



JUDI BOSWORTH, SUPERVISOR

*Town of North Hempstead*  
**2015**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

N A S S A U C O U N T Y , N E W Y O R K

**FOR THE YEAR ENDED DECEMBER 31, 2015**



**TOWN OF NORTH HEMPSTEAD  
NEW YORK**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2015**

Prepared by the Office of the Town Comptroller  
Averil Smith, CPA  
Comptroller



**TOWN OF NORTH HEMPSTEAD**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED DECEMBER 31, 2015**  
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**INTRODUCTORY  
SECTION**

*Town Board*  
VIVIANA L. RUSSELL  
PETER J. ZUCKERMAN  
ANGELO P. FERRARA  
ANNA M. KAPLAN  
LEE R. SEEMAN  
DINA M. DE GIORGIO

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



**TOWN HALL  
220 PLANDOME ROAD  
MANHASSET, NY 11030  
(516) 869-6311  
FAX (516) 627-4204**



*Supervisor*  
**JUDI BOSWORTH**

*Town Clerk*  
WAYNE H. WINK, JR.

*Receiver of Taxes*  
CHARLES BERMAN

June 29, 2016

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

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Town of North Hempstead, New York ("the Town") for the year ended December 31, 2015. The financial statements have been audited by the accounting firm selected by the Town Board, Albrecht, Viggiano, Zureck & Company, P.C. The auditors' unmodified opinion is included in this report.

The Town received its fifth Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the December 31, 2014 report. Certificates are awarded to those governments whose annual financial reports are judged to conform to generally accepted accounting principles promulgated by the Governmental Accounting Standards Board. It is my belief that the December 31, 2015 financial report continues to meet the requirements of the Certificate of Achievement Program.

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

The preparation of this report could not have been accomplished without the dedicated effort of the entire staff of the Comptroller's Office and the cooperation of other Town departments. Their hard work enhances the accounting and financial reporting of the Town to the Town Board and in turn to the residents of the Town of North Hempstead.

Sincerely,

A handwritten signature in blue ink that reads "Judi Bosworth".

Judi Bosworth  
Town Supervisor

*Supervisor*  
**JUDI BOSWORTH**

# TOWN OF NORTH HEMPSTEAD



*Town Board*  
VIVIANA L. RUSSELL  
PETER J. ZUCKERMAN  
ANGELO P. FERRARA  
ANNA M. KAPLAN  
LEE SEEMAN  
DINA M. DE GIORGIO

**COMPTROLLER'S OFFICE**  
220 PLANDOME ROAD  
MANHASSET, NY 11030

PHONE (516) 869-7740  
FAX (516) 869-7762

*Deputy Supervisor/Director of  
Finance*  
ALINE KHATCHADOURIAN

*Town Clerk*  
WAYNE H. WINK, JR.

*Receiver of Taxes*  
CHARLES BERMAN

*Comptroller*  
AVERIL SMITH

*Chief Deputy Comptroller*  
DENNIS MORGAN

June 29, 2016

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

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Town of North Hempstead, New York (the "Town") for the year ended December 31, 2015.

The CAFR is prepared by the Comptroller's Office with assistance from many members of the Town government. The Town and its management are responsible for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. The Town has established a comprehensive system of internal control concerning its finances and the internal controls provide management with confidence in the accuracy of the information presented in the CAFR. Our internal controls have the objective of providing reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Albrecht, Viggiano, Zureck & Co. P.C., Certified Public Accountants, have issued an unmodified auditors' report dated June 29, 2016, for the Town and its discretely presented nonmajor component units as of December 31, 2015. Their report may be found at the beginning of the Financial Section.

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

## **Profile of the Government**

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

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

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

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

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

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

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

In the Fall of 2012, the Town opened its state-of-the-art, 60,000 square foot Yes We Can Community Center, which features one NBA-sized basketball court, two high school courts, a fitness center, dance and TV studios, senior and teen lounges, computer rooms, and community meeting rooms. The new community center is among the most energy efficient buildings in New York State. The platinum LEED (Leadership in Energy and Environmental Design) certified structure, features roof-top solar panels, grade-level solar trees, electric vehicle recharging stations and geothermal heating and cooling.

Water is received from the Water Authority of Western Nassau, the Water Authority of Great Neck North and eight Commissioner Operated Water Districts within the Town. Electricity and natural gas are furnished by PSEG-Long Island, which operates the Long Island Power Authority's transmission and distribution system and National Grid, respectively.

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

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

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

The Town of North Hempstead is governed by Town Law and other general laws of the State of New York and various local laws and ordinances. It is classified by New York State as a suburban town. The Town includes thirty-one incorporated villages. In addition, there are sixteen unincorporated hamlets in the Town. The Town encompasses an area of over 53.58 square land miles.

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

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

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

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

The Town Board appoints the Town Attorney, Comptroller and other Departmental Commissioners. The Supervisor appoints the Deputy Supervisor, Director of Finance, Director of Operations as well as the other members of her staff.

The Town has 47 special districts, of which 20 are Town operated and included in Primary Governmental Activities for financial reporting purposes. Of the remaining 27 districts, 21 are reported as "Discretely Presented Nonmajor Component Units" and 6 districts (2 library funding and 4 fire) are excluded. Inclusion in or exclusion from the financial statements is determined by whether there is a financial or operational interdependence between the Town and the District. Generally, the interdependence is predicated on the authority or lack of authority of the District to tax and borrow. Where such authority is lacking, the Town taxes and borrows in its own name, on behalf of the District. The Town Board appoints the Town's Community Development Agency ("CDA") Board of Directors and the CDA is included as a discretely presented nonmajor component unit in the financial statements so as not to be misleading or incomplete.

Each year, the Town Board is required to adopt a budget, no later than November 20<sup>th</sup>, for the following calendar year. The budget is prepared by fund, department (which generally equates to function), down to individual expenditure line item. The adopted budget includes major and nonmajor funds and excludes the CDA, capital projects and debt service funds. CDA is excluded from the budget, as its principal source of revenue is funding from the U.S. Department of Housing and Urban Development. Capital projects are budgeted on an individual project basis, with debt service and related costs budgeted in the Town operated general, highway, public parking, sidewalk, lighting and three park district funds, respectively. NYS legislation enacted in 2006, permitting the merging of the highway and part town funds into the Town Outside Villages ("TOV") fund and financial reporting may be done on a combined basis. Department heads may reallocate budgeted amounts within their departments without Town Board approval. Transfers between departments require the approval of the Town Board.

### **Local Economy**

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

Based on New York State Department of Labor labor statistics, the Town's unemployment rate, was 3.4% at December 2015 (<https://labor.ny.gov/stats>). This number is substantially below that reported for New York State (4.8%) and the nation (5.0%) for the same period. A review of the Town's historical unemployment trend shows that this is the lowest year-end unemployment rate in 8 years and below the 7 year annual average rate (4%), indicative of a sound economic base. The Statistical Section of this report lists these and a number of additional economic indices whose trends are also favorable.

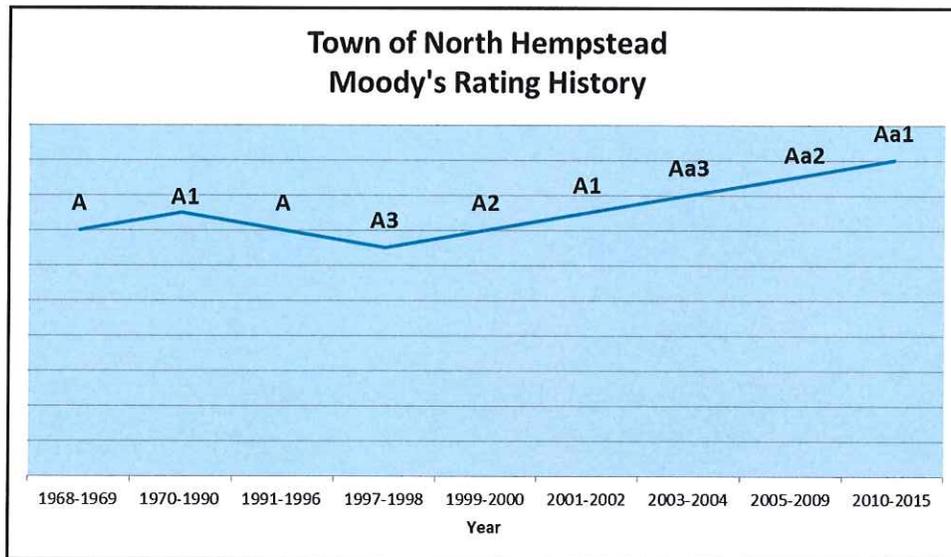
The Town's proximity to New York City also makes it a highly desirable suburban location for commuters, attracted by the ease of access to employment. Residents' access to the Town's highly regarded public, private and parochial schools and overall quality of life is another reason why people choose to live in North Hempstead. In addition, the Town residents are less than a one hour drive from New York City's museums, theaters and other cultural activities.

## Impact Superstorm Sandy on the Town

As a result of Superstorm Sandy (the “Storm”) in 2012, the Town sustained damage, mainly from wind, downed trees and floodwaters. Many Town roads had numerous large trees fall, damaging sidewalks and obstructing the right-of-ways. Fallen trees and debris were removed by the Town’s workforce and outside contractors. Several Town parks also incurred damage. There was damage to various recreational facilities, due to flooding issues. Town employees undertook various emergency protective measures to prepare for and respond to the needs of residents. The Town’s costs for emergency protective measures, debris removal and other recovery efforts total approximately \$43.9 million to date, with the work to continue for several years. Since the Storm, the Town has been reimbursed approximately \$21.4 million in Federal and State funds. It is expected an additional \$22.5 million will be reimbursed to the Town in future years for eligible work at North Hempstead Beach Park, Tully Park Aquatic Center and Manorhaven Beach Park.

## Long-Term Financial Planning

The Town has achieved an Aa1 bond rating from Moody’s Investors Service, affirming the stable outlook. In 2016, the outlook on the Town’s credit rating was revised from stable to positive outlook. This rating reflects strong fiscal management marked by conservative budgeting and maintenance of solid reserve levels. The Town is committed to remaining fiscally responsible with the goal of meeting the requirements for an upgrade in its bond rating in future years.



The Town’s Capital Plan, which is revised annually, projects for five years those items of a capital nature that management has determined are likely to need replacement or are new to the Town. The estimated cost for each capital project is quantified and the related funding sources identified. This level of granular detail permits Town government to plan with reasonable specificity and budget responsibly, while managing its debt levels.

## Relevant Financial Policies

The Town of North Hempstead is governed by financial policies pursuant to laws of the State of New York. In addition, the Town has adopted and adheres to a set of Financial Management Policies that includes the following: Fund Balance, Investment, Purchasing, Capital Asset, Petty Cash and Change Bank, and Employee Reimbursement and Travel. The annual budgetary process contributes to prudent fiscal planning, by using conservative revenue and expenditure forecasting in the preparation of Town budgets. All policies are designed to strengthen internal controls and are reviewed annually.

## Major Initiatives

The 311 Constituent Response System (CRS) permits our residents to make one call to Town Hall and receive the information needed to resolve their Town related issues. The Town was the first suburban community in the USA to install a 311 system. The Town’s 311 CRS responded to 173,359 resident calls in 2015. The 311 Call Center provides answers and, when necessary, directs service requests to the correct service delivery point, as well as provides follow-up to ensure that performance management standards are met. Every call was logged, documented, resolved or directed to its proper Town department, then tracked to its resolution. In 2015, North Hempstead’s 311 opened 62,886 unique service requests and provided immediate resolution to 94,853 calls.

Town officials monitor the efficiency and effectiveness of how the Town addresses constituents' concerns through the management initiative known locally as "TownStat". TownStat and the Town's 311 CRS work together to capture our residents' questions and service requests. Performance management aids in cost reduction, resource prioritization, and quality improvement. It encourages accountability and transparency, fostering the responsiveness of government residents in North Hempstead have come to expect. In 2015, for the fifth consecutive year, the Town received the Certificate of Distinction from the International City/County Management Association (ICMA) for North Hempstead's TownStat Performance Measurement and Management Program.

In 2015 the Town launched a new website at [www.northhempsteadny.gov](http://www.northhempsteadny.gov). This is the first time that the Town's website was been redesigned since 2009. The new dynamic site is reformatted for mobile devices and offers a sleek, modern look with direct links to featured items such as 311 online, online tax payments, online forms, and much more. A new feature on the Town's website is the ability to translate the content to more than 50 languages on many sections of the website.

The Town has placed a special emphasis on ensuring the health and well-being of our senior population. Project Independence, our nationally-recognized "aging-in-place" senior program continues to expand throughout North Hempstead, with six local offices. The program successfully links seniors with services ranging from medical and social service providers, to taxi rides for trips to the supermarket and doctor's appointments, to assistance with repairs. Project Independence, which is served by the Town's 311 system, handled 28,392 service requests in 2015, and has helped thousands of North Hempstead seniors maintain and improve their quality of life, making it easier for them to remain in their homes and part of our community.

In 2015 the Town welcomed Roslyn and Mineola School districts to the School Recycling Partnership program. Since its inception 8 years ago, the Program has over 46,000 student participants, from 60 buildings throughout the Town's school districts. In 2015 the School Recycling Partnership Program recycled an estimated 401 tons of paper and 49 tons of comingled recyclables (plastic, aluminum, and glass). In 2015, the Town's S.T.O.P. ("Stop throwing out pollutants") program collected 45 tons of e-Waste, 5,600 pounds of expired and unwanted prescription drugs, keeping them out of the drinking water system and landfills and 26,525 pounds of other items.

The Town initiated a program to reduce plastics in the waterways in 2015, by installing fishing line receptacles for use by fisherman to dispose of their used and tangled monofilament fishing line. The dozen receptacles, made simply of PVC piping and mounted vertically to poles, are installed at several waterside locations. The program was recognized by the EPA North East Region as a program that could be duplicated at low cost in other municipalities across the country.

In 2015, the 7th Annual Recycled Artwork Contest invited students to use their creativity to promote recycling in their schools and communities. The contest is intended to spread the powerful message of "reduce, reuse and recycle." The entries were judged by the North Hempstead Arts Advisory Committee. Each student was instructed to use materials that would have otherwise been garbage. The winners were honored and displayed at the Gold Coast Art Center.

In the fall of 2010, the Town became the first municipality in the United States to partner with cosmetics giant Estee Lauder on a new recycling program for plastic bottle caps. Using collected caps they have been able to develop ways to make new caps to use on their Aveda products that are shipped world-wide. In 2015, the Town collected 1.5 tons of bottle caps that would have gone into landfills, littered our beaches and endangered our marine life.

In 2015, the Town's Animal Shelter co-sponsored with not-for-profit The Shelter Connection to offer free microchips to dogs and cats of Town residents through the first ever "Pet Microchip Clinic." Microchipping allows dogs and cats to be electronically identified through a unique, permanent, tamper-proof identification number, increasing the odds of reuniting them with their owners if they became lost or stolen. This is a service performed for 120 pets in 2015. Also, in 2015, through its Animal Shelter and in conjunction with the Nassau County Department of Health the Town offered free rabies clinic for the first time. In its first year, 251 pets were treated.

The Town currently has Intermunicipal Agreements ("IMA's") with over 70 municipal entities, including incorporated villages, and school, library, water, water pollution control, and police districts. These agreements cover a broad range of shared services, including: repaving, street sweeping, storm basin cleaning, street sanding, snow removal, tree pruning, sign making, and dumping services at reduced costs, for the benefit of the taxpayers.

The Town has established a number of recurring festivals and programs. Amongst the many festivals and events that the Town hosts are:

- **Funday Monday**, fun activities including live music, line dancing, Zumba and tai chi;
- **Polar Plunge**, where hundreds of brave souls dive into Hempstead Harbor at North Hempstead Beach Park each winter in conjunction with and support from the Special Olympics;
- **EcoFest**, at the Town's botanical garden, where thousands come to learn, have fun, and celebrate the environment;
- **Memorial Day Fireworks**, a commemoration ceremony for veterans;
- **Asian American Festival**, to celebrate the Town's growing ethnic diversity;
- **Spooky Week**, featuring the "Spooky Walk" and "Not So Spooky Walk" Halloween celebrations;
- **Beachfeast**, an adult celebration of food, spirits and fun at North Hempstead Beach Park.

2015 marked the 5<sup>th</sup> Annual Gold Coast International Film Festival, which brought international films and screenings to Long Island's historic north shore. The festival, which is collaboration between the Gold Coast Arts Center and the Town of North Hempstead, took place at several theaters in the Town of North Hempstead. Established with the intention of bringing attention to exceptional filmmakers in the industry, the festival showcased films from various genres including comedies, documentaries, foreign films, and dramas with several question and answer portions as well. The Town's TV station, North Hempstead TV, was recognized with a First Place award from the Alliance for Community Media for a public service announcement in 2015.

With these cornerstones in place, the Town will strive to continue to provide high quality service delivered in a transparent, accountable and efficient manner.

### **Reporting Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of North Hempstead for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2014. This was the fifth consecutive year that the Town has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **Acknowledgements**

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

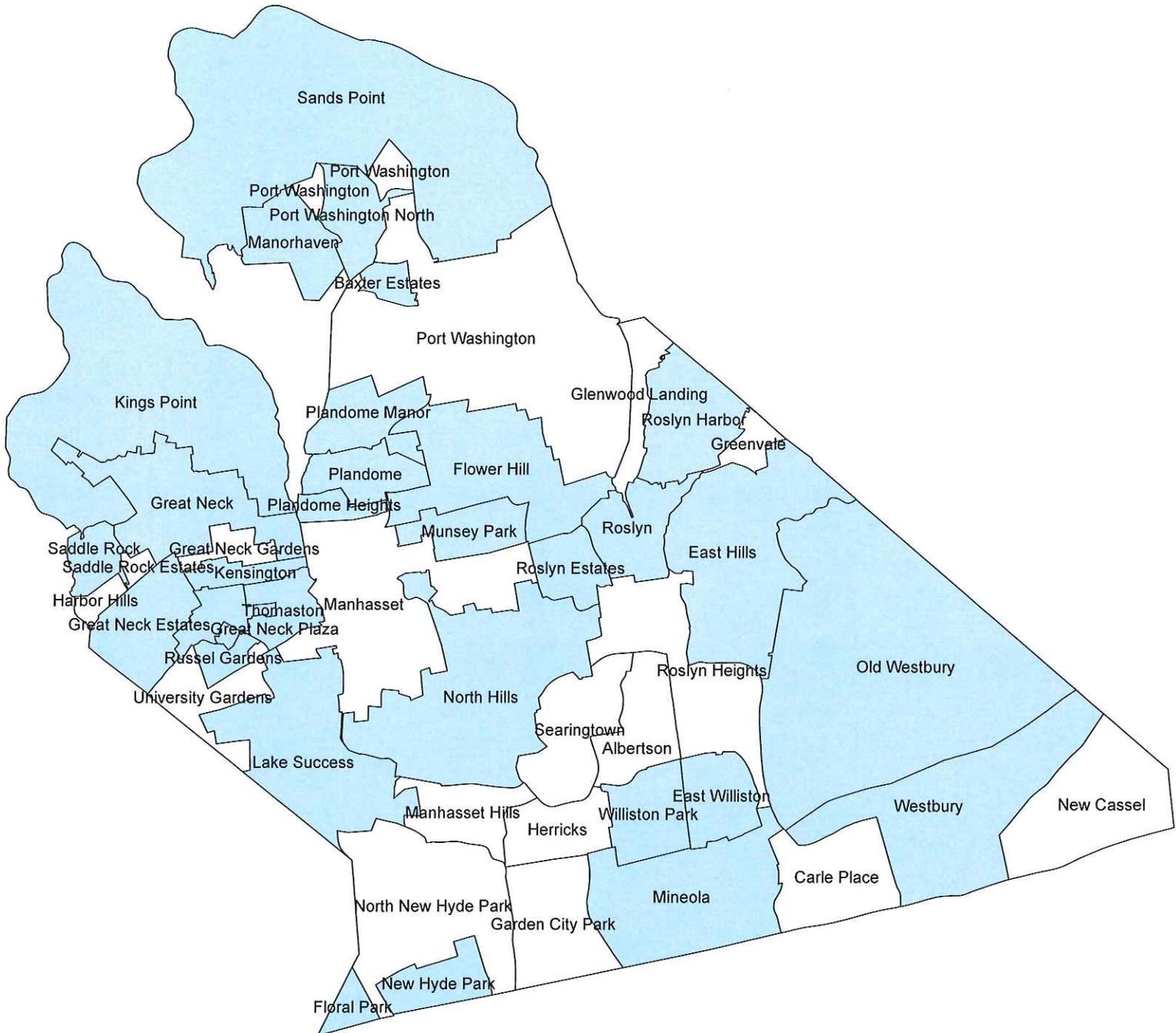
Finally, I would like to thank the Supervisor and the Members of the Town Board for their continuing support in planning and conducting the financial operations of the Town of North Hempstead in a responsible manner.

Respectfully submitted,



Averil Smith, CPA  
Town of North Hempstead  
Comptroller

# TOWN OF NORTH HEMPSTEAD



**TOWN OF NORTH HEMPSTEAD**

**PRINCIPAL OFFICIALS**

December 31, 2015

**ELECTED OFFICIALS**

***TOWN BOARD:***

SUPERVISOR

JUDI BOSWORTH

DISTRICT 1 - COUNCILWOMAN

VIVIANA L. RUSSELL

DISTRICT 2 - COUNCILMAN

PETER J. ZUCKERMAN

DISTRICT 3 - COUNCILMAN

ANGELO P. FERRARA

DISTRICT 4 - COUNCILWOMAN

ANNA M. KAPLAN

DISTRICT 5 - COUNCILWOMAN

LEE R. SEEMAN

DISTRICT 6 - COUNCILWOMAN

DINA M. DeGIORGIO

***TOWN CLERK:***

WAYNE H. WINK, JR

***RECEIVER OF TAXES:***

CHARLES BERMAN

**APPOINTED OFFICIALS**

***DEPUTY SUPERVISOR/DIRECTOR OF FINANCE:***

ALINE KHATCHADOURIAN

***TOWN ATTORNEY:***

ELIZABETH BOTWIN

***CHIEF OF STAFF:***

LUCINDA CARDINAL

***DIRECTOR OF OPERATIONS:***

ROBERT J. TROIANO, JR.

***COMPTROLLER:***

AVERIL SMITH effective 9/11/2015

***SUPERINTENDENT OF HIGHWAYS:***

THOMAS P. TIERNAN

***COMMISSIONER OF ADMINISTRATIVE SERVICES:***

PETER M. HODA

***COMMISSIONER OF BUILDINGS:***

JOHN NIEWENDER

***COMMISSIONER OF COMMUNITY SERVICES:***

KIMBERLY A. CORCORAN - GALANTE

***COMMISSIONER OF SERVICES FOR THE AGING:***

KIMBERLY A. CORCORAN - GALANTE

***COMMISSIONER OF HUMAN RESOURCES:***

ROBERT WEITZNER

***COMMISSIONER OF INFORMATION TECHNOLOGY:***

FRANK PRISCIANDARO

***COMMISSIONER OF PARKS & RECREATION:***

JILL WEBER effective 1/12/2015

***COMMISSIONER OF PLANNING:***

MICHAEL A. LEVINE

***COMMISSIONER OF PUBLIC SAFETY:***

ANDREW DeMARTIN

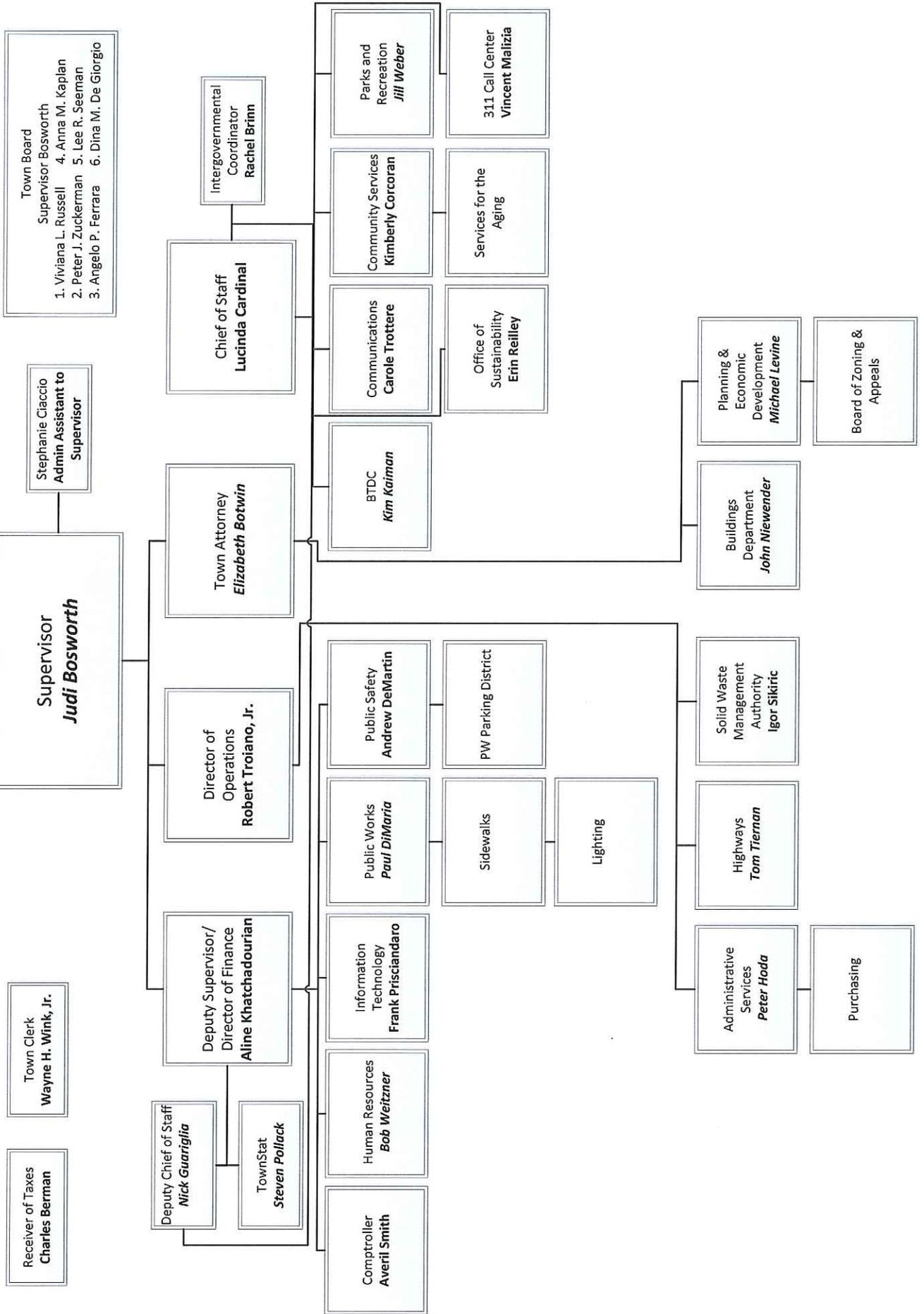
***COMMISSIONER OF PUBLIC WORKS:***

PAUL DIMARIA

***EXECUTIVE DIRECTOR OF SOLID WASTE MANAGEMENT:***

IGOR SIKIRIC

# Town of North Hempstead Organizational Chart 2015





Government Finance Officers Association

**Certificate of  
Achievement  
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in Financial  
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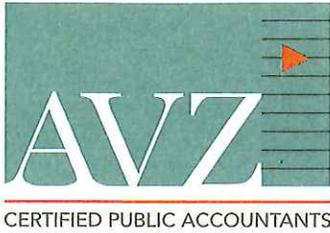
**Town of North Hempstead  
New York**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2014**

Executive Director/CEO

**FINANCIAL  
SECTION**



INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented nonmajor component units, each major fund, and the aggregate remaining fund information of the Town of North Hempstead, New York, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of eighteen of the twenty-one nonmajor component units, Carle Place Garbage District, Glenwood Garbage District, Port Washington Garbage District, Roslyn Garbage District, Belgrave Water Pollution Control District, Great Neck Water Pollution Control District, Port Washington Water Pollution Control District, Carle Place Water District, Garden City Park Water District, Manhasset-Lakeville Water District, Port Washington Water District, Roslyn Water District, Westbury Water District, Great Neck Park District, Port Washington Police District, Shelter Rock Public Library District, Town of North Hempstead Community Development Agency, and Greater Port Washington Business Improvement District, which represent 95.2%, 95.2% and 95.0% respectively, of the assets, net position and revenues of the aggregate discretely presented nonmajor component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those eighteen component units, is based solely on the 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 Carle Place Garbage District, Glenwood Garbage District, Port Washington Garbage District, Roslyn Garbage District, Belgrave Water Pollution Control District, Great Neck Water Pollution Control District, Albertson Water District, Garden City Park Water District, Glenwood Water District, Port Washington Water District, Roslyn Water District, Westbury Water District, Great Neck Park District, Manhasset Park District, Shelter Rock Public Library District, and Greater Port Washington Business Improvement District, which are discretely presented nonmajor component units, 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 basic financial statements are free of material misstatement.

PERSONAL SERVICE. TRUSTED ADVICE.

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

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NEW YORK, NY 10167  
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25 SUFFOLK COURT  
HAUPPAUGE, NY 11788-3715  
T: 631.434.9500 F: 631.434.9518

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INDEPENDENT MEMBER OF BKR INTERNATIONAL

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented nonmajor component units, each major fund and the aggregate remaining fund information of the Town of North Hempstead, New York as of December 31, 2015, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

### *New Accounting Guidance*

As described in Note 1.H and Note 7 to the basic financial statements, the Town of North Hempstead, New York, adopted the provisions of Governmental Accounting Standards No. 68 *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date* as of and for the year ended December 31, 2015.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of North Hempstead, New York's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the report of other auditors, the combining and individual nonmajor financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2016, on our consideration of the Town of North Hempstead, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of North Hempstead, New York's internal control over financial reporting and compliance.

*Albrecht, Viggiano, Zureck & Company, P.C.*

Hauppauge, New York  
June 29, 2016

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 December 31, 2015

The management of the Town of North Hempstead (the "Town") provides this narrative overview and analysis of the Town's financial statements for the year ended December 31, 2015. We encourage readers to consider the information presented here together with additional information furnished in our letters of transmittal, which can be found in the introductory section of this comprehensive annual financial report (CAFR).

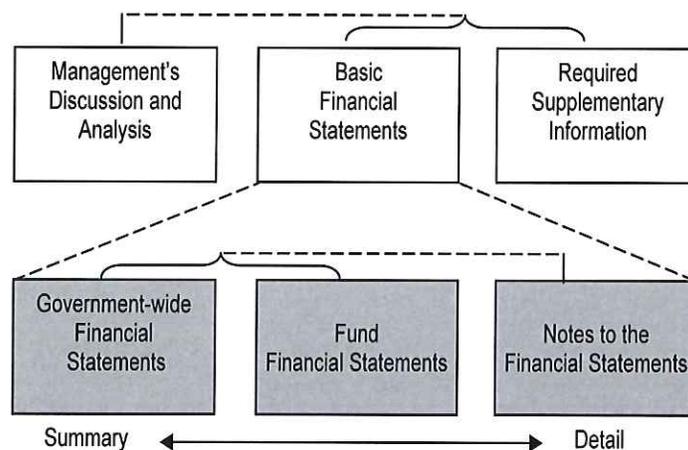
**FINANCIAL HIGHLIGHTS**

- The Town closed the year with a positive net position. Its assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of 2015 by \$170,428,950. The Town's total net position at December 31, 2015 increased by \$4,124,840, inclusive of a cumulative effect of change in accounting principle over its restated net position at December 31, 2014.
- The Town's general fund balance was \$11,691,459 at the close of 2015, an increase of \$1,307,711 or up 12.6% from the prior year restated fund balance. This increase was mainly because franchise fees were higher by \$502,278; mortgage and sales tax revenues increased by \$470,216 and \$201,206, respectively. The assigned and unassigned fund balance for the general fund was \$10,069,098, or 15.2% of total general fund actual expenditures and other uses.
- As of the close of 2015, the Town reduced its total outstanding short-term and long-term debt by \$10,142,479 over the prior year as part of its initiative to reduce debt. This is a reduction of \$32,925,285 over the past two years.
- As of the close of 2015, the Town has \$27,102,619 of total fund balance in spendable form with various levels of spending constraint, excluding the capital projects fund. These resources are available for spending at the Town's discretion. The capital projects fund has a deficit of \$42,319,456 of which, \$42,812,611 will be eliminated with the issuance of long-term bonds in subsequent periods. Combining the Town's fund balances, the Town's governmental funds reported a combined ending deficit of \$9,385,140, an increase in the deficit of \$3,039,932, inclusive of a cumulative effect of change in accounting principle and restatement, in comparison with the prior year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The discussion and analysis is an introduction to the Town's basic financial statements. The Town's basic financial statements comprise the following components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to basic financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

**COMPONENTS OF  
THE ANNUAL FINANCIAL REPORT**



**TOWN OF NORTH HEMPSTEAD**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2015

**OVERVIEW OF THE FINANCIAL STATEMENTS** (continued)

**Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business. The intent of the government-wide financial statements is to give the reader a long-term view of the Town's financial condition. These statements include both the governmental activities of the Town itself (known as the primary government) and of its legally separate nonmajor component units for which the Town is financially accountable. Financial information for these nonmajor component units is reported separately (discretely presented) from the financial information presented for the primary government.

The Statement of Net Position presents financial information on all of the Town's assets, liabilities and deferred inflows/outflows of resources with the difference between the two reported as net position. Over time, increases or decreases in the Town's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's buildings, roads, drainage and other assets to assess the overall health of the Town.

The Statement of Activities presents information showing how the Town's net position changed during the most recent year. Revenues and expenses are reported by activity to give the reader an understanding of how each of the Town's activities is being supported. All changes in net position 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 result in cash flows in future periods. This method is known as the accrual basis of accounting and is different from the modified accrual basis of accounting used in the Town's fund financial statements.

**Governmental Activities**

The Town's basic services are reported here, including: general government support; highways; sidewalks; public safety; transportation; fire; lighting; parks; refuse and garbage; and community service departments. Property taxes, sales taxes, mortgage taxes, franchise fees, fines, and state and federal grants finance most of these activities. The Town also charges fees to users to help cover the cost of certain services.

**Nonmajor Component Units**

The nonmajor component units are legally separate organizations for which the Town is either financially accountable, or the nature and significance of their relationship with the Town is such that exclusion would cause the Town's financial statements to be misleading or incomplete. These entities are reported in a separate column in the government-wide statements. The Town includes twenty-one separate legal entities in its report (four refuse and garbage districts, three water pollution control districts, eight water districts, two park districts, one police district, one library district, one community development agency, and one business improvement district). They are legally separate entities that are not operating departments of the Town. All of the Town's component units are deemed to be nonmajor.

Information on separately issued financial statements is shown in Note 5 to the financial statements.

**Fund Financial Statements**

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with related liabilities, and residual equity or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The Town, like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and fiduciary funds.

**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2015

**OVERVIEW OF THE FINANCIAL STATEMENTS** (continued)

**Fund Financial Statements** (continued)

Governmental Funds

The Town's activities are reported in 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 the 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 year. Such information may be useful in evaluating the Town's near-term financial 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 effect of the Town's near-term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and change in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains twelve (12) 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 major funds. The Town has five (5) major funds, however, for purposes of the presentation of the Town's financials and ease of comparison with earlier years, the Part Town and Highway funds, which comprise the Town Outside Village Fund, are presented as separate funds. These funds have been combined by operation of State law. The general fund, solid waste management authority (SWMA), debt service funds, capital projects fund and town outside village, (TOV) are reported as major funds. Data from the seven (7) other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the other supplementary information section of this report.

The Town adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison schedules for the general fund, highway fund, SWMA and part town fund can be found in the section labeled "Required Supplementary Information Other Than Management's Discussion and Analysis". Budgetary comparison schedules for the nonmajor governmental funds are presented in "Other Supplementary Information". The Town does not adopt budgets for either the capital projects fund or debt service fund.

The governmental funds financial statements can be found in the "Basic Financial Statements".

Fiduciary Funds

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

The Fiduciary Fund financial statement can be found in the "Basic Financial Statements" section 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 following the basic financial statements.

**Other Information**

In addition to the basic financial statements this report contains supplementary information immediately following the notes to the financial statements.

**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2015

**OVERVIEW OF THE FINANCIAL STATEMENTS** (continued)

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The Town's net position, including all capital assets, all debt, and all known future payment obligations, is positive. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$170,428,950 at the close of 2015.

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

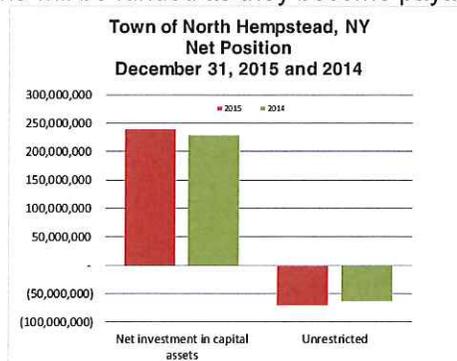
	2015	(As Restated) 2014*
<b>Current and other assets:</b>		
Current assets	\$ 69,499,343	\$ 61,864,228
Capital assets, net	402,178,921	402,254,930
Other non-current assets	2,880,000	2,820,000
<b>Total assets</b>	<b>474,558,264</b>	<b>466,939,158</b>
<b>Deferred outflows of resources</b>	<b>5,050,921</b>	
<b>Current and other liabilities:</b>		
Current liabilities	101,025,521	90,557,946
Long-term liabilities	208,118,280	209,827,792
<b>Total liabilities</b>	<b>309,143,801</b>	<b>300,385,738</b>
<b>Deferred inflows of resources</b>	<b>36,434</b>	<b>249,310</b>
<b>Net position:</b>		
Net investment in capital assets	239,681,379	229,095,793
Unrestricted	(69,252,429)	(62,791,683)
<b>Total net position</b>	<b>\$ 170,428,950</b>	<b>\$ 166,304,110</b>

\* Certain reclassifications have been made to 2014 numbers to conform with current year presentation.

By far the largest portion of the Town's net position, \$239,681,379, reflects its net investment in capital assets (e.g. land, buildings, machinery and equipment, intangibles - software and infrastructure); less any outstanding debt used to acquire these assets. The Town uses its capital assets to provide services to its citizens; consequently the Town has no plans to sell the assets and it pays the associated principal and interest from its operating budget.

The Town's obligation to its current and future retirees for postemployment health care benefits (OPEB) has been calculated at \$66,539,910 for 2015. The OPEB liability continues to grow and increased in 2015 by \$7,422,041. Additional information on postemployment benefit healthcare costs can be found in Note 3.F to the financial statements.

The OPEB liability is the largest component of the Town's unrestricted net position, which has a deficit balance of \$69,252,429. The other components are primarily similar long-term liabilities, which include bonds payable, future payments due to the employees' retirement system, compensated absences, claims and judgments, landfill closure and postclosure care costs and net pension liability – proportionate share. OPEB and these other long term obligations will be funded as they become payable in future periods.



**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2015

**GOVERNMENT-WIDE FINANCIAL ANALYSIS** (continued)

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

		(As Restated)
	2015	2014
Program Revenues		
Charges for services	\$ 32,739,104	\$ 32,011,734
Operating grants and contributions	2,785,051	5,142,096
Capital grants and contributions	870,020	476,148
	<u>36,394,175</u>	<u>37,629,978</u>
General Revenues		
Real property taxes	73,161,136	72,038,134
Real property tax items	2,573,825	2,344,889
Non-property tax items	13,554,251	12,850,767
Mortgage tax	7,698,406	7,228,190
State aid - unrestricted	1,023,565	1,023,565
Other	3,091,289	3,689,730
	<u>101,102,472</u>	<u>99,175,275</u>
Total Revenues	<u>137,496,647</u>	<u>136,805,253</u>
Program Expenses		
General government support	28,189,765	29,539,133
Education	2,199,528	1,823,139
Public safety	14,292,840	14,261,443
Health	427,110	422,533
Transportation	24,270,255	23,690,160
Economic assistance and opportunity	3,626,479	2,873,584
Culture and recreation	26,621,444	27,383,857
Home and community services	27,259,608	27,652,600
Interest on debt	5,812,532	4,815,137
	<u>132,699,561</u>	<u>132,461,586</u>
Total Expenses	<u>132,699,561</u>	<u>132,461,586</u>
Change in Net Position	<u>4,797,086</u>	<u>4,343,667</u>
Net Position - Beginning, as Restated	166,304,110	161,960,443
Cumulative Effect of Change in Accounting Principle *	<u>(672,246)</u>	
Net Position - Beginning, as Restated	<u>165,631,864</u>	<u>161,960,443</u>
Net Position - Ending	<u>\$ 170,428,950</u>	<u>\$ 166,304,110</u>

\* The cumulative effect of applying Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions", is shown as an adjustment to the beginning net position of 2015.

Net position, from all governmental activities, increased by \$4,124,840, inclusive of a decrease of \$672,246 due to cumulative effect of change in accounting principle in the current year.

Key element(s) of the governmental activities are:

- o Program revenues decreased by \$1,235,803 from the prior year. The primary cause of this decrease was the decrease of \$1,092,861 in federal and state reimbursements for Superstorm Sandy which is based on timing of related expenditures.

**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 December 31, 2015

**GOVERNMENT-WIDE FINANCIAL ANALYSIS** (continued)

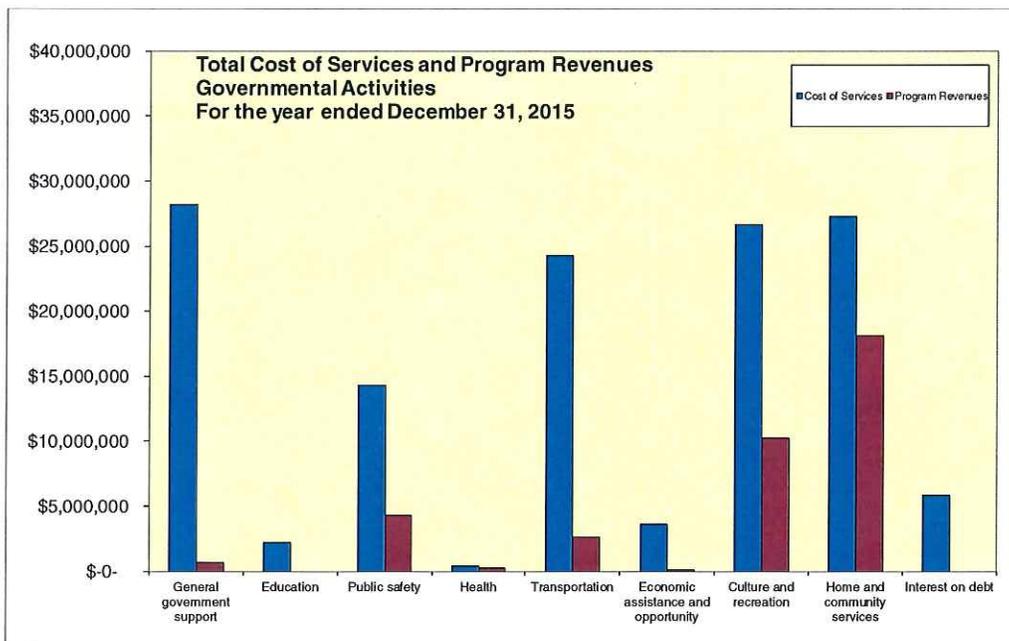
Key element(s) of the governmental activities are: (continued)

- o General revenues had a net increase of \$1,927,197 over 2014. The key components of this increase was property tax increase (approved by the Town Board) of \$1,123,002, franchise fee revenues increase of \$502,278 and sales and mortgage tax revenues increases of \$201,206 and \$470,216 respectively; this was driven by economic conditions, consumer spending and housing market conditions. These increases were offset by \$462,883, relating to premiums from refunded serial bonds.
- o Although program expenses remained consistent with the prior year, there were notable changes between functions. General government support decreased \$1,349,368 due to a decrease in expenses of \$542,334 for the net pension liability – proportionate share and a \$750,755 decrease in expenses related to general liability claims. Education expenses increased \$376,389 for Community College charges (Fashion Institute of Technology). Other notable changes were increases in transportation driven by cost associated with snow removal. Economic assistance and opportunity increased \$752,895 due to an increase in services and transportation for seniors.

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

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

	Total Cost of Services		Program Revenue		Net Cost of Services	
	2015	2014	2015	2014	2015	2014
General government support	\$ 28,189,765	\$ 29,539,133	\$ 691,301	\$ 497,926	\$ 27,498,464	\$ 29,041,207
Education	2,199,528	1,823,139			2,199,528	1,823,139
Public safety	14,292,840	14,261,443	4,333,981	3,585,511	9,958,859	10,675,932
Health	427,110	422,533	262,706	274,282	164,404	148,251
Transportation	24,270,255	23,690,160	2,688,400	1,960,691	21,581,855	21,729,469
Economic assistance and opportunity	3,626,479	2,873,584	141,749	566,505	3,484,730	2,307,079
Culture and recreation	26,621,444	27,383,857	10,212,388	10,012,488	16,409,056	17,371,369
Home and community services	27,259,608	27,652,600	18,063,650	20,732,575	9,195,958	6,920,025
Interest on debt	5,812,532	4,815,137			5,812,532	4,815,137
	<u>\$ 132,699,561</u>	<u>\$ 132,461,586</u>	<u>\$ 36,394,175</u>	<u>\$ 37,629,978</u>	<u>\$ 96,305,386</u>	<u>\$ 94,831,608</u>

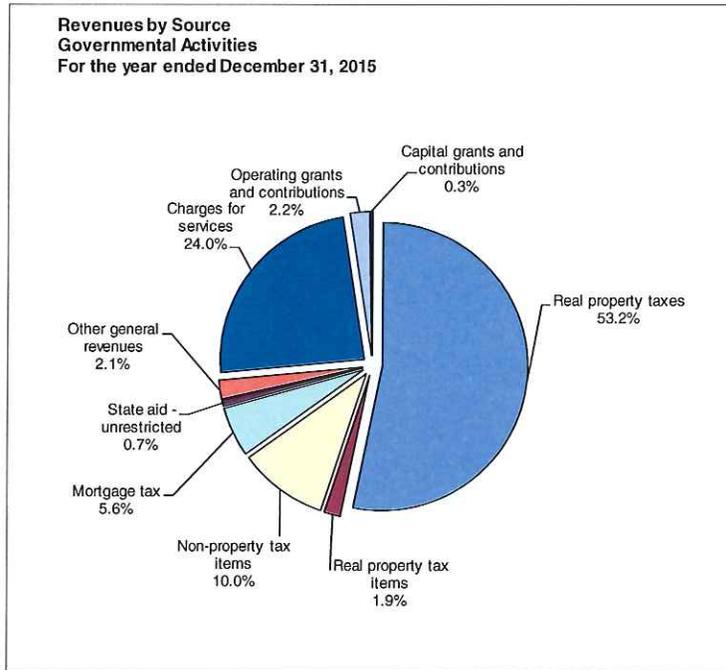


**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 December 31, 2015

**GOVERNMENT-WIDE FINANCIAL ANALYSIS** (continued)

The total cost of all governmental activities this year was \$132,699,561. The net cost of these services was \$96,305,386. Program revenues of \$36,394,175 represented 27.4% of the governmental activity cost.

The following chart illustrates the revenues by source for the Town's governmental funds. The Town's revenue increased by \$691,394 over the prior year, primarily due to the \$1,963,173 decrease in federal and state aid reimbursements and a decrease of \$598,441 in other revenues, offset by an increase of \$1,826,486 in real property taxes and non-property tax items.



Revenue by Source  
 Year ended December 31, 2015

Real property taxes	\$	73,161,136
Real property tax items		2,573,825
Non-property tax items		13,554,251
Mortgage tax		7,698,406
State aid - unrestricted		1,023,565
Other general revenues		3,091,289
Charges for services		32,739,104
Operating grants and contributions		2,785,051
Capital grants and contributions		870,020
	<u>\$</u>	<u>137,496,647</u>

**FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS**

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

**Governmental Funds**

The focus of the Town'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's financing requirements. In particular, spendable fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the year.

**TOWN OF NORTH HEMPSTEAD**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2015

**FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS** (continued)

**Governmental Funds** (continued)

There are no restrictions that are expected to have a significant effect on the availability of fund resources for future use.

At December 31, 2015, the Town's governmental funds reported total ending fund balance deficit of \$9,385,140, as compared to restated deficit of \$6,766,976 at December 31, 2014, an increase in the deficit of \$2,618,164, net of a change in application of an accounting principle of \$616,386. The governmental funds reported fund balances of \$32,934,316, excluding the capital projects fund. This change in total governmental fund balances was due principally to the increase in the capital projects fund deficit as explained under "Capital Projects Fund" section. The category breakdown is as follows:

- **Nonspendable fund balance** – \$5,338,542 (inherently nonspendable) includes the portion of net resources that cannot be spent because they must be maintained intact.
- **Restricted fund balance** – \$493,155 (externally enforceable limitations on use) includes amounts subject to limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments.
- **Assigned fund balance** – \$22,163,527 (limitation resulting from intended use) consists of amounts where the intended use is established by the highest level of decision making and the remaining positive fund balance amounts in funds other than the general fund.
- **Unassigned fund balance** – (\$37,380,364) (residual net resources) is the total fund balance in the general fund in excess of nonspendable and assigned fund balance, of \$7,445,560, and the negative \$44,825,924 in all other governmental funds in excess of nonspendable, restricted and assigned fund balances.

**General Fund**

The general fund is the chief operating fund of the Town. At the end of the current year, the total fund balance of the general fund was \$11,691,459, increasing \$1,307,711 or 12.6% from the prior year restated fund balance. Of this amount, \$1,622,361 is nonspendable (long-term receivables, inventory and prepaids). The remaining \$10,069,098 of the fund balance is spendable as follows: \$2,623,538 has been assigned by the Town Board (\$274,333 for capital projects, \$744,019 for workers' compensation, \$422,834 for insurance, and \$1,182,352 for senior housing related programs) and \$7,445,560 represents spendable, unassigned fund balance.

The major components of the fund balance increase of \$1,307,711 were as follows:

- Revenues were higher than budgeted by \$1,347,261. Mortgage tax revenues were higher by \$718,559 due to the real estate related economic activity in the Town. Federal aid revenues exceeded budgeted amounts by \$696,637 and unbudgeted insurance recoveries of \$442,639 also contributed to the positive variance. Lower than expected Nassau County local government assistance revenues of \$381,566 and golf course revenues of \$239,432 offset these positive variances.
- Expenditures were slightly above budget by \$40,424. The primary drivers of this variance were unbudgeted FEMA expenses of \$738,981, offset by favorable spending variances in administrative costs in general government support of \$534,717 and \$76,274 in programs for the aging.

**Highway Fund**

At the end of 2015, balance of the highway fund was \$5,436,894, increasing \$167,698, or 3.2%, from the prior year. Of this amount, \$392,227 is nonspendable for inventory. The remaining fund balance is spendable and available for highway operating purposes except for \$150,000 which has been assigned by the Town Board for capital projects.

**TOWN OF NORTH HEMPSTEAD**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2015

**FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS** (continued)

**Governmental Funds** (continued)

**Highway Fund** (continued)

The main drivers of the fund balance increase of \$167,698 were:

- FEMA and state aid were received in excess of budgeted amounts by \$314,057 and \$478,006 respectively. Other revenue items contributing to overall revenue in excess of budgeted amounts included: payments in lieu of taxes, sale of equipment and road license permits of \$64,103, \$33,295, and \$280,512, respectively.
- Unbudgeted home and community service expenditures for emergency disaster work amounted to \$261,020; sand and salt expenditures exceeded budget by \$679,072 due to usage and an inventory adjustment.

**Solid Waste Management Authority**

At the end of 2015, the total fund balance of the Solid Waste Management Authority was \$2,755,691, decreasing \$15,708, or 0.6% from the prior year. Of this amount, \$20,537 is nonspendable for inventory. The remaining \$2,735,154 is assigned for solid waste management purposes.

The main reasons for the fund balance decrease of \$15,708 are as follows:

- Revenues were under budgeted amounts by \$2,003,119, primarily due to reduced solid waste tonnage processed at the facility.
- Expenditures were below budget by \$1,987,411, of which the major elements were \$1,606,901 and \$170,566 in the transfer station and sustainability, respectively. These variances were the direct result of less tonnage processed at the facility.

**Part Town**

At the end of 2015, the part-town had a total assigned for part-town purposes fund balance of \$5,864,413, decreasing \$743,878 or 11.3%, from the prior year.

The main reasons for the fund balance decrease of \$743,878 were as follows:

- Revenues were under budgeted amounts by \$587,930 mainly due to lower than expected parking enforcement revenue of \$454,135 and lower building permit revenues of \$100,118.
- Expenditures for other general governmental support exceeded budget by \$160,000 for security services.

**Capital Projects Fund**

At the end of 2015, the total fund balance of the capital projects fund was a deficit of \$42,319,456. Of this amount, \$493,155 is restricted for unspent bond proceeds for capital projects. The remaining deficit \$42,812,611 is unassigned and will be eliminated with the issuance of long-term bonds in subsequent periods.

The fund balance deficit increased in the capital projects fund by \$4,024,772 during the current year, net of a cumulative effect of change in accounting principle. This was primarily due to:

- Proceeds from the sale of bonds in the amount \$4,390,000.
- Bond anticipation notes were redeemed from appropriations in the amount of \$2,460,995.
- Capital outlay and equipment expenditures were \$12,608,240.
- Change in application of accounting principle \$616,386 (See Note 7 to the financial statements).
- State and Federal Aid revenues were \$860,978.

**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2015

**FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS** (continued)

**Governmental Funds** (continued)

**Nonmajor Governmental Funds**

At the end of 2015, the total fund balance of the nonmajor governmental funds was \$4,446,692, increasing \$159,452 or 3.7%, from the prior year. Of this amount, \$3,303,417 is nonspendable for a long-term receivable. The remaining \$1,143,275 of the fund balance is spendable as follows: \$142,241 for subsequent year's budget, \$3,014,347 of fund balance is assigned for nonmajor governmental fund purposes in their respective funds and a negative unassigned of \$2,143,376 in the refuse and garbage district.

The main reasons for the fund balance increase of \$159,452 are as follows:

- Payments in lieu of taxes across the majority of the funds amounted to \$92,838 in excess of budgeted amounts.
- The fire protection districts had positive variances in insurance and fire protection costs of \$14,133 and \$15,489, respectively.
- The lighting district exceeded the lighting expenditure budget by \$92,972.
- The park districts revenues were below budget by \$44,314, and had positive expenditure variances of \$36,670 and \$144,476 in employee benefits and general operating expenditures, respectively.
- Transportation costs in the sidewalk district had a positive variance of \$169,785, offset by lower revenues and transfers of \$44,165.
- Public parking transportation costs included an unplanned purchase of a vehicle of approximately \$95,000.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The differences between the 2015 original budget and the final amended budget as adopted by Town Board resolution throughout the year were de minimis. There are no variances that are expected to have a significant effect on future services or liquidity. Please see the "General Fund" section for more details on the comparison of final budgets and actual amounts. Over the course of the year the Town Board revises the budget as needed so that expenditures do not exceed appropriations.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The Town's net investment in capital assets for its governmental type activities as of December 31, 2015 amounts to \$402,178,921. This investment in capital assets includes land, construction in progress, building, improvement, machinery and equipment, roads, curb and sidewalks, drainage, street lighting and intangibles.

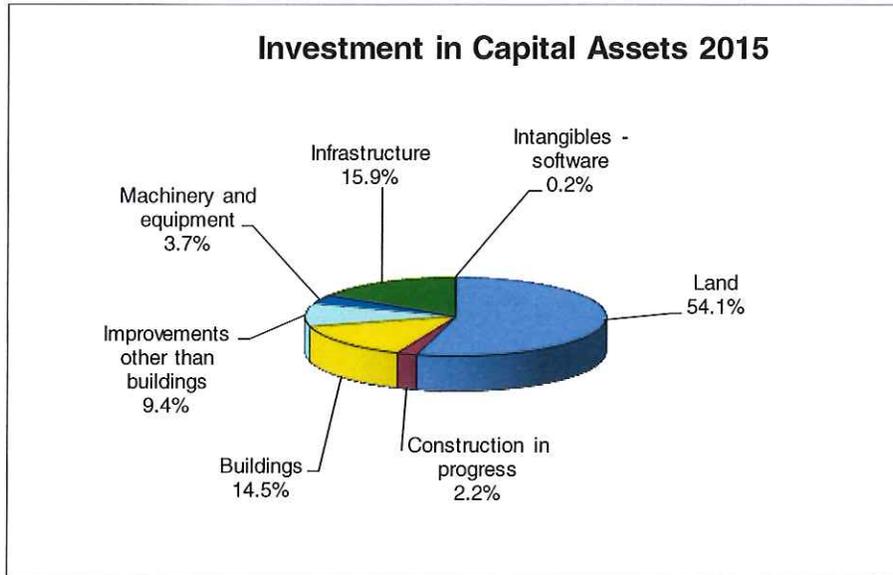
Capital Assets - Net of Depreciation  
as of December 31,

	Governmental Activities	
	2015	2014
Land	\$ 217,620,646	\$ 217,615,246
Construction in progress	8,720,199	7,025,922
Buildings	58,253,723	59,652,852
Improvements other than buildings	38,016,433	37,015,325
Machinery and equipment	14,707,347	14,339,344
Infrastructure	64,182,980	65,817,828
Intangibles - software	677,593	788,413
<b>Total Capital Assets</b>	<b>\$ 402,178,921</b>	<b>\$ 402,254,930</b>

**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 December 31, 2015

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

**Capital Assets** (continued)



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

The Town has a five-year capital plan. The five-year plan allows for continued improvements to infrastructure, buildings and equipment while issuing and managing Town debt. The capital plan is revised, updated, and re-adopted annually.

**Debt**

At the end of 2015, the Town had reduced total debt outstanding including serial bonds, revenue bonds, and BANs by \$10,142,479 from the prior year.

Short-Term Debt

As of December 31, 2015, the Town had outstanding short-term bond anticipation notes of \$60,946,446 with maturity dates in 2016. This is an increase of \$3,645,136, or 6.4% from 2014 largely due to borrowing for the Verizon and Keyspan litigation combined with other capital items.

Long-Term Debt

As of December 31, 2015, the Town had outstanding long-term bonded debt of \$122,724,765. This is a decrease of \$13,787,615, or 10.1%, over the prior year as a result of ongoing principal payments. Outstanding long-term bonds are shown as follows:

Outstanding Long-Term Debt  
 as of December 31,

	Governmental Activities	
	2015	2014
General obligation bonds	\$ 120,113,309	\$ 133,069,722
Revenue bonds	2,611,456	3,442,658
<b>Total</b>	<b>\$ 122,724,765</b>	<b>\$ 136,512,380</b>

**TOWN OF NORTH HEMPSTEAD**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2015

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

**Debt** (continued)

Long-Term Debt (continued)

In 2015, Moody's Investment Services reaffirmed the Town of North Hempstead's credit rating at "Aa1" and stable outlook. In 2016, the outlook on the Town's credit rating was revised from stable to positive outlook. The rating is the highest in the Town's history.

The New York State Constitution limits the power of the Town (and other municipalities and school districts of the State) to issue obligations and to otherwise contract for indebtedness. The Town may contract for indebtedness only for a Town purpose and shall pledge its faith and credit for the payment of principal and interest.

The State Constitution and statutes limit the amount of general obligation debt a governmental entity may issue to 7% of a 5-year average full valuation. As of December 31, 2015, the Town had exhausted 7.83% of the current debt limitation, which is \$3,636,267,921.

Additional information on the Town's debt activity may be found in Note 3.D to the financial statements.

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

Property Tax

The Town Board unanimously adopted a budget for 2016 that stayed within the 0.73% limit on property tax increases permitted by state law without a super-majority vote.

State Aid and Local Assistance

The Town receives financial assistance from New York State and Nassau County. The 2016 budget includes mortgage tax of \$7,450,000; State aid - per capita of \$1,023,565 and local government assistance (sales tax) of \$11,330,000. If the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Town, may be affected by a delay in the payment of state aid. The State is not constitutionally obligated to maintain or continue state aid to the Town.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances and to show the Town's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Town of North Hempstead, Office of the Comptroller, 220 Plandome Rd., Manhasset, NY 11030.

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## **BASIC FINANCIAL STATEMENTS**

**TOWN OF NORTH HEMPSTEAD**  
**GOVERNMENT-WIDE FINANCIAL STATEMENT**  
**STATEMENT OF NET POSITION**  
December 31, 2015

	Primary Governmental Activities	Nonmajor Component Units
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and investments	\$ 53,492,679	\$ 42,993,385
Cash - restricted		13,336,160
Accounts receivable, net of allowances	3,130,723	6,140,791
Prepays	18,405	2,245,952
State and federal aid receivables	743,817	
Due from other governments	11,370,496	2,398,920
Due from primary government		23,107,589
Inventory of materials and supplies	743,223	774,657
Total Current Assets	69,499,343	90,997,454
<b>Non-Current Assets:</b>		
Notes receivable	2,880,000	
Property held for resale		3,234,632
Capital assets not being depreciated	226,340,845	51,793,395
Capital assets, net of accumulated depreciation	175,838,076	202,507,451
Total Non-Current Assets	405,058,921	257,535,478
<b>Total Assets</b>	474,558,264	348,532,932
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charge on refunding		46,396
Pensions	5,050,921	6,252,706
<b>Total Deferred Outflows of Resources</b>	5,050,921	6,299,102

(continued)

**TOWN OF NORTH HEMPSTEAD**  
**GOVERNMENT-WIDE FINANCIAL STATEMENT**  
**STATEMENT OF NET POSITION**  
December 31, 2015

	Primary Governmental Activities	Nonmajor Component Units
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued liabilities	16,053,871	8,186,866
Accrued interest payable	1,627,765	660,013
Bond anticipation notes payable	60,946,446	42,662,027
Due to other governments	1,645,258	113,327
Due to primary government		12,500
Unearned revenue	445,406	2,291,228
Other liabilities		491,165
<b>Non-Current Liabilities due within one year:</b>		
General obligation bonds payable	16,793,311	8,648,326
Revenue bonds payable	850,542	
Due to employees' retirement system	755,983	19,133
Compensated absences	263,195	
Claims and judgments payable	775,000	
Estimated liability for landfill closure and postclosure care costs	868,744	
Installment purchase debt		93,326
Total Current Liabilities	101,025,521	63,177,911
<b>Non-Current Liabilities due in more than one year:</b>		
General obligation bonds payable	108,066,136	103,156,579
Revenue bonds payable	1,760,914	
Due to employees' retirement system	5,801,382	125,547
Compensated absences	5,000,707	12,782,371
Claims and judgments payable	5,135,945	
Estimated liability for landfill closure and postclosure care costs	12,120,226	
Installment purchase debt		602,164
Net pension liability - proportionate share	3,693,060	2,847,576
Postemployment benefits healthcare costs	66,539,910	59,702,884
Total Non-Current Liabilities	208,118,280	179,217,121
<b>Total Liabilities</b>	309,143,801	242,395,032
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows, payments in lieu of taxes	36,434	
Deferred inflows, refunded debt		482,688
Pensions		92,230
<b>Total Deferred Inflows of Resources</b>	36,434	574,918
<b>NET POSITION</b>		
Net investment in capital assets	239,681,379	114,897,988
Restricted for debt service		12,730,011
Unrestricted	(69,252,429)	(15,765,915)
<b>Total Net Position</b>	\$ 170,428,950	\$ 111,862,084

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

**TOWN OF NORTH HEMPSTEAD**  
**GOVERNMENT-WIDE FINANCIAL STATEMENT**  
**STATEMENT OF ACTIVITIES**  
Year ended December 31, 2015

Functions/Programs	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Government Activities:				
General government support	\$ 28,189,765	\$ 501,619		\$ 189,682
Education	2,199,528			
Public safety	14,292,840	4,333,981		
Health	427,110	262,706		
Transportation	24,270,255	1,548,496	\$ 1,103,004	36,900
Economic assistance and opportunity	3,626,479	61,324	80,425	
Culture and recreation	26,621,444	9,477,758	91,192	643,438
Home and community services	27,259,608	16,553,220	1,510,430	
Interest on debt	5,812,532			
<b>Total Primary Government</b>	<b>\$ 132,699,561</b>	<b>\$ 32,739,104</b>	<b>\$ 2,785,051</b>	<b>\$ 870,020</b>
<b>Nonmajor Component Units</b>				
Public safety	\$ 20,883,366	\$ 4,015	\$ 80,622	
Culture and recreation	22,293,921	5,038,715	42,773	
Home and community services	58,767,913	22,939,911	882,332	\$ 400,000
	<b>\$ 101,945,200</b>	<b>\$ 27,982,641</b>	<b>\$ 1,005,727</b>	<b>\$ 400,000</b>

**General Revenues**

Real property taxes  
Real property tax items  
Non-property tax items  
Nassau County local government assistance  
Interest and earnings - unrestricted  
Interest and earnings - restricted  
Mortgage tax  
Sale of property and compensation for loss  
State aid - unrestricted  
Federal aid  
Other

Total General Revenues

Change in Net Position

**Net Position at Beginning of Year,  
as Restated (See Note 6)**

**Cumulative Effect of Change in  
Accounting Principle (See Note 7)**

**Net Position at Beginning of Year, as Restated**  
**Net Position at End of Year**

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

Net (Expenses) Revenues and  
Changes in Net Position

Primary Government	Nonmajor Component Units
\$ (27,498,464)	
(2,199,528)	
(9,958,859)	
(164,404)	
(21,581,855)	
(3,484,730)	
(16,409,056)	
(9,195,958)	
(5,812,532)	
<u>(96,305,386)</u>	
	\$ (20,798,729)
	(17,212,433)
	<u>(34,545,670)</u>
	<u>(72,556,832)</u>
73,161,136	71,209,973
2,573,825	993,128
2,507,120	15,527
11,047,131	
1,515,647	1,338,070
	15,395
7,698,406	
	2,854,110
1,023,565	
	766,810
<u>1,575,642</u>	<u>1,687,520</u>
<u>101,102,472</u>	<u>78,880,533</u>
<u>4,797,086</u>	<u>6,323,701</u>
166,304,110	105,141,764
(672,246)	396,619
<u>165,631,864</u>	<u>105,538,383</u>
<u>\$ 170,428,950</u>	<u>\$ 111,862,084</u>

**TOWN OF NORTH HEMPSTEAD**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2015

	MAJOR FUNDS				
	General	Highway	Solid Waste Management Authority	Part Town	Debt Service
<b>ASSETS</b>					
Cash and investments	\$ 9,470,793	\$ 5,966,043	\$ 2,364,987	\$ 6,706,549	\$ 2,755,671
Accounts receivable, net of allowances	846,155	45,870	2,192,634	45,564	
Prepays	18,405				
Due from other funds	1,487,247	1,490,619	2,936,506	50,894	7,739
State and federal aid receivable	181,554	178,583	110,903		
Due from other governments	7,813,357	120,979		132,743	
Inventory of materials and supplies	330,459	392,227	20,537		
Total Assets	<u>\$ 20,147,970</u>	<u>\$ 8,194,321</u>	<u>\$ 7,625,567</u>	<u>\$ 6,935,750</u>	<u>\$ 2,763,410</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 4,490,040	\$ 1,996,014	\$ 3,162,387	\$ 971,507	\$ 24,243
Bond anticipation notes payable					
Due to other governments	1,545,729			99,529	
Due to other funds	1,972,182	734,295	1,704,844		
Unearned revenue	445,406				
Total Liabilities	<u>8,453,357</u>	<u>2,730,309</u>	<u>4,867,231</u>	<u>1,071,036</u>	<u>24,243</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unearned revenue, payments in lieu of taxes	3,154	27,118	2,645	301	
Total Deferred Inflows of Resources	<u>3,154</u>	<u>27,118</u>	<u>2,645</u>	<u>301</u>	
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable	1,622,361	392,227	20,537		
Restricted					
Assigned	2,623,538	5,044,667	2,735,154	5,864,413	2,739,167
Unassigned	7,445,560				
Total Fund Balances (Deficits)	<u>11,691,459</u>	<u>5,436,894</u>	<u>2,755,691</u>	<u>5,864,413</u>	<u>2,739,167</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 20,147,970</u>	<u>\$ 8,194,321</u>	<u>\$ 7,625,567</u>	<u>\$ 6,935,750</u>	<u>\$ 2,763,410</u>

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

<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 20,604,914	\$ 5,623,722	\$ 53,492,679
	500	3,130,723
		18,405
185		5,973,190
238,682	34,095	743,817
	3,303,417	11,370,496
		743,223
<u>\$ 20,843,781</u>	<u>\$ 8,961,734</u>	<u>\$ 75,472,533</u>
\$ 3,524,463	\$ 1,642,285	\$ 15,810,939
58,686,062	2,260,384	60,946,446
		1,645,258
952,712	609,157	5,973,190
		445,406
<u>63,163,237</u>	<u>4,511,826</u>	<u>84,821,239</u>
	3,216	36,434
	3,216	36,434
	3,303,417	5,338,542
493,155		493,155
	3,156,588	22,163,527
<u>(42,812,611)</u>	<u>(2,013,313)</u>	<u>(37,380,364)</u>
<u>(42,319,456)</u>	<u>4,446,692</u>	<u>(9,385,140)</u>
<u>\$ 20,843,781</u>	<u>\$ 8,961,734</u>	<u>\$ 75,472,533</u>

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**TOWN OF NORTH HEMPSTEAD**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE**  
**STATEMENT OF NET POSITION**  
December 31, 2015

**Total Fund Balances - Governmental Funds** \$ (9,385,140)

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

Notes receivable applicable to the Town's governmental activities are not due and receivable in the current period, and accordingly, are not reported in the funds. However, these assets are included in the Statement of Net Position. 2,880,000

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

Capital assets - non-depreciable	\$ 226,340,845	
Capital assets - depreciable	394,994,576	
Accumulated depreciation	<u>(219,156,500)</u>	
		402,178,921

Deferred outflows of resources related to pensions are not recorded in the governmental funds. 5,050,921

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 Position:

General obligation bonds payable	(120,113,309)	
Premiums on debt issuance	(4,746,138)	
Revenue bonds payable	(2,611,456)	
Due to employees' retirement system	(6,557,365)	
Compensated absences	(5,263,902)	
Claims and judgments payable	(5,910,945)	
Estimated liability for landfill closure and postclosure care costs	(12,988,970)	
Net pension liability - proportionate share	(3,693,060)	
Postemployment benefits healthcare costs	(66,539,910)	
Retainage payable	(242,932)	
Accrued interest payable	<u>(1,627,765)</u>	
		<u>(230,295,752)</u>

**Net Position of Governmental Activities** \$ 170,428,950

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

**TOWN OF NORTH HEMPSTEAD**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
Year ended December 31, 2015

	MAJOR FUNDS				
	General	Highway	Solid Waste Management Authority	Part Town	Debt Service
<b>REVENUES</b>					
Real property taxes	\$ 24,740,955	\$ 21,211,573		\$ 5,686,934	
Real property tax items	1,534,582	453,603		119,690	
Non-property tax items	13,496,751			57,500	
Departmental income	9,325,877		\$ 15,072,932	774,012	
Intergovernmental charges	1,200	101,539	1,200,000		
Use of money and property	153,798	76,910	69,552	14,321	\$ 92,091
Licenses and permits	353,839	695,512		3,499,882	
Fines and forfeitures	25,000			217,603	
Sale of property and compensation for loss	448,074	34,475	209,896	2,560	
Miscellaneous local sources	304,434	60	64,807	1,148	683,091
Interfund revenues	6,507,515	211,067		100,000	
State aid	8,962,502	1,120,826	79,689	37,455	
Federal aid	896,637	314,057	45,205		
<b>Total Revenues</b>	<b>66,751,164</b>	<b>24,219,622</b>	<b>16,742,081</b>	<b>10,511,105</b>	<b>775,182</b>
<b>EXPENDITURES</b>					
Current:					
General government support	14,342,744	2,593,248		2,176,954	
Education	2,199,528				
Public safety	1,351,272			4,995,646	
Health				283,333	
Transportation		11,454,437			
Economic assistance and opportunity	2,617,744				
Culture and recreation	15,762,369				
Home and community services	1,937,071	261,020	15,863,885	971,271	
Employee benefits	9,468,487	5,159,330	893,904	2,827,779	
Capital Outlay					
Debt Service:					
Principal					31,543,158
Interest					4,765,583
<b>Total Expenditures</b>	<b>47,679,215</b>	<b>19,468,035</b>	<b>16,757,789</b>	<b>11,254,983</b>	<b>36,308,741</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>19,071,949</b>	<b>4,751,587</b>	<b>(15,708)</b>	<b>(743,878)</b>	<b>(35,533,559)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	817,123	738,840	900,824		21,290,025
Transfers out	(18,581,361)	(5,322,729)	(900,824)		(393,942)
Debt issuance					
Premiums on obligations					2,997,535
Refunding bond Issued					24,688,205
Payments to refunded bond escrow agent					(12,516,931)
<b>Total Other Financing Sources (Uses)</b>	<b>(17,764,238)</b>	<b>(4,583,889)</b>	<b>-0-</b>	<b>-0-</b>	<b>36,064,892</b>
<b>Net Change in Fund Balances</b>	<b>1,307,711</b>	<b>167,698</b>	<b>(15,708)</b>	<b>(743,878)</b>	<b>531,333</b>
<b>Fund Balances (Deficits) at Beginning of Year as Restated (See Note 6)</b>	<b>10,383,748</b>	<b>5,269,196</b>	<b>2,771,399</b>	<b>6,608,291</b>	<b>2,207,834</b>
<b>Change in Application of Accounting Principle (See Note 7)</b>					
<b>Fund Balances (Deficits) at End of Year</b>	<b>\$ 11,691,459</b>	<b>\$ 5,436,894</b>	<b>\$ 2,755,691</b>	<b>\$ 5,864,413</b>	<b>\$ 2,739,167</b>

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

Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
	\$ 21,521,674	\$ 73,161,136
	465,950	2,573,825
	953,469	13,554,251
	35,857	26,126,290
	(12,736)	1,302,739
	1,140	442,529
\$ 98,297	60,489	4,549,233
435,981	23,168	242,603
424,997	36,525	682,269
959,275	23,085,536	1,152,977
		6,879,071
		10,659,621
		1,717,421
		143,043,965
	2,009,892	21,122,838
	6,047,456	2,199,528
	3,835,748	12,394,374
	840,499	283,333
	8,043,116	15,290,185
	983,610	2,617,744
12,608,240		16,602,868
		27,076,363
		19,333,110
		12,608,240
		31,543,158
		4,765,583
12,608,240	21,760,321	165,837,324
(11,648,965)	1,325,215	(22,793,359)
2,711,497	5,800	26,464,109
(93,690)	(1,171,563)	(26,464,109)
4,390,000		4,390,000
		2,997,535
		24,688,205
		(12,516,931)
7,007,807	(1,165,763)	19,558,809
(4,641,158)	159,452	(3,234,550)
(38,294,684)	4,287,240	(6,766,976)
616,386		616,386
\$ (42,319,456)	\$ 4,446,692	\$ (9,385,140)

**TOWN OF NORTH HEMPSTEAD**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
Year ended December 31, 2015

**Net Change in Fund Balance - Total Governmental Funds** \$ (3,234,550)

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

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

Capital outlay	\$ 13,162,659	
Depreciation expense	(12,879,217)	
Loss on disposal of capital assets	<u>(359,451)</u>	(76,009)

Net change in deferred outflows of resources related to pensions 783,198

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

Interest income on note receivable	60,000	
Premiums on debt issuance	<u>(1,725,782)</u>	(1,665,782)

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

General obligation debt issued	(29,078,205)	
Repayment of general obligation bond principal	42,034,618	
Repayment of revenue bond principal	831,202	
Due to employees' retirement system	115,049	
Compensated absences	(259,335)	
Claims and judgments	(163,662)	
Estimated liability for landfill closure and postclosure care costs	1,164,920	
Net liability pension - proportionate share	1,246,909	
Postemployment benefits healthcare costs	(7,422,041)	
Retainage payable	373,454	
Accrued interest payable	<u>147,320</u>	<u>8,990,229</u>

**Change in Net Position of Governmental Activities** \$ 4,797,086

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

**TOWN OF NORTH HEMPSTEAD**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
December 31, 2015

	Total Agency Funds
<b>ASSETS</b>	
Cash	\$ 32,161,196
<b>Total Assets</b>	\$ 32,161,196
 <b>LIABILITIES</b>	
Due to nonmajor component units	\$ 23,095,089
Due to school districts	6,513,751
Other agency liabilities	2,552,356
<b>Total Liabilities</b>	\$ 32,161,196

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

**TOWN OF NORTH HEMPSTEAD**  
**INDEX FOR NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

**A. REPORTING ENTITY**

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

The decision to include a potential component unit in the Town's reporting entity is based on several criteria, including legal standing, dependency and financial accountability. The current guidance also clarifies the status as a major or nonmajor component unit. Based on the application of these criteria, the following is a summary of certain entities considered in determining the Town's reporting entity.

Blended Component Units – though legally separate entities, these component units are, in substance, part of the Town's operations. The blended component unit serves or benefits the primary government almost exclusively. Financial information from these units is combined with that of the primary governments. The Town's only blended component unit is:

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

Discretely Presented Component Units – are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the Town. They are financially accountable to the primary government, or have a relationship such that exclusion would cause the Town's financial statements to be misleading or incomplete. These discrete component units serve or benefit those outside of the primary government. See note 1.B for a complete list of the discretely presented component units.

Based on the application of the above criteria the following entities are considered nonmajor discretely presented component units of the Town ("nonmajor component units") providing refuse and garbage, water pollution control, water, park, police, library and business services to residents and businesses within the districts:

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

**A. REPORTING ENTITY** (continued)

The Town has four discretely presented garbage and refuse districts: Carle Place, Glenwood, Port Washington and Roslyn. They were established as political subdivisions of the Town. Garbage Districts are governed by Town Law and other general laws of the State of New York. The Board of Commissioners is the legislative body responsible for overall operations. The Board of Commissioners consists of three members, all of whom are elected by the residents of the districts for terms of three years. The primary functions of the districts are to provide garbage collection and disposal services to district residents. Special districts cannot issue bonded debt without the approval and the backing of the full faith and credit of the Town. The Town issues indebtedness on behalf of these districts which are responsible for the payment of annual debt service on the obligations. Budgets and tax rates are approved by the Town. Tax levies of the special districts are collected by the Town Receiver of Taxes. These garbage and refuse districts are included in the Town's reporting entity since the primary government is able to impose its will, as demonstrated through the ability to approve budgets.

The Town has three discretely presented water pollution control districts: Belgrave, Great Neck and Port Washington. They were established as political subdivisions of the Town. Water Pollution Control Districts are governed by Town Law and other general laws of the State of New York. The Board of Commissioners is the legislative body responsible for overall operations. The Board of Commissioners consists of three members, all of whom are elected by the residents of the districts for terms of three years. The primary functions of the districts are to provide water pollution control services to district residents. Special districts cannot issue bonded debt without the approval and the backing of the full faith and credit of the Town. The Town issues indebtedness on behalf of these districts which are responsible for the payment of annual debt service on the obligations. Budgets and tax rates are approved by the Town. Tax levies of the special districts are collected by the Town Receiver of Taxes. These water pollution control districts are included in the Town's reporting entity since the primary government is able to impose its will, as demonstrated through the ability to approve budgets.

The Town has eight discretely presented water districts: Albertson, Carle Place, Garden City Park, Glenwood, Manhasset-Lakeville, Port Washington, Roslyn and Westbury. They were established as political subdivisions of the Town. Water Districts are governed by Town Law and other general laws of the State of New York. The Board of Commissioners is the legislative body responsible for overall operations. The Board of Commissioners consists of three members, all of whom are elected by the residents of the districts for terms of three years. The primary functions of the districts are to provide water services to district residents. Special districts cannot issue bonded debt without the approval and the backing of the full faith and credit of the Town. The Town issues indebtedness on behalf of these districts which are responsible for the payment of annual debt service on the obligations. Budgets and tax rates are approved by the Town. Tax levies of the special districts are collected by the Town Receiver of Taxes. These water districts are included in the Town's reporting entity since the primary government is able to impose its will, as demonstrated through the ability to approve budgets.

The Town has two discretely presented park districts: Great Neck and Manhasset. They were established as political subdivisions of the Town. Park Districts are governed by Town Law and other general laws of the State of New York. The Board of Commissioners is the legislative body responsible for overall operations. The Board of Commissioners consists of three members, all of whom are elected by the residents of the districts for terms of three years. The Great Neck Park District offers numerous services including camps, adult and youth classes, ice skating rink, marina movies, pool hockey and tennis programs. The Manhasset Park District provides park and parking service to district residents. Special districts cannot issue bonded debt without the approval and the backing of the full faith and credit of the Town. The Town issues indebtedness on behalf of these districts which are responsible for the payment of annual debt service on the obligations. Budgets and tax rates are approved by the Town. Tax levies of the special districts are collected by the Town Receiver of Taxes. These park districts are included in the Town's reporting entity since the primary government is able to impose its will, as demonstrated through the ability to approve budgets.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

**A. REPORTING ENTITY** (continued)

The Port Washington Police District is organized under the provisions of the State of New York. The District is governed by the Nassau County Civil Divisions Act, as amended in March 1998, and the laws of the State of New York. The Port Washington Police Department provides a multitude of services to the community in a number of areas including traffic safety; adult, juvenile, and youth programs; investigative, crime prevention and general administration. Sworn personnel consist of the Chief of Police and the Captain of Administration, representing the Administrative Division. The Patrol and Investigative Division is staffed by the Captain of Operations and two Lieutenants, supervising thirteen patrol officers. The Port Washington Police District cannot issue bonded debt without the approval and the backing of the full faith and credit of the Town. The Town issues indebtedness on behalf of the district which is responsible for the payment of annual debt service on the obligations. Budgets and tax rates are approved by the Town. Tax levies of the district are collected by the Town Receiver of Taxes. This police district is included in the Town's reporting entity since the primary government is able to impose its will, as demonstrated through the ability to approve budgets.

The Shelter Rock Public Library was established in 1962 as a special district of the Town by an act of the New York State Legislature. The Library provides and maintains free library services to the Shelter Rock Public Library district in accordance with the New York State Department of Education. The Library is administered by a Board of Trustees that is elected by the Library District's residents. The Shelter Rock Public Library cannot issue bonded debt without the approval and the backing of the full faith and credit of the Town. The Town issues indebtedness on behalf of the district which is responsible for the payment of annual debt service on the obligations. Budgets and tax rates are approved by the Town. Tax levies of the district are collected by the Town Receiver of Taxes. This library district is included in the Town's reporting entity since the primary government is able to impose its will, as demonstrated through the ability to approve budgets.

The North Hempstead Community Development Agency (the "Agency") is a separate public benefit corporation, created by state legislation, to promote the safety, health and welfare of the Town's inhabitants and to promote the sound growth and development of the Town. The Agency provides a full range of community development services, including construction of affordable housing, residential and commercial land acquisition, code enforcement services, and public facility improvements. The Agency's Board of Directors is the legislative body responsible for overall operations. The Executive Director serves as the chief executive officer. The Town Board appoints the Agency Board of Directors. The Authority's management is designated by the Town Board. Due to the nature and significance of the relationship between the primary government and the Agency, exclusion would cause the financial statements to be misleading.

The Greater Port Washington Business Improvement District Association, Inc. (the "BID") is a district management association established to carry out the activities of the business improvement district. The BID is a not-for-profit corporation under Section 501(c) (3) of the Internal Revenue Code, and was incorporated in 1996. The purpose of the BID is to spur business improvement and neighborhood stability in the area thereby business activity in its downtown area. The BID is a special assessment district of the Town and operates pursuant to Town Law, the Local Finance Law and other general laws of the State of New York. The BID cannot issue bonded debt without the approval and the backing of the full faith and credit of the Town. The Town issues indebtedness on behalf of the district which is responsible for the payment of annual debt service on the obligations. Budgets and tax rates are approved by the Town. Tax levies of the district are collected by the Town Receiver of Taxes. This BID is included in the Town's reporting entity since the primary government is able to impose its will, as demonstrated through the ability to approve budgets.

Condensed financial statements along with the addresses of the administrative office, for these component units are presented in Note 5.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

**B. GOVERNMENT-WIDE AND FUND FINANCIALS STATEMENTS**

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 (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Town as a whole with separate columns for the primary governmental activities and the discretely presented component units. All fiduciary activities are reported in the fund financial statements.

For the most part, the effect of interfund activity has been eliminated from the government-wide financial statements, except for interfund services provided and used.

The government-wide statement of activities demonstrates the degree to which direct expenses of a given function are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function; and 3) interest earned on grants or capital projects that is required to be used to support a particular program or project. Taxes and other items not properly included among program revenues are reported as general revenues. The Town does not allocate indirect expenses to specific functions in the Statement of Activities.

**Fund Financial Statements**

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, deferred outflows of resources, liabilities, deferred inflows of resources, 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. The focus of the governmental funds financial statements is on the major funds. Accordingly, the Town maintains the following fund types:

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

The Town reports the following major governmental funds:

General Fund – is the principal operating fund of the Town. This fund is used to account for all financial resources not accounted for and reported in another fund.

Special Revenue Funds – are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Highway Fund – is used to account for revenues and expenditures for highway purposes. The major areas of expenditures are repairs and improvements, machinery, and snow and miscellaneous. The major source of revenue is real property taxes.

Solid Waste Management Authority – is a public benefit corporation created in 1984, used to account for solid waste management services for the benefit of the town. The major source of revenue is solid waste disposal fees.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

**B. GOVERNMENT-WIDE AND FUND FINANCIALS STATEMENTS** (continued)

**Fund Financial Statements** (continued)

Town Outside Village (Part Town) Fund – is used for revenues and expenditures for certain services provided to the areas of the Town located outside of Incorporated Villages. The major source of revenue is real property taxes and building permits.

Debt Service Fund – is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest and for financial resources that are being accumulated for principal and interest in future years.

Capital Projects Fund – is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Additionally, the Town accounts for and reports the following nonmajor funds:

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 as follows:

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

Town of North Hempstead Lighting District

Park Districts as follows:

Harbor Hills  
Levitt Park at the Roslyn Heights Park  
Manhasset Bay  
New Hyde Park – Clinton G. Martin

Town of North Hempstead Sidewalk District

Refuse and Garbage Districts as follows:

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

Port Washington Public Parking District

Great Neck Water District

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

The Town's fiduciary fund (Agency Fund) is presented in the fund financial statements. Since, by definition, these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
 December 31, 2015

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

**B. GOVERNMENT-WIDE AND FUND FINANCIALS STATEMENTS** (continued)

**Fund Financial Statements** (continued)

The Town has presented the following fiduciary funds:

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

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

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

**Discretely Presented Nonmajor Component Units**

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

Garbage Districts

Carle Place  
 Glenwood  
 Port Washington  
 Roslyn

Water Pollution Control Districts

Belgrave  
 Great Neck  
 Port Washington

Water Districts

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

Park Districts

Great Neck  
 Manhasset

Port Washington Police District

Shelter Rock Public Library District

North Hempstead Community  
 Development Agency

Greater Port Washington Business  
 Improvement District

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

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.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**  
(continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town generally considers revenues to be available if they are collected within 60 days of the end of the current period. However, certain revenues may be considered available if received within one year after the end of the current year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, landfill closure and postclosure care costs, pollution remediation obligations, postemployment benefits healthcare costs and net pension liability – proportionate share are recorded when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt is reported as other financing sources.

Revenues susceptible to accrual include Nassau County local assistance (sales tax), mortgage tax, 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.

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements' governmental column, reconciliation is presented that briefly explains the adjustments necessary to reconcile ending net position and the change in net position.

**D. ASSETS, LIABILITIES, DEFERRED INFLOWS/OUTFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE**

**1. CASH AND INVESTMENTS**

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

State statutes govern the Town's investment policy. The Town has a written investment policy stating that Town money must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. The Town is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury.

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

**2. RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS**

Receivables include amounts due from federal, state, and other governments or entities for services provided by the Town. Receivables and revenues are 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 costs associated with dumping at the landfill. Therefore, the Town has established an allowance account totaling approximately \$140,536.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

**D. ASSETS, LIABILITIES, DEFERRED INFLOWS/OUTFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE** (continued)

**3. INTERFUND TRANSACTIONS**

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

**a) Interfund Revenues**

Interfund revenues in the general fund, highway fund, part town fund and other funds represent amounts charged for services or facilities provided by these funds. The amounts paid by the fund receiving the benefit of the service or facilities are reflected as an expenditure of that fund.

**b) Operating Transfers**

Operating transfers represent payments to the Solid Waste Management Authority, debt service and capital projects funds from the other funds for their appropriate share of the debt service or capital project costs.

**4. DUE FROM/TO OTHER FUNDS**

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at the year-end are reported as due from/due to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

**5. INVENTORY AND PREPAID ITEMS**

Inventory in the general and special revenue funds is valued at cost, using the weighted average cost method. Inventory in these funds is accounted for under the consumption method.

Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid items in both the government-wide and fund financial statements. The Town uses the consumption method.

In governmental funds, amounts reported as inventories and prepaid items are equally offset by nonspendable fund balance amounts, indicating that they do not constitute "available spendable resources" even though they are a component of current assets.

**6. NOTES RECEIVABLE**

The Town holds a note receivable in the amount of \$1,500,000 from a limited liability company and a housing development fund company for premises of an affordable housing development conveyed to the partnership by the Town in 1992. The original note was set to mature in 2023 with all principal and interest accrued at 4% per annum (simple interest), due on the maturity date. In 2015, the note and mortgage agreement were modified to extend the maturity date to January 1, 2045 with an interest rate of 4.5% per annum for the remainder of the note term. All principal and accrued interest are payable on the extended maturity date. The Town's note and mortgage are subordinated to a construction and permanent loan financing for the housing development located at the property. The value of the note and all accrued interest at December 31, 2015 of \$2,880,000 has been reported as note receivable in the government-wide financial statements.

**7. CAPITAL ASSETS**

Capital assets purchased or acquired with an original cost of \$2,500 or more are reported at 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.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

**D. ASSETS, LIABILITIES, DEFERRED INFLOWS/OUTFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE** (continued)

**7. CAPITAL ASSETS** (continued)

Depreciation/amortization on all assets is calculated on the straight-line basis over the following estimated useful lives:

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

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

Intangible assets lack physical substance, are nonfinancial in nature, and have an estimated useful life extending beyond a single reporting period. The term depreciation, as used in these footnotes, includes amortization of intangible assets.

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

**8. UNEARNED REVENUE**

Unearned revenues represent gift cards and catering event deposits which will be applied to future services provided.

**9. DEFERRED INFLOWS/OUTFLOWS OF RESOURCES**

In addition to assets, the balance sheet or statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure/expense) until that time. Deferred outflows of resources consist of pension related amounts. The amounts related to pensions consists of contributions made subsequent to the measurement date, difference between the pension plans projected and actual investment earnings and differences between the pension plans expected and actual experience.

In addition to liabilities, the balance sheet or statement of net position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources consist of payments in lieu of taxes. The deferred inflows for payments in lieu of taxes will be recognized in both the governmental funds and the government-wide statements as revenues in the period that the amounts are levied or imposed.

**10. LONG-TERM OBLIGATIONS**

In the government-wide financial statements, liabilities for long-term obligations consisting of general obligation bonds, revenue bonds, due to employees' retirement system, compensated absences, claims and judgments, estimated liability for landfill closure and postclosure care costs, postemployment benefits healthcare costs and net pension liability – proportionate share are recognized in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds on a straight-line basis. Bonds payable are reported net of applicable bond premium or discount. Debt issuance costs are recognized as an outflow of resources in the period incurred.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

**D. ASSETS, LIABILITIES, DEFERRED INFLOWS/OUTFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE** (continued)

**10. LONG-TERM OBLIGATIONS** (continued)

In the fund financial statements governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period in the fund servicing the debt. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as debt service expenditures.

**11. NET POSITION AND FUND EQUITY CLASSIFICATIONS**

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources.

In the government-wide financial statements, net position is reported in three categories:

- a) Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Accounts payable in the capital projects fund are capital related debt and are used in the calculation of net investment in capital assets.
- b) Restricted – Consists of net position 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 – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources; they are: 1) nonspendable, 2) restricted, 3) committed, 4) assigned, or 5) unassigned. Not all of the Town’s funds will necessarily have all of the components of fund balance available to that fund.

- 1) Nonspendable fund balance includes amounts that cannot be spent because they are either: (a) not in spendable form (i.e., prepaid items or inventories), or (b) will not convert to cash within the current period (i.e., long-term receivables and financial assets held for resale), or (c) legally or contractually required to be maintained intact (i.e., the principal of a permanent fund).

The spendable portion of fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

- 2) Restricted fund balance reflects the constraints imposed on resources either: (a) externally by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- 3) Committed fund balance reflects amounts that can only be used for specific purposes by a government using its highest and most binding level of decision making authority. The Town’s highest decision making authority is the Town Board, who by adoption of a Town ordinance prior to year-end, can commit fund balance. Those committed amounts cannot be used for any other purpose unless the Town Board removes or changes the specified use by taking the same type of action imposing the commitment.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

**D. ASSETS, LIABILITIES, DEFERRED INFLOWS/OUTFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE** (continued)

**11. NET POSITION AND FUND EQUITY CLASSIFICATIONS** (continued)

- 4) Assigned fund balance reflects the amounts constrained by the Town's "intent" to be used for specific purposes, but are neither restricted nor committed. The Town Board and Town Comptroller, through resolution granted by the Town Board, have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.
- 5) Unassigned fund balance. This fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

**12. NET POSITION AND FUND BALANCE FLOW ASSUMPTIONS**

When outlays for a particular purpose can be funded from both restricted and unrestricted net position resources it is the Town's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

When both restricted and unrestricted fund balance resources are available for use, it is the Town's policy to use restricted fund balance resources first, and then unrestricted fund balance resources – committed, assigned and unassigned – in order as needed.

**13. FUND BALANCE POLICIES**

The Town has adopted a fund balance policy that states the Town must maintain a minimum unrestricted (the total of committed, assigned and unassigned) fund balance equal to ten percent of the general fund operating budget and five percent of the remaining funds operating budgets. Unrestricted fund balance below the minimum should be replenished within three years.

**E. REVENUES AND EXPENDITURES**

**1. 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, except for villages and cities. Real property taxes become a lien during the third week of February for both school and general taxes. The County assessment rolls are used for the levy of real property taxes by the Town and the School Districts, as well as by the County and by Special Districts of the County and the Town.

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

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

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

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

**2. POSTEMPLOYMENT BENEFITS HEALTHCARE COSTS**

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

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

The Town recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the government funds in the year paid. The liability for postemployment benefits healthcare costs is recorded as a non-current liability in the government-wide statements.

**3. COMPENSATED ABSENCES**

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

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

**4. NET PENSION LIABILITY – PROPORTIONATE SHARE**

For purposes of measuring the net pension liability – proportionate share, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New York State and Local Retirement System (“the System”) have been determined on the same basis as they are reported by the System. For this purpose, the System recognizes benefit payments when due and payable in accordance with the benefit terms; and reports investments at fair value.

**F. ENCUMBRANCES**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes, is employed in the governmental funds. Encumbrances are reported as restrictions, commitments, or assignments 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. There were no encumbrances outstanding at December 31, 2015.

**G. USE OF ESTIMATES**

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

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

**H. NEW ACCOUNTING PRINCIPLES**

The Town has adopted all of the current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. During the year ended December 31, 2015, the Town adopted:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These Statements establish financial reporting standards for state and local governments which have defined benefit plans and defined contribution pension plans that are administrated through trusts or equivalent arrangements. The Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditures as related to defined benefit and contribution plans. The implementation of this Statement resulted in reporting a restatement of the Town's net position (see Note 7) and required additional note disclosure as well as required supplementary information.

**I. SUBSEQUENT EVENTS**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date of the financial statements.

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. BUDGETARY INFORMATION**

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

- a) On or before September 20th, each department, officer or district submits to the Comptroller a detailed estimate of the budget known as "departmental estimates" for the amount of revenue to be received and expenditures to be made for the ensuing year.
- b) On or before September 30th, the Comptroller files with the Town Clerk and presents to the Town Board a tentative budget for the ensuing year.
- c) On or before October 5th, the Town Board receives the tentative budget from the Town Clerk. After review, it adopts the tentative budget as preliminary and sets a date for a budget hearing.
- d) The Town Board conducts a public hearing on the preliminary budget and on or before November 20th, the Town Board meets to adopt the budget then known as the "adopted budget".
- e) Formal budgetary integration is employed during the year as a management control device for the general and certain special revenue funds. The Town Board adopts the budget and establishes legal level of control of the budget at the object level of expenditures. The object level identifies expenditures by the article purchased or service obtained in order to carry out a function. Appropriations are adopted at the object level. All budgetary amendments and transfers of appropriation require Town Board approval. Appropriations for all governmental funds except the capital projects fund lapse at year end.

In order to show the full legal budgetary compliance for the general and certain special revenue funds, detailed individual statements of revenues, expenditures and changes in fund balances – budget and actual, are presented in a separate budget report.

- f) Budgets for the general and certain special revenue service funds, including the highway fund, the Solid Waste Management Authority, the part town fund, the fire protection districts, the lighting district, the park districts, the sidewalk district, the refuse and garbage districts, the public parking district and the water district are legally adopted for each year. The budgets are adopted on a basis of accounting consistent with GAAP except that outstanding encumbrances are re-appropriated in the subsequent year. In the event that actual revenues received exceed budgeted amounts, additional budgetary appropriations may be made.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

**A. BUDGETARY INFORMATION (continued)**

- g) Annual budgets are not prepared for the capital projects fund and the debt service fund. Capital projects funds are budgeted on a project basis.

In June 2011, New York State enacted Chapter 97, Laws of 2011 Real Property Tax Levy Cap and Mandate Relief Provisions, which included a property tax cap for municipalities that affects the Town and its municipal component units. The Town Board did not vote to override the 1.56% tax levy cap imposed by the State for the 2015 Adopted Budget. On October 29, 2014, the members of the Town Board unanimously adopted the 2015 Budget.

**B. FUND EQUITY**

**1. FUND BALANCE**

The following table provides the detail regarding fund balance categories and classifications for the governmental funds which show components of nonspendable fund balances, as well as the purposes for restricted and assigned fund balance. The unassigned fund balance is also shown.

	General Fund	Highway Fund	Solid Waste Management Fund	Part Town Fund	Debt Service Fund	Capital Projects Funds	Other Governmental Funds	Total
<b>Fund Balances (Deficit):</b>								
<b>Nonspendable:</b>								
Long-term receivables	\$ 1,273,497						\$ 3,303,417	\$ 4,576,914
Inventory	330,459	\$ 392,227	\$ 20,537					743,223
Prepays	18,405							18,405
<b>Total Nonspendable</b>	<b>1,622,361</b>	<b>392,227</b>	<b>20,537</b>				<b>3,303,417</b>	<b>5,338,542</b>
<b>Restricted for:</b>								
Capital projects						\$ 493,155		493,155
<b>Total Restricted</b>						<b>493,155</b>		<b>493,155</b>
<b>Assigned to:</b>								
Subsequent year's budget							142,241	142,241
Capital projects	274,333	150,000						424,333
Debt service					\$ 2,739,167			2,739,167
Special revenue funds		4,894,667	2,735,154	\$ 5,864,413			3,014,347	16,508,581
Workers' compensation	744,019							744,019
Insurance	422,834							422,834
Senior endowment	1,182,352							1,182,352
<b>Total Assigned</b>	<b>2,623,538</b>	<b>5,044,667</b>	<b>2,735,154</b>	<b>5,864,413</b>	<b>2,739,167</b>		<b>3,156,588</b>	<b>22,163,527</b>
<b>Unassigned, reported in:</b>								
General Fund	7,445,560							7,445,560
Capital Projects Fund						(42,812,611)		(42,812,611)
Refuse and Garbage Districts							(2,013,313)	(2,013,313)
<b>Total Unassigned</b>	<b>7,445,560</b>					<b>(42,812,611)</b>	<b>(2,013,313)</b>	<b>(37,380,364)</b>
<b>Total Fund Balances (Deficits)</b>	<b>\$ 11,691,459</b>	<b>\$ 5,436,894</b>	<b>\$ 2,755,691</b>	<b>\$ 5,864,413</b>	<b>\$ 2,739,167</b>	<b>\$ (42,319,456)</b>	<b>\$ 4,446,692</b>	<b>\$ (9,385,140)</b>

**2. DEFICIT FUND EQUITY**

The capital projects fund deficit of \$42,319,456, resulted from differences in timing between project expenditures and the recognition of corresponding permanent financing sources. This deficit will be eliminated in subsequent years with the issuance of long-term bonds.

**3. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the year ended December 31, 2015, expenditures exceeded appropriations in the general fund, highway fund, part town fund, street lighting district and public parking district, by \$40,424, \$1,045,256, \$155,948, \$97,511 and \$2,483, respectively. There is sufficient fund balance in these funds to cover the amount by which expenditures exceed appropriations.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

**3. DETAILED NOTES ON ALL FUNDS**

**A. CASH AND INVESTMENTS**

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

Deposits are required to be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either:

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

At December 31, 2015, the Town's deposits were \$85,657,345. This amount is inclusive of fiduciary fund deposits of \$32,173,696 exclusive of petty cash of \$9,030. The bank balance required to be collateralized was \$81,234,045. Of the bank balance, \$2,960,289 was covered by Federal Deposit Insurance, and \$88,828,460 was covered by collateral held by the Town's agent, a third-party financial institution, in the Town's name.

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

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

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

As of December 31, 2015, the Town of North Hempstead did not have any investments subject to credit risk, interest-rate risk or concentration of credit risk.

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**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

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

At December 31, 2015, individual fund interfund receivable and payable balances for the primary government are expected to be paid currently. These balances represent various temporary loans, recharges and reimbursements between funds and are stated as follows:

	Amount Receivable	Amount Payable
<b>Primary Government</b>		
<u>Major Funds:</u>		
General Fund	\$ 1,487,247	\$ 1,972,182
Highway Fund	1,490,619	734,295
Solid Waste Management Authority	2,936,506	1,704,844
Part Town Fund	50,894	
Debt Service Fund	7,739	
Capital Projects Fund	185	952,712
<u>Nonmajor Funds:</u>		
Park Districts		243,260
Sidewalk District		140,887
Refuse and Garbage Districts		225,010
	\$ 5,973,190	\$ 5,973,190

At December 31, 2015, individual fund interfund transfers balances for the primary government mainly represent receipt and payment of debt service and capital project expenditures, and are stated as follows:

	Transfers In	Transfers Out
<b>Primary Government</b>		
<u>Major Funds:</u>		
General Fund	\$ 817,123	\$ 18,581,361
Highway Fund	738,840	5,322,729
Solid Waste Management Authority	900,824	900,824
Debt Service Fund	21,290,025	393,942
Capital Projects Fund	2,711,497	93,690
<u>Nonmajor Funds:</u>		
Park Districts		27,531
Sidewalk District		764,013
Refuse and Garbage Districts		5,042
Public Parking District	5,800	374,977
	\$ 26,464,109	\$ 26,464,109

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**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

**C. CAPITAL ASSETS**

The summary of changes within the capital assets for the Town of North Hempstead for the year ended December 31, 2015 is as follows:

	Balance 1/1/2015	Additions	Deletions	Construction in Progress Reclassification	Balance 12/31/2015
<b><u>Primary government</u></b>					
Capital assets not being depreciated					
Land - other than landfills	\$ 217,615,246	\$ 5,400			\$ 217,620,646
Construction in progress	7,025,922	9,664,763		\$ (7,970,486)	8,720,199
Total capital assets not being depreciated	<u>224,641,168</u>	<u>9,670,163</u>		<u>(7,970,486)</u>	<u>226,340,845</u>
Depreciable capital assets					
Buildings	84,990,582		\$ 342,317	776,978	85,425,243
Improvements other than buildings	59,996,178	556,971		2,416,756	62,969,905
Machinery and equipment	39,123,972	2,402,639	1,035,555	13,800	40,504,856
Infrastructure	198,625,529	441,958		4,760,072	203,827,559
Intangibles - software	2,173,205	90,928		2,880	2,267,013
Total depreciable capital assets	<u>384,909,466</u>	<u>3,492,496</u>	<u>1,377,872</u>	<u>7,970,486</u>	<u>394,994,576</u>
Less accumulated depreciation					
Buildings	25,337,730	1,845,201	11,411		27,171,520
Improvements other than buildings	22,980,853	1,972,619			24,953,472
Machinery and equipment	24,784,628	2,019,891	1,007,010		25,797,509
Infrastructure	132,807,701	6,836,878			139,644,579
Intangibles - software	1,384,792	204,628			1,589,420
Total accumulated depreciation	<u>\$ 207,295,704</u>	<u>\$ 12,879,217</u>	<u>\$ 1,018,421</u>		<u>219,156,500</u>
Total net depreciable capital assets					<u>175,838,076</u>
Total net capital assets					<u>\$ 402,178,921</u>

The Town has expended funds to construct a sanitary sewer and pump station and install a sanitary force main at the Harbor Links Golf Course. Under contractual obligation, this project will be turned over to the Port Washington Water Pollution Control District, a component unit of the Town. As of December 31, 2015, the project was completed but title has not yet passed to the Port Washington Water Pollution Control District.

The Town depreciated all fixed assets acquired or put in service during 2015 with an effective date of July 1, 2015, or on a six month depreciable basis.

Depreciation expense was charged to governmental functions as follows:

General government support	\$ 596,837
Public safety	161,528
Transportation	6,001,295
Culture and recreation	5,066,131
Home and community services	1,053,426
Total governmental activities depreciation expense	<u>\$ 12,879,217</u>

The Town of North Hempstead evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The Town's policy is to record an impairment loss in the period when the Town determines that the carrying amount of the asset will not be recoverable. At December 31, 2015, the Town has not recorded any such impairment losses.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

**C. CAPITAL ASSETS (continued)**

The summary of changes within the capital assets for the nonmajor component units for the year ended December 31, 2015 is as follows:

	Balance 1/1/2015 *	Additions	Deletions	Construction in Progress Reclassification	Balance 12/31/2015
<b><u>Nonmajor component units</u></b>					
Capital assets not being depreciated					
Land	\$ 13,067,129				\$ 13,067,129
Construction in progress	33,887,334	\$ 11,377,754	\$ 707,447	\$ (5,831,375)	38,726,266
Total capital assets not being depreciated	46,954,463	11,377,754	707,447	(5,831,375)	51,793,395
Depreciable capital assets					
Buildings	110,067,089	2,918,040	197,963	1,340,879	114,128,045
Improvements other than buildings	76,206,922	440,554	69,270		76,578,206
Machinery and equipment	87,116,838	3,674,996	631,974	2,781,409	92,941,269
Infrastructure	87,221,032	3,937,866		1,709,087	92,867,985
Total depreciable capital assets	360,611,881	10,971,456	899,207	5,831,375	376,515,505
Less accumulated depreciation					
Buildings	48,001,771	2,677,957	53,889		50,625,839
Improvements other than buildings	20,839,650	2,347,606	55,639		23,131,617
Machinery and equipment	58,127,297	4,166,302	536,414		61,757,185
Infrastructure	36,487,233	2,006,180			38,493,413
Total accumulated depreciation	\$ 163,455,951	\$ 11,198,045	\$ 645,942		174,008,054
Total net depreciable capital assets					202,507,451
Total net capital assets					<u>\$ 254,300,846</u>

\* Certain reclassifications between classes of assets and accumulated depreciation have been made to opening balance numbers.

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**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

**D. INDEBTEDNESS**

**CHANGES IN LONG-TERM LIABILITIES**

Long-term liability activity for the year ended December 31, 2015, is as follows:

	(Restated)					
	Balance 1/1/2015	Increases	Reductions	Balance 12/31/2015	Non-current liabilities due within one year	Non-current liabilities
<b>Primary government:</b>						
Bonds Payable:						
General obligation bonds payable	\$ 133,069,722	\$ 29,078,205	\$ 42,034,618	\$ 120,113,309	\$ 15,464,683	\$ 104,648,626
Revenue bonds payable	3,442,658		831,202	2,611,456	850,542	1,760,914
Plus deferred amounts:						
Premiums on issuance	3,020,356	2,997,535	1,271,753	4,746,138	1,328,628	3,417,510
Total Bonds Payable	139,532,736	32,075,740	44,137,573	127,470,903	17,643,853	109,827,050
Due to employees' retirement system	6,672,414	845,730	960,779	6,557,365	755,983	5,801,382
Compensated absences	5,004,567	4,524,024	4,264,689	5,263,902	263,195	5,000,707
Claims and judgments payable	5,747,283	1,298,597	1,134,935	5,910,945	775,000	5,135,945
Estimated liability for landfill closure and postclosure care costs	14,153,890		1,164,920	12,988,970	868,744	12,120,226
Net pension liability - proportionate share	4,939,969		1,246,909	3,693,060		3,693,060
Postemployment benefits healthcare costs	59,117,869	10,907,908	3,485,867	66,539,910		66,539,910
Total Primary Government	<u>\$ 235,168,728</u>	<u>\$ 49,651,999</u>	<u>\$ 56,395,672</u>	<u>\$ 228,425,055</u>	<u>\$ 20,306,775</u>	<u>\$ 208,118,280</u>
<b>Nonmajor component units:</b>						
Bonds Payable:						
General obligation bonds payable	\$ 120,950,250	\$ 13,766,795	\$ 23,251,354	\$ 111,465,691	\$ 8,609,317	\$ 102,856,374
Plus deferred amounts:						
Premiums on issuance	302,283	147,808	110,877	339,214	39,009	300,205
Total Bonds Payable	121,252,533	13,914,603	23,362,231	111,804,905	8,648,326	103,156,579
Due to employees' retirement system	164,210		19,530	144,680	19,133	125,547
Compensated absences	12,563,398	933,507	714,534	12,782,371		12,782,371
Installment purchase debt	786,914		91,424	695,490	93,326	602,164
Net pension liability - proportionate share	2,125,241	1,597,240	874,905	2,847,576		2,847,576
Postemployment benefits healthcare costs	52,833,572	9,475,766	2,606,454	59,702,884		59,702,884
Total Nonmajor Component Units	<u>\$ 189,725,868</u>	<u>\$ 25,921,116</u>	<u>\$ 27,669,078</u>	<u>\$ 187,977,906</u>	<u>\$ 8,760,785</u>	<u>\$ 179,217,121</u>

Liabilities for claims and judgments and landfill closure and postclosure care costs are liquidated through future appropriations in the general fund. Long-term liabilities for due to employees' retirement system, compensated absences, net pension liability – proportionate share and postemployment benefits healthcare costs, are paid through future budgetary appropriations in the following funds: general, highway, Solid Waste Management Authority, part-town, lighting district, park districts, sidewalk district and public parking district, depending upon which fund gave rise to the liability.

**SHORT-TERM DEBT**

**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 prior to 2008 be converted to long-term obligations within five years after the original issue date; BANs issued for capital purposes after 2008 need to be converted to long-term obligations within seven years. The notes or renewal thereof may not extend more than two years beyond the original date of issue, unless a portion is redeemed within two years and within each 12 month period thereafter. Liabilities for BANs are generally accounted for in the capital projects fund. BANs are expected to be paid from the proceeds of future bond issues or renewal of the notes.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

**D. INDEBTEDNESS** (continued)

**SHORT-TERM DEBT** (continued)

Also included in BANs are borrowings from the State Revolving Fund and Environmental Facilities Corporation (EFC). The Town, three Water Pollution Control Districts and three Water Districts have financed capital projects through the New York State EFC and State Revolving Fund Loans (bond issues). Under the financing plan, the Town and the Districts receive interest subsidies from the United States Environmental Protection Agency and the EFC. Proceeds of notes which have been refinanced by the issuance of serial bonds are reported as a financing source in the appropriate fund. At December 31, 2015, the Town, inclusive of its discretely presented nonmajor component units had \$103,608,473 of BANs payable with interest rates ranging from 0.850% to 2.000% with maturities in 2016.

The New York State Environmental Facilities Corporation (EFC) completed refinancing, for \$2,135,000 of the 2004 Series B EFC's bonds, which will reduce the Town's future interest cost for the Clean Water and Drinking Water State Revolving Funds (SRF). The net present value of the savings is \$153,326, which is entirely contributable to a nonmajor component unit. There was no change to the principal amounts of the bonds.

These bond anticipation notes are summarized as follows:

	Balance 1/1/2015	Issued	Redeemed	Balance 12/31/2015
<b><u>Primary government:</u></b>				
Capital projects fund:				
General	\$ 41,169,320	\$ 5,329,095	\$ 6,342,338	\$ 40,156,077
Highway	15,123,980	4,060,000	653,995	18,529,985
Refuse and Garbage	1,008,010	1,743,883	491,509	2,260,384
Total primary government	<u>57,301,310</u>	<u>11,132,978</u>	<u>7,487,842</u>	<u>60,946,446</u>
<b><u>Nonmajor component units:</u></b>				
Garbage districts	514,814	951,117	251,026	1,214,905
Water pollution control districts	600,000	4,871,644	300,000	5,171,644
Water districts	27,763,947	4,268,531	157,000	31,875,478
Park districts	3,588,000	1,000,000	188,000	4,400,000
Total component units	<u>32,466,761</u>	<u>11,091,292</u>	<u>896,026</u>	<u>42,662,027</u>
Total bond anticipation notes	<u>\$ 89,768,071</u>	<u>\$ 22,224,270</u>	<u>\$ 8,383,868</u>	<u>\$ 103,608,473</u>

Included in the Refuse and Garbage and garbage district BANs is the \$780,289 balance of the \$4,150,000 BAN – 2011 Series D, after principal paid down of \$3,369,711. Additionally, during 2015, the Town issued a \$1,575,000 BAN – 2015 Series B and a \$1,120,000 BAN – 2015 Series C. This was issued to fund the payment of cases challenging *ad valorem* garbage district taxes that the Town is confident will be reimbursed through the "County Guarantee". See Note 4.B, Litigation, for further discussion.

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**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

**D. INDEBTEDNESS (continued)**

**LONG-TERM DEBT**

**General Obligation Bonds** – The Town borrows money in order to acquire land or equipment, or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are backed by the full faith and credit of the Town, bear interest at various rates from 0.469% to 7.200% and have maturity dates in 2016 through 2042.

	Balance 1/1/2015	Issued	Redeemed	Refunded	Balance 12/31/2015
<b>Primary government:</b>					
Capital projects fund:					
General	\$ 99,118,233	\$ 21,812,927	\$ 12,033,723	\$ 18,591,125	\$ 90,306,312
Highway	29,216,270	6,882,486	3,275,729	7,344,341	25,478,686
Public parking	4,076,333		289,790		3,786,543
Sidewalk	450,295	233,330	71,437	253,524	358,664
Parks	208,591	149,462	21,479	153,470	183,104
Total primary government	<u>133,069,722</u>	<u>29,078,205</u>	<u>15,692,158</u>	<u>26,342,460</u>	<u>120,113,309</u>
<b>Nonmajor component units:</b>					
Water pollution control districts	78,250,603	2,205,569	3,538,208	2,299,152	74,618,812
Water districts	24,815,106	9,023,315	3,067,810	9,683,467	21,087,144
Park districts	13,660,955	2,537,911	1,610,358	2,679,921	11,908,587
Police district	89,027		16,311		72,716
Library district	4,052,346		347,137		3,705,209
Business improvement district	82,213		8,990		73,223
Total component units	<u>120,950,250</u>	<u>13,766,795</u>	<u>8,588,814</u>	<u>14,662,540</u>	<u>111,465,691</u>
Total general obligation bonds	<u>\$ 254,019,972</u>	<u>\$ 42,845,000</u>	<u>\$ 24,280,972</u>	<u>\$ 41,005,000</u>	<u>\$ 231,579,000</u>

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

	Principal	Interest	Total Principal and Interest
Year Ending December 31, 2016	\$ 24,074,000	\$ 6,564,862	\$ 30,638,862
2017	20,920,000	5,875,354	26,795,354
2018	19,292,000	5,146,187	24,438,187
2019	18,609,000	4,475,002	23,084,002
2020	17,016,000	3,810,053	20,826,053
2021-2025	62,888,000	11,535,345	74,423,345
2026-2030	32,895,000	5,745,618	38,640,618
2031-2035	17,810,000	2,535,609	20,345,609
2036-2040	13,445,000	1,129,079	14,574,079
2041-2042	4,630,000	134,468	4,764,468
	<u>\$ 231,579,000</u>	<u>\$ 46,951,577</u>	<u>\$ 278,530,577</u>

Arbitrage provisions of the Internal Revenue Tax Act of 1986 require the Town to rebate excess arbitrage earnings from bond proceeds to the federal government. There were no excess arbitrage earnings for the year ended December 31, 2015.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

**D. INDEBTEDNESS (continued)**

**LONG-TERM DEBT (continued)**

The general obligations bonds, by issue, are as follows:

Outstanding Bond Issues	Rate	Original Amount	Outstanding Amount	Final Maturity
Public Improvement Serial Bonds-1986	6.900%	\$ 16,065,000	\$ 40,000	April 1, 2016
General Obligation Serial Bonds-1986	7.200%	1,500,000	50,000	February 15, 2016
General Obligation Serial Bonds-1992, Series A	6.400%	5,145,000	450,000	February 1, 2017
General Obligation Serial Bonds-1992, Series B	6.400%	72,230,000	1,615,000	April 1, 2017
New York State EFC Bonds-1998, Series B	2.307% - 2.974%	2,572,291	325,000	December 15, 2017
New York State EFC Bonds-2001, Series B	1.688% - 3.811%	8,154,789	2,470,000	November 15, 2022
New York State EFC Bonds-2002, Series F	5.591% - 6.181%	1,365,000	585,000	November 15, 2023
New York State EFC Bonds-2002, Series G	1.447% - 2.745%	3,452,513	920,000	October 15, 2019
New York State EFC Bonds-2002, Series I	4.720% - 5.380%	1,160,000	274,000	September 15, 2022
New York State EFC Bonds-2003, Series A	4.121% - 4.901%	1,160,000	730,000	April 15, 2031
General Obligation Serial Bonds-2004	5.300% - 5.400%	3,880,000	175,000	February 15, 2022
New York State EFC Bonds-2004, Series B	3.655% - 3.775%	4,726,511	395,000	May 1, 2021
Public Improvement Serial Bonds-2006	4.375% - 4.500%	24,000,000	1,150,000	February 1, 2016
New York State EFC Bonds-2006, Series C	4.171% - 4.731%	3,442,810	2,660,000	April 1, 2036
Public Improvement Serial Bonds-2007	4.250%	11,993,000	1,935,000	June 1, 2017
Public Improvement Serial Bonds-2007, Series B	4.250% - 4.350%	5,788,500	540,000	November 1, 2017
Various Purposes Serial Bonds-2008	4.000% - 4.250%	13,210,000	7,820,000	June 15, 2022
NYS EFC Bonds-2008, Series A-1, B-1, A-2, B-2	4.270%	1,783,412	540,000	April 1, 2038
Public Improvement Serial Bonds-2009	3.000% - 4.000%	11,615,000	7,685,000	June 1, 2024
New York State EFC Bonds-2010, Series C	1.753% - 4.603%	845,000	305,000	October 1, 2039
EFC Refunding-2010	1.753% - 4.603%	15,173,760	12,480,000	October 1, 2018
Various Purposes Serial Bonds-2010, Series A	2.000% - 2.500%	6,063,000	3,435,000	October 1, 2021
Refunding Serial Bonds-2010	2.250% - 4.000%	12,065,000	5,980,000	May 1, 2022
Refunding Serial Bonds-2012	4.000%	5,355,000	1,845,000	February 1, 2016
Various Purposes Serial Bonds-2012	2.000% - 2.250%	9,192,341	7,505,000	October 1, 2027
New York State EFC Bonds-2012, Series E	0.469% - 4.098%	54,148,000	49,530,000	November 1, 2042
New York State EFC Bonds-2013, Series B	3.529% - 4.500%	550,000	450,000	January 1, 2023
Refunding Serial Bonds-2014, Series A	2.500% - 5.000%	25,220,000	22,090,000	February 1, 2025
Refunding Serial Bonds-2014, Series B	3.000% - 5.000%	11,545,000	8,300,000	July 15, 2022
Various Purposes Serial Bonds-2014, Series C	2.000% - 3.500%	21,790,825	20,775,000	April 1, 2032
Various Purposes Serial Bonds-2014, Series D	2.000% - 3.000%	25,108,147	23,715,000	October 1, 2030
Refunding Landfill Capping L-5 - NYSEFC Series 2004B	4.061% - 4.325%	2,135,000	2,135,000	May 1, 2021
Refunding Serial Bonds-2015, Series A	2.000% - 5.000%	21,245,000	21,075,000	February 1, 2027
Public Improvement Serial Bonds-2015, Series B	2.000% - 5.000%	4,390,000	4,390,000	April 1, 2035
Refunding Serial Bonds-2015, Series C	3.000% - 5.000%	17,210,000	17,210,000	January 15, 2023
		<u>\$ 425,279,899</u>	<u>\$ 231,579,000</u>	

**Revenue Bonds** – The Town borrowed money in order to finance the purchase of certain real property. These bonds bear an interest rate of 2.300% and mature on February 1, 2016 through 2018.

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

	Principal	Interest	Total Principal and Interest
Year Ending December 31, 2016	\$ 850,542	\$ 50,282	\$ 900,824
2017	870,332	30,492	900,824
2018	890,582	10,242	900,824
	<u>\$ 2,611,456</u>	<u>\$ 91,016</u>	<u>\$ 2,702,472</u>

Revenue bonds are paid through annual budgetary appropriation in the Solid Waste Management Authority.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

**D. INDEBTEDNESS** (continued)

**LONG-TERM DEBT** (continued)

**Current and Advanced Refunding of Bonds**

On April 16, 2015, the Town issued \$21,245,000 in Refunding Serial Bonds, 2015 Series A, (\$10,827,169 was for the Town and \$10,417,831 was for eight of the nonmajor component units) with an interest rate ranging from 2.000% to 5.000%, to advance refund \$14,525,000 of 2006 Bonds (\$6,027,870 was for the Town and \$8,497,130 was for seven of the nonmajor component units), \$4,385,000 of 2007A Bonds (\$2,739,664 was for the Town and \$1,645,336 was for one of the nonmajor component units) and \$3,465,000 of 2007B Bonds (\$2,555,128 was for the Town and \$909,872 was for two of the nonmajor component units). The interest rates on the refunded bonds range from 4.250% to 4.500%. The refunded bonds are to be called and redeemed on February 1, 2016, June 1, 2017 and November 1, 2017, respectively.

The net proceeds of \$23,758,461 (the par amount of the bonds, including the \$2,754,978 reoffering premium less the underwriter's fees and other issuance costs of \$241,517) were used to purchase 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 2006, 2007A and 2007B refunded bonds. As a result, the refunded bonds described above are considered to be defeased and the liability for those bonds has been removed from the non-current government liabilities reported in the Statement of Net Position.

Of the total premium received of \$2,754,978, \$1,542,312 pertains to the Town and \$1,230,666 pertains to eight of the nonmajor component units. Of the total underwriter's fees and other issuance costs of \$241,517, \$124,528 pertains to the Town and \$116,989 pertains to eight of the nonmajor component units.

The reacquisition price exceeded the net carrying amount of the old debt by \$893,120 (\$540,270 relates to the Town and \$352,850 relates to eight of the nonmajor component units). This amount is being amortized over the remaining life of the refunding debt. The Town advance refunded the 2006, 2007A and 2007B bonds to reduce its total debt service payments by \$2,576,471 and to obtain an economic gain (the difference between the present value of the debt service payments on the old and new debt) of \$2,265,319, of which \$1,125,124 pertains to the Town and \$1,137,195 pertains to eight of the nonmajor component units.

On October 13, 2015, the Town also issued \$17,210,000 of Refunding Serial Bonds, 2015 Series C, (\$13,861,036 was for the Town and \$3,348,964 was for seven of the nonmajor component units) with an interest rate ranging from 3.000% to 5.000%, to currently refund \$18,630,000 of 2005 Serial Bonds (\$15,019,798 was for the Town and \$3,610,202 was for seven of the nonmajor component units). The interest rates on the refunded bond range from 4.250% to 5.000% and were called on November 12, 2015.

The net proceeds of \$18,979,064 (the par amount of the bonds, including the \$1,789,410 reoffering premium less the underwriter's fees and other issuance costs of \$20,346) were used to purchase U.S. Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to fund the 2005 Serial Bonds call date debt service requirement of \$18,887,225 (principal of \$18,630,000 and interest of \$257,225) on November 12, 2015.

The Town currently refunded the 2005 Series Bonds to reduce its total debt service payments by \$1,394,525 and to obtain an economic gain (the difference between the present value of the debt service payments on the old and new debt) of \$1,329,372, of which \$1,074,778 pertains to the Town and \$254,594 pertains to nine of the nonmajor component units.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

**D. INDEBTEDNESS** (continued)

**LONG-TERM DEBT** (continued)

**Defeasance of Debt**

In the current year and in prior years, the Town defeased certain general obligations and revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Town's financial statements. At December 31, 2015, there are \$22,375,000, outstanding bonds that are considered defeased, of which \$11,322,663 is related to the Town and \$11,052,337 is related to eight of the nonmajor component units.

**E. PENSION PLAN**

Plan Description

The Town of North Hempstead participates in the New York State and Local Employees' Retirement System ("ERS" or the "System"). This is a cost-sharing multiple-employer defined benefit retirement system. The net position of the System is held in the New York Common Retirement Fund ("Fund"), which was established to hold all net assets and record changes in the fiduciary net position allocated to the System. The Comptroller of the State of New York System (the "Comptroller") serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. System benefits are established under the provisions of the New York State Retirement and Social Security Law ("RSSL"). Once a public employer elects to participate in the System, the election is irrevocable.

The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Town participates in the Public Employees' Group Life Insurance Plan ("GLIP"), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report may be found at <http://www.osc.state.ny.us/retire/publications/index.php> or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244-0001.

Benefits Provided

The System provides retirement benefits as well as death and disability benefits.

*Tiers 1 and 2*

**Eligibility:** Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 and Tier 2 is 55 and 62, respectively.

**Benefit calculation:** Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2.0% of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

**Final average salary** is the average of the wages earned in the three highest consecutive years. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20% of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20% of the average of the previous two years.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

**E. PENSION PLAN** (continued)

Benefits Provided (continued)

*Tiers 3, 4, and 5*

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2.0% of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5% of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with ten or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 3, 4 and 5 members, each year of final average salary is limited to no more than 10% of the average of the previous two years.

*Tier 6*

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63.

Benefit Calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75% of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2.0% of final average salary is applied for each year of service over 20 years. Tier 6 members with ten or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10% of the average of the previous four years.

*Ordinary Disability Benefits*

Generally, ordinary disability benefits, usually one-third of salary, are provided to eligible members after ten years of service; in some cases, they are provided after five years of service.

*Accidental Disability Benefits*

For all eligible Tier 1 and Tier 2 members, the accidental disability benefit is a pension of 75% of final average salary, with an offset for any workers' compensation benefits received. The benefit for eligible Tier 3, 4, 5 and 6 members is the ordinary disability benefit with the years-of-service eligibility requirement dropped.

*Ordinary Death Benefits*

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

**E. PENSION PLAN (continued)**

Benefits Provided (continued)

*Post-Retirement Benefit Increases*

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for ten years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50% of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1% or exceed 3%.

Contributions

Plan members who joined the System before July 27, 1976 are not required to make contributions. Those joining after July 27, 1976 and before January 1, 2010 with less than ten years of membership are required to contribute 3% of their annual salary. Those joining on or after January 1, 2010 and before April 1, 2012 are required to contribute 3% of their salary for ERS members throughout active membership. Those joining on or after April 1, 2012 are required to contribute between 3% and 6%, depending on their salary, throughout active membership. Under the authority of the RSSL, the Comptroller shall certify annually the actuarially determined rates expressed used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

The actual contributions were equal to 100% of the actuarially required amounts. The credits and miscellaneous adjustments represent modifications made by the ERS to the prior year's contributions due to differences between estimated and actual salaries for the plan year. Amortization payments relate to the pension related debt, as discussed below. The required contributions as billed by the Plan, for the Town, for the current year and two preceding years were:

Annual Required Contribution - ERS							
	Amount	% of Covered Payroll	Credits & Miscellaneous Adjustments	Prepayment Discount	2010-2015 Amortization/ Deferral	2010 Incentive Installment	Total Payment
2015	\$ 5,712,758	18.79%	\$ (94,008)		\$ 59,329	\$ 323,230	\$ 6,001,309
2014	6,251,258	21.32%	(149,889)	\$ (58,819)	(770,010)	323,230	5,595,770
2013	6,486,230	22.45%	158,601		(2,007,440)	323,232	4,960,623

During 2010, Chapter 105 of the Laws of 2010 of the New York State Legislature authorized local governments to make available a retirement incentive program with an estimated cost to the Town of \$1,616,154, inclusive of principal and interest. The cost of the program is billed and paid, by the funds incurring the costs, over five years, at an interest rate of 7.5%. The outstanding balance of \$300,679 at January 1, 2015 was paid during 2015, resulting in no outstanding liability at December 31, 2015.

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**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

**E. PENSION PLAN (continued)**

Contributions (continued)

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

- For State fiscal year 2010-11, the amount in excess of the graded rate of 9.5 percent of employees' covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the amortization was instituted.
- For subsequent State fiscal years, the graded rate will increase or decrease by up to one percent depending on the gap between the increase or decrease in the System's average rate and the previous graded rate.
- For subsequent State fiscal years in which the System's average rates are lower than the graded rates, the employer will be required to pay the graded rate. Any additional contributions made will first be used to pay off existing amortizations, and then any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.

Chapter 57 of the Laws of 2013 of the State of New York was enacted that allows local employers to amortize a portion of their retirement bill for 12 years in accordance with stipulations. The Town has continued with a 10 year amortization.

This law requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years, when the local employer opts to participate in the program. The total unpaid liability for the Town for the 2010 - 2015 amortization programs is \$6,702,045 inclusive of SWMA, \$294,846 and two nonmajor component unit districts, Shelter Rock Library District, \$136,164 and the Glenwood Water District, \$8,516. The total unpaid liability for the Town, without the nonmajor component units, of \$6,557,365, was recorded in the government-wide statements. Amortization contributions will be paid in ten equal installments, one per year, but may be prepaid at any time. The Town has, for now, opted to amortize over the ten-year period. The interest rate for repayment of the amounts amortized for the System's fiscal year ending March 31, 2016, 2015, 2014, 2013, 2012 and 2011 are 3.210%, 3.150%, 3.670%, 3.000%, 3.750% and 5.000%, respectively. Future principal and interest payments to maturity for the amortization installments are as follows:

	Principal	Interest	Total Principal and Interest
Year Ending December 31, 2016	\$ 776,183	\$ 229,086	\$ 1,005,269
2017	802,844	202,425	1,005,269
2018	830,439	174,830	1,005,269
2019	858,996	146,273	1,005,269
2020	888,556	116,713	1,005,269
2021-2025	2,545,027	188,361	2,733,388
	\$ 6,702,045	\$ 1,057,688	\$ 7,759,733

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**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

**E. PENSION PLAN (continued)**

Pension Liabilities, Pension Expense and Deferred Outflows of Resources Related to Pensions

At December 31, 2015, the Town reported the following liability for its proportionate share of the net pension liability of the System. The net pension liability was measured as of March 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2014, with updated procedures to roll forward the total pension liability to March 31, 2015. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. Below is the Town's proportionate share of the net pension liability of the System and its related employer allocation percentage.

Measurement Date	March 31, 2015
Net Pension Liability	\$ 3,693,060
Town's Portion of the System's total Net Pension Liability	0.1093560%

There was no significant change in the Town's proportion from March 31, 2014 to March 31, 2015.

For the year ended December 31, 2015, the Town recognized pension expense of \$3,417,695. At December 31, 2015 the Town reported deferred outflows of resources related to pension from the following sources:

Differences between expected and actual experience	\$ 118,221
Net Difference between projected and actual earnings on pension plan investments	641,436
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	301,755
Town's contribution subsequent to the measurement date	3,989,509
	\$ 5,050,921

The Town's contribution subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Plan year ending March 31, 2016	\$ 265,353
March 31, 2017	265,353
March 31, 2018	265,353
March 31, 2019	265,353
	\$ 1,061,412

Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date.

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**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

**E. PENSION PLAN (continued)**

Actuarial Assumptions (continued)

The actuarial valuations used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation rate	2.7%
Salary scale	4.9%
Investment rate of return, including inflation	7.5%
Cost of living adjustments	1.4%
Decrement tables	Developed from the Plan's 2010 experience study of the period April 1, 2005 through March 31, 2010
Mortality improvement	Society of Actuaries Scale MP-2014

The long term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for equities and fixed income as well as historical investment data and plan performance.

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2015 are summarized below:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	38.0%	7.30%
International equity	13.0%	8.55%
Private equity	10.0%	11.00%
Real estate	8.0%	8.25%
Absolute return strategies	3.0%	6.75%
Opportunistic portfolio	3.0%	8.60%
Real assets	3.0%	8.65%
Bonds and mortgages	18.0%	4.00%
Cash	2.0%	2.25%
Inflation indexed bonds	2.0%	4.00%
	100.0%	

Discount Rate

The discount rate used to calculate the total pension liability was 7.5% for the System. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

**E. PENSION PLAN (continued)**

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5%) or 1-percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Assumption (7.5%)	1% Increase (8.5%)
Town's proportionate share of the net pension liability (asset)	\$ 24,615,843	\$ 3,693,060	\$ (13,970,957)

The components of the current year net pension liability of the employers as of the respective valuation date of April 1, 2014, was as follows (dollars in thousands):

Employers' total pension liability	\$ 164,591,504
Plan Net Position	161,213,259
Employers' net pension liability	\$ (3,378,245)
Ratio of plan net position to the Employers' total pension liability	97.95%

Detailed information about the pension plan's fiduciary net position is available in the System's separately issued financial statements.

**F. POSTEMPLOYMENT BENEFITS HEALTHCARE COSTS**

Plan Description

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

Regular full-time employees who have completed ten (10) cumulative years of full-time service with the Town, or Elected Officials and Executive Management/Appointed Employees who have five (5) or more cumulative years of service with the Town, vest the right to receive fully covered medical coverage at retirement age, as determined by the Plan. Retiree health insurance contributions for non-union staff will follow that which is set forth in the CSEA contract. Individual coverage is provided to those employees with five full years of service and who have reached the age of 70 and can retire. Additionally, individual and family medical benefits are provided to those retirees who are 55 years or older and have ten years of service. Retirees within five years of age 55 can contribute 100% of their medical premiums as a vestee until age 55 at which time the Town will pay the full benefit. The Town provides full dental and vision benefits to exempt employees when they retire. Non-exempt employees can pay for dental and vision benefits for up to eighteen months under COBRA.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

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

Plan Description (continued)

Upon the death of a retiree, the Town continues to pay full healthcare costs for the un-remarried survivor for three months after the month of death. During the three month period of time, the survivor determines if they want to continue and pay for coverage under the Town's policy. The Town does not pay the premium costs for survivors of former employees who became survivors before March 1, 1995 and pays 50% of the premium costs for survivors of former employees who became survivors after March 1, 1995. If at the time of death of the surviving spouse, he or she is survived by a qualified dependent of the former employee for who there has been continuous coverage under the Town's medical plan, the Town will pay 50% of the premium to continue individual medical coverage for the qualified dependent for as long as such person remains a qualified dependent, up to age 26.

The retiree is also eligible for Medicare Part B reimbursement. The Medicare Part B premium that is charged varies by income level, with a base rate of \$1,259. Medicare Part reimbursement valuation was assumed at the basic level. Presently, the survivor does continue to receive the Medicare reimbursement. For future survivors, the plan provides 50% of the medical premium and none of the Medicare Part B premium. These contracts may be renegotiated at various times in the future.

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

Plan sponsors are allowed to utilize the results of an actuarial valuation for multiple years if no significant changes have occurred since the prior valuation was performed. Accordingly, the Town's OPEB valuation for the year ended December 31, 2015, is based on the employee data, plan provisions, methods and assumptions described in the actuarial valuation for the year ended December 31, 2014, with the exception of an adjustment to reflect an increase in the NYSHIP premiums as of January 1, 2015.

The number of participants as of January 1, 2014, the effective date of the OPEB valuation, follows. There have been no significant changes in the number or the type of coverage since that date.

Active employees	411
Retired employees and spouses	283
Surviving spouses of deceased retirees	47
Total	741

Funding Policy

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

Annual Other Postemployment Benefit Cost

For the year ended December 31, 2015, the Town's annual OPEB cost (expenses) was \$10,907,908. Considering the annual expense as well as the payment of current health, dental and vision insurance premiums and Medicare reimbursements, which totaled \$3,485,867 for retirees and their beneficiaries, the result was an increase in the other postemployment benefits liability of \$7,422,041 for the year ended December 31, 2015. The OPEB cost for the nonmajor component units for the year ended December 31, 2015, amounted to \$9,475,766. Considering health insurance payments totaling \$2,606,454, the increase in the other postemployment benefits liability for the nonmajor component units for the year ended December 31, 2015, amounted to \$6,869,312.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

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

Benefit Obligations and Normal Cost

	Medical, Dental, Vision and Medicare Part B
Actuarial Accrued Liability (AAL)	
Active employees	\$ 60,114,052
Retired employees	64,324,138
Total Actuarial Accrued Liability (AAL)	124,438,190
Actuarial value of plan assets	-0-
Unfunded actuarial accrued liability (UAAL)	\$ 124,438,190
Funded ratio	0%
Annual covered payroll	\$ 27,665,945
UAAL as a percentage of covered payroll	449.79%

The Town's annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, which is an amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The unfunded actuarial accrued liability for the Town for the year ended December 31, 2015, amounted to \$124,438,190. The unfunded actuarial accrued liability for the nonmajor components units for the year ended December 31, 2015, amounted to \$115,930,533.

The following table shows the components of the Town's OPEB liability:

Level Dollar Amortization

Calculation of ARC under the Projected Unit Credit Cost Method

Normal cost	\$ 4,633,412
Amortization of unfunded actuarial liability (UAAL) over 30 years	7,197,760
Annual required contribution (ARC)	11,831,172
Interest on net OPEB obligation	2,364,715
Adjustment to ARC	(3,287,979)
Annual OPEB Cost	10,907,908
Less: Contribution for year ended December 31, 2015	3,485,867
Increase in other postemployment benefits liability	7,422,041
Other postemployment benefits liability at December 31, 2014	59,117,869
Other postemployment benefits liability at December 31, 2015	\$ 66,539,910
Percentage of annual OPEB cost contributed	32.0%

Funded Status and Funding Progress

The percentage contributed for the current year and preceding two years was:

	Annual OPEB Cost	Annual Contribution Made	Percentage Contributed	Net OPEB Obligation
2015	\$ 10,907,908	\$ 3,485,867	32.0%	\$ 66,539,910
2014	11,026,435	3,436,981	31.2%	59,117,869
2013	10,044,959	3,284,509	32.7%	51,528,415

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

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

Funded Status and Funding Progress (continued)

The funded status of the plan as of December 31, 2015 (based on the date of the most recent valuation), is as follows:

Actuarial Valuation Date January 1,	Actuarial Value of Assets ( a )	Actuarial Accrued Liability (AAL) ( b )	Unfunded AAL (UAAL) ( b - a )	Funded Ratio ( a / b )	Covered Payroll ( c )	UAAL as a Percentage of Covered Payroll (( b - a ) / c )
Town	\$ -0-	\$ 124,438,190	\$ 124,438,190	0%	\$ 27,665,945	449.79%
Nonmajor component units	-0-	115,930,533	115,930,533	0%	25,013,839	463.47%

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

Actuarial Methods and Assumptions

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

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

In the January 1, 2014, actuarial valuation the assumptions used in calculating OPEB are as follows:

- The actuarial funding method used is the projected unit credit cost method.
- The method for amortizing the initial unfunded accrued liability is level dollar amortization. A 30 year open amortization period was used.
- The discount rate used is 4.0%.
- The mortality table used is the 2009 United States Life Tables, extended to age 110.
- The inflation rate is 4%.
- Health care cost trends for year 1 trend rates reflect the assumed increase in premiums from January 1, 2015 to January 1, 2016 include:
  - Medical Premiums: 9.0% in year 1 grading to 5.0% in year 9 and subsequent,
  - Medicare Part B Premiums: 7.0% in year 1 grading to 5.0% in year 5 and subsequent,
  - Dental Premiums: 5.0% in year 1 grading to 4.0% in year 5 and subsequent,
  - Vision Premiums: 3.0% in year 1 and subsequent.
- Spousal coverage:
  - For current retirees, actual data is used in determining if spousal benefits are included in the valuation.
  - For future retirees, it is assumed that 65% of males and 40% of females will elect to receive family coverage at retirement.
- Turnover rates are based on the experience of the New York State and Local Retirement System.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

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

Actuarial Methods and Assumptions (continued)

- Retirement rates are based on the experience of the New York state and Local Retirement System.
- All active employees potentially eligible for medical insurance related to OPEB benefits are included in the valuation, including those who may not have currently elected to receive benefits. It is assumed that 90% of all eligible personnel will elect to receive postemployment medical benefits upon retirement and that 100% will elect dental and vision benefits upon retirement.
- Empire Plan, Island 65, Medicare Part B and dental/vision premiums are assumed to increase on January 1 of each year.
- Administrative fees are assumed to continue and increase each year by 4.0%. Participation rate is 100% of eligible retirees.

A copy of the Town of North Hempstead's Retiree Medical Program, December 31, 2014 Valuation is available by contacting the Town of North Hempstead, Office of the Comptroller, 220 Plandome Rd., Manhasset, New York 11030.

**G. 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 Town employees have been recorded in the statement of net position. 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, 2015, the value of the accumulated vacation time and sick leave was \$5,263,902 for the Town. The liability for compensated absences for the nonmajor component units amounted to \$12,782,371.

**4. COMMITMENTS AND CONTINGENCIES**

**A. RISK RETENTION**

In common with other municipalities, the Town receives numerous notices of claims. The Town carries excess liability insurance coverage of \$1,000,000 per occurrence, with a \$3,000,000 annual aggregate, and is self-insured, up to \$250,000, for claims under this coverage. Although the eventual outcome of these claims cannot presently be determined, the Town Attorney has estimated unsettled claims and litigation to be \$2,971,622. The Town is of the opinion that the ultimate settlement of the outstanding claims will not result in a material adverse effect on the Town's financial position.

The Town is self-insured for property protection on the first \$100,000 per loss. The Town carries building and contents coverage in excess of \$116,657,000. Flood and earthquake claims are covered up to \$2,500,000 for any one loss and a \$2,500,000 annual aggregate.

The Town is self-insured for workers' compensation insurance and general liability insurance. Estimated benefits to be paid are appropriated in the various operating funds of the Town. The Town has provided an umbrella-type policy protecting against a catastrophic loss in the workers' compensation self-insurance protection program with \$500,000 retention, per occurrence, with benefits of up to \$25,000,000. Although the eventual value of these claims cannot presently be determined, the third-party administrator has estimated the workers' compensation to be \$2,939,323. The Town is also self-insured for unemployment benefits paid.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

**A. RISK RETENTION** (continued)

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

The Town estimates general liability reserves by consulting with legal counsel and reviewing past experience with similar claims. The Town estimates its workers' compensation reserves by consulting with the third-party administrator of its workers' compensation program and reviewing past experience with similar claims. The Town has not purchased any annuity contracts with regard to its workers' compensation or general liability claims.

The schedule below presents the changes in claims liabilities for the past two years for workers' compensation and general liability, and includes an estimate of claims that have been incurred but not yet reported.

	Workers' Compensation		General Liability	
	2015	2014	2015	2014
Unpaid claims and claim adjustment expenditures at the beginning of the year	\$ 2,502,138	\$ 2,917,510	\$ 3,245,145	\$ 2,767,913
Insured claims and claim adjustment expenditures:				
Provision for the insured events of the current year and increases/decreases in provision for insured events of prior years	1,322,743	810,895	(24,146)	605,774
Total insured claims and claim adjustment expenditures	1,322,743	810,895	(24,146)	605,774
Payments				
Claim and claim adjustment expenditures attributable to insured events of the current and prior years.	885,558	1,226,267	249,377	128,542
Total unpaid claims and claim adjustment expenditures at the end of the year.	<u>\$ 2,939,323</u>	<u>\$ 2,502,138</u>	<u>\$ 2,971,622</u>	<u>\$ 3,245,145</u>

**B. LITIGATION**

The Town in the normal course of business is involved in various matters of litigation. Other than the cases described below, in the opinion of the Town Attorney, there is no litigation by or pending against the Town that is not covered or mitigated by insurance, budgetary appropriations or other provisions which could have a materially adverse impact on the financial condition of the Town. In addition, notices of claim have been filed with the Town. The allegations set forth in the claims relate to various circumstances including personal injury, property damage, civil rights violations, employment discrimination, breach of contract and administrative determinations by Town officials. The claims seek money damages.

Nassau County Cases

*Garbage Taxes and Local Utilities*

A number of cases against the Town and the Commissioner-operated garbage districts within the Town challenging *ad valorem* garbage district taxes brought by several local utilities have been settled with the plaintiffs. The mass properties which were the subject of litigation have been removed from the tax rolls by the County.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

**B. LITIGATION** (continued)

Nassau County Cases (continued)

*Garbage Taxes and Local Utilities* (continued)

In December 2011, the Town issued a \$4,150,000 Bond Anticipation Notes – 2011 Series D to fund the payment of two earlier judgments and said note has been paid down a total of \$3,369,711, leaving a balance of \$780,289 at December 31, 2015. In February 2015, the Town paid \$1,550,174 to resolve the actions commenced by Verizon from 2003 -2012. Proceeds of the \$4,765,000 Bond Anticipation Notes – 2015 Series B in the amount of \$1,575,000 funded the Town's settlement with Verizon. The Town has obtained a judgment against the County for the refund, plus interest, which the County has appealed. The County has perfected its appeal but the appeal has not yet been calendared for argument. In August 2015, the Town paid Keyspan \$1,118,125 to resolve the actions commenced by Keyspan. Proceeds of the \$38,278,984 Bond Anticipation Notes - 2015 Series C in the amount of \$1,120,000 funded the Town's settlement with Keyspan. The Town has obtained a judgment against the County for the refund, plus interest, which the County has appealed. The County has not yet perfected its appeal. It is the Town's position, based on Appellate Division precedent, that all of these matters are covered by the County Guarantee requiring payment by the County. The Town, exclusive of nonmajor component units, has recorded a receivable from the County under the County Guarantee for \$3,303,417. The Town considers this receivable to be long-term, and accordingly has presented it as nonspendable fund balance.

*Fashion Institute of Technology*

Nassau County informed the Town on March 1, 2016 that it would deduct \$1,273,497 from the 2015 fourth quarter sales tax payment of \$2,803,897 to the Town. The amount represents the payments the County made in 2004-05 for students residing in the Town who attend the Fashion Institute of Technology ("FIT"). The County has also informed the Town that it intends to make similar deductions in 2017 and 2018 for the 2006-07 and 2008-09 FIT tuition payments, respectively.

The Town filed suit against the County arguing that the claim for reimbursement of FIT tuition paid in 2004-05 is time barred, seeking an order directing return of the 2015 sales tax and a permanent injunction barring similar deductions in 2017 and 2018 on the ground that they are also time barred. On May 27, 2016 the Supreme Court issued that a judgment be entered in favor of the Town for payment of the \$1,273,497. The Court also issued a declaratory judgment that the County may not offset against the Town's sales tax for 2006-07 and 2008-09 FIT tuition payments.

Long Island Power Authority Case

The Town is a defendant in an action relating to expenses incurred in repairing an underground Long Island Power Authority ("LIPA") line damaged by the Town during an excavation project. The Town engaged in the proper procedures, notifying One Call prior to the excavation, and LIPA and its agents came out and supposedly marked the locations of all of their lines prior to the Town undertaking the excavation. However, LIPA and its agent failed to mark out the damaged line. The complaint seeks \$5,000,000 in damages and there is no excess coverage for this claim. The General Business Law applies to this claim. The Town moved to dismiss the complaint based upon such statute, which provides that if the utility does not diligently and accurately mark out its lines, it cannot recover for the expenses of repair. The statute does not preclude common law claims, however, LIPA's failure to accurately mark out its own lines would seem to militate against, or on the basis of comparative negligence at least dramatically reduce, the success of such claim regardless of how it is made. The Town's motion to dismiss was denied. On appeal, LIPA's General Business Law claims were dismissed. The negligence claims against the Town remain. Because of the appeal, the action was marked stayed in 2011. Although the appeal was decided in December 2012, LIPA has not filed the necessary papers to restore the matter to the active calendar. LIPA, its agent and the Town have attended Court-sponsored mediation without resolution. The last mediation was in November 2014. It is the opinion of the Town Attorney that any potential exposure of the Town will not approach \$5,000,000.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

**B. LITIGATION** (continued)

Nassau County Storm Water Pipe Case

In August 2015, Town officials became aware that a storm water pipe was blocked, causing flooding in the area of the railroad and Rushmore Street in New Cassel. Town employees discovered that the pipe was blocked by a mass of concrete near Rushmore Street where a concrete company operated. The Town subsequently determined that the pipe was owned by Nassau County. On September 4, 2015, the County sent the Town a letter asserting that the Town was responsible for the concrete in the pipe and claimed that the Town would be liable to the County for all restoration costs, which the County said could be "millions of dollars". Nassau County subsequently filed a Notice of Claim asserting \$1,400,000 in damages. The County's theory is that the Town has failed in its responsibility under its MS4 storm water permit to prevent concrete from discharging from an area concrete plant into the storm water system. The Town has not yet been served with any legal papers on this matter.

The Town has served a notice of claim on the County for failing to maintain its storm water pipe as is its obligation under its MS4 storm water permit. The Town has notified the area concrete companies to notify their insurance companies that they have potential liability to the Town for damage from the concrete blockage. The Town has not yet filed a lawsuit against the County or the concrete companies.

Other Litigation

In addition to the above referenced cases, the Town is involved in other lawsuits with claims ranging from several hundred to \$5,500,000. These cases are in various stages of litigation and their outcome cannot presently be determined. Pursuant to the Local Finance Law, the Town is authorized to issue bonds or notes to finance any judgments and claims decided against the Town, if necessary. In the past, the Town has, on occasion, issued bonds or notes to finance judgments.

In the opinion of the Town Attorney, other than the claims previously described, the resolution of such various cases and claims presently pending against the Town will not have an adverse material effect on the Town's financial position. Such matters are immaterial or adequately covered by existing insurance coverage.

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

State and federal laws and regulations require the Town to place a final cover on its landfill sites and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. The L-4 Landfill stopped receiving waste in 1991 and was closed in 1996. The L-5 Landfill stopped receiving waste in 2002, and the capping was completed in 2004. Postclosure maintenance and monitoring activities for the L-4 and L-5 Landfills are estimated to be approximately \$750,000 per year. Accordingly, as of December 31, 2015, the Town has recorded a liability of \$12,988,970, in the government-wide financial statements, which represents the provision to be made in future budgets for unfunded closure and postclosure landfill costs. As this liability is based on 100% capacity, there are no estimated costs of closure and postclosure care costs remaining to be recognized. Actual costs may vary due to inflation, changes in technology, or changes in regulations or applicable laws.

**D. SOLID WASTE MANAGEMENT AUTHORITY**

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

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

Construction in progress, commitments for equipment purchases, and other capital acquisition commitments amount to \$3,007,611 at December 31, 2015.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

**F. LEASE COMMITMENTS AND LEASED ASSETS**

Operating Leases

The Town leases equipment and space under non-cancelable operating leases that commenced between May 1989 and December 2015, and expire between March 2016 and May 2029. Total rental expenditures on such leases for the year ended December 31, 2015 totaled \$373,299. The minimum future non-cancelable operating lease payments are as follows:

Year Ending December 31,	2016	\$	337,175
	2017		259,100
	2018		50,622
	2019		28,824
	2020		24,216
	2021-2025		75,000
	2026-2029		80,000
Present value of minimum lease payments		<u>\$</u>	<u>854,937</u>

**G. POLLUTION REMEDIATION OBLIGATIONS**

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

The Town:

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

At December 31, 2015, the Town has recorded no pollution remediation obligations.

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

The Town of North Hempstead's financial statements are for the year ended December 31, 2015. However, the information contained in this note is based on information for the Length of Service Awards Program for the plan years ending on various dates (See Table #1), which are the most recent plan years for which complete information is available.

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

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

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

**Program Description**

Participation, Vesting, and Service Credit

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

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

Benefits

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

**Table #1 Program Description**

	<u>Albertson</u>	<u>Alert</u>	<u>Carle Place</u>	<u>Floral Park Centre</u>
Plan year end date	12/31/2014	12/31/2014	12/31/2014	12/31/2015
Plan established by:				
	Albertson Hook & Ladder, Engine and Hose Company No. 1	Town of North Hempstead; Villages of Great Neck, Kings Point and Saddle Rock (Joint Sponsoring Board)	Carle Place Fire Department	Town of North Hempstead
Sponsored by:	Town of North Hempstead	Same as above	Town of North Hempstead	Town of North Hempstead
Effective date of plan	1/1/1991	1/1/1996	1/1/1991	7/1/1991
Entitlement Age	62	65	62	65
Nonforfeitable right to award after:	5 years	5 years	5 years	5 years
Prior service credit (up to):	5 years	5 years	5 years	5 years
Eligible age	17	17	18	18
Required years of service	One	One	One	One
Benefits:				
Monthly payment	\$20-\$30	\$20	\$20	\$20
Maximum years used to calculate	40	40	30	25
Benefits payable at	Entitlement Age except for disability or death	Entitlement Age except for disability or death	Entitlement Age except for disability or death	Entitlement Age except for disability or death
Optional line-of-duty disability	Yes	Yes	Yes	Yes

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**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
 December 31, 2015

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

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

**Program Description (continued)**

Benefits (continued)

Table #1 Program Description (continued)

	<u>Glenwood</u>	<u>Port Washington</u>	<u>Roslyn</u>
Plan year end date	12/31/2014	12/31/2014	12/31/2014
Plan established by:			Towns of North Hempstead and Oyster Bay; Villages of Brookville, East Hills, Flower Hill, Old Westbury, Roslyn, Roslyn Estates, Roslyn Harbor
Sponsored by:	Towns of North Hempstead and Oyster Bay, Villages of Brookville and Roslyn Harbor Glenwood H&L E&H Company	Port Washington Fire Department Port Washington Fire Department	Joint Sponsoring Board
Effective date of plan	4/1/1990	1/1/1993	1/1/1996
Entitlement Age	55	65	62
Nonforfeitable right to award after:	5 years	5 years	5 years
Prior service credit (up to):	5 years	5 years	5 years
Eligible age	18	18	18
Required years of service	One	One	One
Benefits:			
Monthly payment	\$20	\$20	\$20
Maximum years used to calculate Benefits payable at	37	40	30
	Entitlement Age except for disability or death	Entitlement Age except for disability or death	Entitlement Age except for disability or death
Optional line-of-duty disability	Yes	Yes	Yes

**Fiduciary Investment and Control**

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

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

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

Authority to invest program assets is vested in the sponsor's name in compliance with NY GML Article 11-A 217 (k). Assets are currently invested in group annuity contracts, cash and short-term investments, and government and other securities.

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

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**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
 December 31, 2015

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

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

**Fiduciary Investment and Control (continued)**

Table # 2 Fiduciary Information

	<u>Albertson</u>	<u>Alert</u>	<u>Carle Place</u>	<u>Floral Park Centre</u>
Administrated by:	Penflex, Inc.	Penflex, Inc.	VFIS	Penflex, Inc.
Disbursements approved by:	Town of North Hempstead	Joint Sponsoring Board	Fire Company	Town of North Hempstead
Plan Trustee	Town of North Hempstead	Joint Sponsoring Board	N/A	Town of North Hempstead
Authority to invest assets	RBC Wealth Management	RBC Wealth Management	MassMutual Financial Group	RBC Wealth Management
Valuation date	1/1/2015	1/1/2015	1/1/2015	1/1/2016
Actuary report date	5/19/2015	7/7/2015	5/28/2015	5/19/2016

Table #2 Fiduciary Information (continued)

	<u>Glenwood</u>	<u>Port Washington</u>	<u>Roslyn</u>
Administrated by:	VFIS	VFIS	Penflex, Inc.
Disbursements approved by:	Fire Company's Board	Plan Administrator	Joint Sponsoring Board
Plan Trustee	N/A	N/A	Joint Sponsoring Board
Authority to invest assets	MassMutual Financial Group	MassMutual Financial Group	RBC Wealth Management
Valuation date	1/1/2015	1/1/2015	1/1/2015
Actuary report date	5/14/2015	4/29/2015	10/1/2015

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**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

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

**Fiduciary Investment and Control (continued)**

Table #3 Program Financial Condition

	<u>Albertson</u>		<u>Alert</u>		<u>Carle Place</u>		<u>Floral Park Centre</u>
<u>Assets</u>							
Actuarial present value of:		% Funded		% Funded		% Funded	
benefits at 1/1/2015	\$ 2,271,800		\$ 2,351,272		\$ 1,912,119		% Funded
benefits at 1/1/2016						\$ 648,000	
Less: assets available for benefits	<u>1,978,024</u>	87.07%	<u>2,049,526</u>	87.17%	<u>851,874</u>	44.55%	<u>463,508</u>
Total unfunded benefits	293,776		301,746		1,060,245		184,492
Less: unfunded liability for prior service	169,832		120,896				184,492
Less: unfunded liability for separate costs	<u>31,433</u>		<u>57,954</u>				
Unfunded normal benefits	<u>\$ 92,511</u>		<u>\$ 122,896</u>		<u>\$ 1,060,245</u>		<u>\$ -0-</u>
 <u>Assets Available for Benefits</u>							
		% of total		% of total		% of total	% of total
Cash & short-term investments	\$ 369,485	18.73%	\$ 281,980	13.81%		\$ 15,026	3.25%
Government securities	194,099	9.84%	211,567	10.36%		74,198	16.04%
Other securities/assets	<u>1,409,570</u>	71.44%	<u>1,547,959</u>	75.82%		<u>373,304</u>	80.71%
	1,973,154	100.00%	2,041,506	100.00%		462,528	100.00%
 <u>Annuities</u>							
January payments made in prior December	<u>4,870</u>		<u>8,020</u>		\$ 851,874	100.00%	980
Total assets available for benefits	<u>\$ 1,978,024</u>		<u>\$ 2,049,526</u>		<u>\$ 851,874</u>		<u>\$ 463,508</u>
 <u>Prior Service Costs/Separate Service Costs</u>							
Amortization period	15		10		-0-		15
Discount rate	5.50%		6.00%		4.75%		5.50%
 <u>Receipts and Disbursements</u>							
Plan assets at beginning of year	\$ 1,866,149		\$ 2,107,382		\$ 808,020		\$ 497,824
Plan contributions	180,000		158,896		165,192		50,000
Investment income earned (loss)	727		(735)		25,978		(19,118)
Other receipts	29,316						
Plan benefit withdrawals	(92,996)		(185,040)		(147,177)		(61,103)
Administrative fees	(5,172)		(13,170)		(139)		(4,095)
Other expenses			<u>(17,807)</u>				
Plan assets at end of year	<u>\$ 1,978,024</u>		<u>\$ 2,049,526</u>		<u>\$ 851,874</u>		<u>\$ 463,508</u>
 <u>Contributions</u>							
Recommended by Actuary	\$ 141,968		\$ 158,896		\$ 148,445		\$ 32,599
Actual contribution	\$ 180,000		\$ 158,896		\$ 165,192		\$ 50,000
Town of North Hempstead contribution for plans with multiple sponsors			\$ 9,550				
 <u>Administration Fees</u>							
Paid to Plan Administrator	\$ 5,172		\$ 13,170		\$ 139		\$ 4,095

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**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

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

**Fiduciary Investment and Control (continued)**

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

	<u>Glenwood</u>		<u>Port Washington</u>		<u>Roslyn</u>
<u>Assets</u>					
Actuarial present value of		% Funded		% Funded	% Funded
benefits at 1/1/2015	\$ 2,332,016		\$ 3,903,442		\$ 3,459,602
Less: assets available for benefits	<u>1,735,450</u>	74.42%	<u>2,696,593</u>	69.08%	<u>3,046,028</u>
Total unfunded benefits	596,566		1,206,849		413,574
Less: unfunded liability for separate costs					<u>131,150</u>
Unfunded normal benefits	<u>\$ 596,566</u>		<u>\$ 1,206,849</u>		<u>\$ 282,424</u>
<u>Assets Available for Benefits</u>					
		% of total		% of total	% of total
Cash & short-term investments				\$ 547,268	18.03%
Receivables				204	0.01%
Government securities				300,961	9.92%
Other securities/assets				<u>2,186,075</u>	72.04%
				3,034,508	100.00%
Annuitants	\$ 1,735,450	100.00%	\$ 2,696,563	100.00%	
January payments made in prior December				<u>11,520</u>	
Total assets available for benefits	<u>\$ 1,735,450</u>		<u>\$ 2,696,563</u>		<u>\$ 3,046,028</u>
<u>Prior Service Costs</u>					
Amortization period	-0-		-0-		5
Discount rate	4.75%		5.25%		6.00%
<u>Receipts and Disbursements</u>					
Plan assets at beginning of year	\$ 1,473,545		\$ 2,322,350		\$ 3,010,570
Plan contributions	167,364		384,183		189,722
Investment income earned	49,174		75,422		(995)
Other receipts	52,036		2,865		1,200
Plan benefit withdrawals	(6,669)		(87,830)		(136,900)
Administrative fees			(397)		(17,569)
Plan assets at end of year	<u>\$ 1,735,450</u>		<u>\$ 2,696,593</u>		<u>\$ 3,046,028</u>
<u>Contributions</u>					
Recommended by Actuary	\$ 232,760		\$ 453,292		\$ 189,722
Actual contribution	\$ 167,364		\$ 384,183		\$ 189,722
Town of North Hempstead contribution for plans with multiple sponsors	\$ 58,000		\$ 215,146		\$ 40,699
<u>Administration Fees</u>					
Paid to Plan Administrator			\$ 397		\$ 17,569

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**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
 December 31, 2015

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

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

**Funding Methodology and Actuarial Assumptions**

Table #4 Methodology and Assumptions

	<u>Albertson</u>	<u>Alert</u>	<u>Carle Place</u>	<u>Floral Park Centre</u>
Actuarial cost method				
	Attained Age Normal Frozen Initial Liability	Attained Age Normal Frozen Initial Liability	Entry Age Normal Frozen Initial Liability	Attained Age Normal Frozen Initial Liability
Assumed rate of return	5.50%	6.00%	4.75%	5.50%
Mortality table used for withdrawals, retirements, active and inactive deaths	*	*	1994 Group Annuity	*
Asset valuation method	Fair Market Value	Fair Market Value	Fair Value	Fair Market Value

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

Table #4 Methodology and Assumptions (continued)

	<u>Glenwood</u>	<u>Port Washington</u>	<u>Roslyn</u>
Actuarial cost method			
	Entry Age Normal Frozen Initial Liability	Entry Age Normal	Attained Age Normal Frozen Initial Liability
Assumed rate of return	4.75%	5.25%	6.00%
Mortality table used for withdrawals, retirements, active and inactive deaths	1984 Unisex Pensioner	1984 Unisex Pensioner	*
Asset valuation method	Fair Value	Fair Value	Market Value Basis

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

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**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

**5. CONDENSED FINANCIAL STATEMENTS FOR THE DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS**

The following represents condensed financial statements for the discretely presented nonmajor component units as of, and for the year ended, December 31, 2015:

**Condensed Statement of Net Position:**

	Assets & Deferred Outflows of Resource		Liabilities & Deferred Inflows of Resource			Net Position	
	Current, Non-current and Deferred Outflows of Resources	Capital Assets Net of Depreciation	Current, Non-current and Deferred Inflows of Resources	Bonds and Other Long-Term Liabilities	Net Investment in Capital Assets	Restricted	Unrestricted
<b><u>GARBAGE DISTRICTS</u></b>							
Carle Place	\$ 745,369		\$ 214,006				\$ 531,363
Glenwood	64,772		11,227				53,545
Port Washington	2,232,123	\$ 24,750	766,909		\$ 24,750		1,465,214
Roslyn	675,279		241,875	\$ 736			432,668
<b><u>WATER POLLUTION CONTROL DISTRICTS</u></b>							
Belgrave	5,037,256	13,792,982	811,690	10,265,660	6,675,454	\$ 45,953	1,031,481
Great Neck	6,638,294	63,951,809	6,680,541	50,778,943	14,350,189	26,663	(1,246,233)
Port Washington	4,599,493	34,193,694	3,827,728	19,066,720	11,667,472		4,231,267
<b><u>WATER DISTRICTS</u></b>							
Albertson	4,140,821	8,905,807	4,577,369	4,264,709	3,335,375	506,412	362,763
Carle Place	6,442,839	6,791,223	4,187,284	2,492,027	3,126,557	284,292	3,143,902
Garden City Park	4,403,016	10,491,115	544,924	3,026,447	10,287,115	3,144,628	(2,108,983)
Glenwood	376,432	221,431	30,091	49,429	211,349		306,994
Manhasset - Lakeville	11,253,908	39,502,618	3,465,975	13,227,559	29,624,125	31,153	4,407,714
Port Washington	6,695,406	19,320,744	14,410,783	7,446,282	5,414,754	360,326	(1,615,995)
Roslyn	8,599,192	13,144,363	13,224,090	3,060,228	5,841,192	2,038,832	(2,420,787)
Westbury	3,302,443	10,219,548	1,162,289	6,079,519	7,242,169	1,216,712	(2,178,698)
<b><u>PARK DISTRICTS</u></b>							
Great Neck	14,793,850	24,288,574	8,191,286	19,256,353	11,493,970	80,515	60,300
Manhasset	956,777	2,437,154	63,726	2,720,538	2,437,154		(1,827,487)
<b><u>OTHER</u></b>							
Port Washington							
Police District	10,827,685	880,660	171,236	31,192,643	807,946	390,748	(20,854,228)
Shelter Rock Public							
Library District	2,727,853	6,022,264	768,031	5,136,682	2,317,055	223,229	305,120
Community							
Development Agency	5,861,358		392,056	1,088,754		4,380,548	
Port Washington							
Business							
Improvement District	157,022	112,110	9,713	63,892	41,362		154,165
	<u>\$ 100,531,188</u>	<u>\$ 254,300,846</u>	<u>\$ 63,752,829</u>	<u>\$ 179,217,121</u>	<u>\$ 114,897,988</u>	<u>\$ 12,730,011</u>	<u>\$ (15,765,915)</u>

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**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

**Condensed Statement of Activities:**

	Program			General Revenue			Net Position		
	Expenses	Charges for Services	Operating/ Capital Grants and Contributions	Net Expense (Revenue)	Property Tax	Other	Change	1/1/2015	12/31/2015
<b><u>GARBAGE DISTRICTS</u></b>									
Carle Place	\$ 856,684			\$ 856,684	\$ 938,041	\$ 14,851	\$ 96,208	\$ 435,155	\$ 531,363
Glenwood	54,940			54,940	63,500	2	8,562	44,983	53,545
Port Washington	2,101,997			2,101,997	2,229,873	9,326	137,202	1,352,762	1,489,964
Roslyn	505,628			505,628	548,027	1,521	43,920	388,748	432,668
<b><u>WATER POLLUTION</u></b>									
<b><u>CONTROL DISTRICTS</u></b>									
Belgrave	3,372,589	\$ 805,377		2,567,212	2,430,963	4,166	(132,083)	7,884,971	7,752,888
Great Neck	10,291,528	2,687,597	\$ 400,000	7,203,931	6,610,857	47,955	(545,119)	13,675,738	13,130,619
Port Washington	6,123,319	991,199		5,132,120	4,839,697	789,700	497,277	15,401,462	15,898,739
<b><u>WATER DISTRICTS</u></b>									
Albertson	2,920,349	1,579,163		1,341,186	1,684,760	114,300	457,874	3,746,676	4,204,550
Carle Place	2,471,782	755,279		1,716,503	1,727,065	371,194	381,756	6,172,995	6,554,751
Garden City Park	5,053,772	1,317,639		3,736,133	2,505,026	482,055	(749,052)	12,071,812	11,322,760
Glenwood	332,670	172,660		160,010	317,440	36	157,466	360,877	518,343
Manhasset - Lakeville	8,831,724	6,240,663	6,423	2,584,638	3,586,980	3,051,851	4,054,193	30,008,799	34,062,992
Port Washington	5,818,855	4,448,717		1,370,138	1,661,597	163,003	454,462	3,704,623	4,159,085
Roslyn	4,175,278	2,141,871		2,033,407	2,048,971	128,292	143,856	5,315,381	5,459,237
Westbury	4,574,140	1,720,910		2,853,230	2,863,161	400,070	410,001	5,870,182	6,280,183
<b><u>PARK DISTRICTS</u></b>									
Great Neck	16,559,636	4,257,021		12,302,615	12,526,755	202,248	426,388	11,208,397	11,634,785
Manhasset	1,851,153	753,956		1,097,197	728,860	17,864	(350,473)	960,140	609,667
<b><u>OTHER</u></b>									
Port Washington									
Police District	20,883,366	4,015	80,622	20,798,729	19,774,055	1,256,572	231,898	(19,887,432)	(19,655,534)
Shelter Rock Public									
Library District	3,883,132	27,738	42,773	3,812,621	3,924,665	52,615	164,659	2,680,745	2,845,404
Community									
Development Agency	1,096,320	63,133	875,909	157,278		562,724	405,446	3,975,102	4,380,548
Port Washington									
Business									
Improvement District	186,338	15,703		170,635	199,680	215	29,260	166,267	195,527
	<u>\$ 101,945,200</u>	<u>\$ 27,982,641</u>	<u>\$ 1,405,727</u>	<u>\$ 72,556,832</u>	<u>\$ 71,209,973</u>	<u>\$ 7,670,560</u>	<u>\$ 6,323,701</u>	<u>\$ 105,538,383</u>	<u>\$ 111,862,084</u>

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**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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

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

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

**6. RESTATEMENT**

A prior period adjustment is reported in the General Fund in the amount of \$421,768. Previously, the Town recorded the sale of gift cards and catering event deposits for the Harbor Links Golf Course as revenue in the year the purchase of the gift card or receipt of catering event deposit occurred. Revenue recognition occurs at the time of use, as it relates to gift cards and at the event date, as it relates to catering event deposits. This resulted in an overstatement of the General Fund's beginning fund balance and understatement of unearned revenue. Accordingly, the Town has restated the beginning of the year General Fund's fund balance in the Governmental Funds – Statement of Revenues, Expenditures and Changes in Fund Balance to correct these errors. The effect of the restatement on fund balance are as follows:

General Fund		
Fund Balance (Deficit) at Beginning of Year, as originally reported	\$	10,805,516
Adjust for understatement of unearned revenue		<u>(421,768)</u>
Fund Balance (Deficit) at Beginning of Year, as restated	\$	<u>10,383,748</u>
Total Governmental Funds		
Fund Balance (Deficit) at Beginning of Year, as originally reported	\$	(6,345,208)
Adjust for understatement of unearned revenue		<u>(421,768)</u>
Fund Balance (Deficit) at Beginning of Year, as restated	\$	<u>(6,766,976)</u>

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

**7. CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE**

Governmental Fund Statements

The New York State Office of the State Comptroller issued an Accounting Bulletin with regard to the accounting for retained percentages. According to the State, retained percentages should not be expensed at the time that the invoice is paid, but rather, when the retainage is paid. As a result, the Town revised its accounting effective with the financial statements for the year ended December 31, 2015.

The effect of this change in accounting principle on the governmental funds was an increase to beginning Capital Projects Fund balance of \$616,386 representing the accumulated retainage liability to vendors prior to 2015.

Government-wide Statements

During 2015, the Town implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – Amendment to GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment to GASB Statement No. 68*. The implementation of Statement No. 68 and No. 71 resulted in the retroactive reporting of deferred outflows of resources and a liability to the Town's participation in the ERS.

As a result, the Town's January 1, 2015 governmental activities net position was decreased by \$672,246 as follows:

Government-wide Statements

Net Position at Beginning of Year, as restated*	\$ 166,304,110
Net pension liability - proportionate share	(4,939,969)
Deferred outflows of resources for contributions made subsequent to the measurement date	4,267,723
Cumulative effect of change in accounting principle	(672,246)
Net Position at Beginning of Year, restated	\$ 165,631,864

\* See Note 6 on restatement

**8. SUBSEQUENT EVENTS**

In April 2016, the Town issued \$13,862,090 of Public Improvement Bonds – 2016 Series A, with maturity dates of April 1, 2017-2037. The interest rates range from 2.000% to 3.000%. The proceeds from the sale of the Bonds, together with \$1,095,129 in available funds, will be used to redeem a \$14,957,219 portion of the Town's \$44,924,315 Bond Anticipation Notes for Various Purposes – 2015 Series A at maturity.

In April 2016, the Town issued \$31,917,199 of Bond Anticipation Notes – 2016 Series A at an interest rate of 2.25% maturing on April 4, 2017. A portion of the sale in the amount of \$25,988,389, together with \$3,978,707 in available funds, will be used to redeem a \$29,967,096 portion of the Town's 2015 Series A note. A portion of the proceeds in the amount of \$5,928,810 will be used to provide original or additional financing for various capital projects.

In April 2016, the Town issued \$10,015,000 of Bond Anticipation Notes – 2016 Series B at an interest rate of 2.00% maturing on April 4, 2017. A portion of the sale in the amount of \$4,750,000, together with \$15,000 in available funds, will be used to redeem the Town's \$4,765,000 Bond Anticipations Notes – 2015 Series B at maturity. A portion of the proceeds in the amount of \$2,100,000, \$2,000,000 and \$1,165,000 will be used to provide original financing for improvements to the Roslyn Water District, Great Neck Park District and Garden City Park District, respectively.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

**9. NEW PRONOUNCEMENTS**

The Governmental Accounting Standards Board (GASB) has issued Statement No. 72 "*Fair Value Measurement and Application*". The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015.

The GASB has issued Statement No. 73 "*Accounting and Financial Reporting for Pensions and Related Assets that are not Within the Scope of GASB 68 – and Amendments to Certain Provisions of GASB 67 and 68*". The objective is to clarify the existing guidance as well as establish new requirements for pensions not covered by Statement No. 67 and No. 68. The requirements of this Statement are effective for fiscal years beginning after June 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement No. 68, which are effective for financial statements for fiscal years beginning after June 15, 2016.

The GASB has issued Statement No. 75 "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*". The objective is to outline reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017.

The GASB has issued Statement No. 76 "*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*". The objective of which is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively.

The GASB has issued Statement No. 77 "*Tax Abatement Disclosures*". The objective is to improve financial reporting by providing the users of financial statements with information about the nature and magnitude of tax abatements, and helping the users understand how tax abatements affect a government's future ability to raise resources and meet its financial obligations, as well as the impact of the government's financial position and economic condition. The requirements of this Statement are effective for financial statements beginning after December 15, 2015.

The GASB has issued Statement No. 78 "*Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*". This Statement establishes accounting and financial reporting standards for defined benefit pensions provided to employees of a state or local governmental employers through a cost-sharing multiple employer defined benefit pension plan that meets certain criteria of Statement No. 68 and that (a) is not a state or local governmental pension plan, (b) is used to provide defined benefit pensions both to employees of state/local governmental employers as well as to employees of non-state/local governmental employers and (c) has no predominant state or local governmental employer, either individually or collectively with other state or local governmental employers that provide pensions through the pension plan. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015.

The GASB has issued Statement No. 80 "*Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*". The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, "*Determining Whether Certain Organizations are Component Units*". The requirements of this Statement are effective for reporting periods beginning after June 15, 2016.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

**9. NEW PRONOUNCEMENTS** (continued)

The GASB has issued Statement No. 82 "*Pension Issues – An Amendment of GASB Statements No. 67, 68 and 73*". The objective of which is to address issues regarding (a) the presentation of payroll-related measures in required supplementary information, (b) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (c) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting beginning after June 15, 2015 except for the requirements for selection of assumption in certain circumstances. In those certain circumstances, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.

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

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

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

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

The budgets are adopted on a basis of accounting consistent with GAAP. In the event that actual revenues received exceed budgeted amounts, generally, additional budgetary appropriations are made. The capital projects fund is budgeted on a project basis.

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

In order to show the full legal level of budgetary compliance for the general and certain special revenue funds, detailed individual statements of expenditures – budget and actual, are presented in a separate budget report.

**TOWN OF NORTH HEMPSTEAD**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES:</b>				
Ad valorem taxes	\$ 24,740,955	\$ 24,740,955	\$ 24,740,955	\$ -0-
Total Real Property Taxes	24,740,955	24,740,955	24,740,955	-0-
<b>REAL PROPERTY TAX ITEMS:</b>				
Payment in lieu of taxes	350,000	350,000	374,418	24,418
Interest and penalties on taxes	1,000,000	1,000,000	1,138,883	138,883
Returned check charge: property tax	4,000	4,000	21,281	17,281
Total Real Property Tax Items	1,354,000	1,354,000	1,534,582	180,582
<b>NON-PROPERTY TAX ITEMS:</b>				
Nassau County local government assistance	11,428,697	11,428,697	11,047,131	(381,566)
Franchises-cable TV	2,494,000	2,494,000	2,449,620	(44,380)
Total Non-Property Tax Items	13,922,697	13,922,697	13,496,751	(425,946)
<b>DEPARTMENTAL INCOME:</b>				
Comptroller's fees	8,500	8,500	9,795	1,295
Town clerk fees	50,000	50,000	42,444	(7,556)
Other general departmental income	7,500	7,500	12,335	4,835
Parking enforcement - handicap surcharge			2,055	2,055
Public pound charge dog fees	5,000	5,000	10,481	5,481
Other public safety departmental income	65,000	65,000	43,040	(21,960)
Parks and recreation charges	2,500,000	2,503,660	2,551,577	47,917
Dock storage leases	40,000	40,000	42,866	2,866
Recreational concessions	15,000	15,000	3,571	(11,429)
Special recreational facility charges	6,830,713	6,830,713	6,591,281	(239,432)
Other culture and recreation	14,000	14,000	16,432	2,432
Total Departmental Income	9,535,713	9,539,373	9,325,877	(213,496)
<b>INTERGOVERNMENTAL CHARGES:</b>				
Services for other governments	2,500	2,500	1,200	(1,300)
Total Intergovernmental Charges	2,500	2,500	1,200	(1,300)
<b>USE OF MONEY AND PROPERTY:</b>				
Interest and earnings	30,388	30,388	44,863	14,475
Rental of real property	42,000	42,000	108,935	66,935
Total Use of Money and Property	72,388	72,388	153,798	81,410
<b>LICENSES AND PERMITS:</b>				
Games of chance	300	300	260	(40)
Bingo licenses	800	800		(800)
Dog license fund apportionment	30,000	30,000	26,669	(3,331)
Licensing fees	50,000	50,000	50,220	220
Town permits	120,000	120,000	276,690	156,690
Total Licenses and Permits	201,100	201,100	353,839	152,739

(Continued)

**TOWN OF NORTH HEMPSTEAD**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>FINES AND FORFEITURES:</b>				
Court fines	25,000	25,000	25,000	-0-
Total Fines and Forfeitures	25,000	25,000	25,000	-0-
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS:</b>				
Sale of equipment			5,435	5,435
Insurance recoveries			442,639	442,639
Total Sale of Property and Compensation for Loss			448,074	448,074
<b>MISCELLANEOUS LOCAL SOURCES:</b>				
Reimbursement of Medicare Part D	25,000	25,000	18,046	(6,954)
Refund of prior year expenditures	5,000	5,000		(5,000)
Gifts and donations	300,000	355,969	61,324	(294,645)
Miscellaneous revenue	230,000	230,000	225,064	(4,936)
Total Miscellaneous Local Sources	560,000	615,969	304,434	(311,535)
<b>INTERFUND REVENUES</b>	6,656,510	6,656,509	6,507,515	(148,994)
<b>STATE AID:</b>				
State aid - per capita	1,023,565	1,023,565	1,023,565	-0-
State aid - mortgage tax	6,979,847	6,979,847	7,698,406	718,559
State aid - youth program	35,000	35,000	49,286	14,286
State aid - recreation for handicap	25,000	25,000	26,030	1,030
State aid - environmental conservation			(10,000)	(10,000)
State aid - other home and community service	10,000	10,000	4,679	(5,321)
State aid - emergency disaster assistance			170,536	170,536
Total State Aid	8,073,412	8,073,412	8,962,502	889,090
<b>FEDERAL AID:</b>				
Federal aid - culture and recreation			15,876	15,876
Federal aid - programs for the aging	200,000	200,000	80,425	(119,575)
Federal aid - emergency disaster assistance			800,336	800,336
Total Federal Aid	200,000	200,000	896,637	696,637
<b>Total Revenues</b>	65,344,275	65,403,903	66,751,164	1,347,261

(Continued)

**TOWN OF NORTH HEMPSTEAD**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES</b>				
<b>CURRENT:</b>				
<b>GENERAL GOVERNMENT SUPPORT:</b>				
Town board	790,478	788,678	742,483	46,195
Supervisor	828,161	950,380	950,380	-0-
Director of finance	470,904	425,904	377,656	48,248
Comptroller	1,758,023	1,590,961	1,558,166	32,795
Internal auditor	147,000	41,500	24,918	16,582
Receiver of taxes	1,147,006	1,160,966	1,150,658	10,308
Townstat	223,623	224,736	224,736	-0-
Purchasing	145,662	150,538	146,637	3,901
Credit card fees	106,890	109,798	109,798	-0-
Fiscal agent fees	40,000	40,000	16,651	23,349
Town clerk	705,466	728,466	687,535	40,931
Town attorney	1,315,210	1,469,550	1,440,202	29,348
Human resources	46,818	128,112	128,112	-0-
Engineering	373,384	444,454	444,454	-0-
Records management	283,468	260,468	253,306	7,162
Call center	508,767	514,266	510,533	3,733
Public Information	557,077	571,785	571,785	-0-
Public works	314,324	280,324	275,862	4,462
General services	1,517,514	1,439,219	1,271,535	167,684
Central printing and mail	680,957	441,869	433,792	8,077
Technology services	1,678,694	1,642,282	1,581,020	61,262
Unallocated insurance	570,000	570,000	544,505	25,495
Other general government support	1,652,000	903,205	898,020	5,185
Total General Government Support	<u>15,861,426</u>	<u>14,877,461</u>	<u>14,342,744</u>	<u>534,717</u>
<b>EDUCATION:</b>				
Community College	1,500,000	2,199,528	2,199,528	-0-
Total Education	<u>1,500,000</u>	<u>2,199,528</u>	<u>2,199,528</u>	<u>-0-</u>
<b>PUBLIC SAFETY:</b>				
Administration	231,666	231,666	225,887	5,779
Animal shelter	621,268	621,406	601,497	19,909
Harbor patrol	409,701	405,980	405,980	-0-
Emergency Management Services	137,532	137,532	117,908	19,624
Total Public Safety	<u>1,400,167</u>	<u>1,396,584</u>	<u>1,351,272</u>	<u>45,312</u>
<b>ECONOMIC ASSISTANCE AND OPPORTUNITY:</b>				
Community services	504,651	481,209	477,464	3,745
Veterans services	10,000	10,000	5,550	4,450
Programs for the aging	2,185,240	2,211,004	2,134,730	76,274
Total Economic Assistance and Opportunity	<u>2,699,891</u>	<u>2,702,213</u>	<u>2,617,744</u>	<u>84,469</u>

(Continued)

**TOWN OF NORTH HEMPSTEAD**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>CULTURE AND RECREATION:</b>				
Arts council	10,150	10,129	10,129	-0-
Parks and recreation	1,058,444	1,182,585	1,182,585	-0-
Parks	6,743,809	6,857,860	6,857,860	-0-
Community center	1,151,489	1,217,474	1,217,474	-0-
Special recreation facilities	5,896,038	5,928,973	5,928,973	-0-
Youth activities	596,410	596,411	565,348	31,063
Total Culture and Recreation	<u>15,456,340</u>	<u>15,793,432</u>	<u>15,762,369</u>	<u>31,063</u>
<b>HOME AND COMMUNITY SERVICES:</b>				
Environmental facilities	975,000	995,000	995,000	-0-
Housing authority	198,586	198,586	198,000	586
Emergency tenant protection act	7,500	7,500	5,090	2,410
Emergency disaster work			738,981	(738,981)
Total Home and Community Services	<u>1,181,086</u>	<u>1,201,086</u>	<u>1,937,071</u>	<u>(735,985)</u>
<b>EMPLOYEE BENEFITS:</b>				
State employee retirement system	2,908,848	2,795,630	2,795,630	-0-
Social security	1,345,097	1,388,851	1,388,851	-0-
Workers' compensation	350,000	450,668	450,668	-0-
Unemployment benefits	16,000	15,953	15,953	-0-
Disability benefits		938	938	-0-
Hospital, medical and dental	4,981,640	4,803,530	4,803,530	-0-
Other employee benefits	13,000	12,917	12,917	-0-
Total Employee Benefits	<u>9,614,585</u>	<u>9,468,487</u>	<u>9,468,487</u>	<u>-0-</u>
Total Expenditures	<u>47,713,495</u>	<u>47,638,791</u>	<u>47,679,215</u>	<u>(40,424)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>17,630,780</u>	<u>17,765,112</u>	<u>19,071,949</u>	<u>1,306,837</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	817,123	817,123	817,123	-0-
Transfers out	(18,447,903)	(18,581,361)	(18,581,361)	-0-
Total Other Financing Sources (Uses)	<u>(17,630,780)</u>	<u>(17,764,238)</u>	<u>(17,764,238)</u>	<u>-0-</u>
<b>Net Change in Fund Balances</b>	<u>\$ -0-</u>	<u>\$ 874</u>	<u>1,307,711</u>	<u>\$ 1,306,837</u>
<b>Fund Balances at Beginning of Year, as Restated (see Note 6)</b>			<u>10,383,748</u>	
<b>Fund Balances at End of Year</b>			<u>\$ 11,691,459</u>	

**TOWN OF NORTH HEMPSTEAD**  
**HIGHWAY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
Year ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 21,211,538	\$ 21,211,538	\$ 21,211,573	\$ 35
Total Real Property Taxes	21,211,538	21,211,538	21,211,573	35
REAL PROPERTY TAX ITEMS:				
Special assessment	25,000	25,000	7,078	(17,922)
Payment in lieu of taxes	380,000	380,000	444,103	64,103
Interest and penalties on taxes			2,422	2,422
Total Real Property Tax Items	405,000	405,000	453,603	48,603
INTERGOVERNMENTAL CHARGES:				
Services for other governments	75,000	75,000	101,539	26,539
Total Intergovernmental Charges	75,000	75,000	101,539	26,539
USE OF MONEY AND PROPERTY:				
Interest and earnings	7,000	7,000	10,631	3,631
Rental of real property	60,000	60,000	66,279	6,279
Total Use of Money and Property	67,000	67,000	76,910	9,910
LICENSES AND PERMITS:				
Permits - road restoration fee	465,000	415,000	695,512	280,512
Total Licenses and Permits	465,000	415,000	695,512	280,512
SALE OF PROPERTY AND COMPENSATION FOR LOSS:				
Sale of equipment			33,295	33,295
Insurance recoveries	1,000	1,000	1,180	180
Total Sale of Property and Compensation for Loss	1,000	1,000	34,475	33,475
MISCELLANEOUS LOCAL SOURCES:				
Refund of prior year expenditures	1,000	1,000		(1,000)
Miscellaneous revenue		50,000	60	(49,940)
Total Miscellaneous Local Sources	1,000	51,000	60	(50,940)
INTERFUND REVENUES	138,310	138,310	211,067	72,757
STATE AID:				
State aid - other			128,488	128,488
State aid - consolidated highway aid	642,820	642,820	641,788	(1,032)
State aid - emergency disaster assistance			350,550	350,550
Total State Aid	642,820	642,820	1,120,826	478,006
FEDERAL AID:				
Federal aid - emergency disaster assistance			314,057	314,057
Total Federal Aid			314,057	314,057
Total Revenues	23,006,668	23,006,668	24,219,622	1,212,954

**TOWN OF NORTH HEMPSTEAD**  
**HIGHWAY FUND**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
Year ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES</b>				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Unallocated insurance	249,600	220,689	220,689	-0-
Other general government support	2,601,851	2,372,559	2,372,559	-0-
Total General Government Support	2,851,451	2,593,248	2,593,248	-0-
TRANSPORTATION:				
Administration	2,986,969	3,919,546	4,061,898	(142,352)
Garage	5,020,585	4,145,581	4,144,984	597
Snow removal	726,058	1,110,397	1,789,469	(679,072)
Services for other governments	671,970	1,013,727	1,008,513	5,214
Signs	520,031	392,634	367,761	24,873
Traffic safety	81,264	81,812	81,812	-0-
Total Transportation	10,006,877	10,663,697	11,454,437	(790,740)
HOME AND COMMUNITY SERVICE:				
Emergency disaster work			261,020	(261,020)
Total Home and Community Service			261,020	(261,020)
EMPLOYEE BENEFITS:				
State employee retirement system	1,418,047	1,280,628	1,280,628	-0-
Social security	520,000	538,034	538,034	-0-
Workers' compensation	350,000	492,306	491,836	470
Unemployment benefits	35,000	21,238	15,240	5,998
Disability benefits		348	348	-0-
Hospital, medical and dental	3,014,090	2,828,280	2,828,280	-0-
Other employee benefits	2,000	5,000	4,964	36
Total Employee Benefits	5,339,137	5,165,834	5,159,330	6,504
Total Expenditures	18,197,465	18,422,779	19,468,035	(1,045,256)
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	4,809,203	4,583,889	4,751,587	167,698
<b>Other Financing Sources (Uses)</b>				
Transfers in	738,840	738,840	738,840	-0-
Transfers out	(5,548,043)	(5,322,729)	(5,322,729)	-0-
Total Other Financing Sources (Uses)	(4,809,203)	(4,583,889)	(4,583,889)	-0-
<b>Net Change in Fund Balances</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	167,698	<b>\$ 167,698</b>
<b>Fund Balances at Beginning of Year</b>			5,269,196	
<b>Fund Balances at End of Year</b>			<b>\$ 5,436,894</b>	

**TOWN OF NORTH HEMPSTEAD**  
**SOLID WASTE MANAGEMENT AUTHORITY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
Year ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
DEPARTMENTAL INCOME:				
Solid waste	\$ 17,065,500	\$ 17,065,500	\$ 15,054,579	\$ (2,010,921)
Other	83,500	83,500	18,353	(65,147)
Total Departmental Income	<u>17,149,000</u>	<u>17,149,000</u>	<u>15,072,932</u>	<u>(2,076,068)</u>
INTERGOVERNMENTAL CHARGES:				
Services for other governments	<u>1,125,000</u>	<u>1,125,000</u>	<u>1,200,000</u>	<u>75,000</u>
Total Intergovernmental Charges	<u>1,125,000</u>	<u>1,125,000</u>	<u>1,200,000</u>	<u>75,000</u>
USE OF MONEY AND PROPERTY:				
Interest and earnings			1,215	1,215
Rental of real property	<u>91,200</u>	<u>91,200</u>	<u>68,337</u>	<u>(22,863)</u>
Total Use of Money and Property	<u>91,200</u>	<u>91,200</u>	<u>69,552</u>	<u>(21,648)</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS:				
Recycling	290,000	290,000	208,746	(81,254)
Sale of equipment			1,150	1,150
Total Sale of Property and Compensation for Loss	<u>290,000</u>	<u>290,000</u>	<u>209,896</u>	<u>(80,104)</u>
MISCELLANEOUS LOCAL SOURCES:				
Miscellaneous revenue			<u>64,807</u>	<u>64,807</u>
Total Miscellaneous Local Sources			<u>64,807</u>	<u>64,807</u>
STATE AID:				
State aid - recycling grant			2,222	2,222
State aid - environmental conservation	90,000	90,000	61,250	(28,750)
State aid - emergency disaster assistance			<u>16,217</u>	<u>16,217</u>
Total State Aid	<u>90,000</u>	<u>90,000</u>	<u>79,689</u>	<u>(10,311)</u>
FEDERAL AID:				
Federal aid - emergency disaster assistance			<u>45,205</u>	<u>45,205</u>
Total Federal Aid			<u>45,205</u>	<u>45,205</u>
Total Revenues	<u>18,745,200</u>	<u>18,745,200</u>	<u>16,742,081</u>	<u>(2,003,119)</u>

(Continued)

**TOWN OF NORTH HEMPSTEAD**  
**SOLID WASTE MANAGEMENT AUTHORITY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
Year ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES</b>				
CURRENT:				
HOME AND COMMUNITY SERVICES:				
Administration	982,312	1,016,010	974,535	41,475
Leachate	521,885	520,885	394,643	126,242
Transfer station	15,178,928	15,035,335	13,428,434	1,606,901
Scale house	336,072	413,500	404,725	8,775
Maintenance	337,564	337,564	336,949	615
Equipment	56,000	43,824	29,746	14,078
Recycling	52,000	52,000	33,259	18,741
Office of sustainability	382,507	382,506	211,940	170,566
Emergency disaster work		49,654	49,654	-0-
Total Home and Community Services	<u>17,847,268</u>	<u>17,851,278</u>	<u>15,863,885</u>	<u>1,987,393</u>
EMPLOYEE BENEFITS:				
State employee retirement system	228,000	234,731	234,731	-0-
Social security	98,707	103,057	103,057	-0-
Workers' compensation	20,000	77,609	77,609	-0-
Disability benefits	25			-0-
Hospital, medical and dental	550,000	477,325	477,325	-0-
Other employee benefits	1,200	1,200	1,182	18
Total Employee Benefits	<u>897,932</u>	<u>893,922</u>	<u>893,904</u>	<u>18</u>
Total Expenditures	<u>18,745,200</u>	<u>18,745,200</u>	<u>16,757,789</u>	<u>1,987,411</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>			<u>(15,708)</u>	<u>(15,708)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	910,587	900,824	900,824	-0-
Transfers out	(910,587)	(900,824)	(900,824)	-0-
Total Other Financing Sources (Uses)				<u>-0-</u>
<b>Net Change in Fund Balances</b>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>(15,708)</u>	<u>\$ (15,708)</u>
<b>Fund Balances at Beginning of Year</b>			<u>2,771,399</u>	
<b>Fund Balances at End of Year</b>			<u>\$ 2,755,691</u>	

**TOWN OF NORTH HEMPSTEAD**  
**PART TOWN**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES:</b>				
Ad valorem taxes	\$ 5,686,925	\$ 5,686,925	\$ 5,686,934	\$ 9
Total Real Property Taxes	5,686,925	5,686,925	5,686,934	9
<b>REAL PROPERTY TAX ITEMS:</b>				
Payment in lieu of taxes	107,610	107,610	119,019	11,409
Interest and penalties on taxes			671	671
Total Real Property Tax Items	107,610	107,610	119,690	12,080
<b>NON-PROPERTY TAX ITEMS:</b>				
Franchises-cable TV	57,500	57,500	57,500	-0-
Total Non-Property Tax Items	57,500	57,500	57,500	-0-
<b>DEPARTMENTAL INCOME:</b>				
Parking enforcement	815,000	815,000	360,865	(454,135)
Other public safety departmental	47,000	47,000	10,566	(36,434)
Registrar of vital statistics	275,000	275,000	262,706	(12,294)
Zoning board fees	150,000	150,000	139,875	(10,125)
Total Departmental Income	1,287,000	1,287,000	774,012	(512,988)
<b>USE OF MONEY AND PROPERTY:</b>				
Interest and earnings	20,000	20,000	14,321	(5,679)
Total Use of Money and Property	20,000	20,000	14,321	(5,679)
<b>LICENSES AND PERMITS:</b>				
Building permits	3,600,000	3,600,000	3,499,882	(100,118)
Total Licenses and Permits	3,600,000	3,600,000	3,499,882	(100,118)
<b>FINES AND FORFEITURES:</b>				
Court fines	240,000	240,000	217,603	(22,397)
Total Fines and Forfeitures	240,000	240,000	217,603	(22,397)
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS:</b>				
Insurance recoveries			2,560	2,560
Total Sale of Property and Compensation for Loss			2,560	2,560
<b>MISCELLANEOUS LOCAL SOURCES:</b>				
Refund of prior year expenditures			868	868
Miscellaneous revenue			280	280
Total Miscellaneous Local Sources			1,148	1,148
INTERFUND REVENUES	100,000	100,000	100,000	-0-
<b>STATE AID:</b>				
State aid - planning studies			37,455	37,455
Total State Aid			37,455	37,455
Total Revenues	11,099,035	11,099,035	10,511,105	(587,930)

(Continued)

**TOWN OF NORTH HEMPSTEAD**  
**PART TOWN**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES</b>				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Unallocated insurance	130,000	166,579	166,579	-0-
Other general government support	1,990,092	1,850,375	2,010,375	(160,000)
Total General Government Support	<u>2,120,092</u>	<u>2,016,954</u>	<u>2,176,954</u>	<u>(160,000)</u>
PUBLIC SAFETY:				
Parking enforcement	206,660	190,655	189,737	918
Building	3,307,128	3,348,755	3,384,484	(35,729)
Code enforcement	492,555	493,607	492,627	980
Security	915,509	930,462	928,798	1,664
Total Public Safety	<u>4,921,852</u>	<u>4,963,479</u>	<u>4,995,646</u>	<u>(32,167)</u>
HEALTH:				
Registrar of vital statistics	239,822	314,732	283,333	31,399
Total Health	<u>239,822</u>	<u>314,732</u>	<u>283,333</u>	<u>31,399</u>
HOME AND COMMUNITY SERVICES:				
Board of appeals	311,159	302,033	297,213	4,820
Planning and development - staff	681,796	674,058	674,058	-0-
Total Home and Community Services	<u>992,955</u>	<u>976,091</u>	<u>971,271</u>	<u>4,820</u>
EMPLOYEE BENEFITS:				
State employee retirement system	908,610	914,262	914,262	-0-
Social security	424,030	422,527	422,527	-0-
Workers' compensation	125,000	103,963	103,963	-0-
Disability benefits		242	242	-0-
Unemployment benefits	5,000	8,288	8,288	-0-
Hospital, medical and dental	1,359,674	1,378,497	1,378,497	-0-
Other employee benefits	2,000			-0-
Total Employee Benefits	<u>2,824,314</u>	<u>2,827,779</u>	<u>2,827,779</u>	<u>-0-</u>
Total Expenditures	<u>11,099,035</u>	<u>11,099,035</u>	<u>11,254,983</u>	<u>(155,948)</u>
<b>Net Change in Fund Balances</b>	<u>\$ -0-</u>	<u>\$ -0-</u>	(743,878)	<u>\$ (743,878)</u>
<b>Fund Balances at Beginning of Year</b>			6,608,291	
<b>Fund Balances at End of Year</b>			<u>\$ 5,864,413</u>	

**TOWN OF NORTH HEMPSTEAD**  
**PENSION PLAN**  
**SCHEDULE OF PENSION CONTRIBUTIONS**  
December 31, 2015

Years Ended December 31,	Contractually Required Contributions ( a )	Contributions Recognized by the Plan in Relation to the Contractually Required Contributions ( b )	Unfunded Contributions Deficiency/ (Excess) ( a - b )	Covered Payroll ( c )	Contributions as a Percentage of Covered Payroll ( b / c )
2015	\$ 5,410,065	\$ 4,564,335	\$ 845,730	\$ 31,474,762	14.50%
2014	5,913,495	4,416,587	1,496,908	30,512,750	14.47%
2013	6,080,169	3,645,452	2,434,717	30,030,375	12.14%
2012	5,058,045	3,062,911	1,995,134	29,639,296	10.33%
2011	3,899,767	2,832,043	1,067,724	27,920,574	10.14%
2010	2,784,119	1,214,402	1,569,717	27,579,118	4.40%
2009	2,004,455	2,004,455	-0-	27,151,317	7.38%
2008	2,160,507	2,160,507	-0-	26,597,648	8.12%
2007	2,187,625	2,187,625	-0-	24,955,015	8.77%
2006	2,509,506	2,509,506	-0-	23,019,807	10.90%

Amounts presented for each year were determined as of December 31 and the contractually required contributions are based on the amounts invoiced by the New York State Local Retirement System

Additional Pension Plan information is shown in Note 3.E to the financial statements.

**TOWN OF NORTH HEMPSTEAD**  
**PENSION PLAN**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**December 31, 2015**

	March 31,	
	2015	2014
Town's proportion of the net pension liability	0.1093560%	0.1093560%
Town's proportionate share of the net pension	\$ 3,693,060	\$ 4,939,969
Covered payroll	\$ 30,647,874	\$ 30,576,213
Town's proportionate share of the net pension liability as a percentage of its covered payroll	12.05%	16.16%

Amounts presented were determined as of the System's measurement date of March 31

Additional Pension Plan information is shown in Note 3.E to the financial statements.

**TOWN OF NORTH HEMPSTEAD**  
**TOWN OF NORTH HEMPSTEAD RETIREE MEDICAL PROGRAM**  
**POSTEMPLOYMENT BENEFITS HEALTHCARE COSTS**  
**SCHEDULE OF FUNDING PROGRESS**  
December 31, 2015

Actuarial Valuation Date January 1,	Actuarial Value of Assets ( a )	Actuarial Accrued Liability (AAL) - Projected Unit Credit Cost Method ( b )	Unfunded AAL (UAAL) ( b - a )	Funded Ratio ( a / b )	Covered Payroll ( c )	UAAL as a Percentage of Covered Payroll (( b - a ) / c )
2015	\$ -0-	\$ 124,438,190 *	\$ 124,438,190 *	0%	\$ 27,665,945	449.79%
2014	-0-	124,438,190	124,438,190	0%	27,665,945	449.79%
2013	-0-	108,930,105 *	108,930,105 *	0%	25,647,674	424.72%
2012	-0-	108,930,105 <sup>1</sup>	108,930,105	0%	25,647,674	424.72%
2011	-0-	133,271,000 *	133,271,000 *	0%	30,863,411	431.81%
2010	-0-	125,785,000	125,785,000	0%	30,437,386	413.26%
2009	-0-	124,832,000 *	124,832,000 *	0%	29,701,483	420.29%
2008	-0-	117,768,000	117,768,000	0%	29,008,187	405.98%

The Town changed actuarial consultant in the 2013 roll-forward year.

\* Roll forward

<sup>1</sup> The decrease in the Town's OPEB liability stemmed from a variety of factors, including lower than anticipated increases in medical premiums, actuarial adjustments concerning the medical premium cumulative trend and mortality tables, and a decrease in the number of active employees from the prior year.

Additional Postemployment Benefit Healthcare Costs information is shown in Note 3.F to the financial statements.

## **OTHER SUPPLEMENTARY INFORMATION**

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

**TOWN OF NORTH HEMPSTEAD**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
December 31, 2015

	Special Revenue Funds				
	Fire Protection Districts	Lighting District	Park Districts	Sidewalk District	Refuse and Garbage Districts
<b>ASSETS</b>					
Cash and investments	\$ 854,282	\$ 460,284	\$ 1,302,127	\$ 1,178,582	\$ 1,321,049
Accounts receivable, net of allowances			500		
State and federal aid receivables		940	25,469	7,686	
Due from other governments					3,303,417
Total Assets	<u>\$ 854,282</u>	<u>\$ 461,224</u>	<u>\$ 1,328,096</u>	<u>\$ 1,186,268</u>	<u>\$ 4,624,466</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 103,356	\$ 213,647	\$ 89,918	\$ 235,848	\$ 845,992
Bond anticipation notes payable					2,260,384
Due to other funds			243,260	140,887	225,010
Total Liabilities	<u>103,356</u>	<u>213,647</u>	<u>333,178</u>	<u>376,735</u>	<u>3,331,386</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unearned revenue, payments in lieu of taxes		94		146	2,976
Total Deferred Inflows of Resources		<u>94</u>		<u>146</u>	<u>2,976</u>
<b>FUND BALANCES</b>					
Nonspendable					3,303,417
Assigned	750,926	247,483	994,918	809,387	
Unassigned					(2,013,313)
Total Fund Balances	<u>750,926</u>	<u>247,483</u>	<u>994,918</u>	<u>809,387</u>	<u>1,290,104</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 854,282</u>	<u>\$ 461,224</u>	<u>\$ 1,328,096</u>	<u>\$ 1,186,268</u>	<u>\$ 4,624,466</u>

Public Parking District	Water District	Total Nonmajor Governmental Funds
\$ 495,036	\$ 12,362	\$ 5,623,722
		500
		34,095
		3,303,417
<u>\$ 495,036</u>	<u>\$ 12,362</u>	<u>\$ 8,961,734</u>
\$ 141,284	\$ 12,240	\$ 1,642,285
		2,260,384
		609,157
<u>141,284</u>	<u>12,240</u>	<u>4,511,826</u>
		3,216
		3,216
		3,303,417
353,752	122	3,156,588
		(2,013,313)
<u>353,752</u>	<u>122</u>	<u>4,446,692</u>
<u>\$ 495,036</u>	<u>\$ 12,362</u>	<u>\$ 8,961,734</u>

**TOWN OF NORTH HEMPSTEAD**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
Year ended December 31, 2015

	Special Revenue Funds				
	Fire Protection Districts	Lighting District	Park Districts	Sidewalk District	Refuse and Garbage Districts
<b>REVENUES</b>					
Real property taxes	\$ 6,577,671	\$ 2,102,403	\$ 1,014,389	\$ 3,273,838	\$ 8,174,677
Real property tax items	206,528	51,936	447	80,138	118,007
Departmental income			268,387		
Use of money and property	5,422	1,607	18,107	2,822	6,702
Sale of property and compensation for loss			(12,736)		
Miscellaneous local sources			1,120		
Interfund revenues			60,489		
State aid		667	22,501		
Federal aid		3,873	27,254	7,686	
Total Revenues	<u>6,789,621</u>	<u>2,160,486</u>	<u>1,399,958</u>	<u>3,364,484</u>	<u>8,299,386</u>
<b>EXPENDITURES</b>					
Current:					
General government support	690,593	125,883	194,830	581,996	309,896
Public safety	6,047,456				
Transportation		2,031,447		1,320,832	
Culture and recreation			840,499		
Home and community services		4,539	10,747	7,686	7,968,684
Employee benefits		82,878	192,718	551,829	
Total Expenditures	<u>6,738,049</u>	<u>2,244,747</u>	<u>1,238,794</u>	<u>2,462,343</u>	<u>8,278,580</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>51,572</u>	<u>(84,261)</u>	<u>161,164</u>	<u>902,141</u>	<u>20,806</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in					
Transfers out			(27,531)	(764,013)	(5,042)
Total Other Financing Sources (Uses)			<u>(27,531)</u>	<u>(764,013)</u>	<u>(5,042)</u>
<b>Net Change in Fund Balances</b>	51,572	(84,261)	133,633	138,128	15,764
<b>Fund Balances at Beginning of Year</b>	<u>699,354</u>	<u>331,744</u>	<u>861,285</u>	<u>671,259</u>	<u>1,274,340</u>
<b>Fund Balances at End of Year</b>	<u>\$ 750,926</u>	<u>\$ 247,483</u>	<u>\$ 994,918</u>	<u>\$ 809,387</u>	<u>\$ 1,290,104</u>

Public Parking District	Water District	Total Nonmajor Governmental Funds
\$ 327,268	\$ 51,428	\$ 21,521,674
8,894		465,950
685,082		953,469
1,159	38	35,857
		(12,736)
20		1,140
		60,489
		23,168
(2,288)		36,525
<u>1,020,135</u>	<u>51,466</u>	<u>23,085,536</u>
106,694		2,009,892
		6,047,456
483,469		3,835,748
		840,499
	51,460	8,043,116
156,185		983,610
<u>746,348</u>	<u>51,460</u>	<u>21,760,321</u>
273,787	6	1,325,215
5,800		5,800
(374,977)		(1,171,563)
<u>(369,177)</u>		<u>(1,165,763)</u>
(95,390)	6	159,452
449,142	116	4,287,240
<u>\$ 353,752</u>	<u>\$ 122</u>	<u>\$ 4,446,692</u>

**TOWN OF NORTH HEMPSTEAD**  
**FIRE PROTECTION DISTRICTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 6,577,671	\$ 6,577,671	\$ 6,577,671	\$ -0-
Total Real Property Taxes	6,577,671	6,577,671	6,577,671	-0-
REAL PROPERTY TAX ITEMS:				
Payment in lieu of taxes	159,263	159,263	206,528	47,265
Total Real Property Tax Items	159,263	159,263	206,528	47,265
USE OF MONEY AND PROPERTY:				
Interest and earnings	4,399	4,399	5,422	1,023
Total Use of Money and Property	4,399	4,399	5,422	1,023
Total Revenues	6,741,333	6,741,333	6,789,621	48,288
<b>EXPENDITURES</b>				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Unallocated insurance	279,471	280,218	266,085	14,133
Other general government support	440,895	440,390	424,508	15,882
Total General Government Support	720,366	720,608	690,593	30,015
PUBLIC SAFETY:				
Fire protection	6,063,187	6,062,945	6,047,456	15,489
Total Public Safety	6,063,187	6,062,945	6,047,456	15,489
Total Expenditures	6,783,553	6,783,553	6,738,049	45,504
<b>Net Change in Fund Balances</b>	<b>\$ (42,220)</b>	<b>\$ (42,220)</b>	51,572	<b>\$ 93,792</b>
<b>Fund Balances at Beginning of Year</b>			699,354	
<b>Fund Balances at End of Year</b>			<b>\$ 750,926</b>	

**TOWN OF NORTH HEMPSTEAD**  
**LIGHTING DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
Year ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 2,102,397	\$ 2,102,397	\$ 2,102,403	\$ 6
Total Real Property Taxes	2,102,397	2,102,397	2,102,403	6
REAL PROPERTY TAX ITEMS:				
Payment in lieu of taxes	42,893	42,893	51,650	8,757
Interest and penalties on taxes			286	286
Total Real Property Tax Items	42,893	42,893	51,936	9,043
USE OF MONEY AND PROPERTY:				
Interest and earnings	1,946	1,946	1,607	(339)
Total Use of Money and Property	1,946	1,946	1,607	(339)
STATE AID:				
State aid - emergency disaster assistance			667	667
Total State Aid			667	667
FEDERAL AID:				
Federal aid - emergency disaster assistance			3,873	3,873
Total Federal Aid			3,873	3,873
Total Revenues	2,147,236	2,147,236	2,160,486	13,250
<b>EXPENDITURES</b>				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Unallocated insurance	5,500	6,086	6,086	-0-
Other general government support	140,386	119,797	119,797	-0-
Total General Government Support	145,886	125,883	125,883	-0-
TRANSPORTATION:				
Lighting	1,907,776	1,938,475	2,031,447	(92,972)
Total Transportation	1,907,776	1,938,475	2,031,447	(92,972)
HOME AND COMMUNITY SERVICE:				
Emergency disaster work			4,539	(4,539)
Total Home and Community Service			4,539	(4,539)
EMPLOYEE BENEFITS:				
State employee retirement system	40,939	35,232	35,232	-0-
Social security	14,977	13,594	13,594	-0-
Workers' compensation	2,000	967	967	-0-
Hospital, medical and dental	35,658	32,985	32,985	-0-
Other employee benefits		100	100	-0-
Total Employee Benefits	93,574	82,878	82,878	-0-
Total Expenditures	2,147,236	2,147,236	2,244,747	(97,511)
<b>Net Change in Fund Balances</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>(84,261)</b>	<b>\$ (84,261)</b>
<b>Fund Balances at Beginning of Year</b>			<b>331,744</b>	
<b>Fund Balances at End of Year</b>			<b>\$ 247,483</b>	

**TOWN OF NORTH HEMPSTEAD**  
**PARK DISTRICTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
Year ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 1,014,389	\$ 1,014,389	\$ 1,014,389	\$ -0-
Total Real Property Taxes	1,014,389	1,014,389	1,014,389	-0-
REAL PROPERTY TAX ITEMS:				
Payment in lieu of taxes	503	503	394	(109)
Interest and penalties on taxes			53	53
Total Real Property Tax Items	503	503	447	(56)
DEPARTMENTAL INCOME:				
Recreational concessions	8,000	8,000		(8,000)
Special recreational facility charges	343,000	343,000	268,387	(74,613)
Total Departmental Income	351,000	351,000	268,387	(82,613)
USE OF MONEY AND PROPERTY:				
Interest and earnings	16,791	16,791	18,107	1,316
Total Use of Money and Property	16,791	16,791	18,107	1,316
SALE OF PROPERTY AND COMPENSATION FOR LOSS:				
Recovery of damage to Town property			(12,736)	(12,736)
Total Sale of Property and Compensation for Loss			(12,736)	(12,736)
MISCELLANEOUS LOCAL SOURCES:				
Miscellaneous revenue			20	20
Gifts and donations		1,100	1,100	-0-
Total Miscellaneous Local Sources		1,100	1,120	20
INTERFUND REVENUES	60,489	60,489	60,489	-0-
STATE AID:				
State aid - emergency disaster assistance			22,501	22,501
Total State Aid			22,501	22,501
FEDERAL AID:				
Federal aid - emergency disaster assistance			27,254	27,254
Total Federal Aid			27,254	27,254
Total Revenues	1,443,172	1,444,272	1,399,958	(44,314)

(Continued)

**TOWN OF NORTH HEMPSTEAD**  
**PARK DISTRICTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES</b>				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Unallocated insurance	20,700	20,856	19,949	907
Other general government support	<u>287,261</u>	<u>229,682</u>	<u>174,881</u>	<u>54,801</u>
Total General Government Support	<u>307,961</u>	<u>250,538</u>	<u>194,830</u>	<u>55,708</u>
CULTURE AND RECREATION:				
Parks and pools	<u>884,990</u>	<u>940,014</u>	<u>840,499</u>	<u>99,515</u>
Total Culture and Recreation	<u>884,990</u>	<u>940,014</u>	<u>840,499</u>	<u>99,515</u>
HOME AND COMMUNITY:				
Emergency disaster work			<u>10,747</u>	<u>(10,747)</u>
Total Home and Community			<u>10,747</u>	<u>(10,747)</u>
EMPLOYEE BENEFITS:				
State employee retirement system	78,427	83,724	67,073	16,651
Social security	46,228	44,166	42,748	1,418
Workers' compensation	9,000	7,565	2,899	4,666
Unemployment benefits	2,500	2,500		2,500
Disability benefits		62	19	43
Hospital, medical and dental	89,413	90,621	79,229	11,392
Other employee benefits	<u>325</u>	<u>750</u>	<u>750</u>	<u>-0-</u>
Total Employee Benefits	<u>225,893</u>	<u>229,388</u>	<u>192,718</u>	<u>36,670</u>
Total Expenditures	<u>1,418,844</u>	<u>1,419,940</u>	<u>1,238,794</u>	<u>181,146</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>24,328</u>	<u>24,332</u>	<u>161,164</u>	<u>136,832</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	<u>(28,278)</u>	<u>(28,282)</u>	<u>(27,531)</u>	<u>751</u>
Total Other Financing Sources (Uses)	<u>(28,278)</u>	<u>(28,282)</u>	<u>(27,531)</u>	<u>751</u>
<b>Net Change in Fund Balances</b>	<u>\$ (3,950)</u>	<u>\$ (3,950)</u>	133,633	<u>\$ 137,583</u>
<b>Fund Balances at Beginning of Year</b>			<u>861,285</u>	
<b>Fund Balances at End of Year</b>			<u>\$ 994,918</u>	

**TOWN OF NORTH HEMPSTEAD**  
**SIDEWALK DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 3,273,831	\$ 3,273,831	\$ 3,273,838	\$ 7
Total Real Property Taxes	3,273,831	3,273,831	3,273,838	7
REAL PROPERTY TAX ITEMS:				
Payment in lieu of taxes	64,533	64,533	79,699	15,166
Interest and penalties on taxes			439	439
Total Real Property Tax Items	64,533	64,533	80,138	15,605
USE OF MONEY AND PROPERTY:				
Interest and earnings	2,432	2,432	2,822	390
Total Use of Money and Property	2,432	2,432	2,822	390
FEDERAL AID:				
Federal aid - emergency disaster assistance	44,000	44,000	7,686	(36,314)
Total Federal Aid	44,000	44,000	7,686	(36,314)
Total Revenues	3,384,796	3,384,796	3,364,484	(20,312)

(Continued)

**TOWN OF NORTH HEMPSTEAD**  
**SIDEWALK DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES</b>				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Unallocated insurance	33,000	29,930	29,930	-0-
Other general government support	572,460	572,260	552,066	20,194
Total General Government Support	<u>605,460</u>	<u>602,190</u>	<u>581,996</u>	<u>20,194</u>
TRANSPORTATION:				
Sidewalks	1,463,879	1,490,617	1,320,832	169,785
Total Transportation	<u>1,463,879</u>	<u>1,490,617</u>	<u>1,320,832</u>	<u>169,785</u>
HOME AND COMMUNITY:				
Emergency disaster work			7,686	(7,686)
Total Home and Community			<u>7,686</u>	<u>(7,686)</u>
EMPLOYEE BENEFITS:				
State employee retirement system	181,694	175,654	175,654	-0-
Social security	80,584	81,233	81,233	-0-
Disability benefits		60	60	-0-
Workers' compensation	10,000	2,417	2,417	-0-
Unemployment insurance	2,500			-0-
Hospital, medical and dental	299,594	292,365	292,365	-0-
Other employee benefits	925	100	100	-0-
Total Employee Benefits	<u>575,297</u>	<u>551,829</u>	<u>551,829</u>	<u>-0-</u>
Total Expenditures	<u>2,644,636</u>	<u>2,644,636</u>	<u>2,462,343</u>	<u>182,293</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>740,160</u>	<u>740,160</u>	<u>902,141</u>	<u>161,981</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	23,853	23,853		(23,853)
Transfers out	(764,013)	(764,013)	(764,013)	-0-
Total Other Financing Sources (Uses)	<u>(740,160)</u>	<u>(740,160)</u>	<u>(764,013)</u>	<u>(23,853)</u>
<b>Net Change in Fund Balances</b>	<u>\$ -0-</u>	<u>\$ -0-</u>	138,128	<u>\$ 138,128</u>
<b>Fund Balances at Beginning of Year</b>			<u>671,259</u>	
<b>Fund Balances at End of Year</b>			<u>\$ 809,387</u>	

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**TOWN OF NORTH HEMPSTEAD**  
**REFUSE AND GARBAGE DISTRICTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
Year ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 8,174,652	\$ 8,174,652	\$ 8,174,677	\$ 25
Total Real Property Taxes	8,174,652	8,174,652	8,174,677	25
REAL PROPERTY TAX ITEMS:				
Payment in lieu of taxes	82,677	82,677	101,677	19,000
Other tax items	1,002	1,002	15,003	14,001
Interest and penalties on taxes			1,327	1,327
Total Real Property Tax Items	83,679	83,679	118,007	34,328
INTERGOVERNMENTAL CHARGES:				
Services for other governments	499,079	493,136		(493,136)
Total Intergovernmental Charges	499,079	493,136		(493,136)
USE OF MONEY AND PROPERTY:				
Interest and earnings	4,680	4,680	6,702	2,022
Total Use of Money and Property	4,680	4,680	6,702	2,022
MISCELLANEOUS LOCAL SOURCES:				
Premium on obligations	1,422	1,422		(1,422)
Total Miscellaneous Local Sources	1,422	1,422		(1,422)
Total Revenues	8,763,512	8,757,569	8,299,386	(458,183)
<b>EXPENDITURES</b>				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Other general government support	304,506	309,896	309,896	-0-
Total General Government Support	304,506	309,896	309,896	-0-
HOME AND COMMUNITY SERVICE:				
Sanitation	8,056,000	8,056,877	7,968,684	88,193
Total Home and Community Service	8,056,000	8,056,877	7,968,684	88,193
Total Expenditures	8,360,506	8,366,773	8,278,580	88,193
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	403,006	390,796	20,806	(369,990)
<b>Other Financing Sources (Uses)</b>				
Transfers out	(499,079)	(492,812)	(5,042)	487,770
Total Other Financing Sources (Uses)	(499,079)	(492,812)	(5,042)	487,770
<b>Net Change in Fund Balances</b>	\$ (96,073)	\$ (102,016)	15,764	\$ 117,780
<b>Fund Balances at Beginning of Year</b>			1,274,340	
<b>Fund Balances at End of Year</b>			\$ 1,290,104	

**TOWN OF NORTH HEMPSTEAD**  
**PUBLIC PARKING DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES:</b>				
Ad valorem taxes	\$ 327,268	\$ 327,268	\$ 327,268	\$ -0-
Total Real Property Taxes	327,268	327,268	327,268	-0-
<b>REAL PROPERTY TAX ITEMS:</b>				
Payment in lieu of taxes	6,221	6,221	8,871	2,650
Interest and penalties on taxes			23	23
Total Real Property Tax Items	6,221	6,221	8,894	2,673
<b>DEPARTMENTAL INCOME:</b>				
Parking enforcement	65,000	65,000	65,000	-0-
Parking permits	55,000	55,000	54,870	(130)
Parking lots	391,800	391,800	399,005	7,205
Parking meter fees	150,000	150,000	166,207	16,207
Total Departmental Income	661,800	661,800	685,082	23,282
<b>USE OF MONEY AND PROPERTY:</b>				
Interest and earnings	1,059	1,059	1,075	16
Rental of real property			84	84
Total Use of Money and Property	1,059	1,059	1,159	100
<b>MISCELLANEOUS LOCAL SOURCES:</b>				
Miscellaneous revenue			20	20
Total Miscellaneous Local Sources			20	20
<b>FEDERAL AID:</b>				
Federal aid - emergency disaster assistance			(2,288)	(2,288)
Total Federal Aid			(2,288)	(2,288)
Total Revenues	996,348	996,348	1,020,135	23,787

(Continued)

**TOWN OF NORTH HEMPSTEAD**  
**PUBLIC PARKING DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES</b>				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Credit card fees	11,000	7,953	7,953	-0-
Unallocated insurance	10,000	9,053	9,053	-0-
Other general government support	95,075	89,804	89,688	116
Total General Government Support	<u>116,075</u>	<u>106,810</u>	<u>106,694</u>	<u>116</u>
TRANSPORTATION:				
Parking	412,153	483,469	483,469	-0-
Total Transportation	<u>412,153</u>	<u>483,469</u>	<u>483,469</u>	<u>-0-</u>
EMPLOYEE BENEFITS:				
State employee retirement system	44,744	48,857	48,857	-0-
Social security	22,939	24,630	24,630	-0-
Workers' compensation	2,000	18,649	21,248	(2,599)
Disability benefits		17	17	-0-
Hospital, medical and dental	56,680	61,333	61,333	-0-
Other employee benefits	275	100	100	-0-
Total Employee Benefits	<u>126,638</u>	<u>153,586</u>	<u>156,185</u>	<u>(2,599)</u>
Total Expenditures	<u>654,866</u>	<u>743,865</u>	<u>746,348</u>	<u>(2,483)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>341,482</u>	<u>252,483</u>	<u>273,787</u>	<u>21,304</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	5,800	5,800	5,800	-0-
Transfers out	(374,977)	(374,977)	(374,977)	-0-
Total Other Financing Sources (Uses)	<u>(369,177)</u>	<u>(369,177)</u>	<u>(369,177)</u>	<u>-0-</u>
<b>Net Change in Fund Balances</b>	<u>\$ (27,695)</u>	<u>\$ (116,694)</u>	<u>(95,390)</u>	<u>\$ 21,304</u>
<b>Fund Balances at Beginning of Year</b>			<u>449,142</u>	
<b>Fund Balances at End of Year</b>			<u>\$ 353,752</u>	

**TOWN OF NORTH HEMPSTEAD**  
**WATER DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 51,428	\$ 51,428	\$ 51,428	\$ -0-
Total Real Property Taxes	51,428	51,428	51,428	-0-
USE OF MONEY AND PROPERTY:				
Interest and earnings	32	32	38	6
Total Use of Money and Property	32	32	38	6
Total Revenues	51,460	51,460	51,466	6
<b>EXPENDITURES</b>				
CURRENT:				
HOME AND COMMUNITY SERVICE:				
Water	51,460	51,460	51,460	-0-
Total Home and Community Service	51,460	51,460	51,460	-0-
Total Expenditures	51,460	51,460	51,460	-0-
<b>Net Change in Fund Balances</b>	<u>\$ -0-</u>	<u>\$ -0-</u>	6	<u>\$ 6</u>
<b>Fund Balances at Beginning of Year</b>			116	
<b>Fund Balances at End of Year</b>			<u>\$ 122</u>	

**TOWN OF NORTH HEMPSTEAD**  
**FIDUCIARY FUNDS**  
**STATEMENT OF CHANGES IN AGENCY ASSETS AND LIABILITIES**  
Year ended December 31, 2015

<b>ASSETS</b>	Balance January 1, 2015	Additions	Deductions	Balance December 31, 2015
<i>Town Agency Fund</i>				
Cash	\$ 27,931,578	\$ 321,288,524	\$ 323,641,118	\$ 25,578,984
<b>Total Assets - Town Agency Fund</b>	<u>27,931,578</u>	<u>321,288,524</u>	<u>323,641,118</u>	<u>25,578,984</u>
<i>Town Clerk Agency Fund</i>				
Cash	135,371	719,513	786,425	68,459
<b>Total Assets - Town Clerk Agency Fund</b>	<u>135,371</u>	<u>719,513</u>	<u>786,425</u>	<u>68,459</u>
<i>Town Receiver of Taxes Agency Fund</i>				
Cash	5,626,011	1,269,520,065	1,268,632,323	6,513,753
<b>Total Assets - Town Receiver of Taxes Agency Fund</b>	<u>5,626,011</u>	<u>1,269,520,065</u>	<u>1,268,632,323</u>	<u>6,513,753</u>
<b>Total Assets</b>	<u>\$ 33,692,960</u>	<u>\$ 1,591,528,102</u>	<u>\$ 1,593,059,866</u>	<u>\$ 32,161,196</u>
<b>LIABILITIES</b>				
<i>Town Agency Fund</i>				
Due to nonmajor component units	\$ 25,254,255 *	\$ 280,184,767	\$ 282,343,933	\$ 23,095,089
Other liabilities	2,677,323	41,103,757	41,297,185	2,483,895
<b>Total Liabilities - Town Agency Fund</b>	<u>27,931,578</u>	<u>321,288,524</u>	<u>323,641,118</u>	<u>25,578,984</u>
<i>Town Clerk Agency Fund</i>				
Other liabilities	135,371	719,513	786,425	68,459
<b>Total Liabilities - Town Clerk Agency Fund</b>	<u>135,371</u>	<u>719,513</u>	<u>786,425</u>	<u>68,459</u>
<i>Town Receiver of Taxes Agency Fund</i>				
Due to school districts	5,626,006	884,631,020	883,743,275	6,513,751
Other liabilities	5	384,889,045	384,889,048	2
<b>Total Liabilities - Town Receiver of Taxes Agency Fund</b>	<u>5,626,011</u>	<u>1,269,520,065</u>	<u>1,268,632,323</u>	<u>6,513,753</u>
<b>Total Liabilities</b>	<u>\$ 33,692,960</u>	<u>\$ 1,591,528,102</u>	<u>\$ 1,593,059,866</u>	<u>\$ 32,161,196</u>

\* Certain reclassifications have been made to beginning balances to conform with current year presentation.

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## **DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS**

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

**TOWN OF NORTH HEMPSTEAD**  
**DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS**  
**COMBINING STATEMENT OF NET POSITION**  
**DECEMBER 31, 2015**

	GARBAGE DISTRICTS				WATER POLLUTION CONTROL DISTRICTS		
	Carle Place	Glenwood	Port Washington	Roslyn	Belgrave	Great Neck	Port Washington
<b>ASSETS</b>							
<b>Current Assets:</b>							
Cash and investments	\$ 386,422	\$ 54,160	\$ 1,018,133	\$ 316,475	\$ 2,359,738	\$ 1,715,658	\$ 2,939,343
Cash - restricted					1,288,705	576,245	
Receivable, net of allowances				133	49,325	72,984	827,011
Prepays			601	1,085	53,521	124,395	162,387
Due from other governments	321,222	9,274	1,083,798	316,654	61,003	3,550	
Due from primary government	37,725	1,338	129,591	39,729	1,074,421	3,876,130	363,003
Inventory of materials and supplies				303			86,551
<b>Total Current Assets</b>	<b>745,369</b>	<b>64,772</b>	<b>2,232,123</b>	<b>674,379</b>	<b>4,886,713</b>	<b>6,368,962</b>	<b>4,378,295</b>
<b>Non-Current Assets:</b>							
Property held for resale							
Capital assets, net of accumulated depreciation			24,750		13,792,982	63,951,809	34,193,694
<b>Total Non-Current Assets</b>			<b>24,750</b>		<b>13,792,982</b>	<b>63,951,809</b>	<b>34,193,694</b>
<b>Total Assets</b>	<b>745,369</b>	<b>64,772</b>	<b>2,256,873</b>	<b>674,379</b>	<b>18,679,695</b>	<b>70,320,771</b>	<b>38,571,989</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred charge on refunding							33,673
Pensions				900	150,543	269,332	187,525
<b>Total Deferred Outflows of Resources</b>				<b>900</b>	<b>150,543</b>	<b>269,332</b>	<b>221,198</b>
<b>LIABILITIES</b>							
<b>Current Liabilities:</b>							
Accounts payable and accrued liabilities		1,989	14,850	826	44,901	1,571,094	233,401
Accrued interest payable			1,447		65,141	123,840	95,172
Bond anticipation notes payable	214,006	9,238	750,612	241,049		2,750,000	2,421,644
Due to other governments					83,091	21,571	229
Due to primary government							
Unearned revenue							
Other liabilities						256,260	
<b>Non-Current Liabilities due within one year:</b>							
General obligation bonds payable					582,279	1,925,497	1,037,854
Due to employees' retirement system							
Installment purchase debt							
<b>Total Current Liabilities</b>	<b>214,006</b>	<b>11,227</b>	<b>766,909</b>	<b>241,875</b>	<b>775,412</b>	<b>6,648,262</b>	<b>3,788,300</b>
<b>Non-Current Liabilities due in more than one year:</b>							
General obligation bonds payable					8,561,297	48,027,643	14,484,242
Due to employees' retirement system							
Compensated absences					50,533	44,142	283,615
Installment purchase debt							
Net pension liability - proportionate share				736	121,270	178,613	146,586
Postemployment benefits healthcare costs					1,532,560	2,528,545	4,152,277
<b>Total Non-Current Liabilities</b>				<b>736</b>	<b>10,265,660</b>	<b>50,778,943</b>	<b>19,066,720</b>
<b>Total Liabilities</b>	<b>214,006</b>	<b>11,227</b>	<b>766,909</b>	<b>242,611</b>	<b>11,041,072</b>	<b>57,427,205</b>	<b>22,855,020</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred inflows, refunded debt							39,428
Pensions					36,278	32,279	
<b>Total Deferred Inflows of Resources</b>					<b>36,278</b>	<b>32,279</b>	<b>39,428</b>
<b>NET POSITION (DEFICIT)</b>							
Net investment in capital assets			24,750		6,675,454	14,350,189	11,667,472
Restricted					45,953	26,663	
Unrestricted	531,363	53,545	1,465,214	432,668	1,031,481	(1,246,233)	4,231,267
<b>Total Net Position (Deficit)</b>	<b>\$ 531,363</b>	<b>\$ 53,545</b>	<b>\$ 1,489,964</b>	<b>\$ 432,668</b>	<b>\$ 7,752,888</b>	<b>\$ 13,130,619</b>	<b>\$ 15,898,739</b>

**WATER DISTRICTS**

<u>Albertson</u>	<u>Carle Place</u>	<u>Garden City Park</u>	<u>Glenwood</u>	<u>Manhasset - Lakeville</u>	<u>Port Washington</u>	<u>Roslyn</u>	<u>Westbury</u>
\$ 1,061,341	\$ 566,165	\$ 366,204	\$ 325,963	\$ 7,463,897	\$ 2,039,199	\$ 965,980	\$ 2,071,930
709,932	3,948,001	3,144,628				2,018,038	
299,845	288,304	293,612	38,429	1,150,102	687,914	345,692	542,395
31,248	64,155	164,672		103,220	78,186	195,868	196,396
71,234		58,382	8,839	28,743	8,410	89,042	237,804
1,823,058	1,331,003		92	1,916,324	3,563,377	4,640,956	
	97,446	141,255		305,859		114,793	28,450
<u>3,996,658</u>	<u>6,295,074</u>	<u>4,168,753</u>	<u>373,323</u>	<u>10,968,145</u>	<u>6,377,086</u>	<u>8,370,369</u>	<u>3,076,975</u>
8,905,807	6,791,223	10,491,115	221,431	39,502,618	19,320,744	13,144,363	10,219,548
<u>8,905,807</u>	<u>6,791,223</u>	<u>10,491,115</u>	<u>221,431</u>	<u>39,502,618</u>	<u>19,320,744</u>	<u>13,144,363</u>	<u>10,219,548</u>
12,902,465	13,086,297	14,659,868	594,754	50,470,763	25,697,830	21,514,732	13,296,523
	12,723						
144,163	135,042	234,263	3,109	285,763	318,320	228,823	225,468
<u>144,163</u>	<u>147,765</u>	<u>234,263</u>	<u>3,109</u>	<u>285,763</u>	<u>318,320</u>	<u>228,823</u>	<u>225,468</u>
227,620	82,282	347,408	17,614	1,286,887	1,027,136	1,419,928	145,314
23,353	35,598	5,448	67	83,812	50,369	4,773	41,786
3,817,000	3,983,000		6,000		12,535,947	11,533,531	
			2,718	791			
		63,100			268,612	129,737	576,078
	14,998			217,527			
509,396	71,406	113,000	3,692	1,432,717	528,719	136,121	392,387
<u>4,577,369</u>	<u>4,187,284</u>	<u>528,956</u>	<u>30,091</u>	<u>3,021,734</u>	<u>14,410,783</u>	<u>13,224,090</u>	<u>1,155,565</u>
2,812,269	640,173	91,000	6,390	8,445,776	3,388,043	267,289	2,584,992
			8,516				
365,344	56,088	293,223		204,496	406,704	502,002	281,679
71,575	66,921	155,108	1,394	216,375	117,822	125,592	145,678
1,015,521	1,728,845	2,487,116	33,129	4,360,912	3,533,713	2,165,345	3,067,170
<u>4,264,709</u>	<u>2,492,027</u>	<u>3,026,447</u>	<u>49,429</u>	<u>13,227,559</u>	<u>7,446,282</u>	<u>3,060,228</u>	<u>6,079,519</u>
<u>8,842,078</u>	<u>6,679,311</u>	<u>3,555,403</u>	<u>79,520</u>	<u>16,249,293</u>	<u>21,857,065</u>	<u>16,284,318</u>	<u>7,235,084</u>
				443,260			
		15,968		981			6,724
		15,968		444,241			6,724
3,335,375	3,126,557	10,287,115	211,349	29,624,125	5,414,754	5,841,192	7,242,169
506,412	284,292	3,144,628		31,153	360,326	2,038,832	1,216,712
362,763	3,143,902	(2,108,983)	306,994	4,407,714	(1,615,995)	(2,420,787)	(2,178,698)
<u>\$ 4,204,550</u>	<u>\$ 6,554,751</u>	<u>\$ 11,322,760</u>	<u>\$ 518,343</u>	<u>\$ 34,062,992</u>	<u>\$ 4,159,085</u>	<u>\$ 5,459,237</u>	<u>\$ 6,280,183</u>

(Continued)

**TOWN OF NORTH HEMPSTEAD**  
**DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS**  
**COMBINING STATEMENT OF NET POSITION**  
**DECEMBER 31, 2015**

	<u>PARK DISTRICTS</u>		<u>POLICE DISTRICT</u>	<u>PUBLIC LIBRARY DISTRICT</u>	<u>COMMUNITY DEVELOPMENT AGENCY</u>
	<u>Great Neck</u>	<u>Manhasset</u>	<u>Port Washington</u>	<u>Shelter Rock</u>	<u>Town of North Hempstead</u>
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash and investments	\$ 9,557,523	\$ 764,222	\$ 6,771,294	\$ 2,176,594	
Cash - restricted			390,748	223,219	\$ 1,036,644
Receivable, net of allowances	2,141		41,082	1,150	1,500,672
Prepays	51,098	25,385	972,317	3,733	17,685
Due from other governments	27,648	70,317			3,000
Due from primary government	4,221,454			5,510	
Inventory of materials and supplies					
<b>Total Current Assets</b>	<u>13,859,864</u>	<u>859,924</u>	<u>8,175,441</u>	<u>2,410,206</u>	<u>2,558,001</u>
<b>Non-Current Assets:</b>					
Property held for resale					3,234,632
Capital assets, net of accumulated depreciation	24,288,574	2,437,154	880,660	6,022,264	
<b>Total Non-Current Assets</b>	<u>24,288,574</u>	<u>2,437,154</u>	<u>880,660</u>	<u>6,022,264</u>	<u>3,234,632</u>
<b>Total Assets</b>	<u>38,148,438</u>	<u>3,297,078</u>	<u>9,056,101</u>	<u>8,432,470</u>	<u>5,792,633</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred charge on refunding Pensions	933,986	96,853	2,652,244	317,647	68,725
<b>Total Deferred Outflows of Resources</b>	<u>933,986</u>	<u>96,853</u>	<u>2,652,244</u>	<u>317,647</u>	<u>68,725</u>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts payable and accrued liabilities	1,074,809	63,726	152,690	290,803	183,588
Accrued interest payable	115,930		1,581	11,315	
Bond anticipation notes payable	4,400,000				
Due to other governments	1,572				3,355
Due to primary government					12,500
Unearned revenue	971,088			90,000	192,613
Other liabilities	2,380				
<b>Total Current Liabilities</b>	<u>8,191,286</u>	<u>63,726</u>	<u>171,236</u>	<u>768,031</u>	<u>392,056</u>
<b>Non-Current Liabilities due in more than one year:</b>					
General obligation bonds payable	10,376,407		55,750	3,351,416	
Due to employees' retirement system				117,031	
Compensated absences	811,529	210,460	9,076,244	139,067	57,245
Installment purchase debt	602,164				
Net pension liability - proportionate share	496,025	73,454	687,074	207,194	36,159
Postemployment benefits healthcare costs	6,970,228	2,436,624	21,373,575	1,321,974	995,350
<b>Total Non-Current Liabilities</b>	<u>19,256,353</u>	<u>2,720,538</u>	<u>31,192,643</u>	<u>5,136,682</u>	<u>1,088,754</u>
<b>Total Liabilities</b>	<u>27,447,639</u>	<u>2,784,264</u>	<u>31,363,879</u>	<u>5,904,713</u>	<u>1,480,810</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows, refunded debt Pensions					
<b>Total Deferred Inflows of Resources</b>					
<b>NET POSITION (DEFICIT)</b>					
Net investment in capital assets	11,493,970	2,437,154	807,946	2,317,055	
Restricted	80,515		390,748	223,229	4,380,548
Unrestricted	60,300	(1,827,487)	(20,854,228)	305,120	
<b>Total Net Position (Deficit)</b>	<u>\$ 11,634,785</u>	<u>\$ 609,667</u>	<u>\$ (19,655,534)</u>	<u>\$ 2,845,404</u>	<u>\$ 4,380,548</u>

**BUSINESS  
IMPROVEMENT  
DISTRICT**

<u>Port Washington</u>	<u>Totals</u>
\$ 73,144	\$ 42,993,385
	13,336,160
	6,140,791
	2,245,952
	2,398,920
83,878	23,107,589
	774,657
<u>157,022</u>	<u>90,997,454</u>
	3,234,632
<u>112,110</u>	<u>254,300,846</u>
<u>112,110</u>	<u>257,535,478</u>
<u>269,132</u>	<u>348,532,932</u>
	46,396
	6,252,706
	6,299,102
	8,186,866
381	660,013
	42,662,027
	113,327
	12,500
	2,291,228
	491,165
9,332	8,648,326
	19,133
	93,326
<u>9,713</u>	<u>63,177,911</u>
63,892	103,156,579
	125,547
	12,782,371
	602,164
	2,847,576
	59,702,884
<u>63,892</u>	<u>179,217,121</u>
<u>73,605</u>	<u>242,395,032</u>
	482,688
	92,230
	574,918
41,362	114,897,988
	12,730,011
<u>154,165</u>	<u>(15,765,915)</u>
<u>\$ 195,527</u>	<u>\$ 111,862,084</u>

**TOWN OF NORTH HEMPSTEAD**  
**DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS**  
**COMBINING STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2015

	<u>GARBAGE DISTRICTS</u>				<u>WATER POLLUTION CONTROL DISTRICTS</u>		
	<u>Carle Place</u>	<u>Glenwood</u>	<u>Port Washington</u>	<u>Roslyn</u>	<u>Belgrave</u>	<u>Great Neck</u>	<u>Port Washington</u>
<b>REVENUES</b>							
Program revenues							
Charges for services					\$ 805,377	\$ 2,687,597	\$ 991,199
Operating grants and contributions						400,000	
Capital grants and contributions							
Real property taxes	\$ 938,041	\$ 63,500	\$ 2,229,873	\$ 548,027	2,430,963	6,610,857	4,839,697
Real property tax items	11,925						
Non-property tax items							
Interest and earnings - unrestricted	2,926	2	2,049	128	4,166	4,252	8,374
Interest and earnings - restricted							
Sale of property and compensation for loss							14,516
Miscellaneous revenue			7,277	1,393		43,703	
Federal aid							766,810
<b>Total Revenues</b>	<u>952,892</u>	<u>63,502</u>	<u>2,239,199</u>	<u>549,548</u>	<u>3,240,506</u>	<u>9,746,409</u>	<u>6,620,596</u>
<b>EXPENSES</b>							
Current:							
Public safety							
Culture and recreation							
Home and community service	856,684	54,940	2,101,997	505,628	3,372,589	10,291,528	6,123,319
<b>Total Expenses</b>	<u>856,684</u>	<u>54,940</u>	<u>2,101,997</u>	<u>505,628</u>	<u>3,372,589</u>	<u>10,291,528</u>	<u>6,123,319</u>
<b>Change in Net Position</b>	<u>96,208</u>	<u>8,562</u>	<u>137,202</u>	<u>43,920</u>	<u>(132,083)</u>	<u>(545,119)</u>	<u>497,277</u>
<b>Net Position (Deficit) at Beginning of Year</b>	435,155	44,983	1,352,762	388,748	7,950,639	13,747,564	15,597,541
<b>Cumulative Effect of Change in Accounting Principle</b>					(65,668)	(71,826)	(196,079)
<b>Net Position (Deficit) at Beginning of Year, as Restate</b>	435,155	44,983	1,352,762	388,748	7,884,971	13,675,738	15,401,462
<b>Net Position (Deficit) at End of Year</b>	<u>\$ 531,363</u>	<u>\$ 53,545</u>	<u>\$ 1,489,964</u>	<u>\$ 432,668</u>	<u>\$ 7,752,888</u>	<u>\$ 13,130,619</u>	<u>\$ 15,898,739</u>

**WATER DISTRICTS**

Albertson	Carle Place	Garden City Park	Glenwood	Manhasset - Lakeville	Port Washington	Roslyn	Westbury
\$ 1,579,163	\$ 755,279	\$ 1,317,639	\$ 172,660	\$ 6,240,663 6,423	\$ 4,448,717	\$ 2,141,871	\$ 1,720,910
1,684,760	1,727,065	2,505,026	317,440	3,586,980	1,661,597	2,048,971	2,863,161
74,863	15,527 300,203	9,343	36	293,220	34,924	18,120	298,504
6,740 32,697	15,142 40,322	472,712		2,692,026 66,605	128,079	110,172	101,566
<u>3,378,223</u>	<u>2,853,538</u>	<u>4,304,720</u>	<u>490,136</u>	<u>12,885,917</u>	<u>6,273,317</u>	<u>4,319,134</u>	<u>4,984,141</u>
<u>2,920,349</u>	<u>2,471,782</u>	<u>5,053,772</u>	<u>332,670</u>	<u>8,831,724</u>	<u>5,818,855</u>	<u>4,175,278</u>	<u>4,574,140</u>
<u>2,920,349</u>	<u>2,471,782</u>	<u>5,053,772</u>	<u>332,670</u>	<u>8,831,724</u>	<u>5,818,855</u>	<u>4,175,278</u>	<u>4,574,140</u>
457,874	381,756	(749,052)	157,466	4,054,193	454,462	143,856	410,001
3,731,206	6,157,775	12,075,767	360,193	30,031,835	3,638,838	5,267,724	5,864,231
15,470	15,220	(3,955)	684	(23,036)	65,785	47,657	5,951
<u>3,746,676</u>	<u>6,172,995</u>	<u>12,071,812</u>	<u>360,877</u>	<u>30,008,799</u>	<u>3,704,623</u>	<u>5,315,381</u>	<u>5,870,182</u>
<u>\$ 4,204,550</u>	<u>\$ 6,554,751</u>	<u>\$ 11,322,760</u>	<u>\$ 518,343</u>	<u>\$ 34,062,992</u>	<u>\$ 4,159,085</u>	<u>\$ 5,459,237</u>	<u>\$ 6,280,183</u>

(Continued)

**TOWN OF NORTH HEMPSTEAD**  
**DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS**  
**COMBINING STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2015

	<u>PARK DISTRICTS</u>		<u>POLICE DISTRICT</u>	<u>PUBLIC LIBRARY DISTRICT</u>	<u>COMMUNITY DEVELOPMENT AGENCY</u>
	<u>Great Neck</u>	<u>Manhasset</u>	<u>Port Washington</u>	<u>Shelter Rock</u>	<u>Town of North Hempstead</u>
<b>REVENUES</b>					
Program revenues					
Charges for services	\$ 4,257,021	\$ 753,956	\$ 4,015	\$ 27,738	\$ 63,133
Operating grants and contributions			80,622	42,773	875,909
Capital grants and contributions					
Real property taxes	12,526,755	728,860	19,774,055	3,924,665	
Real property tax items			981,203		
Non-property tax items					
Interest and earnings - unrestricted	178,005	15,817	92,923		
Interest and earnings - restricted					15,395
Sale of property and compensation for loss	13,259		112,427		
Miscellaneous revenue	10,984	2,047	70,019	52,615	547,329
Federal aid					
Total Revenues	<u>16,986,024</u>	<u>1,500,680</u>	<u>21,115,264</u>	<u>4,047,791</u>	<u>1,501,766</u>
<b>EXPENSES</b>					
Current:					
Public safety			20,883,366		
Culture and recreation	16,559,636	1,851,153		3,883,132	
Home and community service					1,096,320
Total Expenses	<u>16,559,636</u>	<u>1,851,153</u>	<u>20,883,366</u>	<u>3,883,132</u>	<u>1,096,320</u>
<b>Change in Net Position</b>	<u>426,388</u>	<u>(350,473)</u>	<u>231,898</u>	<u>164,659</u>	<u>405,446</u>
<b>Net Position (Deficit) at Beginning of Year</b>	11,257,947	973,691	(20,572,808)	2,691,706	3,980,000
<b>Cumulative Effect of Change in Accounting Principle</b>	<u>(49,550)</u>	<u>(13,551)</u>	<u>685,376</u>	<u>(10,961)</u>	<u>(4,898)</u>
<b>Net Position (Deficit) at Beginning of Year, as Restated</b>	<u>11,208,397</u>	<u>960,140</u>	<u>(19,887,432)</u>	<u>2,680,745</u>	<u>3,975,102</u>
Net Position (Deficit) at End of Year	<u>\$ 11,634,785</u>	<u>\$ 609,667</u>	<u>\$ (19,655,534)</u>	<u>\$ 2,845,404</u>	<u>\$ 4,380,548</u>

**BUSINESS  
IMPROVEMENT  
DISTRICT**

<u>Port Washington</u>	<u>Totals</u>
\$ 15,703	\$ 27,982,641
	1,005,727
	400,000
199,680	71,209,973
	993,128
	15,527
215	1,338,070
	15,395
	2,854,110
	1,687,520
	766,810
<u>215,598</u>	<u>108,268,901</u>
	20,883,366
	22,293,921
<u>186,338</u>	<u>58,767,913</u>
<u>186,338</u>	<u>101,945,200</u>
<u>29,260</u>	<u>6,323,701</u>
166,267	105,141,764
	396,619
<u>166,267</u>	<u>105,538,383</u>
<u>\$ 195,527</u>	<u>\$ 111,862,084</u>

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# STATISTICAL SECTION

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

<b><u>Contents</u></b>	<b>Page</b>
<b>Financial Trends</b> <i>These schedules contain information to help the reader understand how the Town's financial performance and well-being have changed over time.</i>	138-148
<b>Revenue Capacity</b> <i>These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.</i>	149-153
<b>Debt Capacity</b> <i>These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.</i>	154-157
<b>Demographic and Economic Information</b> <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.</i>	158-159
<b>Operating Information</b> <i>These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.</i>	160-165

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

<u>As of December 31,</u>	<u>2015</u>	<u>2014 <sup>(1)</sup></u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental activities					
Net investment in capital assets	\$ 239,681,379	\$ 231,094,773	\$ 225,486,423	\$ 231,420,763	\$ 223,505,633
Restricted	-0-	-0-	1,841,053	2,117,638	6,283,772
Unrestricted	<u>(69,252,429)</u>	<u>(64,790,663)</u>	<u>(65,367,033)</u>	<u>(66,309,234)</u>	<u>(62,918,534)</u>
Total primary government net position	<u>\$ 170,428,950</u>	<u>\$ 166,304,110</u>	<u>\$ 161,960,443</u>	<u>\$ 167,229,167</u>	<u>\$ 166,870,871</u>

Note <sup>(1)</sup> See Note 6 for information on restatement

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

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 217,695,935	\$ 81,566,768	\$ 76,605,301	\$ 63,227,590	\$ 62,581,787
5,557,086	4,730,567	11,493,040	17,282,036	2,124,163
<u>(54,631,750)</u>	<u>(39,184,455)</u>	<u>(41,691,280)</u>	<u>(34,576,956)</u>	<u>(41,151,509)</u>
<u>\$ 168,621,271</u>	<u>\$ 47,112,880</u>	<u>\$ 46,407,061</u>	<u>\$ 45,932,670</u>	<u>\$ 23,554,441</u>

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

Year ended December 31,	2015	2014	2013	2012	2011
<b>Expenses</b>					
Governmental activities:					
General government support	\$ 28,189,765	\$ 29,539,133	\$ 28,161,989	\$ 27,351,522	\$ 27,001,662
Education	2,199,528	1,823,139	2,007,847	2,502,099	600,000
Public safety	14,292,840	14,261,443	13,883,747	13,102,628	11,813,435
Health	427,110	422,533	400,116	339,412	393,024
Transportation	24,270,255	23,690,160	26,237,863	24,696,466	26,314,860
Economic assistance and opportunity	3,626,479	2,873,584	2,957,536	2,853,738	3,519,550
Culture and recreation	26,621,444	26,962,089 <sup>1</sup>	28,275,078	27,158,800	26,220,885
Home and community service	27,259,608	27,652,600	38,960,568	32,643,032	26,003,597
Interest on debt	5,812,532	4,815,137	5,650,792	6,263,292	6,864,391
Total primary government expenses	<u>\$ 132,699,561</u>	<u>\$ 132,039,818</u>	<u>\$ 146,535,536</u>	<u>\$ 136,910,989</u>	<u>\$ 128,731,404</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government support	\$ 501,619	\$ 497,926	\$ 432,869	\$ 364,101	\$ 322,246
Public safety	4,333,981	3,585,511	4,133,966	4,377,666	5,032,348
Health	262,706	274,282	285,178	263,486	242,072
Transportation	1,548,496	1,318,572	2,288,644	1,660,870	1,173,076
Economic assistance and opportunity	61,324	281,716	351,277	22,164	
Culture and recreation	9,477,758	10,028,738	9,819,123	10,368,158	9,192,518
Home and community service	16,553,220	16,446,757	18,032,300	18,074,442	16,514,602
Operating grants and contributions	2,785,051	5,142,096	13,003,479	9,142,273	1,293,242
Capital grants and contributions	870,020	476,148	552,202	29,125	2,498,242
Total primary government program revenues	<u>\$ 36,394,175</u>	<u>\$ 38,051,746</u>	<u>\$ 48,899,038</u>	<u>\$ 44,302,285</u>	<u>\$ 36,268,346</u>
<b>Net (Expense) Revenue</b>					
Total primary government net expense	<u>\$ (96,305,386)</u>	<u>\$ (93,988,072)</u>	<u>\$ (97,636,498)</u>	<u>\$ (92,608,704)</u>	<u>\$ (92,463,058)</u>
<b>General Revenues</b>					
Governmental Activities:					
Real property taxes	\$ 73,161,136	\$ 72,038,134	\$ 70,878,833	\$ 68,261,387	\$ 65,134,391
Real property tax items	2,573,825	2,344,889	2,277,435	2,033,313	1,986,292
Non-property tax items	13,554,251	12,850,767	13,235,095	12,441,196	12,029,189
Interest earnings - unrestricted	1,515,647	1,501,136	632,970	775,259	1,466,528
Mortgage tax	7,698,406	7,228,190	7,493,601	6,690,606	5,752,767
Sale of property and compensation for loss			1,023,565		
State aid - unrestricted	1,023,565	1,023,565	1,923,480	1,023,565	1,065,026
Other	1,575,642	2,188,594	1,575,642	1,841,674	3,178,465
Total primary government	<u>\$ 101,102,472</u>	<u>\$ 99,175,275</u>	<u>\$ 99,040,621</u>	<u>\$ 93,067,000</u>	<u>\$ 90,612,658</u>
<b>Change in Net Position</b>					
Total primary government change in net position	<u>\$ 4,797,086</u>	<u>\$ 5,187,203</u>	<u>\$ 1,404,123</u>	<u>\$ 458,296</u>	<u>\$ (1,850,400)</u>

<sup>1</sup> Adjustment made to the 2014 information to show the effects of the restatement for comparative purposes - see Note 6

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

2010	2009	2008	2007	2006
\$ 25,899,656	\$ 23,933,803	\$ 23,840,684	\$ 20,421,287	\$ 19,851,465
601,906	571,367	629,492	282,439	412,968
10,541,116	10,859,785	11,382,404	9,566,154	7,549,558
311,324	336,891	318,914	253,083	227,241
23,896,533	23,299,489	22,076,865	15,695,095	20,033,989
2,931,069	2,098,481	3,135,811	2,456,352	2,566,294
24,971,385	24,682,702	22,643,001	14,212,650	20,081,358
26,943,688	22,950,170	23,993,678	23,945,836	21,593,176
7,050,021	7,319,311	8,106,577	8,439,201	8,028,366
<u>\$ 123,146,698</u>	<u>\$ 116,051,999</u>	<u>\$ 116,127,426</u>	<u>\$ 95,272,097</u>	<u>\$ 100,344,415</u>
\$ 316,511	\$ 268,864	\$ 321,849	\$ 333,594	\$ 380,498
4,157,137	3,632,095	4,491,380	4,153,285	3,460,226
241,740				
1,464,958	1,231,699	958,363	1,176,630	1,301,180
8,488,338	8,291,163	8,876,165	8,475,019	7,402,057
15,917,596	13,360,668	14,796,616	12,372,598	15,399,978
3,688,338	3,752,788	2,788,957	5,366,607	613,681
9,070,051	905,706	1,170,927	1,024,300	744,739
<u>\$ 43,344,669</u>	<u>\$ 31,442,983</u>	<u>\$ 33,404,257</u>	<u>\$ 32,902,033</u>	<u>\$ 29,302,359</u>
<u>\$ (79,802,029)</u>	<u>\$ (84,609,016)</u>	<u>\$ (82,723,169)</u>	<u>\$ (62,370,064)</u>	<u>\$ (71,042,056)</u>
\$ 63,816,162	\$ 61,685,941	\$ 56,422,999	\$ 54,216,380	\$ 51,660,364
1,808,357	1,772,707	2,108,771	2,712,672	2,281,401
11,272,681	10,553,049	11,177,944	11,058,164	10,813,890
1,328,722	796,401	1,270,556	2,201,639	2,295,875
5,863,439	5,643,419	7,677,222	12,071,333	14,173,192
1,044,454	1,111,654	1,111,654	1,502,952	1,469,508
116,176,605	3,751,664	1,342,723	985,153	538,595
<u>\$ 201,310,420</u>	<u>\$ 85,314,835</u>	<u>\$ 81,111,869</u>	<u>\$ 84,748,293</u>	<u>\$ 83,232,825</u>
<u>\$ 121,508,391</u>	<u>\$ 705,819</u>	<u>\$ (1,611,300)</u>	<u>\$ 22,378,229</u>	<u>\$ 12,190,769</u>

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

<u>Year Ended December 31,</u>	<u>Real Property Tax</u>	<u>Real Property Tax Items</u>	<u>Non-Property Tax Items</u>	<u>Total</u>
2015	\$ 73,161,136	\$ 2,573,825	\$ 13,554,251	\$ 89,289,212
2014	72,038,134	2,344,889	12,850,767	87,233,790
2013	70,878,833	2,277,435	13,235,095	86,391,363
2012	68,261,387	2,033,313	12,441,196	82,735,896
2011	65,134,391	1,986,292	12,029,189	79,149,872
2010	63,816,162	1,808,357	11,272,681	76,897,200
2009	61,685,941	1,772,707	10,553,049	74,011,697
2008	56,422,999	2,108,771	11,177,944	69,709,714
2007	54,216,380	2,712,672	11,058,164	67,987,216
2006	51,660,364	2,281,401	10,813,890	64,755,655

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

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

<u>As of December 31,</u>	<u>2015</u>	<u>2014 <sup>(1)</sup></u>	<u>2013</u>	<u>2012</u>	<u>2011 <sup>(2)</sup></u>
General Fund					
Reserved					
Unreserved					
Nonspendable	\$ 1,622,361	\$ 2,605,903	\$ 6,317,118	\$ 5,522,182	\$ 4,677,860
Assigned	2,623,538	3,616,445	3,707,833	3,815,070	3,970,756
Unassigned	7,445,560	4,161,400	3,693,793	201,856	510,271
Total General Fund	<u>\$ 11,691,459</u>	<u>\$ 10,383,748</u>	<u>\$ 13,718,744</u>	<u>\$ 9,539,108</u>	<u>\$ 9,158,887</u>
All other governmental funds					
Reserved					
Unreserved, reported in:					
Special revenue funds					
Capital projects funds					
Debt service fund					
Nonspendable	\$ 3,716,181	\$ 1,459,022	\$ 371,007	\$ 958,708	\$ 3,692,838
Restricted	493,155	15,539,657	1,841,053	2,117,638	6,183,772
Assigned	19,539,989	19,684,938	17,704,669	17,085,131	12,080,353
Unassigned	(44,825,924)	(53,834,341)	(73,879,682)	(66,246,267)	(58,151,444)
Total All Other Governmental Funds	<u>\$ (21,076,599)</u>	<u>\$ (17,150,724)</u>	<u>\$ (53,962,953)</u>	<u>\$ (46,084,790)</u>	<u>\$ (36,194,481)</u>

Note <sup>(1)</sup> See Note 6 for information on restatement

<sup>(2)</sup> Components of Fund Balance have been reclassified, beginning with the December 31, 2011 CAFR in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*

Source: Town of North Hempstead Office of the Comptroller and Audited Financial Statements  
Balance Sheet

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 2,395,670 9,915,603	\$ 519,264 11,636,395	\$ 552,305 17,289,914	\$ 559,395 17,840,400	\$ 602,523 20,142,431
<u>\$ 12,311,273</u>	<u>\$ 12,155,659</u>	<u>\$ 17,842,219</u>	<u>\$ 18,399,795</u>	<u>\$ 20,744,954</u>
\$ 35,247,468 10,041,155 (54,504,415) 752,320	\$ 20,071,816 7,810,240 (18,493,070) 2,812,787	\$ 18,548,411 5,750,366 (6,046,966) 2,477,787	\$ 17,311,971 8,264,263 825,420 2,126,273	\$ 12,968,754 12,612,181 (7,351,830) 1,646,265
<u>\$ (8,463,472)</u>	<u>\$ 12,201,773</u>	<u>\$ 20,729,598</u>	<u>\$ 28,527,927</u>	<u>\$ 19,875,370</u>

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

Year ended December 31,	2015	2014	2013	2012	2011
<b>Revenues</b>					
Real property taxes	\$ 73,161,136	\$ 72,038,134	\$ 70,878,833	\$ 68,261,387	\$ 65,134,391
Real property tax items	2,573,825	2,344,889	2,277,435	2,031,479	1,983,764
Non-property tax items	13,554,251	12,850,767	13,235,095	12,441,196	12,029,189
Departmental income	26,126,290	25,976,819 <sup>1</sup>	28,161,245	27,647,268	25,665,439
Intergovernmental charges	1,302,739	963,096	2,381,714	1,794,090	1,375,209
Use of money and property	442,529	593,378	521,771	706,324	1,229,803
License and permits	4,549,233	3,234,920	3,655,105	3,945,324	4,388,479
Fines and forfeitures	242,603	239,052	205,709	279,175	349,525
Sale of property and compensation for loss	682,269	409,852	1,370,285	356,668	1,776,050
Miscellaneous revenue	1,152,977	1,203,246	1,334,774	1,839,787	1,240,997
Interfund revenues	6,879,071	6,994,901	6,861,935	6,837,796	7,088,604
State aid	10,659,621	10,400,768	10,698,776	9,472,707	7,861,711
Federal aid	1,717,421	4,112,792	11,374,071	8,231,952	2,706,105
<b>Total Revenues</b>	<u>143,043,965</u>	<u>141,362,614</u>	<u>152,956,748</u>	<u>143,845,153</u>	<u>132,829,266</u>
<b>Expenditures</b>					
General government support	21,122,838	21,719,953	20,971,505	20,214,430	18,885,445
Education	2,199,528	5,362,136	439,233	531,716	600,000
Public safety	12,394,374	12,162,015	11,725,481	11,349,801	10,120,902
Health	283,333	242,761	226,569	197,082	214,121
Transportation	15,290,185	14,396,223	16,542,073	15,257,407	16,370,205
Economic assistance and opportunity	2,617,744	2,083,114	2,094,184	2,093,973	2,396,237
Culture and recreation	16,602,868	16,993,305	17,789,654	16,889,672	16,381,463
Home and community service	27,076,363	27,204,995	37,544,848	30,999,963	25,220,268
Employee benefits	19,333,110	18,533,022	17,504,421	16,384,918	15,228,229
Capital outlay	12,608,240	10,123,687	10,632,754	23,240,864	33,775,975
Debt Service					
Principal	31,543,158	15,190,493	15,793,474	19,100,317	17,524,153
Interest	4,765,583	4,287,174	5,391,079	7,022,723	7,072,317
Other charges				126,483	
<b>Total Expenditures</b>	<u>165,837,324</u>	<u>148,298,878</u>	<u>156,655,275</u>	<u>163,409,349</u>	<u>163,789,315</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(22,793,359)</u>	<u>(6,936,264)</u>	<u>(3,698,527)</u>	<u>(19,564,196)</u>	<u>(30,960,049)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	26,464,109	28,587,034	24,429,877	31,544,621	29,944,267
Transfers out	(26,464,109)	(28,587,034)	(24,429,877)	(31,544,621)	(29,944,267)
Debt issuance	4,390,000	43,795,581		9,192,341	
Premium on obligation	2,997,535	220,325		604,540	76,654
Bond anticipation notes redeemed			(2,285,201)	(1,898,059)	(1,460,000)
Retirement of debt payment made by funds			2,285,201	1,898,059	1,460,000
Refunding bonds issued	24,688,205	31,489,609		10,403,791	
Payments to refund bond escrow agent	(12,516,931)	(35,092,018)		(10,146,564)	
<b>Total Other Financing Sources</b>	<u>19,558,809</u>	<u>40,413,497</u>	<u>-0-</u>	<u>10,054,108</u>	<u>76,654</u>
<b>Net Change in Fund Balances</b>	<u>\$ (3,234,550)</u>	<u>\$ 33,477,233</u>	<u>\$ (3,698,527)</u>	<u>\$ (9,510,088)</u>	<u>\$ (30,883,395)</u>
Debt service as a percentage of noncapital expenditures	23.78%	14.13%	14.54%	18.75%	18.72%

<sup>1</sup> Adjustment made to the 2014 information to show the effects of the restatement for comparative purposes - see Note 6

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

2010	2009	2008	2007	2006
\$ 63,816,162	\$ 61,685,941	\$ 56,422,999	\$ 54,216,380	\$ 51,660,364
1,808,357	1,772,707	2,108,771	2,712,672	2,281,401
11,272,681	10,553,049	11,177,944	11,058,164	10,813,890
24,400,667	23,203,649	25,662,941	22,989,409	24,634,712
1,622,331	578,911	856,683	564,285	718,260
1,216,559	842,928	1,323,318	2,087,042	2,181,278
3,745,966	2,876,128	4,069,511	3,507,525	2,770,710
301,504	395,050	162,710	159,663	157,575
459,710	2,204,692	601,074	277,099	427,912
120,830,435	4,336,599	2,805,462	4,954,459	260,265
6,186,021	6,545,301	6,257,139	5,450,233	5,174,044
9,429,326	7,926,549	9,684,298	13,831,969	16,478,668
5,390,644	707,018	965,817	58,223	522,452
<u>250,480,363</u>	<u>123,628,522</u>	<u>122,098,667</u>	<u>121,867,123</u>	<u>118,081,531</u>
18,041,263	17,174,514	16,915,724	16,174,256	16,289,286
601,906	571,367	629,492	282,439	412,968
9,276,505	9,354,264	9,898,211	8,694,795	7,511,865
181,135	191,946	189,337	179,701	159,313
15,645,227	14,285,581	14,105,804	13,436,869	11,743,873
2,075,798	1,442,441	2,105,211	1,929,023	2,036,580
16,326,553	16,051,879	15,601,723	14,985,315	13,876,255
24,568,372	22,457,155	23,308,180	21,693,967	23,775,327
13,265,108	12,829,691	12,761,276	12,229,435	12,548,262
148,094,890	22,361,001	10,439,461	10,541,134	10,883,705
18,803,632	19,597,605	18,440,527	18,733,803	16,244,807
6,988,606	7,540,463	8,329,626	8,735,528	9,283,941
130,757				
<u>273,999,752</u>	<u>143,857,907</u>	<u>132,724,572</u>	<u>127,616,265</u>	<u>124,766,182</u>
(23,519,389)	(20,229,385)	(10,625,905)	(5,749,142)	(6,684,651)
35,647,342	30,969,268	27,543,991	32,502,871	28,820,840
(35,647,342)	(30,969,268)	(27,543,991)	(32,502,871)	(28,820,840)
2,879,000	6,015,000	2,270,000	12,056,540	10,078,000
410,228				
(383,500)				
383,500				
7,547,603				
(7,827,073)				
<u>3,009,758</u>	<u>6,015,000</u>	<u>2,270,000</u>	<u>12,056,540</u>	<u>10,078,000</u>
<u>\$ (20,509,631)</u>	<u>\$ (14,214,385)</u>	<u>\$ (8,355,905)</u>	<u>\$ 6,307,398</u>	<u>\$ 3,393,349</u>
20.55%	22.4%	22.0%	24.8%	22.5%

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

<u>Year Ended December 31,</u>	<u>Real Property Tax<sup>1</sup></u>	<u>Sales Tax<sup>2</sup></u>	<u>Mortgage Tax<sup>3</sup></u>	<u>Franchise Tax</u>	<u>Total</u>
2015	\$ 73,161,136	\$ 11,047,131	\$ 7,698,406	\$ 2,507,120	\$ 94,413,793
2014	72,038,134	10,845,925	7,228,190	2,004,842	92,117,091
2013	70,878,833	11,334,246	7,493,601	1,900,849	91,607,529
2012	68,261,387	10,613,091	6,690,606	1,828,105	87,393,189
2011	65,134,391	10,223,512	5,752,767	1,805,677	82,916,347
2010	63,816,162	9,550,499	5,863,439	1,722,182	80,952,282
2009	61,685,941	9,005,021	5,643,419	1,548,028	77,882,409
2008	56,422,999	9,724,584	7,677,222	1,453,360	75,278,165
2007	54,216,380	9,745,787	12,071,333	1,312,377	77,345,877
2006	51,660,364	9,645,396	14,173,192	1,168,494	76,647,446

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

<sup>1</sup> Primary government

<sup>2</sup> Classified as Nassau County local government assistance

<sup>3</sup> Classified as part of State Aid

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

<u>Year Ended December 31,</u>	<u>Residential Property 1 to 4 Family Homes</u>	<u>Residential Property Condominia and Cooperatives</u>	<u>Utility Property</u>	<u>All Other Property</u>	<u>Total Net Assessed Value</u>	<u>State Equalization Rate</u>	<u>Full Valuation</u>	<u>Total Direct Tax Rate</u>
2015	\$ 95,436,524	\$ 8,877,421	\$ 7,867,890	\$ 42,572,887	\$ 154,754,722	0.31%	\$ 49,920,878,065	\$ 146.640
2014	97,799,191	9,012,086	8,550,680	43,874,552	159,236,509	0.32%	49,761,409,063	137.830
2013	101,341,024	9,095,629	8,567,065	44,473,827	163,477,545	0.32%	51,086,732,813	133.531
2012	110,586,676	9,792,042	8,830,153	48,767,035	177,975,906	0.33%	53,932,092,727	118.848
2011	116,480,241	10,753,627	8,852,979	56,526,239	192,613,086	0.35%	55,032,310,286	101.791
2010	132,570,851	10,243,443	8,477,047	54,793,312	206,084,653	0.33%	62,449,894,848	96.924
2009	133,075,463	9,655,173	8,204,377	51,658,844	202,593,857	0.32%	63,310,560,313	96.505
2008	129,604,894	8,624,417	7,459,244	48,342,052	194,030,607	0.30%	64,676,869,000	92.669
2007	122,364,045	7,836,398	7,143,895	44,661,722	182,006,060 <sup>1</sup>	0.30%	60,668,686,667	94.180
2006	206,543,361	7,447,777	5,695,638	43,451,172	263,137,948 <sup>1</sup>	0.50%	52,627,589,600	62.168

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

Sources: Town of North Hempstead Budgets and Official Statements

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

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

GOVERNMENTAL FUNDS

TOWN OPERATED DISTRICTS

Year Ended December 31,	GOVERNMENTAL FUNDS				TOWN OPERATED DISTRICTS						
	General	Town <sup>1</sup> Outside Villages	Highway	Part-Town	Fire Protection	Garbage	Lighting	Parks	Public Parking	Sidewalk	Water
2015	\$ 15.987	\$ 43.077			\$ 28.133	\$ 21.769	\$ 3.299	\$ 25.399	\$ 1.392	\$ 5.136	\$ 2.448
2014	15.378	41.047			25.307	20.101	3.115	24.330	1.335	4.813	2.404
2013	14.632	39.925			24.248	20.317	3.047	23.189	1.277	4.583	2.313
2012	12.509	36.269			21.969	17.380	2.823	20.510	1.141	4.148	2.099
2011	10.464	32.673			19.502	10.758	2.647	18.830	1.069	3.875	1.974
2010	9.404	29.436			18.276	15.043	2.349	15.995	0.999	3.625	1.798
2009	9.164	28.738			18.541	15.824	2.233	15.727	1.009	3.482	1.787
2008	8.504	26.751			18.408	16.182	2.090	14.592	1.004	3.327	1.811
2007	8.780	27.100			17.962	17.532	2.041	14.396	1.044	3.380	1.946
2006	5.795		\$ 17.179	\$ 1.616	11.838	12.186	1.367	7.963	0.671	2.293	1.260

Source: Adopted Town Budgets

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

Includes all classes of property for each Fund/District

<b>Town Direct Rate</b>	<b>County Direct Rate</b>	<b>School Direct Rate</b>	<b>Total Direct &amp; Overlapping Rate</b>
\$ 146.640	\$ 152.50	\$ 583.40	\$ 882.54
137.830	144.59	558.06	840.48
133.531	139.53	528.82	801.88
118.848	128.96	473.78	721.59
101.791	119.43	423.99	645.22
96.924	110.06	389.58	596.56
96.505	92.62	396.29	585.42
92.669	113.80	406.07	612.53
94.180	119.42	394.15	607.75
62.168	79.92	256.12	398.21

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

2015

Rank	Taxpayer	Nature of Business	Assessed Valuation	Percentage of Total Assessed Valuation <sup>(1)</sup>
1	Keyspan Gas East	Utility	\$ 2,993,910	1.93%
2	Apollo Lake Success LLC	Real Estate	1,529,874	0.99%
3	Fifth Avenue of Long Island Realty Assoc.	Real Estate	933,928	0.60%
4	Verizon New York	Utility	918,474	0.59%
5	CLK Marcus Avenue Property	Real Estate	718,605	0.46%
6	We're Associates Inc.	Real Estate	683,514	0.44%
7	Country Glen LLC	Shopping Center	609,236	0.39%
8	111 Marcus Avenue Unit 2 Owner	Real Estate	388,858	0.25%
9	Lake Success Shopping Center	Shopping Center	376,953	0.25%
10	600 Community LLC	Real Estate	339,465	0.23%
Total			<u>\$ 9,492,817</u>	<u>6.13%</u>

2006

Rank	Taxpayer	Nature of Business	Assessed Valuation	Percentage of Total Assessed Valuation <sup>(1)</sup>
1	Long Island Power Authority	Utility	\$ 4,048,212	1.04%
2	Verizon	Utility	1,173,726	0.30%
3	Keyspan Energy Corp.	Utility	1,092,655	0.28%
4	1 Park Lake Success, LLC	Manufacturing	1,082,064	0.28%
5	RP Stellar Strong Island, LLC	Real Estate	876,759	0.22%
6	2001 Marcus LLC	Real Estate	628,775	0.16%
7	1979 Marcus LLC	Real Estate	456,923	0.12%
8	Greentree Foundation	Private Foundation	440,021	0.11%
9	Treeline Mineola, LLC	Real Estate	331,314	0.08%
10	Mack North Hills Co.	Real Estate	329,898	0.08%
Total			<u>\$ 10,460,347</u>	<u>2.68%</u>

Source: Town of North Hempstead 2015 and 2006 Official Statements

<sup>1</sup> See Assessed Valuation, State Equalization Rate and Estimated Full Value of Real Property for total net assessed value.

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

<u>Year Ended December 31,</u>	<u>Tax Levy For Town</u>	<u>Total Tax Levy <sup>1</sup></u>	<u>Amount Collected <sup>2</sup></u>	<u>Percent of Total Tax Levy Collected</u>	<u>Amount Uncollected <sup>2</sup></u>	<u>Percent of Total Tax Levy Uncollected</u>
2015	\$ 161,817,212	\$ 397,817,335	\$ 383,885,148	96.50%	\$ 13,932,187	3.50%
2014	158,981,782	389,220,761	382,405,938	98.25%	6,814,823	1.75%
2013	152,431,800	380,528,008	373,775,985	98.23%	6,752,023	1.77%
2012	146,367,808	375,892,701	367,877,825	97.87%	8,014,876	2.13%
2011	139,663,972	369,704,857	362,617,428	98.08%	7,087,429	1.92%
2010	135,200,465	362,025,228	353,981,362	97.78%	8,043,866	2.22%
2009	132,256,987	319,905,676	313,611,841	98.03%	6,293,835	1.97%
2008	123,632,214	344,434,261	337,510,707	97.99%	6,923,554	2.01%
2007	119,033,554	336,388,044	329,563,031	97.97%	6,825,013	2.03%
2006	115,060,611	325,360,939	319,175,699	98.10%	6,185,240	1.90%

Source: Town of North Hempstead Official Statements

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

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

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

<b>Governmental Activities</b>						
<b>Year Ended December 31,</b>	<b>General Obligation Bonds</b>	<b>Revenue Bonds</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income<sup>1</sup></b>	<b>Per Capita<sup>1</sup></b>	
2015	\$ 124,859,447	\$ 2,611,456	\$ 127,470,903	0.13%	\$ 558	
2014	136,090,078	3,442,658	139,532,736	0.14%	611	
2013	111,901,566 <sup>2</sup>	4,254,960	116,156,526	0.12%	512	
2012	125,326,047	5,048,960	130,375,007	0.14%	577	
2011	131,145,587	8,880,000	140,025,587	0.15%	623	
2010	146,514,740	11,035,000	157,549,740	0.18%	704	
2009	160,142,656	13,130,000	173,272,656	0.20%	764	
2008	171,685,261	15,170,000	186,855,261	0.20%	826	
2007	185,870,788	17,155,000	203,025,788	0.23%	901	
2006	190,598,051	19,105,000	209,703,051	0.26%	933	

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

As of the 2011 CAFR the Town is no longer reporting bond anticipation notes and revenue anticipation notes on this schedule in accordance with GASB No. 44 paragraph 45.

At December 31, 2015, the Town had \$60,946,446 in short-term bond anticipation notes not being presented.

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

<sup>2</sup> As of the 2013 report, the Town's debt capacity amounts are reported net of premiums, discounts and adjustments.

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

<u>Year Ended December 31,</u>	<u>General Obligation Bonds</u>	<u>Percentage of Total Net Assessed Valuation<sup>1</sup></u>	<u>Percentage of Full Taxable Value<sup>1</sup> of Property</u>	<u>Per Capita<sup>2</sup></u>
2015	\$ 124,859,447	80.68%	0.25%	\$ 547
2014	136,090,078	85.46%	0.27%	596
2013	111,901,566 <sup>3</sup>	68.45%	0.22%	493
2012	125,326,047	70.42%	0.23%	555
2011	131,145,587	68.09%	0.24%	584
2010	146,514,740	71.09%	0.23%	655
2009	160,142,656	79.05%	0.25%	706
2008	171,685,261	88.48%	0.27%	759
2007	185,870,788	102.12%	0.31%	825
2006	190,598,051	72.43%	0.36%	848

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

<sup>1</sup> See the Schedule of Assessed Value, State Equalization Rate and Estimated Full Value of Real Property

<sup>2</sup> See the schedule of Demographic and Economic Statistics for population data.

<sup>3</sup> As of the 2013 report, the Town's debt capacity amounts are reported net of premiums, discounts and adjustments.

**Town of North Hempstead  
Direct and Overlapping Governmental Activities Debt  
As of December 31, 2015**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Direct:</b>			
Town of North Hempstead	\$ 127,470,903	100.00%	\$ 127,470,903
<b>Overlapping:</b>			
Nassau County	3,561,888,000	24.70%	879,786,336
Incorporated Villages	155,069,318	varied <sup>1</sup>	155,069,318
School Districts	244,973,996	varied <sup>2</sup>	244,973,996
Fire Districts	1,710,000	100.00%	1,710,000
Water Pollution Control Districts	74,618,812	100.00%	74,618,812
Water Districts	21,423,371	100.00%	21,423,371
Park Districts	11,908,587	100.00%	11,908,587
Police District	72,716	100.00%	72,716
Library District	3,708,196	100.00%	3,708,196
Business Improvement District	73,223	100.00%	73,223
<b>Total overlapping debt</b>			<u>1,393,344,555</u>
<b>Total direct and overlapping debt</b>			<u>\$ 1,520,815,458</u>

Note: As of the 2011 CAFR the Town is no longer reporting bond anticipation notes and revenue anticipation notes on this schedule in accordance with GASB 44 paragraph 45.

At December 31, 2015, the Town had \$60,946,446 in short-term bond anticipation notes not being presented.

The taxpayers share of overlapping debt is based upon the amount of the Town's equalized property values taken as a percentage of each separate units' total values.

Source: Town of North Hempstead Comptroller's Office April 2016 Official Statement  
Special Report on Municipal Affairs, 2010 released by the NYS Office of the Comptroller and County Officials

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

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

**Town of North Hempstead  
Legal Debt Margin Information  
December 31, 2015**

Year Ended December 31,	Net Assessed Valuation	State Equalization Rate	Full Valuation
2015	\$ 154,754,722	0.31%	\$ 49,920,878,065
2014	159,236,509	0.32%	49,761,409,063
2013	163,477,545	0.32%	51,086,732,813
2012	177,975,906	0.33%	53,932,092,727
2011	192,613,086	0.35%	55,032,310,286
Total Five Year Full Valuation			<u>259,733,422,954</u>
Five Year Average Full Valuation of Taxable Real Property			<u>51,946,684,591</u>
Constitutional Debt Limit (7% of Average Full Valuation)			<u>3,636,267,921</u>
Inclusions:			
Outstanding Bonded Indebtedness at December 31st			234,190,456
Outstanding Bond Anticipation Notes at December 31st			103,608,473
Total Inclusions			<u>337,798,929</u>
Exclusions:			
Water Bonds			21,087,144
Water Bond Anticipation Notes			31,875,478
Total Exclusions			<u>52,962,622</u>
Net Indebtedness Subject to Debt Limit			<u>284,836,307</u>
Net Debt Contracting Margin			<u>\$ 3,351,431,614</u>
Percentage of Net Debt Contracting Margin Available			92.17%
Percentage of Net Debt Contracting Power Exhausted			7.83%

Last Ten Years

Year	Constitutional Debt Limit	Total Net Debt Subject to Limit	Net Debt Contracting Margin	Percentage of Debt Contracting Power Exhausted	Percentage of Net Debt Contracting Margin Available
2015	\$ 3,636,267,921	\$ 284,836,307	\$ 3,351,431,614	7.83%	92.17%
2014	3,811,674,156	294,651,649	3,517,022,507	7.73%	92.27%
2013	4,001,362,554	289,009,786	3,712,352,768	7.22%	92.78%
2012	4,191,624,460	301,613,900	3,890,010,560	7.20%	92.80%
2011	4,285,936,776	280,613,809	4,005,322,967	6.55%	93.45%
2010	4,252,270,686	266,350,279	3,985,920,407	6.26%	93.74%
2009	4,045,022,175	225,179,837	3,819,842,338	5.57%	94.43%
2008	3,723,316,751	216,981,938	3,506,334,813	5.83%	94.17%
2007	3,439,808,123	214,779,024	3,225,029,099	6.24%	93.76%
2006	3,082,169,945	220,913,890	2,861,256,055	7.17%	92.83%

Source: The Town of North Hempstead Comptroller's Office

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

<b>Year Ended December 31,</b>	<b>Population<sup>1</sup></b>	<b>Personal Income<sup>2</sup> (in millions)</b>	<b>Per Capita Income<sup>2</sup></b>	<b>Median Family Income<sup>1</sup></b>	<b>Unemployment Rate<sup>3</sup></b>	<b>Number of Households Estimate<sup>1</sup></b>	<b>Average Household Size Estimates<sup>1</sup></b>	<b>Population Density Per Square Mile</b>
2015	228,245	\$ 100,047	\$ 51,652	\$ 126,165	3.4%	82,161	3.03	4,260
2014	228,245	100,047	51,652	126,165	3.7%	82,161	3.03	4,260
2013	227,029	98,086	51,446	123,330	4.5%	82,112	3.02	4,237
2012	225,971	95,457	51,679	122,021	5.8%	82,185	3.00	4,217
2011	224,664	90,684	52,509	121,511	6.1%	82,485	2.97	4,193
2010	223,659	89,433	51,663	118,827	6.2%	81,787	2.97	4,174
2009	226,874	85,239	63,989	112,059	6.1%	78,333	2.89	4,234
2008	226,109	91,326	68,918	119,773	5.0%	78,097	2.86	4,220
2007	225,291	87,168	65,934	115,697	3.5%	77,764	2.86	4,205
2006	224,774	80,878	61,044	114,567	2.8%	77,420	2.85	4,195

Note - During 2015, the Town changed data source to the U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates, all information prior to 2010 source is the Long Island Power Authority Population survey. 2010-2014 information was updated for the new source to be comparative.

Data Sources:

- 1 U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates, 2015 data not available Long Island Power Authority Population survey (2006-2009)
- 2 U.S. Department of Commerce, Bureau of Economic Analysis for Nassau County, 2015 data not available.
- 3 State of New York, Department of Labor - Division of Statistics - [www.labor.ny.gov/stats](http://www.labor.ny.gov/stats)  
(Note: Percentages are not seasonally adjusted).

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

2015			
Rank	Name	Type of Business	Number of Employees
1	North Shore University Hospital of Manhasset	Hospital	14,059
2	Long Island Jewish Medical Center	Hospital	13,206
3	Winthrop-University Hospital	Hospital	7,963
4	St. Francis Hospital	Hospital	3,404
5	Broadridge Financial Solutions Inc.	Finance	1,500
6	Astoria Federal Savings	Banking	1,175
7	Parker Jewish Institute	Skilled Nursing Facility and Rehabilitation	1,036
8	ProHEALTH Care Associates	Healthcare	850
9	PALL Corporation	Technology	800
10	Laffey Fine Homes	Real Estate Brokers - Residential	600

2006			
Rank	Name	Type of Business	Number of Employees
1	North Shore University Hospital of Manhasset	Hospital	4,981
2	Winthrop University Hospital	Hospital	4,000
3	Long Island Jewish Medical Center	Hospital	3,496
4	St. Francis Hospital	Hospital	1,632
5	CMP Media	Technology	1,300
6	Canon USA	Technology	1,130
7	Transervice Lease	Private Company	1,000
8	PALL Corporation	Technology	800
9	The NPD Group	Private Company	750
10	1-800-Flowers.com	Internet Retail	700

Source: 2016 - Long Island Business News 2016 Book of Lists and NYS Department of Labor  
2006 - Long Island Business News 2007 Book of Lists  
Percentage of total Town employment is not available.

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

Function	Full-Time Equivalent				
	2015	2014	2013	2012	2011
General government	87	85	87	89	84
Highways	84	86	96	90	94
Parks and recreation	80	69	77	76	79
Buildings and planning	48	47	50	50	42
Public works	20	23	23	26	25
Community services	23	21	27	28	16
Town clerk	15	16	19	19	21
Receiver of taxes	14	14	14	18	17
Public safety	37	34	38	32	28
Solid waste management	17	15	15	15	15
<b>Total</b>	<b>425</b>	<b>410</b>	<b>446</b>	<b>443</b>	<b>421</b>

Source: Town of North Hempstead Human Resource Department records

**Employees as of December 31,**

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
78	89	94	83	88
89	94	92	102	93
82	90	96	93	86
39	46	35	51	38
21	17	22	20	22
21	24	23	20	19
21	21	17	16	19
14	13	14	13	13
25	23	20	15	16
18	10	9	11	9
<u>408</u>	<u>427</u>	<u>422</u>	<u>424</u>	<u>403</u>

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

Year Ended December 31,	2015	2014	2013	2012	2011
<b>Function/Department</b>					
<b>Town Clerk</b>					
Vital statistic documents	27,845	29,007	29,069	26,956	25,931
Dog licenses	4,811	5,107	5,380	5,261	5,440
Business licenses	1,306	1,290	1,276	1,432	1,365
Marriage licenses	967	939	967	972	905
Dumping permits	3,221	964	2,348	2,293	567
<b>311 Call Center</b>					
Calls answered	173,359	168,369	171,325	199,281	181,483
Unique service requests	62,886	60,359	63,643	63,156	63,119
<i>Project Independence Calls</i>					
Taxi rides - medical appointment	13,257	12,078	10,940	9,431	8,297
Taxi rides - food shopping	5,298	4,942	4,944	4,842	5,068
Other project independence service requests	7,181	6,577	8,026	5,924	2,718
<b>Building</b>					
Building permits issued	5,498	5,571	5,584	4,884	4,625
<b>Public Safety</b>					
Dogs adopted or reclaimed by owners	239	273	275	337	274
<b>Fire</b>					
Number of fire protection districts	11	11	11	11	11
<b>Parking</b>					
Number of parking meters	544	544	544	511 <sup>1</sup>	805
Parking lots and garage revenue	\$ 399,004	\$ 370,063	\$ 376,568	\$ 276,242	\$ 337,401
Annual meter revenue	\$ 166,206	\$ 162,486	\$ 165,784	\$ 179,044	\$ 169,216
Parking permit revenue	\$ 54,870	\$ 52,405	\$ 51,410	\$ 50,705	\$ 50,540
<b>Highways and Streets</b>					
Street resurfacing (lane miles)	19	16	15	15	11
Number of trees planted	212	194	568	277	244
Number of trees trimmed	1,145	786	1,153	1,036	2,078
Number of trees removed	734	518	793	617	585
Road opening permits issued	792	874	746	608	668
Abandoned vehicles removed	11	3	11	6	9
Signs installed	1,197	1,467	1,896	1,128	1,580
<b>Sanitation (tons per annum)</b>					
Residential and commercial waste collected	149,117	156,000	155,927	159,650	173,472
Recyclables collected	9,148	10,000	8,974	9,714	11,550
Yardwaste	14,225	15,000	34,356	42,621	18,291
Construction and demolition debris	12,799	14,000	18,986	10,207	6,598
<b>S.T.O.P. Program</b>					
<b>Household hazardous waste:</b>					
Liquids (gallons)	9,950	19,023	11,186	14,881 <sup>4</sup>	
Solids (pounds)	15,945	17,226	27,634	13,530 <sup>4</sup>	
Other household items (pounds)	10,580	9,712	8,451	6,034 <sup>4</sup>	
Pharmaceuticals (pounds)	5,600	4,800	4,480	2,190 <sup>4</sup>	
E-waste (tons)	45	34	29	20 <sup>4</sup>	
Shredded paper (tons)	28	25	22	8 <sup>4</sup>	
<b>Culture and recreation</b>					
Beach permits issued	2,917	2,917	2,886	3,403	3,380
Registration for adult programs	642	435	436	423	355
Registration for summer programs	8,442	8,829	6,975	7,213	6,223 <sup>2</sup>

Source: Various government departments

<sup>1</sup> During 2012, Port Washington Public Parking replaced 300 single space meters, with 6 multi-space meters.

<sup>2</sup> Tully Park and new Manorhaven Pool reopened in 2011.

<sup>3</sup> 311 call center data unavailable prior to 2009.

<sup>4</sup> S.T.O.P. program data unavailable prior to 2009.

2010	2009	2008	2007	2006
25,893	26,205	23,953	25,745	24,858
5,339	5,612	5,844	5,843	5,961
1,062	1,104	1,329	1,346	1,408
910	1,009	1,137	1,099	1,337
2,698	1,260	1,136	1,065	1,324
167,472	112,723 <sup>3</sup>			
167,472	112,723 <sup>3</sup>			
3,467	-0 <sup>3</sup>			
4,265	134 <sup>3</sup>			
8,071	1,382 <sup>3</sup>			
4,053	4,336	4,399	1,881	4,081
366	365	354	343	369
11	11	11	11	11
807	803	775	775	775
\$ 308,602	\$ 335,286	\$ 335,032	\$ 344,567	\$ 340,178
\$ 153,552	\$ 149,814	\$ 151,156	\$ 157,392	\$ 163,601
\$ 45,945	\$ 47,445	\$ 47,687	\$ 48,853	\$ 59,997
14	14	14	14	13
505	456	559	598	802
1,334	955	1,170	1,086	997
692	424	365	519	438
754	721	855	762	1,042
10	8	12	16	18
1,688	1,457	1,450	815	868
166,610	135,769	142,860	143,301	171,397
12,181	13,050	2,557	2,208	3,178
19,014	16,576	19,961	19,353	25,426
4,323	4,491	6,671	5,482	8,650
3,000	3,175	3,120	1,608	1,592
340	339	898	1,277	1,223
3,150	3,104	1,477	2,096	2,077

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

<u>Year Ended December 31,</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Function</b>					
General Government					
Town Hall and annex	3	3	3	2	2
Sanitation					
Transfer station	1	1	1	1	1
Annual tonnage processed	185,289	195,000	222,773	222,790	210,007
Highways and Streets					
Streets (miles)	275	275	275	275	275
Culture and recreation					
Parks acreage	837	837	837	837	841
Parks	48	48	48	48	48
Swimming pools	6	6	6	6	6
Beaches	2	2	2	2	3
Docks	2	2	2	2	2
Boat ramps	2	2	2	2	2
Golf courses (18 hole)	1	1	1	1	1
Golf courses (9 hole)	1	1	1	1	1
Driving range	1	1	1	1	1
Miniature golf course	1	1	1	1	1
Tennis courts	37	37	37	37	35
Community centers	4	4	4	4	3

Source: Various government departments

1 2010 and 2009 reflect adjustments made due to reclassification in prior years.  
There is no data available for corrections to years prior to 2009.

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
2	2	2	2	2
1	1	1	1	1
198,526	161,564	172,049	170,344	208,652
275	275	275	274	268
841	722	883	833	672
48	41	22	22	15
6	6	6	6	5
3	3	3	3	2
2	2	2	2	2
2	2	2	2	2
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
35	35	35	35	31
3	3	2	2	2