



JUDI BOSWORTH, SUPERVISOR

*Town of North Hempstead*

2014

**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, 2014**

**TOWN OF NORTH HEMPSTEAD  
NEW YORK**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2014**

Prepared by the Office of the Town Comptroller

**TOWN OF NORTH HEMPSTEAD**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED DECEMBER 31, 2014**  
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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

July 13, 2015

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, 2014. 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 fourth Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the December 31, 2013 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, 2014 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 cursive script 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*  
ALINE KHATCHADOURIAN

*Deputy Comptrollers*  
DIANE M. CHAMBERS  
DENNIS MORGAN

*Town Clerk*  
WAYNE H. WINK, JR.

*Receiver of Taxes*  
CHARLES BERMAN

July 13, 2015

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, 2014.

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 July 13, 2015, for the Town and its discretely presented nonmajor component units as of December 31, 2014. 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 ball room 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 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, six 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, the Director of Finance and various members of her office 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 not property taxes, but rather 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 permitted the merging of the highway and part town funds into the Town Outside Villages ("TOV") fund and financial reporting may be done on a combined basis. 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 3.7% at December 2014, as also reported in Newsday in January 2015. This number is substantially below that reported for New York state (5.6%) and the nation (5.6%) for the same period. According to the report in Newsday, North Hempstead's rate was tied for the lowest unemployment rate on Long Island, and is indicative of a sound economic base. The Statistical Section of this report lists these and a number of additional economic indices whose trends are favorable.

The Town's proximity to New York City also makes it a highly desirable suburban location for commuters, attracted 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 yet another reason why people choose to live in North Hempstead.

There are numerous public libraries located within the Town. Throughout the year, they offer various programs of general interest to adults and children. In addition, the Town residents are less than a one hour drive from New York City's museums, theaters and other cultural activities.

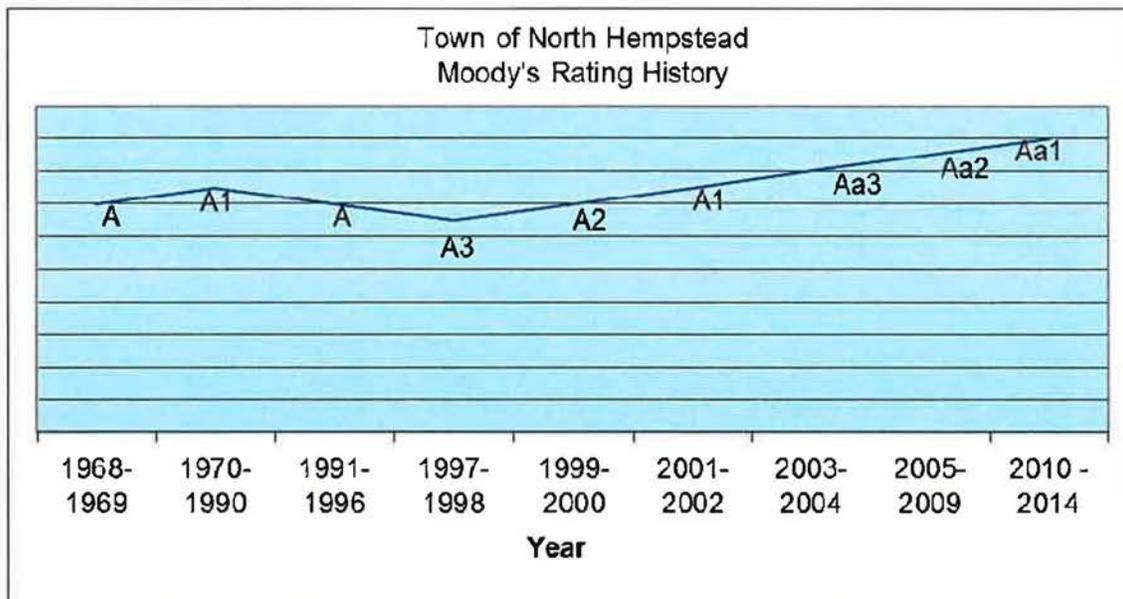
**Impact Superstorm Sandy on the Town**

As a result of Superstorm Sandy (the "Storm"), 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 Town workforce and outside contractors. Several Town parks also incurred damage. There was damage to various recreational facilities, due to flooding issues. The 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 \$20.7 million to date, with the work to continue for several years. Since the Storm, the Town has been reimbursed approximately \$18.7 million in Federal and State funds.

The Town recently became aware that additional rehabilitation work not previously approved by FEMA, in particular at North Hempstead Beach Park, Tully Park Aquatic Center and Manorhaven Beach Park, will be eligible for reimbursement. It is expected an additional \$18.6 million will be reimbursed to the Town in future years.

**Long-Term Financial Planning**

The Town has achieved an Aa1 bond rating from Moody's Investors Service. This rating reflects strong fiscal management marked by conservative budgeting and maintenance of solid reserve levels. The Town is committed to maintaining and trying to upgrade its current 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. An estimated dollar amount required 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 or borrow, as appropriate.

## **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: Debt Management, 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 and readopted annually.

## **Major Initiatives**

In 2014, the Town's 311 constituent response system responded to 168,369 resident calls. Every call was logged in, documented, directed to its proper place and tracked to resolution. From those calls in 2014, North Hempstead 311 Call Center opened 60,362 service requests and provided immediate information responses to 108,007 calls. The 311 constituent response system permits our residents to make one call to Town Hall and get all the information that they need to resolve any Town related problem they may have. The Town was the first suburban community in the USA to install a 311 system.

Through the management initiative known locally as "TownStat", Town officials monitor the efficiency and effectiveness of how the Town addresses constituents' concerns. TownStat and the Town's 311 constituent response system work together to capture our residents' questions and service requests. 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. Performance management aids in cost reduction, resource prioritization, and quality improvement. It encourages accountability and transparency, fostering the type of government those in North Hempstead have come to expect. In 2014, for the fourth 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.

Since the inception of the School Recycling Partnership Program 7 years ago, over 40,000 students in nine of North Hempstead's 10 school districts have participated in recycling. In 2014, the School Recycling Partnership Program recycled an estimated 1,536 pounds of paper and 168 tons of comingled recyclables (plastic, aluminum, and glass). In 2014, the Town's S.T.O.P ("Stop throwing out pollutants") program collected 34.22 tons of e-Waste, 4,800 pounds of expired and unwanted prescription drugs, keeping them out of the drinking water system and landfills and 17,226 pounds of other items.

Long Island's first Composting Cooperative program began in North Hempstead in April 2010. The Composting Cooperative educates the community and creates awareness about the importance and ease of composting. Participating residents are given a composter for a nominal fee and free instructional demonstration about proper composting techniques. As landfill space becomes scarce and expensive, and as people become more aware of the impact they have on the environment, composting will be as commonplace as recycling.

The Town of North Hempstead announced, in April 2012, another first in Long Island that aimed to protect the environment and conserve water thereby reducing water bills. Dubbed "Recycle the Rain," the program offers residents 50-gallon rain barrels at a discounted rate. The latest in a growing array of environmental initiatives, the "Recycle the Rain" program can save residents as much as 1,800 gallons of water in one season. Leading environmental organizations note that rain barrels help to keep waterways free of storm water runoff, which can pollute streams, lakes and estuaries.

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 worldwide. In 2014, the Town collected 2,000 pounds of bottle caps that would have gone into landfills, littered our beaches and endangered our marine life.

In 2013, the Town of North Hempstead introduced its first ever Trashion Show, another green initiative, linking art and the environment. North Hempstead students were encouraged to design and create any type of apparel or accessories made completely from recyclable or other material that would have been otherwise sent to a landfill and model their creations on the runway. This initiative continues.

In 2014, the 6<sup>th</sup> Annual Recycled Artwork Contest invited students to use their creativity to promote recycling in their schools and community. The contest is intended to spread the powerful message of “reduce, reuse and recycle.” Over 1,000 students participated and 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 at the North Hempstead Yes We Can Community Center, in a special ceremony, and all entries were displayed for one month in the Yes We Can Center lobby.

In 2014, the 6<sup>th</sup> Annual Earth Day Video Contest gave the students, in our award winning Recycling Partnership Program, the opportunity to create a “PSA” (Public Service Announcement) to educate the residents of North Hempstead about critical environmental issues. The theme in 2014 was “Slow the Flow! Save H2O!” Entries are judged by the Town’s Ecological Commission and the winners had their videos shown on the Town cable and You Tube station which reaches 260,000 residents in North Hempstead and the North Shore area and were recognized at a Town award ceremony.

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 also 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 handyman assistance. Project Independence, which is served by the Town’s 311 system, handled 26,565 service requests in 2014, 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.

The Town continues to keep quality of life at the top of the priority list. The Aquatic Activity Center in New Hyde Park, remodeled in 2010, contains an indoor pool with a water slide, zero-entry area, five water features for family fun, a lap-lane area for traditional swimming, a pool-level party room, and a completely remodeled gym. In 2014, 1,711 memberships and 11,154 daily pool passes were sold.

The Manorhaven Park and Pool Complex in Port Washington, remodeled in 2011, features a 25,000 square foot main pool area and a 12,000 square foot bathhouse complex with event space and food service. The pool features two water slides, a kiddie pool, and an expanded pool deck with a resort-like feel. The park also includes a playground, resurfaced tennis courts, and a skate spot. In 2014, 1,517 memberships and 19,501 daily pool passes were sold.

Across the Town, we have established a number of festivals and programs.

Among the many festivals and events the Town hosts are:

- **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;
- **Kid-Stock**, an open-air family music festival, with live entertainment for kids and parents alike;
- **Beachfest**, an adult celebration of food, spirits and fun at North Hempstead Beach Park.

2014 marked the 4<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 a 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.

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, 2013. This was the fourth 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 councilmembers of the Town Board for their continuing interest and support in planning and conducting the financial operations of the Town of North Hempstead in a responsible and progressive manner.

Respectfully submitted,



Aline Khatchadourian, CPA  
Town of North Hempstead  
Director of Finance/Deputy Supervisor

**TOWN OF NORTH HEMPSTEAD**  
**PRINCIPAL OFFICIALS**  
December 31, 2014

**ELECTED OFFICIALS**

**TOWN BOARD:**

SUPERVISOR

JUDI BOSWORTH

DISTRICT 1 - COUNCILWOMAN

VIVIANA RUSSELL

DISTRICT 2 - COUNCILMAN

PETER J. ZUCKERMAN

DISTRICIT 3 - COUNCILMAN

ANGELO P. FERRARA

DISTRICT 4 - COUNCILWOMAN

ANNA M. KAPLAN

DISTRICT 5 - COUNCILWOMAN

LEE R. SEEMAN

DISTRICIT 6 - COUNCILWOMAN

DINA M. De GIORGIO

**TOWN CLERK:**

WAYNE H. WINK, JR

**RECEIVER OF TAXES:**

CHARLES BERMAN

**APPOINTED OFFICIALS**

**DEPUTY SUPERVISOR:**

ALINE KHATCHADOURIAN effective 10/1/2014

**TOWN ATTORNEY:**

ELIZABETH BOTWIN

**CHIEF OF STAFF:**

LUCINDA CARDINAL

**DIRECTOR OF FINANCE:**

ALINE KHATCHADOURIAN

**DIRECTOR OF OPERATIONS:**

ROBERT J. TROIANO, JR.

**COMPTROLLER:**

KATHLEEN H. MITTERWAY until 8/29/2014

**SUPERINTENDENT OF HIGHWAYS:**

THOMAS P. TIERNAN

**COMMISSIONER OF ADMINISTRATIVE SERVICES:**

PETER M. HODA

**COMMISSIONER OF BUILDINGS:**

KEVIN M. CRONIN until 5/23/2014

MICHAEL LEVINE effective 6/24/2014 until 12/9/2014

JOHN NIEWENDER effective 12/10/2014

**COMMISSIONER OF COMMUNITY SERVICES:**

KIMBERLY A. CORCORAN - GALANTE

**COMMISSIONER OF SERVICES FOR THE AGING:**

CAISY L. MEYERS until 7/25/2014

KIMBERLY A. CORCORAN - GALANTE effective 8/12/2014

**COMMISSIONER OF FINANCE:**

ROBERT WEITZNER

**COMMISSIONER OF INFORMATION TECHNOLOGY:**

FRANK PRISCIANDARO

**COMMISSIONER OF PARKS & RECREATION:**

JENNIFER FAVA until 9/1/2014

GERARD R. OLSEN effective 9/2/2014

**COMMISSIONER OF PLANNING:**

MICHAEL A. LEVINE

**COMMISSIONER OF PUBLIC SAFETY:**

ANDREW DeMARTIN

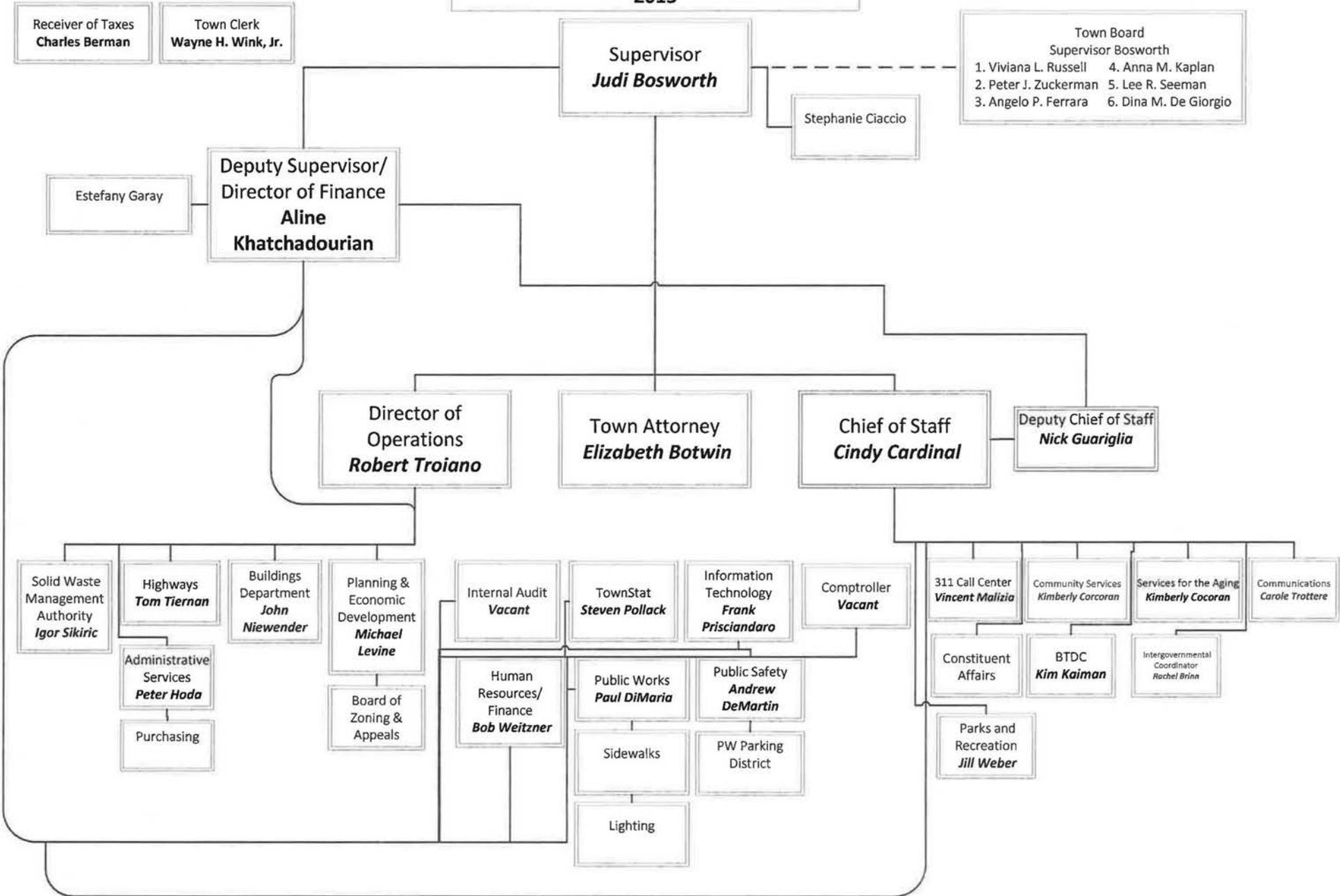
**COMMISSIONER OF PUBLIC WORKS:**

PAUL DIMARIA

**EXECUTIVE DIRECTOR OF SOLID WASTE MANAGEMENT:**

IGOR SIKIRIC

**Town of North Hempstead  
Organizational Chart  
2015**







Government Finance Officers Association

**Certificate of  
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Presented to

**Town of North Hempstead  
New York**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2013**

Executive Director/CEO

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**FINANCIAL  
SECTION**



INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented 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, 2014, 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 95.1% 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 nonmajor component units presented discretely in these financial statements, 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, Albertson Water District, Garden City Park Water District, Glenwood Water District, Port Washington Water District, Roslyn Water District, Westbury Water District, Manhasset Park District, Great Neck Park District, Shelter Rock Public Library District, and Greater Port Washington Business Improvement District, were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

**PERSONAL SERVICE. TRUSTED ADVICE.**

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

245 PARK AVENUE, 39TH FLOOR  
NEW YORK, NY 10167  
T: 212.792.4075

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, 2014, 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.

### **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 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 July 13, 2015, 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.

*A. Obricht, Veggrano, Zwick & Co., P.C.*

Hauppauge, New York  
July 13, 2015

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 December 31, 2014

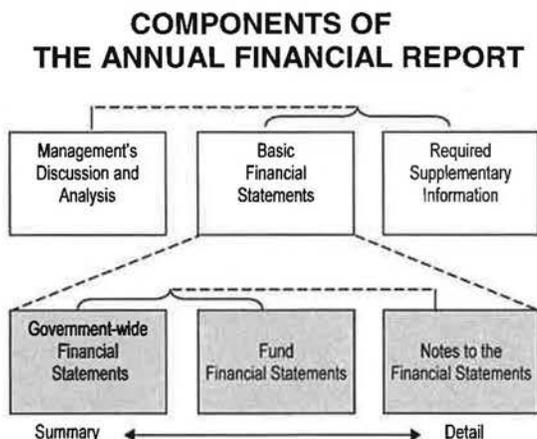
The management of the Town of North Hempstead (the "Town") provides this narrative overview and analysis of the Town's financial statements for the year ended December 31, 2014. We encourage readers to consider the information presented here together with additional information furnished in our letters 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 2014 by \$166,725,878.
- The Town's total net position at December 31, 2014 increased by \$4,765,435 over its net position at December 31, 2013.
- As of the close of 2014, the Town's governmental funds reported combined ending fund deficits of \$6,345,208, a reduction of \$33,899,001 in comparison with the prior year. Of this amount, \$4,064,925 is not in spendable form or is required to remain intact. Exclusive of the capital projects deficit of \$38,294,684, the Town has \$27,884,551 of total fund balance in spendable form with various levels of spending constraint: assigned or unassigned. These resources are available for spending at the Town's discretion.
- In 2014, the State Court of Appeals decided that Towns are obligated to pay for residents' tuition at the Fashion Institute of Technology (FIT). The Town funded the current year \$3,739,619 cost through the operating budget and without bonding, eliminating what would otherwise have been an \$826,391 operating surplus in the general fund at the close of 2014.
- The Town's total fund balance for the general fund was \$10,805,516 at the close of 2014, a decrease of \$2,913,228 or 21.2% from the prior year, primarily due to the Court of Appeals' decision in the FIT case. The Town eliminated the portion of nonspendable fund balance of \$3,930,015, that was based on the expectation of County reimbursement for FIT costs. The assigned and unassigned fund balance for the general fund was \$8,199,613, or 11.9% of total general fund expenditures and other uses.
- As of the close of 2014, the Town reduced its government-wide expenses by \$14,073,950 over the prior year, primarily due to the winding down of Superstorm Sandy related rehabilitation work and other reductions in operating expenditures.
- As of the close of 2014, the Town reduced its total debt outstanding by \$22,782,806 over the prior year as part of the Town's initiative to reduce its overall debt.

**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.



**TOWN OF NORTH HEMPSTEAD**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2014

**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.

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.

The Town's government-wide financial statements includes 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.

**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 it 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 1.A 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, 2014

**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 thirteen (13) 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 six (6) major funds. The general fund, highway fund, solid waste management authority (SWMA), town outside village (part town) fund, debt service fund and capital projects fund 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 in the capital projects fund and 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, 2014

**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 \$166,725,878 at the close of 2014.

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

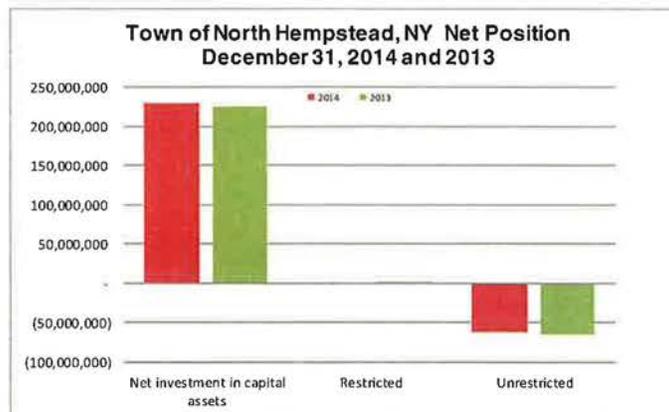
	2014	2013
Current and other assets;		
Current assets	\$ 61,864,228	\$ 77,539,786
Capital assets, net	402,254,930	404,688,112
Other non-current assets	2,820,000	2,760,000
Total assets	<u>466,939,158</u>	<u>484,987,898</u>
Deferred outflows of resources		86,900
Current and other liabilities:		
Current liabilities	90,136,178	142,108,867
Long-term liabilities	209,827,792	180,958,934
Total liabilities	<u>299,963,970</u>	<u>323,067,801</u>
Deferred inflows of resources	249,310	46,554
Net position:		
Net investment in capital assets	229,095,793	225,486,423
Restricted		1,841,053
Unrestricted	(62,369,915)	(65,367,033)
Total net position	<u>\$ 166,725,878</u>	<u>\$ 161,960,443</u>

The Town's total net position as of December 31, 2014 increased by \$4,765,435 from 2013.

By far the largest portion of the Town's net position, \$229,095,793, 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 \$59,117,869 for 2014. The OPEB liability continues to grow and increased in 2014 by \$7,589,454. Additional information on postemployment benefits 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 \$62,369,915. 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 and landfill closure and postclosure care costs. 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, 2014

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

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

	2014	2013
Program Revenues		
Charges for services	\$ 32,433,502	\$ 35,343,357
Operating grants and contributions	5,142,096	13,003,479
Capital grants and contributions	476,148	552,202
	<u>38,051,746</u>	<u>48,899,038</u>
General Revenues		
Real property taxes	72,038,134	70,878,833
Real property tax items	2,344,889	2,277,435
Non-property tax items	12,850,767	13,235,095
Mortgage tax	7,228,190	7,493,601
State aid - unrestricted	1,023,565	1,023,565
Other	3,689,730	2,556,450
	<u>99,175,275</u>	<u>97,464,979</u>
Total Revenues	<u>137,227,021</u>	<u>146,364,017</u>
Program Expenses		
General government support	29,539,133	28,161,989
Education	1,823,139	2,007,847
Public safety	14,261,443	13,883,747
Health	422,533	400,116
Transportation	23,690,160	26,237,863
Economic assistance and opportunity	2,873,584	2,957,536
Culture and recreation	27,383,857	28,275,078
Home and community services	27,652,600	38,960,568
Interest on debt	4,815,137	5,650,792
	<u>132,461,586</u>	<u>146,535,536</u>
Total Expenses	<u>132,461,586</u>	<u>146,535,536</u>
Change in Net Position	<u>4,765,435</u>	<u>(171,519)</u>
Net Position - Beginning	161,960,443	167,229,167
Cumulative Effect of Change in Accounting Principle		(5,097,205)
Net Position - Beginning, as Restated	<u>161,960,443</u>	<u>162,131,962</u>
Net Position - Ending	<u>\$ 166,725,878</u>	<u>\$ 161,960,443</u>

Net position, from all governmental activities, increased by \$4,765,735 in the current year.

Key element(s) of the governmental activities are:

- The \$10,847,292 decrease in program revenues was mainly due to a decrease in Federal Emergency Management Agency (FEMA) and other operating grants and contributions of \$7,805,403 as the reimbursements wind down from Superstorm Sandy. Charges for services decreased due to lower than anticipated building permits, solid waste disposal and services for other governments of \$418,156, \$1,477,292 and \$1,418,618, respectively.
- Real property taxes increased by \$1,159,301 as a result of the Town Board approved budget. Other revenues included an increase of \$1,145,974 as a result of the recapture of premiums on debt that had been refunded in the current year. Sales tax and mortgage tax decreased by \$488,321 and \$265,411, respectively, based on economic conditions, consumer spending and housing market conditions.
- Overall expenses decreased by \$14,073,950.
  - Home and community services (this category primarily covers garbage, sewage, and water services) – the \$11,307,968 decrease was mainly due to non-recurring expenses related to Superstorm Sandy for contractual services, transfer station operations, and tipping fees of \$7,123,962, \$1,989,457 and \$1,388,287, respectively. In addition, the Town did not have any recurring pollution remediation obligations in the current year.
  - Interest on debt – the decrease of \$835,655, was mainly due to savings from debt refundings, scheduled debt pay downs, and a decrease in long-term debt interest in 2014.

**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 December 31, 2014

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

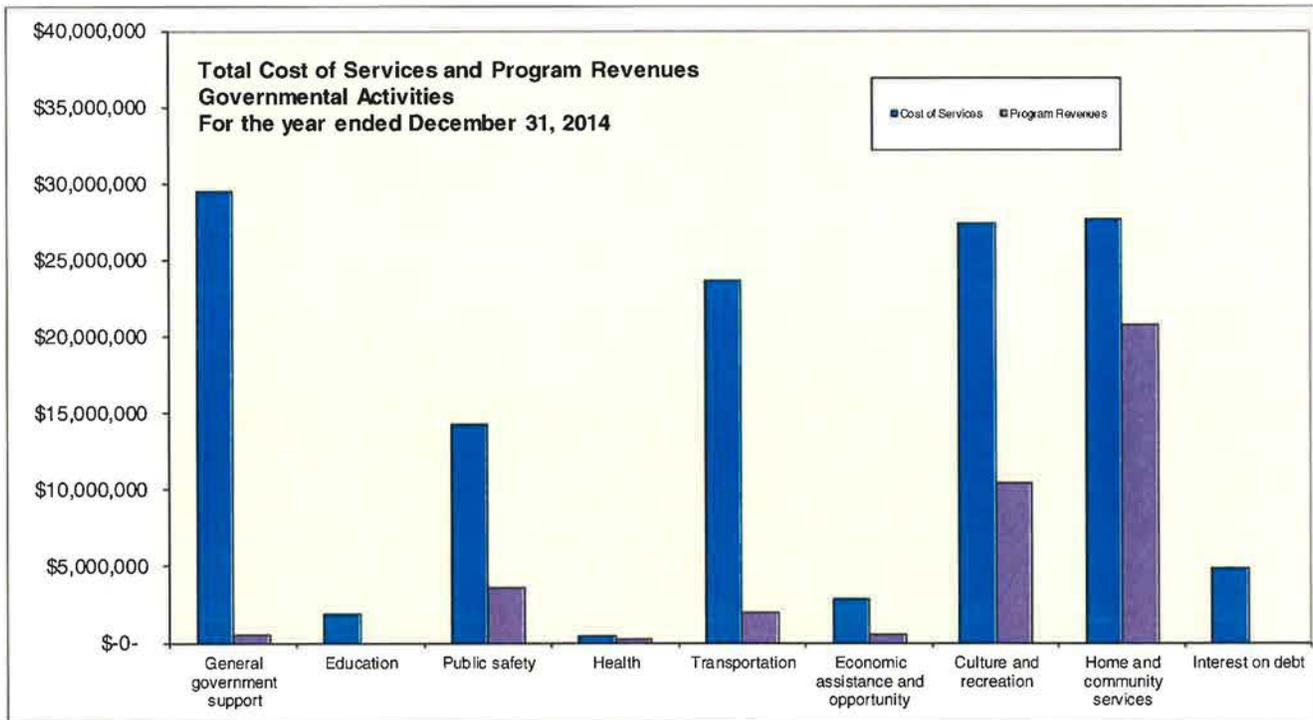
Key element(s) of the governmental activities are: (continued)

- Overall expenses decreased by \$14,073,950. (continued)
  - General government support – the increase of \$1,377,144 was partially attributable to an increase in administrative charges and an increase in general liability claims at the end of the year.
  - Transportation (this category primarily covers highways and sidewalks) – the \$2,547,703 decrease is primarily due to expenses related to Superstorm Sandy for contractual services, overtime and other operating expenses that were non-recurring from 2013; this was offset in part by an increase in snow removal costs in the current year.
  - Culture and recreation – the \$891,221 decrease was mainly attributable to lower salary expense, electric usage, tipping fees, and purchase of tools, parts and supplies in the parks and special recreational facilities.

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,

	2014		2013		2014		2013	
	Total Cost of Services		Program Revenue		Net Cost of Services			
General government support	\$ 29,539,133	\$ 28,161,989	\$ 497,926	\$ 432,869	\$ 29,041,207	\$ 27,729,120		
Education	1,823,139	2,007,847			1,823,139	2,007,847		
Public safety	14,261,443	13,883,747	3,585,511	4,133,966	10,675,932	9,749,781		
Health	422,533	400,116	274,282	285,178	148,251	114,938		
Transportation	23,690,160	26,237,863	1,960,691	3,422,686	21,729,469	22,815,177		
Economic assistance and opportunity	2,873,584	2,957,536	566,505	570,953	2,307,079	2,386,583		
Culture and recreation	27,383,857	28,275,078	10,434,256	9,862,623	16,949,601	18,412,455		
Home and community services	27,652,600	38,960,568	20,732,575	30,190,763	6,920,025	8,769,805		
Interest on debt	4,815,137	5,650,792			4,815,137	5,650,792		
	<u>\$ 132,461,586</u>	<u>\$ 146,535,536</u>	<u>\$ 38,051,746</u>	<u>\$ 48,899,038</u>	<u>\$ 94,409,840</u>	<u>\$ 97,636,498</u>		

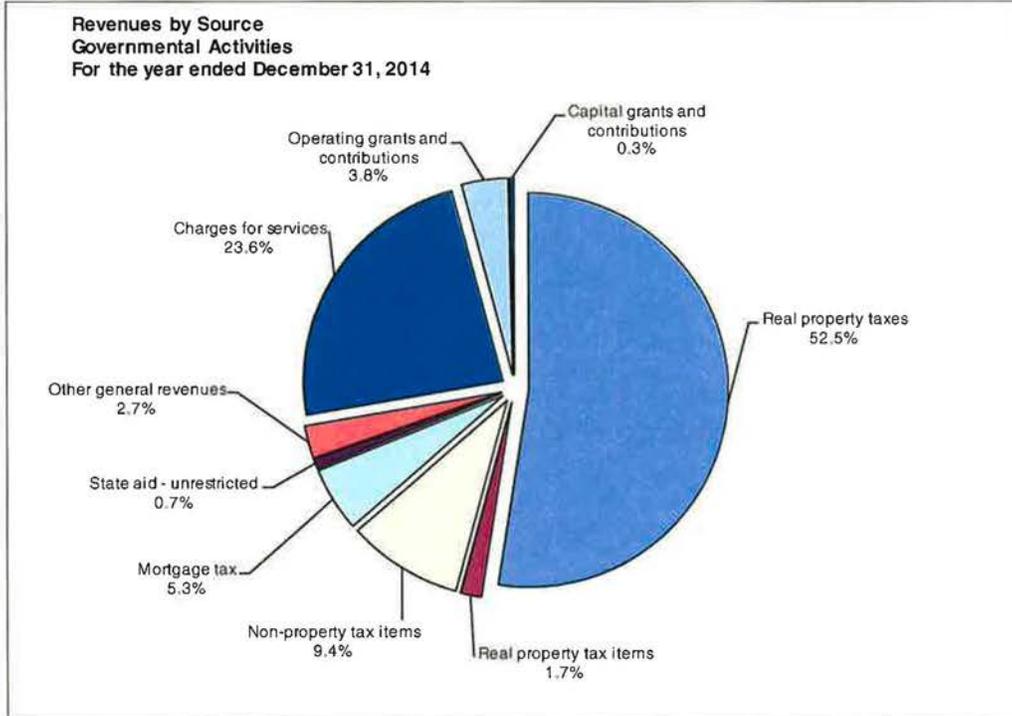


The total cost of all governmental activities this year was \$132,461,586. The net cost of these services after being subsidized by program revenues of \$38,051,746 was \$94,409,840.

**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 December 31, 2014

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

The following chart illustrates the revenues by source for the Town's governmental funds. The Town's revenue dropped by \$9,136,996 over the prior year, primarily due to the \$8,133,206 drop in FEMA reimbursements.



Revenue by Source  
 Years ended December 31,

	2014	2013
Real property taxes	\$ 72,038,134	\$ 70,878,833
Real property tax items	2,344,889	2,277,435
Non-property tax items	12,850,767	13,235,095
Mortgage tax	7,228,190	7,493,601
State aid - unrestricted	1,023,565	1,023,565
Other general revenues	3,689,730	2,556,450
Charges for services	32,433,502	35,343,357
Operating grants and contributions	5,142,096	13,003,479
Capital grants and contributions	476,148	552,202
	<u>\$ 137,227,021</u>	<u>\$ 146,364,017</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.

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

**TOWN OF NORTH HEMPSTEAD**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2014

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

**Governmental Funds** (continued)

At December 31, 2014, the Town's governmental funds reported total ending fund balances deficits of \$6,345,208, as compared to deficits of \$40,244,209 at December 31, 2013, a decrease in the deficits of \$33,899,001. The governmental funds reported fund balances, exclusive of the capital projects fund, of \$31,949,476. This change in total governmental fund balances was due principally to the decrease in the capital projects fund deficit as explained under "Capital Projects Fund" section. The category breakdown is as follows:

- **Nonspendable fund balance** – \$4,064,925 (inherently nonspendable) includes the portion of net resources that cannot be spent because they must be maintained intact.
- **Assigned fund balance** – \$23,301,383 (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** – (\$33,711,516) (residual net resources) is the total fund balance in the general fund in excess of nonspendable and assigned fund balance, of \$4,583,168, and the negative \$38,294,684 in capital projects 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 \$10,805,516, decreasing \$2,913,228 or 21.2% from the prior year. Of this amount, \$2,605,903 is not in spendable form (long-term receivables, inventory and prepaids). The remaining \$8,199,613 of the fund balance is in spendable form as follows: \$3,616,445 has been assigned by the Town Board (\$274,333 for capital projects, \$743,999 for workers' compensation, \$422,834 for insurance, and \$2,175,279 for senior housing related programs) and \$4,583,168 represents spendable, unassigned fund balance.

The most significant component of the general fund balance decrease was the resolution of the FIT litigation adversely to the Town. The Town did not borrow in 2014 to reflect the change of position but funded the entire FIT expense related to the litigation of \$3,739,619 through operations, and in turn releasing the nonspendable fund balance of \$3,930,015.

Other major components of the fund balance decrease of \$2,913,228 are as follows:

- The Town budgeted \$500,000 from fund balance in 2014.
- Revenues were lower than anticipated by \$121,874, mainly due to lower sales tax revenues, due to economic factors, of \$687,675 and lower Harbor Links revenues of \$651,982, which is in line with the national downward trend in golf. Additional revenues in excess of budget offset these shortfalls as follows: payments in lieu of taxes \$115,902, other real property tax items \$160,080, franchise fees \$97,342, unanticipated real estate revenues \$175,816, insurance recoveries \$98,218, mortgage tax \$203,054, and federal and state assistance of \$216,908 and \$159,065, respectively.
- Expenditures were greater than anticipated by \$2,349,786, mainly attributable to the resolution of litigation relating to the FIT community college tuition chargeback to the Town, as previously mentioned. This was offset by lower than budgeted spending in general government support including general services, postage, equipment and software support of \$782,741. The Town had a positive variance of \$358,094 and \$482,703 in economic assistance and opportunity and culture and recreation, respectively, mainly due to unfilled positions/retirements during the year and related employee benefit savings of \$288,226.

**TOWN OF NORTH HEMPSTEAD**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2014

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

**Governmental Funds** (continued)

**Highway Fund**

At the end of 2014, the total fund balance of the highway fund was \$5,269,196, increasing \$930,798, or 21.5%, from the prior year. Of this amount, \$1,168,699 is not in spendable form (inventory and prepaids). The remaining \$4,100,497 of the fund balance is in spendable form as follows; \$150,000 assigned by the Town Board for capital projects and the remaining \$3,950,497 is assigned for highway purposes.

The main reasons for the fund balance increase of \$930,798 are as follows:

- The Town budgeted \$567,345 from fund balance in 2014.
- FEMA reimbursements for Superstorm Sandy were \$2,349,945 over budget.
- Unbudgeted home and community service expenditures were \$486,064, resulted from emergency disaster work for Superstorm Sandy.
- Transportation was over expended by \$251,531 relating to tipping fees.

**Solid Waste Management Authority**

At the end of 2014, the total fund balance of the Solid Waste Management Authority was \$2,771,399, increasing \$51,856, or 1.9% from the prior year. Of this amount, \$7,650 is not in spendable form (prepaids). The remaining \$2,763,749 is assigned for solid waste management purposes.

The main reasons for the fund balance increase of \$51,856 are as follows:

- Revenues came in under budgeted amounts by \$1,225,300, primarily due to reduced solid waste tonnage processed at the facility.
- Expenditures came in below budget by \$1,277,156, of which the major elements were \$879,479 and \$177,663 in the transfer station and administration, respectively, related to less tonnage processed at the facility.

**Part Town**

At the end of 2014, the total fund balance of the part town fund was \$6,608,291, decreasing \$745,198 or 10.1%, from the prior year. Of this amount, \$207,277 is not in spendable form (prepaids). The remaining \$6,401,014 of the fund balance is assigned for part town purposes.

The main reasons for the fund balance decrease of \$745,198 are as follows:

- The Town budgeted \$167,655 from fund balance in 2014.
- Revenues came in under budgeted amounts by \$1,054,331 mainly due to lower than expected building permit revenue of \$801,404, and lower parking enforcement revenue of \$201,831.
- Expenditures for salaries and benefits came in under budget by \$465,972, as a direct result of unfilled personnel positions.

**Capital Projects Fund**

At the end of 2014, the capital projects fund had a total unassigned fund balance deficit of \$38,294,684. The deficit will be eliminated with the issuance of long-term bonds in subsequent periods.

The fund balance deficit decreased in the capital projects fund by \$35,584,998 during the current year. This was primarily due to:

- Proceeds from the sale of bonds in the amount \$40,193,172.
- Bond anticipation notes were redeemed from appropriations in the amount of \$4,706,346.
- Capital outlay and equipment expenditures were \$10,123,687.

**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 December 31, 2014

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

**Governmental Funds** (continued)

**Nonmajor Governmental Funds**

At the end of 2014, the total fund balance of the nonmajor governmental funds was \$4,287,240, decreasing \$238,240 or 5.3%, from the prior year. Of this amount, \$75,396 is not in spendable form (prepaids). The remaining \$4,211,844 of the fund balance is in spendable form as follows; \$175,881 for subsequent year's budget and the remaining \$4,035,963 of fund balance is assigned for nonmajor governmental fund purposes in their respective funds

The main reasons for the fund balance decrease of \$238,240 are as follows:

- The Town budgeted \$1,053,081 in fund balance in 2014.
- Payments in lieu of taxes across the majority of the funds amounted to \$44,068 in excess of budgeted amounts.
- FEMA revenues exceeded emergency disaster work in the amount of \$43,476 across the majority of the funds.
- The fire protection districts had positive variances in insurance and fire protection costs of \$63,917 and \$15,315, respectively.
- The park districts had an unbudgeted recovery of damage to Town property of \$52,474 and had a positive expenditure variance of \$207,526 resulting from lower salary and related benefits and a reduction in contractual expenditure costs.
- Transportation costs in the sidewalk district and public parking district had a positive variance of \$237,155 and \$44,943, respectively.
- Home and community (garbage-related) service in the refuse and garbage districts had a positive variance of \$85,834.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The differences between the 2014 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, 2014 amounts to \$402,254,930. This investment in capital assets includes land, construction in progress, building, improvement, machinery and equipment, roads, curb and sidewalks, drainage, street lighting and intangibles.

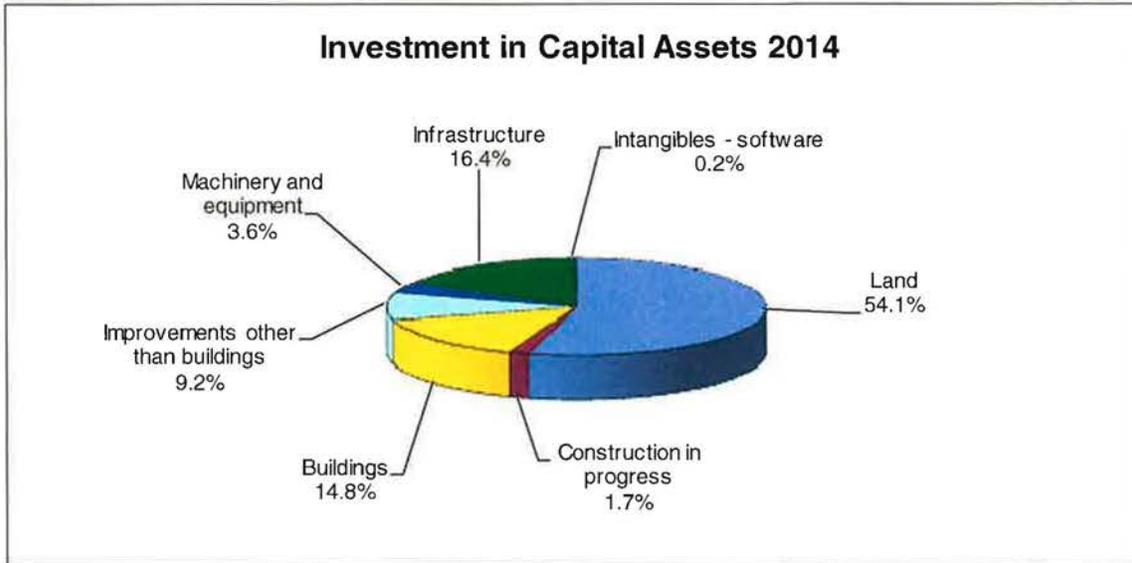
Capital Assets - Net of Depreciation  
 as of December 31,

	Governmental Activities	
	2014	2013
Land	\$ 217,615,246	\$ 216,713,341
Construction in progress	7,025,922	5,072,487
Buildings	59,652,852	61,463,077
Improvements other than buildings	37,015,325	37,151,580
Machinery and equipment	14,339,344	13,431,165
Infrastructure	65,817,828	69,989,151
Intangibles - software	788,413	867,311
<b>Total Capital Assets</b>	<b>\$ 402,254,930</b>	<b>\$ 404,688,112</b>

**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 December 31, 2014

**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 improvement plan for the general fund and highway fund. The five-year plan allows for continued improvements to infrastructure, buildings and equipment while remaining consistent with the parameters established in the Town's Debt Management Plan. The Debt Management Plan, adopted in 2000, as amended through 2012, provides the Town with the framework for funding capital projects, and issuing and managing debt.

**Debt**

At the end of 2014, the Town had reduced total debt outstanding including serial bonds, revenue bonds, RANs and BANs by \$22,782,806 from the prior year.

**Short-Term Debt**

As of December 31, 2014, the Town had outstanding short-term bond anticipation notes of \$57,301,310 with maturity dates in 2015. This is a decrease of \$35,513,822, or 38.3% from 2013 resulting from the conversion of short-term debt to long-term debt and reductions from redemptions made by the funds. Additionally, the revenue anticipation notes of \$9,200,000 were paid in full in 2014.

Outstanding Short-Term Debt  
 as of December 31,

	Governmental Activities	
	2014	2013
Bond anticipation notes	\$ 57,301,310	\$ 92,815,132
Revenue anticipation notes	-	9,200,000
<b>Total</b>	<b>\$ 57,301,310</b>	<b>\$ 102,015,132</b>

**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2014

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

**Long-Term Debt**

As of December 31, 2014, the Town had outstanding long-term bonded debt of \$136,512,380. This is an increase of \$21,931,016, or 19.1%, over the prior year as a result of refunding a substantial portion of the Town's short-term debt. General obligation bonds are shown net of premiums.

Outstanding Long-Term Debt  
as of December 31,

	Governmental Activities	
	2014	2013
General obligation bonds	\$ 133,069,722	\$ 110,326,404
Revenue bonds	3,442,658	4,254,960
Total	\$ 136,512,380	\$ 114,581,364

In 2014, Moody's Investment Services reaffirmed the Town of North Hempstead's credit rating at "Aa1" and stable 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, 2014, the Town had exhausted 7.73% of the current debt limitation, which is \$3,811,674,156.

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 2015 that stayed within the 1.56% 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 2015 budget includes mortgage tax of \$6,979,847; State aid - per capita of \$1,023,565 and local government assistance (sales tax) of \$11,428,697. 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.

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF NORTH HEMPSTEAD**  
**GOVERNMENT-WIDE FINANCIAL STATEMENT**  
**STATEMENT OF NET POSITION**  
December 31, 2014

	Primary Governmental Activities	Nonmajor Component Units
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and investments	\$ 46,260,432	\$ 59,357,537
Cash - restricted		14,738,055
Accounts receivable, net of allowances	3,612,262	6,217,676
Prepays	1,320,412	2,620,787
State and federal aid receivables	3,468,304	
Due from other governments	6,040,707	5,263,323
Inventory of materials and supplies	1,162,111	1,114,289
Total Current Assets	61,864,228	89,311,667
<b>Non-Current Assets:</b>		
Notes receivable	2,820,000	
Property held for resale		2,807,209
Capital assets not being depreciated	224,641,168	46,954,463
Capital assets, net of accumulated depreciation	177,613,762	197,155,930
Total Non-Current Assets	405,074,930	246,917,602
<b>Total Assets</b>	466,939,158	336,229,269
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charge on refunding		42,091
<b>Total Deferred Outflows of Resources</b>		42,091
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued liabilities	8,747,428	7,823,023
Accrued interest payable	1,775,085	835,004
Bond anticipation notes payable	57,301,310	32,466,761
Due to other governments	1,911,388	131,615
Grant advances		22,773
Other liabilities		244,551
<b>Non-Current Liabilities due within one year:</b>		
General obligation bonds payable	16,582,402	8,557,443
Revenue bonds payable	831,202	
Due to employees' retirement system	960,420	18,493
Compensated absences	250,228	
Claims and judgments payable	711,795	
Estimated liability for landfill closure and postclosure care costs	1,064,920	
Installment purchase debt		91,424
Total Current Liabilities	90,136,178	50,191,087
<b>Non-Current Liabilities due in more than one year:</b>		
General obligation bonds payable	119,507,676	112,695,090
Revenue bonds payable	2,611,456	
Due to employees' retirement system	5,711,994	145,717
Compensated absences	4,754,339	12,563,398
Claims and judgments payable	5,035,488	
Estimated liability for landfill closure and postclosure care costs	13,088,970	
Postemployment benefits healthcare costs	59,117,869	52,833,572
Installment purchase debt		695,490
Total Non-Current Liabilities	209,827,792	178,933,267
<b>Total Liabilities</b>	299,963,970	229,124,354
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred revenue, payments in lieu of taxes	58,851	
Deferred revenue, federal aid grant	190,459	
Deferred inflows, refunded debt		50,693
Deferred inflows, loans receivable		1,954,549
<b>Total Deferred Inflows of Resources</b>	249,310	2,005,242
<b>NET POSITION</b>		
Net investment in capital assets	229,095,793	106,783,259
Restricted for:		
Debt service		13,793,102
Unrestricted	(62,369,915)	(15,434,597)
<b>Total Net Position</b>	\$ 166,725,878	\$ 105,141,764

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, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Government Activities:				
General government support	\$ 29,539,133	\$ 497,926		
Education	1,823,139			
Public safety	14,261,443	3,585,511		
Health	422,533	274,282		
Transportation	23,690,160	1,318,572	\$ 642,119	
Economic assistance and opportunity	2,873,584	281,716	284,789	
Culture and recreation	27,383,857	10,028,738	61,286	\$ 344,232
Home and community services	27,652,600	16,446,757	4,153,902	131,916
Interest on debt	4,815,137			
Total Primary Government	\$ 132,461,586	\$ 32,433,502	\$ 5,142,096	\$ 476,148
<b>Nonmajor Component Units</b>				
Public safety	\$ 22,450,611	\$ 850	\$ 85,075	
Culture and recreation	22,224,806	4,632,189	1,522	
Home and community services	56,832,688	22,373,887	580,096	\$ 824,411
	\$ 101,508,105	\$ 27,006,926	\$ 666,693	\$ 824,411
<b>General Revenues</b>				
Real property taxes				
Real property tax items				
Sales tax distribution by County				
Franchise fees				
Interest and earnings - unrestricted				
Interest and earnings - restricted				
Mortgage tax				
Sale of property and compensation for loss				
State aid - unrestricted				
Other				
Total General Revenues				
Change in Net Position				
<b>Net Position at Beginning of Year</b>				
<b>Net Position at End of Year</b>				

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
\$ (29,041,207)	
(1,823,139)	
(10,675,932)	
(148,251)	
(21,729,469)	
(2,307,079)	
(16,949,601)	
(6,920,025)	
(4,815,137)	
<u>(94,409,840)</u>	
	\$ (22,364,686)
	(17,591,095)
	<u>(33,054,294)</u>
	<u>(73,010,075)</u>
72,038,134	69,668,183
2,344,889	662,802
10,845,925	
2,004,842	
1,501,136	1,272,078
	18,467
7,228,190	
	188,327
1,023,565	40,827
2,188,594	1,324,655
<u>99,175,275</u>	<u>73,175,339</u>
<u>4,765,435</u>	<u>165,264</u>
<u>161,960,443</u>	<u>104,976,500</u>
<u>\$ 166,725,878</u>	<u>\$ 105,141,764</u>

**TOWN OF NORTH HEMPSTEAD**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2014

	MAJOR FUNDS				
	General	Highway	Solid Waste Management	Part Town	Debt Service
<b>ASSETS</b>					
Cash and investments	\$ 8,247,749	\$ 532,397	\$ 1,371,862	\$ 6,340,069	\$ 2,015,593
Accounts receivable, net of allowances	1,032,708	37,119	2,409,177	125,391	
Prepays	704,604	325,485	7,650	207,277	
Due from other funds	921,777	2,676,523	1,632,182	157,181	216,484
State and federal aid receivable	561,108	2,043,494	366,669		
Due from other governments	4,315,502	6,988		133,489	
Inventory of materials and supplies	318,897	843,214			
Total Assets	<u>\$ 16,102,345</u>	<u>\$ 6,465,220</u>	<u>\$ 5,787,540</u>	<u>\$ 6,963,407</u>	<u>\$ 2,232,077</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 2,398,614	\$ 716,833	\$ 1,950,660	\$ 245,222	\$ 24,243
Bond anticipation notes payable					
Due to other governments	1,826,494			84,894	
Due to other funds	877,943	451,774	1,062,836	25,000	
Total Liabilities	<u>5,103,051</u>	<u>1,168,607</u>	<u>3,013,496</u>	<u>355,116</u>	<u>24,243</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue, payments in lieu of taxes	3,319	27,417	2,645		
Unavailable revenue, federal aid grant	190,459				
Total Deferred Inflows of Resources	<u>193,778</u>	<u>27,417</u>	<u>2,645</u>		
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable	2,605,903	1,168,699	7,650	207,277	
Assigned	3,616,445	4,100,497	2,763,749	6,401,014	2,207,834
Unassigned	4,583,168				
Total Fund Balances (Deficits)	<u>10,805,516</u>	<u>5,269,196</u>	<u>2,771,399</u>	<u>6,608,291</u>	<u>2,207,834</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 16,102,345</u>	<u>\$ 6,465,220</u>	<u>\$ 5,787,540</u>	<u>\$ 6,963,407</u>	<u>\$ 2,232,077</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>
\$ 22,875,976	\$ 4,876,786	\$ 46,260,432
2,058	5,809	3,612,262
	75,396	1,320,412
7,600	61,857	5,673,604
351,473	145,560	3,468,304
	1,584,728	6,040,707
		1,162,111
<u>\$ 23,237,107</u>	<u>\$ 6,750,136</u>	<u>\$ 67,537,832</u>
\$ 2,615,366	\$ 796,490	\$ 8,747,428
56,293,300	1,008,010	57,301,310
		1,911,388
2,600,375	655,676	5,673,604
<u>61,509,041</u>	<u>2,460,176</u>	<u>73,633,730</u>
22,750	2,720	58,851
		190,459
<u>22,750</u>	<u>2,720</u>	<u>249,310</u>
	75,396	4,064,925
	4,211,844	23,301,383
<u>(38,294,684)</u>	<u></u>	<u>(33,711,516)</u>
<u>(38,294,684)</u>	<u>4,287,240</u>	<u>(6,345,208)</u>
<u>\$ 23,237,107</u>	<u>\$ 6,750,136</u>	<u>\$ 67,537,832</u>

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**TOWN OF NORTH HEMPSTEAD**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE**  
**STATEMENT OF NET POSITION**  
December 31, 2014

**Total Fund Balances - Governmental Funds** \$ (6,345,208)

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

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

Capital assets - non-depreciable	\$ 224,641,168	
Capital assets - depreciable	384,909,466	
Accumulated depreciation	<u>(207,295,704)</u>	
		402,254,930

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	(133,069,722)	
Revenue bonds payable	(3,442,658)	
Premiums on debt issuance	(3,020,356)	
Due to employees' retirement system	(6,672,414)	
Compensated absences	(5,004,567)	
Claims and judgments payable	(5,747,283)	
Estimated liability for landfill closure and postclosure care costs	(14,153,890)	
Postemployment benefits healthcare costs	<u>(59,117,869)</u>	
		(230,228,759)

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. 2,820,000

Interest payable applicable to the Town's governmental activities are not due and payable in the current period, and accordingly, are not reported in the funds. However, these liabilities are included in the Statement of Net Position. (1,775,085)

**Net Position of Governmental Activities** \$ 166,725,878

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, 2014

	MAJOR FUNDS				
	General	Highway	Solid Waste Management	Part Town	Debt Service
<b>REVENUES</b>					
Real property taxes	\$ 24,484,925	\$ 20,423,184		\$ 6,088,576	
Real property tax items	1,469,791	376,297		112,092	
Non-property tax items	12,793,267			57,500	
Departmental income	9,444,137		\$ 15,196,703	839,947	
Intergovernmental charges		31,846	931,250		
Use of money and property	298,460	74,126	76,817	8,229	\$ 95,769
Licenses and permits	254,211	282,113		2,698,596	
Fines and forfeitures	25,000			214,052	
Sale of property and compensation for loss	106,735	9,642	238,295	2,706	
Miscellaneous local sources	546,164	29,031	6,643	370	
Interfund revenues	6,518,423	300,751		100,000	
State aid	8,487,998	714,279	357,170	56,395	
Federal aid	376,912	2,349,945	340,172		
<b>Total Revenues</b>	<b>64,806,023</b>	<b>24,591,214</b>	<b>17,147,050</b>	<b>10,178,463</b>	<b>95,769</b>
<b>EXPENDITURES</b>					
Current:					
General government support	14,568,430	2,665,978		2,148,597	
Education	5,362,136				
Public safety	1,451,815			4,806,692	
Health				242,761	
Transportation		10,630,546			
Economic assistance and opportunity	2,083,114				
Culture and recreation	16,137,148				
Home and community services	1,390,276	486,064	16,279,446	1,091,489	
Employee benefits	9,002,376	5,147,722	815,748	2,644,938	
Debt Service:					
Principal					15,190,493
Interest	7,487	56,753			4,219,774
Capital Outlay					
<b>Total Expenditures</b>	<b>50,002,782</b>	<b>18,987,063</b>	<b>17,095,194</b>	<b>10,934,477</b>	<b>19,410,267</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>14,803,241</b>	<b>5,604,151</b>	<b>51,856</b>	<b>(756,014)</b>	<b>(19,314,498)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	995,905	783,877	900,825	10,816	21,043,011
Transfers out	(18,712,374)	(5,457,230)	(900,825)		(720,823)
Debt issuance					220,325
Premiums on debt issuance					31,489,609
Refunding bond Issued					3,602,409
Premium on refunding bond					(35,092,018)
Payments to refunded bond escrow agent					
<b>Total Other Financing Sources (Uses)</b>	<b>(17,716,469)</b>	<b>(4,673,353)</b>	<b>-0-</b>	<b>10,816</b>	<b>20,542,513</b>
<b>Net Change in Fund Balances</b>	<b>(2,913,228)</b>	<b>930,798</b>	<b>51,856</b>	<b>(745,198)</b>	<b>1,228,015</b>
<b>Fund Balances (Deficits) at Beginning of Year</b>	<b>13,718,744</b>	<b>4,338,398</b>	<b>2,719,543</b>	<b>7,353,489</b>	<b>979,819</b>
<b>Fund Balances (Deficits) at End of Year</b>	<b>\$ 10,805,516</b>	<b>\$ 5,269,196</b>	<b>\$ 2,771,399</b>	<b>\$ 6,608,291</b>	<b>\$ 2,207,834</b>

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

Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
	\$ 21,041,449	\$ 72,038,134
	386,709	2,344,889
		12,850,767
	917,800	26,398,587
		963,096
	39,977	593,378
		3,234,920
		239,052
	52,474	409,852
\$ 620,961	77	1,203,246
	75,727	6,994,901
784,926		10,400,768
903,137	142,626	4,112,792
<u>2,309,024</u>	<u>22,656,839</u>	<u>141,784,382</u>
	2,336,948	21,719,953
		5,362,136
	5,903,508	12,162,015
		242,761
	3,765,677	14,396,223
		2,083,114
	856,157	16,993,305
	7,957,720	27,204,995
	922,238	18,533,022
		15,190,493
	3,160	4,287,174
<u>10,123,687</u>		<u>10,123,687</u>
<u>10,123,687</u>	<u>21,745,408</u>	<u>148,298,878</u>
<u>(7,814,663)</u>	<u>911,431</u>	<u>(6,514,496)</u>
4,822,556	30,044	28,587,034
(1,616,067)	(1,179,715)	(28,587,034)
40,193,172		40,193,172
		220,325
		31,489,609
		3,602,409
		(35,092,018)
<u>43,399,661</u>	<u>(1,149,671)</u>	<u>40,413,497</u>
35,584,998	(238,240)	33,899,001
<u>(73,879,682)</u>	<u>4,525,480</u>	<u>(40,244,209)</u>
<u>\$ (38,294,684)</u>	<u>\$ 4,287,240</u>	<u>\$ (6,345,208)</u>

**TOWN OF NORTH HEMPSTEAD**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
Year ended December 31, 2014

**Net Change in Fund Balance - Total Governmental Funds** \$ 33,899,001

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	\$ 10,414,731	
Depreciation expense	<u>(12,847,913)</u>	(2,433,182)

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

Interest expense	(86,900)	
Other liabilities for tuition charge back	<u>3,538,997</u>	3,452,097

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

Interest income	60,000	
Premiums on debt issuance	<u>(1,445,194)</u>	(1,385,194)

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	(71,682,781)	
Repayment of general obligation bond principal	48,939,463	
Repayment of revenue bond principal	812,302	
Due to employees' retirement system	(704,863)	
Compensated absences	121,314	
Claims and judgments	(61,860)	
Estimated liability for landfill closure and postclosure care costs	661,114	
Pollution remediation obligations	647,795	
Postemployment benefits healthcare costs	(7,589,454)	
Accrued interest payable	<u>89,683</u>	<u>(28,767,287)</u>

**Change in Net Position of Governmental Activities** \$ 4,765,435

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, 2014

		Total Agency Funds
<b>ASSETS</b>		
Cash		\$ 33,692,960
	<b>Total Assets</b>	\$ 33,692,960
 <b>LIABILITIES</b>		
Due to school districts		\$ 5,626,006
Other agency liabilities		28,066,954
	<b>Total Liabilities</b>	\$ 33,692,960

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, 2014

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**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**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 Town Attorney, Comptroller, Superintendent of Highways, Executive Director of the Solid Waste Management Authority and the Commissioners of the following departments: Administrative Services, Community Services, Public Works, Public Safety, Building, Finance, Parks and Recreation, Planning, 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.

Discrete 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. The Town's discretely presented component units are: See note 1.B for a complete list of the discretely presented component units.

Based on the application of the above criteria the following are nonmajor, discretely presented component units of the Town providing refuse and garbage, water pollution control, water, park, police, library and business services to residents and businesses within the districts. These nonmajor component units are presented discretely in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**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, 2014

**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 Authority's management is designated by the Town Board. The Town Board appoints the Agency Board of Directors. 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, 2014

**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 as well as 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.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**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.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

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

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

**Fund Financial Statements** (continued)

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 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** – 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, 2014

**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, 2014

**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 and postemployment benefits healthcare costs 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 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 PAYABLES**

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

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:

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

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

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

**3. RECEIVABLES AND PAYABLES** (continued)

a) **Interfund Revenues**

Interfund revenues, quasi-external transactions, 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.

Prepaid items in the general and special revenue funds are 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. 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. 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.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

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

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

**6. CAPITAL ASSETS** (continued)

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.

**7. 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.

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.

**8. 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, and postemployment benefits healthcare costs 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.

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.

**9. 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.”

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

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

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

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

In the fund financials 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.
- 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.

**10. 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.

**11. 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. Authority to assign fund balance rests with the Town Board and Town Comptroller, through resolution granted by the Town Board.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

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

**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.

**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.

**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, 2014.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

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

**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.

**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, 2014, the Town adopted:

GASB Statement No. 67, *Accounting and Reporting for Pensions; an amendment of GASB Statement No.25.*

GASB Statement No. 69, *Government Combinations and Disposal of Government Operations.*

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees.*

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

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

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

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

**A. BUDGETARY INFORMATION** (continued)

- 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.
- 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 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	\$ 1,582,402							\$ 1,582,402
Inventory	318,897	\$ 843,214						1,162,111
Prepays	704,604	325,485	\$ 7,650	\$ 207,277			\$ 75,396	1,320,412
<b>Total Nonspendable</b>	<b>2,605,903</b>	<b>1,168,699</b>	<b>7,650</b>	<b>207,277</b>			<b>75,396</b>	<b>4,064,925</b>
<b>Assigned to:</b>								
Subsequent year's budget							175,881	175,881
Capital projects	274,333	150,000						424,333
Debt service					\$ 2,207,834			2,207,834
Special revenue funds		3,950,497	2,763,749	6,401,014			4,035,963	17,151,223
Workers' compensation	743,999							743,999
Insurance	422,834							422,834
Senior endowment	2,175,279							2,175,279
<b>Total Assigned</b>	<b>3,616,445</b>	<b>4,100,497</b>	<b>2,763,749</b>	<b>6,401,014</b>	<b>2,207,834</b>		<b>4,211,844</b>	<b>23,301,383</b>
<b>Unassigned, reported in:</b>								
General Fund	4,583,168							4,583,168
Capital Projects Fund						\$ (38,294,684)		(38,294,684)
<b>Total Unassigned</b>	<b>4,583,168</b>					<b>(38,294,684)</b>		<b>(33,711,516)</b>
<b>Total Fund Balances (Deficits)</b>	<b>\$ 10,805,516</b>	<b>\$ 5,269,196</b>	<b>\$ 2,771,399</b>	<b>\$ 6,608,291</b>	<b>\$ 2,207,834</b>	<b>\$ (38,294,684)</b>	<b>\$ 4,287,240</b>	<b>\$ (6,345,208)</b>

**2. DEFICIT FUND EQUITY**

The capital projects fund deficit, in unassigned fund balance, and total fund balance deficit of \$38,294,684, resulted from differences in timing between project expenditures and encumbrances and the recognition of corresponding permanent financing sources. This deficit will be eliminated in subsequent years with the issuance of long-term bonds and operating transfers.

**3. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the year ended December 31, 2014, expenditures exceeded appropriations in the general fund, highway fund, and street lighting district by \$2,330,714, \$737,595, and \$48,496, 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, 2014

**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, 2014, the Town's deposits were \$79,943,676. This amount is inclusive of fiduciary fund deposits of \$33,692,960 exclusive of petty cash of \$9,716. The bank balance required to be collateralized was \$78,222,873. Of the bank balance, \$2,907,604 was covered by Federal Deposit Insurance, and \$77,673,836 was covered by collateral held by the Town's agent, a third-party financial institution, in the Town's name. Collateral policies appear in Note 1.D.1.

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, 2014, 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, 2014

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

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

At December 31, 2014, 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	\$ 921,777	\$ 877,943
Highway	2,676,523	451,774
Solid Waste Management Authority	1,632,182	1,062,836
Part Town	157,181	25,000
Debt Service	216,484	
Capital Projects Fund	7,600	2,600,375
<u>Nonmajor Funds:</u>		
Lighting District	36,857	
Park Districts		243,260
Sidewalk District		210,773
Refuse and Garbage Districts		200,998
Public Parking District	25,000	645
	\$ 5,673,604	\$ 5,673,604

At December 31, 2014, 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	\$ 995,905	\$ 18,712,374
Highway	783,877	5,457,230
Solid Waste Management Authority	900,825	900,825
Part Town	10,816	
Debt Service	21,043,011	720,823
Capital Projects Fund	4,822,556	1,616,067
<u>Nonmajor Funds:</u>		
Park Districts		28,327
Sidewalk District	24,023	764,296
Refuse and Garbage Districts		9,258
Public Parking District	6,021	377,834
	6,021	377,834

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**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

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

**C. CAPITAL ASSETS**

	Balance 1/1/2014	Additions	Deletions	Construction in Progress Reclassification	Balance 12/31/2014
<b>Primary government</b>					
Capital assets not being depreciated					
Land - other than landfills	\$ 216,713,341	\$ 901,905			\$ 217,615,246
Construction in progress	5,072,487	3,077,200		\$ (1,123,765)	7,025,922
Total capital assets not being depreciated	<u>221,785,828</u>	<u>3,979,105</u>		<u>(1,123,765)</u>	<u>224,641,168</u>
Depreciable capital assets					
Buildings	84,964,483			26,099	84,990,582
Improvements other than buildings	58,251,401	880,871		863,906	59,996,178
Machinery and equipment	36,174,841	2,949,131			39,123,972
Infrastructure	195,920,315	2,471,454		233,760	198,625,529
Intangibles - software	2,039,035	134,170			2,173,205
Total depreciable capital assets	<u>377,350,075</u>	<u>6,435,626</u>		<u>1,123,765</u>	<u>384,909,466</u>
Less accumulated depreciation					
Buildings	23,501,406	1,836,324			25,337,730
Improvements other than buildings	21,099,821	1,881,032			22,980,853
Machinery and equipment	22,743,676	2,040,952			24,784,628
Infrastructure	125,931,164	6,876,537			132,807,701
Intangibles - software	1,171,724	213,068			1,384,792
Total accumulated depreciation	<u>\$ 194,447,791</u>	<u>\$ 12,847,913</u>			<u>207,295,704</u>
Total net depreciable capital assets					<u>177,613,762</u>
Total net capital assets					<u>\$ 402,254,930</u>

The Town depreciated all fixed assets acquired or put in service during 2014 with an effective date of July 1, 2014, or on a six month depreciable basis.

The Town has expended funds to construct a sanitary sewer and pump station and install a sanitary force main at the Harbor Links Golf Course. Under contractual obligation, this project will be turned over to the Port Washington Water Pollution Control District, a component unit of the Town. As of December 31, 2014, the project was completed but title has not yet passed to the Port Washington Water Pollution Control District.

Depreciation expense was charged to governmental functions as follows:

General government support	\$ 582,342
Public safety	152,257
Transportation	6,128,576
Culture and recreation	4,996,403
Home and community services	988,335
Total governmental activities depreciation expense	<u>\$ 12,847,913</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, 2014, the Town has not recorded any such impairment losses.

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**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

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

**C. CAPITAL ASSETS (continued)**

	Restated Balance 1/1/2014	Additions	Deletions	Balance 12/31/2014
<b><u>Nonmajor component units</u></b>				
Capital assets not being depreciated				
Land	\$ 12,963,001	\$ 104,128		\$ 13,067,129
Construction in progress	74,991,293	13,576,850	\$ 54,680,809	33,887,334
Total capital assets not being depreciated	<u>87,954,294</u>	<u>13,680,978</u>	<u>54,680,809</u>	<u>46,954,463</u>
Depreciable capital assets				
Buildings	91,077,577	19,153,851	163,871	110,067,557
Improvements other than buildings	43,650,787	33,226,689	670,554	76,206,922
Machinery and equipment	80,680,566	7,483,896	1,048,092	87,116,370
Infrastructure	85,684,793	1,536,239		87,221,032
Total depreciable capital assets	<u>301,093,723</u>	<u>61,400,675</u>	<u>1,882,517</u>	<u>360,611,881</u>
Less accumulated depreciation				
Buildings	45,673,345	2,491,391	95,910	48,068,826
Improvements other than buildings	19,386,104	2,017,746	564,200	20,839,650
Machinery and equipment	53,970,520	5,033,143	943,421	58,060,242
Infrastructure	34,191,113	2,296,120		36,487,233
Total accumulated depreciation	<u>\$ 153,221,082</u>	<u>\$ 11,838,400</u>	<u>\$ 1,603,531</u>	<u>163,455,951</u>
Total net depreciable capital assets				<u>197,155,930</u>
Total net capital assets				<u>\$ 244,110,393</u>

The January 1, 2014 opening capital assets balance for nonmajor component units have been restated to exclude the Town of North Hempstead Community Development Agency's non-current assets from capital assets not being depreciated - land and to reclass these redevelopment properties to property held for resale.

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**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

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

**D. INDEBTEDNESS**

**CHANGES IN LONG-TERM LIABILITIES**

Long-term liability activity for the year ended December 31, 2014, is as follows:

	Balance 1/1/2014	Increases	Reductions	Balance 12/31/2014	Non-current liabilities due within one year	Non-current liabilities
<b>Primary government:</b>						
Bonds Payable:						
General obligation bonds payable	\$ 110,326,404	\$ 71,682,781	\$ 48,939,463	\$ 133,069,722	\$ 15,576,937	\$ 117,492,785
Revenue bonds payable	4,254,960		812,302	3,442,658	831,202	2,611,456
Plus deferred amounts:						
Premiums on issuance	1,575,162	3,822,734	2,377,540	3,020,356	1,005,465	2,014,891
Total Bonds Payable	116,156,526	75,505,515	52,129,305	139,532,736	17,413,604	122,119,132
Due to employees' retirement system	5,967,551	1,496,908	792,045	6,672,414	960,420	5,711,994
Compensated absences	5,125,881	3,560,992	3,682,306	5,004,567	250,228	4,754,339
Claims and judgments payable	5,685,423	1,416,669	1,354,809	5,747,283	711,795	5,035,488
Estimated liability for landfill closure and postclosure care costs	14,815,004		661,114	14,153,890	1,064,920	13,088,970
Pollution remediation	647,795		647,795			
Postemployment benefits healthcare costs	51,528,415	11,026,435	3,436,981	59,117,869		59,117,869
	<u>\$ 199,926,595</u>	<u>\$ 93,006,519</u>	<u>\$ 62,704,355</u>	<u>\$ 230,228,759</u>	<u>\$ 20,400,967</u>	<u>\$ 209,827,792</u>
<b>Nonmajor component units:</b>						
Bonds Payable:						
General obligation bonds payable	\$ 122,963,596	\$ 11,441,321	\$ 13,454,667	\$ 120,950,250	\$ 8,534,037	\$ 112,416,213
Plus deferred amounts:						
Premiums on issuance	59,030	251,766	8,513	302,283	23,406	278,877
Total Bonds Payable	123,022,626	11,693,087	13,463,180	121,252,533	8,557,443	112,695,090
Due to employees' retirement system	172,596		8,386	164,210	18,493	145,717
Compensated absences	11,859,042	923,999	219,643	12,563,398		12,563,398
Postemployment benefits healthcare costs	45,880,097	9,472,863	2,519,388	52,833,572		52,833,572
Installment purchase debt	876,475		89,561	786,914	91,424	695,490
	<u>\$ 181,810,836</u>	<u>\$ 22,089,949</u>	<u>\$ 16,300,158</u>	<u>\$ 187,600,627</u>	<u>\$ 8,667,360</u>	<u>\$ 178,933,267</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 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.

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, 2014, the Town had \$89,768,071 of BANs payable with interest rates ranging from 0.350% to 1.000% with maturities in 2015.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

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

**D. INDEBTEDNESS (continued)**

**SHORT-TERM DEBT (continued)**

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 1/1/2014	Issued	Redeemed	Balance 12/31/2014
<b><u>Primary government:</u></b>				
Capital projects fund:				
General	\$ 75,965,739	\$ 7,410,000	\$ 42,206,419	\$ 41,169,320
Highway	15,373,279	2,443,800	2,693,099	15,123,980
Refuse and Garbage	1,476,114		468,104	1,008,010
Total primary government	<u>92,815,132</u>	<u>9,853,800</u>	<u>45,367,622</u>	<u>57,301,310</u>
<b><u>Nonmajor component units:</u></b>				
Garbage districts	753,886		239,072	514,814
Water pollution control districts	3,642,325	600,000	3,642,325	600,000
Water districts	18,786,421	12,230,000	3,252,474	27,763,947
Park districts	367,000	3,400,000	179,000	3,588,000
Total component units	<u>23,549,632</u>	<u>16,230,000</u>	<u>7,312,871</u>	<u>32,466,761</u>
Total bond anticipation notes	<u>\$ 116,364,764</u>	<u>\$ 26,083,800</u>	<u>\$ 52,680,493</u>	<u>\$ 89,768,071</u>

Included in the BANs is the \$1,522,824 balance of the \$4,150,000 BAN 2011 – Series D, after principal paid down of \$2,627,176. 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.

**Revenue Anticipation Notes (RANs)** – are used to finance operations repayable by anticipated future revenues. On June 13, 2013 the Town issued a RAN to finance cash flow requirements in anticipation of the collection of monies expected to be received by the Town from the Federal Emergency Management Administration (FEMA) on account of storm-related damage and costs from Superstorm Sandy and other storm events during the year ended December 31, 2013 in the amount of \$9,200,000.

At December 31, 2014, the Town had no Revenue Anticipation Notes outstanding.

These revenue anticipation notes are summarized as follows:

	Balance 1/1/2014	Issued	Redeemed	Balance 12/31/2014
<b><u>Primary government:</u></b>				
General	\$ 1,022,009		\$ 1,022,009	\$ -0-
Highway	7,746,699		7,746,699	-0-
Lighting	183,590		183,590	-0-
Parks	247,702		247,702	-0-
Total primary government	<u>\$ 9,200,000</u>	<u>\$ -0-</u>	<u>\$ 9,200,000</u>	<u>\$ -0-</u>

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**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 0.269% to 7.200% and have maturity dates in 2015 through 2042.

	Balance 1/1/2014	Issued	Redeemed	Refunded	Balance 12/31/2014
<b>Primary government:</b>					
Capital projects fund:					
General	\$ 74,204,434	\$ 62,341,648	\$ 10,867,702	\$ 26,560,147	\$ 99,118,233
Highway	30,985,135	9,080,453	3,130,328	7,718,990	29,216,270
Public parking	4,370,242	46,274	290,100	50,083	4,076,333
Sidewalk	536,384	182,784	71,045	197,828	450,295
Parks	230,209	31,622	19,016	34,224	208,591
Total primary government	<u>110,326,404</u>	<u>71,682,781</u>	<u>14,378,191</u>	<u>34,561,272</u>	<u>133,069,722</u>
<b>Nonmajor component units:</b>					
Water pollution control districts	78,041,158	4,380,769	3,331,433	839,891	78,250,603
Water districts	25,081,276	6,754,511	3,062,159	3,958,522	24,815,106
Park districts	15,243,204	739,864	1,531,573	790,540	13,660,955
Police district	114,775	106,046	17,020	114,774	89,027
Library district	4,392,251		339,905		4,052,346
Business improvement district	90,932		8,719		82,213
Total component units	<u>122,963,596</u>	<u>11,981,190</u>	<u>8,290,809</u>	<u>5,703,727</u>	<u>120,950,250</u>
Total general obligation bonds	<u>\$ 233,290,000</u>	<u>\$ 83,663,971</u>	<u>\$ 22,669,000</u>	<u>\$ 40,264,999</u>	<u>\$ 254,019,972</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, 2015	\$ 24,110,972	\$ 7,736,726	\$ 31,847,698
2016	23,999,000	6,603,455	30,602,455
2017	21,085,000	5,766,698	26,851,698
2018	19,517,000	5,066,571	24,583,571
2019	18,819,000	4,420,818	23,239,818
2020-2024	71,154,000	13,789,765	84,943,765
2025-2029	34,960,000	6,465,713	41,425,713
2030-2034	19,520,000	2,921,287	22,441,287
2035-2039	13,985,000	1,386,397	15,371,397
2040-2042	6,870,000	258,723	7,128,723
	<u>\$ 254,019,972</u>	<u>\$ 54,416,153</u>	<u>\$ 308,436,125</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, 2014.

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**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**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	\$ 90,000	April 1, 2016
General Obligation Serial Bonds-1986	7.200%	1,500,000	100,000	February 15, 2016
General Obligation Serial Bonds-1992, Series A	6.400%	5,145,000	680,000	February 1, 2017
General Obligation Serial Bonds-1992, Series B	6.400%	72,230,000	2,680,000	April 1, 2017
New York State EFC Bonds-1998, Series B	1.391% - 2.974%	2,572,291	475,000	December 15, 2017
New York State EFC Bonds-2001, Series B	1.062% - 3.811%	8,154,789	2,940,000	November 15, 2022
New York State EFC Bonds-2002, Series F	5.371% - 6.181%	1,365,000	650,000	November 15, 2023
New York State EFC Bonds-2002, Series G	1.447% - 2.745%	3,452,513	1,130,000	October 15, 2019
New York State EFC Bonds-2002, Series I	4.490% - 5.380%	1,160,000	306,000	September 15, 2022
New York State EFC Bonds-2003, Series A	3.851% - 4.901%	1,160,000	765,000	April 15, 2031
General Obligation Serial Bonds-2004	5.200% - 5.400%	3,880,000	195,000	February 15, 2022
New York State EFC Bonds-2004, Series B	4.061% - 4.325%	4,726,511	780,000	May 1, 2021
Refunding Bonds-2005	4.000% - 5.000%	46,830,000	21,960,000	January 15, 2023
Public Improvement Serial Bonds-2006	4.375% - 4.500%	24,000,000	16,780,000	February 1, 2026
New York State EFC Bonds-2006, Series C	4.031% - 4.861%	3,442,810	2,755,000	April 1, 2036
Public Improvement Serial Bonds-2007	4.000% - 4.250%	11,993,000	7,230,000	June 1, 2021
Public Improvement Serial Bonds-2007, Series B	4.125% - 4.350%	5,788,500	4,260,000	November 1, 2027
Various Purposes Serial Bonds-2008	3.500% - 4.250%	13,210,000	8,775,000	June 15, 2022
NYS EFC Bonds-2008, Series A-1, B-1, A-2, B-2	4.270%	1,783,412	560,000	April 1, 2038
Public Improvement Serial Bonds-2009	3.000% - 4.000%	11,615,000	8,405,000	June 1, 2024
New York State EFC Bonds-2010, Series C	1.054% - 4.603%	845,000	400,000	October 1, 2039
EFC Refunding-2010	1.054% - 4.603%	15,173,760	12,910,000	October 1, 2018
Various Purposes Serial Bonds-2010, Series A	2.000% - 2.500%	6,063,000	3,970,000	October 1, 2021
Refunding Serial Bonds-2010	2.000% - 4.000%	12,065,000	7,725,000	May 1, 2022
Refunding Serial Bonds-2012	3.000% - 4.000%	5,355,000	3,615,000	February 1, 2016
Various Purposes Serial Bonds-2012	0.375% - 2.250%	9,192,341	8,070,000	October 1, 2027
New York State EFC Bonds-2012, Series E	0.269% - 4.098%	54,148,000	51,075,000	November 1, 2042
New York State EFC Bonds-2013, Series B	3.338% - 4.500%	550,000	500,000	January 1, 2023
Refunding Serial Bonds-2014, Series A	2.000% - 5.000%	25,220,000	25,220,000	February 1, 2025
Refunding Serial Bonds-2014, Series B	2.000% - 5.000%	11,545,000	9,985,000	July 15, 2022
Various Purposes Serial Bonds-2014, Series C	2.000% - 3.500%	21,790,825	21,790,825	April 1, 2032
Various Purposes Serial Bonds-2014, Series D	1.000% - 3.000%	25,108,147	25,108,147	October 1, 2030
Refunding Landfill Capping L-5 - NYSEFC Series 2004B	4.061% - 4.325%	2,135,000	2,135,000	May 1, 2021
			<u>\$ 254,019,972</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, 2014 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, 2015	\$ 831,202	\$ 69,622	\$ 900,824
2016	850,542	50,282	900,824
2017	870,332	30,492	900,824
2018	890,582	10,242	900,824
	<u>\$ 3,442,658</u>	<u>\$ 160,638</u>	<u>\$ 3,603,296</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, 2014

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

**D. INDEBTEDNESS** (continued)

**LONG-TERM DEBT** (continued)

**Current and Advanced Refundings**

On March 26, 2014 the Town issued \$25,220,000 in Refunding Serial Bonds, 2014 Series A, (\$23,093,978 was for the primary government and \$2,126,022 was for three of the component units) with an average rate of 4.37% to current refund \$17,255,000 of 2004 Bonds and 2004 Refunding Bonds; \$2,010,000; with an average rate of 4.00% through 2016 and \$15,245,000; with an average rate of 4.05% through 2022, and \$10,540,000 of 2005 Bonds with a an average rate of 4.18% through 2025.

On March 26, 2014 the Town issued \$11,545,000 in Refunding Serial Bonds, 2014 Series B, (\$8,395,631 was for the primary government and \$3,149,369 was for nine of the component units) with an average rate of 4.44% to current refund \$10,520,000 of 2003 Refunding Bonds with an average rate of 4.31% through 2019 and advance refund \$1,950,000 of 2004 Series B Bonds with an average rate of 4.07% through 2022.

The 2004 Bonds, 2004 Refunding Bonds, 2005 Bonds and 2003 Refunding Bonds were current refunded bonds called on May 16, 2014 and the 2004 Series B were advance refunded bonds called on September 1, 2014.

The net proceeds of 40,671,590 (the par amount of the bonds net of \$4,127,029 reoffering premium and underwriters fees and other issuance costs of \$220,439) were used to buy U.S. Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2004 Bonds, 2004 Refunding Bonds and 2005 Bonds refunded by the 2014 Series A Bonds as well as on the 2003 Refunding Bonds and 2004 Series B Bonds refunded by the 2014 Series B Bonds. As a result, the 2004 Bonds, 2004 Refunding Bonds, 2005 Bonds, 2003 Bonds and 2004 Series B Bonds are considered to be defeased and the liability for those bonds removed from the non-current government liabilities. All of the refunded issues were called in 2014 and therefore no outstanding bonds from these issues are considered defeased.

The reacquisition price exceeded the net carrying value of the old debt by \$218,792 (\$187,598 was for the primary government and \$31,194 was for ten of the component units). The premium received was \$4,127,029 (\$3,602,409 was for the primary government and \$524,620 was for ten of the component units). The Town is amortizing the premium over the remaining average life of the refunded debt.

The Town current refunded the 2004 Bonds, 2004 Refunding Bonds and 2005 Bonds, with the 2014 Series A Bonds and current and advance refunded the 2003 Bonds and 2004 Series B with the 2014 Series B Bonds to reduce its total debt service payments over the next four years by \$2,978,318 and \$1,120,862, respectively and to obtain an economic gain (the difference between the present values of the debt service payments on the old and new debt) of \$2,684,078 and \$1,080,988, respectively.

**Prior-Year Defeasance of Debt**

In the current year, 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, 2014, there are no outstanding bonds that are considered defeased.

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**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

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

**E. RETIREMENT SYSTEM**

Plan Description

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

Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (the "Comptroller") serves as sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of their funds. The System issues a publicly available financial report that includes financial statements and required supplemental information. That report may be 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.

Funding Policy

The System is contributory except for employees who joined the New York State and Local Employees' Retirement System: on or before July 27, 1976, who generally contribute 3% of their salary for the first ten years of membership, on or after January 1, 2010 who generally contribute 3% of their salary for the entire length of service, and on or after April 1, 2012 who contribute 3% and 6% (based on annual wage) for the entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressed used in computing the employers' contributions based on salaries paid during the Systems fiscal year ending March 31.

Contributions consist of a group term life insurance portion (GTLI) and a regular pension contribution. Contribution rates for the plan year ended March 31, 2014 are as follows:

<u>Contribution rates</u>		
<u>Tier</u>	<u>Plan/Option</u>	<u>3/31/2014 Rate</u>
1	75I/41J	28.8%
2	75I/41J	26.2%
3	A14/41J	21.0%
4	A15/41J	21.0%
5	A15/41J	16.9%
6	A15/41J2	11.4%

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

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

<u>Annual Required Contribution - ERS</u>						
<u>Amount</u>	<u>% of Covered Payroll</u>	<u>Credits &amp; Miscellaneous Adjustments</u>	<u>Prepayment Discount</u>	<u>2010-2014 Amortization/ Deferral</u>	<u>2010 Incentive Installment</u>	<u>Total Payment</u>
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
2012 5,442,286	19.35%	237,854		(1,934,026)	323,232	4,069,346

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

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

**E. RETIREMENT SYSTEM (continued)**

Funding Policy (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 - 2014 amortization years is \$6,535,945 inclusive of SWMA, \$288,512 and two nonmajor component unit districts, Shelter Rock Library District, \$154,667 and the Glenwood Water District, \$9,543. The total unpaid liability for the Town, without the nonmajor component units, of \$6,371,735, 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 will be established annually for each year's amortization and paid out of current resources. Future principal and interest payments to maturity for the amortization installments are as follows:

	Principal	Interest	Total Principal and Interest
Year Ending December 31, 2015	\$ 679,631	\$ 224,764	\$ 904,395
2016	703,120	201,275	904,395
2017	727,436	176,959	904,395
2018	752,610	151,785	904,395
2019	778,669	125,725	904,394
2020-2024	2,894,479	229,116	3,123,595
	\$ 6,535,945	\$ 1,109,624	\$ 7,645,569

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%. Remaining future principal and interest payments to maturity are as follows:

	Principal	Interest	Total Principal and Interest
Year Ending December 31, 2015	\$ 300,679	\$ 22,551	\$ 323,230
	\$ 300,679	\$ 22,551	\$ 323,230

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

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

**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. 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 0% 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.

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**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

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

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

Plan Description (continued)

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, 2014, the Town's annual OPEB cost (expenses) was \$11,026,435. Considering the annual expense as well as the payment of current health, dental and vision insurance premiums and Medicare reimbursements, which totaled \$3,436,981 for retirees and their beneficiaries, the result was an increase in the other postemployment benefits liability of \$7,589,454 for the year ended December 31, 2014. The OPEB cost for the nonmajor component units for the year ended December 31, 2014, amounted to \$9,472,863. Considering health insurance payments totaling \$2,519,388, the increase in the other postemployment benefits liability for the nonmajor component units for the year ended December 31, 2014, amounted to \$6,953,475.

Benefit Obligations and Normal Cost

	<u>Medical, Dental, Vision and Medicare Part B</u>
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, 2014, amounted to \$124,438,190. The unfunded actuarial accrued liability for the nonmajor components units for the year ended December 31, 2014, amounted to \$115,848,309.

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**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

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

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

Benefit Obligations and Normal Cost (continued)

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		2,061,137
Adjustment to ARC		(2,865,874)
Annual OPEB Cost		11,026,435
Less: Contribution for year ended December 31, 2014		3,436,981
Increase in other postemployment benefits liability		7,589,454
Other postemployment benefits liability at December 31, 2013		51,528,415
Other postemployment benefits liability at December 31, 2014	\$	59,117,869
Percentage of annual OPEB cost contributed		31.2%

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
2014	\$	11,026,435	\$ 3,436,981	31.2%	\$ 59,117,869
2013		10,044,959	3,284,509	32.7%	51,528,415
2012		10,150,254	3,408,153	33.6%	44,767,965

The funded status of the plan as of December 31, 2014, is as follows:

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)
Town	\$ -0-	\$ 124,438,190	\$ 124,438,190	0%	\$ 27,665,945	449.79%
Nonmajor component Units	-0-	115,848,309	115,848,309	0%	24,825,962	466.64%

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.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

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

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

Actuarial Methods and Assumptions (continued)

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.
- 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.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

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

**G. COMPENSATED ABSENCES** (continued)

Estimated vacation, sick leave and compensatory absences accumulated by Town employees have been recorded in the statements 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, 2014, the value of the accumulated vacation time and sick leave was \$5,004,567 for the primary government. The liability for compensated absences for the nonmajor component units amounted to \$12,563,398.

**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 \$3,245,145. 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 \$2,502,138. The Town is also self-insured for unemployment benefits paid.

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

The Town estimates 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	
	2014	2013	2014	2013
Unpaid claims and claim adjustment expenditures at the beginning of the year	\$ 2,917,510	\$ 2,155,956	\$ 2,767,913	\$ 2,804,752
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	810,895	1,390,706	605,774	60,462
Total incurred claims and claim adjustment expenditures	810,895	1,390,706	605,774	60,462
Payments				
Claim and claim adjustment expenditures attributable to insured events of the current and prior years.	1,226,267	629,152	128,542	97,301
Total unpaid claims and claim adjustment expenditures at the end of the year.	<u>\$ 2,502,138</u>	<u>\$ 2,917,510</u>	<u>\$ 3,245,145</u>	<u>\$ 2,767,913</u>

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

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

**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 reasons which could have a materially adverse impact on the financial condition of the Town. In addition, various notices of claim have been filed with the Town. The allegations set forth in the claims relate to various circumstances including personal injury, condemnation proceedings, civil rights violations and administrative determinations by Town officials. Certain claims assert monetary damages, while others seek a specific action or forbearance on the part of the Town.

Garbage Taxes and Local Utilities

There are currently 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. In February, 2015, the Town paid \$1,550,174 to resolve the actions commenced by Verizon from 2003-2012. The Town expects that the County will reimburse the Town for its payment plus interest under what is colloquially referred to as the "County Guarantee" found in County Administrative Code section 6-26.00.

Keyspan recently obtained an order directing the Town to refund the amounts levied from 2008-2012, with interest, which amount is estimated to be approximately \$1,500,000. The same order directs the County to reimburse the Town for that payment.

It appears that most of the mass properties which were the subject of litigation were removed from the tax rolls by the County. On December 15, 2011, the Town issued \$4,150,000 in Bond Anticipation Notes – 2011 Series D to fund the payment of the two earlier judgments and said note has been paid down a total of \$2,627,176, leaving a balance of \$1,522,824 at December 31, 2014. In April 2015 the Town issued \$1,575,000 Bond Anticipation Notes – 2015 Series B to fund the Town's settlement agreement with Verizon.

FIT Tuition Chargeback

In 2011, the Town filed a suit against the County as it is withholding sales tax revenue, claiming that the Town should not be charged back amount paid for its cost of educating County residents at the Fashion Institute of Technology ("FIT") under the community college reimbursement provisions of the New York State Education Law. The Court of Appeals determined that Nassau County was entitled to withhold sales tax revenue from the towns for the cost of educating County residents at the Fashion Institute of Technology.

As a result, the 2013 disclosure for the tuition chargeback of \$3,930,015 has been fully satisfied.

LIPA line damage

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 in the action seeks \$5,500,000 in damages and there is no excess coverage for this claim. The case is being mediated. It is the opinion of the Town Attorney that any potential exposure of the Town will not remotely approach \$5,500,000.

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 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.

The Town is currently defending several personnel litigation matters. However, the current status of these matters does not appear to have a material effect in the Town's financial statements.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

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

**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 \$775,000 per year. Accordingly, as of December 31, 2014, the Town has recorded a liability of \$14,153,890, 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 \$1,285,366 at December 31, 2014.

**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 2014, and expire between July 2015 and May 2029. Total rental expenditures on such leases for the year ended December 31, 2014, totaled \$380,028. The minimum future non-cancelable operating lease payments are as follows:

Year Ending December 31,	2015	\$	354,735
	2016		274,398
	2017		218,413
	2018		23,265
	2019		15,000
	2020-2029		140,000
Present value of minimum lease payments		\$	<u>1,025,811</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, 2014, the Town has recorded no pollution remediation obligations.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

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

**G. POLLUTION REMEDIATION OBLIGATIONS** (continued)

Actual costs may vary due to inflation or deflation, changes in technology, or changes in regulations or applicable laws. The Town does not anticipate any recoveries from insurance or other parties in connection with its pollution remediation activities. Estimates are based on current environmental regulations, which are periodically subject to change by the NYSDEC/USEPA.

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

The Town of North Hempstead's financial statements are for the year ended December 31, 2014. 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 H&L E&H Company, Port Washington Fire Department, Inc. and Roslyn Volunteer Firefighter Service Award Program. The programs took effect on various dates (see table #1 below). 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.

**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 on the next page).

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
 December 31, 2014

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

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

**Program Description (continued)**

Benefits (continued)

**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	12/31/2013	12/31/2014	12/31/2014
Plan established by:		Town of North Hempstead; Villages of Great Neck, Kings Point and Saddle Rock (Joint Sponsoring Board)	Carle Place Fire Dept.	Town of North Hempstead
Sponsored by:	Albertson Hook & Ladder, Engine and Hose Company No. 1	Same as above	Town of North Hempstead	Town of North Hempstead
Effective date of plan	Town of North Hempstead			
Entitlement Age	1/1/1991	1/1/1996	1/1/1991	7/1/1991
Nonforfeitable right to award after:	62	65	62	65
Prior service credit (up to):	5 years	5 years	5 years	5 years
Eligible age	5 years	5 years	5 years	5 years
Required years of service	17	17	18	18
Benefits:	One	One	One	One
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

**Table #1 Program Description (continued)**

	<u>Glenwood</u>	<u>Port Washington</u>	<u>Roslyn</u>
Plan year end date	12/31/2013	12/31/2014	12/31/2013
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	Port Washington Fire Department	Joint Sponsoring Board
Effective date of plan	Glenwood H&L E&H Company	Port Washington Fire Department	
Entitlement Age	4/1/1990	1/1/1993	1/1/1996
Nonforfeitable right to award after:	55	65	62
Prior service credit (up to):	5 years	5 years	5 years
Eligible age	Per Adoption Agreement	5 years	5 years
Required years of service	18	18	18
Benefits:	One	One	One
Monthly payment	\$20	\$20	\$20
Maximum years used to calculate	40	40	30
Benefits payable at	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).

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
 December 31, 2014

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

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

**Fiduciary Investment and Control** (continued)

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

**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	Town of North Hempstead	RBC Wealth Management
Valuation date	1/1/2015	1/1/2014	1/1/2015	1/1/2015
Actuary report date	6/11/2015	5/22/2014	5/28/2015	6/11/2015

**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	Hartford Life Insurance Company	Hartford Life Insurance Company	Program Trustee
Valuation date	1/1/2014	1/1/2015	1/1/2014
Actuary report date	3/30/2014	4/29/2015	6/16/2014

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**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
 December 31, 2014

**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>
<b>Assets</b>							
Actuarial present value of:		% Funded		% Funded		% Funded	
benefits at 1/1/2015	\$ 2,271,800				\$ 1,640,958		\$ 660,760
benefits at 1/1/2014			\$ 2,188,763				
Less: assets available for benefits	<u>1,978,024</u>	87.07%	<u>2,107,382</u>	96.28%	<u>851,874</u>	51.91%	<u>497,824</u>
Total unfunded benefits	293,776		81,381		789,084		162,936
Less: unfunded liability for prior service	169,832		60,322		-		192,894
Less: unfunded liability for separate costs	31,433		-		-		-
Unfunded normal benefits	<u>\$ 92,511</u>		<u>\$ 21,059</u>		<u>\$ 789,084</u>		<u>\$ (29,958)</u>
<b>Assets Available for Benefits</b>							
		% of total		% of total		% of total	
Cash & short-term investments	\$ 369,485	18.73%	\$ 112,253	5.35%			\$ 97,918
Receivables			25	0.00%			
Government securities	194,099	9.84%	64,969	3.09%			48,973
Other securities/assets	1,409,570	71.44%	1,922,716	91.56%			349,953
	<u>1,973,154</u>	100.00%	<u>2,099,963</u>	100.00%			<u>496,844</u>
Annuities					\$ 851,874	100.00%	
Benefits payable	4,870		7,419				980
Total assets available for benefits	<u>\$ 1,978,024</u>		<u>\$ 2,107,382</u>		<u>\$ 851,874</u>		<u>\$ 497,824</u>
<b>Prior Service Costs/Separate Service Costs</b>							
Amortization period		15		15		-0-	
Discount rate		5.50%		5.50%		4.75%	
							5.50%
<b>Receipts and Disbursements</b>							
Plan assets at beginning of year	\$ 1,866,149		\$ 2,023,141		\$ 808,020		\$ 463,223
Plan contributions	180,000		157,490		154,773		50,000
Investment income earned	727		33,464		52,217		265
Other receipts	29,316				-		
Plan benefit withdrawals	(92,996)		(91,140)		(145,603)		(11,760)
Life Insurance Premium					(14,081)		
Administrative fees	(5,172)		(8,089)		(3,452)		(3,904)
Other expenses			(7,484)				
Plan assets at end of year	<u>\$ 1,978,024</u>		<u>\$ 2,107,382</u>		<u>\$ 851,874</u>		<u>\$ 497,824</u>
<b>Contributions</b>							
Recommended by Actuary	\$ 180,000		\$ 157,489		\$ 145,032		\$ 32,147
Actual contribution	\$ 180,000		\$ 157,490		\$ 154,773		\$ 50,000
Town of North Hempstead contribution for plans with multiple sponsors			\$ 11,687				
<b>Administration Fees</b>							
Paid to Plan Administrator	\$ 5,172		\$ 8,089		\$ 3,452		\$ 3,904

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**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**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 benefits at 1/1/2015		% Funded	\$ 3,903,442	% Funded	% Funded
benefits at 1/1/2014	\$ 2,044,482				\$ 3,247,053
Less: assets available for benefits	<u>1,473,545</u>	72.07%	<u>2,696,593</u>	69.08%	<u>3,010,570</u>
Total unfunded benefits	570,937		1,206,849		236,483
Less: unfunded liability for separate costs					<u>124,197</u>
Unfunded normal benefits	<u>\$ 570,937</u>		<u>\$ 1,206,849</u>		<u>\$ 112,286</u>
 <u>Assets Available for Benefits</u>					
		% of total		% of total	% of total
Cash & short-term investments					\$ 187,160 6.24%
Receivables					545 0.02%
Other securities/assets					<u>2,812,545 93.74%</u>
					<u>3,000,250 100.00%</u>
Insurance contracts	\$ 1,473,545	100.00%	\$ 2,696,563	100.00%	
Benefits payable					10,320
Total assets available for benefits	<u>\$ 1,473,545</u>		<u>\$ 2,696,563</u>		<u>\$ 3,010,570</u>
 <u>Prior Service Costs</u>					
Amortization period	-0-		-0-		5
Discount rate	0.00%		0.00%		6.00%
 <u>Receipts and Disbursements</u>					
Plan assets at beginning of year	\$ 1,469,296		\$ 2,322,350		\$ 2,943,816
Plan contributions	179,225		458,150		168,890
Investment income earned	50,079		75,422		69,942
Other receipts	9,886		33,017		9,593
Plan benefit withdrawals	(223,087)		(79,760)		(133,330)
Life Insurance Premium	(10,274)		(108,840)		
Administrative fees	(1,580)		(4,746)		(48,341)
Plan assets at end of year	<u>\$ 1,473,545</u>		<u>\$ 2,695,593</u>		<u>\$ 3,010,570</u>
 <u>Contributions</u>					
Recommended by Actuary	\$ 213,313		\$ 347,721		\$ 168,890
Actual contribution	\$ 179,225		\$ 458,150		\$ 168,890
Town of North Hempstead contribution for plans with multiple sponsors	\$ 58,000		\$ 211,550		\$ 35,667
 <u>Administration Fees</u>					
Paid to Plan Administrator	\$ 1,580		\$ 4,746		\$ 48,342

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**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**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 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 Fire</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, 2014

**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, 2014:

**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	Investment in Capital Assets	Restricted	Unrestricted
<b><u>GARBAGE DISTRICTS</u></b>							
Carle Place	\$ 538,455		\$ 103,300				\$ 435,155
Glenwood	47,483		2,500				44,983
Port Washington	1,824,826	\$ 24,750	496,814		\$ 24,750		1,328,012
Roslyn	472,649		83,901				388,748
<b><u>WATER POLLUTION CONTROL DISTRICTS</u></b>							
Belgrave	5,146,924	14,101,682	722,973	\$ 10,574,994	6,626,055	\$ 75,940	1,248,644
Great Neck	4,401,831	64,739,079	3,339,642	52,053,704	13,515,054	8,604	223,906
Port Washington	3,545,952	34,336,496	2,504,930	19,779,977	13,805,279	478,874	1,313,388
<b><u>WATER DISTRICTS</u></b>							
Albertson	4,539,165	7,880,949	4,125,949	4,562,959	3,158,505	390,860	181,841
Carle Place	5,774,480	6,508,871	3,872,560	2,253,016	3,170,630	327,255	2,659,890
Garden City Park	4,723,825	10,340,295	395,635	2,592,718	10,020,295	3,997,420	(1,941,948)
Glenwood	269,584	192,772	47,049	55,114	178,818		181,375
Manhasset - Lakeville	11,113,270	35,578,105	2,510,407	14,149,133	24,017,824	43,976	5,970,035
Port Washington	6,162,375	18,688,453	13,683,506	7,528,484	5,277,471	218,954	(1,857,587)
Roslyn	10,085,818	7,864,111	9,853,988	2,828,217	5,919,964	1,507,181	(2,159,421)
Westbury	3,790,614	9,569,394	1,287,603	6,208,174	6,040,863	1,992,444	(2,169,076)
<b><u>PARK DISTRICTS</u></b>							
Great Neck	13,863,841	24,477,864	7,394,922	19,688,836	9,447,106	15,028	1,795,813
Manhasset	928,585	2,438,113	60,320	2,332,687	2,438,113		(1,464,422)
<b><u>OTHER</u></b>							
Port Washington Police District	7,086,249	963,424	335,166	28,287,315	874,399	533,411	(21,980,618)
Shelter Rock Public Library District	1,953,742	6,284,292	434,577	5,111,751	2,228,605	223,155	239,946
Community Development Agency	5,742,430		909,466	852,964		3,980,000	
Port Washington Business Improvement District	148,869	121,743	31,121	73,224	39,528		126,739
	<b>\$ 92,160,967</b>	<b>\$ 244,110,393</b>	<b>\$ 52,196,329</b>	<b>\$ 178,933,267</b>	<b>\$ 106,783,259</b>	<b>\$ 13,793,102</b>	<b>\$ (15,434,597)</b>

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**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**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	1/1/2014	12/31/2014
<b>GARBAGE DISTRICTS</b>									
Carle Place	\$ 811,742			\$ 811,742	\$ 1,001,572	\$ 10,966	\$ 200,796	\$ 234,359	\$ 435,155
Glenwood	52,211			52,211	64,018	2	11,809	33,174	44,983
Port Washington	2,031,015			2,031,015	2,182,375	3,202	154,562	1,198,200	1,352,762
Roslyn	486,514			486,514	506,463	8,699	28,648	360,100	388,748
<b>WATER POLLUTION CONTROL DISTRICTS</b>									
Belgrave	2,748,741	\$ 780,608		1,968,133	2,365,155	57,873	454,895	7,495,744	7,950,639
Great Neck	10,046,220	2,818,174	\$ 824,411	6,403,635	6,431,509	214,386	242,260	13,505,304	13,747,564
Port Washington	6,368,458	1,041,840		5,326,618	4,782,303	15,384	(528,931)	16,126,472	15,597,541
<b>WATER DISTRICTS</b>									
Albertson	2,856,929	1,465,643		1,391,286	1,684,676	22,832	316,222	3,414,984	3,731,206
Carle Place	2,471,111	757,379		1,713,732	1,696,241	365,498	348,007	5,809,768	6,157,775
Garden City Park	4,106,701	1,255,909		2,850,792	2,436,466	367,717	(46,609)	12,122,376	12,075,767
Glenwood	302,698	131,278		171,420	321,910	394	150,884	209,309	360,193
Manhasset - Lakeville	8,118,686	6,242,306		1,876,380	3,484,919	399,458	2,007,997	28,023,838	30,031,835
Port Washington	5,918,561	4,080,457		1,838,104	1,622,335	151,122	(64,647)	3,703,485	3,638,838
Roslyn	4,849,308	1,926,118		2,923,190	2,037,075	198,430	(687,685)	5,955,409	5,267,724
Westbury	4,494,349	1,734,353		2,759,996	2,762,965	457,904	460,873	5,403,358	5,864,231
<b>PARK DISTRICTS</b>									
Great Neck	16,426,445	3,960,454		12,465,991	12,524,617	210,609	269,235	10,988,712	11,257,947
Manhasset	1,797,058	642,578	1,522	1,152,958	728,814	16,736	(407,408)	1,381,099	973,691
<b>OTHER</b>									
Port Washington									
Police District	22,450,611	850	85,075	22,364,686	18,982,435	872,524	(2,509,727)	(18,063,081)	(20,572,808)
Shelter Rock Public Library District	4,001,303	29,157		3,972,146	3,866,709	52,346	(53,091)	2,744,797	2,691,706
Community Development Agency	984,168	135,450	580,096	268,622		80,870	(187,752)	4,167,752	3,980,000
Port Washington Business Improvement District	185,276	4,372		180,904	185,626	204	4,926	161,341	166,267
	<u>\$ 101,508,105</u>	<u>\$ 27,006,926</u>	<u>\$ 1,491,104</u>	<u>\$ 73,010,075</u>	<u>\$ 69,668,183</u>	<u>\$ 3,507,156</u>	<u>\$ 165,264</u>	<u>\$ 104,976,500</u>	<u>\$ 105,141,764</u>

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**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**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 165 Seasingtown Road Albertson, NY 11507	North Hempstead Community Development Agency 51 Orchard Street Roslyn Heights, NY 11577	Greater Port Washington Business Improvement District Association, Inc. 329 Main Street P.O. Box 121 Port Washington, NY 11050

**6. SUBSEQUENT EVENTS**

In April 2015, the Town issued \$21,245,000 of Refunding Serial Bonds – 2015 Series A, with maturity dates of February 1, 2016-2027. The interest rates range from 2.000% to 5.000%. The bonds are being issued to refund \$14,525,000 of the outstanding principal of the Town's Public Improvement Serial Bonds – 2006, which mature in the years 2017 and 2026, \$4,385,000 of the outstanding principal of the Town's Public Improvement Serial Bonds - 2007, which mature in the years 2018 to 2021 and \$3,465,000 of the outstanding principal of the Town's Public Improvement Serial Bonds – 2007 Series B, which mature in the years 2018 to 2027. The interest rates on the refunded bonds range from 4.250% to 4.500%. The bonds are to be called and redeemed on February 1, 2016, June 1, 2017 and November 1, 2017, respectively.

In April 2015, the Town issued \$4,390,000 of Public Improvement Serial Bonds – 2015 Series B, with maturity dates of April 1, 2016-2035. The interest rates range from 2.000% to 5.000%. The bonds are along with \$238,337 in available funds was used to redeem a portion of the Town's Bonds Anticipation Notes for Various Purposes – 2014 Series A at maturity.

In April 2015, the Town issued \$44,924,315 of Bond Anticipation Notes – 2014 Series A at an interest rate of 0.85% maturing on April 6, 2016. A portion of the sale in the amount of \$41,869,315, together with \$2,015,500 in available funds, will be used to redeem a \$43,884,815 portion of the Town's 2014 Series A note. A portion of the proceeds in the amount of \$3,055,000 will be used to provide original or additional financing for various capital projects.

In April 2015, the Town issued \$4,765,000 of Bond Anticipation Notes – 2015 Series B at an interest rate of 0.85% maturing on April 6, 2016. A portion of the sale in the amount of \$2,015,000 will be used to redeem the Town's \$2,015,000 Bond Anticipations Notes – 2014 Series B at maturity. A portion of the proceeds in the amount of \$2,750,000 will be used to provide original financing for improvements to the Great Neck Water Pollution Control district.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**7. NEW PRONOUNCEMENTS**

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 *“Accounting and Financial Reporting for Pensions”* - an amendment of GASB Statement No. 27. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The requirements of the new statement become effective for fiscal periods beginning after June 15, 2014.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 71 *“Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No.68”*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The provisions of this Statement should be applied simultaneously with the provisions of Statement 68.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 72 *“Fair Value Measurement and Applicant”*. 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 Governmental Accounting Standards Board (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 Governmental Accounting Standards Board (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 Governmental Accounting Standards Board (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 Town is currently evaluating the impact of the above pronouncements.

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

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

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

The budgets are adopted on a basis of accounting consistent with GAAP. In the event that actual revenues received exceed budgeted amounts, 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, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES:</b>				
Ad valorem taxes	\$ 24,488,012	\$ 24,488,012	\$ 24,484,925	\$ (3,087)
Total Real Property Taxes	24,488,012	24,488,012	24,484,925	(3,087)
<b>REAL PROPERTY TAX ITEMS:</b>				
Payment in lieu of taxes	237,809	237,809	353,711	115,902
Interest and penalties on taxes	950,000	950,000	1,041,000	91,000
Returned check charge: property tax	6,000	6,000	75,080	69,080
Total Real Property Tax Items	1,193,809	1,193,809	1,469,791	275,982
<b>NON-PROPERTY TAX ITEMS:</b>				
Nassau County local government assistance	11,533,600	11,533,600	10,845,925	(687,675)
Franchises-cable TV	1,850,000	1,850,000	1,947,342	97,342
Total Non-Property Tax Items	13,383,600	13,383,600	12,793,267	(590,333)
<b>DEPARTMENTAL INCOME:</b>				
Comptroller's fees	8,500	8,500	4,920	(3,580)
Town clerk fees	50,000	50,000	39,588	(10,412)
Other general departmental income	7,500	7,500	11,348	3,848
Parking enforcement - handicap surcharge			2,235	2,235
Public pound charge dog fees	6,200	6,200	5,516	(684)
Other public safety departmental income			47,700	47,700
Parks and recreation charges	2,600,000	2,600,000	2,597,269	(2,731)
Dock storage leases	42,500	42,500	42,970	470
Recreational concessions	24,000	24,000	13,140	(10,860)
Special recreational facility charges	7,307,516	7,307,516	6,655,534	(651,982)
Other culture and recreation	10,000	10,000	23,917	13,917
Total Departmental Income	10,056,216	10,056,216	9,444,137	(612,079)
<b>INTERGOVERNMENTAL CHARGES:</b>				
Services for other governments	2,500	2,500		(2,500)
Total Intergovernmental Charges	2,500	2,500		(2,500)
<b>USE OF MONEY AND PROPERTY:</b>				
Interest and earnings	30,395	30,395	73,917	43,522
Rental of real property	42,000	42,000	217,816	175,816
Commissions			6,727	6,727
Total Use of Money and Property	72,395	72,395	298,460	226,065
<b>LICENSES AND PERMITS:</b>				
Games of chance	300	300	270	(30)
Bingo licenses	800	800	705	(95)
Dog license fund apportionment	30,000	30,000	28,982	(1,018)
Licensing fees	60,000	60,000	48,169	(11,831)
Town permits	110,000	110,000	176,085	66,085
Waterway permits	5,000	5,000		(5,000)
Total Licenses and Permits	206,100	206,100	254,211	48,111

(Continued)

**TOWN OF NORTH HEMPSTEAD**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2014**

	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			2,537	2,537
Insurance recoveries	1,000	5,980	104,198	98,218
Total Sale of Property and Compensation for Loss	1,000	5,980	106,735	100,755
<b>MISCELLANEOUS LOCAL SOURCES:</b>				
Reimbursement of Medicare Part D	25,000	25,000	22,974	(2,026)
Refund of prior year expenditures	5,000	5,000	3,401	(1,599)
Gifts and donations	285,000	285,000	281,716	(3,284)
Miscellaneous revenue	200,000	210,251	238,073	27,822
Total Miscellaneous Local Sources	515,000	525,251	546,164	20,913
<b>INTERFUND REVENUES</b>	<b>6,683,151</b>	<b>6,683,151</b>	<b>6,518,423</b>	<b>(164,728)</b>
<b>STATE AID:</b>				
State aid - per capita	1,023,565	1,023,565	1,023,565	-0-
State aid - mortgage tax	7,025,136	7,025,136	7,228,190	203,054
State aid - youth program	40,000	40,000		(40,000)
State aid - recreation for handicap	25,000	25,000	61,286	36,286
State aid - environmental conservation			148,801	148,801
State aid - other home and community service		12,178	19,596	7,418
State aid - emergency disaster assistance	10,000		6,560	6,560
Total State Aid	8,123,701	8,125,879	8,487,998	362,119
<b>FEDERAL AID:</b>				
Federal aid - programs for the aging	160,004	160,004	284,789	124,785
Federal aid - emergency disaster assistance			92,123	92,123
Total Federal Aid	160,004	160,004	376,912	216,908
<b>Total Revenues</b>	<b>64,910,488</b>	<b>64,927,897</b>	<b>64,806,023</b>	<b>(121,874)</b>

(Continued)

**TOWN OF NORTH HEMPSTEAD**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES</b>				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Town board	794,384	786,109	773,925	12,184
Supervisor	800,105	913,752	913,752	-0-
Director of finance	440,256	401,633	401,633	-0-
Comptroller	1,830,235	1,988,177	1,951,460	36,717
Internal auditor	89,888	79,282	26,844	52,438
Receiver of taxes	1,117,693	1,118,393	1,085,437	32,956
Townstat	133,415	165,915	154,311	11,604
Purchasing	145,221	145,221	133,049	12,172
Credit card fees	110,350	108,907	107,075	1,832
Fiscal agent fees	40,000	40,000	17,369	22,631
Town clerk	694,932	676,722	629,118	47,604
Town attorney	1,278,232	1,421,637	1,421,637	-0-
Human resources	159,418	159,418	131,207	28,211
Engineering	281,800	237,724	209,731	27,993
Records management	298,515	298,515	231,248	67,267
Call center	495,969	513,357	513,357	-0-
Public Information	571,631	625,331	613,896	11,435
Public works	301,575	345,651	335,564	10,087
General services	1,481,728	1,420,303	1,284,701	135,602
Central printing and mail	667,915	665,088	537,839	127,249
Technology services	1,704,225	1,589,978	1,588,133	1,845
Unallocated insurance	570,000	583,500	583,366	134
Other general government support	1,519,752	1,066,558	923,778	142,780
Total General Government Support	<u>15,527,239</u>	<u>15,351,171</u>	<u>14,568,430</u>	<u>782,741</u>
EDUCATION:				
Community College	1,100,000	1,100,000	5,362,136	(4,262,136)
Total Education	<u>1,100,000</u>	<u>1,100,000</u>	<u>5,362,136</u>	<u>(4,262,136)</u>
PUBLIC SAFETY:				
Administration	212,613	211,146	211,146	-0-
Animal shelter	635,611	635,027	635,027	-0-
Harbor patrol	370,616	388,382	388,382	-0-
Emergency Management Services	200,028	217,260	217,260	-0-
Total Public Safety	<u>1,418,868</u>	<u>1,451,815</u>	<u>1,451,815</u>	<u>-0-</u>
ECONOMIC ASSISTANCE AND OPPORTUNITY:				
Community services	411,789	408,789	339,526	69,263
Veterans services	10,000	10,000	6,880	3,120
Programs for the aging	2,042,284	2,022,419	1,736,708	285,711
Total Economic Assistance and Opportunity	<u>2,464,073</u>	<u>2,441,208</u>	<u>2,083,114</u>	<u>358,094</u>

(Continued)

**TOWN OF NORTH HEMPSTEAD**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>CULTURE AND RECREATION:</b>				
Arts council		40,000	12,109	27,891
Parks and recreation	1,311,177	1,377,592	1,377,592	-0-
Parks	6,882,217	6,856,516	6,512,974	343,542
Community center	1,271,313	1,250,613	1,185,607	65,006
Special recreation facilities	6,188,327	6,169,076	6,164,920	4,156
Youth activities	878,938	926,054	883,946	42,108
Total Culture and Recreation	<u>16,531,972</u>	<u>16,619,851</u>	<u>16,137,148</u>	<u>482,703</u>
<b>HOME AND COMMUNITY SERVICES:</b>				
Environmental facilities	975,000	731,250	731,250	-0-
Housing authority	198,586	198,586	198,000	586
Emergency tenant protection act	7,500	5,120	5,120	-0-
Emergency disaster work		455,906	455,906	-0-
Total Home and Community Services	<u>1,181,086</u>	<u>1,390,862</u>	<u>1,390,276</u>	<u>586</u>
<b>EMPLOYEE BENEFITS:</b>				
State employee retirement system	2,642,202	2,642,202	2,522,230	119,972
Social security	1,395,719	1,395,719	1,360,857	34,862
Workers' compensation	325,000	354,200	353,025	1,175
Unemployment benefits	30,000	75,174	75,174	-0-
Disability benefits	50	507	507	-0-
Hospital, medical and dental	4,895,950	4,808,250	4,682,173	126,077
Other employee benefits	14,550	14,550	8,410	6,140
Total Employee Benefits	<u>9,303,471</u>	<u>9,290,602</u>	<u>9,002,376</u>	<u>288,226</u>
Total Current Expenditures	<u>47,526,709</u>	<u>47,645,509</u>	<u>49,995,295</u>	<u>(2,349,786)</u>
<b>DEBT SERVICE:</b>				
Interest on revenue anticipation notes	127,400	26,559	7,487	19,072
Total Debt Service	<u>127,400</u>	<u>26,559</u>	<u>7,487</u>	<u>19,072</u>
Total Expenditures	<u>47,654,109</u>	<u>47,672,068</u>	<u>50,002,782</u>	<u>(2,330,714)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>17,256,379</u>	<u>17,255,829</u>	<u>14,803,241</u>	<u>(2,452,588)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	996,703	985,887	995,905	10,018
Transfers out	<u>(18,753,082)</u>	<u>(18,742,266)</u>	<u>(18,712,374)</u>	<u>29,892</u>
Total Other Financing Sources (Uses)	<u>(17,756,379)</u>	<u>(17,756,379)</u>	<u>(17,716,469)</u>	<u>39,910</u>
<b>Net Change in Fund Balances</b>	<u>\$ (500,000)</u>	<u>\$ (500,550)</u>	<u>(2,913,228)</u>	<u>\$ (2,412,678)</u>
<b>Fund Balances at Beginning of Year</b>			<u>13,718,744</u>	
<b>Fund Balances at End of Year</b>			<u>\$ 10,805,516</u>	

**TOWN OF NORTH HEMPSTEAD**  
**HIGHWAY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES:</b>				
Ad valorem taxes	\$ 20,423,539	\$ 20,423,539	\$ 20,423,184	\$ (355)
Total Real Property Taxes	20,423,539	20,423,539	20,423,184	(355)
<b>REAL PROPERTY TAX ITEMS:</b>				
Payment in lieu of taxes	379,530	379,530	374,131	(5,399)
Interest and penalties on taxes			2,166	2,166
Total Real Property Tax Items	379,530	379,530	376,297	(3,233)
<b>INTERGOVERNMENTAL CHARGES:</b>				
Services for other governments	75,000	75,000	31,846	(43,154)
Total Intergovernmental Charges	75,000	75,000	31,846	(43,154)
<b>USE OF MONEY AND PROPERTY:</b>				
Interest and earnings	7,145	7,145	9,298	2,153
Rental of real property	60,000	60,000	64,828	4,828
Total Use of Money and Property	67,145	67,145	74,126	6,981
<b>LICENSES AND PERMITS:</b>				
Permits - road restoration fee	285,000	285,000	282,113	(2,887)
Total Licenses and Permits	285,000	285,000	282,113	(2,887)
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS:</b>				
Recycling			1,220	1,220
Sale of equipment			8,422	8,422
Recovery of damage to Town Property	1,000	1,000		(1,000)
Total Sale of Property and Compensation for Loss	1,000	1,000	9,642	8,642
<b>MISCELLANEOUS LOCAL SOURCES:</b>				
Refund of prior year expenditures	1,000	1,000	1,368	368
Miscellaneous revenue			27,663	27,663
Total Miscellaneous Local Sources	1,000	1,000	29,031	28,031
<b>INTERFUND REVENUES</b>	<b>491,569</b>	<b>491,569</b>	<b>300,751</b>	<b>(190,818)</b>
<b>STATE AID:</b>				
State aid - other		17,822	72,160	54,338
State aid - consolidated highway aid	642,820	642,820	642,119	(701)
Total State Aid	642,820	660,642	714,279	53,637
<b>FEDERAL AID:</b>				
Federal aid - emergency disaster assistance			2,349,945	2,349,945
Total Federal Aid			2,349,945	2,349,945
Total Revenues	22,366,603	22,384,425	24,591,214	2,206,789

(Continued)

**TOWN OF NORTH HEMPSTEAD**  
**HIGHWAY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES</b>				
<b>CURRENT:</b>				
<b>GENERAL GOVERNMENT SUPPORT:</b>				
Unallocated insurance	249,600	257,121	257,121	-0-
Other general government support	2,593,936	2,408,857	2,408,857	-0-
<b>Total General Government Support</b>	<b>2,843,536</b>	<b>2,665,978</b>	<b>2,665,978</b>	<b>-0-</b>
<b>TRANSPORTATION:</b>				
Administration	3,169,070	3,340,616	3,592,147	(251,531)
Garage	4,869,074	4,650,575	4,650,575	-0-
Snow removal	670,000	1,077,486	1,077,486	-0-
Services for other governments	673,938	660,346	660,346	-0-
Signs	580,608	570,754	570,754	-0-
Traffic safety	78,493	79,238	79,238	-0-
<b>Total Transportation</b>	<b>10,041,183</b>	<b>10,379,015</b>	<b>10,630,546</b>	<b>(251,531)</b>
<b>HOME AND COMMUNITY SERVICE:</b>				
Emergency disaster work			486,064	(486,064)
<b>Total Home and Community Service</b>			<b>486,064</b>	<b>(486,064)</b>
<b>EMPLOYEE BENEFITS:</b>				
State employee retirement system	1,263,683	1,233,781	1,233,781	-0-
Social security	516,875	537,494	537,494	-0-
Workers' compensation	350,000	504,620	504,620	-0-
Unemployment benefits	35,000	26,896	26,896	-0-
Disability benefits	50	198	198	-0-
Hospital, medical and dental	3,001,650	2,839,816	2,839,816	-0-
Other employee benefits	5,925	4,917	4,917	-0-
<b>Total Employee Benefits</b>	<b>5,173,183</b>	<b>5,147,722</b>	<b>5,147,722</b>	<b>-0-</b>
<b>Total Current Expenditures</b>	<b>18,057,902</b>	<b>18,192,715</b>	<b>18,930,310</b>	<b>(737,595)</b>
<b>DEBT SERVICE:</b>				
Interest on revenue anticipation notes	49,800	56,753	56,753	-0-
<b>Total Debt Service</b>	<b>49,800</b>	<b>56,753</b>	<b>56,753</b>	<b>-0-</b>
<b>Total Expenditures</b>	<b>18,107,702</b>	<b>18,249,468</b>	<b>18,987,063</b>	<b>(737,595)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>4,258,901</b>	<b>4,134,957</b>	<b>5,604,151</b>	<b>1,469,194</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	773,922	773,922	783,877	9,955
Transfers out	(5,600,168)	(5,476,224)	(5,457,230)	18,994
<b>Total Other Financing Sources (Uses)</b>	<b>(4,826,246)</b>	<b>(4,702,302)</b>	<b>(4,673,353)</b>	<b>28,949</b>
<b>Net Change in Fund Balances</b>	<b>\$ (567,345)</b>	<b>\$ (567,345)</b>	<b>930,798</b>	<b>\$ 1,498,143</b>
<b>Fund Balances at Beginning of Year</b>			<b>4,338,398</b>	
<b>Fund Balances at End of Year</b>			<b>\$ 5,269,196</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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>DEPARTMENTAL INCOME:</b>				
Solid waste	\$ 16,578,500	\$ 16,578,500	\$ 15,132,742	\$ (1,445,758)
Other	90,000	90,000	63,961	(26,039)
Total Departmental Income	<u>16,668,500</u>	<u>16,668,500</u>	<u>15,196,703</u>	<u>(1,471,797)</u>
<b>INTERGOVERNMENTAL CHARGES:</b>				
Services for other governments	1,175,000	1,175,000	931,250	(243,750)
Total Intergovernmental Charges	<u>1,175,000</u>	<u>1,175,000</u>	<u>931,250</u>	<u>(243,750)</u>
<b>USE OF MONEY AND PROPERTY:</b>				
Interest and earnings	650	650	1,043	393
Rental of real property	91,200	91,200	75,774	(15,426)
Total Use of Money and Property	<u>91,850</u>	<u>91,850</u>	<u>76,817</u>	<u>(15,033)</u>
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS:</b>				
Recycling	315,000	315,000	238,295	(76,705)
Total Sale of Property and Compensation for Loss	<u>315,000</u>	<u>315,000</u>	<u>238,295</u>	<u>(76,705)</u>
<b>MISCELLANEOUS LOCAL SOURCES:</b>				
Refund of prior years expenditures			3,951	3,951
Gifts and donations			2,500	2,500
Miscellaneous revenue			192	192
Total Miscellaneous Local Sources			<u>6,643</u>	<u>6,643</u>
<b>STATE AID:</b>				
State aid - environmental conservation	122,000	122,000	357,170	235,170
Total State Aid	<u>122,000</u>	<u>122,000</u>	<u>357,170</u>	<u>235,170</u>
<b>FEDERAL AID:</b>				
Federal aid - emergency disaster assistance			340,172	340,172
Total Federal Aid			<u>340,172</u>	<u>340,172</u>
Total Revenues	<u>18,372,350</u>	<u>18,372,350</u>	<u>17,147,050</u>	<u>(1,225,300)</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, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES</b>				
CURRENT:				
HOME AND COMMUNITY SERVICES:				
Administration	1,056,418	1,116,753	939,090	177,663
Leachate	508,738	501,341	452,383	48,958
Transfer station	14,781,135	14,781,135	13,901,656	879,479
Scale house	313,707	320,701	316,263	4,438
Maintenance	338,796	336,612	331,844	4,768
Equipment	62,000	62,000	19,227	42,773
Recycling	52,000	58,700	26,747	31,953
Office of sustainability	401,348	357,049	285,952	71,097
Emergency disaster work		6,284	6,284	-0-
Total Home and Community Services	<u>17,514,142</u>	<u>17,540,575</u>	<u>16,279,446</u>	<u>1,261,129</u>
EMPLOYEE BENEFITS:				
State employee retirement system	212,600	225,093	225,093	-0-
Social security	98,707	98,707	98,638	69
Workers' compensation	20,000	20,000	12,605	7,395
Unemployment insurance		8,910	8,910	-0-
Disability benefits	25	25		25
Hospital, medical and dental	525,676	477,840	469,502	8,338
Other employee benefits	1,200	1,200	1,000	200
Total Employee Benefits	<u>858,208</u>	<u>831,775</u>	<u>815,748</u>	<u>16,027</u>
Total Expenditures	<u>18,372,350</u>	<u>18,372,350</u>	<u>17,095,194</u>	<u>1,277,156</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>			<u>51,856</u>	<u>51,856</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	900,825	900,825	900,825	-0-
Transfers out	(900,825)	(900,825)	(900,825)	-0-
Total Other Financing Sources (Uses)				<u>-0-</u>
<b>Net Change in Fund Balances</b>	<u>\$ -0-</u>	<u>\$ -0-</u>	51,856	<u>\$ 51,856</u>
<b>Fund Balances at Beginning of Year</b>			2,719,543	
<b>Fund Balances at End of Year</b>			<u>\$ 2,771,399</u>	

**TOWN OF NORTH HEMPSTEAD**  
**PART TOWN**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES:</b>				
Ad valorem taxes	\$ 6,090,207	\$ 6,090,207	\$ 6,088,576	\$ (1,631)
Total Real Property Taxes	6,090,207	6,090,207	6,088,576	(1,631)
<b>REAL PROPERTY TAX ITEMS:</b>				
Payment in lieu of taxes	86,792	86,792	111,564	24,772
Interest and penalties on taxes			528	528
Total Real Property Tax Items	86,792	86,792	112,092	25,300
<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	614,600	614,600	412,769	(201,831)
Other public safety departmental	50,000	50,000	20,496	(29,504)
Registrar of vital statistics	268,000	268,000	274,282	6,282
Zoning board fees	150,000	150,000	132,400	(17,600)
Total Departmental Income	1,082,600	1,082,600	839,947	(242,653)
<b>USE OF MONEY AND PROPERTY:</b>				
Interest and earnings	20,695	20,695	8,229	(12,466)
Total Use of Money and Property	20,695	20,695	8,229	(12,466)
<b>LICENSES AND PERMITS:</b>				
Building permits	3,500,000	3,500,000	2,698,596	(801,404)
Total Licenses and Permits	3,500,000	3,500,000	2,698,596	(801,404)
<b>FINES AND FORFEITURES:</b>				
Court fines	295,000	295,000	214,052	(80,948)
Total Fines and Forfeitures	295,000	295,000	214,052	(80,948)
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS:</b>				
Insurance recoveries			2,706	2,706
Total Sale of Property and Compensation for Loss			2,706	2,706
<b>MISCELLANEOUS LOCAL SOURCES:</b>				
Miscellaneous revenue			370	370
Total Miscellaneous Local Sources			370	370
<b>INTERFUND REVENUES</b>	100,000	100,000	100,000	-0-
<b>STATE AID:</b>				
State aid - planning studies			37,455	37,455
State aid - emergency disaster assistance			18,000	18,000
State aid - emergency disaster assistance			940	940
Total State Aid			56,395	56,395
Total Revenues	11,232,794	11,232,794	10,178,463	(1,054,331)

(Continued)

**TOWN OF NORTH HEMPSTEAD**  
**PART TOWN**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
Year ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES</b>				
<b>CURRENT:</b>				
<b>GENERAL GOVERNMENT SUPPORT:</b>				
Unallocated insurance	130,637	174,278	174,278	-0-
Other general government support	2,061,692	1,974,319	1,974,319	-0-
Total General Government Support	<u>2,192,329</u>	<u>2,148,597</u>	<u>2,148,597</u>	<u>-0-</u>
<b>PUBLIC SAFETY:</b>				
Parking enforcement	246,793	232,136	232,136	-0-
Building	4,079,967	3,955,458	3,702,882	252,576
Security	732,860	871,674	871,674	-0-
Total Public Safety	<u>5,059,620</u>	<u>5,059,268</u>	<u>4,806,692</u>	<u>252,576</u>
<b>HEALTH:</b>				
Registrar of vital statistics	278,095	278,095	242,761	35,334
Total Health	<u>278,095</u>	<u>278,095</u>	<u>242,761</u>	<u>35,334</u>
<b>HOME AND COMMUNITY SERVICES:</b>				
Board of appeals	348,297	314,826	247,522	67,304
Planning and development - staff	763,869	831,231	831,231	-0-
Emergency disaster work		12,736	12,736	-0-
Total Home and Community Services	<u>1,112,166</u>	<u>1,158,793</u>	<u>1,091,489</u>	<u>67,304</u>
<b>EMPLOYEE BENEFITS:</b>				
State employee retirement system	809,702	807,159	799,956	7,203
Social security	431,787	431,787	414,911	16,876
Workers' compensation	125,000	100,877	99,796	1,081
Disability benefits		123	123	-0-
Unemployment benefits	5,000	29,000	28,868	132
Hospital, medical and dental	1,382,550	1,382,550	1,301,284	81,266
Other employee benefits	4,200	4,200		4,200
Total Employee Benefits	<u>2,758,239</u>	<u>2,755,696</u>	<u>2,644,938</u>	<u>110,758</u>
Total Expenditures	<u>11,400,449</u>	<u>11,400,449</u>	<u>10,934,477</u>	<u>465,972</u>
<b>Excess of Revenues Over Expenditures</b>	<u>(167,655)</u>	<u>(167,655)</u>	<u>(756,014)</u>	<u>(588,359)</u>
<b>Other Financing Uses</b>				
Transfers in			10,816	10,816
Total Other Financing Uses			<u>10,816</u>	<u>10,816</u>
<b>Net Change in Fund Balances</b>	<u>\$ (167,655)</u>	<u>\$ (167,655)</u>	<u>(745,198)</u>	<u>\$ (577,543)</u>
<b>Fund Balances at Beginning of Year</b>			<u>7,353,489</u>	
<b>Fund Balances at End of Year</b>			<u>\$ 6,608,291</u>	

**TOWN OF NORTH HEMPSTEAD**  
**TOWN OF NORTH HEMPSTEAD RETIREE MEDICAL PROGRAM**  
**POSTEMPLOYMENT BENEFITS HEALTHCARE COSTS**  
**SCHEDULE OF FUNDING PROGRESS**  
December 31, 2014

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 )
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, 2014

	Special Revenue Funds				
	Fire Protection Districts	Lighting District	Park Districts	Sidewalk District	Refuse and Garbage Districts
<b>ASSETS</b>					
Cash and investments	\$ 744,856	\$ 450,512	\$ 1,141,534	\$ 816,789	\$ 1,283,721
Accounts receivable, net of allowances		14	1,972	2,682	
Prepays		9,031	14,559	41,060	
Due from other funds		36,857			
State and federal aid receivables		32,592	26,437	82,927	
Due from other governments		733	491	1,102	1,582,402
Total Assets	<u>\$ 744,856</u>	<u>\$ 529,739</u>	<u>\$ 1,184,993</u>	<u>\$ 944,560</u>	<u>\$ 2,866,123</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 45,502	\$ 197,902	\$ 80,448	\$ 62,384	\$ 380,292
Bond anticipation notes payable					1,008,010
Due to other funds			243,260	210,773	200,998
Total Liabilities	<u>45,502</u>	<u>197,902</u>	<u>323,708</u>	<u>273,157</u>	<u>1,589,300</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue, payments in lieu of taxes		93		144	2,483
Total Deferred Inflows of Resources		<u>93</u>		<u>144</u>	<u>2,483</u>
<b>FUND BALANCES</b>					
Nonspendable		9,031	14,559	41,060	
Assigned	699,354	322,713	846,726	630,199	1,274,340
Total Fund Balances	<u>699,354</u>	<u>331,744</u>	<u>861,285</u>	<u>671,259</u>	<u>1,274,340</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 744,856</u>	<u>\$ 529,739</u>	<u>\$ 1,184,993</u>	<u>\$ 944,560</u>	<u>\$ 2,866,123</u>

Public Parking District	Water District	Total Nonmajor Governmental Funds
\$ 427,018	\$ 12,356	\$ 4,876,786
1,141		5,809
10,746		75,396
25,000		61,857
3,604		145,560
		1,584,728
<u>\$ 467,509</u>	<u>\$ 12,356</u>	<u>\$ 6,750,136</u>
\$ 17,722	\$ 12,240	\$ 796,490
		1,008,010
645		655,676
<u>18,367</u>	<u>12,240</u>	<u>2,460,176</u>
		2,720
		2,720
10,746		75,396
438,396	116	4,211,844
<u>449,142</u>	<u>116</u>	<u>4,287,240</u>
<u>\$ 467,509</u>	<u>\$ 12,356</u>	<u>\$ 6,750,136</u>

**TOWN OF NORTH HEMPSTEAD**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
Year ended December 31, 2014

	Special Revenue Funds				
	Fire Protection Districts	Lighting District	Park Districts	Sidewalk District	Refuse and Garbage Districts
<b>REVENUES</b>					
Real property taxes	\$ 6,387,585	\$ 2,054,783	\$ 1,070,035	\$ 3,174,688	\$ 7,980,476
Real property tax items	160,262	44,730	737	67,326	107,375
Departmental income			307,846		
Use of money and property	5,399	1,844	17,786	3,081	6,801
Sale of property and compensation for loss			52,474		
Miscellaneous local sources			50		
Interfund revenues			75,727		
Federal aid		29,659	26,436	82,927	
Total Revenues	<u>6,553,246</u>	<u>2,131,016</u>	<u>1,551,091</u>	<u>3,328,022</u>	<u>8,094,652</u>
<b>EXPENDITURES</b>					
Current:					
General government support	682,751	217,087	202,854	740,771	330,999
Public safety	5,903,508				
Transportation		2,104,170		1,246,600	
Culture and recreation			856,157		
Home and community services		1,772	94,292	3,086	7,807,110
Employee benefits		85,784	176,212	532,444	
Debt Service:					
Interest		1,345	1,815		
Total Expenditures	<u>6,586,259</u>	<u>2,410,158</u>	<u>1,331,330</u>	<u>2,522,901</u>	<u>8,138,109</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(33,013)</u>	<u>(279,142)</u>	<u>219,761</u>	<u>805,121</u>	<u>(43,457)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in				24,023	
Transfers out			(28,327)	(764,296)	(9,258)
Total Other Financing Sources (Uses)			<u>(28,327)</u>	<u>(740,273)</u>	<u>(9,258)</u>
<b>Net Change in Fund Balances</b>	(33,013)	(279,142)	191,434	64,848	(52,715)
<b>Fund Balances at Beginning of Year</b>	<u>732,367</u>	<u>610,886</u>	<u>669,851</u>	<u>606,411</u>	<u>1,327,055</u>
<b>Fund Balances at End of Year</b>	<u>\$ 699,354</u>	<u>\$ 331,744</u>	<u>\$ 861,285</u>	<u>\$ 671,259</u>	<u>\$ 1,274,340</u>

Public Parking District	Water District	Total Nonmajor Governmental Funds
\$ 322,498	\$ 51,384	\$ 21,041,449
6,279		386,709
609,954		917,800
5,030	36	39,977
		52,474
27		77
		75,727
3,604		142,626
<u>947,392</u>	<u>51,420</u>	<u>22,656,839</u>
162,486		2,336,948
414,907		5,903,508
		3,765,677
		856,157
127,798	51,460	7,957,720
		922,238
		3,160
<u>705,191</u>	<u>51,460</u>	<u>21,745,408</u>
242,201	(40)	911,431
6,021		30,044
(377,834)		(1,179,715)
<u>(371,813)</u>		<u>(1,149,671)</u>
(129,612)	(40)	(238,240)
578,754	156	4,525,480
<u>\$ 449,142</u>	<u>\$ 116</u>	<u>\$ 4,287,240</u>

**TOWN OF NORTH HEMPSTEAD**  
**FIRE PROTECTION DISTRICTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 6,388,341	\$ 6,388,341	\$ 6,387,585	\$ (756)
Total Real Property Taxes	6,388,341	6,388,341	6,387,585	(756)
REAL PROPERTY TAX ITEMS:				
Payment in lieu of taxes	143,943	143,943	160,262	16,319
Total Real Property Tax Items	143,943	143,943	160,262	16,319
USE OF MONEY AND PROPERTY:				
Interest and earnings	6,329	6,329	5,399	(930)
Total Use of Money and Property	6,329	6,329	5,399	(930)
Total Revenues	6,538,613	6,538,613	6,553,246	14,633
<b>EXPENDITURES</b>				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Unallocated insurance	302,832	302,632	238,715	63,917
Other general government support	445,970	445,970	444,036	1,934
Total General Government Support	748,802	748,602	682,751	65,851
PUBLIC SAFETY:				
Fire protection	5,918,623	5,918,823	5,903,508	15,315
Total Public Safety	5,918,623	5,918,823	5,903,508	15,315
Total Expenditures	6,667,425	6,667,425	6,586,259	81,166
<b>Net Change in Fund Balances</b>	<b>\$ (128,812)</b>	<b>\$ (128,812)</b>	<b>(33,013)</b>	<b>\$ 95,799</b>
<b>Fund Balances at Beginning of Year</b>			<b>732,367</b>	
<b>Fund Balances at End of Year</b>			<b>\$ 699,354</b>	

**TOWN OF NORTH HEMPSTEAD**  
**LIGHTING DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 2,054,915	\$ 2,054,915	\$ 2,054,783	\$ (132)
Total Real Property Taxes	2,054,915	2,054,915	2,054,783	(132)
REAL PROPERTY TAX ITEMS:				
Payment in lieu of taxes	41,835	41,835	44,486	2,651
Interest and penalties on taxes			244	244
Total Real Property Tax Items	41,835	41,835	44,730	2,895
USE OF MONEY AND PROPERTY:				
Interest and earnings	3,126	3,126	1,844	(1,282)
Total Use of Money and Property	3,126	3,126	1,844	(1,282)
FEDERAL AID:				
Federal aid - emergency disaster assistance			29,659	29,659
Total Federal Aid			29,659	29,659
Total Revenues	2,099,876	2,099,876	2,131,016	31,140
<b>EXPENDITURES</b>				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Unallocated insurance	6,050	7,099	7,099	-0-
Other general government support	230,353	209,988	209,988	-0-
Total General Government Support	236,403	217,087	217,087	-0-
TRANSPORTATION:				
Lighting	2,033,090	2,057,446	2,104,170	(46,724)
Total Transportation	2,033,090	2,057,446	2,104,170	(46,724)
HOME AND COMMUNITY SERVICE:				
Emergency disaster work			1,772	(1,772)
Total Home and Community Service			1,772	(1,772)
EMPLOYEE BENEFITS:				
State employee retirement system	36,483	35,120	35,120	-0-
Social security	16,913	16,047	16,047	-0-
Disability benefits		5	5	-0-
Workers' compensation	2,000	1,633	1,633	-0-
Hospital, medical and dental	34,250	32,813	32,813	-0-
Other employee benefits	200	166	166	-0-
Total Employee Benefits	89,846	85,784	85,784	-0-
Total Current Expenditures	2,359,339	2,360,317	2,408,813	(48,496)
DEBT SERVICE:				
Interest on revenue anticipation notes	2,323	1,345	1,345	-0-
Total Debt Service	2,323	1,345	1,345	-0-
Total Expenditures	2,361,662	2,361,662	2,410,158	(48,496)
<b>Net Change in Fund Balances</b>	<b>\$ (261,786)</b>	<b>\$ (261,786)</b>	<b>(279,142)</b>	<b>\$ (17,356)</b>
<b>Fund Balances at Beginning of Year</b>			<b>610,886</b>	
<b>Fund Balances at End of Year</b>			<b>\$ 331,744</b>	

**TOWN OF NORTH HEMPSTEAD**  
**PARK DISTRICTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES:</b>				
Ad valorem taxes	\$ 1,070,332	\$ 1,070,332	\$ 1,070,035	\$ (297)
Total Real Property Taxes	1,070,332	1,070,332	1,070,035	(297)
<b>REAL PROPERTY TAX ITEMS:</b>				
Payment in lieu of taxes	503	503	737	234
Total Real Property Tax Items	503	503	737	234
<b>DEPARTMENTAL INCOME:</b>				
Recreational concessions	8,000	8,000	250	(7,750)
Special recreational facility charges	343,000	343,000	307,596	(35,404)
Total Departmental Income	351,000	351,000	307,846	(43,154)
<b>USE OF MONEY AND PROPERTY:</b>				
Interest and earnings	16,894	16,894	17,786	892
Total Use of Money and Property	16,894	16,894	17,786	892
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS:</b>				
Recovery of damage to Town property			52,474	52,474
Total Sale of Property and Compensation for Loss			52,474	52,474
<b>MISCELLANEOUS LOCAL SOURCES:</b>				
Miscellaneous revenue			50	50
Total Miscellaneous Local Sources			50	50
<b>INTERFUND REVENUES</b>	<b>60,489</b>	<b>60,489</b>	<b>75,727</b>	<b>15,238</b>
<b>FEDERAL AID:</b>				
Federal aid - emergency disaster assistance			26,436	26,436
Total Federal Aid			26,436	26,436
<b>Total Revenues</b>	<b>1,499,218</b>	<b>1,499,218</b>	<b>1,551,091</b>	<b>51,873</b>

(Continued)

**TOWN OF NORTH HEMPSTEAD**  
**PARK DISTRICTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES</b>				
<b>CURRENT:</b>				
<b>GENERAL GOVERNMENT SUPPORT:</b>				
Unallocated insurance	20,700	20,432	19,714	718
Other general government support	289,095	210,908	183,140	27,768
Total General Government Support	<u>309,795</u>	<u>231,340</u>	<u>202,854</u>	<u>28,486</u>
<b>CULTURE AND RECREATION:</b>				
Parks and pools	929,265	1,008,636	856,157	152,479
Total Culture and Recreation	<u>929,265</u>	<u>1,008,636</u>	<u>856,157</u>	<u>152,479</u>
<b>HOME AND COMMUNITY:</b>				
Emergency disaster work			94,292	(94,292)
Total Home and Community			<u>94,292</u>	<u>(94,292)</u>
<b>EMPLOYEE BENEFITS:</b>				
State employee retirement system	74,088	74,088	59,976	14,112
Social security	48,047	48,047	45,995	2,052
Workers' compensation	9,000	8,986	4,614	4,372
Unemployment benefits	2,500	2,500		2,500
Disability benefits		14	14	-0-
Hospital, medical and dental	98,215	97,299	65,343	31,956
Other employee benefits	325	325	270	55
Total Employee Benefits	<u>232,175</u>	<u>231,259</u>	<u>176,212</u>	<u>55,047</u>
Total Current Expenditures	<u>1,471,235</u>	<u>1,471,235</u>	<u>1,329,515</u>	<u>141,720</u>
<b>DEBT SERVICE:</b>				
Interest on revenue anticipation notes	3,671	3,671	1,815	1,856
Total Debt Service	<u>3,671</u>	<u>3,671</u>	<u>1,815</u>	<u>1,856</u>
Total Expenditures	<u>1,474,906</u>	<u>1,474,906</u>	<u>1,331,330</u>	<u>143,576</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>24,312</u>	<u>24,312</u>	<u>219,761</u>	<u>195,449</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(28,825)	(28,825)	(28,327)	498
Total Other Financing Sources (Uses)	<u>(28,825)</u>	<u>(28,825)</u>	<u>(28,327)</u>	<u>498</u>
<b>Net Change in Fund Balances</b>	<u>\$ (4,513)</u>	<u>\$ (4,513)</u>	191,434	<u>\$ 195,947</u>
<b>Fund Balances at Beginning of Year</b>			669,851	
<b>Fund Balances at End of Year</b>			<u>\$ 861,285</u>	

**TOWN OF NORTH HEMPSTEAD**  
**SIDEWALK DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
Year ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 3,174,894	\$ 3,174,894	\$ 3,174,688	\$ (206)
Total Real Property Taxes	3,174,894	3,174,894	3,174,688	(206)
REAL PROPERTY TAX ITEMS:				
Payment in lieu of taxes	60,192	60,192	66,987	6,795
Interest and penalties on taxes			339	339
Total Real Property Tax Items	60,192	60,192	67,326	7,134
USE OF MONEY AND PROPERTY:				
Interest and earnings	2,477	2,477	3,081	604
Total Use of Money and Property	2,477	2,477	3,081	604
FEDERAL AID:				
Federal aid - emergency disaster assistance			82,927	82,927
Total Federal Aid			82,927	82,927
Total Revenues	3,237,563	3,237,563	3,328,022	90,459
<b>EXPENDITURES</b>				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Unallocated insurance	35,000	35,000	33,146	1,854
Other general government support	731,892	728,806	707,625	21,181
Total General Government Support	766,892	763,806	740,771	23,035
TRANSPORTATION:				
Sidewalks	1,480,669	1,483,755	1,246,600	237,155
Total Transportation	1,480,669	1,483,755	1,246,600	237,155
HOME AND COMMUNITY:				
Emergency disaster work			3,086	(3,086)
Total Home and Community			3,086	(3,086)
EMPLOYEE BENEFITS:				
State employee retirement system	170,828	170,828	160,759	10,069
Social security	78,808	79,367	79,367	-0-
Disability benefits		32	32	-0-
Workers' compensation	10,000	8,868	6,809	2,059
Unemployment insurance	2,500	1,691	156	1,535
Hospital, medical and dental	288,550	289,900	284,550	5,350
Other employee benefits	925	925	771	154
Total Employee Benefits	551,611	551,611	532,444	19,167
Total Expenditures	2,799,172	2,799,172	2,522,901	276,271
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	438,391	438,391	805,121	366,730
<b>Other Financing Sources (Uses)</b>				
Transfers in	24,023	24,023	24,023	-0-
Transfers out	(767,181)	(767,181)	(764,296)	2,885
Total Other Financing Sources (Uses)	(743,158)	(743,158)	(740,273)	2,885
<b>Net Change in Fund Balances</b>	<b>\$ (304,767)</b>	<b>\$ (304,767)</b>	64,848	<b>\$ 369,615</b>
<b>Fund Balances at Beginning of Year</b>			606,411	
<b>Fund Balances at End of Year</b>			<b>\$ 671,259</b>	

**TOWN OF NORTH HEMPSTEAD**  
**REFUSE AND GARBAGE DISTRICTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 7,980,965	\$ 7,980,965	\$ 7,980,476	\$ (489)
Total Real Property Taxes	7,980,965	7,980,965	7,980,476	(489)
REAL PROPERTY TAX ITEMS:				
Payment in lieu of taxes	79,364	79,364	97,373	18,009
Other tax items	10,000	10,000	10,002	2
Total Real Property Tax Items	89,364	89,364	107,375	18,011
USE OF MONEY AND PROPERTY:				
Interest and earnings	9,703	9,703	6,801	(2,902)
Total Use of Money and Property	9,703	9,703	6,801	(2,902)
Total Revenues	8,080,032	8,080,032	8,094,652	14,620
<b>EXPENDITURES</b>				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Other general government support	342,556	334,300	330,999	3,301
Total General Government Support	342,556	334,300	330,999	3,301
HOME AND COMMUNITY SERVICE:				
Sanitation	7,884,688	7,892,944	7,807,110	85,834
Total Home and Community Service	7,884,688	7,892,944	7,807,110	85,834
Total Expenditures	8,227,244	8,227,244	8,138,109	89,135
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(147,212)</u>	<u>(147,212)</u>	<u>(43,457)</u>	<u>103,755</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(9,258)	(9,258)	(9,258)	-0-
Total Other Financing Sources (Uses)	<u>\$ (9,258)</u>	<u>(9,258)</u>	<u>(9,258)</u>	<u>-0-</u>
<b>Net Change in Fund Balances</b>	<u>\$ (156,470)</u>	<u>\$ (156,470)</u>	<u>(52,715)</u>	<u>\$ 103,755</u>
<b>Fund Balances at Beginning of Year</b>			1,327,055	
<b>Fund Balances at End of Year</b>			<u>\$ 1,274,340</u>	

**TOWN OF NORTH HEMPSTEAD**  
**PUBLIC PARKING DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES:</b>				
Ad valorem taxes	\$ 322,538	\$ 322,538	\$ 322,498	\$ (40)
Total Real Property Taxes	322,538	322,538	322,498	(40)
<b>REAL PROPERTY TAX ITEMS:</b>				
Payment in lieu of taxes	6,161	6,161	6,221	60
Interest and penalties on taxes			58	58
Total Real Property Tax Items	6,161	6,161	6,279	118
<b>DEPARTMENTAL INCOME:</b>				
Parking enforcement	25,000	25,000	25,000	-0-
Parking permits	50,000	50,000	52,405	2,405
Parking lots	400,000	400,000	370,063	(29,937)
Parking meter fees	150,000	150,000	162,486	12,486
Total Departmental Income	625,000	625,000	609,954	(15,046)
<b>USE OF MONEY AND PROPERTY:</b>				
Interest and earnings	1,962	1,962	1,367	(595)
Interest and earnings			3,663	3,663
Total Use of Money and Property	1,962	1,962	5,030	3,068
<b>MISCELLANEOUS LOCAL SOURCES:</b>				
Miscellaneous revenue			27	27
Total Miscellaneous Local Sources			27	27
<b>FEDERAL AID:</b>				
Federal aid - emergency disaster assistance			3,604	3,604
Total Federal Aid			3,604	3,604
Total Revenues	955,661	955,661	947,392	(8,269)

(Continued)

**TOWN OF NORTH HEMPSTEAD**  
**PUBLIC PARKING DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES</b>				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Credit card fees	5,662	6,462	6,178	284
Unallocated insurance	8,800	9,160	9,160	-0-
Other general government support	177,774	175,934	147,148	28,786
Total General Government Support	<u>192,236</u>	<u>191,556</u>	<u>162,486</u>	<u>29,070</u>
TRANSPORTATION:				
Parking	467,093	459,850	414,907	44,943
Total Transportation	<u>467,093</u>	<u>459,850</u>	<u>414,907</u>	<u>44,943</u>
EMPLOYEE BENEFITS:				
State employee retirement system	41,656	41,656	41,401	255
Social security	22,789	22,789	22,520	269
Workers' compensation	2,000	2,176	2,176	-0-
Disability benefits		9	9	-0-
Unemployment benefits		3,718	3,718	-0-
Hospital, medical and dental	53,725	57,745	57,745	-0-
Other employee benefits	275	275	229	46
Total Employee Benefits	<u>120,445</u>	<u>128,368</u>	<u>127,798</u>	<u>570</u>
Total Expenditures	<u>779,774</u>	<u>779,774</u>	<u>705,191</u>	<u>74,583</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>175,887</u>	<u>175,887</u>	<u>242,201</u>	<u>66,314</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	5,945	5,945	6,021	76
Transfers out	(378,565)	(378,565)	(377,834)	731
Total Other Financing Sources (Uses)	<u>(372,620)</u>	<u>(372,620)</u>	<u>(371,813)</u>	<u>807</u>
<b>Net Change in Fund Balances</b>	<u>\$ (196,733)</u>	<u>\$ (196,733)</u>	<u>(129,612)</u>	<u>\$ 67,121</u>
<b>Fund Balances at Beginning of Year</b>			578,754	
<b>Fund Balances at End of Year</b>			<u>\$ 449,142</u>	

**TOWN OF NORTH HEMPSTEAD**  
**WATER DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 51,415	\$ 51,415	\$ 51,384	\$ (31)
Total Real Property Taxes	51,415	51,415	51,384	(31)
USE OF MONEY AND PROPERTY:				
Interest and earnings	45	45	36	(9)
Total Use of Money and Property	45	45	36	(9)
Total Revenues	51,460	51,460	51,420	(40)
<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>	(40)	<u>\$ (40)</u>
<b>Fund Balances at Beginning of Year</b>			156	
<b>Fund Balances at End of Year</b>			<u>\$ 116</u>	

**TOWN OF NORTH HEMPSTEAD**  
**FIDUCIARY FUNDS**  
**STATEMENT OF CHANGES IN AGENCY ASSETS AND LIABILITIES**  
Year ended December 31, 2014

<b>ASSETS</b>	Balance January 1, 2014	Additions	Deductions	Balance December 31, 2014
<i>Town Agency Fund</i>				
Cash	\$ 22,126,105	\$ 307,939,673	\$ 302,134,200	\$ 27,931,578
<b>Total Assets - Town Agency Fund</b>	<u>22,126,105</u>	<u>307,939,673</u>	<u>302,134,200</u>	<u>27,931,578</u>
<i>Town Clerk Agency Fund</i>				
Cash	85,036	618,248	567,913	135,371
<b>Total Assets - Town Clerk Agency Fund</b>	<u>85,036</u>	<u>618,248</u>	<u>567,913</u>	<u>135,371</u>
<i>Town Receiver of Taxes Agency Fund</i>				
Cash	9,170,316	1,263,670,413	1,267,214,718	5,626,011
<b>Total Assets - Town Receiver of Taxes Agency Fund</b>	<u>9,170,316</u>	<u>1,263,670,413</u>	<u>1,267,214,718</u>	<u>5,626,011</u>
<b>Total Assets</b>	<u>\$ 31,381,457</u>	<u>\$ 1,572,228,334</u>	<u>\$ 1,569,916,831</u>	<u>\$ 33,692,960</u>
<b>LIABILITIES</b>				
<i>Town Agency Fund</i>				
Other liabilities	\$ 22,126,105	\$ 307,939,673	\$ 302,134,200	\$ 27,931,578
<b>Total Liabilities - Town Agency Fund</b>	<u>22,126,105</u>	<u>307,939,673</u>	<u>302,134,200</u>	<u>27,931,578</u>
<i>Town Clerk Agency Fund</i>				
Other liabilities	85,036	618,248	567,913	135,371
<b>Total Liabilities - Town Clerk Agency Fund</b>	<u>85,036</u>	<u>618,248</u>	<u>567,913</u>	<u>135,371</u>
<i>Town Receiver of Taxes Agency Fund</i>				
Due to school districts	9,168,901	880,592,224	884,135,119	5,626,006
Other liabilities	1,415	383,078,189	383,079,599	5
<b>Total Liabilities - Town Receiver of Taxes Agency Fund</b>	<u>9,170,316</u>	<u>1,263,670,413</u>	<u>1,267,214,718</u>	<u>5,626,011</u>
<b>Total Liabilities</b>	<u>\$ 31,381,457</u>	<u>\$ 1,572,228,334</u>	<u>\$ 1,569,916,831</u>	<u>\$ 33,692,960</u>

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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, 2014

	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	\$ 342,901	\$ 45,604	\$ 1,201,118	\$ 313,858	\$ 2,366,017	\$ 3,424,571	\$ 2,298,497
Cash - restricted					2,621,452	576,031	394,462
Receivable, net of allowances				13	1,752	231,545	621,530
Prepays			746	885	84,439	168,298	182,638
Due from other governments	195,554	1,879	622,962	157,590	73,264	1,386	
Inventory of materials and supplies				303			6,734
Total Current Assets	538,455	47,483	1,824,826	472,649	5,146,924	4,401,831	3,503,861
<b>Non-Current Assets:</b>							
Property held for resale							
Capital assets, net of accumulated depreciation			24,750		14,101,682	64,739,079	34,336,496
Total Non-Current Assets			24,750		14,101,682	64,739,079	34,336,496
<b>Total Assets</b>	<b>538,455</b>	<b>47,483</b>	<b>1,849,576</b>	<b>472,649</b>	<b>19,248,606</b>	<b>69,140,910</b>	<b>37,840,357</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred charge on refunding							42,091
<b>Total Deferred Outflows of Resources</b>							<b>42,091</b>
<b>LIABILITIES</b>							
<b>Current Liabilities:</b>							
Accounts payable and accrued liabilities		1,500	167,804	572	50,131	1,170,727	665,789
Accrued interest payable			593	152	96,225	130,508	121,343
Bond anticipation notes payable	102,709	1,000	328,048	83,057			600,000
Due to other governments	591		369	120	2,190	25,000	44,200
Grant advances							
Other liabilities						91,469	
<b>Non-Current Liabilities due within one year:</b>							
General obligation bonds payable					574,427	1,921,938	1,022,905
Due to employees' retirement system							
Installment purchase debt							
Total Current Liabilities	103,300	2,500	496,814	83,901	722,973	3,339,642	2,454,237
<b>Non-Current Liabilities due in more than one year:</b>							
General obligation bonds payable					9,185,982	49,961,018	15,604,955
Due to employees' retirement system							
Compensated absences					40,687	35,709	271,665
Postemployment benefits healthcare costs					1,348,325	2,056,977	3,903,357
Installment purchase debt							
Total Non-Current Liabilities					10,574,994	52,053,704	19,779,977
<b>Total Liabilities</b>	<b>103,300</b>	<b>2,500</b>	<b>496,814</b>	<b>83,901</b>	<b>11,297,967</b>	<b>55,393,346</b>	<b>22,234,214</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred charge on refunding							50,693
Deferred inflows, loans receivable							
<b>Total Deferred Outflows of Resources</b>							<b>50,693</b>
<b>NET POSITION</b>							
Net investment in capital assets			24,750		6,626,055	13,515,054	13,805,279
Restricted					75,940	8,604	478,874
Unrestricted	435,155	44,983	1,328,012	388,748	1,248,644	223,906	1,313,388
<b>Total Net Position</b>	<b>\$ 435,155</b>	<b>\$ 44,983</b>	<b>\$ 1,352,762</b>	<b>\$ 388,748</b>	<b>\$ 7,950,639</b>	<b>\$ 13,747,564</b>	<b>\$ 15,597,541</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>
\$ 845,795	\$ 1,719,817	\$ 322,688	\$ 237,521	\$ 8,564,659	\$ 5,246,890	\$ 8,163,605	\$ 2,596,865
910,301	3,355,081	3,524,254				1,190,467	
262,815	290,297	220,585	25,250	1,447,553	623,041	332,571	562,909
37,071	58,988	161,332		111,942	90,272	181,820	216,498
2,483,183	284,564	72,972	6,813	539,144	202,172	73,062	389,082
	65,733	421,994		449,972		144,293	25,260
<u>4,539,165</u>	<u>5,774,480</u>	<u>4,723,825</u>	<u>269,584</u>	<u>11,113,270</u>	<u>6,162,375</u>	<u>10,085,818</u>	<u>3,790,614</u>
<u>7,880,949</u>	<u>6,508,871</u>	<u>10,340,295</u>	<u>192,772</u>	<u>35,578,105</u>	<u>18,688,453</u>	<u>7,864,111</u>	<u>9,569,394</u>
<u>7,880,949</u>	<u>6,508,871</u>	<u>10,340,295</u>	<u>192,772</u>	<u>35,578,105</u>	<u>18,688,453</u>	<u>7,864,111</u>	<u>9,569,394</u>
<u>12,420,114</u>	<u>12,283,351</u>	<u>15,064,120</u>	<u>462,356</u>	<u>46,691,375</u>	<u>24,850,828</u>	<u>17,949,929</u>	<u>13,360,008</u>
519,980	277,560	271,086	16,606	769,637	465,340	1,203,449	848,819
35,108		8,549	87	148,271	61,204	6,740	59,663
3,084,000	3,500,000		21,000		12,643,947	8,515,000	
			5,484	5,328			
	30,202			111,020			
<u>486,861</u>	<u>64,798</u>	<u>116,000</u>	<u>3,872</u>	<u>1,396,679</u>	<u>513,015</u>	<u>128,799</u>	<u>379,121</u>
<u>4,125,949</u>	<u>3,872,560</u>	<u>395,635</u>	<u>47,049</u>	<u>2,430,935</u>	<u>13,683,506</u>	<u>9,853,988</u>	<u>1,287,603</u>
3,270,309	697,141	204,000	10,082	10,163,602	4,040,417	405,491	3,149,410
			9,543				
355,642	54,323	263,928		189,001	401,330	467,643	258,354
937,008	1,501,552	2,124,790	35,489	3,796,530	3,086,737	1,955,083	2,800,410
<u>4,562,959</u>	<u>2,253,016</u>	<u>2,592,718</u>	<u>55,114</u>	<u>14,149,133</u>	<u>7,528,484</u>	<u>2,828,217</u>	<u>6,208,174</u>
<u>8,688,908</u>	<u>6,125,576</u>	<u>2,988,353</u>	<u>102,163</u>	<u>16,580,068</u>	<u>21,211,990</u>	<u>12,682,205</u>	<u>7,495,777</u>
				79,472			
				79,472			
3,158,505	3,170,630	10,020,295	178,818	24,017,824	5,277,471	5,919,964	6,040,863
390,860	327,255	3,997,420		43,976	218,954	1,507,181	1,992,444
181,841	2,659,890	(1,941,948)	181,375	5,970,035	(1,857,587)	(2,159,421)	(2,169,076)
<u>\$ 3,731,206</u>	<u>\$ 6,157,775</u>	<u>\$ 12,075,767</u>	<u>\$ 360,193</u>	<u>\$ 30,031,835</u>	<u>\$ 3,638,838</u>	<u>\$ 5,267,724</u>	<u>\$ 5,864,231</u>

(Continued)

**TOWN OF NORTH HEMPSTEAD**  
**DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS**  
**COMBINING STATEMENT OF NET POSITION**  
**DECEMBER 31, 2014**

	<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	\$ 13,524,913	\$ 854,787	\$ 5,564,384	\$ 1,643,676	
Cash - restricted			533,411	211,438	\$ 1,421,158
Accounts receivable, net of allowances	44,882		70,440	1,235	1,481,258
Prepays	254,715	28,235	918,014	92,089	32,805
Due from other governments	39,331	45,563		5,304	
Inventory of materials and supplies					
<b>Total Current Assets</b>	<b>13,863,841</b>	<b>928,585</b>	<b>7,086,249</b>	<b>1,953,742</b>	<b>2,935,221</b>
<b>Non-Current Assets:</b>					
Property held for resale					2,807,209
Capital assets, net of accumulated depreciation	24,477,864	2,438,113	963,424	6,284,292	
<b>Total Non-Current Assets</b>	<b>24,477,864</b>	<b>2,438,113</b>	<b>963,424</b>	<b>6,284,292</b>	<b>2,807,209</b>
<b>Total Assets</b>	<b>38,341,705</b>	<b>3,366,698</b>	<b>8,049,673</b>	<b>8,238,034</b>	<b>5,742,430</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred charge on refunding					
<b>Total Deferred Outflows of Resources</b>					
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts payable	920,144	60,320	316,900	23,777	51,177
Accrued interest payable	151,994		1,955	12,187	
Bond anticipation notes payable	3,588,000				
Due to other governments	48,333				
Grant advances				22,773	
Other liabilities	1,650			10,210	
<b>Non-Current Liabilities due within one year:</b>					
General obligation bonds payable	1,576,589		16,311	347,137	
Due to employees' retirement system				18,493	
Installment purchase debt	91,424				
<b>Total Current Liabilities</b>	<b>6,378,134</b>	<b>60,320</b>	<b>335,166</b>	<b>434,577</b>	<b>51,177</b>
<b>Non-Current Liabilities due in more than one year:</b>					
General obligation bonds payable	12,148,194		72,715	3,708,550	
Due to employees' retirement system				136,174	
Compensated absences	820,180	200,606	9,020,313	137,316	46,701
Postemployment benefits healthcare costs	6,024,972	2,132,081	19,194,287	1,129,711	806,263
Installment purchase debt	695,490				
<b>Total Non-Current Liabilities</b>	<b>19,688,836</b>	<b>2,332,687</b>	<b>28,287,315</b>	<b>5,111,751</b>	<b>852,964</b>
<b>Total Liabilities</b>	<b>26,066,970</b>	<b>2,393,007</b>	<b>28,622,481</b>	<b>5,546,328</b>	<b>904,141</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred charge on refunding					
Deferred inflows, loans receivable	1,016,788				858,289
<b>Total Deferred Outflows of Resources</b>	<b>1,016,788</b>				<b>858,289</b>
<b>NET POSITION</b>					
Net investment in capital assets	9,447,106	2,438,113	874,399	2,228,605	
Restricted	15,028		533,411	223,155	3,980,000
Unrestricted	1,795,813	(1,464,422)	(21,980,618)	239,946	
<b>Total Net Position</b>	<b>\$ 11,257,947</b>	<b>\$ 973,691</b>	<b>\$(20,572,808)</b>	<b>\$ 2,691,706</b>	<b>\$ 3,980,000</b>

**BUSINESS  
IMPROVEMENT  
DISTRICT**

<u>Port Washington</u>	<u>Totals</u>
\$ 79,371	\$ 59,357,537
	14,738,055
	6,217,676
	2,620,787
69,498	5,263,323
	1,114,289
<u>148,869</u>	<u>89,311,667</u>
	2,807,209
<u>121,743</u>	<u>244,110,393</u>
<u>121,743</u>	<u>246,917,602</u>
<u>270,612</u>	<u>336,229,269</u>
	42,091
	<u>42,091</u>
21,705	7,823,023
425	835,004
	32,466,761
	131,615
	22,773
	244,551
8,991	8,557,443
	18,493
	91,424
<u>31,121</u>	<u>50,191,087</u>
73,224	112,695,090
	145,717
	12,563,398
	52,833,572
	695,490
<u>73,224</u>	<u>178,933,267</u>
<u>104,345</u>	<u>229,124,354</u>
	50,693
	1,954,549
	<u>2,005,242</u>
39,528	106,783,259
	13,793,102
126,739	(15,434,597)
<u>\$ 166,267</u>	<u>\$ 105,141,764</u>

**TOWN OF NORTH HEMPSTEAD**  
**DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS**  
**COMBINING STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2014

	<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					\$ 780,608	\$ 2,818,174	\$ 1,041,840
Operating grants and contributions						824,411	
Capital grants and contributions							
Real property taxes	\$ 1,001,572	\$ 64,018	\$ 2,182,375	\$ 506,463	2,365,155	6,431,509	4,782,303
Real property tax items	10,554						
Interest and earnings - unrestricted	412	2	2,107	8,358	22,041	7,476	10,610
Interest and earnings - restricted							
Sale of property and compensation for loss							
Miscellaneous revenue			1,095	341	35,832	206,910	4,774
State aid							
Total Revenues	<u>1,012,538</u>	<u>64,020</u>	<u>2,185,577</u>	<u>515,162</u>	<u>3,203,636</u>	<u>10,288,480</u>	<u>5,839,527</u>
<b>EXPENSES</b>							
Current:							
Public safety							
Culture and recreation							
Home and community service	811,742	52,211	2,031,015	486,514	2,748,741	10,046,220	6,368,458
Total Expenses	<u>811,742</u>	<u>52,211</u>	<u>2,031,015</u>	<u>486,514</u>	<u>2,748,741</u>	<u>10,046,220</u>	<u>6,368,458</u>
<b>Change in Net Position</b>	<u>200,796</u>	<u>11,809</u>	<u>154,562</u>	<u>28,648</u>	<u>454,895</u>	<u>242,260</u>	<u>(528,931)</u>
<b>Net Position at Beginning of Year</b>	<u>234,359</u>	<u>33,174</u>	<u>1,198,200</u>	<u>360,100</u>	<u>7,495,744</u>	<u>13,505,304</u>	<u>16,126,472</u>
Net Position at End of Year	<u>\$ 435,155</u>	<u>\$ 44,983</u>	<u>\$ 1,352,762</u>	<u>\$ 388,748</u>	<u>\$ 7,950,639</u>	<u>\$ 13,747,564</u>	<u>\$ 15,597,541</u>

**WATER DISTRICTS**

Albertson	Carle Place	Garden City Park	Glenwood	Manhasset - Lakeville	Port Washington	Roslyn	Westbury
\$ 1,465,643	\$ 757,379	\$ 1,255,909	\$ 131,278	\$ 6,242,306	\$ 4,080,457	\$ 1,926,118	\$ 1,734,353
1,684,676	1,696,241	2,436,466	321,910	3,484,919	1,622,335	2,037,075	2,762,965
17,113	320,101	12,146	310	294,553	10,065	8,405	412,454
2,174	27,069						
3,545	3,820	355,571	84	104,905	141,057	190,025	45,450
<u>3,173,151</u>	<u>2,819,118</u>	<u>4,060,092</u>	<u>453,582</u>	<u>10,126,683</u>	<u>5,853,914</u>	<u>4,161,623</u>	<u>4,955,222</u>
<u>2,856,929</u>	<u>2,471,111</u>	<u>4,106,701</u>	<u>302,698</u>	<u>8,118,686</u>	<u>5,918,561</u>	<u>4,849,308</u>	<u>4,494,349</u>
<u>2,856,929</u>	<u>2,471,111</u>	<u>4,106,701</u>	<u>302,698</u>	<u>8,118,686</u>	<u>5,918,561</u>	<u>4,849,308</u>	<u>4,494,349</u>
<u>316,222</u>	<u>348,007</u>	<u>(46,609)</u>	<u>150,884</u>	<u>2,007,997</u>	<u>(64,647)</u>	<u>(687,685)</u>	<u>460,873</u>
<u>3,414,984</u>	<u>5,809,768</u>	<u>12,122,376</u>	<u>209,309</u>	<u>28,023,838</u>	<u>3,703,485</u>	<u>5,955,409</u>	<u>5,403,358</u>
<u>\$ 3,731,206</u>	<u>\$ 6,157,775</u>	<u>\$ 12,075,767</u>	<u>\$ 360,193</u>	<u>\$ 30,031,835</u>	<u>\$ 3,638,838</u>	<u>\$ 5,267,724</u>	<u>\$ 5,864,231</u>

(Continued)

**TOWN OF NORTH HEMPSTEAD**  
DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS  
COMBINING STATEMENT OF ACTIVITIES  
Year Ended December 31, 2014

	<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	\$ 3,960,454	\$ 642,578	\$ 850	\$ 29,157	\$ 135,450
Operating grants and contributions		1,522	85,075		580,096
Capital grants and contributions					
Real property taxes	12,524,617	728,814	18,982,435	3,866,709	
Real property tax items			637,740		
Interest and earnings - unrestricted	32,558	15,961	96,454	748	
Interest and earnings - restricted					18,467
Sale of property and compensation for loss			120,928	559	37,597
Miscellaneous revenue	178,051	775	17,402	10,212	24,806
State aid				40,827	
Total Revenues	<u>16,695,680</u>	<u>1,389,650</u>	<u>19,940,884</u>	<u>3,948,212</u>	<u>796,416</u>
<b>EXPENSES</b>					
Current:					
Public safety			22,450,611		
Culture and recreation	16,426,445	1,797,058		4,001,303	
Home and community service					984,168
Total Expenses	<u>16,426,445</u>	<u>1,797,058</u>	<u>22,450,611</u>	<u>4,001,303</u>	<u>984,168</u>
<b>Change in Net Position</b>	<u>269,235</u>	<u>(407,408)</u>	<u>(2,509,727)</u>	<u>(53,091)</u>	<u>(187,752)</u>
<b>Net Position at Beginning of Year</b>	<u>10,988,712</u>	<u>1,381,099</u>	<u>(18,063,081)</u>	<u>2,744,797</u>	<u>4,167,752</u>
Net Position at End of Year	<u>\$ 11,257,947</u>	<u>\$ 973,691</u>	<u>\$(20,572,808)</u>	<u>\$ 2,691,706</u>	<u>\$ 3,980,000</u>

**BUSINESS  
IMPROVEMENT  
DISTRICT**

<u>Port Washington</u>	<u>Totals</u>
\$ 4,372	\$ 27,006,926
	666,693
	824,411
185,626	69,668,183
	662,802
204	1,272,078
	18,467
	188,327
	1,324,655
	40,827
<u>190,202</u>	<u>101,673,369</u>
	22,450,611
	22,224,806
<u>185,276</u>	<u>56,832,688</u>
<u>185,276</u>	<u>101,508,105</u>
	22,450,611
<u>4,926</u>	<u>165,264</u>
	22,450,611
<u>161,341</u>	<u>104,976,500</u>
<u>\$ 166,267</u>	<u>\$ 105,141,764</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>	126-136
<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>	137-141
<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>	142-145
<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>	146-147
<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>	148-153

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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Governmental activities					
Net investment in capital assets	\$ 229,095,793	\$ 225,486,423	\$ 231,420,763	\$ 223,505,633	\$ 217,695,935
Restricted	-0-	1,841,053	2,117,638	6,283,772	5,557,086
Unrestricted	<u>(62,369,915)</u>	<u>(65,367,033)</u>	<u>(66,309,234)</u>	<u>(62,918,534)</u>	<u>(54,631,750)</u>
Total primary government net position	<u>\$ 166,725,878</u>	<u>\$ 161,960,443</u>	<u>\$ 167,229,167</u>	<u>\$ 166,870,871</u>	<u>\$ 168,621,271</u>

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

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 81,566,768	\$ 76,605,301	\$ 63,227,590	\$ 62,581,787	\$ 54,723,278
4,730,567	11,493,040	17,282,036	2,124,163	2,253,146
<u>(39,184,455)</u>	<u>(41,691,280)</u>	<u>(34,576,956)</u>	<u>(41,151,509)</u>	<u>(49,621,405)</u>
<u>\$ 47,112,880</u>	<u>\$ 46,407,061</u>	<u>\$ 45,932,670</u>	<u>\$ 23,554,441</u>	<u>\$ 7,355,019</u>

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

Year ended December 31,	2014	2013	2012	2011	2010
<b>Expenses</b>					
Governmental activities:					
General government support	\$ 29,539,133	\$ 28,161,989	\$ 27,351,522	\$ 27,001,662	\$ 25,899,656
Education	1,823,139	2,007,847	2,502,099	600,000	601,906
Public safety	14,261,443	13,883,747	13,102,628	11,813,435	10,541,116
Health	422,533	400,116	339,412	393,024	311,324
Transportation	23,690,160	26,237,863	24,696,466	26,314,860	23,896,533
Economic assistance and opportunity	2,873,584	2,957,536	2,853,738	3,519,550	2,931,069
Culture and recreation	27,383,857	28,275,078	27,158,800	26,220,885	24,971,385
Home and community service	27,652,600	38,960,568	32,643,032	26,003,597	26,943,688
Interest on debt	4,815,137	5,650,792	6,263,292	6,864,391	7,050,021
Total primary government expenses	<u>\$ 132,461,586</u>	<u>\$ 146,535,536</u>	<u>\$ 136,910,989</u>	<u>\$ 128,731,404</u>	<u>\$ 123,146,698</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government support	\$ 497,926	\$ 432,869	\$ 364,101	\$ 322,246	\$ 316,511
Public safety	3,585,511	4,133,966	4,377,666	5,032,348	4,157,137
Health	274,282	285,178	263,486	242,072	241,740
Transportation	1,318,572	2,288,644	1,660,870	1,173,076	1,464,958
Economic assistance and opportunity	281,716	351,277	22,164		
Culture and recreation	10,028,738	9,819,123	10,368,158	9,192,518	8,488,338
Home and community service	16,446,757	18,032,300	18,074,442	16,514,602	15,917,596
Operating grants and contributions	5,142,096	13,003,479	9,142,273	1,293,242	3,688,338
Capital grants and contributions	476,148	552,202	29,125	2,498,242	9,070,051
Total primary government program revenues	<u>\$ 38,051,746</u>	<u>\$ 48,899,038</u>	<u>\$ 44,302,285</u>	<u>\$ 36,268,346</u>	<u>\$ 43,344,669</u>
<b>Net (Expense) Revenue</b>					
Total primary government net expense	<u>\$ (94,409,840)</u>	<u>\$ (97,636,498)</u>	<u>\$ (92,608,704)</u>	<u>\$ (92,463,058)</u>	<u>\$ (79,802,029)</u>
<b>General Revenues</b>					
Governmental Activities:					
Real property taxes	\$ 72,038,134	\$ 70,878,833	\$ 68,261,387	\$ 65,134,391	\$ 63,816,162
Real property tax items	2,344,889	2,277,435	2,033,313	1,986,292	1,808,357
Non-property tax items	12,850,767	13,235,095	12,441,196	12,029,189	11,272,681
Interest earnings - unrestricted	1,501,136	632,970	775,259	1,466,528	1,328,722
Mortgage tax	7,228,190	7,493,601	6,690,606	5,752,767	5,863,439
Sale of property and compensation for loss		1,023,565			
State aid - unrestricted	1,023,565	1,923,480	1,023,565	1,065,026	1,044,454
Licenses and permits					
Other	2,188,594	2,188,594	1,841,674	3,178,465	116,176,605
Total primary government	<u>\$ 99,175,275</u>	<u>\$ 99,653,573</u>	<u>\$ 93,067,000</u>	<u>\$ 90,612,658</u>	<u>\$ 201,310,420</u>
<b>Change in Net Position</b>					
Total primary government change in net position	<u>\$ 4,765,435</u>	<u>\$ 2,017,075</u>	<u>\$ 458,296</u>	<u>\$ (1,850,400)</u>	<u>\$ 121,508,391</u>

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

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 23,933,803	\$ 23,840,684	\$ 20,421,287	\$ 19,851,465	\$ 18,651,307
571,367	629,492	282,439	412,968	507,426
10,859,785	11,382,404	9,566,154	7,549,558	8,107,827
336,891	318,914	253,083	227,241	296,061
23,299,489	22,076,865	15,695,095	20,033,989	13,652,265
2,098,481	3,135,811	2,456,352	2,566,294	2,310,049
24,682,702	22,643,001	14,212,650	20,081,358	15,823,332
22,950,170	23,993,678	23,945,836	21,593,176	22,542,284
7,319,311	8,106,577	8,439,201	8,028,366	10,167,563
<u>\$ 116,051,999</u>	<u>\$ 116,127,426</u>	<u>\$ 95,272,097</u>	<u>\$ 100,344,415</u>	<u>\$ 92,058,114</u>
\$ 268,864	\$ 321,849	\$ 333,594	\$ 380,498	\$ 179,686
3,632,095	4,491,380	4,153,285	3,460,226	3,329,947
1,231,699	958,363	1,176,630	1,301,180	993,226
8,291,163	8,876,165	8,475,019	7,402,057	6,380,882
13,360,668	14,796,616	12,372,598	15,399,978	14,990,887
3,752,788	2,788,957	5,366,607	613,681	841,284
905,706	1,170,927	1,024,300	744,739	
<u>\$ 31,442,983</u>	<u>\$ 33,404,257</u>	<u>\$ 32,902,033</u>	<u>\$ 29,302,359</u>	<u>\$ 26,715,912</u>
<u>\$ (84,609,016)</u>	<u>\$ (82,723,169)</u>	<u>\$ (62,370,064)</u>	<u>\$ (71,042,056)</u>	<u>\$ (65,342,202)</u>
\$ 61,685,941	\$ 56,422,999	\$ 54,216,380	\$ 51,660,364	\$ 50,158,581
1,772,707	2,108,771	2,712,672	2,281,401	1,522,506
10,553,049	11,177,944	11,058,164	10,813,890	10,331,465
796,401	1,270,556	2,201,639	2,295,875	1,581,364
5,643,419	7,677,222	12,071,333	14,173,192	15,827,682
1,111,654	1,111,654	1,502,952	1,469,508	1,247,154
3,751,664	1,342,723	985,153	538,595	1,342,723
<u>\$ 85,314,835</u>	<u>\$ 81,111,869</u>	<u>\$ 84,748,293</u>	<u>\$ 83,232,825</u>	<u>\$ 83,472,674</u>
<u>\$ 705,819</u>	<u>\$ (1,611,300)</u>	<u>\$ 22,378,229</u>	<u>\$ 12,190,769</u>	<u>\$ 18,130,472</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>
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
2005	50,158,581	1,522,506	10,331,465	62,012,552

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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011 <sup>(1)</sup></u>	<u>2010</u>
General Fund					
Reserved					\$ 2,395,670
Unreserved					9,915,603
Nonspendable	\$ 2,605,903	\$ 6,317,118	\$ 5,522,182	\$ 4,677,860	
Assigned	3,616,445	3,707,833	3,815,070	3,970,756	
Unassigned	4,583,168	3,693,793	201,856	510,271	
Total General Fund	<u>\$ 10,805,516</u>	<u>\$ 13,718,744</u>	<u>\$ 9,539,108</u>	<u>\$ 9,158,887</u>	<u>\$ 12,311,273</u>
All other governmental funds					
Reserved					\$ 35,247,468
Unreserved, reported in:					
Special revenue funds					10,041,155
Capital projects funds					(54,504,415)
Debt service fund					752,320
Nonspendable	\$ 1,459,022	\$ 371,007	\$ 958,708	\$ 3,692,838	
Restricted	-0-	1,841,053	2,117,638	6,183,772	
Assigned	19,684,938	17,704,669	17,085,131	12,080,353	
Unassigned	(38,294,684)	(73,879,682)	(66,246,267)	(58,151,444)	
Total All Other Governmental Funds	<u>\$ (17,150,724)</u>	<u>\$ (53,962,953)</u>	<u>\$ (46,084,790)</u>	<u>\$ (36,194,481)</u>	<u>\$ (8,463,472)</u>

Note <sup>(1)</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>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 519,264 11,636,395	\$ 552,305 17,289,914	\$ 559,395 17,840,400	\$ 602,523 20,142,431	\$ 21,681 20,477,742
<u>\$ 12,155,659</u>	<u>\$ 17,842,219</u>	<u>\$ 18,399,795</u>	<u>\$ 20,744,954</u>	<u>\$ 20,499,423</u>
\$ 20,071,816	\$ 18,548,411	\$ 17,311,971	\$ 12,968,754	\$ 12,988,696
7,810,240	5,750,366	8,264,263	12,612,181	12,848,692
(18,493,070)	(6,046,966)	825,420	(7,351,830)	(10,492,594)
2,812,787	2,477,787	2,126,273	1,646,265	1,382,758
<u>\$ 12,201,773</u>	<u>\$ 20,729,598</u>	<u>\$ 28,527,927</u>	<u>\$ 19,875,370</u>	<u>\$ 16,727,552</u>

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

Year ended December 31,	2014	2013	2012	2011	2010
<b>Revenues</b>					
Real property taxes	\$ 72,038,134	\$ 70,878,833	\$ 68,261,387	\$ 65,134,391	\$ 63,816,162
Real property tax items	2,344,889	2,277,435	2,031,479	1,983,764	1,808,357
Non-property tax items	12,850,767	13,235,095	12,441,196	12,029,189	11,272,681
Departmental income	26,398,587	28,161,245	27,647,268	25,665,439	24,400,667
Intergovernmental charges	963,096	2,381,714	1,794,090	1,375,209	1,622,331
Use of money and property	593,378	521,771	706,324	1,229,803	1,216,559
License and permits	3,234,920	3,655,105	3,945,324	4,388,479	3,745,966
Fines and forfeitures	239,052	205,709	279,175	349,525	301,504
Sale of property and compensation for loss	409,852	1,370,285	356,668	1,776,050	459,710
Miscellaneous revenue	1,203,246	1,334,774	1,839,787	1,240,997	120,830,435
Interfund revenues	6,994,901	6,861,935	6,837,796	7,088,604	6,186,021
State aid	10,400,768	10,698,776	9,472,707	7,861,711	9,429,326
Federal aid	4,112,792	11,374,071	8,231,952	2,706,105	5,390,644
<b>Total Revenues</b>	<b>141,784,382</b>	<b>152,956,748</b>	<b>143,845,153</b>	<b>132,829,266</b>	<b>250,480,363</b>
<b>Expenditures</b>					
General government support	21,719,953	20,971,505	20,214,430	18,885,445	18,041,263
Education	5,362,136	439,233	531,716	600,000	601,906
Public safety	12,162,015	11,725,481	11,349,801	10,120,902	9,276,505
Health	242,761	226,569	197,082	214,121	181,135
Transportation	14,396,223	16,542,073	15,257,407	16,370,205	15,645,227
Economic assistance and opportunity	2,083,114	2,094,184	2,093,973	2,396,237	2,075,798
Culture and recreation	16,993,305	17,789,654	16,889,672	16,381,463	16,326,553
Home and community service	27,204,995	37,544,848	30,999,963	25,220,268	24,568,372
Employee benefits	18,533,022	17,504,421	16,384,918	15,228,229	13,265,108
Debt Service					
Principal	15,190,493	15,793,474	19,100,317	17,524,153	18,803,632
Interest	4,287,174	5,391,079	7,022,723	7,072,317	6,988,606
Other charges			126,483		130,757
Capital outlay	10,123,687	10,632,754	23,240,864	33,775,975	148,094,890
<b>Total Expenditures</b>	<b>148,298,878</b>	<b>156,655,275</b>	<b>163,409,349</b>	<b>163,789,315</b>	<b>273,999,752</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,514,496)</u>	<u>(3,698,527)</u>	<u>(19,564,196)</u>	<u>(30,960,049)</u>	<u>(23,519,389)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	28,587,034	24,429,877	31,544,621	29,944,267	35,647,342
Transfers out	(28,587,034)	(24,429,877)	(31,544,621)	(29,944,267)	(35,647,342)
Debt issuance	40,193,172		9,192,341		2,879,000
Premium on debt issuance	220,325		604,540	76,654	410,228
Bond anticipation notes redeemed		(2,285,201)	(1,898,059)	(1,460,000)	(383,500)
Retirement of debt payment made by funds		2,285,201	1,898,059	1,460,000	383,500
Refunding bonds issued	31,489,609		10,403,791		7,547,603
Premium on refunding bond	3,602,409				
Payments to refund bond escrow agent	(35,092,018)		(10,146,564)		(7,827,073)
<b>Total Other Financing Sources</b>	<b>40,413,497</b>	<b>-0-</b>	<b>10,054,108</b>	<b>76,654</b>	<b>3,009,758</b>
<b>Net Change in Fund Balances</b>	<b>\$ 33,899,001</b>	<b>\$ (3,698,527)</b>	<b>\$ (9,510,088)</b>	<b>\$ (30,883,395)</b>	<b>\$ (20,509,631)</b>
Debt service as a percentage of noncapital expenditures	14.13%	14.54%	18.75%	18.72%	20.55%

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

	2009	2008	2007	2006	2005
\$	61,685,941	\$ 56,422,999	\$ 54,216,380	\$ 51,660,364	\$ 50,158,581
	1,772,707	2,108,771	2,712,672	2,281,401	1,522,506
	10,553,049	11,177,944	11,058,164	10,813,890	10,331,465
	23,203,649	25,662,941	22,989,409	24,634,712	23,059,773
	578,911	856,683	564,285	718,260	314,185
	842,928	1,323,318	2,087,042	2,181,278	1,581,364
	2,876,128	4,069,511	3,507,525	2,770,710	2,653,415
	395,050	162,710	159,663	157,575	248,730
	2,204,692	601,074	277,099	427,912	167,014
	4,336,599	2,805,462	4,954,459	260,265	1,490,244
	6,545,301	6,257,139	5,450,233	5,174,044	4,882,312
	7,926,549	9,684,298	13,831,969	16,478,668	17,324,015
	707,018	965,817	58,223	522,452	592,105
	<u>123,628,522</u>	<u>122,098,667</u>	<u>121,867,123</u>	<u>118,081,531</u>	<u>114,325,709</u>
	17,174,514	16,915,724	16,174,256	16,289,286	14,265,315
	571,367	629,492	282,439	412,968	507,426
	9,354,264	9,898,211	8,694,795	7,511,865	7,273,249
	191,946	189,337	179,701	159,313	216,956
	14,285,581	14,105,804	13,436,869	11,743,873	9,292,569
	1,442,441	2,105,211	1,929,023	2,036,580	1,766,579
	16,051,879	15,601,723	14,985,315	13,876,255	11,862,827
	22,457,155	23,308,180	21,693,967	23,775,327	24,292,675
	12,829,691	12,761,276	12,229,435	12,548,262	11,776,837
	19,597,605	18,440,527	18,733,803	16,244,807	16,971,276
	7,540,463	8,329,626	8,735,528	9,283,941	9,558,185
					1,989,226
	<u>22,361,001</u>	<u>10,439,461</u>	<u>10,541,134</u>	<u>10,883,705</u>	<u>13,805,282</u>
	<u>143,857,907</u>	<u>132,724,572</u>	<u>127,616,265</u>	<u>124,766,182</u>	<u>123,578,402</u>
	<u>(20,229,385)</u>	<u>(10,625,905)</u>	<u>(5,749,142)</u>	<u>(6,684,651)</u>	<u>(9,252,693)</u>
	30,969,268	27,543,991	32,502,871	28,820,840	32,609,941
	(30,969,268)	(27,543,991)	(32,502,871)	(28,820,840)	(32,609,941)
	6,015,000	2,270,000	12,056,540	10,078,000	13,507,000
					2,177,350
					38,935,987
					<u>(39,124,111)</u>
	<u>6,015,000</u>	<u>2,270,000</u>	<u>12,056,540</u>	<u>10,078,000</u>	<u>15,496,226</u>
\$	<u>(14,214,385)</u>	<u>(8,355,905)</u>	<u>\$ 6,307,398</u>	<u>\$ 3,393,349</u>	<u>\$ 6,243,533</u>
	22.4%	22.0%	24.8%	22.5%	24.8%

**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>
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
2005	50,158,581	9,227,420	15,827,682	1,104,045	76,317,728

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

Year Ended December 31,	Residential Property 1 to 4 Family Homes	Residential Property Condominia and Cooperatives	Utility Property	All Other Property	Total Net Assessed Value	State Equalization Rate	Full Valuation	Total Direct Tax Rate
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	51,656,844	202,593,857	0.32%	63,310,580,313	96.505
2008	129,604,894	8,624,417	7,459,244	48,342,052	194,030,607	0.30%	64,676,869,000	92.669
2007	122,364,045	7,836,398	7,143,895	44,661,722	182,006,060 <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
2005	335,172,557	6,845,499	5,661,149	43,021,519	390,700,724	0.82%	47,646,429,756	39.896

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,	Town <sup>1</sup>				TOWN OPERATED DISTRICTS						
	General	Outside Villages	Highway	Part-Town	Fire Protection	Garbage	Lighting	Parks	Public Parking	Sidewalk	Water
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
2005	3.903		11.563	1.109	7.932	7.647	0.869	4.161	0.438	1.452	0.824

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.

<sup>2</sup> 2006 rate increases are due to decreases in assessed valuations by Nassau County.

Includes all classes of property for each Fund/District

<u>Town Direct Rate</u>	<u>County Direct Rate</u>	<u>School Direct Rate</u>	<u>Total Direct &amp; Overlapping Rate</u>
\$ 137.830	\$ 144.59	\$ 512.87	\$ 795.28
133.531	139.53	499.56	772.62
118.848	128.96	458.86	706.68
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 <sup>2</sup>	119.42	394.15	607.75
62.168 <sup>2</sup>	79.92	256.12	398.21
39.896	53.61	172.50	266.00

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

2014

Rank	Taxpayer	Nature of Business	Assessed Valuation	Percentage of Total Assessed Valuation <sup>(1)</sup>
1	Long Island Power Authority	Utility	\$ 4,296,767	2.70%
2	Keyspan Gas East	Utility	3,014,302	1.89%
3	Apollo Lake Success LLC	Real Estate	1,035,714	0.65%
4	Verizon New York	Utility	988,293	0.62%
5	Fifth Avenue of Long Island Realty Assoc.	Real Estate	928,565	0.58%
6	CLK Marcus Avenue Property	Real Estate	718,605	0.45%
7	We're Associates Inc.	Real Estate	708,514	0.44%
8	Country Glen LLC	Shopping Center	609,236	0.38%
9	111 Marcus Avenue Unit 2 Owner	Real Estate	388,858	0.25%
10	Lake Success Shopping Center	Shopping Center	376,953	0.25%
Total			<u>\$ 13,065,807</u>	<u>8.21%</u>

2005

Rank	Taxpayer	Nature of Business	Assessed Valuation	Percentage of Total Assessed Valuation <sup>(1)</sup>
1	Long Island Power Authority	Utility	\$ 36,628,561	9.38%
2	New York Telephone Company	Utility	14,439,553	3.70%
3	Met Life RE Investment	Office Buildings	1,665,233	0.43%
4	Sutton & Edwards	Office Buildings	980,699	0.25%
5	Greentree Foundation	Foundation	870,688	0.22%
6	Fifth Avenue of Long Island Realty Assoc.	Retail	500,231	0.13%
7	Federal Department Store, Inc.	Retail	483,174	0.12%
8	Astoria Federal Savings	Banking	481,496	0.12%
9	Country Glen LLC	Retail	448,570	0.11%
10	We're Associates, Inc.	Office Buildings	425,935	0.11%
Total			<u>\$ 56,924,140</u>	<u>14.57%</u>

Source: Town of North Hempstead 2014 and 2005 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>
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%
2005	110,445,336	319,905,676	313,611,941	98.03%	6,293,735	1.97%

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>	
2014	\$ 136,090,078		\$ 3,442,658	\$ 139,532,736	0.14%	\$ 618	
2013	111,901,566	<sup>2</sup>	4,254,960	116,156,526	0.12%	515	
2012	125,326,047		5,048,960	130,375,007	0.14%	578	
2011	131,145,587		8,880,000	140,025,587	0.15%	620	
2010	146,514,740		11,035,000	157,549,740	0.18%	696	
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	
2005	196,764,858		19,105,000	215,869,858	0.29%	964	

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, 2014, the Town had \$57,301,310 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>
2014	\$ 136,090,078	85.46%	0.27%	\$ 603
2013	111,901,566 <sup>3</sup>	68.45%	0.22%	496
2012	125,326,047	70.42%	0.23%	555
2011	131,145,587	68.09%	0.24%	581
2010	146,514,740	71.09%	0.23%	647
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
2005	196,764,858	50.36%	0.41%	879

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, 2014**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
<b>Direct:</b>			
Town of North Hempstead	\$ 139,532,736	100.00%	\$ 139,532,736
<b>Overlapping:</b>			
Nassau County	3,283,977,000	24.70%	811,142,319
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	78,271,226	100.00%	78,271,226
Water Districts	25,029,597	100.00%	25,029,597
Park Districts	13,724,783	100.00%	13,724,783
Police District	89,026	100.00%	89,026
Library District	4,055,687	100.00%	4,055,687
Business Improvement District	82,214	100.00%	82,214
<b>Total overlapping debt</b>			<u>1,334,148,166</u>
<b>Total direct and overlapping debt</b>			<u>\$ 1,473,680,902</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, 2014, the Town had \$57,301,310 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 2014 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, 2014**

Year Ended December 31,	Net Assessed Valuation	State Equalization Rate	Full Valuation
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
2010	206,084,653	0.33%	62,449,894,848
Total Five Year Full Valuation			<u>272,262,439,737</u>
Five Year Average Full Valuation of Taxable Real Property			<u>54,452,487,947</u>
Constitutional Debt Limit (7% of Average Full Valuation)			<u>3,811,674,156</u>
Inclusions:			
Outstanding Bonded Indebtedness at December 31st			257,462,630
Outstanding Bond Anticipation Notes at December 31st			89,768,071
Total Inclusions			<u>347,230,701</u>
Exclusions:			
Water Bonds			24,815,105
Water Bond Anticipation Notes			27,763,947
Total Exclusions			<u>52,579,052</u>
Net Indebtedness Subject to Debt Limit			<u>294,651,649</u>
Net Debt Contracting Margin			<u>\$ 3,517,022,507</u>
Percentage of Net Debt Contracting Margin Available			92.27%
Percentage of Net Debt Contracting Power Exhausted			7.73%

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
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%
2005	2,783,075,006	211,879,579	2,571,195,427	7.61%	92.39%

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> (billions of dollars)</b>	<b>Per Capita Income<sup>2</sup></b>	<b>Median Family Income<sup>3</sup></b>	<b>Unemployment Rate<sup>4</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>
2014	225,717	\$ 98,096	\$ 72,549	\$ 121,511	4.6%	78,333	2.84	4,213
2013	225,717	98,096	72,549	121,511	6.2%	78,333	2.84	4,213
2012	225,717	95,473	70,761	121,511	5.9%	78,333	2.84	4,213
2011	225,717	91,120	67,776	121,511	5.8%	78,333	2.84	4,213
2010	226,322	88,059	65,665	115,307	6.8%	78,084	2.87	4,224
2009	226,874	85,239	63,989	112,059	6.5%	78,333	2.89	4,234
2008	226,109	91,326	68,918	119,773	4.4%	78,097	2.86	4,220
2007	225,291	87,168	65,934	115,697	3.4%	77,764	2.86	4,205
2006	224,774	80,878	61,044	114,567	3.5%	77,420	2.85	4,195
2005	223,870	75,462	56,639	106,764	3.7%	77,420	2.85	4,178

**Data Sources:**

- <sup>1</sup> Long Island Power Authority Population survey - 2014, 2013 and 2012 data not available.
- <sup>2</sup> U.S. Department of Commerce, Bureau of Economic Analysis for Nassau County, 2014 data not available.
- <sup>3</sup> 2005-2010 U.S. Census Bureau Data - 2014, 2013 and 2012 data not available.
- <sup>4</sup> 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**

**2014**

<b>Rank</b>	<b>Name</b>	<b>Type of Business</b>	<b>Number of Employees</b>
1	North Shore-LIJ Healthy System Foundation	Hospital and Health Care	12,529
2	Winthrop-University Hospital	Hospital	6,600
3	St. Francis Hospital	Hospital	3,189
4	Parker Jewish Institute	Skilled Nursing Facility and Rehabilitation	3,149
5	Broadridge Financial Solutions Inc.	Finance	1,500
6	Canon USA	Imaging Solution Provider	1,385
7	Astoria Federal Savings	Banking	1,175
8	ProHEALTH Care Associates	Healthcare	850
9	PALL Corporation	Technology	800
10	The NPD Group	Marketing Research	600

**2005**

<b>Rank</b>	<b>Name</b>	<b>Type of Business</b>	<b>Number of Employees</b>
1	North Shore - Long Island Jewish Health System	Hospital	39,244
2	Winthrop - University Hospital	Hospital	3,000
3	St. Francis Hospital	Hospital	2,323
4	PALL Corporation	Technology	1,900
5	Transervice Lease	Private Company	935
6	CMP Media	Technology	900
7	The NPD Group	Private Company	881
8	Canon USA	Technology	795
9	Thomson Industries	Technology	600
10	Systemax	Technology	500

Source: 2015 - Long Island Business News 2015 Book of Lists and NYS Department of Labor  
2005 - Town of North Hempstead Official Statements  
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				
	2014	2013	2012	2011	2010
General government	85	87	89	84	78
Highways	86	96	90	94	89
Parks and recreation	69	77	76	79	82
Buildings and planning	47	50	50	42	39
Public works	23	23	26	25	21
Community services	21	27	28	16	21
Town clerk	16	19	19	21	21
Receiver of taxes	14	14	18	17	14
Public safety	34	38	32	28	25
Solid waste management	15	15	15	15	18
<b>Total</b>	<b>410</b>	<b>446</b>	<b>443</b>	<b>421</b>	<b>408</b>

Source: Town of North Hempstead Human Resource Department records

**Employees as of December 31,**

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
89	94	83	88	77
94	92	102	93	93
90	96	93	86	82
46	35	51	38	44
17	22	20	22	21
24	23	20	19	18
21	17	16	19	17
13	14	13	13	15
23	20	15	16	10
10	9	11	9	8
<u>427</u>	<u>422</u>	<u>424</u>	<u>403</u>	<u>385</u>

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

Year Ended December 31,	2014	2013	2012	2011	2010
<b>Function</b>					
Town Clerk					
Vital statistic documents	29,007	29,069	26,956	25,931	25,893
Dog licenses	5,107	5,380	5,261	5,440	5,339
Business licenses	1,290	1,276	1,432	1,365	1,062
Marriage licenses	939	967	972	905	910
Dumping permits	964	2,348	2,293	567	2,698
Building					
Building permits issued	5,571	5,584	4,884	4,625	4,053
Public Safety					
Dogs adopted or reclaimed by owners	273	275	337	274	366
Fire					
Number of fire protection districts	11	11	11	11	11
Parking					
Number of parking meters	544	544	511 <sup>1</sup>	805	807
Parking lots and garage revenue	\$ 370,063	\$ 376,568	\$ 276,242	\$ 337,401	\$ 308,602
Annual meter revenue	\$ 162,486	\$ 165,784	\$ 179,044	\$ 169,216	\$ 153,552
Parking permit revenue	\$ 52,405	\$ 51,410	\$ 50,705	\$ 50,540	\$ 45,945
Highways and Streets					
Street resurfacing (lane miles)	16	15	15	11	14
Number of trees planted	194	568	277	244	505
Number of trees trimmed	786	1,153	1,036	2,078	1,334
Number of trees removed	518	793	617	585	692
Road opening permits issued	874	746	608	668	754
Abandoned vehicles removed	3	11	6	9	10
Signs installed	1,467	1,896	1,128	1,580	1,688
Sanitation (tons per annum)					
Residential and commercial waste collected	156,000	155,927	159,650	173,472	166,610
Recyclables collected	10,000	8,974	9,714	11,550	12,181
Yardwaste	15,000	34,356	42,621	18,291	19,014
Construction and demolition debris	14,000	18,986	10,207	6,598	4,323
Culture and recreation					
Beach permits issued	2,917	2,886	3,403	3,380	3,000
Registration for adult programs	435	436	423	355	340
Registration for summer programs	8,829	6,975	7,213	6,223 <sup>2</sup>	3,150

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.

	2009	2008	2007	2006	2005
	26,205	23,953	25,745	24,858	25,441
	5,612	5,844	5,843	5,961	5,677
	1,104	1,329	1,346	1,408	1,400
	1,009	1,137	1,099	1,337	1,378
	1,260	1,136	1,065	1,324	1,241
	4,336	4,399	1,881	4,081	4,472
	365	354	343	369	398
	11	11	11	11	11
	803	775	775	775	775
\$	335,286	\$ 335,032	\$ 344,567	\$ 340,178	\$ 329,678
\$	149,814	\$ 151,156	\$ 157,392	\$ 163,601	\$ 158,195
\$	47,445	\$ 47,687	\$ 48,853	\$ 59,997	\$ 49,810
	14	14	14	13	12
	456	559	598	802	419
	955	1,170	1,086	997	440
	424	365	519	438	259
	721	855	762	1,042	930
	8	12	16	18	53
	1,457	1,450	815	868	641
	135,769	142,860	143,301	171,397	182,566
	13,050	2,557	2,208	3,178	5,734
	16,576	19,961	19,353	25,426	20,532
	4,491	6,671	5,482	8,650	7,627
	3,175	3,120	1,608	1,592	1,553
	339	898	1,277	1,223	1,167
	3,104	1,477	2,096	2,077	2,020

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

<u>Year Ended December 31,</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Function</b>					
General Government					
Town Hall and annex	3	3	2	2	2
Sanitation					
Transfer station	1	1	1	1	1
Annual tonnage processed	195,000	222,773	222,790	210,007	198,526
Highways and Streets					
Streets (miles)	275	275	275	275	275
Culture and recreation					
Parks acreage	837	837	837	841	841
Parks	48	48	48	48	48
Swimming pools	6	6	6	6	6
Beaches	2	2	2	3	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	35	35
Community centers	4	4	4	3	3

Source: Various government departments

<sup>1</sup> 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>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
2	2	2	2	2
1	1	1	1	1
161,564	172,049	170,344	208,652	216,459
275	275	274	268	268
722	883	833	672	672
41	22	22	15	15
6	6	6	5	5
3	3	3	2	2
2	2	2	2	2
2	2	2	2	2
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
35	35	35	31	31
3	2	2	2	2