



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, 2009**

**TOWN OF NORTH HEMPSTEAD
NEW YORK**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2009**

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

TOWN OF NORTH HEMPSTEAD
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2009
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**INTRODUCTORY
SECTION**

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

Town Clerk
LESLIE GROSS

Receiver of Taxes
CHARLES BERMAN

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

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



Supervisor
JON KAIMAN

August 31, 2010

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

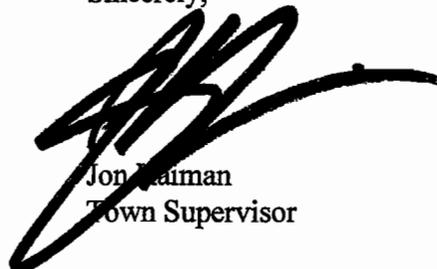
Enclosed is the fifth Comprehensive Annual Financial Report (CAFR) of the Town of North Hempstead, NY for the year ended December 31, 2009. The financial statements included herein have been audited by the independent accounting firm of Albrecht, Viggiano, Zureck & Co. P.C. The auditors' unqualified opinion is also included in this report.

As mentioned above, this is the fifth 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,



Jon Kaiman
Town Supervisor

Supervisor
JON KAIMAN

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

Town Clerk
LESLIE GROSS

Receiver of Taxes
CHARLES BERMAN

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

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Comptroller
KATHLEEN H. MITTERWAY

Deputy Comptrollers
ANGELO J. FERRARA
KRISTIE HANSEN-HIGHTOWER

August 31, 2010

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, 2009, prepared by the Office of the Comptroller is submitted herewith.

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

Albrecht, Viggiano, Zureck & Co. P.C., Certified Public Accountants, have issued an unqualified auditor's report dated August 31, 2010, for the Town and its discretely presented component units as of December 31, 2009, and the year then ended. Their report may be found at the beginning of the Financial Section.

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

Profile of the Government

Originally, 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, Manhasset, and New Cassel, and numerous baseball and multi-purpose athletic fields at parks throughout the Town.

Water is received from the Water Authority of Western Nassau County, 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, Searingtown, 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; Department of Services for the Aging, Receiver of Taxes, and Town Clerk. 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 no later than November 20th for the following calendar year. The budget is prepared by fund, department (which generally equates to function) and 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. NYS legislation enacted in 2006 permitted the merging of the Highway and Part Town funds into the Town Outside Villages 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 CNN Money Magazine’s “100 Best Places to Live” citing the Town’s solid economic foundation as one of the reasons. In 2009, North Hempstead was ranked #2 in CNN Money Magazine’s “Best Places to Live for a Healthy Retirement” and in 2010, North Hempstead was ranked #12 in CNN Money Magazine’s “Top-Earning Towns in America”.

The Town’s award-winning hospitals and other medical providers offer 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 the Town. This pool of employees and customers further support a wide range of local businesses, from hotels to restaurants to retail establishments.

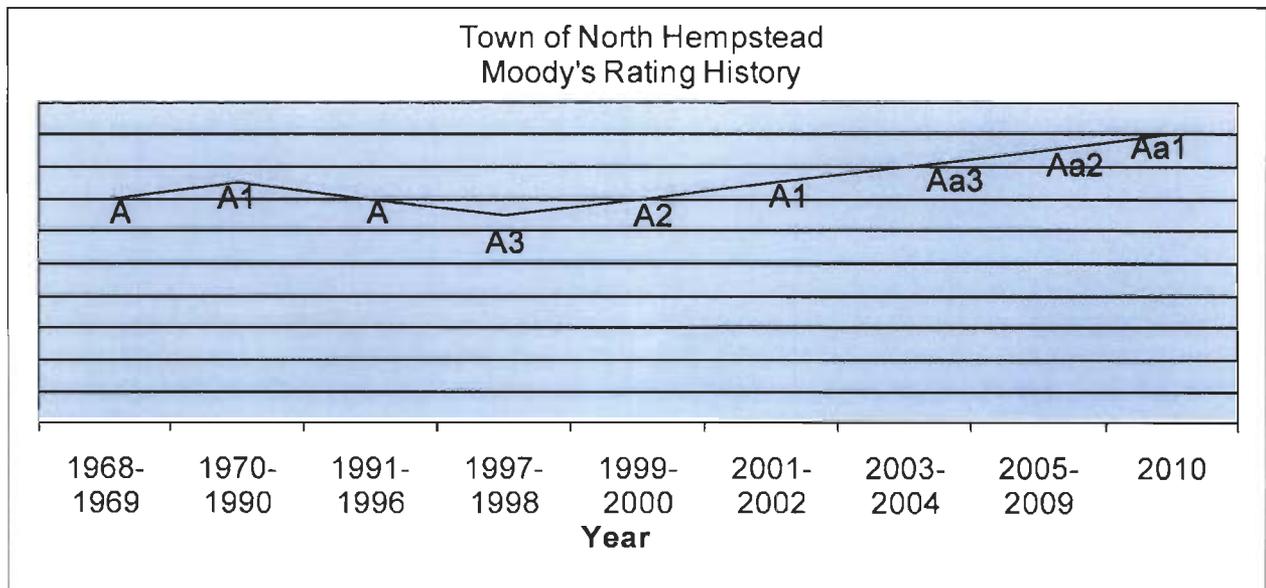
The Town’s low unemployment rate, which continues to fall below medians for both the County and the metropolitan region, according to the Federal Bureau of Labor Statistics, is indicative of a sound economic base. The Statistical Section of this report lists these and a number of additional economic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

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

Long-term financial planning

The Town 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 Aa1/positive rating from Moody’s compares favorably to New York City’s Aa2/stable. 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 of each capital project is assigned as well as a determination as to the funding source. This level of detail permits Town government to plan in reasonable detail and budget or borrow, 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, none of the Town's major funds employs appropriated fund balance to balance annual operating budgets.

Major Initiatives

In 2009, the Town's 311 non-emergency phone number recorded more than 117,000 resident calls to the North Hempstead 311 Call Center. The 311 constituent response system is for our residents to be able to make one call to Town Hall and get all the information that they need to resolve any problem that they have. The Town was the first suburban community in the USA to install a 311 system, and plans further expansion of the service in the years ahead. Each call is logged, tracked to resolution and documented.

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

North Hempstead's groundbreaking School Recycling Partnership Program initiated in 2008, saves every participating school district money while improving the Town's recycling efforts. The Town supplies 47 buildings in eleven school districts North Hempstead recycling containers, and 9 of its 11 school districts are served by a Town-contracted recycling provider, resulting in over 30,000 students participating in the North Hempstead School Recycling Program. Since the inception of the program, students recycled 456 tons of paper, which saved more than 7,752 trees, a small forest. The increase in recycling rates will help offset the Town's costs, but the real winner is the environment. The Town received the New York State Environmental Excellence Award for this program and received an A+ by the Citizens Campaign for the Environment for their recycling efforts. In 2009, the Town's e-Waste collection generated almost 100 tons of unwanted electronics.

The Office of Intermunicipal Coordination (OIC) stands as a model of government partnerships to improve the way governments and municipal corporations communicate and work together. The Town currently has Intermunicipal Agreements (IMA's) with over 57 municipal entities, including incorporated villages, school, library, water, water pollution control, and police districts to provide a broad range of services, including: repaving, street sweeping, basin cleaning, sanding, snow removal, tree pruning, sign making, and dumping services at reduced costs for the benefit of the taxpayers. In 2009, the new OIC website was the next step in the Town's continuing efforts to help all the municipal entities that lie within the township work efficiently and effectively.

The Town's pioneering 'aging in place' program "Project Independence" continued to grow in 2009. This program connects seniors, through the 311 Call Center, 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, that helps our seniors remain living in their homes longer than they otherwise might have been able to. From two small pilot census tracts located in New Hyde Park, the Town took this idea and made it a town wide program. Project Independence now has eight geographic areas throughout the Town covering all residents

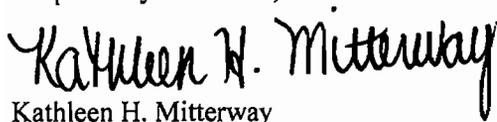
Improving efficiency with targeted technology upgrades continues to be a Town priority. The 2009 initiatives include many innovative programs. A building permit application system; that tracks both residential and commercial properties and through a series of business rules produces a permit, schedules, and tracks results of inspections through to the issuance of Certificates of Occupancy. The system also maintains code compliance, planning information, zoning, professional licenses, public assembly permits, and rental registration. The Town began implementation on a new time and leave/human resources system, to electronically track attendance through a card swipe system and to electronically integrate to payroll, eliminating paper and reducing errors. Other initiatives included installing an enterprise vault to archive email; relieving the burden of storage on our electronic email system, and redesigning and improving the Town of North Hempstead website.

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 council members of the Town Board for their continuing interest and support in planning and conducting the financial operations of the Town of North Hempstead in a responsible and progressive manner.

Respectfully submitted,



Kathleen H. Mitterway
Town of North Hempstead
Comptroller

TOWN OF NORTH HEMPSTEAD

PRINCIPAL OFFICIALS

December 31, 2009

TOWN BOARD:

SUPERVISOR	JON KAIMAN
COUNCILMAN	THOMAS K. DWYER
COUNCILMAN	ANGELO P. FERRARA
COUNCILMAN	FRED L. POLLACK
COUNCILWOMAN	MARIA - CHRISTINA POONS
COUNCILWOMAN	LEE R. SEEMAN
COUNCILMAN	ROBERT TROIANO, Jr. until 12/31/09
COUNCILWOMAN	VIVIANA RUSSELL as of 1/1/10

TOWN CLERK:

LESLIE GROSS

RECEIVER OF TAXES:

CHARLES BERMAN

DEPUTY SUPERVISOR:

CHRISTOPHER G.SENIOR

TOWN ATTORNEY:

RICHARD S. FINKEL

COMMISSIONER OF ADMINISTRATIVE SERVICES:

PETER M. HODA

COMMISSIONER OF BUILDINGS:

KEVIN M. CRONIN

COMMISSIONER OF COMMUNITY SERVICES:

KIMBERLY A. CORCORAN - GALANTE

COMMISSIONER OF SERVICES FOR THE AGING:

EVELYN ROTH

COMMISSIONER OF FINANCE:

JO-ANNE TAORMINA

COMMISSIONER OF INFORMATION TECHNOLOGY:

THOMAS P. HARTY

COMMISSIONER OF PARKS & RECREATION:

GERARD R. OLSEN

COMMISSIONER OF PLANNING:

MICHAEL A. LEVINE

COMMISSIONER OF PUBLIC SAFETY:

EDWARD A. NEIDICH

ACTING COMMISSIONER OF PUBLIC WORKS:

JILLIAN GUINEY

DIRECTOR OF INTERNAL AUDIT:

KATHLEEN H. MITTERWAY

EXECUTIVE DIRECTOR OF SOLID WASTE MANAGEMENT:

IGOR SIKIRIC

SUPERINTENDENT OF HIGHWAYS:

THOMAS P. TIERNAN

COMPTROLLER:

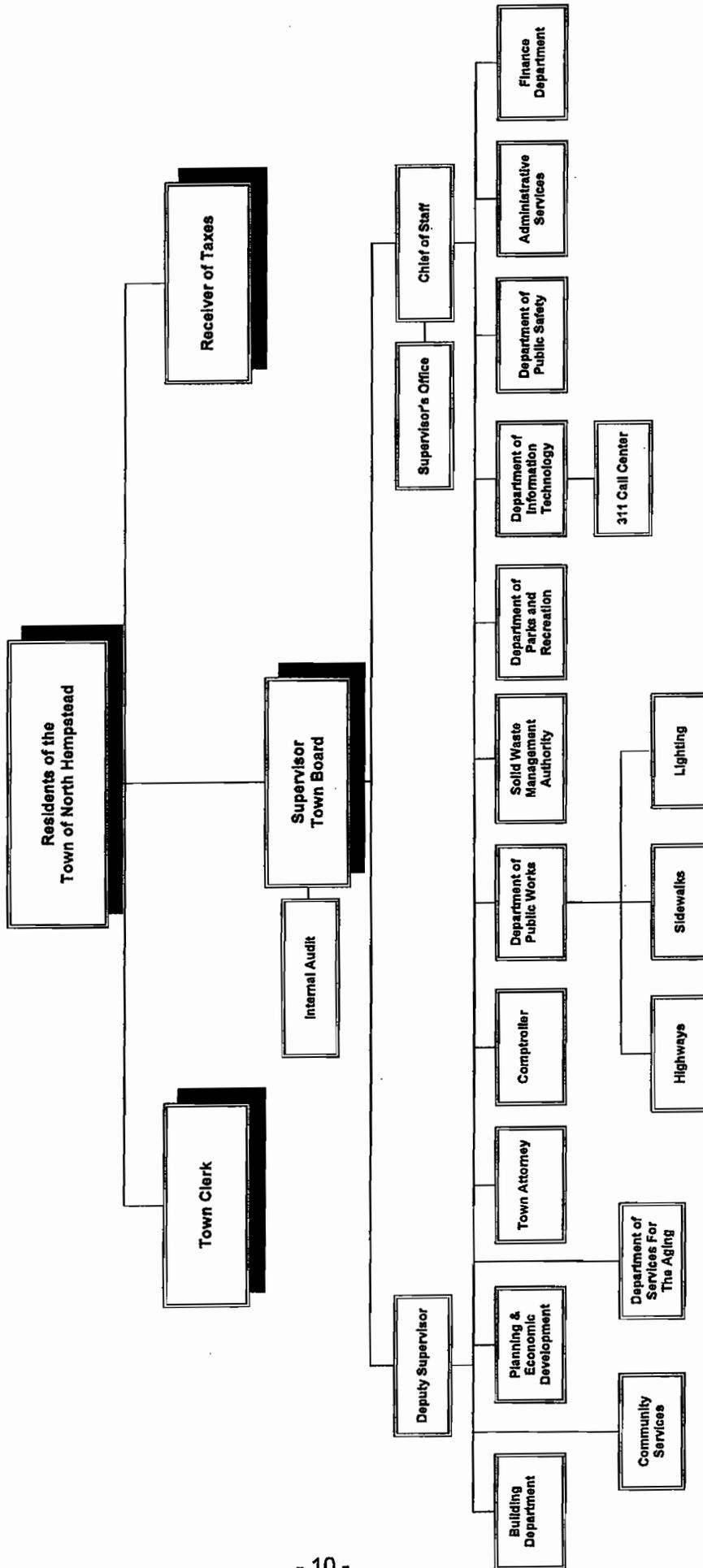
PAUL E. PATHÉ until 12/31/09

COMPTROLLER:

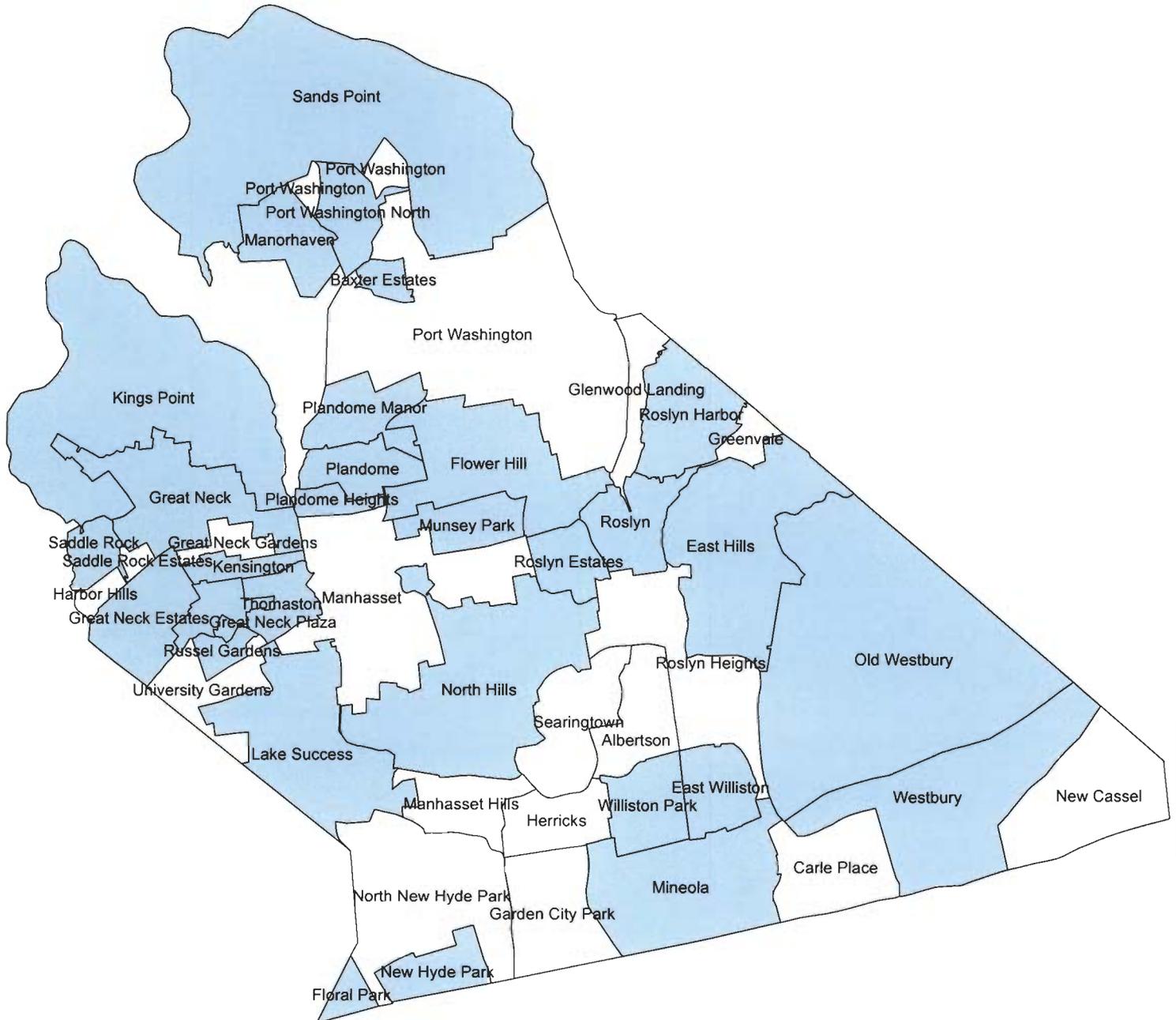
KATHLEEN H. MITTERWAY as of 1/1/10

TOWN OF NORTH HEMPSTEAD

ORGANIZATIONAL CHART



TOWN OF NORTH HEMPSTEAD



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**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, 2009 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 eighteen of twenty-one component units, which represent 94.0%, 93.8% and 95.1%, 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 6 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, 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, 2009, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2010, 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.

PERSONAL SERVICE. TRUSTED ADVICE.

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

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HAUPPAUGE, NY 11788-3715
T: 631.434.9500 F: 631.434.9518

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town of North Hempstead, New York's basic financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section 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 do not express an opinion or provide assurance on them.

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

Hauppauge, New York
August 31 2010

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REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis

TOWN OF NORTH HEMPSTEAD
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2009

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, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letters of transmittal, which can be found in the introductory section of this comprehensive annual financial report (CAFR).

FINANCIAL HIGHLIGHTS

- The Town's total net assets increased by \$0.7 million.
- The unreserved, undesignated fund balances of the General, Highway and Solid Waste Management funds totaled \$9.4 million.
- At the close of 2009, the Town's governmental funds reported combined ending fund balances, exclusive of the Capital Projects Fund, of \$28.5 million, of which \$22.3 million is available for spending at the Town's discretion; though the Town has earmarked \$3.7 million of the unreserved fund balance for special designations.
- The Town's bonded debt increased by \$0.4 million during 2009.

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, 2009

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, 2009

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

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

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

	2009	2008
Assets		
Current assets	\$ 53,196,108	\$ 51,739,511
Capital assets	236,499,454	224,257,228
Other non-current assets	8,978,798	9,372,662
Total assets	298,674,360	285,369,401
Liabilities		
Current and other liabilities	51,835,853	35,985,626
Long-term liabilities	199,725,627	202,976,714
Total liabilities	251,561,480	238,962,340
Net assets		
Invested in capital assets, net of related debt	81,566,768	76,605,301
Restricted	4,730,567	11,493,040
Unrestricted	(39,184,455)	(41,691,280)
Total net assets	\$ 47,112,880	\$ 46,407,061

Total assets of the Town of North Hempstead as of December 31, 2009 were \$298.7 million, an increase of \$13.3 million. Total liabilities as of December 31, 2009 were \$251.6 million, an increase of \$12.6 million. This resulted in a net asset balance of \$47.1 million for 2009, an increase of \$0.7 million. Of the Town's net asset balance, \$81.6 million was invested in capital assets, net of related debt, while \$4.7 million was restricted by statute or other specific purpose leaving a \$39.2 million unrestricted deficit.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town of North Hempstead, assets exceeded liabilities by \$47.1 million at the close of the most recent year.

By far the largest portion of the Town of North Hempstead's net assets, \$81.6 million, reflects its investment in capital assets (e.g. land, buildings, machinery and equipment and infrastructure); less any related debt used to acquire those assets that is still outstanding. The Town of North Hempstead uses these capital assets to provide services to its citizens; consequently those assets are *not* available for future spending. Although the Town of North Hempstead's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves will not be used to liquidate these liabilities.

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

TOWN OF NORTH HEMPSTEAD
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2009

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE (continued)

Changes in Net Assets

Governmental Activities

For the years ended December 31,

	2009	2008
Program Revenues		
Charges for services	\$ 26,784,489	\$ 29,444,373
Operating grants and contributions	3,752,788	2,788,957
Capital grants and contributions	905,706	1,170,927
	31,442,983	33,404,257
General Revenues		
Real property taxes	61,685,941	56,422,999
Other real property tax items	1,772,707	2,108,771
Non-property tax items	10,553,049	11,177,944
Interest earnings	796,401	1,270,556
Mortgage tax	5,643,419	7,677,222
State aid - unrestricted	1,111,654	1,111,654
Other	3,751,664	1,342,723
	85,314,835	81,111,869
Total Revenues	116,757,818	114,516,126
Program Expenses		
General government support	23,933,803	23,840,684
Education	571,367	629,492
Public safety	10,859,785	11,382,404
Health	336,891	318,914
Transportation	23,299,489	22,076,865
Economic assistance and opportunity	2,098,481	3,135,811
Culture and recreation	24,682,702	22,643,001
Home and community services	22,950,170	23,993,678
Interest on debt	7,319,311	8,106,577
	116,051,999	116,127,426
Total Expenses	116,051,999	116,127,426
Change in Net Assets	705,819	(1,611,300)
Net Assets - Beginning	46,407,061	45,932,670
Prior Period Adjustment	-	2,085,691
Net Assets - Beginning as Restated	46,407,061	48,018,361
Net Assets - Ending	\$ 47,112,880	\$ 46,407,061

Net assets, from all governmental activities, increased by \$0.7 million in the current year. There was an increase of \$2.3 million in net assets when compared to the prior year.

Key element(s) of the governmental activities are:

- The decline program revenue, charges for services, of \$2.7 million was partially offset by other program revenue increases of \$0.7 million.
- Mortgage tax and sales tax declined by \$2.0 million and \$0.7 million respectively.
- Real property taxes and other revenues increased by \$5.3 million and \$1.6 million respectively.
- Overall expenses remained constant with changes seen in some functional areas.

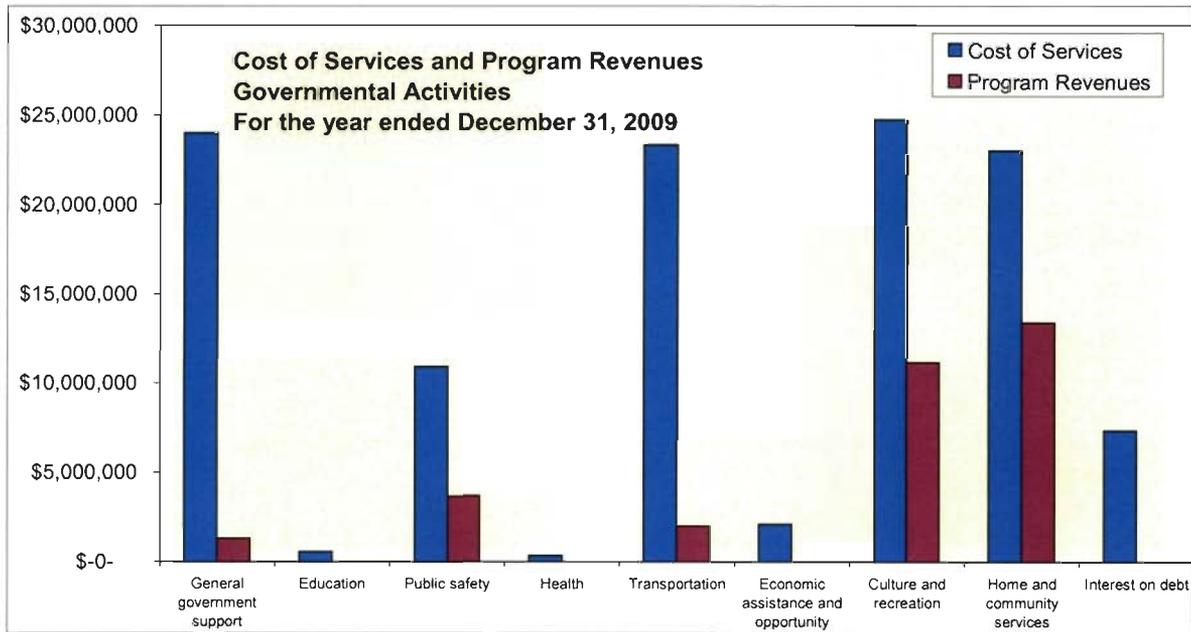
TOWN OF NORTH HEMPSTEAD
MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2009

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE (continued)

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

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

	Total Cost of Services		Program Revenues	
	2009	2008	2009	2008
General government support	\$ 23,933,803	\$ 23,840,684	\$ 1,319,032	\$ 904,487
Education	571,367	629,492		
Public safety	10,859,785	11,382,404	3,655,772	4,519,809
Health	336,891	318,914		
Transportation	23,299,489	22,076,865	1,983,040	2,489,453
Economic assistance and opportunit	2,098,481	3,135,811		
Culture and recreation	24,682,702	22,643,001	11,124,471	10,114,748
Home and community services	22,950,170	23,993,678	13,360,668	15,375,760
Interest on debt	7,319,311	8,106,577		
	<u>\$116,051,999</u>	<u>\$116,127,426</u>	<u>\$ 31,442,983</u>	<u>\$ 33,404,257</u>



The cost of all governmental activities for 2009 was \$116.1 million. The net cost of these services was \$84.6 million, after being subsidized by program revenues including charges for services and program grants of \$31.4 million.

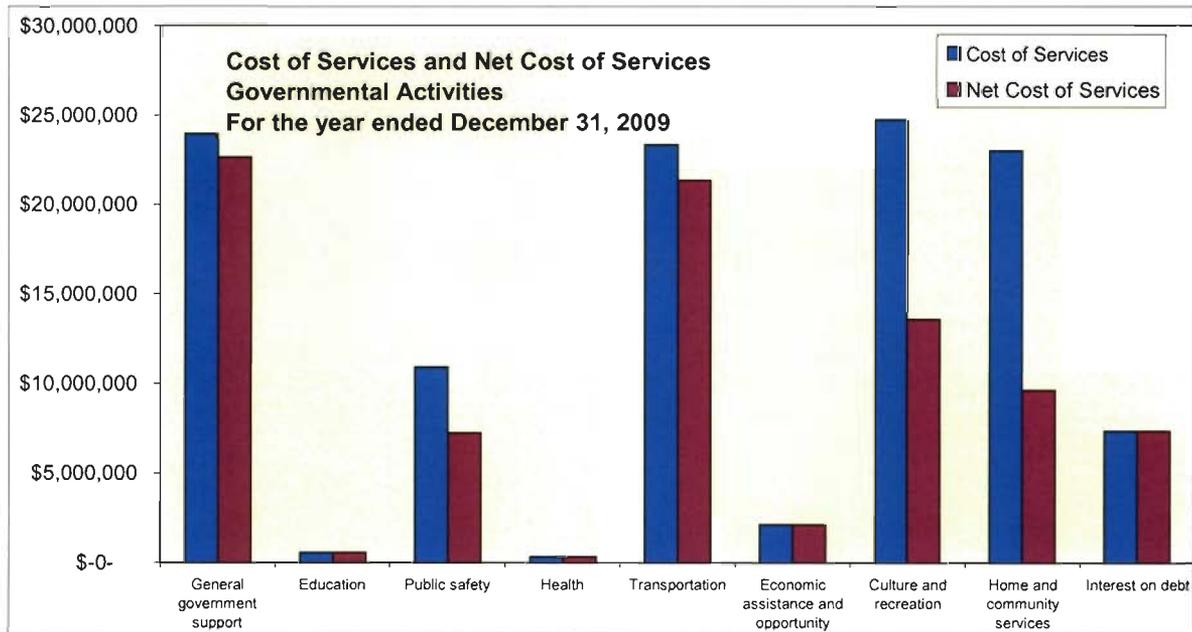
TOWN OF NORTH HEMPSTEAD
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2009

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE (continued)

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

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

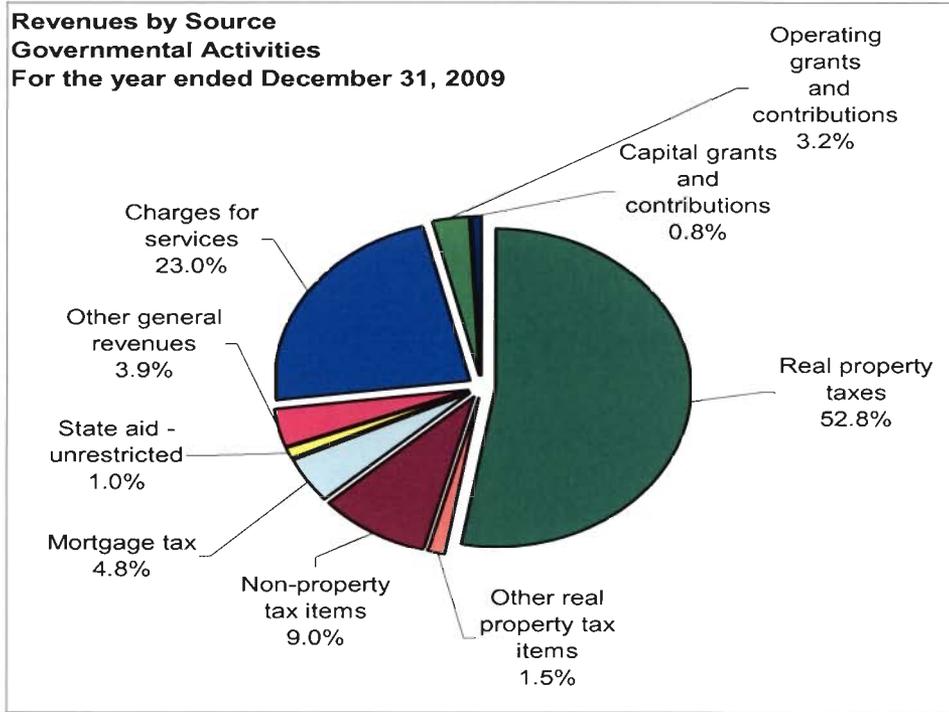
	Total Cost of Services		Net Cost of Services	
	2009	2008	2009	2008
General government support	\$ 23,933,803	\$ 23,840,684	\$ 22,614,771	\$ 22,936,197
Education	571,367	629,492	571,367	629,492
Public safety	10,859,785	11,382,404	7,204,013	6,862,595
Health	336,891	318,914	336,891	318,914
Transportation	23,299,489	22,076,865	21,316,449	19,587,412
Economic assistance and opportunity	2,098,481	3,135,811	2,098,481	3,135,811
Culture and recreation	24,682,702	22,643,001	13,558,231	12,528,253
Home and community services	22,950,170	23,993,678	9,589,502	8,617,918
Interest on debt	7,319,311	8,106,577	7,319,311	8,106,577
	<u>\$ 116,051,999</u>	<u>\$ 116,127,426</u>	<u>\$ 84,609,016</u>	<u>\$ 82,723,169</u>



TOWN OF NORTH HEMPSTEAD
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2009

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE (continued)

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



Revenue by Source
years ended December 31,

	2009	2008
Real property taxes	\$ 61,685,941	\$ 56,422,999
Other real property tax items	1,772,707	2,108,771
Non-property tax items	10,553,049	11,177,944
Mortgage tax	5,643,419	7,677,222
State aid - unrestricted	1,111,654	1,111,654
Other general revenues	4,548,065	2,613,279
Charges for services	26,784,489	29,444,373
Operating grants and contributions	3,752,788	2,788,957
Capital grants and contributions	905,706	1,170,927
	<u>\$ 116,757,818</u>	<u>\$ 114,516,126</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 \$24.4 million a decrease of \$14.2 million over the prior period. This change in total governmental fund balances was due principally to the following decreases in the General Fund and the Capital Projects Fund.

TOWN OF NORTH HEMPSTEAD
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2009

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (continued)

- The \$5.7 million decrease in the General Fund was mainly the result of revenue shortfalls of approximately \$3.7 million and \$3.5 million in unbudgeted interfund transfers out offset by total expenditures coming in \$1.8 million under budgeted amounts.
- In 2009 the Capital Projects Fund decreased by \$11.2 million, due to the use of short term borrowings to fund ongoing projects in anticipation of grant funding and long term debt issuance. Short term borrowings, versus serial bonds, are not accounted for as revenue but usually have the benefit of reduced interest rates. This reduction in fund balance will be rectified upon the receipt of expected grant funding and the issuance of long term debt.
- In 2009 there were increases in the Highway, Solid Waste Management Fund, Debt Service Fund and Other Governmental Funds totaling \$2.6 million.

Approximately 15.5% of the total fund balance, \$3.8 million, constitutes unreserved fund balance while 0.2% of the total fund balance, \$0.1 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 \$9.8 million, while total fund balance was \$12.2 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 26.5% of total General Fund expenditures, while total fund balance represents 32.9% of the same amount.

The fund balance decreased in the General Fund by \$5.7 million during the current year. The major components were:

- The decline in mortgage tax, sales tax and the overall revenue decreases in \$2.0 million, \$0.9 million, and \$0.8 million respectively are the result of the current economic conditions.
- \$3.5 million in unbudgeted transfers due to the purchase of land for \$2.0 million from the Solid Waste Management Authority (SWMA) and \$1.5 million in subsidy transfers in accordance with the agreement between the Town and SWMA.
- The positive offset of expenditures coming in under budget by \$1.8 million, attributable to all General Fund functions.

Highway Fund

The fund balance increased in the Highway Fund by \$1.0 million during the current year. This was mainly due to:

- Actual revenues exceeding budget by \$0.3 million, of which \$0.1 million was associated with services provided to other governments and \$0.1 million was from an increase in payments in lieu of taxes.
- Expenditures coming in under budget by \$0.7 million, of which \$0.5 was attributable to transportation.

Solid Waste Management Authority

The fund balance increased in the Solid Waste Management Authority by \$0.1 million during the current fiscal year.

- Revenues for solid waste disposal fell short of budgeted amounts by \$4.8 million as the Flow Control Program anticipated to begin in 2009, actually started in early 2010. This resulted in considerably less usage of the transfer station by other local municipalities.
- Other revenue shortfalls of \$2.0 million were offset by the unbudgeted \$2.0 million received for the sale of real property.
- Expenditures came in under budget by \$5.0 million, of which \$4.6 million is directly related to the decrease in the transfer station revenues.

TOWN OF NORTH HEMPSTEAD
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2009

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (continued)

Capital Projects Fund

The fund balance decreased in the Capital Projects Fund by \$11.2 million during the current year. This was primarily due to:

- Capital expenditures being financed by short term debt versus revenue producing long term debt issuances. As the short term borrowings are rolled into long term serial bonds the negative effect on fund balance will be reversed.

Nonmajor Governmental Funds

The net change in fund balances was an increase of \$0.9 million. The primary increases were due to increases in the Part-Town and Sidewalk Districts of \$.05 million and \$0.4 million respectively, while the other six nonmajor funds had an overall combined increase of less than \$0.1 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year there was a \$0.2 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 Town Board appropriated \$0.1 million in fund balance for the purchase of real property.
- The budget was revised as a result of \$0.1 million in additional state and federal aid awarded during the year for existing programs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

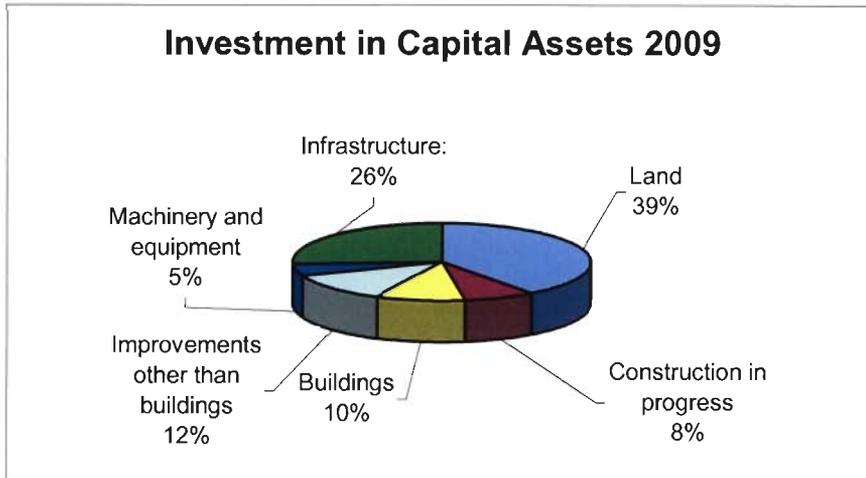
The Town of North Hempstead's investment in capital assets for its governmental type activities as of December 31, 2009 amounts to \$236,499,454 (net of accumulated depreciation) This investment in capital assets includes land, building, improvement, machinery and equipment, roads, curb and sidewalks, drainage, street lighting and construction in progress.

Capital Assets - Net of Depreciation
as of December 31,

	Governmental Activities	
	2009	2008
Land	\$ 94,172,365	\$ 91,166,030
Construction in progress	18,353,061	4,725,804
Buildings	22,548,370	22,401,098
Improvements other than buildings		
Land improvements	19,611,159	19,992,770
Building improvements	9,207,909	9,435,485
Machinery and equipment		
Machinery and equipment	5,299,213	4,582,525
Vehicles	4,834,318	5,063,032
Communications	1,118,644	928,435
Infrastructure		
Roads, curbs, and sidewalks, street lighting, and park structures	61,354,415	65,962,049
Total Capital Assets	\$ 236,499,454	\$ 224,257,228

TOWN OF NORTH HEMPSTEAD
MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2009

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)



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

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

Long-Term Debt

At the end of the fiscal year, the Town of North Hempstead had total bonded debt outstanding of \$189,291,156. General obligation bonds are shown net of premiums.

Outstanding Debt
as of December 31,

	Governmental Activities	
	2009	2008
General obligation bonds	\$ 160,142,656	\$ 171,685,261
Bond anticipations notes	16,018,500	2,000,000
Revenue bonds	13,130,000	15,170,000
Total	\$ 189,291,156	\$ 188,855,261

In 2009 the Town of North Hempstead's total debt decreased by \$0.4 million (0.2%).

In 2009, Moody's Investment Services recalibrated the Town of North Hempstead's credit rating at "Aa1". The rating is the highest in the Town's history.

TOWN OF NORTH HEMPSTEAD
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2009

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

Long-Term Debt (continued)

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

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

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

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

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Property Tax

The Town has adopted a budget for 2010 that allows for inflation and other adjustments to revenues and expenditures. The 2010 General Fund budget includes a real property tax increase of approximately 4.5% over 2009.

State Aid and Local Assistance

The Town receives financial assistance from New York State and from Nassau County. The 2010 budget includes financial assistance, i.e. state aid – mortgage tax \$5.75 million; state aid – per capita \$1.1 million and county local government assistance of \$9.2 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, 2009

	Primary Governmental Activities	Component Units
ASSETS		
Current Assets:		
Cash and investments	\$ 34,983,543	\$ 61,188,217
Cash - restricted	4,730,567	
Accounts receivable, net of allowances	5,145,622	4,306,610
Prepays	522,936	1,119,263
Due from other governments	6,805,552	10,899,154
Inventory of material and supplies	1,007,888	394,053
Total Current Assets	53,196,108	77,907,297
Non-Current Assets:		
Notes receivable	2,520,000	
Deferred charges, net of accumulated amortization	6,458,798	86,941
Non-depreciable capital assets	112,525,426	55,178,179
Depreciable capital assets, net of depreciation	123,974,028	98,132,272
Total Non-Current Assets	245,478,252	153,397,392
Total Assets	298,674,360	231,304,689
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued liabilities	9,196,712	6,489,271
Accrued interest payable	2,424,098	982,356
Bond anticipation notes payable	16,018,500	18,517,555
Bond interest and matured bonds	503,905	
Due to other governments	47,951	2,534,396
Unearned revenue/deferred revenue	3,071,608	1,471,554
Other liabilities		175,438
Non-Current Liabilities due within one year:		
General obligation bonds payable	16,759,004	6,077,007
Revenue bonds payable	2,095,000	
Compensated absences	237,995	670,630
Claims and judgments payable	735,000	
Estimated liability for landfill closure and postclosure care costs	746,080	
Installment purchase debt		57,383
Total Current Liabilities	51,835,853	36,975,590
Non-Current Liabilities due in more than one year:		
General obligation bonds payable	145,102,613	74,023,750
Revenue bonds payable	11,035,000	
Compensated absences	4,521,911	9,803,336
Claims and judgments payable	4,086,983	
Estimated liability for landfill closure and postclosure care costs	16,005,702	
Other postemployment obligations	18,973,418	16,658,662
Installment purchase debt		1,059,467
Total Non-Current Liabilities	199,725,627	101,545,215
Total Liabilities	251,561,480	138,520,805
NET ASSETS		
Investment in capital assets, net of related debt	81,566,768	76,807,967
Restricted for:		
Debt service	4,730,567	2,858,762
Unrestricted	(39,184,455)	13,117,155
Total Net Assets	\$ 47,112,880	\$ 92,783,884

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, 2009

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Government Activities:				
General government support	\$ 23,933,803	\$ 268,864	\$ 366,827	\$ 683,341
Education	571,367			
Public safety	10,859,785	3,632,095	23,677	
Health	336,891			
Transportation	23,299,489	1,231,699	751,341	
Economic assistance and opportunity	2,098,481			
Culture and recreation	24,682,702	8,291,163	2,610,943	222,365
Home and community services	22,950,170	13,360,668		
Interest on debt	7,319,311			
Total Primary Government	\$ 116,051,999	\$ 26,784,489	\$ 3,752,788	\$ 905,706
Component Units				
Public safety	\$ 19,062,315	\$ 3,976	\$ 80,428	
Transportation	1,524,246	596,487		
Culture and recreation	16,545,070	2,946,388		
Home and community services	46,474,926	21,418,955	602,332	
	\$ 83,606,557	\$ 24,965,806	\$ 682,760	\$ -0-

General Revenues

Real property taxes
Other real property tax items
Sales tax distribution by County
Franchise fees
Interest earnings
Mortgage tax
State aid - unrestricted
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
\$ (22,614,771)	
(571,367)	
(7,204,013)	
(336,891)	
(21,316,449)	
(2,098,481)	
(13,558,231)	
(9,589,502)	
(7,319,311)	
(84,609,016)	
	\$ (18,977,911)
	(927,759)
	(13,598,682)
	(24,453,639)
	(57,957,991)
61,685,941	56,798,586
1,772,707	331,977
9,005,021	
1,548,028	
796,401	1,265,622
5,643,419	
1,111,654	11,672
	149,974
3,751,664	3,923,744
	(571,045)
85,314,835	61,910,530
705,819	3,952,539
46,407,061	88,766,483
	64,862
46,407,061	88,831,345
\$ 47,112,880	\$ 92,783,884

TOWN OF NORTH HEMPSTEAD
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2009

	MAJOR FUNDS				
	General	Highway	Solid Waste Management	Debt Service	Capital Projects
ASSETS					
Cash and investments	\$ 4,611,891	\$ 1,056,425	\$ 1,378,815	\$ 991,800	\$ 18,654,993
Cash - restricted			2,209,607	2,520,960	
Accounts receivable, net of allowances	475,509	45,135	1,592,939		
Prepays	278,700	119,674	20,625		
Due from other funds	2,887,496	964,880	462,318	2,349,138	16,657
State and federal aid receivables	242,050				56,148
Due from other governments	5,823,746	151,963			457,103
Inventory of material and supplies	240,564	767,324			
Total Assets	<u>\$ 14,559,956</u>	<u>\$ 3,105,401</u>	<u>\$ 5,664,304</u>	<u>\$ 5,861,898</u>	<u>\$ 19,184,901</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable and accrued liabilities	\$ 1,710,111	\$ 539,104	\$ 2,167,417	\$ 24,246	\$ 4,336,191
Bond anticipation notes payable					16,018,500
Bond interest and matured bonds				503,905	
Due to other governments	500				
Due to other funds	686,078	33,058	3,144,170		2,993,591
Deferred revenue	7,608				
Total Liabilities	<u>2,404,297</u>	<u>572,162</u>	<u>5,311,587</u>	<u>528,151</u>	<u>23,348,282</u>
Fund Balances (Deficit):					
Reserved:					
Encumbrances					14,329,689
Inventory of materials and supplies	240,564	767,324			
Debt service			2,209,607	2,520,960	
Prepays	278,700	119,674	20,625		
Unreserved, designated for:					
Nonmajor special revenue funds					
Workers' compensation	677,873				
Capital projects	113,873	150,000			
Insurance	355,793				
Tort claims	696,295				
Debt service				1,089,989	
Unreserved, undesignated reported in:					
General fund	9,792,561				
Special revenue funds		1,496,241	(1,877,515)	1,722,798	
Capital projects fund					(18,493,070)
Total Fund Balances	<u>12,155,659</u>	<u>2,533,239</u>	<u>352,717</u>	<u>5,333,747</u>	<u>(4,163,381)</u>
Total Liabilities and Fund Balances	<u>\$ 14,559,956</u>	<u>\$ 3,105,401</u>	<u>\$ 5,664,304</u>	<u>\$ 5,861,898</u>	<u>\$ 19,184,901</u>

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

Other Governmental Funds	Total Governmental Funds
\$ 8,289,619	\$ 34,983,543
	4,730,567
32,039	2,145,622
103,937	522,936
200,472	6,880,961
	298,198
74,542	6,507,354
	1,007,888
<u>\$ 8,700,609</u>	<u>\$ 57,077,069</u>

\$ 419,643	\$ 9,196,712
	16,018,500
	503,905
47,451	47,951
24,064	6,880,961
64,000	71,608
<u>555,158</u>	<u>32,719,637</u>

	14,329,689
	1,007,888
	4,730,567
103,937	522,936
631,999	631,999
	677,873
	263,873
	355,793
	696,295
	1,089,989
	9,792,561
7,409,515	8,751,039
	(18,493,070)
<u>8,145,451</u>	<u>24,357,432</u>
<u>\$ 8,700,609</u>	<u>\$ 57,077,069</u>

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TOWN OF NORTH HEMPSTEAD
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET ASSETS
December 31, 2009

Total Fund Balances - Governmental Funds **\$ 24,357,432**

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	\$ 112,525,426	
Capital assets - depreciable	271,169,169	
Accumulated depreciation	<u>(147,195,141)</u>	
		236,499,454

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	(160,142,656)	
Revenue bonds	(13,130,000)	
Premiums on debt issuance	(1,718,961)	
Compensated absences	(4,759,906)	
Claims and judgments	(4,821,983)	
Estimated liability for landfill closure and postclosure care costs	(16,751,782)	
Other postemployment obligations	<u>(18,973,418)</u>	
		(220,298,706)

Deferred financing costs (net of accumulated amortization) 6,458,798

Unearned revenue/deferred revenue (3,000,000)

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. 3,000,000

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. 2,520,000

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. (2,424,098)

Net Assets of Governmental Activities **\$ 47,112,880**

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, 2009

	MAJOR FUNDS				
	General	Highway	Solid Waste Management	Debt Service	Capital Projects
REVENUES					
Real property taxes	\$ 18,565,491	\$ 19,871,167			
Real property tax items	1,387,928	179,642			
Non-property tax items	10,403,049				
Departmental income	8,105,007		\$ 13,326,181		
Intergovernmental charges	12,955	565,956			
Use of money and property	241,907	77,759	27,122	\$ 414,822	
Licenses and permits	249,241	283,796			
Fines and forfeitures	40,000				
Sale of property and compensation for loss	86,482	70,082	2,048,128		
Miscellaneous revenue	2,023,800	11,431	9,222		\$ 2,285,408
Interfund revenues	4,935,717	1,321,826	162,500		
State aid	7,202,843	501,341			222,365
Federal aid	23,677				683,341
Total Revenues	53,278,097	22,883,000	15,573,153	414,822	3,191,114
EXPENDITURES					
Current:					
General government support	12,194,249	1,985,676			
Education	571,367				
Public safety	732,579				
Health					
Transportation		10,499,706			
Economic assistance and opportunity	1,442,441				
Culture and recreation	15,042,652				
Home and community services	334,554		14,028,503		
Employee benefits	6,604,472	3,708,767	408,841		
Capital Outlay:					
General government support					2,748,089
Public safety					474,117
Transportation					2,215,687
Culture and recreation					16,569,996
Home and community services					353,112
Debt Service:					
Principal				19,597,605	
Interest				7,540,463	
Total Expenditures	36,922,314	16,194,149	14,437,344	27,138,068	22,361,001
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,355,783	6,688,851	1,135,809	(26,723,246)	(19,169,887)
Other Financing Sources (Uses)					
Transfers in	19,000		1,543,786	27,277,200	2,125,782
Transfers out	(22,061,343)	(5,683,171)	(2,530,438)	(1,682)	(139,133)
Debt issuance					6,015,000
Total Other Financing Sources (Uses)	(22,042,343)	(5,683,171)	(986,652)	27,275,518	8,001,649
Net Change in Fund Balances	(5,686,560)	1,005,680	149,157	552,272	(11,168,238)
Fund Balances at Beginning of Year	17,842,219	1,527,559	203,560	4,781,475	7,004,857
Fund Balances at End of Year	\$ 12,155,659	\$ 2,533,239	\$ 352,717	\$ 5,333,747	\$ (4,163,381)

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

Other Governmental Funds	Total Governmental Funds
\$ 23,249,283	\$ 61,685,941
205,137	1,772,707
150,000	10,553,049
1,772,461	23,203,649
	578,911
81,318	842,928
2,343,091	2,876,128
355,050	395,050
	2,204,692
6,738	4,336,599
125,258	6,545,301
	7,926,549
	707,018
<u>28,288,336</u>	<u>123,628,522</u>
2,994,589	17,174,514
	571,367
8,621,685	9,354,264
191,946	191,946
3,785,875	14,285,581
	1,442,441
1,009,227	16,051,879
8,094,098	22,457,155
2,107,611	12,829,691
	2,748,089
	474,117
	2,215,687
	16,569,996
	353,112
	19,597,605
	7,540,463
<u>26,805,031</u>	<u>143,857,907</u>
<u>1,483,305</u>	<u>(20,229,385)</u>
3,500	30,969,268
(553,501)	(30,969,268)
	6,015,000
<u>(550,001)</u>	<u>6,015,000</u>
933,304	(14,214,385)
<u>7,212,147</u>	<u>38,571,817</u>
<u>\$ 8,145,451</u>	<u>\$ 24,357,432</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, 2009

Net Change in Fund Balance - Total Governmental Funds \$ (14,214,385)

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	22,579,081
Depreciation expense	(10,128,190)
Loss of sale of capital assets	(208,665)

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	(584,313)
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	(500,000)
Premiums on debt issuance/unearned revenue	114,597
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	(6,015,000)
Repayment of bond principal	19,597,605
Compensated absences	(211,403)
Claims and judgments	115,221
Estimated liability for landfill closure and postclosure care costs	212,368
Other postemployment obligations	(9,878,385)
Accrued interest payable	221,152
	221,152

Change in Net Assets of Governmental Activities **\$ 705,819**

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, 2009

		Total Agency Funds
ASSETS		
Cash	\$	38,931,034
Total Assets	\$	38,931,034
 LIABILITIES		
Due to school districts	\$	14,497,349
Other agency liabilities		24,433,685
Total Liabilities	\$	38,931,034

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

TOWN OF NORTH HEMPSTEAD
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December 31, 2009

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TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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, 2009

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, 2009

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, 2009

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, 2009

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. BASIS OF PRESENTATION (continued)

Fund Financial Statements (continued)

Discretely Presented Component Units

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

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

3. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

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

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

In the 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, 2009

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 2009.

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, 2009

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, 2009

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 REVENUE

Deferred revenues/unearned 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, postemployment 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, 2009

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. REVENUES AND EXPENDITURES (continued)

REAL PROPERTY TAX ASSESSMENT AND COLLECTION PROCEDURES (continued)

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

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

INTERFUND TRANSACTIONS

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

a) Interfund Revenues

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

b) Operating Transfers

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

OTHER POSTEMPLOYMENT BENEFITS

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

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

The Town recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the government funds in the year paid. The liability for these other postemployment 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, 2009

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, 2009

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. No new statements needed to be adopted for the year ended December 31, 2009.

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

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

2. FUND BALANCES

DESIGNATION OF FUND BALANCE

Portions of the unreserved balances at December 31, 2009 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	\$ 2,963,680		\$ 2,963,680
Garbage	1,701,656	\$ 289,000	1,412,656
Park Districts	125,336	32,999	92,337
Fire Protection Districts	930,988		930,988
Lighting District	988,202	210,000	778,202
Public Parking District	574,540		574,540
Sidewalk District	757,070	100,000	657,070
Water District	42		42
	<u>\$ 8,041,514</u>	<u>\$ 631,999</u>	<u>\$ 7,409,515</u>

FUND DEFICITS

Individual funds with unreserved and/or total fund deficits as of December 31, 2009 were as follows:

Fund	Fund Deficit Unreserved and Undesignated	Total Fund Balance
Major Funds:		
Solid Waste Management Authority	\$ (1,877,515)	\$ 352,717
Capital Projects	(18,493,070)	(4,163,381)
	<u>\$ (20,370,585)</u>	<u>\$ (3,810,664)</u>

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

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

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

2. FUND BALANCES (continued)

FUND BALANCE RESERVE

Debt Reserve

The Town has established Debt Reserves totaling \$4,730,567. 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, 2009, expenditures exceeded appropriations in the General Fund by \$5,487,560. There is sufficient fund balance in this fund to cover the amount by which expenditures exceed appropriations.

For the year ended December 31, 2009, the following five of the six Fire Protection Districts expenditures for insurance costs exceeded appropriations, Albertson Fire District by \$1,576, Carle Place Fire District by \$1,573, Floral Park Centre Fire District by \$796, Glenwood Fire District by \$226 and Great Neck Fire District by \$3,973 due to higher than expected premium increases. Except for Albertson Fire District, there is sufficient fund balance in these funds to cover the amount by which expenditures exceed appropriations. Albertson Fire District will address this decrease in fund balance in future budgets.

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, 2009 the Town's deposits were \$78,638,814. This amount is inclusive of Fiduciary fund deposits of \$38,931,034 and restricted cash of \$4,730,567 but exclusive of petty cash of \$6,330. The bank balance was \$75,223,386. Of the bank balance, \$3,341,762 was covered by Federal deposit insurance, and \$75,030,321 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, 2009

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, 2009 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, 2009, 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	\$ 2,887,496	\$ 686,078
Highway	964,880	33,058
Solid Waste Management Authority	462,318	3,144,170
Debt Service	2,349,138	
Capital Projects Fund	16,657	2,993,591
<u>Nonmajor Funds:</u>		
Part Town	168,393	13,190
Lighting District		500
Public Parking District		2,874
Sidewalk District	32,079	7,500
	<u>\$ 6,880,961</u>	<u>\$ 6,880,961</u>

At December 31, 2009, the Solid Waste Management Authority amount payable was not expected to be repaid within one year.

At December 31, 2009, 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	\$ 19,000	\$22,061,343
Highway		5,683,171
Solid Waste Management Authority	1,543,786	2,530,438
Debt Service	27,277,200	1,682
Capital Projects Fund	2,125,782	139,133
<u>Nonmajor Funds:</u>		
Part Town		10,000
Park Districts		72,549
Lighting District		500
Public Parking District	1,000	253,725
Sidewalk District	2,500	216,727
	<u>\$30,969,268</u>	<u>\$30,969,268</u>

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

C. DETAILED NOTES ON ALL FUNDS (continued)

3. CAPITAL ASSETS

	Balance 1/1/2009	Additions	Deletions	Balance 12/31/2009
<u>Primary government</u>				
Capital assets not being depreciated				
Land - other than landfills	\$ 91,166,030	\$ 3,215,000	\$ 208,665	\$ 94,172,365
Construction in progress	4,725,804	13,790,215	162,958	18,353,061
Total capital assets not being depreciated	<u>95,891,834</u>	<u>17,005,215</u>	<u>371,623</u>	<u>112,525,426</u>
Depreciable capital assets				
Buildings	39,603,093	985,000		40,588,093
Improvements other than buildings	40,551,659	565,431		41,117,090
Machinery and equipment	26,446,926	2,346,927	122,905	28,670,948
Infrastructure	158,953,572	1,839,466		160,793,038
Total depreciable capital assets	<u>265,555,250</u>	<u>5,736,824</u>	<u>122,905</u>	<u>271,169,169</u>
Less accumulated depreciation				
Buildings	17,201,995	837,728		18,039,723
Improvements other than buildings	11,123,403	1,174,619		12,298,022
Machinery and equipment	15,872,934	1,668,744	122,905	17,418,773
Infrastructure	92,991,524	6,447,099		99,438,623
Total accumulated depreciation	<u>\$ 137,189,856</u>	<u>\$ 10,128,190</u>	<u>\$ 122,905</u>	<u>147,195,141</u>
Total net depreciable capital assets				<u>123,974,028</u>
Total net capital assets				<u>\$ 236,499,454</u>

The Town depreciated all fixed assets acquired or put in service during 2009 with an effective date of July 1, 2009 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, 2009 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	\$ 615,237
Public safety	100,542
Transportation	5,380,426
Culture and recreation	2,854,831
Home and community services	1,177,154
Total governmental activities depreciation expense	<u>\$ 10,128,190</u>

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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, 2009, the Town has not recorded any such impairment losses.

	Balance 1/1/2009	Additions	Deletions	Balance 12/31/2009
<u>Component units</u>				
Capital assets not being depreciated				
Land	\$ 15,265,299	\$ 245,871	\$ 85,732	\$ 15,425,438
Construction in progress	38,521,845	19,050,154	17,819,258	39,752,741
Total capital assets not being depreciated	53,787,144	19,296,025	17,904,990	55,178,179
Depreciable capital assets				
Buildings	69,147,907	5,417,631	839,329	73,726,209
Improvements other than buildings	25,414,645	14,225,305	584,000	39,055,950
Machinery and equipment	63,176,107	5,382,407	367,288	68,191,226
Infrastructure	45,893,486	300,116		46,193,602
Total depreciable capital assets	203,632,145	25,325,459	1,790,617	227,166,987
Less accumulated depreciation				
Buildings	39,105,173	1,998,378	327,527	40,776,024
Improvements other than buildings	15,606,444	966,134	554,800	16,017,778
Machinery and equipment	41,487,965	3,442,729	316,629	44,614,065
Infrastructure	26,279,764	1,347,084		27,626,848
Total accumulated depreciation	\$ 122,479,346	\$ 7,754,325	\$ 1,198,956	129,034,715
Total net depreciable capital assets				98,132,272
Total net capital assets				<u>\$153,310,451</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, 2009, the Town had \$34,536,055 of BANs payable.

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

C. DETAILED NOTES ON ALL FUNDS (continued)

4. INDEBTEDNESS (continued)

These bond anticipation notes are summarized as follows:

	Balance 1/1/2009	Issued	Redeemed	Balance 12/31/2009
Primary government:				
Capital projects fund:				
General	\$ 1,750,000	\$ 12,813,500	\$ 1,750,000	\$ 12,813,500
Highway	250,000	3,205,000	250,000	3,205,000
Total primary government	<u>2,000,000</u>	<u>16,018,500</u>	<u>2,000,000</u>	<u>16,018,500</u>
Component units:				
Water districts		6,800,000		6,800,000
Water pollution control districts	8,313,986	5,603,569	2,200,000	11,717,555
Total component units	<u>8,313,986</u>	<u>12,403,569</u>	<u>2,200,000</u>	<u>18,517,555</u>
 Total bond anticipation notes	 <u>\$ 10,313,986</u>	 <u>\$ 28,422,069</u>	 <u>\$ 4,200,000</u>	 <u>\$ 34,536,055</u>

General Obligation Bonds – The Town borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are backed by the full faith and credit of the Town, bear interest at various rates from 2.025% to 8.800% and have maturity dates in 2010 through 2038.

	Balance 1/1/2009	Issued	Redeemed	Balance 12/31/2009
Primary government:				
Capital projects fund:				
General	\$ 130,901,169	\$ 2,115,000	\$ 13,052,685	\$ 119,963,484
Highway	38,688,734	3,900,000	4,052,291	38,536,443
Public parking	596,807		231,379	365,428
Sidewalk	1,072,583		165,287	907,296
Parks	425,968		55,963	370,005
Total primary government	<u>171,685,261</u>	<u>6,015,000</u>	<u>17,557,605</u>	<u>160,142,656</u>
Component units:				
Business improvement district	125,329		6,539	118,790
Park districts	22,136,632		863,365	21,273,267
Water districts	36,981,790		3,050,326	33,931,464
Water pollution control districts	20,462,537		1,463,355	18,999,182
Police district	192,673		14,619	178,054
Library district		5,600,000		5,600,000
Total component units	<u>79,898,961</u>	<u>5,600,000</u>	<u>5,398,204</u>	<u>80,100,757</u>
 Total general obligation bonds	 <u>\$ 251,584,222</u>	 <u>\$ 11,615,000</u>	 <u>\$ 22,955,809</u>	 <u>\$ 240,243,413</u>

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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, 2010	\$ 22,721,414	\$ 9,824,853	\$ 32,546,267
2011	21,119,000	8,700,566	29,819,566
2012	20,737,000	7,830,463	28,567,463
2013	20,268,999	6,926,518	27,195,517
2014	19,686,000	6,063,776	25,749,776
2015-2019	82,392,000	18,883,000	101,275,000
2020-2024	44,514,000	5,428,743	49,942,743
2025-2029	7,015,000	584,286	7,599,286
2030-2034	1,200,000	142,803	1,342,803
2035-2038	590,000	19,672	609,672
	<u>\$ 240,243,413</u>	<u>\$ 64,404,680</u>	<u>\$ 304,648,093</u>

Outstanding Bond Issues	Rate	Original Amount	Outstanding Amount	Final Maturity
Public Improvement Serial Bonds-1984	8.800%	\$ 16,850,000	\$ 1,800,000	May 1, 2013
Public Improvement Serial Bonds-1985	8.700%	6,870,000	200,000	April 15, 2011
Public Improvement Serial Bonds-1986	6.900%	16,065,000	985,000	April 1, 2016
General Obligation Serial Bonds-1986	7.200%	1,500,000	350,000	February 15, 2016
Public Improvement Serial Bonds-1987	7.300%	14,240,000	425,000	April 1, 2011
Public Improvement Serial Bonds-1991, Series A	6.850%	1,725,000	90,000	February 1, 2011
General Obligation Serial Bonds-1992, Series A	6.300%	5,145,000	1,745,000	February 1, 2017
General Obligation Serial Bonds-1992, Series B	6.300%	72,230,000	11,815,000	April 1, 2017
New York State EFC Bonds-1992	6.500%	360,000	90,000	September 15, 2012
Public Improvement Serial Bonds-1993, Series A	5.358%	19,415,000	2,155,000	May 15, 2018
New York State EFC Bonds-1993, Series A	5.450%	698,000	235,000	September 15, 2018
New York State EFC Bonds-1998, Series B	4.600%	2,572,291	1,180,000	December 15, 2017
New York State EFC Bonds-1999, Series A	3.930%	1,701,669	845,000	October 15, 2018
Refunding and Various Purposes Bonds-1999	4.250%	24,185,000	3,235,001	May 15, 2012
Various Purpose Serial Bonds-2001	4.375%	6,772,169	3,485,000	May 15, 2015
New York State EFC Bonds-2001, Series B	3.984%	8,154,789	5,080,000	November 15, 2022
Various Purposes Serial Bonds-2002	4.250%	12,055,000	8,720,000	May 1, 2022
New York State EFC Bonds-2002 Series F	4.661%	1,365,000	935,000	November 15, 2023
New York State EFC Bonds-2002 Series G	3.533%	3,452,513	2,095,000	October 15, 2019
New York State EFC Bonds-2002 Series I	2.810%/ 3.710%	1,160,000	625,000	September 15, 2022
General Obligation Serial Bonds-2003	3.000%	20,000,000	11,810,000	February 1, 2016
New York State EFC Bonds-2003 Series A	4.403%	1,160,000	935,000	April 15, 2031
New York State EFC Bonds-2003F	2.050%	985,000	730,000	January 15, 2023
Various Purposes Serial Bonds-2003	4.750%	24,060,000	16,320,000	July 15, 2019
General Obligation Serial Bonds-2004	3.000%	10,315,000	6,490,000	February 1, 2016
General Obligation Serial Bonds-2004	5.000%	3,880,000	295,000	February 15, 2022
General Obligation Serial/Refunding Bds-2004	3.000%	29,510,000	25,455,000	February 15, 2022
New York State EFC Bonds-2004 Series B	2.025%	6,861,511	4,745,000	May 15, 2021
General Obligation Serial Bonds-2004	3.700%	3,700,000	2,890,000	September 1, 2022
General Obligation Serial Bonds-2005	4.000%	16,060,000	14,000,000	April 15, 2025
Refunding Bonds - 2005	4.250%/5.250%	46,830,000	42,425,000	January 15, 2023
Public Improvement Serial Bonds-2006	4.375%	24,000,000	21,720,000	February 1, 2026
New York State EFC Bonds-2006 Series C	3.671%	3,442,810	3,195,000	April 1, 2036
Public Improvement Serial Bonds-2007	4.000%/4.250%	11,993,000	11,275,000	June 1, 2021
Public Improvement Serial Bonds-2007Series B	4.125%	5,788,500	5,395,000	November 1, 2027
Various Purposes Serial Bonds-2008	3.000%/4.250%	13,210,000	13,120,000	June 15, 2022
NYS EFC Bonds-2008, Series A-1, B-1, A-2, B-2	4.270%	1,783,412	1,738,412	April 1, 2038
Public Improvement Serial Bonds - 2009	2.500%	11,615,000	11,615,000	June 1, 2024
			<u>\$ 240,243,413</u>	

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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, 2010 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, 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>\$ 13,130,000</u>	<u>\$ 1,382,132</u>	<u>\$ 14,512,132</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 \$2,314,686 at December 31, 2009 and is expected to be used, if available, to offset the 2014 principal payment.

Prior-Year Defeasance of Debt

In years prior to 2009, 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. All of the remaining defeased debt was called in 2009. The Town has no outstanding bonds that are considered defeased at December 31, 2009.

Changes in Long-Term Liabilities

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

	Balance 1/1/2009	Increases	Reductions	Balance 12/31/2009	Non-current liabilities due within one year	Non-current liabilities
Primary government:						
Bonds Payable						
General obligation bonds	\$ 171,685,261	\$ 6,015,000	\$ 17,557,605	\$ 160,142,656	\$ 16,644,407	\$ 143,498,249
Revenue bonds	15,170,000		2,040,000	13,130,000	2,095,000	11,035,000
Plus deferred amounts:						
Premiums on issuance	1,833,558		114,597	1,718,961	114,597	1,604,364
Total Bonds Payable	188,688,819	6,015,000	19,712,202	174,991,617	18,854,004	156,137,613
Compensated absences	4,548,503	3,376,426	3,165,023	4,759,906	237,995	4,521,911
Claims and judgments	4,937,204	531,916	647,137	4,821,983	735,000	4,086,983
Estimated liability for landfill closure and postclosure care costs	16,964,150	530,000	742,368	16,751,782	746,080	16,005,702
Other postemployment benefits	9,095,033	12,139,801	2,261,416	18,973,418		18,973,418
	<u>\$ 224,233,709</u>	<u>\$ 22,593,143</u>	<u>\$ 26,528,146</u>	<u>\$ 220,298,706</u>	<u>\$ 20,573,079</u>	<u>\$ 199,725,627</u>
Component units						
General obligation bonds	\$ 79,898,961	\$ 5,600,000	\$ 5,398,204	\$ 80,100,757	\$ 6,077,007	\$ 74,023,750
Compensated absences	9,439,368	1,080,235	45,637	10,473,966	670,630	9,803,336
Other postemployment benefits	7,705,597	10,680,481	1,727,416	16,658,662		16,658,662
Installment purchase debt	1,171,552		54,702	1,116,850	57,383	1,059,467
	<u>\$ 98,215,478</u>	<u>\$ 17,360,716</u>	<u>\$ 7,225,959</u>	<u>\$ 108,350,235</u>	<u>\$ 6,805,020</u>	<u>\$ 101,545,215</u>

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

C. DETAILED NOTES ON ALL FUNDS (continued)

4. INDEBTEDNESS (continued)

Changes in Long-Term Liabilities (continued)

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

5. RETIREMENT SYSTEM

Plan Description

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

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

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

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, 2009 are as follows:

Contribution rates		
<u>Tier/Plan/Option</u>		<u>3/31/2009 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, 2009

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
2009	\$ 2,071,520	6.97%	\$ 13,099	\$ 19,959	\$ 2,064,660
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

6. POSTEMPLOYMENT BENEFITS HEALTHCARE COSTS

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

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

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

C. DETAILED NOTES ON ALL FUNDS (continued)

6. POSTEMPLOYMENT 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 postemployment health care benefits on a pay-as-you-go basis.

Annual Other Postemployment Benefit Cost

For the year ended December 31, 2008, the Town's annual other postemployment benefits cost (expenses) of \$12,139,801 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 \$2,261,416 for retirees and their beneficiaries, the result was an increase in the other postemployment benefits liability of \$9,878,385 for the year ended December 31, 2009. The ARC for the component units for the year ended December 31, 2009 amounted to \$10,138,053. Considering health insurance payments totaling \$1,910,636, the increase in the other postemployment benefits liability for the component units for the year ended December 31, 2009 amounted to \$8,227,417.

Benefit Obligations and Normal Cost

	Medical and Medicare B
Actuarial Accrued Liability (AAL)	
Active employees	\$ 83,507,000
Retired employees	48,522,000
Total Actuarial Accrued Liability (AAL)	132,029,000
Actuarial value of plan assets	-0-
Unfunded actuarial accrued liability (UAAL)	\$ 132,029,000
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	\$ 29,701,483
UAAL as a percentage of covered payroll	444.52%

The Town's annual other postemployment benefit cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The unfunded actuarial accrued liability for the Town for the year ended December 31, 2009 amounted to \$132,029,000. The unfunded actuarial accrued liability for the components units for the year ended December 31, 2009 amounted to \$110,327,850

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

C. DETAILED NOTES ON ALL FUNDS (continued)

6. POSTEMPLOYMENT BENEFITS HEALTHCARE COSTS (continued)

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

Level Dollar Amortization

Calculation of ARC under the Projected Unit Credit Cost Method

Normal cost	\$	5,340,300
Amortization of unfunded actuarial liability (UAAL) over 30 years		6,941,400
Annual required contribution (ARC)		12,281,700
Interest in net OPEB obligation		363,801
Adjustment to ARC		(505,700)
Annual OPEB Cost		12,139,801
Less: Contribution for year ended December 31, 2009		2,261,416
Increase in other post-employment benefits liability		9,878,385
Other post-employment benefits liability at December 31, 2008		9,095,033
Other post-employment benefits liability at December 31, 2009	\$	18,973,418
Percentage of annual OPEB cost contributed		18.4%

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, 2009 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 and preceding year were:

	Annual OPEB Cost	Annual Contribution Made	Percentage Contributed	Net OPEB Obligation
2008	\$ 11,683,500	\$ 2,588,467	22.2%	\$ 9,095,033
2009	12,139,801	2,261,416	18.6%	18,973,418

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, 2009

C. DETAILED NOTES ON ALL FUNDS (continued)

6. POSTEMPLOYMENT BENEFITS HEALTHCARE COSTS (continued)

The funded status of the plan as of December 31, 2009 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)
12/31/2009	\$ -0-	\$ 132,029,000 *	\$ 132,029,000 *	0%	\$ 29,701,483	444.52%
12/31/2008	\$ -0-	\$ 124,832,000	\$ 124,832,000	0%	\$ 29,008,187	430.33%

* Roll forward

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.

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 11030.

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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, 2009, the value of the accumulated vacation time and sick leave was \$4,579,906 for the primary government. The liability for compensated absences for the component units amounted to \$10,473,966

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 \$3,094,498. 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 \$81,789,760.

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, 2009

D. COMMITMENTS AND CONTINGENCIES (continued)

1. RISK RETENTION (continued)

	Workers' Compensation		General Liability	
	2009	2008	2009	2008
Unpaid claims and claim adjustment expenditures at the beginning of the year	\$ 1,195,569	\$ 1,380,345	\$ 3,741,635	\$ 3,216,501
Insured claims and claim adjustment Expenditures:				
Provision for the insured events of the current year and increases/decreases in provision for insured events of prior years.	587,113	170,647	(604,622)	542,332
Total incurred claims and claim adjustment expenditures	587,113	170,647	(604,622)	542,332
Payments				
Claim and claim adjustment expenditures attributable to insured events of the current and prior years.	55,197	355,423	42,515	17,198
Total unpaid claims and claim adjustment expenditures at the end of the year.	<u>\$ 1,727,485</u>	<u>\$ 1,195,569</u>	<u>\$ 3,094,498</u>	<u>\$ 3,741,635</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. 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. Post closure maintenance and monitoring activities for the L-4 and L-5 Landfills are estimated to be approximately \$750,000 per year. Accordingly, as of December 31, 2009, the Town has recorded a liability of \$16,751,782, in the government-wide financial statements, which represents the provision to be made in future budgets for unfunded closure and post-closure landfill costs. As this liability is based on 100% capacity there are no estimated costs of closure and post closure remaining to be recognized. Actual costs may vary due to inflation, changes in technology, or changes in regulations or applicable laws.

4. SOLID WASTE MANAGEMENT AUTHORITY

The Town is obligated, via agreement, 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, 2009

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 \$14,329,689 have been recorded as encumbrances in the Capital Projects Fund.

6. LEASE COMMITMENTS AND LEASED ASSETS

The Town leases equipment accounted for as operating leases. Total rental expenditures on such leases for the year ended December 31, 2009 totaled \$133,817. The minimum future noncancelable operating lease payments are as follows:

Years ending December 31, 2010	\$ 139,907
2011	10,300
2012	2,912
2013	3,411
2014	10,000
Total minimum lease payments	<u>\$ 166,530</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 December 31, 2009 the remaining estimated budget for the clean-up is approximately \$6,500 and will be paid through the existing Town budget. The related work was completed in early 2010. At December 31, 2009, 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, 2009

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, 2009. 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, 2009, 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 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 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, 2009

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 JF Actuarial Services, Inc. Portions of the following information are derived from a report prepared by the actuary dated July 21, 2010.

Program Financial Condition

Assets and Liabilities

Actuarial Present Value of Projected Benefits at January 1, 2009	\$	2,448,614
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Less: Assets Available for Benefits

	<u>% of total</u>		
Group Annuity Contract	100%	\$	992,839
Less: Liabilities			<u>-0-</u>
Total Net Assets Available for Benefits			<u>992,839</u>
Total Unfunded Benefits			<u>\$ 1,455,775</u>
Remaining Unfunded Liability for Prior Service		\$	-0-
Unfunded Accrued Benefits (PVAB less Assets)		\$	112,956
Unfunded Vested Accrued Benefits (PVVAB less Assets)		\$	101,750

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, 2009

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		\$	891,732
Changes during the year:			
+ Plan contributions	\$		117,865
+ Investment income earned			41,373
+ Cash Value – Life Policy Surrender			867
- Plan Benefit Withdrawals			44,240
- Administrative and Other Fees/Charges			2,696
- Life Insurance Premium			12,062
			101,107
Plan Net Assets, end of year		\$	992,839

Contributions

Amount of sponsor's contribution recommended by actuary:		\$	152,125
Amount of sponsor's actual contribution:		\$	117,865

Administration Fees

Fees paid to designated program administrator:		\$	2,696
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 U8400 Mortality Tables were used for withdrawals, retirements, active and inactive deaths.

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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, 2009 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, 2009

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 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, 2009

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 16, 2010.

Program Financial Condition

Assets and Liabilities

Actuarial Present Value of Accrued Service Awards as of January 1, 2010 \$ 1,675,348

Less: Assets Available for Benefits

Cash & Money Market	\$	45,870
Interest & Dividends Receivable		3,516
U.S. Equities		75,576
International Equities		137,661
Fixed Income		935,650
Mixed Assets		281,277
Other Assets		65,004
Less: Liabilities		-0-
Plus: Benefits Payable		<u>7,040</u>

Total Net Assets Available for Benefits 1,551,594

Total Unfunded Benefits 123,754

Less: Unfunded Liability for Separately Amortized Costs 65,617

Unfunded Normal benefits \$ 58,137

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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		\$	1,236,432
Changes during the year:			
+ Plan contributions	\$		173,274
+ Investment income earned			61,483
+Changes in fair market value of investments			190,201
- Administrative, Actuarial, Legal and Investment Fees/Charges			23,556
- Benefits Paid/Payable			<u>86,240</u>
			<u>315,162</u>
Plan Net Assets, end of year		\$	<u><u>1,551,594</u></u>

Contributions

Amount of contribution recommended by actuary:		\$	173,274
Amount of actual contribution:		\$	173,274*

*In accordance with the Intermunicipal Agreement, the allocation of the 2009 cost was:

Town of North Hempstead (7.3631%)	\$		12,216
Village of Great Neck (40.0368%)	\$		67,837
Village of Kings Point (46.9616%)	\$		83,016
Village of Saddle Rock (5.6385%)	\$		10,205

Administration Fees

Fees paid to administrative/actuarial services provider		\$	5,867
Fees paid to administrative/legal services provider		\$	7,953
Fees paid for investment management		\$	8,620
Other administration fees		\$	1,116

**The average expense ratio for the mutual funds purchased with program assets was 0.99% of the mutual fund balances during 2009. 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, 2009

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, 2009. 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, 2009 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, 2009

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 the Town 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 July 30, 2010.

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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, 2009		\$	2,053,334
Less: Assets Available for Benefits			
	<u>% of total</u>		
Group Annuity Contract	100%	\$	918,524
Less: Liabilities			<u>-0-</u>
Total Net Assets Available for Benefits			<u>918,524</u>
Total Unfunded Benefits			<u>\$ 1,134,810</u>
Remaining Unfunded Liability for Prior Service		\$	-0-
Unfunded Accrued Benefits (PVAB less Assets)		\$	501,977
Unfunded Vested Accrued Benefits (PVVAB less Assets)		\$	495,142
 <u>Receipts and Disbursements</u>			
Plan Net Assets, beginning of year		\$	867,332
Changes during the year:			
+ Plan contributions		\$	140,173
+ Investment income earned			39,788
+ Cash Value – Life Policy Surrender			-0-
- Plan Benefit Withdrawals			111,196
- Administrative and Other Fees/Charges			2,852
- Life Insurance Premium			<u>14,721</u>
			<u>51,192</u>
Plan Net Assets, end of year		\$	<u>918,524</u>

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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:	\$	130,941
Amount of sponsor's actual contribution:	\$	140,173

Administration Fees

Fees paid to designated program administrator:	\$	2,852
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	4.75%
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The U8400 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, 2009. 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, 2009, 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, 2009

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 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 the Town 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, 2009

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 18, 2010.

Program Financial Condition

Assets and Liabilities

Actuarial Present Value of Projected Benefits at July 1, 2009		\$	525,915
Less: Assets Available for Benefits			
	<u>% of total</u>		
Group Annuity Contract	100%	\$	161,976
Less: Liabilities			<u>-0-</u>
Total Net Assets Available for Benefits		\$	<u>161,976</u>
Total Unfunded Benefits		\$	<u>363,939</u>
Remaining Unfunded Liability for Prior Service		\$	115,813
Unfunded Accrued Benefits (PVAB less Assets)		\$	244,007
Unfunded Vested Accrued Benefits (PVAB less Assets)		\$	237,447

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		\$	119,910
Changes during the year:			
+ Plan contributions		\$	53,023
+ Investment income earned			7,066
+ Cash Value – Life Policy Surrender			0
- Plan Benefit Withdrawals			13,840
- Administrative and Other Fees/Charges			840
- Life Insurance Premium			<u>3,343</u>
			<u>42,066</u>
Plan Net Assets, end of year		\$	<u>161,976</u>

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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:	\$	40,511
Amount of sponsor's actual contribution:	\$	34,390

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:	4.75%
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The U8400 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 Glenwood H&L E&H Company's (the Company) financial statements are for the year ended December 31, 2009. 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 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, 2009

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 Hartford 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, 2009

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, 2008 \$ 1,516,180

Less: Assets Available for Benefits

% of total

Insurance Contracts	100%	\$	1,488,011
Less: Liabilities			-0-

Total Net Assets Available for Benefits \$ 1,488,011

Total Unfunded Benefits (not less than zero) \$ 28,169

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 \$ 1,364,777

Changes during the year:

+ Plan contributions	\$	112,187	
+ Life Insurance Policy Proceeds (Death Claims)		-0-	
+ Investment income earned		65,056	
+ Cash Value – Life Policy Surrender		1,217	
- Plan Benefit Withdrawals		43,260	
- Administrative and Other Fees/Charges		1,239	
- Life Insurance Premium		10,727	
			<u>123,234</u>

Plan Net Assets, end of year \$ 1,488,011

Contributions

Amount of sponsor's contributions recommended by actuary: \$ 127,087

Amount of sponsor's actual contribution: \$ 112,187

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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: \$ 1,239

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, 2009

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, 2009. 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, 2009, 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 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 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, 2009

D. COMMITMENTS AND CONTINGENCIES (continued)

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

Port Washington Fire Department (LOSAP) (continued)

Fiduciary Investment and Control (continued)

Payment of Benefits:

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.

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 actuaries retained by the sponsor for this purpose are Steve Pribis and Gail Johnson of J.F. Actuarial. Portions of the following information are derived from a report prepared by the actuary dated October 21, 2010.

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

D. COMMITMENTS AND CONTINGENCIES (continued)

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

Port Washington Fire Department (LOSAP) (continued)

Program Financial Condition

Assets and Liabilities

Actuarial Present Value of Benefits at January 1, 2009:

Vested		\$ 2,634,206
Nonvested		<u>39,229</u>
Total		<u>2,673,435</u>

Less: Assets Available for Benefits:

	<u>% of Total</u>	
Insurance contracts	100%	<u>2,102,547</u>
Unfunded normal benefits		<u>\$ 570,888</u>

Receipts and Disbursements

Plan Net Assets, beginning of year, January 1, 2009 1,804,564

Changes during the year:

+Plan contributions	\$	338,031	
+Life insurance policy proceeds - death claim		25,047	
+Investment income earned		89,938	
+Cash value surrendered life policies		8,699	
-Plan benefit withdrawals		59,860	
-Administrative and other fees/charges		2,548	
-Life insurance premium		<u>101,324</u>	
			<u>297,983</u>

Plan Net Assets, end of year, December 31, 2009 \$ 2,102,547

Contributions

Amount of sponsor's contribution recommended by actuary \$ 335,483

Amount of sponsor's actual contribution \$ 338,031

Administration Fees

Fees paid to designated program administrator \$ 2,548

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

D. COMMITMENTS AND CONTINGENCIES (continued)

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

Port Washington Fire Department (LOSAP) (continued)

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	6.25%
Mortality tables used for:	
Pre-retirement	None
Post-retirement	U8400

Roslyn Fire Department Service Award Program (LOSAP)

As of December 31, 2008, 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, 2008 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, 2009

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 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 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 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 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 the joint sponsoring board.

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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 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 formally execute for the 2008 Program Year.

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. As authorized by the Joint Sponsoring Board, Penflex then directs the paying agent 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 LOSAP Trust Fund; the ten participating municipalities collectively reimburse the Trust Fund for the amounts paid to Penflex.

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, a copy of which is available from the Joint Sponsoring Board. 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 written investment policy statement adopted by the Joint Sponsoring Board.

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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 Comerica Bank as paying agent (i.e. 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 September 15, 2009.

Program Financial Condition

Assets and Liabilities

Actuarial Present Value of Accrued Service Awards as of December 31, 2008		\$ 2,400,508
Less: Assets Available for Benefits		
Cash & Money Market	\$ 53,475	
U.S. Equities	120,080	
International Equities	119,145	
Fixed Income	1,309,646	
Mixed Assets	156,303	
Other Assets	22,800	
Interest Receivable	4,075	
Less: Liabilities/Benefits Payable	2,294	
Total Net Assets Available for Benefits		1,783,230
Total Unfunded Benefits		617,278
Less: Unfunded Liability for Separately Amortized Costs		188,991
Unfunded Normal benefits		\$ 428,287

Separately Amortized Costs

The unfunded retroactive liability for additional service awards earned after attainment of the entitlement age is being amortized over 5 years @ 6.00% beginning December 31, 2006. There are three years remaining as of December 31, 2008. The unfunded liability for additional service awards earned after attainment of the entitlement age is being amortized over 5 years at 6.00% from the year they are accrued.

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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	\$	1,883,381
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Changes during the year:

+ Plan contributions	\$	200,140
+ Investment income earned		101,760
- Changes in fair market value of investments		311,136
- Administrative, Actuarial Fees		8,175
- Insurance Premiums		20,780
- Benefits Paid/Payable		61,960
		<u>(100,151)</u>

Plan Net Assets, end of year	\$	<u>1,783,230</u>
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Contributions

Contribution recommended by actuary:	\$	200,140
Actual sponsors; contribution made by Sponsor:	\$	200,140

In accordance with the Joint Sponsoring Board Municipal agreement, the allocation of the 2008 cost was:

Village of Brookville	\$	1,050
Village of East Hills		60,205
Village of Flower Hill		13,346
Village of North Hills		3,113
Village of Old Westbury		30,557
Village of Roslyn		29,752
Village of Roslyn Estate		12,999
Village of Roslyn Harbor		5,749
Town of Oyster Bay		1,975
Town of North Hempstead		<u>41,394</u>
December 31, 2008 Total	\$	<u>200,140</u>

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
 December 31, 2009

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	\$	20,855
Fees paid for investment management	\$	-0-
Other administration fees	\$	-0-

***The average expense ratio for the mutual funds purchased with program assets was 1.85% 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.*

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, 2009

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, 2009.

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	\$ 267,880	\$ 98,972	\$ 31,852	\$ 47,671	\$ 62,972		\$ 224,357
Albertson	2,572,455	7,377,645	650,641	6,428,824	1,379,672		1,490,963
Garden City Park	5,171,146	6,750,104	273,842	1,473,669	5,873,104		4,300,635
Port Washington	2,344,643	12,962,920	892,116	7,854,505	5,938,309	\$ 210,847	411,786
Westbury	2,803,301	7,479,821	736,510	6,476,470	2,106,823	248,997	714,322
Roslyn	3,464,740	5,183,400	671,428	2,290,021	3,844,453	90,842	1,751,396
Carle Place	1,924,572	3,592,392	269,413	1,549,190	2,767,007	76,598	854,756
Manhasset - Lakeville	16,498,666	24,991,422	8,806,544	12,192,499	11,622,223	239,570	8,629,252
<u>WATER POLLUTION CONTROL DISTRICTS</u>							
Great Neck	1,133,883	11,354,730	2,583,789	2,715,165	7,387,185	1,768	(199,294)
Belgrave	5,077,623	10,544,337	2,536,292	8,346,548	3,341,659	242,451	1,155,010
Port Washington	5,940,148	29,432,811	12,347,820	8,765,971	20,129,326	1,293,879	(7,164,037)
<u>GARBAGE DISTRICTS</u>							
Port Washington	652,300	24,750	160,790		24,750		491,510
Glenwood	10,966						10,966
Carle Place	256,543						256,543
Roslyn	187,435						187,435
<u>PARK DISTRICTS</u>							
Manhasset	1,324,057	2,130,979	59,023	837,516	2,075,979		482,518
Great Neck	8,027,949	25,914,788	2,758,524	22,920,687	6,643,937	404,976	1,214,613
<u>OTHER DISTRICTS</u>							
Port Washington							
Police District	8,719,503	657,057	839,831	13,618,629	479,004		(5,560,904)
Shelter Rock Public Library District	8,835,087	920,036	808,702	5,728,700	720,690	28,285	2,468,746
Community Development Agency	2,551,926	3,890,788	2,534,483	187,170	2,350,788		1,370,273
Port Washington Business Improvement District	142,474	90,440	13,990	111,980	60,086	20,549	26,309
	<u>\$ 77,907,297</u>	<u>\$ 153,397,392</u>	<u>\$ 36,975,590</u>	<u>\$ 101,545,215</u>	<u>\$ 76,807,967</u>	<u>\$ 2,858,762</u>	<u>\$ 13,117,155</u>

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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	1/1/2009 and Prior Period Restatements	12/31/2009	
WATER DISTRICTS									
Glenwood	\$ 280,404	\$ 108,935	\$ 171,469	\$ 169,757	\$ 8,978	\$ 7,266	\$ 280,063	\$ 287,329	
Albertson	3,046,241	1,158,100	1,888,141	1,507,419	38,221	(342,501)	3,213,136	2,870,635	
Garden City Park	2,635,154	1,135,904	1,499,250	2,289,884	345,899	1,136,533	9,037,206	10,173,739	
Port Washington	5,512,835	2,937,888	2,574,947	1,391,193	240,197	(943,557)	7,504,499	6,560,942	
Westbury	4,660,541	1,593,279	3,067,262	2,511,334	510,851	(45,077)	3,115,219	3,070,142	
Roslyn	3,698,573	1,568,398	2,130,175	1,929,394	164,752	(36,029)	5,722,720	5,686,691	
Carle Place	2,038,546	700,318	1,338,228	1,560,107	288,062	509,941	3,188,420	3,698,361	
Manhasset - Lakeville	7,104,478	5,380,742	1,723,736	2,625,261	2,889,813	3,791,338	16,699,707	20,491,045	
WATER POLLUTION CONTROL DISTRICTS									
Great Neck	3,963,230	1,110,689	2,852,541	3,086,151	35,694	269,304	6,920,355	7,189,659	
Belgrave	2,941,608	715,740	2,225,868	2,250,963	53,467	78,562	4,660,558	4,739,120	
Port Washington	6,676,773	4,865,002	1,811,771	4,496,358	130,470	2,815,057	11,444,111	14,259,168	
GARBAGE DISTRICTS									
Port Washington	1,886,867		1,886,867	1,892,187	3,434	8,754	507,506	516,260	
Glenwood	46,553		46,553	39,802	40	(6,711)	17,677	10,966	
Carle Place	537,837		537,837	518,715	5,942	(13,180)	269,723	256,543	
Roslyn	545,177		545,177	557,604	3,111	15,538	171,897	187,435	
PARK DISTRICTS									
Manhasset	1,524,246	596,487	927,759	650,025	17,074	(260,660)	2,819,157	2,558,497	
Great Neck	13,075,555	2,908,122	10,167,433	9,673,001	(304,885)	(799,317)	9,062,843	8,263,526	
OTHER DISTRICTS									
Port Washington									
Police District	19,062,315	3,976	\$ 80,428	18,977,911	15,967,116	588,084	(2,422,711)	(2,659,189)	(5,081,900)
Shelter Rock Public Library District	3,469,515	38,266		3,431,249	3,519,051	80,663	168,465	3,049,256	3,217,721
Community Development Agency	765,445	140,233	602,332	22,880		11,005	(11,875)	3,732,936	3,721,061
Port Washington Business Improvement District	134,664	3,727		130,937	163,264	1,072	33,399	73,545	106,944
	<u>\$ 83,606,557</u>	<u>\$ 24,965,806</u>	<u>\$ 682,760</u>	<u>\$ 57,957,991</u>	<u>\$ 56,798,586</u>	<u>\$ 5,111,944</u>	<u>\$ 3,952,539</u>	<u>\$ 88,831,345</u>	<u>\$ 92,783,884</u>

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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 11507-0803	Garden City Park Water District 333 Marcus Avenue P. O. Box 806 Garden City, NY 11040
Port Washington Water District 38 Sandy Hollow Rd P.O. Box 432 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 11514-0345	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 P.O. Box 608 Pt. Washington, NY 11050
Glenwood Garbage District P.O. Box 262 Glenwood Landing, NY 11547	Carle Place Garbage District 247 Roslyn Avenue P.O. Box 11 Carle Place, NY 11514-0345	Roslyn Garbage District 24 Skillman Street P.O. Box 1366 Roslyn Heights, NY 11577
Manhasset Park District 62 Manhasset Avenue Manhasset, NY 11030-2344	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 Searingtown Road Albertson, NY 11507	North Hempstead Community Development Agency 51 Orchard Street Roslyn Heights, NY 11577	Greater Port Washington Business Improvement District Association, 329 Main Street P.O. Box 121 Port Washington, NY 11050

F. SUBSEQUENT EVENTS

On June 10, 2010, the Town issued \$9,474,500 in Bond Anticipation Notes (BANs) Series A and \$35,735,000 in Bond Anticipation Notes Series B at interest rates of 1.00% and 1.50% maturing on October 7, 2010 and June 10, 2010 respectively. These BANs were used to rollover existing BANs in the amounts of \$6,999,500 and \$17,457,000 respectively and provide new money for various capital projects in the amounts of \$2,475,000 and 18,564,500, respectively.

In June 2010, the Town acquired a parcel of real property located in East Hills, NY for an approximate cost of \$1.2 million. The purchase price was funded through the June 2010 BAN issuance.

TOWN OF NORTH HEMPSTEAD
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

F. SUBSEQUENT EVENTS (continued)

In August 2010 the Town acquired a parcel of real property located in New Cassel, NY from the Town's Community Development Agency at an approximate cost of \$1.6 million. The purchase price was funded through the June 2010 BAN issuance. This property will be utilized as the site for the New Cassel Community Center.

Subsequent to year end the Town was awarded approximately \$5.0 million in federal grant funds related to the American Recovery and Reinvestment Act (ARRA). These funds are administered through the New York State Department of Transportation and will be utilized for road reconstruction.

The Town anticipates the issuance of approximately \$9.5 million in General Obligation Serial Bonds in October 2010. These funds will be used to extinguish existing BANs associated with capital project financing.

The Town is currently evaluating the impact of the 2010 New York State Employees Retirement System Incentive. This incentive would require all eligible employees who choose to take the incentive to retire by December 31, 2010. The financial impact is not known as this time.

G. 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.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 53 "*Accounting and Financial Reporting for Derivative Instruments*". This statement establishes accounting and financial reporting requirements for derivative instruments entered into by state and local governments. The requirements of the new statement become effective for fiscal periods beginning after June 15, 2009.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54 "*Fund Balance Reporting and Governmental Fund Type Definitions*". The purpose of this statement is to enhance the usefulness of fund balance information. The requirements of the new statement become effective for fiscal periods beginning after June 30, 2011.

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

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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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 18,565,491	\$ 18,565,491	\$ 18,565,491	\$ -0-
Total Real Property Taxes	18,565,491	18,565,491	18,565,491	-0-
REAL PROPERTY TAX ITEMS:				
Payment in lieu of taxes	225,000	225,000	230,200	5,200
Interest and penalty on taxes	1,650,000	1,650,000	1,150,588	(499,412)
Returned check charge: property tax	4,000	4,000	7,140	3,140
Total Real Property Tax Items	1,879,000	1,879,000	1,387,928	(491,072)
NON-PROPERTY TAX ITEMS:				
Nassau County local government assistance	9,916,338	9,916,338	9,005,021	(911,317)
Franchises-cable TV	1,250,000	1,250,000	1,398,028	148,028
Total Non-Property Tax Items	11,166,338	11,166,338	10,403,049	(763,289)
DEPARTMENTAL INCOME:				
Town clerk fees	50,000	50,000	47,805	(2,195)
Comptrollers fees	10,000	10,000	9,360	(640)
Other general departmental income	14,500	14,500	5,400	(9,100)
Public pound charge dog fees	7,500	7,500	6,316	(1,184)
Parks and recreation charges	1,650,000	1,650,000	1,129,601	(520,399)
Special recreational facility charges	6,739,234	6,792,087	6,625,898	(166,189)
Recreational concessions	15,000	15,000		(15,000)
Dock storage leases	35,000	35,000	30,627	(4,373)
Other culture and recreation - Nassau County transfer	250,000	250,000	250,000	-0-
Total Departmental Income	8,771,234	8,824,087	8,105,007	(719,080)
INTERGOVERNMENTAL CHARGES:				
Services for other governments	15,000	15,000	12,955	(2,045)
Total Intergovernmental Charges	15,000	15,000	12,955	(2,045)
USE OF MONEY AND PROPERTY:				
Interest and earnings	270,000	270,000	105,543	(164,457)
Rental of real property			135,900	135,900
Commissions	500	500	464	(36)
Total Use of Money and Property	270,500	270,500	241,907	(28,593)

(Continued)

TOWN OF NORTH HEMPSTEAD

GENERAL FUND

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

Year ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
LICENSES AND PERMITS:				
Town permits	139,000	139,000	153,820	14,820
Licensing fees	75,000	75,000	56,980	(18,020)
Games of chance	200	200	260	60
Bingo licenses	600	600	1,343	743
Dog license fund apportionment	40,000	40,000	36,838	(3,162)
Total Licenses and Permits	254,800	254,800	249,241	(5,559)
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:				
Sale of property			5,000	5,000
Insurance recoveries	1,000	1,000	81,482	80,482
Total Sale of Property and Compensation for Loss	1,000	1,000	86,482	85,482
MISCELLANEOUS REVENUE:				
Refund of prior year expenditures	30,000	30,000	4,172	(25,828)
Miscellaneous revenue	1,792,758	1,792,758	2,019,628	226,870
Total Miscellaneous Revenue	1,822,758	1,822,758	2,023,800	201,042
INTERFUND REVENUES	4,994,380	4,994,380	4,935,717	(58,663)
STATE AID:				
State aid - per capita	1,079,276	1,079,276	1,111,654	32,378
State aid - mortgage tax	7,625,000	7,625,000	5,643,419	(1,981,581)
State aid - real property tax	5,000	5,000		(5,000)
State aid - other	27,500	244,750	297,932	53,182
State aid - youth program	87,500	87,500	135,738	48,238
State aid - records management		14,100	14,100	-0-
Total State Aid	8,824,276	9,055,626	7,202,843	(1,852,783)
FEDERAL AID:				
Federal aid - other	-0-	100,000	23,677	(76,323)
Total Federal Aid	-0-	100,000	23,677	(76,323)
Total Revenues	56,604,777	56,988,980	53,278,097	(3,710,883)

(Continued)

TOWN OF NORTH HEMPSTEAD

GENERAL FUND

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

Year ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Town board	728,874	715,774	693,633	22,141
Supervisor	787,352	813,037	794,060	18,977
Director of finance	449,939	457,339	390,674	66,665
Comptroller	883,115	879,115	871,484	7,631
Internal auditors	199,500	205,500	202,607	2,893
Receiver of taxes	1,104,890	1,102,390	1,056,512	45,878
Purchasing	96,293	96,293	44,034	52,259
Credit card fees	89,250	91,825	91,638	187
Fiscal agent fees	40,000	30,825	30,824	1
Town clerk	717,934	717,934	689,806	28,128
Town attorney	1,254,461	1,333,562	1,303,138	30,424
Human resources	244,317	244,317	209,038	35,279
Engineer	278,766	510,634	510,615	19
Records management	198,285	198,285	164,297	33,988
Public information	470,400	469,650	353,555	116,095
Public works	379,235	281,367	211,486	69,881
General services	1,225,358	1,255,933	1,155,305	100,628
Central printing and mail	326,360	322,460	230,419	92,041
Technology services	1,496,215	1,488,115	1,449,281	38,834
Unallocated insurance	506,249	430,264	430,262	2
Other general government support	1,524,745	1,356,933	1,311,581	45,352
Total General Government Support	13,001,538	13,001,552	12,194,249	807,303
EDUCATION:				
Nassau County Community College	507,060	571,560	571,367	193
Total Education	507,060	571,560	571,367	193
PUBLIC SAFETY:				
Administration	197,611	228,453	225,663	2,790
Animal shelter	574,161	573,311	506,916	66,395
Total Public Safety	771,772	801,764	732,579	69,185
ECONOMIC ASSISTANCE AND OPPORTUNITY:				
Community services	411,297	436,297	412,339	23,958
Publicity	484,127	468,771	427,361	41,410
Veterans services	25,000	25,000	8,925	16,075
Programs for the aging	1,038,780	756,456	593,816	162,640
Total Economic Assistance and Opportunity	1,959,204	1,686,524	1,442,441	244,083

(Continued)

TOWN OF NORTH HEMPSTEAD

GENERAL FUND

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

Year ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
CULTURE AND RECREATION:				
Parks and recreation	1,925,313	1,696,775	1,591,321	105,454
Parks	6,694,206	6,803,313	6,580,207	223,106
Community center	139,332	114,456	85,404	29,052
Special recreation facilities	5,704,723	5,899,309	5,867,720	31,589
Youth activities	773,168	1,025,344	918,000	107,344
Total Culture and Recreation	15,236,742	15,539,197	15,042,652	496,545
HOME AND COMMUNITY SERVICES:				
Housing authority	226,086	229,086	228,304	782
Emergency Tenant Protection Act	7,500	6,250	6,250	-0-
Visioning plan	105,000	110,739	100,000	10,739
Total Home and Community Services	338,586	346,075	334,554	11,521
EMPLOYEE BENEFITS:				
State employee retirement system	1,154,600	1,151,400	1,030,902	120,498
Social security	1,109,711	1,194,712	1,194,202	510
Workers' compensation	265,000	356,250	356,222	28
Disability benefits	3,100	6,300	6,248	52
Unemployment benefits	10,000	48,697	48,696	1
Hospital, medical and dental	3,842,022	3,910,314	3,909,581	733
Other employee benefits	20,000	60,680	58,621	2,059
Total Employee Benefits	6,404,433	6,728,353	6,604,472	123,881
Total Expenditures	38,219,335	38,675,025	36,922,314	1,752,711
Excess of Revenues Over Expenditures	18,385,442	18,313,955	16,355,783	(1,958,172)
Other Financing Sources (Uses)				
Transfers in			19,000	19,000
Transfers out	(18,385,442)	(18,512,955)	(22,061,343)	(3,548,388)
Total Other Financing Sources (Uses)	(18,385,442)	(18,512,955)	(22,042,343)	(3,529,388)
Net Change in Fund Balances	\$ -0-	\$ (199,000)	(5,686,560)	\$ (5,487,560)
Fund Balances at Beginning of Year			17,842,219	
Fund Balances at End of Year			\$ 12,155,659	

TOWN OF NORTH HEMPSTEAD
HIGHWAY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 19,871,167	\$ 19,871,167	\$ 19,871,167	\$ -0-
Total Real Property Taxes	19,871,167	19,871,167	19,871,167	-0-
REAL PROPERTY TAX ITEMS:				
Payment in lieu of taxes	75,000	75,000	179,642	104,642
Total Real Property Tax Items	75,000	75,000	179,642	104,642
INTERGOVERNMENTAL CHARGES:				
Nassau County - Roads transfer	250,000	250,000	250,000	-0-
Services for other governments	200,000	200,000	315,956	115,956
Total Intergovernmental Charges	450,000	450,000	565,956	115,956
USE OF MONEY AND PROPERTY:				
Interest and earnings	75,000	75,000	77,759	2,759
Total Use of Money and Property	75,000	75,000	77,759	2,759
LICENSES AND PERMITS:				
Permits - road restoration fee	200,000	200,000	283,796	83,796
Total Licenses and Permits	200,000	200,000	283,796	83,796
SALE OF PROPERTY AND COMPENSATION FOR LOSS:				
Recovery of damage to Town property	1,000	1,000	70,082	69,082
Total Sale of Property and Compensation for Loss	1,000	1,000	70,082	69,082
MISCELLANEOUS REVENUE:				
Miscellaneous revenue	1,000	1,000	11,431	10,431
Total Miscellaneous Revenue	1,000	1,000	11,431	10,431
INTERFUND REVENUES	951,020	1,385,093	1,321,826	(63,267)
STATE AID:				
State aid - Multi Modal (CHIPS)	501,829	501,829	501,341	(488)
Total State Aid	501,829	501,829	501,341	(488)
Total Revenues	22,126,016	22,560,089	22,883,000	322,911

(Continued)

TOWN OF NORTH HEMPSTEAD

HIGHWAY FUND

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

Year ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Insurance	255,570	255,570	216,675	38,895
Other general government support	2,195,402	1,825,902	1,769,001	56,901
Total General Government Support	2,450,972	2,081,472	1,985,676	95,796
TRANSPORTATION:				
Administration	3,484,237	4,292,508	4,010,257	282,251
Garage	4,536,198	4,581,926	4,533,827	48,099
Signs	756,655	565,655	442,169	123,486
Traffic safety	70,506	70,506	69,133	1,373
Services for other governments	560,539	636,831	612,412	24,419
Snow removal	795,000	883,490	831,908	51,582
Total Transportation	10,203,135	11,030,916	10,499,706	531,210
EMPLOYEE BENEFITS:				
State employee retirement system	538,200	496,910	491,648	5,262
Social security	506,056	537,685	537,496	189
Workers' compensation	210,000	220,000	219,720	280
Unemployment insurance		9,808	9,808	-0-
Disability benefits	2,120	4,120	3,762	358
Hospital, medical and dental	2,523,007	2,466,007	2,421,832	44,175
Other employee benefits	10,000	30,000	24,501	5,499
Total Employee Benefits	3,789,383	3,764,530	3,708,767	55,763
Total Expenditures	16,443,490	16,876,918	16,194,149	682,769
Excess of Revenues Over Expenditures	5,682,526	5,683,171	6,688,851	1,005,680
Other Financing Uses				
Transfers out	(5,682,526)	(5,683,171)	(5,683,171)	-0-
Total Other Financing Uses	(5,682,526)	(5,683,171)	(5,683,171)	-0-
Net Change in Fund Balances	\$ -0-	\$ -0-	1,005,680	\$ 1,005,680
Fund Balances at Beginning of Year			1,527,559	
Fund Balances at End of Year			\$ 2,533,239	

TOWN OF NORTH HEMPSTEAD
SOLID WASTE MANAGEMENT AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
DEPARTMENTAL INCOME:				
Solid waste	\$ 18,038,462	\$ 18,038,462	\$ 13,263,893	\$ (4,774,569)
Other	101,000	101,000	62,288	(38,712)
Total Departmental Income	18,139,462	18,139,462	13,326,181	(4,813,281)
INTERGOVERNMENTAL CHARGES:				
Services for other governments	662,500	662,500		(662,500)
Total Intergovernmental Charges	662,500	662,500		(662,500)
USE OF MONEY AND PROPERTY:				
Interest and earnings	175,000	175,000	2,262	(172,738)
Rental of real property	50,000	50,000	24,860	(25,140)
Total Use of Money and Property	225,000	225,000	27,122	(197,878)
SALE OF PROPERTY AND COMPENSATION FOR LOSS:				
Recycling	315,000	315,000	48,128	(266,872)
Sale of Real Property			2,000,000	2,000,000
Total Sale of Property and Compensation for Loss	315,000	315,000	2,048,128	1,733,128
MISCELLANEOUS REVENUE:				
Miscellaneous revenue	72,000	72,000	9,222	(62,778)
Total Miscellaneous Revenue	72,000	72,000	9,222	(62,778)
INTERFUND REVENUE:				
Interfund revenue	2,530,437	986,651	162,500	(824,151)
Total Interfund Revenue	2,530,437	986,651	162,500	(824,151)
Total Revenues	21,944,399	20,400,613	15,573,153	(4,827,460)

(Continued)

TOWN OF NORTH HEMPSTEAD
SOLID WASTE MANAGEMENT AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
		Original	Final	Actual
EXPENDITURES				
CURRENT:				
HOME AND COMMUNITY SERVICES:				
Administration	941,206	1,086,819	940,830	145,989
Leachate	759,529	559,218	545,231	13,987
Transfer station	16,208,671	16,200,932	11,646,255	4,554,677
Scale house	285,938	293,470	268,379	25,091
Maintenance	335,441	365,884	327,258	38,626
Equipment	99,000	99,000	35,612	63,388
Recycling	180,900	266,950	264,938	2,012
Total Home and Community Services	18,810,685	18,872,273	14,028,503	4,843,770
EMPLOYEE BENEFITS:				
State employee retirement system	97,500	66,290	50,497	15,793
Social security	89,436	60,807	51,704	9,103
Workers' compensation	9,000	7,415	7,415	-0-
Disability benefits	375	626	626	-0-
Hospital, medical and dental	403,240	399,125	293,781	105,344
Other employee benefit	3,725	7,425	4,818	2,607
Total Employee Benefits	603,276	541,688	408,841	132,847
Total Expenditures	19,413,961	19,413,961	14,437,344	4,976,617
Deficiency of Revenues Under Expenditures	2,530,438	986,652	1,135,809	149,157
Other Financing Uses				
Transfers in		1,543,786	1,543,786	-0-
Transfers out	(2,530,438)	(2,530,438)	(2,530,438)	-0-
Total Other Financing Uses	(2,530,438)	(986,652)	(986,652)	-0-
Net Change in Fund Balances	\$ -0-	\$ -0-	149,157	\$ 149,157
Fund Balances at Beginning of Year			203,560	
Fund Balances at End of Year			\$ 352,717	

TOWN OF NORTH HEMPSTEAD
TOWN OF NORTH HEMPSTEAD RETIREE MEDICAL PROGRAM
POSTEMPLOYMENT BENEFITS HEALTHCARE COSTS
SCHEDULE OF FUNDING PROGRESS
FOR THE DECEMBER 31, 2009 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)
12/31/2009	\$ -0-	\$ 132,029,000 *	\$ 132,029,000 *	0%	\$ 29,701,483	444.52%
12/31/2008	\$ -0-	\$ 124,832,000	\$ 124,832,000	0%	\$ 29,008,187	430.33%

* Roll forward

OTHER SUPPLEMENTARY INFORMATION

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

TOWN OF NORTH HEMPSTEAD
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2009

	Special Revenue Funds				
	Part Town	Refuse and Garbage Districts	Park Districts	Fire Protection Districts	Lighting District
ASSETS					
Cash and investments	\$ 2,879,294	\$ 1,687,528	\$ 142,998	\$ 930,988	\$ 1,123,199
Accounts receivable, net of allowances	24,394		7,540		6
Prepays	70,577		7,996		2,164
Due from other funds	168,393				
Due from other governments	57,293	14,128			1,220
Total Assets	<u>\$ 3,199,951</u>	<u>\$ 1,701,656</u>	<u>\$ 158,534</u>	<u>\$ 930,988</u>	<u>\$ 1,126,589</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 41,053		\$ 25,202		\$ 135,723
Due to other governments	47,451				
Due to other funds	13,190				500
Deferred revenue	64,000				
Total Liabilities	<u>165,694</u>		<u>25,202</u>		<u>136,223</u>
FUND BALANCES					
Reserved:					
Prepays	70,577		7,996		2,164
Unreserved, designated for:					
Subsequent year's budget		\$ 289,000	32,999		210,000
Unreserved, undesignated	2,963,680	1,412,656	92,337	\$ 930,988	778,202
Total Fund Balances	<u>3,034,257</u>	<u>1,701,656</u>	<u>133,332</u>	<u>930,988</u>	<u>990,366</u>
Total Liabilities and Fund Balances	<u>\$ 3,199,951</u>	<u>\$ 1,701,656</u>	<u>\$ 158,534</u>	<u>\$ 930,988</u>	<u>\$ 1,126,589</u>

Public Parking District	Sidewalk District	Water District	Total Nonmajor Governmental Funds
\$ 590,283	\$ 923,047	\$ 12,282	\$ 8,289,619
32	67		32,039
5,599	17,601		103,937
	32,079		200,472
	1,901		74,542
<u>\$ 595,914</u>	<u>\$ 974,695</u>	<u>\$ 12,282</u>	<u>\$ 8,700,609</u>
\$ 12,901	\$ 192,524	\$ 12,240	\$ 419,643
2,874	7,500		47,451
			24,064
			64,000
<u>15,775</u>	<u>200,024</u>	<u>12,240</u>	<u>555,158</u>
5,599	17,601		103,937
	100,000		631,999
<u>574,540</u>	<u>657,070</u>	<u>42</u>	<u>7,409,515</u>
<u>580,139</u>	<u>774,671</u>	<u>42</u>	<u>8,145,451</u>
<u>\$ 595,914</u>	<u>\$ 974,695</u>	<u>\$ 12,282</u>	<u>\$ 8,700,609</u>

TOWN OF NORTH HEMPSTEAD
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year ended December 31, 2009

	Special Revenue Funds				
	Part Town	Refuse and Garbage Districts	Park Districts	Fire Protection Districts	Lighting District
REVENUES					
Real property taxes	\$ 3,478,798	\$ 7,571,959	\$ 1,052,040	\$ 6,024,944	\$ 1,859,902
Real property tax items	942	89,231	191	72,954	14,892
Non-property tax items	150,000				
Departmental income	890,800		349,614		
Use of money and property	30,468	14,607	6,495	11,609	7,662
Licenses and permits	2,343,091				
Fines and forfeitures	355,050				
Miscellaneous revenue	6,586		40		
Interfund revenues	93,179				
Total Revenues	<u>7,348,914</u>	<u>7,675,797</u>	<u>1,408,380</u>	<u>6,109,507</u>	<u>1,882,456</u>
EXPENDITURES					
Current:					
General government support	1,077,949	403,043	122,898	673,005	201,253
Public safety	3,269,109			5,352,576	
Health	191,946				
Transportation					1,771,067
Culture and recreation			1,009,227		
Home and community services	910,433	7,132,246			
Employee benefits	1,415,134		175,357		41,111
Total Expenditures	<u>6,864,571</u>	<u>7,535,289</u>	<u>1,307,482</u>	<u>6,025,581</u>	<u>2,013,431</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>484,343</u>	<u>140,508</u>	<u>100,898</u>	<u>83,926</u>	<u>(130,975)</u>
Other Financing Uses					
Transfers in					
Transfers out	(10,000)		(72,549)		(500)
Total Other Financing Uses	<u>(10,000)</u>		<u>(72,549)</u>		<u>(500)</u>
Net Change in Fund Balances	474,343	140,508	28,349	83,926	(131,475)
Fund Balances at Beginning 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>
Fund Balances at End of Year	<u>\$ 3,034,257</u>	<u>\$ 1,701,656</u>	<u>\$ 133,332</u>	<u>\$ 930,988</u>	<u>\$ 990,366</u>

Public Parking District	Sidewalk District	Water District	Total Nonmajor Governmental Funds
\$ 310,525	\$ 2,899,696	\$ 51,419	\$ 23,249,283
3,221	23,706		205,137
			150,000
532,047			1,772,461
3,696	6,745	36	81,318
			2,343,091
			355,050
76	36		6,738
	32,079		125,258
<u>849,565</u>	<u>2,962,262</u>	<u>51,455</u>	<u>28,288,336</u>
87,890	428,551		2,994,589
			8,621,685
			191,946
449,596	1,565,212		3,785,875
			1,009,227
		51,419	8,094,098
<u>115,198</u>	<u>360,811</u>		<u>2,107,611</u>
<u>652,684</u>	<u>2,354,574</u>	<u>51,419</u>	<u>26,805,031</u>
196,881	607,688	36	1,483,305
1,000	2,500		3,500
(253,725)	(216,727)		(553,501)
<u>(252,725)</u>	<u>(214,227)</u>		<u>(550,001)</u>
(55,844)	393,461	36	933,304
635,983	381,210	6	7,212,147
<u>\$ 580,139</u>	<u>\$ 774,671</u>	<u>\$ 42</u>	<u>\$ 8,145,451</u>

TOWN OF NORTH HEMPSTEAD

PART TOWN

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 3,478,798	\$ 3,478,798	\$ 3,478,798	\$ -0-
Total Real Property Taxes	3,478,798	3,478,798	3,478,798	-0-
REAL PROPERTY TAX ITEMS:				
Payment in lieu of taxes	21,500	21,500	942	(20,558)
Total Real Property Tax Items	21,500	21,500	942	(20,558)
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	142,500	142,500	133,844	(8,656)
Parking enforcement	689,000	689,000	512,172	(176,828)
Planning fees	255,000	255,000	244,784	(10,216)
Total Departmental Income	1,086,500	1,086,500	890,800	(195,700)
USE OF MONEY AND PROPERTY:				
Interest and earnings	75,000	75,000	30,468	(44,532)
Total Use of Money and Property	75,000	75,000	30,468	(44,532)
LICENSES AND PERMITS:				
Safety enforcement	2,500,000	2,500,000	2,343,091	(156,909)
Total Licenses and Permits	2,500,000	2,500,000	2,343,091	(156,909)
FINES AND FORFEITURES:				
Court fines	200,000	200,000	355,050	155,050
Total Fines and Forfeitures	200,000	200,000	355,050	155,050
MISCELLANEOUS REVENUE:				
Refund of prior year expenditures			286	286
Unclassified revenue			6,300	6,300
Total Miscellaneous Revenue			6,586	6,586
INTERFUND REVENUES	50,000	50,000	93,179	43,179
STATE AID:				
State aid - records management	195,000	195,000		(195,000)
Total State Aid	195,000	195,000		(195,000)
Total Revenues	7,756,798	7,756,798	7,348,914	(407,884)

(Continued)

TOWN OF NORTH HEMPSTEAD
PART TOWN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Insurance	73,840	73,840	62,602	11,238
Other general government support	1,191,801	1,166,387	1,015,347	151,040
Total General Government Support	<u>1,265,641</u>	<u>1,240,227</u>	<u>1,077,949</u>	<u>162,278</u>
PUBLIC SAFETY:				
Building	3,250,687	3,229,937	2,992,849	237,088
Parking enforcement	310,246	310,246	276,260	33,986
Total Public Safety	<u>3,560,933</u>	<u>3,540,183</u>	<u>3,269,109</u>	<u>271,074</u>
HEALTH:				
Registrar of vital statistics	242,956	242,956	191,946	51,010
Total Health	<u>242,956</u>	<u>242,956</u>	<u>191,946</u>	<u>51,010</u>
HOME AND COMMUNITY SERVICES:				
Board of appeals	412,363	412,363	393,041	19,322
Planning and development - staff	540,917	539,117	517,392	21,725
Brownfields	225,000	225,000		225,000
Total Home and Community Services	<u>1,178,280</u>	<u>1,176,480</u>	<u>910,433</u>	<u>266,047</u>
EMPLOYEE BENEFITS:				
State employee retirement system	303,600	303,600	291,527	12,073
Social security	328,930	328,931	301,726	27,205
Workers' compensation	85,000	93,800	93,736	64
Disability benefits	1,165	2,264	2,171	93
Unemployment benefits	2,000	15,914	15,913	1
Hospital, medical and dental	774,693	787,343	696,161	91,182
Other employee benefits	3,600	15,100	13,900	1,200
Total Employee Benefits	<u>1,498,988</u>	<u>1,546,952</u>	<u>1,415,134</u>	<u>131,818</u>
Total Expenditures	<u>7,746,798</u>	<u>7,746,798</u>	<u>6,864,571</u>	<u>882,227</u>
Excess of Revenues Over Expenditures	<u>10,000</u>	<u>10,000</u>	<u>484,343</u>	<u>474,343</u>
Other Financing Uses				
Transfers out	(10,000)	(10,000)	(10,000)	-0-
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>474,343</u>	<u>\$ 474,343</u>
Fund Balances at Beginning of Year			<u>2,559,914</u>	
Fund Balances at End of Year			<u>\$ 3,034,257</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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 7,571,959	\$ 7,571,959	\$ 7,571,959	\$ -0-
Total Real Property Taxes	7,571,959	7,571,959	7,571,959	-0-
REAL PROPERTY TAX ITEMS:				
Payment in lieu of taxes	32,293	32,293	89,231	56,938
Total Real Property Tax Items	32,293	32,293	89,231	56,938
USE OF MONEY AND PROPERTY:				
Interest and earnings	59,639	59,639	14,607	(45,032)
Total Use of Money and Property	59,639	59,639	14,607	(45,032)
Total Revenues	7,663,891	7,663,891	7,675,797	11,906
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Other general government support	403,043	403,043	403,043	-0-
Total General Government Support	403,043	403,043	403,043	-0-
HOME AND COMMUNITY SERVICE:				
Sanitation	7,273,348	7,273,348	7,132,246	141,102
Total Home and Community Service	7,273,348	7,273,348	7,132,246	141,102
Total Expenditures	7,676,391	7,676,391	7,535,289	141,102
Net Change in Fund Balances	\$ (12,500)	\$ (12,500)	140,508	\$ 153,008
Fund Balances at Beginning of Year			1,561,148	
Fund Balances at End of Year			\$ 1,701,656	

TOWN OF NORTH HEMPSTEAD
PARK DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 1,052,040	\$ 1,052,040	\$ 1,052,040	\$ -0-
Total Real Property Taxes	1,052,040	1,052,040	1,052,040	-0-
REAL PROPERTY TAX ITEMS:				
Payment in lieu of taxes	1,500	1,500	191	(1,309)
Total Real Property Tax Items	1,500	1,500	191	(1,309)
DEPARTMENTAL INCOME:				
Recreational concessions	7,500	7,500	7,500	-0-
Special recreational facility charge	300,100	300,100	342,114	42,014
Total Departmental Income	307,600	307,600	349,614	42,014
INTERGOVERNMENTAL CHARGES:				
Nassau County local government assistance	40,000	40,000		(40,000)
Total Intergovernmental Charges	40,000	40,000		(40,000)
USE OF MONEY AND PROPERTY:				
Interest and earnings	27,347	27,346	6,495	(20,851)
Total Use of Money and Property	27,347	27,346	6,495	(20,851)
MISCELLANEOUS LOCAL SOURCES:				
Miscellaneous revenue	74	74	40	(34)
Total Miscellaneous Revenue	74	74	40	(34)
Total Revenues	1,428,561	1,428,560	1,408,380	(20,180)
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Credit card fees	1,250	2,037	2,037	-0-
Insurance	19,178	17,705	16,986	719
Other general government support	118,952	104,078	103,875	203
Total General Government Support	139,380	123,820	122,898	922
CULTURE AND RECREATION:				
Parks, pools and rinks	1,061,839	1,059,793	1,009,227	50,566
Total Culture and Recreation	1,061,839	1,059,793	1,009,227	50,566
EMPLOYEE BENEFITS:				
State employee retirement system	35,223	33,258	33,201	57
Social security	45,492	52,330	52,117	213
Workers' compensation	4,900	5,000	4,996	4
Disability benefits	600	396	353	43
Hospital, medical and dental	72,799	80,029	78,464	1,565
Other employee benefits	750	6,356	6,226	130
Total Employee Benefits	159,764	177,369	175,357	2,012
Total Expenditures	1,360,983	1,360,982	1,307,482	53,500
Excess of Revenues Over Expenditures	67,578	67,578	100,898	33,320
Other Financing Uses				
Transfers out	(72,549)	(72,549)	(72,549)	-0-
Total Other Financing Uses	(72,549)	(72,549)	(72,549)	-0-
Net Change in Fund Balances	\$ (4,971)	\$ (4,971)	28,349	\$ 33,320
Fund Balances at Beginning of Year			104,983	
Fund Balances at End of Year			\$ 133,332	

TOWN OF NORTH HEMPSTEAD
FIRE PROTECTION DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 6,024,944	\$ 6,024,944	\$ 6,024,944	\$ -0-
Total Real Property Taxes	6,024,944	6,024,944	6,024,944	-0-
REAL PROPERTY TAX ITEMS:				
Payment in lieu of taxes			72,954	72,954
Total Real Property Tax Items			72,954	72,954
USE OF MONEY AND PROPERTY:				
Interest and earnings	16,048	16,048	11,609	(4,439)
Total Use of Money and Property	16,048	16,048	11,609	(4,439)
Total Revenues	6,040,992	6,040,992	6,109,507	68,515
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Insurance	204,425	206,925	215,026	(8,101)
Other general government support	457,979	457,979	457,979	-0-
Total General Government Support	662,404	664,904	673,005	(8,101)
PUBLIC SAFETY:				
Fire protection	5,378,588	5,376,088	5,352,576	23,512
Total Public Safety	5,378,588	5,376,088	5,352,576	23,512
Total Expenditures	6,040,992	6,040,992	6,025,581	15,411
Net Change in Fund Balances	<u>\$ -0-</u>	<u>\$ -0-</u>	83,926	<u>\$ 83,926</u>
Fund Balances at Beginning of Year			847,062	
Fund Balances at End of Year			<u>\$ 930,988</u>	

TOWN OF NORTH HEMPSTEAD
LIGHTING DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 1,859,902	\$ 1,859,902	\$ 1,859,902	\$ -0-
Total Real Property Taxes	1,859,902	1,859,902	1,859,902	-0-
REAL PROPERTY TAX ITEMS:				
Payment in lieu of taxes	7,500	7,500	14,892	7,392
Total Real Property Tax Items	7,500	7,500	14,892	7,392
USE OF MONEY AND PROPERTY:				
Interest and earnings	50,000	50,000	7,662	(42,338)
Total Use of Money and Property	50,000	50,000	7,662	(42,338)
Total Revenues	1,917,402	1,917,402	1,882,456	(34,946)
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Insurance	3,000	2,600	2,552	48
Other general government support	198,701	198,701	198,701	-0-
Total General Government Support	201,701	201,301	201,253	48
TRANSPORTATION:				
Lighting	1,934,162	1,924,982	1,771,067	153,915
Total Transportation	1,934,162	1,924,982	1,771,067	153,915
EMPLOYEE BENEFITS:				
State employee retirement system	6,947	8,647	8,637	10
Social security	14,418	18,318	18,310	8
Disability benefits	100	100	22	78
Workers' compensation	600	605	604	1
Hospital, medical and dental	9,491	12,916	12,890	26
Other employee benefits	100	650	648	2
Total Employee Benefits	31,656	41,236	41,111	125
Total Expenditures	2,167,519	2,167,519	2,013,431	154,088
Excess (Deficiency) of Revenues Under Expenditures	<u>(250,117)</u>	<u>(250,117)</u>	<u>(130,975)</u>	<u>119,142</u>
Other Financing Uses				
Transfers out	(500)	(500)	(500)	-0-
Total Other Financing Uses	(500)	(500)	(500)	-0-
Net Change in Fund Balances	<u>\$ (250,617)</u>	<u>\$ (250,617)</u>	<u>(131,475)</u>	<u>\$ 119,142</u>
Fund Balances at Beginning of Year			1,121,841	
Fund Balances at End of Year			<u>\$ 990,366</u>	

TOWN OF NORTH HEMPSTEAD
PUBLIC PARKING DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 310,525	\$ 310,525	\$ 310,525	\$ -0-
Total Real Property Taxes	310,525	310,525	310,525	-0-
REAL PROPERTY TAX ITEMS:				
Payment in lieu of taxes	2,647	2,647	3,221	574
Total Real Property Tax Items	2,647	2,647	3,221	574
DEPARTMENTAL INCOME:				
Parking permits	50,000	50,000	48,040	(1,960)
Parking fines	19,000	19,000		(19,000)
Parking lots	337,500	337,500	334,362	(3,138)
Parking meter fees	160,000	160,000	149,645	(10,355)
Total Departmental Income	566,500	566,500	532,047	(34,453)
USE OF MONEY AND PROPERTY:				
Interest and earnings	15,000	15,000	3,696	(11,304)
Total Use of Money and Property	15,000	15,000	3,696	(11,304)
MISCELLANEOUS REVENUE:				
Refund of prior year expenditures			36	36
Miscellaneous revenue	19	19	40	21
Total Miscellaneous Revenue	19	19	76	57
Total Revenues	894,691	894,691	849,565	(45,126)
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Credit card fees		2,400	2,368	32
Insurance	15,107	15,107	13,318	1,789
Other general government support	88,112	88,212	72,204	16,008
Total General Government Support	103,219	105,719	87,890	17,829
TRANSPORTATION:				
Parking	416,161	504,911	449,596	55,315
Total Transportation	416,161	504,911	449,596	55,315
EMPLOYEE BENEFITS:				
State employee retirement system	15,847	22,047	22,014	33
Social security	23,040	18,040	17,995	45
Workers' compensation	4,000	4,000	3,696	304
Disability benefits	300	300	284	16
Hospital, medical and dental	78,071	72,871	70,378	2,493
Other employee benefits	328	1,078	831	247
Total Employee Benefits	121,586	118,336	115,198	3,138
Total Expenditures	640,966	728,966	652,684	76,282
Excess of Revenues Over Expenditures	253,725	165,725	196,881	31,156
Other Financing Sources (Uses)				
Transfers in			1,000	1,000
Transfers out	(253,725)	(253,725)	(253,725)	-0-
Total Other Financing Sources (Uses)	(253,725)	(253,725)	(252,725)	1,000
Net Change in Fund Balances	\$ -0-	\$ (88,000)	(55,844)	\$ 32,156
Fund Balances at Beginning of Year			635,983	
Fund Balances at End of Year			\$ 580,139	

TOWN OF NORTH HEMPSTEAD
SIDEWALK DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 2,899,696	\$ 2,899,696	\$ 2,899,696	\$ -0-
Total Real Property Taxes	2,899,696	2,899,696	2,899,696	-0-
REAL PROPERTY TAX ITEMS:				
Payment in lieu of taxes	12,000	12,000	23,706	11,706
Total Real Property Tax Items	12,000	12,000	23,706	11,706
USE OF MONEY AND PROPERTY:				
Interest and earnings	25,000	25,000	6,745	(18,255)
Total Use of Money and Property	25,000	25,000	6,745	(18,255)
MISCELLANEOUS REVENUE:				
Refund of prior year expenditures			36	36
Total Miscellaneous Revenue			36	36
INTERFUND REVENUES	15,000	15,000	32,079	17,079
Total Revenues	2,951,696	2,951,696	2,962,262	10,566
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Insurance	32,000	30,535	28,311	2,224
Other general government support	400,240	400,240	400,240	-0-
Total General Government Support	432,240	430,775	428,551	2,224
TRANSPORTATION:				
Sidewalk	1,984,682	1,979,618	1,565,212	414,406
Total Transportation	1,984,682	1,979,618	1,565,212	414,406
EMPLOYEE BENEFITS:				
State employee retirement system	82,774	82,774	72,937	9,837
Social security	80,023	78,923	69,577	9,346
Disability benefits	500	500	457	43
Workers' compensation	7,500	8,600	8,555	45
Unemployment insurance		3,529	3,529	-0-
Hospital, medical and dental	222,607	222,607	202,687	19,920
Other employee benefits	1,000	4,000	3,069	931
Total Employee Benefits	394,404	400,933	360,811	40,122
Total Expenditures	2,811,326	2,811,326	2,354,574	456,752
Excess of Revenues Over Expenditures	140,370	140,370	607,688	467,318
Other Financing Sources (Uses)				
Transfers in			2,500	2,500
Transfers out	(216,727)	(216,727)	(216,727)	-0-
Total Other Financing Uses	(216,727)	(216,727)	(214,227)	2,500
Net Change in Fund Balances	\$ (76,357)	\$ (76,357)	393,461	\$ 469,818
Fund Balances at Beginning of Year			381,210	
Fund Balances at End of Year			\$ 774,671	

TOWN OF NORTH HEMPSTEAD

WATER DISTRICT

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

Year ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 51,419	\$ 51,419	\$ 51,419	\$ -0-
Total Real Property Taxes	51,419	51,419	51,419	-0-
USE OF MONEY AND PROPERTY:				
Interest and earnings			36	36
Total Use of Money and Property			36	36
Total Revenues	51,419	51,419	51,455	36
EXPENDITURES				
CURRENT:				
HOME AND COMMUNITY SERVICE:				
Water	51,419	51,419	51,419	-0-
Total Home and Community Service	51,419	51,419	51,419	-0-
Total Expenditures	51,419	51,419	51,419	-0-
Net Change in Fund Balances	\$ -0-	\$ -0-	36	\$ 36
Fund Balances at Beginning of Year			6	
Fund Balances at End of Year			\$ 42	

TOWN OF NORTH HEMPSTEAD
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN AGENCY ASSETS AND LIABILITIES
Year ended December 31, 2009

ASSETS	Balance January 1, 2009	Additions	Deductions	Balance December 31, 2009
<i>Town Agency Fund</i>				
Cash	\$ 17,610,064	\$ 204,763,513	\$ 198,017,858	\$ 24,355,719
Total Assets - Town Agency Fund	<u>17,610,064</u>	<u>204,763,513</u>	<u>198,017,858</u>	<u>24,355,719</u>
<i>Town Clerk Agency Fund</i>				
Cash	52,426	608,283	583,180	77,529
Total Assets - Town Clerk Agency Fund	<u>52,426</u>	<u>608,283</u>	<u>583,180</u>	<u>77,529</u>
<i>Town Receiver of Taxes Agency Fund</i>				
Cash	3,855,853	1,138,441,996	1,127,800,063	14,497,786
Total Assets - Town Receiver of Taxes Agency Fund	<u>3,855,853</u>	<u>1,138,441,996</u>	<u>1,127,800,063</u>	<u>14,497,786</u>
Total Assets	<u>\$ 21,518,343</u>	<u>\$ 1,343,813,792</u>	<u>\$ 1,326,401,101</u>	<u>\$ 38,931,034</u>
LIABILITIES				
<i>Town Agency Fund</i>				
Other liabilities	\$ 17,610,064	\$ 204,763,513	\$ 198,017,858	\$ 24,355,719
Total Liabilities - Town Agency Fund	<u>17,610,064</u>	<u>204,763,513</u>	<u>198,017,858</u>	<u>24,355,719</u>
<i>Town Clerk Agency Fund</i>				
Other liabilities	52,426	608,283	583,180	77,529
Total Liabilities - Town Clerk Agency Fund	<u>52,426</u>	<u>608,283</u>	<u>583,180</u>	<u>77,529</u>
<i>Town Receiver of Taxes Agency Fund</i>				
Due to school districts	3,855,853	784,781,755	774,140,259	14,497,349
Other liabilities		353,660,241	353,659,804	437
Total Liabilities - Town Receiver of Taxes Agency Fund	<u>3,855,853</u>	<u>1,138,441,996</u>	<u>1,127,800,063</u>	<u>14,497,786</u>
Total Liabilities	<u>\$ 21,518,343</u>	<u>\$ 1,343,813,792</u>	<u>\$ 1,326,401,101</u>	<u>\$ 38,931,034</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, 2009

WATER DISTRICTS

	Glenwood	Albertson	Garden City Park	Port Washington	Westbury	Roslyn	Carle Place	Manhasset - Lakeville
ASSETS								
Current Assets:								
Cash and investments	\$ 240,682	\$ 1,485,071	\$ 4,767,330	\$ 1,693,317	\$ 1,482,844	\$2,829,014	\$1,132,860	\$15,615,672
Accounts receivable, net of allowance for doubtful accounts	21,683	277,047	177,475	429,992	508,252	373,477	242,199	690,997
Prepaid expenses		535	120,219		56,451	105,767	33,882	12,768
Due from other governments	5,515	809,802	44,834	221,334	737,054	65,640	436,297	38,698
Inventory of materials and supplies			61,288		18,700	90,842	79,334	140,531
Total Current Assets	<u>267,880</u>	<u>2,572,455</u>	<u>5,171,146</u>	<u>2,344,643</u>	<u>2,803,301</u>	<u>3,464,740</u>	<u>1,924,572</u>	<u>16,498,666</u>
Non-current Assets:								
Deferred charges, net of accumulated depreciation		2,760						
Capital assets, net of depreciation	98,972	7,374,885	6,750,104	12,962,920	7,479,821	5,183,400	3,592,392	24,991,422
Total Non-Current Assets	<u>98,972</u>	<u>7,377,645</u>	<u>6,750,104</u>	<u>12,962,920</u>	<u>7,479,821</u>	<u>5,183,400</u>	<u>3,592,392</u>	<u>24,991,422</u>
Total Assets	<u>366,852</u>	<u>9,950,100</u>	<u>11,921,250</u>	<u>15,307,563</u>	<u>10,283,122</u>	<u>8,648,140</u>	<u>5,516,964</u>	<u>41,490,088</u>
LIABILITIES								
Current Liabilities:								
Accounts payable	23,004	82,661	135,658	190,711	232,454	477,620	131,203	593,011
Accrued liabilities								
Accrued interest payable	236	59,696	23,443	94,394	92,693	17,918	18,432	271,098
Bond anticipation notes payable								6,800,000
Due to other governments	4,612							4,423
Deferred revenue							39,129	3,825
Other liabilities		1,508	3,741	101,367		23,606		44,883
Non-current liabilities due within one year								
Serial bonds payable	4,000	464,003	111,000	505,644	411,363	152,284	80,649	1,089,304
Installment purchase debt								
Compensated absences		42,773						
Total Current Liabilities	<u>31,852</u>	<u>650,641</u>	<u>273,842</u>	<u>892,116</u>	<u>736,510</u>	<u>671,428</u>	<u>269,413</u>	<u>8,806,544</u>
Non-current liabilities:								
General obligation bonds payable	32,000	5,531,210	766,000	6,518,967	4,961,635	1,186,663	1,104,435	11,012,307
Compensated absences	8,769	378,666	144,294	267,330	228,565	356,654	44,283	29,677
Other postemployment benefits	6,902	518,948	563,375	1,068,208	1,286,270	746,704	400,472	1,150,515
Installment purchase debt								
Total Non-Current Liabilities	<u>47,671</u>	<u>6,428,824</u>	<u>1,473,669</u>	<u>7,854,505</u>	<u>6,476,470</u>	<u>2,290,021</u>	<u>1,549,190</u>	<u>12,192,499</u>
Total Liabilities	<u>79,523</u>	<u>7,079,465</u>	<u>1,747,511</u>	<u>8,746,621</u>	<u>7,212,980</u>	<u>2,961,449</u>	<u>1,818,603</u>	<u>20,999,043</u>
NET ASSETS								
Investment in capital assets, net of related debt	62,972	1,379,672	5,873,104	5,938,309	2,106,823	3,844,453	2,767,007	11,622,223
Restricted				210,847	248,997	90,842	76,598	239,570
Unrestricted	224,357	1,490,963	4,300,635	411,786	714,322	1,751,396	854,756	8,629,252
Total Net Assets	<u>\$ 287,329</u>	<u>\$ 2,870,635</u>	<u>\$10,173,739</u>	<u>\$ 6,560,942</u>	<u>\$ 3,070,142</u>	<u>\$5,686,691</u>	<u>\$3,698,361</u>	<u>\$20,491,045</u>

WATER POLLUTION CONTROL DISTRICTS			GARBAGE DISTRICTS			
Great Neck	Belgrave	Port Washington	Port Washington	Glenwood	Carle Place	Roslyn
\$ 950,643	\$ 5,055,622	\$ 2,879,761	\$ 645,712	\$ 10,949	\$ 256,509	\$ 176,021
168,757	7,980	78,682	4,420			7,781
14,483	13,124	56,459	544	17		1,899
	897	2,925,246			34	
			1,624			1,734
<u>1,133,883</u>	<u>5,077,623</u>	<u>5,940,148</u>	<u>652,300</u>	<u>10,966</u>	<u>256,543</u>	<u>187,435</u>
		84,181				
<u>11,354,730</u>	<u>10,544,337</u>	<u>29,348,630</u>	<u>24,750</u>			
<u>11,354,730</u>	<u>10,544,337</u>	<u>29,432,811</u>	<u>24,750</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>12,488,613</u>	<u>15,621,960</u>	<u>35,372,959</u>	<u>677,050</u>	<u>10,966</u>	<u>256,543</u>	<u>187,435</u>
1,247,874	234,718	1,336,961	160,790			
		247,624				
57,241	86,546	130,026				
	1,800,000	9,917,555				
918,808	3,353					
359,866	411,675	715,654				
<u>2,583,789</u>	<u>2,536,292</u>	<u>12,347,820</u>	<u>160,790</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
2,312,288	7,837,028	7,362,670				
34,303	49,447	262,321				
368,574	460,073	1,140,980				
<u>2,715,165</u>	<u>8,346,548</u>	<u>8,765,971</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>5,298,954</u>	<u>10,882,840</u>	<u>21,113,791</u>	<u>160,790</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
7,387,185	3,341,659	20,129,326	24,750			
1,768	242,451	1,293,879				
(199,294)	1,155,010	(7,164,037)	491,510	10,966	256,543	187,435
<u>\$ 7,189,659</u>	<u>\$ 4,739,120</u>	<u>\$ 14,259,168</u>	<u>\$ 516,260</u>	<u>\$ 10,966</u>	<u>\$ 256,543</u>	<u>\$ 187,435</u>

(Continued)

TOWN OF NORTH HEMPSTEAD
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF NET ASSETS
DECEMBER 31, 2009

	<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>
ASSETS					
Current Assets:					
Cash and investments	\$ 1,270,733	\$ 7,879,104	\$ 8,114,777	\$ 3,244,302	\$ 1,348,236
Accounts receivable, net of allowance for doubtful accounts	6,195	30,932	36,416	43,358	1,198,156
Prepaid expenses		114,696	530,494	52,391	5,534
Due from other governments	47,129	3,217	37,816	5,495,036	
Inventory of materials and supplies					
Total Current Assets	<u>1,324,057</u>	<u>8,027,949</u>	<u>8,719,503</u>	<u>8,835,087</u>	<u>2,551,926</u>
Non-current Assets:					
Deferred charges, net of accumulated depreciation					
Capital assets, net of depreciation	2,130,979	25,914,788	657,057	920,036	3,890,788
Total Non-Current Assets	<u>2,130,979</u>	<u>25,914,788</u>	<u>657,057</u>	<u>920,036</u>	<u>3,890,788</u>
Total Assets	<u>3,455,036</u>	<u>33,942,737</u>	<u>9,376,560</u>	<u>9,755,123</u>	<u>6,442,714</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	34,023	667,222	71,739	424,930	15,408
Accrued liabilities			121,866	55,037	
Accrued interest payable		126,398	3,313		
Bond anticipation notes payable					
Due to other governments					1,603,200
Deferred revenue		414,248		96,977	915,875
Other liabilities				333	
Non-current liabilities due within one year					
Serial bonds payable	25,000	1,493,273	15,056	231,425	
Installment purchase debt		57,383			
Compensated absences			627,857		
Total Current Liabilities	<u>59,023</u>	<u>2,758,524</u>	<u>839,831</u>	<u>808,702</u>	<u>2,534,483</u>
Non-current Liabilities:					
General obligation bonds payable	30,000	19,724,995	162,997	5,368,575	
Compensated absences	141,996	444,982	7,240,440	128,953	42,656
Other postemployment benefits	665,520	1,691,243	6,215,192	231,172	144,514
Installment purchase debt		1,059,467			
Total Non-Current Liabilities	<u>837,516</u>	<u>22,920,687</u>	<u>13,618,629</u>	<u>5,728,700</u>	<u>187,170</u>
Total Liabilities	<u>896,539</u>	<u>25,679,211</u>	<u>14,458,460</u>	<u>6,537,402</u>	<u>2,721,653</u>
NET ASSETS					
Investment in capital assets, net of related debt	2,075,979	6,643,937	479,004	720,690	2,350,788
Restricted		404,976		28,285	
Unrestricted	482,518	1,214,613	(5,560,904)	2,468,746	1,370,273
Total Net Assets	<u>\$ 2,558,497</u>	<u>\$ 8,263,526</u>	<u>\$ (5,081,900)</u>	<u>\$ 3,217,721</u>	<u>\$ 3,721,061</u>

**BUSINESS
IMPROVEMENT
DISTRICT**

<u>Port Washington</u>	<u>Totals</u>
\$ 109,058	\$ 61,188,217
2,811	4,306,610
30,605	1,119,263
	10,899,154
	394,053
<u>142,474</u>	<u>77,907,297</u>
	86,941
<u>90,440</u>	<u>153,310,451</u>
<u>90,440</u>	<u>153,397,392</u>
<u>232,914</u>	<u>231,304,689</u>
4,757	6,064,744
922	424,527
	982,356
	18,517,555
1,500	2,534,396
	1,471,554
	175,438
6,811	6,077,007
	57,383
	670,630
<u>13,990</u>	<u>36,975,590</u>
111,980	74,023,750
	9,803,336
	16,658,662
	1,059,467
<u>111,980</u>	<u>101,545,215</u>
<u>125,970</u>	<u>138,520,805</u>
60,086	76,807,967
20,549	2,858,762
26,309	13,117,155
<u>\$ 106,944</u>	<u>\$ 92,783,884</u>

TOWN OF NORTH HEMPSTEAD
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
Year Ended December 31, 2009

WATER DISTRICTS

	Glenwood	Albertson	Garden City Park	Port Washington	Westbury	Roslyn	Carle Place	Manhasset - Lakeville
REVENUES								
Program revenues								
Charges for services	\$ 108,935	\$ 1,158,100	\$ 1,135,904	\$ 2,937,888	\$ 1,593,279	\$1,568,398	\$ 700,318	\$ 5,380,742
Operating grants and contributions								
Real property taxes	169,757	1,507,419	2,289,884	1,391,193	2,511,334	1,929,394	1,560,107	2,625,261
Other real property tax items				19,180		31,965		
Use of money and property - interest and earnings	589	17,973	61,557	13,586	299,029	60,877	280,588	136,152
Sales of property and compensation for loss		13,700						
Miscellaneous local sources	8,389	6,548	284,342	207,431	211,822	71,910	7,474	2,785,165
State aid								
Gain (loss) on sale of capital assets								(31,504)
Total Revenues	<u>287,670</u>	<u>2,703,740</u>	<u>3,771,687</u>	<u>4,569,278</u>	<u>4,615,464</u>	<u>3,662,544</u>	<u>2,548,487</u>	<u>10,895,816</u>
EXPENDITURES								
Current:								
Public safety								
Transportation								
Culture and recreation								
Home and community services	280,404	3,046,241	2,635,154	5,512,835	4,660,541	3,698,573	2,038,546	7,104,478
Total Expenditures	<u>280,404</u>	<u>3,046,241</u>	<u>2,635,154</u>	<u>5,512,835</u>	<u>4,660,541</u>	<u>3,698,573</u>	<u>2,038,546</u>	<u>7,104,478</u>
Net Change in Fund Balances	<u>7,266</u>	<u>(342,501)</u>	<u>1,136,533</u>	<u>(943,557)</u>	<u>(45,077)</u>	<u>(36,029)</u>	<u>509,941</u>	<u>3,791,338</u>
Net Assets at Beginning of Year	276,538	3,213,136	9,037,206	7,504,499	3,115,219	5,722,720	3,127,083	16,699,707
Prior Period Adjustment	3,525						61,337	
Net Assets at Beginning of Year as Restated	<u>280,063</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>3,188,420</u>	<u>16,699,707</u>
Net Assets at End of Year	<u>\$ 287,329</u>	<u>\$ 2,870,635</u>	<u>\$10,173,739</u>	<u>\$ 6,560,942</u>	<u>\$ 3,070,142</u>	<u>\$5,686,691</u>	<u>\$3,698,361</u>	<u>\$20,491,045</u>

WATER POLLUTION CONTROL DISTRICTS			GARBAGE DISTRICTS			
Great Neck	Belgrave	Port Washington	Port Washington	Glenwood	Carle Place	Roslyn
\$ 1,110,689	\$ 715,740	\$ 4,865,002				
3,086,151	2,250,963	4,496,358	\$1,892,187	\$ 39,802	\$ 518,715	\$ 557,604
8,156	53,339	28,994	3,194	40	5,942	3,111
27,538	128	6,550 94,926	240			
<u>4,232,534</u>	<u>3,020,170</u>	<u>9,491,830</u>	<u>1,895,621</u>	<u>39,842</u>	<u>524,657</u>	<u>560,715</u>
<u>3,963,230</u>	<u>2,941,608</u>	<u>6,676,773</u>	<u>1,886,867</u>	<u>46,553</u>	<u>537,837</u>	<u>545,177</u>
<u>3,963,230</u>	<u>2,941,608</u>	<u>6,676,773</u>	<u>1,886,867</u>	<u>46,553</u>	<u>537,837</u>	<u>545,177</u>
<u>269,304</u>	<u>78,562</u>	<u>2,815,057</u>	<u>8,754</u>	<u>(6,711)</u>	<u>(13,180)</u>	<u>15,538</u>
6,920,355	4,660,558	11,444,111	507,506	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>
<u>\$ 7,189,659</u>	<u>\$ 4,739,120</u>	<u>\$ 14,259,168</u>	<u>\$ 516,260</u>	<u>\$ 10,966</u>	<u>\$ 256,543</u>	<u>\$ 187,435</u>

(continued)

TOWN OF NORTH HEMPSTEAD
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
Year Ended December 31, 2009

	<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	\$ 596,487	\$ 2,908,122	\$ 3,976	\$ 38,266	\$ 140,233
Operating grants and contributions			80,428		602,332
Real property taxes	650,025	9,673,001	15,967,116	3,519,051	
Other real property tax items			280,832		
Use of money and property - interest and earnings	16,509	89,736	130,350	48,887	5,941
Sales of property and compensation for loss			127,214	2,510	
Miscellaneous local sources	565	144,920	49,688	17,594	5,064
State aid				11,672	
Gain (loss) on sale of capital assets		(539,541)			
Total Revenues	1,263,586	12,276,238	16,639,604	3,637,980	753,570
EXPENDITURES					
Current:					
Public safety			19,062,315		
Transportation	1,524,246				
Culture & Recreation		13,075,555		3,469,515	
Home and community services					765,445
Total Expenditures	1,524,246	13,075,555	19,062,315	3,469,515	765,445
Net Change in Fund Balances	(260,660)	(799,317)	(2,422,711)	168,465	(11,875)
Net Assets at Beginning of Year	2,819,157	9,062,843	(2,659,189)	3,049,256	3,732,936
Prior Period Adjustment					
Net Assets at Beginning of Year as Restated	2,819,157	9,062,843	(2,659,189)	3,049,256	3,732,936
Net Assets at End of Year	\$ 2,558,497	\$ 8,263,526	\$ (5,081,900)	\$ 3,217,721	\$ 3,721,061

**BUSINESS
IMPROVEMENT
DISTRICT**

<u>Port Washington</u>	<u>Totals</u>
\$ 3,727	\$ 24,965,806
163,264	682,760
	56,798,586
	331,977
1,072	1,265,622
	149,974
	3,923,744
	11,672
	(571,045)
<u>168,063</u>	<u>87,559,096</u>
	19,062,315
	1,524,246
134,664	16,545,070
<u>134,664</u>	<u>46,474,926</u>
	83,606,557
<u>33,399</u>	<u>3,952,539</u>
73,545	88,766,483
	64,862
<u>73,545</u>	<u>88,831,345</u>
<u>\$ 106,944</u>	<u>\$ 92,783,884</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>	138-148
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	149-153
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>	154-158
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>	159-160
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>	161-165

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 Seven Years
(accrual basis of accounting)

<u>As of December 31,</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 81,566,768	\$ 76,605,301	\$ 63,227,590	\$ 62,581,787
Restricted	4,730,567	11,493,040	17,282,036	2,124,163
Unrestricted	<u>(39,184,455)</u>	<u>(41,691,280)</u>	<u>(34,576,956)</u>	<u>(41,151,509)</u>
Total primary government net assets	<u>\$ 47,112,880</u>	<u>\$ 46,407,061</u>	<u>\$ 45,932,670</u>	<u>\$ 23,554,441</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>2005</u>	<u>2004</u>	<u>2003</u>
\$ 54,723,278	\$ 48,766,916	\$ 36,538,610
2,253,146	817,335	910,158
(49,621,405)	(47,950,096)	(54,221,451)
\$ 7,355,019	\$ 1,634,155	\$ (16,772,683)

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

Year ended December 31,	2009	2008	2007	2006
Expenses				
Governmental activities:				
General government support	\$ 23,933,803	\$ 23,840,684	\$ 20,421,287	\$ 19,851,465
Education	571,367	629,492	282,439	412,968
Public safety	10,859,785	11,382,404	9,566,154	7,549,558
Health	336,891	318,914	253,083	227,241
Transportation	23,299,489	22,076,865	15,695,095	20,033,989
Economic assistance and opportunity	2,098,481	3,135,811	2,456,352	2,566,294
Culture and recreation	24,682,702	22,643,001	14,212,650	20,081,358
Home and community service	22,950,170	23,993,678	23,945,836	21,593,176
Interest on long-term debt	7,319,311	8,106,577	8,439,201	8,028,366
Total primary government expenses	<u>\$ 116,051,999</u>	<u>\$ 116,127,426</u>	<u>\$ 95,272,097</u>	<u>\$ 100,344,415</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government support	\$ 268,864	\$ 321,849	\$ 333,594	\$ 380,498
Public safety	3,632,095	4,491,380	4,153,285	3,460,226
Transportation	1,231,699	958,363	1,176,630	1,301,180
Culture and recreation	8,291,163	8,876,165	8,475,019	7,402,057
Home and community service	13,360,668	14,796,616	12,372,598	15,399,978
Operating grants and contributions	3,752,788	2,788,957	5,366,607	613,681
Capital grants and contributions	905,706	1,170,927	1,024,300	744,739
Total primary government program revenues	<u>\$ 31,442,983</u>	<u>\$ 33,404,257</u>	<u>\$ 32,902,033</u>	<u>\$ 29,302,359</u>
Net Expense				
Total primary government net expense	<u>\$ (84,609,016)</u>	<u>\$ (82,723,169)</u>	<u>\$ (62,370,064)</u>	<u>\$ (71,042,056)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities				
Property taxes	\$ 61,685,941	\$ 56,422,999	\$ 54,216,380	\$ 51,660,364
Other real property tax items	1,772,707	2,108,771	2,712,672	2,281,401
Non-property tax items	10,553,049	11,177,944	11,058,164	10,813,890
Interest earnings	796,401	1,270,556	2,201,639	2,295,875
Mortgage tax	5,643,419	7,677,222	12,071,333	14,173,192
State aid-unrestricted	1,111,654	1,111,654	1,502,952	1,469,508
Sale of property				
Licenses and permits				
Other	3,751,664	1,342,723	985,153	538,595
Total primary government	<u>\$ 85,314,835</u>	<u>\$ 81,111,869</u>	<u>\$ 84,748,293</u>	<u>\$ 83,232,825</u>
Change in Net Assets				
Total primary government	<u>\$ 705,819</u>	<u>\$ (1,611,300)</u>	<u>\$ 22,378,229</u>	<u>\$ 12,190,769</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>2005</u>	<u>2004</u>	<u>2003</u>
\$ 18,651,307	\$ 22,032,064	\$ 11,617,344
507,426		
8,107,827	6,948,076	8,793,172
296,061	167,292	
13,652,265	15,335,273	16,331,484
2,310,049	1,480,033	
15,823,332	11,325,157	14,678,341
22,542,284	25,533,743	20,062,267
10,167,563	9,884,111	11,070,932
<u>\$ 92,058,114</u>	<u>\$ 92,705,749</u>	<u>\$ 82,553,540</u>
\$ 179,686	\$ 159,613	\$ 134,110
3,329,947	3,189,193	863,164
993,226	1,926,068	1,382,557
6,380,882	6,405,645	5,699,443
14,990,887	15,465,155	16,814,285
841,284	521,731	1,651,048
		1,903,860
<u>\$ 26,715,912</u>	<u>\$ 27,667,405</u>	<u>\$ 28,448,467</u>
<u>\$ (65,342,202)</u>	<u>\$ (65,038,344)</u>	<u>\$ (54,105,073)</u>
\$ 50,158,581	\$ 49,894,446	\$ 48,972,304
1,522,506	2,071,859	1,110,538
10,331,465	10,111,751	9,643,766
1,581,364	768,355	1,202,328
15,827,682	16,366,560	
1,247,154	1,448,571	12,312,486
	1,845,568	
1,342,723		2,135,952
1,461,199	938,073	782,717
<u>\$ 83,472,674</u>	<u>\$ 83,445,183</u>	<u>\$ 76,160,091</u>
<u>\$ 18,130,472</u>	<u>\$ 18,406,839</u>	<u>\$ 22,055,018</u>

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

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

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

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

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

As of December 31,	2009	2008	2007	2006
General Fund				
Reserved	\$ 519,264	\$ 552,305	\$ 559,395	\$ 602,523
Unreserved	11,636,395	17,289,914	17,840,400	20,142,431
Total General Fund	\$ 12,155,659	\$ 17,842,219	\$ 18,399,795	\$ 20,744,954
All other governmental funds				
Reserved	\$ 20,071,816	\$ 18,548,411	\$ 17,311,971	\$ 12,968,754
Unreserved, reported in:				
Special revenue funds	7,810,240	5,750,366	8,264,263	12,612,181
Capital projects funds	(18,493,070)	(6,046,966)	825,420	(7,351,830)
Debt service fund	2,812,787	2,477,787	2,126,273	1,646,265
Total All Other Governmental Funds	\$ 12,201,773	\$ 20,729,598	\$ 28,527,927	\$ 19,875,370

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>2005</u>	<u>2004</u>	<u>2003</u>
\$ 21,681	\$ 127,867	\$ 2,723,422
<u>20,477,742</u>	<u>20,226,247</u>	<u>8,505,742</u>
<u>\$ 20,499,423</u>	<u>\$ 20,354,114</u>	<u>\$ 11,229,164</u>
\$ 12,988,696	\$ 12,274,359	\$ 12,962,587
12,848,692	13,614,207	12,408,148
(10,492,594)	(17,468,084)	(16,988,837)
<u>1,382,758</u>	<u>288,624</u>	<u>44,958</u>
<u>\$ 16,727,552</u>	<u>\$ 8,709,106</u>	<u>\$ 8,426,856</u>

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

Year ended December 31,	2009	2008	2007	2006
Revenues				
Real property taxes	\$ 61,685,941	\$ 56,422,999	\$ 54,216,380	\$ 51,660,364
Other real property taxes	1,772,707	2,108,771	2,712,672	2,281,401
Non-property tax items	10,553,049	11,177,944	11,058,164	10,813,890
Charges for services	23,203,649	25,662,941	22,989,409	24,634,712
Intergovernmental charges	578,911	856,683	564,285	718,260
Use of money and property	842,928	1,323,318	2,087,042	2,181,278
License and permits	2,876,128	4,069,511	3,507,525	2,770,710
Fines and forfeitures	395,050	162,710	159,663	157,575
Sale of property and compensation for loss	2,204,692	601,074	277,099	427,912
Miscellaneous local sources	4,336,599	2,805,462	4,954,459	260,265
Interfund revenues	6,545,301	6,257,139	5,450,233	5,174,044
State aid	7,926,549	9,684,298	13,831,969	16,478,668
Federal aid	707,018	965,817	58,223	522,452
Total Revenues	123,628,522	122,098,667	121,867,123	118,081,531
Expenditures				
General government support	17,174,514	16,915,724	16,174,256	16,289,286
Education	571,367	629,492	282,439	412,968
Public safety	9,354,264	9,898,211	8,694,795	7,511,865
Health	191,946	189,337	179,701	159,313
Transportation	14,285,581	14,105,804	13,436,869	11,743,873
Economic assistance and opportunity	1,442,441	2,105,211	1,929,023	2,036,580
Culture and recreation	16,051,879	15,601,723	14,985,315	13,876,255
Home and community services	22,457,155	23,308,180	21,693,967	23,775,327
Employee benefits	12,829,691	12,761,276	12,229,435	12,548,262
Capital outlay	22,361,001	10,439,461	10,541,134	10,883,705
Debt Service				
Principal	19,597,605	18,440,527	18,733,803	16,244,807
Interest	7,540,463	8,329,626	8,735,528	9,283,941
Other charges				
Total Expenditures	143,857,907	132,724,572	127,616,265	124,766,182
Excess (Deficiency) of Revenues over (under) Expenditures	(20,229,385)	(10,625,905)	(5,749,142)	(6,684,651)
Other Financing Sources (Uses)				
Transfers in	30,969,268	27,543,991	32,502,871	28,820,810
Transfers out	(30,969,268)	(27,543,991)	(32,502,871)	(28,820,940)
Refunding bonds issued				
Bonds issued	6,015,000	2,270,000	12,056,540	10,078,000
Premium on bonds issued				
Payments to refund bond escrow agent				
Total Other Financing Sources (Uses)	6,015,000	2,270,000	12,056,540	10,077,870
Net Change in Fund Balances	\$ (14,214,385)	\$ (8,355,905)	\$ 6,307,398	\$ 3,393,219
Debt service as a percentage of noncapital expenditures	22.4%	22.0%	24.8%	22.5%

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

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

Year Ended December 31,	Real Property Tax¹	Sales Tax²	Mortgage Tax³	Franchise Tax	Total
2009	\$ 61,685,941	\$ 9,005,021	\$ 5,643,419	\$ 1,548,028	\$ 77,882,409
2008	56,422,999	9,724,584	7,677,222	1,453,360	75,278,165
2007	54,216,380	9,745,787	12,071,333	1,312,377	77,345,877
2006	51,660,364	9,645,396	14,173,192	1,168,494	76,647,446
2005	50,158,581	9,227,420	15,827,682	1,104,045	76,317,728
2004	49,894,446	9,033,724	16,366,560	1,078,027	76,372,757
2003	48,972,304	8,624,707	12,259,724	1,019,059	70,875,794
2002	44,171,679	8,413,533	9,502,256	983,772	63,071,240
2001	41,164,058	8,020,565	7,174,059	904,798	57,263,480
2000	40,215,134	7,788,932	5,747,905	677,980	54,429,951

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
2009	\$ 133,075,463	\$ 9,655,173	\$ 8,204,377	\$ 51,658,844	\$ 202,593,857	0.32%	\$ 63,310,580,313	96.505
2008	129,604,894	8,624,417	7,459,244	48,342,052	194,030,607	0.30%	64,676,869,000	92.669
2007	122,364,045	7,836,398	7,143,895	44,661,722	182,006,060 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

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
2009	9.164	28.738			18.541	15.824	2.233	15.727	1.009	3.482	1.787
2008	8.504	26.751			18.408	16.182	2.090	14.592	1.004	3.327	1.811
2007	8.780	27.100			17.962	17.532	2.041	14.396	1.044	3.380	1.946
2006	5.795		17.179	1.616	11.838	12.186	1.367	7.963	0.671	2.293	1.260
2005	3.903		11.563	1.109	7.932	7.647	0.869	4.161	0.438	1.452	0.824
2004	3.819		11.360	1.089	7.699	7.332	0.825	3.924	0.429	1.391	0.780
2003	1.523		4.260	0.357	3.022	2.716	0.316	2.294	0.213	0.517	0.347
2002	1.108		4.115	0.327	2.952	2.685	0.324	2.305	0.218	0.500	0.328
2001	1.054		3.902	0.328	2.898	2.471	0.288	3.241	0.144	0.468	0.269
2000	1.080		3.963	0.344	2.705	2.132	0.166	3.241	0.144	0.446	0.274

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
96.505	92.62	396.29	585.42
92.669	113.80	406.07	612.53
94.180 ²	119.42	394.15	607.75
62.168 ²	79.92	256.12	398.21
39.896	53.61	172.50	266.00
38.648 ³	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

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

2009

Rank	Taxpayer	Nature of Business	Assessed Valuation	Percentage of Total Assessed Valuation ^{(a) (b)}
1	Keyspan Gas East	Utility	\$ 3,942,857	1.95%
2	Long Island Power Authority	Utility	3,571,788	1.76%
3	Park Lake Success	Real Estate	1,532,052	0.76%
4	Verizon New York	Utility	1,353,732	0.67%
5	Feiga-Olive Tree	Real Estate	1,280,474	0.63%
6	We're Associates Inc.	Real Estate	1,216,973	0.60%
7	Fifth Avenue of Long Island Realty Assoc.	Real Estate	922,534	0.46%
8	Country Glen LLC	Real Estate	684,421	0.34%
9	600 Community LLC	Real Estate	549,269	0.27%
10	1979 Marcus Avenue Associates LLC	Real Estate	529,329	0.26%
Total			<u>\$ 15,583,429</u>	<u>7.70%</u>

2000

Rank	Taxpayer	Nature of Business	Assessed Valuation	Percentage of Total Assessed Valuation ^{(a) (b)}
1	Long Island Power Authority	Utility	\$ 71,650,193	7.45%
2	NY Telephone Co.	Utility	13,929,053	1.45%
3	Met Life RE Investments	Real Estate	5,977,050	0.62%
4	BDG Management LTD	Office Buildings	5,311,100	0.55%
5	IPARK Lake Success	Office Buildings	3,887,490	0.40%
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	0.22%
10	Chase Manhattan Bank	Banking	1,919,750	0.20%
Total			<u>\$ 113,130,556</u>	<u>11.76%</u>

Source: Town of North Hempstead 2010 and 2000 Official Statements

^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 149 for total net assessed value.

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

<u>Year Ended December 31,</u>	<u>Tax Levy For Town</u>	<u>Total Tax Levy ¹</u>	<u>Amount Collected ²</u>	<u>Percent of Total Tax Levy Collected</u>	<u>Amount Uncollected ²</u>	<u>Percent of Total Tax Levy Uncollected</u>
2009	\$132,256,987	\$ 319,905,676	\$ 313,611,841	98.03%	\$ 6,293,835	1.97%
2008	123,632,214	344,434,261	337,510,707	97.99%	6,923,554	2.01%
2007	119,033,554	336,388,044	329,563,031	97.97%	6,825,013	2.03%
2006	115,060,611	325,360,939	319,175,699	98.10%	6,185,240	1.90%
2005	110,445,336	319,905,676	313,611,941	98.03%	6,293,735	1.97%
2004	107,351,616	316,724,188	309,989,056	97.87%	6,735,132	2.13%
2003	97,809,793	300,603,279	294,031,943	97.81%	6,571,336	2.19%
2002	90,060,435	263,079,023	257,405,464	97.84%	5,673,559	2.16%
2001	84,759,215	246,561,816	240,856,196	97.69%	5,705,620	2.31%
2000	82,413,067	227,944,094	222,418,084	97.58%	5,526,010	2.42%

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
2009	\$ 160,142,656	\$ 16,018,500	\$ 13,130,000		
2008	171,685,261	2,000,000	15,170,000		
2007	185,870,788		17,155,000		
2006	190,598,051	3,658,540	19,105,000		
2005	196,764,858	6,178,040	19,105,000		
2004	200,287,258	13,286,000	19,235,000		
2003	195,688,403	27,496,837	19,955,000		
2002	188,614,242	40,737,421	17,250,000	\$ 29,215	
2001	196,954,826	34,146,000	17,360,000	113,080	\$ 2,924,298
2000	269,351,668	4,903,000	17,465,000	191,564	

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 159 for personal income and population.

Total Primary Government	Percentage of Personal Income¹	Per Capita¹
\$ 189,291,156	0.21%	\$ 837
188,855,261	0.21%	838
203,025,788	0.23%	907
213,361,591	0.26%	953
222,047,898	0.29%	996
232,808,258	0.33%	1,048
243,140,240	0.43%	1,095
246,630,878	0.38%	1,113
251,498,204	0.38%	1,140
291,911,232	0.46%	1,311

**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
2009	\$ 160,142,656	79.05%	0.25%	\$ 708
2008	171,685,261	88.48%	0.27%	762
2007	185,870,788	102.12%	0.31%	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

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 149.

² Population data can be found in the Schedule of Demographic and Economic Statistics on page 159.

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, 2009**

<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	\$ 287,909,468	100.00%	<u>\$ 287,909,468</u>
Overlapping:			
Nassau County	\$ 3,240,533,000	24.70%	\$ 800,411,651
Incorporated Villages	130,537,565	varied ¹	130,537,565
School Districts	310,697,085	varied ²	310,697,085
Fire Districts	4,140,000	100.00%	<u>4,140,000</u>
Total overlapping debt			<u>1,245,786,301</u>
Total direct and overlapping debt			<u><u>\$ 1,533,695,769</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, 2009**

Year Ended December 31,	Net Assessed Valuation	State Equalization Rate	Full Valuation
2009	\$ 202,593,857	0.32%	\$ 63,310,580,313
2008	194,030,607	0.30%	64,676,869,000
2007	182,006,060	0.30%	60,668,686,667
2006	263,137,948	0.50%	52,627,589,600
2005	390,700,724	0.82%	47,646,429,756
Total Five Year Full Valuation			<u>\$ 288,930,155,335</u>
Five Year Average Full Valuation of Taxable Real Property			<u>57,786,031,067</u>
Constitutional Debt Limit (7% of Average Full Valuation)			<u>4,045,022,175</u>
Outstanding Indebtedness at December 31st			287,909,468
Less: 2009 Appropriations for Non-Exempt Debt Principal			21,998,167
Less: Exclusions			<u>40,731,464</u>
Net Indebtedness Subject to Debt Limit			<u>225,179,837</u>
Net Debt Contracting Margin			<u>\$ 3,819,842,338</u>
Percentage of Net Debt Contracting Margin Available			94.43%
Percentage of Net Debt Contracting Power Exhausted			5.57%

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
2009	\$ 4,045,022,175	\$ 225,179,837	\$ 3,819,842,338	5.57%	94.43%
2008	3,723,316,751	216,981,938	3,506,334,813	5.83%	94.17%
2007	3,439,808,123	214,779,024	3,225,029,099	6.24%	93.76%
2006	3,082,169,945	220,913,890	2,861,256,055	7.17%	92.83%
2005	2,783,075,006	211,879,579	2,571,195,427	7.61%	92.39%
2004	2,523,939,144	224,711,913	2,299,227,231	8.90%	91.10%
2003	2,256,642,631	236,382,517	2,020,260,114	10.47%	89.53%
2002	2,072,978,373	237,810,432	1,835,167,941	11.47%	88.53%
2001	1,940,061,876	214,089,376	1,725,972,500	11.04%	88.96%
2000	1,795,923,233	228,496,850	1,567,426,383	12.72%	87.28%

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 Income^{3,4}	Unemployment Rate⁵	Number of Households Estimate¹	Average Household Size Estimates¹	Population Density Per Square Mile
2009	226,109	\$ 88,858	\$ 68,668	\$ 107,199	6.3%	78,097	2.86	4,220
2008	225,291	88,858	65,668	101,011	4.3%	77,764	2.86	4,205
2007	223,870	88,045	65,071	101,011	3.4%	77,420	2.85	4,178
2006	223,870	80,873	59,823	101,048	3.4%	77,420	2.85	4,178
2005	222,836	75,451	55,676	113,147	3.8%	77,108	2.85	4,159
2004	222,042	70,394	51,891	108,948	4.2%	76,973	2.85	4,144
2003	221,968	57,167	49,622	105,219	4.4%	77,126	2.84	4,143
2002	221,569	65,670	48,657	102,084	4.4%	77,034	2.84	4,135
2001	220,708	65,986	49,137	99,529	3.6%	76,799	2.84	4,119
2000	222,611	62,791	46,989	97,075	3.2%	76,628	2.84	4,155

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 2009 - Advameg, Inc.-city-data.com
- ⁵ 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**

2009

Rank	Name	Type of Business	Number of Employees
1	North Shore - Long Island Jewish Health System	Hospital	12,859
2	Winthrop-University Hospital	Hospital	6,240
3	Parker Jewish Institute	Skilled Nursing Facility and Rehabilitation Center	3,149
4	St. Francis Hospital	Hospital	2,965
5	Broadridge Financial Solutions, Inc.	Finance	1,500
6	Canon USA	Imaging Solution Provider	1,385
7	Astoria Federal Savings & Loan Association	Banking	1,175
8	ProHEALTH Care Associates	Comprehensive Multi-Specialty Medical Practice	850
9	Pall Corporation	Technology	800
9	The NPD Group	Marketing Research and Information Services	600

2000

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: 2010 - Long Island Business News 2010 Book of Lists
2000 - Town of North Hempstead Official Statements
Percentage of total Town employment is not available.

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

Function	Full-Time Equivalent Employees as of December 31,									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General government	89	94	83	88	77	78	60	63	66	65
Highways	94	92	102	93	93	73	70	74	76	78
Parks and recreation	90	96	93	86	82	84	84	84	84	76
Buildings and planning	46	35	51	38	44	41	41	40	37	38
Public works	17	22	20	22	21	33	38	33	37	36
Community services	24	23	20	19	18	15	17	17	18	19
Town clerk	21	17	16	19	17	15	15	15	14	11
Receiver of taxes	13	14	13	13	15	15	15	16	15	13
Public safety	23	20	15	16	10	19	21	22	31	39
Solid waste management	10	9	11	9	8	8	7	6	8	12
Total	427	422	424	403	385	381	368	370	386	387

Source: Town of North Hempstead Human Resource Department records

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

Year Ended December 31,	2009	2008	2007	2006
Function				
Town Clerk				
Vital statistic documents	26,205	23,953	25,745	24,858
Dog licenses	5,612	5,844	5,843	5,961
Business licenses	1,104	1,329	1,346	1,408
Marriage licenses	1,009	1,137	1,099	1,337
Dumping permits	1,260	1,136	1,065	1,324
Building				
Building permits issued	4,336	4,399	1,881	4,081
Estimated value of building construction	\$ 91,009,096	\$ 83,557,923	\$ 45,020,443	\$ 79,908,795
Public Safety				
Dogs adopted or reclaimed by owners	365	354	343	369
Dog citations issued	262	275	313	334
Fire				
Number of fire protection districts	11	11	11	11
Parking				
Number of parking meters	803	775	775	775
Parking lots and garage revenue	\$ 335,286	\$ 335,032	\$ 344,567	\$ 340,178
Annual meter revenue	\$ 149,814	\$ 151,156	\$ 157,392	\$ 163,601
Parking permit revenue	\$ 47,445	\$ 47,687	\$ 48,853	\$ 59,997
Highways and Streets				
Street resurfacing (lane miles)	14	14	14	13
Number of trees planted	456	559	598	802
Number of trees trimmed	955	1,170	1,086	997
Number of trees removed	424	365	519	438
Road opening permits issued	721	855	762	1,042
Abandoned vehicles removed	8	12	16	18
Signs installed	1,457	1,450	815	868
Sanitation (tons per annum)				
Residential and commercial waste collected	135,769	142,860	143,301	171,397
Recyclables collected	13,050	2,557	2,208	3,178
Yardwaste	16,576	19,961	19,353	25,426
Construction and demolition debris	4,491	6,671	5,482	8,650
Culture and recreation				
Beach permits issued	3,175	3,120	1,608	1,592
Registration for adult programs	339	898	1,277	1,223
Registration for summer programs	3,104	1,477	2,096	2,077
Cultural passes issued	1,250	1,200	1,200	1,200

Source: Various government departments

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

2005	2004	2003	2002	2001	2000
25,441	24,353	23,169	22,623	14,142	13,981
5,677	5,953	5,907	6,069	6,413	6,578
1,400	1,204	1,024	1,058	942	1,103
1,378	1,449	1,423	1,506	1,956	1,609
1,241	1,136	1,130	1,127	910	1,041
4,472	5,451	5,381	4,697	4,602	3,930
\$ 118,539,416	\$ 99,571,696	\$ 100,364,420	\$ 144,423,746	\$ 171,706,683	\$ 84,412,849
398	411	447	502	487	577
452	610	485	562	521	511
11	11	11	11	11	11
775	725	700	675	675	N/A
\$ 329,678	\$ 317,258	\$ 317,011	\$ 336,939	\$ 322,415	N/A
\$ 158,195	\$ 149,330	\$ 147,357	\$ 157,641	\$ 138,670	N/A
\$ 49,810	\$ 49,605	\$ 50,820	\$ 51,315	\$ 50,978	N/A
12	13	11	10	13	18
419	54	804	844	719	280
440	832	442	646	419	432
259	354	364	409	335	410
930	929	780	682	663	562
53	42	66	63	39	41
641	1,013	1,302	1,795	1,290	1,137
182,566	192,912	208,590	188,531	167,611	150,643
5,734	5,996	6,409	8,222	10,399	N/A
20,532	21,418	21,553	23,755	22,631	N/A
7,627	10,295	11,136	8,998	8,289	N/A
1,553	1,191	1,226	1,556	1,686	N/A
1,167	971	1,012	967	849	N/A
2,020	1,641	1,964	1,969	1,869	N/A
1,200	1,200	1,200	1,200	1,200	N/A

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

<u>Year Ended December 31,</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Function				
General Government				
Town Hall and annex	2	2	2	2
Sanitation				
Transfer station	1	1	1	1
Annual tonnage processed	161,564	172,049	170,344	208,652
Highways and Streets				
Streets (miles)	275	275	274	268
Culture and recreation				
Parks acreage	883	883	833	672
Parks	22	22	22	15
Swimming pools	6	6	6	5
Beaches	3	3	3	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	35	31
Community centers	3	2	2	2

Source: Various government departments

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
2	2	2	2	2	2
1	1	1	1	1	1
216,459	230,621	247,688	146,506	208,930	150,643
268	268	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