



TOWN OF NORTH HEMPSTEAD

NASSAU COUNTY, NEW YORK

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



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2008**

**TOWN OF NORTH HEMPSTEAD
NEW YORK**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2008**

Prepared by the Office of the Town Comptroller
Paul E. Pathé, Comptroller

TOWN OF NORTH HEMPSTEAD
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2008
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**INTRODUCTORY
SECTION**

Town Board
ROBERT TROIANO, JR.
THOMAS K. DWYER
ANGELO P. FERRARA
MARIA C POONS.
LEE R. SEEMAN
FRED L. POLLACK

Town Clerk
LESLIE GROSS

Receiver of Taxes
ROCCO IANNARELLI

**TOWN OF NORTH HEMPSTEAD
OFFICE OF THE SUPERVISOR**

TOWN HALL
220 PLANDOME ROAD
MANHASSET, NY 11030
(516) 869-7700
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Supervisor
JON KAIMAN

October 30, 2009

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

Enclosed is the fourth Comprehensive Annual Financial Report (CAFR) of the Town of North Hempstead, NY for the year ended December 31, 2008. The financial statements included herein have been audited by the independent accounting firm of Albrecht, Viggiano, Zureck & Co. P.C. The auditors' unqualified opinion is also included in this report.

As mentioned above, this is the fourth CAFR tendered to the Board and the Citizens of the Town. It has been prepared using Government Finance Officers Association (GFOA) guidelines for their Certificate of Achievement for Excellence in Financial Reporting. This certificate is awarded to those governments whose financial statements are judged to conform to generally accepted accounting principles promulgated by the Government Accounting Standards Board (GASB) as well as supplying other historical data of a financial, statistical or demographic nature in both tabular and narrative formats.

The preparation of this report could not have been accomplished without the dedicated effort of the entire staff of the Comptroller's Office and the cooperation of other Town departments as well as guidance from the Town's independent auditors.

The efforts of the Comptroller's staff continue to improve the quality of financial information disseminated to both the Town Board and the Town Citizens.

Sincerely,

Supervisor
JON KAIMAN

Town Board
ROBERT TROIANO, JR.
THOMAS K DWYER
ANGELO P FERRARA
MARIA C POONS
LEE R SEEMAN
FRED L POLLACK

Town Clerk
LESLIE GROSS

Receiver of Taxes
ROCCO IANNARELLI

TOWN OF NORTH HEMPSTEAD
OFFICE OF THE COMPTROLLER

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Comptroller
PAUL E. PATHÉ

Deputy Comptrollers
ANGELO FERRARA
DIANE CHAMBERS

October 30, 2009

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

The Comprehensive Annual Financial Report of the Town of North Hempstead, New York (the "Town") for the year ended December 31, 2008, prepared by the Office of the Comptroller is submitted herewith.

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

Albrecht, Viggiano, Zureck & Co. P.C., Certified Public Accountants, have issued an unqualified auditor's report dated October 30, 2009 for the Town and its discretely presented component units as of December 31, 2008 and the year then ended. Their report may be found at the beginning of the Financial Section.

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

Profile of the Government

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

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

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

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

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

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

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

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

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

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

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

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

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

There are thirteen public school districts whose taxes are collected by the Town's Receiver of Taxes. An additional district resides partially within the Town's borders.

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

Supervisor is elected at large while council members are elected through council districts. The Town Clerk and Receiver of Taxes are elected for four-year terms.

Services are provided to residents by the following Town departments: Community Services; Parks and Recreation; Information Technology; Building and Safety Inspection; Planning; Administrative Services; Comptroller; Finance; Public Works (including Highway); Public Safety; Receiver of Taxes and Town Clerk. During 2009 the Town created a separate Department of Services for the Aging. Certain sanitation services are provided through the Town's Solid Waste Management Authority (SWMA). SWMA's assets, liabilities, revenues and expenses are included in the financial statements of the Town.

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

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

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

Each year the Town Board is required to adopt a budget not later than November 20 for the following calendar year. The budget is prepared by fund, department (which generally equates to function) down to individual expense line item (object code). The budget includes the Town's General Fund, Highway, SWMA and all the Special Districts enumerated above except CDA, Capital Projects and the Debt Service Funds. CDA is excluded from the budget as its principal source of revenue is not property taxes but rather funding from the US Department of Housing & Urban Development. Capital Projects are budgeted on an individual project basis, with debt service and related costs budgeted in the Town operated General, Highway, Public Parking, Sidewalk and 3 Park District funds, respectively. 2006 NYS legislation permitted the merging of the Highway and Part Town funds into the Town Outside Villages (TOV) fund and financial reporting may be done on a combined basis prospectively. Department heads may reallocate budgeted amounts within their departments without Town Board approval. Transfers between departments require the Supervisor's approval and that of the Town Board.

Local Economy

In 2008 North Hempstead was named one of Money Magazine's "100 Best Places to Live" citing the Town's solid economic foundation as one of the reasons.

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

The Town's low unemployment rate, which continues to fall below medians for both the County and the metropolitan region, according to the Federal Bureau of Labor Statistics, is indicative of a sound economic base. It is also reflected in the most recent data from the Census Bureau's American Community Survey, which reports the Town's median family income is 170% of the NY State average. The Statistical Section of this report lists these and a number of additional economic indices whose trends are favorable.

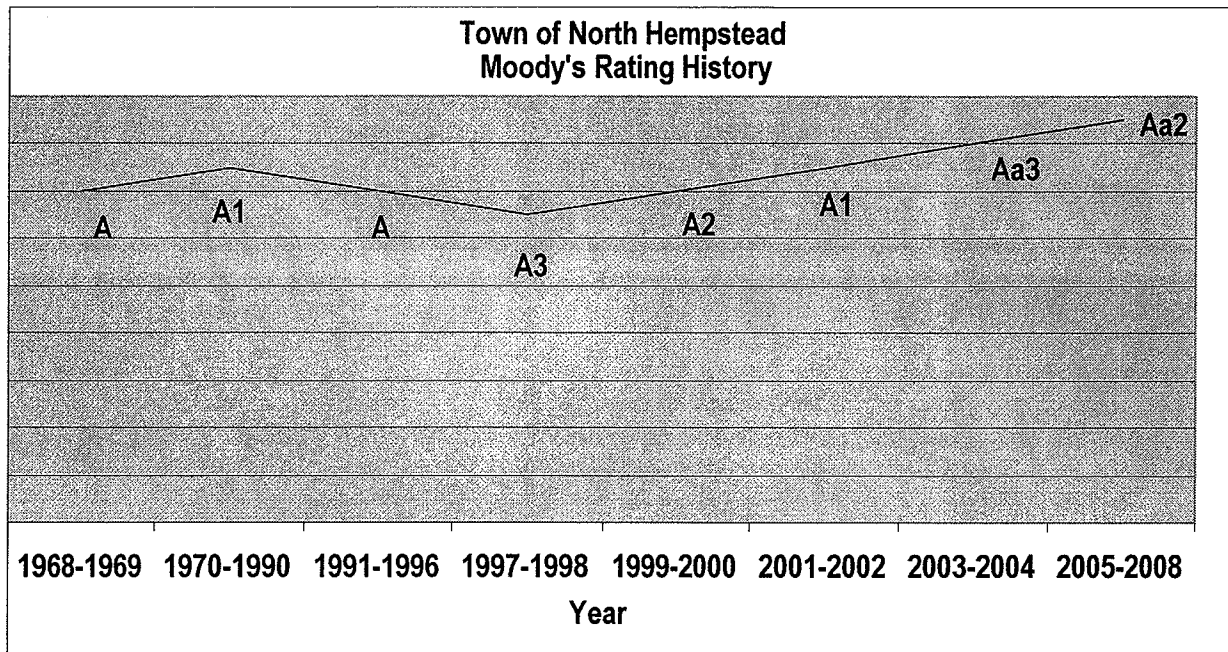
The Town's proximity to New York City also makes it a highly desirable suburban location for commuters, attracted both by the ease of access to employment as well as the Town's highly regarded schools and overall quality of life.

The Town's Aa2/positive rating from Moody's compares favorably to New York City's Aa3/stable.

Long-term financial planning

The Town has made a concerted effort to improve its bond rating. To that end, in 2000 the Town Board adopted a Debt Management Plan (DMP) which set limits on the amount of general obligation borrowings of both the General and Highway Funds. The Town has observed DMP limits and the resultant improvement in the Town's credit rating is depicted graphically below.

The Town's credit rating from Moody's is now the best in its history.



The Town is committed to maintaining and trying to upgrade its current bond rating in future years.

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

Relevant financial policies

The annual budgetary process contributes to prudent fiscal planning by using conservative revenue and expense forecasting in the compilation of Town budgets. In addition for 2008, except for SWMA, which has no tax levy and relies primarily on fees for processing solid waste, none of the Town's major funds employs appropriated fund balance to balance annual operating budgets. In 2009, all the major funds, including SWMA, did not employ appropriated fund balance in the budgetary process. Potential future SWMA deficits may be addressed through increased operating and new tax revenues.

Major Initiatives

North Hempstead's groundbreaking Town-School recycling program was initiated in 2008, which saves every participating school district money while improving the Town's recycling efforts. Every classroom in every participating school district receives North Hempstead funded recycling containers, and each school building is served by a Town-contracted recycling provider. The increase in recycling rates will help offset the Town's costs, but the real winner is the environment.

The Town's pioneering 'aging in place' program "Project Independence" continued to grow in 2008. This program links seniors with support services, including home health aides, social workers and such practical aspects of life as a ride to and from the doctor, repairing a leaky faucet or broken window, and snow removal. Project Independence has been exceptionally well received by residents in its initial roll-out, and the Town is aggressively seeking additional state and federal support to expand its reach.

Improving efficiency with targeted technology upgrades continues to be a Town priority. The 2008 initiatives included: a new fuel management system, with both enhanced security as well as the capacity to allow other municipalities to partner with the Town to fuel their vehicles; electronic ticketing devices, lowering error rates and improving both reporting and auditing capabilities; and upgrades to the Town's landline communication systems, primarily by replacing hundreds of direct-dial phone lines with Primary Rate Interface (PRI) and point-to-point wireless connections.

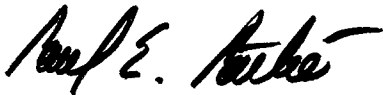
In 2008 the Town recorded more than 120,000 resident calls to the North Hempstead 311 call center. The Town was the first suburban community in the USA to install a 311 system, and plans further expansion of the service in the years ahead.

Acknowledgements

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

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

Respectfully submitted,



Paul E. Pathé
Town of North Hempstead
Comptroller

TOWN OF NORTH HEMPSTEAD

PRINCIPAL OFFICIALS

December 31, 2008

TOWN BOARD:

SUPERVISOR	JON KAIMAN
COUNCILMAN	THOMAS K. DWYER
COUNCILMAN	ANGELO P. FERRARA
COUNCILMAN	FRED L. POLLACK
COUNCILWOMAN	LEE R. SEEMAN
COUNCILMAN	ROBERT TROIANO, Jr.
COUNCILWOMAN	MARIA - CHRISTINA POONS

TOWN CLERK:

LESLIE GROSS

RECEIVER OF TAXES:

ROCCO A. IANNARELLI

DEPUTY SUPERVISOR:

CHRISTOPHER G. SENIOR

TOWN ATTORNEY:

RICHARD S. FINKEL

COMMISSIONER OF ADMINISTRATIVE SERVICES:

PETER M. HODA

COMMISSIONER OF BUILDINGS:

KEVIN M. CRONIN

ACTING COMMISSIONER OF COMMUNITY SERVICES:

KIMBERLY A. CORCORAN - GALANTE

COMMISSIONER OF FINANCE:

HELENE RAPS-BECKERMAN

COMMISSIONER OF INFORMATION TECHNOLOGY:

THOMAS P. HARTY

COMMISSIONER OF PARKS & RECREATION:

GERARD R. OLSEN

COMMISSIONER OF PLANNING:

MICHAEL A. LEVINE

COMMISSIONER OF PUBLIC SAFETY:

EDWARD A. NEIDICH

COMMISSIONER OF PUBLIC WORKS:

VACANT

DIRECTOR OF INTERNAL AUDIT:

KATHLEEN MITTERWAY

ACTING EXECUTIVE DIRECTOR OF SOLID WASTE MANAGEMENT:

IGOR SIKIRIC

SUPERINTENDENT OF HIGHWAYS:

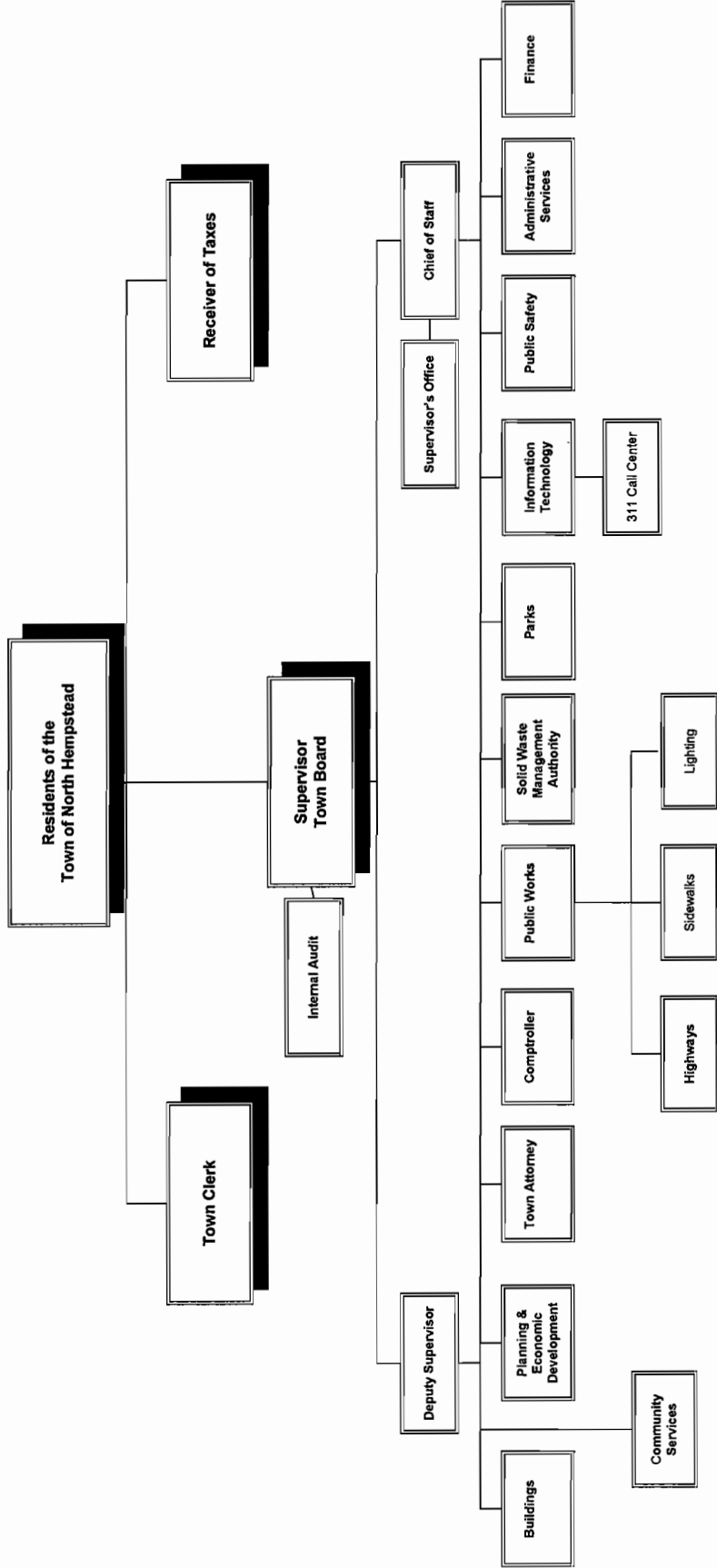
THOMAS P. TIERNAN

COMPTRROLLER:

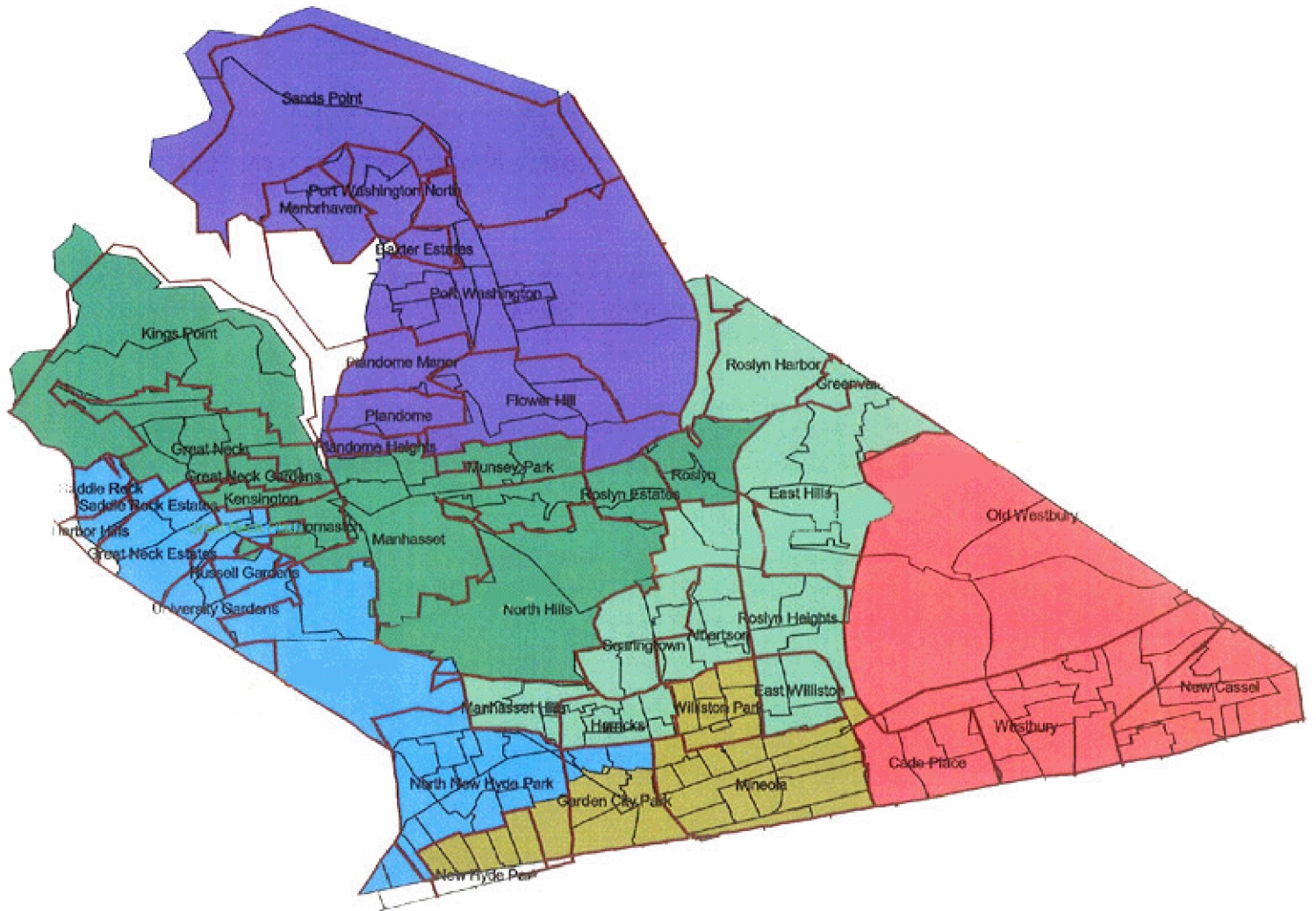
PAUL E. PATHÉ

TOWN OF NORTH HEMPSTEAD

ORGANIZATIONAL CHART



Town of North Hempstead



**FINANCIAL
SECTION**



INDEPENDENT AUDITORS' REPORT

Honorable Supervisor and Town Board
Town of North Hempstead
Manhasset, New York

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of North Hempstead, New York, as of December 31, 2008 and for the year then ended, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We did not audit the financial statements of nineteen of twenty-one component units, which represent 93.2%, 93.2% and 95.2%, respectively, of the assets, net assets, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us and our opinion, insofar as it relates to the amounts included for those nineteen component units, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The financial statements of 3 of the 21 component units have been audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of North Hempstead, New York, as of December 31, 2008, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note A.8 to the basic financial statements, for the year ended December 31, 2008, the Town adopted *Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions (OPEB)* and *Governmental Accounting Standards Board (GASB) Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations*.

PERSONAL SERVICE. TRUSTED ADVICE.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2009, on our consideration of the Town of North Hempstead, State of New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and the budgetary information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Albrecht, Viggiano, Zurek & Co., P.C.

Hauppauge, New York
October 30 2009

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis

TOWN OF NORTH HEMPSTEAD
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2008

As management of the Town of North Hempstead, we offer readers of the Town of North Hempstead's financial statements this narrative overview and analysis of the financial statements of the Town of North Hempstead for the year ended December 31, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letters of transmittal of this report.

FINANCIAL HIGHLIGHTS

- The operating net assets of the Town's Primary Government increased by \$0.5 million.
- The unreserved, undesignated fund balances of the General, Highway and Solid Waste Management funds totaled \$14.0 million.
- At the close of 2008, The Town's governmental funds reported combined ending fund balances, exclusive of the Capital Projects Fund, of \$31.6 million, of which \$25.5 million is available for spending at the Town's discretion; though the Town has earmarked \$3.2 million of the unreserved fund balance for special designations.
- The Town's bonded debt decreased by \$14.2 million during 2008.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Reporting the Town as a Whole

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

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

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

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

TOWN OF NORTH HEMPSTEAD
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2008

OVERVIEW OF FINANCIAL STATEMENTS (continued)

Reporting the Town as a Whole (continued)

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

Governmental Activities

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

Component Units

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

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

Reporting the Town's Most Significant Funds

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

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

Governmental Funds

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

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

Reporting the Town's Fiduciary Responsibilities

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

TOWN OF NORTH HEMPSTEAD
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2008

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

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

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

	2008	2007
Assets		
Current assets	\$ 51,739,511	\$ 63,326,381
Capital assets	224,257,228	223,131,046
Other non-current assets	9,372,662	7,366,526
Total assets	285,369,401	293,823,953
Liabilities		
Current and other liabilities	35,985,626	41,627,148
Long-term liabilities	202,976,714	206,264,135
Total liabilities	238,962,340	247,891,283
Net assets		
Invested in capital assets, net of related debt	76,605,301	62,716,770
Restricted	11,493,040	17,282,036
Unrestricted	(41,691,280)	(34,066,136)
Total net assets	\$ 46,407,061	\$ 45,932,670

Total assets of the Town of North Hempstead as of December 31, 2008 were \$285.4 million, a decrease of \$8.5 million. Total liabilities as of December 31, 2008 were \$239.0 million, a decrease of \$8.9 million. This resulted in a net asset balance of \$46.4 million for 2008, an increase of \$0.5 million. Of the Town's net asset balance, \$76.6 million was invested in capital assets, net of related debt, while \$11.5 million was restricted by statute or other specific purpose leaving a \$41.7 million unrestricted deficit.

Unrestricted net assets were decreased and will continue to decrease in subsequent years due to the recognition of Governmental Accounting Standards Board (GASB) No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions (OPEB)*. The net other post-employment benefits healthcare costs recognized in 2008 were \$9.1 million. Additional information on Post-employment Healthcare Costs may be found in Note C.6 to the financial statements. Additionally, net assets invested in capital assets increased primarily due to a decline in general obligation bonds payable of \$14.2 million and restricted net assets decreased by \$5.8 million.

The deficit balance of unrestricted net assets does not necessarily indicate fiscal stress. The deficit balance of unrestricted net assets arose and continues primarily because the Town, in an effort to maintain present tax rates, drew down cash reserves and borrowed funds as needed, additionally as of December 31, 2008 the Town recognized GASB No. 45 (see above). In addition, long-term liabilities which include compensated absences, claim and judgments, and landfill closure and post closure monitoring will be funded through future budgetary appropriations when they become payable in future periods.

TOWN OF NORTH HEMPSTEAD
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2008

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE (continued)

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

	2008	2007
Program Revenues		
Charges for services	\$ 29,444,373	\$ 27,392,287
Operating grants and contributions	2,788,957	6,116,607
Capital grants and contributions	1,170,927	274,300
	33,404,257	33,783,194
General Revenues		
Real property taxes	56,422,999	54,216,380
Other real property tax items	2,108,771	2,712,672
Non-property tax items	11,177,944	11,058,164
Interest earnings	1,270,556	2,201,639
Mortgage tax	7,677,222	12,071,333
State aid - unrestricted	1,111,654	1,502,952
Other	1,342,723	985,153
	81,111,869	84,748,293
Total Revenues	114,516,126	118,531,487
Program Expenses		
General government support	23,840,684	20,532,802
Education	629,492	282,439
Public safety	11,382,404	9,566,154
Health	318,914	253,083
Transportation	22,076,865	15,583,580
Economic assistance and opportunity	3,135,811	2,456,352
Culture and recreation	22,643,001	14,212,650
Home and community services	23,993,678	24,826,997
Interest on debt	8,106,577	8,439,201
	116,127,426	96,153,258
Total Expenses	116,127,426	96,153,258
Change in Net Assets	(1,611,300)	22,378,229
Net Assets - Beginning	45,932,670	23,554,441
Prior Period Adjustment	2,085,691	
Net Assets - Beginning as Restated	48,018,361	23,554,441
Net Assets - Ending	\$ 46,407,061	\$ 45,932,670

Components of net assets have been restated for 2007 as follows: capital grants and contributions were reclassified as operating grants in the amount of \$750,000; program expenses for transportation were reclassified as general government support in the amount of \$111,515, and both program revenues (charges for services) and program expenses (home and community services) increased by \$881,161. Total ending net assets did not change.

The change in net assets from all governmental activities was a decrease of \$1.6 million.

Key element(s) of the governmental activities year over year decrease of \$24.0 million are:

- Mortgage tax, interest earnings and other real property tax items decreased by \$4.4 million, \$0.9 million and \$0.6 million respectively as a result of economic conditions while real property taxes increased by \$2.2 million as a result of the 2008 adopted budget.
- Overall expenses increased by \$ 20.0 million of which \$5.1 million as planned spending increases as adopted in the 2008 budget; \$9.1 million was from the recognition of the GASB No. 45 (OPEB) liability; and the balance was from other full accrual adjustments.

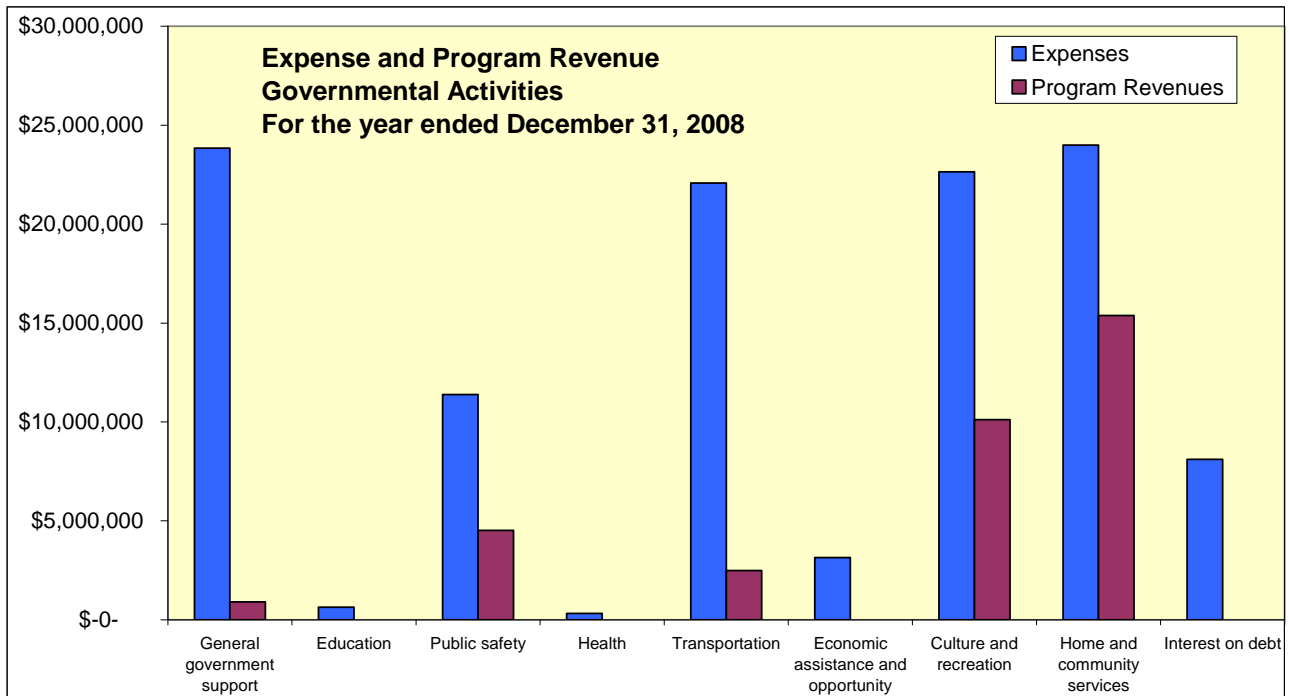
TOWN OF NORTH HEMPSTEAD
MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2008

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE (continued)

Net Cost of Services
 Governmental Activities
 for the years ended December 31,

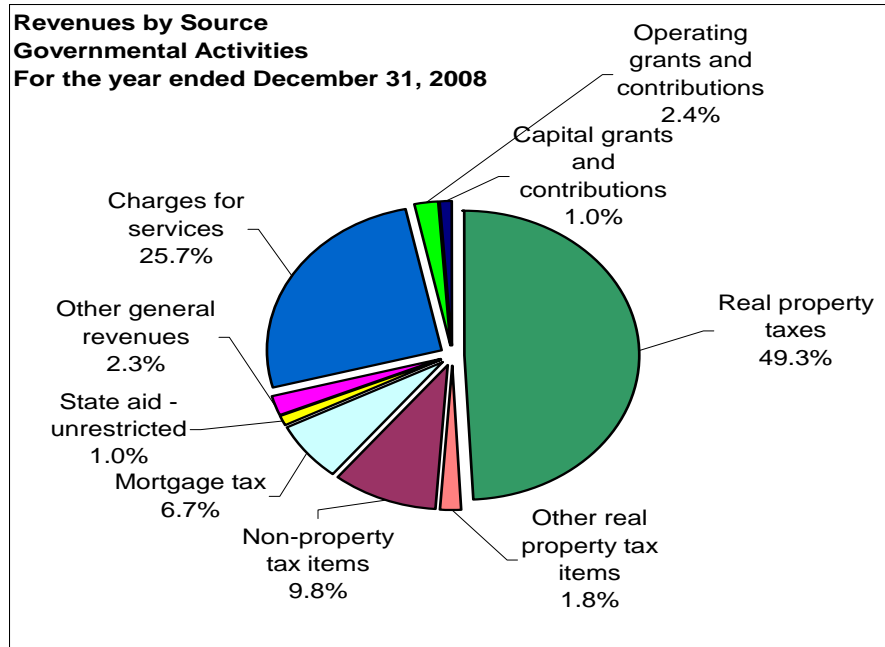
	2008	2007	2008	2007	2008	2007
	Total Cost of Services		Program Revenue		Net Cost of Services	
General government support	\$ 23,840,684	\$ 20,532,802	\$ 904,487	\$ 378,602	\$ 22,936,197	\$ 20,154,200
Education	629,492	282,439			629,492	282,439
Public safety	11,382,404	9,566,154	4,519,809	4,208,424	6,862,595	5,357,730
Health	318,914	253,083			318,914	253,083
Transportation	22,076,865	15,583,580	2,489,453	2,926,630	19,587,412	12,656,950
Economic assistance and opportunity	3,135,811	2,456,352			3,135,811	2,456,352
Culture and recreation	22,643,001	14,212,650	10,114,748	10,015,779	12,528,253	4,196,871
Home and community services	23,993,678	24,826,997	15,375,760	16,253,759	8,617,918	8,573,238
Interest on debt	8,106,577	8,439,201			8,106,577	8,439,201
	<u>\$116,127,426</u>	<u>\$ 96,153,258</u>	<u>\$ 33,404,257</u>	<u>\$ 33,783,194</u>	<u>\$ 82,723,169</u>	<u>\$ 62,370,064</u>

The cost of all governmental activities for 2008 was \$116.1 million. The net cost of these services was \$82.7 million, after being subsidized by program revenues including charges for services and program grants.



TOWN OF NORTH HEMPSTEAD
MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2008

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE (continued)



Revenue by Source
 years ended December 31,

	2008	2007
Real property taxes	\$ 56,422,999	\$ 54,216,380
Other real property tax items	2,108,771	2,712,672
Non-property tax items	11,177,944	11,058,164
Mortgage tax	7,677,222	12,071,333
State aid - unrestricted	1,111,654	1,502,952
Other general revenues	2,613,279	3,186,792
Charges for services	29,444,373	26,511,126
Operating grants and contributions	2,788,957	5,366,607
Capital grants and contributions	1,170,927	1,024,300
	<u>\$ 114,516,126</u>	<u>\$ 117,650,326</u>

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

As of the end of the current year, the Town of North Hempstead's governmental funds reported combined ending fund balances of \$38.6 million a decrease of \$8.4 million over the prior period. This change in total governmental fund balances was due principally to the following decreases in the Solid Waste Management Authority and the Capital Projects Fund.

TOWN OF NORTH HEMPSTEAD
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2008

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (continued)

- The \$2.9 million decrease in the Solid Waste Management Authority was the result of the \$2.6 million appropriation for use in the 2008 budget. Additionally there was a \$750,000 budgeted transfer that did not occur.
- In 2008 the Capital Projects Fund decreased by \$5.9 million, due to spending substantially all of the money that was borrowed in 2007. Borrowings in 2008 were relatively small, at \$2.3 million

Approximately 50.5% of the total fund balance, \$19.5 million, constitutes unreserved fund balance while 42.1% of the total fund balance, \$16.3 million constitutes unreserved, undesignated fund balance, which is available for use at the Town's discretion. The remainder of fund balance is reserved or designated to indicate that it may not be available for new spending because it has already been committed.

General Fund

The General Fund is the chief operating fund of the Town of North Hempstead. At the end of the current year, unreserved, undesignated fund balance of the General Fund was \$15.5 million, while total fund balance was \$17.8 million. As a measure of the General Fund's financial condition, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 41.4% of total General Fund expenditures, while total fund balance represents 47.8% of the same amount.

The fund balance decreased in the General Fund by \$0.6 million during the current year. The major components were the decline in mortgage tax of \$2.8 million and other overall revenue decreases of \$0.2 million that were offset by the \$2.0 million unbudgeted second installment from Neptune Regional Transmission Systems and expenditures coming in under budget by \$1.6 million.

Highway Fund

The fund balance increased in the Highway Fund by \$0.3 million during the current year was mainly due to additional fund balances appropriations made during the year.

Solid Waste Management Authority

The fund balance decreased in the Solid Waste Management Authority by \$2.9 million during the current fiscal year. There was \$2.6 million appropriated for use in the 2008 budget. A budgeted transfer from the General Fund for \$750,000 did not occur. Additionally, unfavorable economic conditions contributed to the overall deterioration the Authority's fiscal position.

Capital Projects Fund

The fund balance decreased in the Capital Projects Fund by \$5.9 million during the current year. This was primarily due to Capital Projects spending exceeding borrowings. Subsequent borrowing occurred in 2009.

Nonmajor Governmental Funds

The net change in fund balances was an increase of \$0.3 million. The primary increases were due to increases in the Part-Town and Refuse and Garbage Districts of \$0.03 million and \$0.3 million respectively, while the other six nonmajor funds had budgeted decreases, the largest being in the Lighting District for \$0.2 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year there was a \$1.2 million increase in overall spending between the original and final amended budget. Following are the main components of the increase:

- Over the course of the year the Town Board revises the budget as needed so that expenditures do not exceed appropriations.
- The budget is revised as a result of encumbrances from the prior year.
- The Town transferred \$0.7 million from its capital reserve to the capital projects fund as supplementary appropriations.

TOWN OF NORTH HEMPSTEAD
MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2008

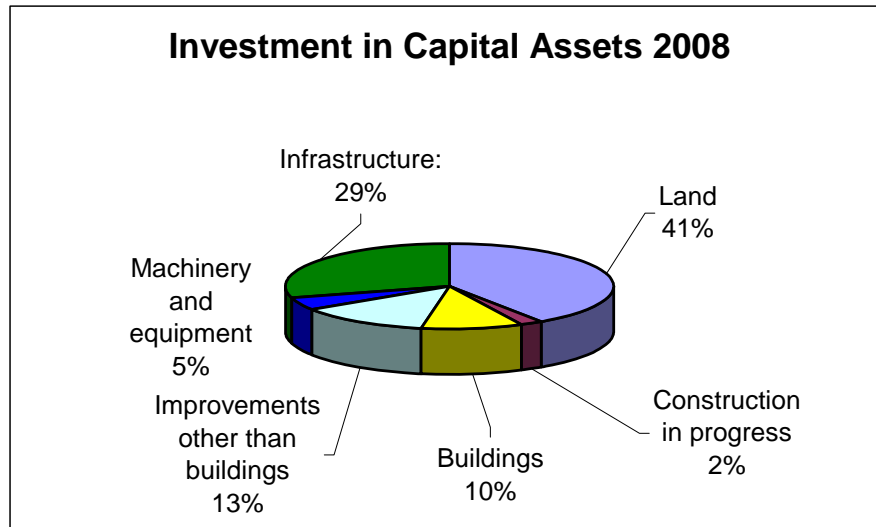
CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Asset

The Town of North Hempstead's investment in capital assets for its governmental type activities as of December 31, 2008 amounts to \$224,257,228 (net of accumulated depreciation) This investment in capital assets includes land, building, improvement, machinery and equipment, roads, curb and sidewalks, drainage, street lighting and construction in progress.

Capital Assets - Net of Depreciation

	Governmental Activities	
	2008	2007
Land	\$ 91,166,030	\$ 90,779,852
Construction in progress	4,725,804	2,678,008
Buildings	22,401,098	23,229,845
Improvements other than buildings		
Land improvements	19,992,770	20,475,784
Building improvements	9,435,485	9,816,109
Machinery and equipment		
Machinery and equipment	4,582,525	3,800,705
Vehicles	5,063,032	5,349,694
Communications	928,435	851,870
Infrastructure		
Roads, curbs, and sidewalks, street lighting, and park structures	65,962,049	66,149,179
Total Capital Assets	<u>\$ 224,257,228</u>	<u>\$ 223,131,046</u>



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

TOWN OF NORTH HEMPSTEAD
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2008

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

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

Long-Term Debt

At the end of the fiscal year, the Town of North Hempstead had total bonded debt outstanding of \$188,855,261. General obligation bonds are shown net of premiums.

Outstanding Debt
as of December 31,

	Governmental Activities	
	2008	2007
General obligation bonds	\$ 171,685,261	\$ 185,870,788
Bond anticipations notes	2,000,000	
Revenue bonds	15,170,000	17,155,000
Total	\$ 188,855,261	\$ 203,025,788

In 2008, the Town of North Hempstead's total debt decreased by \$14.2 million (7.0%).

In 2008, Moody's Investment Services continued the Town of North Hempstead's credit rating at "Aa2". The rating is the highest in the Town's history.

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

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

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

State statutes limit the amount of general obligation debt a governmental entity may issue to 7% of a 5-year average full valuation. The current debt limitation for the Town of North Hempstead is \$3,222,826,185, which is significantly in excess of the Town of North Hempstead's outstanding general obligation debt.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Property Tax

The Town has adopted a budget for 2009 that allows for inflation and other adjustments to revenues and expenditures. The 2009 General Fund budget includes a real property tax increase of approximately 12.5% over 2008.

TOWN OF NORTH HEMPSTEAD
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2008

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES (continued)

State Aid and Local Assistance

The Town receives financial assistance from New York State and from Nassau County. The 2009 budget includes financial assistance, i.e. state aid – mortgage tax \$7.6 million; state aid – per capita \$1.1 million and county local government assistance of \$9.9 million. If the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Town, may be affected by a delay in the payment of state aid. The State is not constitutionally obligated to maintain or continue state aid to the Town.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

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TOWN OF NORTH HEMPSTEAD
GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF NET ASSETS
December 31, 2008

	Primary Governmental Activities	Component Units
ASSETS		
Current Assets:		
Cash and investments	\$ 32,564,551	\$ 55,140,970
Cash - restricted	4,488,183	
Accounts receivable, net of allowances	6,918,739	12,586,691
Prepays	1,170,959	950,263
Due from other governments	5,623,015	2,703,491
Inventory of material and supplies	974,064	397,108
Total Current Assets	51,739,511	71,778,523
Non-Current Assets:		
Notes receivable	2,460,000	
Deferred charges, net of accumulated amortization	6,912,662	92,599
Non-depreciable capital assets	95,891,834	53,787,144
Depreciable capital assets, net of depreciation	128,365,394	81,152,799
Total Non-Current Assets	233,629,890	135,032,542
Total Assets	285,369,401	206,811,065
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued liabilities	4,605,327	7,230,514
Accrued interest payable	2,645,250	789,183
Bond anticipation notes payable	2,000,000	8,313,986
Bond interest and matured bonds	405,030	
Due to other governments		1,594,151
Unearned revenue/deferred revenue	5,073,024	1,518,130
Other liabilities		383,140
Non-Current Liabilities due within one year		
General obligation bonds payable	17,672,202	5,398,205
Revenue bonds payable	2,040,000	
Compensated absences	227,425	42,547
Claims and judgments payable	575,000	
Estimated liability for landfill closure and postclosure care costs	742,368	
Installment purchase debt		54,702
Total Current Liabilities	35,985,626	25,324,558
Non-Current Liabilities due in more than one year:		
General obligation bonds payable	155,846,617	74,500,756
Revenue bonds payable	13,130,000	
Compensated absences	4,321,078	9,396,821
Claims and judgments payable	4,362,204	
Estimated liability for landfill closure and postclosure care costs	16,221,782	
Other post-employment obligations	9,095,033	7,705,597
Installment purchase debt		1,116,850
Total Non-Current Liabilities	202,976,714	92,720,024
Total Liabilities	238,962,340	118,044,582
NET ASSETS		
Investment in capital assets, net of related debt	76,605,301	58,289,815
Restricted for:		
Capital projects	7,004,857	
Debt service	4,488,183	2,513,239
Unrestricted	(41,691,280)	27,963,429
Total Net Assets	\$ 46,407,061	\$ 88,766,483

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

TOWN OF NORTH HEMPSTEAD
GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF ACTIVITIES
Year ended December 31, 2008

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Government Activities:				
General government support	\$ 23,840,684	\$ 321,849		\$ 582,638
Education	629,492			
Public safety	11,382,404	4,491,380	\$ 28,429	
Health	318,914			
Transportation	22,076,865	958,363	1,400,381	130,709
Economic assistance and opportunity	3,135,811			
Culture and recreation	22,643,001	8,876,165	895,583	343,000
Home and community services	23,993,678	14,796,616	464,564	114,580
Interest on debt	8,106,577			
Total Primary Government	\$ 116,127,426	\$ 29,444,373	\$ 2,788,957	\$ 1,170,927
Component Units				
Public safety	\$ 18,421,554	\$ 4,023	\$ 65,241	
Transportation	1,535,916	640,113		
Culture and recreation	15,523,328	2,651,645		
Home and community services	48,971,683	26,051,296	15,581	\$ 502,376
	\$ 84,452,481	\$ 29,347,077	\$ 80,822	\$ 502,376

General Revenues

Real property taxes
Other real property tax items
Sales tax distribution by County
Franchise fees
Interest earnings
Mortgage tax
State aid - unrestricted
Federal aid
Sale of property
Other
Gain (loss) on sale of capital assets
Total General Revenues
Change in Net Assets

Net Assets - Beginning

Prior Period Adjustment

Net Assets - Beginning of Year Restated

Net Assets - Ending

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

Net (Expenses) Revenues and
Changes in Net Assets

Primary Government	Component Units
\$ (22,936,197)	
(629,492)	
(6,862,595)	
(318,914)	
(19,587,412)	
(3,135,811)	
(12,528,253)	
(8,617,918)	
(8,106,577)	
<u>\$ (82,723,169)</u>	
	\$ (18,352,290)
	(895,803)
	(12,871,683)
	<u>(22,402,430)</u>
	\$ (54,522,206)
\$ 56,422,999	\$ 52,719,526
2,108,771	209,097
9,724,584	
1,453,360	
1,270,556	1,947,048
7,677,222	
1,111,654	13,356
	988,653
	51,987
1,342,723	2,035,607
	34,501
<u>81,111,869</u>	<u>57,999,775</u>
<u>(1,611,300)</u>	<u>3,477,569</u>
45,932,670	85,040,757
2,085,691	248,157
<u>48,018,361</u>	<u>85,288,914</u>
<u>\$ 46,407,061</u>	<u>\$ 88,766,483</u>

TOWN OF NORTH HEMPSTEAD
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2008

	MAJOR FUNDS				
	General	Highway	Solid Waste Management	Debt Service	Capital Projects
ASSETS					
Cash and investments	\$ 10,467,069	\$ 1,216,385	\$ 191,566	\$ 798,385	\$ 12,761,164
Cash - restricted			2,184,495	2,303,688	
Accounts receivable, net of allowances	429,779	6,000	1,432,367		
Prepays	317,013	132,625	20,500		
Due from other funds	3,118,065	544,212	384,573	2,108,677	
Due from other governments	4,950,407	6,630			582,638
Inventory of material and supplies	235,292	738,772			
Total Assets	<u>\$ 19,517,625</u>	<u>\$ 2,644,624</u>	<u>\$ 4,213,501</u>	<u>\$ 5,210,750</u>	<u>\$ 13,343,802</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable and accrued liabilities	\$ 1,211,453	\$ 513,219	\$ 1,275,724	\$ 24,245	\$ 1,310,728
Bond anticipation notes payable					2,000,000
Bond interest and matured bonds				405,030	
Due to other funds	185,929	353,846	2,734,217		3,028,217
Deferred revenue	278,024	250,000			
Total Liabilities	<u>1,675,406</u>	<u>1,117,065</u>	<u>4,009,941</u>	<u>429,275</u>	<u>6,338,945</u>
Fund Balances (Deficit):					
Reserved:					
Encumbrances					13,051,823
Inventory of materials and supplies	235,292	738,772			
Debt service			2,184,495	2,303,688	
Prepays	317,013	132,625	20,500		
Unreserved, designated for:					
Nonmajor special revenue funds					
Workers' compensation	665,978				
Capital projects	113,873	150,000			
Insurance	355,793				
Torts	688,795				
Debt service				902,171	
Unreserved, undesignated reported in:					
General fund	15,465,475				
Special revenue funds		506,162	(2,001,435)	1,575,616	
Capital projects fund					(6,046,966)
Total Fund Balances	<u>17,842,219</u>	<u>1,527,559</u>	<u>203,560</u>	<u>4,781,475</u>	<u>7,004,857</u>
Total Liabilities and Fund Balances	<u>\$ 19,517,625</u>	<u>\$ 2,644,624</u>	<u>\$ 4,213,501</u>	<u>\$ 5,210,750</u>	<u>\$ 13,343,802</u>

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

Other Governmental Funds	Total Governmental Funds
\$ 7,129,982	\$ 32,564,551
	4,488,183
50,593	1,918,739
116,508	586,646
150,000	6,305,527
83,340	5,623,015
	974,064
<u>\$ 7,530,423</u>	<u>\$ 52,460,725</u>

\$ 269,958	\$ 4,605,327
	2,000,000
	405,030
3,318	6,305,527
45,000	573,024
<u>318,276</u>	<u>13,888,908</u>

	13,051,823
	974,064
	4,488,183
116,508	586,646
344,454	344,454
	665,978
	263,873
	355,793
	688,795
	902,171
	15,465,475
6,751,185	6,831,528
	(6,046,966)
<u>7,212,147</u>	<u>38,571,817</u>
<u>\$ 7,530,423</u>	<u>\$ 52,460,725</u>

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TOWN OF NORTH HEMPSTEAD
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET ASSETS
December 31, 2008

Total Fund Balances - Governmental Funds \$ 38,571,817

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

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

Capital assets - non-depreciable	\$ 95,891,834	
Capital assets - depreciable	265,555,250	
Accumulated depreciation	<u>(137,189,856)</u>	224,257,228

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

General obligation bonds	(171,685,261)	
Revenue bonds	(15,170,000)	
Premiums on debt issuance	(1,833,558)	
Compensated absences	(4,548,503)	
Claims and judgments	(4,937,204)	
Estimated liability for landfill closure and postclosure care costs	(16,964,150)	
Other post-employment obligations	<u>(9,095,033)</u>	(224,233,709)

Prepaid items included in the Statement of Net Assets 584,313

Deferred financing costs (net of accumulated amortization) 6,912,662

Unearned revenue/deferred revenue (4,500,000)

Accounts Receivable applicable to the Town's governmental activities are not due and receivable in the current period and accordingly are not reported in the funds. However, these liabilities are included in the Statement of Net Assets. 5,000,000

Notes Receivable applicable to the Town's governmental activities are not due and receivable in the current period and accordingly are not reported in the funds. However, these liabilities are included in the Statement of Net Assets. 2,460,000

Interest payable applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported in the funds. However, these liabilities are included in the Statement of Net Assets. (2,645,250)

Net Assets of Governmental Activities \$ 46,407,061

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

TOWN OF NORTH HEMPSTEAD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year ended December 31, 2008

	MAJOR FUNDS				
	General	Highway	Solid Waste Management	Debt Service	Capital Projects
REVENUES					
Real property taxes	\$ 16,499,837	\$ 17,994,942			
Real property tax items	1,942,470	133,999			
Non-property tax items	11,027,944				
Departmental income	9,091,196	48,552	\$ 14,752,677		
Intergovernmental charges	39,729	816,734			
Use of money and property	658,748	77,767	56,976	\$ 389,909	
Licenses and permits	251,621	237,903	100,000		
Fines and forfeitures	40,000				
Sale of property and compensation for loss	301,367	1,587	298,120		
Miscellaneous revenue	2,224,664	15,608	14,777		\$ 450,093
Interfund revenues	4,568,564	1,537,264	150,000		
State aid	8,948,930	531,829			203,539
Federal aid	28,429				937,388
Total Revenues	<u>55,623,499</u>	<u>21,396,185</u>	<u>15,372,550</u>	<u>389,909</u>	<u>1,591,020</u>
EXPENDITURES					
Current:					
General government support	12,495,816	1,677,633			
Education	629,492				
Public safety	753,588				
Health					
Transportation		10,243,603			
Economic assistance and opportunity	2,105,211				
Culture and recreation	14,491,478				
Home and community services	298,786		15,282,282		
Employee benefits	6,576,143	3,678,224	419,822		
Capital Outlay					
General government support					707,364
Public safety					36,314
Transportation					4,109,537
Culture and recreation					4,396,674
Home and community services					1,189,572
Debt Service:					
Principal				18,440,527	
Interest				8,329,626	
Total Expenditures	<u>37,350,514</u>	<u>15,599,460</u>	<u>15,702,104</u>	<u>26,770,153</u>	<u>10,439,461</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>18,272,985</u>	<u>5,796,725</u>	<u>(329,554)</u>	<u>(26,380,244)</u>	<u>(8,848,441)</u>
Other Financing Sources (Uses)					
Transfers in	72,500			26,770,153	701,338
Transfers out	(18,903,061)	(5,543,661)	(2,543,369)		
Debt issuance					2,270,000
Total Other Financing Sources (Uses)	<u>(18,830,561)</u>	<u>(5,543,661)</u>	<u>(2,543,369)</u>	<u>26,770,153</u>	<u>2,971,338</u>
Net Change in Fund Balances	(557,576)	253,064	(2,872,923)	389,909	(5,877,103)
Fund Balances at Beginning of Year	<u>18,399,795</u>	<u>1,274,495</u>	<u>3,076,483</u>	<u>4,391,566</u>	<u>12,881,960</u>
Fund Balances at End of Year	<u>\$ 17,842,219</u>	<u>\$ 1,527,559</u>	<u>\$ 203,560</u>	<u>\$ 4,781,475</u>	<u>\$ 7,004,857</u>

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

Other Governmental Funds	Total Governmental Funds
\$ 21,928,220	\$ 56,422,999
32,302	2,108,771
150,000	11,177,944
1,770,516	25,662,941
220	856,683
139,918	1,323,318
3,479,987	4,069,511
122,710	162,710
	601,074
100,320	2,805,462
1,311	6,257,139
	9,684,298
	965,817
<u>27,725,504</u>	<u>122,098,667</u>
2,742,275	16,915,724
	629,492
9,144,623	9,898,211
189,337	189,337
3,862,201	14,105,804
	2,105,211
1,110,245	15,601,723
7,727,112	23,308,180
2,087,087	12,761,276
	707,364
	36,314
	4,109,537
	4,396,674
	1,189,572
	18,440,527
	8,329,626
<u>26,862,880</u>	<u>132,724,572</u>
<u>862,624</u>	<u>(10,625,905)</u>
	27,543,991
(553,900)	(27,543,991)
	2,270,000
<u>(553,900)</u>	<u>2,270,000</u>
308,724	(8,355,905)
<u>6,903,423</u>	<u>46,927,722</u>
<u>\$ 7,212,147</u>	<u>\$ 38,571,817</u>

TOWN OF NORTH HEMPSTEAD
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
Year ended December 31, 2008

Net Change in Fund Balance - Total Governmental Funds **\$ (8,355,905)**

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlay exceeds depreciation in the current period is:

Capital outlay	11,198,462
Depreciation expense	(10,072,280)

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

Prepaid charges	44,185
Deferred charges	(453,864)

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

Deferred revenue	(1,500,000)
Premiums on debt issuance/unearned revenue	114,598
Interest income	60,000

The issuance of long-term debt and increase in obligations provides current financial resources to governmental funds, while the repayment of the principal of long term-debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets.

Debt issued	(2,270,000)
Repayment of bond principal	18,440,527
Compensated absences	(343,356)
Claims and judgments	(340,358)
Estimated liability for landfill closure and postclosure care costs	738,675
Other post-employment obligations	(9,095,033)
Accrued interest payable	223,049
	223,049

Change in Net Assets of Governmental Activities **\$ (1,611,300)**

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

TOWN OF NORTH HEMPSTEAD
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
December 31, 2008

		<u>Total Agency Funds</u>
ASSETS		
Cash	\$	21,518,342
Total Assets	\$	<u>21,518,342</u>
 LIABILITIES		
Due to school districts	\$	3,855,853
Other agency liabilities		<u>17,662,489</u>
Total Liabilities	\$	<u>21,518,342</u>

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

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TOWN OF NORTH HEMPSTEAD
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December 31, 2008

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TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

1. REPORTING ENTITY

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

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

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

The North Hempstead Community Development Agency (the "Agency") is a separate public benefit corporation created by state legislation to promote the safety, health and welfare of the Town's inhabitants and to promote the sound growth and development of the Town. The Board of Directors is the legislative body responsible for overall operations. The Town is financially accountable for the legally separate Agency because it appoints the Board of Directors and there is a potential for the Agency to provide specific financial benefits to, or impose financial burdens on, the Town. The Agency is a discretely presented component unit.

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. REPORTING ENTITY (continued)

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

2. BASIS OF PRESENTATION

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

Government-wide Financial Statements

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

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

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

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

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. BASIS OF PRESENTATION (continued)

Government-wide Financial Statements (continued)

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

Fund Financial Statements

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

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

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

The Town reports the following major governmental funds:

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

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

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

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

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

Additionally, the Town reports the following nonmajor funds:

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. BASIS OF PRESENTATION (continued)

Fund Financial Statements (continued)

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

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

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

Fire Protection Districts:

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

Lighting District

Park Districts:

Harbor Hills
Manhasset Bay
New Hyde Park

Sidewalk District

Refuse and Garbage Districts:

Albertson	Great Neck
Manhasset	New Cassel
New Hyde Park-Garden City Park	

Port Washington Public Parking District

Great Neck Water District

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

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

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

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

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

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. BASIS OF PRESENTATION (continued)

Fund Financial Statements (continued)

Discretely Presented Component Units

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

Water Districts

Albertson
Carle Place
Garden City Park
Glenwood
Manhasset-Lakeville
Port Washington
Roslyn
Westbury

Water Pollution Control Districts

Belgrave
Great Neck
Port Washington

Garbage Districts

Carle Place
Glenwood
Port Washington
Roslyn

Park Districts

Great Neck
Manhasset

Greater Port Washington Business
Improvement District

North Hempstead Community
Development Agency

Port Washington Police District

Shelter Rock Public Library District

3. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

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

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

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

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. BASIS OF ACCOUNTING/MEASUREMENT FOCUS (continued)

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

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

4. ASSETS, LIABILITIES AND FUND EQUITY

CASH AND INVESTMENTS

Cash consists of funds deposited in demand accounts, both interest bearing and non-interest bearing and petty cash. In the past the Town has utilized certificates of deposit with maturities of less than three months.

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

CLASS is a cooperative investment plan consisting of U.S. Treasury Obligations and repurchase agreements relating to treasury obligations. Investments are stated at cost, which approximates market. CLASS was established as a cooperative investment arrangement organized under the CLASS Municipal Cooperation Agreement made pursuant to New York General Municipal Law, Article 3A and 5-G. The Town had no investments in CLASS for 2008.

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

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. ASSETS, LIABILITIES AND FUND EQUITY (continued)

RECEIVABLES

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

INVENTORY - MATERIALS AND SUPPLIES

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

PREPAIDS

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

CAPITAL ASSETS

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

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

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

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

DEFERRED CHARGES

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

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. ASSETS, LIABILITIES AND FUND EQUITY (continued)

DEFERRED CHARGES (continued)

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

PREMIUMS ON DEBT ISSUANCE

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

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

DEFERRED REVENUE/UNEARNED INCOME

Deferred revenues/uneared revenue are those where asset recognition criteria have been met, but which revenue recognition criteria have not been met. Such amounts include collections in advance, unearned income and amounts been deemed to be "measurable" but not "available" to finance current expenses.

LONG-TERM OBLIGATIONS

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

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

5. REVENUES AND EXPENDITURES

REAL PROPERTY TAX ASSESSMENT AND COLLECTION PROCEDURES

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

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

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. REVENUES AND EXPENDITURES (continued)

REAL PROPERTY TAX ASSESSMENT AND COLLECTION PROCEDURES (continued)

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

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

INTERFUND TRANSACTIONS

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

a) **Interfund Revenues**

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

b) **Operating Transfers**

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

OTHER POST-EMPLOYMENT BENEFITS

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

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

The Town recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the government funds in the year paid. The liability for these other post-employment benefits payable is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on the most recent actuarial valuation in accordance with the parameters of GASB Statement No. 45.

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. REVENUES AND EXPENDITURES (continued)

COMPENSATED ABSENCES

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

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

6. EQUITY CLASSIFICATIONS

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

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

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

7. USE OF ESTIMATES

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

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

8. NEW ACCOUNTING PRINCIPLES

The Town has adopted all of the current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. Effective with the financial report for the year ending December 31, 2008, the Town has adopted *Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions* (OPEB). This statement establishes standards for reporting the liability for non-pension post-employment benefits, chiefly the health care premiums for retirees. Also effective with the financial report for the year ended December 31, 2008, the Town has adopted *GASB Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations"*. This statement provides guidance on how to calculate and report the costs and obligations associated with pollution remediation efforts.

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. BUDGETARY DATA

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

- a) On or before September 20th, each department, officer or district submits to the Budget Officer and to the Comptroller a detailed estimate of the budget known as "departmental estimates" for the amount of revenue to be received and expenditures to be made for the ensuing year.
- b) On or before September 30th, the Budget Officer files with the Town Clerk and the Comptroller and presents to the Town Board a tentative budget for the ensuing year.
- c) On or before October 5th, the Town Board receives the tentative budget from the Town Clerk. After review, it adopts the tentative budget as preliminary and sets a date for a budget hearing.
- d) The Town Board conducts a public hearing on the preliminary budget and on or before November 20th, the Town Board meets to adopt the budget then known as the "adopted budget".
- e) Formal budgetary integration is employed during the year as a management control device for the General and certain Special Revenue Funds. The Town Board adopts the budget and establishes legal level of control of the budget at the object level of expenditures. The object level identifies expenditures by the article purchased or service obtained in order to carry out a function. Appropriations are adopted at the object level. All budgetary amendments and transfers of appropriation require Town Board approval. Appropriations for all governmental funds except the capital projects fund lapse at year end. In order to show the full legal budgetary compliance for the General and certain Special Revenue Funds, detailed individual statements of revenues, expenditures and changes in fund balances – budget and actual, are presented in a separate budget report.
- f) Budgets for the General and certain Special Revenue Service Funds are legally adopted for each year. The budgets are adopted on a basis of accounting consistent with GAAP. In the event that actual revenues received exceed budgeted amounts, additional budgetary appropriations may be made.

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

1. BUDGETARY DATA (continued)

- g) Annual budgets are not prepared for the Capital Projects Fund, the Debt Service Fund and the Community Development Agency Fund. Capital Projects Funds are budgeted on a project basis.

2. FUND BALANCES

DESIGNATION OF FUND BALANCE

Portions of the unreserved balances at December 31, 2008 were designated for the subsequent year's operating budgets as follows:

Fund	Total Fund Balance Unreserved	Fund Balance Unreserved and Designated for Subsequent Year's Budget	Fund Balance Unreserved Undesignated
Nonmajor Funds:			
Part Town	\$ 2,480,117		\$ 2,480,117
Garbage	1,561,148	\$ 12,500	1,548,648
Park Districts	95,769	4,971	90,798
Fire Protection Districts	847,062	9	847,053
Lighting District	1,119,696	250,617	869,079
Public Parking District	630,765		630,765
Sidewalk District	361,076	76,357	284,719
Water District	6		6
	<u>\$ 7,095,639</u>	<u>\$ 344,454</u>	<u>\$ 6,751,185</u>

FUND DEFICITS

Individual funds with unreserved and/or total fund deficits as of December 31, 2008 were as follows:

Fund	Fund Deficit Unreserved and Undesignated	Total Fund Balance
Major Funds:		
Solid Waste Management Authority	\$ (2,001,435)	\$ 203,560
Capital Projects	(6,046,966)	7,004,857
	<u>\$ (8,048,401)</u>	<u>\$ 7,208,417</u>

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

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

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

2. FUND BALANCES (continued)

FUND BALANCE RESERVE

Debt Reserve

The Town has established Debt Reserves totaling \$4,488,183. These funds arise from unspent refunding bond proceeds, accrued interest and interest earnings. These funds will be used to pay off outstanding general obligation bond debt as the particular issues become due.

3. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended December 31, 2008, expenditures exceeded appropriations in the Park Districts by \$69,891 and in the Public Parking District by \$33,214. There is insufficient fund balance in the Harbor Hills Park District to cover the amount by which expenditures exceeded appropriations but there is sufficient fund balance in the overall park districts fund balance to compensate for this shortfall. There is sufficient fund balance in the Public Parking District to cover the amount by which expenditures exceed appropriations.

C. DETAILED NOTES ON ALL FUNDS

1. CASH AND INVESTMENTS

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

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

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

At December 31, 2008 the Town's deposits were \$58,571,076. This amount is inclusive of Fiduciary fund deposits of \$21,518,342 and restricted cash of \$4,488,183 but exclusive of petty cash of \$4,930. The bank balance was \$54,532,624. Of the bank balance, \$1,997,977 was covered by Federal deposit insurance, and \$54,629,863 was covered by collateral held by the Town's agent, a third-party financial institution, in the Town's name. Collateral policies appear in Note A.4.

Credit Risk – State law and Town law limit investments to those authorized by State statutes. The Town has a written investment policy. The Town participates in a cooperative investment plan (CLASS). New York CLASS is rated AAA by the Fitch Rating Agency.

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

C. DETAILED NOTES ON ALL FUNDS (continued)

1. CASH AND INVESTMENTS (continued)

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

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

As of December 31, 2008 the Town of North Hempstead did not have any investments subject to credit risk, interest-rate risk or concentration of credit risk.

2. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At December 31, 2008, individual fund interfund receivable and payable balances for the primary government are expected to be paid currently. These balances represent various temporary loans, recharges and reimbursements between funds and are stated as follows:

	Amount Receivable	Amount Payable
Primary Government		
<u>Major Funds:</u>		
General Fund	\$ 3,118,065	\$ 185,929
Highway	544,212	353,846
Solid Waste Management Authority	384,573	2,734,217
Debt Service	2,108,677	
Capital Projects Fund		3,028,217
<u>Nonmajor Funds:</u>		
Part Town	150,000	
Sidewalk District		3,318
	\$ 6,305,527	\$ 6,305,527

At December 31, 2008, the Solid Waste Management Authority amount payable was not expected to be repaid within one year.

At December 31, 2008, individual fund interfund transfers balances for the primary government primarily represent receipt and payment of debt service and capital projects expenditures, and are stated as follows:

	Transfers In	Transfers Out
Primary Government		
<u>Major Funds:</u>		
General Fund	\$ 72,500	\$18,903,061
Highway		5,543,661
Solid Waste Management Authority		2,543,369
Debt Service	26,770,153	
Capital Projects Fund	701,338	
<u>Nonmajor Funds:</u>		
Part Town		10,000
Park Districts		77,503
Lighting District		500
Public Parking District		253,303
Sidewalk District		212,594
	\$27,543,991	\$27,543,991

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

C. DETAILED NOTES ON ALL FUNDS (continued)

3. CAPITAL ASSETS

	Balance 1/1/2008	Additions	Deletions	Balance 12/31/2008
<u>Primary government</u>				
Capital assets not being depreciated				
Land - other than landfills	\$ 90,779,852	\$ 386,178		\$ 91,166,030
Construction work in progress	2,678,008	2,616,043	\$ 568,247	4,725,804
Total capital assets not being depreciated	93,457,860	3,002,221	568,247	95,891,834
Depreciable capital assets				
Buildings	39,603,093			39,603,093
Improvements other than buildings	40,243,921	307,738		40,551,659
Machinery and equipment	24,380,889	2,066,037		26,446,926
Infrastructure	152,562,859	6,390,713		158,953,572
Total depreciable capital assets	256,790,762	8,764,488		265,555,250
Less accumulated depreciation				
Buildings	16,373,248	828,747		17,201,995
Improvements other than buildings	9,952,028	1,171,376		11,123,404
Machinery and equipment	14,378,620	1,494,314		15,872,934
Infrastructure	86,413,680	6,577,843		92,991,523
Total accumulated depreciation	\$ 127,117,576	\$ 10,072,280		137,189,856
Total net depreciable capital assets				128,365,394
Total net capital assets				\$ 224,257,228

The Town depreciated all fixed assets acquired or put in service during 2008 with an effective date of July 1, 2008 or on a six month depreciable basis.

The Town has expended funds to construct a sanitary sewer and pump station and install a sanitary force main at the Harbor Links Golf Course. Under contractual obligation, this project will be turned over to the Port Washington Water Pollution Control District, a component unit of the Town. As of December 31, 2008 the project was completed but title has not yet passed to the Port Washington Water Pollution Control District.

Depreciation expense was charged to governmental functions as follows:

General government support	\$ 522,151
Public safety	83,718
Transportation	5,238,494
Culture and recreation	2,904,544
Home and community services	1,323,373
Total governmental activities depreciation expense	\$ 10,072,280

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

C. DETAILED NOTES ON ALL FUNDS (continued)

3. CAPITAL ASSETS (continued)

The Town of North Hempstead evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The Town's policy is to record an impairment loss in the period when the Town determines that the carrying amount of the asset will not be recoverable. At December 31, 2008, the Town has not recorded any such impairment losses.

	Balance 1/1/2008	Additions	Deletions	Balance 12/31/2008
<u>Discretely presented component units</u>				
Capital assets not being depreciated				
Land	\$ 14,890,387	\$ 939,443	\$ 564,531	\$ 15,265,299
Construction in progress	13,711,371	24,810,474		38,521,845
Total capital assets not being depreciated	<u>28,601,758</u>	<u>25,749,917</u>	<u>564,531</u>	<u>53,787,144</u>
Depreciable capital assets				
Buildings	69,440,603	762,913	1,055,609	69,147,907
Improvements other than buildings	25,202,402	227,143	14,900	25,414,645
Machinery and equipment	66,715,383	2,095,549	5,634,825	63,176,107
Infrastructure	43,615,459	2,278,027		45,893,486
Total depreciable capital assets	<u>204,973,847</u>	<u>5,363,632</u>	<u>6,705,334</u>	<u>203,632,145</u>
Less accumulated depreciation				
Buildings	37,332,040	1,865,103	91,970	39,105,173
Improvements other than buildings	14,895,430	719,984	8,970	15,606,444
Machinery and equipment	42,893,979	3,389,292	4,795,306	41,487,965
Infrastructure	24,813,665	1,466,099		26,279,764
Total accumulated depreciation	<u>\$ 119,935,114</u>	<u>\$ 7,440,478</u>	<u>\$ 4,896,246</u>	<u>122,479,346</u>
Total net depreciable capital assets				<u>81,152,799</u>
Total net capital assets				<u><u>\$134,939,943</u></u>

4. INDEBTEDNESS

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

Also included in BANs are borrowings from the State Revolving Fund and Environmental Facilities Corporation (EFC). The Town, two Water Pollution Control Districts and two Water Districts have financed capital projects through the New York State EFC and State Revolving Fund Loans (bond issues). Under the financing plan, the Town and the Districts receive interest subsidies from the United States Environmental Protection Agency and the EFC. Proceeds of notes which have been refinanced by the issuance of serial bonds subsequent to the end of the year but prior to dating of this financial statement are reported as a financing source in the appropriate fund. At December 31, 2008 the Town had \$10,313,986 of BANs payable.

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

C. DETAILED NOTES ON ALL FUNDS (continued)

4. INDEBTEDNESS (continued)

These bond anticipation notes are summarized as follows:

	Balance 1/1/2008	Issued	Redeemed	Balance 12/31/2008
Primary government:				
Capital projects fund:				
General		\$ 1,750,000		\$ 1,750,000
Highway		250,000		250,000
Total primary government		2,000,000		2,000,000
Component units:				
Water pollution control districts		8,313,986		8,313,986
Total component units		8,313,986		8,313,986
 Total bond anticipation notes	 \$ -0-	 \$ 10,313,986	 \$ -0-	 \$ 10,313,986

General Obligation Bonds – The Town borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are backed by the full faith and credit of the Town, bear interest at various rates from 2.025% to 8.800% and have maturity dates in 2008 through 2038.

The January 1, 2008 opening balances have been reclassified to correct an error in fund allocation. There is no material effect on the total balance at December 31, 2008.

	Balance 1/1/2008	Issued	Redeemed	Balance 12/31/2008
Primary government:				
Capital projects fund:				
General	\$ 143,151,598		\$ 12,250,429	\$ 130,901,169
Highway	40,189,590	\$ 2,270,000	3,770,856	38,688,734
Public parking	815,877		219,070	596,807
Sidewalk	1,229,241		156,658	1,072,583
Parks	484,482		58,514	425,968
Total primary government	185,870,788	2,270,000	16,455,527	171,685,261
Component units:				
Business improvement district	131,596		6,267	125,329
Park districts	11,793,918	10,940,000	597,286	22,136,632
Water districts	39,917,132		2,935,342	36,981,790
Water pollution control districts	20,083,294	1,783,412	1,404,169	20,462,537
Police district	206,583		13,910	192,673
Total component units	72,132,523	12,723,412	4,956,974	79,898,961
 Total general obligation bonds	 \$ 258,003,311	 \$ 14,993,412	 \$ 21,412,501	 \$ 251,584,222

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

C. DETAILED NOTES ON ALL FUNDS (continued)

4. INDEBTEDNESS (continued)

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

	Principal	Interest	Total Principal and Interest
Year Ending December 31, 2009	\$ 22,955,810	\$ 10,531,967	\$ 33,487,777
2010	22,241,412	9,240,097	31,481,509
2011	20,454,000	8,327,041	28,781,041
2012	20,062,000	7,475,375	27,537,375
2013	19,584,000	6,591,830	26,175,830
2014-2018	84,729,000	21,107,416	105,836,416
2019-2023	49,443,000	6,862,465	56,305,465
2024-2028	10,065,000	945,230	11,010,230
2029-2033	1,230,000	172,881	1,402,881
2033-2038	820,000	36,919	856,919
	<u>\$ 251,584,222</u>	<u>\$ 71,291,221</u>	<u>\$ 322,875,443</u>

Outstanding Bond Issues	Rate	Amount	Final Maturity
General Obligation Serial Bonds-1983	7.875%	\$ 300,000	December 1, 2009
Public Improvement Serial Bonds-1984	8.800%	2,325,000	May 1, 2013
Public Improvement Serial Bonds-1985	8.700%	325,000	April 15, 2011
Public Improvement Serial Bonds-1986	6.800%	1,410,000	April 1, 2016
General Obligation Serial Bonds-1986	7.200%	400,000	February 15, 2016
Public Improvement Serial Bonds-1987	7.300%	750,000	April 1, 2011
Public Improvement Serial Bonds-1991, Series A	6.850%	135,000	February 1, 2011
General Obligation Serial Bonds-1992, Series A	6.200%	1,955,000	February 1, 2017
General Obligation Serial Bonds-1992, Series B	6.200%	13,885,000	April 1, 2017
New York State EFC Bonds-1992	6.450%	119,000	September 1, 2012
Public Improvement Serial Bonds-1993, Series A	5.358%	2,155,000	May 15, 2018
New York State EFC Bonds-1993, Series A	5.400%	290,000	September 1, 2018
New York State EFC Bonds-1998, Series B	4.550%	1,310,000	December 1, 2017
New York State EFC Bonds-1999, Series A	3.880%	930,000	October 1, 2018
Refunding and Various Purposes Bonds-1999	4.125%	6,635,000	May 15, 2012
Various Purpose Serial Bonds-2001	4.250%	3,975,000	May 15, 2015
New York State EFC Bonds-2001, Series B	3.844%	5,470,000	November 1, 2022
Various Purposes Serial Bonds-2002	4.250%	9,200,000	May 1, 2022
New York State EFC Bonds-2002 Series F	4.371%	985,000	November 1, 2023
New York State EFC Bonds-2002 Series G	3.233%	2,275,000	October 1, 2019
New York State EFC Bonds-2002 Series I	3.380%/ 3.450%	706,000	September 1, 2022
General Obligation Serial Bonds-2003	3.000%	13,260,000	February 1, 2016
New York State EFC Bonds-2003 Series A	4.336%	965,000	April 1, 2031
New York State EFC Bonds-2003	1.740%	775,000	January 1, 2023
Various Purposes Serial Bonds-2003	4.250%	17,660,000	July 15, 2019
General Obligation Serial Bonds-2004	2.500%	7,310,000	February 15, 2022
General Obligation Serial Bonds-2004	6.000%	315,000	February 15, 2022
General Obligation Serial/Refunding Bds-2004	3.000%/2.000%	27,095,000	February 15, 2022
New York State EFC Bonds-2004 Series B	1.665%	5,095,000	February 15, 2022
General Obligation Serial Bonds-2004	3.700%	3,060,000	September 1, 2022
General Obligation Serial Bonds-2005	4.000%	14,620,000	April 15, 2025
Refunding Bonds - 2005	5.000%/4.125%	47,430,000	January 15, 2023
Public Improvement Serial Bonds-2006	4.375%	22,605,000	February 1, 2026
New York State EFC Bonds-2006 Series C	3.626%	3,277,810	April 1, 2036
Public Improvement Serial Bonds-2007	4.125%	11,993,000	June 1, 2021
Public Improvement Serial Bonds-2007 Series B	3.000%	5,595,000	November 1, 2027
Various Purposes Serial Bonds-2008	3.000%/4.250%	13,210,000	June 15, 2022
NYS EFC Bonds-2008, Series A-1, B-1, A-2, B-2	4.270%	1,783,412	April 1, 2038
		<u>\$ 251,584,222</u>	

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

C. DETAILED NOTES ON ALL FUNDS (continued)

4. INDEBTEDNESS (continued)

Revenue Bonds – The Town borrowed money in order to finance the purchase of certain real property. These bonds bear interest at rates ranging from 2.000% to 4.000% and mature on February 1, 2008 through 2014.

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

	Principal	Interest	Total Principal and Interest
Year Ending December 31, 2009	\$ 2,040,000	\$ 490,437	\$ 2,530,437
2010	2,095,000	428,412	2,523,412
2011	2,155,000	361,969	2,516,969
2012	2,230,000	290,713	2,520,713
2013	2,305,000	214,138	2,519,138
2014	4,345,000	86,900	4,431,900
	<u>\$ 15,170,000</u>	<u>\$ 1,872,569</u>	<u>\$ 17,042,569</u>

The Debt Service Reserve, of \$1,904,579, established in 2003 as part of the refunding bonds issued in the Debt Service Fund amounts to \$2,196,288 at December 31, 2008 and is expected to be used, if available, to offset the 2014 principal payment.

Prior-Year Defeasance of Debt

In years prior to 2008 certain general obligations and revenue bonds were defeased by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Town's financial statements. At December 31, 2008, \$91,785,000 of general obligation outstanding bonds and \$11,525,000 of revenue bonds are considered defeased. At December 31, 2008 the total outstanding bonds that are considered defeased are \$103,310,000.

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2008 is as follows:

	Balance 1/1/2008	Increases	Reductions	Balance 12/31/2008	Non-current liabilities due within one year	Non-current liabilities
Primary government:						
Bonds Payable						
General obligation bonds	\$ 185,870,788	\$ 2,270,000	\$ 16,455,527	\$ 171,685,261	\$ 17,557,605	\$ 154,127,656
Revenue bonds	17,155,000		1,985,000	15,170,000	2,040,000	13,130,000
Plus deferred amounts:						
Premiums on issuance	1,948,156		114,598	1,833,558	114,597	1,718,961
Total Bonds Payable	204,973,944	2,270,000	18,555,125	188,688,819	19,712,202	168,976,617
Compensated absences	4,205,147	3,403,640	3,060,284	4,548,503	227,425	4,321,078
Claims and judgments	4,596,846	525,134	184,776	4,937,204	575,000	4,362,204
Estimated liability for landfill closure and postclosure care costs	17,702,825		738,675	16,964,150	742,368	16,221,782
Other post-employment benefits		11,683,500	2,588,467	9,095,033		9,095,033
	<u>\$ 231,478,762</u>	<u>\$ 17,882,274</u>	<u>\$ 25,127,327</u>	<u>\$ 224,233,709</u>	<u>\$ 21,256,995</u>	<u>\$ 202,976,714</u>
Component units						
General obligation bonds	\$ 72,132,523	\$ 12,723,412	\$ 4,956,974	\$ 79,898,961	\$ 5,398,205	\$ 74,500,756
Compensated absences	8,797,535	1,301,796	659,963	9,439,368	42,547	9,396,821
Other post-employment benefits		10,152,703	2,447,106	7,705,597		7,705,597
Installment purchase debt	1,223,699		52,147	1,171,552	54,702	1,116,850
	<u>\$ 82,153,757</u>	<u>\$ 24,177,911</u>	<u>\$ 8,116,190</u>	<u>\$ 98,215,478</u>	<u>\$ 5,495,454</u>	<u>\$ 92,720,024</u>

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

C. DETAILED NOTES ON ALL FUNDS (continued)

4. INDEBTEDNESS (continued)

Changes in Long-Term Liabilities (continued)

The Town restated the opening balance of compensated absences by \$314,309 for salary related payments.

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

5. RETIREMENT SYSTEM

Plan Description

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

Obligation of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (the "Comptroller") serves as sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of their funds.

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

Funding Policy

The System is non-contributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3% of their salary for the first ten years of membership. Under the authority of the NYSRSSL, the Comptroller annually certifies the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulating fund.

Contributions consist of a group term life insurance portion (GTLI) and a regular pension contribution. Contribution rates for the plan year ended March 31, 2008 are as follows:

<u>Tier/Plan/Option</u>	<u>Rate</u>
1 75I/41J	10.8%
2 75I/41J	9.9%
3 A14/41J	8.0%
4 A15/41J	8.0%

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

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

C. DETAILED NOTES ON ALL FUNDS (continued)

5. RETIREMENT SYSTEM (continued)

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

Annual Required Contribution - ERS					
	Amount	% of Covered Payroll	Credits & Miscellaneous Adjustments	Prepayment Discount	Total Payment
2008	\$ 2,253,328	7.77%	\$ 106,519	\$ 22,594	\$ 2,337,253
2007	2,262,526	8.29%	(81,127)	20,885	2,160,514
2006	2,465,266	10.03%	223,104	25,740	2,662,630

6. POST EMPLOYMENT BENEFITS HEALTHCARE COSTS

In the government-wide financial statements, the cost of post-employment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended December 31, 2008, the Town recognizes the costs of post-employment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provide information useful in assessing potential demands on the Town's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2008 liability.

Plan Description

The Town, as a single-employer defined benefit plan, per its contracts with employees, will pay the full premium costs for the medical benefits, currently provided by the New York State Health Insurance Program (NYSHIP) (Empire Plan) HIP Prime HMO or Island 65. Active and retired employees of the Town have the Empire PPO Plan (Core Plus Enhancements), HIP Prime HMO and Island 65 is available for retirees over 65. Island 65 is a choice of coverage for retirees who are age 65 and over through a self-administered arrangement through Island Group Administration, Inc. The Empire Plan has separate pre-Medicare and Medicare rates. Since the plans are community rated, the retiree claim costs are based on the actual rates without adjustment for age. Benefits are provided to substantially all employees who retire with at least ten full years of service with the Town or five full years of service and have reached the age of 70, and can retire. The retiree is also eligible for Medicare Part B reimbursement in the amount of \$1,157 per year, if they are over the age of sixty-five. As of 2007 the Medicare Part B premium that is charged varies by income level. Medicare Part B reimbursement valuation was assumed at the basic level. Upon death of a retiree the Town ceases to pay the full healthcare costs for the un-remarried survivor after three months. The Town does not pay the premium costs for survivors of former employees who became survivors before March 1, 1995 and pays 50% of the premium costs for survivors of former employees who became survivors after March 1, 1995. If at the time of death of the surviving spouse, he or she is survived by a qualified dependent of the former employee for whom there has been continuous coverage under the Town's medical plan, the Town will pay 50% of the premium to continue individual medical coverage for the qualified dependent for as long as such person remains a qualified dependent. The survivor does continue to receive the medicare reimbursement. These contracts may be renegotiated at various times in the future.

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

C. DETAILED NOTES ON ALL FUNDS (continued)

6. POST-EMPLOYMENT BENEFITS HEALTHCARE COSTS (continued)

The number of participants as of January 1, 2008, the effective date of the OPEB valuation, follows. There have been no significant changes in the number or the type of coverage since that date.

Active employees	402
Retired Employees and spouses	422
Surviving spouses of deceased retirees	33
Total	857

Funding Policy

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

Annual Other Post-employment Benefit Cost

For the year ended December 31, 2008, the Town's annual other post-employment benefits cost (expenses) of \$11,683,500 was equal to the Annual Required Contribution (ARC). Considering the annual expense as well as the payment of current health insurance premiums and medicare reimbursements, which totaled \$2,588,467 for retirees and their beneficiaries, the result was an increase in the other post-employment benefits liability of \$9,095,033 for the year ended December 31, 2008. The ARC for the component units for the year ended December 31, 2008 amounted to \$10,463,555. Considering health insurance payments totaling \$2,757,958, the increase in the other post-employment benefits liability for the component units for the year ended December 31, 2008 amounted to \$7,705,597.

Benefit Obligations and Normal Cost

	Medical and Medicare B
Actuarial Accrued Liability (AAL)	
Active employees	\$ 75,413,000
Retired employees	49,419,000
Total Actuarial Accrued Liability (AAL)	124,832,000
Actuarial value of plan assets	-0-
Unfunded actuarial accrued liability (UAAL)	\$ 124,832,000
Funded ratio	0%
Normal cost at the beginning of the year	\$ 5,134,900
Amortization cost at the beginning of the year	\$ 6,548,600
Annual covered payroll	\$ 29,008,187
UAAL as a percentage of covered payroll	430.33%

The Town's annual other post-employment benefit cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The unfunded actuarial accrued liability for the Town for the year ended December 31, 2008 amounted to \$124,832,000. The unfunded actuarial accrued liability for the components units for the year ended December 31, 2008 amounted to \$106,496,129

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

C. DETAILED NOTES ON ALL FUNDS (continued)

6. POST-EMPLOYMENT BENEFITS HEALTHCARE COSTS (continued)

The following table shows the components of the Town's other post-employment benefits liability:

Level Dollar Amortization

Calculation of ARC under the Projected Unit Credit Cost Method

Normal cost	\$	5,134,900
Amortization of unfunded actuarial liability (UAAL) over 30 years		6,548,600
Annual OPEB Cost		11,683,500
Less: Contribution for year ended December 31, 2008		2,588,467
Increase in other post-employment benefits liability		9,095,033
Other post-employment benefits liability at December 31, 2007		-0-
Other post-employment benefits liability at December 31, 2008	\$	9,095,033
Percentage of annual OPEB cost contributed		22.2%

Funded Status and Funding Progress

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended December 31, 2008 and the preceding two years is not available at this time. Trend information will be shown as accumulated.

The percentage contributed for the current year was:

	Annual OPEB Cost	Annual Contribution Made	Percentage Contributed	Net OPEB Obligation
2008	11,683,500	2,588,467	22.2%	9,095,033

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

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

C. DETAILED NOTES ON ALL FUNDS (continued)

6. POST-EMPLOYMENT BENEFITS HEALTHCARE COSTS (continued)

The funded status of the plan as of December 31, 2008 is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit Cost Method (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
12/31/2008	\$ -0-	\$ 124,832,000	\$ 124,832,000	0%	\$ 29,008,187	430.33%

Actuarial Methods and Assumptions

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

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

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

In the December 31, 2008 actuarial valuation, the liabilities were computed using the projected unit credit method, the level debt amortization method, and an open 30 year amortization period to amortize the initial unfunded liability. The actuarial assumptions utilized a 4.0% discount rate and assume that the benefits are not prefunded. GASB 45 requires the discount rate to be set based on the expected earnings of the Town's general fund. The valuation assumes a 9.5-10.5% healthcare cost trend increase for NYSHIP medical benefits for the year ended 2008, reduced by decrements to a rate of 5.0% after nine years for pre-65 medical benefits and eleven years for post-65 medical benefits. The valuation assumes a 9.5% healthcare cost trend for Island 65 medical benefits, which is available for those age 65 and over, reduced by decrements to a rate of 5.0 % after nine years. The valuation assumes a 5% cost trend for medicare part B benefits for the year ended 2008. The remaining amortization period at December 31, 2008 was twenty nine years.

A copy of the Town of North Hempstead's Retiree Medical Program, December 31, 2008 Valuation is available by contacting the Town of North Hempstead, Office of the Comptroller, 220 Plandome Rd., Manhasset, New York 11730.

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

C. DETAILED NOTES ON ALL FUNDS (continued)

7. COMPENSATED ABSENCES

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

Estimated vacation, sick leave and compensatory absences accumulated by governmental fund type employees have been recorded in the statements of net assets. Payment of vacation time and sick leave is dependent upon many factors; therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payments of vacation, sick leave and compensatory absences when such payments become due. As of December 31, 2008, the value of the accumulated vacation time and sick leave was \$4,548,503 for the primary governments. The liability for compensated absences for the component units amounted to \$9,439,368

D. COMMITMENTS AND CONTINGENCIES

1. RISK RETENTION

In common with other municipalities, the Town receives numerous notices of claims. The Town carries excess liability insurance coverage of \$1,000,000 per occurrence with a \$3,000,000 annual aggregate and is self-insured, up to \$250,000, for claims under this coverage. Although the eventual outcome of these claims cannot presently be determined, the Town Attorney has estimated unsettled claims and litigation to be \$3,741,635. The Town is of the opinion that the ultimate settlement of the outstanding claims will not result in a material adverse effect on the Town's financial position.

The Town is self-insured for property protection on the first \$100,000 per loss except for flood and earthquake, which is \$100,000 per loss with insurance protection coverage of up to \$5,000,000 for any one loss and a \$5,000,000 annual aggregate. The Town carries building and contents coverage in excess of \$82,819,760.

The Town is self-insured for workers' compensation insurance and general liability insurance. Estimated benefits to be paid are appropriated in the various operating funds of the Town. The Town has provided an umbrella-type policy protecting against a catastrophic loss in the workers' compensation self-insurance protection program with \$400,000 retention per occurrence with benefits of up to \$25,000,000. The Town is also self-insured for unemployment benefits paid.

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

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

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

D. COMMITMENTS AND CONTINGENCIES (continued)

1. RISK RETENTION (continued)

	Workers' Compensation		General Liability	
	2008	2007	2008	2007
Unpaid claims and claim adjustment expenditures at the beginning of the year	\$ 1,380,345	\$ 1,676,161	\$ 3,216,501	\$ 2,512,019
Insured claims and claim adjustment Expenditures:				
Provision for the insured events of the current year and increases in provision for insured events of prior years.	170,647	341,958	542,332	719,295
Total incurred claims and claim adjustment expenditures	170,647	341,958	542,332	719,295
Payments				
Claim and claim adjustment expenditures attributable to insured events of the current and prior years.	355,423	637,774	17,198	14,813
Total unpaid claims and claim adjustment expenditures at the end of the year.	<u>\$ 1,195,569</u>	<u>\$ 1,380,345</u>	<u>\$ 3,741,635</u>	<u>\$ 3,216,501</u>

2. LITIGATION

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

3. LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

State and federal laws and regulations require the Town to place a final cover on its landfill sites and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Post closure maintenance and monitoring activities for the L-4 and L-5 Landfills are estimated to be approximately \$700,000 per year. The L-4 Landfill stopped receiving waste in 1991 and was closed in 1996. The L-5 Landfill stopped receiving waste in 2002 and the capping was completed in 2004. Accordingly, as of December 31, 2008, the Town has recorded a liability of \$16,964,150, in the government-wide financial statements, which represents the provision to be made in future budgets for unfunded closure and post-closure landfill costs. Actual costs may vary due to inflation, changes in technology, or changes in regulations or applicable laws.

4. SOLID WASTE MANAGEMENT AUTHORITY

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

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

D. COMMITMENTS AND CONTINGENCIES (continued)

5. CONSTRUCTION AND OTHER CAPITAL ACQUISITION COMMITMENTS

Construction in progress, commitments for equipment purchases and other capital acquisition commitments amounting to \$13,051,823 have been recorded as encumbrances in the capital projects fund.

6. LEASE COMMITMENT AND LEASED ASSETS

The Town leases equipment accounted for as operating leases. Total rental expenditures on such leases for the year ended December 31, 2008 totaled \$112,710. The minimum future noncancelable operating lease payments are as follows:

Years ending December 31, 2009	\$ 137,384
2010	94,962
2011	43,669
Total minimum lease payments	<u>\$ 276,015</u>

7. POLLUTION REMEDIATION OBLIGATIONS

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

The Town:

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

Pollution remediation activities, for the Town, include an environmental clean-up that a regulator identified. Soil remediation is being done on a site to comply with the New York State Department of Environmental Conservation requirements. At this time the estimated budget for the clean-up is approximately \$20,000 and will be paid through the existing Town budget. It is anticipated that the work will be completed within the next several months. At December 31, 2008, the Town has recorded no pollution remediation obligations. Estimates are based on known liabilities from existing cases and on the assumed course of action that the NYSDEC/USEPA would require based on the professional judgment and experience of the Town's consulting engineers in dealing with these agencies and projects. Estimates are based on current environmental regulations, which are periodically subject to change by the NYSDEC/USEPA. During the course of any of the Town's pollution remediation projects, additional information found could adversely affect duration and costs if additional contaminants are found, or decrease duration and costs if clean samples are also found. Actual costs may vary due to inflation or deflation, changes in technology, or changes in regulations or applicable laws. The Town does not anticipate any recoveries from insurance or other parties in connection with its pollution remediation activities. There were no material amounts to be restated.

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

D. COMMITMENTS AND CONTINGENCIES (continued)

8. LENGTH OF SERVICE AWARD PROGRAMS (LOSAP)

Albertson Hook & Ladder, Engine & Hose Co. #1

The Albertson Hook & Ladder, Engine & Hose Co. #1 financial statements are for the year ended December 31, 2008. However, the information contained in this note is based on information for the Length of Service Awards Program for the plan year ending on December 31, 2008, which is the most recent plan year for which complete information is available.

The Albertson Hook & Ladder, Engine & Hose Co. #1 established a defined benefit LOSAP for the active volunteer firefighters. The program took effect on January 1, 1991. The program was established pursuant to Article 11-A of the General Municipal Law (GML). The program provides municipally-funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters. The Town of North Hempstead is a sponsor of the program.

Program Description

Participation, vesting and service credit

Active volunteer firefighters who have reached the age of 18 and who have completed 1 year of firefighting service are eligible to participate in the program. Participants acquire a non-forfeitable right to a service award after being credited with 5 years of firefighting service or upon attaining the program's entitlement age. The program's entitlement age is age 62 with 1 year participation in the plan. In general, an active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in which they accumulate fifty points. Points are granted for the performance of certain activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive credit for 5 years of firefighting service rendered prior to the establishment of the program.

Benefits

A participant's benefit under the program is the monthly payment for life with 120 payments guaranteed equal to \$30 multiplied by the person's total number of years of firefighting service. The number of years of firefighting service used to compute the benefit cannot exceed 40. Benefits are not payable until the first day of the month following entitlement age. Except in the case of disability or death, benefits are payable when a participant reaches entitlement age. The program provides statutorily mandated death and disability benefits.

Fiduciary Investment and Control

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

The governing board of the sponsor has retained and designated VFIS to assist in the administration of the program. The designated program administrator's functions include duties outlined in the Service Fee Agreement. Disbursements of program assets for the payment of benefits or administrative expenses are approved by a representative of the Fire Company.

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

D. COMMITMENTS AND CONTINGENCIES (continued)

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

Albertson Hook & Ladder, Engine & Hose Co. #1 (continued)

Fiduciary Investment and Control (continued)

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

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

The sponsor is required to retain an actuary to determine the amount of the sponsor's contributions to the plan. The actuary retained by the sponsor for this purpose is Steve Pribis. Portions of the following information are derived from a report prepared by the actuary dated July 15, 2008.

Program Financial Condition

Assets and Liabilities

Actuarial Present Value of Projected Benefits at January 1, 2008 \$ 1,774,554

Less: Assets Available for Benefits

	<u>% of total</u>		
Group Annuity Contract	100%	\$	777,084
Less: Liabilities			-0-
Total Net Assets Available for Benefits			777,084
Total Unfunded Benefits		\$	997,470
Remaining Unfunded Liability for Prior Service		\$	-0-
Unfunded Accrued Benefits (PVAB less Assets)		\$	47,848
Unfunded Vested Accrued Benefits (PVVAB less Assets)		\$	37,574

Prior Service Costs

Prior service costs have been amortized over 10 years at a discount rate of 7.00%.

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

D. COMMITMENTS AND CONTINGENCIES (continued)

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

Albertson Hook & Ladder, Engine & Hose Co. #1 (continued)

Program Financial Condition (continued)

Receipts and Disbursements

Plan Net Assets, beginning of year		\$	657,100
Changes during the year:			
+ Plan contributions	\$		128,690
+ Investment income earned			34,064
+ Cash Value – Life Policy Surrender			714
- Plan Benefit Withdrawals			28,560
- Administrative and Other Fees/Charges			2,636
- Life Insurance Premium			<u>12,288</u>
			<u>119,984</u>
Plan Net Assets, end of year		\$	<u>777,084</u>

Contributions

Amount of sponsor's contribution recommended by actuary:		\$	128,690
Amount of sponsor's actual contribution:		\$	128,690

Administration Fees

Fees paid to designated program administrator:		\$	2,636
Fees paid to trustee:		\$	-0-
Fees paid for investment management (if separate from fee paid to trustee):		\$	-0-
Fee paid to actuary:		\$	-0-
Other administration fees:		\$	-0-

Funding Methodology and Actuarial Assumptions

Normal Costs

The actuarial valuation methodology used by the actuary to determine the sponsor's contribution is Entry Age Normal. The assumptions used by the actuary to determine the sponsor's contribution and the actuarial present value of benefits are:

Assumed rate of return on investment	5.50%
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The General 1971 Mortality Tables were used for withdrawals, retirements, active and inactive deaths.

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

D. COMMITMENTS AND CONTINGENCIES (continued)

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

Alert Engine, Hook and Ladder and Hose Company #1, Inc.

As of December 31, 2008, four (4) municipalities jointly sponsor the Service Award Program for active volunteer firefighter members of the Alert Engine, Hook and Ladder and Hose Company #1, Inc. (referred to as the "Fire Company"). The four (4) municipalities are: the Town of North Hempstead and the Villages of Great Neck, Kings Point and Saddle Rock.

The four (4) municipalities mentioned above jointly established a defined benefit Service Award Program (referred to as a "LOSAP" - length of service award program - under Section 457(e)(11) of the Internal Revenue Code) effective January 1, 1996 for the active volunteer firefighter members of the Fire Company. The program was established pursuant to Article 11-A of the New York State General Municipal Law. The program provides municipally-funded deferred compensation to volunteer firefighters to facilitate the recruitment and retention of active volunteer firefighters. The four (4) municipalities jointly sponsor the program and the Joint Municipal Sponsoring Board is the program administrator.

Program Description

Participation, vesting and service credit

Under the program participating volunteers begin to be paid a Service Award upon attainment of the Program's Entitlement Age. An eligible Program Participant is defined by the Program sponsor to be an active volunteer firefighter who is at least 17 years of age and has earned one (1) year of Service Award Program service credit. The amount of the Service Award paid to a volunteer is based upon the number of years of service credit the volunteer earned under the Program for performing active volunteer firefighter activities.

Participants acquire a non-forfeitable right to a service award after being credited with five (5) years of firefighting service or upon attaining the program's entitlement age while an active volunteer. The program's entitlement age is 65. An active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in which he or she accumulates fifty (50) points. Points are granted for the performance of certain firefighter activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive credit for five (5) years of active volunteer firefighting service rendered prior to the establishment of the program as an active volunteer firefighter member of the Fire Company.

Benefits

A Participant's Service Award benefit is paid as a ten year certain and continuous monthly payment life annuity. The amount payable each month equals \$20 multiplied by the total number of years of Service Award Program service credit earned by the Participant under the point system. The maximum number of years of service credit a Participant may earn under the Program is 40 years. Currently, there are no other forms of payment of a volunteer's earned service award under the Program. Except in the case of Pre-Entitlement Age death or total and permanent disablement, a Participant's Service Award will not be paid until he or she attains the Entitlement Age.

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

D. COMMITMENTS AND CONTINGENCIES (continued)

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

Alert Engine, Hook and Ladder and Hose Company #1, Inc. (continued)

Volunteers who continue to be active after attaining the Entitlement Age and beginning to be paid a Service Award continue to have the opportunity to earn Program credit and to thereby increase their Service Award payments. The program provides death and disability benefits equal to the actuarial value of the participant's earned service award at the time of death or disablement (the minimum death benefit payable is \$10,000 if the participant was an active volunteer firefighter member at death). The program does not provide extra line-of-duty death or disability benefits. The minimum \$10,000 death benefit is funded through a group term life insurance policy. All other death and disability benefits are self insured and are paid from the program trust fund.

For a complete explanation of the program, see the Program Document a copy of which is available from Mr. Stephen Limmer, Esq. of Ackerman, Levine, Cullen, Brickman & Limmer LLP, 1010 Northern Blvd., Suite 400, Great Neck, NY 11021.

Fiduciary Investment and Control

After the end of each calendar year, the fire company prepares and certifies a list of names of all persons who were active volunteer members of the fire company during the year indicating which volunteers earned fifty points. The certified list is delivered to the Joint Sponsoring Board for the Board's review and approval. The fire company must maintain the point system records to verify each volunteer's points on forms provided and/or approved by the Joint Sponsoring Board.

The four (4) municipalities through the Joint Sponsoring Board have retained attorney Stephen Limmer of Ackerman, Levine, Cullen, Brickman & Limmer LLP, 1010 Northern Blvd., Suite 400, Great Neck, NY 11021 to assist the Board to administer the program.

The Joint Sponsoring Board has also retained Penflex, Inc to assist in the administration of the program. The services provided by Penflex, Inc are described in the attached agreement between Penflex, Inc and the Joint Sponsoring Board.

Based on the certified calendar year volunteer firefighter listings Penflex determines and certifies in writing to the Joint Sponsoring Board the amount of the service award to be paid to a participant or to a participant's designated beneficiary. The person(s) authorized by the Joint Sponsoring Board then authorizes, in writing, the custodian of the Alert Engine, Hook & Ladder & Hose Co. #1 of Great Neck's Service Award Program trust funds to pay the service award. No service award benefit payment is made without the written certification from Penflex and the written directive from the authorized representative of the Joint Sponsoring Board.

Penflex bills the Joint Sponsoring Board for the services it provides. Penflex's invoices are authorized for payment by the Joint Sponsoring Board in the same manner as any other invoice presented to the Board for payment. The Board pays Penflex invoices (as well as Mr. Limmer's invoices) from the Service Award Program trust fund (the Joint Sponsoring Board reimburses the trust fund for administrative fees paid).

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

D. COMMITMENTS AND CONTINGENCIES (continued)

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

Alert Engine, Hook and Ladder and Hose Company #1, Inc. (continued)

Fiduciary Investment and Control (continued)

Program assets are required to be held in trust by Article 11-A, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the program. The Joint Sponsoring Board created a Service Award Program Trust Fund through the adoption of the Master Plan and the Inter-municipal Agreement, copies of which are available from Mr. Stephen Limmer, Esq. The Joint Sponsoring Board is the program trustee.

Authority to invest the program assets is vested in the program trustee. Program assets are invested in accordance with a statutory prudent person rule and in accordance with the attached written investment policy statement adopted by the Joint Sponsoring Board.

The Joint Sponsoring Board has retained RBC Wealth Management to provide investment management and custodial services and Comerica Bank to pay benefits to participants.

The Joint Sponsoring Board is required to retain an actuary to determine the amount of the four (4) municipalities' contributions to the plan. The actuary retained by the Joint Sponsoring Board for this purpose is Edward J. Holohan of Penflex, Inc.; Mr. Holohan is an Associate of the American Society of Actuaries. Portions of the following information are derived from a report prepared by the actuary dated June 9, 2009.

Program Financial Condition

Assets and Liabilities

Actuarial Present Value of Accrued Service Awards as of January 1, 2008 \$ 1,600,853

Less: Assets Available for Benefits

Cash & Money Market	\$ 38,093
Interest & Dividends Receivable	4,473
U.S. Equities	72,509
International Equities	93,565
Fixed Income	923,285
Mixed Assets	97,247
Less: Liabilities	-0-
Plus: Benefits Payable	<u>7,260</u>

Total Net Assets Available for Benefits 1,236,432

Total Unfunded Benefits 364,421

Less: Unfunded Liability for Separately Amortized Costs (58,983)

Unfunded Normal benefits \$ 305,438

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

D. COMMITMENTS AND CONTINGENCIES (continued)

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

Alert Engine, Hook and Ladder and Hose Company #1, Inc. (continued)

Program Financial Condition (continued)

Separately Amortized Costs

Prior service costs have been amortized and paid. The unfunded liability for additional service awards earned after attainment of the entitlement age is being amortized over 5 years at 6.5% from the year they are accrued.

Receipts and Disbursements

Plan Net Assets, beginning of year		\$ 1,401,963
Changes during the year:		
+ Plan contributions	\$ 153,086	
+ Investment income earned	78,928	
- Changes in fair market value of investments	259,394	
- Administrative, Actuarial, Legal and Investment Fees/Charges	32,204	
- Insurance Premiums	7,085	
- Benefits Paid/Payable	<u>98,862</u>	
		<u>(165,531)</u>
Plan Net Assets, end of year		<u>\$ 1,236,432</u>

Contributions

Amount of contribution recommended by actuary:		\$ 153,086
Amount of actual contribution:		\$ 153,086*

*In accordance with the Intermunicipal Agreement, the allocation of the 2008 cost was:

Town of North Hempstead (7.3631%)		\$ 11,272
Village of Great Neck (40.0368%)	\$	61,291
Village of Kings Point (46.9616%)	\$	71,891
Village of Saddle Rock (5.6385%)	\$	8,632

Administration Fees

Fees paid to administrative/actuarial services provider		\$ 6,233
Fees paid to administrative/legal services provider	\$	12,321
Fees paid for investment management	\$	8,803
Other administration fees	\$	4,847

**The average expense ratio for the mutual funds purchased with program assets was 0.96% of the mutual fund balances during 2008. Although investment commissions may have been paid on other program assets, there were no investment fees paid on other invested program assets.*

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

D. COMMITMENTS AND CONTINGENCIES (continued)

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

Alert Engine, Hook and Ladder and Hose Company #1, Inc. (continued)

Methodology and Actuarial Assumptions

Normal Costs

The actuarial valuation methodology used by the actuary to determine the sponsor's contribution is the Attained Age Normal Frozen Initial Liability method. The assumptions used by the actuary to determine the sponsor's contribution and the actuarial present value of benefits are:

Assumed rate of return on program investments: 6.5%

Tables used for:

Post Entitlement Age mortality:	1994 Unisex Pensioner Male Mortality Table projected with scale AA to 2007
*Pre Entitlement Age mortality:	None
*Pre Entitlement Age disability:	None
*Pre Entitlement Age withdrawal:	None
*Pre Entitlement Age service credit accruals:	100%

* For program cost calculation purposes, all pre-entitlement age active volunteer firefighter participants are assumed to: survive to the entitlement age; remain active and earn 50 points each year; and, begin to be paid service awards upon attainment of the entitlement age.

Carle Place Fire Department

The Carle Place Fire Department financial statements are for the year ended December 31, 2008. The information contained in this note is based on information for the Length of Service Awards Program for the plan year ending on December 31, 2008 which is the most recent plan year for which complete information is available.

The Carle Place Fire Department established a defined benefit LOSAP for the active volunteer firefighters. The program took effect on January 1, 1991. The program was established pursuant to Article 11-A of the General Municipal Law (GML). The program provides municipally-funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters. The Town of North Hempstead is a sponsor of the program.

Program Description

Participation, vesting and service credit

Active volunteer firefighters who have reached the age of 18 are eligible to participate in the program. Participants acquire a non-forfeitable right to a service award after being credited with 5 years of firefighting service or upon attaining the program's entitlement age. The program's entitlement age is age 62 with 1 year of participation in the plan. In general, an active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in which he or she accumulates fifty points. Points are

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

D. COMMITMENTS AND CONTINGENCIES (continued)

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

Carle Place Fire Department (continued)

Program Description (continued)

Participation, vesting and service credit (continued)

granted for the performance of certain activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive credit for 5 years of firefighting service rendered prior to the establishment of the program.

Benefits

A participant's benefit under the program is the monthly payment for life with 120 payments guaranteed equal to \$20 multiplied by the person's total number of years of firefighting service. The number of years of firefighting service used to compute the benefit cannot exceed 30. Benefits are not payable until the first day of the month following entitlement age. Except in the case of disability or death, benefits are payable when a participant reaches entitlement age. The program provides statutorily mandated death and disability benefits.

Fiduciary Investment and Control

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

The governing board of the sponsor has retained and designated VFIS to assist in the administration of the program. The designated program administrator's functions include duties outlined in the attached Service Fee Agreement. Disbursements of program assets for the payment of benefits or administrative expenses are approved by a representative of the Fire Company.

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

Authority to invest program assets is vested in Sponsor name in compliance with NY GML Article 11-A 217 (k). Program assets are invested in accordance with a statutory "prudent person" rule. Assets are currently invested in a Group Annuity Contract.

The sponsor is required to retain an actuary to determine the amount of the sponsor's contributions to the plan. The actuary retained by the sponsor for this purpose is J F Actuarial Services, Inc. Portions of the following information are derived from a report prepared by the actuary dated April 30, 2009.

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

D. COMMITMENTS AND CONTINGENCIES (continued)

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

Carle Place Fire Department (continued)

Program Financial Condition

Assets and Liabilities

Actuarial Present Value of Projected Benefits at January 1, 2008			\$ 1,986,120
Less: Assets Available for Benefits			
	<u>% of total</u>		
Group Annuity Contract	100%	\$ 867,332	
Less: Liabilities		<u>-0-</u>	
Total Net Assets Available for Benefits			<u>867,332</u>
Total Unfunded Benefits			<u>\$ 1,118,788</u>
Remaining Unfunded Liability for Prior Service		\$ -0-	
Unfunded Accrued Benefits (PVAB less Assets)		\$ 432,804	
Unfunded Vested Accrued Benefits (PVVAB less Assets)		\$ 421,297	

Prior Service Costs

Prior service costs have been amortized over 10 years at a discount rate of 7.00%.

Receipts and Disbursements

Plan Net Assets, beginning of year			\$ 1,049,293
Changes during the year:			
+ Plan contributions		\$ 142,798	
+ Investment income earned		43,640	
+ Cash Value – Life Policy Surrender		10,499	
- Plan Benefit Withdrawals		361,478	
- Administrative and Other Fees/Charges		2,840	
- Life Insurance Premium		<u>14,580</u>	
			<u>(181,961)</u>
Plan Net Assets, end of year			<u>\$ 867,332</u>

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

D. COMMITMENTS AND CONTINGENCIES (continued)

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

Carle Place Fire Department (continued)

Program Financial Condition (continued)

Contributions

Amount of sponsor's contribution recommended by actuary:	\$ 126,970
Amount of sponsor's actual contribution:	\$ 142,798

Administration Fees

Fees paid to designated program administrator:	\$ 2,840
Fees paid to trustee:	\$ -0-
Fees paid for investment management (if separate from fee paid to trustee):	\$ -0-
Fee paid to actuary:	\$ -0-
Other administration fees:	\$ -0-

Funding Methodology and Actuarial Assumptions

Normal Costs

The actuarial valuation methodology used by the actuary to determine the sponsor's contribution is Entry Age Normal. The assumptions used by the actuary to determine the sponsor's contribution and the actuarial present value of benefits are:

Assumed rate of return on investment	5.00%
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The general 1971 Mortality Tables were used for withdrawals, retirement, active and inactive deaths.

Floral Park Centre Volunteer Fire Department Service Award Program (LOSAP)

The Floral Park Centre Fire Company, Inc. financial statements are for the year ended December 31, 2007. However, the information contained in this note is based on information for the Length of Service Awards Program for the plan year ending on June 30, 2008, which is the most recent plan year for which complete information is available.

Length of Service Awards Program - LOSAP

The Town of North Hempstead established a defined benefit LOSAP for the active volunteer firefighters of the Floral Park Centre Fire Company, Inc. The program took effect on July 1, 1991. The program was established pursuant to Article 11-A of the General Municipal Law.(GML) The program provides municipally-funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters. The Town of North Hempstead is the sponsor of the program.

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

D. COMMITMENTS AND CONTINGENCIES (continued)

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

Floral Park Centre Volunteer Fire Department Service Award Program (LOSAP)
(continued)

Program Description

Participation, vesting and service credit

Active volunteer firefighters who have reached the age of 18 and who have completed 1 year of firefighting service are eligible to participate in the program. Participants acquire a non-forfeitable right to a service award after being credited with 5 years of firefighting service or upon attaining the program's entitlement age. The program's entitlement age is age 65 with one year of plan participation. In general, an active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in which he or she accumulates fifty points. Points are granted for the performance of certain activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive credit for 5 years of firefighting service rendered prior to the establishment of the program.

Benefits

A participant's benefit under the program is the monthly payment for life with 120 payments guaranteed equal to \$20 multiplied by the person's total number of years of firefighting service. The number of years of firefighting service used to compute the benefit cannot exceed 25 years. Benefits are not payable until the first day of the month following entitlement age. Except in the case of disability or death, benefits are payable when a participant reaches entitlement age. The program provides statutorily mandated death and disability benefits.

Fiduciary Investment and Control

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

The governing board of the sponsor has retained and designated VFIS to assist in the administration of the program. The designated program administrator's functions include duties outlined in the attached Service Fee Agreement. Disbursements of program assets for the payment of benefits or administrative expenses must be approved by the Plan Administrator defined as the Town of North Hempstead.

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

Authority to invest program assets is vested in Sponsor name in compliance with NY GML Article 11-A 217 (k). Program assets are invested in accordance with a statutory "prudent person" rule. Assets are currently invested in a Group Annuity Contract.

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

D. COMMITMENTS AND CONTINGENCIES (continued)

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

Floral Park Centre Volunteer Fire Department Service Award Program (LOSAP)
(continued)

Fiduciary Investment and Control (continued)

The sponsor is required to retain an actuary to determine the amount of the sponsor's contributions to the plan. The actuary retained by the sponsor for this purpose is Steve Pribis. Portions of the following information are derived from a report prepared by the actuary dated January 13, 2009.

Program Financial Condition

Assets and Liabilities

Actuarial Present Value of Projected Benefits at July 1, 2007		\$	390,540
Less: Assets Available for Benefits			
	<u>% of total</u>		
Group Annuity Contract	100%	\$	99,768
Less: Liabilities			<u>-0-</u>
Total Net Assets Available for Benefits		\$	<u>99,768</u>
Total Unfunded Benefits		\$	<u>290,772</u>
Remaining Unfunded Liability for Prior Service		\$	147,621
Unfunded Accrued Benefits (PVAB less Assets)		\$	183,834
Unfunded Vested Accrued Benefits (PVAB less Assets)		\$	179,657

Prior Service Costs

Prior service costs are being amortized over 21 years at a discount rate of 6.25%.

Receipts and Disbursements

Plan Net Assets, beginning of year		\$	86,339
Changes during the year:			
+ Plan contributions		\$	34,881
+ Investment income earned			4,972
+ Cash Value – Life Policy Surrender			3,625
- Plan Benefit Withdrawals			25,282
- Administrative and Other Fees/Charges			847
- Life Insurance Premium			<u>3,920</u>
			<u>13,429</u>
Plan Net Assets, end of year		\$	<u>99,768</u>

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

D. COMMITMENTS AND CONTINGENCIES (continued)

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

Floral Park Centre Volunteer Fire Department Service Award Program (LOSAP)

(continued)

Program Financial Condition (continued)

Contributions

Amount of sponsor's contribution recommended by actuary:	\$	34,034
Amount of sponsor's actual contribution:	\$	34,881

Administration Fees

Fees paid to designated program administrator:	\$	840
Fees paid to trustee:	\$	-0-
Fees paid for investment management (if separate from fee paid to trustee):	\$	-0-
Fee paid to actuary:	\$	-0-
Other administration fees	\$	-0-

Funding Methodology and Actuarial Assumptions

Normal Costs

The actuarial valuation methodology used by the actuary to determine the sponsor's contribution is Entry Age Normal. The assumptions used by the actuary to determine the sponsor's contribution and the actuarial present value of benefits are:

Assumed rate of return on investment:	6.25%
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The General 1971 Mortality Tables were used for withdrawals, retirements, active and inactive deaths.

No assumptions were made with respect to disabilities for purposes of this plan.

Glenwood H&L E&H Company (LOSAP)

The Company's financial statements are for the year ended December 31, 2008. However, the information contained in this note is based on information for the Length of Service Awards Program for the plan year ending on December 31, 2007, which is the most recent plan year for which complete information is available.

The Company established a defined benefit LOSAP for the active volunteer firefighters of the Glenwood H&L E&H Co. Inc. The program took effect on April 1, 1990. The program was established pursuant to Article 11-A of the General Municipal Law. The program provides municipally-funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters. The Company is the sponsor of the program.

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

D. COMMITMENTS AND CONTINGENCIES (continued)

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

Glenwood H&L E&H Company (LOSAP) (continued)

Program Description

Participation, vesting and service credit

Active volunteer firefighters who have reached the age of 18 and who have completed 1 year of firefighting service are eligible to participate in the program. Participants acquire a nonforfeitable right to a service award after being credited with 5 years of firefighting service or upon attaining the program's entitlement age. The program's entitlement age is age 55.

In general, an active volunteer firefighter is credited with a year of firefighting service for each calendar year after establishment of the program in which he or she accumulates fifty points. Points are granted for the performance of certain activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive credit for Adoption Agreement years of firefighting service rendered prior to the establishment of the program.

Benefits

A participant's benefit under the program is the actuarial equivalent of a monthly payment for life equal to \$20 multiplied by the person's total number of years of firefighting service. The number of years of firefighting service used to compute the benefit cannot exceed 40. Except in the case of disability or death, benefits are payable when a participant reaches entitlement age. The program provides statutorily mandated death and disability benefits.

Fiduciary Investment and Control

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

The governing board of the sponsor has retained and designated VFIS to assist in the administration of the program. The designated program administrator's functions include providing actuarial services, future funding requirements and annual individual statements to plan participants. Disbursements of the program assets for the payment of benefits or administrative expenses must be approved by the Board.

Program assets are required to be held in trust by LOSAP legislation for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the program. Program assets are held in compliance with GML Article 11-A.217 (j).

Authority to invest program assets is vested in the Harford Life Insurance Company. Subject to restrictions in the program document, program assets are invested in accordance with a statutory "prudent person" rule. Assets are invested in Fixed Annuity Contracts.

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

D. COMMITMENTS AND CONTINGENCIES (continued)

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

Glenwood H&L E&H Company (LOSAP) (continued)

Program Financial Conditions

Assets and Liabilities

Actuarial Present Value of Projected Benefits at January 1, 2007		\$ 1,297,364
Less: Assets Available for Benefits		
	<u>% of total</u>	
Insurance Contracts	100%	\$ 1,344,745
Less: Liabilities		<u>-0-</u>
Total Net Assets Available for Benefits		<u>\$ 1,344,745</u>
Total Unfunded Benefits (not less than zero)		<u>\$ -0-</u>
Unfunded Liability for Prior Service		\$ -0-
Unfunded Liability for Retrospective Post-Entitlement Benefits		\$ -0-
Unfunded Normal Benefits		\$ -0-

Receipts and Disbursements

Plan Net Assets, beginning of year		\$ 1,447,463
Changes during the year:		
+ Plan contributions		\$ 109,727
+ Life Insurance Policy Proceeds (Death Claims)		-0-
+ Investment income earned		65,303
+ Cash Value – Life Policy Surrender		12,414
- Plan Benefit Withdrawals		277,217
- Administrative and Other Fees/Charges		1,274
- Life Insurance Premium		<u>11,671</u>
		<u>(102,718)</u>
Plan Net Assets, end of year		<u>\$ 1,344,745</u>

Contributions

Amount of sponsor's contributions recommended by actuary:		\$ 112,370
Amount of sponsor's actual contribution:		\$ 109,727

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

D. COMMITMENTS AND CONTINGENCIES (continued)

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

Glenwood H&L E&H Company (LOSAP) (continued)

Program Financial Conditions

Administration Fees

Fees paid to designated program administrator: \$ 1,274

Funding Methodology and Actuarial Assumptions

Normal Costs

The actuarial valuation methodology used by the actuary to determine the sponsor's contribution is entry age normal, initial liability method. The assumptions used by the actuary to determine the sponsor's contribution and the actuarial present value of benefits are:

Assumed rate of return on the investment	6.50%
Mortality Tables used for:	
Pre-Retirement	G 7100
Post-Retirement	G 7100
Death (Actives)	G 7100

Disbursements of the program assets for the payment of benefits or administrative expenses must be approved. The following is an explanation of process for approving disbursements:

- 1 Entitlement Benefits - VFIS prepares and submits to the Plan Administrator (Sponsor) a Verification of Benefits statement and an Annuity Enrollment form for participants active at entitlement age and for vested participants upon termination from the Plan. Following review for accuracy, the Plan Administrator signs and returns the paperwork to VFIS authorizing VFIS to disburse entitlement benefits.
- 2 Death Benefits - Upon notification from the Plan Administrator (Sponsor) of a participant death, VFIS prepares a Verification of Benefits statement and a Lump Sum Death Benefit form. Following review for accuracy, the Plan Administrator signs and returns the paperwork accompanied by a death certificate to VFIS authorizing VFIS to disburse a death benefit.
- 3 Disability Benefits - Upon notification from the Plan Administrator (Sponsor) of a participant total and permanent disability, VFIS prepares a Verification of Benefits Statement, a Physician Statement form and a Lump Sum Disability Benefit form. Following review for accuracy, the Plan Administrator signs and returns the paperwork authorizing VFIS to disburse a disability benefit.

Payment of Administrative Expenses:

- 1 Per the executed Service Fee Agreement, the Plan Administrator (Sponsor) agrees to payment as contracted.

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

D. COMMITMENTS AND CONTINGENCIES (continued)

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

Port Washington Fire Department (LOSAP)

The Port Washington Fire Department, Inc. financial statements are for the year ended December 31, 2008. The information contained in this note is based on information for the Length of Service Awards Program for the plan year ending on December 31, 2008, which is the most recent plan year for which complete information is available.

The Port Washington Fire Department, Inc. established a defined benefit LOSAP for the active volunteer firefighters of the Port Washington Fire Department, Inc. The program took effect on January 1, 1993. The program was established pursuant to Article 11-A of the General Municipal Law. The program provides municipally funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters. The Town of North Hempstead is the sponsor of the program.

Program Description

Participation, vesting and service credit

Active volunteer firefighters who have reached the age of 18 and who have completed their probationary period are eligible to participate in the program. Participants acquire a nonforfeitable right to a service award after being credited with five years of firefighting service or upon attaining the program's entitlement age. The program's entitlement age is age 65. In general, an active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in which he or she accumulates 50 points. Points are granted for the performance of certain activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive credit for five years of firefighting service rendered prior to the establishment of the program.

Benefits

A participant's benefit under the program is the actuarial equivalent of a monthly payment for life equal to \$20 multiplied by the person's total number of years of firefighting service. The number of years of firefighting service used to compute the benefit cannot exceed 40. Except in the case of disability or death, benefits are payable when a participant reaches entitlement age. The program provides statutorily mandated death and disability benefits.

Fiduciary Investment and Control

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

The governing board of the sponsor has retained and designated VFIS Benefits Division to assist in the administration of the program. The designated program administrator's functions include duties outlined in the Service Fee Agreement. Disbursements of program assets for the payment of benefits or administrative expenses must be approved by the Plan Administrator defined as the Town of North Hempstead.

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

D. COMMITMENTS AND CONTINGENCIES (continued)

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

Port Washington Fire Department (LOSAP) (continued)

Fiduciary Investment and Control (continued)

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

Authority to invest program assets is vested in The Hartford Life Insurance Company. Subject to restrictions in the program document, program assets are invested in accordance with a statutory "prudent person" rule. The sponsor invested plan funds in a Group Annuity Contract with guarantees of both principal and interest.

The sponsor is required to retain an actuary to determine the amount of sponsor's contributions to the plan. The actuary retained by the sponsor for this purpose is Gerald R. Shea, Pencert, Ltd. Portions of the following information are derived from a report prepared by the actuary dated September 18, 2008.

Program Financial Condition

Assets and Liabilities

Actuarial Present Value of Benefits at December 31, 2008:

Vested		\$ 2,274,301
Nonvested		47,971
Total		2,322,272

Less: Assets Available for Benefits:

	<u>% of Total</u>	
Insurance contracts	100%	1,804,564
Unfunded normal benefits		\$ 517,708

Receipts and Disbursements

Plan Net Assets, beginning of year \$ 1,496,292

Changes during the year:

+Plan contributions	\$	347,236	
+ Life insurance policy proceeds - death claim		50,249	
+Investment income earned		77,938	
+ Cash value surrendered life policies		9,381	
-Plan benefit withdrawals		70,541	
-Administrative and other fees/charges		2,597	
-Life insurance premium		103,394	
			308,272

Plan Net Assets, end of year \$ 1,804,564

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
 December 31, 2008

D. COMMITMENTS AND CONTINGENCIES (continued)

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

Port Washington Fire Department (LOSAP) (continued)

Contributions

Amount of sponsor's contribution recommended by actuary	\$ 335,483
Amount of sponsor's actual contribution	\$ 347,236
Administration Fees	
Fees paid to designated program administrator	\$ 2,597

Funding Methodology and Actuarial Assumptions

Normal Costs

The actuarial valuation methodology used by the actuary to determine the sponsor's contribution is Entry Age Normal Frozen Initial Liability. The assumptions used by the actuary to determine the sponsor's contribution and the actuarial present value of benefits are:

Assumed rate of return on investment	6.5%
Mortality tables used for:	
Pre-retirement	None
Post-retirement	U8400

Roslyn Fire Department Service Award Program (LOSAP)

As of December 31, 2007, ten (10) municipalities have jointly sponsored the Roslyn Volunteer Firefighter Service Award Program; The Towns of North Hempstead and Oyster Bay and the Villages of Brookville, East Hills, Flower Hill, Old Westbury, Roslyn, Roslyn Estates, Roslyn Harbor and North Hills.

The information contained in this note is based on information for the Roslyn Volunteer Firefighter Service Award Program for the Program year ending on December 31, 2007 which is the most recent information is available.

Length of Service Awards Program - LOSAP

The municipalities listed above (with exception to the Village of North Hills) established a defined benefit Service Award Program (referred to as a "LOSAP" - Length Of Service Award Program - under Section 457(e)(11) of the Internal Revenue Code) effective January 1, 1996 for the active volunteer firefighter members of the Roslyn Highlands Hook & Ladder, Engine & Hose Company, Inc. and the Rescue Hook & Ladder Company No. 1. The Program was established pursuant to Article 11-A of the New York State General Municipal Law. The Program provides municipally-funded deferred compensation to volunteer firefighters to facilitate the recruitment and retention of active volunteer firefighters. The ten (10) municipalities listed above jointly sponsor and fund the Program and the Joint Municipality Sponsoring Board is the Program administrator.

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

D. COMMITMENTS AND CONTINGENCIES (continued)

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

Roslyn Fire Department Service Award Program (LOSAP) (continued)

Length of Service Awards Program – LOSAP (continued)

Program Description

Participation, vesting and service credit

Under the program, participating volunteers begin to be paid a service award upon attainment of the program "entitlement age". An eligible Program Participant is defined by the Program sponsor to be an active volunteer firefighter who is at least 18 years of age, has completed probation, and has earned one (1) year of Service Award Program service credit. The amount of the service award paid to a volunteer is based upon the number of years of service credit the volunteer earned under the program for performing active volunteer firefighter activities.

Participants acquire a non-forfeitable right to a service award after being credited with five (5) years of firefighting service or upon attaining the program's entitlement age while an active volunteer. The program's entitlement age is 62. An active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in which he or she accumulates fifty (50) points. Points are granted for the performance of certain firefighter activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive credit for five (5) years of active volunteer firefighting service rendered prior to the establishment of the program as an active volunteer firefighter member of either fire company.

Benefits

A Participant's Service Award benefit is paid as a ten year certain and continuous monthly payment life annuity. Currently, there are no other forms of payment of a volunteer's earned service award under the Program. The amount payable each month equals \$20 multiplied by the total number of years of Service Award Program service credit earned by the Participant under the point system. The maximum number of years of service credit a Participant may earn under the Program is 30 years. Except in the case of Pre-Entitlement Age death or total and permanent disablement, a Participant's Service Award will not be paid until he or she attains the Entitlement Age. Volunteers who continue to be active after attaining the Entitlement Age and beginning to be paid a Service Award continue to have the opportunity to earn Program credit and to thereby increase their Service Award payments. The Pre-Entitlement Age death and disability benefit is equal to the actuarial value of the Participant's earned service award at the time of death or disablement (if a volunteer is an active member at the time of death, the minimum death benefit payable is \$10,000). The Program does not provide extra line-of-duty death or disability benefits. The minimum \$10,000 death benefit is funded through a group term life insurance policy. All other death and disability benefits are self insured and are paid from the program trust fund.

For a complete explanation of the program, see the Program Document a copy of which is available from Donna Gooch, Village of East Hills Clerk/Treasurer, 209 Harbor Hill Road, Roslyn, NY 11576.

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

D. COMMITMENTS AND CONTINGENCIES (continued)

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

Roslyn Fire Department Service Award Program (LOSAP) (continued)

Length of Service Awards Program – LOSAP (continued)

Fiduciary Investment and Control

After the end of each calendar year, each fire company prepares and certifies a list of names of all persons who were active volunteer members of the fire company during the year indicating which volunteers earned fifty points. The certified list is delivered to the Joint Sponsoring Board for the Board's review and approval. The fire company must maintain the point system records to verify each volunteer's points on forms provided and/or approved by the Joint Sponsoring Board.

The certified lists have NOT been approved by the Joint Sponsoring Board for the following years; 2003, 2004, 2005, 2006 and 2007.

The Joint Sponsoring Board has also retained Penflex, Inc to assist in the administration of the program. The services provided by Penflex, Inc are described in an agreement between Penflex, Inc and the Joint Sponsoring Board which the Board did not execute or forward to Penflex for the 2007 Program Year.

Based on the certified calendar year volunteer firefighter listings Penflex determines and certifies in writing to the representative of the Joint Sponsoring Board the amount of the service award to be paid to a participant or to a participant's designated beneficiary. The person(s) authorized by the Joint Sponsoring Board then authorizes, in writing, the custodian of the Roslyn Highlands Hook & Ladder, Engine & Hose Company, Inc. Service Award Program trust funds to pay the service award. No service award benefit payment is made without the written certification from Penflex and the written directive from the authorized representative of the Joint Sponsoring Board.

Penflex bills the Joint Sponsoring Board for the services it provides. Penflex's invoices are authorized for payment by the Joint Sponsoring Board in the same manner as any other invoice presented to the Board for payment. The Board pays Penflex invoices from the Service Award Program Trust Fund (the ten participating municipality's collectively reimburses the Trust Fund for administrative fees paid.

Program assets are required to be held in trust by Article 11-A, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the program. The Joint Sponsoring Board created a Service Award Program Trust Fund through the adoption of a Service Award Program Trust Document and the Intermunicipal Agreement. The Joint Sponsoring Board is the program trustee.

Authority to invest the program assets is vested in the Program Trustee. Program assets are invested in accordance with a statutory prudent person rule and in accordance with the attached written investment policy statement adopted by the Joint Sponsoring Board.

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

D. COMMITMENTS AND CONTINGENCIES (continued)

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

Roslyn Fire Department Service Award Program (LOSAP) (continued)

Fiduciary Investment and Control (continued)

The Joint Sponsoring Board has retained RBC Wealth Management to provide investment management and custodial services and Ceridian Payroll Services to pay benefits to participants.

The Joint Sponsoring Board is required to retain an actuary to determine the amount of the ten (10) municipalities' contributions to the plan. The actuary retained by the Joint Sponsoring Board for this purpose is Edward J. Holohan of Penflex, Inc. Mr. Holohan is an Associate of the American Society of Actuaries. Portions of the following information are derived from a report prepared by the actuary dated August 20, 2008

Program Financial Condition

Assets and Liabilities

Actuarial Present Value of Accrued Service Awards as of December 31, 2007		\$ 2,179,458
Less: Assets Available for Benefits		
Cash & Money Market	\$ 41,030	
U.S. Equities	273,508	
International Equities	135,394	
Fixed Income	850,662	
Mixed Assets	120,000	
Other Assets	57,627	
Interest Receivable	3,726	
Sponsor Contributions Receivable	405,789	
Less: Liabilities/Benefits Payable	4,355	
Total Net Assets Available for Benefits		1,883,381
Total Unfunded Benefits		296,077
Less: Unfunded Liability for Separately Amortized Costs		222,421
Unfunded Normal benefits		\$ 73,656

Separately Amortized Costs

The unfunded retroactive liability for additional service awards earned after attainment of the entitlement age is being amortized over 4 years @ 6.00%. The unfunded liability for additional service awards earned after attainment of the entitlement age is being amortized over 5 years at 6.00%.

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

D. COMMITMENTS AND CONTINGENCIES (continued)

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

Roslyn Fire Department Service Award Program (LOSAP) (continued)

Program Financial Condition (continued)

Receipts and Disbursements

Plan Net Assets, beginning of year		\$ 1,630,553
Changes during the year:		
+ Plan contributions	\$ 6,507	
+ Sponsor Contributions Receivable	195,674	
+ Investment income earned	80,865	
+ Changes in fair market value of investments	38,660	
- Administrative, Actuarial Fees	2,212	
- Insurance Premiums	7,111	
- Benefits Paid/Payable	<u>59,555</u>	
		<u>252,828</u>
Plan Net Assets, end of year		<u>\$ 1,883,381</u>

Contributions

Amount of contribution recommended by actuary for 2004-2006:		\$ 412,296
Amount of actual contribution due for 2004-2006:		\$ 405,789
Actual sponsors; contribution made during 2007		\$ 6,507

**The amount of the Fire District's actual contribution includes \$405,788.68 paid in 2008. This amount does not include any Life Insurance premiums paid during 2007.*

In accordance with the Joint Sponsoring Board Municipal agreement, the allocation of the 2004-2006 cost was:

Village of Brookville	(0.5246%)		\$ 3,240
Village of East Hills	(30.0816%)		119,256
Village of Flower Hill	(6.6682%)		67,652
Village of North Hills	(1.5552%)		6,507
Village of Old Westbury	(15.2679%)		59,339
Village of Roslyn	(14.8655%)		45,280
Village of Roslyn Estate	(6.4949%)		25,194
Village of Roslyn Harbor	(2.8726%)		11,234
Town of Oyster Bay	(0.9870%)		3,920
Town of North Hempstead	(20.6826%)		<u>70,674</u>
December 31, 2007 Total			<u>\$ 412,296</u>

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

D. COMMITMENTS AND CONTINGENCIES (continued)

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

Roslyn Fire Department Service Award Program (LOSAP) (continued)

Program Financial Condition (continued)

Administration Fees

Fees paid to administrative/actuarial services provider	\$	2,137
Fees paid for investment management	\$	-0-
Other administration fees	\$	575

***The average expense ratio for the mutual funds purchased with program assets was 1.93% of the mutual fund balances during 2007. Although investment commissions may have been paid on other program assets, there were no investment fees paid on other invested program assets.*

Funding Methodology and Actuarial Assumptions

Normal Costs

The actuarial valuation methodology used by the actuary to determine the sponsor's contribution is the Attained Age Normal Frozen Initial Liability method. The assumptions used by the actuary to determine the sponsor's contribution and the actuarial present value of benefits are:

Assumed rate of return on program investments: 6.0%

Tables used for:

Post Entitlement Age mortality: 1994 Unisex Pensioner Male Mortality Table
projected with scale AA to 2007

*Pre Entitlement Age mortality:	None
*Pre Entitlement Age disability:	None
*Pre Entitlement Age withdrawal:	None
*Pre Entitlement Age service credit accruals:	100%

* For program cost calculation purposes, all pre-entitlement age active volunteer firefighter participants are assumed to: survive to the entitlement age; remain active and earn 50 points each year; and, begin to be paid service awards upon attainment of the entitlement age.

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

E. CONDENSED FINANCIAL STATEMENTS FOR THE DISCRETELY PRESENTED COMPONENT UNITS

The following represents condensed financial statements for the discretely presented component units as of and for the year ended December 31, 2008:

Condensed Statement of Net Assets:

	Assets		Liabilities		Net Assets		
	Current and Other Assets	Capital Assets Net of Depreciation	Current Liabilities	Bonds and Other Long-Term Liabilities	Investment in Capital Assets, Net of Related Debt	Restricted	Unrestricted
<u>WATER DISTRICTS</u>							
Glenwood	\$ 243,565	\$ 102,423	\$ 33,450	\$ 36,000	\$ 62,423		\$ 214,115
Albertson	2,969,145	7,633,809	637,417	6,752,401	1,188,486		2,024,650
Garden City Park	6,280,124	4,273,639	407,193	1,109,364	3,286,639		5,750,567
Port Washington	2,446,073	13,510,897	935,009	7,517,462	5,928,898	\$ 210,847	1,364,754
Westbury	2,857,644	7,089,105	814,667	6,016,863	1,288,528	226,379	1,600,312
Roslyn	4,762,351	3,651,896	827,967	1,863,560	2,167,682		3,555,038
Carle Place	1,890,726	3,102,820	453,666	1,412,797	2,189,199	72,969	864,915
Manhasset - Lakeville	9,376,878	22,236,548	2,155,015	12,758,704	8,867,291	129,844	7,702,572
<u>WATER POLLUTION CONTROL DISTRICTS</u>							
Great Neck	1,406,566	9,680,779	1,262,110	2,904,880	6,646,132	1,756	272,467
Belgrave	5,698,070	10,080,624	2,576,204	8,541,932	3,364,579	162,268	1,133,711
Port Washington	9,132,644	20,384,638	9,167,373	8,905,798	10,933,595	1,222,950	(712,434)
<u>GARBAGE DISTRICTS</u>							
Port Washington	639,344	24,750	156,588		24,750		482,756
Glenwood	17,677						17,677
Carle Place	269,723						269,723
Roslyn	171,897						171,897
<u>PARK DISTRICTS</u>							
Manhasset	1,587,015	1,792,887	70,333	490,412	1,712,887		1,106,270
Great Neck	9,221,350	26,154,254	2,744,414	23,568,347	7,104,633	466,411	1,491,799
<u>OTHER DISTRICTS</u>							
Port Washington							
Police District	7,249,383	639,278	161,190	10,386,660	446,606		(3,105,795)
Shelter Rock Public Library District	2,820,360	730,528	265,417	236,215	730,528		2,318,728
Community Development Agency	2,632,647	3,843,499	2,643,372	99,838	2,303,499		1,429,437
Port Washington Business Improvement District	105,341	100,168	13,173	118,791	43,460	19,815	10,270
	<u>\$ 71,778,523</u>	<u>\$ 135,032,542</u>	<u>\$ 25,324,558</u>	<u>\$ 92,720,024</u>	<u>\$ 58,289,815</u>	<u>\$ 2,513,239</u>	<u>\$ 27,963,429</u>

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

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

Condensed Statement of Activities:

	Program			General Revenue		Net Assets			
	Expenses	Charges for Services	Operating/ Capital Grants and Contributions	Net Expense (Revenue)	Property Tax	Other	Change	1/1/2008 and Prior Period Restatements	12/31/2008
WATER DISTRICTS									
Glenwood	\$ 344,222	\$ 143,950		\$ 200,272	\$ 160,326	\$ 1,231	\$ (38,715)	\$ 315,253	\$ 276,538
Albertson	3,081,712	1,287,828		1,793,884	1,507,399	71,779	(214,706)	3,427,842	3,213,136
Garden City Park	4,248,292	1,286,043		2,962,249	2,290,437	321,338	(350,474)	9,387,680	9,037,206
Port Washington	5,454,887	3,407,592		2,047,295	1,317,048	1,014,599	284,352	7,220,147	7,504,499
Westbury	4,576,252	1,663,973		2,912,279	2,440,021	419,504	(52,754)	3,167,973	3,115,219
Roslyn	3,482,094	1,842,195		1,639,899	1,929,430	330,827	620,358	5,102,362	5,722,720
Carle Place	2,058,757	751,286		1,307,471	1,333,506	299,986	326,021	2,801,062	3,127,083
Manhasset - Lakeville	8,596,961	6,167,076		2,429,885	2,272,655	314,378	157,148	16,542,559	16,699,707
WATER POLLUTION CONTROL DISTRICTS									
Great Neck	3,917,179	1,063,532	\$ 15,581	2,838,066	2,966,343	73,949	202,226	6,718,129	6,920,355
Belgrave	2,708,483	673,664	502,376	1,532,443	2,220,793	81,860	770,210	3,890,348	4,660,558
Port Washington	6,615,197	7,758,185		(1,142,988)	4,340,230	124,564	5,607,782	5,836,329	11,444,111
GARBAGE DISTRICTS									
Port Washington	1,820,599			1,820,599	1,641,096	17,796	(161,707)	669,213	507,506
Glenwood	37,570			37,570	39,003	210	1,643	16,034	17,677
Carle Place	525,292			525,292	500,207	9,684	(15,401)	285,124	269,723
Roslyn	562,807			562,807	517,274	5,503	(40,030)	211,927	171,897
PARK DISTRICTS									
Manhasset	1,535,916	640,113		895,803	649,984	51,404	(194,415)	3,013,572	2,819,157
Great Neck	12,084,656	2,610,040		9,474,616	8,383,226	370,717	(720,673)	9,783,516	9,062,843
OTHER DISTRICTS									
Port Washington									
Police District	18,421,554	4,023	65,241	18,352,290	14,711,933	578,908	(3,061,449)	402,260	(2,659,189)
Shelter Rock Public Library District	3,438,672	41,605		3,397,067	3,352,469	90,315	45,717	3,003,539	3,049,256
Community Development Agency	789,972			789,972		1,098,958	308,986	3,423,950	3,732,936
Port Washington Business Improvement District	151,407	5,972		145,435	146,146	2,739	3,450	70,095	73,545
	<u>\$ 84,452,481</u>	<u>\$ 29,347,077</u>	<u>\$ 583,198</u>	<u>\$ 54,522,206</u>	<u>\$ 52,719,526</u>	<u>\$ 5,280,249</u>	<u>\$ 3,477,569</u>	<u>\$ 85,288,914</u>	<u>\$88,766,483</u>

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

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

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

Glenwood Water District 6 Third Street P.O. Box 296 Glenwood Landing, NY 11547	Albertson Water District P. O. Box 335 Albertson, NY 11507	Garden City Park Water District 333 Marcus Avenue P. O. Box 806 Garden City, NY 11040
Port Washington Water District 38 Sandy Hollow Rd Pt. Washington, NY 11050	Westbury Water District 160 Drexel Avenue Westbury, NY 11590	Roslyn Water District 24 West Shore Road Roslyn, NY 11576
Carle Place Water District 578 Mineola Avenue P.O. Box 345 Carle Place, NY 11501	Manhasset-Lakeville Water District 170 E. Shore Road Great Neck, NY 11023	Great Neck Water Pollution Control District 236 East Shore Road Great Neck, NY 11023
Belgrave Water Pollution Control District P.O. Box 408 Great Neck, NY 11022	Port Washington Water Pollution Control District 70 Harbor Rd, P.O. Box 790 Pt. Washington, NY 11050	Port Washington Garbage District 27 Main Street Pt. Washington, NY 11050
Glenwood Garbage District 12 Highland Avenue Glenwood Landing, NY 11547	Carle Place Garbage District 247 Roslyn Avenue Carle Place, NY 11514	Roslyn Garbage District P.O. Box 1366 Roslyn Heights, NY 11577
Manhasset Park District 62 Manhasset Avenue Manhasset, NY 11030	Great Neck Park District 65 Arrandale Avenue Great Neck, NY 11023	Port Washington Police District 500 Pt. Washington Blvd. Pt. Washington, NY 11050
Shelter Rock Public Library 165 Seasingtown Road Albertson, NY 11507	North Hempstead Community Development Agency 51 Orchard Street Roslyn Heights, NY 11577	Greater Port Washington Business Improvement District Association, Inc. 349 Main Street Port Washington, NY 11050

F. SUBSEQUENT EVENTS

In June 2009, the Town issued \$11,615,000 in public improvement serial bonds at interest rates from 2.50% to 4.00% maturing in installments from 2010 through 2024.

In June, 2009 the Town issued \$24,618,500 in Bond Anticipation Notes (BANs) for various purposes at an interest rate of 1.50% maturing in June 2010.

During 2009 the Town created the Department of Services for the Aging (DOSA) in order to address directly the circumstances of older Town residents.

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

F. SUBSEQUENT EVENTS (continued)

In June, 2009 the Town received notification from the NYS Governor's office and the New York State Department of Transportation (NYSDOT) that the Town was on the American Recovery and Reinvestment Act (ARRA) certification list. Pursuant to the terms of the ARRA, the Town been approved to receive not less than \$5,000,000 from the Federal Highway Administration for improvements to a major thoroughfare in the Town. Work is expected to commence in the Fall of 2009.

G. PRIOR PERIOD ADJUSTMENTS IN THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

In 2008 the Town of North Hempstead recorded the Landmark on Main Street Housing Development Fund Corporation note receivable, in the amount of \$2,460,000, on its government-wide statements, for a purchase money mortgage dated December 28, 1992. The note receivable consists of a prior period adjustment for \$2,400,000 and interest earned for the year ended December 31, 2008 of \$60,000. The final maturity amount, consisting of principal and unpaid interest amounting to approximately \$3,300,000, matures and is due and payable on January 1, 2023.

In 2008 the Town of North Hempstead increased the opening balance of compensated absences by \$314,309 for salary related payments.

The effect of the prior period adjustments is an increase in opening net assets of \$2,085,691.

H. NEW PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) has issued Statement No. 51 "*Accounting and Financial Reporting for Intangible Assets*". This statement establishes accounting and financial reporting requirements for intangible assets including easements, water rights, timber rights, patents, trademarks, and computer software. The requirements of the new statement become effective for fiscal periods beginning after June 15, 2009.

New pronouncements are implemented when effective.

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REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

TOWN OF NORTH HEMPSTEAD
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 16,499,837	\$ 16,499,837	\$ 16,499,837	\$ -0-
Total Real Property Taxes	16,499,837	16,499,837	16,499,837	-0-
REAL PROPERTY TAX ITEMS:				
Payment in lieu of taxes	225,000	225,000	168,295	(56,705)
Interest and penalty on taxes	1,850,000	1,850,000	1,769,935	(80,065)
Returned check charge: property tax	4,000	4,000	4,240	240
Refund account on property taxes	7,500	7,500		(7,500)
Real Property Tax Items	2,086,500	2,086,500	1,942,470	(144,030)
NON-PROPERTY TAX ITEMS:				
Nassau County local government assistance	9,814,190	9,814,190	9,724,584	(89,606)
Franchises-cable TV	1,250,000	1,250,000	1,303,360	53,360
Total Non-Property Tax Items	11,064,190	11,064,190	11,027,944	(36,246)
DEPARTMENTAL INCOME:				
Town clerk fees	60,000	60,000	48,749	(11,251)
Comptrollers fees	10,000	10,000	9,735	(265)
Other general departmental income	14,500	14,500	12,000	(2,500)
Public pound charge dog fees	10,000	10,000	8,288	(1,712)
Parks and recreation charges	1,850,000	1,850,000	1,347,841	(502,159)
Special recreational facility charges	6,525,000	6,525,000	6,872,458	347,458
Recreational concessions	15,000	15,000		(15,000)
Dock storage leases	35,000	35,000	42,125	7,125
Other culture and recreation - Nassau County transfer	750,000	750,000	750,000	-0-
Total Departmental Income	9,269,500	9,269,500	9,091,196	(178,304)
INTERGOVERNMENTAL CHARGES:				
Services for other governments	15,000	15,000	39,729	24,729
Total Intergovernmental Charges	15,000	15,000	39,729	24,729
USE OF MONEY AND PROPERTY:				
Interest and earnings	525,000	525,000	515,306	(9,694)
Rental of real property	42,500	42,500	142,840	100,340
Commissions	5,000	5,000	602	(4,398)
Total Use of Money and Property	572,500	572,500	658,748	86,248

(Continued)

TOWN OF NORTH HEMPSTEAD

GENERAL FUND

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

Year ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
LICENSES AND PERMITS:				
Town permits	125,000	125,000	143,245	18,245
Licensing fees	75,000	75,000	68,194	(6,806)
Games of chance	350	350	210	(140)
Bingo licenses	1,500	1,500	1,343	(157)
Dog license fund apportionment	45,000	45,000	38,629	(6,371)
Total Licenses and Permits	246,850	246,850	251,621	4,771
FINES AND FORFEITURES:				
Court fines	40,000	40,000	40,000	-0-
Total Fines and Forfeitures	40,000	40,000	40,000	-0-
SALE OF PROPERTY AND COMPENSATION FOR LOSS:				
Insurance recoveries	1,000	1,000	301,367	300,367
Total Sale of Property and Compensation for Loss	1,000	1,000	301,367	300,367
MISCELLANEOUS REVENUE:				
Refund of prior year expenditures	30,000	30,000	206	(29,794)
Miscellaneous revenue	350,000	350,000	2,224,458	1,874,458
Total Miscellaneous Revenue	380,000	380,000	2,224,664	1,844,664
INTERFUND REVENUES	4,608,564	4,608,564	4,568,564	(40,000)
STATE AID:				
State aid - per capita	1,079,276	1,079,276	1,111,654	32,378
State aid - mortgage tax	10,500,000	10,500,000	7,677,222	(2,822,778)
State aid - real property tax	5,000	5,000		(5,000)
State aid - other	125,000	125,000	44,492	(80,508)
State aid - youth program	147,500	147,500	115,562	(31,938)
State aid - records management	20,000	20,000		(20,000)
Total State Aid	11,876,776	11,876,776	8,948,930	(2,927,846)
FEDERAL AID:				
Federal aid - other			28,429	28,429
Total Federal Aid			28,429	28,429
Total Revenues	\$ 56,660,717	\$ 56,660,717	\$ 55,623,499	\$ (1,037,218)

(Continued)

TOWN OF NORTH HEMPSTEAD
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Town board	\$ 682,794	\$ 724,609	\$ 724,609	\$ -0-
Supervisor	834,198	846,613	822,626	23,987
Director of finance	386,644	412,247	412,247	-0-
Comptroller	870,453	875,731	875,731	-0-
Internal auditors	142,107	172,229	172,229	-0-
Receiver of taxes	1,116,000	1,074,623	1,065,654	8,969
Purchasing	118,876	100,292	70,295	29,997
Credit card fees	89,250	96,516	96,516	-0-
Fiscal agent fees	40,000	40,000	34,634	5,366
Town clerk	683,697	683,897	672,759	11,138
Town attorney	1,318,953	1,317,953	1,191,034	126,919
Human resources	231,032	231,032	228,888	2,144
Engineer	352,596	351,570	221,442	130,128
Records management	194,835	184,905	143,806	41,099
Public information	464,713	464,713	429,214	35,499
Public works	437,800	908,326	675,171	233,155
General services	1,250,236	1,249,436	1,111,004	138,432
Central printing and mail	327,385	328,185	275,092	53,093
Technology services	1,417,355	1,417,355	1,339,852	77,503
Unallocated insurance	480,922	480,922	473,130	7,792
Other general government support	1,707,583	1,552,141	1,459,883	92,258
Total General Government Support	13,147,429	13,513,295	12,495,816	1,017,479
EDUCATION:				
Nassau County Community College	507,060	629,492	629,492	-0-
Total Education	507,060	629,492	629,492	-0-
PUBLIC SAFETY:				
Administration	202,181	249,342	249,342	-0-
Animal shelter	605,853	605,255	504,246	101,009
Total Public Safety	808,034	854,597	753,588	101,009
ECONOMIC ASSISTANCE AND OPPORTUNITY:				
Community services	421,470	412,446	412,446	-0-
Publicity	520,737	491,897	350,350	141,547
Veterans services	25,000	25,000	7,875	17,125
Programs for the aging	1,512,919	1,549,919	1,334,540	215,379
Total Economic Assistance and Opportunity	2,480,126	2,479,262	2,105,211	374,051

(Continued)

TOWN OF NORTH HEMPSTEAD
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
CULTURE AND RECREATION:				
Parks and recreation	2,774,659	2,434,869	2,434,869	-0-
Parks	5,933,908	6,012,242	6,012,242	-0-
Community center	87,500	19,728	19,728	-0-
Special recreation facilities	5,344,456	5,823,831	5,823,831	-0-
Youth activities	266,086	200,808	200,808	-0-
Total Culture and Recreation	<u>14,406,609</u>	<u>14,491,478</u>	<u>14,491,478</u>	<u>-0-</u>
HOME AND COMMUNITY SERVICES:				
Housing authority	226,086	231,586	223,594	7,992
Emergency Tenant Protection Act	7,000	7,400	7,366	34
Vision plan	180,000	180,000	67,826	112,174
Total Home and Community Services	<u>413,086</u>	<u>418,986</u>	<u>298,786</u>	<u>120,200</u>
EMPLOYEE BENEFITS:				
State employee retirement system	1,255,000	1,122,971	1,119,369	3,602
Social security	1,246,591	1,168,215	1,168,215	-0-
Workers' compensation	385,000	357,751	357,751	-0-
Disability benefits	5,000	5,798	5,798	-0-
Unemployment benefits	15,000	31,120	31,118	2
Hospital, medical and dental	3,835,064	3,881,029	3,881,029	-0-
Other employee benefits	20,000	20,000	12,863	7,137
Total Employee Benefits	<u>6,761,655</u>	<u>6,586,884</u>	<u>6,576,143</u>	<u>10,741</u>
Total Expenditures	<u>38,523,999</u>	<u>38,973,994</u>	<u>37,350,514</u>	<u>1,623,480</u>
Excess of Revenues Over Expenditures	<u>18,136,718</u>	<u>17,686,723</u>	<u>18,272,985</u>	<u>586,262</u>
Other Financing Sources (Uses)				
Transfers in	45,000	45,000	72,500	27,500
Transfers out	<u>(18,181,718)</u>	<u>(18,903,061)</u>	<u>(18,903,061)</u>	<u>-0-</u>
Total Other Financing Sources (Uses)	<u>(18,136,718)</u>	<u>(18,858,061)</u>	<u>(18,830,561)</u>	<u>27,500</u>
Net Change in Fund Balances	<u>\$ -0-</u>	<u>\$ (1,171,338)</u>	<u>(557,576)</u>	<u>\$ 613,762</u>
Fund Balances at Beginning of Year			<u>18,399,795</u>	
Fund Balances at End of Year			<u>\$ 17,842,219</u>	

TOWN OF NORTH HEMPSTEAD
HIGHWAY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 17,994,942	\$ 17,994,942	\$ 17,994,942	\$ -0-
Total Real Property Taxes	17,994,942	17,994,942	17,994,942	-0-
REAL PROPERTY TAX ITEMS:				
Payment in lieu of taxes	65,000	65,000	133,999	68,999
Real Property Tax Items	65,000	65,000	133,999	68,999
NON-PROPERTY TAX ITEMS:				
Local aid revenue			48,552	48,552
Total Non-Property Tax Items			48,552	48,552
INTERGOVERNMENTAL CHARGES:				
Nassau County - Roads transfer	750,000	750,000	750,000	-0-
Services for other governments	350,000	350,000	66,734	(283,266)
Total Intergovernmental Charges	1,100,000	1,100,000	816,734	(283,266)
USE OF MONEY AND PROPERTY:				
Interest and earnings	97,499	97,499	77,767	(19,732)
Total Use of Money and Property	97,499	97,499	77,767	(19,732)
LICENSES AND PERMITS:				
License Fees			2,760	2,760
Permits - road restoration fee	245,000	245,000	235,143	(9,857)
Total Licenses and Permits	245,000	245,000	237,903	(7,097)
SALE OF PROPERTY AND COMPENSATION FOR LOSS:				
Recovery of damage to Town property	1,000	1,000	1,587	587
Total Sale of Property and Compensation for Loss	1,000	1,000	1,587	587
MISCELLANEOUS REVENUE:				
Miscellaneous revenue	9,500	9,500	15,608	6,108
Total Miscellaneous Revenue	9,500	9,500	15,608	6,108
INTERFUND REVENUES	1,248,788	1,248,788	1,537,264	288,476
STATE AID:				
State aid - Multi Modal	421,667	421,667	531,829	110,162
Total State Aid	421,667	421,667	531,829	110,162
Total Revenues	\$ 21,183,396	\$ 21,183,396	\$ 21,396,185	\$ 212,789

(Continued)

TOWN OF NORTH HEMPSTEAD
HIGHWAY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Insurance	\$ 242,784	\$ 242,784	\$ 238,850	\$ 3,934
Other general government support	1,707,007	1,648,713	1,438,783	209,930
Total General Government Support	<u>1,949,791</u>	<u>1,891,497</u>	<u>1,677,633</u>	<u>213,864</u>
TRANSPORTATION:				
Administration	3,550,925	4,544,057	4,544,057	-0-
Garage	4,298,861	4,393,651	4,378,742	14,909
Leaf program	9,000	9,000	2,760	6,240
Signs	818,225	450,355	448,648	1,707
Traffic safety	69,779	66,183	66,183	-0-
Services for other governments	552,714	360,757	347,098	13,659
Snow removal	745,000	456,115	456,115	-0-
Total Transportation	<u>10,044,504</u>	<u>10,280,118</u>	<u>10,243,603</u>	<u>36,515</u>
EMPLOYEE BENEFITS:				
State employee retirement system	585,000	535,791	535,791	-0-
Social security	527,638	510,411	510,411	-0-
Workers' compensation	220,000	238,918	238,918	-0-
Disability benefits	1,200	3,687	3,687	-0-
Hospital, medical and dental	2,301,602	2,384,417	2,384,417	-0-
Other employee benefits	10,000	5,000	5,000	-0-
Total Employee Benefits	<u>3,645,440</u>	<u>3,678,224</u>	<u>3,678,224</u>	<u>-0-</u>
Total Expenditures	<u>15,639,735</u>	<u>15,849,839</u>	<u>15,599,460</u>	<u>250,379</u>
Excess of Revenues Over Expenditures	<u>5,543,661</u>	<u>5,333,557</u>	<u>5,796,725</u>	<u>463,168</u>
Other Financing Uses				
Transfers out	<u>(5,543,661)</u>	<u>(5,543,661)</u>	<u>(5,543,661)</u>	<u>-0-</u>
Total Other Financing Uses	<u>(5,543,661)</u>	<u>(5,543,661)</u>	<u>(5,543,661)</u>	<u>-0-</u>
Net Change in Fund Balances	<u>\$ -0-</u>	<u>\$ (210,104)</u>	<u>253,064</u>	<u>\$ 463,168</u>
Fund Balances at Beginning of Year			<u>1,274,495</u>	
Fund Balances at End of Year			<u>\$ 1,527,559</u>	

TOWN OF NORTH HEMPSTEAD
SOLID WASTE MANAGEMENT AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
DEPARTMENTAL INCOME:				
Solid waste	\$ 16,227,844	\$ 16,227,844	\$ 14,231,519	\$ (1,996,325)
Other	101,000	101,000	521,158	420,158
Total Departmental Income	<u>16,328,844</u>	<u>16,328,844</u>	<u>14,752,677</u>	<u>(1,576,167)</u>
USE OF MONEY AND PROPERTY:				
Interest and earnings	124,999	124,999	26,757	(98,242)
Rental of real property	50,000	50,000	30,219	(19,781)
Total Use of Money and Property	<u>174,999</u>	<u>174,999</u>	<u>56,976</u>	<u>(118,023)</u>
LICENSES AND PERMITS:				
Licenses, Other			100,000	100,000
Total Licenses and Permits			<u>100,000</u>	<u>100,000</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS:				
Recycling	165,000	165,000	293,120	128,120
Sale of Equipment			5,000	5,000
Total Sale of Property and Compensation for Loss	<u>165,000</u>	<u>165,000</u>	<u>298,120</u>	<u>133,120</u>
MISCELLANEOUS REVENUE:				
Miscellaneous revenue	90,000	90,000	14,777	(75,223)
Total Miscellaneous Revenue	<u>90,000</u>	<u>90,000</u>	<u>14,777</u>	<u>(75,223)</u>
INTERFUND REVENUE:				
Interfund revenue	900,000	900,000	150,000	(750,000)
Total Interfund Revenue	<u>900,000</u>	<u>900,000</u>	<u>150,000</u>	<u>(750,000)</u>
Total Revenues	<u>\$ 17,658,843</u>	<u>\$ 17,658,843</u>	<u>\$ 15,372,550</u>	<u>\$ (2,286,293)</u>

TOWN OF NORTH HEMPSTEAD
SOLID WASTE MANAGEMENT AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES				
CURRENT:				
HOME AND COMMUNITY SERVICES:				
Administration	\$ 1,113,466	\$ 1,522,966	\$ 1,469,734	\$ 53,232
Leachate	779,503	675,253	553,962	121,291
Transfer station	14,640,056	14,113,106	12,403,219	1,709,887
Scale house	277,213	268,213	212,029	56,184
Maintenance	21,680	343,680	325,082	18,598
Equipment	99,000	62,000	29,745	32,255
Recycling	367,900	297,900	288,511	9,389
Total Home and Community Services	<u>17,298,818</u>	<u>17,283,118</u>	<u>15,282,282</u>	<u>2,000,836</u>
EMPLOYEE BENEFITS:				
State employee retirement system	65,000	65,000	62,870	2,130
Social security	55,701	55,701	55,245	456
Workers' compensation	10,000	10,000	3,070	6,930
Unemployment insurance		100	31	69
Disability benefits	250	750	371	379
Hospital, medical and dental	286,440	301,541	297,047	4,494
Other employee benefit	3,725	3,725	1,188	2,537
Total Employee Benefits	<u>421,116</u>	<u>436,817</u>	<u>419,822</u>	<u>16,995</u>
Total Expenditures	<u>17,719,934</u>	<u>17,719,935</u>	<u>15,702,104</u>	<u>2,017,831</u>
Deficiency of Revenues Under Expenditures	<u>(61,091)</u>	<u>(61,092)</u>	<u>(329,554)</u>	<u>(268,462)</u>
Other Financing Uses				
Transfers out	<u>(2,543,369)</u>	<u>(2,543,369)</u>	<u>(2,543,369)</u>	<u>-0-</u>
Total Other Financing Uses	<u>(2,543,369)</u>	<u>(2,543,369)</u>	<u>(2,543,369)</u>	<u>-0-</u>
Net Change in Fund Balances	<u>\$ (2,604,460)</u>	<u>\$ (2,604,461)</u>	<u>(2,872,923)</u>	<u>\$ (268,462)</u>
Fund Balances at Beginning of Year			<u>3,076,483</u>	
Fund Balances at End of Year			<u>\$ 203,560</u>	

TOWN OF NORTH HEMPSTEAD
TOWN OF NORTH HEMPSTEAD RETIREE MEDICAL PROGRAM
POST-EMPLOYMENT BENEFITS HEALTHCARE COSTS
SCHEDULE OF FUNDING PROGRESS
FOR THE DECEMBER 31, 2008 VALUATION

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit Cost Method (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
12/31/2008	\$ -0-	\$ 124,832,000	\$ 124,832,000	0%	\$ 29,008,187	430.33%

OTHER SUPPLEMENTARY INFORMATION

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

TOWN OF NORTH HEMPSTEAD
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2008

	Special Revenue Funds				
	Part Town	Refuse and Garbage Districts	Park Districts	Fire Protection Districts	Lighting District
ASSETS					
Cash and investments	\$ 2,325,241	\$ 1,533,617	\$ 112,930	\$ 847,062	\$ 1,282,673
Accounts receivable, net of allowances	20,080	30,513			
Prepays	79,797		9,214		2,145
Due from other funds	150,000				
Due from other governments	83,340				
Total Assets	<u>\$ 2,658,458</u>	<u>\$ 1,564,130</u>	<u>\$ 122,144</u>	<u>\$ 847,062</u>	<u>\$ 1,284,818</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 53,544	\$ 2,982	\$ 17,161		\$ 162,977
Due to other funds					
Deferred revenue	45,000				
Total Liabilities	<u>98,544</u>	<u>2,982</u>	<u>17,161</u>		<u>162,977</u>
FUND BALANCES					
Reserved:					
Prepays	79,797		9,214		2,145
Unreserved, designated for:					
Subsequent year's budget		12,500	4,971	\$ 9	250,617
Unreserved, undesignated	2,480,117	1,548,648	90,798	847,053	869,079
Total Fund Balances	<u>2,559,914</u>	<u>1,561,148</u>	<u>104,983</u>	<u>847,062</u>	<u>1,121,841</u>
Total Liabilities and Fund Balances	<u>\$ 2,658,458</u>	<u>\$ 1,564,130</u>	<u>\$ 122,144</u>	<u>\$ 847,062</u>	<u>\$ 1,284,818</u>

Public Parking District	Sidewalk District	Water District	Total Nonmajor Governmental Funds
\$ 647,303	\$ 368,910	\$ 12,246	\$ 7,129,982
			50,593
5,218	20,134		116,508
			150,000
			83,340
<u>\$ 652,521</u>	<u>\$ 389,044</u>	<u>\$ 12,246</u>	<u>\$ 7,530,423</u>
\$ 16,538	\$ 4,516	\$ 12,240	\$ 269,958
	3,318		3,318
			45,000
<u>16,538</u>	<u>7,834</u>	<u>12,240</u>	<u>318,276</u>
5,218	20,134		116,508
	76,357		344,454
<u>630,765</u>	<u>284,719</u>	<u>6</u>	<u>6,751,185</u>
<u>635,983</u>	<u>381,210</u>	<u>6</u>	<u>7,212,147</u>
<u>\$ 652,521</u>	<u>\$ 389,044</u>	<u>\$ 12,246</u>	<u>\$ 7,530,423</u>

TOWN OF NORTH HEMPSTEAD
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year ended December 31, 2008

	Special Revenue Funds				
	Part Town	Refuse and Garbage Districts	Park Districts	Fire Protection Districts	Lighting District
REVENUES					
Real property taxes	\$ 2,874,798	\$ 7,461,402	\$ 1,014,150	\$ 5,847,811	\$ 1,690,054
Real property tax items		32,302			
Non-property tax items	150,000				
Departmental income	839,006		368,943		
Intergovernmental charges					
Use of money and property	75,071	15,384	9,929	12,153	12,215
Licenses and permits	3,479,987				
Fines and forfeitures	122,710				
Miscellaneous revenue	100,300		20		
Interfund revenues					
Total Revenues	<u>7,641,872</u>	<u>7,509,088</u>	<u>1,393,042</u>	<u>5,859,964</u>	<u>1,702,269</u>
EXPENDITURES					
Current:					
General government support	914,513	398,052	111,019	644,507	172,684
Public safety	3,920,146			5,224,477	
Health	189,337				
Transportation					1,707,670
Culture and recreation			1,110,245		
Home and community services	865,533	6,810,171			
Employee benefits	1,410,814		164,707		27,696
Total Expenditures	<u>7,300,343</u>	<u>7,208,223</u>	<u>1,385,971</u>	<u>5,868,984</u>	<u>1,908,050</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>341,529</u>	<u>300,865</u>	<u>7,071</u>	<u>(9,020)</u>	<u>(205,781)</u>
Other Financing Uses					
Transfers out	(10,000)		(77,503)		(500)
Total Other Financing Uses	<u>(10,000)</u>		<u>(77,503)</u>		<u>(500)</u>
Net Change in Fund Balances	331,529	300,865	(70,432)	(9,020)	(206,281)
Fund Balances at Beginning of Year	<u>2,228,385</u>	<u>1,260,283</u>	<u>175,415</u>	<u>856,082</u>	<u>1,328,122</u>
Fund Balances at End of Year	<u>\$ 2,559,914</u>	<u>\$ 1,561,148</u>	<u>\$ 104,983</u>	<u>\$ 847,062</u>	<u>\$ 1,121,841</u>

Public Parking District	Sidewalk District	Water District	Total Nonmajor Governmental Funds
\$ 299,924	\$ 2,689,927	\$ 50,154	\$ 21,928,220
			32,302
			150,000
562,567			1,770,516
220			220
6,312	8,736	118	139,918
			3,479,987
			122,710
			100,320
	1,311		1,311
<u>869,023</u>	<u>2,699,974</u>	<u>50,272</u>	<u>27,725,504</u>
76,989	424,511		2,742,275
			9,144,623
			189,337
445,334	1,709,197		3,862,201
			1,110,245
		51,408	7,727,112
<u>118,202</u>	<u>365,668</u>		<u>2,087,087</u>
<u>640,525</u>	<u>2,499,376</u>	<u>51,408</u>	<u>26,862,880</u>
<u>228,498</u>	<u>200,598</u>	<u>(1,136)</u>	<u>862,624</u>
<u>(253,303)</u>	<u>(212,594)</u>		<u>(553,900)</u>
<u>(253,303)</u>	<u>(212,594)</u>		<u>(553,900)</u>
(24,805)	(11,996)	(1,136)	308,724
<u>660,788</u>	<u>393,206</u>	<u>1,142</u>	<u>6,903,423</u>
<u>\$ 635,983</u>	<u>\$ 381,210</u>	<u>\$ 6</u>	<u>\$ 7,212,147</u>

TOWN OF NORTH HEMPSTEAD
PART TOWN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 2,874,798	\$ 2,874,798	\$ 2,874,798	\$ -0-
Total Real Property Taxes	2,874,798	2,874,798	2,874,798	-0-
REAL PROPERTY TAX ITEMS:				
Payment in lieu of taxes	21,500	21,500		(21,500)
Real Property Tax Items	21,500	21,500		(21,500)
NON-PROPERTY TAX ITEMS:				
Franchises-cable TV	150,000	150,000	150,000	-0-
Total Non-Property Tax Items	150,000	150,000	150,000	-0-
DEPARTMENTAL INCOME:				
Zoning board fees	132,500	132,500	138,784	6,284
Parking enforcement	779,500	779,500	467,040	(312,460)
Planning fees	300,000	300,000	233,182	(66,818)
Total Departmental Income	1,212,000	1,212,000	839,006	(372,994)
USE OF MONEY AND PROPERTY:				
Interest and earnings	45,000	45,000	75,071	30,071
Total Use of Money and Property	45,000	45,000	75,071	30,071
LICENSES AND PERMITS:				
Safety enforcement	2,825,000	2,825,000	3,479,987	654,987
Total Licenses and Permits	2,825,000	2,825,000	3,479,987	654,987
FINES AND FORFEITURES:				
Court fines	200,000	200,000	122,710	(77,290)
Total Fines and Forfeitures	200,000	200,000	122,710	(77,290)
MISCELLANEOUS REVENUE:				
Unclassified revenue			100,300	100,300
Total Miscellaneous Revenue			100,300	100,300
INTERFUND REVENUES	100,000	100,000		(100,000)
STATE AID:				
State aid - other				
State aid - records management	200,000	200,000		(200,000)
Total State Aid	200,000	200,000		(200,000)
Total Revenues	\$ 7,628,298	\$ 7,628,298	\$ 7,641,872	\$ 13,574

(Continued)

TOWN OF NORTH HEMPSTEAD
PART TOWN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Insurance	\$ 70,146	\$ 70,146	\$ 69,009	\$ 1,137
Other general government support	1,070,750	845,750	845,504	246
Total General Government Support	<u>1,140,896</u>	<u>915,896</u>	<u>914,513</u>	<u>1,383</u>
PUBLIC SAFETY:				
Building	3,244,766	3,665,612	3,665,612	-0-
Parking enforcement	317,444	317,444	254,534	62,910
Total Public Safety	<u>3,562,210</u>	<u>3,983,056</u>	<u>3,920,146</u>	<u>62,910</u>
HEALTH:				
Registrar of vital statistics	216,542	202,718	189,337	13,381
Total Health	<u>216,542</u>	<u>202,718</u>	<u>189,337</u>	<u>13,381</u>
HOME AND COMMUNITY SERVICES:				
Board of appeals	384,470	396,948	396,948	-0-
Planning and development - staff	534,616	528,116	468,585	59,531
Brownfields	200,000	12,000		12,000
Total Home and Community Services	<u>1,119,086</u>	<u>937,064</u>	<u>865,533</u>	<u>71,531</u>
EMPLOYEE BENEFITS:				
State employee retirement system	330,000	330,000	306,798	23,202
Social security	329,077	329,077	294,011	35,066
Workers' compensation	92,080	90,824	84,177	6,647
Disability benefits	750	2,006	2,006	-0-
Unemployment benefits	2,000	2,000		2,000
Hospital, medical and dental	823,157	823,157	721,422	101,735
Other employee benefits	2,500	2,500	2,400	100
Total Employee Benefits	<u>1,579,564</u>	<u>1,579,564</u>	<u>1,410,814</u>	<u>168,750</u>
Total Expenditures	<u>7,618,298</u>	<u>7,618,298</u>	<u>7,300,343</u>	<u>317,955</u>
Excess of Revenues Over Expenditures	<u>10,000</u>	<u>10,000</u>	<u>341,529</u>	<u>331,529</u>
Other Financing Uses				
Transfers out	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-0-</u>
Total Other Financing Uses	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-0-</u>
Net Change in Fund Balances	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>331,529</u>	<u>\$ 331,529</u>
Fund Balances at Beginning of Year			<u>2,228,385</u>	
Fund Balances at End of Year			<u>\$ 2,559,914</u>	

TOWN OF NORTH HEMPSTEAD
REFUSE AND GARBAGE DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 7,461,402	\$ 7,461,402	\$ 7,461,402	\$ -0-
Total Real Property Taxes	7,461,402	7,461,402	7,461,402	-0-
REAL PROPERTY TAX ITEMS:				
Payment in lieu of taxes	36,214	36,214	32,302	(3,912)
Real Property Tax Items	36,214	36,214	32,302	(3,912)
USE OF MONEY AND PROPERTY:				
Interest and earnings	61,627	61,627	15,384	(46,243)
Total Use of Money and Property	61,627	61,627	15,384	(46,243)
Total Revenues	7,559,243	7,559,243	7,509,088	(50,155)
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Other general government support	398,052	398,052	398,052	-0-
Total General Government Support	398,052	398,052	398,052	-0-
HOME AND COMMUNITY SERVICE:				
Sanitation	7,161,191	7,161,191	6,810,171	351,020
Total Home and Community Service	7,161,191	7,161,191	6,810,171	351,020
Total Expenditures	7,559,243	7,559,243	7,208,223	351,020
Net Change in Fund Balances	\$ -0-	\$ -0-	300,865	\$ 300,865
Fund Balances at Beginning of Year			1,260,283	
Fund Balances at End of Year			\$ 1,561,148	

TOWN OF NORTH HEMPSTEAD
PARK DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 1,014,150	\$ 1,014,150	\$ 1,014,150	\$ -0-
Total Real Property Taxes	<u>1,014,150</u>	<u>1,014,150</u>	<u>1,014,150</u>	<u>-0-</u>
REAL PROPERTY TAX ITEMS:				
Payment in lieu of taxes	1,500	1,500		(1,500)
Real Property Tax Items	<u>1,500</u>	<u>1,500</u>		<u>(1,500)</u>
DEPARTMENTAL INCOME:				
Recreational concessions	7,500	7,500	7,500	-0-
Special recreational facility charge	283,100	283,100	361,443	78,343
Total Departmental Income	<u>290,600</u>	<u>290,600</u>	<u>368,943</u>	<u>78,343</u>
INTERGOVERNMENTAL CHARGES:				
Nassau County local government assistance	40,000	40,000		(40,000)
Total Intergovernmental Charges	<u>40,000</u>	<u>40,000</u>		<u>(40,000)</u>
USE OF MONEY AND PROPERTY:				
Interest and earnings	29,610	29,610	9,929	(19,681)
Total Use of Money and Property	<u>29,610</u>	<u>29,610</u>	<u>9,929</u>	<u>(19,681)</u>
MISCELLANEOUS LOCAL SOURCES:				
Miscellaneous revenue	100	100	20	(80)
Total Miscellaneous Revenue	<u>100</u>	<u>100</u>	<u>20</u>	<u>(80)</u>
Total Revenues	<u>1,375,960</u>	<u>1,375,960</u>	<u>1,393,042</u>	<u>17,082</u>
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Credit card fees			2,043	(2,043)
Insurance	18,944	18,944	18,725	219
Other general government support	93,729	93,729	90,251	3,478
Total General Government Support	<u>112,673</u>	<u>112,673</u>	<u>111,019</u>	<u>1,654</u>
CULTURE AND RECREATION:				
Parks, pools and rinks	1,017,241	1,017,241	1,110,245	(93,004)
Total Culture and Recreation	<u>1,017,241</u>	<u>1,017,241</u>	<u>1,110,245</u>	<u>(93,004)</u>
EMPLOYEE BENEFITS:				
State employee retirement system	33,934	33,934	35,914	(1,980)
Social security	45,177	45,177	55,245	(10,068)
Workers' compensation	4,900	4,900	4,163	737
Disability benefits	400	400	494	(94)
Hospital, medical and dental	101,005	101,005	68,141	32,864
Other employee benefits	750	750	750	-0-
Total Employee Benefits	<u>186,166</u>	<u>186,166</u>	<u>164,707</u>	<u>21,459</u>
Total Expenditures	<u>1,316,080</u>	<u>1,316,080</u>	<u>1,385,971</u>	<u>(69,891)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>59,880</u>	<u>59,880</u>	<u>7,071</u>	<u>(52,809)</u>
Other Financing Sources (Uses)				
Transfers out	(77,502)	(77,502)	(77,503)	(1)
Total Other Financing Sources (Uses)	<u>(77,502)</u>	<u>(77,502)</u>	<u>(77,503)</u>	<u>(1)</u>
Net Change in Fund Balances	<u>\$ (17,622)</u>	<u>\$ (17,622)</u>	<u>(70,432)</u>	<u>\$ (52,810)</u>
Fund Balances at Beginning of Year			<u>175,415</u>	
Fund Balances at End of Year			<u>\$ 104,983</u>	

TOWN OF NORTH HEMPSTEAD
FIRE PROTECTION DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 5,847,811	\$ 5,847,811	\$ 5,847,811	\$ -0-
Total Real Property Taxes	5,847,811	5,847,811	5,847,811	-0-
REAL PROPERTY TAX ITEMS:				
Payment in lieu of taxes	28,652	28,652		(28,652)
Total Real Property Tax Items	28,652	28,652		(28,652)
USE OF MONEY AND PROPERTY:				
Interest and earnings	49,996	49,996	12,153	(37,843)
Total Use of Money and Property	49,996	49,996	12,153	(37,843)
Total Revenues	5,926,459	5,926,459	5,859,964	(66,495)
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Insurance	249,769	249,601	198,475	51,126
Other general government support	446,032	446,032	446,032	-0-
Total General Government Support	695,801	695,633	644,507	51,126
PUBLIC SAFETY:				
Fire protection	5,230,658	5,233,826	5,224,477	9,349
Total Public Safety	5,230,658	5,233,826	5,224,477	9,349
Total Expenditures	5,926,459	5,929,459	5,868,984	60,475
Net Change in Fund Balances	\$ -0-	\$ (3,000)	(9,020)	\$ (6,020)
Fund Balances at Beginning of Year			856,082	
Fund Balances at End of Year			\$ 847,062	

TOWN OF NORTH HEMPSTEAD
LIGHTING DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 1,690,054	\$ 1,690,054	\$ 1,690,054	\$ -0-
Total Real Property Taxes	1,690,054	1,690,054	1,690,054	-0-
REAL PROPERTY TAX ITEMS:				
Payment in lieu of taxes	7,500	7,500		(7,500)
Total Real Property Tax Items	7,500	7,500		(7,500)
USE OF MONEY AND PROPERTY:				
Interest and earnings	60,001	60,000	12,215	(47,785)
Total Use of Money and Property	60,001	60,000	12,215	(47,785)
Total Revenues	1,757,555	1,757,554	1,702,269	(55,285)
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Insurance	2,859	2,859	2,813	46
Other general government support	169,871	169,871	169,871	-0-
Total General Government Support	172,730	172,730	172,684	46
TRANSPORTATION:				
Lighting	1,742,417	1,742,417	1,707,670	34,747
Total Transportation	1,742,417	1,742,417	1,707,670	34,747
EMPLOYEE BENEFITS:				
State employee retirement system	10,243	8,065	8,065	-0-
Social security	9,219	8,991	8,274	717
Disability benefits	100	100	23	77
Workers' compensation	600	600	514	86
Hospital, medical and dental	8,314	10,720	10,720	-0-
Other employee benefits	100	100	100	-0-
Total Employee Benefits	28,576	28,576	27,696	880
Total Expenditures	1,943,723	1,943,723	1,908,050	35,673
Deficiency of Revenues				
Under Expenditures	(186,168)	(186,169)	(205,781)	(19,612)
Other Financing Uses				
Transfers out	(500)	(500)	(500)	-0-
Total Other Financing Uses	(500)	(500)	(500)	-0-
Net Change in Fund Balances	<u>\$ (186,668)</u>	<u>\$ (186,669)</u>	(206,281)	<u>\$ (19,612)</u>
Fund Balances at Beginning of Year			1,328,122	
Fund Balances at End of Year			<u>\$ 1,121,841</u>	

TOWN OF NORTH HEMPSTEAD
PUBLIC PARKING DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 299,924	\$ 299,924	\$ 299,924	\$ -0-
Total Real Property Taxes	299,924	299,924	299,924	-0-
REAL PROPERTY TAX ITEMS:				
Payment in lieu of taxes	2,500	2,500		(2,500)
Total Real Property Tax Items	2,500	2,500		(2,500)
DEPARTMENTAL INCOME:				
Parking permits	50,000	50,000	49,887	(113)
Parking fines	19,000	19,000	19,000	-0-
Parking lots	325,000	325,000	336,502	11,502
Parking meter fees	150,000	150,000	157,178	7,178
Total Departmental Income	544,000	544,000	562,567	18,567
INTERGOVERNMENTAL CHARGES:				
Services for other governments			220	220
Total Intergovernmental Charges			220	220
USE OF MONEY AND PROPERTY:				
Interest and earnings	11,988	11,988	6,312	(5,676)
Total Use of Money and Property	11,988	11,988	6,312	(5,676)
Total Revenues	858,412	858,412	869,023	10,611
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Credit card fees			2,179	(2,179)
Insurance	14,923	14,923	14,681	242
Other general government support	99,143	60,143	60,129	14
Total General Government Support	114,066	75,066	76,989	(1,923)
TRANSPORTATION:				
Parking	361,286	403,286	445,334	(42,048)
Total Transportation	361,286	403,286	445,334	(42,048)
EMPLOYEE BENEFITS:				
State employee retirement system	30,000	30,000	19,375	10,625
Social security	18,700	18,700	21,718	(3,018)
Workers' compensation	4,000	4,000	4,853	(853)
Disability benefits	300	300	289	11
Hospital, medical and dental	78,859	75,859	71,867	3,992
Other employee benefits	100	100	100	-0-
Total Employee Benefits	131,959	128,959	118,202	10,757
Total Expenditures	607,311	607,311	640,525	(33,214)
Excess (Deficiency) of Revenues Over (Under) Expenditures	251,101	251,101	228,498	(22,603)
Other Financing Uses				
Transfers out	(253,303)	(253,303)	(253,303)	-0-
Total Other Financing Uses	(253,303)	(253,303)	(253,303)	-0-
Net Change in Fund Balances	\$ (2,202)	\$ (2,202)	(24,805)	\$ (22,603)
Fund Balances at Beginning of Year			660,788	
Fund Balances at End of Year			\$ 635,983	

TOWN OF NORTH HEMPSTEAD
SIDEWALK DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 2,689,927	\$ 2,689,927	\$ 2,689,927	\$ -0-
Total Real Property Taxes	<u>2,689,927</u>	<u>2,689,927</u>	<u>2,689,927</u>	<u>-0-</u>
REAL PROPERTY TAX ITEMS:				
Payment in lieu of taxes	12,000	12,000		(12,000)
Total Real Property Tax Items	<u>12,000</u>	<u>12,000</u>		<u>(12,000)</u>
USE OF MONEY AND PROPERTY:				
Interest and earnings	54,894	54,894	8,736	(46,158)
Total Use of Money and Property	<u>54,894</u>	<u>54,894</u>	<u>8,736</u>	<u>(46,158)</u>
INTERFUND REVENUES	<u>30,000</u>	<u>30,000</u>	<u>1,311</u>	<u>(28,689)</u>
Total Revenues	<u>2,786,821</u>	<u>2,786,821</u>	<u>2,699,974</u>	<u>(86,847)</u>
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Insurance	31,722	31,722	31,208	514
Other general government support	393,303	393,303	393,303	-0-
Total General Government Support	<u>425,025</u>	<u>425,025</u>	<u>424,511</u>	<u>514</u>
TRANSPORTATION:				
Sidewalk	1,824,869	1,824,869	1,709,197	115,672
Total Transportation	<u>1,824,869</u>	<u>1,824,869</u>	<u>1,709,197</u>	<u>115,672</u>
EMPLOYEE BENEFITS:				
State employee retirement system	87,728	79,896	79,841	55
Social security	78,955	78,955	74,745	4,210
Disability benefits	100	260	260	-0-
Workers' compensation	6,000	7,237	7,237	-0-
Hospital, medical and dental	197,050	203,485	203,485	-0-
Other employee benefits	1,000	1,000	100	900
Total Employee Benefits	<u>370,833</u>	<u>370,833</u>	<u>365,668</u>	<u>5,165</u>
Total Expenditures	<u>2,620,727</u>	<u>2,620,727</u>	<u>2,499,376</u>	<u>121,351</u>
Excess of Revenues Over Expenditures	<u>166,094</u>	<u>166,094</u>	<u>200,598</u>	<u>34,504</u>
Other Financing Uses				
Transfers out	(212,594)	(212,594)	(212,594)	-0-
Total Other Financing Uses	<u>(212,594)</u>	<u>(212,594)</u>	<u>(212,594)</u>	<u>-0-</u>
Net Change in Fund Balances	<u>\$ (46,500)</u>	<u>\$ (46,500)</u>	<u>(11,996)</u>	<u>\$ 34,504</u>
Fund Balances at Beginning of Year			<u>393,206</u>	
Fund Balances at End of Year			<u>\$ 381,210</u>	

TOWN OF NORTH HEMPSTEAD
WATER DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 50,154	\$ 50,154	\$ 50,154	\$ -0-
Total Real Property Taxes	50,154	50,154	50,154	-0-
USE OF MONEY AND PROPERTY:				
Interest and earnings	1,254	1,254	118	(1,136)
Total Use of Money and Property	1,254	1,254	118	(1,136)
Total Revenues	51,408	51,408	50,272	(1,136)
EXPENDITURES				
CURRENT:				
HOME AND COMMUNITY SERVICE:				
Water	51,408	51,408	51,408	-0-
Total Home and Community Service	51,408	51,408	51,408	-0-
Total Expenditures	51,408	51,408	51,408	-0-
Net Change in Fund Balances	\$ -0-	\$ -0-	(1,136)	\$ (1,136)
Fund Balances at Beginning of Year			1,142	
Fund Balances at End of Year			\$ 6	

TOWN OF NORTH HEMPSTEAD
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN AGENCY ASSETS AND LIABILITIES
Year ended December 31, 2008

ASSETS	Balance January 1, 2008	Additions	Deductions	Balance December 31, 2008
<i>Town Agency Fund</i>				
Cash	\$ 12,886,951	\$ 104,260,264	\$ 99,537,151	\$ 17,610,064
Total Assets - Town Agency Fund	<u>12,886,951</u>	<u>104,260,264</u>	<u>99,537,151</u>	<u>17,610,064</u>
<i>Town Clerk Agency Fund</i>				
Cash	66,487	600,473	614,535	52,425
Total Assets - Town Clerk Agency Fund	<u>66,487</u>	<u>600,473</u>	<u>614,535</u>	<u>52,425</u>
<i>Town Receiver of Taxes Agency Fund</i>				
Cash	52,067,350	1,095,677,323	1,143,888,820	3,855,853
Total Assets - Town Receiver of Taxes Agency Fund	<u>52,067,350</u>	<u>1,095,677,323</u>	<u>1,143,888,820</u>	<u>3,855,853</u>
Total Assets	<u>\$ 65,020,788</u>	<u>\$ 1,200,538,060</u>	<u>\$ 1,244,040,506</u>	<u>\$ 21,518,342</u>
LIABILITIES				
<i>Town Agency Fund</i>				
Other liabilities	\$ 12,886,951	\$ 104,260,264	\$ 99,537,151	\$ 17,610,064
Total Liabilities - Town Agency Fund	<u>12,886,951</u>	<u>104,260,264</u>	<u>99,537,151</u>	<u>17,610,064</u>
<i>Town Clerk Agency Fund</i>				
Other liabilities	66,487	600,473	614,535	52,425
Total Liabilities - Town Clerk Agency Fund	<u>66,487</u>	<u>600,473</u>	<u>614,535</u>	<u>52,425</u>
<i>Town Receiver of Taxes Agency Fund</i>				
Due to school districts	51,925,968	756,670,500	804,740,615	3,855,853
Other liabilities	141,382	339,006,823	339,148,205	-0-
Total Liabilities - Town Receiver of Taxes Agency Fund	<u>52,067,350</u>	<u>1,095,677,323</u>	<u>1,143,888,820</u>	<u>3,855,853</u>
Total Liabilities	<u>\$ 65,020,788</u>	<u>\$ 1,200,538,060</u>	<u>\$ 1,244,040,506</u>	<u>\$ 21,518,342</u>

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DISCRETELY PRESENTED COMPONENT UNITS

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

TOWN OF NORTH HEMPSTEAD
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF NET ASSETS
DECEMBER 31, 2008

WATER DISTRICTS

	Glenwood	Albertson	Garden City Park	Port Washington	Westbury	Roslyn	Carle Place	Manhasset - Lakeville
ASSETS								
Current Assets:								
Cash and investments	\$ 219,364	\$ 1,858,696	\$ 5,879,129	\$ 1,865,355	\$ 1,540,266	\$ 4,168,089	\$ 1,100,537	\$ 8,355,400
Accounts receivable, net of allowance for doubtful accounts	15,994	251,199	184,211	361,105	571,862	343,759	254,831	785,182
Prepaid expenses		3,067	99,734		57,125	96,382	31,949	8,404
Due from other governments	8,207	856,183	62,927	219,613	665,191	65,251	432,668	70,430
Inventory of materials and supplies			54,123		23,200	88,870	70,741	157,462
Total Current Assets	<u>243,565</u>	<u>2,969,145</u>	<u>6,280,124</u>	<u>2,446,073</u>	<u>2,857,644</u>	<u>4,762,351</u>	<u>1,890,726</u>	<u>9,376,878</u>
Non-current Assets:								
Deferred charges, net of accumulated depreciation								
Capital assets, net of depreciation	102,423	7,633,809	4,273,639	13,510,897	7,089,105	3,651,896	3,102,820	22,236,548
Total Non-Current Assets	<u>102,423</u>	<u>7,633,809</u>	<u>4,273,639</u>	<u>13,510,897</u>	<u>7,089,105</u>	<u>3,651,896</u>	<u>3,102,820</u>	<u>22,236,548</u>
Total Assets	<u>345,988</u>	<u>10,602,954</u>	<u>10,553,763</u>	<u>15,956,970</u>	<u>9,946,749</u>	<u>8,414,247</u>	<u>4,993,546</u>	<u>31,613,426</u>
LIABILITIES								
Current Liabilities:								
Accounts payable	29,145	121,139	219,234	359,344	352,399	621,227	323,887	336,713
Accrued liabilities			26,375		34,689	19,799		
Accrued interest payable	305	64,662					19,753	232,058
Bond anticipation notes payable								
Due to other governments								7,992
Deferred revenue			41,580				21,690	
Other liabilities		1,506	10,004	18,276		41,674		310,606
Non-current liabilities due within one year								
Serial bonds payable	4,000	450,110	110,000	557,389	427,579	145,267	88,336	1,267,646
Installment purchase debt								
Compensated absences								
Total Current Liabilities	<u>33,450</u>	<u>637,417</u>	<u>407,193</u>	<u>935,009</u>	<u>814,667</u>	<u>827,967</u>	<u>453,666</u>	<u>2,155,015</u>
Non-current liabilities:								
General obligation bonds payable	36,000	5,995,213	877,000	7,024,610	5,372,998	1,338,947	1,185,084	12,101,611
Compensated absences		388,373	116,314	236,452	194,065	322,313	33,464	26,778
Other post-employment benefits		368,815	116,050	256,400	449,800	202,300	194,249	630,315
Installment purchase debt								
Total Non-Current Liabilities	<u>36,000</u>	<u>6,752,401</u>	<u>1,109,364</u>	<u>7,517,462</u>	<u>6,016,863</u>	<u>1,863,560</u>	<u>1,412,797</u>	<u>12,758,704</u>
Total Liabilities	<u>69,450</u>	<u>7,389,818</u>	<u>1,516,557</u>	<u>8,452,471</u>	<u>6,831,530</u>	<u>2,691,527</u>	<u>1,866,463</u>	<u>14,913,719</u>
NET ASSETS								
Investment in capital assets, net of related debt	62,423	1,188,486	3,286,639	5,928,898	1,288,528	2,167,682	2,189,199	8,867,291
Restricted				210,847	226,379		72,969	129,844
Unrestricted	214,115	2,024,650	5,750,567	1,364,754	1,600,312	3,555,038	864,915	7,702,572
Total Net Assets	<u>\$ 276,538</u>	<u>\$ 3,213,136</u>	<u>\$ 9,037,206</u>	<u>\$ 7,504,499</u>	<u>\$ 3,115,219</u>	<u>\$ 5,722,720</u>	<u>\$ 3,127,083</u>	<u>\$ 16,699,707</u>

WATER POLLUTION CONTROL DISTRICTS			GARBAGE DISTRICTS			
Great Neck	Belgrave	Port Washington	Port Washington	Glenwood	Carle Place	Roslyn
\$ 1,157,870	\$ 5,672,270	\$ 1,351,653	\$ 635,232	\$ 17,660	\$ 269,123	\$ 167,492
231,344	1,291	7,727,287	781			2,334
17,352		53,704	619	17	600	2,071
	24,509					
			2,712			
<u>1,406,566</u>	<u>5,698,070</u>	<u>9,132,644</u>	<u>639,344</u>	<u>17,677</u>	<u>269,723</u>	<u>171,897</u>
		92,599				
<u>9,680,779</u>	<u>10,080,624</u>	<u>20,292,039</u>	<u>24,750</u>			
<u>9,680,779</u>	<u>10,080,624</u>	<u>20,384,638</u>	<u>24,750</u>			
<u>11,087,345</u>	<u>15,778,694</u>	<u>29,517,282</u>	<u>664,094</u>	<u>17,677</u>	<u>269,723</u>	<u>171,897</u>
818,192	302,453	1,670,993	156,588			
32,523		278,561				
48,902	76,722					
	1,800,000	6,513,986				
362,493	397,029	703,833				
<u>1,262,110</u>	<u>2,576,204</u>	<u>9,167,373</u>	<u>156,588</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
2,672,154	8,248,703	8,078,324				
33,293	34,433	251,187				
199,433	258,796	576,287				
<u>2,904,880</u>	<u>8,541,932</u>	<u>8,905,798</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>4,166,990</u>	<u>11,118,136</u>	<u>18,073,171</u>	<u>156,588</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
6,646,132	3,364,579	10,933,595	24,750			
1,756	162,268	1,222,950				
272,467	1,133,711	(712,434)	482,756	17,677	269,723	171,897
<u>\$ 6,920,355</u>	<u>\$ 4,660,558</u>	<u>\$ 11,444,111</u>	<u>\$ 507,506</u>	<u>\$ 17,677</u>	<u>\$ 269,723</u>	<u>\$ 171,897</u>

(Continued)

TOWN OF NORTH HEMPSTEAD
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF NET ASSETS
DECEMBER 31, 2008

	PARK DISTRICTS		POLICE DISTRICT	PUBLIC LIBRARY DISTRICT	COMMUNITY DEVELOPMENT AGENCY
	Manhasset	Great Neck	Port Washington	Shelter Rock	Town of North Hempstead
ASSETS					
Current Assets:					
Cash and investments	\$ 1,580,066	\$ 9,033,155	\$ 6,568,369	\$ 2,785,787	\$ 813,667
Accounts receivable, net of allowance for doubtful accounts	6,571	17,878	10,262		1,818,980
Prepaid expenses		83,026	461,640	34,573	
Due from other governments	378	87,291	209,112		
Inventory of materials and supplies					
Total Current Assets	1,587,015	9,221,350	7,249,383	2,820,360	2,632,647
Non-current Assets:					
Deferred charges, net of accumulated depreciation					
Capital assets, net of depreciation	1,792,887	26,154,254	639,278	730,528	3,843,499
Total Non-Current Assets	1,792,887	26,154,254	639,278	730,528	3,843,499
Total Assets	3,379,902	35,375,604	7,888,661	3,550,888	6,476,146
LIABILITIES					
Current Liabilities:					
Accounts payable	45,333	871,397	62,058	179,756	14,908
Accrued liabilities		223,591	80,999	43,545	
Accrued interest payable		342,299	3,514		
Bond anticipation notes payable					
Due to other governments				959	1,585,200
Deferred revenue		371,513		40,083	1,043,264
Other liabilities				1,074	
Non-current liabilities due within one year					
Serial bonds payable	25,000	838,365	14,619		
Installment purchase debt		54,702			
Compensated absences		42,547			
Total Current Liabilities	70,333	2,744,414	161,190	265,417	2,643,372
Non-current Liabilities:					
General obligation bonds payable	55,000	21,218,268	178,053		
Compensated absences	115,964	306,137	7,184,895	117,405	35,748
Other post-employment benefits	319,448	927,092	3,023,712	118,810	64,090
Installment purchase debt		1,116,850			
Total Non-Current Liabilities	490,412	23,568,347	10,386,660	236,215	99,838
Total Liabilities	560,745	26,312,761	10,547,850	501,632	2,743,210
NET ASSETS					
Investment in capital assets, net of related debt	1,712,887	7,104,633	446,606	730,528	2,303,499
Restricted		466,411			
Unrestricted	1,106,270	1,491,799	(3,105,795)	2,318,728	1,429,437
Total Net Assets	\$ 2,819,157	\$ 9,062,843	\$ (2,659,189)	\$ 3,049,256	\$ 3,732,936

**BUSINESS
IMPROVEMENT
DISTRICT**

<u>Port Washington</u>	<u>Totals</u>
\$ 101,790	\$ 55,140,970
1,820	12,586,691
1,731	950,263
	2,703,491
	397,108
<u>105,341</u>	<u>71,778,523</u>
	92,599
<u>100,168</u>	<u>134,939,943</u>
<u>100,168</u>	<u>135,032,542</u>
<u>205,509</u>	<u>206,811,065</u>
5,666	6,490,432
	740,082
968	789,183
	8,313,986
	1,594,151
	1,518,130
	383,140
6,539	5,398,205
	54,702
	42,547
<u>13,173</u>	<u>25,324,558</u>
118,791	74,500,756
	9,396,821
	7,705,597
	1,116,850
<u>118,791</u>	<u>92,720,024</u>
<u>131,964</u>	<u>118,044,582</u>
43,460	58,289,815
19,815	2,513,239
10,270	27,963,429
<u>\$ 73,545</u>	<u>\$ 88,766,483</u>

TOWN OF NORTH HEMPSTEAD
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
Year Ended December 31, 2008

WATER DISTRICTS

	Glenwood	Albertson	Garden City Park	Port Washington	Westbury	Roslyn	Carle Place	Manhasset - Lakeville
REVENUES								
Program revenues								
Charges for services	\$ 143,950	\$ 1,287,828	\$ 1,286,043	\$ 3,407,592	\$ 1,663,973	\$1,842,195	\$ 751,286	\$ 6,167,076
Operating grants and contributions								
Capital grants and contributions								
Real property taxes	160,326	1,507,399	2,290,437	1,317,048	2,440,021	1,929,430	1,333,506	2,272,655
Other real property tax items								
Use of money and property - interest and earnings	1,231	66,729	151,752	30,011	313,916	97,342	261,744	114,378
Sales of property and compensation for loss								
Miscellaneous local sources		5,050	169,586	984,588	105,588	233,485	38,242	200,000
State aid								
Federal aid								
Gain (loss) on sale of capital assets								
Total Revenues	<u>305,507</u>	<u>2,867,006</u>	<u>3,897,818</u>	<u>5,739,239</u>	<u>4,523,498</u>	<u>4,102,452</u>	<u>2,384,778</u>	<u>8,754,109</u>
EXPENDITURES								
Current:								
Public safety								
Transportation								
Culture and recreation								
Home and community services	<u>344,222</u>	<u>3,081,712</u>	<u>4,248,292</u>	<u>5,454,887</u>	<u>4,576,252</u>	<u>3,482,094</u>	<u>2,058,757</u>	<u>8,596,961</u>
Total Expenditures	<u>344,222</u>	<u>3,081,712</u>	<u>4,248,292</u>	<u>5,454,887</u>	<u>4,576,252</u>	<u>3,482,094</u>	<u>2,058,757</u>	<u>8,596,961</u>
Net Change in Fund Balances	<u>(38,715)</u>	<u>(214,706)</u>	<u>(350,474)</u>	<u>284,352</u>	<u>(52,754)</u>	<u>620,358</u>	<u>326,021</u>	<u>157,148</u>
Net Assets at Beginning of Year	315,253	3,205,370	9,387,680	7,220,147	3,167,973	5,102,362	2,801,062	16,381,330
Prior Period Adjustment		222,472						161,229
Net Assets at Beginning of Year as Restated	<u>315,253</u>	<u>3,427,842</u>	<u>9,387,680</u>	<u>7,220,147</u>	<u>3,167,973</u>	<u>5,102,362</u>	<u>2,801,062</u>	<u>16,542,559</u>
Net Assets at End of Year	<u>\$ 276,538</u>	<u>\$ 3,213,136</u>	<u>\$ 9,037,206</u>	<u>\$ 7,504,499</u>	<u>\$ 3,115,219</u>	<u>\$5,722,720</u>	<u>\$3,127,083</u>	<u>\$ 16,699,707</u>

WATER POLLUTION CONTROL DISTRICTS			GARBAGE DISTRICTS			
Great Neck	Belgrave	Port Washington	Port Washington	Glenwood	Carle Place	Roslyn
\$ 1,063,532 15,581	\$ 673,664	\$ 7,758,185				
2,966,343	502,376 2,220,793	4,340,230	\$1,641,096	\$ 39,003	\$ 500,207	\$ 517,274
47,328	81,696	64,063	17,796	210	9,684	5,503
26,621	164	60,501				
<u>4,119,405</u>	<u>3,478,693</u>	<u>12,222,979</u>	<u>1,658,892</u>	<u>39,213</u>	<u>509,891</u>	<u>522,777</u>
<u>3,917,179</u>	<u>2,708,483</u>	<u>6,615,197</u>	<u>1,820,599</u>	<u>37,570</u>	<u>525,292</u>	<u>562,807</u>
<u>3,917,179</u>	<u>2,708,483</u>	<u>6,615,197</u>	<u>1,820,599</u>	<u>37,570</u>	<u>525,292</u>	<u>562,807</u>
<u>202,226</u>	<u>770,210</u>	<u>5,607,782</u>	<u>(161,707)</u>	<u>1,643</u>	<u>(15,401)</u>	<u>(40,030)</u>
6,718,129	3,890,348	5,836,329	669,213	16,034	285,124	211,927
<u>6,718,129</u>	<u>3,890,348</u>	<u>5,836,329</u>	<u>669,213</u>	<u>16,034</u>	<u>285,124</u>	<u>211,927</u>
<u>\$ 6,920,355</u>	<u>\$ 4,660,558</u>	<u>\$ 11,444,111</u>	<u>\$ 507,506</u>	<u>\$ 17,677</u>	<u>\$ 269,723</u>	<u>\$ 171,897</u>

(continued)

TOWN OF NORTH HEMPSTEAD
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
Year Ended December 31, 2008

	<u>PARK DISTRICTS</u>		<u>POLICE DISTRICT</u>	<u>PUBLIC LIBRARY DISTRICT</u>	<u>COMMUNITY DEVELOPMENT AGENCY</u>
	<u>Manhasset</u>	<u>Great Neck</u>	<u>Port Washington</u>	<u>Shelter Rock</u>	<u>Town of North Hempstead</u>
REVENUES					
Program revenues					
Charges for services	\$ 640,113	\$ 2,610,040	\$ 4,023	\$ 41,605	
Operating grants and contributions			65,241		
Capital grants and contributions					
Real property taxes	649,984	8,383,226	14,711,933	3,352,469	
Other real property tax items			209,097		
Use of money and property - interest and earnings	46,913	241,349	269,324	61,599	\$ 61,741
Sales of property and compensation for loss			49,007	2,980	
Miscellaneous local sources	4,491	135,408	51,480	12,380	8,023
State aid				13,356	
Federal aid					988,653
Gain (loss) on sale of capital assets		(6,040)			40,541
Total Revenues	<u>1,341,501</u>	<u>11,363,983</u>	<u>15,360,105</u>	<u>3,484,389</u>	<u>1,098,958</u>
EXPENDITURES					
Current:					
Public safety			18,421,554		
Transportation	1,535,916				
Culture & Recreation		12,084,656		3,438,672	
Home and community services					789,972
Total Expenditures	<u>1,535,916</u>	<u>12,084,656</u>	<u>18,421,554</u>	<u>3,438,672</u>	<u>789,972</u>
Net Change in Fund Balances	<u>(194,415)</u>	<u>(720,673)</u>	<u>(3,061,449)</u>	<u>45,717</u>	<u>308,986</u>
Net Assets at Beginning of Year	3,013,572	9,783,516	73,273	3,003,539	3,888,481
Prior Period Adjustment			328,987		(464,531)
Net Assets at Beginning of Year as Restated	<u>3,013,572</u>	<u>9,783,516</u>	<u>402,260</u>	<u>3,003,539</u>	<u>3,423,950</u>
Net Assets at End of Year	<u>\$ 2,819,157</u>	<u>\$ 9,062,843</u>	<u>\$ (2,659,189)</u>	<u>\$ 3,049,256</u>	<u>\$ 3,732,936</u>

**BUSINESS
IMPROVEMENT
DISTRICT**

<u>Port Washington</u>	<u>Totals</u>
\$ 5,972	\$ 29,347,077
	80,822
	502,376
146,146	52,719,526
	209,097
2,739	1,947,048
	51,987
	2,035,607
	13,356
	988,653
	34,501
<u>154,857</u>	<u>87,930,050</u>
	18,421,554
	1,535,916
	15,523,328
<u>151,407</u>	<u>48,971,683</u>
<u>151,407</u>	<u>84,452,481</u>
	3,450
<u>3,450</u>	<u>3,477,569</u>
	70,095
	85,040,757
	248,157
<u>70,095</u>	<u>85,288,914</u>
<u>\$ 73,545</u>	<u>\$ 88,766,483</u>

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STATISTICAL SECTION

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

<u>Contents</u>	Page
Financial Trends <i>These schedules contain information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	134-144
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	145-149
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	150-154
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	155-156
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	157-161

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Town implemented Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

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

<u>As of December 31,</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 76,605,301	\$ 63,227,590	\$ 62,581,787	\$ 54,723,278
Restricted	11,493,040	17,282,036	2,124,163	2,253,146
Unrestricted	<u>(41,691,280)</u>	<u>(34,576,956)</u>	<u>(41,151,509)</u>	<u>(49,621,405)</u>
Total primary government net assets	<u>\$ 46,407,061</u>	<u>\$ 45,932,670</u>	<u>\$ 23,554,441</u>	<u>\$ 7,355,019</u>

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

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

<u>2004</u>	<u>2003</u>
\$ 48,766,916	\$ 36,538,610
817,335	910,158
<u>(47,950,096)</u>	<u>(54,221,451)</u>
<u>\$ 1,634,155</u>	<u>\$ (16,772,683)</u>

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

Year ended December 31,	2008	2007	2006	2005
Expenses				
Governmental activities:				
General government support	\$ 23,840,684	\$ 20,421,287	\$ 19,851,465	\$ 18,651,307
Education	629,492	282,439	412,968	507,426
Public safety	11,382,404	9,566,154	7,549,558	8,107,827
Health	318,914	253,083	227,241	296,061
Transportation	22,076,865	15,695,095	20,033,989	13,652,265
Economic assistance and opportunity	3,135,811	2,456,352	2,566,294	2,310,049
Culture and recreation	22,643,001	14,212,650	20,081,358	15,823,332
Home and community service	23,993,678	23,945,836	21,593,176	22,542,284
Interest on long-term debt	8,106,577	8,439,201	8,028,366	10,167,563
Total primary government expenses	<u>\$ 116,127,426</u>	<u>\$ 95,272,097</u>	<u>\$ 100,344,415</u>	<u>\$ 92,058,114</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government support	\$ 321,849	\$ 333,594	\$ 380,498	\$ 179,686
Public safety	4,491,380	4,153,285	3,460,226	3,329,947
Transportation	958,363	1,176,630	1,301,180	993,226
Culture and recreation	8,876,165	8,475,019	7,402,057	6,380,882
Home and community service	14,796,616	12,372,598	15,399,978	14,990,887
Operating grants and contributions	2,788,957	5,366,607	613,681	841,284
Capital grants and contributions	1,170,927	1,024,300	744,739	
Total primary government program revenues	<u>\$ 33,404,257</u>	<u>\$ 32,902,033</u>	<u>\$ 29,302,359</u>	<u>\$ 26,715,912</u>
Net Expense				
Total primary government net expense	<u>\$ (82,723,169)</u>	<u>\$ (62,370,064)</u>	<u>\$ (71,042,056)</u>	<u>\$ (65,342,202)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities				
Property taxes	\$ 56,422,999	\$ 54,216,380	\$ 51,660,364	\$ 50,158,581
Other real property tax items	2,108,771	2,712,672	2,281,401	1,522,506
Non-property tax items	11,177,944	11,058,164	10,813,890	10,331,465
Interest earnings	1,270,556	2,201,639	2,295,875	1,581,364
Mortgage tax	7,677,222	12,071,333	14,173,192	15,827,682
State aid-unrestricted	1,111,654	1,502,952	1,469,508	1,247,154
Sale of property				
Licenses and permits				1,342,723
Other	1,342,723	985,153	538,595	1,461,199
Total primary government	<u>\$ 81,111,869</u>	<u>\$ 84,748,293</u>	<u>\$ 83,232,825</u>	<u>\$ 83,472,674</u>
Change in Net Assets				
Total primary government	<u>\$ (1,611,300)</u>	<u>\$ 22,378,229</u>	<u>\$ 12,190,769</u>	<u>\$ 18,130,472</u>

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

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

<u>2004</u>	<u>2003</u>
\$ 22,032,064	\$ 11,617,344
6,948,076	8,793,172
167,292	
15,335,273	16,331,484
1,480,033	
11,325,157	14,678,341
25,533,743	20,062,267
9,884,111	11,070,932
<u>\$ 92,705,749</u>	<u>\$ 82,553,540</u>
\$ 159,613	\$ 134,110
3,189,193	863,164
1,926,068	1,382,557
6,405,645	5,699,443
15,465,155	16,814,285
521,731	1,651,048
	1,903,860
<u>\$ 27,667,405</u>	<u>\$ 28,448,467</u>
<u>\$ (65,038,344)</u>	<u>\$ (54,105,073)</u>
\$ 49,894,446	\$ 48,972,304
2,071,859	1,110,538
10,111,751	9,643,766
768,355	1,202,328
16,366,560	
1,448,571	12,312,486
1,845,568	
	2,135,952
938,073	782,717
<u>\$ 83,445,183</u>	<u>\$ 76,160,091</u>
<u>\$ 18,406,839</u>	<u>\$ 22,055,018</u>

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

Year Ended December 31,	Real Property Tax	Other Real Property Tax	Non-Property Tax Items	Total
2008	\$ 56,422,999	\$ 2,108,771	\$ 11,177,944	\$ 69,709,714
2007	54,216,380	2,712,672	11,058,164	67,987,216
2006	51,660,364	2,281,401	10,813,890	64,755,655
2005	50,158,581	1,522,506	10,331,465	62,012,552
2004	49,894,446	2,071,859	10,111,751	62,078,056
2003	48,972,304	1,110,533	9,643,766	59,726,603

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

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

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

<u>As of December 31,</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Fund				
Reserved	\$ 552,305	\$ 559,395	\$ 602,523	\$ 21,681
Unreserved	17,289,914	17,840,400	20,142,431	20,477,742
Total General Fund	<u>\$ 17,842,219</u>	<u>\$ 18,399,795</u>	<u>\$ 20,744,954</u>	<u>\$ 20,499,423</u>
All other governmental funds				
Reserved	\$ 18,548,411	\$ 17,311,971	\$ 12,968,754	\$ 12,988,696
Unreserved, reported in:				
Special revenue funds	5,750,366	8,264,263	12,612,181	12,848,692
Capital projects funds	(6,046,966)	825,420	(7,351,830)	(10,492,594)
Debt service fund	2,477,787	2,126,273	1,646,265	1,382,758
Total All Other Governmental Funds	<u>\$ 20,729,598</u>	<u>\$ 28,527,927</u>	<u>\$ 19,875,370</u>	<u>\$ 16,727,552</u>

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

Source: Town of North Hempstead Audited Financial Statements
Balance Sheet

<u>2004</u>	<u>2003</u>
\$ 127,867	\$ 2,723,422
<u>20,226,247</u>	<u>8,505,742</u>
<u>\$ 20,354,114</u>	<u>\$ 11,229,164</u>

\$ 12,274,359	\$ 12,962,587
13,614,207	12,408,148
(17,468,084)	(16,988,837)
<u>288,624</u>	<u>44,958</u>
<u>\$ 8,709,106</u>	<u>\$ 8,426,856</u>

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

<u>Year ended December 31,</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Revenues				
Real property taxes	\$ 56,422,999	\$ 54,216,380	\$ 51,660,364	\$ 50,158,581
Other real property taxes	2,108,771	2,712,672	2,281,401	1,522,506
Non-property tax items	11,177,944	11,058,164	10,813,890	10,331,465
Charges for services	25,662,941	22,989,409	24,634,712	23,059,773
Intergovernmental charges	856,683	564,285	718,260	314,185
Use of money and property	1,323,318	2,087,042	2,181,278	1,581,364
License and permits	4,069,511	3,507,525	2,770,710	2,653,415
Fines and forfeitures	162,710	159,663	157,575	248,730
Sale of property and compensation for loss	601,074	277,099	427,912	167,014
Miscellaneous local sources	2,805,462	4,954,459	260,265	1,490,244
Interfund revenues	6,257,139	5,450,233	5,174,044	4,882,312
State aid	9,684,298	13,831,969	16,478,668	17,324,015
Federal aid	965,817	58,223	522,452	592,105
Total Revenues	122,098,667	121,867,123	118,081,531	114,325,709
Expenditures				
General government support	16,915,724	16,174,256	16,289,286	14,265,315
Education	629,492	282,439	412,968	507,426
Public safety	9,898,211	8,694,795	7,511,865	7,273,249
Health	189,337	179,701	159,313	216,956
Transportation	14,105,804	13,436,869	11,743,873	9,292,569
Economic assistance and opportunity	2,105,211	1,929,023	2,036,580	1,766,579
Culture and recreation	15,601,723	14,985,315	13,876,255	11,862,827
Home and community services	23,308,180	21,693,967	23,775,327	24,292,675
Employee benefits	12,761,276	12,229,435	12,548,262	11,776,837
Capital outlay	10,439,461	10,541,134	10,883,705	13,805,282
Debt Service				
Principal	18,440,527	18,733,803	16,244,807	16,971,276
Interest	8,329,626	8,735,528	9,283,941	9,558,185
Other charges				1,989,226
Total Expenditures	132,724,572	127,616,265	124,766,182	123,578,402
Excess (Deficiency) of Revenues over (under) Expenditures	(10,625,905)	(5,749,142)	(6,684,651)	(9,252,693)
Other Financing Sources (Uses)				
Transfers in	27,543,991	32,502,871	28,820,810	32,609,941
Transfers out	(27,543,991)	(32,502,871)	(28,820,940)	(32,609,941)
Refunding bonds issued				38,935,987
Bonds issued	2,270,000	12,056,540	10,078,000	13,507,000
Premium on bonds issued				2,177,350
Payments to refund bond escrow agent				(39,124,111)
Total Other Financing Sources (Uses)	2,270,000	12,056,540	10,077,870	15,496,226
Net Change in Fund Balances	\$ (8,355,905)	\$ 6,307,398	\$ 3,393,219	\$ 6,243,533
Debt service as a percentage of noncapital expenditures	22.0%	24.8%	22.5%	24.8%

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

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

<u>2004</u>	<u>2003</u>
\$ 49,894,446	\$ 48,972,304
2,071,859	1,110,538
10,111,751	9,643,766
23,663,869	24,004,900
1,007,691	966,278
874,392	752,335
2,362,171	2,387,378
261,340	50,150
1,778,851	320,500
1,553,287	571,735
4,074,801	3,788,915
18,143,409	15,614,376
193,453	253,018
<u>115,991,320</u>	<u>108,436,193</u>
10,264,926	8,614,312
8,145,434	8,161,085
10,850,662	9,575,977
12,003,478	10,910,362
24,681,057	24,907,126
10,319,301	9,218,942
10,148,286	5,060,233
17,934,906	17,109,058
9,915,105	10,494,205
<u>114,263,155</u>	<u>104,051,300</u>
1,728,165	4,384,893
28,080,577	28,355,912
(28,080,577)	(28,355,912)
37,138,761	44,180,346
(29,459,726)	(43,736,346)
<u>7,679,035</u>	<u>444,000</u>
<u>\$ 9,407,200</u>	<u>\$ 4,828,893</u>
27.2%	28.5%

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

Year Ended December 31,	Real Property Tax¹	Sales Tax²	Mortgage Tax³	Franchise Tax	Total
2008	\$ 56,422,999	\$ 9,724,584	\$ 7,677,222	\$ 1,453,360	\$ 75,278,165
2007	54,216,380	9,745,787	12,071,333	1,312,377	77,345,877
2006	51,660,364	9,645,396	14,173,192	1,168,494	76,647,446
2005	50,158,581	9,227,420	15,827,682	1,104,045	76,317,728
2004	49,894,446	9,033,724	16,366,560	1,078,027	76,372,757
2003	48,972,304	8,624,707	12,259,724	1,019,059	70,875,794
2002	44,171,679	8,413,533	9,502,256	983,772	63,071,240
2001	41,164,058	8,020,565	7,174,059	904,798	57,263,480
2000	40,215,134	7,788,932	5,747,905	677,980	54,429,951
1999	39,681,276	7,273,108	6,568,243	360,385	53,883,012

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

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

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

Year Ended December 31,	Residential Property 1 to 4 Family Homes	Residential Property Condominia and Cooperatives	Utility Property	All Other Property	Total Net Assessed Value	State Equalization Rate	Full Valuation	Total Direct Tax Rate
2008	\$ 129,604,894	\$ 8,624,417	\$ 7,459,244	\$ 48,342,244	\$ 194,030,799	0.32%	\$ 60,634,624,688	92.669
2007	122,364,045	7,836,398	7,143,895	44,661,722	182,006,060 ¹	0.30%	60,668,686,667	94.180
2006	206,543,361	7,447,777	5,695,638	43,451,172	263,137,948 ¹	0.50%	52,627,589,600	62.168
2005	335,172,557	6,845,499	5,661,149	43,021,519	390,700,724	0.82%	47,646,429,756	39.896
2004	342,996,484	7,421,796	5,545,802	43,400,710	399,364,792 ²	0.90%	44,373,865,778	38.648
2003	567,190,027	36,196,867	101,354,590	268,513,118	973,254,602	2.41%	40,384,008,382	15.566
2002	564,384,945	38,454,225	99,686,946	273,886,207	976,412,323	2.78%	35,122,745,432	14.863
2001	560,347,102	38,643,365	89,530,373	280,663,857	969,184,697	3.10%	31,264,022,484	15.063
2000	554,329,696	39,091,922	81,985,525	286,104,794	961,511,937	3.30%	29,136,725,364	14.496
1999	550,683,230	39,611,957	77,058,890	285,749,338	953,103,415	3.77%	25,281,257,692	14.502

Sources: Town of North Hempstead Budgets and Official Statements

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

¹ 2006 rate increases are due to decreases in assessed valuations by Nassau County.

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

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

GOVERNMENTAL FUNDS

TOWN OPERATED DISTRICTS

Year Ended December 31,	Town ¹				TOWN OPERATED DISTRICTS						
	General	Outside Villages	Highway	Part-Town	Fire Protection	Garbage	Lighting	Parks	Public Parking	Sidewalk	Water
2008	8.504	26.751			18.408	16.182	2.090	14.592	1.004	3.327	1.811
2007	8.780	27.100			17.962	17.532	2.041	14.396	1.044	3.380	1.946
2006	5.795		17.179	1.616	11.838	12.186	1.367	7.963	0.671	2.293	1.260
2005	3.903		11.563	1.109	7.932	7.647	0.869	4.161	0.438	1.452	0.824
2004	3.819		11.360	1.089	7.699	7.332	0.825	3.924	0.429	1.391	0.780
2003	1.523		4.260	0.357	3.022	2.716	0.316	2.294	0.213	0.517	0.347
2002	1.108		4.115	0.327	2.952	2.685	0.324	2.305	0.218	0.500	0.328
2001	1.054		3.902	0.328	2.898	2.471	0.288	3.241	0.144	0.468	0.269
2000	1.080		3.963	0.344	2.705	2.132	0.166	3.241	0.144	0.446	0.274
1999	1.069		3.903	0.340	2.763	2.101	0.261	3.285	0.151	0.353	0.277

Source: Adopted Town Budgets

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

² 2006 rate increases are due to decreases in assessed valuations by Nassau County.

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

Includes all classes of property for each Fund/District

Town Direct Rate	County Direct Rate	School Direct Rate	Total Direct & Overlapping Rate
92.669	108.50	369.72	570.89
94.180 ^z	115.67	394.15	604.00
62.168 ^z	77.57	256.12	395.85
39.896	53.61	172.50	266.00
38.648 ^s	52.43	168.75	259.83
15.566	20.84	69.25	105.65
14.863	17.72	69.02	101.60
15.063	16.69	69.54	101.29
14.496	15.14	70.09	99.72
14.502	13.84	70.71	99.06

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

2008

Rank	Taxpayer	Nature of Business	Assessed Valuation	Percentage of Total Assessed Valuation ^{(a) (b)}
1	Long Island Power Authority	Utility	\$ 5,153,161	2.66%
2	Keyspan Gas East	Utility	1,656,246	0.85%
3	Park Lake Success	Real Estate	1,451,379	0.75%
4	Feiga-Olive Tree	Real Estate	1,008,505	0.52%
5	2001 Marcus Avenue LLC	Real Estate	802,774	0.41%
6	Verizon New York	Utility	769,386	0.40%
7	Marcus Avenue Associates	Real Estate	540,716	0.28%
8	Country Glen LLC	Real Estate	536,292	0.28%
9	Community LLC and Lavidia Properties	Real Estate	526,605	0.27%
10	Lake Success Shopping Center	Real Estate	491,611	0.25%
Total			<u>\$ 12,936,675</u>	<u>6.67%</u>

1999

Rank	Taxpayer	Nature of Business	Assessed Valuation	Percentage of Total Assessed Valuation ^{(a) (b)}
1	Long Island Power Authority	Utility	\$ 71,650,193	7.52%
2	NY Telephone Co.	Utility	13,929,053	1.46%
3	Met Life RE Investments	Real Estate	5,977,050	0.63%
4	BDG Management LTD	Office Buildings	5,311,100	0.56%
5	IPARK Lake Success	Office Buildings	3,887,490	0.41%
6	Reckson Association	Office Buildings	3,237,400	0.34%
7	5th. Avenue of LI Asocaition	Retail	2,676,800	0.28%
8	Federated Department Stores	Retail	2,382,390	0.25%
9	Lake Success Shopping Center	Retail	2,159,330	0.23%
10	Chase Manhattan Bank	Banking	1,919,750	0.20%
Total			<u>\$ 113,130,556</u>	<u>11.87%</u>

Source: Town of North Hempstead 2008 and 1999 Official Statements

¹ Successor to Long Island Lighting Co.

² Successor to NY Telephone Co.

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

^b See Assessed Valuation, State Equalization Rate and Estimated Full Value of Real Property page 145 for total net assessed value.

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

Year Ended December 31,	Tax Levy For Town	Total Tax Levy ¹	Amount Collected ²	Percent of Total Tax Levy Collected	Amount Uncollected ²	Percent of Total Tax Levy Uncollected
2008	\$123,632,214	\$ 344,434,261	\$ 337,510,707	97.99%	\$ 6,923,554	2.01%
2007	119,033,554	336,388,044	329,563,031	97.97%	6,825,013	2.03%
2006	115,060,611	325,360,939	319,175,699	98.10%	6,185,240	1.90%
2005	110,445,336	319,905,676	313,611,941	98.03%	6,293,735	1.97%
2004	107,351,616	316,724,188	309,989,056	97.87%	6,735,132	2.13%
2003	97,809,793	300,603,279	294,031,943	97.81%	6,571,336	2.19%
2002	90,060,435	263,079,023	257,405,464	97.84%	5,673,559	2.16%
2001	84,759,215	246,561,816	240,856,196	97.69%	5,705,620	2.31%
2000	82,413,067	227,944,094	222,418,084	97.58%	5,526,010	2.42%
1999	79,806,189	211,741,370	207,072,071	97.79%	4,669,299	2.21%

Source: Town of North Hempstead Official Statements

¹ Total tax levy consists of Town of North Hempstead, Special Districts and Nassau County. The Town does not levy or collect the taxes for the Incorporated Villages or the Fire Districts within the Town.

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

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

Year Ended December 31,	Governmental Activities				
	General Obligation Bonds	Bond Anticipation Notes Payable	Revenue Bonds	Installment Purchase Debt	NYS Loan Payable
2008	\$ 171,685,261	\$ 2,000,000	\$ 15,170,000		
2007	185,870,788		15,170,000		
2006	190,598,051	3,658,540	19,105,000		
2005	196,764,858	6,178,040	19,105,000		
2004	200,287,258	13,286,000	19,235,000		
2003	195,688,403	27,496,837	19,955,000		
2002	188,614,242	40,737,421	17,250,000	\$ 29,215	
2001	196,954,826	34,146,000	17,360,000	113,080	\$ 2,924,298
2000	269,351,668	4,903,000	17,465,000	191,564	
1999	221,428,506	19,337,000	16,885,000		

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

¹ See the schedule of Demographic and Economic Statistics on page 155 for personal income and population.

Total Primary Government	Percentage of Personal Income¹	Per Capita¹
\$ 188,855,261	0.22%	\$ 838
201,040,788	0.24%	898
213,361,591	0.26%	953
222,047,898	0.29%	996
232,808,258	0.33%	1,048
243,140,240	0.36%	1,095
246,630,878	0.37%	1,113
251,498,204	0.38%	1,140
291,911,232	0.46%	1,311
257,650,506	0.43%	1,163

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

Year Ended December 31,	General Obligation Bonds	Percentage of Total Net Assessed Valuation¹	Percentage of Full Taxable Value¹ of Property	Per Capita²
2008	\$ 171,685,261	88.48%	0.28%	\$ 762
2007	185,870,788	102.12%	0.31%	830
2006	190,598,051	72.43%	0.36%	851
2005	196,764,858	50.36%	0.41%	883
2004	200,287,258	50.15% ³	0.45%	902
2003	195,688,403	20.11%	0.48%	882
2002	188,614,242	19.32%	0.54%	851
2001	196,954,826	20.32%	0.63%	892
2000	269,351,668	28.01%	0.92%	1,210
1999	221,428,506	23.23%	0.88%	1,000

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

¹ See the Schedule of Assessed Value, Equalization Rate and Estimated Full Value of Real Property on page 145.

² Population data can be found in the Schedule of Demographic and Economic Statistics on page 155.

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

**Town of North Hempstead
Direct and Overlapping Governmental Activities Debt
As of December 31, 2008**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
Town of North Hempstead	\$ 277,068,208	100.00%	<u>\$ 277,068,208</u>
Overlapping:			
Nassau County	\$ 3,140,574,000	24.70%	\$ 775,721,778
Incorporated Villages	144,891,855	varied ¹	144,891,855
School Districts	309,871,398	varied ²	309,871,398
Fire Districts	4,750,000	100.00%	<u>4,750,000</u>
Total overlapping debt			<u>1,235,235,031</u>
Total direct and overlapping debt			<u><u>\$ 1,512,303,239</u></u>

Source : The most recent Official Statement of the Town of North Hempstead

¹ Six of the villages located in the Town are also partially located in one of the neighboring towns.

² One of the school districts located in the Town is also located in one of the neighboring towns.

**Town of North Hempstead
Legal Debt Margin Information
December 31, 2008**

Year Ended December 31,	Net Assessed Valuation	State Equalization Rate	Full Valuation
2008	\$ 194,030,799	0.32%	\$ 60,634,624,688
2007	182,006,060	0.30%	60,668,686,667
2006	263,137,948	0.50%	52,627,589,600
2005	390,700,724	0.82%	47,646,429,756
2004	399,364,792	0.90%	44,373,865,778
Total Five Year Full Valuation			<u>\$ 265,951,196,489</u>
Five Year Average Full Valuation of Taxable Real Property			<u>53,190,239,298</u>
Constitutional Debt Limit (7% of Average Full Valuation)			<u>3,723,316,751</u>
Outstanding Indebtedness at December 31st			277,068,208
Less: 2009 Appropriations for Debt Principal			22,447,387
Less: Exclusions			<u>37,638,883</u>
Net Indebtedness Subject to Debt Limit			<u>216,981,938</u>
Net Debt Contracting Margin			<u>\$ 3,506,334,813</u>
Percentage of Net Debt Contracting Margin Available			94.17%
Percentage of Net Debt Contracting Power Exhausted			5.83%

Last Ten Years

Year	Constitutional Debt Limit	Total Net Debt Subject to Limit	Net Debt Contracting Margin	Percentage of Debt Contracting Power Exhausted	Percentage of Net Debt Contracting Margin Available
2008	\$ 3,723,316,751	\$ 216,981,938	\$ 3,506,334,813	5.83%	94.17%
2007	3,439,808,123	214,779,024	3,225,029,099	6.24%	93.76%
2006	3,082,169,945	220,913,890	2,861,256,055	7.17%	92.83%
2005	2,783,075,006	211,879,579	2,571,195,427	7.61%	92.39%
2004	2,523,939,144	224,711,913	2,299,227,231	8.90%	91.10%
2003	2,256,642,631	236,382,517	2,020,260,114	10.47%	89.53%
2002	2,072,978,373	237,810,432	1,835,167,941	11.47%	88.53%
2001	1,940,061,876	214,089,376	1,725,972,500	11.04%	88.96%
2000	1,795,923,233	228,496,850	1,567,426,383	12.72%	87.28%
1999	1,671,058,966	238,125,377	1,432,933,589	14.25%	85.75%

Source: Town of North Hempstead Official Statement issued for each year shown. Includes Component Unit debt.

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

Year Ended December 31,	Population¹	Personal Income² (billions of dollars)	Per Capita Income²	Median Family Income³	Unemployment Rate⁴	Number of Households Estimate¹	Average Household Size Estimates¹	Population Density Per Square Mile
2008	225,291	\$ 85,217	\$ 62,981	\$ 101,011	4.3%	77,764	2.86	4,205
2007	223,870	85,217	51,897	101,011	3.4%	77,420	2.85	4,178
2006	223,870	80,609	51,897	101,048	3.4%	77,420	2.85	4,178
2005	222,836	76,013	50,016	113,147	3.8%	77,108	2.85	4,159
2004	222,042	70,528	48,160	108,948	4.2%	76,973	2.85	4,144
2003	221,968	67,050	46,511	105,219	4.4%	77,126	2.84	4,143
2002	221,569	65,912	49,366	102,084	4.4%	77,034	2.84	4,135
2001	220,708	66,352	49,627	99,529	3.6%	76,799	2.84	4,119
2000	222,611	63,409	47,445	97,075	3.2%	76,628	2.84	4,155
1999	221,503	59,526	44,729	94,156	2.6%	76,456	2.84	4,134

Data Sources:

- ¹ Long Island Power Authority Population survey
- ² U.S. Department of commerce, Bureau of Economic Analysis for Nassau County, 2008 data is not available. 1998-2007 source was Long Island Business News/Doing Business on Long Island.
- ³ Long Island Business News/Doing Business on Long Island - 2007, 2007 data is not available
- ⁴ State of New York, Department of Labor - Division of Statistics - www.workforcenewyork.org/li
(Note: Percentages are not seasonally adjusted).
Due to a change in computational methodology, percentages for 1998 through 1999 may not be comparable to 2000 through 2008.

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

2008

Rank	Name	Type of Business	Number of Employees
1	North Shore University Hospital of Manhasset	Hospital and Ancillary Services	10,387
2	Winthrop University Hospital	Hospital	5,100
3	St. Francis Hospital	Hospital	2,539
4	Broadridge Financial Solutions, Inc.	Finance	1,500
5	Astoria Federal Savings & Loan Association	Banking	1,180
6	Canon USA	Manufacturer	1,100
7	ProHEALTH Care Associates	Medicine	850
8	Pall Corporation	Technology	800
9	The NPD Group	Private Company	750
10	1-800-Flowers.com	Internet Retail	700

1999

Rank	Name	Type of Business	Number of Employees
1	Avnet	Manufacturing	1000+
2	CMP Publications	Manufacturing	1000+
3	Loral Defense Systems	Manufacturing	1000+
4	Castro Convertible Furniture	Manufacturing	500-1000
5	E-Z-EM. Inc.	Manufacturing	500-1000
6	Great Neck Saw Manufacturers, Inc.	Manufacturing	500-1000
7	Hi-Shear Industries, Inc.	Manufacturing	500-1000
8	Leventhal Brothers Co., Inc.	Manufacturing	500-1000
9	Pall Corporation	Manufacturing	500-1000
10	United Capital Corp.	Manufacturing	500-1000

Source: Town of North Hempstead Planning Department and North Shore Long Island Jewish Hospital Public Affairs Department.

Percentage of total Town employment is not available.

¹ This information is a duplication of 1997. There is no information available for 1998 and 1999.

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

Function	Full-Time Equivalent Employees as of December 31,									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General government	94	83	88	77	78	60	63	66	65	71
Highways	92	102	93	93	73	70	74	76	78	78
Parks and recreation	96	93	86	82	84	84	84	84	76	78
Buildings and planning	35	51	38	44	41	41	40	37	38	33
Public works	22	20	22	21	33	38	33	37	36	42
Community services	23	20	19	18	15	17	17	18	19	20
Town clerk	17	16	19	17	15	15	15	14	11	12
Receiver of taxes	14	13	13	15	15	15	16	15	13	16
Public safety	20	15	16	10	19	21	22	31	39	43
Solid waste management	9	11	9	8	8	7	6	8	12	17
Total	422	424	403	385	381	368	370	386	387	410

Source: Town of North Hempstead Human Resource Department records

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

Year Ended December 31,	2008	2007	2006	2005
Function				
Town Clerk				
Vital statistic documents	23,953	25,745	24,858	25,441
Dog licenses	5,844	5,843	5,961	5,677
Business licenses	1,329	1,346	1,408	1,400
Marriage licenses	1,137	1,099	1,337	1,378
Dumping permits	1,136	1,065	1,324	1,241
Building				
Building permits issued	4,399	1,881	4,081	4,472
Estimated value of building construction	\$ 83,557,923	\$ 45,020,443	\$ 79,908,795	\$ 118,539,416
Public Safety				
Dogs adopted or reclaimed by owners	354	343	369	398
Dog citations issued	275	313	334	452
Fire				
Number of fire protection districts	11	11	11	11
Parking				
Number of parking meters	775	775	775	775
Parking lots and garage revenue	\$ 335,032	\$ 344,567	\$ 340,178	\$ 329,678
Annual meter revenue	\$ 151,156	\$ 157,392	\$ 163,601	\$ 158,195
Parking permit revenue	\$ 47,687	\$ 48,853	\$ 59,997	\$ 49,810
Highways and Streets				
Street resurfacing (lane miles)	14	14	13	12
Number of trees planted	559	598	802	419
Number of trees trimmed	1,170	1,086	997	440
Number of tress removed	365	519	438	259
Road opening permits issued	855	762	1,042	930
Abandoned vehicles removed	12	16	18	53
Signs installed	1,450	815	868	641
Sanitation (tons per annum)				
Residential and commercial waste collected	142,860	143,301	171,397	182,566
Recyclables collected	2,557	2,208	3,178	5,734
Yardwaste	19,961	19,353	25,426	20,532
Construction and demolition debris	6,671	5,482	8,650	7,627
Culture and recreation				
Beach permits issued	3,120	1,608	1,592	1,553
Registration for adult programs	898	1,277	1,223	1,167
Registration for summer programs	1,477	2,096	2,077	2,020
Cultural passes issued	1,200	1,200	1,200	1,200

Source: Various government departments

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

2004	2003	2002	2001	2000	1999
24,353	23,169	22,623	14,142	13,981	12,758
5,953	5,907	6,069	6,413	6,578	6,685
1,204	1,024	1,058	942	1,103	1,557
1,449	1,423	1,506	1,956	1,609	1,711
1,136	1,130	1,127	910	1,041	990
5,451	5,381	4,697	4,602	3,930	3,027
\$ 99,571,696	\$ 100,364,420	\$ 144,423,746	\$ 171,706,683	\$ 84,412,849	\$ 54,964,687
411	447	502	487	577	716
610	485	562	521	511	569
11	11	11	11	11	11
725	700	675	675	N/A	N/A
\$ 317,258	\$ 317,011	\$ 336,939	\$ 322,415	N/A	N/A
\$ 149,330	\$ 147,357	\$ 157,641	\$ 138,670	N/A	N/A
\$ 49,605	\$ 50,820	\$ 51,315	\$ 50,978	N/A	N/A
13	11	10	13	18	14
54	804	844	719	280	652
832	442	646	419	432	N/A
354	364	409	335	410	N/A
929	780	682	663	562	N/A
42	66	63	39	41	N/A
1,013	1,302	1,795	1,290	1,137	N/A
192,912	208,590	188,531	167,611	150,643	138,275
5,996	6,409	8,222	10,399	N/A	N/A
21,418	21,553	23,755	22,631	N/A	N/A
10,295	11,136	8,998	8,289	N/A	N/A
1,191	1,226	1,556	1,686	N/A	N/A
971	1,012	967	849	N/A	N/A
1,641	1,964	1,969	1,869	N/A	N/A
1,200	1,200	1,200	1,200	N/A	N/A

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

Year Ended December 31,	2008	2007	2006	2005
Function				
General Government				
Town Hall and annex	2	2	2	2
Sanitation				
Transfer station	1	1	1	1
Annual tonnage processed	172,049	170,344	208,652	216,459
Highways and Streets				
Streets (miles)	275	274	268	268
Culture and recreation				
Parks acreage	883	833	672	672
Parks	22	22	15	15
Swimming pools	6	6	5	5
Beaches	3	3	2	2
Docks	2	2	2	2
Boat ramps	2	2	2	2
Golf courses (18 hole)	1	1	1	1
Golf courses (9 hole)	1	1	1	1
Driving range	1	1	1	1
Miniature golf course	1	1	1	1
Tennis courts	35	35	31	31
Community centers	2	2	2	2

Source: Various government departments

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
2	2	2	2	2	2
1	1	1	1	1	1
230,621	247,688	146,506	208,930	150,643	138,275
268	269	269	269	269	269
672	672	672	672	672	672
15	15	15	15	15	15
5	5	5	5	5	5
2	2	2	2	2	2
2	2	2	2	2	2
2	2	2	2	2	2
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
31	31	31	31	31	31
2	2	2	2	2	2