

# **Town of Hempstead**

## **New York**



### **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2003**



**TOWN OF HEMPSTEAD,  
NEW YORK**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2003**

Prepared by the Office of the Town Comptroller  
John A. Mastromarino, CPA

TABLE OF CONTENTS

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Principal Officials.....	2
Organizational Chart.....	3
Letter of Transmittal.....	4-7
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report.....	9-10
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Management's Discussion And Analysis.....	12-19
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-Wide Financial Statements	
Statement of Net Assets .....	22
Statement of Activities .....	23-24
Fund Financial Statements	
Governmental Fund Financial Statements	
Balance Sheet.....	25-26
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets.....	28
Statement of Revenues, Expenditures, and Changes in Fund Balances .....	29-30
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities.....	31
Fiduciary Fund Financial Statements	
Combining Statement of Changes in Agency Assets and Liabilities .....	32
Notes to Financial Statements .....	33-52
<b>REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Fund.....	55-56
Special Revenue – Major Funds	
Highway .....	57-58
Parks .....	59-60
Refuse and Garbage.....	61-62

(continued)

**OTHER SUPPLEMENTARY INFORMATION**

## Combining and Individual Fund Statements:

## Non-major Governmental Funds

Combining Balance Sheet .....	63-64
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	65-66

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

## Non-major Funds:

General Town Outside Village .....	67-68
Fire Protection .....	69-70
Street Lighting .....	71-72
Public Parking .....	73-74
Water Districts .....	75-76
Library Funding .....	77-78

Combining Statement of Changes in Agency Assets and Liabilities .....	79
---	----

U.S. Department of Housing and Urban Development  
Low Income Housing Program (Section 8 – Existing Housing)

Balance Sheet .....	80
Statement of Revenues, Expenditures, and Changes in Fund Balance .....	81
Analysis of Surplus Cash .....	82

**CAPTIAL ASSETS USED IN GOVERNMENTAL ACTIVITIES**

Schedule of Capital Assets by Source .....	84
Schedule of Changes in Capital Assets by Function and Activity .....	85
Schedule of Capital Assets by Function and Activity .....	86

**DISCRETELY PRESENTED COMPONENT UNITS**

Combining Statement of Net Assets .....	89-90
Combining Statement of Activities .....	91-92

(continued)

**STATISTICAL SECTION**

General Government Expenditures by Function – Ten Year Summary ..... 95-96

General Government Revenues by Source – Ten Year Summary ..... 97-98

Property Tax Rates per \$100 Assessed Valuation All Direct and Overlapping Governments –  
Ten Year Summary..... 99-100

Property Tax Levies and Collections- Ten Year Summary..... 101

Assessed Valuation of Taxable Real Property, State Equalization Rate and Full Valuation  
Ten Year Summary..... 102

Computation of Direct and Overlapping Debt..... 103

Computation of Constitutional Debt Margin..... 104

Direct and Overlapping Debt Ratios ..... 105

Ratio of General Long Term Debt to Assessed Valuation and Net General Long-Term  
Debt Per Capita .....106-107

Ratio of Annual Debt Service Expenditures for General Long-Term Debt to total General  
Governmental Expenditures ..... 108

Demographics Statistics..... 109

Estimated Value of Residential Building Permits Issued..... 110

Estimated Value of Industrial and Commercial Building Permits Issued ..... 111

Principal Taxpayers ..... 112

Major Non-Government Employers on Long Island ..... 113

Average Unemployment Rates..... 114

Distribution of Tax Dollars in 000's .....115-116

**INTRODUCTORY SECTION**





# TOWN OF HEMPSTEAD

## PRINCIPAL OFFICIALS

December 31, 2003

### **Executive**

Kate Murray

Supervisor

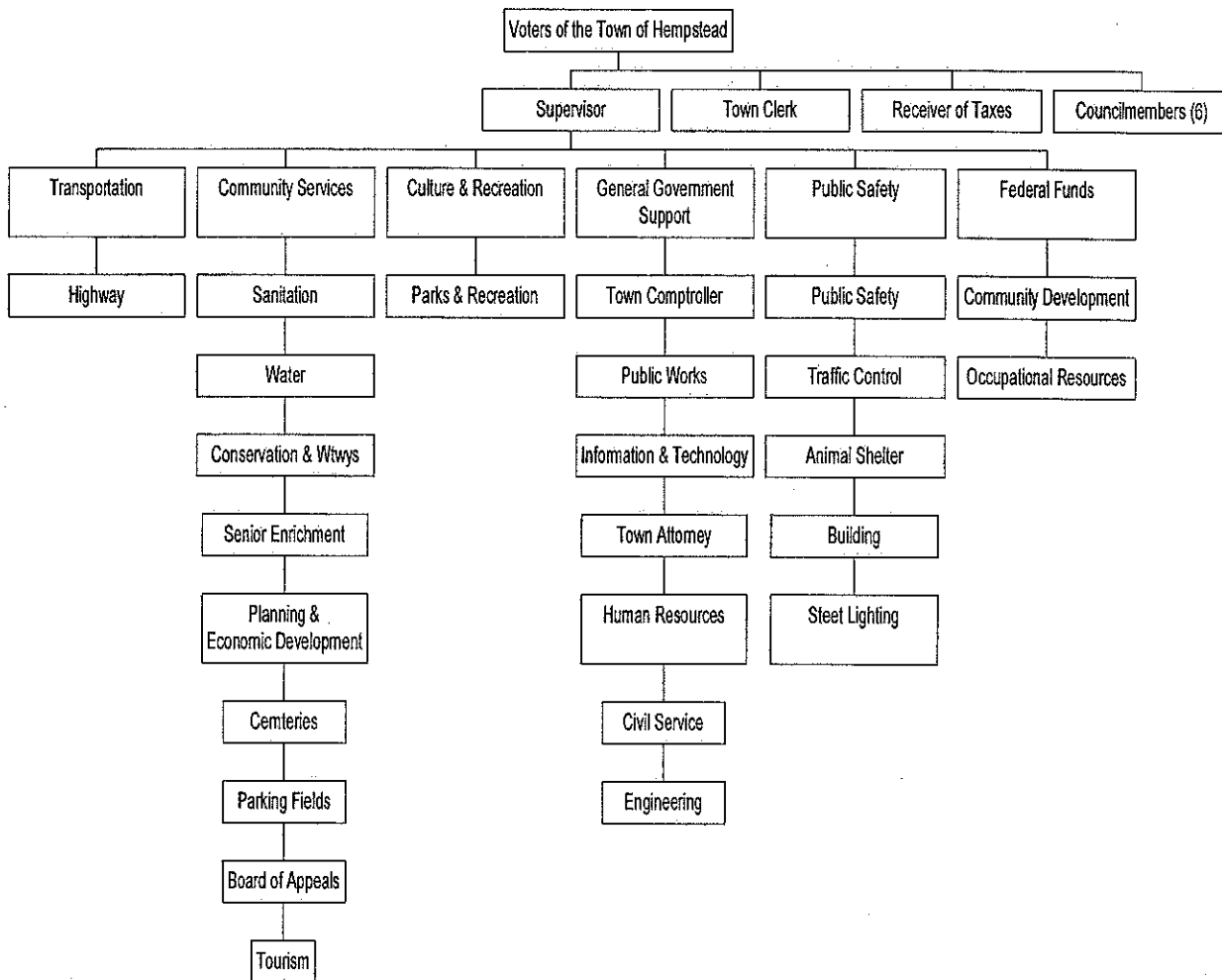
### **Town Board**

Dorothy L. Goosby  
Edward A. Ambrosino  
James Darcy  
Anthony J. Santino  
Angie M. Cullin  
Gary Hudes  
Mark Bonilla  
Donald X. Clavin  
John A. Mastromarino  
Phillip Marino

1<sup>st</sup> Councilmatic District  
2<sup>nd</sup> Councilmatic District  
3<sup>rd</sup> Councilmatic District  
4<sup>th</sup> Councilmatic District  
5<sup>th</sup> Councilmatic District  
6<sup>th</sup> Councilmatic District  
Town Clerk  
Receiver of Taxes  
Comptroller  
Town Attorney

# TOWN OF HEMPSTEAD

## ORGANIZATIONAL CHART





## Office of the Supervisor

TOWN OF HEMPSTEAD  
1 WASHINGTON STREET, HEMPSTEAD, N.Y. 11550-4923  
(516) 489-5000

July 28, 2004

To the Honorable Town Board and Citizens of the Town of Hempstead:

I am pleased to submit this Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2003. It is in conformity with generally accepted accounting principles (GAAP) including the much-discussed principle #34. The statements as a whole have been audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the Town of Hempstead as highlighted in the Management Discussion and Analysis contained within the financial section of this report. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the Town of Hempstead has established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town of Hempstead's financial statements in conformity with GAAP. Naturally, the cost of internal controls should never outweigh the benefits. To this end, the Town of Hempstead's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As the chief fiscal officer, I assert that to the best of my knowledge and belief, this financial report is complete and reliable in all material respects.

The goal of the audit was to provide reasonable assurance that the financial statements of the Town of Hempstead for the calendar year ended December 31, 2003, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of Hempstead's financial statements for the fiscal year ended December 31, 2003, are presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town of Hempstead was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of legal awards. These reports are available within the body of this report. GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town of Hempstead's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Government**

The Town of Hempstead encompasses an area of 142.6 square miles within the County of Nassau on the south shore of Long Island. It is bounded by the City of New York to the west, the Town of North Hempstead to the north, the Town of Oyster Bay to the east, and the City of Long Beach and the Atlantic Ocean to the south. The Town is the most populous town in the State, with a population of 755,924 according to 2000 census data. The Town accounts for approximately 57% of the total population of the County and 41% of the land area of the County. Located within the Town are 22 incorporated villages, and 50 unincorporated areas.

The Town of Hempstead was established in 1644 as a separate political entity vested with independent taxing and debt authority. The 22 incorporated villages located within the Town have independent forms of government, while the taxable real property within these villages is subject to taxation by the Town. There are also 36 independent school districts within the Town that rely on their taxing powers granted by the State to raise revenues for school district purposes. Subject to the provisions of the State Constitution, the Town operates pursuant to the Town Law, Local Finance Law, other laws generally applicable to the Town, and any special laws applicable to the Town. Under such laws, there is no authority for the Town to have a charter, but pursuant to the Constitution, and the Town Law and other laws generally applicable to home rule, the Town may from time to time adopt local laws. Since January 1, 1966, the Town has enjoyed the status of a suburban town under applicable provisions of Town Law, enabling it to function with a degree of autonomy not accorded to "first-class" towns. The legislative power of the Town is vested in the Town Board. It consists of a Supervisor, elected for a two-year term, and six Council Members, elected for four-year terms. There is no limitation as to the number of terms that may be served by Board Members. The Supervisor is the chief executive officer and chief fiscal officer of the Town. The Town Clerk serves as custodian of the Town's legal documents and papers, maintains the minutes of proceedings of the Town Board and is responsible for the publication and filing of all official notices. According to the Town Law, the Clerk is elected to serve a two-year term; the number of terms is not limited. The Receiver of Taxes, unless otherwise provided by law, has the duty to receive and collect all

State, County, Town and school taxes and all assessments that may be levied in the Town. Law prescribes a four-year elected term. The Town Board appoints the Town Comptroller, the Town Attorney, the Town Highway Commissioner and the heads of the various Town departments.

The Town is responsible for providing many services to its residents. Recreation is provided by 190 public parks and recreational facilities maintained by the Town. The Town maintains inland waterways and marinas, is responsible for the preservation of 17,000 acres of Atlantic Ocean wetlands, operates 16 senior citizen centers and 136 senior clubs. Additional Town functions include highway construction and maintenance, building inspection, zoning administration, and the maintenance and operation of a Town Cemetery. Special districts within the Town provide services for street lighting, fire protection, parks, refuse disposal, garbage collection, public parking and water distribution. A brief departmental description of functional services is provided on the following pages. The Supervisor functions as the chief financial officer. In this role, the Supervisor is responsible for the Town's accounting and financial reporting activities. The Town Board, as a whole, serves as the finance board of the Town and is responsible for authorizing, by resolution, all material financial transactions such as operating budgets, capital projects and bonded debt. The Supervisor is the Town's budget officer and is required by law to file a tentative budget with the Town Clerk on or before September 30 of each year. The tentative budget is submitted to the Town Board not later than October 5. Following review and modification, a preliminary budget hearing is held. At this hearing, members of the public may express opinions that the Town Board may take under advisement. Approval of the budget is not subject to a vote of the electorate and the Town Board may make changes following the hearing process. The Town Board is required to adopt the final annual budget by November 20. A copy of the Town's annual budget shall be submitted to the County Legislature. The County shall levy and cause to be raised the amount of taxes and assessments specified in the budget. From time to time, the Town Board may make changes or modifications in the amount of annual appropriations subject to legal provisions.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town of Hempstead operates.

**Local Economy.** The Town of Hempstead generally has more favorable financial statistical data than the country or New York State. The Town of Hempstead's latest unemployment rate of 4.1% compares favorably to New York State's 6.0% and the United States' of 5.4%. This exists even though Nassau County continues to face "serious" financial difficulties with a budgetary structural imbalance.<sup>1</sup> Median income of the Town of Hempstead indicates that 33% of the workforce is compensated over \$100,000 -- far greater than the New York State average of 18.7%. Inflation relative to the geographic borders of the Town of Hempstead is consistent with that of the metropolitan area. Regional economic trends

<sup>1</sup> Nassau County CAFR for the fiscal year ended 2003.

indicate a stabilization of revenues including items such as mortgage tax. Alternatively, interest percentages have been at historical lows affecting investment income.

**Long-term financial planning.** All three credit rating agencies have echoed my opinion regarding the Town of Hempstead's strong financial position as well as having a stable and diverse economic base. Our infrastructure has been addressed through a well-conceived capital program. Conservative revenue forecasting and good cost control has been the axiom with which this municipality gains its strong success.

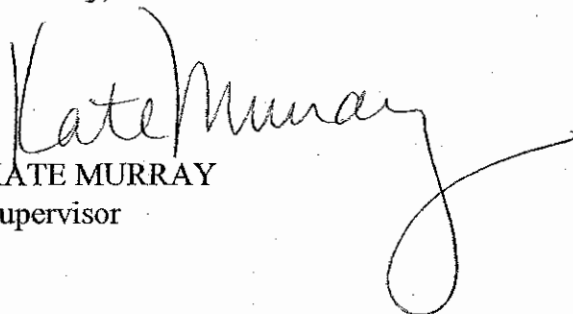
**Debt Administration.** The Town of Hempstead has a policy of rapid amortization of debt paying most of its outstanding principal within ten years.

**Pension Benefits and Health Insurance Costs.** I have attempted to make adjustments during the year needed to conform to the requests of our residents. However, many expenses encountered by the Town of Hempstead are not discretionary. State mandated pension costs are scheduled to be radically increased in future years reflecting a three-year increase of over 2,800%. Additionally, health insurance costs stemming from contractual obligations are scheduled to increase nearly 57%.

### **Acknowledgements**

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Town Comptroller's office. I would like to express my sincere appreciation to all members of the department who assisted and contributed to this report. Credit must also be given to the Councilmembers, Receiver of Taxes, and Town Clerk for their unfailing support for maintaining the highest standards of professionalism in the management of the Town of Hempstead's finances.

Sincerely,

  
KATE MURRAY  
Supervisor

**FINANCIAL SECTION**

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

**CERTIFIED PUBLIC ACCOUNTANTS**  
25 SUFFOLK COURT  
HAUPPAUGE, NY 11788  
(631) 434-9500

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying basic statements of the Town of Hempstead, New York, as of December 31, 2003 and for the year then ended, 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 seven component units presented discretely in the financial statements. These 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 seven component units, is based solely on the report 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 the component units presented discretely in these financial statements were not 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 basic 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 provides a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Town of Hempstead, New York, as of December 31, 2003, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town of Hempstead, New York basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical tables listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements of the Town of Hempstead, New York. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements of the Town of Hempstead, New York, and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

We did not audit the data presented in the introductory or statistical sections as listed in the accompanying table of contents, which are not a required part of the basic financial statements and, therefore, express no opinion thereon.



Honorable Supervisor and Town Board  
Town of Hempstead  
Page 2

In accordance with Government Auditing Standards, we have also issued our report dated August 6, 2004, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

*Albert, Viggiano, Zwick + Company, P.C.*

Hauppauge, New York  
August 6, 2004

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

**TOWN OF HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
Year Ended December 31, 2003

As management of the Town of Hempstead, we offer readers of the financial statements this narrative overview and analysis of the financial activities for the fiscal year ended December 31, 2003. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 4-7 of this report. All amounts, unless otherwise indicated, are expressed in thousand of dollars.

**FINANCIAL HIGHLIGHTS**

- The Town of Hempstead's net assets increase \$11.3 million as a result of this year's operations.
- During the year, the Town of Hempstead had revenues that were \$11 million more than the \$320 million in expenses. This compares to last year when the income exceeded expenses by \$16 million.
- Total cost of all the Town of Hempstead's programs increased by \$13.7 million or 4.5%.
- Overall, the Town of Hempstead's financial position has improved over the prior year.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town of Hempstead's basic financial statements. The Town of Hempstead's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**Government-Wide Financial Statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of Hempstead's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all the Town of Hempstead's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town of Hempstead is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets change during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town of Hempstead that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town of Hempstead include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The Town of Hempstead does not have any business-type activities.

The government-wide financial statements include not only the Town of Hempstead itself (known as the *primary government*), but also legally separate districts for which the Town of Hempstead is financially accountable for debts issued on their behalf. Financial information for these *component units* is reported separately from the financial information presented for the primary government.

The government-wide financial statements can be found on pages 22-24 of this report.

**TOWN OF HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
Year Ended December 31, 2003

**FINANCIAL HIGHLIGHTS** (continued)

**Fund Financial Statements**

A *fund* is a grouping of relative accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Hempstead, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Hempstead can be divided into two categories: governmental funds and fiduciary funds.

*Governmental funds* - *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Hempstead maintains 14 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Highway, Parks, Refuse and Garbage, and Capital Projects, all of which are considered to be major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Town of Hempstead adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statement can be found on page 25-31 of this report.

*Fiduciary funds* - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Town of Hempstead's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 32 of this report.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33-52 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Town of Hempstead's progress in funding its obligations to provide pension benefits to its employees. Required supplementary information can be found on pages 55-62 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 63-66 of this report.

**TOWN OF HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
Year Ended December 31, 2003

**FINANCIAL HIGHLIGHTS** (continued)

**Government-Wide Financial Analysis**

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 Hempstead, assets exceeded liabilities by \$133,888,572 at the close of the most recent fiscal year.

By far the largest portion of the Town of Hempstead's net assets (80 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Town of Hempstead uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town of 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 cannot be used to liquidate these liabilities.

**Table 1**  
**Net Assets**

	Governmental Activities	
	2003	2002
Current and other assets	\$120,613,019	\$118,931,900
Capital assets	405,165,174	385,300,156
Total Assets	525,778,193	504,232,056
Current liabilities	112,543,187	86,651,486
Non-current liabilities	279,346,434	294,958,717
Total liabilities	391,889,621	381,610,203
Net assets:		
Invested in capital		
assets, net of debt	107,687,774	112,834,502
Restricted	1,977,819	8,711,578
Unrestricted	24,222,979	1,075,773
Total net assets	\$133,888,572	\$122,621,853

An additional portion of the Town of Hempstead's net assets (about 1.5 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$24,222,979) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town of Hempstead is able to report positive balances in all three categories of net assets. The same situation held true for the prior fiscal year.

The government's net assets increased by \$11,266,719 during the current fiscal year. About one half of this increase represents the degree to which increases in ongoing revenues have outstripped similar increases in ongoing expenses. The other balances comprise increases in miscellaneous items such as refunds of prior year expenses, and prior period adjustments, etc.

**TOWN OF HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
Year Ended December 31, 2003

**FINANCIAL HIGHLIGHTS (continued)**

**Governmental Activities**

Key elements of the governmental activities are:

**Table 2**  
**Changes in Net Assets**

	Governmental Activities	
	2003	2002
<b>Revenues:</b>		
<b>Program Revenues:</b>		
Charges for service	\$46,325,006	\$53,108,208
Operating grants and contributions	22,374,250	16,553,415
Capital grants and contributions	5,316,605	12,032,815
<b>General Revenues:</b>		
Property taxes	182,528,258	173,892,459
Other real property tax items	2,744,236	858,826
Non-property tax items	5,197,823	4,963,658
Local government assistance	29,608,693	28,883,729
State aid-unrestricted	34,370,158	26,909,216
Other	3,403,845	510,974
<b>Total Revenues</b>	<b>331,868,874</b>	<b>317,713,300</b>
<b>Expenses</b>		
General government support	51,059,557	46,795,775
Public safety	22,033,537	20,186,093
Transportation	37,794,243	45,827,439
Economic assistance and opportunity	12,218,604	40,904,955
Culture and recreation	53,552,703	23,411,384
Home and community services	131,732,145	111,019,824
Debt services interest on L/T debt	12,211,366	13,124,231
<b>Total expenses</b>	<b>320,602,155</b>	<b>301,269,701</b>
<b>Increase in net assets</b>	<b>\$11,266,719</b>	<b>\$16,443,599</b>

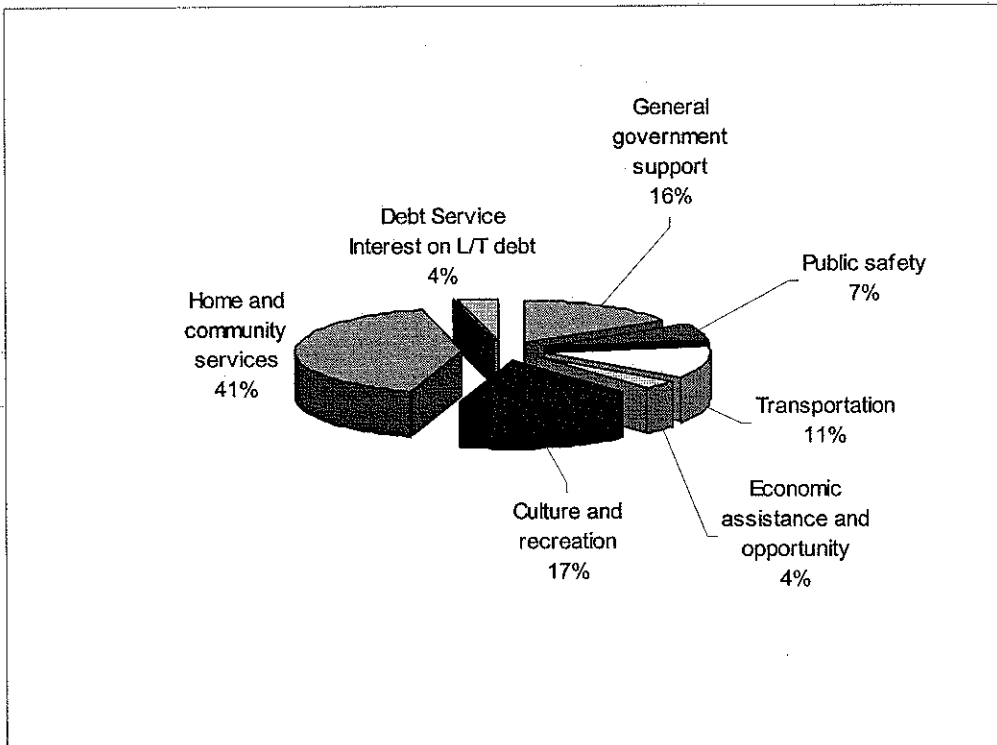
- Property taxes increased by \$8,197,187 (4.7 percent) during the year. There is no statutory limitation on the taxing authority of the Town of Hempstead.
- Operating grants for governmental activities increased by \$4,468,818, mostly as a result of an aggressive grant application strategy undertaken by the Town of Hempstead during the current fiscal year. The new grant awards furnished resources to support six of the Town of Hempstead's functions.

**TOWN OF HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
Year Ended December 31, 2003

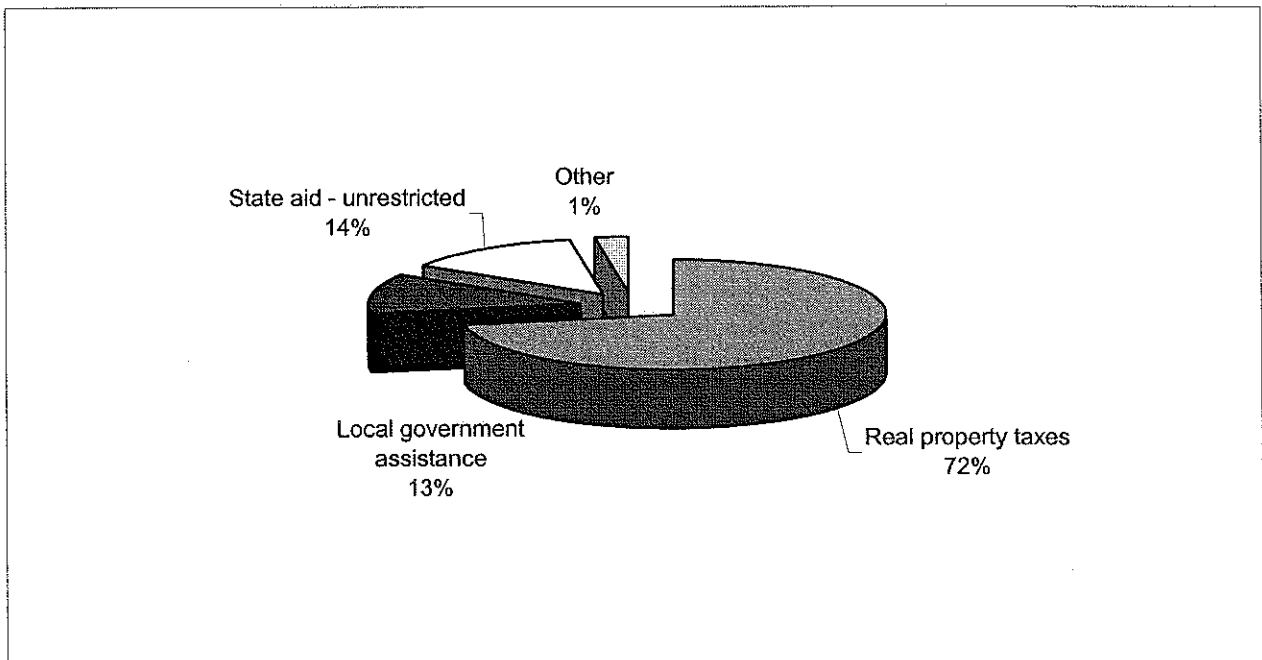
**FINANCIAL HIGHLIGHTS (continued)**

**Governmental Activities (continued)**

**Chart 1**  
**Expenses and Program Revenues – Governmental Activities**



**Chart 2**  
**Revenues by Source – Governmental Activities**



**TOWN OF HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
Year Ended December 31, 2003

**FINANCIAL HIGHLIGHTS (continued)**

**Financial Analysis of the Government's Funds**

As noted earlier, the Town of Hempstead uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Fund** - The focus of the Town of 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 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 fiscal year, the Town of Hempstead's governmental funds reported combined ending fund balances of \$132,046,918, remaining approximately the same from prior year. Approximately 35 percent of the total (\$36,637,780) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$1,671,776), 2) to pay debt service (\$1,205,009), 3) reserved for inventory (\$1,541,335), or 4) for a variety of other reserve purposes (\$4,783,402).

The general fund is the chief operating fund of the Town of Hempstead. At the end of the current fiscal year, unreserved fund balance of the general fund was \$42,852,608, while total fund balance reached \$44,710,901. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 47 percent of total general fund expenditures, while total fund balance represents 50 percent of the same amount.

The fund balance of the Town of Hempstead's general fund increased by \$8,246,303 during the current fiscal year. Key factors in this growth are as follows:

- An increase in the mortgage tax of \$7.5 million. The remainder is attributable to sales tax increases.

**General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget were relatively minor (\$1,848,396 increase in appropriations) and can be briefly summarized as follows:

- Increases were due primarily to contractual salary increases.

During the year, revenues exceeded budgetary estimates while expenditures were less than budgetary estimates, thus eliminating the need to draw upon existing fund balance.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Asset**

The Town of Hempstead's investment in capital assets for its governmental type activities as of December 31, 2003, amounts to \$405,165,174 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, highways, and bridge. The total increase in the Town of Hempstead's investment in capital assets for the current fiscal year was \$19,865,018 (5.2 percent).



**TOWN OF HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
Year Ended December 31, 2003

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

**Capital Asset (continued)**

Major Capital asset events during the current fiscal year included the following:

- Road reconstruction
- Heavy equipment replacement
- Information and technology upgrades
- Building improvements

**Table 3**  
**Capital Assets**

	Governmental Activities	
	2003	2002
Land and landfills	\$80,416,938	\$80,107,342
Fully depreciated buildings and construction work in progress	5,219,492	14,286,642
Infrastructure and improvements other than building net	290,746,529	268,727,234
Improvements of Merrick landfill net	12,534,168	12,649,221
Machinery and equipment and capital leases net	14,912,201	9,529,717
<b>Totals</b>	<b>\$403,829,328</b>	<b>\$385,300,156</b>

Additional information on the Town of Hempstead's capital assets can be found in note 3 on pages 43 and 44 of this report.

**TOWN OF HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
Year Ended December 31, 2003

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

**Long-Term Debt**

At the end of the current fiscal year, the Town of Hempstead has total bonded debt outstanding of \$238,618,208. The entire debt is backed by the full faith and credit of the Town of Hempstead.

**Table 4**  
**Outstanding Debt**

	Governmental Activities	
	2003	2002
Bond anticipation notes	\$58,899,508	\$13,680,000
General obligations (backed by the Town)	238,618,208	265,406,554
<b>Total</b>	<b>\$297,517,716</b>	<b>\$279,086,554</b>

The Town of Hempstead's total debt increased by \$18,431,162 (6.6 percent). This increase was attributed to additional borrowing for infrastructure maintenance, heavy equipment replacement, and building improvements.

The Town of Hempstead maintains an "AA" rating from Standard & Poor's and Fitch and an "AA" rating from Moody's for general obligation debt.

State statutes limit the amount of general obligation a governmental entity may issue to 7% of a 5-year average full valuation. The current debt limitation for the Town of Hempstead is \$4,046,591,831, which is significantly in excess of the Town of Hempstead's outstanding general obligation debt.

Additional information on the Town of Hempstead's long-term debt can be found in note 4 on pages 44-46 of this report.

**Economic Factors and Next Year's Budgets and Rates**

- The Town of Hempstead's elected and appointed officials considered many factors when setting the fiscal year 2004 budget, tax rates, and fees that will be charged. One of those factors is the economy. The Town of Hempstead, located in Nassau County, New York, generally has more favorable financial statistical data than Nassau County or New York State. The Town of Hempstead's latest unemployment rate at 4.1% compares favorably to New York State's 6.0% and the United States 5.4%. The workforce also compares favorably in composition (42.4% professional/management) to New York State's (36.7%). Median income in the Town of Hempstead shows that over 33% of the workforces earns \$100,000 or more compared to the New York State average of 18.7%. These factors provide a stable tax environment enabling the Town of Hempstead to reliably project tax revenue.
- Inflation in the Town of Hempstead's geographic area is consistent with the metropolitan area and is similar though somewhat higher than national averages. Contractual increases in negotiated labor contracts are comparable with regional municipalities while providing similar fringe benefits. These factors form the basis for estimating the 2004 budget lines.
- Revenues are subject to regional economic trends and are projected to show year over year increases for 2004 for items such as mortgage tax. Interest income, however, will show the effects of historically low rates.
- When all factors are considered the Town of Hempstead's general fund balance is expected to remain stable by the close of 2004.

**BASIC FINANCIAL STATEMENTS**

**THIS PAGE LEFT INTENTIONALLY BLANK**

**TOWN OF HEMPSTEAD**  
**GOVERNMENT-WIDE FINANCIAL STATEMENT**  
**STATEMENT OF NET ASSETS**  
December 31, 2003

	Primary Governmental Activities	Component Units
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and investments	\$ 78,313,828	\$ 7,482,262
Accounts receivable, net of allowances	5,880,394	469,773
Due from fiduciary funds	324,463	
Due from other governments	22,836,597	64,741
Prepaid charges	4,525,237	72,782
Inventory of material and supplies	8,232,500	1,676,670
Other assets	500,000	764,434
Total Current Assets	120,613,019	10,530,662
<b>Non-Current Assets:</b>		
Deferred charges, net of accumulated amortization	1,335,846	136,813
Non-depreciable capital assets	85,636,430	2,648,749
Depreciable capital assets, net of depreciation	318,192,898	15,828,804
Total Non-Current Assets	405,165,174	18,614,366
<b>Total Assets</b>	525,778,193	29,145,028
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued liabilities	17,313,040	806,278
Accrued interest payable	4,258,643	19,962
Bond anticipation notes payable	53,920,000	
Bond interest and matured bonds	11,094	389,062
Due to other governments		3,048,363
Other liabilities		37,959
<b>Non-current liabilities due within one year</b>		
General obligation bonds payable	28,991,140	2,001,323
Due to Employees Retirement System	285,429	
Compensated absences	2,143,961	25,027
Claims and judgments payable	5,264,000	
Estimated liability for landfill closure and postclosure care costs	307,666	
Installment purchase debt	48,214	
Total Current Liabilities	112,543,187	6,327,974
<b>Non-Current Liabilities:</b>		
Bond anticipation notes payable	4,979,508	2,726,866
General obligation bonds payable	209,627,068	
Compensated absences	40,735,261	475,506
Claims and judgements payable	11,785,087	
Estimated liability for landfill closure and postclosure care costs	12,152,805	
Installment purchase debt	66,705	
Other debt		656,000
Total Non-Current Liabilities	279,346,434	3,858,372
<b>Total Liabilities</b>	391,889,621	10,186,346
<b>NET ASSETS</b>		
Investment in capital assets, net of related debt	107,687,774	9,782,451
<b>Restricted:</b>		
Home and community services and Economic assistance and opportunity	772,810	
Debt service	1,205,009	5,620,618
Unrestricted	24,222,979	3,555,613
<b>Total Net Assets</b>	\$ 133,888,572	\$ 18,958,682

See notes to the financial statements

**TOWN OF HEMPSTEAD**  
**GOVERNMENT-WIDE FINANCIAL STATEMENT**  
**STATEMENT OF ACTIVITIES**  
Year ended December 31, 2003

Function/Program	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Government Activities:				
General government support	\$ 51,059,557	\$ 2,509,139	\$ 302,425	\$ 103,998
Public safety	22,033,537	5,283,424	1,003,000	
Transportation	37,794,243	6,218,669	220,099	1,483,427
Economic assistance and opportunity	12,218,604	1,914,614	3,532,685	
Culture and recreation	53,552,703	13,794	7,591,821	
Home and community services	131,732,145	30,385,366	9,724,220	3,729,180
Interest on debt	12,211,366			
<b>Total Primary Government</b>	<b>\$ 320,602,155</b>	<b>\$ 46,325,006</b>	<b>\$ 22,374,250</b>	<b>\$ 5,316,605</b>
<b>COMPONENT UNITS</b>				
Home and community services	\$ 6,780,702	\$ 2,249,705		

**GENERAL REVENUES**

Real property taxes  
Other real property tax items  
Non-property tax items  
Mortgage tax  
Other

Total General Revenues

Change in Net Assets

**Net Assets at Beginning of Year**

Net Assets at End of Year

See notes to the financial statements.

Net Expenses and Change in Net Assets

Primary Government	Component Units
\$ 48,143,995	
15,747,113	
29,872,048	
6,771,305	
45,947,088	
87,893,379	
<u>12,211,366</u>	
<u>\$ 246,586,294</u>	
	<u>\$ 4,530,997</u>
\$ 182,528,258	\$ 4,100,588
2,744,236	
34,806,516	346,285
34,370,158	
3,403,845	206,787
<u>257,853,013</u>	<u>4,653,660</u>
11,266,719	122,663
<u>122,621,853</u>	<u>18,836,018</u>
<u>\$ 133,888,572</u>	<u>\$ 18,958,681</u>

TOWN OF HEMPSTEAD  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2003

MAJOR FUNDS

	General Fund	Highway Fund	Parks	Refuse and Garbage	Capital Projects Fund
<b>ASSETS</b>					
Cash and investments	\$ 29,142,177	\$ 8,054,672	\$ 2,506,040	\$ 16,924,654	\$ 1,938,734
Accounts receivable	831,680	-0-		2,468,550	-0-
Due from other funds	9,604,231	-0-	2,903,414	603,312	29,714
Due from fiduciary funds	2,929			321,568	
Due from other governments	5,290,116	1,666,956	1,213,524	8,380,690	3,259,478
Inventory	886,320	3,496,754	1,441,517	906,915	-0-
Prepaid expenses	1,261,434	268,885	559,603	455,994	-0-
Other assets	205,000	45,000	150,000	55,000	-0-
<b>Total Assets</b>	<b>\$ 47,223,887</b>	<b>\$ 13,532,267</b>	<b>\$ 8,774,098</b>	<b>\$ 30,116,683</b>	<b>\$ 5,227,926</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 1,011,080	\$ 1,015,366	\$ 781,597	\$ 9,531,037	\$ 3,419,594
Bond anticipation notes payable	500,000	200,000	-0-	-0-	53,220,000
Due to other funds	1,001,906	2,538,487	202,049	2,400,490	3,875,206
Bond interest and matured bonds		-0-	-0-	-0-	-0-
Deferred revenue	-0-	-0-	-0-	-0-	300,000
<b>Total Liabilities</b>	<b>2,512,986</b>	<b>3,753,853</b>	<b>983,646</b>	<b>11,931,527</b>	<b>60,814,800</b>
<b>FUND EQUITY</b>					
Fund Balance - Reserved:					
Encumbrances	375,279	\$ 138,849	34,745	340,684	-0-
Inventory	221,580	357,400	360,379	226,729	-0-
Insurance	-0-	-0-	-0-	1,557,645	-0-
Repairs	-0-	-0-	-0-	-0-	-0-
Debt Service	-0-	1,205,009	-0-	-0-	-0-
Workers Compensation	-0-	-0-		-0-	-0-
Prepaid Expenses	1,261,434	268,885	559,603	455,994	-0-
Fund Balance (Deficit) Unreserved:					
Designated for Subsequent Year's Budget	10,797,651	1,294,230	1,926,841	4,480,634	-0-
Undesignated	32,054,957	6,514,041	4,908,884	11,123,470	(55,586,874)
<b>Total Fund Equity</b>	<b>44,710,901</b>	<b>9,778,414</b>	<b>7,790,452</b>	<b>18,185,156</b>	<b>(55,586,874)</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 47,223,887</b>	<b>\$ 13,532,267</b>	<b>\$ 8,774,098</b>	<b>\$ 30,116,683</b>	<b>\$ 5,227,926</b>



Other Governmental Funds		Totals	
\$	19,747,551	\$	78,313,828
	2,580,164		5,880,394
	32,146		13,172,817
			324,497
	3,025,833		22,836,597
	1,500,994		8,232,500
	240,369		2,786,285
	45,000		500,000
<u>\$</u>	<u>27,172,057</u>	<u>\$</u>	<u>132,046,918</u>
\$	1,554,366	\$	17,313,040
	-0-		53,920,000
	3,154,679		13,172,817
	11,094		11,094
	1,490,664		1,790,664
<u>\$</u>	<u>6,210,803</u>	<u>\$</u>	<u>86,207,615</u>
	782,219		1,671,776
	375,248		1,541,336
	-0-		1,557,645
	439,472		439,472
	-0-		1,205,009
			-0-
	240,369		2,786,285
	2,664,835		21,164,191
	16,459,111		15,473,589
<u></u>	<u>20,961,254</u>	<u></u>	<u>45,839,303</u>
<u>\$</u>	<u>27,172,057</u>	<u>\$</u>	<u>132,046,918</u>

**THIS PAGE LEFT INTENTIONALLY BLANK**

**TOWN OF HEMPSTEAD**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE**  
**STATEMENT OF NET ASSETS**  
December 31, 2003

Total Fund Balances (Deficit) - Governmental Funds \$ 45,839,303

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	85,636,430
Capital assets - depreciable	642,215,146
Accumulated depreciation	(324,022,248)

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds 1,790,630

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:

Bond anticipation notes payable	(4,979,508)
General obligation bonds payable	(238,618,208)
Due to Employees Retirement System	(285,429)
Compensated absences	(42,879,222)
Claims and judgements payable	(17,049,087)
Estimated liability for landfill closure and postclosure care costs	(12,460,471)
Installment purchase debt	(114,919)

Prepaid items included in the Statement of Net Assets 1,738,952

Deferred charges included in the Statement of Net Assets 1,335,846

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. (4,258,643)

Net Assets of Governmental Activities \$ 133,888,572

**TOWN OF HEMPSTEAD**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
December 31, 2003

**MAJOR FUNDS**

	General Fund	Highway	Parks	Refuse and Garbage	Capital Projects Fund
<b>Revenues</b>					
Real property taxes	\$ 16,366,860	\$ 42,853,039	\$ 33,629,759	\$ 64,714,055	\$ -0-
Real property tax items	1,839,593	211,139	156,438	350,768	-0-
Non-property tax items	10,467,579	5,400,000	8,838,937	10,100,000	-0-
Departmental income	5,528,187	-0-	2,064,417	12,321,321	-0-
Intergovernmental charges	(2,094)	3,015	606,757	10,839,166	53,992
Use of money and property	995,965	224,068	383,404	697,013	-0-
Licenses & permits	459,223	-0-	-0-	-0-	-0-
Fines & forfeitures	407,719	-0-	12,350	-0-	-0-
Sale of property and compensation for loss	540,219	758,225	148,724	828,426	-0-
Miscellaneous revenue	219,011	293,056	241,051	579,379	-0-
Interfund revenues	31,271,019	-0-	18,010,186	-0-	-0-
State aid	34,786,949	3,532,685	220,099	-0-	1,529,435
Federal aid	-0-	-0-	-0-	-0-	-0-
<b>Total Revenues</b>	<u>102,880,230</u>	<u>53,275,227</u>	<u>64,312,122</u>	<u>100,230,128</u>	<u>1,583,427</u>
<b>Expenditures</b>					
Current:					
General government support	53,289,507	-0-	-0-	-0-	
Public safety	6,960,843	-0-	-0-	-0-	
Culture and recreation	87,663	-0-	48,407,144	-0-	
Transportation	985,023	23,130,469	-0-	-0-	
Economic assistance and opportunity	4,380,727	-0-	-0-	-0-	
Home and community services	8,262,075	-0-	-0-	90,801,471	
Employee benefits	16,336,400	6,434,670	12,411,675	11,131,927	
Capital Outlay					43,065,989
Debt service principal and interest	15,000	-0-	-0-	586,712	
<b>Total Expenditures</b>	<u>90,317,238</u>	<u>29,565,139</u>	<u>60,818,819</u>	<u>102,520,110</u>	<u>43,065,989</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>12,562,992</u>	<u>23,710,088</u>	<u>3,493,303</u>	<u>(2,289,982)</u>	<u>(41,482,562)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	23,945	1,434,126	-0-	-0-	-0-
Transfers out	(4,340,634)	(27,160,354)	(3,490,897)	(3,537,426)	(1,458,071)
Refunding bonds issued					
Payments to refunded bond escrow agent					
Debt proceeds	-0-	3,882,346	-0-	-0-	430,000
<b>Total Other Financing Sources (Uses)</b>	<u>(4,316,689)</u>	<u>(21,843,882)</u>	<u>(3,490,897)</u>	<u>(3,537,426)</u>	<u>(1,028,071)</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing U</b>	<u>8,246,303</u>	<u>1,866,206</u>	<u>2,406</u>	<u>(5,827,408)</u>	<u>(42,510,633)</u>
<b>Fund Balance at Beginning of Year</b>	<u>36,464,598</u>	<u>7,912,208</u>	<u>7,788,046</u>	<u>24,012,564</u>	<u>(13,076,241)</u>
<b>Fund Balance at End of Year</b>	<u>\$ 44,710,901</u>	<u>\$ 9,778,414</u>	<u>\$ 7,790,452</u>	<u>\$ 18,185,156</u>	<u>\$ (55,586,874)</u>

Other Governmental Funds		Totals	
\$	24,964,545	\$	182,528,258
	186,298		2,744,236
	-0-		34,806,516
	12,609,259		32,523,184
	34,314		11,335,150
	703,409		3,003,859
	23,700		482,923
	145,167		565,236
	760,723		3,036,317
	652,559		1,985,066
	551,216		49,832,421
	1,000,000		41,069,168
	14,359,096		14,359,096
	<u>55,990,286</u>		<u>378,271,420</u>
	315,961		53,605,468
	13,315,844		20,276,687
	352,999		48,847,806
	8,866,046		32,981,538
	5,769,304		10,150,031
	22,545,648		121,609,194
	5,345,691		51,660,363
			43,065,989
	<u>41,325,058</u>		<u>41,926,770</u>
	<u>97,836,551</u>		<u>424,123,846</u>
	<u>(41,846,265)</u>		<u>(45,852,426)</u>
	41,325,058		42,783,129
	(2,795,747)		(42,783,129)
	31,021,996		31,021,996
	(31,021,996)		(31,021,996)
	<u>1,097,162</u>		<u>5,409,508</u>
	<u>39,626,473</u>		<u>5,409,508</u>
	(2,219,792)		(40,442,918)
	23,181,046		86,282,221
\$	<u>20,961,254</u>		<u>45,839,303</u>

**TOWN OF HEMPSTEAD**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
December 31, 2003

Net Change in Fund Balance \$ (40,442,918)

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	49,928,082
Depreciation expense	(17,505,183)
Loss on dispositions	(13,893,727)

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	1,738,952
Deferred charges	1,335,846

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 1,790,630

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

Bond anticipation notes payable	(4,979,508)
Bonds issued	(31,021,996)
Repayment of bond principal	57,810,342
Due to Employees Retirement System	993,781
Compensated absences	(1,338,948)
Claims and judgements payable	(587,420)
Estimated liability for landfill closure and postclosure care costs	4,753,248
Installment purchase debt	(114,919)
Other assets/liabilities	1,639,245
Accrued interest payable	1,161,212

Change in Net Assets of Governmental Activities \$ 11,266,719

**TOWN OF HEMPSTEAD**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
December 31, 2003

		Agency Funds
<b>ASSETS</b>		
Cash and investments		\$ 12,103,061
	Total Assets	\$ 12,103,061
 <b>LIABILITIES</b>		
Agency Fund		
Agency liabilities		\$ 11,933,362
Due to other governments		
Due to other funds		324,498
	Total Liabilities	\$ 12,257,860

**TOWN OF HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Hempstead (the "Town"), which was chartered in 1644, 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 Supervisor serves as the Chief Executive Officer. The Highway Superintendent and the Heads of the various Town departments' terms are fixed by Town Law. The Town Clerk and Receiver of Taxes are elected and serve for two years and four years, respectively.

The Town provides the following principal services either directly or through Town-operated special districts: parks and recreation, highway construction and maintenance, inland waterways and marinas, building inspection and zoning administration, fire protection, street lighting, garbage pick-up and disposal, water services, and administration of certain State and Federal grants.

The accompanying financial statements include all funds of the Town for which the elected officials exercise oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. All such entities of the Town have been included in this report.

The financial statements of the Town of 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 more significant of the government's accounting policies are described below.

**1. REPORTING ENTITY**

Included in the Reporting Entity

The financial reporting entity consists of: (a) the primary government, which is the Town of 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 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 Hempstead's reporting entity.

Certain special districts of the Town of Hempstead provide water, sewer and library services to residents and businesses within the districts. These special districts are organized under New York State Town law and have separately elected boards. Although these districts operate independently, the Town is liable for their bonded debt. 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.

Excluded from the Reporting Entity

Located within the Town are 22 incorporated villages, 9 of which are partially located in neighboring towns. The villages all have their independent forms of government but real property located therein is subject to taxation by the Town for certain Town purposes. There are 36 independently governed school districts and a number of special districts with separate boards of commissioners, which rely upon their own taxing powers granted by the State to raise revenues. Of these school districts, 29 are entirely within the Town while parts of the other 4 districts are located in neighboring towns.



**TOWN OF HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

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

**1. REPORTING ENTITY (continued)**

Excluded from the Reporting Entity (continued)

The Town of Hempstead Housing Authority is responsible for the planning and maintenance of housing complexes for senior citizens and others on a fixed or limited income anywhere within the Town. The Town of Hempstead Housing Authority was created in 1967 by the New York State Legislature. The Town is not responsible for debt or operating deficits of the Authority.

The Town-Village Aircraft Noise Abatement Committee is undertaken jointly with other municipalities and is excluded from the financial statements.

Bethpage Water District is located partially in the Town of Hempstead. As discussed in note C-4, the Town has guaranteed certain debts of the District. Because the District does not meet the criteria to be considered a component unit, this debt has not been included on the balance sheet.

The Town does not exercise oversight responsibility over these organizations; therefore, their financial statements are not part of the Town's combined financial statements.

**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 reports 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 produce 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).

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 in the previous model. The new emphasis is on the major funds in the fund financial statements. Non-major fund are summarized into a single column.

**TOWN OF HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

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

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

**Fund Financial Statements (continued)**

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. Certain funds of the Town are utilized to account for resources derived from and/or expenditures applicable to an area less than the entire town. 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. Government funds are further classified as major and non-major 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.

**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:

**Highway Fund** - is used to account for revenues and expenditures for highway purposes.

**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:

**Park Districts:**

Atlantic Beach Estates	Levittown
East Atlantic Beach	Lido Beach
Franklin Square	Point Lookout
Joint Hempstead – Oyster Bay Park	Town of Hempstead

**Refuse and Garbage Districts:**

Hempstead	Lido Beach – Point Lookout	Merrick-North Merrick
-----------	----------------------------	-----------------------

**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 non-major funds:

**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:

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

**Special Grant Fund** - is used to account for Federal Aid for the Community Development Block Grant Program, the Workforce Investment Act Program, and the Low Income Housing Program.

**TOWN OF HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

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

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

**Fund Financial Statements (continued)**

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:**

Angle Sea	Merrick	Roosevelt Field	South Westbury
East Garden City	Mill Brook	Silver Point	West Sunbury
East Lawrence	North Lynbrook	Seaford	Woodmere
Green Acres Mall	North West Malverne	South Franklin Square	Wreck Lead
Hempstead Plains		South Freeport	

**Public Parking Districts:**

Baldwin	Franklin Square	Oceanside	West Hempstead
Bellmore	Garden City South	Roosevelt	Woodmere-Hewlett
East End Turnpike	Merrick	Uniondale	
Elmont	North Merrick		

**Water Districts:**

Bowling Green Estates	Levittown	Roosevelt Field
East Meadow	Lido Beach – Point Lookout	Uniondale

**Other Districts:**

Town of Hempstead Lighting District	Town of Hempstead Refuse Disposal District
Bay Park Library Funding District	South Lynbrook – Hewlett Library Funding District

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

Permanent Fund – is used to account for financial resources received from other parties including individuals, private organizations and other governments whereby the use of the resources are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs.

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

Agency Fund – is used to account for resources held as an agent for parties outside the government. Agency fund resources cannot be held for other funds.

Private Purpose Trust Fund – is for resources held in trust for the benefit of parties that are not part of the government rather than for government programs.

**Discretely Presented Component Units**

Certain special districts that have separately elected boards provide water, sewer and library 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:

**TOWN OF HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

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

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

**Discretely Presented Component Units (continued)**

Lakeview Public Library District  
Uniondale Public Library District  
Franklin Square Water District  
Greater Atlantic Beach Water  
Reclamation District

Roosevelt Public Library District  
Cathedral Gardens Water District  
West Hempstead – Hempstead Gardens Water District

**Industrial Development Agency**

The Town of Hempstead Industrial Development Agency: This agency is a public benefit corporation created by state legislation to promote and develop commerce and industry within the Town, thus enhancing job opportunities and other economic benefits for the people of the Town. Members of the agency are appointed by the Town Board.

**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 at year end on behalf of the Town, franchise fees, and charges for services, intergovernmental revenues and operating transfers. 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 since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

**TOWN OF HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

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

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

**RECEIVABLES**

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

The Town in its normal course of business is subject to the risk that it may be unable to collect all outstanding accounts receivable arising from user fees. Therefore, the Town has established an allowance account totaling approximately \$1,000,000.

**INVENTORY – MATERIALS AND SUPPLIES**

Inventory in the General and Special Revenue Funds is valued at cost. Inventory in these funds is accounted for under the consumption method, utilizing the first-in, first-out method (FIFO).

**PREPAID EXPENSES**

Prepaid expenses are accounted for under the consumption method and represent funds spent as of December 31, 2003 for future expenses.

**CAPITAL ASSETS**

Capital assets purchased or acquired with an original cost of \$1,000 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	40 years
Improvements and other	20 years
Machinery and equipment	7 years
Infrastructure	
Roads	30 years
Curbs and sidewalks	20 years
Drainage system	30 years
Street lighting	25 years

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

In the fund financial statements capital assets are recorded as capital outlay expenditures in the 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 bases over the life of the issue (9 years), and are presented net of accumulated.

**DEFERRED REVENUE**

Deferred revenues 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 deemed to be "measurable" but not "available" to finance current expenses.

**TOWN OF HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

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

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

**LONG-TERM OBLIGATIONS**

The liabilities for long-term obligations consisting of general obligation bond, compensated absences, due to employee retirement system, 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 principle 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. 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 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 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<sup>st</sup> and July 1<sup>st</sup> until August 31<sup>st</sup>, 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.

School District property taxes in the Town 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% in October and 50% in April. The County is also responsible for uncollected school taxes.

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

Real property taxes become a lien during the third week of February for both school and general taxes.

**INTERFUND TRANSACTIONS**

Interfund transactions have been eliminated from the government-wide financial statements. In the funds statements interfund transactions include:

**a) Interfund Revenues**

Interfund revenues, interfund services (provided and used), 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) Transfers**

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.

**TOWN OF HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

**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 noncurrent obligations in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements only the compensated absence liability payable from expendable available financial resources is incurred.

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

**6. EQUITY CLASSIFICATIONS**

In the Government-wide Statements equity is classified as net assets and displayed 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 split 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 indicates the utilization of these resources in the subsequent year’s budget or tentative plans for future use.

**B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**1. BUDGETARY DATA**

The Supervisor is responsible for the preparation of the tentative annual operating and capital budgets. The Town Board reviews the tentative budgets and prepares preliminary operating and capital budgets and a public hearing is held thereon. Subsequent to the public hearing, revisions (if any) are made and the budgets are then adopted by the Town Board as final for the coming year. The budgets are not subject to referendum. Town Law provides that no expenditures may exceed budgeted appropriations. Any revisions to the annual budget proposed to accommodate changes in a department, district, or other program must be adopted by resolution of the Town Board.

Budgetary controls are established for the capital projects funds through resolutions authorizing individual projects, which remain in effect for the life of the project. Annual budgets are not prepared for Debt Service, Special Grant and for federally funded programs such as the following: Community Development Block Grant Program, Job Training Partnership Act, Low Income Housing Program, and Work Force Investment Act Program. However, these programs are governed by various grant agreements and reports are issued to regulatory authorities on a regular basis. Acceptance of the grants is also approved by the Town Board. Therefore, no formal budget is deemed necessary.

**TOWN OF HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

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

**1. BUDGETARY DATA (continued)**

Except as indicated, budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior years. Budgetary controls for the Special Grant Funds are established in accordance with the applicable grant agreement, which covers a period other than the Town's fiscal year.

Budgets for the General, certain Special Revenue and Debt Service Funds are legally adopted for each year. The budgets are adopted on a basis of accounting consistent with GAAP, except that appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior years. In the event that actual revenues received exceed budgeted amount, additional budgetary appropriations are made. The Capital Projects and Special Grant Funds are budgeted on a project or grant basis.

**2. FUND BALANCES**

**DESIGNATION OF FUND BALANCE**

Portions of the unreserved balances at December 31, 2003 were designated for the subsequent year's operating budgets as follows:

Fund	Total Fund Balance Unreserved	Fund Balance Unreserved and Designated for Subsequent Year's Budget	Fund Balance Unreserved Undesignated
<b>Non-Major Funds:</b>			
Permanent Fund	\$ 1,337,867	\$ -0-	\$ 1,337,867
Town Outside Village	2,940,580	1,146,207	1,794,373
Special Grant	772,810	-0-	772,810
Fire Protection	1,465,945	60,655	1,405,290
Street Lighting	2,352,137	316,415	2,035,722
Public Parking	2,045,735	-0-	2,045,735
Water	8,203,348	1,141,527	7,061,821
Library Funding	5,524	31	5,493
<b>Total</b>	<b>\$ 19,123,946</b>	<b>\$ 2,664,835</b>	<b>\$ 16,459,111</b>

**FUND DEFICITS**

Individual funds/districts with unreserved and/or total fund deficits as of December 31, 2003 are as follows:

	Fund Deficit Unreserved and Undesignated	Total Fund Balance (Deficit)
Capital Projects Fund	\$ (55,586,874)	\$ (55,586,874)

The Capital Projects Fund deficit resulted from differences in timing between project expenditures and encumbrances and the recognition of corresponding permanent financing sources. Since project expenditures are initially financed by the issuance of bond anticipation notes, and the proceeds of these short-term borrowings are recorded as fund liabilities rather than as other financing sources in accordance with GAAP, fund balance deficits occur. These deficits will be eliminated when long-term bonds payable are issued to redeem the bond anticipation notes payable since the proceeds of such long-term borrowings are recognized as other financing sources





**TOWN OF HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

**C. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)**

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

Restricted Cash

Debt Service Fund Cash with Fiscal Agent of \$292,540 represents cash for bond interest and matured bonds on deposit at banks designated as paying agents for the Town's bond issues.

Trust and Agency Fund Cash for Town Funds, Town Clerk Agency Funds and Town Receiver of Taxes Agency Funds are held for subsequent distribution, transmitted on release to other governments, persons or funds.

**2. INTERFUND RECEIVABLES AND PAYABLES**

At December 31, 2003, individual fund interfund receivable and payable balances for the primary government are expected to be paid currently. These balances are as follows:

	<u>Payable</u>	<u>Receivable</u>
General Fund	\$ 1,001,906	\$ 9,607,160
Special Revenue Funds:		
Town Outside Village	784	-0-
Highway	2,538,487	-0-
Special grant	2,151,139	1,274
Street lighting	1,656	-0-
Refuse and garbage	2,400,490	924,880
Parks	202,049	2,903,414
Public Parking	500,000	-0-
Water	501,134	30,872
Trust and Agency Fund	324,498	35
Capital Projects Fund	3,875,206	29,714
	<u>\$ 13,497,349</u>	<u>\$ 13,497,349</u>

**3. CAPITAL ASSETS**

	<u>Balance 1/1/2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2003</u>
Primary government				
Capital assets not being depreciated				
Land – other than landfills	\$ 49,438,557	\$ 3,166,306	\$ 2,856,710	\$ 49,748,153
Landfills	30,668,785	-0-	-0-	30,668,785
Construction work in progress	14,286,642	1,969,867	11,037,017	5,219,492
Total capital assets not being depreciated	94,393,984	5,136,173	13,893,727	85,636,430
Depreciable capital assets				
Infrastructure and Improvements other than buildings	454,296,148	37,773,256	-0-	492,069,404
Buildings	75,649,930	-0-	-0-	75,649,930
Improvement to park portion of Merrick landfill	13,085,401	321,127	-0-	13,406,528
Machinery and equipment	58,973,208	6,697,526	(4,581,450)	61,089,284
Total depreciable capital assets	602,004,687	44,791,909	(4,581,450)	642,215,146
Less accumulated depreciation				
Infrastructure and improvements other than buildings	185,568,914	15,753,961		201,322,875
Buildings	75,649,930	-0-	-0-	75,649,930
Improvements to park portion of Merrick landfill	436,180	436,180		872,360
Machinery and equipment	49,443,491	1,315,042	(4,581,450)	46,177,083
Total accumulated depreciation	311,098,515	\$17,505,183	\$ (4,581,450)	324,022,248
Total net depreciable capital assets				318,192,898
Total net capital assets				<u>\$ 403,829,328</u>

**TOWN OF HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

**C. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)**

**3. CAPITAL ASSETS**

	Balance 1/1/2003	Additions	Deletions	Balance 12/31/2003
<u>Discretely Presented Component Units</u>				
Capital assets not being depreciated				
Land	\$ 263,098	\$ -0-	\$ 66,362	\$ 196,736
Construction in progress	765,014	1,686,999	-0-	2,452,013
<b>Total Capital Assets not Being Depreciated</b>	<b>1,028,112</b>	<b>1,686,999</b>	<b>66,362</b>	<b>2,648,749</b>
Other capital asset				
Buildings	4,560,854	-0-	-0-	4,560,854
Building and improvements	4,122,768	31,256	-0-	4,154,024
Improvements other than buildings	41,450	-0-	-0-	41,450
Waste water treatment facility	2,246,579	-0-	-0-	2,246,579
Fencing	38,978	-0-	-0-	38,978
Automobiles	538,161	-0-	-0-	538,161
Communication equipment	52,816	-0-	-0-	52,816
Machinery and equipment	4,110,472	3,097,151	1,266	7,206,357
Furniture and equipment	823,818	33,981	19,916	837,883
Infrastructure	9,006,237	92,747	-0-	9,098,984
<b>Total Other Capital Assets</b>	<b>25,542,133</b>	<b>3,255,135</b>	<b>21,182</b>	<b>28,776,086</b>
Accumulated Depreciation	12,293,281	779,115	21,182	12,947,282
<b>Total Accumulated Depreciation</b>	<b>\$ 12,293,281</b>	<b>\$ 674,269</b>	<b>\$ 287,267</b>	<b>12,947,282</b>
<b>Total Net Depreciable Capital Assets</b>				<b>15,828,804</b>
<b>Total Net Capital Assets</b>				<b>\$ 18,477,553</b>

Depreciation expense was charged to governmental functions as follows:

General government support	\$ 1,294,427
Public Safety	33,915
Transportation	11,553,114
Economic assistance and opportunity	4,549
Culture and recreation	1,871,587
Home and community services	2,747,591
<b>Total governmental activities depreciation expense</b>	<b>\$ 17,505,183</b>

**4. INDEBTEDNESS**

Summary of indebtedness transactions for the year ended December 31, 2003 is as follows:

<b>PRIMARY GOVERNMENT:</b>	Bond Anticipation Notes	General Obligation Bonds
Balance – January 1, 2003	\$ 13,680,000	\$ 265,406,554
Issued – 2003	45,899,508	31,021,996
Redeemed – 2003	(680,000)	(57,810,342)
<b>Balance – December 31, 2003</b>	<b>\$ 58,899,508</b>	<b>\$ 238,618,208</b>

**TOWN OF HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

**C. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)**

**4. INDEBTEDNESS (continued)**

**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 after renewal of these notes. These BANs bear interest at various rates from 0.65% to 0.90% and are due at various dates through 2004

When BANs are not redeemed with the proceeds of bond issues, but instead paid from budgetary appropriations, the principal amount paid is recorded as an expenditure in the operating fund and a financing source is recorded in the capital projects fund.

**Advance Refunding of Bonds**

On July 31, 2003 the Town issued \$33,600,000 in General Obligation Bonds with an average interest rate of 3.4% to advance refund \$3,650,000 of outstanding 1993 Serial Bonds with an average interest rate of 4.2% through the year 2007, and \$10,890,000 of 1994 Serial Bonds with an average interest rate of 5.36% through the year 2007, and \$17,565,000 of 1995 Serial Bonds with an average interest rate of 5.42% through the year 2012.

The net proceeds of \$34,512,122 (the par amount of the bonds plus a premium of \$912,122 less Underwriter's fees, insurance and other issuance costs of \$264,488) were used to buy U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1993, 1994 and 1995 Serial Bonds. As a result, the 1993, 1994 and 1995 bonds are considered to be defeased and the liability for those bonds has been removed from the general long term debt account group and from the proprietary fund.

The Town advance refunded the 1993, 1994 and 1995 Serial Bonds to reduce its total debt service payments over the next ten years by \$880,692 and to obtain an economic gain (the difference between present values of the debt service payments on the old and new debt) of \$815,936.

**Component Units:**

	General Obligation Bonds
Balance – January 1, 2003	\$ 5,486,635
Issued – 2003	18,038
Redeemed – 2003	(387,422)
Balance – December 31, 2003	\$ 5,117,251

**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 are backed by the full faith and credit of the Town, including bonds of the Town Special Districts which are payable from tax revenues of the areas benefited. Interest rates of these bonds vary from 3.41% to 3.45%. Future principal and interest payments to maturity are as follows:

**TOWN OF HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

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

**4. INDEBTEDNESS (continued)**

	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Debt Service</u>
Years ending December 31, 2004	\$ 28,991,140	\$ 10,719,212	\$ 39,710,352
2005	26,996,165	9,570,576	36,566,741
2006	26,716,755	8,347,223	35,063,978
2007	25,938,277	7,118,870	33,057,147
2008	24,167,923	5,988,980	30,156,903
2009-2013	91,906,302	13,928,547	105,839,849
2014-2018	<u>13,901,646</u>	<u>964,484</u>	<u>14,866,130</u>
Totals	<u>\$ 238,618,208</u>	<u>\$ 56,637,892</u>	<u>\$ 295,261,100</u>

Included in indebtedness at December 31, 2003 are \$5,888,065 of principal and \$1,609,856 of interest of General Obligation Bonds that are obligations of special districts with separate Boards of Commissioners.

**LONG TERM DEBT**

Summary of changes in long-term debt transactions for the year ended December 31, 2003 is as follows:

	Balance 1/1/03	Increases	Reductions	Balance 12/31/03	Non-Current Liabilities Due Within One Year	Non-Current Liabilities
<b>Primary Government:</b>						
General obligation bonds	\$ 265,406,554	\$ 31,021,996	\$ 57,810,342	\$ 238,618,208	\$ 28,991,140	\$ 209,627,068
Employees Retirement System	1,279,210	-0-	993,781	285,429	285,429	-0-
Compensated absences	41,540,274	3,337,937	1,998,989	42,879,222	2,143,961	40,735,261
Claims and judgments	16,461,667	9,144,277	8,556,857	17,049,087	5,264,000	11,785,087
Estimated liability for Landfill closure & post-closure care costs	17,213,719	-0-	4,753,248	12,460,471	12,460,471	-0-
<b>Component Units:</b>						
General obligation bonds	5,486,635	18,038	387,422	5,117,251	2,390,385	2,726,866
Due to Employees Retirement	-0-	77,097	-0-	77,097	11,577	65,520
Compensated absences	593,442	146,241	239,150	500,533	25,027	475,506

**5. RETIREMENT SYSTEM**

Plan Description

The Town of Hempstead participates in the New York State and Local Employees' Retirement System (NYSERS), a cost sharing multiple public employer retirement system. The System provides a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments.

**TOWN OF HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

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

**5. RETIREMENT SYSTEM (continued)**

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. The System issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to the New York State and Local Retirement System, Governor Smith State Building, Albany, NY 12244.

Funding Policy

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

The Town is required to contribute at an actuarially determined rate. The actual contributions were equal to 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 to the prior year's contributions due to differences between estimated and actual salaries for the plan year.

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

	<u>Annual Required Contribution - ERS</u>				
	<u>Amount</u>	<u>% of Covered Payroll</u>	<u>Early Retirement Incentive</u>	<u>Credits &amp; Miscellaneous Adjustments</u>	<u>Total Payment</u>
2003	\$5,851,650	4.90%	\$1,099,765	\$60,964	\$7,012,379
2002	1,398,179	1.25%	1,099,765	87,635	2,585,579
2001	781,328	0.73%	1,654,044	86,270	2,521,642

Since 1989, the System's billings have been based on Chapter 62 of the Laws of 1989 of the State of New York. This legislation requires participating employers to make payments on a current basis.

The State Legislature authorizes local governments to make available retirement incentive programs. The cost of the programs are billed and paid over five years. The total future payments are due as follows:

	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Payment</u>
2004	<u>285,429</u>	<u>22,834</u>	<u>308,263</u>
	<u>\$ 285,429</u>	<u>\$ 22,834</u>	<u>\$ 308,263</u>

**TOWN OF HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

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

**6. POST EMPLOYMENT BENEFITS**

In addition to providing pension benefits, the Town provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the Town's employees may become eligible for these benefits if they reach normal retirement age while working for the Town.

Health care benefits and survivor benefits are provided through an insurance company whose premiums are based on the benefits paid during the year.

The Town recognizes the cost of providing benefits by recording its share of insurance premiums (which amounted to approximately \$2,829,942 for 1,304 retirees and \$832,363 for 269 survivors for the 2003 year) as an expenditure in the year paid.

**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, 2003, the value of the accumulated vacation time and sick leave was \$42,879,222 for the primary government. The liability for compensated absences for the component units amounted to \$500,533.

**D. COMMITMENTS AND CONTINGENCIES**

**Risk Management**

In common with other municipalities, the Town receives numerous notices of claims. The Town is self-insured 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 \$17,049,087. 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 carries insurance for property protection in excess of \$148,880,000 per occurrence and in the aggregate, except for flood and earthquake, which is \$25,000,000 per occurrence and in the aggregate.

The Town is also self-insured for workers' compensation insurance, unemployment insurance and disability insurance. Estimated benefits to be paid are appropriated in the various operating funds of the Town.

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 HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

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

**Risk Management (continued)**

	Workers' Activities		General Government	
	2003	2002	2003	2002
Unpaid claims and claim adjustment expenditures at the beginning of the year	\$ 15,300,000	\$ 13,033,621	\$ 1,161,667	\$ 1,143,190
Incurred Claims and Claim Adjustment Expenditures:				
Provision for the insured events of the current year and increases in provision for insured events of prior years	<u>6,912,421</u>	<u>6,870,726</u>	<u>2,231,856</u>	<u>1,599,898</u>
Total incurred claims and claim adjustment expenditures	<u>6,912,421</u>	<u>6,870,726</u>	<u>2,231,856</u>	<u>1,599,898</u>
Payments:				
Claims and claim adjustment expenditures attributable to insured events of the current and prior years	<u>6,420,421</u>	<u>4,604,347</u>	<u>2,136,436</u>	<u>1,581,421</u>
Total payments	<u>6,420,421</u>	<u>4,604,347</u>	<u>2,136,436</u>	<u>1,581,421</u>
Total unpaid claims and claim adjustment expenditures at the end of the year	<u>\$ 15,792,000</u>	<u>\$ 15,300,000</u>	<u>\$ 1,257,087</u>	<u>\$ 1,161,667</u>

**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 not litigation by or pending against the Town that is not covered by insurance or budgetary appropriations or which could have a materially adverse impact on the financial condition of the Town.

**Resource Recovery Facility**

The Town has entered into an agreement with an independent company and the Town of Hempstead Industrial Development Agency (IDA) to establish a resource recovery facility. Under the agreement, the Town has committed a certain tonnage of solid waste to the company, which will be used to generate electricity. The Town has the option to terminate the agreement; however, it could be liable for the unpaid balance of bonds issued by the IDA on December 31, 1985 and refinanced in 1997, as well as certain lease obligations of the company. The IDA entered into an amended and restated company sublease agreement with the independent company in 2001. The new site lease agreement refinanced the original bonds into Series 2001 fixed rate 5% bonds in the amount of \$42,670,000.

**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 when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure.

Oceanside Landfill

The Town has completed a pre-remedial investigation/feasibility study in cooperation with the New York State Department of Environmental Conservation and is currently conducting the interim remedial program, which includes methane control, capping and closure activities. The cost of the interim remedial program is estimated at \$-0- and the total cost of the post-closure care of maintenance and monitoring is estimated at \$7,540,000. These amounts are based on what it would cost to perform all closure and post-closure activities as of December 31, 2003. In 2000, the Town entered into a State Assistance Contract with the Department of Environmental Conservation under the New York State Environmental Conservation Law, Article 54, Title 5, Non-hazardous Municipal Landfill Closure Projects for the on-site remediation of the Oceanside Landfill in the amount of \$2,000,000. As of December 31, 2003, the Town has a remaining liability of \$7,540,000.



**TOWN OF HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

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

**Landfill Closure and Post-Closure Care Costs (continued)**

Merrick Landfill

The Town is in the process of completing a pre-remedial investigation/feasibility study in cooperation with the New York State Department of Environmental Conservation. The cost of the interim remedial program is estimated at \$15,000,000 and the total cost of the post-closure care of maintenance and monitoring is estimated at \$477,000. These amounts are based on what it would cost to perform all closure and post-closure activities as of December 31, 2003. As of December 31, 2003, the Town has a remaining liability of \$4,920,471.

Accordingly, as of December 31, 2003 the Town has recorded a liability of \$12,460,471, which represents the provision to be made in future budgets for unfunded closure and post-closure landfill costs. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

**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, 2003 totaled \$157,602. The maximum future noncancelable operating lease payments are as follows:

Years ending December 31, 2004	\$	145,295
2005		<u>104,620</u>
	\$	<u>249,915</u>

The Town leases equipment accounted for as capital leases. The total cost of equipment under capital leases as of December 31, 2003 is \$240,481. The present value of future minimum lease payments are as follows:

Years Ending December 31, 2004	\$	53,327
2005		47,747
2006		<u>22,824</u>
	\$	<u>123,898</u>

**TOWN OF HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

**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, 2003:

**Condensed Statement of Net Assets:**

	Assets and Other Debits			Liabilities		
	Current Assets	Due from Primary Government	Capital Assets Net of Depreciation	Current Liabilities	Bonds and Other	Net Assets
					Long-Term Liabilities	
Lakeview Public Library	\$ 573,745		\$ 2,585,456	\$ 1,294,590	\$ 160,907	\$ 1,703,704
Roosevelt Public Library	764,434		2,801,781	37,959	656,000	2,872,256
Uniondale Public Library	1,591,065		2,613,561	2,401,136	255,697	1,547,793
Cathedral Gardens Water District	556,682			62,175		494,507
Franklin Square Water District	2,015,751	\$ 414	1,182,780	174,873	946,260	2,077,812
West Hempstead - Hempstead Gardens Water District	2,245,936	64,327	8,477,281	581,370	1,758,560	8,447,614
Greater Atlantic Beach Water Reclamation District	1,008,175		2,875,790	2,015,162	53,807	1,814,996
	<u>\$ 8,755,788</u>	<u>\$ 64,741</u>	<u>\$ 20,536,649</u>	<u>\$ 6,567,265</u>	<u>\$ 3,831,231</u>	<u>\$ 18,958,682</u>

**Condensed Statement of Activities:**

	Program			General Revenue		Net Assets		
	Expenses	Revenue	Net Expense (Revenue)	Property		Change	1/1/2003	12/31/2003
				Tax	Other			
Lakeview Public Library	\$ 559,470	\$ 488,069	\$ 71,401		\$ 15,512	\$ (55,889)	\$ 1,759,593	\$ 1,703,704
Roosevelt Public Library	1,238,169		1,238,169	\$ 1,127,981	50,123	(60,065)	2,932,321	2,872,256
Uniondale Public Library	1,782,932	1,761,636	21,296		106,332	85,036	1,462,757	1,547,793
Cathedral Gardens Water District	119,048		119,048	60,144	14,829	(44,075)	538,582	494,507
Franklin Square Water District	832,958		832,958	757,798	121,808	46,648	2,031,164	2,077,812
West Hempstead - Hempstead Gardens Water District	1,031,111		1,031,111		1,328,887	297,776	8,149,838	8,447,614
Greater Atlantic Beach Water Reclamation District	1,217,014		1,217,014		1,070,246	(146,768)	1,961,763	1,814,995
	<u>\$ 6,780,702</u>	<u>\$ 2,249,705</u>	<u>\$ 4,530,997</u>	<u>\$ 1,945,923</u>	<u>\$ 2,707,737</u>	<u>\$ 122,663</u>	<u>\$ 18,836,018</u>	<u>\$ 18,958,681</u>

**TOWN OF HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2003

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

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

- |  |   |
|--|---|
| 1. Lakeview Public Library District<br>P.O. Box 177<br>Franklin Square, NY 11570                           | 2. Roosevelt Public Library District<br>27 West Fulton Street<br>Roosevelt, NY 11575                |
| 3. Uniondale Public Library District<br>400 Uniondale Avenue<br>Uniondale, NY 11553                        | 4. Cathedral Gardens Water District<br>150 Westminister Road<br>West Hempstead, NY 11552            |
| 5. Franklin Square Water District<br>P.O. Box 177<br>Franklin Square, NY 11570                             | 6. W. Hempstead - Hempstead Gardens<br>Water District<br>575 Birch Street<br>W. Hempstead, NY 11552 |
| 7. West Greater Atlantic Beach Water<br>Reclamation District<br>2150 Bay Blvd.<br>Atlantic Beach, NY 11509 |   |

**F. SUSEQUENT EVENTS**

In February 2004, the Town issued \$51,490,000 of general obligation bonds at interest rates from 3% to 5%, which will mature in February 1, 2018.

In April 2004, the Town issued \$14,779,508 of bond anticipation notes, at an interest rate of 1.25% which will mature on July 15, 2004.

In July 2004, the Town issued \$84,764,508 of general obligation bonds at interest rates from 3.66% to 3.99%, which will mature in 2018.

**THIS PAGE LEFT INTENTIONALLY BLANK**

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

**Statements 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, except that appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior years. 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.

**TOWN OF HEMPSTEAD**  
**GENERAL FUND**  
**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
Year ended December 31, 2003

		Original Budget
<b>Revenues</b>		
Real property taxes	\$	16,263,091
Real property tax items		1,790,000
Non-property tax items		13,500,000
Departmental income		5,614,000
Intergovernmental charges		8,500
Use of money and property		1,660,500
Licenses & permits		405,100
Fines & forfeitures		525,000
Sale of property and compensation for loss		46,300
Miscellaneous revenue		380,000
Interfund revenues		31,271,146
State aid		20,320,000
Total Revenues		91,783,637
<b>Expenditures</b>		
General government support		53,754,527
Public safety		6,499,912
Culture and recreation		60,000
Transportation		956,149
Economic assistance and opportunity		4,857,532
Home and community services		8,324,081
Employee benefits		16,772,649
Debt service principal and interest		270,000
Total Expenditures		91,494,850
Excess (Deficiency) of Revenues Over Expenditures		288,787
<b>Other Financing Sources (Uses)</b>		
Interfund transfers in		-0-
Interfund transfers out		(4,359,346)
Total Other Financing Sources (Uses)		(4,359,346)
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing uses	\$	(4,070,559)
Fund Balances at Beginning of Year		
	Fund Balances at End of Year	

Final Budget	Actual	Encumbrance	Variance Positive (Negative)
\$ 16,263,091	\$ 16,366,860	\$ -0-	\$ 103,769
1,790,000	1,839,593	-0-	49,593
13,500,000	10,467,579	-0-	(3,032,421)
5,614,000	5,528,187	-0-	(85,813)
8,500	(2,094)	-0-	(10,594)
1,660,500	995,965	-0-	(664,535)
405,100	459,223	-0-	54,123
525,000	407,719	-0-	(117,281)
46,300	540,219	-0-	493,919
380,000	219,011	-0-	(160,989)
31,271,146	31,271,019	-0-	(127)
20,320,000	34,786,949	-0-	14,466,949
<u>91,783,637</u>	<u>102,880,230</u>	<u>-0-</u>	<u>11,096,593</u>
54,883,007	53,289,507	\$ 291,505	1,301,995
6,998,089	6,960,843	35,020	2,226
87,663	87,663	-0-	
985,841	985,023	-0-	818
4,878,537	4,380,727	3,861	493,949
8,470,594	8,262,075	44,894	163,625
16,769,515	16,336,400	-0-	433,115
270,000	15,000	-0-	255,000
<u>93,343,246</u>	<u>90,317,238</u>	<u>375,280</u>	<u>2,650,729</u>
<u>(1,559,609)</u>	<u>12,562,992</u>	<u>(375,280)</u>	<u>13,747,322</u>
-0-	23,945	-0-	23,945
<u>(4,359,346)</u>	<u>(4,340,634)</u>	<u>-0-</u>	<u>18,712</u>
<u>(4,359,346)</u>	<u>(4,316,689)</u>	<u>-0-</u>	<u>42,657</u>
<u>\$ (5,918,955)</u>	<u>\$ 8,246,303</u>	<u>\$ (375,280)</u>	<u>\$ 13,789,979</u>
	<u>36,464,598</u>		
	<u>\$ 44,710,901</u>		

**TOWN OF HEMPSTEAD**  
**HIGHWAY**  
**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
Year ended December 31, 2003

		Original Budget
<b>Revenues</b>		
Real property taxes	\$	42,853,039
Real property tax items		200,000
Non-property tax items		5,400,000
Intergovernmental charges		8,000
Use of money and property		402,100
Sale of property and compensation for loss		100,000
Miscellaneous revenue		850,000
State aid		2,200,000
	Total Revenues	52,013,139
<b>Expenditures</b>		
Transportation		21,937,877
Employee benefits		6,006,666
	Total Expenditures	27,944,543
Excess (Deficiency) of Revenues Over Expenditures		24,068,596
<b>Other Financing Sources (Uses)</b>		
Interfund transfers in		-0-
Interfund transfers out		(27,359,918)
Debt proceeds		-0-
	Total Other Financing Sources (Uses)	(27,359,918)
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing uses	\$	(3,291,322)
Fund Balances at Beginning of Year		
	Fund Balances at End of Year	



<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrance</u>	<u>Variance Positive (Negative)</u>
\$ 42,853,039	\$ 42,853,039	\$ -0-	\$ -0-
200,000	211,139	-0-	11,139
5,400,000	5,400,000	-0-	-0-
8,000	3,015	-0-	(4,985)
402,100	224,068	-0-	(178,032)
100,000	758,225	-0-	658,225
850,000	293,056	-0-	(556,944)
2,200,000	3,532,685	-0-	1,332,685
<u>52,013,139</u>	<u>53,275,227</u>	<u>-0-</u>	<u>1,262,088</u>
23,408,366	23,130,469	138,849	139,048
6,440,530	6,434,670	-0-	5,860
<u>29,848,896</u>	<u>29,565,139</u>	<u>138,849</u>	<u>144,908</u>
22,164,243	23,710,088	(138,849)	1,406,996
-0-	1,434,126	-0-	1,434,126
(27,162,661)	(27,160,354)	-0-	2,307
-0-	3,882,346	-0-	3,882,346
<u>(27,162,661)</u>	<u>(21,843,882)</u>	<u>-0-</u>	<u>5,318,779</u>
<u>\$ (4,998,418)</u>	<u>1,866,206</u>	<u>\$ (138,849)</u>	<u>\$ 6,725,775</u>
	7,912,208		
	<u>\$ 9,778,414</u>		

**TOWN OF HEMPSTEAD**  
**PARKS**  
**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
Year ended December 31, 2003

		Original Budget
<b>Revenues</b>		
Real property taxes	\$	33,629,759
Real property tax items		146,275
Non-property tax items		5,000,000
Departmental income		2,162,500
Intergovernmental charges		390,382
Use of money and property		477,310
Fines & forfeitures		-0-
Sale of property and compensation for loss		35,000
Miscellaneous revenue		150,000
Interfund revenues		18,010,186
State aid		220,000
Total Revenues		60,221,412
<b>Expenditures</b>		
Culture and recreation		48,800,039
Employee benefits		11,819,895
Debt service principal and interest		
Total Expenditures		60,619,934
Excess (Deficiency) of Revenues Over Expenditures		(398,522)
<b>Other Financing Sources (Uses)</b>		
Interfund transfers out		(3,496,691)
Total Other Financing Sources (Uses)		(3,496,691)
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing uses	\$	(3,895,213)
Fund Balances at Beginning of Year		
Fund Balances at End of Year		

Final Budget	Actual	Encumbrance	Variance Positive (Negative)
\$ 33,629,759	\$ 33,629,759	\$ -0-	\$ -0-
146,275	156,438	-0-	10,163
5,000,000	8,838,937	-0-	3,838,937
2,162,500	2,064,417	-0-	(98,083)
390,382	606,757	-0-	216,375
477,310	383,404	-0-	(93,906)
-0-	12,350	-0-	12,350
35,000	148,724	-0-	113,724
150,000	241,051	-0-	91,051
18,010,186	18,010,186	-0-	-0-
220,000	220,099	-0-	99
<u>60,221,412</u>	<u>64,312,122</u>	<u>-0-</u>	<u>4,090,710</u>
49,789,228	48,407,144	34,745	1,347,340
12,411,678	12,411,675	-0-	3
<u>62,200,906</u>	<u>60,818,819</u>	<u>34,745</u>	<u>1,347,342</u>
<u>(1,979,494)</u>	<u>3,493,303</u>	<u>(34,745)</u>	<u>5,438,052</u>
<u>(3,496,691)</u>	<u>(3,490,897)</u>	<u>-0-</u>	<u>5,794</u>
<u>(3,496,691)</u>	<u>(3,490,897)</u>	<u>-0-</u>	<u>5,794</u>
<u>\$ (5,476,185)</u>	<u>\$ 2,406</u>	<u>\$ (34,745)</u>	<u>\$ 5,443,846</u>
	<u>7,788,046</u>		
	<u>\$ 7,790,452</u>		

**TOWN OF HEMPSTEAD**  
**REFUSE AND GARBAGE**  
**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
Year ended December 31, 2003

	<u>Original Budget</u>
<b>Revenues</b>	
Real property taxes	\$ 64,732,565
Real property tax items	308,000
Non-property tax items	8,600,000
Departmental income	11,175,000
Intergovernmental charges	11,600,000
Use of money and property	685,900
Sale of property and compensation for loss	700,000
Miscellaneous revenue	225,000
Total Revenues	98,026,465
<b>Expenditures</b>	
Home and community services	89,242,626
Employee benefits	10,303,284
Debt service principal and interest	224,640
Total Expenditures	99,770,550
Excess (Deficiency) of Revenues Over Expenditures	(1,744,085)
<b>Other Financing Sources (Uses)</b>	
Interfund transfers out	(3,825,111)
Total Other Financing Sources (Uses)	(3,825,111)
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing uses	\$ (5,569,196)
Fund Balances at Beginning of Year	
Fund Balances at End of Year	

<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrance</u>	<u>Variance Positive (Negative)</u>
\$ 64,732,565	\$ 64,714,055	\$ -0-	\$ (18,510)
308,000	350,768	-0-	42,768
8,600,000	10,100,000	-0-	1,500,000
11,175,000	12,321,321	-0-	1,146,321
11,600,000	10,639,166	-0-	(960,834)
685,900	697,013	-0-	11,113
700,000	828,426	-0-	128,426
225,000	579,379	-0-	354,379
<u>98,026,465</u>	<u>100,230,128</u>	<u>-0-</u>	<u>2,203,663</u>
91,047,161	90,801,471	340,684	(94,994)
11,131,931	11,131,927	-0-	4
586,713	586,712	-0-	1
<u>102,765,805</u>	<u>102,520,110</u>	<u>340,684</u>	<u>(94,989)</u>
<u>(4,739,340)</u>	<u>(2,289,982)</u>	<u>(340,684)</u>	<u>2,108,674</u>
<u>(3,537,427)</u>	<u>(3,537,426)</u>	<u>-0-</u>	<u>1</u>
<u>(3,537,427)</u>	<u>(3,537,426)</u>	<u>-0-</u>	<u>1</u>
<u>\$ (8,276,767)</u>	<u>\$ (5,827,408)</u>	<u>\$ (340,684)</u>	<u>\$ 2,108,675</u>
	<u>24,012,564</u>		
	<u>\$ 18,185,156</u>		

**TOWN OF HEMPSTEAD**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
December 31, 2003

	Debt Service Fund	Permanent Fund	Town Outside Village	Special Grant
<b>ASSETS</b>				
Cash and investments	\$ 11,094	\$ 1,337,867	\$ 2,917,068	\$ 1,785,835
Accounts receivable	-0-	-0-	592,927	-0-
Due from other funds	-0-	-0-	-0-	1,274
Due from other governments	-0-	-0-	-0-	2,990,283
Deferred comp plan assets	-0-	-0-		
Inventory	-0-	-0-	22,737	-0-
Prepaid expenses	-0-	-0-	144,784	-0-
Other assets	-0-	-0-	25,000	-0-
<b>Total Assets</b>	<b>\$ 11,094</b>	<b>\$ 1,337,867</b>	<b>\$ 3,702,516</b>	<b>\$ 4,777,392</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 11,094	\$ -0-	\$ 146,522	\$ 755,621
Bond anticipation notes payable				
Due to other governments				
Due to other funds	-0-	-0-	784	2,151,139
Bond interest and matured bonds		-0-	-0-	-0-
Deferred revenue	-0-	-0-	392,808	1,097,822
<b>Total Liabilities</b>	<b>11,094</b>	<b>-0-</b>	<b>540,114</b>	<b>4,004,582</b>
<b>FUND EQUITY</b>				
Fund Balance - Reserved:				
Encumbrances	-0-	-0-	71,354	-0-
Inventory	-0-	-0-	5,684	-0-
Insurance	-0-	-0-		-0-
Repairs	-0-	-0-		-0-
Debt service	-0-	-0-		-0-
Miscellaneous debt service	-0-	-0-		-0-
Workers compensation	-0-	-0-		-0-
Prepaid expenses	-0-	-0-	144,784	-0-
Fund Balance (Deficit) Unreserved:				
Designated for subsequent year's budget	-0-	-0-	1,146,207	-0-
Designated for asset refurbishment	-0-			
Designated for receivables	-0-			
Undesignated	-0-	1,337,867	1,794,373	772,810
<b>Total Fund Equity</b>	<b>-0-</b>	<b>1,337,867</b>	<b>3,162,402</b>	<b>772,810</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 11,094</b>	<b>\$ 1,337,867</b>	<b>\$ 3,702,516</b>	<b>\$ 4,777,392</b>

<u>Fire Protection</u>	<u>Street Lighting</u>	<u>Public Parking</u>	<u>Water</u>	<u>Library Funding</u>	<u>Total Non-Major Governmental Funds</u>
\$ 1,511,395	\$ 2,408,816	\$ 2,556,303	\$ 7,213,449	\$ 5,724	\$ 19,747,551
-0-	-0-	-0-	1,987,237	-0-	2,580,164
-0-	-0-	-0-	30,872	-0-	32,146
-0-	-0-	-0-	35,550	-0-	3,025,833
-0-	-0-	-0-	-0-	-0-	-
-0-	722,495	-0-	755,762	-0-	1,500,994
-0-	-0-	3,447	92,138	-0-	240,369
-0-	-0-	-0-	20,000	-0-	45,000
-	-	-	-	-	-
<u>\$ 1,511,395</u>	<u>\$ 3,131,311</u>	<u>\$ 2,559,750</u>	<u>\$ 10,135,008</u>	<u>\$ 5,724</u>	<u>\$ 27,172,057</u>
\$ 45,450	\$ 327,507	\$ 10,088	\$ 268,978	\$ 200	\$ 1,565,460
-0-	1,656	500,000	501,134	-0-	3,154,713
-0-	-0-	-0-	-0-	-0-	-
-0-	-0-	-0-	-0-	-0-	1,490,630
<u>45,450</u>	<u>329,163</u>	<u>510,088</u>	<u>770,112</u>	<u>200</u>	<u>6,210,803</u>
-0-	269,387	480	440,998	-0-	782,219
-0-	180,624	-0-	188,940	-0-	375,248
-0-	-0-	-0-	-0-	-0-	-
-0-	-0-	-0-	439,472	-0-	439,472
-0-	-0-	-0-	-0-	-0-	-
-0-	-0-	-0-	-0-	-0-	-
-0-	-0-	3,447	92,138	-0-	240,369
-0-	-0-	-0-	-0-	-0-	-
60,655	316,415	-0-	1,141,527	31	2,664,835
1,405,290	2,035,722	2,045,735	7,061,821	5,493	16,459,111
<u>1,465,945</u>	<u>2,802,148</u>	<u>2,049,662</u>	<u>9,364,896</u>	<u>5,524</u>	<u>20,961,254</u>
<u>\$ 1,511,395</u>	<u>\$ 3,131,311</u>	<u>\$ 2,559,750</u>	<u>\$ 10,135,008</u>	<u>\$ 5,724</u>	<u>\$ 27,172,057</u>

**TOWN OF HEMPSTEAD**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
December 31, 2003

	Debt Service Fund	Permanent Fund	Town Outside Village
<b>Revenues</b>			
Real property taxes	\$ -0-	\$ -0-	\$ 8,017,073
Real property tax items	-0-	-0-	36,393
Non-property tax items	-0-	-0-	
Departmental income	-0-	-0-	5,467,404
Intergovernmental charges	-0-	-0-	14,714
Use of money and property	-0-	-0-	65,652
Licenses & permits	-0-	-0-	-0-
Fines & forfeitures	-0-	-0-	140,967
Sale of property and compensation for loss	-0-	-0-	27,335
Miscellaneous revenue	-0-	-0-	48,880
Interfund revenues	-0-	-0-	-0-
State aid	-0-	-0-	1,000,000
Federal aid	-0-	-0-	-0-
<b>Total Revenues</b>	<u>-0-</u>	<u>-0-</u>	<u>14,818,418</u>
<b>Expenditures</b>			
General government support	-0-	-0-	315,961
Public safety	-0-	-0-	9,509,323
Culture and recreation	-0-	-0-	1,865
Health	-0-	-0-	
Transportation	-0-	-0-	277,731
Economic assistance and opportunity	-0-	-0-	-0-
Home and community services	-0-	-0-	2,926,374
Employee benefits	-0-	-0-	2,965,515
Debt service principal and interest	41,325,058	-0-	-0-
<b>Total Expenditures</b>	<u>41,325,058</u>	<u>-0-</u>	<u>15,996,769</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(41,325,058)</u>	<u>-0-</u>	<u>(1,178,351)</u>
<b>Other Financing Sources (Uses)</b>			
Interfund transfers in	41,325,058	-0-	-0-
Interfund transfers out	-0-	-0-	(97,947)
Debt proceeds	-0-	-0-	-0-
Reduction of retirement system credits	-0-	-0-	
<b>Total Other Financing Sources (Uses)</b>	<u>41,325,058</u>	<u>-0-</u>	<u>(97,947)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	-0-	-0-	(1,276,298)
Fund Balance at Beginning of Year	-0-	1,337,867	4,438,700
Prior Period Adjustment	-0-	-0-	
Residual Equity Transfers	-0-	-0-	
<b>Fund Balance at End of Year</b>	<u>\$ -0-</u>	<u>\$ 1,337,867</u>	<u>\$ 3,162,402</u>



Special Grant	Fire Protection	Street Lighting	Public Parking	Water	Library Funding	Total Non-Major Governmental Funds
\$ -0-	\$ 4,524,465	\$ 7,018,991	\$ 836,057	\$ 4,197,093	\$ 370,866	\$ 24,964,545
-0-	23,941	34,525	396	91,043	-0-	186,298
23,259	-0-	-0-	12,437	7,106,159	-0-	12,609,259
-0-	-0-	-0-	-0-	19,600	-0-	34,314
32,842	-0-	29,677	25,608	549,630	-0-	703,409
-0-	-0-	-0-	-0-	23,700	-0-	23,700
4,200	-0-	-0-	-0-	-0-	-0-	145,167
15,552	-0-	-0-	777	717,059	-0-	760,723
427,059	-0-	4,674	51,322	120,624	-0-	652,559
-0-	-0-	-0-	304,429	246,787	-0-	551,216
-0-	-0-	-0-	-0-	-0-	-0-	1,000,000
14,359,096	-0-	-0-	-0-	-0-	-0-	14,359,096
<u>14,862,008</u>	<u>4,548,406</u>	<u>7,087,867</u>	<u>1,231,026</u>	<u>13,071,695</u>	<u>370,866</u>	<u>55,990,286</u>
-0-	-0-	-0-	-0-	-0-	-0-	315,961
-0-	3,806,521	-0-	-0-	-0-	-0-	13,315,844
-0-	-0-	-0-	-0-	-0-	351,134	352,999
-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	7,114,885	1,473,430	-0-	-0-	8,866,046
5,769,304	-0-	-0-	-0-	-0-	-0-	5,769,304
9,755,367	-0-	-0-	-0-	9,863,907	-0-	22,545,648
-0-	500,141	-0-	76,384	1,803,651	-0-	5,345,691
-0-	-0-	-0-	-0-	-0-	-0-	41,325,058
<u>15,524,671</u>	<u>4,306,662</u>	<u>7,114,885</u>	<u>1,549,814</u>	<u>11,667,558</u>	<u>351,134</u>	<u>97,836,551</u>
(662,663)	241,744	(27,018)	(318,788)	1,404,137	19,732	(41,846,265)
-0-	-0-	-0-	-0-	-0-	-0-	41,325,058
-0-	(329,332)	(799,866)	(97,914)	(1,470,688)	-0-	(2,795,747)
-0-	-0-	-0-	1,097,162	-0-	-0-	1,097,162
<u>-0-</u>	<u>(329,332)</u>	<u>(799,866)</u>	<u>999,248</u>	<u>(1,470,688)</u>	<u>-0-</u>	<u>39,626,473</u>
(662,663)	(87,588)	(826,884)	680,460	(66,551)	19,732	(2,219,792)
1,435,473	1,553,533	3,629,032	1,369,202	9,431,447	(14,208)	23,181,046
<u>\$ 772,810</u>	<u>\$ 1,465,945</u>	<u>\$ 2,802,148</u>	<u>\$ 2,049,662</u>	<u>\$ 9,364,896</u>	<u>\$ 5,524</u>	<u>\$ 20,961,254</u>

**TOWN OF HEMPSTEAD**  
**GENERAL TOWN AND OUTSIDE VILLAGE**  
**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
Year ended December 31, 2003

		Original Budget
<b>Revenues</b>		
Real property taxes	\$	7,894,951
Real property tax items		35,000
Departmental income		4,805,000
Intergovernmental charges		2,000
Use of money and property		76,500
Fines & forfeitures		280,000
Sale of property and compensation for loss		1,000
Miscellaneous revenue		27,000
Interfund revenues		35,000
State aid		1,020,000
<b>Total Revenues</b>		<b>14,176,451</b>
<b>Expenditures</b>		
General government support		100,000
Public safety		9,259,003
Culture and recreation		4,000
Transportation		225,000
Home and community services		2,972,865
Employee benefits		3,055,557
<b>Total Expenditures</b>		<b>15,616,425</b>
Excess (Deficiency) of Revenues Over Expenditures		<b>(1,439,974)</b>
<b>Other Financing Sources (Uses)</b>		
Interfund transfers out		(97,949)
<b>Total Other Financing Sources (Uses)</b>		<b>(97,949)</b>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing uses	\$	<b>(1,537,923)</b>
Fund Balances at Beginning of Year		
	Fund Balances at End of Year	

Final Budget	Actual	Encumbrance	Variance Positive (Negative)
\$ 7,894,951	\$ 8,017,073	\$ -0-	\$ 122,122
35,000	36,393	-0-	1,393
4,805,000	5,467,404	-0-	662,404
2,000	14,714	-0-	12,714
76,500	65,652	-0-	(10,848)
280,000	140,967	-0-	(139,033)
1,000	27,335	-0-	26,335
27,000	48,880	-0-	21,880
35,000		-0-	(35,000)
1,020,000	1,000,000	-0-	(20,000)
<u>14,176,451</u>	<u>14,818,418</u>	<u>-0-</u>	<u>641,967</u>
315,963	315,961	-0-	2
9,547,282	9,509,323	21,306	16,653
4,000	1,865	-0-	2,135
277,731	277,731	-0-	-0-
3,019,496	2,926,374	50,048	43,074
3,114,802	2,965,515	-0-	149,287
<u>16,279,274</u>	<u>15,996,769</u>	<u>71,354</u>	<u>211,151</u>
<u>(2,102,823)</u>	<u>(1,178,351)</u>	<u>(71,354)</u>	<u>853,118</u>
(97,949)	(97,947)	-0-	2
<u>(97,949)</u>	<u>(97,947)</u>	<u>-0-</u>	<u>2</u>
<u>\$ (2,200,772)</u>	<u>\$ (1,276,298)</u>	<u>\$ (71,354)</u>	<u>\$ 853,120</u>
	4,438,700		
	<u>\$ 3,162,402</u>		

**TOWN OF HEMPSTEAD**  
**FIRE PROTECTION DISTRICTS**  
**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
Year ended December 31, 2003

		<u>Original Budget</u>
<b>Revenues</b>		
Real property taxes	\$	4,524,465
Real property tax items		21,135
Total Revenues		<u>4,545,600</u>
<b>Expenditures</b>		
General government support	\$	-0-
Public safety		3,749,804
Home and community services		-0-
Employee benefits		530,500
Total Expenditures		<u>4,280,304</u>
Excess (Deficiency) of Revenues Over Expenditures		<u>265,296</u>
<b>Other Financing Sources (Uses)</b>		
Interfund transfers out		(338,556)
Reduction of retirement system credits		(16,237)
Total Other Financing Sources (Uses)		<u>(354,793)</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing uses	\$	<u>(89,497)</u>
Fund Balances at Beginning of Year		
Fund Balances at End of Year		

<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrance</u>	<u>Variance Positive (Negative)</u>
\$ 4,524,465	\$ 4,524,465	\$ -0-	\$ -0-
21,135	23,941	-0-	2,806
<u>4,545,600</u>	<u>4,548,406</u>	<u>-0-</u>	<u>2,806</u>
\$ -0-	\$ -0-	\$ -0-	\$ -0-
3,950,728	3,806,521	-0-	144,207
-0-	-0-	-0-	-0-
562,254	500,141	-0-	62,113
<u>4,512,982</u>	<u>4,306,662</u>	<u>-0-</u>	<u>206,320</u>
32,618	241,744	-0-	209,126
(338,556)	(329,332)	-0-	9,224
-0-	-0-	-0-	-0-
<u>(338,556)</u>	<u>(329,332)</u>	<u>-0-</u>	<u>9,224</u>
<u>\$ (305,938)</u>	<u>\$ (87,588)</u>	<u>\$ -0-</u>	<u>\$ 218,350</u>
	1,553,533		
	<u>\$ 1,465,945</u>		

**TOWN OF HEMPSTEAD**  
**STREET LIGHTING DISTRICTS**  
**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
Year ended December 31, 2003

		Original Budget
<b>Revenues</b>		
Real property taxes	\$	7,018,991
Real property tax items		34,000
Use of money and property		30,000
Miscellaneous revenue		
	Total Revenues	7,082,991
<b>Expenditures</b>		
Transportation		6,683,700
	Total Expenditures	6,683,700
Excess (Deficiency) of Revenues Over Expenditures		399,291
<b>Other Financing Sources (Uses)</b>		
Interfund transfers out		807,543
	Total Other Financing Sources (Uses)	807,543
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing uses	\$	1,206,834
Fund Balances at Beginning of Year		
	Fund Balances at End of Year	

Final Budget	Actual	Encumbrance	Variance Positive (Negative)
\$ 7,018,991	\$ 7,018,991	\$ -0-	\$ 0
34,000	34,525	-0-	525
30,000	29,677	-0-	(323)
	4,674	-0-	4,674
<u>7,082,991</u>	<u>7,087,867</u>	<u>-0-</u>	<u>4,876</u>
7,370,012	7,114,885	269,388	(14,261)
<u>7,370,012</u>	<u>7,114,885</u>	<u>269,388</u>	<u>(14,261)</u>
(287,021)	(27,018)	(269,388)	(9,385)
(807,813)	(799,866)	-0-	7,947
<u>(807,813)</u>	<u>(799,866)</u>	<u>-0-</u>	<u>7,947</u>
<u>\$ (1,094,834)</u>	<u>\$ (826,884)</u>	<u>\$ (269,388)</u>	<u>\$ (1,438)</u>
	3,629,032		
	<u>\$ 2,802,148</u>		

**TOWN OF HEMPSTEAD**  
**PUBLIC PARKING DISTRICTS**  
**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
Year ended December 31, 2003

		Original Budget
<b>Revenues</b>		
Real property taxes	\$	836,057
Real property tax items		750
Non-property tax items		11,700
Departmental income		-0-
Use of money and property		23,000
Sale of property and compensation for loss		-0-
Miscellaneous revenue		-0-
Interfund revenues		304,429
<b>Total Revenues</b>		<b>1,175,936</b>
<b>Expenditures</b>		
Transportation		1,444,278
Employee benefits		82,192
<b>Total Expenditures</b>		<b>1,526,470</b>
Excess (Deficiency) of Revenues Over Expenditures		<b>(350,534)</b>
<b>Other Financing Sources (Uses)</b>		
Interfund transfers out		(98,730)
Debt proceeds		-0-
Reduction of retirement system credits		(7,203)
<b>Total Other Financing Sources (Uses)</b>		<b>(105,933)</b>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing uses	\$	<b>(456,467)</b>
Fund Balances at Beginning of Year		
Fund Balances at End of Year		



Final Budget	Actual	Encumbrance	Variance Positive (Negative)
\$ 836,057	\$ 836,057	\$ -0-	\$ 0
750	396	-0-	(354)
11,700	-0-	-0-	(11,700)
-0-	12,437	-0-	12,437
23,000	25,608	-0-	2,608
-0-	777	-0-	777
-0-	51,322	-0-	51,322
304,429	304,429	-0-	-0-
<u>1,175,936</u>	<u>1,231,026</u>	<u>-0-</u>	<u>55,090</u>
1,953,425	1,473,430	480	479,515
76,386	76,384	-0-	2
<u>2,029,811</u>	<u>1,549,814</u>	<u>480</u>	<u>479,517</u>
<u>(853,875)</u>	<u>(318,788)</u>	<u>(480)</u>	<u>534,607</u>
(98,730)	(97,914)	-0-	816
-0-	1,097,162	-0-	1,097,162
-0-	-0-	-0-	-0-
<u>(98,730)</u>	<u>999,248</u>	<u>-0-</u>	<u>1,097,978</u>
<u>\$ (952,605)</u>	<u>\$ 680,460</u>	<u>\$ (480)</u>	<u>\$ 1,632,585</u>
	1,369,202		
	<u>\$ 2,049,662</u>		

**TOWN OF HEMPSTEAD**  
**WATER DISTRICTS**  
**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
Year ended December 31, 2003

		<u>Original Budget</u>
<b>Revenues</b>		
Real property taxes	\$	4,197,093
Real property tax items		81,820
Departmental income		8,073,295
Intergovernmental charges		261,225
Use of money and property		525,700
Licenses & permits		15,500
Sale of property and compensation for loss		2,500
Miscellaneous revenue		-0-
Interfund revenues		55,750
Total Revenues		<u>13,212,883</u>
<b>Expenditures</b>		
Home and community services		11,639,188
Employee benefits		1,686,009
Total Expenditures		<u>13,325,197</u>
Excess (Deficiency) of Revenues Over Expenditures		<u>(112,314)</u>
<b>Other Financing Sources (Uses)</b>		
Interfund transfers out		<u>(1,477,038)</u>
Total Other Financing Sources (Uses)		<u>(1,477,038)</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing uses	\$	<u><u>(1,589,352)</u></u>
Fund Balances at Beginning of Year		
Fund Balances at End of Year		

<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrance</u>	<u>Variance Positive (Negative)</u>
\$ 4,197,093	\$ 4,197,093	\$ -0-	\$ -0-
81,820	91,043	-0-	9,223
8,073,295	7,106,159	-0-	(967,136)
261,225	19,600	-0-	(241,625)
525,700	549,630	-0-	23,930
15,500	23,700	-0-	8,200
2,500	717,059	-0-	714,559
-0-	120,624	-0-	120,624
55,750	246,787	-0-	191,037
<u>13,212,883</u>	<u>13,071,695</u>	<u>-0-</u>	<u>(141,188)</u>
11,898,783	9,863,907	440,998	1,593,878
1,803,654	1,803,651	-0-	3
<u>13,702,437</u>	<u>11,667,558</u>	<u>440,998</u>	<u>1,593,881</u>
<u>(489,554)</u>	<u>1,404,137</u>	<u>(440,998)</u>	<u>1,452,693</u>
<u>(1,477,038)</u>	<u>(1,470,688)</u>	<u>-0-</u>	<u>6,350</u>
<u>(1,477,038)</u>	<u>(1,470,688)</u>	<u>-0-</u>	<u>6,350</u>
<u>\$ (1,966,592)</u>	<u>\$ (66,551)</u>	<u>\$ (440,998)</u>	<u>\$ 1,459,043</u>
	<u>9,431,447</u>		
	<u>\$ 9,364,896</u>		

**TOWN OF HEMPSTEAD**  
**LIBRARY FUNDING**  
**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
Year ended December 31, 2003

	<u>Original Budget</u>
<b>Revenues</b>	
Real property taxes	\$ 370,866
Total Revenues	<u>370,866</u>
<b>Expenditures</b>	
Culture and recreation	370,886
Total Expenditures	<u>370,886</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(20)</u>
<b>Other Financing Sources (Uses)</b>	
Total Other Financing Sources (Uses)	<u>-0-</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing uses	<u>\$ (20)</u>
Fund Balances at Beginning of Year	
Fund Balances at End of Year	

<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrance</u>	<u>Variance Positive (Negative)</u>
\$ 370,866	\$ 370,866	\$ -0-	\$ -0-
<u>370,866</u>	<u>370,866</u>	<u>-0-</u>	<u>-0-</u>
370,865	351,134	-0-	19,731
<u>370,865</u>	<u>351,134</u>	<u>-0-</u>	<u>19,731</u>
1	19,732	-0-	19,731
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 1</u>	<u>\$ 19,732</u>	<u>\$ -0-</u>	<u>\$ 19,731</u>
	(14,208)		
	<u>\$ 5,524</u>		

**TOWN OF HEMPSTEAD**  
**FIDUCIARY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN AGENCY ASSETS AND LIABILITIES**  
Year ended December 31, 2003

	Balance as of January 1, 2003	Additions	Deductions	Balance as of December 31, 2003
<b><u>ASSETS</u></b>				
<i>Agency Fund</i>				
Cash and Investments	\$15,196,318	\$2,658,327,001	\$2,661,420,258	\$12,103,061
Due from other funds	\$3,926	\$314,934	\$318,825	\$35
Due from other governments	\$1,216,383	\$471,141	\$1,532,759	\$154,765
<b>Total Assets - Agency Fund</b>	<b>\$16,416,627</b>	<b>\$2,659,113,076</b>	<b>\$2,663,271,842</b>	<b>\$12,257,861</b>
<i>Private Purpose Trust Fund</i>				
Cash and Investments	\$248,305	\$3,316,260	\$3,318,215	\$246,350
<b>Total Assets - Priv. Purp. Trust Fund</b>	<b>\$248,305</b>	<b>\$3,316,260</b>	<b>\$3,318,215</b>	<b>\$246,350</b>
<b>Total Assets</b>	<b>\$16,664,932</b>	<b>\$2,662,429,336</b>	<b>\$2,666,590,057</b>	<b>\$12,504,212</b>
<b><u>Liabilities</u></b>				
<i>Agency Fund</i>				
Agency Liabilities	\$14,838,801	\$2,644,758,954	\$2,647,664,393	\$11,933,362
Due to other governments	\$0	\$5,900	\$5,900	\$0
Due to other funds	\$1,577,826	\$824,498	\$2,077,826	\$324,498
<b>Total Liabilities - Agency Fund</b>	<b>\$16,416,627</b>	<b>\$2,645,589,352</b>	<b>\$2,649,748,119</b>	<b>\$12,257,860</b>
<b>Total Liabilities</b>	<b>\$16,416,627</b>	<b>\$2,645,589,352</b>	<b>\$2,649,748,119</b>	<b>\$12,257,860</b>
<b><u>Fund Equity</u></b>				
<i>Private Purpose Trust Fund</i>				
Unreserved				
Undesignated	\$248,305	\$0	\$1,955	\$246,350
<b>Total Equity - Priv. Purp. Trust Fund</b>	<b>\$248,305</b>	<b>\$0</b>	<b>\$1,955</b>	<b>\$246,350</b>
<b>Total Fund Equity</b>	<b>\$248,305</b>	<b>\$0</b>	<b>\$1,955</b>	<b>\$246,350</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$16,664,932</b>	<b>\$2,645,589,352</b>	<b>\$2,649,750,074</b>	<b>\$12,504,210</b>

**TOWN OF HEMPSTEAD**  
 U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
 LOW INCOME HOUSING PROGRAM  
 (SECTION 8 - EXISTING HOUSING)  
 BALANCE SHEET  
 December 31, 2003

**ASSETS**

Cash		\$	1,798,614
			1,798,614
	Total Assets	\$	1,798,614
			1,798,614

**LIABILITIES**

Accounts payable		\$	12,430
Accrued liabilities			2,644
			15,074
	Total Liabilities		15,074
			15,074

**FUND EQUITY**

Fund balance unreserved			1,783,540
			1,783,540
	Total Liabilities and Fund Equity	\$	1,798,614
			1,798,614

**TOWN OF HEMPSTEAD**  
**SUPPLEMENTAL INFORMATION**  
 U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
 LOW INCOME HOUSING PROGRAM (SECTION 8 - EXISTING HOUSING)  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 Year ended December 31, 2003

**Revenues**

Use of money and property	\$	71,900
Departmental income		27,868
Federal aid - rental assistance		<u>2,954,800</u>

		<u>3,054,568</u>
--	--	------------------

**Expenditures**

Personal services		262,379
Contractual		2,994,895
Employee benefits		<u>60,856</u>

		<u>3,318,130</u>
--	--	------------------

<b>Excess of Revenues Over Expenditures</b>		(263,562)
---	--	-----------

<b>Fund Balance at Beginning of Year</b>		<u>2,047,102</u>
--	--	------------------

	\$	<u><u>1,783,540</u></u>
--	----	-------------------------



**TOWN OF HEMPSTEAD**  
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
LOW INCOME HOUSING PROGRAM  
(SECTION 8 - EXISTING HOUSING)  
ANALYSIS OF SURPLUS CASH  
December 31, 2003

<b>Cash</b>	<u>\$ 1,798,614</u>
<b>Current Obligations</b>	
Accounts payable due within 30 days	12,430
Accrued liabilities	<u>2,644</u>
Total Current Obligations	<u>15,074</u>
Cash Surplus at December 31, 2003	<u><u>\$ 1,783,540</u></u>

**CAPITAL ASSETS USED IN  
GOVERNMENTAL ACTIVITIES**

**TOWN OF HEMPSTEAD**  
**SCHEDULE OF CAPITAL ASSETS BY SOURCE**  
December 31, 2003

**CAPITAL ASSETS**

Land - other than landfills	\$	49,748,153
Buildings		5,219,492
Improvements other than buildings		12,534,168
Infrastructure		290,746,529
Machinery and equipment		14,912,201
Landfills		<u>30,668,785</u>
Total Capital Assets	\$	<u><u>403,829,328</u></u>

**TOWN OF HEMPSTEAD**  
**SCHEDULE OF CHANGES IN CAPITAL ASSETS**  
**BY FUNCTION AND ACTIVITY**  
Year ended December 31, 2003

<b>Function and Activity</b>	<b>Balance January 1, 2003</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance December 31, 2003</b>
<b>GENERAL GOVERNMENT SUPPORT</b>				
Comptroller	539,548	-	-	539,548
Receiver of taxes	1,002,096	-	-	1,002,096
Town clerk	183,681	-	-	183,681
General services	85,325,577	2,419,414	185,966	87,559,025
Vehicle maintenance center	-	-	-	-
Engineering	42,336	-	-	42,336
Information and technology	1,263,009	179,777	-	1,442,786
Total General Government Support	<u>88,356,247</u>	<u>2,599,191</u>	<u>185,966</u>	<u>90,769,472</u>
<b>PUBLIC SAFETY</b>				
Public safety	144,503	959,885	-	1,104,388
Traffic control	441,209	6,390	47,000	400,599
Animal shelter	1,105,955	-	-	1,105,955
Fire districts	-	253,494	-	253,494
Buildings	34,858	-	-	34,858
Total Public Safety	<u>1,726,525</u>	<u>1,219,769</u>	<u>47,000</u>	<u>2,899,294</u>
<b>CULTURE AND RECREATION</b>				
Parks, recreation, beaches	105,396,524	5,181,948	1,354,480	109,223,992
General	8,973,358	3,124,331	-	12,097,689
Total Culture and Recreation	<u>114,369,882</u>	<u>8,306,279</u>	<u>1,354,480</u>	<u>121,321,681</u>
<b>ECONOMIC ASSISTANCE &amp; OPPORTUNITY</b>				
Senior enrichment	33,649	1,850	-	35,499
Tourism	2,500	-	-	2,500
Total Assistance & Opportunity	<u>36,149</u>	<u>1,850</u>	<u>-</u>	<u>37,999</u>
<b>HOME AND COMMUNITY SERVICES</b>				
Sanitation, landfill and capping	107,441,839	3,621,191	13,682,781	97,380,248
Conservation and waterways	2,181,936	420,081	-	2,602,018
Planning and economic development	2,856,710	3,166,306	2,856,710	3,166,306
Community development block grant	-	-	-	-
Highways and parking fields	-	-	-	-
Engineering	-	-	-	-
Cemeteries	106,938	15,023	6,859	115,102
Water	39,955,248	5,764,637	341,381	45,378,504
Board of zoning appeals	9,763	-	-	9,763
Undistribution	2,596,226	275,298	-	2,871,524
Total Home and Community Services	<u>155,148,660</u>	<u>13,262,536</u>	<u>16,887,731</u>	<u>151,523,465</u>
<b>TRANSPORTATION</b>				
Highway general	3,488,213	272,867	-	3,761,080
Highway#1	286,153,518	12,881,723	-	299,035,241
Highway#2	52,996	8,198,754	-	8,251,751
Highway#4	2,622,213	234,726	-	2,856,939
Parking fields	7,586,448	2,592,307	-	10,178,754
CD	11,875,709	29,717	-	11,905,426
Street lighting	24,982,112	328,363	-	25,310,475
Total Transportation	<u>336,761,209</u>	<u>24,538,457</u>	<u>-</u>	<u>361,299,666</u>
Total Capital Assets	<u><u>696,398,672</u></u>	<u><u>49,928,082</u></u>	<u><u>18,475,177</u></u>	<u><u>727,851,576</u></u>

**TOWN OF HEMPSTEAD**  
**SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY**  
December 31, 2003

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Infrastructure and Improvements</u>	<u>Construction Work In Progress</u>	<u>Machinery, Leases and Equipment</u>	<u>Total</u>
<b>GENERAL GOVERNMENT SUPPORT</b>						
Comptroller					539,548	539,548
Receiver of taxes					1,002,096	1,002,096
Town clerk					183,681	183,681
General services	29,560,803	10,553,618	39,364,034		8,080,570	87,559,025
Vehicle maintenance center					-	-
Information and technology					1,442,786	1,442,786
Engineering					42,336	42,336
<b>PUBLIC SAFETY</b>						
Public safety					204,522	204,522
Traffic control					400,599	400,599
Animal shelter	919,735	180,576	-		5,644	1,105,955
Buildings					34,858	34,858
Fire districts			899,866	253,494	-	1,153,360
<b>CULTURE AND RECREATION</b>						
Parks - general			12,097,689	1,037,531		13,135,220
Parks, recreation, beaches	7,973,460	45,744,290	44,698,370	-	9,770,342	108,186,462
<b>ECONOMIC ASSISTANCE &amp; OPPORTUNITY</b>						
Senior enrichment					35,499	35,499
Tourism					2,500	2,500
<b>HOME AND COMMUNITY SERVICES</b>						
Sanitation, landfill and capping	33,267,857	2,707,024	39,916,899	71,248	21,417,220	97,380,248
Conservation and waterways	-	-	297,348		2,304,670	2,602,018
Planning and economic development	3,166,306	-				3,166,306
Community development block grant	-	-				-
Highways and parking fields	-	-				-
Engineering						-
Cemeteries					115,102	115,102
Water	715,523	15,535,716	26,039,483	2,803,267	284,514	45,378,503
Board of zoning appeals					9,763	9,763
Undistributed			2,871,524			2,871,524
<b>TRANSPORTATION</b>						
Highway-general			3,761,080		-	3,761,080
Highway#1	285,189	562,320	282,974,696		15,213,035	299,035,241
Highway#2			8,251,751		-	8,251,751
Highway#4- snow removal			2,856,939		-	2,856,939
Street lighting			25,310,475		-	25,310,475
Public parking	4,528,065	366,385	4,230,352	1,053,951	-	10,178,753
Community development			11,905,426		-	11,905,426
<b>Total Capital Assets</b>	<b>80,416,938</b>	<b>75,649,929</b>	<b>505,475,932</b>	<b>5,219,491</b>	<b>61,089,286</b>	<b>727,851,576</b>

**THIS PAGE LEFT INTENTIONALLY BLANK**

**DISCRETELY PRESENTED COMPONENT UNITS**

**The component units of the Town provide water, sewer, and other 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 full faith and credit of the Town and other matters result in a interdependency with the Town.**

**TOWN OF HEMPSTEAD**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**COMBINING STATEMENT OF NET ASSETS**  
December 31, 2003

	Lakeview Public Library	Roosevelt Public Library	Uniondale Public Library
<b>Assets:</b>			
Cash and cash equivalents	\$ 352,587	\$ -0-	\$ 1,553,025
Certificates of deposit	-0-	-0-	-0-
Cash reserved	-0-	-0-	-0-
Restricted cash and cash equivalents	-0-	-0-	-0-
Restricted investments	-0-	-0-	17,385
Grants and aid receivable	-0-	-0-	-0-
Internal receivables/due from other funds	212,150	-0-	-0-
Water rents receivable	-0-	-0-	-0-
Accounts receivable, net	-0-	-0-	-0-
Other receivables	-0-	-0-	-0-
Prepaid expenses	9,008	-0-	20,655
Due from other governments	-0-	-0-	-0-
Current and other assets	-0-	764,434	-0-
Cash - capital projects	-0-	-0-	-0-
Work in progress	-0-	-0-	-0-
Capital assets:	-0-	2,801,781	-0-
Land	133,998	-0-	-0-
Construction work in progress	-0-	-0-	-0-
Land and development of new site	-0-	-0-	2,452,013
Cost of debt refinancing	-0-	-0-	-0-
Capital assets, net	-0-	-0-	-0-
Other capital assets, net of depreciation	2,451,458	-0-	161,548
Total Assets	3,159,201	3,566,215	4,204,626
<b>Liabilities:</b>			
Accounts payable	26,588	-0-	305,491
Accrued payroll	9,336	-0-	13,422
Accrued interests payable	-0-	-0-	-0-
Other accrued expenses	-0-	-0-	1,828
Escrow payable	-0-	-0-	-0-
Other payables	254	-0-	-0-
Internal payables / due to other funds	212,150	-0-	-0-
Due to Town of Hempstead	1,000,000	-0-	2,048,363
Bonds and notes payable	-0-	-0-	-0-
Current liabilities	-0-	37,959	-0-
Non-current liabilities:	-0-	656,000	-0-
Bonds and notes payable	-0-	-0-	-0-
Compensated absences payable	5,629	-0-	152,327
Bonds payable, within one year	46,262	-0-	32,032
Bonds payable, due after one year	155,278	-0-	103,370
Total Liabilities	1,455,497	693,959	2,656,833
<b>Net Assets:</b>			
Invested in capital assets, net of related debt	1,383,916	2,145,781	130,484
Restricted	1,000	555,497	17,539
Unrestricted	318,788	170,978	1,399,770
Total Net Assets	<u>\$ 1,703,704</u>	<u>\$ 2,872,256</u>	<u>\$ 1,547,793</u>



Cathedral Gardens Water District	Franklin Square Water District	West Hempstead - Hempstead Gardens Water District	Greater Atlantic Beach Water Reclamation District	TOTALS
\$ 310,155	\$ 1,734,966	\$ 1,986,410	\$ 990,479	\$ 6,927,622
-0-	-0-	-0-	-0-	-0-
235,717	-0-	-0-	-0-	235,717
-0-	-0-	55,925	-0-	55,925
-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	17,385
-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	212,150
-0-	255,362	-0-	-0-	255,362
-0-	-0-	203,601	-0-	203,601
10,810	-0-	-0-	-0-	10,810
-0-	25,423	-0-	17,696	72,782
-0-	414	64,327	-0-	64,741
-0-	-0-	-0-	-0-	764,434
-0-	-0-	245,613	-0-	245,613
-0-	-0-	1,676,670	-0-	1,676,670
-0-	-0-	-0-	-0-	2,801,781
-0-	-0-	62,738	-0-	196,736
-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	2,452,013
-0-	-0-	136,813	-0-	136,813
-0-	-0-	-0-	-0-	-0-
-0-	1,182,780	6,355,447	2,875,790	13,027,023
556,682	3,198,945	10,787,544	3,883,965	29,357,178
-0-	31,843	45,459	24,380	433,761
-0-	-0-	-0-	20,820	43,578
-0-	-0-	-0-	19,962	19,962
62,175	45,001	-0-	-0-	109,004
-0-	-0-	51,193	-0-	51,193
-0-	-0-	168,488	-0-	168,742
-0-	-0-	-0-	-0-	212,150
-0-	-0-	-0-	-0-	3,048,363
-0-	-0-	264,062	125,000	389,062
-0-	-0-	-0-	-0-	37,959
-0-	-0-	-0-	-0-	656,000
-0-	-0-	-0-	-0-	-0-
-0-	236,602	1,810,728	53,807	2,259,093
-0-	98,029	-0-	1,825,000	2,001,323
-0-	709,658	-0-	-0-	968,306
62,175	1,121,133	2,339,930	2,068,969	10,398,496
-0-	716,271	4,480,208	925,791	9,782,451
235,717	1,223,870	2,814,858	772,137	5,620,618
258,790	137,671	1,152,548	117,068	3,555,613
\$ 494,507	\$ 2,077,812	\$ 8,447,614	\$ 1,814,996	\$ 18,958,682

**TOWN OF HEMPSTEAD**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**COMBINING STATEMENT OF ACTIVITIES**  
December 31, 2003

	<u>Lakeview</u>	<u>Roosevelt</u>	<u>Uniondale</u>
	<u>Public Library</u>	<u>Public Library</u>	<u>Public Library</u>
Revenues:			
District taxes	\$ 488,069	\$ -0-	\$ 1,761,636
Real property taxes	-0-	1,127,981	-0-
Real property tax items	-0-	-0-	-0-
Property taxes - for general purposes	-0-	-0-	-0-
Property taxes - for debt service	-0-	-0-	-0-
Use of money and property	-0-	-0-	-0-
Sale of property and compensation for loss	-0-	-0-	-0-
State aid	4,984	50,123	6,879
PILOT payments	-0-	-0-	37,376
Investment income (loss)	3,774	-0-	23,839
Bid deposits	-0-	-0-	4,300
Unrestricted investment - earnings	-0-	-0-	-0-
Restricted investment - earnings	-0-	-0-	-0-
Charges for services	3,056	-0-	30,364
Gifts and donations	2,025	-0-	-0-
Miscellaneous	1,673	-0-	3,574
Total Revenues	<u>503,581</u>	<u>1,178,104</u>	<u>1,867,968</u>
Expenditures:			
Salaries and wages	192,284	-0-	1,069,730
Admin	-0-	-0-	-0-
Sewer	-0-	-0-	-0-
Employee benefits	39,451	-0-	246,108
Admin	-0-	-0-	-0-
Sewer	-0-	-0-	-0-
Administration	-0-	-0-	-0-
General government	-0-	-0-	-0-
Admin	-0-	-0-	-0-
Sewer	-0-	-0-	-0-
Sewage treatment and Disposal - Sewer	-0-	-0-	-0-
Contractual expenditures	-0-	-0-	-0-
Library materials	63,156	-0-	167,109
Library operations	64,489	-0-	117,993
Library	-0-	1,129,636	-0-
Plant operating expense	-0-	-0-	-0-
Education	-0-	-0-	-0-
Personal service	-0-	-0-	-0-
Building operations	109,561	-0-	104,818
Source of supply, power & plumbing	-0-	-0-	-0-
Water purification	-0-	-0-	-0-
Transmission / distribution	-0-	-0-	-0-
Repairs and maintenance	-0-	-0-	-0-
Sundries	-0-	-0-	-0-
Depreciation	80,611	108,533	70,533
Sewer	-0-	-0-	-0-
Home and community services - water operations	-0-	-0-	-0-
Debt Service:			
Interest	6,759	-0-	4,378
Refinancing cost	3,159	-0-	2,263
Less: Program revenues - charges for services	-0-	-0-	-0-
Total Expenditures	<u>559,470</u>	<u>1,238,169</u>	<u>1,782,932</u>
Change in Net Assets:	(55,889)	(60,065)	85,036
Net Assets - Beginning of Year	<u>1,759,593</u>	<u>2,932,321</u>	<u>1,462,757</u>
Net Assets - End of Year	<u>\$ 1,703,704</u>	<u>\$ 2,872,256</u>	<u>\$ 1,547,793</u>

Cathedral Gardens Water District	Franklin Square Water District	West Hempstead - Hempstead Gardens Water District	Greater Atlantic Beach Water Reclamation District	TOTALS
\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 2,249,705
60,144	757,798	-0-	-0-	1,945,923
-0-	42	-0-	-0-	42
-0-	-0-	1,098,423	989,220	2,087,643
-0-	-0-	-0-	66,980	66,980
-0-	116,751	-0-	-0-	116,751
-0-	4,670	-0-	-0-	4,670
-0-	-0-	-0-	-0-	61,986
-0-	-0-	-0-	-0-	37,376
9,213	-0-	-0-	-0-	36,826
-0-	-0-	-0-	-0-	4,300
-0-	-0-	24,968	13,721	38,689
-0-	-0-	10,242	-0-	10,242
-0-	-0-	-0-	-0-	33,420
-0-	-0-	-0-	-0-	2,025
5,616	345	195,254	325	206,787
<u>74,973</u>	<u>879,606</u>	<u>1,328,887</u>	<u>1,070,246</u>	<u>6,903,365</u>
-0-	-0-	-0-	-0-	1,262,014
-0-	-0-	-0-	60,675	60,675
-0-	-0-	-0-	367,188	367,188
-0-	-0-	369,878	-0-	655,437
-0-	-0-	-0-	58,254	58,254
-0-	-0-	-0-	125,127	125,127
-0-	-0-	439,737	-0-	439,737
12,393	-0-	-0-	-0-	12,393
-0-	-0-	-0-	12,201	12,201
-0-	-0-	-0-	119,042	119,042
-0-	-0-	-0-	256,761	256,761
89,713	-0-	-0-	-0-	89,713
-0-	-0-	-0-	-0-	230,265
-0-	-0-	-0-	-0-	182,482
-0-	-0-	-0-	-0-	1,129,636
-0-	-0-	703,179	-0-	703,179
948	-0-	-0-	-0-	948
15,994	-0-	-0-	-0-	15,994
-0-	-0-	-0-	-0-	214,379
-0-	-0-	298,590	-0-	298,590
-0-	-0-	157,718	-0-	157,718
-0-	-0-	69,881	-0-	69,881
-0-	-0-	120,225	-0-	120,225
-0-	-0-	30	-0-	30
-0-	-0-	264,457	-0-	524,134
-0-	-0-	-0-	149,345	149,345
-0-	1,863,030	-0-	-0-	1,863,030
-0-	35,176	117,890	68,421	232,624
-0-	-0-	-0-	-0-	5,422
-0-	(1,065,248)	(1,510,474)	-0-	(2,575,722)
<u>119,048</u>	<u>832,958</u>	<u>1,031,111</u>	<u>1,217,014</u>	<u>6,780,702</u>
(44,075)	46,648	297,776	(146,768)	122,663
<u>538,582</u>	<u>2,031,164</u>	<u>8,149,838</u>	<u>1,961,763</u>	<u>18,836,018</u>
<u>\$ 494,507</u>	<u>\$ 2,077,812</u>	<u>\$ 8,447,614</u>	<u>\$ 1,814,995</u>	<u>\$ 18,958,681</u>

**THIS PAGE LEFT INTENTIONALLY BLANK**

## STATISTICAL SECTION

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

**TOWN OF HEMPSTEAD**  
**GENERAL GOVERNMENT EXPENDITURES BY FUNCTION (1)**  
**TEN YEAR SUMMARY**

Year Ended December 31,	General Government	Public Safety	Culture & Recreation	Transportation	Health
1994	\$40,404,206	\$13,283,614	\$39,098,470	\$44,054,881	\$912,294
1995	47,003,514	14,911,837	40,468,405	55,366,033	783,165
1996	48,416,587	15,646,658	41,876,274	54,089,522	
1997	46,776,154	15,258,713	45,311,756	57,445,214	
1998	44,592,177	15,474,968	48,139,155	50,340,942	
1999	45,182,772	15,787,676	42,170,911	43,079,193	
2000	48,784,599	16,562,355	43,836,087	44,679,103	
2001	52,135,419	17,424,284	47,265,126	51,061,016	
2002	55,086,899	18,322,284	50,789,832	44,369,238	
2003	60,402,691	20,530,171	52,402,058	57,309,360	

Source: Office of the Comptroller of the Town of Hempstead, from audited financial statements.

(1) Includes General, Special Revenue, Debt Service and Capital Projects funds.  
 Exclusive of component units.

<b>Economic Assistance &amp; Opportunity</b>	<b>Home &amp; Community Services</b>	<b>Employee Benefits</b>	<b>Debt Service</b>	<b>Total</b>
\$9,169,047	\$105,102,408	\$31,915,672	\$33,981,466	\$317,922,058
10,980,529	108,388,321	32,606,367	32,216,921	342,725,092
11,253,852	117,179,802	33,857,466	31,791,038	354,111,199
11,935,311	120,852,934	35,683,733	33,058,645	366,322,460
12,738,393	117,750,845	34,208,316	37,504,992	360,749,788
11,516,679	119,915,724	34,520,628	37,843,287	350,016,870
11,853,224	114,688,893	37,560,495	37,728,614	355,693,370
8,497,016	119,582,648	39,713,325	40,023,256	375,702,090
11,546,525	129,022,536	42,267,836	37,647,898	389,053,048
10,150,031	129,742,402	51,660,363	41,926,770	424,123,846

**TOWN OF HEMPSTEAD**  
**GENERAL GOVERNMENT REVENUES BY SOURCE (1)**  
**TEN YEAR SUMMARY**

Year Ended December 31,	Property Taxes	Non- Property tax Items	Licenses and Permits	Inter- Governmental Charges	Charges For Services	Fines
1994	\$ 151,007,116	\$ 21,798,515	\$ 203,340	\$ 13,824,048	\$ 22,154,523	\$ 549,074
1995	165,079,680	22,928,662	275,329	12,151,036	21,208,906	739,631
1996	166,172,491	23,853,999	207,353	14,736,868	21,713,935	713,473
1997	172,254,087	25,121,896	193,844	12,912,620	21,876,709	1,368,195
1998	172,121,704	27,025,922	206,323	13,086,869	25,108,412	1,119,602
1999	174,377,718	29,074,405	292,169	14,111,573	27,115,660	1,454,165
2000	175,412,948	30,571,164	342,653	13,460,917	28,104,179	871,901
2001	177,191,306	31,535,522	424,445	13,759,905	30,413,710	1,365,034
2002	176,903,163	33,847,387	339,927	12,900,768	32,058,572	735,023
2003	185,272,494	34,806,516	482,923	11,335,150	32,523,184	565,236

Source: Office of the Comptroller of the Town of Hempstead, from audited financial statements.

(1) Includes General, Special Revenue, Debt Service and Capital Projects funds.  
Exclusive of component units.



Use of Money and Property	Sale of Property and Compensation for Loss	Miscellaneous	Interfund Revenues	State Aid	Federal Aid	Total Governmental Funds
\$ 5,130,863	\$ 976,315	\$ 1,078,335	\$ 37,529,645	\$ 16,121,670	\$ 12,295,465	\$ 282,668,909
7,263,264	1,563,556	975,442	41,139,203	13,833,436	13,545,806	300,703,951
7,172,541	3,058,978	1,117,041	42,971,030	16,008,000	16,870,439	314,596,148
7,453,045	987,731	2,321,028	42,775,582	15,535,823	15,862,267	318,662,827
6,138,338	913,922	1,354,548	43,486,288	20,313,557	16,422,538	327,298,023
6,124,234	2,453,707	1,198,042	43,306,241	22,871,610	14,144,309	336,523,833
7,973,653	671,901	1,364,449	44,592,631	20,206,080	15,450,958	339,023,434
6,908,152	1,501,752	3,374,177	45,440,124	25,995,865	17,147,169	355,057,161
3,957,523	1,655,405	1,087,589	46,710,984	32,552,495	22,275,257	365,024,093
3,003,859	3,036,317	1,985,056	49,832,421	41,069,168	14,359,096	378,271,420

**TOWN OF HEMSTEAD**  
**PROPERTY TAX RATES PER \$100 ASSESSED VALUATION**  
**ALL DIRECT AND OVERLAPPING GOVERNMENTS**  
**TEN YEAR SUMMARY**

Year Ended December 31,	Governmental Funds														
	Major						Non-Major								
	General	Highway	Parks		Refuse & Garbage		Town Outside Village	Fire Protection		Street Lighting	Public Parking		Water		Library
		Low	High	Low	High		Low	High		Low	High	Low	High	Low	
1994															
Class 1	0.863	2.978													
Class 2	0.884	2.935													
Class 3	0.928	2.820													
Class 4	0.849	2.853													
All Classes			1.063	5.918	2.405	3.604		0.427	6.143	0.492	0.065	4.169	0.504	2.449	N/A
1995															
Class 1	0.932	3.259													
Class 2	0.951	3.991													
Class 3	0.997	3.074													
Class 4	0.819	2.799													
All Classes			1.213	6.058	2.485	4.050		0.418	6.143	0.532	0.065	3.524	0.504	2.449	N/A
1996															
Class 1	0.932	3.259													
Class 2	0.971	3.082													
Class 3	0.910	2.982													
Class 4	0.834	2.863													
All Classes			1.074	5.722	2.684	4.050		0.418	6.143	0.517	0.010	3.119	0.504	2.449	N/A
1997															
Class 1	0.914	3.386													
Class 2	0.988	3.303													
Class 3	0.664	2.393													
Class 4	0.864	3.129													
All Classes			1.112	5.922	2.891	4.192		0.431	6.351	0.535	0.010	3.119	0.504	2.449	N/A
1998															
Class 1	0.914	3.386													
Class 2	0.979	3.305													
Class 3	0.576	2.109													
Class 4	0.861	3.110													
All Classes			1.112	5.922	2.891	4.192		0.410	6.740	0.535	0.010	3.119	0.504	2.449	N/A
1999															
Class 1	0.914	3.555													
Class 2	0.919	3.094													
Class 3	0.586	2.254													
Class 4	0.828	3.190													
All Classes			1.112	5.922	2.891	4.192		0.410	6.740	0.535	0.010	3.119	0.504	2.449	N/A
2000															
Class 1	0.914	3.555													
Class 2	0.926	3.175													
Class 3	0.532	2.082													
Class 4	0.876	3.370													
All Classes			1.112	5.922	2.891	4.192		0.410	6.740	0.535	0.010	3.119	0.504	2.449	0.738
2001															
Class 1	0.914	3.555													
Class 2	0.974	3.315													
Class 3	0.433	1.688													
Class 4	0.907	3.481													
All Classes			1.112	8.878	2.891	4.192		0.410	6.740	0.535	0.010	3.119	0.504	2.449	0.877
2002															
Class 1	0.914	3.555	1.112	5.922	2.891	4.192	0.655	4.868	0.535		3.119	0.504	2.449	1.108	
Class 2	1.012	3.433		5.921	2.890	4.191	0.632	4.211	0.534		3.119		2.448		
Class 3	0.377	1.474		2.742	2.890	4.192	0.271	4.209	0.534		1.041		2.449		
Class 4	0.880	3.371	1.112	5.922	2.891	4.191	0.621	0.481	4.209	0.534	0.009	3.119	0.503	2.448	1.107
All Classes															
2003															
Class 1	0.914	3.853	1.178	7.106	2.950	4.192	0.689	4.868	0.535		3.119	0.504	2.449	0.856	
Class 2	0.990	3.711		7.094	3.153	4.292	0.663	5.561	0.556		3.857		2.439		
Class 3	0.337	1.425		2.815	2.931	4.175	0.254	4.188	0.531		1.036		2.439		
Class 4	0.850	3.537	1.229	7.111	3.021	4.179	0.632	0.415	4.906	0.547	0.010	3.242	0.509	2.383	0.855
All Classes															

Note: Greater Atlantic Beach Water Reclamation District is on an assessment basis.

Source: Office of the Comptroller of the Town of Hempstead.

Funding	Commissioner Operated Districts								Components Units		School		County	
	Fire		Sanitation		Library		Water		Low	High	Low	High	Low	High
	Low	High	Low	High	Low	High	Low	High						
N/A	0.585	10.255	1.999	5.136	0.827	4.990	0.745	3.235	0.827	4.990	30.675	59.014	14.530	27.450
											22.745	60.538		
											25.338	88.852		
											59.299	59.299		
N/A	0.710	6.810	2.073	5.650	0.851	5.250	0.703	3.432	0.851	5.250	32.374	61.511	11.800	21.980
											26.038	67.371		
											25.946	69.138		
											63.789	63.789		
N/A	0.691	6.512	1.950	5.880	0.884	5.700	1.140	3.966	0.884	5.700	34.627	64.446	14.530	27.450
											19.446	68.231		
											28.932	43.967		
											62.761	62.761		
N/A	0.742	6.512	1.980	5.990	0.963	5.980	1.208	2.127	0.963	5.980	37.400	69.165	11.800	21.980
											16.877	69.189		
											31.906	40.431		
											65.573	65.573		
N/A	0.687	6.512	1.980	5.990	0.964	6.280	1.260	2.150	0.964	6.280	39.923	74.202	11.800	21.980
											18.754	73.257		
											30.531	46.195		
											69.966	69.966		
N/A	0.734	6.962	2.140	5.990	0.964	6.110	1.370	2.150	0.964	6.110	43.288	81.718	11.800	21.980
											17.223	82.728		
											33.792	47.294		
											79.151	79.151		
0.738	0.817	7.049	4.340	6.390	0.982	6.066	1.460	2.150	0.982	6.066	43.724	87.881	12.751	21.749
											14.152	93.876		
											39.004	50.804		
											91.905	91.905		
0.877	0.796	7.049	3.278	6.710	0.993	6.020	1.518	2.150	0.993	6.020	48.221	92.733	12.540	30.1
											15.664	102.841		
											44.387	52.705		
											101.091	101.091		
1.560	0.831	6.142	3.589	7.300	1.047	6.010	1.670	2.150	1.047	6.010	55.392	103.483	14.860	33.37
1.498		6.142	3.589	7.299	1.047	6.010	1.670	2.150	1.047	6.010	14.672	118.093		
		6.142	3.589	7.299	1.047	6.010	1.670	2.150	1.047	6.010	55.265	55.265		
1.498	0.831	6.142	3.589	7.300	1.047	6.010	1.670	2.150	1.047	6.010	49.676	108.180		
3.455	0.925	7.049	3.589	7.758	1.097	5.880	1.770	2.269	1.097	5.880	100.118	228.905	0.050	52.546
3.322		6.344	3.565	8.413	1.085	5.783	0.289	2.671	1.085	5.783	254.685	616.981		
0.855		6.954	3.565	7.693	1.082	5.783	1.907	4.622	1.082	5.783	274.567	623.093		
3.436	0.934	6.954	3.622	7.759	1.134	5.827	1.950	2.309	1.134	5.827	724.723	724.723		

**TOWN OF HEMPSTEAD**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**TEN YEAR SUMMARY**

Year Ended December 31,	Tax Levy For Town (a)	Total Tax Levy (b)	Amount Collected (c)	Percent Collected (d)
1994	\$ 223,523,426	\$ 521,740,214	\$ 496,138,340	95.1
1995	238,521,891	468,949,469	452,391,294	96.5
1996	241,943,962	538,857,487	513,527,158	95.3
1997	251,196,449	545,131,428	526,208,091	96.5
1998	253,382,273	544,481,060	524,045,514	96.2
1999	254,692,218	560,963,361	541,094,015	96.5
2000	259,833,901	589,054,956	565,911,328	96.1
2001	262,447,834	628,915,320	604,134,203	96.1
2002	265,764,533	654,790,812	635,197,580	97.0
2003	279,062,505	728,044,149	702,743,046	96.5
	<u>\$ 2,530,368,992</u>	<u>\$ 5,780,928,256</u>	<u>\$ 5,561,390,569</u>	

Source: The most recent official statement of the Town of Hempstead.

- (a) Gross levy for Town purposes. (Includes all Town controlled funds, Commissioner operated funds, Fire Districts and Library Districts).
- (b) Includes all Town and County taxes.
- (c) During year of levy.
- (d) Uncollected taxes are returned to the County for collection.  
The Town retains 100% of its levy. See "Tax Collection Procedures".

**TOWN OF HEMPSTEAD**  
**ASSESSED VALUATION OF TAXABLE REAL PROPERTY,**  
**STATE EQUALIZATION RATE AND FULL VALUATION**  
**TEN YEAR SUMMARY**

Year Ended December 31,	Total Assessed Valuation	State Equalization Rate	Full Valuation (a)
1994	\$ 1,875,163,287	4.32%	\$ 43,406,557,569
1995	1,887,115,236	4.27%	44,194,736,206
1996	1,887,115,236	4.20%	44,886,400,830
1997	1,887,587,714	4.28%	44,102,516,682
1998	1,887,773,367	4.17%	45,270,344,532
1999	1,877,760,190	4.10%	45,799,029,024
2000	1,887,231,667	3.66%	51,563,706,749
2001	1,905,372,175	3.35%	56,876,781,343
2002	1,920,681,896	3.04%	63,180,325,526
2003	<u>1,919,481,151</u>	2.68%	<u>71,622,431,007</u>
	<u>\$ 18,935,281,919</u>		<u>\$ 510,902,829,468</u>

Source: NYS Office of Real Property Services State Board of Equalization and Assessment.

(a) Computed by dividing the taxable assessed valuations by the State equalization rate shown.

**TOWN OF HEMPSTEAD**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**DECEMBER 31, 2003**

ISSUER	NET DEBT OUTSTANDING	PERCENTAGE APPLICABLE TO THE TOWN	NET DEBT APPLICABLE TO THE TOWN
<b>Direct:</b>			
Town of Hempstead	\$ 303,405,781	100.00%	\$ 303,405,781
<b>Overlapping:</b>			
County	\$ 3,090,942,000 (a)	45.02%	\$ 1,391,542,088
Villages	151,263,000 (b)	100.00%	151,263,000
School Districts	349,169,000 (c)	100.00%	349,169,000
Fire Districts	9,561,000 (d)	100.00%	<u>9,561,000</u>
<b>Totals</b>			<u><u>\$ 1,901,535,088</u></u>

(a) Includes debt issued by the Nassau Interim Finance Authority. Excludes \$129,040,000 cash and investments - capital project funds.

(b) Excludes \$28,216,000 exempt water and/or sewer debt.

(c) Excludes estimated state school building aid (\$232,780,000).

(d) No exclusions.

Source: County Official Statement and NYS Comptroller's Report on Municipal Affairs for fiscal year ended in 2001.

**TOWN OF HEMPSTEAD**  
**COMPUTATION OF CONSTITUTIONAL DEBT MARGIN**  
**DECEMBER 31, 2003**

For Budget Year	Assessed Valuation	State Equalization Rates % (a)	Full Valuation
1999	1,877,760,190	4.10	45,799,029,024
2000	1,887,231,667	3.66	51,563,706,749
2001	1,905,372,175	3.35	56,876,781,343
2002	1,920,681,896	3.04	63,180,325,526
2003	1,919,481,151	2.68	71,622,431,007
Total Five-Year Full Valuation			289,042,273,649
Five-Year Average Full Valuation Debt Contracting Limitation			57,808,454,730
Debt Limit - 7% of Five-Year Average Full Valuation			\$ 4,046,591,831
 <u>Indebtedness</u>			
Outstanding Bonds	\$ 244,506,273		
Bond Anticipation Notes	58,899,508		
		303,405,781	
 <u>Exclusions:</u>			
Water Bonds	2,973,123		
Water Bond Anticipation Notes	5,935,000		
Sewer Bonds	1,950,000		
Library Bonds	964,942		
Appropriations	9,650,000		
		21,473,065	
Total Net Indebtedness Subject to Debt Limit			324,878,846
Net Debt Contracting Margin			\$ 3,721,712,985
Percentage of Debt Contracting Power Exhausted			8.03%

Source: Office of the Comptroller of the Town of Hempstead, and most recent official statements.

(a) State Office of Real Property Services

**TOWN OF HEMPSTEAD**  
**DIRECT AND OVERLAPPING DEBT RATIOS**  
**DECEMBER 31, 2003**

	AMOUNT	DEBT PER CAPITA	DEBT TO ESTIMATED FULL VALUE
Gross Direct Debt	\$ 291,464,787	\$ 384	0.36 %
Net Direct Debt	263,410,820	347	0.33
Net Direct and Overlapping Debt	2,164,945,908	2,849	2.68

Source: New York State special report on municipal affairs and the most recent official statements of the Town of Hempstead.

The Town's population is 759,915 based on the 2002 Census.

The estimated full value of taxable real property for the 2004 fiscal year is \$80,832,318,000 based on total taxable assessed valuation \$727,490,762 and an equalization ratio for this roll of 0.90%.



**TOWN OF HEMPSTEAD**  
**RATIO OF GENERAL LONG-TERM DEBT TO ASSESSED VALUATION AND**  
**NET GENERAL LONG-TERM DEBT PER CAPITA**  
**TEN YEAR SUMMARY**

	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>
Population	724,179	724,232	724,924	725,988
Assessed Valuation	1,875,163,287	1,887,115,236	1,887,115,236	1,887,587,714
Net Bonded Debt	204,585,000	215,828,000	248,491,800	259,370,108
Ratio of Bonded Debt to Assessed Value	11.0%	11.0%	13.0%	14.0%
Net Bonded Debt per Capita	282.51	298.01	342.78	357.27

Sources: The Long Island Regional Planning Board and The Long Island Almanac.

1998	1999	2000	2001	2002	2003
726,578	727,997	728,680	757,228	758,942	759,535
1,887,773,367	1,877,760,190	1,887,231,667	1,905,372,175	1,920,681,896	1,919,481,151
300,318,956	280,315,556	298,466,302	339,862,003	279,086,554	297,517,716
16.0%	15.0%	16.0%	18.0%	15.0%	15.0%
413.33	385.05	409.60	448.82	367.73	391.71

**TOWN OF HEMPSTEAD**  
**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL**  
**LONG-TERM DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES**  
**TEN YEAR SUMMARY**

Year Ended December 31,	Debt Service (1)	Total Governmental Expenditures	Ratio of Debt Service to Governmental Expenditures
1994	\$33,981,466	\$317,922,058	10.69%
1995	32,216,921	342,725,092	9.40%
1996	31,791,038	354,111,199	8.98%
1997	33,058,645	366,322,460	9.02%
1998	37,504,992	360,749,788	10.40%
1999	37,843,287	350,016,870	10.81%
2000	37,728,614	355,693,370	10.61%
2001	40,023,256	375,702,090	10.65%
2002	37,647,898	389,053,048	9.68%
2003	41,926,770	424,123,846	9.89%

Source: Office of the Comptroller of the Town of Hempstead, from audited financial statements.

(1) Reflects all debt service expenditures for the Primary Government, including bonds, notes and installment purchase debt.

**TOWN OF HEMPSTEAD  
DEMOGRAPHIC STATISTICS  
TEN YEAR SUMMARY**

<b>Year Ended December 31,</b>	<b>Population</b>	<b>Per Capita Income</b>	<b>Median Age</b>	<b>Unemployment Rate</b>	<b>Year-Round Household Estimate</b>	<b>Average Household Size Estimates</b>	<b>Population Density Per Square Mile</b>	<b>Public School Enrollment*</b>
<b>1994</b>	724,179	\$24,555	36.4	5.3%	241,218	2.97	6,034.83	180,827
<b>1995</b>	724,232	\$25,275	36.6	4.7%	241,697	2.98	6,035.27	184,310
<b>1996</b>	724,924	\$25,995	36.8	3.9%	243,133	2.98	6,041.03	188,213
<b>1997</b>	725,988	\$26,715	37.0	3.7%	244,090	2.99	6,049.90	191,297
<b>1998</b>	726,578	\$27,435	37.2	3.0%	244,569	3.00	6,054.82	195,962
<b>1999</b>	727,997	\$28,153	37.4	3.1%	246,244	3.01	6,066.64	199,393
<b>2000</b>	728,680	\$29,026	37.6	2.8%	246,722	3.01	6,072.33	203,213
<b>2001</b>	757,228	\$29,751	37.7	3.2%	247,126	3.02	6,310.23	205,919
<b>2002</b>	758,942	\$30,495	37.8	4.3%	247,533	3.02	6,324.52	207,951
<b>2003</b>	759,535	\$31,444	37.9	4.1%	247,694	3.02	6,329.46	N/A

\*Public School Enrollment figures are for all of Nassau County, Town of Hempstead figures unavailable

Sources: The Long Island Almanac, State of New York Department of Labor, Long Island Regional Planning Board.

**TOWN OF HEMPSTEAD**  
**ESTIMATED VALUE OF RESIDENTIAL BUILDING PERMITS ISSUED**  
**TEN YEAR SUMMARY**

Year	New Construction		Additions, Alterations And Repairs		Other		Totals	
	No. of Permits	\$ Value	No. of Permits	\$ Value	No. of Permits	\$ Value	No. of Permits	\$ Value
1994	178	16,950,572	3423	40,531,022	541	469,923	4142	57,951,517
1995	138	15,003,737	3194	38,759,023	539	287,044	3871	54,049,804
1996	171	15,974,500	3532	40,689,457	547	292,078	4250	56,956,035
1997	226	30,588,510	3554	41,784,491	557	295,037	4337	72,668,038
1998	183	17,362,203	3491	48,927,144	493	661,942	4167	66,951,289
1999	199	27,843,497	3671	62,802,383	481	405,676	4351	91,051,556
2000	330	27,344,400	3027	59,066,750	190	807,000	3547	87,218,150
2001	238	53,006,000	3833	111,379,396	633	1,387,375	4704	165,772,771
2002	235	34,084,000	3451	97,382,250	116	1,561,000	3802	133,027,250
2003	265	60,225,000	3933	104,457,850	3583	7,780,171	7781	172,463,021
<b>Total:</b>	<b>2,163</b>	<b>\$ 298,382,419</b>	<b>35,109</b>	<b>\$ 645,779,766</b>	<b>7,680</b>	<b>\$ 13,947,246</b>	<b>44,952</b>	<b>\$ 958,109,431</b>

Source: Town of Hempstead Building Department

**TOWN OF HEMPSTEAD**  
**ESTIMATED VALUE OF INDUSTRIAL AND COMMERCIAL BUILDING PERMITS ISSUED**  
**TEN YEAR SUMMARY**

Year	New Construction		Additions, Alterations And Repairs		Other		Totals	
	No. of Permits	\$ Value	No. of Permits	\$ Value	No. of Permits	\$ Value	No. of Permits	\$ Value
1994	30	15,827,690	478	34,713,679	160	920,200	668	51,461,569
1995	39	65,853,155	417	52,312,485	172	366,090	628	118,531,730
1996	31	75,273,895	468	61,307,525	184	5,034,623	683	141,616,043
1997	43	18,477,953	475	60,175,167	168	2,323,650	686	80,976,770
1998	20	322,768,204	431	50,700,222	166	1,998,450	617	375,466,876
1999	19	13,504,200	394	41,377,036	150	1,668,200	563	56,549,436
2000	38	8,120,000	731	74,515,000	57	314,000	826	82,949,000
2001	33	32,387,000	747	48,008,000	268	1,246,725	1048	81,641,725
2002	18	10,606,050	784	71,922,000	424	728,250	1226	83,256,300
2003	36	9,406,500	1069	48,847,844	225	2,081,400	1330	60,335,744
Total:	307	<u>\$ 572,224,647</u>	5,994	<u>\$ 543,878,958</u>	1,974	<u>\$ 16,681,588</u>	8,275	<u>\$ 1,132,785,193</u>

Source: Town of Hempstead Building Department

**TOWN OF HEMPSTEAD  
PRINCIPAL TAXPAYERS  
2003 TAX ROLL**

<u>Taxpayers's Name</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>Percent of Total Assessed Valuation (a)</u>
Marketspan Gas Corp.	Utility	\$ 5,260,948	0.72 %
Retail Property Trust	Shopping Center	3,612,870	0.50
Keyspan Energy Corp	Utility	2,599,223	0.36
Verizon	Utility	2,588,418	0.36
Reckson Associates	Office Buildings	2,336,192	0.32
LIPA	Utility	2,039,774	0.28
Coliseum Plaza Associates	Office Buildings	1,767,508	0.24
EQK Green Acres LP	Shopping Mall	1,655,912	0.23
Greater N.Y. Racing Association	Belmont Race Track	1,405,032	0.19
Long Island Water Co.	Utility	1,311,778	0.18
		<u>\$ 24,577,655</u>	<u>3.38 %</u>

(a) Total taxable assessed valuations per the Town's 2003 assessment roll for taxes levied in fiscal 2004 are \$727,490,862.

Source: County Board of Assessors.

**TOWN OF HEMPSTEAD**  
**MAJOR NON-GOVERNMENT EMPLOYERS ON LONG ISLAND**  
**2,000 OR MORE EMPLOYEES**

<b>Name</b>	<b>Headquarters</b>	<b>Type of Business</b>	<b># of Employees</b>
Diocese of Rockville Centre	Rockville Center	Religious Institution	12500
JP Morgan Chase	Melville	Commercial Bank	7815
Waldbaums	Central Islip	Supermarket Chain	6500
LI Railroad	Jamaica	Commuter Railroad	5900
Verizon	Garden City	Telecommunications	5500
Cablevision Systems	Woodbury	Cable Television	5234
LI University	Brookville	Education	4686
King Kullen Grocery	Westbury	Supermarket Chain	4500
Keyspan Energy	Hicksville	Utility	4418
North Shore University Medical Center	Manhasset	Hospital	4256
Stony Brook University Hospital	Stony Brook	Medical Center	4000
Winthrop University Hospital	Mineola	Medical Center	4000
Home Depot	Elmont	Home Improvement	3447
Good Samaritan Hospital	West Islip	Hospital	3400
Long Island Jewish Medical Center	New Hyde Park	Medical Center	3201
United Parcel Service	Farmingdale	Delivery Service	3200
Nassau University Medical Center	East Meadow	Medical Center	3171
Brookhaven National Lab	Brookhaven	R&D Lab	3000
K-Mart	West Babylon	Retail Chain	3000
Newsday	Melville	Newspaper	3000
Episcopal Health Services	Uniondale	Healthcare	2816
Estee Lauder	Melville	Cosmetics	2580
Fortunoff	Uniondale	Retail Stores	2500
Olsten	Melville	Staffing Services	2500
Computer Associates	Islandia	Computers	2450
St. Francis Hospital	Roslyn	Hospital	2149
Symbol Technologies	Holtsville	Electronics	2100
Photocircuits	Glen Cove	Electronics	2100
Brookhaven Memorial Hospital	Patchogue	Hospital	2000

Source: The 2003 Long Island Business News



**TOWN OF HEMPSTEAD  
AVERAGE UNEMPLOYMENT RATES  
TEN YEAR SUMMARY**

Year	Town	County	State	United States
1994	5.3	5.1	6.9	6.1
1995	4.7	4.5	6.3	5.6
1996	3.9	3.8	6.2	5.4
1997	3.7	3.5	6.4	4.9
1998	3.0	2.9	5.6	4.5
1999	3.1	3.0	4.5	4.2
2000	2.8	2.7	4.6	4.0
2001	3.2	3.1	4.9	4.8
2002	4.3	4.1	6.1	5.8
2003	4.1	3.9	6.3	6.0
2004				
Jan	4.5	4.3	7.2	6.3
Feb	4.4	4.2	6.9	6.0
Mar	4.4	4.2	6.7	6.0
Apr	4.1	3.9	6.0	5.4

Source: State Labor Department

**TOWN OF HEMPSTEAD**  
**DISTRIBUTION OF TAX DOLLARS IN 000'S**  
**TEN YEAR SUMMARY**

	2002-2003		2001-2002		2000-2001		1999-2000		1998-1999	
	School 2003 General	% of Total	School 2002 General	% of Total	School 2001 General	% of Total	School 2000 General	% of Total	School 1999 General	% of Total
School and Library	1,232	64.60	\$ 1,232	65.35	\$ 1,078	63.33	\$ 1,078	64.68	\$ 1,033	64.68
County	397	20.82	388	20.55	365	21.45	329	19.72	306	19.72
Town	177	9.26	170	8.99	170	9.99	168	10.10	167	10.10
* Other Districts	102	5.32	96	5.11	89	5.23	91	5.50	89	5.50
<b>Total:</b>	<b>1,908</b>	<b>100.00</b>	<b>\$ 1,886</b>	<b>100.00</b>	<b>\$ 1,702</b>	<b>100.00</b>	<b>\$ 1,666</b>	<b>100.00</b>	<b>\$ 1,595</b>	<b>100.00</b>

\* Includes Commissioner Operated

Source: Information supplied by Town of Hempstead budgets for indicated years.

1997-1998		1996-1997		1995-1996		1994-1995		1993-1994		
% of	School	% of	School	% of	School	% of	School	% of	School	
Total	1998 General	Total	1997 General	Total	1996 General	Total	1995 General	Total	1994 General	
64.74	\$ 1,041	65.62	\$ 1,013	64.96	\$ 974	64.38	\$ 927	63.26	\$ 877	62.66
19.18	290	18.31	293	18.77	296	19.57	300	20.47	299	21.34
10.48	170	10.69	166	10.64	165	10.91	160	10.89	147	10.52
5.60	85	5.38	87	5.63	78	5.14	79	5.38	77	5.48
100.00	\$ 1,586	100.00	\$ 1,559	100.00	\$ 1,513	100.00	\$ 1,466	100.00	\$ 1,400	100.00

