
Protection of Persons	10	1,488	3,771	-	5,269
Health	-	97	82	-	179
Public Works	-	9,962	6,010	55,245	71,217
Recreation and Parks	3,137	2,683	138	639	6,597
Social Services	-	465	410	-	875
Corrections	-	2,907	749	-	3,656
Other Expenditures/MSBA	-	316	28,943	-	29,259
Misc. Unclassified	11	3,322	-	-	3,333
Total Depreciation Expense	<u>\$ 3,189</u>	<u>\$ 24,326</u>	<u>\$ 41,840</u>	<u>\$ 55,884</u>	<u>\$ 125,239</u>

December 31, 2002	<u>Land Improvements</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Total</u>
Functions:					
Legislative	\$ -	\$ -	\$ -	\$ -	\$ -
Judicial	31	1,688	309	-	2,028
General Administration	-	1,071	2,946	-	4,017
Protection of Persons	10	1,354	4,460	-	5,824
Health	-	84	96	-	180
Public Works	-	9,899	4,381	53,913	68,193
Recreation and Parks	2,755	2,647	226	616	6,244
Social Services	-	452	62	-	514
Corrections	-	3,084	537	-	3,621
Other Expenditures/MSBA	-	316	14,808	-	15,124
Misc. Unclassified	11	3,322	-	-	3,333
Total Depreciation Expense	<u>\$ 2,807</u>	<u>\$ 23,917</u>	<u>\$ 27,825</u>	<u>\$ 54,529</u>	<u>\$ 109,078</u>

NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2003 AND 2002

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

Sources of funding of the general fixed assets at December 31, 2003 and 2002 were as follows (dollars in thousands):

December 31,	<u>2003</u>	<u>2002</u>
Long Term Serial Bonds	\$ 2,140,029	\$ 2,143,250
Temporary financing and bond anticipation notes	73,364	92,816
Federal grants	828,238	809,290
New York State grants	129,069	125,438
General Fund Revenues	34,452	30,404
Special Revenue Funds revenues	91,031	94,530
Gifts	29,764	29,764
Acquisitions prior to December 31, 1985	344,108	346,698
Capitalized lease	5,457	5,457
Total funding sources	<u>\$ 3,675,512</u>	<u>\$ 3,677,647</u>

NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2003 AND 2002

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

General capital assets of the county by function at December 31, 2003 and 2002 were as follows (dollars in thousands):

	2003	2002
Legislative	\$ 341	\$ 89
Judicial	88,119	88,379
General Administration	100,806	104,891
Protection of Persons	121,462	121,339
Health	9,112	8,491
Public Works	2,269,466	2,276,659
Recreation and Parks	187,185	184,162
Social Services	24,842	23,752
Corrections	190,938	189,713
Other Expenditures/MSBA	117,624	126,929
Metropolitan Transportation Authority	140,000	140,000
Misc. Unclassified	191,464	191,464
Construction Work in Progress	<u>234,153</u>	<u>221,779</u>
Total	3,675,512	3,677,647
Less: accumulated depreciation	<u>1,364,986</u>	<u>1,289,082</u>
Total net capital assets	<u>\$ 2,310,526</u>	<u>\$ 2,388,565</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

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

Property, Plant & Equipment	Balance,			Balance,			Balance,		
	August 31, 2001	Additions	Disposals	August 31, 2002	Additions	Disposals	August 31, 2003		
Property, Plant & Equipment not being depreciated:									
Land	\$ 2,733	\$ -	\$ -	\$ 2,733	\$ -	\$ -	\$ 2,733		
Library*	864	7	-	871	6	-	877		
Total	<u>3,597</u>	<u>7</u>	<u>-</u>	<u>3,604</u>	<u>6</u>	<u>-</u>	<u>3,610</u>		
Property, Plant & Equipment being depreciated:									
Land Improvements	900	232		1,132	1		1,133		
Infrastructure	925	284		1,209	60	-	1,269		
Buildings	164,476	256		164,732	736	-	165,468		
Building Improvements	21,691	510		22,201	88	-	22,289		
Equipment	5,485	606	45	6,046	139	468	5,717		
Total capital assets, being depreciated	<u>193,477</u>	<u>1,888</u>	<u>45</u>	<u>195,320</u>	<u>1,024</u>	<u>468</u>	<u>195,876</u>		
Total capital assets	<u>197,074</u>	<u>1,895</u>	<u>45</u>	<u>198,924</u>	<u>1,030</u>	<u>468</u>	<u>199,486</u>		
Less Accumulated Depreciation:									
Land Improvements	513	43		556	62		618		
Infrastructure	429	53		482	49	-	531		
Buildings	60,421	3,084		63,505	3,094	-	66,599		
Building Improvements	6,457	1,070		7,527	1,082	-	8,609		
Equipment	4,504	358	41	4,821	372	388	4,805		
	<u>72,324</u>	<u>4,608</u>	<u>41</u>	<u>76,891</u>	<u>4,659</u>	<u>388</u>	<u>81,622</u>		
Net Property, Plant & Equipment									
Being Depreciated	<u>121,153</u>	<u>(2,720)</u>	<u>4</u>	<u>118,429</u>	<u>(3,635)</u>	<u>80</u>	<u>114,714</u>		
Property, Plant & Equipment (net)	<u>\$ 124,750</u>	<u>\$ (2,713)</u>	<u>\$ 4</u>	<u>\$ 122,033</u>	<u>\$ (3,629)</u>	<u>\$ 80</u>	<u>\$ 118,324</u>		

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

NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2003 AND 2002

8. LEASES

The county leases some property and equipment. Leased property having elements of ownership is recorded in the government-wide financial statements. The related obligations, in amounts equal to the present value of minimum lease payments payable during the remaining term of the leases, are also recorded in the government-wide financial statements. Other leased property, not having elements of ownership, are classified as operating leases. Both capital and operating lease payments are recorded as expenditures when payable. Total expenditures on such leases for the fiscal year ended December 31, 2003 and 2002 were approximately \$2.4 and \$1.94 million, respectively.

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

	Capital Leases	Operating Leases	Total
Governmental Activities			
Fiscal Year Ending December 31,			
2004	\$ 717	\$ 1,638	\$ 2,355
2005	725	1,664	2,389
2006	733	1,270	2,003
2007	740	1,169	1,909
2008	749	1,181	1,930
2009-2013	3,886	5,921	9,807
2014-2018	4,172	3,691	7,863
2019-2023	4,506	554	5,060
2024-2028	1,503	-	1,503
Future Minimum Payments	<u>17,731</u>	<u>\$ 17,088</u>	<u>\$ 34,819</u>
Less Interest	<u>12,165</u>		
Present Value of Future Minimum Lease Payments	<u>\$ 5,566</u>		

NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2003 AND 2002

8. LEASES (Continued)

The county also leases county-owned property to others and the leases are classified as operating leases. Total rental revenue on these leases for 2003 and 2002 was \$5.4 and \$4.8 million, respectfully.

As of December 31, 2003, the following future minimum rentals are provided for by the leases (dollars in thousands):

<u>Fiscal Year Ending December 31</u>	<u>Operating Leases</u>
2004	\$ 5,147
2005	5,273
2006	5,227
2007	5,147
2008	5,205
2009-2013	27,548
2014-2018	23,651
2019-2023	10,016
2024-2028	1,392
2029-2033	329
2034-2038	329
2039-2043	329
2044-2048	329
2049-2053	329
2054-2058	329
2059-2063	329
2064-2068	329
2069-2073	329
2074-2078	<u>278</u>
Total	<u>\$ 91,845</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002

9. NOTES PAYABLE AND LONG-TERM OBLIGATIONS

County of Nassau Notes Payable

On December 11, 2003 the county issued \$60,000,000 Tax Anticipation Notes, Series 2003 A (the "2003 A Notes"). The Notes were issued to finance cash flow needs of Nassau County. The 2003A Notes bear interest at the rate of 2% per annum, pay interest only at maturity, and matured on April 15, 2004. On December 11, 2003 the county issued \$60,000,000 Tax Anticipation Notes, Series 2003 B (the "2003 B Notes"). The Notes were issued to finance cash flow needs of Nassau County. The 2003 B Notes bear interest at the rate of 2% per annum, pay interest only at maturity, and will mature on October 15, 2004. The Series 2003 A Notes in the amount of \$60,000,000 were paid off from property tax receipts. NIFA did not issue any notes during 2003 because the county's improved financial condition allowed the county to issue notes on its own behalf for these purposes.

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

	Balance, December 31, 2001	Additions	Reductions	Balance, December 31, 2002	Additions	Reductions	Balance, December 31, 2003
General Fund:							
Tax anticipation notes - (1.05% to 1.13% issued in 2003, maturity dates in 2004)	\$ -	\$ -	\$ -	\$ -	120,000	\$ -	\$ 120,000
Tax anticipation notes - (2.368% to 2.477% issued in 2002, maturity dates in 2003)	159,150	68,920	159,150	68,920		68,920	-
Revenue anticipation notes - (3.205% issued in 2002 maturity dates in 2003)	180,920	109,145	180,920	109,145	-	109,145	-
Total General Fund	<u>\$ 340,070</u>	<u>\$ 178,065</u>	<u>\$ 340,070</u>	<u>\$ 178,065</u>	<u>\$ 120,000</u>	<u>\$ 178,065</u>	<u>\$ 120,000</u>

NIFA Bond Anticipation Notes Payable

On July 2, 2002 NIFA issued \$109,145,000 Bond Anticipation Notes, Series 2002A-1 (the "2002A-1 Notes"). The Notes were issued to finance cash flow needs of Nassau County. The 2002A-1 Notes bear interest at the rate of 3% per annum, pay interest only at maturity, and matured on March 13, 2003. On December 19, 2002 NIFA issued \$24,090,000 Bond Anticipation Notes, Series 2002B-1 (the "2002B-1 Notes") and \$68,920,000 Bond Anticipation Notes, Series 2002B-2 (the "2002B-2 Notes" and, together with the 2002B-1 Notes, the "2002B Notes"). The 2002B-1 Notes were issued to finance extraordinary working capital needs of the county. The 2002B-2 Notes were issued to finance cash flow needs of Nassau County. The 2002B Notes bear interest at the rate of 2.25% per annum, pay interest only at maturity, and matured. The Series 2002B-1 Notes in the amount of \$24,090,000 were paid off from the proceeds of the Series 2003A Bonds and the other Notes outstanding at the beginning of the year were paid by Nassau County. NIFA did not issue any notes during 2003 because the county's improved financial condition allowed the county to issue notes on its own behalf for these purposes.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002

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

NIFA Bond Anticipation Notes Payable (Continued)

The following chart shows the change in NIFA's short-term debt (dollars in thousands):

	Balance, December 31, <u>2001</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2002</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2003</u>
Bond Anticipation Notes, Series 2002A-1	\$ -	\$ 109,145	\$ -	\$ 109,145	\$ -	\$ 109,145	\$ -
Tax anticipation notes - Bond Anticipation Notes, Series 2002B-1	-	24,090	-	24,090	-	24,090	-
Bond Anticipation Notes, Series 2002B-2	-	68,920	-	68,920	-	68,920	-
Total General Fund	<u>\$ -</u>	<u>\$ 202,155</u>	<u>\$ -</u>	<u>\$ 202,155</u>	<u>\$ -</u>	<u>\$ 202,155</u>	<u>\$ -</u>

As of January 1, 2003, the Authority had outstanding bond anticipation notes of \$202,155,000. These notes were paid off in 2003. The Series 2002B-1 Notes in the amount of \$24,090,000 were paid off from the proceeds of the Series 2003A Bonds and other notes outstanding at the beginning of the year were paid by Nassau County.

The county is responsible for calculating arbitrage rebate liability on notes issued by the Authority, and for paying any rebate liability determined to exist. The county currently estimates that it has a rebate liability of approximately \$1,000,000 pertaining to retired Authority notes. The following chart shows the change in the Authority's short-term debt in 2003. Such amount is included in accrued expenses in the financial statements.

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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002

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

Long – Term Obligations

	Balance, December 31, 2001			Balance, December 31, 2002			Balance, December 31, 2003	Due Within One Year
	Additions	Reductions	Additions	Reductions				
General Long-Term Obligations								
Debt:								
General obligation County bonds - (2.90% to 11.50%, issued in 1970 through 2000, maturity dates 2002 through 2024)	\$ 1,801,104	\$ -	\$ 201,606	\$ 1,599,498	\$ -	\$ 390,987	\$ 1,208,511	\$ 175,832
Sewage purpose bonds - (2.20% to 7.90%, issued in 1970 through 2000, maturity dates 2002 through 2020) - County	317,140	-	40,047	277,093	-	32,699	244,394	30,630
State Water Pollution Control Revolving Fund revenue bonds - (2.65% to 7.10%, issued in 1991 through 2002, maturity dates 2002 through 2029) - County	205,390	102,618	116,978	191,030	51,036	67,295	174,771	8,083
Total Serial Bonds - County	2,323,634	102,618	358,631	2,067,621	51,036	490,981	1,627,676	214,545
Sales Tax Secured Bonds, Series 2000A 4.50% to 5.625% Serial and term bonds due 2002 to 2020 - NIFA	254,720	-	6,980	247,740	-	31,180	216,560	7,625
Sales Tax Secured Bonds, Series 2001A 4% to 5.375% Serial and term bonds due 2002 to 2021 - NIFA	181,480	-	4,690	176,790	-	5,110	171,680	5,295
Sales Tax Secured Bonds, Series 2002A&B (variable rate)Term Bond Due 2022 with mandatory sinking fund redemptions 2003-2021 - NIFA		225,650	-	225,650	-	5,045	220,605	5,300
Sales Tax Secured Bonds, Series 2003A&B 2% to 6% Serial Bonds Due 2023 with mandatory sinking fund redemptions 2004-2023 - NIFA	-	-	-	-	514,475	-	514,475	8,040
Tobacco Settlement Asset-Backed Bonds, Series A (variable rate)Term Bond Due 2029 with mandatory sinking fund redemptions 2004-2039 - NCTSC	288,815	-	5,190	283,625	-	5,530	278,095	2,800
Total Serial Bonds - NIFA and NCTSC	725,015	225,650	16,860	933,805	514,475	46,865	1,401,415	29,060
Other:								
Deferred payroll	41,029	39,288	39,804	40,513	36,404	39,290	37,627	37,627
Accrued vacation and sick pay	423,994	20,869	64,925	379,938	221,662	40,932	560,668	16,209
Capital lease obligations	5,533	19	-	5,552	14	-	5,566	(8)
Estimated tax certiorari payable	400,000	-	75,000	325,000	152,491	112,491	365,000	109,127
Estimated liability for litigation & workers' compensation	147,500	131,234	7,484	271,250	85,042	29,792	326,500	16,647
Estimated liability for malpractice claims	15,265	10,610	10,037	15,838	(2,217)	348	13,273	13,273
Total Other	1,033,321	202,020	197,250	1,038,091	493,396	222,853	1,308,634	192,875
Total General Long-term Obligations	\$ 4,081,970	\$ 530,288	\$ 572,741	\$ 4,039,517	\$ 1,058,907	\$ 760,699	\$ 4,337,725	\$ 436,480

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002**

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

Revenues from the Special Revenue Sewer Funds will be utilized to finance the debt service for the Sewage purpose bonds and a portion of the State Water Pollution Control Revolving Fund revenue bonds. All other debt service will be financed by the General Fund.

During 2003, New York State Environmental Facilities Corporation on behalf of the county issued \$51,036,016 of the State Clean Water and Drinking Water Revolving Fund Revenue Bonds with an interest rate averaging from 4.04% to 5.74%, to advance refund \$58,400,000 of outstanding 1996A and 2000A series State Water Pollution Control Revolving Fund bonds. The net proceeds of \$50,262,158 as well as federal grants and state environmental facilities corporation subsidies in the amount of \$12,384,071 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, 1996A and 2000A series State Water Pollution Control Revolving Funds bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide financial statements of net assets. As a result of this advance refunding the county had increased its total debt service payments over the next 26 years by approximately \$9.3 million and had obtained an economic gain of \$1,501,630.

During 2002, New York State Environmental Facilities Corporation on behalf of the county issued \$102,618,000 of the State Clean Water and Drinking Water Revolving Fund Revenue Bonds with an interest rate averaging from 4.6% to 5.6%. to advance refund \$109,728,000 of outstanding 1991B,1992A,1992B,1993B, 1994D and 1998D series State Water Pollution Control Revolving Fund bonds. The net proceeds of \$114,817,239 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, 1991B, 1992A, 1992B, 1993B, 1994D and 1998D series State Water Pollution Control Revolving Fund bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide financial statements of net assets. As a result of this advance refunding the county had reduced its total debt service payments over the next 26 years by approximately \$4.9 million and had obtained an economic gain of \$8,099,525.

During 2003, NIFA issued \$26,305,158 of the 2003B Sales Tax Secured Bonds to advance refund \$23,890,000 of outstanding 2000A Bonds. The net proceeds 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, 2000A Bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide financial statements of net assets. As a result of this advance refunding NIFA had decreased its total debt service payments and obtained an economic gain of \$1.4 million.

During 2002, NIFA issued \$58,785,000 of the 2002A variable rate term bonds to advance refund \$56,955,000 of outstanding 1993YB,1994A,1975C,1999D series and series K, M, O, Q, T, W and General Improvement bonds. The net proceeds of \$58,329,168 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. All refunded debt matured in July through October 2002. As a result, 1993YB,1994A,1975C,1999D series and series K, M, O, Q, T, W of General Improvement bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide financial statements of net assets. As a result

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002

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

of this advance refunding the county had increased its total debt service payments over the next 20 years by approximately \$13.9 million and had obtained an economic gain of \$318,600.

The annual requirements and sources to amortize the county General Obligation serial bonds payable as of December 31, 2003 are as follows (dollars in thousands):

Year Ending	Debt Service Requirements			Sources		
	Principal	Interest	Total	General County Budgets	Sewage District Budgets	Total
2004	\$ 214,545	\$ 83,879	\$ 298,424	\$ 238,128	\$ 60,296	\$ 298,424
2005	175,707	72,911	248,618	191,559	57,058	248,617
2006	149,532	63,939	213,471	158,912	54,559	213,471
2007	129,476	56,215	185,691	134,204	51,486	185,690
2008	124,909	49,507	174,416	125,340	49,076	174,416
2009-2013	455,859	164,358	620,217	450,334	169,883	620,217
2014-2018	261,768	64,449	326,217	241,850	84,368	326,218
2019-2023	96,111	17,257	113,368	63,373	49,996	113,369
2024-2028	19,040	1,614	20,654	7,189	13,465	20,654
2029-2033	729	38	767	-	767	767
Total	\$ 1,627,676	\$ 574,167	\$ 2,201,843	\$ 1,610,889	\$ 590,954	\$ 2,201,843

The county’s constitutional debt margin was approximately \$9.6 and \$8.7 billion and total long-term obligation bonds authorized but unissued for general county and sewage district purposes were approximately \$980.9 and \$938.8 million at December 31, 2003 and 2002, respectively.

NIFA Long-Term Debt

The Authority issued \$254,720,000 of Sales Tax Secured Bonds, Series 2000A (the “2000A Bonds”), on October 25, 2000; \$181,480,000 of Sales Tax Secured Bonds, Series 2001A (the “2001A Bonds”) on June 27, 2001; \$112,825,000 of Sales Tax Secured Bonds, Series 2002A (the “2002A Bonds”) and \$112,825,000 Sales Tax Secured Bonds, Series 2002B (the “2002B Bonds”) and together with the 2002A Bonds, the “2002A/B Bonds”) on July 10, 2002; and \$275,990,000 of Sales Tax Secured Bonds, Series 2003A (the “2003A Bonds”), and \$238,485,000 Sales Tax Secured Refunding Bonds, Series 2003B (the “2003B Bonds”) and together with the 2003A Bonds, the “2003A/B Bonds”), on May 21, 2003. The 2000A Bonds, the 2001A Bonds; the 2002A/B Bonds; and the 2003 A/B Bonds are collectively referred to as the “Bonds.” The Bonds were issued pursuant to an Indenture (the “Indenture”) between NIFA and the United States Trust Company of New York and its successor, The Bank of New York (the “Trustee”), under which NIFA has pledged its right, title and interest in the revenues of NIFA to secure repayment of NIFA debt. The Act provides that NIFA’s pledge of its revenues represents a perfected first security interest on behalf of holders of its bonds. The lien of the Indenture on the revenues for the

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002

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

NIFA Long-Term Debt (Continued)

security of NIFA bonds is prior to all other liens thereon. NIFA does not have any significant assets or sources of funds other than Sales Tax Revenues and amounts on deposit pursuant to the Indenture. NIFA has no independent taxing power.

Debt Service to maturity as of December 31, 2003 is as follows:

Year Ended December 31,	Dollars in Thousands		
	Principal	Interest*	Total
2004	\$ 26,260	\$ 54,276	\$ 80,536
2005	44,670	52,966	97,636
2006	47,605	51,210	98,815
2007	61,350	49,612	110,962
2008	56,750	47,027	103,777
2009-2013	340,640	190,494	531,134
2014-2018	304,735	107,173	411,908
2019-2023	241,310	29,861	271,171
	<u>\$ 1,123,320</u>	<u>\$ 582,619</u>	<u>\$ 1,705,939</u>

* Interest on the Variable Rate Bonds is calculated at 1.5%, the interest rate in effect as of December 31, 2003 and 2002. During 2003 and 2002, the interest rate on the Variable Rate Bonds ranged from 0.55% to 1.35% and from 0.90% to 1.80%, respectively.

Interest on the Authority's Fixed Rate Bonds is payable on May 15 and November 15 of each year, and interest on the Variable Rate Bonds is payable on the first business day of each month. Principal on all Bonds is payable on November 15. A debt service account has been established under the Indenture to provide for the payment of interest on and principal of Bonds Outstanding under the Indenture. The Trustee makes monthly deposits to the debt service account in the amount of debt service accrued through the end of that month. For the Fixed Rate Bonds, this is essentially one-sixth of the next interest payment and one-twelfth of the next principal payment. For the Variable Rate Bonds, this is one-twelfth of the next principal payment and the amount needed to maintain a prudent level of funding in excess of the anticipated interest expense to be accrued that month. Because of this monthly deposit requirement, the amount accrued for debt service in the Authority's financial statements in any year will not be the same as the debt service on the Bonds paid to bondholders in that year.

Interest rates on the Variable Rate Bonds are currently reset weekly by a remarketing agent at the minimum rate necessary for the bonds to have a market value equal to the principal amount. Interest rates are determined and set separately for the 2002A Bonds and the 2002B Bonds.

The Variable Rate Bonds are in most circumstances subject to tender at the option of the bondholder. Payment of the purchase price of eligible 2002A Bonds, 2002B Bonds subject to optional or mandatory

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002**

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

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

NCTSC Long-Term Debt

In 1999, the NCTSC issued \$294,500,000 of Tobacco Settlement Asset Backed Bonds, Series A pursuant to an Indenture dated as of October 1, 1999.

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

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

Each Series A Bond bears interest at a fixed annual rate, between 4.20% and 6.60% payable semi-annually until the principal is redeemed. Each Series A Bond has a Planned Principal Payment Date and a Rated Maturity Date. Planned principal Payment Dates are July 15, 2004 through 2029 and Rated Maturity Dates are July 15, 2004 through 2039.

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

Failure to pay interest on the Series A Bonds when due or principal of the Series A Bonds when due on a Rated Maturity Date will constitute a default.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002

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

NCTSC Long-Term Debt (Continued)

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

	Principal	Interest	Total Debt Service
Year ending December 31:			
2004	\$ 2,800,000	\$ 17,817,935	\$ 20,617,935
2005	3,170,000	17,666,735	20,836,735
2006	3,495,000	17,462,385	20,957,385
2007	3,805,000	17,296,500	21,101,500
2008	4,570,000	17,079,270	21,649,270
2009-2013	30,380,000	80,676,082	111,056,082
2014-2018	49,755,000	69,121,030	118,876,030
2019-2023	78,030,000	48,121,030	126,151,030
2024-2028	89,905,000	22,213,470	112,118,470
2029	<u>12,185,000</u>	<u>804,210</u>	<u>12,989,210</u>
	<u>\$278,095,000</u>	<u>\$308,258,647</u>	<u>\$586,353,647</u>

In the event it is determined that revenues exist and debt service requirements and operating expenses are being met on an annual basis, the excess revenues shall be payable to the County of Nassau.

Nassau Community College Long-Term Debt

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

	August 31			August 31,			August 31,		Current
	2001	Additions	Reductions	2002	Additions	Reductions	2003	Portion	
Debt:									
General Obligations	\$ 50,813	\$ -	\$ 4,097	\$ 46,716	\$ -	\$ 15,993	\$ 30,723	\$ 4,447	
DASNY	30,276	-	1,073	29,203	3,963	1,129	32,037	1,256	
Other:									
Accrued vacation and sick pay	27,031	1,189	-	28,220	10,869	-	39,089	-	
Insurance Reserve Liability	1,513	20	-	1,533	87	-	1,620	-	
Estimated liability for litigation	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>-</u>	
Total	<u>\$ 112,133</u>	<u>\$ 1,209</u>	<u>\$ 5,170</u>	<u>\$ 108,172</u>	<u>\$ 14,919</u>	<u>\$ 17,122</u>	<u>\$ 105,969</u>	<u>\$ 5,703</u>	

NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2003 AND 2002

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

Nassau Community College Long-Term Debt (Continued)

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

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

General Obligation Serial Bonds - The County of Nassau has issued general obligation serial bonds in the name of the county for various College construction projects. The amount of serial bonds outstanding at August 31, 2003 and 2002 was \$30.8 million and \$46.7 million, respectively, and they are scheduled to mature from 2003 to 2022. This debt is the obligation of the county. No revenues or assets of the College have been pledged or will be available to pay debt service on the bonds. The county has pledged its full faith and credit to the payment of principal and interest on the bonds. As of August 31, 2003, principal payments relating to the Authority and general obligation bonds are as follows:

Principal Year Ending August 31,	DASNY	General Obligations	Total
2004	\$ 1,255,669	\$ 4,446,926	\$ 5,702,595
2005	1,323,820	3,919,464	5,243,284
2006	1,393,758	3,638,754	5,032,512
2007	1,463,752	3,616,313	5,080,065
2008	1,405,396	2,647,749	4,053,145
2009-2013	7,526,949	7,551,351	15,078,300
2014-2018	7,787,102	4,524,054	12,311,156
2019-2023	7,893,079	378,069	8,271,148
2024-2028	1,043,774	-	1,043,774
2029-2031	944,063	-	944,063
Total	<u>\$32,037,359</u>	<u>\$30,722,682</u>	<u>\$62,760,041</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002

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

Nassau Community College Long-Term Debt (Continued)

Interest Year Ending August 31, 2003	DASNY	General Obligations	Total
2004	\$ 1,870,823	\$ 1,590,978	\$ 3,461,801
2005	1,709,109	1,347,106	3,056,215
2006	1,639,949	1,141,612	2,781,561
2007	1,565,712	941,718	2,507,429
2008	1,487,088	763,448	2,250,535
2009-2013	6,222,742	2,320,703	8,543,445
2014-2018	4,082,122	617,810	4,699,932
2019-2023	1,657,405	16,636	1,674,041
2024-2028	372,160	-	372,160
2029-2031	97,072	-	97,072
Total	<u>\$20,704,180</u>	<u>\$ 8,740,011</u>	<u>\$29,444,191</u>

Interest on the Authority and general obligation bonds ranges from 4.0% to 6.0% and 2.2% to 9.38%, respectively.

NHCC Long-Term Debt

In connection with the purchase of the county's health care facilities, effective September 29, 1999, approximately \$260 million of Nassau Health Care Corporation Health System Revenue Bonds, Series 1999 at a net discount of approximately \$2.5 million were issued. For the year ended December 31, 2002, approximately \$120 thousand of bond discount was amortized and included in interest expense. The bonds, with interest rates between 4.6% and 6.0%, mature in varying installments from 2005 through 2029.

The Series 1999 Bonds were issued (1) to provide funds to finance the purchase by NHCC of the health facilities of the county; (2) to fund a required deposit to the Debt Service Reserve Account; (3) to fund a required deposit to the Operating Reserve Account; (4) to fund capitalized interest on the Series 1999 Bonds through February 1, 2000; (5) to finance working capital for NHCC after the acquisition; and (6) to pay the costs of issuance of the Series 1999 Bonds, including the premium of the bond insurer.

The Series 1999 bonds are secured by a pledge of health care reimbursement revenues of NHCC health facilities and amounts on deposit in certain debt service reserve funds. To the extent that certain debt service reserve funds falls below its requirement, the county has agreed to restore such account to its requirement. Furthermore, the county has guaranteed the full and prompt payment of principal, sinking fund payments and interest on the Series 1999 bonds. An insurance policy has been purchased by NHCC to guarantee all debt service payments in case of default by NHCC and the county.

The Series 1999 bonds contain certain covenants, including a rate covenant. Management believes that they are in compliance with any applicable covenants.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002

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

NHCC Long-Term Debt (Continued)

The first principal payment (\$5.2 million) is due August 1, 2005. Interest payments are due semi-annually on February 1 and August 1. Included with the issue of the revenue bonds is \$1.485 million of capital appreciation bonds maturing August 1, 2013 and having a value of \$3.2 million at maturity.

Year Ending	<u>Dollars in Thousands</u>	
	<u>Bonds Payable</u>	<u>Interest Payable</u>
2004	\$ -	\$ 14,661
2005	5,175	14,661
2006	5,415	14,421
2007	5,675	14,161
2008	5,960	13,878
2009-2013	35,097	64,096
2014-2018	45,660	53,535
2019-2023	60,180	39,008
2024-2028	79,560	19,627
2029	<u>18,760</u>	<u>1,079</u>
	261,482	249,127
Less unaccreted bond interest	1,354	
Less net unamortized bond discount	<u>1,970</u>	
Total	<u>\$ 258,158</u>	<u>\$ 249,127</u>

10. REFINANCING OF LONG-TERM OBLIGATIONS

Prior to December 31, 2003, the county defeased certain general obligation bonds and Combined Sewer District Bonds by refinancing them and placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the county's financial statements. As of December 31, 2003, approximately \$343.7 million of bonds outstanding are considered defeased.

11. PENSION PLANS

Plan Descriptions - The county participates in the New York State and Local Employees' Retirement System (ERS), the New York State and Local Police and Fire Retirement System (PFRS) and the Public Employees' Group Life Insurance Plan (Systems). These are cost-sharing multiple-employer defined benefit retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed

NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2003 AND 2002

11. PENSION PLANS (Continued)

by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, NY 12244.

Funding Policy - The Systems are noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976 who contribute 3% of their salary. The State legislature passed legislation in 2000 that suspends the 3% contribution for employees who have 10 years or more of credited service. In addition, members who meet certain eligibility requirement will receive one month's additional service credit for each completed year of service up to a maximum of two additional years of service credit. Under the authority of the NYSRSSL, the NYS Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by the employers to the pension accumulation fund. The county is required to contribute an actuarially determined amount. The required contributions for the current year and two preceding years were (dollars in thousands):

	<u>ERS</u>	<u>PFRS</u>
2003	\$ 19,065	\$16,843
2002	6,540	8,703
2001	4,673	7,204

The county's contributions made to the System over the three-year period were equal to 100 percent of the contributions required for the period.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002

12. RECONCILIATION OF GAAP FUND BALANCES TO BUDGETARY BASIS

The following reconciles fund balances at December 31, 2003 as prepared on a GAAP basis to the budgetary basis of reporting (dollars in thousands):

	<u>General</u> <u>Fund</u>	<u>Police</u> <u>District</u> <u>Fund</u>	<u>Police</u> <u>Headquarters</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Nonmajor</u> <u>Government</u> <u>Funds</u>
Fund Balances at December 31, 2003 prepared in accordance with GAAP	\$ 167,590	\$ 32,353	\$ 19,477	\$ 18,094	\$ 391,340
Add:					
Proceeds from NIFA Tax Certiorari and Other Judgments Borrowings	183,444				
Less:					
Encumbrances	(91,483)	(27,483)	(19,477)		(10,080)
Payments to Refunded Escrow Agent	(41,623)				
Payments for Tax Certiorari and Other Judgments	(141,821)				
Unbudgeted Grant Fund					(6,767)
Unbudgeted Capital Fund					(93,469)
Unbudgeted NIFA Capital Projects Fund					(88,279)
Unbudgeted NCTSC General Fund					(8)
Open Space Fund					(1)
Unbudgeted Sewage Disposal Construction Fund					(37,925)
Unbudgeted Sewage Collection Construction Fund					(4,933)
Unbudgeted NCTSC Debt Service Fund					(45,363)
Unbudgeted NIFA Debt Service Fund	_____	_____	_____	_____	(10,636)
Fund Balances at December 31, 2003 prepared on the budgetary basis of reporting	<u>\$ 76,107</u>	<u>\$ 4,870</u>	<u>\$ -</u>	<u>\$ 18,094</u>	<u>\$ 93,879</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002

12. RECONCILIATION OF GAAP FUND BALANCES TO BUDGETARY BASIS

The following reconciles fund balances at December 31, 2002 as prepared on a GAAP basis to the budgetary basis of reporting (dollars in thousands):

	General Fund	Police District Fund	Police Headquarters Fund	Nonmajor Governmental Funds
Fund Balances at December 31, 2002 prepared in accordance with GAAP	\$ 138,765	\$ 1,369	\$ 4,408	\$ 288,743
Add:				
Proceeds from NIFA Tax Certiorari and Other Judgments Borrowings	183,874			
Less:				
Encumbrances	(70,433)	(1,369)	(4,408)	(9,278)
Payments to Refunded Escrow Agent	(58,329)			
Payments for Tax Certiorari and Other Judgments	(125,545)			
Unbudgeted Grant Fund				(13,692)
Unbudgeted Capital Fund				(90,140)
Unbudgeted NIFA Capital Projects Fund				(41,133)
Unbudgeted NCTSC General Fund				(3)
Unbudgeted Sewage Disposal Construction Fund				(24,138)
Unbudgeted Sewage Collection Construction Fund				(5,022)
Unbudgeted NCTSC Debt Service Fund				(39,895)
Unbudgeted NIFA Debt Service Fund	_____	_____	_____	(5,378)
Fund Balances at December 31, 2002 prepared on the budgetary basis of reporting	<u>\$ 68,332</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 60,064</u>

13. DESIGNATION OF UNRESERVED FUND BALANCES

Portions of the unreserved fund balances at December 31, 2003 and 2002 were designated as sources of revenue in the ensuing year's operating budgets as follows (dollars in thousands):

<u>Nonmajor Governmental Funds</u>	<u>Total Fund Balance Unreserved</u>	<u>Unreserved and Designated for Ensuing Year's Budget</u>	<u>Fund Balance Unreserved and Undesignated</u>
December 31, 2003	<u>\$ 208,544</u>	<u>\$ 44,311</u>	<u>\$ 164,233</u>
December 31, 2002	<u>\$ 115,374</u>	<u>\$ 23,305</u>	<u>\$ 92,069</u>

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002**

14. POST-EMPLOYMENT BENEFITS

Health Insurance - The county provides health care benefits in accordance with New York State Health Insurance Rules and Regulations administered by New York State Department of Civil Service (the NYSHIP plan). The county's several union contracts and ordinances require the county to provide all eligible enrollees with either the NYSHIP plan or other equivalent health insurance. Substantially all of the county's retirees and employees are enrolled in the NYSHIP/Empire Plan.

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

Eligibility for health benefits upon retirement are governed by bargaining unit, age, and years of service. The current CSEA agreement increased the years of service required with the county to be eligible for post retirement health insurance benefits for CSEA members to 10 years; all other bargaining units are eligible after 5 years of service. The county contributes 100% of the health insurance costs for the Government Employees Health Insurance program for all police officers and county employees who retired after December 31, 1975, with the exception of Ordinance employees retired after January 1, 2002 who are required to contribute either 5% or 10% of the cost depending on coverage. For employees who retired prior to December 31, 1975, the county's contribution is reduced in accordance with the union agreement applicable to their respective retirement dates.

The county recognizes the expenditure of providing current and postretirement health care benefits in the year to which the insurance premiums apply. Empire insurance premiums are billed in advance and therefore the county has recorded a prepaid asset for these amounts at December 31, 2003 and 2002. The total cost for providing health care benefits was \$137.9 and \$137.4 million in 2003 and 2002, respectively, of which approximately \$65.5 and \$67.0 million was for retirees and approximately \$72.4 and \$70.4 million was for active employees and other eligible individuals, in 2003 and 2002 respectively.

15. CONTINGENCIES AND COMMITMENTS**A. Claims and Litigation**

The county, its officers and employees are defendants in litigation. Such litigation includes, but is not limited to, actions commenced and claims asserted against the county arising out of alleged torts, alleged breaches of contracts (which include union and employee disputes), condemnation proceedings, medical malpractice actions and other alleged violations of law, including those claims arising from events which occurred prior to the closing date of the Nassau Health Care Corporation of September 29, 1999. The county self-insures for everything except helicopter accidents and employee bonding. The county annually appropriates sums for the settlement of claims and litigation. The county intends to defend itself vigorously against all claims. Estimated liabilities of approximately \$326.5 and \$271.3 million for settlement of litigation and claims other than malpractice claims, have been recorded as a long-term liability in the government-wide financial statement of net assets as of December 31, 2003 and 2002, respectively. The County Attorney is of the opinion that the ultimate settlement of such claims and litigation outstanding at

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002**

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

December 31, 2003 will not result in a material adverse effect on the county's financial position. Approximately \$13.3 and \$15.8 million has been accrued as a liability at December 31, 2003 and 2002, respectively, related to malpractice claims where the County Attorney and NHCC management can reasonably estimate the ultimate outcome. The liability for certain other asserted and unasserted malpractice claims is not estimable as of December 31, 2003. All malpractice occurrences prior to September 29, 1999 are the responsibility of the county. Subsequent occurrences are the responsibility of the NHCC.

B. Tax Certioraris

In fiscal 2003 and 2002, respectively, there were approximately 117,218 and 125,136 taxpayers' claims filed against Board of Assessors, for the incorrect determination of assessed valuation (certiorari proceedings) for the 2004 (May 1, 2003) and 2003 (May 1, 2002) assessment roll, respectively. During 2003, NIFA issued approximately \$141.5 million of bonds and during 2002 NIFA issued approximately \$16 million of bonds and approximately \$24 million of BANs, on behalf of the county, to fund county tax certioraris judgments and settlements, bringing the total amount of bonds issued and outstanding by both the county and NIFA to approximately \$1.2 billion at December 31, 2003 and \$1.1 billion at December 31, 2002. This amount has been included with serial bonds reported in the government-wide financial statement of net assets. An amount estimated for future settlements and judgments of \$365 million and \$325 million has also been recorded as a long-term liability in the government-wide financial statement of net assets at December 31, 2003 and 2002, respectively.

Tax certiorari settlements are usually financed by the issuance of long-term debt or through BANs which are thereafter refinanced by bond issuances. For the year ended December 31, 2003, tax certiorari settlements were \$112 million and were substantially financed by \$115 million of NIFA bonds reported in the government-wide financial statement of net assets. For the year ended December 31, 2002, tax certiorari settlements were \$97 million and were substantially financed by \$860 thousand of NIFA bonds and \$85 million of NIFA BAN's reported in the government-wide financial statement of net assets and Governmental Funds balance sheet, respectively.

C. Contingencies under Grant Programs

The county participates in a number of Federal and State grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. As of December 31, 2003, the audits of certain programs have not been completed. Provisions for certain expected disallowances, where considered necessary, have been made as of December 31, 2003. In the county's opinion, any additional disallowances resulting from these audits will not be material.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002**

15. CONTINGENCIES AND COMMITMENTS (Continued)**C. Contingencies under Grant Programs (continued)**

In March 2004, the New York State Office of Community Planning and Development issued a monitoring report which indicated that certain costs incurred by the county using U.S. Department of Housing and Urban Development funds, were disallowed. The county responded to the report by presenting a corrective action plan to remedy certain policy and programmatic weaknesses, and maintained that substantially all the costs disallowed were incurred for eligible HUD purposes.

D. Certain Third – Party Reimbursement Matters

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

E. Insurance

The county carries property insurance on its police helicopters and a blanket fidelity bond covering all county employees. Essentially all other risks are assumed directly by the county. The county suffered no material property losses during 2003 and 2002. Settlements have not exceeded county insurance coverage for each of the past three years.

F. Accumulated Vacation and Sick Leave Entitlements

County employees are entitled to accumulate unused vacation leave and sick leave up to certain contractual amounts. At current salary levels, the county's liability for the payment of these accumulations is approximately \$546.4 million. At August 31, 2003, the Nassau Community College's vacation leave and sick leave liability was \$39.1 million.

G. Deferred Payroll

The county has entered into agreements with the Civil Service Employees' Association ("CSEA"), the Police Benevolent Association, ("PBA"), Superior Officers Association, ("SOA"), and the Detective Association, Inc. ("DAI"), and certain Ordinance employees, to defer 10 days pay which shall be paid to the employee on separation of service at the salary rate then in effect. The amount deferred at December 31, 2003 and 2002 was approximately \$19.2 million and \$17.7 million, respectively. This deferral is reported as a long-term liability in the government-wide financial statement of net assets, as certain contractual arrangements to provide for the payment of these commitments at specific dates in future fiscal periods. The College, a component unit of the county, entered into a similar agreement in 1992 payable to eligible employees on September 1, 2002. The amount deferred at the College close of August 31, 2003 and 2002 was approximately \$1.2 million and \$1.3 million, respectively, and is also reported in the in the government-wide

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002**

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

financial statement of net assets. In addition, termination pay for accumulated leave in excess of \$5,000 for CSEA members shall be paid by the county in three equal installments of accumulated days on the three consecutive Januarys following termination. The amount deferred at December 31, 2003 and 2002 was approximately \$17.2 million and \$21.5 million, respectively, and also is reported in the government-wide financial statement of net assets.

H. Capital Commitments

At December 31, 2003 and 2002, there were capital project contract commitments of \$77 and \$72.2 million, respectively.

I. MTA Commitment

The Metropolitan Transportation Authority ("MTA") paid \$121.0 million cumulatively to the county pursuant to a mass transportation funding agreements in return for the county's provision in the future of \$242.0 million for capital costs incurred by the MTA in connection with capital improvements and rolling stock. The \$121.0 million could be used by the county for any purpose and was recognized in the General Fund in years 1999 and prior. The county has authorized capital appropriations of \$242.0 million to meet its obligation which was financed by county bond issuances. As of December 31, 2003 and 2002, the county has repurchased and financed \$221.0 million of capital improvements and rolling stock and a \$21.0 million commitment remains at December 31, 2003.

16. NASSAU HEALTH CARE CORPORATION ("NHCC")

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

In consideration for the acquisition of the Health Facilities from the county, NHCC paid the county \$82.0 million from the proceeds of Series 1999 Bonds issued on September 29, 1999 to NHCC. The Series 1999 bonds amounted to \$259.7 million and bear interest at rates ranging between 4.60% and 6.00%. The bonds are guaranteed by the county and mature between 2005 and 2029.

NHCC Going Concern and Liquidity

At December 31, 2003, NHCC had an unrestricted net asset (deficiency) of approximately \$74 million. For the years ended December 31, 2003 and 2002, NHCC incurred losses from operations before

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002**

16. NASSAU HEALTH CARE CORPORATION (“NHCC”) (Continued)**NHCC Going Concern and Liquidity (continued)**

unusual item of approximately \$18 and \$21 million, respectively. NHCC’s continued existence is dependent upon returning to profitability, successfully collecting on patient accounts currently being processed by the New York State Department of Social Services, negotiating a favorable settlement with Nassau County for the early retirement and longevity benefits currently in dispute, and securing interim sources of funding cash needs.

Operating Results

For the years ended December 31, 2003 and 2002, NHCC incurred losses from operations before unusual item of approximately \$18 and \$21 million, respectively. These operating losses are causing NHCC to deplete its working capital and increase the unrestricted net assets (deficiency). Included in the loss from operations for the years ended December 31, 2003 and 2002 are prior year rate settlements, changes in estimates, changes in accounting and other items of approximately \$14 and \$11 million, respectively.

In addition to the operating losses described above, NHCC’s liquidity is being depleted because of continued delays in receiving payments for patients eligible for Medicaid and funding of certain employee benefit obligations. At December 31, 2003, NHCC’s cash and cash equivalents were \$35 and \$67 million, respectively.

Medicaid Eligibles

NHCC services a disproportionate share of uninsured and under-insured patients. NHCC aggressively pursues collection of all accounts and actively works with patients to determine eligibility for governmental assistance, including Medicaid. The process for Medicaid approval is administered by the local Nassau County Department of Social Services (“DSS”). NHCC identifies patients that may be eligible for Medicaid and assists patients in the preparation of the Medicaid applications. NHCC sends the application to DSS for approval. Once an application is submitted to DSS, NHCC no longer categorizes the patient account as self pay and considers the account to be Medicaid pending. NHCC values the Medicaid pending accounts at the Medicaid indemnity payment rate and applies a bad debt reserve to the Medicaid pending account based on historical payment experience. Once approved NHCC submits a bill to Medicaid and a payment is received generally between 45-60 days. Beginning in 2002, DSS began experiencing delays in processing hospital Medicaid applications. At December 31, 2003, the increase in patient accounts receivable is predominantly due to the aforementioned Medicaid pending receivables.

According to NHCC management, NHCC has taken a series of actions that are intended to address its financial condition. Management has developed a detailed turnaround plan that includes revenue enhancements, changes to medical management practices and cost reductions. The plan calls for a phased-in approach of specific initiatives through 2004. Specific initiatives include cash acceleration projects in patient accounts, debt expansion and/or refinancing, charge increases, consolidation of

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002

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

NHCC Going Concern and Liquidity (continued)

critical and intensive care units, structural changes in the emergency department, staff and benefit reductions, and supply chain and inventory management changes.

The ultimate success of these initiatives cannot be determined presently and raise substantial doubt about NHCC’s ability to continue as a going concern. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of these uncertainties.

* * * * *

PART III

COMBINING FINANCIAL INFORMATION – GOVERNMENTAL FUNDS

EXHIBIT A-1
 COUNTY OF NASSAU, NEW YORK
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 December 31, 2003
 (in thousands)

	Nonmajor Special Revenue Funds										Nonmajor Capital Projects Funds				Nonmajor Debt Service Funds			
	Fire Protection, Safety, Communication and Education Fund	County Parks and Recreation Fund	Technology Fund	NIFA Special Revenue Fund	Tobacco Settlement Corp General Fund	Open Space Fund	Sewage District #1 Maintenance Fund	Sewage District #2 Maintenance Fund	Sewage District #3 Maintenance Fund	Sewage District Maintenance Fund	Grant Fund	Capital Fund	NIFA Capital Projects Fund	Sewage Disposal Construction Funds	Sewage Collection Construction Fund	Tobacco Settlement Corp Debt Service Fund	NIFA Debt Service Fund	Total
ASSETS																		
Cash - Unrestricted	7,829	18,669	7,111		\$60,060	1	1,319	39,634	33,056	17,860	11,611	103,977	88,306	41,359	5,164	19,766	10,729	486,271
Investments																25,386	11,600	36,986
Interest Receivable	6	268						29	254	170	10,546	92			271	5		276
Due From Other Governments	19		12,800	19,833	80		5	238	115	39	25,645	351						10,552
Accounts Receivable		653			63			291	308		322	426	40				11,795	1,163
Interfund Receivables																		7,530
Other Assets																		2,309
TOTAL ASSETS	7,860	19,590	19,911	19,833	60,203	1	1,324	40,192	33,733	18,069	48,216	104,754	88,346	41,359	5,164	45,443	34,129	588,127
LIABILITIES AND FUND BALANCES (DEFICITS)																		
Liabilities:																		
Accounts Payable	48	550						2,133	3,016	231	4,684	2,076		3,080	192			16,221
Accrued Liabilities	604	870			17,792			1,047	270	9	395		27				23,493	64,340
Deferred Revenue											34,750		40					34,750
Interfund Payables	4,047	17,052					115	2,147	1,358	282	1,823	7,196		354	39	80		33,043
Due to Component Unit	2,819				42,403						1,824							3,642
Other Liabilities	16	70						27	28		34	2,013						44,591
Total Liabilities	7,535	18,542			60,195		115	5,354	4,672	502	41,449	11,285	67	3,434	231	80	23,493	196,787
Fund Balances (Deficits):																		
Reserved for Retirement of Temporary Financing																		
Reserved for State Revolving Fund																		
Reserved for Encumbrances	325	1,048						3,205	4,205	1,287	40,875	68,974		30,333	1,834			54,642
Unreserved and Designated for Ensuring Year's Budget Unreserved					8	1	822	18,663	14,773	10,053	(34,108)	2,020	88,279	433	2,033	45,263	10,536	128,154
Total Fund Balances	325	1,048	19,911		8	1	1,209	34,838	29,061	17,567	6,767	93,469	88,279	37,825	4,833	45,263	10,536	164,233
TOTAL LIABILITIES AND FUND BALANCES	7,860	19,590	19,911	19,833	60,203	1	1,324	40,192	33,733	18,069	48,216	104,754	88,346	41,359	5,164	45,443	34,129	588,127

EXHIBIT A-1
 COUNTY OF MASSAU, NEW YORK
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 December 31, 2002
 (in thousands)

	Nonmajor Special Revenue Funds										Nonmajor Capital Projects Funds					Nonmajor Debt Service Funds			
	Fire Prevention, Safety, Communication and Education Fund	County Parks and Recreation Fund	Technology Fund	NIFA Special Revenue Fund	Tobacco Settlement Corp General Fund	Sewage Disposal District #1 Maintenance Fund	Sewage Disposal District #2 Maintenance Fund	Sewage Disposal District #3 Maintenance Fund	Sewage Collection District Maintenance Fund	Grant Fund	Capital Fund	NIFA Capital Projects Fund	Sewage Disposal District Construction Funds	Sewage Collection District Construction Fund	Tobacco Settlement Corp Debt Service Fund	NIFA Debt Service Fund	Total		
ASSETS																			
Cash - Unrestricted	\$ 87	\$ 109	\$	\$ 4,833	\$ 161	\$	\$	\$ 46	\$ 13,829	\$ 2,903	\$ 65,287	\$ 438	\$ 49	\$ 5,611	\$ 2,041	\$ 95,394			
Investments	4,566			59,567	59,567		13,445			104,357		33,975	5,398	40,008	6,547	323,458			
Investments - Tax Anticipation Notes (TAN)/Revenue Anticipation Notes (RAN)																			
Sales Tax Receivable																			
Interest Receivable	25	283						35	6,606	105	48	1,489			2	50			
Due From Other Governments		1,319	7,100		115	950	31,316	168	18,133			29,507			6,923	8,765			
Interfund Receivables								47								95,578			
Due From Component Unit	125	510			65	193	207		187	1,090						2,377			
Other Assets																			
TOTAL ASSETS	4,803	2,201	7,100	4,833	59,908	950	31,509	13,573	38,755	108,455	65,335	65,419	5,447	45,619	15,513	525,622			

LIABILITIES AND FUND BALANCES (DEFICITS)

	Nonmajor Special Revenue Funds										Nonmajor Capital Projects Funds					Nonmajor Debt Service Funds			
	Fire Prevention, Safety, Communication and Education Fund	County Parks and Recreation Fund	Technology Fund	NIFA Special Revenue Fund	Tobacco Settlement Corp General Fund	Sewage Disposal District #1 Maintenance Fund	Sewage Disposal District #2 Maintenance Fund	Sewage Disposal District #3 Maintenance Fund	Sewage Collection District Maintenance Fund	Grant Fund	Capital Fund	NIFA Capital Projects Fund	Sewage Disposal District Construction Funds	Sewage Collection District Construction Fund	Tobacco Settlement Corp Debt Service Fund	NIFA Debt Service Fund	Total		
Liabilities																			
Accounts Payable	\$ 37	\$ 715	\$	\$ 4,833	\$ 168	\$	\$ 804	\$ 2,335	\$ 285	\$ 4,989	\$ 8,943	\$ 64	\$ 4,387	\$ 288	\$ 5,609	\$ 10,133	\$ 22,961		
Accrued Liabilities	171	339			17,877	497		1,231	9	206		24,090					40,969		
Bond Anticipation Notes (BAN) payable																	24,090		
Deferred Revenue										19,548							19,548		
Interfund Payables	2,086	26				141	2,466	32,940	421	288	7,030	48	36,884	137	115	2	82,614		
Due to Component Unit	2,288																2,288		
Other Liabilities	19	90			41,860	32	32	34		32	2,342						44,409		
Total Liabilities	4,601	1,170	7,100	4,833	59,905	141	3,829	36,540	715	25,063	18,315	24,202	41,281	425	5,724	10,135	236,679		
Fund Balances (Deficits)																			
Reserved for Retirement of Temporary Financing										13,847							36,590		
Reserved for State Revolving Fund	202	1,031					3,184	4,015	846	53,826	52,964						1,499		
Reserved for Encumbrances																	17,451		
Unreserved and Designated for Ensuring Year's Budget					3	421	11,526	5,564	5,794	(40,134)	23,429	41,133	(15,721)	1,327	39,895	5,378	23,305		
Unreserved					3	386	12,970	10,063	6,218	(40,134)	23,429	41,133	(15,721)	1,327	39,895	5,378	92,069		
Total Fund Balances	202	1,031	7,100	4,833	59,908	950	27,680	19,662	12,868	13,692	90,140	41,133	24,138	5,022	39,895	5,378	288,743		
TOTAL LIABILITIES AND FUND BALANCES	4,803	2,201	7,100	4,833	59,908	950	31,509	56,202	13,573	108,455	65,335	65,419	5,447	45,619	15,513	525,622			

EXHIBIT A-2
 COUNTY OF NASSAU, NEW YORK
 NONMAJOR GOVERNMENTAL FUNDS
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Year ended December 31, 2003
 (in thousands)

	Nonmajor Special Revenue Funds											Nonmajor Capital Project Funds					Nonmajor Debt Service Funds				Total Nonmajor Governmental Funds
	File Permit, Sanitation and Education Fund	County Parks and Recreation Fund	Technology Fund	NIFA Special Revenue Fund	Tobacco Settlement Corp General Fund	Open Space Fund	Sewage Disposal District #1 Maintenance Fund	Sewage Disposal District #2 Maintenance Fund	Sewage Disposal District #3 Maintenance Fund	Sewage Collection District #1 Maintenance Fund	Grant Fund	Capital Fund	NIFA Capital Project Fund	Sewage Disposal District #1 Capital Project Fund	Sewage Collection District #1 Capital Project Fund	Tobacco Settlement Corp Debt Fund	NIFA Debt Fund	Total			
Revenues:																					
Unrealized Gain on Investments																					
Interest Income	10																	968			
Donations and Revenues	3,428	843	11															4,282			
Intergovernmental Revenue	14	13,046																13,060			
Federal Aid	11																	32,444			
State Aid	121																	1,508			
State Aid from NIFA				15,000														61,550			
Special Taxes	17,012	43,085																38,422			
Other Revenues		182																26,186			
Total Revenues	20,594	57,866	11	15,000														202,735			
Expenditures:																					
Current:																					
Judicial																		926			
General Administration					110													23,252			
Protection of Persons																		7,773			
Public Works																		50,590			
Recreation and Parks																		71,700			
Capital Outlay		61,654																62,049			
Sewage Districts																		31,360			
Social Services																		11,234			
Contributions																		6,077			
Education																		1,313			
Total Current Expenditures	20,226	61,654			110													286,980			
Debt Service:																					
Principal																		22,975			
Interest																		66,062			
Financing Costs																		5,195			
Total Debt Service																		94,232			
Total Expenditures	20,226	61,654			110													383,202			
Excess (Deficiency) of Revenues Over (Under) Expenditures	368	(3,788)	11	15,000	(110)													11,533			
Other Financing Sources (Use):																					
Other Financing Sources - Premium Deposited with Escrow Agent for Defeasance																					
Transfers In		3,805	12,800		658													17,445			
Transfers In of Investment Income																		49,161			
Transfers Out	(245)				(543)													(23,638)			
Transfers Out of Investment Income																		66,806			
Transfers In from NIFA																		23,638			
Transfers Out from NIFA																		66,806			
Other Sources																		393,202			
Proceeds from Borrowings																					
Total Other Financing Sources (Uses)	(245)	3,805	12,800	(15,000)	115													5,530			
Net Change in Fund Balance	123	17	12,811		5	1												18,106			
Fund Balances Beginning of Year	202	1,031	7,100		3													23,638			
Fund Balances End of Year	325	1,048	19,911		8	1												41,744			

PART IV

OTHER SUPPLEMENTARY INFORMATION

COUNTY OF NASSAU, NEW YORK

**COMPARATIVE SCHEDULE OF ACTUAL REVENUES VS. MODIFIED BUDGET
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2003 (Dollars in Thousands)**

	Original Budget	Modified Budget	Actual Revenues	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
INTEREST AND PENALTIES ON TAXES	\$ 22,300	\$ 22,570	\$ 22,456	\$	\$ 22,456	\$ (114)
LICENSES AND PERMITS						
Day Camp Permits	6	6	6		6	
Food Establishments	2,000	2,000	1,983		1,983	(17)
Hazardous Materials Registration Fees	770	770	994		994	224
Home Improvements	1,274	1,274	2,107		2,107	833
Location Permits						
Manufacturing Frozen Desserts	16	16	15		15	(1)
Realty Subdivision Filing	68	68	38		38	(30)
Road Openings	180	180	217		217	37
Sewage Connections	100	100	106		106	6
Swimming Pools and Bathing Beaches	213	213	133		133	(80)
Temporary Residence Inspection Permit	61	61	63		63	2
Verification	69	69	145		145	76
Weights & Measures	1,331	1,331	603		603	(728)
X-rays, Surveys and Inspections	100	100	96		96	(4)
Cross Connections	50	50	98		98	48
Water Supply Plan Review	105	105	85		85	(20)
Tattoo Parlor / Piercing			8		8	8
Lifeguard Certification			43		43	43
Traffic Signal Permits			36		36	36
Total Licenses and Permits	6,343	6,343	6,776		6,776	433
FINES AND FORFEITS	13,940	13,940	13,059		13,059	(881)
INVESTMENT INCOME	6,901	6,901	3,129		3,129	(3,772)
RENTS AND RECOVERIES						
Coliseum & Mitchell Field Rents			1,021		1,021	1,021
Coliseum Rental	713	713	182		182	(531)
Coliseum Utilities	1,615	1,615	1,720		1,720	105
Recovery of Damage to County Property			393		393	393
Recovery of Property and Restaurant Tax	30	30	24		24	(6)
Recovery of Prior Year Appropriations	14,732	15,632	873		873	(14,759)
Recovery of Workers' Compensation	1,200	1,200	1,045		1,045	(155)
Rental of County Property	531	531	622		622	91
Rental of Voting Machines	142	142	100		100	(42)
Rental of Mitchel Field	4,740	4,740	5,628		5,628	888
Sale of County Property	31	31	69		69	38
Tobacco Settlement	21,150	21,150				(21,150)
Other Recoveries	10	10	593		593	583
Recoveries from Enterprise Funds			222		222	222
Total Interest, Rents and Recoveries	44,894	45,794	12,492		12,492	(33,302)
DEPARTMENTAL REVENUE						
Assessment	317	317	231		231	(86)
Board of Elections	70	70	34		34	(36)
CASA	103	103	11		11	(92)
Civil Service	155	155	189		189	34
Correctional Center	60	60	198		198	138
County Attorney	110	110	184		184	74
County Clerk	9,000	9,000	15,422		15,422	6,422
County Comptroller	19	19	21		21	2
District Attorney	1,148	1,148	1		1	(1,147)
Drug and Alcohol Addiction	1,077	1,077	1,084		1,084	7

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL REVENUES VS. MODIFIED BUDGET
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2003 (Dollars in Thousands)

	<u>Original Budget</u>	<u>Modified Budget</u>	<u>Actual Revenues</u>	<u>GAAP to Budgetary Basis Conversion</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Over (Under)</u>
DEPARTMENTAL REVENUE (Continued)						
Health						
Administration	\$ 4	\$ 4	\$ 9	\$	\$ 9	\$ 5
Environmental Health	9	9				(9)
Children's Early Intervention	5,501	5,501	8,193		8,193	2,692
Laboratory Research	72	72	59		59	(13)
Personal Health	10	10	149		149	139
Information Technology			894		894	894
Legislature			2		2	2
Medical Examiner	12	12	17		17	5
Mental Health	1,076	1,076	2,112		2,112	1,036
Miscellaneous Receipts			2		2	2
Planning	1,171	1,171	943		943	(228)
Probation	1,235	1,235	1,717		1,717	482
Public Administrator	260	260	216		216	(44)
Public Works						
Administration	125	125	163		163	38
Highways and Engineering	126	126	161		161	35
Sanitation			17		17	17
Facilities Maintenance	882	882	308		308	(574)
Water Supply	495	495	45		45	(450)
Roads & Bridge Maintenance			5		5	5
Buildings			3		3	3
Purchasing			2		2	2
Real Estate			76		76	76
Senior Citizens Affairs	14	14	12		12	(2)
Sheriff	900	900	1,021		1,021	121
Social Services						
Administration	40	75	47		47	(28)
Aid to Dependent Children	4,760	4,760	3,907		3,907	(853)
Burials	12	12	12		12	
Children in Foster Homes	125	125	149		149	24
Children in Institutions	375	375				(375)
Division of Services	40	40				(40)
Education of Handicapped Children			430		430	430
Home Relief	1,800	1,800	1,662		1,662	(138)
Juvenile Delinquents	75	75	156		156	81
Medicaid MMIS	82,321	82,321	70,405		70,405	(11,916)
Public Financial Assistance	35					
Real Estate Expense			1		1	1
Title XX	25	25	228		228	203
Transitional Care			19		19	19
Treasurer	260	260	568		568	308
Traffic Safety Board	150	150	150		150	
Total Departmental Revenue	113,969	113,969	111,235		111,235	(2,734)

INTERDEPARTMENTAL REVENUE

Budget	315	315				(315)
Constituent Affairs	564	1,253	1,028		1,028	(225)
Correctional Center	1,600	1,600	642		642	(958)
County Attorney	7,355	7,355	6,824		6,824	(531)
County Executive			14		14	14
District Attorney	181	181	1,261		1,261	1,080
Drug and Alcohol	400	400	667		667	267
Emergency Management			19		19	19
Information Technology	1,458	3,103	3,889		3,889	786
Mental Health	1,364	1,364	950		950	(414)
Probation	835	835	815		815	(20)
Purchasing	200	569	130		130	(439)
Public Works	9,620	11,104	9,938		9,938	(1,166)
Records Maintenance		100	174		174	74

(Continued)

COUNTY OF NASSAU, NEW YORK

**COMPARATIVE SCHEDULE OF ACTUAL REVENUES VS. MODIFIED BUDGET
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2003 (Dollars in Thousands)**

	Original Budget	Modified Budget	Actual Revenues	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
INTERDEPARTMENTAL REVENUE (Continued)						
Revenues from Capital Fund	\$ 4,428	\$ 4,428	\$ 3,185	\$	\$ 3,185	\$ (1,243)
Revenues from Debt Service Chargebacks			39,456		39,456	39,456
Revenues from Indirect Cost Chargebacks	35,595	35,595	35,595		35,595	
Revenues from Grant Closeout	149	149				(149)
Interfund Revenue from PDH	46	46				(46)
Senior Citizens Affairs	38	38				(38)
Sheriff	300	300	128		128	(172)
Youth Board	461	643	60		60	(583)
<u>Total Interdepartmental Revenue</u>	<u>64,909</u>	<u>69,378</u>	<u>104,775</u>		<u>104,775</u>	<u>35,397</u>
FEDERAL AID						
Budget	111	111	-			(111)
Correctional Center	13,000	13,000	11,737		11,737	(1,263)
County Attorney	225	225	185		185	(40)
District Attorney	28	28	27		27	(1)
Miscellaneous General Fund Aid	210	210	163		163	(47)
Planning	-	1,902	561		561	(1,341)
Senior Citizen Affairs	4,924	4,924	5,080		5,080	156
Sheriff	-	-	718		718	718
Social Services						
Administration	6,194	6,194	3,124		3,124	(3,070)
Aid to Dependent Children	14,250	14,250	8,315		8,315	(5,935)
Children in Foster Homes	1,850	1,850	2,133		2,133	283
Children in Institutions	9,500	9,500	9,972		9,972	472
Division of Services	6,975	6,975	9,165		9,165	2,190
Home Energy Assistance Program	1,545	1,545	1,698		1,698	153
Juvenile Delinquents	3,370	3,370	3,788		3,788	418
Medicaid MMIS	2,000	2,000	1,609		1,609	(391)
Public Financial Assistance	20,253	20,253	24,831		24,831	4,578
Subsidized Adoptions	1,830	1,830	1,445		1,445	(385)
Title XX	26,000	26,000	22,632		22,632	(3,368)
<u>Total Federal Aid</u>	<u>112,265</u>	<u>114,167</u>	<u>107,183</u>		<u>107,183</u>	<u>(6,984)</u>
STATE AID						
Assessment	280	280	369		369	89
Budget		56				(56)
Consumer Affairs	40	40	47		47	7
Correctional Center	2,094	2,094	958		958	(1,136)
County Attorney	60	60	48		48	(12)
Court Facility Aid	2,079	2,079	2,222		2,222	143
District Attorney	65	65	56		56	(9)
Drug and Alcohol Addiction	2,375	2,375	583		583	(1,792)
Health						
Administration	1,355	1,355	963		963	(392)
Children's Early Intervention	21,340	21,340	21,161		21,161	(179)
Environmental Health	1,426	1,426	1,446		1,446	20
Laboratory Research	850	850	999		999	149
Personal Health	2,067	2,067	2,319		2,319	252
Information Technology			201		201	201
Medical Examiner	1,605	1,605	1,756		1,756	151
Mental Health						
Administration	1,276	1,276	1,221		1,221	(55)
Contractual Services	2,604	2,604	2,347		2,347	(257)
Direct Services	413	413	400		400	(13)
Education of Handicapped Children	41,204	41,204	48,291		48,291	7,087

(Continued)

COUNTY OF NASSAU, NEW YORK

 COMPARATIVE SCHEDULE OF ACTUAL REVENUES VS. MODIFIED BUDGET
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2003 (Dollars in Thousands)

	Original Budget	Modified Budget	Actual Revenues	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
STATE AID (Continued)						
Miscellaneous General Fund Aid	\$ 15,582	\$ 15,582	\$ 448	\$	\$ 448	\$ (15,134)
Probation	6,472	6,472	5,591		5,591	(881)
Public Works						
Water Supply	55	55	371		371	316
Real Estate			285		285	285
Senior Citizen Affairs	3,851	3,851	3,914		3,914	63
Sheriff	750	750	95		95	(655)
Social Services						
Administration	3,569	3,569	1,206		1,206	(2,363)
Aid to Dependent Children	7,125	7,125	8,095		8,095	970
Burials	75	75	5		5	(70)
Children in Foster Homes	1,120	1,120	498		498	(622)
Children in Institutions	7,188	7,188	1,374		1,374	(5,814)
Division of Services	5,347	5,347	3,950		3,950	(1,397)
Education of Handicapped Children	5,000	5,000	4,594		4,594	(406)
Home Relief	6,850	6,850	4,715		4,715	(2,135)
Juvenile Delinquents	2,296	2,296				(2,296)
Juvenile Detention Center	2,786	2,786	2,393		2,393	(393)
Medicaid MMIS	38,000	38,000	62,691		62,691	24,691
Public Financial Assistance	7,766	7,766	5,883		5,883	(1,883)
Subsidized Adoptions	1,785	1,785	2,182		2,182	397
Title XX	4,000	4,000	2,479		2,479	(1,521)
Transitional Care			193		193	193
Vertical Administration	56					
Veterans Service Agency	34	34	45		45	11
Nassau County Youth Board	1,794	1,794	1,663		1,663	(131)
<u>Total State Aid</u>	<u>202,634</u>	<u>202,634</u>	<u>198,057</u>		<u>198,057</u>	<u>(4,577)</u>
SALES TAX *	<u>833,546</u>	<u>833,546</u>	<u>779,062</u>		<u>779,062</u>	<u>(54,484)</u>
PREEMPTED SALES TAX IN LIEU OF PROPERTY TAXES						
Towns and City of Glen Cove*	<u>48,920</u>	<u>48,920</u>	<u>48,920</u>		<u>48,920</u>	
<u>Total Preempted Sales Tax in Lieu of Property Taxes</u>	<u>48,920</u>	<u>48,920</u>	<u>48,920</u>		<u>48,920</u>	
PROPERTY TAXES	<u>126,463</u>	<u>126,463</u>	<u>129,530</u>		<u>129,530</u>	<u>3,067</u>
PAYMENTS IN LIEU OF TAXES	<u>3,915</u>	<u>3,915</u>	<u>4,205</u>		<u>4,205</u>	<u>290</u>

(Continued)

COUNTY OF NASSAU, NEW YORK

 COMPARATIVE SCHEDULE OF ACTUAL REVENUES VS. MODIFIED BUDGET
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2003 (Dollars in Thousands)

	Original Budget	Modified Budget	Actual Revenues	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
<u>SPECIAL TAXES</u>						
Admission Tax - Belmont Park	\$ 70	\$ 70	\$ 74	\$	\$ 74	\$ 4
Entertainment Tax	3,000	3,000	2,695		2,695	(305)
Off-Track Betting Surtax	7,468	7,468	7,329		7,329	(139)
Privilege Tax - Coin Operated Amusement Devices	60	60	41		41	(19)
Hotel-Motel Room Tax	3,550	3,550	3,474		3,474	(76)
<u>Total Special Taxes</u>	<u>14,148</u>	<u>14,148</u>	<u>13,613</u>		<u>13,613</u>	<u>(535)</u>
<u>OTHER REVENUES</u>						
Miscellaneous	13,986	14,191	9,922		9,922	(4,269)
<u>Total Other Revenues</u>	<u>13,986</u>	<u>14,191</u>	<u>9,922</u>		<u>9,922</u>	<u>(4,269)</u>
<u>Total Revenues</u>	<u>1,629,133</u>	<u>1,636,879</u>	<u>1,564,414</u>		<u>1,564,414</u>	<u>(72,465)</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Other Financing Sources - Premium Transfers In			632			
Transfers In - Component Unit			18,211		18,211	18,211
Transfer in from NIFA			15,342		15,342	15,342
Transfers in of Investment Income	1,600	1,600	3,016		3,016	1,416
Transfer from NIFA for Escrow Agent			(41,623)	41,623		
Transfers from NIFA for Tax Certiorari and Other Judgement Borrowings			183,444	(183,444)		
<u>Total Other Financing Sources</u>	<u>1,600</u>	<u>1,600</u>	<u>179,022</u>	<u>(141,821)</u>	<u>36,569</u>	<u>34,969</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 1,630,733	\$ 1,638,479	\$ 1,743,436	\$ (141,821)	\$ 1,600,983	\$ (37,496)

* Total revenues and other financing sources, estimates per 2003 County budget as adopted
 Add: Supplemental appropriations
 Budget estimates, total revenues and other financing sources

\$ 1,630,733
7,746
\$ 1,638,479

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL REVENUES VS. MODIFIED BUDGET
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2002 (Dollars in Thousands)

	Original Budget	Modified Budget	Actual Revenues	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
INTEREST AND PENALTIES ON TAXES	\$ 15,768	\$ 15,768	\$ 20,156	\$	\$ 20,156	\$ 4,388
LICENSES AND PERMITS						
Day Camp Permits	6	6	5		5	(1)
Food Establishments	2,232	2,232	1,965		1,965	(267)
Hazardous Materials Registration Fees	538	538	839		839	301
Home Improvements	774	774	644		644	(130)
Location Permits	20	20	14		14	(6)
Manufacturing Frozen Desserts	16	16	15		15	(1)
Realty Subdivision Filing	335	335	92		92	(243)
Road Openings	228	228	207		207	(21)
Sewage Connections	100	100	96		96	(4)
Swimming Pools and Bathing Beaches	71	71	155		155	84
Temporary Residence Inspection Permit Verification	69	69	64		64	(5)
Weights & Measures	62	62	113		113	51
X-rays, Surveys and Inspections	556	556	292		292	(264)
	131	131	91		91	(40)
Cross Connections	78	78	78		78	
Water Supply Plan Review	70	70	53		53	(17)
Tattoo Parlor / Piercing			10		10	10
Lifeguard Certification			18		18	18
Total Licenses and Permits	5,286	5,286	4,751		4,751	(535)
FINES AND FORFEITS	13,590	13,590	12,785		12,785	(805)
INVESTMENT INCOME	1,623	1,623	6,529		6,529	4,906
RENTS AND RECOVERIES						
Coliseum & Mitchell Field Rents	641	641	631		631	(10)
Coliseum Rental	279	279	339		339	60
Coliseum Utilities	1,605	1,605	2,695		2,695	1,090
Recovery of Damage to County Property	350	350	418		418	68
Recovery of Property and Restaurant Tax	5,500	5,500	9,922		9,922	4,422
Recovery of Prior Year Appropriations	429	429	1,045		1,045	616
Recovery of Workers' Compensation	1,000	1,000	1,657		1,657	657
Rental of County Property	1,730	1,730	672		672	(1,058)
Rental of Voting Machines	142	142	56		56	(86)
Rental of Mitchel Field	4,447	4,447	5,309		5,309	862
Sale of County Property	100	100	815		815	715
Tobacco Settlement	21,150	21,150	2,900		2,900	(18,250)
Other Recoveries	1,675	1,675	1,754		1,754	79
Recoveries from Enterprise Funds			19,365		19,365	19,365
Total Interest, Rents and Recoveries	39,048	39,048	47,578		47,578	8,530
DEPARTMENTAL REVENUE						
Assessment	373	373	219		219	(154)
Board of Elections	45	45	89		89	44
CASA	3	3	3		3	
Civil Service	1,351	1,351	1,555		1,555	204
Correctional Center	313	313	188		188	(125)
County Attorney	331	331	92		92	(239)
County Clerk	7,800	7,800	11,887		11,887	4,087
County Comptroller	55	55	22		22	(33)
District Attorney			24		24	24
Drug and Alcohol Addiction	1,636	1,636	1,376		1,376	(260)

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL REVENUES VS. MODIFIED BUDGET
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2002 (Dollars in Thousands)

	Original Budget	Modified Budget	Actual Revenues	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
DEPARTMENTAL REVENUE (Continued)						
Health						
Administration	\$ 5	\$ 5	\$ 4	\$ 4	\$ 4	(1)
Children's Early Intervention	5,204	5,204	6,625		6,625	1,421
Laboratory Research	93	93	64		64	(29)
Personal Health	10	10	2,080		2,080	2,070
Medical Examiner	11	11	15		15	4
Mental Health	1,400	1,400	857		857	(543)
Miscellaneous Receipts	1,700	1,700				(1,700)
Planning	1,354	1,354	1,163		1,163	(191)
Probation	1,853	1,853	970		970	(883)
Public Administrator	288	288	95		95	(193)
Public Works						
Administration	131	131	146		146	15
Highways and Engineering	120	120	189		189	69
Sanitation			5		5	5
Water Supply			13		13	13
Recreation & Parks						
Data Processing	540	540	606		606	66
Motor Vehicles	206	206	260		260	54
Property Management	187	187	138		138	(49)
Utilities	382	382	106		106	(276)
Senior Citizens Affairs	15	15	15		15	
Sheriff	1,000	1,000	907		907	(93)
Social Services						
Administration	40	40	45		45	5
Aid to Dependent Children	4,760	4,760	4,304		4,304	(456)
Burials	12	12	14		14	2
Children in Foster Homes	125	125	114		114	(11)
Children in Institutions	350	350	1,072		1,072	722
Division of Services			40		40	40
Home Relief	1,850	1,850	1,828		1,828	(22)
Juvenile Delinquents	95	95	83		83	(12)
Medicaid MMIS	82,072	106,146	106,431		106,431	285
Public Financial Assistance	36	36	84		84	48
Title XX	2	2	208		208	206
Treasurer	501	501	387		387	(114)
Total Departmental Revenue	116,249	140,323	144,323		144,323	4,000
INTERDEPARTMENTAL REVENUE						
Correctional Center	1,600	1,600	2,147		2,147	547
County Attorney	6,205	6,205	5,790		5,790	(415)
District Attorney	975	975	870		870	(105)
Drug and Alcohol	202	3,102	4,627		4,627	1,525
General Services						
Administration			54		54	54
Bureau of Building Operations			130		130	130
Data Processing	970	1,220	1,518		1,518	298
Motor Vehicles	319	401	315		315	(86)
Office Management Service	722	908	1,251		1,251	343
Property Management	1,455	1,818	841		841	(977)
Utilities	9,606	9,969	9,303		9,303	(666)
Mental Health	1,350	1,350	1,208		1,208	(142)
Probation	1,038	1,038	904		904	(134)
Purchasing	782	782				(782)
Public Works			64		64	64

(Continued)

COUNTY OF NASSAU, NEW YORK

 COMPARATIVE SCHEDULE OF ACTUAL REVENUES VS. MODIFIED BUDGET
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2002 (Dollars in Thousands)

	Original Budget	Modified Budget	Actual Revenues	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
INTERDEPARTMENTAL REVENUE (Continued)						
Revenues from Capital Fund	\$ 4,725	\$ 4,725	\$ 5,053	\$	\$ 5,053	\$ 328
Revenues from Debt Service						
Chargebacks	40,687	42,856	40,110		40,110	(2,746)
Revenues from Indirect Cost						
Chargebacks	30,882	30,882	29,964		29,964	(918)
Sheriff	420	420	130		130	(290)
Traffic Safety Board	150	150	156		156	6
Youth Board			123		123	123
Total Interdepartmental Revenue	102,088	108,401	104,558		104,558	(3,843)
FEDERAL AID						
Board of Elections			1,021		1,021	1,021
Correctional Center	9,305	9,305	15,776		15,776	6,471
County Attorney	225	225	177		177	(48)
Department of Investigations			3		3	3
District Attorney	28	28	26		26	(2)
Health			33		33	33
Miscellaneous General Fund Aid	210	210	79		79	(131)
Senior Citizen Affairs	4,481	5,167	4,751		4,751	(416)
Sheriff	550	550	439		439	(111)
Social Services						
Administration	4,696	4,696	3,603		3,603	(1,093)
Aid to Dependent Children	14,250	14,250	4,603		4,603	(9,647)
Children in Foster Homes	2,025	2,025	1,360		1,360	(665)
Children in Institutions	9,230	9,230	11,205		11,205	1,975
Division of Services	6,688	6,688	7,310		7,310	622
Home Energy Assistance Program	1,500	1,500	1,773		1,773	273
Juvenile Delinquents	2,701	2,701				(2,701)
Medicaid MMIS	1,000	1,000	3,488		3,488	2,488
Public Financial Assistance	20,972	20,972	21,990		21,990	1,018
Subsidized Adoptions	1,975	1,975	1,496		1,496	(479)
Title XX	30,000	30,000	44,971		44,971	14,971
Total Federal Aid	109,836	110,522	124,104		124,104	13,582
STATE AID						
Assessment	550	550	476		476	(74)
Consumer Affairs	40	40	46		46	6
Correctional Center	922	922	1,003		1,003	81
County Attorney	60	60	45		45	(15)
County Comptroller	272	272				(272)
Court Facility Aid	2,079	2,079	2,165		2,165	86
District Attorney	141	141	65		65	(76)
Drug and Alcohol Addiction	2,761	2,760	2,095		2,095	(665)
Health						
Administration	1,450	1,450	1,265		1,265	(185)
Children's Early Intervention	21,130	21,130	19,180		19,180	(1,950)
Environmental Health	1,920	1,920	1,143		1,143	(777)
Laboratory Research	1,070	1,070	1,199		1,199	129
Personal Health	3,440	3,440	2,603		2,603	(837)
Investigations			46		46	46
Medical Examiner	1,938	1,938	1,419		1,419	(519)
Mental Health						
Administration	1,537	1,537	1,210		1,210	(327)
Contractual Services	3,450	3,450	1,914		1,914	(1,536)
Direct Services	1,661	1,661	300		300	(1,361)
Education of Handicapped Children	39,240	39,240	40,786		40,786	1,546

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL REVENUES VS. MODIFIED BUDGET
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2002 (Dollars in Thousands)

	Original Budget	Modified Budget	Actual Revenues	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
STATE AID (Continued)						
Miscellaneous General Fund Aid	\$ 27,083	\$ 27,083	\$ 513	\$	\$ 513	\$ (26,570)
Probation	6,400	6,400	6,082		6,082	(318)
Public Works						
Highway & Bridge Maintenance	1,119	1,119				(1,119)
Water Supply			317		317	317
Recreation and Parks						
Property Management	469	469	651		651	182
Utilities	378	378	330		330	(48)
Senior Citizen Affairs	3,715	3,953	3,778		3,778	(175)
Sheriff	150	150	113		113	(37)
Social Services						
Administration	2,709	2,709	1,348		1,348	(1,361)
Aid to Dependent Children	7,125	7,125	9,646		9,646	2,521
Burials	75	75	7		7	(68)
Children in Foster Homes	1,215	1,215	428		428	(787)
Children in Institutions	5,990	5,990	7,407		7,407	1,417
Division of Services	5,162	5,162	5,116		5,116	(46)
Education of Handicapped Children	4,500	4,500	4,363		4,363	(137)
Home Relief	6,850	6,850	4,496		4,496	(2,354)
Juvenile Delinquents	2,161	2,161	1,024		1,024	(1,137)
Juvenile Detention Center	2,794	2,794	2,422		2,422	(372)
Medicaid MMIS	38,655	38,655	53,291		53,291	14,636
Public Financial Assistance	7,882	7,882	7,465		7,465	(417)
Subsidized Adoptions	1,900	1,900	2,023		2,023	123
Title XX	6,000	6,000	1,266		1,266	(4,734)
Veterans Service Agency	33	33	65		65	32
Nassau County Youth Board	1,784	1,784	2,231		2,231	447
Total State Aid	217,810	218,047	191,342		191,342	(26,705)
SALES TAX *	758,932	758,932	773,975		773,975	15,043
PREEMPTED SALES TAX IN LIEU OF PROPERTY TAXES						
Towns and City of Glen Cove*	48,997	48,997	48,997		48,997	
Total Preempted Sales Tax in Lieu of Property Taxes	48,997	48,997	48,997		48,997	
PROPERTY TAXES	105,502	105,502	108,677		108,677	3,175
PAYMENTS IN LIEU OF TAXES	3,046	3,046	2,974		2,974	(72)

* Paid to County \$8,622; paid to NIFA \$814,350

(Continued)

COUNTY OF NASSAU, NEW YORK

 COMPARATIVE SCHEDULE OF ACTUAL REVENUES VS. MODIFIED BUDGET
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2002 (Dollars in Thousands)

	Original Budget	Modified Budget	Actual Revenues	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
SPECIAL TAXES						
Admission Tax - Belmont Park	\$ 70	\$ 70	\$ 34	\$	\$ 34	\$ (36)
Entertainment Tax	2,960	2,960	3,120		3,120	160
Off-Track Betting Surtax	7,468	7,468	7,452		7,452	(16)
Privilege Tax - Coin Operated Amusement Devices	380	380	42		42	(338)
Hotel-Motel Room Tax	3,574	3,574	3,703		3,703	129
<u>Total Special Taxes</u>	<u>14,452</u>	<u>14,452</u>	<u>14,351</u>		<u>14,351</u>	<u>(101)</u>
OTHER REVENUES						
Miscellaneous	19,713	19,713	13,231		13,231	(6,482)
<u>Total Other Revenues</u>	<u>19,713</u>	<u>19,713</u>	<u>13,231</u>		<u>13,231</u>	<u>(6,482)</u>
<u>Total Revenues</u>	<u>1,571,940</u>	<u>1,603,250</u>	<u>1,618,331</u>		<u>1,618,331</u>	<u>-15,081</u>
OTHER FINANCING SOURCES (USES)						
Transfers In		3,209				(3,209)
Transfers In - Component Unit						
Transfer in from NIFA			61,199	(58,329)	2,870	2,870
Transfers of Investment Income	5,000	5,000	2,170		2,170	(2,830)
Payments to Refunded Bond Escrow Agent			(58,329)	58,329		
Proceeds from NIFA for Tax Certiorari and Other Judgement Borrowings			125,545	(125,545)		
<u>Total Other Financing Sources</u>	<u>5,000</u>	<u>8,209</u>	<u>130,585</u>	<u>(125,545)</u>	<u>5,040</u>	<u>(3,169)</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 1,576,940	\$ 1,611,459 *	\$ 1,748,916	\$ (125,545)	\$ 1,623,371	\$ 11,912

* Total revenues and other financing sources, estimates per 2002 County budget as adopted
 Less: Budgeted opening fund balance
 Add: Supplemental appropriations
 Budget estimates, total revenues and other financing sources

\$ 1,594,940
 (18,000)
 34,519
\$ 1,611,459

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2003 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
CURRENT:						
LEGISLATIVE						
Legislature						
Legislators						
Salaries	\$ 3,231	\$ 3,231	\$ 3,141	\$	\$ 3,141	\$ 90
Fringe Benefits	1,388	1,388	1,388		1,388	
Equipment	8	8	6		6	2
General Expenses	8	8	7	1	8	
Contractual Services	60	60	60		60	
Legislative Central Staff						
Salaries	486	686	670		670	16
Fringe Benefits						
Equipment	2	2	2		2	
General Expenses	216	276	259	16	275	1
Contractual Services	535	720	532	148	680	40
Legislative Budget Review						
Salaries	512	512	499		499	13
Fringe Benefits						
Equipment	17	5	5		5	
Materials and Supplies	1	1				1
General Expenses	6	4	3		3	1
Contractual Services	30	44				44
Legislature Total	<u>6,500</u>	<u>6,945</u>	<u>6,572</u>	<u>165</u>	<u>6,737</u>	<u>208</u>
Total Legislative	<u>6,500</u>	<u>6,945</u>	<u>6,572</u>	<u>165</u>	<u>6,737</u>	<u>208</u>
JUDICIAL						
Court Administration						
Fringe Benefits	<u>2,655</u>	<u>2,304</u>	<u>2,303</u>		<u>2,303</u>	<u>1</u>
District Attorney						
Salaries	23,553	22,260	21,750		21,750	510
Fringe Benefits	7,298	7,298	7,298		7,298	
Equipment	102	122	75	2	77	45
Materials and Supplies	80	115	48	1	49	66
General Expenses	501	576	439	12	451	125
Contractual Services	571	671	436	130	566	105
District Attorney Total	<u>32,105</u>	<u>31,042</u>	<u>30,046</u>	<u>145</u>	<u>30,191</u>	<u>851</u>
Public Administrator						
Salaries	422	419	396		396	23
Fringe Benefits	165	165	165		165	
Equipment	3	5	2	3	5	
Materials and Supplies	2	1				1
General Expenses	3	3	3		3	
Contractual Services	13	13	13		13	
Public Administrator Total	<u>608</u>	<u>606</u>	<u>579</u>	<u>3</u>	<u>582</u>	<u>24</u>
Sheriff						
Salaries	5,013	4,508	4,508		4,508	
Fringe Benefits	1,790	1,790	1,790		1,790	
Equipment	2	1				1
Materials and Supplies	34	17		1	1	16
General Expenses	68	110	102	2	104	6
Sheriff Total	<u>6,907</u>	<u>6,426</u>	<u>6,400</u>	<u>3</u>	<u>6,403</u>	<u>23</u>

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2003 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
JUDICIAL (Continued)						
Traffic and Parking Violations						
Salaries	\$ 1,577	\$ 1,577	\$ 1,427	\$ -	\$ 1,427	\$ 150
Fringe Benefits	571	571	571		571	
Equipment	29	27	24		24	3
General Expenses	79	74	59	15	74	
Contractual Services	1,213	1,213	654	407	1,061	152
Traffic and Parking Violations Total	<u>3,469</u>	<u>3,462</u>	<u>2,735</u>	<u>422</u>	<u>3,157</u>	<u>305</u>
Total Judicial	<u>45,744</u>	<u>43,840</u>	<u>42,063</u>	<u>573</u>	<u>42,636</u>	<u>1,204</u>
GENERAL ADMINISTRATION						
Assessment						
Salaries	8,041	5,872	5,872		5,872	
Fringe Benefits	2,907	2,907	2,907		2,907	
Equipment	331	331	11		11	320
Materials and Supplies	80	80	7		7	73
General Expenses	827	827	431	112	543	284
Contractual Services	7,157	8,058	4,240	3,368	7,608	450
Assessment Total	<u>19,343</u>	<u>18,075</u>	<u>13,468</u>	<u>3,480</u>	<u>16,948</u>	<u>1,127</u>
Board of Assessment Review						
Salaries	2,209	1,939	1,800		1,800	139
Fringe Benefits	406	406	406		406	
Equipment	75	55	34		34	21
Materials and Supplies	10	5				5
General Expenses	110	75	60	7	67	8
Contractual Services	4,681	4,681	30	4,475	4,505	176
Interfund Charges	245	245			-	245
Board of Assessment Review Total	<u>7,736</u>	<u>7,406</u>	<u>2,330</u>	<u>4,482</u>	<u>6,812</u>	<u>594</u>
Board of Elections						
Administration						
Salaries	2,919	2,348	2,348		2,348	
Fringe Benefits						
Equipment	11	11	5	6	11	
General Expenses	19	19		1	1	18
Interfund Charges						
General Elections						
Salaries	4,714	4,714	4,529		4,529	185
Fringe Benefits	2,691	2,691	2,691		2,691	
Equipment	87	72	71	1	72	
General Expenses	452	452	310	59	369	83
Contractual Services	308	308	210	35	245	63
Primary Elections						
Salaries	649	649	615		615	34
General Expenses	98	98	93		93	5
Contractual Services	231	231	74	4	78	153
Board of Elections Total	<u>12,179</u>	<u>11,593</u>	<u>10,946</u>	<u>106</u>	<u>11,052</u>	<u>541</u>
Civil Service						
Salaries	4,126	3,572	3,572		3,572	
Fringe Benefits	1,405	1,405	1,405		1,405	
Equipment	23	15	8		8	7
Materials and Supplies	70	37	15	4	19	18
General Expenses	314	194	80	6	86	108
Contractual Services	595	595	6	89	95	500
Interfund Charges	45	45	8		8	37
Civil Service Total	<u>6,578</u>	<u>5,863</u>	<u>5,094</u>	<u>99</u>	<u>5,193</u>	<u>670</u>

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2003 (Dollars in Thousands)

<u>FUNCTIONS</u>	<u>Original Budget</u>	<u>Total Budgetary Authority</u>	<u>Actual Expenditures</u>	<u>GAAP to Budgetary Basis Conversion</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Over (Under)</u>
<u>GENERAL ADMINISTRATION (Continued)</u>						
Commerce and Industry						
Contractual Services	\$ 71	\$ 71	\$ -	\$ 71	\$ 71	\$ -
Commerce and Industry Total	71	71	-	71	71	-
County Attorney						
Salaries	9,395	8,071	8,071		8,071	
Fringe Benefits	2,862	2,862	2,862		2,862	
Equipment	122	64	7	10	17	47
Materials and Supplies	30	15	10	3	13	2
General Expenses	281	292	284	7	291	1
Contractual Services	6,841	7,222	3,243	3,910	7,153	69
Other Suits and Damages	1,300	2,300	2,300		2,300	
Workman's Compensation Expense						
Fringe Benefits	14,251	17,745	17,534	211	17,745	
County Attorney Total	35,082	38,571	34,311	4,141	38,452	119
County Clerk						
Salaries	4,088	3,856	3,656		3,656	200
Fringe Benefits	2,409	2,409	2,409		2,409	
Equipment	95	95	50	15	65	30
Materials and Supplies	21	21		3	3	18
General Expenses	183	189	118	71	189	
Contractual Services	336	337	46	90	136	201
County Clerk Total	7,132	6,907	6,279	179	6,458	449
County Comptroller						
General						
Salaries	4,967	4,967	4,690		4,690	277
Fringe Benefits	2,220	2,220	2,220		2,220	
Equipment	145	145	28	7	35	110
General Expenses	65	65	55	1	56	9
Contractual Services	1,978	1,978	620	1,235	1,855	123
County Comptroller Total	9,375	9,375	7,613	1,243	8,856	519
County Executive						
Salaries	657	1,437	1,418		1,418	19
Fringe Benefits	1,604	1,604	1,604		1,604	
Equipment	18	12	4		4	8
General Expenses	35	35	28	3	31	4
Contractual Services	317	317	22		22	295
County Executive Total	2,631	3,405	3,076	3	3,079	326
County Treasurer						
Salaries	1,992	2,194	2,193		2,193	1
Fringe Benefits	1,248	1,248	1,248		1,248	
Equipment	8	8	7		7	1
General Expenses	240	263	261	2	263	
Contractual Services	822	1,523	1,292	100	1,392	131
Other Suits and Damages		2,000	2,000		2,000	
County Treasurer Total	4,310	7,236	7,001	102	7,103	133
Office of Constituent Affairs						
Salaries	575	723	632		632	91
General Expenses		4	4		4	

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2003 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
GENERAL ADMINISTRATION (Continued)						
Office of Constituent Affairs Printing & Graphics						
Salaries	\$ 1,402	\$ 1,728	\$ 1,596	\$	\$ 1,596	\$ 132
Fringe Benefits	804	804	804		804	
Equipment	500	500	471	29	500	
Materials and Supplies	44	144	114	13	127	17
General Expenses	1,284	2,354	2,100	253	2,353	1
Contractual Services	155	179	155		155	24
Office of Constituent Affairs Total	<u>4,764</u>	<u>6,436</u>	<u>5,876</u>	<u>295</u>	<u>6,171</u>	<u>265</u>
Office of Emergency Management						
Salaries	665	460	181		181	279
Fringe Benefits	21	21	21		21	
Equipment	10	53	4	4	8	45
Materials and Supplies	27	26		26	26	
General Expenses	40	23	3	19	22	1
Office of Emergency Management Total	<u>763</u>	<u>583</u>	<u>209</u>	<u>49</u>	<u>258</u>	<u>325</u>
Information Technology						
Salaries	6,592	8,115	8,107		8,107	8
Fringe Benefits	3,983	3,983	3,983		3,983	
Equipment		3,500	51	3,422	3,473	27
Materials and Supplies	13	9	5	1	6	3
General Expenses	2,222	2,229	1,498	392	1,890	339
Contractual Services	7,252	13,919	6,223	7,577	13,800	119
Utilities	5,106	5,661	5,636	25	5,661	
Information Technology Total	<u>25,168</u>	<u>37,416</u>	<u>25,503</u>	<u>11,417</u>	<u>36,920</u>	<u>496</u>
Housing and Intergovernmental Affairs:						
Salaries	-	48	48		48	
Fringe Benefits	288	288	288	-	288	-
Housing and Intergovernmental Affairs Total	<u>288</u>	<u>336</u>	<u>336</u>		<u>336</u>	
Labor Relations						
Salaries	353	353	338		338	15
Fringe Benefits	63	63	63		63	
Equipment	10	6	1		1	5
Materials and Supplies	8	4				4
General Expenses	14	7	2		2	5
Contractual Services	34	34	-	31	31	3
Labor Relations Total	<u>482</u>	<u>467</u>	<u>404</u>	<u>31</u>	<u>435</u>	<u>32</u>
Management and Budgets						
Salaries	1,027	1,437	1,380		1,380	57
Fringe Benefits	750	750	750		750	
Equipment	37	18				18
Materials and Supplies		110	14		14	96
General Expenses	31	35	35		35	
Contractual Services	537	537	279	167	446	91
Vertical Administration						
Salaries	1,227	1,207	1,205		1,205	2
Fiscal Analysis						
Salaries	361	916	866		866	50
Management and Budgets Total	<u>3,970</u>	<u>5,010</u>	<u>4,529</u>	<u>167</u>	<u>4,696</u>	<u>314</u>
Personnel						
Salaries	512	515	514		514	1
Fringe Benefits	234	234	234		234	
Materials and Supplies	8	1				1
General Expenses	44	40	37	3	40	
Contractual Services	40	40	37	3	40	
Personnel Total	<u>838</u>	<u>830</u>	<u>822</u>	<u>6</u>	<u>828</u>	<u>2</u>

(Continued)

COUNTY OF NASSAU, NEW YORK

**COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2003 (Dollars in Thousands)**

<u>FUNCTIONS</u>	<u>Original Budget</u>	<u>Total Budgetary Authority</u>	<u>Actual Expenditures</u>	<u>GAAP to Budgetary Basis Conversion</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Over (Under)</u>
<u>GENERAL ADMINISTRATION (Continued)</u>						
Planning						
Salaries	1,699	1,699	1,423		1,423	276
Fringe Benefits	724	724	724		724	
Equipment	2	2		2	2	
Materials and Supplies	23	12				12
General Expenses	34	22	11	10	21	1
Contractual Services	1,475	3,467	893	2,561	3,454	13
Various Direct Expenses	100	100	100		100	
Interfund Charges	120	120	88		88	32
Bus Shelter Maint. & Cleaning	55	55	2	52	54	1
Mass Transportation						
Pt.Lookout/Lido Beach Bus Route	120	438	60		60	378
Metropolitan Suburban Bus Authority	3,853	3,853	3,853		3,853	
LIRR Station Maintenance	21,479	21,583	21,583		21,583	
MTA-LIRR Operating Assistance	11,584	11,584	11,584		11,584	
Physically Challenged Transportation	4,458	4,458	4,458		4,458	
Planning Total	<u>45,726</u>	<u>48,117</u>	<u>44,779</u>	<u>2,625</u>	<u>47,404</u>	<u>713</u>
Purchasing						
Salaries	1,181	1,281	1,272		1,272	9
Fringe Benefits	829	829	829		829	
Equipment	7	5	4		4	1
Materials and Supplies	5	3	2		2	1
General Expenses	69	37	10	1	11	26
Interfund Charges	70	70				70
Purchasing Total	<u>2,161</u>	<u>2,225</u>	<u>2,117</u>	<u>1</u>	<u>2,118</u>	<u>107</u>
Office of Real Estate Services						
Salaries	701	701	663		663	38
Fringe Benefits	151	151	151		151	
Equipment	10	6	3	2	5	1
Materials and Supplies	5	3	3		3	
General Expenses	115	308	27	31	58	250
Insurance on Buildings	1,500	210	210		210	
Rent	5,400	4,533	4,146	387	4,533	
Office of Real Estate Services Total	<u>7,882</u>	<u>5,912</u>	<u>5,203</u>	<u>420</u>	<u>5,623</u>	<u>289</u>
Building Management						
Salaries	5,107	5,897	5,863		5,863	34
Fringe Benefits	4	4	4		4	
Equipment	2	2				2
Supplies	1,882	1,857	1,175	424	1,599	258
General Expenses	1,393	1,413	936	346	1,282	131
Contractual Services	2,322	2,372	853	1,428	2,281	91
Utility Costs	14,769	18,189	17,231	812	18,043	146
Building Management Total	<u>25,479</u>	<u>29,734</u>	<u>26,062</u>	<u>3,010</u>	<u>29,072</u>	<u>662</u>
Office of Records Management						
Salaries	609	733	656		656	77
Fringe Benefits	702	702	702		702	
Materials and Supplies	146	146		31	31	115
General Expenses	127	128	12	90	102	26
Office of Records Management Total	<u>1,584</u>	<u>1,709</u>	<u>1,370</u>	<u>121</u>	<u>1,491</u>	<u>218</u>
Total General Administration	<u>223,542</u>	<u>247,277</u>	<u>207,328</u>	<u>32,048</u>	<u>239,376</u>	<u>7,901</u>
<u>PROTECTION OF PERSONS</u>						
Commission on Human Rights						
Salaries	468	591	590		590	1
Fringe Benefits	439	439	439		439	
Equipment	7	4				4
Materials and Supplies	3	2				2
General Expenses	27	15	6	2	8	7
Contractual Services	25	2				2
Commission on Human Rights Total	<u>969</u>	<u>1,053</u>	<u>1,035</u>	<u>2</u>	<u>1,037</u>	<u>16</u>
Commissioner of Accounts						
Salaries	418	418	303		303	115
Fringe Benefits	173	173	173		173	
Equipment	20	10	2	5	7	3
Materials and Supplies	11	6	1		1	5
General Expenses	52	25				25
Contractual Services	75	75		16	16	59
Commissioner of Accounts Total	<u>749</u>	<u>707</u>	<u>479</u>	<u>21</u>	<u>500</u>	<u>207</u>

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2003 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
PROTECTION OF PERSONS (Continued)						
Consumer Affairs						
Salaries	\$ 1,786	\$ 1,786	\$ 1,691	\$ -	\$ 1,691	\$ 95
Fringe Benefits	799	799	799		799	
Equipment	2	1	1		1	
Materials and Supplies	4	2	1		1	1
General Expenses	5	7	7		7	
Consumer Affairs Total	<u>2,596</u>	<u>2,595</u>	<u>2,499</u>		<u>2,499</u>	<u>96</u>
Medical Examiner						
Salaries	4,326	4,262	4,162		4,162	100
Fringe Benefits	1,458	1,458	1,458		1,458	
Equipment	27	88	27	57	84	4
Materials and Supplies	243	157	136	13	149	8
General Expenses	97	93	84	7	91	2
Contractual Services	394	394	145	214	359	35
Interfund Charges	20	184	79		79	105
Medical Examiner Total	<u>6,565</u>	<u>6,636</u>	<u>6,091</u>	<u>291</u>	<u>6,382</u>	<u>254</u>
Police						
General Expenses	22	22				22
Police Total	<u>22</u>	<u>22</u>				<u>22</u>
Traffic Safety Board						
Salaries	190	193	193		193	
Fringe Benefits	64	64	64		64	
Traffic Safety Board Total	<u>254</u>	<u>257</u>	<u>257</u>		<u>257</u>	
<u>Total Protection of Persons</u>	<u>11,155</u>	<u>11,270</u>	<u>10,361</u>	<u>314</u>	<u>10,675</u>	<u>595</u>
HEALTH						
Drug and Alcohol						
Administration						
Salaries	595	517	380		380	137
Fringe Benefits	2,458	2,458	2,458		2,458	
Equipment	9	9				9
Materials and Supplies	8	4				4
General Expenses	21	11	1		1	10
Chemical Dependency Services						
Salaries	2,719	2,187	2,006		2,006	181
Fringe Benefits						
Equipment	7	4				4
Materials and Supplies	251	169	68		68	101
General Expenses	171	130	80	6	86	44
Contractual Services	8,470	8,055	5,848	1,416	7,264	791
Interfund Charges	3,960	6,861	6,861		6,861	
Drug and Alcohol Total	<u>18,669</u>	<u>20,405</u>	<u>17,702</u>	<u>1,422</u>	<u>19,124</u>	<u>1,281</u>
Health Department						
Administration						
Salaries	2,366	2,216	2,033		2,033	183
Fringe Benefits	8,115	8,115	8,115		8,115	
Materials and Supplies	20	20	11	1	12	8
General Expenses	67	64	57	1	58	6
Contractual Services	5	5				5
Interfund Charges	25	2,262	2,262		2,262	
Environmental Health						
Salaries	6,046	5,371	5,371		5,371	
Fringe Benefits						
Equipment	34	26	17	4	21	5
Supplies	17	17	12	1	13	4
General Expenses	610	559	310	135	445	114
Contractual Services	170	170	21	16	37	133
Interfund Charges	1	482	204		204	278

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2003 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
HEALTH (Continued)						
Laboratory Research						
Salaries	\$ 1,777	\$ 2,042	\$ 1,931	\$ -	\$ 1,931	\$ 111
Equipment	9	6		5	5	1
Supplies	427	505	389	42	431	74
General Expenses	242	212	114	46	160	52
Contractual Services	100	20				20
Interfund Charges		265	245		245	20
Public Health						
Salaries	2,214	2,189	1,968		1,968	221
Equipment	1	39	39		39	
Supplies	163	163	141	2	143	20
General Expenses	161	140	50	7	57	83
Contractual Services	5,733	5,733	5,580	60	5,640	93
Interfund Charges	633	114	114		114	
Early Intervention						
Salaries	3,201	3,291	3,224		3,224	67
Supplies	6	6	5	1	6	-
General Expenses	454	408	404	1	405	3
Contractual Services	52,621	52,148	40,988	10,086	51,074	1,074
Interfund Charges	1,200	1,200	815		815	385
Health Department Total	<u>86,418</u>	<u>87,788</u>	<u>74,420</u>	<u>10,408</u>	<u>84,828</u>	<u>2,960</u>
Administration						
Salaries	1,132	1,132	1,092		1,092	40
Fringe Benefits	754	754	754		754	-
Supplies	4	2	1		1	1
General Expenses	622	856	855	1	856	-
Contractual Services	1,958	1,263	881	18	899	364
Interfund Charges	40	40	20		20	20
Contractual Services						
Contractual Services	4,791	4,791	2,961	1,390	4,351	440
Direct Services						
Salaries	113	113	88		88	25
Supplies	2	1				1
Contractual Services	3,052	3,052	999	79	1,078	1,974
Education of Handicapped Children						
Other Expenses	76,611	89,440	83,300	3,420	86,720	2,720
Mental Health Total	<u>89,079</u>	<u>101,444</u>	<u>90,951</u>	<u>4,908</u>	<u>95,859</u>	<u>5,585</u>
Total Health	<u>194,166</u>	<u>209,637</u>	<u>183,073</u>	<u>16,738</u>	<u>199,811</u>	<u>9,826</u>

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2003 (Dollars in Thousands)

<u>FUNCTIONS</u>	<u>Original Budget</u>	<u>Total Budgetary Authority</u>	<u>Actual Expenditures</u>	<u>GAAP to Budgetary Basis Conversion</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Over (Under)</u>
<u>PUBLIC WORKS</u>						
Administration						
Salaries	\$ 1,419	\$ 1,393	\$ 1,318	\$	\$ 1,318	\$ 75
Fringe Benefits	18,787	18,787	18,787		18,787	
Equipment	1	1	1		1	
Supplies	10	10	7	3	10	
General Expenses	195	233	128	50	178	55
Contractual Services	663	713	612	100	712	1
Highway and Engineering						
Salaries	6,133	6,474	6,474		6,474	
Equipment	39	39	9		9	30
Supplies	347	397	239	5	244	153
General Expenses	70	70	18	1	19	51
Contractual Services	4,081	4,231	2,887	1,182	4,069	162
Utility Costs	1,331	1,485	1,477	2	1,479	6
Highway and Bridge Maintenance						
Salaries	7,215	8,464	8,451		8,451	13
Equipment	72	72	56	7	63	9
Supplies	584	584	532	41	573	11
General Expenses	222	251	115	72	187	64
Contractual Services	547	547	327	206	533	14
Utility Costs	490	529	521	7	528	1
Groundwater Remediation						
Salaries	156	156	154		154	2
Fringe Benefits						
Equipment	19	19	6		6	13
Supplies	64	64	23	4	27	37
General Expenses	14	14	2		2	12
Contractual Services	285	285	24	153	177	108
Utility Costs	539	539	276	2	278	261
Interfund Charges	40	166	166		166	
Snow Removal						
Salaries	800	910	791		791	119
Fringe Benefits	10	10	8		8	2
Equipment	500	800	743	53	796	4
Supplies	35	6	3	3	6	
General Expenses	105	105	94	11	105	
Buildings						
Salaries	1,490	1,490	1,274		1,274	216
Equipment	3	3				3
Supplies	3	3				3
General Expenses	14	14	4		4	10
Contractual Services		8,250	1,816	6,434	8,250	
Water Supply						
Salaries	4,115	3,736	3,539		3,539	197
Equipment	21	21	16	1	17	4
Supplies	28	28	23	1	24	4
General Expenses	21	21	14	1	15	6
Contractual Services	1,150	1,151	551	505	1,056	95
Utility Costs	56	56	32	5	37	19
Various Direct Expenses	25	25	16		16	9
Interfund Charges		112	112		112	

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2003 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
<u>PUBLIC WORKS (Continued)</u>						
Sanitation						
Salaries	\$ 3,575	\$ 2,778	\$ 2,778	\$ -	\$ 2,778	\$ -
Equipment	1	1				1
Supplies	4	4				4
General Expenses	10	10	4		4	6
Contractual Services	5	5				5
Interfund Charges		2	2		2	
Total Public Works	55,294	65,064	54,430	8,849	63,279	1,785
<u>RECREATION AND PARKS</u>						
Cultural Development						
Supplies	1	1		1	1	
Contractual Services	15	15		4	4	11
Cultural Development Total	16	16		5	5	11
Total Recreation and Parks	16	16		5	5	11
<u>SOCIAL SERVICES</u>						
Bar Association - Public Defender	2,433	2,833	2,751	79	2,830	3
CASA						
Salaries	285	345	307		307	38
Fringe Benefits	101	101	101		101	
Equipment	5	3				3
Supplies	5	2				2
General Expenses	6	3	1	2	3	
Contractual Services	18	18	2	-	2	16
CASA Total	420	472	411	2	413	59
Legal Aid Society	3,917	3,917	3,832	85	3,917	
Minority Affairs						
Salaries	298	398	360		360	38
Fringe Benefits	78	78	78		78	
Supplies	3					
General Expenses	5	48	3	5	8	40
Minority Affairs Total	384	524	441	5	446	78
Senior Citizens Affairs						
Administration						
Salaries	2,142	2,142	2,092		2,092	50
Fringe Benefits	1,209	1,209	1,209		1,209	
Equipment	6	3	3		3	
Supplies	10	5	2	1	3	2
General Expenses	24	26	23	2	25	1
Contractual Services	101	101	67	28	95	6
Community Services						
Contractual Services	2,534	2,549	1,665	555	2,220	329
Nutrition Program						
Contractual Services	4,444	4,444	3,404	882	4,286	158

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2003 (Dollars in Thousands)

<u>FUNCTIONS</u>	<u>Original Budget</u>	<u>Total Budgetary Authority</u>	<u>Actual Expenditures</u>	<u>GAAP to Budgetary Basis Conversion</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Over (Under)</u>
<u>SOCIAL SERVICES (Continued)</u>						
Community Centers						
Equipment	\$ -	\$ 175	\$ -	\$ 95	\$ 95	\$ 80
Supplies	14	9	7	1	8	1
General Expenses	4	4	3		3	1
Contractual Services	222	222	6	80	86	136
Area Agency Title III						
Contractual Services	2,476	2,476	1,739	412	2,151	325
Foster Grandparents Program						
Supplies	2	1				1
General Expenses	3	2	1		1	1
Contractual Services	92	92	32	23	55	37
Extended In-home Services						
Contractual Services	3,211	3,211	1,938	501	2,439	772
SNAP (Nutrition)						
Contractual Services	902	902	614	206	820	82
TITLE IIID/CSI (Health Promotion)						
Contractual Services	152	152	91	39	130	22
TITLE IIIE (Caregivers)						
Contractual Services	716	716	525	73	598	118
Senior Citizens Affairs Total	18,264	18,441	13,421	2,898	16,319	2,122
Social Services Department						
Administration						
Salaries	4,544	3,826	3,826		3,826	
Fringe Benefits	20,176	20,176	20,176		20,176	
Equipment	5	5	2	3	5	
General Expenses	357	336	304	27	331	5
Contractual Services	1,573	2,073	1,559	331	1,890	183
Various Direct expenses	113	113	11		11	102
Interfund Charges	595	569	468		468	101
Public Financial Assistance						
Salaries	23,342	21,137	21,137		21,137	
Equipment	117	148	97	49	146	2
General Expenses	506	673	453	208	661	12
Contractual Services	14,593	14,849	5,728	5,893	11,621	3,228
Interfund Charges	1,412	1,412	1,120		1,120	292
Division Of Services						
Salaries	15,062	13,782	13,782		13,782	
General Expenses	362	373	368		368	5
Contractual Services	468	468	151	73	224	244
Interfund Charges	999	999	999		999	

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2003 (Dollars in Thousands)

<u>FUNCTIONS</u>	<u>Original Budget</u>	<u>Total Budgetary Authority</u>	<u>Actual Expenditures</u>	<u>GAAP to Budgetary Basis Conversion</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Over (Under)</u>
<u>SOCIAL SERVICES (Continued)</u>						
Juvenile Detention Center						
Salaries	\$ 2,650	\$ 2,650	\$ 2,335	\$ -	\$ 2,335	\$ 315
Equipment	70	24	18	5	23	1
Supplies	33	33	26	2	28	5
General Expenses	82	79	50	23	73	6
Contractual Services	1,282	1,282	650	392	1,042	240
Utility Costs	88	88	88		88	
Interfund Charges	300	150	147		147	3
Real Estate Expense						
General Expenses	10	10	3		3	7
Handicapped Children Education						
Emergency Vendor Payments	11,409	11,909	10,037	1,302	11,339	570
Physically Challenged						
Salaries	262	329	310		310	19
Fringe Benefits	98	98	98		98	
Equipment	2	1				1
General Expenses	24	14	5		5	9
Contractual Services	3	2	1		1	1
Interfund Charges	41	41	25		25	16
Food Stamp Program						
Recipient Grants	5	5	2		2	3
Aid to Dependent Children						
Recipient Grants	23,500	23,750	23,720		23,720	30
Emergency Vendor Payments	5,053	3,982	3,871	106	3,977	5
Home Relief						
Recipient Grants	13,500	13,500	13,500		13,500	
Emergency Vendor Payments	2,000	1,250	989		989	261
Children in Institutions						
Emergency Vendor Payments	21,953	21,953	14,929	5,438	20,367	1,586
Children in Foster Homes						
Recipient Grants	1,210	1,210	1,076		1,076	134
Purchased Services	5	5				5
Emergency Vendor Payments	189	189	169		169	20
Juvenile Delinquents						
Emergency Vendor Payments	9,370	8,849	5,507	2,769	8,276	573
Training Schools						
Emergency Vendor Payments	2,315	2,315	2,315		2,315	
Children in Institutions - Title 4E						
Emergency Vendor Payments	4,383	4,048	1,598	640	2,238	1,810
Children in Foster Homes - Title 4E						
Recipient Grants	2,425	1,826	1,826		1,826	
Emergency Vendor Payments	490	490	404		404	86
Subsidized Adoption						
Recipient Grants	4,250	4,250	4,211		4,211	39
Burials						
Emergency Vendor Payments	325	325	253		253	72
Medicaid						
Medicaid	321,524	297,202	297,202		297,202	
Home Energy Assistance						
Recipient Grants	1,545	1,750	1,656		1,656	94
Title-XX						
Purchased Services	48,925	48,983	37,146	4,215	41,361	7,622
Social Services Department Total	563,545	533,531	494,348	21,476	515,824	17,707

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2003 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
<u>SOCIAL SERVICES (Continued)</u>						
Veterans Service Agency						
Salaries	\$ 518	\$ 558	\$ 552	\$ -	\$ 552	\$ 6
Fringe Benefits	184	184	184		184	
Supplies	2	1				1
General Expenses	4	4	3		3	1
Veterans Service Agency Total	<u>708</u>	<u>747</u>	<u>739</u>		<u>739</u>	<u>8</u>
Youth Board						
Salaries	509	559	525		525	34
Fringe Benefits	421	421	421		421	
General Expenses	2	1	1		1	
Contractual Services	7,938	8,201	6,875	342	7,217	984
Youth Board Total	<u>8,870</u>	<u>9,182</u>	<u>7,822</u>	<u>342</u>	<u>8,164</u>	<u>1,018</u>
Total Social Services	<u>598,541</u>	<u>569,647</u>	<u>523,765</u>	<u>24,887</u>	<u>548,652</u>	<u>20,995</u>
<u>CORRECTIONS</u>						
Correctional Center						
Salaries	100,796	102,548	102,548		102,548	
Fringe Benefits	26,408	26,408	26,408		26,408	
Equipment	218	484	171	211	382	102
Supplies	4,579	4,024	3,777	187	3,964	60
General Expenses	657	886	683	51	734	152
Contractual Services	19,831	24,720	23,944	418	24,362	358
Utility Costs	510	554	545	6	551	3
Correctional Center Total	<u>152,999</u>	<u>159,624</u>	<u>158,076</u>	<u>873</u>	<u>158,949</u>	<u>675</u>
Probation						
Administration						
Salaries	18,286	15,981	15,981		15,981	
Fringe Benefits	9,534	9,534	9,534		9,534	
Equipment	25	221	16	186	202	19
Supplies	106	15	8	7	15	
General Expenses	196	241	227	14	241	
Contractual Services	88	88	19	49	68	20
Interfund Charges		35	35		35	
Criminal Division						
General Expenses	129	129	35	2	37	92
Contractual Services	25	25		25	25	
Family Division						
Contractual Services	1	1		1	1	
Probation Total	<u>28,390</u>	<u>26,270</u>	<u>25,855</u>	<u>284</u>	<u>26,139</u>	<u>131</u>
Total Corrections	<u>181,389</u>	<u>185,894</u>	<u>183,931</u>	<u>1,157</u>	<u>185,088</u>	<u>806</u>

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2003 (Dollars in Thousands)

<u>FUNCTIONS</u>	<u>Original Budget</u>	<u>Total Budgetary Authority</u>	<u>Actual Expenditures</u>	<u>GAAP to Budgetary Basis Conversion</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Over (Under)</u>
<u>EDUCATION</u>						
Cooperative Extension Service	200	200	200		200	
Public Library Services	180	180		180	180	
State School Tuition	5,171	5,171	4,753		4,753	418
<u>Total Education</u>	<u>5,551</u>	<u>5,551</u>	<u>4,953</u>	<u>180</u>	<u>5,133</u>	<u>418</u>
<u>PAYMENTS FOR TAX CERTIORARI AND OTHER JUDGEMENTS</u>						
			141,820	(141,820)		
<u>OTHER EXPENDITURES</u>						
Nassau Health Care Corporation	40,389	43,942	43,897	45	43,942	
Aid to Towns and Cities	51,579	52,776	52,776		52,776	
Lido-Point Lookout Fire District	6	6				6
Miscellaneous Contractual	2,427	9,527	4,498	4,852	9,350	177
Specialized Legal Services	358	358	31	325	356	2
HIPPA Payments		1,388	570	551	1,121	267
NYS Association of Counties	45	45	45		45	
NIFA Expenditures	1,900					
Rents	824	824	213	416	629	195
Reserve for Contingencies	147	331	184	147	331	
SJK Foundation	4	4				4
Suits and Damages	737	67	66		66	1
Unallocated Salary	1,000	3,071	3,068		3,068	3
Unallocated Fringe Benefits	20,839	1,448	1,019	194	1,213	235
<u>Total Other Expenditures</u>	<u>120,255</u>	<u>113,787</u>	<u>106,367</u>	<u>6,530</u>	<u>112,897</u>	<u>890</u>
<u>Total Current</u>	<u>1,442,153</u>	<u>1,458,928</u>	<u>1,464,663</u>	<u>(50,374)</u>	<u>1,414,289</u>	<u>44,639</u>
<u>DEBT SERVICE</u>						
Financing Costs	201	36		36	36	
Interest on Debt						
Debt Service Savings						
Principal on Bonded Debt						
<u>Total Debt Service</u>	<u>201</u>	<u>36</u>		<u>36</u>	<u>36</u>	
<u>Total Expenditures</u>	<u>1,442,354</u>	<u>1,458,964</u>	<u>1,464,663</u>	<u>(50,338)</u>	<u>1,414,325</u>	<u>44,639</u>
<u>TRANSFERS OUT</u>						
Technology Fund	\$	\$ 12,800	\$ 12,800	\$	\$ 12,800	\$
Debt Service Fund	258,812	233,343	233,343		233,343	
County Parks & Recreation Fund		3,805	3,805		3,805	
Police Department Headquarters Fund						
<u>Total Transfers Out</u>	<u>258,812</u>	<u>249,948</u>	<u>249,948</u>		<u>249,948</u>	
<u>TOTAL EXPENDITURES AND TRANSFERS OUT</u>	<u>\$ 1,701,166</u>	<u>\$ 1,708,912</u>	<u>\$ 1,714,611</u>	<u>\$ (50,338)</u>	<u>\$ 1,664,273</u>	<u>\$ 44,639</u>

*Appropriations per 2003 budget as adopted
 Outstanding encumbrances, January 1, 2003
 Supplemental appropriations

\$ 1,630,733
 70,433
 7,746

Total Budgetary Authority

\$ 1,708,912

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2002 (Dollars in Thousands)

<u>FUNCTIONS</u>	<u>Original Budget</u>	<u>Total Budgetary Authority</u>	<u>Actual Expenditures</u>	<u>GAAP to Budgetary Basis Conversion</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Over (Under)</u>
CURRENT:						
LEGISLATIVE						
Legislature						
Legislators						
Salaries	\$ 3,132	\$ 3,134	\$ 3,114	\$	\$ 3,114	\$ 20
Fringe Benefits	937	872	811		811	61
Equipment	8	73				73
General Expenses	8	8	3		3	5
Contractual Services	62	62	60		60	2
Legislative Central Staff						
Salaries	412	519	519		519	
Fringe Benefits	266	243	194		194	49
Equipment	2	15				15
General Expenses	314	342	291	15	306	36
Contractual Services	250	441	315	109	424	17
Legislative Budget Review						
Salaries	487	487	468		468	19
Fringe Benefits	55	93	89		89	4
Equipment	6	6	1	4	5	1
General Expenses	11	11				11
Contractual Services	31	31		22	22	9
Legislature Total	<u>5,981</u>	<u>6,337</u>	<u>5,865</u>	<u>150</u>	<u>6,015</u>	<u>322</u>
Total Legislative	<u>5,981</u>	<u>6,337</u>	<u>5,865</u>	<u>150</u>	<u>6,015</u>	<u>322</u>
JUDICIAL						
Court Administration						
Fringe Benefits	<u>2,311</u>	<u>2,311</u>	<u>2,100</u>		<u>2,100</u>	<u>211</u>
District Attorney						
Salaries	21,458	21,958	21,837		21,837	121
Fringe Benefits	4,671	5,076	5,076		5,076	
Equipment	103	103	97	3	100	3
General Expenses	470	482	463	19	482	
Contractual Services	<u>496</u>	<u>578</u>	<u>550</u>	<u>9</u>	<u>559</u>	<u>19</u>
District Attorney Total	<u>27,198</u>	<u>28,197</u>	<u>28,023</u>	<u>31</u>	<u>28,054</u>	<u>143</u>
Public Administrator						
Salaries	441	441	391		391	50
Fringe Benefits	162	162	139		139	23
Equipment	3	3				3
General Expenses	4	4	1		1	3
Contractual Services	<u>18</u>	<u>18</u>	<u>6</u>	<u>7</u>	<u>13</u>	<u>5</u>
Public Administrator Total	<u>628</u>	<u>628</u>	<u>537</u>	<u>7</u>	<u>544</u>	<u>84</u>
Sheriff						
Salaries	4,574	4,577	4,577		4,577	
Fringe Benefits	1,160	1,240	1,240		1,240	
Equipment	12	4	1		1	3
Materials and Supplies	3	3				3
General Expenses	<u>92</u>	<u>104</u>	<u>98</u>	<u>6</u>	<u>104</u>	
Sheriff Total	<u>5,841</u>	<u>5,928</u>	<u>5,916</u>	<u>6</u>	<u>5,922</u>	<u>6</u>

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2002 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
JUDICIAL (Continued)						
Traffic and Parking Violations						
Salaries	\$ 1,475	\$ 1,475	\$ 1,392	\$	\$ 1,392	\$ 83
Fringe Benefits	375	375	355		355	20
Equipment	25	150	83	4	87	63
General Expenses	57	57	28	1	29	28
Contractual Services	987	987	615	236	851	136
Traffic and Parking Violations Total	<u>2,919</u>	<u>3,044</u>	<u>2,473</u>	<u>241</u>	<u>2,714</u>	<u>330</u>
Total Judicial	<u>38,897</u>	<u>40,108</u>	<u>39,049</u>	<u>285</u>	<u>39,334</u>	<u>774</u>
GENERAL ADMINISTRATION						
Assessment						
Salaries	6,763	5,863	5,663		5,663	200
Fringe Benefits	2,159	2,259	2,187		2,187	72
Equipment	48	48	12	11	23	25
General Expenses	241	241	156	81	237	4
Contractual Services	13,663	9,992	4,086	5,905	9,991	1
Assessment Total	<u>22,874</u>	<u>18,403</u>	<u>12,104</u>	<u>5,997</u>	<u>18,101</u>	<u>302</u>
Board of Assessment Review						
Salaries	394	1,370	693		693	677
Fringe Benefits	180	473	162		162	311
Equipment		15				15
General Expenses	9	349	8		8	341
Contractual Services	107	177		7	7	170
Board of Assessment Review Total	<u>690</u>	<u>2,384</u>	<u>863</u>	<u>7</u>	<u>870</u>	<u>1,514</u>
Board of Elections						
Administration						
Salaries	2,081	2,331	2,256		2,256	75
Fringe Benefits	920	920	673		673	247
Equipment	14	14	3	6	9	5
General Expenses	19	19	10	1	11	8
Interfund Charges		6	6		6	
General Elections						
Salaries	4,803	4,553	4,231		4,231	322
Fringe Benefits	1,932	1,731	1,240		1,240	491
Equipment	19	87	5	69	74	13
General Expenses	457	452	407	7	414	38
Contractual Services	133	305	100	29	129	176
Primary Elections						
Salaries	649	649	649		649	
General Expenses	98	30	25		25	5
Contractual Services	80	113	78	32	110	3
Board of Elections Total	<u>11,205</u>	<u>11,210</u>	<u>9,683</u>	<u>144</u>	<u>9,827</u>	<u>1,383</u>
Civil Service						
Salaries	4,067	4,067	3,506		3,506	561
Fringe Benefits	1,226	1,226	1,101		1,101	125
Equipment	12	12		2	2	10
General Expenses	309	309	68	11	79	230
Contractual Services	443	651	363	94	457	194
Interfund Charges	45	45				45
Civil Service Total	<u>6,102</u>	<u>6,310</u>	<u>5,038</u>	<u>107</u>	<u>5,145</u>	<u>1,165</u>

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2002 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
GENERAL ADMINISTRATION (Continued)						
Commerce and Industry						
Contractual Services	\$ 71	\$ 71	\$	\$ 71	\$ 71	\$
Commerce and Industry Total	71	71		71	71	
County Attorney						
Salaries	8,473	7,331	7,331		7,331	
Fringe Benefits	1,592	2,016	2,016		2,016	
Equipment	12	22	11	2	13	9
General Expenses	153	282	275	6	281	1
Contractual Services	7,435	7,663	3,422	3,465	6,887	776
Workman's Compensation Expense						
Fringe Benefits	14,247	17,528	17,297	177	17,474	54
County Attorney Total	31,912	34,842	30,352	3,650	34,002	840
County Clerk						
Salaries	3,692	3,692	3,575		3,575	117
Fringe Benefits	2,050	2,050	1,845		1,845	205
Equipment	40	40	16	15	31	9
General Expenses	230	230	125	87	212	18
Contractual Services	132	132	75	75	75	57
County Clerk Total	6,144	6,144	5,561	177	5,738	406
County Comptroller						
General						
Salaries	4,843	4,843	4,614		4,614	229
Fringe Benefits	1,778	1,778	1,673		1,673	105
Equipment	5	5	5		5	
General Expenses	49	49	46	3	49	
Contractual Services	1,226	1,326		1,350	1,350	(24)
Sales Tax Compliance						
Equipment	1	1		1	1	
General Expenses	11	11				11
County Comptroller Total	7,913	8,013	6,338	1,354	7,692	321
County Executive						
Salaries	1,554	2,044	2,020		2,020	24
Fringe Benefits	516	685	570		570	115
Equipment	27	5	1	3	4	1
General Expenses	35	57	30	8	38	19
Contractual Services	74	74	6	33	39	35
County Executive Total	2,206	2,865	2,627	44	2,671	194
County Treasurer						
Salaries	2,390	2,390	2,348		2,348	42
Fringe Benefits	634	1,091	943		943	148
Equipment	24	24	10		10	14
General Expenses	289	309	278		278	31
Contractual Services	1,194	1,122	450	672	1,122	
County Treasurer Total	4,531	4,936	4,029	672	4,701	235
Recreation and Parks						
Administration						
Salaries	960	920	893		893	27
Fringe Benefits	375	450	446		446	4
General Expenses	13	23	22	1	23	

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2002 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
GENERAL ADMINISTRATION (Continued)						
Property Management						
Salaries	\$ 3,077	\$ 3,312	\$ 3,312	\$	\$ 3,312	\$
Fringe Benefits	1,553	1,668	1,666		1,666	2
Equipment	332	332				332
Materials and Supplies	242	242	95	25	120	122
General Expenses	1,176	1,176	594	434	1,028	148
Contractual Services	1,511	1,511	1,012	202	1,214	297
Bureau of Building Operations						
Salaries	2,795	2,506	2,397		2,397	109
Fringe Benefits	728	883	856		856	27
Equipment	21	21	20		20	1
Supplies	142	142	86	4	90	52
General Expenses	325	325	76	28	104	221
Contractual Services	33	33	3	14	17	16
Office Management Services						
Salaries	2,392	2,318	2,296		2,296	22
Fringe Benefits	1,044	879	868		868	11
Equipment	5	5				5
Materials and Supplies	354	354	161	35	196	158
General Expenses	1,951	4,369	3,290	931	4,221	148
Contractual Services	529	431	73	356	429	2
Data Processing						
Salaries	9,071	8,578	8,443		8,443	135
Fringe Benefits	1,625	2,133	2,128		2,128	5
Materials and Supplies	31	31	1	1	2	29
General Expenses	1,696	1,496	619	541	1,160	336
Contractual Services	6,984	6,984	2,815	2,354	5,169	1,815
Energy DGS						
Fringe Benefits		6	6		6	
Motor Vehicles						
Salaries	459	503	503		503	
Fringe Benefits	349	289	267		267	22
Equipment	18	18				18
General Expenses	1,240	1,127	722	162	884	243
Interfund Charges	55	68	67		67	1
Utilities						
Utility Costs	22,619	22,619	21,106	486	21,592	1,027
Recreation and Parks Total	63,705	65,752	54,843	5,574	60,417	5,335
Housing and Intergovernmental Affairs:						
Salaries	160	160	15		15	145
Fringe Benefits	160	604	267		267	337
Housing and Intergovernmental Affairs Total	320	764	282		282	482
Labor Relations						
Contractual Services	68	68		31	31	37
Labor Relations Total	68	68		31	31	37
Management and Budgets						
Salaries	927	1,562	1,482		1,482	80
Fringe Benefits	317	437	396		396	41
Equipment	37	37	1		1	36
General Expenses	31	31	29		29	2
Contractual Services	512	457	419	38	457	
Management and Budgets Total	1,824	2,524	2,327	38	2,365	159

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2002 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
GENERAL ADMINISTRATION (Continued)						
Personnel						
Salaries	\$ 345	\$ 327	\$ 327	\$	\$ 327	\$
Fringe Benefits	131	160	143		143	17
General Expenses	3	9	2		2	7
Contractual Services	40	62	62		62	
Personnel Total	<u>519</u>	<u>558</u>	<u>534</u>		<u>534</u>	<u>24</u>
Planning						
Salaries	1,115	1,138	1,138		1,138	
Fringe Benefits	303	510	506		506	4
Equipment	2	2		2	2	
General Expenses	18	18	3	3	6	12
Contractual Services	1,518	1,386	869	269	1,138	248
Various Direct Expenses	200	200		100	100	100
Bus Shelter Maint. & Cleaning	58	58	2	54	56	2
Mass Transportation						
Pt. Lookout/Lido Beach Bus Route	120	120	60	60	120	
Metropolitan Suburban Bus Authority	5,853	5,853	5,853		5,853	
LIRR Station Maintenance	21,216	21,141	20,940		20,940	201
MTA-LIRR Operating Assistance	11,584	11,584	11,584		11,584	
Physically Challenged Transportation	4,458	4,458	4,458		4,458	
Planning Total	<u>46,445</u>	<u>46,468</u>	<u>45,413</u>	<u>488</u>	<u>45,901</u>	<u>567</u>
Purchasing						
Salaries	1,200	1,376	1,304		1,304	72
Fringe Benefits	649	649	620		620	29
Equipment	15	15	10		10	5
Purchasing Total	<u>1,864</u>	<u>2,040</u>	<u>1,934</u>		<u>1,934</u>	<u>106</u>
Total General Administration	<u>208,393</u>	<u>213,352</u>	<u>181,928</u>	<u>18,354</u>	<u>200,282</u>	<u>13,070</u>
PROTECTION OF PERSONS						
Commission on Human Rights						
Salaries	625	688	660		660	28
Fringe Benefits	393	329	309		309	20
Equipment	6	6				6
General Expenses	27	27	4	4	8	19
Contractual Services	25	25	(10)		(10)	35
Interfund Charges		390	390		390	
Commission on Human Rights Total	<u>1,076</u>	<u>1,465</u>	<u>1,353</u>	<u>4</u>	<u>1,357</u>	<u>108</u>
Commissioner of Accounts						
Salaries	198	261	254		254	7
Fringe Benefits	36	242	239		239	3
General Expenses	10	10				10
Commissioner of Accounts Total	<u>244</u>	<u>513</u>	<u>493</u>		<u>493</u>	<u>20</u>
Consumer Affairs						
Salaries	1,328	1,774	1,636		1,636	138
Fringe Benefits	598	632	632		632	
Equipment	2	2	1		1	1
General Expenses	8	8	7		7	1
Contractual Services	7	7				7
Consumer Affairs Total	<u>1,943</u>	<u>2,423</u>	<u>2,276</u>		<u>2,276</u>	<u>147</u>

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2002 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
PROTECTION OF PERSONS (Continued)						
Medical Examiner						
Salaries	\$ 4,518	\$ 4,518	\$ 4,156	\$	\$ 4,156	\$ 362
Fringe Benefits	977	977	922		922	55
Equipment	25	26	6	2	8	18
Materials and Supplies	15	15	12	3	15	
General Expenses	345	345	281	41	322	23
Contractual Services	132	359	155	203	358	1
Interfund Charges	19	66	66		66	
Medical Examiner Total	<u>6,031</u>	<u>6,306</u>	<u>5,598</u>	<u>249</u>	<u>5,847</u>	<u>459</u>
Police						
General Expenses	27	27	6	21	27	
Police Total	<u>27</u>	<u>27</u>	<u>6</u>	<u>21</u>	<u>27</u>	
Traffic Safety Board						
Salaries	186	186	186		186	
Fringe Benefits	58	58	51		51	7
Traffic Safety Board Total	<u>244</u>	<u>244</u>	<u>237</u>		<u>237</u>	<u>7</u>
Total Protection of Persons	<u>9,565</u>	<u>10,978</u>	<u>9,963</u>	<u>274</u>	<u>10,237</u>	<u>741</u>
HEALTH						
Drug and Alcohol						
Administration						
Salaries	593	593	360		360	233
Fringe Benefits	186	405	351		351	54
Equipment	11	11		9	9	2
General Expenses	39	39	6	2	8	31
Chemical Dependency Services						
Salaries	2,584	2,584	2,362		2,362	222
Fringe Benefits	1,225	1,225	1,162		1,162	63
Equipment	19	19				19
Supplies	1,096	424	137	10	147	277
General Expenses	209	209	97	42	139	70
Contractual Services	11,832	10,132	7,688	1,809	9,497	635
Interfund Charges	1,225	5,853	5,853		5,853	
Drug and Alcohol Total	<u>19,019</u>	<u>21,494</u>	<u>18,016</u>	<u>1,872</u>	<u>19,888</u>	<u>1,606</u>
Health Department						
Administration						
Salaries	2,469	2,469	2,230		2,230	239
Fringe Benefits	554	879	859		859	20
Equipment	5	5				5
General Expenses	75	75	48	6	54	21
Contractual Services	26	26				26
Interfund Charges	240	1,040	1,040		1,040	
Environmental Health						
Salaries	5,592	6,142	5,868		5,868	274
Fringe Benefits	2,090	1,966	1,952		1,952	14
Equipment	36	36	14	14	28	8
Supplies	7	7	4		4	3
General Expenses	658	658	307	210	517	141
Contractual Services	297	297	71	60	131	166
Interfund Charges	1	205	204		204	1

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2002 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
HEALTH (Continued)						
Laboratory Research						
Salaries	\$ 2,350	\$ 2,275	\$ 2,143	\$	\$ 2,143	\$ 132
Fringe Benefits	895	815	767		767	48
Equipment	15	15	13		13	2
Supplies	458	458	288	87	375	83
General Expenses	236	236	114	73	187	49
Interfund Charges		112	112		112	
Public Health						
Salaries	2,629	2,554	2,313		2,313	241
Fringe Benefits	1,191	1,071	1,020		1,020	51
Equipment	1	1				1
Supplies	114	214	120	20	140	74
General Expenses	154	154	50	46	96	58
Contractual Services	6,214	6,114	5,672	100	5,772	342
Interfund Charges	1,000	1,095	909		909	186
Early Intervention						
Salaries	2,933	3,011	3,011		3,011	
Fringe Benefits	712	736	736		736	
General Expenses	457	457	406	3	409	48
Contractual Services	50,361	49,901	39,472	9,321	48,793	1,108
Interfund Charges	1,200	1,200	1,049		1,049	151
Health Department Total	<u>82,970</u>	<u>84,224</u>	<u>70,792</u>	<u>9,940</u>	<u>80,732</u>	<u>3,492</u>
Mental Health						
Administration						
Salaries	1,170	1,170	1,085		1,085	85
Fringe Benefits	408	415	415		415	
General Expenses	569	684	683	1	683	1
Contractual Services	918	1,299	936	363	1,299	
Interfund Charges	40	40	32		32	8
Contractual Services						
Contractual Services	4,658	3,065	2,744	321	3,066	(1)
Direct Services						
Salaries	1,817	289	97		97	192
Fringe Benefits	444	444	107		107	337
Equipment	10	10				10
General Expenses	177	177	1		1	176
Contractual Services	2,989	2,989	990	1,927	2,917	72
Education of Handicapped Children						
Other Expenses	<u>71,266</u>	<u>75,930</u>	<u>73,167</u>	<u>2,763</u>	<u>75,930</u>	
Mental Health Total	<u>84,466</u>	<u>86,512</u>	<u>80,257</u>	<u>5,375</u>	<u>85,632</u>	<u>880</u>
Total Health	<u>186,455</u>	<u>192,230</u>	<u>169,065</u>	<u>17,187</u>	<u>186,252</u>	<u>5,978</u>

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2002 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
PUBLIC WORKS						
Administration						
Salaries	\$ 1,400	\$ 1,500	\$ 1,437	\$	\$ 1,437	\$ 63
Fringe Benefits	900	765	657		657	108
Equipment	1					
General Expenses	61	70	59	11	70	
Contractual Services	619	667	649	18	667	
Highway and Engineering						
Salaries	6,959	7,271	7,271		7,271	
Fringe Benefits	1,985	3,185	3,004		3,004	181
Equipment	38	18	7	4	11	7
Supplies	301	230	199	31	230	
General Expenses	17	13	6	3	9	4
Contractual Services	3,501	3,531	2,910	589	3,499	32
Utility Costs	1,221	1,420	1,411	9	1,420	
Highway and Bridge Maintenance						
Salaries	8,985	9,496	9,496		9,496	
Fringe Benefits	3,550	3,764	3,764		3,764	
Equipment	82	26	26		26	
Supplies	710	360	281	77	358	2
General Expenses	544	444	307	119	426	18
Contractual Services	265	512	362	150	512	
Utility Costs	521	499	427	72	499	
Groundwater Remediation						
Salaries	200	200	150		150	50
Fringe Benefits	43	43	31		31	12
Equipment	9	9	1		1	8
Supplies	32	32	9		9	23
General Expenses	6	6	1		1	5
Contractual Services	164	164	130	34	164	
Utility Costs	213	213	167	20	187	26
Interfund Charges	160	192	192		192	
Buildings						
Salaries	1,461	1,478	1,478		1,478	
Fringe Benefits	573	583	583		583	
Equipment	3	3				3
Supplies	3	3				3
General Expenses	14	14	6	1	7	7
Building Management						
Salaries		2	2		2	
Water Supply						
Salaries	3,783	3,583	3,391		3,391	192
Fringe Benefits	1,105	1,105	907		907	198
Equipment	19	19	13		13	6
Supplies	16	16	9	1	10	6
General Expenses	34	34	18	6	24	10
Contractual Services	471	471	182	202	384	87
Utility Costs	40	40	19	6	25	15
Various Direct Expenses	324	324	259	25	284	40
Interfund Charges	24	89	89		89	

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2002 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
<u>PUBLIC WORKS (Continued)</u>						
Sanitation						
Salaries	\$ 2,875	\$ 2,893	\$ 2,796	\$	\$ 2,796	\$ 97
Fringe Benefits	1,658	1,442	1,390		1,390	52
Equipment	1	1				1
Supplies	3	3				3
General Expenses	17	17	5		5	12
Contractual Services	5	5				5
Utility Costs		3	3		3	
<u>Total Public Works</u>	<u>44,916</u>	<u>46,758</u>	<u>44,104</u>	<u>1,378</u>	<u>45,482</u>	<u>1,276</u>
<u>RECREATION AND PARKS</u>						
Cultural Development						
Supplies	1	1		1	1	
Contractual Services	15	15		15	15	
<u>Cultural Development Total</u>	<u>16</u>	<u>16</u>		<u>16</u>	<u>16</u>	
<u>Total Recreation and Parks</u>	<u>16</u>	<u>16</u>		<u>16</u>	<u>16</u>	
<u>SOCIAL SERVICES</u>						
Bar Association - Public Defender	2,189	2,298	1,946	352	2,298	
CASA						
Salaries	265	265	248		248	17
Fringe Benefits	128	128	87		87	41
General Expenses	3	3				3
Contractual Services	11	11	8	3	11	
<u>CASA Total</u>	<u>407</u>	<u>407</u>	<u>343</u>	<u>3</u>	<u>346</u>	<u>61</u>
Legal Aid Society	3,917	3,917	3,832	85	3,917	
Minority Affairs						
Salaries	255	240	174		174	66
Fringe Benefits	67	73	69		69	4
General Expenses	5	14	1	5	6	8
Contractual Services		15	15		15	
<u>Minority Affairs Total</u>	<u>327</u>	<u>342</u>	<u>259</u>	<u>5</u>	<u>264</u>	<u>78</u>
Senior Citizens Affairs						
Administration						
Salaries	1,797	1,797	1,770		1,770	27
Fringe Benefits	827	950	860		860	90
Equipment	2					
Supplies	1	1	1		1	
General Expenses	42	29	26	1	27	2
Contractual Services	123	139	91	48	139	
Interfund Charges	8	8	(3)		(3)	11
Community Services						
Contractual Services	2,742	2,923	2,029	835	2,864	59
Nutrition Program						
Contractual Services	4,869	5,060	4,009	1,051	5,060	

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2002 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
SOCIAL SERVICES (Continued)						
Community Centers						
Equipment	\$ 4	\$ 1	\$ 1	\$	\$ 1	\$
Supplies	14	14	2	1	3	11
General Expenses	10	7	3	4	7	
Contractual Services	142	148	6	142	148	
Area Agency Title III						
Contractual Services	2,444	2,505	1,842	663	2,505	
Foster Grandparents Program						
General Expenses	55	5	3	1	4	1
Contractual Services	75	125	88	37	125	
Extended In-home Services						
Contractual Services	3,242	3,251	2,389	862	3,251	
SNAP (Nutrition)						
Salaries	55	55	55		55	
Fringe Benefits	14	14	12		12	2
Contractual Services	661	661	433	228	661	
TITLE IIID/CSI (Health Promotion)						
Salaries	81	81	81		81	
Fringe Benefits	25	25	18		18	7
General Expenses	68	116	63	52	115	1
TITLE IIIE (Caregivers)						
Salaries	75	136	136		136	
Fringe Benefits	25	29	29		29	
Contractual Services	468	713	249	437	686	27
Senior Citizens Affairs Total	<u>17,869</u>	<u>18,793</u>	<u>14,193</u>	<u>4,362</u>	<u>18,555</u>	<u>238</u>
Social Services Department						
Administration						
Salaries	4,422	4,422	4,232		4,232	190
Fringe Benefits	1,566	1,826	1,689		1,689	137
Equipment	6	6	5		5	1
General Expenses	385	385	191	55	246	139
Contractual Services	1,450	1,450	800	631	1,431	19
Various Direct expenses	222	222	109	113	222	
Interfund Charges	550	550	390		390	160
Public Financial Assistance						
Salaries	24,163	24,159	23,485		23,485	674
Fringe Benefits	8,582	8,692	8,259		8,259	433
Equipment	207	207	139	61	200	7
General Expenses	581	581	494	40	534	47
Contractual Services	16,532	15,674	10,186	5,483	15,669	5
Interfund Charges	1,462	646	646		646	
Division Of Services						
Salaries	14,637	14,637	13,882		13,882	755
Fringe Benefits	4,398	4,600	4,417		4,417	183
General Expenses	313	378	373	2	375	3
Contractual Services	632	632	224	301	525	107
Interfund Charges	990	990	853		853	137

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2002 (Dollars in Thousands)

<u>FUNCTIONS</u>	<u>Original Budget</u>	<u>Total Budgetary Authority</u>	<u>Actual Expenditures</u>	<u>GAAP to Budgetary Basis Conversion</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Over (Under)</u>
<u>SOCIAL SERVICES (Continued)</u>						
Juvenile Detention Center						
Salaries	\$ 2,509	\$ 2,509	\$ 2,249	\$	\$ 2,249	\$ 260
Fringe Benefits	727	807	757		757	50
Equipment	93	93	30	6	36	57
Supplies	29	29	21	5	26	3
General Expenses	70	70	50	20	70	
Contractual Services	1,169	1,169	604	557	1,161	8
Utility Costs	88	88	81		81	7
Interfund Charges	228	228	170		170	58
Real Estate Expense						
General Expenses	12	12	11		11	1
Handicapped Children Education						
Emergency Vendor Payments	10,367	11,367	9,266	1,409	10,675	692
Physically Challenged						
Salaries	233	242	242		242	
Fringe Benefits	74	75	75		75	
Equipment	2	2	1		1	1
General Expenses	12	12	2		2	10
Contractual Services	41	34	25	6	31	3
Food Stamp Program						
Recipient Grants	25	25	1		1	24
Aid to Dependent Children						
Recipient Grants	23,500	22,250	21,503		21,503	747
Emergency Vendor Payments	5,023	5,053	5,000	53	5,053	
Home Relief						
Recipient Grants	12,500	12,500	12,500		12,500	
Emergency Vendor Payments	3,000	1,303	1,059		1,059	244
Children in Institutions						
Emergency Vendor Payments	19,946	21,176	17,708	2,203	19,911	1,265
Children in Foster Homes						
Recipient Grants	1,350	1,350	1,031		1,031	319
Purchased Services	7	7	5		5	2
Emergency Vendor Payments	180	180	176		176	4
Juvenile Delinquents						
Emergency Vendor Payments	8,555	8,555	6,491	1,169	7,660	895
Training Schools						
Emergency Vendor Payments	2,205	2,205	2,201		2,201	4
Children in Institutions - Title 4E						
Emergency Vendor Payments	3,668	3,668	1,315	1,883	3,198	470
Children in Foster Homes - Title 4E						
Recipient Grants	2,779	2,779	1,965		1,965	814
Emergency Vendor Payments	470	470	453		453	17
Subsidized Adoption						
Recipient Grants	4,500	4,500	4,288		4,288	212
Burials						
Emergency Vendor Payments	325	325	320		320	5
Medicaid						
Medicaid	296,459	311,800	311,800		311,800	
Home Energy Assistance						
Recipient Grants	1,500	1,500	1,494		1,494	6
Title-XX						
Purchased Services	58,055	50,275	36,457	8,505	44,962	5,313
Social Services Department Total	<u>540,799</u>	<u>546,715</u>	<u>509,725</u>	<u>22,502</u>	<u>532,227</u>	<u>14,488</u>

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2002 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
<u>SOCIAL SERVICES (Continued)</u>						
Veterans Service Agency						
Salaries	\$ 418	\$ 544	\$ 521	\$	\$ 521	\$ 23
Fringe Benefits	117	152	146		146	6
General Expenses	3	3	2		2	1
Veterans Service Agency Total	<u>538</u>	<u>699</u>	<u>669</u>		<u>669</u>	<u>30</u>
Youth Board						
Salaries	671	671	635		635	36
Fringe Benefits	165	272	261		261	11
General Expenses	1	1	1		1	
Contractual Services	7,804	7,867	6,538	1,328	7,866	1
Youth Board Total	<u>8,641</u>	<u>8,811</u>	<u>7,435</u>	<u>1,328</u>	<u>8,763</u>	<u>48</u>
Total Social Services	<u>574,687</u>	<u>581,982</u>	<u>538,402</u>	<u>28,637</u>	<u>567,039</u>	<u>14,943</u>
<u>CORRECTIONS</u>						
Correctional Center						
Salaries	91,788	92,464	92,464		92,464	
Fringe Benefits	19,190	21,341	21,341		21,341	
Equipment	619	499	89	167	256	243
Supplies	3,999	3,999	3,149	311	3,460	539
General Expenses	1,869	1,996	1,719	244	1,963	33
Contractual Services	20,883	29,098	28,278	739	29,017	81
Utility Costs	500	540	535	5	540	
Correctional Center Total	<u>138,848</u>	<u>149,937</u>	<u>147,575</u>	<u>1,466</u>	<u>149,041</u>	<u>896</u>
Probation						
Administration						
Salaries	1,454	1,946	1,896		1,896	50
Fringe Benefits	574	826	826		826	
Equipment	14	14				14
General Expenses	29	29	15		15	14
Contractual Services	55	55	16	38	54	1
Interfund Charges	435	435	45		45	390
Criminal Division						
Salaries	10,969	10,731	10,689		10,689	42
Fringe Benefits	3,335	3,335	2,911		2,911	424
Equipment	9	9	1		1	8
General Expenses	458	458	286	129	415	43
Contractual Services	25	25		25	25	
Family Division						
Salaries	4,640	4,430	4,168		4,168	262
Fringe Benefits	1,408	1,474	1,474		1,474	
Equipment	2	2				2
General Expenses	57	57	28		28	29
Contractual Services	35	35	19	1	20	15
Parole Board						
Salaries	45	45	6		6	39
Fringe Benefits	12	12				12

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2002 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
<u>CORRECTIONS (Continued)</u>						
Alternatives to Incarceration						
Salaries	\$ 1,187	\$ 1,187	\$ 1,075	\$	\$ 1,075	\$ 112
Fringe Benefits	272	272	256		256	16
Equipment	1	1				1
General Expenses	12	12	3		3	9
Probation Total	<u>25,028</u>	<u>25,390</u>	<u>23,714</u>	<u>193</u>	<u>23,907</u>	<u>1,483</u>
Total Corrections	<u>163,876</u>	<u>175,327</u>	<u>171,289</u>	<u>1,659</u>	<u>172,948</u>	<u>2,379</u>
<u>EDUCATION</u>						
Cooperative Extension Service	200	200	200		200	
East Meadow School District	318	318	318		318	
Public Library Services	180	180		180	180	
State School Tuition	4,281	4,718	4,499		4,499	219
Total Education	<u>4,979</u>	<u>5,416</u>	<u>5,017</u>	<u>180</u>	<u>5,197</u>	<u>219</u>
<u>PAYMENTS FOR TAX CERTIORARI AND OTHER JUDGEMENTS</u>						
			125,545	(125,545)		
<u>OTHER EXPENDITURES</u>						
Nassau Health Care Corporation	35,167	55,169	55,124	45	55,169	
Aid to Towns and Cities	50,239	51,489	51,489		51,489	
Insurance on Buildings	940	940	600		600	340
Lido-Point Lookout Fire District	6	64	52		52	12
Miscellaneous Contractual	513	513	10	427	437	76
Specialized Legal Services	389	389	32	357	389	
NYS Association of Counties	45	45	45		45	
Rents	6,239	6,180	4,876	824	5,700	480
Reserve for Federal/State Disallowances		50	50		50	
Reserve for Contingencies	147	147		147	147	
SJK Foundation	4	4				4
Suits and Damages	1,090	3,273	3,254		3,254	19
Unallocated Salary	19,000					
Unallocated Fringe Benefits	8,396	1,160	721	312	1,033	127
Total Other Expenditures	<u>122,175</u>	<u>119,423</u>	<u>116,253</u>	<u>2,112</u>	<u>118,365</u>	<u>1,058</u>
Total Current	<u>1,359,940</u>	<u>1,391,927</u>	<u>1,406,480</u>	<u>(55,313)</u>	<u>1,351,167</u>	<u>40,760</u>
<u>DEBT SERVICE</u>						
Financing Costs	701	701	495	201	696	5
Interest on Debt	94,410					
Debt Service Savings	(57,000)					
Principal on Bonded Debt	205,936					
Total Debt Service	<u>244,047</u>	<u>701</u>	<u>495</u>	<u>201</u>	<u>696</u>	<u>5</u>
Total Expenditures	<u>1,603,987</u>	<u>1,392,628</u>	<u>1,406,975</u>	<u>(55,112)</u>	<u>1,351,863</u>	<u>40,765</u>

(Continued)

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
 VS. TOTAL BUDGETARY AUTHORITY
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2002 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
<u>TRANSFERS OUT</u>						
Fire Commission Fund	\$	\$ 1,677	\$ 1,677	\$	\$ 1,677	\$
Debt Service Fund		243,751	243,751		243,751	
County Parks & Recreation Fund	47,860	47,860	44,335		44,335	3,525
Police Department Headquarters Fund	10,000	10,450	7,845		7,845	2,605
<u>Total Transfers Out</u>	<u>57,860</u>	<u>303,738</u>	<u>297,608</u>		<u>297,608</u>	<u>6,130</u>
<u>TOTAL EXPENDITURES AND TRANSFERS OUT</u>						
	<u>\$ 1,661,847</u>	<u>\$ 1,696,366</u>	<u>\$ 1,704,583</u>	<u>\$ (55,112)</u>	<u>\$ 1,649,471</u>	<u>\$ 46,895</u>
*Appropriations per 2002 budget as adopted						\$ 1,594,940
Outstanding encumbrances, January 1, 2002						66,907
Supplemental appropriations						<u>34,519</u>
Total Budgetary Authority						<u>\$ 1,696,366</u>

COUNTY OF NASSAU, NEW YORK

COMBINED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 TOTAL BUDGETARY AUTHORITY AND ACTUAL
 NONMAJOR BUDGETED SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2003 (Dollars in Thousands) (Concluded)

	NON MAJOR FUNDS BUDGETED SPECIAL REVENUE FUNDS					Variance Over (Under)
	Original Budget	Total Budgetary Authority	Actual	GAAP to Budgetary Basis Conversion (Note 12)	Actual on a Budgetary Basis	
Revenues:						
Rents and Recoveries	\$ 1,515	\$ 1,515	\$ 1,095	\$ -	\$ 1,095	\$ (420)
Interest Income			294		294	294
Departmental Revenue	29,411	30,077	26,363		26,363	(3,714)
Interdepartmental Revenue	915	915	476		476	(439)
Federal Aid			11		11	11
State Aid	140	140	121		121	(19)
Property Taxes	202,735	202,735	202,735		202,735	
Other Revenues	325	325	192		192	(133)
Total Revenues	235,041	235,707	231,287		231,287	(4,420)
Expenditures:						
Current:						
Protection of Persons	20,162	20,564	20,226	325	20,551	13
Public Works	85,207	94,265	71,700	8,707	80,407	13,858
Recreation and Parks	62,708	63,067	61,654	1,048	62,702	365
Total Current	168,077	177,896	153,580	10,080	163,660	14,236
Debt Service:						
Principal	48,534	395				395
Interest	26,273	13,154				13,154
Total Debt Service	74,807	13,549				13,549
Total Expenditures	242,884	191,445	153,580	10,080	163,660	27,785
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,843)	44,262	77,707	(10,080)	67,627	23,365
Other Financing Sources (Uses):						
Transfers In		7,859	24,105		24,105	16,246
Transfers In of Investment Income	274	274	461		461	187
Transfers Out	(1,709)	(67,657)	(67,656)		(67,656)	1
Total Other Financing Sources (Uses)	(1,435)	(59,524)	(43,090)		(43,090)	16,434
Net Change in Fund Balances	(9,278)	(15,262)	34,617	(10,080)	24,537	39,799
Fund Balances at Beginning of Year	9,278	15,262	69,342		69,342	54,080
Fund Balances (Deficits) at End of Year	\$	\$	\$ 103,959	\$ (10,080)	\$ 93,879	\$ 93,879

COUNTY OF NASSAU, NEW YORK

COMBINED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 TOTAL BUDGETARY AUTHORITY AND ACTUAL
 NONMAJOR BUDGETED SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2002 (Dollars in Thousands) (Concluded)

	NON MAJOR FUNDS BUDGETED SPECIAL REVENUE FUNDS					Variance Over (Under)
	Original Budget	Total Budgetary Authority	Actual	GAAP to Budgetary Basis Conversion (Note 12)	Actual on a Budgetary Basis	
Revenues:						
Rents and Recoveries	\$ 826	\$ 826	\$ 664	\$ -	\$ 664	\$ (162)
Interest Income	31	31	43		43	12
Departmental Revenue	28,155	28,155	27,135		27,135	(1,020)
Interdepartmental Revenue	866	866	980		980	114
Federal Aid	10	10	70		70	60
State Aid	225	225	146		146	(79)
Property Taxes	153,616	153,616	153,616		153,616	
Other Revenues	325	325	205		205	(120)
Total Revenues	184,054	184,054	182,859		182,859	(1,195)
Expenditures:						
Current:						
General Administration		7,100				7,100
Protection of Persons	18,236	19,506	19,303	202	19,505	1
Public Works	86,814	90,171	65,624	8,045	73,669	16,502
Recreation and Parks	65,781	65,781	59,886	1,031	60,917	4,864
Total Current	170,831	182,558	144,813	9,278	154,091	28,467
Debt Service:						
Principal	50,869	125				125
Interest	31,807	10,498				10,498
Total Debt Service	82,676	10,623				10,623
Total Expenditures	253,507	193,181	144,813	9,278	154,091	39,090
Excess (Deficiency) of Revenues Over (Under) Expenditures	(69,453)	(9,127)	38,046	(9,278)	28,768	37,895
Other Financing Sources (Uses):						
Transfers In	47,859	49,128	46,012		46,012	(3,116)
Transfers In of Investment Income	647	647	613		613	(34)
Transfers Out		(71,958)	(68,846)		(68,846)	3,112
Total Other Financing Sources (Uses)	48,506	(22,183)	(22,221)		(22,221)	(38)
Net Change in Fund Balances	(20,947)	(31,310)	15,825	(9,278)	6,547	37,857
Fund Balances at Beginning of Year	20,947	31,310	53,517		53,517	22,207
Fund Balances (Deficits) at End of Year	\$	\$	\$ 69,342	\$ (9,278)	\$ 60,064	\$ 60,064

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 TOTAL BUDGETARY AUTHORITY AND ACTUAL
 FIRE PREVENTION, SAFETY, COMMUNICATION AND EDUCATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2003 (Dollars in Thousands)

	Original Budget	Total Budgetary Authority	Actual	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
Revenues:						
Interest Income	\$ 8	\$ 8	\$ 10	\$	\$ 10	\$ 10
Rents and Recoveries						(8)
Departmental Revenue	2,800	3,466	3,426		3,426	(40)
Interdepartmental Revenue			14		14	14
Federal Aid			11		11	11
State Aid	140	140	121		121	(19)
Property Taxes	17,012	17,012	17,012		17,012	
Total Revenues	19,960	20,626	20,594		20,594	(32)
Expenditures:						
Salaries	8,436	8,314	8,314		8,314	
Fringe Benefits	2,512	2,695	2,695		2,695	
Equipment	153	266	51	212	263	3
Other	9,061	9,289	9,166	113	9,279	10
Total Expenditures	20,162	20,564	20,226	325	20,551	13
Deficiency of Revenues Under Expenditures	(202)	62	368	(325)	43	(19)
Other Financing Use:						
Transfers Out		(245)	(245)		(245)	
Total Other Financing Sources		(245)	(245)		(245)	
Net Change in Fund Balances	(202)	(183)	123	(325)	(202)	(19)
Fund Balance Beginning of Year	202	183	202		202	19
Fund Balance End of Year	\$	\$	\$ 325	\$ (325)	\$	\$

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY AND ACTUAL
FIRE PREVENTION, SAFETY, COMMUNICATION AND EDUCATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2002 (Dollars in Thousands)

	Original Budget	Total Budgetary Authority	Actual	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
Revenues:						
Interest Income	\$	\$	\$ 1	\$	\$ 1	\$ 1
Departmental Revenue	3,709	3,709	3,084		3,084	(625)
Federal Aid	10	10	70		70	60
State Aid	225	225	146		146	(79)
Property Taxes	14,195	14,195	14,195		14,195	
Total Revenues	18,139	18,139	17,496		17,496	(643)
Expenditures:						
Salaries	8,103	8,028	8,028		8,028	
Fringe Benefits	1,864	1,964	1,964		1,964	
Equipment	224	50	46	4	50	
Other	8,045	9,464	9,265	198	9,463	1
Total Expenditures	18,236	19,506	19,303	202	19,505	1
Deficiency of Revenues Under Expenditures	(97)	(1,367)	(1,807)	(202)	(2,009)	(642)
Other Financing Sources:						
Transfers In		1,269	1,677		1,677	408
Total Other Financing Sources		1,269	1,677		1,677	408
Net Change in Fund Balances	(97)	(98)	(130)	(202)	(332)	(234)
Fund Balance Beginning of Year	97	98	332		332	234
Fund Balance End of Year	\$	\$	\$ 202	\$ (202)	\$	\$

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY AND ACTUAL
COUNTY PARKS AND RECREATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2003 (Dollars in Thousands)

	<u>Original Budget</u>	<u>Total Budgetary Authority</u>	<u>Actual</u>	<u>GAAP to Budgetary Basis Conversion</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Over (Under)</u>
Revenues:						
Rents and Recoveries	\$ 737	\$ 737	\$ 943	\$	\$ 943	\$ 206
Interest Income	-					
Departmental Revenue	17,530	17,530	13,646		13,646	(3,884)
State Aid						
Property Tax	43,085	43,085	43,085		43,085	
Other Revenues	325	325	192		192	(133)
Total Revenues	<u>61,677</u>	<u>61,677</u>	<u>57,866</u>		<u>57,866</u>	<u>(3,811)</u>
Expenditures:						
Salaries	18,303	19,719	19,719		19,719	
Fringe Benefits	9,599	11,082	11,082		11,082	
Equipment	228	590	532	40	572	18
Other	34,578	31,676	30,321	1,008	31,329	347
Total Expenditures	<u>62,708</u>	<u>63,067</u>	<u>61,654</u>	<u>1,048</u>	<u>62,702</u>	<u>365</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,031)</u>	<u>(1,390)</u>	<u>(3,788)</u>	<u>(1,048)</u>	<u>(4,836)</u>	<u>(3,446)</u>
Other Financing Sources:						
Transfers In		359	3,805		3,805	3,446
Total Other Financing Sources		<u>359</u>	<u>3,805</u>		<u>3,805</u>	<u>3,446</u>
Net Change in Fund Balances	(1,031)	(1,031)	17	(1,048)	(1,031)	
Fund Balance Beginning of Year	<u>1,031</u>	<u>1,031</u>	<u>1,031</u>		<u>1,031</u>	
Fund Balance End of Year	<u>\$</u>	<u>\$</u>	<u>\$ 1,048</u>	<u>\$ (1,048)</u>	<u>\$</u>	<u>\$</u>

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 TOTAL BUDGETARY AUTHORITY AND ACTUAL
 COUNTY PARKS AND RECREATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2002 (Dollars in Thousands)

	<u>Original Budget</u>	<u>Total Budgetary Authority</u>	<u>Actual</u>	<u>GAAP to Budgetary Basis Conversion</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Over (Under)</u>
Revenues:						
Rents and Recoveries	\$ 650	\$ 650	\$ 569	\$	\$ 569	\$ (81)
Interest Income	15	15				(15)
Departmental Revenue	15,859	15,859	14,735		14,735	(1,124)
State Aid						
Other Revenues	325	325	205		205	(120)
Total Revenues	16,849	16,849	15,509		15,509	(1,340)
Expenditures:						
Salaries	21,041	20,796	20,656		20,656	140
Fringe Benefits	7,908	8,236	8,071		8,071	165
Equipment	89	133	82		82	51
Other	36,743	36,616	31,077	1,031	32,108	4,508
Total Expenditures	65,781	65,781	59,886	1,031	60,917	4,864
Excess (Deficiency) of Revenues Over (Under) Expenditures	(48,932)	(48,932)	(44,377)	(1,031)	(45,408)	3,524
Other Financing Sources:						
Transfers In	47,859	47,859	44,335		44,335	(3,524)
Total Other Financing Sources	47,859	47,859	44,335		44,335	(3,524)
Net Change in Fund Balances	(1,073)	(1,073)	(42)	(1,031)	(1,073)	
Fund Balance Beginning of Year	1,073	1,073	1,073		1,073	
Fund Balance End of Year	\$	\$	\$ 1,031	\$ (1,031)	\$	\$

EXHIBIT B-6

COUNTY OF NASSAU, NEW YORK

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY AND ACTUAL
TECHNOLOGY FUND
FOR THE YEAR ENDED DECEMBER 31, 2003 (Dollars in Thousands)**

	<u>Original Budget*</u>	<u>Total Budgetary Authority*</u>	<u>Actual</u>	<u>GAAP to Budgetary Basis Conversion</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Over (Under)</u>
Revenues:						
Interest Income	\$	\$	\$ 11	\$	\$ 11	\$ 11
Expenditures:						
Other Financing Sources:						
Transfers In			<u>12,800</u>		<u>12,800</u>	<u>12,800</u>
Total Other Financing Sources			<u>12,800</u>		<u>12,800</u>	<u>12,800</u>
Net Change in Fund Balances			12,811		12,811	12,811
Fund Balance Beginning of Year			<u>7,100</u>		<u>7,100</u>	<u>7,100</u>
Fund Balance End of Year	<u>\$</u>	<u>\$</u>	<u>\$ 19,911</u>	<u>\$</u>	<u>\$ 19,911</u>	<u>\$ 19,911</u>

* In 2003 the Technology Fund was unbudgeted.

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 TOTAL BUDGETARY AUTHORITY AND ACTUAL
 TECHNOLOGY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2002 (Dollars in Thousands)

	<u>Original Budget</u>	<u>Total Budgetary Authority</u>	<u>Actual</u>	<u>GAAP to Budgetary Basis Conversion</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Over (Under)</u>
<u>Revenues:</u>	\$	\$	\$	\$	\$	\$
<u>Expenditures:</u>						
Salaries		250				250
Fringe Benefits		100				100
Equipment		2,800				2,800
Other		3,950				3,950
Total Expenditures		7,100				7,100
Net Change in Fund Balances		(7,100)				7,100
Fund Balance Beginning of Year		7,100	7,100		7,100	
Fund Balance End of Year	\$	\$	\$ 7,100	\$	\$ 7,100	\$ 7,100

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY AND ACTUAL
SEWAGE DISPOSAL DISTRICT #1 MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2003 (Dollars in Thousands)

	<u>Original Budget</u>	<u>Total Budgetary Authority</u>	<u>Actual</u>	<u>GAAP to Budgetary Basis Conversion</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Over (Under)</u>
Revenues:						
Investment Income	\$	\$	\$ 4	\$	\$ 4	\$ 4
Departmental Revenue	5	5				
Property Taxes	1,483	1,483	1,483		1,483	
Total Revenues	1,488	1,488	1,487		1,487	(1)
Expenditures:						
Fringe Benefits	7	17	17		17	
Other	94	158	147		147	11
Debt Service						
Principal	780					
Interest	607	383				383
Total Expenditures	1,488	558	164		164	394
Excess of Revenues Over Expenditures		930	1,323		1,323	393
Other Financing Sources (Uses):						
Transfer In of Investment Income			7		7	7
Transfer Out		(930)	(930)		(930)	
Total Other Financing Sources (Uses)		(930)	(923)		(923)	7
Net Change in Fund Balances			400		400	400
Fund Balance Beginning of Year			809		809	809
Fund Balance End of Year	\$	\$	\$ 1,209	\$	\$ 1,209	\$ 1,209

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY AND ACTUAL
SEWAGE DISPOSAL DISTRICT #1 MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2002 (Dollars in Thousands)

	Original Budget	Total Budgetary Authority	Actual	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
Revenues:						
Rents and Recoveries	\$ 1	\$ 1	\$ 15	\$	\$ 15	\$ 14
Property Taxes	1,357	1,357	1,357		1,357	
Total Revenues	1,358	1,358	1,372		1,372	14
Expenditures:						
Salaries	15	15				15
Fringe Benefits	43	43	6		6	37
Other	110	213	191		191	22
Debt Service						
Principal	766					
Interest	704	290				290
Total Expenditures	1,638	561	197		197	364
Excess (Deficiency) of Revenues Over (Under) Expenditures	(280)	797	1,175		1,175	378
Other Financing Sources (Uses):						
Transfer In of Investment Income	4	4	14		14	10
Transfer Out		(1,077)	(1,077)		(1,077)	
Total Other Financing Sources (Uses)	4	(1,073)	(1,063)		(1,063)	10
Net Change in Fund Balances	(276)	(276)	112		112	388
Fund Balance Beginning of Year	276	276	697		697	421
Fund Balance End of Year	\$	\$	\$ 809	\$	\$ 809	\$ 809

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY AND ACTUAL
SEWAGE DISPOSAL DISTRICT #2 MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2003 (Dollars in Thousands)

	Original Budget	Total Budgetary Authority	Actual	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
Revenues:						
Rents and Recoveries	\$ 430	\$ 430	\$	\$	\$	\$ (430)
Interest Income			131		131	131
Departmental Revenue	4,918	4,918	5,163		5,163	245
Interdepartmental Revenue	574	574	210		210	(364)
Property Taxes	50,636	50,636	50,636		50,636	
Total Revenues	<u>56,558</u>	<u>56,558</u>	<u>56,140</u>		<u>56,140</u>	<u>(418)</u>
Expenditures:						
Salaries	10,168	9,212	8,721		8,721	491
Fringe Benefits	3,685	3,829	3,829		3,829	
Equipment	103	103	66	3	69	34
Other	19,902	23,424	17,975	3,202	21,177	2,247
Debt Service						
Principal	15,119					
Interest	9,852	4,659				4,659
Total Expenditures	<u>58,829</u>	<u>41,227</u>	<u>30,591</u>	<u>3,205</u>	<u>33,796</u>	<u>7,431</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,271)</u>	<u>15,331</u>	<u>25,549</u>	<u>(3,205)</u>	<u>22,344</u>	<u>7,013</u>
Other Financing Sources (Uses):						
Transfer In of Investment Income	216	216	340		340	124
Transfer Out	(1,129)	(18,731)	(18,731)		(18,731)	
Total Other Financing Sources (Uses)	<u>(913)</u>	<u>(18,515)</u>	<u>(18,391)</u>		<u>(18,391)</u>	<u>124</u>
Net Change in Fund Balances	(3,184)	(3,184)	7,158	(3,205)	3,953	7,137
Fund Balance Beginning of Year	3,184	3,184	27,680		27,680	24,496
Fund Balance End of Year	\$	\$	\$ 34,838	\$ (3,205)	\$ 31,633	\$ 31,633

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY AND ACTUAL
SEWAGE DISPOSAL DISTRICT #2 MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2002 (Dollars in Thousands)

	Original Budget	Total Budgetary Authority	Actual	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
Revenues:						
Rents and Recoveries	\$ 75	\$ 75	\$ 2	\$	\$ 2	\$ (73)
Interest Income	7	7	18		18	11
Departmental Revenue	4,924	4,924	5,242		5,242	318
Interdepartmental Revenue	538	538	606		606	68
Property Taxes	50,827	50,827	50,827		50,827	
Total Revenues	<u>56,371</u>	<u>56,371</u>	<u>56,695</u>		<u>56,695</u>	<u>324</u>
Expenditures:						
Salaries	9,958	9,958	8,869		8,869	1,089
Fringe Benefits	3,509	3,509	2,927		2,927	582
Equipment	122	122	45	15	60	62
Other	21,793	23,801	15,053	3,169	18,222	5,579
Debt Service						
Principal	15,271					
Interest	12,103	4,043				4,043
Total Expenditures	<u>62,756</u>	<u>41,433</u>	<u>26,894</u>	<u>3,184</u>	<u>30,078</u>	<u>11,355</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,385)</u>	<u>14,938</u>	<u>29,801</u>	<u>(3,184)</u>	<u>26,617</u>	<u>11,679</u>
Other Financing Sources (Uses):						
Transfer In of Investment Income	320	320	482		482	162
Transfer Out		(23,572)	(21,322)		(21,322)	2,250
Total Other Financing Sources (Uses)	<u>320</u>	<u>(23,252)</u>	<u>(20,840)</u>		<u>(20,840)</u>	<u>2,412</u>
Net Change in Fund Balances	(6,065)	(8,314)	8,961	(3,184)	5,777	14,091
Fund Balance Beginning of Year	6,065	8,314	18,719		18,719	10,405
Fund Balance End of Year	<u>\$</u>	<u>\$</u>	<u>\$ 27,680</u>	<u>\$ (3,184)</u>	<u>\$ 24,496</u>	<u>\$ 24,496</u>

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY AND ACTUAL
SEWAGE DISPOSAL DISTRICT #3 MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2003 (Dollars in Thousands)

	Original Budget	Total Budgetary Authority	Actual	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
Revenues:						
Rents and Recoveries	\$ 340	\$ 340	\$	\$	\$	\$ (340)
Interest Income			115		115	115
Departmental Revenue	4,152	4,152	4,125		4,125	(27)
Interdepartmental Revenue	341	341	252		252	(89)
Property Taxes	50,304	50,304	50,304		50,304	
Total Revenues	55,137	55,137	54,796		54,796	(341)
Expenditures:						
Salaries	11,972	11,667	9,548		9,548	2,119
Fringe Benefits	4,073	4,480	4,480		4,480	
Equipment	62	62	9		9	53
Other	21,885	22,768	16,468	4,205	20,673	2,095
Debt Service						
Principal	13,345					
Interest	7,624	5,255	-	-		5,255
Total Expenditures	58,961	44,232	30,505	4,205	34,710	9,522
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,824)	10,905	24,291	(4,205)	20,086	9,181
Other Financing Sources (Uses):						
Transfer In of Investment Income	21	21	49		49	28
Transfer In		7,500	7,500		7,500	
Transfer Out	(212)	(22,441)	(22,441)	-	(22,441)	
Total Other Financing Sources (Uses)	(191)	(14,920)	(14,892)		(14,892)	28
Net Change in Fund Balances	(4,015)	(4,015)	9,399	(4,205)	5,194	9,209
Fund Balance Beginning of Year	4,015	4,015	19,662		19,662	15,647
Fund Balance End of Year	\$	\$	\$ 29,061	\$ (4,205)	\$ 24,856	\$ 24,856

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY AND ACTUAL
SEWAGE DISPOSAL DISTRICT #3 MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2002 (Dollars in Thousands)

	Original Budget	Total Budgetary Authority	Actual	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
Revenues:						
Rents and Recoveries	\$ 100	\$ 100	\$ 11	\$	\$ 11	\$ (89)
Interest Income	6	6	13		\$ 13	7
Departmental Revenue	3,663	3,663	4,057		4,057	394
Interdepartmental Revenue	328	328	374		374	46
Property Taxes	47,947	47,947	47,947		47,947	
Total Revenues	52,044	52,044	52,402		52,402	358
Expenditures:						
Salaries	11,770	11,770	10,214		10,214	1,556
Fringe Benefits	3,856	3,856	3,159		3,159	697
Equipment	87	87	20		20	67
Other	21,825	22,596	14,416	4,015	18,431	4,165
Debt Service						
Principal	13,866					
Interest	8,622	3,124				3,124
Total Expenditures	60,026	41,433	27,809	4,015	31,824	9,609
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,982)	10,611	24,593	(4,015)	20,578	9,967
Other Financing Sources (Uses):						
Transfer In of Investment Income	130	130	35		35	(95)
Transfer Out		(19,015)	(18,593)		(18,593)	422
Total Other Financing Sources (Uses)	130	(18,885)	(18,558)		(18,558)	327
Net Change in Fund Balances	(7,852)	(8,274)	6,035	(4,015)	2,020	10,294
Fund Balance Beginning of Year	7,852	8,274	13,627		13,627	5,353
Fund Balance End of Year	\$	\$	\$ 19,662	\$ (4,015)	\$ 15,647	\$ 15,647

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY AND ACTUAL
SEWAGE COLLECTION DISTRICTS MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2003 (Dollars in Thousands)

	Original Budget	Total Budgetary Authority	Actual	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
Revenues:						
Rents and Recoveries	\$	\$	\$ 152	\$	\$ 152	\$ 152
Interest Income			23		23	23
Departmental Revenue	6	6	3		3	(3)
Property Taxes	40,215	40,215	40,215		40,215	
Total Revenues	40,221	40,221	40,393		40,393	172
Expenditures:						
Equipment	6	6				6
Other	13,250	18,539	10,440	1,297	11,737	6,802
Debt Service						
Principal	19,290	395				395
Interest	8,190	2,857				2,857
Total Expenditures	40,736	21,797	10,440	1,297	11,737	10,060
Excess (Deficiency) of Revenues Over (Under) Expenditures	(515)	18,424	29,953	(1,297)	28,656	10,232
Other Financing Sources (Uses):						
Transfer In of Investment Income	37	37	65		65	28
Transfer Out	(368)	(25,310)	(25,309)		(25,309)	1
Total Other Financing Sources (Uses)	(331)	(25,273)	(25,244)		(25,244)	29
Net Change in Fund Balances	(846)	(6,849)	4,709	(1,297)	3,412	10,261
Fund Balance Beginning of Year	846	6,849	12,858		12,858	6,009
Fund Balance End of Year	\$	\$	\$ 17,567	\$ (1,297)	\$ 16,270	\$ 16,270

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY AND ACTUAL
SEWAGE COLLECTION DISTRICTS MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2002 (Dollars in Thousands)

	Original Budget	Total Budgetary Authority	Actual	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Over (Under)
Revenues:						
Rents and Recoveries	\$	\$	\$ 67	\$	\$ 67	\$ 67
Interest Income	3	3	11		11	8
Departmental Revenue			17		17	17
Property Taxes	39,290	39,290	39,290		39,290	
Total Revenues	39,293	39,293	39,385		39,385	92
Expenditures:						
Equipment	6	6				6
Other	13,720	14,195	10,724	846	11,570	2,625
Debt Service						
Principal	20,966	125				125
Interest	10,378	3,041				3,041
Total Expenditures	45,070	17,367	10,724	846	11,570	5,797
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,777)	21,926	28,661	(846)	27,815	5,889
Other Financing Sources (Uses):						
Transfer In of Investment Income	193	193	82		82	(111)
Transfer Out		(28,294)	(27,854)		(27,854)	440
Total Other Financing Sources (Uses)	193	(28,101)	(27,772)		(27,772)	329
Net Change in Fund Balances	(5,584)	(6,175)	889	(846)	43	6,218
Fund Balance Beginning of Year	5,584	6,175	11,969		11,969	5,794
Fund Balance End of Year	\$	\$	\$ 12,858	\$ (846)	\$ 12,012	\$ 12,012

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF EXPENDITURES BY COUNTY DEPARTMENTS AND OFFICES
TOTAL BUDGETARY AUTHORITY AND ACTUAL
GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2003
(INCLUDING LIFETIME ACTIVITY THROUGH DECEMBER 31, 2003) (Dollars in Thousands)

<u>County Departments, Offices and Boards</u>	<u>Total Budgetary Authority</u>	<u>All Prior Years' Actual Expenditures</u>	<u>Remaining Budgetary Authority January 1, 2003</u>	<u>2003 Actual Expenditures</u>	<u>Remaining Budgetary Authority December 31, 2003</u>
Affirmative Action	\$ 1,240	\$ 1,139	\$ 101	\$	\$ 101
Assessment	13,000	11,363	1,637		1,637
CASA	672	510	162	34	128
Community College	22,611	13,189	9,422	1,313	8,109
Correctional Center	5,718	4,929	789	356	433
County Attorney	295	295			
County Clerk	125	37	88	10	78
County Comptroller	805	446	359		359
Criminal Justice Coordinating Council	50,450	43,089	7,361	2,435	4,926
Cultural Development	441	438	3		3
District Attorney	7,344	5,349	1,995	521	1,474
Drug and Alcohol	612,878	436,783	176,095	23,482	152,613
Emergency Management	1,486		1,486		1,486
Fire Commission	79	64	15		15
General Services	415	335	80		80
Health	105,123	70,955	34,168	14,341	19,827
Housing and Inter- governmental Affairs	482,937	405,022	77,915	22,853	55,062
Human Rights	1,744	1,626	118	39	79
Labor	50	46	4		4
Medical Center	5,119	187	4,932		4,932
Medical Examiner	1,150	210	940	405	535
Mental Health	186,085	123,690	62,395	12,762	49,633
Planning	22,283	16,880	5,403	279	5,124
Police	41,745	28,237	13,508	3,103	10,405
Probation	24,708	21,340	3,368	355	3,013
Public Works	14,351	12,738	1,613		1,613
Recreation and Parks	4,239	2,347	1,892	395	1,497
Senior Citizen Affairs	56,275	53,063	3,212	747	2,465
Sheriff	66	55	11		11
Social Services	15,900	5,859	10,041	4,242	5,799
Traffic Safety Board	41,381	36,602	4,779	1,970	2,809
Veterans Services	368	60	308	4	304
Women's Services	194	148	46		46
Youth Board	31,372	24,133	7,239	1,050	6,189
Total	\$ 1,752,649	\$ 1,321,164	\$ 431,485	\$ 90,696	\$ 340,789

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF EXPENDITURES BY COUNTY DEPARTMENTS AND OFFICES
TOTAL BUDGETARY AUTHORITY AND ACTUAL
GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2002
(INCLUDING LIFETIME ACTIVITY THROUGH DECEMBER 31, 2002) (Dollars in Thousands)

<u>County Departments, Offices and Boards</u>	<u>Total Budgetary Authority</u>	<u>All Prior Years' Actual Expenditures</u>	<u>Remaining Budgetary Authority January 1, 2002</u>	<u>2002 Actual Expenditures</u>	<u>Remaining Budgetary Authority December 31, 2002</u>
Affirmative Action	\$ 1,240	\$ 1,139	\$ 101	\$	\$ 101
Assessment	13,000	11,363	1,637		1,637
CASA	607	481	126	29	97
Community College	21,079	12,136	8,943	1,053	7,890
Correctional Center	5,559	4,580	979	349	630
County Attorney	295	295			
County Clerk	75		75	37	38
County Comptroller	805	446	359		359
Criminal Justice Coordinating Council	47,839	41,587	6,252	1,502	4,750
Cultural Development	441	438	3		3
District Attorney	7,010	4,580	2,430	769	1,661
Drug and Alcohol	612,878	412,618	200,260	24,165	176,095
Fire Commission	79	64	15		15
General Services	415	335	80		80
Health	96,947	58,588	38,359	12,367	25,992
Housing and Inter- governmental Affairs	457,709	370,632	87,077	34,390	52,687
Human Rights	1,744	1,626	118		118
Labor	50	46	4		4
Medical Center	5,119	187	4,932		4,932
Medical Examiner	376	124	252	86	166
Mental Health	158,636	115,188	43,448	8,502	34,946
Planning	21,592	16,504	5,088	376	4,712
Police	40,047	26,472	13,575	1,765	11,810
Probation	24,171	20,636	3,535	704	2,831
Public Works	14,351	12,738	1,613		1,613
Recreation and Parks	2,800	2,046	754	301	453
Senior Citizen Affairs	55,267	51,764	3,503	1,299	2,204
Sheriff	66	55	11		11
Social Services	11,748	5,828	5,920	31	5,889
Traffic Safety Board	39,153	34,262	4,891	2,340	2,551
Veterans Services	60	60			
Women's Services	194	148	46		46
Youth Board	29,918	22,860	7,058	1,273	5,785
Total	\$ 1,671,270	\$ 1,229,826	\$ 441,444	\$ 91,338	\$ 350,106

EXHIBIT C-1

COUNTY OF NASSAU, NEW YORK

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2003 (Dollars in Thousands)**

	<u>Land</u>	<u>Improvements</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Total</u>
Legislative	\$	\$	\$ 254	\$ 87	\$	\$ 341
Judicial	2,593	736	82,328	2,462		88,119
General Administration	4,030		43,784	52,992		100,806
Protection of Persons	9,115	190	52,009	60,148		121,462
Health	475		4,692	3,945		9,112
Public Works	10,797	432	385,098	40,154	1,832,985	2,269,466
Recreation and Parks	23,915	63,855	70,921	13,058	15,436	187,185
Social Services	545	2,642	19,606	2,049		24,842
Corrections			183,265	7,673		190,938
Other Expenditures/MSBA			26,409	91,215		117,624
Metropolitan Transportation Authority				140,000		140,000
Misc. Unclassified	56,773	716	133,975			191,464
Total	108,243	68,571	1,002,341	413,783	1,848,421	3,441,359
Less: Accumulated Depreciation		20,382	264,698	234,585	845,321	1,364,986
	\$ 108,243	\$ 48,189	\$ 737,643	\$ 179,198	\$ 1,003,100	2,076,373
Construction in Progress						234,153
Total Net Capital Assets						\$ 2,310,526

EXHIBIT C-1**COUNTY OF NASSAU, NEW YORK****CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2002 (Dollars in Thousands)**

	<u>Land</u>	<u>Improvements</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Total</u>
Legislative	\$	\$	\$ 2	\$ 87	\$	\$ 89
Judicial	2,593	736	81,863	3,187		88,379
General Administration	4,030		42,904	57,957		104,891
Protection of Persons	9,115	190	51,577	60,457		121,339
Health	475		4,426	3,590		8,491
Public Works	10,797	432	382,051	60,477	1,822,902	2,276,659
Recreation and Parks	23,915	63,796	69,282	13,274	13,895	184,162
Social Services	545	2,642	18,602	1,963		23,752
Corrections			182,989	6,724		189,713
Other Expenditures/MSBA			26,409	100,520		126,929
Metropolitan Transportation Authority				140,000		140,000
Misc. Unclassified	56,773	716	133,975			191,464
Total	108,243	68,512	994,080	448,236	1,836,797	3,455,868
Less: Accumulated Depreciation		17,193	240,372	242,080	789,437	1,289,082
	<u>\$ 108,243</u>	<u>\$ 51,319</u>	<u>\$ 753,708</u>	<u>\$ 206,156</u>	<u>\$ 1,047,360</u>	<u>2,166,786</u>
Construction in Progress						221,779
Total Net Capital Assets						<u>\$ 2,388,565</u>

EXHIBIT C-2**COUNTY OF NASSAU, NEW YORK****SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION
DECEMBER 31, 2003 (Dollars in Thousands)**

	<u>Capital Assets</u> <u>January 1, 2003*</u>	<u>Additions</u>	<u>Deletions</u>	<u>Capital Assets</u> <u>December 31, 2003</u>
Legislative	\$ 89	\$ 252	\$	\$ 341
Judicial	88,379	1,036	1,296	88,119
General Administration	104,891	1,660	5,745	100,806
Protection of Persons	121,339	11,527	11,404	121,462
Health	8,491	707	86	9,112
Public Works	2,276,659	14,682	21,875	2,269,466
Recreation and Parks	184,162	3,713	690	187,185
Social Services	23,752	1,462	372	24,842
Corrections	189,713	1,357	132	190,938
Other Expenditures/MSBA	126,929	4,536	13,841	117,624
Metropolitan Transportation Authority	140,000			140,000
Misc. Unclassified	191,464			191,464
Construction Work in Progress	221,779	32,879	20,505	234,153
Total	<u>3,677,647</u>	<u>73,811</u>	<u>75,946</u>	<u>3,675,512</u>
Less: Accumulated Depreciation	<u>1,289,082</u>	<u>125,239</u>	<u>49,335</u>	<u>1,364,986</u>
Total Changes in Net Capital Assets	<u>\$ 2,388,565</u>	<u>\$ (51,428)</u>	<u>\$ 26,611</u>	<u>\$ 2,310,526</u>

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

EXHIBIT C-2

COUNTY OF NASSAU, NEW YORK

**SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION
DECEMBER 31, 2002 (Dollars in Thousands)**

	<u>Capital Assets January 1, 2002*</u>	<u>Additions</u>	<u>Deletions</u>	<u>Capital Assets December 31, 2002</u>
Legislative	\$ 89	\$	\$	\$ 89
Judicial	88,335	44		88,379
General Administration	77,133	28,622	864	104,891
Protection of Persons	111,994	12,669	3,324	121,339
Health	7,678	813		8,491
Public Works	2,266,362	10,974	677	2,276,659
Recreation and Parks	162,445	22,390	673	184,162
Social Services	23,498	254		23,752
Corrections	190,540	7	834	189,713
Other Expenditures/MSBA	127,892	158	1,121	126,929
Metropolitan Transportation Authority	140,000			140,000
Misc. Unclassified	197,108		5,644	191,464
Construction Work in Progress	215,103	40,511	33,835	221,779
Total	<u>3,608,177</u>	<u>116,442</u>	<u>46,972</u>	<u>3,677,647</u>
Less: Accumulated Depreciation	<u>1,186,827</u>	<u>109,078</u>	<u>6,823</u>	<u>1,289,082</u>
Total Changes in Net Capital Assets	<u>\$ 2,421,350</u>	<u>\$ 7,364</u>	<u>\$ 40,149</u>	<u>\$ 2,388,565</u>

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

EXHIBIT D-1

COUNTY OF NASSAU, NEW YORK

**SCHEDULE OF CHANGES IN OTHER LIABILITIES
FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2003 (Dollars in Thousands)**

	Balance January 1, 2003	Additions	Deductions	Balance December 31, 2003
Bid Deposits	\$ 340	\$ 50	\$ 60	\$ 330
Cash Bail	10,130	10,693	11,324	9,499
Contractors' Cash Bond Escrow	890	260	107	1,043
Dental Insurance	149	5,139	5,158	130
Eggers College Settlement	1,360	17		1,377
Estate Suspense Account	198	658	745	111
Federal Withholding Taxes	618	128,022	128,391	249
FICA Refunds	1,360			1,360
Flex Benefit Plan	69	626	695	
Health Insurance		173,266	173,266	
Highway Deposits	764	365	290	839
Medical Assistance Pay In	1,775	926	438	2,263
Mortgage Taxes	12,359	87,167	83,170	16,356
New York City Withholding Taxes	2	770	769	3
New York State Withholding Taxes	168	43,914	43,849	233
Optical Insurance	102	1,445	1,450	97
Payments in Lieu of Taxes	380	9,587	7,658	2,309
Payroll Deductions		75,020	75,103	(83)
Payroll Deferred Compensation		48,121	48,121	
Plans and Specification Deposits	42			42
Real Estate Escrow	164			164
Reimbursements	47	4		51
Retirement System	1,202	68,829	69,209	822
Social Security Taxes	71	113,351	113,431	(9)
TIAA/CREF Payroll Deductions	648	6,121	6,126	643
TIAA Escrow	74	121	109	86
Traffic Violations Clearing Account	4,575	15,662	15,819	4,418
Unclaimed Matured Bonds and Coupons	2,490	278,118	280,608	
Unemployment Insurance	134	820	801	153
United States Savings Bonds	23	616	619	20
All Other Liabilities	573	195	70	698
Total Agency Fund	<u>\$ 40,707</u>	<u>\$ 1,069,883</u>	<u>\$ 1,067,386</u>	<u>\$ 43,204</u>

EXHIBIT D-1

COUNTY OF NASSAU, NEW YORK

**SCHEDULE OF CHANGES IN OTHER LIABILITIES
FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2002 (Dollars in Thousands)**

	Balance January 1, 2002	Additions	Deductions	Balance December 31, 2002
Bid Deposits	\$ 266	\$ 111	\$ 37	\$ 340
Cash Bail	8,680	11,923	10,473	10,130
Community College Escrow	14		1	13
Contractors' Cash Bond Escrow	1,081	69	260	890
Dental Insurance	144	5,417	5,412	149
Eggers College Settlement	1,337	23		1,360
Estate Suspense Account	169	1,181	1,152	198
Federal Withholding Taxes	1,572	136,314	137,268	618
FICA Refunds	1,358	2		1,360
Flex Benefit Plan	237	492	660	69
Health Insurance	(12,138)	152,515	140,377	
Highway Deposits	747	465	448	764
Medical Assistance Pay In	1,143	762	130	1,775
Mortgage Taxes	9,517	68,632	65,790	12,359
New York City Withholding Taxes	33	648	679	2
New York State Withholding Taxes	1,871	43,698	45,401	168
Optical Insurance	137	1,474	1,509	102
Payments in Lieu of Taxes		11,670	11,290	380
Payroll Deductions	3	80,683	80,686	
Payroll Deferred Compensation	449	50,136	50,585	
Plans and Specification Deposits	42			42
Real Estate Escrow	164			164
Reimbursements	43	4		47
Retirement System	(2,152)	26,660	23,306	1,202
Social Security Taxes	1,442	115,526	116,897	71
TIAA/CREF Payroll Deductions	589	5,931	5,872	648
TIAA Escrow	101	183	210	74
Traffic Violations Clearing Account	4,242	15,489	15,156	4,575
Unclaimed Matured Bonds and Coupons	3,233	20,245	20,988	2,490
Unemployment Insurance	89	2,334	2,289	134
United States Savings Bonds	41	665	683	23
All Other Liabilities	620	105	165	560
Total Agency Fund	\$ 25,074	\$ 753,357	\$ 737,724	\$ 40,707

COUNTY OF NASSAU, NEW YORK**SCHEDULE OF CASH IN BANKS*
ALL FUNDS OF THE PRIMARY GOVERNMENT
DECEMBER 31, 2003 (Dollars in Thousands)**

CASH BALANCES BY FUND:

General Fund	\$ 125,145
NIFA General Fund	26,204
Police District	51,304
Police Headquarters	59,224
Nonmajor Governmental Funds	466,271
Debt Service Fund	8,304
Agency Fund	<u>43,146</u>

TOTAL CASH BALANCES BY FUNDS \$ 779,598

CASH BALANCES BY BANK:

The Bank of New York	\$ 195
The Bank of New York-NIFA	104,827
Citibank	13,878
Commerce	348,646
Fleet Bank, N.A.	36,861
Fleet Bank, N.A. - NIFA	20,412
Fleet Bank, N.A.-NCTSC	49
JP Morgan Chase	14,475
State Bank of Long Island	40,708
North Fork Bank	110,948
City National Bank of New Jersey	8,021
Deutsche Bank	79,797
Petty Cash	<u>781</u>

TOTAL CASH BALANCES BY BANK \$ 779,598

*See Exhibit X-11 Note 2, Deposits and Investments

COUNTY OF NASSAU, NEW YORK

**SCHEDULE OF CASH IN BANKS*
ALL FUNDS OF THE PRIMARY GOVERNMENT
DECEMBER 31, 2002 (Dollars in Thousands)**

CASH BALANCES BY FUND:

General Fund	\$ 160,817
NIFA General Fund	681
Police District	1,961
Police Headquarters	6,137
Nonmajor Governmental Funds	95,394
Agency Fund	<u>19,212</u>
TOTAL CASH BALANCES BY FUNDS	\$ <u>284,202</u>

CASH BALANCES BY BANK:

The Bank of New York	\$ 2,513
Chase Manhattan Bank	136,707
Citibank	65,588
The Bank of New York - NIFA	67,339
Fleet Bank, N.A. - NIFA	5,504
Fleet Bank, N.A.- NCTSC	161
Deutsche Bank	5,611
Petty Cash	<u>779</u>
TOTAL CASH BALANCES BY BANK	\$ <u>284,202</u>

*See Exhibit X-9 Note 2, Deposits and Investments

PART V

STATISTICAL DATA

This section contains comprehensive statistical data for the County, and includes in some cases statistical information for the towns, cities, villages, school districts, and special districts which are not part of the County reporting entity. It is intended to provide readers of this report with a broader and more complete understanding of the County and its financial affairs than is possible from the financial statements and schedules included in the Financial Section. Many tables in this section cover several fiscal years for comparison purposes, and may present data from outside of the County's accounting records.

COUNTY OF NASSAU, NEW YORK

ALL GOVERNMENTAL FUND TYPES OF THE PRIMARY GOVERNMENT
TOTAL EXPENDITURES (a)
FOR THE FISCAL PERIODS ENDED IN 1994 THROUGH 2003 (Dollars in Thousands)

Governmental Funds	2003(b)	2002(b)	2001(c)	2000(c)	1999(c)	1998	1997	1996(d)	1995(e)	1994
Major Governmental Funds										
Legislative	\$ 6,572	\$ 5,865								
Judicial	42,063	39,049								
General Administration	183,151	208,464								
Protection of Persons	542,055	560,389								
Health	183,073	169,065								
Public Works	54,430	44,104								
Social Services	523,765	538,402								
Corrections	183,931	171,289								
Education	4,953	5,017								
Payments for Tax Certiorari and Other Judgments	141,820	125,545								
Other	106,367	116,252								
Debt Service:										
Principal	196,314	195,975								
Interest	96,525	126,725								
Financing Costs	415	681								
Total Major Governmental Funds	2,290,747	2,281,519								
Nonmajor Governmental Funds										
Judicial	626	855								
General Administration	23,252	34,933								
Protection of Persons	27,773	24,910								
Health	90,585	45,034								
Public Works	71,700	65,624								
Recreation and Parks	62,049	60,187								
Capital Outlay-General County	31,360	48,589								
Sewage Districts	11,234	27,497								
Social Services	6,077	2,692								
Corrections	711	1,063								
Education	1,313	1,063								
Debt Service:										
Principal	22,975	16,860								
Interest	68,052	40,831								
Financing Costs	5,195	1,703								
Total Nonmajor Governmental Funds	383,202	371,743								
General Fund										
Legislative	\$ 5,643	\$ 5,232	\$ 5,012	\$ 5,331	\$ 4,896	\$ 5,064	\$ 1,715	\$ 5,064	\$ 1,715	\$ 2,967
Judicial	45,762	41,671	41,184	40,294	37,396	44,782	26,079	44,782	26,079	31,121
General Administration	179,530	171,575	164,029	160,327	154,584	134,827	79,914	134,827	79,914	94,646
Protection of Persons	10,088	9,985	10,380	10,271	9,629	11,921	6,846	11,921	6,846	8,548
Health	162,353	145,904	150,854	154,184	141,648	166,677	96,927	166,677	96,927	116,954
Public Works	44,039	41,307	43,726	41,371	40,679	32,286	20,639	32,286	20,639	23,849
Recreation and Parks	3	797	954	993	1,170	38,897	22,856	38,897	22,856	28,401
Social Services	516,640	499,740	475,762	466,395	439,427	515,120	287,045	515,120	287,045	374,353
Corrections	171,555	143,723	144,130	140,890	131,533	154,549	88,645	154,549	88,645	116,925
Education	4,779	5,354	5,066	5,274	4,871	5,342	4,298	5,342	4,298	3,267
Payments for Tax Certiorari and Other Judgments (f)	175,474	122,890	104,730	147,212	116,815	137,282	84,898	137,282	84,898	99,201
Other	94,840	84,354	76,118	57,446	51,066	205,384	94,546	205,384	94,546	126,026
Debt Service:										
Principal	1,421	2,074	273,573	347,624	165,000	107,529	54,706	107,529	54,706	64,651
Interest	1,414,117	1,274,906	1,606,617	1,683,629	1,393,608	1,559,650	869,114	1,559,650	869,114	1,090,909
Total General Fund										

COUNTY OF NASSAU, NEW YORK

ALL GOVERNMENTAL FUND TYPES OF THE PRIMARY GOVERNMENT

TOTAL EXPENDITURES (a)

FOR THE FISCAL PERIODS ENDED IN 1984 THROUGH 2003 (Dollars in Thousands)

	2003(b)	2002(b)	2001(c)	2000(c)	1999(c)	1998	1997	1996(d)	1995(e)	1994
Governmental Funds										
Special Revenue Funds										
Judicial			477	759	135	619	1,158	427	289	316
General Administration	35,139		35,139	23,964	28,003	19,820	21,676	25,690	16,100	24,025
Protection of Persons	551,881		551,881	535,294	504,416	477,657	453,674	553,594	316,753	360,714
Health	40,888		40,888	45,779	33,160	39,398	38,122	43,000	34,279	39,472
Public Works	68,964		68,964	64,437	61,894	57,255	60,948	93,725	55,001	70,449
Recreation and Parks	58,639		58,639	56,124	56,979	52,978	43,456	80	37	43
Social Services	3,129		3,129	2,356	3,441	3,273	2,684	3,674	2,398	2,669
Corrections	344		344	641	318	1,006	1,307	2,704	1,284	1,871
Education	803		803	914	750	1,006	1,307	2,704	1,284	1,871
Other	229		229	3,443	3,443	721	686	873	456	601
Debt Service:										
Principal	450		450	5,235	50,691	66,671	49,044	56,136	36,944	38,906
Interest	16,387		16,387	992	37,847	27,946	29,817	37,904	23,811	30,646
Cost of Issuance	86		86	191	781,077	749,334	702,572	817,707	487,352	599,712
Total Special Revenue Funds	779,444		779,444	736,905	781,077	749,334	702,572	817,707	487,352	599,712
Debt Service Fund (g)										
Principal	186,383		186,383	218,747						
Interest	178,892		178,892	134,530						
Total Debt Service Fund	365,275		365,275	353,277						
Capital Projects Funds			246,968	136,872	185,298	177,185	221,206	249,207	131,811	120,129
Total Governmental Funds	\$ 2,673,949	\$ 2,653,262	\$ 2,805,904	\$ 2,501,660	\$ 2,572,992	\$ 2,510,148	\$ 2,317,396	\$ 2,626,564	\$ 1,488,277	\$ 1,810,750

(a) For the periods 1984 through 1999 the debt service expenditures of the General Fund included expenditures for the debt service of the Enterprise Funds.
As of September 29, 1999, the Nassau County Medical Center, A. Holly Patterson Geriatric Center, and Nassau County health clinics were sold to the Nassau Health Care Corporation. For fiscal periods prior to the sale, expenditures for the Medical Center and Geriatric Center are reported as Enterprise Fund transactions, expenditures for the health clinics are reported in the General Fund. Subsequent to the sale, expenditures for these entities are reported as component unit transactions.

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

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

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

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

(f) For periods prior to 1997, payments for Tax Certiorari and Other Judgments were reported as an other financing use.

(g) In 2000, a debt service fund was established to account for debt service activity for both the County and NIFA. In previous fiscal years, this activity was identified within the General Fund and Special Revenue Funds.

COUNTY OF NASSAU, NEW YORK
 ALL GOVERNMENTAL FUND TYPES OF THE PRIMARY GOVERNMENT (a)
 TOTAL REVENUES
 FOR THE FISCAL PERIODS ENDED IN 1984 THROUGH 2003 (Dollars in Thousands)

	2003(b)	2002(b)	2001(c)	2000(c)	1999(c)	1998	1997	1996(d)	1995(e)	1994
Governmental Funds										
Major Governmental Funds										
Interest and Penalties on Taxes	\$ 22,456	\$ 20,156								
Licenses and Permits	6,776	4,751								
Fines and Forfeits	13,059	12,785								
Interest Income	3,321	6,874								
Rents and Recoveries	13,008	48,088								
Departmental Revenue	130,866	158,518								
Interdepartmental Revenue	123,715	105,357								
Federal Aid	107,581	124,421								
State Aid	186,046	191,342								
Preempted Sales Tax in Lieu of Property Taxes	842,270	814,160								
Property Taxes	48,997	48,997								
Payments in Lieu of Taxes	681,682	604,651								
Special Taxes	4,205	2,874								
Other Revenue	25,790	25,142								
	9,922	13,231								
Total Major Governmental Funds	2,232,217	2,181,445								
Nonmajor Governmental Funds										
Unrealized Gain on Investments	968	1,317								
Interest Income	5,549	5,859								
Rents and Recoveries	1,206	812								
Departmental Revenue	32,444	29,135								
Interdepartmental Revenue	1,508	1,336								
Federal Aid	61,550	53,583								
State Aid	53,422	33,118								
State Aid from NIFA	20,000	20,000								
Tobacco Settlement	26,186	26,180								
Property Taxes	202,735	153,616								
Special Taxes	192	205								
Other Revenues	1,357	988								
Total Nonmajor Governmental Funds	387,117	326,159								
General Fund										
Interest and Penalties on Taxes	\$ 19,014	\$ 13,207	\$ 9,006	\$ 10,086	\$ 12,549	\$ 17,872	\$ 7,705	\$ 11,796		
Gifts and Donations	4,276	3,653	4,033	2,876	3,445	3,725	2,978	3,794		
Licenses and Permits	11,802	9,041	6,954	6,104	8,653	9,633	6,237	5,085		
Fines and Forfeits	49,387	81,264	238,910	23,316	35,450	42,036	20,683	18,387		
Interest, Rents and Recoveries	127,275	140,233	77,766	42,162	41,242	57,230	37,282	47,201		
Departmental Revenue	101,208	103,238	106,945	130,455	103,476	100,311	47,906	79,126		
Interdepartmental Revenue	102,757	185,163	87,908	95,665	86,399	92,442	58,651	73,560		
Federal Aid	186,977	186,977	170,725	176,151	176,075	268,484	125,724	159,720		
State Aid	762,366	756,111	720,395	676,017	665,950	794,593	437,561	578,419		
State Tax	43,717	42,570	37,630	37,489	38,164	42,702	25,407	32,883		
Preempted Sales Tax in Lieu of Property Taxes	145,100	75,465	69,329	73,560	81,653	170,688	89,713	123,007		
Property Taxes	3,450	2,399	1,362	1,186	230	285	191	222		
Payments in Lieu of Taxes	8,250	5,518	9,370	3,063	3,216	10,234	7,207	9,180		
Special Taxes(f)	1,655	4,593	2,321	3,89	450	10,363	7,005	5,217		
Other Revenues(g)	1,570,761	1,537,796	1,556,994	1,284,451	1,247,232	1,620,988	874,982	1,147,547		
Total General Fund										

COUNTY OF NASSAU, NEW YORK

ALL GOVERNMENTAL FUND TYPES OF THE PRIMARY GOVERNMENT (a)

TOTAL REVENUES FOR THE FISCAL PERIODS ENDED IN 1984 THROUGH 2003 (Dollars in Thousands)

	2003(b)	2002(b)	2001(c)	2000(c)	1999(c)	1998	1997	1996(d)	1995(e)	1994
Governmental Funds										
Special Revenue Funds										
Interest, Rents and Recoveries	6,481			6,781	8,452	809	1,074	5,249	1,718	5,447
Departmental Revenue	36,501			32,352	30,484	30,165	26,874	20,118	12,483	13,903
Interdepartmental Revenue	2,923			2,357	2,216	2,074	3,890	6,349	5,171	5,641
Federal Aid	84,308			33,705	50,656	34,189	44,702	43,276	21,498	44,829
State Aid	62,108			52,168	21,800	33,974	24,443	38,957	36,218	22,572
State Aid from NIFA	23,167			25,000						
Sales Tax	4,721			4,721	526,345	494,711	498,224	599,330	350,290	461,342
Property Taxes	561,484			567,606	8,679	9,734	9,494	11,474	6,211	8,910
Other Revenues	36,760			39,941	648,832	607,656	606,501	694,753	433,589	562,674
Total Special Revenue Funds	807,640			763,841	2,240,836	1,944,245	1,926,681	2,385,609	1,324,882	1,736,900
Capital Projects Funds										
Interest, Rents and Recoveries	18,109			27,982	18,997	15,787	15,499	9,316	5,526	4,550
Federal Aid	13,518			2,298	7,334	21,550	41,189	14,596	4,884	5,610
State Aid	6,932			5,337	8,422	14,363	16,260	21,763	5,110	15,630
Other Revenues	961			1,616	757	438		4,183	891	889
Total Capital Projects Funds	39,520			37,243	35,510	52,138	72,948	49,858	16,411	26,679
Debt Service Funds										
Interest Income	207									
Unrealized gain on investments	18			9						
Total Debt Service Funds	225			9						
Total Governmental Funds	\$ 2,619,334	\$ 2,507,604	\$ 2,418,146	\$ 2,338,849	\$ 2,240,836	\$ 1,944,245	\$ 1,926,681	\$ 2,385,609	\$ 1,324,882	\$ 1,736,900

(a) For the periods 1997 and subsequent, revenues relating to County Parks, which were previously reported in the General Fund, are reported in a special revenue fund.

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

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

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

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

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

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

COUNTY OF NASSAU, NEW YORK

COUNTY, TOWNS, AND SPECIAL DISTRICTS(a)
 PROPERTY TAX LEVIES AND COLLECTIONS
 FOR THE YEARS ENDED IN 1994 THROUGH 2003 (Dollars in Thousands)

<u>Fiscal Year Beginning January 1</u>	<u>Total Ad Valorem or General Property Tax Levy</u>	<u>Amount Uncollected at End of Fiscal Year December 31</u>	<u>Percentage Uncollected at End of Fiscal Year December 31</u>	<u>Amount Uncollected December 31, 2003</u>	<u>Percentage Uncollected December 31, 2003</u>
2003	\$ 1,451,342	\$ 13,493	0.9297%	\$ 13,493	0.9297%
2002	1,292,438	19,689	1.5234%	1,494	0.1156%
2001	1,230,980	16,465	1.3376%	1,196	0.0972%
2000	1,143,781	17,141	1.4986%	729	0.0637%
1999	1,080,129	16,616	1.5383%	458	0.0424%
1998	1,045,461	17,075	1.6333%	347	0.0332%
1997	1,041,785	17,990	1.7268%	322	0.0309%
1996 (b)	1,147,381	20,788	1.8118%	373	0.0325%
1995 (c)	898,328	26,865	2.9906%	294	0.0327%
1994	1,020,852	22,554	2.2093%	311	0.0305%
1993	1,013,851	22,366	2.2060%	304	0.0300%

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

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

(c) 1995 data is presented as of September 30, 1995, the end of the nine month 1995 fiscal period.

COUNTY OF NASSAU, NEW YORK

COUNTY, TOWNS AND CITIES
 TAXABLE ASSESSED VALUATIONS AND EQUALIZATION RATES FOR APPLICATION
 IN 2003* (Dollars in Thousands)

	<u>Taxable Assessed Valuation, Real Property</u>	<u>Taxable Assessed Valuation, Special Franchises</u>	<u>Total Taxable Assessed Valuation</u>	<u>State Equali- zation Rate</u>	<u>Full Valuation</u>
Town of Hempstead	\$ 1,764,495	\$ 154,426	\$ 1,918,921	2.68 %	\$ 71,601,542
Town of North Hempstead	911,088	62,166	973,254	2.41 %	40,384,008
Town of Oyster Bay	995,525	63,641	1,059,166	2.44 %	43,408,449
City of Long Beach	74,178	8,324	82,502	2.82 %	2,925,586
City of Glen Cove	79,662	5,575	85,237	3.00 %	2,841,214
	<u>\$ 3,824,948</u>	<u>\$ 294,132</u>	<u>\$ 4,119,080</u>		<u>\$ 161,160,799</u>

* Last completed assessed valuation fixed in 2002 on which the 2003 taxes are levied.

COUNTY, TOWNS AND CITIES
 TOTAL TAXABLE ASSESSED AND FULL VALUATION OF TAXABLE PROPERTY
 FOR THE FISCAL YEARS ENDED IN 1994 THROUGH 2003 (Dollars in Thousands)

	<u>Total Taxable Assessed Valuation</u>	<u>Average State Equalization Rate</u>	<u>Full Valuation</u>
2003	\$ 4,119,080	2.56%	\$ 161,160,799
2002	4,121,421	2.94%	140,129,811
2001	4,083,060	3.24%	125,852,983
2000	4,048,032	3.52%	115,091,989
1999	4,024,225	3.97%	101,427,301
1998	4,040,053	4.04%	99,957,476
1997	4,036,444	4.18%	96,524,943
1996	4,033,259	4.20%	95,984,449
1995	4,007,308	4.21%	95,159,459
1994	4,021,168	4.31%	93,226,202

*Full valuation is determined by dividing the total taxable assessed valuation by the average State equalization rate. A surge in County property values during the periods 2000 through 2003 has significantly increased the full valuation.

COUNTY OF NASSAU, NEW YORK

COUNTY, TOWNS AND CITIES, INCORPORATED VILLAGE GOVERNMENTS
AND SPECIAL DISTRICTS
PROPERTY TAX LEVIES AND TAX RATES
FOR THE FISCAL PERIODS ENDED IN 1993 THROUGH 2002 (Dollars in Thousands)

(Tax Rates per \$100 of Assessed Valuation)

	2002		2001		2000		1999		1998	
	Tax Levy	Tax Rate/Range								
County of Nassau										
General County Government (Net)	\$ 105,502	.43/4.61	\$ 144,458	1.28/5.14	\$ 72,995	.73/3.01	\$ 70,119	.91/2.95	\$ 71,753	.90/2.91
Police District	270,610	8.39	272,520	8.51	258,632	8.14	221,100	6.98	228,296	7.17
Police Headquarters	225,364	2.48/6.58	131,022	1.62/3.65	131,022	2.02/3.48	127,265	2.22/3.40	107,627	1.81/2.89
Fire Prevention	14,195	.16/0.42	14,946	.19/0.42	14,747	.23/0.39	13,861	.24/0.37	6,734	.11/0.18
Community College	39,941	.44/1.17	38,039	.47/1.06	35,959	.56/0.96	27,025	.47/0.72	27,435	.46/0.73
Sewage Disposal Districts	100,131	2.82/3.74	104,805	.47/3.90	82,956	2.52/3.34	84,240	2.53/7.05	76,856	2.30/5.23
Sewage Collection Districts	39,290	.14/8.46	38,192	.00/7.42	43,779	.24/9.80	43,356	0.22/10.07	42,679	.33/8.43
Parks & Recreation					36,471	.56/0.97	36,523	.64/0.98	32,519	.55/0.87
Total County of Nassau	<u>795,033</u>		<u>743,982</u>		<u>676,561</u>		<u>623,489</u>		<u>593,899</u>	
	(20.46)%		(20.47)%		(19.65)%		(18.64)%		(18.03)%	
Town and City Governments										
	165,369	.01/11.42	161,635	.01/21.15	190,739	.22/73.36	183,369	.25/71.07	187,660	.25/69.63
	(4.25)%		(4.45)%		(5.54)%		(5.48)%		(5.69)%	
Incorporated Village Governments										
	328,463	.15/38.28	258,155	.17/38.45	248,260	.20/34.95	239,772	1.10/32.92	232,562	.04/32.92
	(8.45)%		(7.10)%		(7.21)%		(7.17)%		(7.06)%	
School Districts										
	2,229,206	1.80/102.84	2,111,613	7.02/93.88	1,984,885	6.27/82.73	1,962,065	5.77/74.20	1,949,068	5.28/69.53
	(57.36)%		(58.10)%		(57.64)%		(58.66)%		(59.16)%	
Special Districts										
Fire	76,239	.83/7.05	73,344	.80/7.05	72,091	.82/7.05	70,352	.73/6.96	69,884	.69/6.51
Fire Protection	12,751	.41/7.3	12,126	.41/7.05	11,480	.41/7.07	11,490	.41/6.88	11,715	.41/6.93
Garbage, Refuse and Sanitary	150,799	.10/7.3	147,420	.11/6.71	136,536	.11/6.39	134,390	.11/5.99	131,678	.21/5.99
Lighting	12,010	.32/0.54	11,792	.29/0.54	11,414	.17/0.54	11,719	.26/0.54	11,811	.27/0.54
Park	47,496	.32/5.72	47,546	.34/8.88	45,787	.36/8.16	45,565	.31/8.37	44,501	.29/8.65
Parking and Improvement	32,528	.01/11.67	32,337	.01/11.16	32,814	.01/11.20	31,332	.01/11.34	31,163	.01/11.11
Sewage - Special	11,051	.00/10.59	10,576	.00/9.37	10,174	.00/9.51	9,524	.00/10.11	9,120	.00/9.16
Water	25,504	.05/2.63	23,772	.05/2.63	22,881	.05/2.63	21,733	.05/2.57	21,462	.05/2.45
Total Special Districts	<u>368,378</u>		<u>358,913</u>		<u>343,177</u>		<u>336,105</u>		<u>331,334</u>	
	(9.48)%		(9.88)%		(9.96)%		(10.05)%		(10.06)%	
Totals	<u>\$ 3,886,449</u>		<u>\$ 3,634,298</u>		<u>\$ 3,443,622</u>		<u>\$ 3,344,800</u>		<u>\$ 3,294,523</u>	
	(100.00)%		(100.00)%		(100.00)%		(100.00)%		(100.00)%	

** Indicates tax rate credit.

EXHIBIT T-6

1997		1996		1995		1994		1993	
Tax Levy	Tax Rate/Range	Tax Levy	Tax Rate/Range						
\$ 73,527	1.19/ 2.98	\$ 150,450	3.39/ 5.05	\$ 91,441	2.06/ 3.29	\$ 124,962	2.94/ 4.55	\$ 98,158	2.10/ 3.42
228,200	7.17	285,250	8.96	149,433	4.72	200,253	6.30	202,735	6.3
108,626	2.10/ 2.9	130,407	3.02/ 3.04	106,654	2.47/ 4.63	144,999	3.47/ 4.63	168,537	3.77/ 4.45
6,779	.13/ .18	6,269	.15/ .17	3,782	.09/ .11	5,151	.12/ .14	5,025	.11/ .13
27,818	.54/ .74	27,818	.65/ .73	27,818	.64/ .79	27,818	.67/ .77	27,818	.62/ .74
76,987	2.30/ 5.33	95,707	2.82/ 5.23	59,470	1.82/ 4.34	68,717	2.02/ 3.41	56,053	1.35/ 3.67
43,113	.18/ 6.84	51,696	(.08)/ 9.24	30,951	(.00)/ 6.30	42,222	(.09)**/ 7.65	43,308	(.03)**/ 7.76
32,519	.63/ .87								
<u>597,569</u>		<u>747,597</u>		<u>469,549</u>		<u>614,122</u>		<u>601,634</u>	
(18.55)%		(22.79)%		(16.16)%		(20.97)%		(21.21)%	
185,157	.29/ 68.37	180,841	.24/ 66.63	179,564	.24/ 64.24	162,998	.20/ 55.91	160,639	.12/ 53.41
(5.75)%		(5.51)%		(6.18)%		(5.57)%		(5.67)%	
\$ 228,778	.04/ 33.53	\$ 229,109	.08/ 33.53	\$ 219,278	.41/ 31.99	\$ 211,749	.77/ 31.41	\$ 202,545	.67/ 40.09
(7.10)%		(6.98)%		(7.55)%		(7.23)%		(7.14)%	
1,884,793	4.99/ 68.23	1,809,572	7.32/ 74.79	1,725,690	14.01/ 91.7	1,641,018	16.59/ 90.41	1,566,630	15.07/ 66.31
(58.51)%		(55.17)%		(59.39)%		(56.04)%		(55.24)%	
66,600	.74/ 6.51	64,142	.69/ 6.51	62,502	.71/ 6.81	58,747	.59/ 10.26	54,989	.61/ 5.99
11,380	.34/ 7.96	10,591	.41/ 7.72	10,437	.26/ 7.18	9,878	.28/ 7.77	9,545	.26/ 7.77
131,190	.16/ 5.99	125,812	.12/ 5.88	125,226	.12/ 5.65	122,424	.12/ 5.29	127,840	.12/ 5.13
12,190	.36/ .54	11,540	.28/ .52	11,810	.27/ 0.53	11,427	.25/ .50	12,019	.36/ .50
44,939	.23/ 8.65	43,476	.18/ 9.78	45,391	.14/ 8.90	41,757	.11/ 9.84	46,676	.09/ 9.83
29,730	.01/ 9.52	29,643	.01/ 9.83	29,839	.01/ 9.73	28,764	.01/ 8.23	28,518	.00/ 8.24
8,896	1.97/ 9.22	8,622	8.41/ 8.41	8,417	6.88/ 6.88	8,097	8.42/ 8.42	7,685	.91/ 6.92
20,282	.05/ 2.45	19,263	.05/ 3.97	18,042	.21/ 3.43	17,394	.21/ 3.24	17,397	.21/ 2.57
<u>325,207</u>		<u>313,089</u>		<u>311,664</u>		<u>298,488</u>		<u>304,669</u>	
(10.09)%		(9.55)%		(10.72)%		(10.19)%		(10.74)%	
\$ 3,221,504		\$ 3,280,208		\$ 2,905,745		\$ 2,928,375		\$ 2,836,117	
(100.00)%		(100.00)%		(100.00)%		(100.00)%		(100.00)%	

COUNTY OF NASSAU, NEW YORK

PERCENTAGE OF LONG-TERM DEBT TO TAXABLE ASSESSED VALUATION
AND LONG-TERM DEBT PER CAPITA
FOR THE YEARS ENDED IN 1994 THROUGH 2003 (Dollars in Thousands)

	Taxable Assessed Valuation	Long-Term Debt (c)	Long-Term Debt Per Capita (d)	Percentage of Long- Term Debt To Taxable Assessed Valuation
2003	4,119,080	\$3,091,851(e)	\$2,303	75.06 %
2002	4,121,421	3,077,345(e)	2,296	74.67 %
2001	4,083,060	3,129,738(e)	2,345	76.65 %
2000	4,048,032	3,222,666(e)	2,487	79.61 %
1999	4,024,225	2,910,670(e)	2,250	72.33 %
1998	4,040,053	2,443,417	1,893	60.48 %
1997	4,036,444	2,400,248	1,864	59.46 %
1996 (a)	4,033,259	2,134,465	1,660	52.92 %
1995 (b)	4,007,308	1,909,445	1,488	47.65 %
1994	4,021,168	1,927,130	1,501	47.92 %

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

(b) 1995 data is for the nine month fiscal period ended September 30, 1995.

(c) Includes debt of Nassau Community College, a discretely presented component unit.

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

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

COUNTY OF NASSAU, NEW YORK

STATEMENT OF CONSTITUTIONAL DEBT MARGIN
DECEMBER 31, 2003 (Dollars in Thousands)

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

Average Full Valuation of Real Estate for the
Fiscal Years Ended in 1999 Through 2003:*

2003 Full Valuation	\$ 161,160,799
2002 Full Valuation	140,129,811
2001 Full Valuation	125,852,983
2000 Full Valuation	115,091,989
1999 Full Valuation	<u>101,427,301</u>
	<u>643,662,883</u>

Average Full Valuation \$ 128,732,577

Constitutional Debt Margin:

Constitutional Limit of Total Indebtedness,
10% of Average Full Valuation \$ 12,873,258

Outstanding Indebtedness:

County Serial Bonds Payable	\$ 1,627,676
Community College Serial Bonds Payable	29,337
NIFA Serial Bonds Payable	1,123,320
Tobacco Settlement Serial Bonds Payable	278,095
Tax Anticipation Notes Payable	120,000
Real Property Liabilities	9,350
Guarantees	259,735
Contract Liabilities	<u>77,199</u>

Total Outstanding Indebtedness \$ 3,524,712

Less: Constitutional Exclusions

Cash and Investments - Capital Projects Funds	139,875
Tax Anticipation Notes Payable	<u>120,000</u>

259,875

Net Outstanding Indebtedness (25.36%) 3,264,837

Constitutional Debt Margin (74.64%) \$ 9,608,421

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

** The amount shown for College serial bonds payable as of December 31, 2003 is unaudited. The last audited College fiscal year ended August 31, 2003.

COUNTY OF NASSAU, NEW YORK

**ALL COMMERCIAL AND FDIC REGULATED SAVINGS BANK DEPOSITS,
NASSAU COUNTY BANKING INSTITUTIONS
FOR THE YEARS ENDED JUNE 30, 1994 THROUGH JUNE 30, 2003*
(Dollars in Thousands)**

<u>Year</u>	<u>Bank Deposits</u>
2003	\$ 41,984,000
2002	38,574,000
2001	36,533,000
2000	35,297,000
1999	33,953,000
1998	32,897,000
1997	32,267,000
1996	31,925,000
1995	31,703,000
1994	31,533,000

*Data only available through the years ended June 30, 2003.

Source: Federal Deposit Insurance Corporation.

COUNTY OF NASSAU, NEW YORK

STATEMENT OF CONSTITUTIONAL TAX MARGIN
FOR THE YEAR ENDED DECEMBER 31, 2003 (Dollars in Thousands)

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

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

2002 Full Valuation	\$ 140,129,811	
2001 Full Valuation	125,852,983	
2000 Full Valuation	115,091,989	
1999 Full Valuation	101,427,301	
1998 Full Valuation	<u>99,957,476</u>	
		<u>582,459,560</u>
Average Full Valuation		\$ <u>116,491,912</u>
<u>Constitutional Tax Margin:</u>		
Constitutional Limit of Real Property Taxation, 2% of Average Full Valuation	\$ 2,329,838	
<u>Add: Exclusions for Debt Service</u>	<u>222,021</u>	
Net Constitutional Tax Limit		\$ 2,551,859
<u>2003 Tax Levies:</u>		
General County Government	\$ 178,362	
<u>Less: Sales Tax Allocation Credit</u>	<u>51,899</u>	
Net General County Government	126,463	
Police District	299,979	
Police Headquarters	252,173	
Fire Prevention, Safety, Communication and Education	17,012	
Community College	41,499	
County Parks and Recreation	<u>43,085</u>	
Total 2003 Tax Levies which are subject to the Constitutional Tax Limit (30.57%)		<u>780,211</u>
Constitutional Tax Margin (69.43%)		\$ <u>1,771,648</u>

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

COUNTY OF NASSAU, NEW YORK

GENERAL COUNTY GOVERNMENT, TOWNS AND CITIES
 COMPUTATION OF DIRECT AND OVERLAPPING NET DEBT
 FOR THE FISCAL PERIODS ENDED IN 1993 THROUGH 2002 (Dollars in Thousands) (Continued)

	2002	2001	2000	1999	1998
DIRECT DEBT, COUNTY OF NASSAU:					
General Government:					
Bonds	\$ 2,870,029 *	\$ 2,868,307 *	\$ 2,911,365 *	\$ 2,621,386 *	\$ 1,816,510
Other Debt Obligations	<u>202,155 *</u>	<u>465,965 *</u>	<u>224,360 *</u>	<u>85,826 *</u>	<u>85,321</u>
Total	<u>3,072,184</u>	<u>3,334,272</u>	<u>3,135,725</u>	<u>2,707,212</u>	<u>1,901,831</u>
Sewage Disposal					
District #1:					
Bonds	11,550	12,280	13,123	13,460	13,639
Other Debt Obligations	<u> </u>	<u> </u>	<u> </u>	<u>466</u>	<u>19</u>
Total	<u>11,550</u>	<u>12,280</u>	<u>13,123</u>	<u>13,926</u>	<u>13,658</u>
Sewage Collection					
District #1:					
Bonds	2,221	2,417	2,610	2,800	2,990
Other Debt Obligations	<u> </u>				
Total	<u>2,221</u>	<u>2,417</u>	<u>2,610</u>	<u>2,800</u>	<u>2,990</u>
Sewage Disposal					
District #2:					
Bonds	169,994	184,629	199,432	204,718	218,969
Other Debt Obligations	<u> </u>	<u> </u>	<u> </u>	<u>9,140</u>	<u>4,887</u>
Total	<u>169,994</u>	<u>184,629</u>	<u>199,432</u>	<u>213,858</u>	<u>223,856</u>
Sewage Collection					
District #2:					
Bonds	27,496	29,999	32,539	33,785	33,244
Other Debt Obligations	<u> </u>	<u> </u>	<u> </u>	<u>776</u>	<u>1,204</u>
Total	<u>27,496</u>	<u>29,999</u>	<u>32,539</u>	<u>34,561</u>	<u>34,448</u>
Sewage Disposal					
District #3:					
Bonds	131,331	150,347	163,986	156,852	170,400
Other Debt Obligations	<u> </u>	<u> </u>	<u> </u>	<u>8,113</u>	<u>974</u>
Total	<u>131,331</u>	<u>150,347</u>	<u>163,986</u>	<u>164,965</u>	<u>171,374</u>
Sewage Collection					
District #3:					
Bonds	122,659	139,477	156,949	169,185	187,665
Other Debt Obligations	<u> </u>	<u>2,696</u>	<u>2,696</u>	<u>7,989</u>	<u>3</u>
Total	<u>122,659</u>	<u>142,173</u>	<u>159,645</u>	<u>177,174</u>	<u>187,668</u>
Total Direct Debt, County of Nassau:					
Bonds	3,335,280	3,387,456	3,480,004	3,202,186	2,443,417
Other Debt Obligations	<u>202,155</u>	<u>468,661</u>	<u>227,056</u>	<u>112,310</u>	<u>92,408</u>
Total	<u>3,537,435</u>	<u>3,856,117</u>	<u>3,707,060</u>	<u>3,314,496</u>	<u>2,535,825</u>

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

EXHIBIT T-11

1997	1996	1995	1994	1993
\$ 1,742,715	\$ 1,437,815	\$ 1,221,419	\$ 1,209,858	\$ 1,095,767
<u>102,215</u>	<u>178,124</u>	<u>216,395</u>	<u>94,235</u>	<u>87,133</u>
<u>1,844,930</u>	<u>1,615,939</u>	<u>1,437,814</u>	<u>1,304,093</u>	<u>1,182,900</u>
4,542	4,366	4,415	4,217	4,208
<u>570</u>	<u>158</u>	<u>144</u>	<u>420</u>	<u>56</u>
<u>5,112</u>	<u>4,524</u>	<u>4,559</u>	<u>4,637</u>	<u>4,264</u>
3,118	3,286	3,453	3,613	3,650
<u>3,118</u>	<u>3,286</u>	<u>3,453</u>	<u>3,613</u>	<u>100</u>
<u>3,118</u>	<u>3,286</u>	<u>3,453</u>	<u>3,613</u>	<u>3,750</u>
228,309	236,420	223,312	230,770	188,290
<u>3,988</u>	<u>3,288</u>	<u>3,188</u>	<u>994</u>	<u>602</u>
<u>232,297</u>	<u>239,708</u>	<u>226,500</u>	<u>231,764</u>	<u>188,892</u>
34,059	33,334	33,520	31,727	31,297
<u>523</u>	<u>1,358</u>	<u>690</u>	<u>2,811</u>	<u>363</u>
<u>34,582</u>	<u>34,692</u>	<u>34,210</u>	<u>34,538</u>	<u>31,660</u>
183,279	196,812	179,141	190,484	175,289
<u>632</u>	<u>4,267</u>	<u>294</u>	<u>2,101</u>	<u>2,101</u>
<u>183,279</u>	<u>197,444</u>	<u>183,408</u>	<u>190,778</u>	<u>177,390</u>
204,226	222,432	244,185	256,461	265,724
<u>1,685</u>	<u>536</u>	<u>381</u>	<u>2,119</u>	<u>47</u>
<u>205,911</u>	<u>222,968</u>	<u>244,566</u>	<u>258,580</u>	<u>265,771</u>
2,400,248	2,134,465	1,909,445	1,927,130	1,764,225
<u>108,981</u>	<u>184,096</u>	<u>225,065</u>	<u>100,873</u>	<u>90,402</u>
<u>2,509,229</u>	<u>2,318,561</u>	<u>2,134,510</u>	<u>2,028,003</u>	<u>1,854,627</u>

COUNTY OF NASSAU, NEW YORK

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

FOR THE FISCAL PERIODS ENDED IN 1993 THROUGH 2002 (Dollars in Thousands) (Concluded)

	2002(d)	2001(d)	2000(d)	1999(d)	1998
OVERLAPPING DEBT, TOWNS AND CITIES:					
Town of Hempstead					
Bonds	\$ 801,123	\$ 737,337	\$ 724,874	\$ 674,839	\$ 589,922
Other Debt Obligations	90,467	113,413	29,488	51,299	78,481
Less Sinking Funds	(1,511)	(1)	(1,501)	(52)	(1,577)
Total	890,079	850,749	752,861	726,086	666,826
Town of North Hempstead:					
Bonds	487,111	430,789	435,450	468,168	417,729
Other Debt Obligations	135,633	109,528	42,656	33,308	40,397
Less Sinking Funds	(53)		(95)	(115)	(110)
Total	622,691	540,317	478,011	501,361	458,016
Town of Oyster Bay:					
Bonds	502,638	453,624	362,325	299,429	246,737
Other Debt Obligations	62,479	106,283	115,952	101,893	74,090
Less Sinking Funds	(871)			(406)	(355)
Total	564,246	559,907	478,277	400,916	320,472
City of Glen Cove:					
Bonds	32,309	37,765	38,248	40,671	41,777
Other Debt Obligations	17,661	7,377	5,794	965	5,644
Total	49,970	45,142	44,042	41,636	47,421
City of Long Beach:					
Bonds	37,275	40,205	27,758	24,475	24,386
Other Debt Obligations	4,065	7,050	13,312	12,288	13,177
Less Sinking Funds	(576)	(781)	(1,033)		
Total	40,764	46,474	40,037	36,763	37,563
Total Overlapping Debt, Towns and Cities:					
Bonds	1,860,456	1,699,720	1,588,655	1,507,582	1,320,551
Other Debt Obligations	310,305	343,651	207,202	199,753	211,789
Less Sinking Funds	(3,011)	(782)	(2,629)	(573)	(2,042)
Total	2,167,750	2,042,589	1,793,228	1,706,762	1,530,298
TOTAL DIRECT & OVERLAPPING NET DEBT:					
Bonds	5,195,736	5,087,176	5,068,659	4,709,768	3,763,968
Other Debt Obligations	512,460	812,312	434,258	312,063	304,197
Less Sinking Funds	(3,011)	(782)	(2,629)	(573)	(2,042)
TOTAL	\$ 5,705,185	\$ 5,898,706	\$ 5,500,288	\$ 5,021,258	\$ 4,066,123

EXHIBIT T-11

1997	1996	1995	1994	1993
\$ 522,839	\$ 415,691	\$ 395,577	\$ 345,989	\$ 356,025
60,287	84,041	62,706	75,716	65,488
(170)	(398)	(398)	(738)	(1,054)
<u>582,956</u>	<u>499,334</u>	<u>457,885</u>	<u>420,967</u>	<u>420,459</u>
321,055	251,598	282,631	294,489	328,075
109,119	113,133	41,556	28,882	33,281
(110)	(501)	(250)	(50)	(115)
<u>430,064</u>	<u>364,230</u>	<u>323,937</u>	<u>323,321</u>	<u>361,241</u>
282,546	269,613	288,498	284,171	257,531
74,478	36,275	17,434	20,408	25,440
			(35)	
<u>357,024</u>	<u>305,888</u>	<u>305,932</u>	<u>304,544</u>	<u>282,971</u>
38,527	45,520	36,216	29,155	17,901
4,605			8,286	10,874
<u>43,132</u>	<u>45,520</u>	<u>36,216</u>	<u>37,441</u>	<u>28,775</u>
16,141	24,185	34,633	27,179	25,508
16,432	10,469	(31)	1,189	4,623
			(247)	(649)
<u>32,573</u>	<u>34,654</u>	<u>34,602</u>	<u>28,121</u>	<u>29,482</u>
1,181,108	1,006,607	1,037,555	980,983	985,040
264,921	243,918	121,696	134,481	139,706
(280)	(899)	(679)	(1,070)	(1,818)
<u>1,445,749</u>	<u>1,249,626</u>	<u>1,158,572</u>	<u>1,114,394</u>	<u>1,122,928</u>
3,371,741	3,141,072	2,947,000	2,908,113	2,749,265
373,902	428,014	346,761	235,354	230,108
(280)	(899)	(679)	(1,070)	(1,818)
<u>\$ 3,745,363</u>	<u>\$ 3,568,187</u>	<u>\$ 3,293,082</u>	<u>\$ 3,142,397</u>	<u>\$ 2,977,555</u>

COUNTY OF NASSAU, NEW YORK

ALL GOVERNMENTAL FUND TYPES OF THE PRIMARY GOVERNMENT
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
 LONG-TERM DEBT TO TOTAL EXPENDITURES
 FOR THE FISCAL YEARS ENDED IN 1994 THROUGH 2003 (Dollars in Thousands)

Year	Debt Service Expenditures for Long-Term Debt (a)	Total Expenditures	Ratio of Debt Service Expenditures to Total Expenditures
2003(b)	\$320,135	\$2,673,949	11.97%
2002(b)	370,885	2,653,262	13.98%
2001(b)	365,586	2,805,804	13.03%
2000(b)	344,541	2,501,660	13.77%
1999(b)	394,358	2,572,992	15.33%
1998	369,955	2,610,148	14.17%
1997	323,374	2,317,386	13.95%
1996(c)	388,790	2,626,564	14.80%
1995(d)	201,756	1,488,277	13.56%
1994	252,492	1,810,750	13.94%

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

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

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

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

COUNTY OF NASSAU, NEW YORK

**DEMOGRAPHIC STATISTICS
FOR THE FISCAL YEARS ENDED IN 1994 THROUGH 2003**

<u>Year</u>	<u>Population (In Thousands) (a)</u>	<u>Per Capita Personal Income (b)</u>	<u>Unemployment Rate (c)</u>
2003	1,343	\$ N.A.	3.9%
2002	1,340	N.A.	4.1%
2001	1,335	47,431	3.1%
2000	1,296	45,831	2.7%
1999	1,294	43,997	3.1%
1998	1,291	42,402	2.9%
1997	1,288	42,429	3.4%
1996	1,286	38,612	3.8%
1995	1,284	36,609	4.5%
1994	1,284	34,269	5.1%

Sources:

(a) Long Island Lighting Company and LIPA estimates

(b) United States Department of Commerce

(c) Long Island Almanac and NIFA Official Statements

COUNTY OF NASSAU, NEW YORK

CONSTRUCTION PERMIT DATA
FOR THE FISCAL YEARS ENDED IN 1994 THROUGH 2003 (Dollars in Thousands)

<u>Year</u>	<u>Value of New Construction</u>	<u>Value of Residential Construction (a)</u>	<u>Value of Commercial Construction (a)</u>	<u>Number of New Dwelling Units (b)</u>
2003	\$ 746,355	\$ 232,315	\$ 514,040	333
2002	915,143	739,542	175,601	791
2001	790,527	395,040	395,487	945
2000	889,888	437,733	462,135	1,083
1999	809,066	351,584	457,481	977
1998	762,806	321,540	441,266	1,005
1997	615,414	276,904	338,509	948
1996	570,286	248,898	321,388	851
1995	584,460	236,271	348,189	896
1994	454,609	238,365	226,243	831
1993	424,417	201,301	223,116	757

(a) Data are based on construction permits issued.

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

Source: Nassau County Department of Assessment

COUNTY OF NASSAU, NEW YORK

PRINCIPAL TAXPAYERS
DECEMBER 31, 2003 (Dollars in Thousands)

<u>Taxpayer</u>	<u>Type of Property</u>	<u>2003 Taxable Valuation</u>	<u>Percentage of Total Taxable Valuation</u>
Long Island Power Authority (1)	Public Utility	\$ 232,103	5.63 %
Keyspan Energy Corp.	Public Utility	108,525	2.63 %
Verizon	Public Utility	84,527	2.05 %
Long Island Water Corp.	Public Utility	21,461	0.52 %
Retail Property Trust	Shopping Mall	17,930	0.44 %
Reckson	Multi-use Buildings	13,366	0.32 %
Greater N. Y. Assoc. & NYRA	Belmont Raceway	11,182	0.27 %
Cablevision	Public Utility	8,937	0.22 %
New York Water Corp.	Public Utility	8,560	0.21 %
Northrop Grumman Corp.	Aerospace Manufacturing	8,555	0.21 %
Coliseum Plaza Assoc.	Office Buildings	8,171	0.20 %
E. Q. K. Green Acres LP	Shopping Mall	7,968	0.19 %
Industrial & Research Assoc.	Industrial Park	7,071	0.17 %
We're Associates	Office Buildings	6,719	0.16 %
Federated Department Stores	Retail Stores	6,138	0.15 %
Hudson Resources & Sunrise Mall Assoc.	Shopping Mall	5,906	0.14 %
J. Q. I. Associates, LLC	Office Buildings	5,589	0.14 %
Joint Venture	Retail Stores	5,491	0.13 %
Tilles Investment	Real Estate Develop. Co.	4,935	0.12 %
Raceway Retail	Shopping Center	4,925	0.12 %
Matterhorn USA , Inc.	Office Buildings	4,791	0.12 %
Corporate Property Investors	Shopping Mall	4,776	0.12 %
WS Associates	Retail Stores	4,469	0.11 %
Price Owners, LLC	Retail Stores	3,720	0.09 %
Farhaven Apartments	Rental Apartments	3,402	0.08 %

(1) \$149,0517 of the total taxable valuation is deeded in the name of Long Island Lighting Company.

Source: Nassau County Department of Assessment.

COUNTY OF NASSAU, NEW YORK

MISCELLANEOUS STATISTICS

December 31, 2003

Current Data:

Date of incorporation.....	1899
Form of government.....	County
Area.....	287 square miles
Population.....	1,342,680
Resident labor force.....	718,500
Number of shopping centers.....	363
Number of banking offices.....	420
Number of housing units.....	459,862
Acres of public park lands.....	15,190

Educational Information:

Number of school districts.....	56
Number of colleges.....	14
Public school enrollment.....	208,402
Number of public school classroom teachers.....	15,909

Health and Hospital Facilities:

Number of hospitals.....	13
Number of certified hospital beds.....	4,675

Motor Vehicle Information:

Number of passenger vehicle registrations.....	977,525
Number of driver licenses.....	979,873

Nassau County Employees:

Number of full time employees excluding uniformed police personnel.....	7,240
Number of part time employees.....	3,322
Number of uniformed police personnel.....	2,476

Sources:

- LIPA
- Long Island Business News
- Nassau County Official Statements
- New York State Education Department
- New York State Transportation Department
- United States Bureau of the Census

COUNTY OF NASSAU, NEW YORK

**MAJOR NON-GOVERNMENTAL EMPLOYERS
DECEMBER 31, 2003**

<u>Employer</u>	<u>Type of Activity</u>	<u>Approximate Number of Employees</u>
North Shore-Long Island Jewish Health System	Medical Care	27,068
Catholic Health Services	Religious Institution	13,500
Waldbaum's	Supermarket	6,300
Winthrop-South Nassau University Health System	Medical Care	6,200
Cablevision	Cable TV Service	6,200
Home Depot	Merchandising	5,904
J. P. Morgan Chase	Financial Institution	5,450
Verizon	Communications	5,100
Diocese of Rockville Center	Religious Institution	5,000
Stop & Shop	Supermarket	4,900
Federated Department Stores	Merchandising	4,792
King Kullen	Supermarket	4,600
Keyspan	Utility	4,580
Long Island University	Education	4,328
Pathmark	Supermarket	4,200
Adecco	Personnel Recruiter	3,580
Geico Insurance	Insurance	3,530
Citigroup	Financial Institution	3,308
CVS	Pharmacy	3,288
J. C. Penny	Merchandising	3,039
Wal-Mart	Merchandising	2,600
Target	Merchandising	2,584
UPS	Parcel Delivery	2,535
Hofstra University	Education	2,526

Source: Newsday

COUNTY OF NASSAU, NEW YORK

ACTUAL EXPENDITURES- ALL FUNDS
 CLAIMS AND LITIGATION, INCLUDING TAX CERTIORARI
 FOR THE FISCAL PERIODS ENDED IN 1994 THROUGH 2003 (Dollars in Thousands)

<u>Period</u>	<u>Operating Expenditures</u>	<u>Bonded Expenditures</u>	<u>Total Claims and Litigation</u>
2003	\$ 4,863	\$ 142,631	\$ 147,494
2002	2,788	125,545	128,333
2001	757	175,473	176,230
2000	433	122,890	123,323
1999	743	104,730	105,473
1998	626	147,212	147,838
1997	810	194,369	195,179
1996(a)	419	203,357	203,776
1995(b)	143	157,699	157,842
1994	156	129,013	129,169

(a) Fifteen month fiscal year

(b) Nine month fiscal year

APPENDIX

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED UPON THE AUDIT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Thomas R. Suozzi, County Executive
And Members of the County Legislature
County of Nassau, New York

We have audited financial statements of the County of Nassau, New York, (the "County") as of and for the year ended December 31, 2003, (with the Nassau Community College for the year ended August 31, 2003) and have issued our report thereon dated June 1, 2004. We did not audit the financial statements of the Nassau Regional Off-Track Betting Corporation, the Nassau County Industrial Development Agency, and the Nassau Health Care Corporation, all discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for such entities is based solely on the reports of the other auditors. The report of the independent auditor contained an explanatory paragraph concerning the Nassau Health Care Corporation's ability to continue as a going concern. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Nassau Regional Off-Track Betting Corporation were not audited in accordance with *Government Auditing Standards*.

COMPLIANCE

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

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

Deloitte & Touche LLP

June 1, 2004