



TOWN OF NORTH HEMPSTEAD

NASSAU COUNTY, NEW YORK

JUDI BOSWORTH, SUPERVISOR

www.northhempsteadny.gov



2019

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2019

Town of North Hempstead, New York

Comprehensive Annual Financial Report

Fiscal Year Ended December 31, 2019

Prepared by the Office of the Town Comptroller
Tania Orenstein, CPA
Comptroller

Town of North Hempstead, New York

Comprehensive Annual Financial Report

Fiscal Year Ended December 31, 2019

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STATISTICAL SECTION (Unaudited)
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This part of the Town'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 reveals about the Town's overall financial health. This section includes the following schedules:

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

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**INTRODUCTORY
SECTION**

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TOWN OF NORTH HEMPSTEAD

PRINCIPAL OFFICIALS

December 31, 2019

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

VERONICA LURVEY

DISTRICT 5 - COUNCILWOMAN

LEE R. SEEMAN

DISTRICIT 6 - COUNCILWOMAN

DINA M. DeGIORGIO

TOWN CLERK:

WAYNE H. WINK, JR.

RECEIVER OF TAXES:

CHARLES BERMAN

APPOINTED OFFICIALS

CHIEF OF STAFF:

JEANINE DILLON

TOWN ATTORNEY:

LEONARD KAPSALIS

DIRECTOR OF FINANCE:

STEVEN POLLACK

DIRECTOR OF COMMUNICATIONS:

CAROLE TROTTERE

INTERGOVERNMENTAL COORDINATOR:

RACHAEL BRINN

DIRECTOR OF LEGISLATIVE AFFAIRS:

RACHEL BRINN

DIRECTOR OF PURCHASING:

MOIRA LABARBERA

DIRECTOR OF CONSTITUENT AFFAIRS:

STEPHEN MAZZA

COMMISSIONER OF PUBLIC SAFETY:

SHAWN BROWN

COMMISSIONER OF COMMUNITY SERVICES and DEPARTMENT OF SERVICES OF THE AGING (DOSA):

KIMBERLY A. CORCORAN - GALANTE

COMMISSIONER OF PUBLIC WORKS (*acting*):

VICTOR THOMAS

SUPERINTENDENT OF HIGHWAYS (*acting*):

KEVIN CRONIN

COMMISSIONER OF INFORMATION TECHNOLOGY:

DANIEL GUILLERMO

COMMISSIONER OF ADMINISTRATIVE SERVICES:

PETER M. HODA

EXECUTIVE DIRECTOR OF SOLID WASTE MANAGEMENT (*acting*):

JOSEPH P. GERACI

COMMISSIONER OF PLANNING:

MICHAEL A. LEVINE

COMMISSIONER OF 311 CALL CENTER

VINCENT MALIZIA

COMMISSIONER OF BUILDINGS:

JOHN NIEWENDER

COMPTROLLER:

TANIA ORENSTEIN

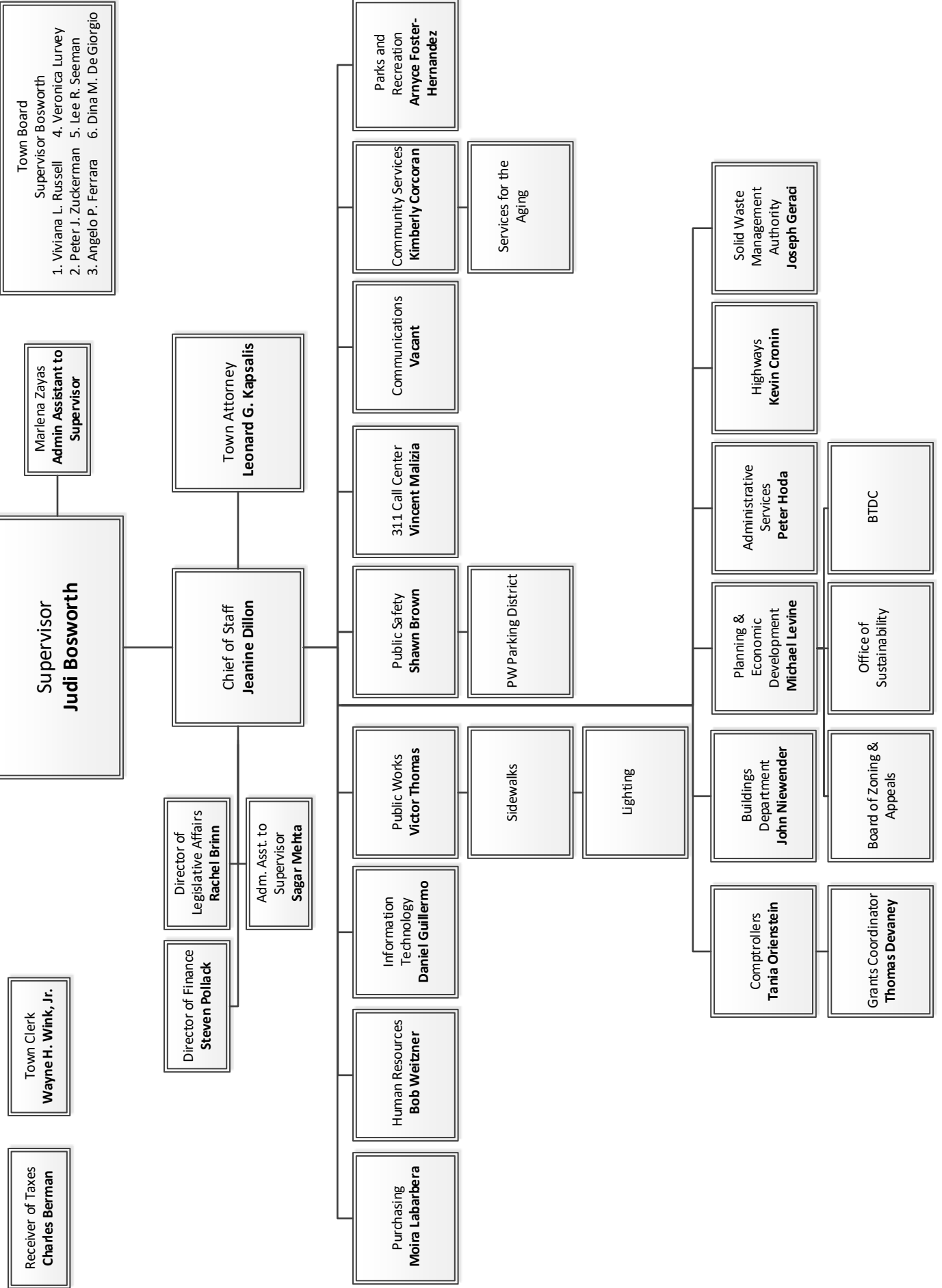
COMMISSIONER OF PARKS & RECREATION:

ARNYCE FOSTER-HERNANDEZ

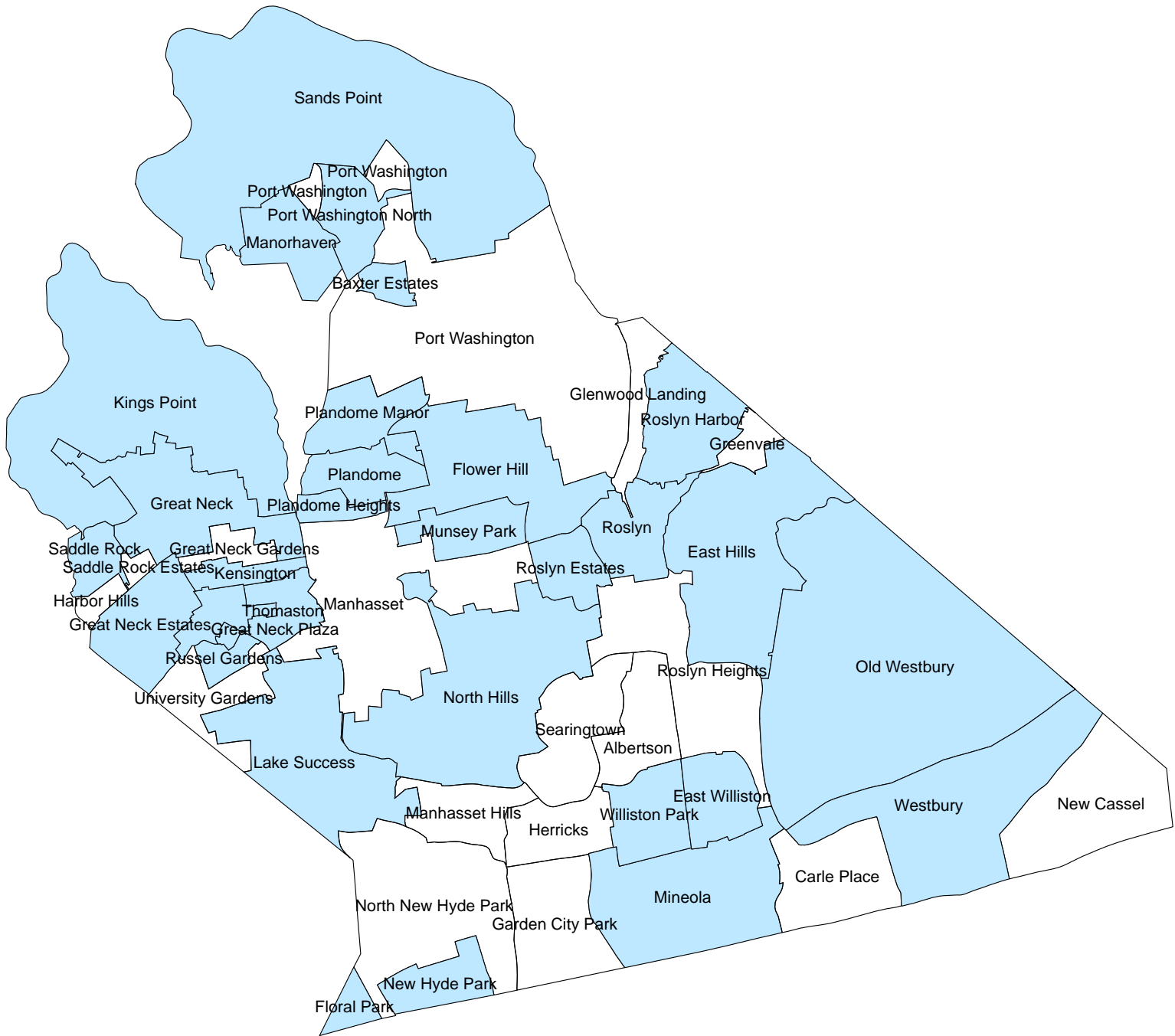
COMMISSIONER OF HUMAN RESOURCES:

ROBERT WEITZNER

Town of North Hempstead Organizational Chart As of 12/31/2019



Town of North Hempstead



Note: The areas in white represent the unincorporated portions of the Town of North Hempstead

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Town Board
VIVIANA L. RUSSELL
PETER J. ZUCKERMAN
ANGELO P. FERRARA
VERONICA LURVEY
LEE R. SEEMAN
MARIANN DALIMONTE

Town Clerk
WAYNE H. WINK, JR.

Receiver of Taxes
CHARLES BERMAN

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

July 13, 2020

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, 2019. The financial statements have been audited by the accounting firm selected by the Town Board, PKF O’Connor Davies, LLP. The auditors’ unmodified opinion is included in this report.

The Town received its ninth Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the December 31, 2018 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, 2019 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,

Judi Bosworth
Town Supervisor

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Supervisor
JUDI BOSWORTH

TOWN OF NORTH HEMPSTEAD



Town Board
VIVIANA L. RUSSELL
PETER J. ZUCKERMAN
ANGELO P. FERRARA
VERONICA LURVEY
LEE SEEMAN
MARIANN DALIMONTE

COMPTROLLER'S OFFICE
220 PLANDOME ROAD
MANHASSET, NY 11030

PHONE (516) 869-2911
FAX (516) 869-7762

Chief of Staff
JEANINE DILLON

Comptroller
TANIA ORENSTEIN

Chief Deputy Comptroller
HILARY GROSSMAN

Deputy Comptroller
SHERRI MARX-EISENSTADT

Deputy Commissioner of Finance
ALAN GOLDMAN

Town Clerk
WAYNE H. WINK, JR.

Receiver of Taxes
CHARLES BERMAN

July 13, 2020

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, 2019.

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 controls 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.

PKF O'Connor Davies, LLP, Certified Public Accountants, have issued an unmodified auditors' report dated July 13, 2020, for the Town and its discretely presented non-major component units as of December 31, 2019. 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. The 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 1783. The division of Hempstead into North and South was ratified by the New York State Legislature in 1784, and North Hempstead officially became a separate township.

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

The Town is located at the western end of Nassau County adjacent to the Borough of Queens in New York City. On the East, it is bordered by the Town of Oyster Bay, on the South by the Town of Hempstead and on the North by 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. A non-motorized boat dock was added during 2018 in Hempstead Harbor, bringing the total to two non-motorized boat docks at this location. 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 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.

Other Town-wide recreational opportunities include seasonal pool facilities in Port Washington, Manhasset, and New Cassel, and numerous athletic fields at parks throughout the Town.

The Town has two major recreational facilities. The "Yes We Can" Community Center in New Cassel opened in 2012 with one NBA-sized basketball court, two high school courts, a fitness center, dance and TV studios, and community meeting rooms. The "Yes We Can" Community Center also serves as the Long Island Nets practice facility. The Tully Center has an indoor pool and offers many recreational classes in exercise rooms.

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 10 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, LaGuardia or Long Island-MacArthur Airports.

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

Town hospitals include Northwell Health Systems (formerly North Shore-Long Island Jewish Medical Center), St. Francis Hospital, and NYU Winthrop Hospital (formerly 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 31 incorporated villages. In addition, there are 16 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 10 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. The other six members of the Town Board 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: 311 Call Center, 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 Divisions), Receiver of Taxes, Town Supervisor, Town Attorney and Town Clerk. Certain sanitation services are provided through the Town's Solid Waste Management Authority ("SWMA"). SWMA's assets, liabilities, revenues and expenditures are included in the financial statements of the Town.

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

The Town Board appoints the Town Attorney, Comptroller and Superintendent of Highways. The Supervisor appoints the Deputy Supervisor, as well as Commissioners, Department heads and other members of her staff.

The Town has 47 special districts, of which 20 are Town operated and included in Primary Governmental Activities for financial reporting purposes. Of the remaining 27 districts, 21 are reported as "Discretely Presented Non-Major 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 non-major 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, for the following calendar year. It has been the consistent practice of the current Town administration to adopt the budget before Election Day. The budget is prepared by fund, department (which generally equates to function), down to individual expenditure line item. The adopted budget includes major and non-major funds and excludes the CDA, capital projects and debt service funds. The CDA is excluded from the budget, as its principal source of revenue is funding from the U.S. Department of Housing and Urban Development. Capital projects are budgeted on an individual project basis, with debt service and related costs budgeted in the Town operated general, highway, public parking, sidewalk, lighting and three park district funds, respectively. NYS legislation enacted in 2006 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 statistics, the Town’s 2019 unemployment rate, averaged at 3.2%, .1% less than the 2018 average (labor.ny.gov/stats/laus.asp). This number continues to be below that reported for New York state average (4.0%) and the nation average (3.7%) for the same period. A review of the Town’s historical unemployment trend shows that the unemployment rate continues to be relatively low, indicative of a sound economic base. The Statistical Section of this report lists these and a number of additional economic indices whose trends are also favorable.

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

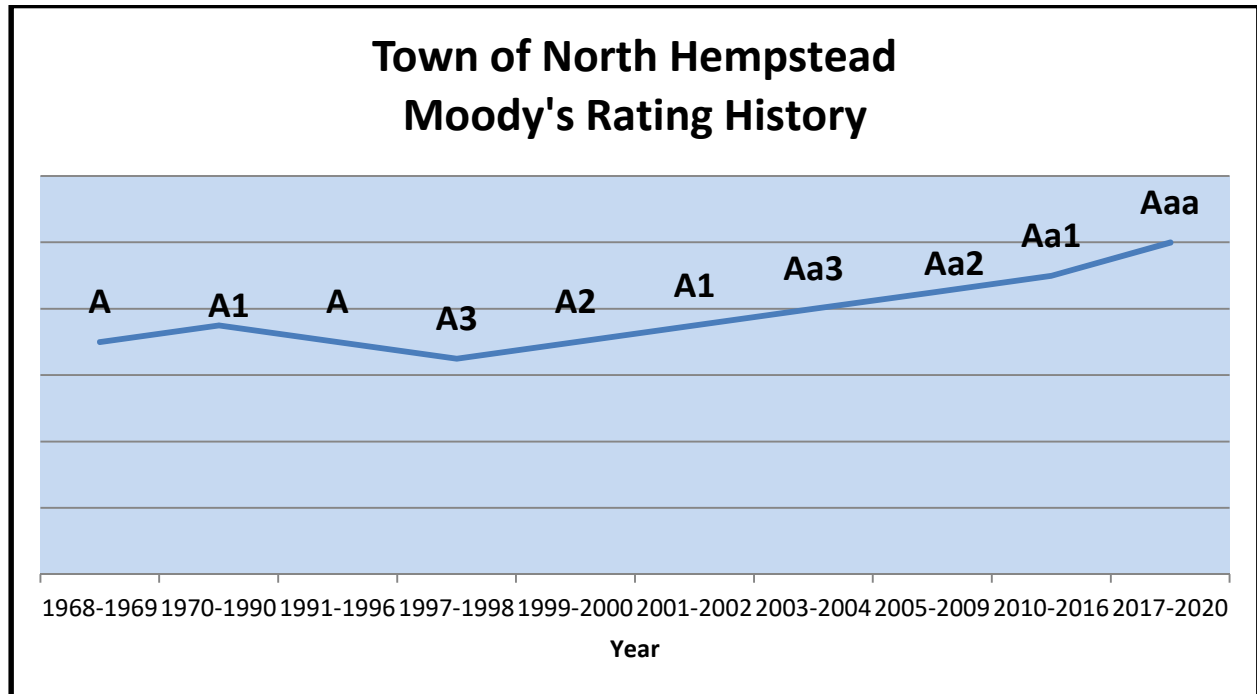
Impact of novel Coronavirus (“COVID-19”) on the Town

On March 13th, 2020 the Town declared a State of Emergency due to COVID-19, a worldwide pandemic. The Town has been closely monitoring revenue and expenditures and updating projections accordingly. Additionally, the Town has been in communications with the Federal Emergency Management Agency (“FEMA”) regarding expenditures available for federal reimbursement and tracking those expenditures accordingly. The Town has also been monitoring business activities within the Town and developed a team of Town of employees called the “Business Recovery Team.” The purpose of this team is to develop methods of helping small businesses in the Town succeed as best as possible during these trying times.

Long-Term Financial Planning

The Town achieved a Aaa bond rating from Moody’s Investors Service with a stable outlook in March of 2017. This rating reflects strong fiscal management marked by conservative budgeting

and maintenance of solid reserve levels. The Town is committed to remaining fiscally responsible with the goal of maintaining its bond rating in future years.



The Town's Capital Plan, which is revised annually, projects the Town's capital projects over the next five years. The estimated cost for each capital project is quantified and the related funding sources identified. This level of granular detail permits Town government to plan with reasonable specificity and budget responsibly, while managing its debt levels.

Relevant Financial Policies

The Town of North Hempstead is governed by financial policies pursuant to laws of the State of New York. In addition, the Town has adopted and adheres to a set of Financial Management Policies that includes the following: 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 annually.

Major Initiatives

The Town has a significant focus on transparency in government and has made many changes to make information easily available to residents. Specifically:

- New ethics reforms were approved including a new anti-nepotism law to bolster and clarify the Town Code of Ethics;
- More competitive procurement policies with a greater focus on participation by minority and women owned firms;
- Transcripts of Town Board and Board of Zoning Appeals proceedings are posted online

- Town spending is posted on line through the “OpenGov” application
- Extended hours at our Building Department and Tax Receiver’s office.

Demonstrating the Town’s commitment to sound financial management, the Town’s fiscal stress score is 1.7, which according to data released by the Office of the New York State Comptroller, is one of the lowest of any Town on Long Island.

The Town continues to handle requests for services or information through its 311 calling and tracking system, which received 160,886 resident calls in 2019. The call center answered its two millionth call in the beginning of May 2019. Town officials monitor the effectiveness of how the Town addresses constituents’ concerns through the management initiative known as “TownStat”. In 2019, for the ninth consecutive year, the Town received a Certificate from the International City/County Management Association’s (ICMA) Performance Management Certification Program for North Hempstead’s TownStat Performance Measurement and Management Program.

The Town has placed a special emphasis on ensuring the health and well-being of our senior population. Project Independence, our nationally-recognized “aging-in-place” senior program continues to expand throughout North Hempstead, with seven local offices. The program successfully links seniors with services ranging from medical and social service providers, to taxi rides for trips to the supermarket and doctor’s appointments, to assistance with repairs. Project Independence, which is served by the Town’s 311 system, handled 24,679 service requests in 2019, 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 program also serves disabled riders who are between 21 and 59 years of age. In 2019, 98 disability rides were provided. Finally, in 2019 the Town held our third biennial PI conference, which featured dozens of vendors and informative panel discussions.

In 2018 The North Hempstead Housing Authority broke ground on seventy-six units of affordable senior housing in New Cassel, at the former site of the Grand Street School. By the end of 2019 the Homestead Housing Apartments neared completion.

In 2019 the Town coordinated a groundbreaking environmental partnership with the Town of Oyster Bay and the City of Glen Cove to clean up Hempstead Harbor. This joint effort collected several tons of debris, an assortment of marine garbage including old docks, tires, broken moorings and pieces of Styrofoam.

The Town’s Office of Sustainability continues to hold a variety of classes at Clark Botanic Garden to encourage residents to learn to garden greener, save water and use natural fertilizing methods. Classes include “How to Build a Rain Garden”, “Native Plant Gardening”, a “Recycle the Rain” using rain barrels and “Learn How to Compost”.

In 2019 much progress was made on the cultural master plan initiative which began in 2018. This initiative is led by the Town’s Planning Department and an experienced cultural planning and urban design firm, CivicMoxie. The goal of this initiative is to draw more people to our town by weaving together the cultural, historical and business assets which currently exist and the Town has worked to identify possible tenants for an arts program that will fill vacant store windows with pop-up art installations

Funds from the Civil Rights Grant, received from the National Park Service, were used to capture civil rights stories from community members. The result is a poignant film titled Defining Moments: The Civil Rights Movement in North Hempstead. To date, this film has impacted hundreds of

people and has been shown at the Gold Coast International Film Festival and the Holocaust Memorial and Tolerance Center.

The Town continues to provide medical care physical therapy and podiatry/primary health care to its veterans. The Northport VA Medical Center Mobile Unit, which is stationed at Clinton G. Martin Park three days a week has administered care to over 400 veterans. In 2019 bloodwork services were added.

To further support the veterans, a new initiative was added in 2019. All adoption fees are waived for any veteran who wishes to adopt a dog from the Town's Animal Shelter.

The Town's Animal Shelter once again worked with the not-for-profit The Shelter Connection to offer free microchips to dogs and cats of Town residents. Microchipping allows dogs and cats to be electronically identified through a unique, permanent, tamper-proof identification number, increasing the odds of reuniting them with their owners if they became lost or stolen. This is a service performed for 79 pets in 2019. Also in 2019, the Animal Shelter and in conjunction with the Nassau County Department of Health the Town offered a free rabies clinic. In 2019, 200 pets were treated.

The Town currently has Intermunicipal Agreements ("IMA's") with 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, salt storage, snow removal, tree pruning, sign making, and dumping services at reduced costs, for the benefit of the taxpayers.

In 2019 the Town cut the ribbon on a spectacular two miles of new bike and hiking trails at no cost to taxpayers. An additional four miles are in the process of being developed. In addition, the Town's first ever dog park was opened at Michael J. Tully Park.

The Town continues to work closely with all of our Local Chambers of Commerce. In 2019 the Town funded and created "Shop Local" signs for eight Chambers of Commerce to urge residents to support small businesses in their neighborhoods.

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

- **Polar Plunge**, where hundreds of brave souls dive into Hempstead harbor at North Hempstead Beach Park each winter in support of the Special Olympics;
- **Spring Festival**, a family-friendly event that celebrates spring and the environment at the Town's beautiful Clark Botanic Garden;
- **Asian-American Festival**, celebrates the Town's vibrant Asian culture and diversity;
- **Memorial Day Commemoration and Fireworks**, a ceremony honoring the Town's Veterans highlighted by a fireworks display over the water;
- **Summer Concert Series**, the Town also presents an exciting schedule of summer concerts, at many of the Town's parks;
- **FunDay Mondays**, events for the Town's senior residents featuring fun activities, including live music, line dancing, book club, Zumba and Tai Chi;
- **BeachFeast**, a celebration of food, spirits, music and fun at North Hempstead Beach Park;

- **KidStock**, a day of fun and music for children held at Clark Botanic Garden;
- **Spooky Walk**, a Halloween celebration featuring a spooky trail through the garden at Clark Botanic Garden;
- **National Night Out**, an annual community-building event that promotes police-community partnerships and neighborhood camaraderie to make neighborhoods safer, caring places to live

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, 2018. This was the ninth 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, PFK O'Connor Davies, LLP. 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 Members of the Town Board for their continuing support in planning and conducting the financial operations of the Town of North Hempstead in a responsible manner.

Respectfully submitted,



Tania Orenstein, CPA
Town of North Hempstead
Comptroller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of North Hempstead
New York**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morrill

Executive Director/CEO

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**FINANCIAL
SECTION**

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Independent Auditors' Report

The Honorable Supervisor and Town Board of the Town of North Hempstead, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the Town of North Hempstead, New York ("Town") as of and for the year ended December 31, 2019, 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 opinions on these financial statements based on our audit. We did not audit the financial statements of the twenty-two nonmajor component units, Port Washington Garbage District, Glenwood Garbage District, Carle Place Garbage District, Roslyn Garbage District, Great Neck Water Pollution Control District, Belgrave Water Pollution Control District, Port Washington Water Pollution Control District, Glenwood Water District, Albertson Water District, Garden City Park Water District, Port Washington Water District, Westbury Water District, Roslyn Water District, Carle Place Water District, Manhasset-Lakeville Water District, Manhasset Park District, Great Neck Park District, Port Washington Police District, Shelter Rock Public Library District, Town of North Hempstead Community Development Agency, Town of North Hempstead Business and Tourism Development Corporation, and Greater Port Washington Business Improvement District, for the year ended December 31, 2019. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinions, insofar as it relates to amounts included for such component units, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 discretely presented component units, each major fund and the aggregate remaining fund information of the Town, as of December 31, 2019, and the respective changes in financial position and the respective budgetary comparison for the General, Highway, Solid Waste Management Authority, Part Town and Refuse and Garbage Districts funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

We draw attention to Note 2D in the notes to financial statements which disclose the effects of the Town's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 84, "*Fiduciary Activities*". Our opinion is not modified with respect to this matter.

As discussed in Note 7 in the notes to financial statements, on March 11, 2020, the World Health Organization declared a global pandemic as a result of the spread of COVID-19 ("Coronavirus"). Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents 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.

Supplementary and Other Information

Our audit for the year ended December 31, 2019 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules and the introductory and statistical sections for the year ended December 31, 2019 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual 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 for the year ended December 31, 2019 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, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2019.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2019 and, accordingly, we do not express an opinion or provide any assurance on them.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

July 13, 2020

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REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis

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Town of North Hempstead, New York

Management's Discussion and Analysis
December 31, 2019

Introduction

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, 2019. 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).

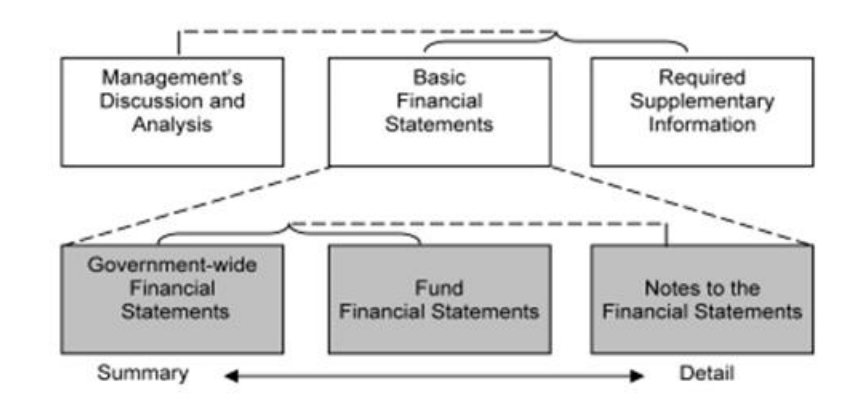
Financial Highlights

- On the government-wide financial statements, 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 2019 by \$77,765,376. The Town's total net position at December 31, 2019 increased by \$4,235,238 from the previous year. This increase is primarily due to operating surpluses in the primary governmental funds as a result of strong budgetary control.
- As of the close of 2019, the Town's governmental funds reported combined ending fund balance of \$89,152,160 an increase of \$7,249,585 when compared to the fund balance of \$81,902,575 at the end of 2018. The increase is largely due to operating surpluses in the General, Highway and Part Town funds of \$1,436,604, \$1,726,611 and \$1,961,869, respectively. Additionally, surpluses in the Debt service and Non-Major Governmental Funds of \$970,054 and \$1,345,784, respectively, contributed to the increase.
- As of the close of 2019, the Town increased its total outstanding debt by \$3,051,456. Short-term debt was reduced by \$754,624, while long-term debt increased by \$3,806,080 over the prior year. This change is part of the Town's strategy to lock in lower interest rates as it manages its debt.
- The Town's General fund balance was \$17,305,427 at the close of 2019, an increase of \$1,436,604 compared to the prior year fund balance. The year-end performance was driven by savings in employee benefits creating an \$802,943 positive budget variance, higher than budgeted sales and mortgage tax which collectively was \$259,598 over budget, as well as strong budgetary control throughout the year. The restricted, assigned and unassigned fund balance for the general fund was \$15,951,417 or 24% of total general fund actual expenditures and other uses.
- The Town's highway fund balance was \$10,098,811 at the close of 2019, an increase of \$1,726,611 or up 20.6% from the prior year. The increase is partially caused by a decrease in snow removal costs due to weather conditions, savings in employee benefits, as well as conservative budgeting and strong budgetary control.

Overview of the Financial Statements

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

Components of the Annual Financial Report



Government-wide Financial Statements

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

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

The Statement of Activities presents information showing how the Town's net position changed during the most recent year. Revenues and expenses are reported by activity to give the reader an understanding of how each of the Town's activities is being supported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future periods. This method is known as the accrual basis of accounting and is different from the modified accrual basis of accounting used in the Town's fund financial statements.

Governmental Activities

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

Program expenses for our report purposes are broadly categorized by function in the Statement of Activities. Below is a more comprehensive list of the primary governmental services included within these categories:

- **General governmental support** – captures all other expenses not included below
- **Education** – community college tuition payments
- **Public safety** – animal shelter, building, code enforcement, emergency management services, fire protection, parking enforcement
- **Health** – registrar of vital statistics
- **Transportation** – highway, lighting, public parking, sidewalk and snow removal
- **Economic assistance and opportunity** – community services, programs for the aging and veterans
- **Culture and recreation** – parks, pools and special recreation facilities, facility security
- **Home and community services** – board of appeals, landfill, planning board, sanitation and water

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 6 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.

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the Town's near-term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues,

expenditures, and change in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains twelve (12) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the major funds. The Town has six (6) major funds, however, for purposes of the presentation of the Town's financials and ease of comparison with earlier years, the part town and highway funds, which comprise the town outside village fund, are presented as separate funds. These funds have been combined by operation of State law. The general fund, solid waste management authority ("Authority"), refuse and garbage districts fund, debt service funds, capital projects fund and town outside village ("TOV") are reported as major funds. Data from the six (6) 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, Authority, part town fund and refuse and garbage district fund can be found in the section labeled "Required Supplementary Information Other Than Management's Discussion and Analysis". Budgetary comparison schedules for the nonmajor governmental funds are presented in "Other Supplementary Information". The Town does not adopt budgets for either the capital projects fund or debt service fund.

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

Fiduciary Funds

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

The Fiduciary Fund financial statement can be found in the "Basic Financial Statements" section of this report.

For the 2019 Financial Statement the Town adopted Governmental Accounting Standards Board Statement No. 84, "*Fiduciary Activities*", for more information see Note 2D.

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 required and other supplementary information immediately following the notes to the financial statements.

Government-Wide Financial Analysis

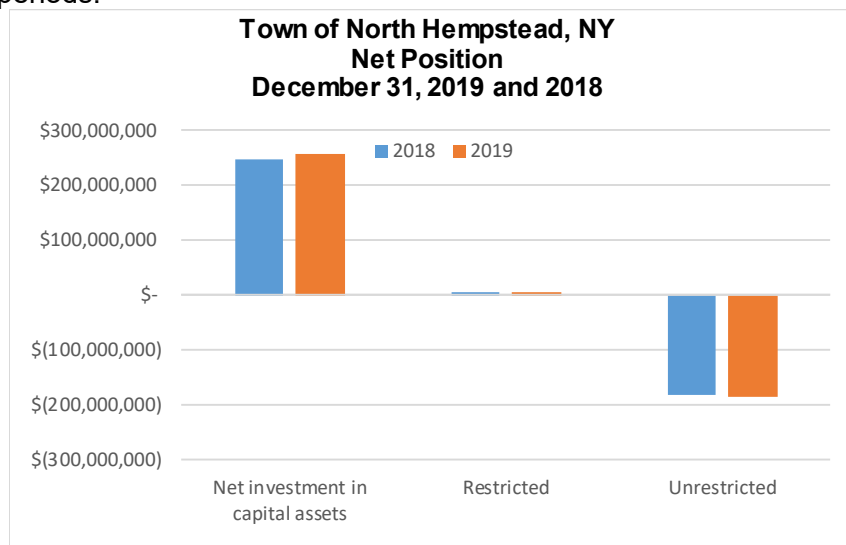
The Town's net position, including all capital assets, all debt, and all known future payment obligations, is positive. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$77,765,376 at the close of 2019.

**Condensed Statement of Net Position
Governmental Activities – Primary Government
As of December 31,**

	2019	2018
Current and Other Assets:		
Current Assets	\$ 114,693,122	\$ 103,264,596
Capital Assets, net of depreciation	418,886,508	406,903,424
Other non-current assets	6,453,416	6,385,916
Total Assets	540,033,046	516,553,936
Deferred Outflows of Resources	28,982,615	14,424,941
Current Liabilities	47,355,211	44,723,872
Long-term Liabilities	439,736,808	391,032,734
Total Liabilities	487,092,019	435,756,606
Deferred Inflows of Resources	4,158,266	21,692,133
Net Position:		
Net Investment in capital assets	258,175,334	249,023,637
Restricted	5,178,210	4,808,156
Unrestricted	(185,588,168)	(180,301,655)
Total Net Position	\$ 77,765,376	\$ 73,530,138

By far the largest portion of the Town's net position, \$258,175,334 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 OPEB liability is the largest component of the Town's unrestricted net position, which has a deficit balance of \$185,588,168. The other components are primarily similar long-term liabilities, which include bonds payable, future payments due to the employees' retirement system, compensated absences, claims and judgments, landfill closure and post closure care costs and net pension liability – proportionate share. OPEB and these other long term obligations will be funded as they become payable in future periods.



**Changes in Net Position
Governmental Activities – Primary Government
For the years ended December 31,**

	2019	2018
Revenues:		
Program Revenues:		
Charges for Services	\$ 34,374,969	\$ 33,491,952
Operating Grants and Contributions	1,550,237	495,371
Capital Grants and Contributions	3,739,607	1,039,716
	39,664,813	35,027,039
General Revenues:		
Real Property Taxes	75,897,627	73,463,548
Other tax items	5,819,940	5,499,824
Non-property taxes	14,659,001	14,268,519
Mortgage tax	8,161,165	7,819,351
State aid - unrestricted	-	1,023,565
Other	3,548,225	2,428,773
	108,085,958	104,503,580
Total Governmental Revenues	147,750,771	139,530,619
Expenses:		
Program Expenses:		
General Government Support	26,421,968	22,374,597
Education	2,102,250	2,680,039
Public Safety	19,382,131	17,007,720
Health	501,762	405,955
Transportation	24,897,557	24,874,549
Economic Opportunity and Development	3,594,064	3,175,299
Culture and Recreation	31,434,837	31,364,889
Home and Community Services	29,209,440	27,932,903
Interest on Debt	5,971,524	5,814,348
	143,515,533	135,630,299
Change in Net Position	4,235,238	3,900,320
Net Position - Beginning, as Reported	73,530,138	170,553,309
Cumulative Effect of Change in Accounting Principle	-	(88,023,603)
Prior Period Adjustment	-	(12,899,888)
	73,530,138	69,629,818
Net Position - Ending	\$ 77,765,376	\$ 73,530,138

Net position, from all governmental activities, increased by \$4,235,238 from the prior year ending net position.

Key element(s) of the governmental activities are as follows:

- General revenues had a net increase of \$3,582,378 over the prior year. The largest driver of this increase is in the real property taxes category which shows an increase of \$2,434,079. This increase results from the 2019 budget increase in taxes across various funds, primarily in the General, Town Outside Village and Clinton G Martin funds in the amounts of \$527,453, \$638,039, \$853,843, respectively. Non-property tax revenues increased over prior year by \$390,482 primarily due to 2019 sales tax revenue which exceeded prior year by \$426,597. Additionally, 2019 mortgage tax increased over prior year by \$341,813 due to strong economic activity in the housing market.
- Program revenues increased by \$4,637,774 from the prior year. Capital grants and contributions increased by \$2,699,891 which is driven by \$1,477,092 in expected FEMA reimbursements for approved FEMA projects from Hurricane Sandy. Additionally, \$650,000 of funds held in an agency fund were allocated per their contractual obligation to a capital fund for use for improvements to the TV studio. Moreover, in 2019 the Town received \$468,157 more in State Aid than in prior year, largely in part to the grant for the Hempstead Harbor Shoreline trail of \$405,000. Operating grants and contributions increased by \$1,054,866 from prior year primarily due to interest earned in the Fire Protection districts which increased by \$1,199,898 from prior year. Departmental revenue increased by \$883,017 primarily driven by the increase in building permit revenue in the Part Town fund of \$1,354,661 due to increased activity throughout the year. The Part Town positive variance was offset by a decrease in revenue of \$396,481 at the Town Golf course as well as a decline in Highway permit revenue of \$89,400.
- Program expenses increased by \$7,885,234 over the prior year.
 - General government support expenses increased by \$4,047,371 this is primarily due to:
 - An increase in the OPEB obligation of \$1,705,890
 - Judgment and claims payable increased by \$1,134,003 versus prior year. In prior year the amount had decreased due to Town Attorney's successes in older cases
 - Employee benefit allocation for 2019 increased by \$602,536 due to General government support share of benefits in 2019 is 28.8% vs prior year percentage of 26.5%.
 - An increase of fixed asset additions of \$285,838 more than in prior year.
 - An increase of \$286,926 pension expense allocation per GASB 68 activity
 - Education expenses decreased by \$577,789 due to lower community college costs.
 - Public safety increased by \$2,374,411 of which \$1,080,336 of the increase is attributable to an increase in the Public Safety portion of the OPEB obligation. Additionally, Employee benefit allocation for 2019 increased by \$493,951 due to Public Safety share of benefits in 2019 being 17.6% vs prior year percentage of 15.6% and there was an increase of \$175,745 pension expense allocation per GASB 68 activity. There was also an increase in personal services in the Part Town Fund and in fire protection services in the Fire Protection District Funds of \$196,366 and \$259,755 respectively.
 - Home and community services increased by \$1,276,537 primarily due to an increase in in the OPEB obligation of \$342,878. Employee benefit allocation increased in 2019 by \$149,899 due to Home and community services share of benefits in 2019 is 5.6% vs prior year percentage of 5%. Additional increases across funds include an increase in General fund support for the Solid Waste Management fund of \$181,567, an increase in stationary and printing in the Solid Waste Management fund of \$196,659 for recycling brochures which were partially grant reimbursed and an increase in garbage removal of \$230,915 in the Refuse and Garbage funds due to contractual annual increases.

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

**Net Cost of Services
For the Years Ended December 31,**

	Total Cost of Services		Program Revenue		Net Cost of Services	
	2019	2018	2019	2018	2019	2018
General government support	\$ 26,421,968	\$ 22,374,597	\$ 500,739	\$ 532,911	\$ 25,921,229	\$ 21,841,686
Education	2,102,250	2,680,039	-	-	2,102,250	2,680,039
Public safety	19,382,131	17,007,720	7,840,465	5,435,810	11,541,666	11,571,910
Health	501,762	405,955	267,540	251,562	234,222	154,393
Transportation	24,897,557	24,874,549	1,949,555	2,461,759	22,948,002	22,412,790
Economic assistance and opportunity	3,594,064	3,175,299	479,514	288,350	3,114,550	2,886,949
Culture and recreation	31,434,837	31,364,889	12,334,244	8,912,931	19,100,593	22,451,958
Home and community services	29,209,440	27,932,903	16,292,756	17,143,716	12,916,684	10,789,187
Interest on debt	5,971,524	5,814,348	-	-	5,971,524	5,814,348
	<u>\$ 143,515,533</u>	<u>\$ 135,630,299</u>	<u>\$ 39,664,813</u>	<u>\$ 35,027,039</u>	<u>\$ 103,850,720</u>	<u>\$ 100,603,260</u>

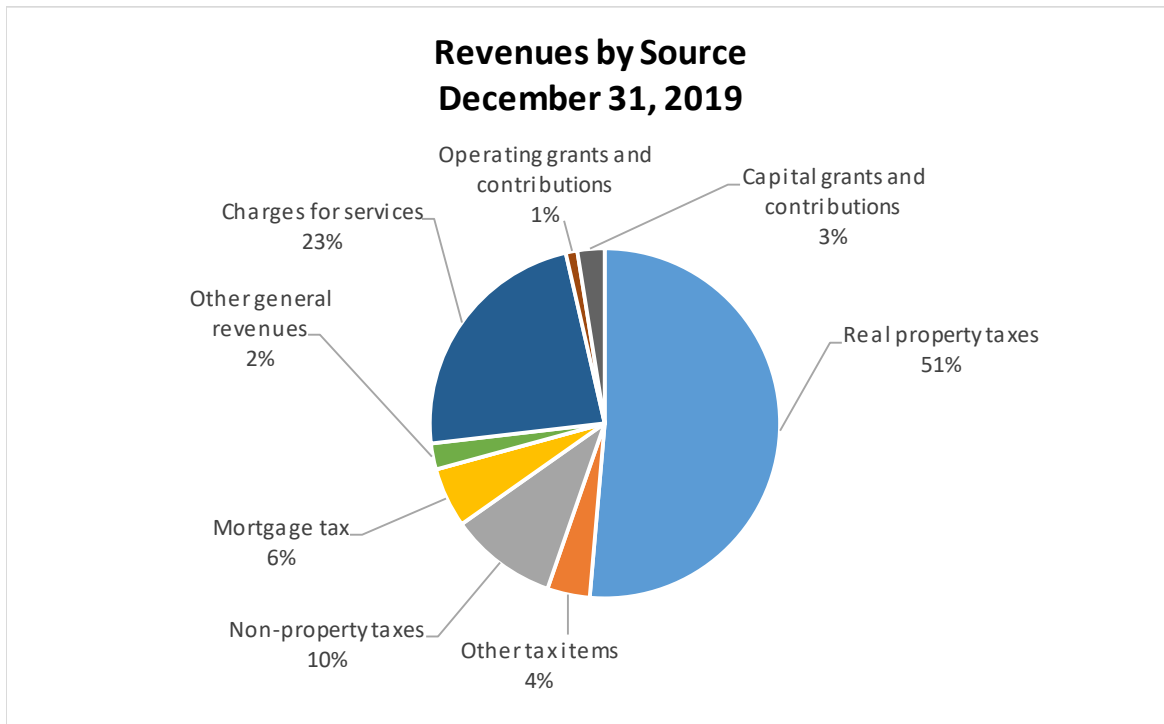
The total cost of all governmental activities this year was \$143,515,533. The net cost of these services was \$103,850,720. Program revenues of \$39,664,813 represented 27.6% of the governmental activity cost.

The following chart illustrates the revenues by source for the Town's governmental funds. The Town's revenue increased by \$8,220,152 over the prior year, primarily because of the increase in real property taxes of \$2,434,079. The property tax increase was driven by a 2019 budget increase in taxes across various funds, primarily in the General, Town Outside Village and Clinton G Martin funds in the amounts of \$527,453, \$638,039, and \$853,843, respectively. Non-property tax revenues increased over prior year by \$390,482 primarily due to 2019 sales tax revenue which exceeded prior year by \$426,597. Additionally, 2019 mortgage tax increased over prior year by \$341,813 due to strong economic activity in the housing market. State aid – unrestricted was reduced 100% due to the reclassification of the Aid to municipalities ("AIM") state aid per New York State to Internet Sales Tax which is grouped in "Other General Revenues" which increased by \$1,119,452.

Capital grants and contributions increased by \$2,699,891 which is driven by \$1,477,092 in expected FEMA reimbursements for approved FEMA projects from Hurricane Sandy. Additionally, \$650,000 of funds held in an agency fund were allocated per their contractual obligation to a capital fund for use for improvements to the TV studio. Additionally, in 2019 the Town received \$468,157 more in State Aid than in prior year, largely in part to the grant for the Hempstead Harbor Shoreline trail of \$405,000. Operating grants and contributions increased by \$1,054,866 from prior year primarily due to interest earned in the Fire Protection districts which increased by \$1,199,898 from prior year.

**Revenue by Source – Primary Government
Year Ended December 31,**

	2019	2018
Real property taxes	\$ 75,897,627	\$ 73,463,548
Other tax items	5,819,940	5,499,824
Non-property taxes	14,659,001	14,268,519
Mortgage tax	8,161,165	7,819,351
State aid - unrestricted	-	1,023,565
Other general revenues	3,548,225	2,428,773
Charges for services	34,374,969	33,491,952
Operating grants and contributions	1,550,237	495,371
Capital grants and contributions	3,739,607	1,039,716
	<u>\$ 147,750,771</u>	<u>\$ 139,530,619</u>



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

The report on the Town's governmental funds provided 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.

At December 31, 2019, the Town's governmental funds reported total ending fund balance of \$89,152,160 as compared to the prior year of \$81,902,575, an increase of \$7,249,585. The increase is due to operating surpluses in the General, Highway, Part Town and Non-Major Governmental funds of

\$1,436,604, \$1,726,611, \$1,961,869 and \$1,345,784, respectively. Below is the breakdown of the governmental fund balance:

- **Nonspendable fund balance** – \$2,224,470 (inherently nonspendable) includes the portion of net resources that cannot be spent because they must be maintained intact.
- **Restricted fund balance** – \$48,230,195 (externally enforceable limitations on use) includes amounts subject to limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments.
- **Assigned fund balance** – \$29,727,253 (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** – \$8,970,242 (residual net resources) is the total fund balance in the general fund and capital projects fund in excess of nonspendable and assigned fund balance.

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 \$17,305,427, increasing \$1,436,604 from the prior year's fund balance. Of this amount, \$1,354,010 is nonspendable (inventory and prepaids). The remaining \$15,951,417 of the fund balance is spendable as follows: \$5,036,573 has been assigned by the Town Board, (\$744,019 for workers' compensation, \$1,162,834 for insurance, \$1,211,071 for senior housing related programs, \$1,518,649 for capital projects and \$400,000 for accrued employee benefits) and \$10,914,844 represents spendable, unassigned fund balance.

The major variances versus the adopted budget were as follows:

- Total Revenues and Other Financing sources were lower than budgeted by \$269,067. Nassau County local government assistance revenues (sales tax) and mortgage tax exceeded budget by \$198,434 and \$61,165, respectively. Additional revenues from restored taxes collected in 2019 related to expired PILOT agreements, new PILOT revenues and interest earned yielded positive variances in the amounts of \$54,848, \$55,444, \$156,156 respectively. The Town also had an unbudgeted sale of property in the amount of \$90,000. These positive variances were partially offset by lower than budgeted golf course, Parks facility fee, State Aid for Environmental Conservation, and Federal Aid Emergency Disaster Assistant revenues of \$452,666, \$95,346, \$172,676, \$273,765 respectively.
- Total Expenditures and Other Financing Uses were lower than budget by \$1,731,670. Several departments had favorable spending variances including Employee Benefits, Parks (including the golf course), Programs for the Aging, Finance, Comptroller, Other Government Support of \$802,943, \$674,483, \$135,515, \$114,514, \$92,145, and \$313,441, respectively. These positive variances were offset by unbudgeted transfers out of the General Fund's assigned reserve funds per Town Board resolutions in the amount of \$977,380.

Highway Fund

At the end of 2019, the highway fund balance was \$10,098,811, an increase of \$1,726,611, or 20.6%, from the prior year. The portion of the fund balance that is considered nonspendable is \$559,013, for inventory and prepaid expenses (\$267,247 and \$291,766, respectively). The Town Board has assigned

\$475,000 in a reserve for accrued employee benefits, \$1,400,000 for capital projects, \$100,000 for insurance and \$1,050,000 for workers' compensation. The remaining fund balance is spendable and available for highway operating purposes.

The highway fund operations, ended the year with a \$1,726,611 operating surplus. Strong revenue performance and expenditure management prevented the use of fund balance.

- Revenues in the highway fund came in below the final budget by \$9,373. This increase was partially due to restored taxes collected in 2019 related to expired PILOT agreements and new PILOT revenues in the amount of \$57,796 and \$77,790, respectively. In addition, revenues for work performed for other departments exceeded budget by \$129,212 as well as actual interest earned which exceeded budget by \$71,298. These positive variances were offset by road permits coming in below budget by \$327,097.
- Expenditures ended favorable to budget by \$1,735,984. Savings were found in the administration, garage, snow removal and employee benefits departments totaling \$382,121, \$395,918, \$423,417, and \$122,083 respectively.

Solid Waste Management Authority

At the end of 2019, the total fund balance of the Solid Waste Management Authority was \$624,327, decreasing by \$152,241 or 19.6% from the prior year. The portion of the fund balance that is considered nonspendable is for prepaid expenses of \$3,667. The remaining amount is spendable and available for solid waste management purposes.

The decrease of \$152,241 in fund balance was related a fund balance appropriation per the adopted 2019 budget of \$51,579, however during 2019 less tonnage was collected than budgeted which increased the fund balance appropriation by \$100,662.

Part Town

At the end of 2019, the part town fund had a total fund balance of \$9,963,641 an increase of \$1,961,869 or 24.5%. Nonspendable fund balance allocated to prepaid expenses totaled \$237,635. The Town Board has assigned \$325,000 in a reserve for accrued employee benefits, \$750,000 for capital projects, and \$200,000 for insurance. The remaining \$8,451,006 of the fund balance can be used for general part town purposes.

- Part town revenues came in \$1,595,418 over budget, primarily because of higher than budgeted building permit revenue of \$1,423,682 and \$61,354 higher than budgeted court fine revenue. The number of permits increased due to economic activity.
- Favorable spending variances of \$366,451 added to the strong year end performance. This was primarily driven by savings in employee benefits totaling \$125,033, and unused contingency of \$120,841. Additional personnel vacancies in the Code Enforcement and the Registrar of Vital statistics, yielded in budget savings of \$54,905 and \$49,572 respectively.

Refuse and Garbage Districts Fund

At the end of 2019, the refuse and garbage districts fund had a total fund deficit of (\$1,944,602), an increase of \$174,077 or 8.2% from the prior year. The negative fund balance is due to a prior period adjustment in the prior year statements in the amount of (\$3,303,416) related to ongoing litigation

between the garbage districts and Nassau County regarding a utility property lawsuit. The Town paid out settlements to Verizon and Keyspan in 2011 and 2015, respectively, and recognized revenue and a receivable from the County. The receivable has not yet been paid, and therefore is not deemed to be measurable and available as required by modified accrual basis accounting.

The major variance versus the adopted budget resulting from the transfers in, which came in at \$450,157 which relates to bond anticipation notes redeemed from appropriations for the settlement previously discussed. There was an additional positive variance of \$218,954 relating to garbage removal.

Capital Projects Fund

At the end of 2019, the total fund balance of the capital projects fund was \$35,549,116. This entire amount is restricted for capital projects.

The balance decreased in the capital projects fund by \$213,173 during the current year. Primarily because of:

- Proceeds from the sale of bonds in the amount of \$20,897,057.
- Capital outlay and equipment expenditures were \$24,676,604.
- Bond anticipation notes were redeemed from appropriations of \$578,298.
- State and Federal Aid revenues were \$879,210.
- Premiums on obligations in the amount of \$401,281.

As of December 31, 2019 the entire fund balance, \$2,174,010 of the Clinton G. Martin Capital Project Fund is restricted pending litigation with the contractor.

Nonmajor Governmental Funds

At the end of 2019, the total fund balance of the nonmajor governmental funds was \$12,377,230, increasing \$1,345,784 or 12.2%, from the prior year. Of this amount, \$70,145 is nonspendable for prepaid expenses. The fund balance includes \$7,502,869, which is restricted for the length of service award program. The remaining \$4,804,216 of the fund balance can be used for general special district purposes.

The major variances verses the adopted budget were as follows:

- The fire district had positive variance in fire protection related expenditures of \$198,662 as well as a positive variance on interest earnings from its LOSAP investments of \$907,944.
- The park districts' interfund revenues had a positive variance of \$94,028.
- The sidewalk district had positive variance in personal services of \$200,725 and employee benefit expenditures of \$72,524.

General Fund Budgetary Highlights

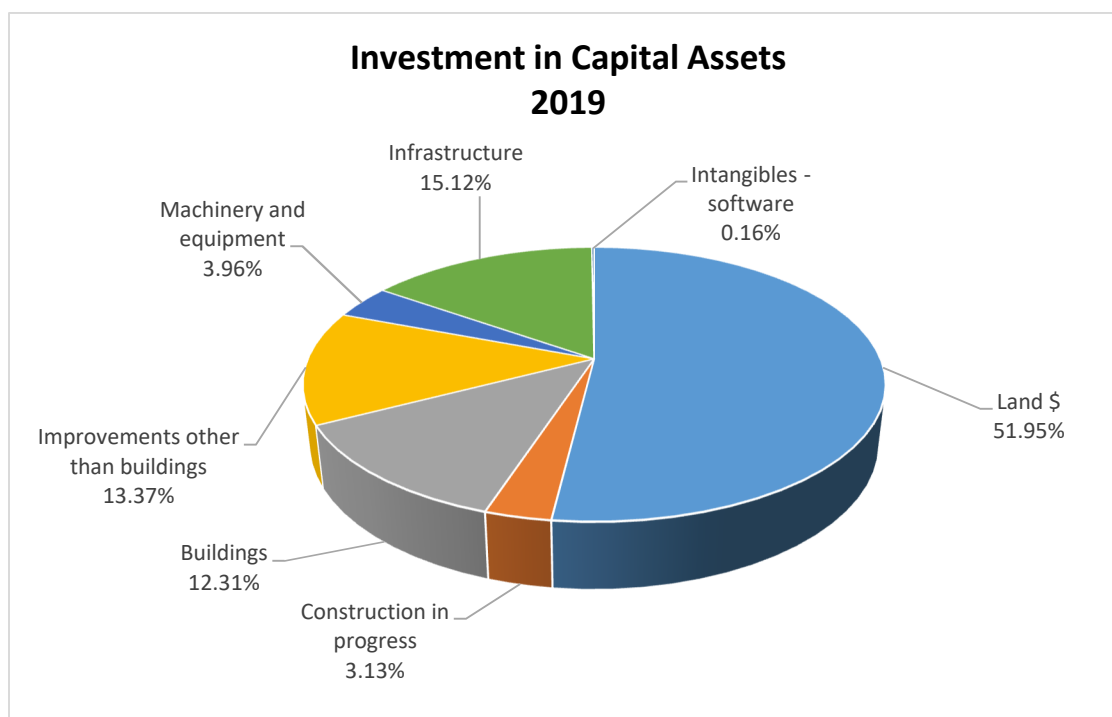
The differences between the 2019 original budget and the final amended budget as adopted by Town Board resolution throughout the year were de minimis with the exception of the release of \$978,911 from the restricted reserve and capital reserve in order to finance the capital projects, which is what the fund were intended for. 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 activities as of December 31, 2019 amounts to \$418,886,508. This investment in capital assets includes land, construction in progress, buildings, improvements, machinery and equipment, roads, curb and sidewalks, drainage, street lighting and intangibles.

	2019	2018
Land	\$ 217,629,085	\$ 217,629,085
Construction in progress	13,087,587	32,815,415
Buildings	51,579,009	53,427,824
Improvements other than buildings	56,011,788	26,173,855
Machinery and equipment	16,606,532	15,355,295
Infrastructure	63,315,300	60,853,171
Intangibles - software	657,207	648,779
 Total	 \$ 418,886,508	 \$ 406,903,424



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

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

Debt

At the end of 2019, the Town had increased total debt outstanding including serial bonds, revenue bonds, and bond anticipation notes (BANs) by \$3,051,456 from the prior year.

Short-Term Debt

As of December 31, 2019, the Town had outstanding short-term bond anticipation notes of \$8,567,311 with maturity dates in 2020. This is a decrease of \$754,624, or 8.1% from 2018 primarily due to the timing of construction on projects that are grant reimbursable, which is what the Town primarily uses the short debt for.

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Bond Anticipation Notes	<u>\$ 8,567,311</u>	<u>\$ 9,321,935</u>

Long-Term Debt

As of December 31, 2019, the Town had outstanding long-term bonded debt of \$201,563,897. This is an increase of \$3,806,080, or 1.9%, over the prior year largely due to large capital projects that were undertaken. Outstanding long-term bonds are as follows:

	<u>2019</u>	<u>2018</u>
General obligation bonds	<u>\$ 201,563,897</u>	<u>\$ 197,757,817</u>

In 2019, Moody's Investment Services rated the Town's credit rating to "Aaa" with a stable outlook. This is the highest available rating. The town achieved an "Aaa" rating from Moody's again in 2020.

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 Town purposes.

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, 2019, the Town had exhausted 7.72% of its constitutionally available debt limit, which is \$3,780,205,523.

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 adopted a budget for 2020 that stayed within the 2% 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 2020 budget includes mortgage tax of \$7,700,000; Internet Sales Tax of \$1,023,565 and local government assistance (sales tax) of \$12,150,000. Although the State has adopted its budget timely, if in the future the budget is not adopted 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.

Collective Bargaining

The Town's Union employees are represented by a collective bargaining agreement with the Civil Service Employees Association, Local 1000, AFSCME, AFL-CIO. The collective bargaining agreement expires on December 31, 2022.

Requests for Information

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

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**BASIC FINANCIAL
STATEMENTS**

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Town of North Hempstead, New York

Statement of Net Position
December 31, 2019

	Primary Government	Non-Major Component Units
	Governmental Activities	Units
ASSETS		
Cash and equivalents	\$ 94,319,562	\$ 66,026,729
Cash and equivalents - restricted	-	20,591,735
Investments - LOSAP	7,502,869	-
Receivables		
Accounts	2,961,043	4,234,353
State and Federal aid	2,556,886	435,623
Due from other governments	5,128,292	15,311,778
Due from primary government	-	6,931,808
Loans	-	1,431,800
Deposits	-	1,525
Inventory	644,846	722,218
Prepaid expenses	1,579,624	1,998,349
Notes receivable	3,150,000	-
Due from County of Nassau	3,303,416	-
Property held for resale	-	1,297,273
Capital assets		
Not being depreciated	230,716,672	55,409,934
Being depreciated, net	188,169,836	233,632,982
Total Assets	540,033,046	408,026,107
DEFERRED OUTFLOWS OF RESOURCES		
	28,982,615	32,495,411
LIABILITIES		
Accounts payable and accrued liabilities	12,647,437	10,365,087
Due to other governments	1,773,072	122,651
Bond anticipation notes payable	8,567,311	6,955,876
Deposits payable	2,100,106	572,272
Unearned revenues	567,702	1,077,978
Accrued interest payable	2,084,504	492,321
Due to primary government	-	10,545
Other liabilities	-	401,075
Non-current liabilities		
Due within one year	19,615,079	10,643,270
Due in more than one year	439,736,808	360,366,153
Total Liabilities	487,092,019	391,007,228
DEFERRED INFLOWS OF RESOURCES		
	4,158,266	10,740,442
NET POSITION		
Net Investment in capital assets	258,175,334	141,198,021
Restricted for		
Accrued employee benefits	-	233,432
Asset forfeiture	-	1,168,049
Capital projects	-	20,110,429
Debt service	5,178,210	1,082,659
Herbert Paul memorial fund	-	215,752
Insurance	-	228,933
Maintenance	-	346,932
New York State grant	-	221,510
Property held for redevelopment	-	1,297,273
Repairs	-	19,549,038
Retirement contribution	-	3,435
Unrestricted	(185,588,168)	(146,881,615)
Total Net Position	\$ 77,765,376	\$ 38,773,848

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

Town of North Hempstead, New York

Statement of Activities
Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government support	\$ 26,421,968	\$ 487,283	\$ 13,456	\$ -
Education	2,102,250	-	-	-
Public safety	19,382,131	6,935,928	904,537	-
Health	501,762	267,540	-	-
Transportation	24,897,557	1,548,494	-	401,061
Economic opportunity and development	3,594,064	59,864	419,650	-
Culture and recreation	31,434,837	8,904,642	91,056	3,338,546
Home and community services	29,209,440	16,171,218	121,538	-
Interest	5,971,524	-	-	-
Total Primary Government	\$ 143,515,533	\$ 34,374,969	\$ 1,550,237	\$ 3,739,607
Non-major component units				
General government support	\$ 3,042,583	\$ -	\$ -	\$ -
Public Safety	25,664,445	12,953	107,259	-
Culture and recreation	26,191,569	5,923,314	17,972	-
Home and community services	57,289,090	27,032,366	1,689,669	-
Interest	4,095,708	1,220	-	-
	\$ 116,283,395	\$ 32,969,853	\$ 1,814,900	\$ -

General revenues
 Real property taxes
 Other tax items
 Interest and penalties on real property taxes
 Payments in lieu of taxes
 Other
 Non-property taxes
 Nassau County local government assistance
 Franchise fees
 Mortgage tax
 Unrestricted use of money and property
 Insurance recoveries
 Miscellaneous
 Gain on sale of property
 Total General Revenues
 Change in Net Position

NET POSITION
 Net Position - Beginning, as reported
 Prior Period Adjustment
 Net Position - Beginning, as restated
 Net Position - Ending

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

Net (Expense) Revenue and Changes in Net Position	
Primary Government	Non-Major Component Units
\$ (25,921,229)	\$ -
(2,102,250)	-
(11,541,666)	-
(234,222)	-
(22,948,002)	-
(3,114,550)	-
(19,100,593)	-
(12,916,684)	-
(5,971,524)	-
<u>\$ (103,850,720)</u>	<u>\$ -</u>
\$ -	\$ (3,042,583)
-	(25,544,233)
-	(20,250,283)
-	(28,567,055)
-	(4,094,488)
<u>\$ -</u>	<u>\$ (81,498,642)</u>
75,897,627	76,081,950
1,226,552	-
4,584,408	3,134,106
8,980	109,148
12,391,434	-
2,267,567	-
8,161,165	-
1,993,413	2,151,242
-	154,150
1,464,812	2,534,743
90,000	151,547
<u>108,085,958</u>	<u>84,316,886</u>
<u>4,235,238</u>	<u>2,818,244</u>
73,530,138	35,763,293
-	192,311
<u>73,530,138</u>	<u>35,955,604</u>
<u>\$ 77,765,376</u>	<u>\$ 38,773,848</u>

Town of North Hempstead, New York

Balance Sheet
 Governmental Funds
 December 31, 2019

	General	Highway	Solid Waste Management Authority
ASSETS			
Cash and equivalents	\$ 12,607,677	\$ 9,165,948	\$ 1,669,978
Investments - LOSAP	-	-	-
Other receivables			
Accounts	646,502	304	2,219,864
State and Federal aid	694,545	112,264	63,425
Due from other governments	5,005,479	6,069	-
Due from other funds	2,867,557	1,173,761	72,726
	<u>9,214,083</u>	<u>1,292,398</u>	<u>2,356,015</u>
Inventories	<u>377,599</u>	<u>267,247</u>	<u>-</u>
Prepaid expenditures	<u>976,411</u>	<u>291,766</u>	<u>3,667</u>
Total Assets	<u>\$ 23,175,770</u>	<u>\$ 11,017,359</u>	<u>\$ 4,029,660</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable and accrued liabilities	\$ 2,346,117	\$ 724,954	\$ 2,362,873
Due to other governments	1,704,348	-	-
Bond anticipation notes payable	-	-	-
Deposits payable	1,066,553	-	132,615
Due to other funds	6,748	65,093	909,845
Unearned revenues	522,348	16,237	-
Total Liabilities	<u>5,646,114</u>	<u>806,284</u>	<u>3,405,333</u>
Deferred Inflows of Resources			
Unavailable revenues - State and Federal aid	<u>224,229</u>	<u>112,264</u>	<u>-</u>
Fund balances			
Nonspendable	1,354,010	559,013	3,667
Restricted	-	-	-
Assigned	5,036,573	9,539,798	620,660
Unassigned	10,914,844	-	-
Total Fund Balances	<u>17,305,427</u>	<u>10,098,811</u>	<u>624,327</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 23,175,770</u>	<u>\$ 11,017,359</u>	<u>\$ 4,029,660</u>

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

Part Town	Refuse and Garbage Districts	Debt Service	Capital Projects	Non-Major Governmental	Total Governmental Funds
\$ 10,591,161	\$ 688,404	\$ 5,168,442	\$ 48,947,037	\$ 5,480,915	\$ 94,319,562
-	-	-	-	7,502,869	7,502,869
35,955	-	-	-	58,418	2,961,043
-	-	-	1,686,652	-	2,556,886
116,744	-	-	-	-	5,128,292
-	-	34,011	-	210,340	4,358,395
152,699	-	34,011	1,686,652	268,758	15,004,616
-	-	-	-	-	644,846
237,635	-	-	-	70,145	1,579,624
<u>\$ 10,981,495</u>	<u>\$ 688,404</u>	<u>\$ 5,202,453</u>	<u>\$ 50,633,689</u>	<u>\$ 13,322,687</u>	<u>\$ 119,051,517</u>
\$ 362,292	\$ 505,858	\$ 24,243	\$ 4,057,342	\$ 335,507	\$ 10,719,186
68,724	-	-	-	-	1,773,072
-	469,124	-	8,098,187	-	8,567,311
582,431	-	-	-	318,507	2,100,106
-	1,653,277	-	1,451,952	271,480	4,358,395
4,407	4,747	-	-	19,963	567,702
1,017,854	2,633,006	24,243	13,607,481	945,457	28,085,772
-	-	-	1,477,092	-	1,813,585
237,635	-	-	-	70,145	2,224,470
-	-	5,178,210	35,549,116	7,502,869	48,230,195
9,726,006	-	-	-	4,804,216	29,727,253
-	(1,944,602)	-	-	-	8,970,242
9,963,641	(1,944,602)	5,178,210	35,549,116	12,377,230	89,152,160
<u>\$ 10,981,495</u>	<u>\$ 688,404</u>	<u>\$ 5,202,453</u>	<u>\$ 50,633,689</u>	<u>\$ 13,322,687</u>	<u>\$ 119,051,517</u>

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Town of North Hempstead, New York

Reconciliation of Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position - Governmental Activities December 31, 2019

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because

Fund Balances - Total Governmental Funds	\$ 89,152,160
Assets 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.	
Notes receivable	3,150,000
Due from County of Nassau	3,303,416
	<u>6,453,416</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>418,886,508</u>
Governmental funds do not report the effect of losses on refunding bonds and assets or liabilities related to net pension liabilities whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amounts on net pension liabilities	4,677,217
Deferred amounts on length of service award program liabilities	271,961
Deferred amounts on other postemployment benefit obligations	19,875,171
	<u>24,824,349</u>
Other long-term assets that are not available to pay for current period expenditures are either unearned or not reported in the funds.	
State and Federal aid	<u>1,813,585</u>
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(2,084,504)
Retainage payable	(1,928,251)
Bonds payable	(206,317,435)
Retirement incentives and other pension obligations	(3,373,970)
Compensated absences	(4,443,297)
Claims payable	(5,925,500)
Landfill closure and postclosure costs	(10,970,021)
Net pension liability	(7,452,541)
Length of service award program liabilities	(11,787,661)
Other post employment benefit obligations payable	(209,081,462)
	<u>(463,364,642)</u>
Net Position of Governmental Activities	<u>\$ 77,765,376</u>

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

Town of North Hempstead, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended December 31, 2019

	General	Highway	Solid Waste Management Authority
REVENUES			
Real property taxes	\$ 25,031,636	\$ 21,739,157	\$ -
Other tax items	2,287,256	1,679,296	-
Non-property taxes	14,602,001	-	-
Departmental income	8,647,895	142	14,746,826
Intergovernmental charges	-	39,965	1,300,859
Use of money and property	548,318	187,591	87,282
Licenses and permits	238,656	572,903	-
Fines and forfeitures	30,000	-	-
Sale of property and compensation for loss	27,324	132,756	39,215
Interfund revenues	6,800,687	129,212	-
State aid	8,406,696	513,325	209,122
Federal aid	177,591	(112,264)	-
Miscellaneous	1,136,685	51,458	7,288
Total Revenues	67,934,745	24,933,541	16,390,592
EXPENDITURES			
Current			
General government support	14,546,240	2,560,848	-
Education	2,102,250	-	-
Public safety	1,461,892	-	-
Health	-	-	-
Transportation	16,894	9,471,346	-
Economic opportunity and development	2,506,280	-	-
Culture and recreation	17,358,237	-	-
Home and community services	1,315,416	-	16,191,892
Employee benefits	11,079,890	5,727,122	675,941
Debt service			
Principal	-	-	-
Interest	-	-	-
Capital outlay	-	-	-
Total Expenditures	50,387,099	17,759,316	16,867,833
Excess (Deficiency) of Revenues Over Expenditures	17,547,646	7,174,225	(477,241)
OTHER FINANCING SOURCES (USES)			
Bonds issued	-	-	-
Issuance premium	-	-	-
Sale of property	90,000	-	-
Transfers in	606,576	951,426	325,000
Transfers out	(16,807,618)	(6,399,040)	-
Total Other Financing Sources (Uses)	(16,111,042)	(5,447,614)	325,000
Net Change in Fund Balances	1,436,604	1,726,611	(152,241)
FUND BALANCES (DEFICITS)			
Beginning of Year	15,868,823	8,372,200	776,568
End of Year	\$ 17,305,427	\$ 10,098,811	\$ 624,327

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

Part Town	Refuse and Garbage Districts	Debt Service	Capital Projects	Non-Major Governmental	Total Governmental Funds
\$ 5,206,441	\$ 9,196,075	\$ -	\$ -	\$ 14,724,318	\$ 75,897,627
440,124	161,894	-	-	1,251,370	5,819,940
57,000	-	-	-	-	14,659,001
1,037,417	-	-	-	1,243,418	25,675,698
-	-	-	-	-	1,340,824
134,086	22,880	1,186,017	-	1,012,014	3,178,188
5,798,682	-	-	-	-	6,610,241
271,354	-	-	-	-	301,354
2,361	-	-	-	-	201,656
-	-	-	-	81,040	7,010,939
-	-	-	940,756	-	10,069,899
35	-	-	(61,546)	-	3,816
34,895	-	-	698,674	92,254	2,021,254
<u>12,982,395</u>	<u>9,380,849</u>	<u>1,186,017</u>	<u>1,577,884</u>	<u>18,404,414</u>	<u>152,790,437</u>
1,758,884	533,383	-	-	1,820,339	21,219,694
-	-	-	-	-	2,102,250
4,847,967	-	-	-	6,588,206	12,898,065
248,911	-	-	-	-	248,911
-	-	-	-	3,574,849	13,063,089
-	-	-	-	-	2,506,280
-	-	-	-	1,173,035	18,531,272
1,087,950	8,657,012	-	-	51,968	27,304,238
3,076,814	-	-	-	1,075,505	21,635,272
-	-	17,090,977	-	-	17,090,977
-	-	6,504,134	-	-	6,504,134
-	-	-	24,676,604	-	24,676,604
<u>11,020,526</u>	<u>9,190,395</u>	<u>23,595,111</u>	<u>24,676,604</u>	<u>14,283,902</u>	<u>167,780,786</u>
<u>1,961,869</u>	<u>190,454</u>	<u>(22,409,094)</u>	<u>(23,098,720)</u>	<u>4,120,512</u>	<u>(14,990,349)</u>
-	-	-	20,897,057	-	20,897,057
-	-	851,596	401,281	-	1,252,877
-	-	-	-	-	90,000
-	450,157	23,595,111	1,587,209	126,655	27,642,134
-	(466,534)	(1,067,559)	-	(2,901,383)	(27,642,134)
-	(16,377)	23,379,148	22,885,547	(2,774,728)	22,239,934
1,961,869	174,077	970,054	(213,173)	1,345,784	7,249,585
8,001,772	(2,118,679)	4,208,156	35,762,289	11,031,446	81,902,575
<u>\$ 9,963,641</u>	<u>\$ (1,944,602)</u>	<u>\$ 5,178,210</u>	<u>\$ 35,549,116</u>	<u>\$ 12,377,230</u>	<u>\$ 89,152,160</u>

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Town of North Hempstead, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2019

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because

Net Change in Fund Balances - Total Governmental Funds	\$ 7,249,585
<p>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.</p>	
Capital outlay expenditures	24,406,941
Depreciation expense	<u>(12,423,857)</u>
	<u>11,983,084</u>
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Interest income on note receivable	67,500
State and Federal aid	<u>1,813,585</u>
	<u>1,881,085</u>
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>	
Bonds issued	(20,897,057)
Issuance premium	(1,252,877)
Principal paid on bonds	17,090,977
Amortization of premium on refunding bonds and issuance premium	<u>560,267</u>
	<u>(4,498,690)</u>
<p>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.</p>	
Accrued interest	(27,657)
Retainage payable	(512,806)
Retirement incentives and other pension obligations	836,638
Compensated absences	231,636
Claims and judgments payable	(360,734)
Landfill closure and postclosure costs	938,944
Pension obligations	(1,109,489)
Length of service award program obligations	(474,593)
Other post employment benefit obligations	<u>(11,901,765)</u>
	<u>(12,379,826)</u>
Change in Net Position of Governmental Activities	<u>\$ 4,235,238</u>

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

Town of North Hempstead, New York

General, Highway, Solid Waste Management Authority, Part Town and Refuse and Garbage Districts Funds

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Year Ended December 31, 2019

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 24,976,417	\$ 24,976,417	\$ 25,031,636	\$ 55,219
Other tax items	2,166,534	2,166,534	2,287,256	120,722
Non-property taxes	14,393,000	14,393,000	14,602,001	209,001
Departmental income	9,161,800	9,180,435	8,647,895	(532,540)
Intergovernmental charges	-	-	-	-
Use of money and property	350,000	350,000	548,318	198,318
Licenses and permits	281,300	281,300	238,656	(42,644)
Fines and forfeitures	30,000	30,000	30,000	-
Sale of property and compensation for loss	15,000	26,064	27,324	1,260
Interfund revenues	6,785,337	6,785,337	6,800,687	15,350
State aid	8,379,996	8,494,496	8,406,696	(87,800)
Federal aid	400,000	414,006	177,591	(236,415)
Miscellaneous	1,129,063	1,196,223	1,136,685	(59,538)
Total Revenues	68,068,447	68,293,812	67,934,745	(359,067)
EXPENDITURES				
Current				
General government support	15,499,370	15,251,830	14,546,240	705,590
Education	2,000,000	2,102,251	2,102,250	1
Public safety	1,416,996	1,461,909	1,461,892	17
Health	-	-	-	-
Transportation	-	16,895	16,894	1
Economic opportunity and development	2,607,374	2,660,819	2,506,280	154,539
Culture and recreation	17,950,939	18,032,720	17,358,237	674,483
Home and community services	1,387,653	1,387,653	1,315,416	72,237
Employee benefits	11,996,458	11,203,161	11,079,890	123,271
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	52,858,790	52,117,238	50,387,099	1,730,139
Excess (Deficiency) of Revenues Over Expenditures	15,209,657	16,176,574	17,547,646	1,371,072
OTHER FINANCING SOURCES (USES)				
Sale of property	-	-	90,000	90,000
Transfers in	606,575	606,575	606,576	1
Transfers out	(15,816,232)	(16,809,149)	(16,807,618)	1,531
Total Other Financing Uses	(15,209,657)	(16,202,574)	(16,111,042)	91,532
Net Change in Fund Balances	-	(26,000)	1,436,604	1,462,604
FUND BALANCES (DEFICITS)				
Beginning of Year	-	26,000	15,868,823	15,842,823
End of Year	\$ -	\$ -	\$ 17,305,427	\$ 17,305,427

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

Highway Fund				Solid Waste Management Authority Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 21,681,139	\$ 21,681,139	\$ 21,739,157	\$ 58,018	\$ -	\$ -	\$ -	\$ -
1,612,781	1,612,781	1,679,296	66,515	-	-	-	-
-	-	-	-	-	-	-	-
-	-	142	142	15,307,189	15,307,189	14,746,826	(560,363)
50,000	50,000	39,965	(10,035)	1,300,860	1,300,860	1,300,859	(1)
125,000	125,000	187,591	62,591	69,368	69,368	87,282	17,914
900,000	900,000	572,903	(327,097)	-	-	-	-
-	-	-	-	-	-	-	-
30,000	46,938	132,756	85,818	152,636	152,636	39,215	(113,421)
-	-	129,212	129,212	-	-	-	-
513,600	513,600	513,325	(275)	65,000	65,000	209,122	144,122
-	-	(112,264)	(112,264)	-	-	-	-
-	13,456	51,458	38,002	-	-	7,288	7,288
<u>24,912,520</u>	<u>24,942,914</u>	<u>24,933,541</u>	<u>(9,373)</u>	<u>16,895,053</u>	<u>16,895,053</u>	<u>16,390,592</u>	<u>(504,461)</u>
2,808,755	2,816,853	2,560,848	256,005	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
10,806,946	10,829,242	9,471,346	1,357,896	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	16,512,126	16,512,126	16,191,892	320,234
5,849,205	5,849,205	5,727,122	122,083	759,506	759,506	675,941	83,565
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>19,464,906</u>	<u>19,495,300</u>	<u>17,759,316</u>	<u>1,735,984</u>	<u>17,271,632</u>	<u>17,271,632</u>	<u>16,867,833</u>	<u>403,799</u>
<u>5,447,614</u>	<u>5,447,614</u>	<u>7,174,225</u>	<u>1,726,611</u>	<u>(376,579)</u>	<u>(376,579)</u>	<u>(477,241)</u>	<u>(100,662)</u>
-	-	-	-	-	-	-	-
951,426	951,426	951,426	-	325,000	325,000	325,000	-
(6,399,040)	(6,399,040)	(6,399,040)	-	-	-	-	-
<u>(5,447,614)</u>	<u>(5,447,614)</u>	<u>(5,447,614)</u>	<u>-</u>	<u>325,000</u>	<u>325,000</u>	<u>325,000</u>	<u>-</u>
-	-	1,726,611	1,726,611	(51,579)	(51,579)	(152,241)	(100,662)
-	-	8,372,200	8,372,200	51,579	51,579	776,568	724,989
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,098,811</u>	<u>\$ 10,098,811</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 624,327</u>	<u>\$ 624,327</u>

(Continued)

Town of North Hempstead, New York

General, Highway, Solid Waste Management Authority, Part Town and Refuse and Garbage Districts Funds

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual (Concluded)
Year Ended December 31, 2019

	Part Town Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 5,206,431	\$ 5,206,431	\$ 5,206,441	\$ 10
Other tax items	419,546	419,546	440,124	20,578
Non-property taxes	57,000	57,000	57,000	-
Departmental income	1,059,000	1,059,000	1,037,417	(21,583)
Intergovernmental charges	-	-	-	-
Use of money and property	60,000	60,000	134,086	74,086
Licenses and permits	4,375,000	4,375,000	5,798,682	1,423,682
Fines and forfeitures	210,000	210,000	271,354	61,354
Sale of property and compensation for loss	-	-	2,361	2,361
Interfund revenues	-	-	-	-
State aid	-	-	-	-
Federal aid	-	-	35	35
Miscellaneous	-	-	34,895	34,895
Total Revenues	11,386,977	11,386,977	12,982,395	1,595,418
EXPENDITURES				
Current				
General government support	1,918,107	1,918,107	1,758,884	159,223
Education	-	-	-	-
Public safety	4,782,997	4,870,630	4,847,967	22,663
Health	306,752	306,752	248,911	57,841
Transportation	-	-	-	-
Economic opportunity and development	-	-	-	-
Culture and recreation	-	-	-	-
Home and community services	1,064,122	1,089,641	1,087,950	1,691
Employee benefits	3,314,999	3,201,847	3,076,814	125,033
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	11,386,977	11,386,977	11,020,526	366,451
Excess (Deficiency) of Revenues Over Expenditures	-	-	1,961,869	1,961,869
OTHER FINANCING SOURCES (USES)				
Sale of property	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Uses	-	-	-	-
Net Change in Fund Balances	-	-	1,961,869	1,961,869
FUND BALANCES (DEFICITS)				
Beginning of Year	-	-	8,001,772	8,001,772
End of Year	\$ -	\$ -	\$ 9,963,641	\$ 9,963,641

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

Refuse and Garbage Districts Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 9,187,804	\$ 9,187,804	\$ 9,196,075	\$ 8,271
157,053	157,053	161,894	4,841
-	-	-	-
-	-	-	-
4,636	4,636	22,880	18,244
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>9,349,493</u>	<u>9,349,493</u>	<u>9,380,849</u>	<u>31,356</u>
537,353	538,103	533,383	4,720
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
8,876,716	8,875,966	8,657,012	218,954
-	-	-	-
-	-	-	-
-	-	-	-
<u>9,414,069</u>	<u>9,414,069</u>	<u>9,190,395</u>	<u>223,674</u>
<u>(64,576)</u>	<u>(64,576)</u>	<u>190,454</u>	<u>255,030</u>
-	-	-	-
4,329	4,329	450,157	445,828
(466,690)	(466,690)	(466,534)	156
<u>(462,361)</u>	<u>(462,361)</u>	<u>(16,377)</u>	<u>445,984</u>
(526,937)	(526,937)	174,077	701,014
<u>526,937</u>	<u>526,937</u>	<u>(2,118,679)</u>	<u>(2,645,616)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,944,602)</u>	<u>\$ (1,944,602)</u>

Town of North Hempstead, New York

Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2019

	<u>Custodial Fund</u>
ASSETS	
Cash and equivalents	<u>\$ 21,162,419</u>
LIABILITIES	
Due to other governments	<u>\$ 21,162,419</u>

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

Town of North Hempstead, New York

Statement of Changes Fiduciary Net Position
Fiduciary Fund
Year Ended December 31, 2019

	Custodial Fund
ADDITIONS	
Real property taxes collected for other governments	\$ 1,161,976,176
Other fees collected for other governments	<u>35,390</u>
Total Additions	<u>1,162,011,566</u>
DEDUCTIONS	
Payments of real property taxes to other governments	1,161,976,176
Payments of other fees to other governments	<u>35,390</u>
Total Deductions	<u>1,162,011,566</u>
Net Increase in Fiduciary Net Position	-
NET POSITION	
Beginning of Year	<u>-</u>
End of Year	<u><u>\$ -</u></u>

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

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Note 1 - Summary of Significant Accounting Policies

The Town of North Hempstead, New York ("Town") 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 and Superintendent of Highways. The Supervisor appoints the Deputy Supervisor, as well as the Commissioners, Department heads and other members of her staff. The Supervisor serves as the Chief Executive Officer and Chief Fiscal Officer of the Town.

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

The accounting policies of the Town conform to generally accepted accounting principles as applicable to governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Town's more significant accounting policies:

A. Financial Reporting Entity

The financial reporting entity consists of a) the primary government, which is the Town, b) organizations for which the Town is financially accountable and c) other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

In evaluating how to define the Town, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the Town's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Component units are classified as either blended component units or discretely presented component units. Based upon 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 Town almost exclusively. Financial information from these units is combined with that of the Town. The following represents the Town's blended component unit.

Solid Waste Management Authority ("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.

Note 1 - Summary of Significant Accounting Policies (Continued)

Discretely Presented Component Units – are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the Town. They are financially accountable to the Town, 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 Town. See Note 1C for a complete list of the discretely presented component units.

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

The Town has four discretely presented garbage districts: Port Washington, Glenwood, Carle Place 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 the 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 Town is able to impose its will, as demonstrated through the ability to approve budgets.

The Town has three discretely presented water pollution control districts: Great Neck, Belgrave 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 Town is able to impose its will, as demonstrated through the ability to approve budgets.

The Town has eight discretely presented water districts: Glenwood, Albertson, Garden City Park, Port Washington, Westbury, Roslyn, Carle Place and Manhasset-Lakeville. 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 Town is able to impose its will, as demonstrated through the ability to approve budgets.

The Town has two discretely presented park districts: Manhasset and Great Neck. 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 Town is able to impose its will, as demonstrated through the ability to approve budgets.

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 its 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 Town is able to impose its will, as demonstrated through the ability to approve budgets.

The Shelter Rock Public Library District 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 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 library district is included in the Town's reporting entity since the Town is able to impose its will, as demonstrated through the ability to approve budgets.

The Town of North Hempstead Community Development Agency ("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

Note 1 - Summary of Significant Accounting Policies (Continued)

housing, residential and commercial land acquisition, code enforcement services, and public facility improvements. The Agency's Board of Directors is the legislative body responsible for overall operations. The Executive Director serves as the chief executive officer. The Town Board appoints the Agency Board of Directors. The Agency's management is designated by the Town Board. Due to the nature and significance of the relationship between the Town and the Agency, exclusion would cause the financial statements to be misleading.

The Town of North Hempstead Business and Tourism Development Corporation ("BTDC") is a not-for-profit corporation organized pursuant to Section 1411 of the New York Not-for-Profit Corporation Law. Its purposes and objectives are the exclusively charitable or public purposes of: (i) relieving and reducing unemployment; (ii) promoting, facilitating and providing for additional and maximum employment for individuals; (iii) expanding, bettering and maintaining job opportunities for individuals; (iv) instructing or training individuals to improve or develop their capabilities for such jobs; (v) varying on scientific research for the purpose of aiding the Town by attracting new industry to the Town or by encouraging the development, or retention, of industry in the Town; (vi) lessening the burdens of government and acting in the public interest, thus performing an essential governmental function; and (vii) enhancing business development and economic opportunities. The board members of the Town are the same board members of BTDC and all financial resources have been provided by the Town. BTDC is included in the Town's reporting entity since the Town is able to impose its will, as demonstrated through the ability to approve budgets.

The Greater Port Washington Business Improvement District Association, Inc. ("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 Town 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 6.

B. 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 non-fiduciary activities of the primary government as a whole and its discretely presented component units. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

The Statement of Net Position presents the financial position of the Town and its discretely presented component units at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly

Note 1 - Summary of Significant Accounting Policies (Continued)

benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The Town does not allocate indirect expenses to functions in the Statement of Activities.

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

C. Fund Financial Statements

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Town maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The Town's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

- a. Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources at the related liabilities are accounted for through governmental funds. The following are the Town's major governmental funds:

General Fund - The General Fund constitutes the primary operating fund of the Town and is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. The major special revenue funds of the Town are as follows:

Note 1 - Summary of Significant Accounting Policies (Continued)

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 removal. The major source of revenues is real property taxes.

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

Part Town Fund - is used to account for transactions, which by statute affect only those areas outside the boundaries of the villages located within the Town. The major revenues of this fund are real property taxes, departmental income and licenses and permits.

Refuse and Garbage Districts Fund – is used to account for the operation and maintenance of the Town’s refuse and garbage districts. The major source of revenue is real property taxes. The fund consists of a number of separate districts, which are administered by the Town Board: Albertson – Seasingtown – Herricks, Great Neck, New Hyde Park – Garden City Park – Floral Park Centre, New Cassel and Manhasset.

Debt Service Fund - is used to account for and report financial resources that are restricted, committed, or assigned for expenditure of 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 expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

The Town also reports the following non-major governmental 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 Roslyn Heights
Manhasset Bay
New Hyde Park – Clinton G. Martin

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

Town of North Hempstead Sidewalk District

Port Washington Public Parking District

Great Neck Water District

- b. Fiduciary Fund (Not Included in Government-Wide Financial Statements) - The Fiduciary Fund is used to account for assets held by the Town on behalf of others. The Custodial Fund is used to account for real property taxes and town clerk fees collected for other governments.

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:

Port Washington
Glenwood
Carle Place
Roslyn

Water Pollution Control Districts:

Great Neck
Belgrave
Port Washington

Port Washington Police District

Town of North Hempstead Community
Development Agency

Town of North Hempstead Business
and Tourism Development Corporation

Water Districts:

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

Park Districts:

Manhasset
Great Neck

Shelter Rock Public Library District

Greater Port Washington Business
Improvement District

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the Fiduciary fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they

Note 1 - Summary of Significant Accounting Policies (Continued)

are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenue when the expenditure is made. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to certain claims, compensated absences, net pension liability, landfill closure costs and other post employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Component Unit

Component units are presented on the basis of accounting that most accurately reflects their activities. The component units are accounted for on the modified accrual basis of accounting, but have been reflected on the accrual basis of accounting in the government-wide financial statements.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

The Town's deposit and investment policies are governed by State statutes. The Town has adopted its own written investment policy, which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Town is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The Town has entered into custodial agreements with the various banks which hold its deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal subdivisions.

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Town follows the provisions of GASB Statement No. 72, "*Fair Value Measurements and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Investments of the Length of Service Award Program ("LOSAP") are invested in accordance with a statutory prudent pension rule and in accordance with an investment policy adopted by the Town. The Town is a sole sponsor of two LOSAP plans and is a joint sponsor for four LOSAP plans. The assets are held in trust accounts in the name of the award programs. The details of those investments and their related risk are described in Note 3A.

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the Town does not invest in any long-term investment obligations.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures - an amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Town's name. The Town's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2019.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The Town's investment policy limits the amount on deposit at each of its banking institutions.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the Town. Receivables are recorded and revenues recognized as earned or as specific program expenditures/expenses are incurred. Allowances are recorded when appropriate.

Due From/To Other Funds - During the course of its operations, the Town has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31,

Note 1 - Summary of Significant Accounting Policies (Continued)

2019, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

Interfund Revenues - Interfund revenues in the General Fund, Highway Fund and Non-major Governmental funds represent amounts charged for services or facilities provided by these funds based on a two year lookback of actual expenditures. The amounts paid by the fund receiving the benefit of the service or facilities are reflected as an expenditure of that fund.

Transfers - Transfers represent payments to the General, Highway, Debt Service, Capital Projects and Non-major Governmental funds from the other funds for their appropriate share of the debt service or capital project costs and recognition of premiums, accrued interest and interest earnings to service debt.

Inventory - Inventoriable items in the General Fund and Highway Fund consist of materials and supplies, which are recorded on a weighted average cost basis. These inventories consist primarily of items held for consumption. The cost is recorded as inventory at the time individual inventory items are purchased. The Town uses the consumption method to relieve inventory. In the fund financial statements, reported amounts are equally offset by nonspendable fund balance, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase and year end balances at these locations are not material.

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Prepaid expenses/expenditures consist of employee retirement and other costs, which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and will benefit such periods. Reported amounts in governmental funds are equally offset by nonspendable fund balance, in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Notes Receivable - The Town holds a note receivable in the amount of \$1,500,000 from a limited liability company and a housing development fund company for premises of an affordable housing development conveyed to the partnership by the Town in 1992. The original note was set to mature in 2023 with all principal and interest accrued at 4% annum (simple interest), due on the maturity date. In 2015, the note and mortgage agreement were modified to extend the maturity date to January 1, 2045 with an interest rate of 4.5% per annum for the remainder of the note term. All principal and accrued interest are payable on the extended maturity date. The Town's note and mortgage are subordinated to a construction and permanent loan financing for the housing development located at the property. The value of the note and all accrued interest at December 31, 2019 of \$3,150,000 has been reported as a note receivable in the government-wide financial statements.

Note 1 - Summary of Significant Accounting Policies (Continued)

Due From County of Nassau – A number of cases against the Town and the Commissioner-operated garbage districts within the Town challenging *ad valorem* garbage district taxes brought by several local utilities have been settled with the plaintiffs. The Town paid the settlement to the plaintiff and obtained a judgment against the County for a refund plus interest. A decision was issued in 2019 affirming the judgment in the Town’s favor. The value of the receivable at December, 31, 2019 of \$3,303,416 is included in the government-wide financial statements.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., road, bridges, sidewalks and similar items) are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at cost if purchased or constructed, or at estimated historical cost. Donated capital assets are recorded at acquisition value at the date of donation. Infrastructure assets are reported at historical cost as of 1980.

Major outlays for capital assets and improvements are capitalized as projects are completed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life, is not capitalized.

Land and construction-in-progress are not depreciated. Property, plant, equipment and infrastructure of the Town are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Buildings	45
Improvements other than buildings	7-20
Machinery and equipment	5-30
Infrastructure:	
Roads, curbs and sidewalks	20-25
Drainage systems	20-25
Street lighting	20
Parks	12-45
Intangible assets	5-10

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

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

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheet.

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied. In government-wide financial statements, unearned revenue consists of revenue received in advance and/or grants received before the eligibility requirements have been met.

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

Unearned revenues in fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Town has reported unearned revenues in the General Fund of \$522,348 for gift cards, catering event deposits, grant revenue received in advance of eligible expenditures and PILOT payments received in advance. The Town has also reported unearned revenues in the Highway Fund of \$16,237, the Part Town Fund of \$4,407, the Refuse and Garbage Districts Fund of \$4,747, and the non-major governmental funds for \$19,963 for PILOT payments received in advance. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The Town has reported deferred inflows of resources in the General Fund of \$224,229, the Highway Fund of \$112,264, and the Capital Projects Fund of \$1,477,092 for state and federal aid not expected to be collected within the first ninety days of the subsequent fiscal year. Those amounts are deferred and recognized as an inflow of resources in the period that the amount becomes available.

Deferred outflows and inflows of resources have been reported on the government-wide Statement of Net Position for the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
New York State and Local Employees' Retirement System	\$ 7,306,607	\$ 2,629,390
Fire Protection Length of Service Awards Program ("LOSAP")	1,800,837	1,528,876
Other Postemployment Benefit Obligations	<u>19,875,171</u>	<u>-</u>
	<u>\$ 28,982,615</u>	<u>\$ 4,158,266</u>

Long-Term Liabilities - In the government-wide, long-term debt and other long-term liabilities are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expended as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. 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

Note 1 - Summary of Significant Accounting Policies (Continued)

costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects or Debt Service funds expenditures.

Compensated Absences - The collective bargaining agreement provides for the payment of accumulated vacation leave upon separation from service. The liability for such accumulated leave is reflected in the government-wide financial statements as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Net Pension Liability - The net pension liability represents the Town's proportionate share of the net pension liability of the New York State and Local Employees' Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*" and GASB Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date*".

LOSAP Pension Liability - The Town, along with the respective Fire Companies and other municipalities, as required, sponsor six volunteer firefighters LOSAP programs, all of which are defined benefit service award programs, for its volunteer firefighters of the respective fire companies. Of the six individual plans, two are single-employer plans and the Town reports the total LOSAP liability. The four remaining plans have multiple sponsors all of whom are legally responsible for annual contributions to the plan and as such is considered a special funding situation, and accordingly, the Town reports its proportionate share of the total LOSAP service award liability. The programs are administered through a nonqualifying trust as defined by GASB guidance. Payments under the programs are made from the general assets of the sponsors which are subject to the claims of the Town's creditors.

The LOSAP pension liability represents the Town's liability for LOSAP. The financial reporting of this amount is presented in accordance with the provision of GASB Statement No. 73 "*Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement No. 68 and Amendments to Certain Provisions of GASB Statement Nos. 67 and 68*" that establishes requirements for defined benefit pensions that are not within the scope of GASB Statement No. 68. See Note 3E for more information on the programs.

Real Property Tax Assessment and Collection Procedures - In Nassau County ("County"), the assessment and lien of real property for taxation is performed by the County Department of Assessment, except for villages and cities. 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 Receiver of Taxes collects all real property taxes for the Town, the County, Town Special Districts and School Districts. Real property taxes become a lien on January 1st for general taxes and October 1st for school taxes.

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, Part Town and Town Special Districts' levies from the amounts collected, and forwards the remaining balance collected to the County, which assumes

Note 1 - Summary of Significant Accounting Policies (Continued)

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. The Town has the fiduciary responsibility to collect school property taxes and turn them over to the County, however, the ultimate responsibility for collection rests at the County level. County and school property taxes collected prior to the satisfaction of the respective warrants are considered a fiduciary activity under the provisions of GASB Statement No. 84, "Fiduciary Activities", and therefore have been accounted for within the Custodial Fund.

Net Position - Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position includes, net investment in capital assets and restricted for debt service. The balance is classified as unrestricted.

Fund Balances - Generally, fund balance represents the difference between current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables, advances) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law of the State of New York.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the Town's highest level of decision making authority. The Town Board is the highest level of decision making authority for the Town that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the Town removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Town Board.

Note 1 - Summary of Significant Accounting Policies (Continued)

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Town Board for amounts assigned for balancing the subsequent year's budget or the Town Comptroller for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Town's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Town's policy to use fund balance in the following order: committed, assigned, and unassigned.

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.

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is July 13, 2020.

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

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

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

- f) Budgets for the General and certain Special Revenue funds, including the Highway Fund, the Solid Waste Management Authority, the Part Town Fund, Refuse and Garbage Districts, the Fire Protection Districts, the Lighting District, the Park Districts, the Sidewalk District, 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.

Budgeted amounts are as originally adopted, or as amended by the Town Board.

Note 2 - Stewardship, Compliance and Accountability (Continued)

B. Property Tax Limitation

Under New York State Town Law, the Town is not limited as to the maximum amount of real property taxes which may be raised. However, Chapter 97 of the New York State Laws of 2011, as amended (“Tax Levy Limitation Law”) modified previous law by imposing a limit on the amount of real property taxes a local government may levy. The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementations thereof.

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Town to increase its overall real property tax levy over the tax levy of the prior year by no more than the “Allowable Levy Growth Factor,” which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The “Inflation Factor” is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States with the result expressed as a decimal to four places. The Town is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Town, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Town. The Town Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Town Board first enacts, by a vote of at least sixty percent of the total voting power of the Town Board, a local law to override such limit for such coming fiscal year.

C. Fund Deficit

The Refuse and Garbage Districts reflects a deficit of \$1,944,602 at December 31, 2019. The deficit is attributable to a litigation claim that was paid out by the Town. This deficit will be addressed in subsequent years, as there was a court ruling in the Town’s favor to receive reimbursement from the County.

D. Adoption of Accounting Standards

For the year ended December 31, 2019, the Town implemented the provisions of GASB Statement No. 84, “*Fiduciary Activities*”. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. As a result of the adoption of this standard, certain transactions previously reported within governmental funds are now reflected within the Fiduciary Fund while other transactions previously reported in the Fiduciary Fund are now reflected within governmental funds.

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 2 - Stewardship, Compliance and Accountability (Continued)

E. Prior Period Adjustment

The Town of North Hempstead Business and Tourism Development Corporation (“BTDC”) is a discretely presented component unit of the Town. In previous years, the BTDC audited financial statements were not issued prior to the issuance of the Town’s financial statements. For the year ended December 31, 2019, the BTDC audit was finalized timely and, therefore, was included within the Town’s financial statement as a nonmajor component unit.

Note 3 - Detailed Notes on All Funds

A. Investments

At December 31, 2019, the Town has the following investments and average maturities:

Type of investment	Fair Value	N/A	Less Than 1	1-5 Years	5-10 Years	More Than 10 Years
Money market and bank deposits	\$ 388,798	\$ 388,798	\$ -	\$ -	\$ -	\$ -
Certificates of deposits	319,787	-	319,787	-	-	-
Group annuity contracts	570,593	-	570,593	-	-	-
Common stock	370,531	370,531	-	-	-	-
U.S. and international equities funds	2,695,472	2,662,868	-	32,604	-	-
Bonds and bond funds	2,118,356	-	60,081	1,297,545	752,723	8,007
Corporate bonds	46,088	-	7,708	13,624	24,756	-
U.S. and international mixed assets	993,244	993,244	-	-	-	-
	<u>\$ 7,502,869</u>	<u>\$ 4,415,441</u>	<u>\$ 958,169</u>	<u>\$ 1,343,773</u>	<u>\$ 777,479</u>	<u>\$ 8,007</u>

The investments had the following average credit ratings:

Type of investment	Fair Value	N/A	A or Better	BBB	BB	B or Lower	Unrated
Money market and bank deposits	\$ 388,798	\$ 388,798	\$ -	\$ -	\$ -	\$ -	\$ -
Certificates of deposits	319,787	319,787	-	-	-	-	-
Group annuity contracts	570,593	-	570,593	-	-	-	-
Common stock	370,531	370,531	-	-	-	-	-
U.S. and international equities funds	2,695,472	2,695,472	-	-	-	-	-
Bonds and bond funds	2,118,356	-	1,238,933	8,641	9,791	660,896	200,095
Corporate bonds	46,088	-	8,110	30,082	-	-	7,896
U.S. and international mixed assets	993,244	993,244	-	-	-	-	-
	<u>\$ 7,502,869</u>	<u>\$ 4,767,832</u>	<u>\$ 1,817,636</u>	<u>\$ 38,723</u>	<u>\$ 9,791</u>	<u>\$ 660,896</u>	<u>\$ 207,991</u>

All of the Town’s investments listed above are valued using level one inputs.

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

B. Due From/To Other Funds

The balances reflected as due from/to other funds of the primary government at December 31, 2019 were as follows:

Fund	Due From	Due To
General	\$ 2,867,557	\$ 6,748
Highway	1,173,761	65,093
Solid Waste Management Authority	72,726	909,845
Refuse and Garbage Districts	-	1,653,277
Debt Service	34,011	-
Capital Projects	-	1,451,952
Non-Major Governmental	210,340	271,480
	\$ 4,358,395	\$ 4,358,395

The outstanding balances between funds results mainly from the time lag between the dates 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

C. Capital Assets

Changes in the Town's capital assets for governmental activities are as follows:

Class	Balance January 1, 2019	Additions	Deletions	Balance December 31, 2019
Primary Government				
Governmental Activities -				
Capital Assets, not being depreciated:				
Land - other than landfills	\$ 217,629,085	\$ -	\$ -	\$ 217,629,085
Construction-in-progress	32,815,415	18,568,005	38,295,833	13,087,587
Total Capital Assets, not being depreciated	\$ 250,444,500	\$ 18,568,005	\$ 38,295,833	\$ 230,716,672
Capital Assets, being depreciated:				
Buildings	\$ 86,188,629	\$ -	\$ -	\$ 86,188,629
Improvements other than buildings	57,727,220	32,123,906	6,260	89,844,866
Machinery and equipment	42,922,426	3,638,505	939,345	45,621,586
Infrastructure	208,601,452	8,241,505	-	216,842,957
Intangibles - software	2,670,103	130,853	-	2,800,956
Total Capital Assets, being depreciated	398,109,830	44,134,769	945,605	441,298,994
Less Accumulated Depreciation for:				
Buildings	32,760,805	1,848,815	-	34,609,620
Improvements other than buildings	31,553,365	2,285,973	6,260	33,833,078
Machinery and equipment	27,567,131	2,387,268	939,345	29,015,054
Infrastructure	147,748,281	5,779,376	-	153,527,657
Intangibles - software	2,021,324	122,425	-	2,143,749
Total Accumulated Depreciation	241,650,906	12,423,857	945,605	253,129,158
Total Capital Assets, being depreciated, net	\$ 156,458,924	\$ 31,710,912	\$ -	\$ 188,169,836
Primary Government Capital Assets, net	\$ 406,903,424	\$ 50,278,917	\$ 38,295,833	\$ 418,886,508

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

The Town 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, 2019, the Town has not recorded any such impairment losses.

Depreciation expense was charged to the Town's functions and programs as follows:

Governmental Activities	
General Government Support	\$ 700,926
Public Safety	209,533
Transportation	4,833,082
Culture and Recreation	5,569,820
Home and Community Services	<u>1,110,496</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 12,423,857</u>

Capital Assets - Component Unit

Changes in the capital assets for the nonmajor component units are as follows:

Class	Balance January 1, 2019, as restated	Additions	Deletions	Balance December 31, 2019
Nonmajor Component Units				
Capital Assets, not being depreciated:				
Land	\$ 13,067,129	\$ -	\$ -	\$ 13,067,129
Construction-in-progress	28,131,358	20,158,456	5,947,009	42,342,805
Total Capital Assets, not being depreciated	<u>\$ 41,198,487</u>	<u>\$ 20,158,456</u>	<u>\$ 5,947,009</u>	<u>\$ 55,409,934</u>
Capital Assets, being depreciated:				
Buildings	\$ 142,156,980	\$ 891,689	\$ 299,337	\$ 142,749,332
Improvements other than buildings	40,032,112	1,017,133	-	41,049,245
Parking meters	188,979	-	-	188,979
Water mains	7,292,987	-	-	7,292,987
Library collection materials	1,398,724	97,847	208,428	1,288,143
Machinery and equipment	156,377,420	4,192,376	2,883,989	157,685,807
Vehicles	2,981,419	459,833	135,368	3,305,884
Infrastructure	95,467,152	5,332,865	-	100,800,017
Total Capital Assets, being depreciated	<u>445,895,773</u>	<u>11,991,743</u>	<u>3,527,122</u>	<u>454,360,394</u>
Less Accumulated Depreciation for:				
Buildings	61,388,663	3,430,764	251,977	64,567,450
Improvements other than buildings	18,585,787	1,456,266	-	20,042,053
Parking meters	163,256	4,559	-	167,815
Water mains	4,274,686	177,038	-	4,451,724
Library collection materials	1,131,368	111,415	208,428	1,034,355
Machinery and equipment	77,828,396	6,359,313	2,695,667	81,492,042
Vehicles	2,151,517	193,087	125,855	2,218,749
Infrastructure	44,173,087	2,580,137	-	46,753,224
Total Accumulated Depreciation	<u>209,696,760</u>	<u>14,312,579</u>	<u>3,281,927</u>	<u>220,727,412</u>
Total Capital Assets, being depreciated, net	<u>\$ 236,199,013</u>	<u>\$ (2,320,836)</u>	<u>\$ 245,195</u>	<u>\$ 233,632,982</u>
Nonmajor Component Units				
Capital Assets, net	<u>\$ 277,397,500</u>	<u>\$ 17,837,620</u>	<u>\$ 6,192,204</u>	<u>\$ 289,042,916</u>

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

D. Short-Term Capital Borrowings

The schedule below details the changes in short-term capital borrowings.

Purpose	Original Issue Date	Maturity Date	Interest Rate	Balance January 1, 2019	Issued	Redemptions	Balance December 31, 2019
Various Capital Projects	2015	03/27/20	2.50 %	\$ 440,000	\$ -	\$ 71,000	\$ 369,000
Settlement of a claim	2015	03/27/20	2.50	827,000	-	403,000	424,000
Various Capital Projects	2015	09/25/20	2.00	587,000	-	286,000	301,000
Various Capital Projects	2016	03/27/20	2.50	2,112,798	-	195,798	1,917,000
Various Capital Projects	2017	03/27/20	2.50	80,000	-	4,000	76,000
Various Capital Projects	2017	09/25/20	2.00	3,869,500	-	307,500	3,562,000
Various Capital Projects	2018	03/27/20	2.50	1,904,687	-	-	1,904,687
Various Capital Projects	2018	03/27/20	2.50	1,500,000	-	-	1,500,000
Various Capital Projects	2019	03/27/20	2.50	-	269,500	-	269,500
Various Capital Projects	2019	09/25/20	2.00	-	5,200,000	-	5,200,000
Total Primary Government and Non-Major Component Units				<u>\$ 11,320,985</u>	<u>\$ 5,469,500</u>	<u>\$ 1,267,298</u>	<u>\$ 15,523,187</u>

These bond anticipation notes are summarized as follows:

	Balance January 1, 2019	Issued	Redeemed	Balance December 31, 2019
Primary Government:				
Capital Projects Fund	\$ 8,406,985	\$ 269,500	\$ 578,298	\$ 8,098,187
Refuse and Garbage Districts	914,950	-	445,826	469,124
	<u>9,321,935</u>	<u>269,500</u>	<u>1,024,124</u>	<u>8,567,311</u>
Non-Major Component Units:				
Garbage Districts	499,050	-	243,174	255,876
Water Pollution Control Districts	1,500,000	5,200,000	-	6,700,000
	<u>1,999,050</u>	<u>5,200,000</u>	<u>243,174</u>	<u>6,955,876</u>
	<u>\$ 11,320,985</u>	<u>\$ 5,469,500</u>	<u>\$ 1,267,298</u>	<u>\$ 15,523,187</u>

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund and the Refuse and Garbage Districts Fund. Bond anticipation notes issued for judgments or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgments be converted to long-term obligations generally within five years after the original issue date. However, bond anticipation notes issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Interest expenditures of \$206,614 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$230,075 was recorded in the government-wide financial statements.

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

E. Long-Term Liabilities

The following table summarizes changes in the Town's long-term indebtedness for the year ended December 31, 2019:

	Balance January 1, 2019	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2019	Due Within One Year
Primary Government					
Bonds Payable:					
General obligation	\$ 197,757,817	\$ 20,897,057	\$ 17,090,977	\$ 201,563,897	\$ 16,770,806
Plus					
Unamortized premium on bonds	4,060,928	1,252,877	560,267	4,753,538	-
	<u>201,818,745</u>	<u>22,149,934</u>	<u>17,651,244</u>	<u>206,317,435</u>	<u>16,770,806</u>
Retirement incentives and other pension obligations	4,210,608	-	836,638	3,373,970	865,427
Compensated absences	4,674,933	235,364	467,000	4,443,297	444,000
Claims and judgments payable	5,564,766	1,806,317	1,445,583	5,925,500	592,000
Estimated liability for landfill closure and postclosure care costs	11,908,965	-	938,944	10,970,021	942,846
Net Pension Liability	3,496,515	3,956,026	-	7,452,541	-
Length of service awards program liabilities	11,728,364	59,297	-	11,787,661	-
Other Post Employment Benefit Obligations Payable	167,519,397	46,121,209	4,559,144	209,081,462	-
	<u>209,103,548</u>	<u>52,178,213</u>	<u>8,247,309</u>	<u>253,034,452</u>	<u>2,844,273</u>
Primary Government Long-Term liabilities	<u>\$ 410,922,293</u>	<u>\$ 74,328,147</u>	<u>\$ 25,898,553</u>	<u>\$ 459,351,887</u>	<u>\$ 19,615,079</u>
Non-major Component Units					
Bonds Payable - General Obligation	\$ 159,891,797	\$ 14,392,000	\$ 9,499,233	\$ 164,784,564	\$ 9,507,148
Plus					
Unamortized premium on bonds	221,122	387,129	39,154	569,097	66,941
	<u>160,112,919</u>	<u>14,779,129</u>	<u>9,538,387</u>	<u>165,353,661</u>	<u>9,574,089</u>
Retirement incentives and other pension obligations	5,217	-	1,178	4,039	1,220
Compensated Absences	12,487,368	998,079	1,003,809	12,481,638	952,408
Installment purchase debt	468,006	-	112,811	355,195	115,553
Net Pension Liability	4,585,510	6,585,856	2,529,463	8,641,903	-
Other Post Employment Benefit Obligations Payable	149,648,794	38,340,439	3,816,246	184,172,987	-
	<u>\$ 327,307,814</u>	<u>\$ 60,703,503</u>	<u>\$ 17,001,894</u>	<u>\$ 371,009,423</u>	<u>\$ 10,643,270</u>

Each governmental fund's liability for bonds is liquidated by the Debt Service Fund, which is funded by transfers from other funds. Each governmental fund's liability for retirement incentives and other pension obligations, compensated absences, claims and judgments, landfill closure costs, net pension liability, length of service awards program and other post employment benefit obligations is liquidated by the General, Highway, Solid Waste Management Authority, Part Town, Refuse and Garbage Districts, Lighting District, Park Districts, Sidewalk District and Public Parking District Funds.

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

General Obligation Bonds Payable

General obligation bonds payable at December 31, 2019 are comprised of the following individual issues:

Purpose	Original Issue Amount	Final Maturity Date	Interest Rates	Amount Outstanding at December 31, 2019
New York State EFC Bonds-2001, Series B	\$ 8,154,789	November, 2022	3.207-3.811 %	\$ 615,000
New York State EFC Bonds-2002 Series F	1,365,000	November, 2023	6.011-6.181	315,000
New York State EFC Bonds-2002 Series I	1,160,000	September, 2022	5.220-5.380	129,000
New York State EFC Bonds-2003 Series A	1,160,000	April, 2031	4.551-4.901	575,000
General Obligation Serial Bonds-2004	3,880,000	February, 2022	5.400	80,000
New York State EFC Bonds-2006 Series C	3,442,810	April, 2036	4.593-4.861	2,260,000
Various Purposes Serial Bonds-2008	13,210,000	June, 2022	4.250	3,615,000
NYS EFC Bonds-2008, Series A- 1, B-1, A-2, B-2 (2011 C)	1,783,412	April, 2038	4.270	460,000
Public Improvement Serial Bonds-2009	11,615,000	June, 2024	3.500-4.000	4,575,000
EFC Serial Bonds-2010 Series C	15,173,760	October, 2039	3.008-4.603	10,715,000
Various Purposes Serial Bonds-2010 Series A	6,063,000	October, 2021	2.500	1,195,000
Refunding Serial Bonds-2010	12,065,000	May, 2022	2.500-2.750	2,450,000
Various Purposes Serial Bonds-2012	9,192,341	October, 2027	2.000-2.250	5,190,000
EFC 2012 Series E Bonds	54,148,000	November, 2042	1.449-4.098	43,310,000
\$550,000 NYS EFC Series 2013B	550,000	January, 2023	2.745	240,000
Refunding Serial Bonds 2004 & 2005 Ref. 2014 Series A	25,220,000	February, 2025	2.500-5.000	11,505,000
Refunding Serial Bonds 2003 Ref. 2014 Series B	11,545,000	July, 2022	5.000	770,000
Refunding Serial Bonds 2003 Ref. 2014 Series C	21,790,825	April, 2032	3.000-3.500	16,625,000
Various Purpose Serial Bond 2014 Series D	25,108,147	October, 2030	2.000-3.000	18,050,000
Refunding Landfill Capping L-5 - NYS EFC Series 2014B	6,861,511	May, 2021	4.235-4.325	890,000
Refunding 2015 Series A (2006,2007A,2007B)	21,245,000	February, 2027	2.125-5.000	15,090,000
Public Improvement 2015 Series B	4,390,000	April, 2035	2.125-5.000	3,810,000
Refunding 2015 Series C	17,210,000	January, 2023	5.000	6,220,000
EFC - Clean Water Statutory Installment Bond 2016	1,885,113	June, 2045	0.000	1,635,400
Public Improvement Serial Bonds Series 2016 A	13,862,090	October, 2037	2.000-3.000	12,195,001
Public Improvement Serial Bonds Series 2016 B	48,046,322	September, 2034	2.000-3.000	40,855,000
Public Improvement Serial Bonds Series 2016 C	19,308,531	September, 2046	2.250-3.000	17,790,000
Public Improvement Serial Bonds Series 2017 A	49,774,425	April, 2039	3.000-3.250	46,245,002
Public Improvement Serial Bonds Series 2017 B	10,970,000	April, 2047	3.000-4.000	10,480,000
Public Improvement Serial Bonds Series 2017 C	21,677,200	September, 2036	2.000-3.100	20,335,000
Public Improvement Serial Bonds Series 2017 D	4,750,000	September, 2047	1.000-3.000	4,510,000
Public Improvement Serial Bonds Series 2018 A	20,895,000	April, 2032	3.000-5.000	19,810,001
Public Improvement Serial Bonds Series 2018 B	8,730,201	September, 2047	3.000-5.000	8,520,000
Public Improvement Serial Bonds Series 2019 A	18,910,000	March, 2033	2.000-5.000	18,910,000
Public Improvement Serial Bonds Series 2019 B	16,379,057	September, 2049	2.000-5.000	16,379,057
				<u>\$ 366,348,461</u>

Interest expenditures of \$6,297,520 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$5,741,449 was recorded in the government-wide financial statements for governmental activities.

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 0.000% to 6.181% and have maturity dates in 2021 through 2047.

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

	Balance January 1, 2019	Issued	Redeemed	Balance December 31, 2019
Primary Government				
Capital Projects Fund:				
General	\$ 120,416,076	\$ 12,861,057	\$ 10,928,124	\$ 122,349,009
Part town	-	571,000	-	571,000
Highway	49,441,342	6,239,000	4,666,461	51,013,881
Public parking	3,883,028	-	342,343	3,540,685
Sidewalk	922,337	628,000	103,978	1,446,359
Lighting	323,698	98,000	17,489	404,209
Parks	22,771,336	500,000	1,032,582	22,238,754
Total Primary Government	<u>197,757,817</u>	<u>20,897,057</u>	<u>17,090,977</u>	<u>201,563,897</u>
Non-Major Component Units				
Water Pollution Control Districts	72,333,840	10,885,000	3,018,109	80,200,730
Water Districts	71,762,968	3,507,000	4,206,692	71,063,276
Park Districts	13,133,049	-	1,851,637	11,281,412
Police District	19,365	-	19,365	-
Library District	2,598,708	-	392,940	2,205,768
Business Improvement District	43,867	-	10,489	33,378
Total Component Units	<u>159,891,797</u>	<u>14,392,000</u>	<u>9,499,232</u>	<u>164,784,564</u>
Total General Obligation Bonds	<u>\$ 357,649,614</u>	<u>\$ 35,289,057</u>	<u>\$ 26,590,209</u>	<u>\$ 366,348,461</u>

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of December 31, 2019 including interest payments of \$89,460,543 are as follows:

Year Ending December 31,	Principal	Interest
2020	\$ 26,277,954	\$ 10,027,523
2021	27,365,900	8,798,461
2022	25,857,900	7,965,428
2023	20,747,899	7,218,176
2024	20,337,900	6,635,516
2025-2029	92,649,504	25,572,837
2030-2034	79,869,500	14,082,553
2035-2039	45,029,504	5,923,542
2040-2044	19,459,500	2,616,557
2045-2049	8,752,900	619,950
	<u>\$ 366,348,461</u>	<u>\$ 89,460,543</u>

The above general obligation bonds are direct obligations of the Town for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the Town.

Note 3 - Detailed Notes on All Funds (Continued)

Retirement Incentives and Other Pension Obligations

The State Legislature enacted Chapter 57 of the Laws of 2010. This chapter authorized local governments, at their option, to amortize a portion of their ERS contributions beginning in 2010. The maximum amortization amount each year going forward will be determined by the difference between each employer's effective contribution rate as compared to the System's overall graded rate. The amortized amounts are to be paid in equal annual installments over a ten year period, although amounts may be prepaid at any time. Interest will be charged at rates which approximate a market rate of return on taxable fixed rate securities of a comparable duration and will be adjusted annually.

	Original Amount Amortized	Current Year Payments	Balance Due	Due Within One Year
Primary Government				
2011 ERS	\$ 329,537	\$ 42,677	\$ 40,644	\$ 40,644
2012 ERS	1,067,724	130,008	246,087	120,780
2013 ERS	1,995,134	233,891	661,586	214,043
2014 ERS	2,434,717	295,267	1,080,180	255,625
2015 ERS	1,496,908	176,828	806,370	151,429
2016 ERS	845,730	100,211	539,103	82,906
	<u>\$ 8,169,750</u>	<u>\$ 978,882</u>	<u>\$ 3,373,970</u>	<u>\$ 865,427</u>
Non-Major Component Units				
2011 ERS	\$ 630	\$ 82	\$ 78	\$ 78
2012 ERS	1,955	238	451	221
2013 ERS	3,706	434	1,229	398
2014 ERS	4,414	535	1,958	463
2015 ERS	596	70	323	60
	<u>\$ 11,301</u>	<u>\$ 1,359</u>	<u>\$ 4,039</u>	<u>\$ 1,220</u>

Compensated Absences

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

Estimated vacation, sick leave and compensatory absences accumulated by Town employees have been recorded in the statement of net position. Payment of vacation time and sick leave is dependent upon many factors; therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payments of vacation, sick leave and compensatory absences when such payments become due.

As of December 31, 2019, the value of the accumulated vacation and sick leave was \$4,443,297 for the Town. The liability for compensated absences for the nonmajor component units amounted to \$12,481,638.

Note 3 - Detailed Notes on All Funds (Continued)

Claims and Judgments Payable

The government-wide financial statements reflects general and workers' compensation liabilities which are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported (IBNR's). The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed on both actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience.

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 workers' compensation and general liability, and includes an estimate of claims that have been incurred but not yet reported.

	<u>Workers'</u> <u>Compensation</u>	<u>General</u> <u>Liability</u>
Balance - Beginning of Year	\$ 3,183,751	\$ 2,381,015
Provision for Claims and Claims Adjustment Expenses	1,169,147	637,170
Claims and Claims Adjustments Expenses Paid	<u>(1,371,755)</u>	<u>(73,828)</u>
Balance - End of Year	<u>\$ 2,981,143</u>	<u>\$ 2,944,357</u>
Current Portion	<u>\$ 298,000</u>	<u>\$ 294,000</u>

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 are 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 \$930,000 per year. Accordingly, as of December 31, 2019, the Town has recorded a liability of \$10,970,021 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.

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
 December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Pension Plans

New York State and Local Retirement System

The Town participates in the New York State and Local Employees' Retirement System ("ERS"). This is a cost-sharing, multiple-employer defined benefit pension plan. ERS provides retirement benefits as well as death and disability benefits. The net position of the ERS is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Town also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The ERS is noncontributory except for employees who joined after July 2, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. Contribution rates for the plan's year ending in 2019 are as follows:

<u>Tier/Plan</u>	<u>Rate</u>
1 75I	21.6 %
2 75I	19.6
3 A14	15.8
4 A15	15.8
5 A15	13.0
6 A15	9.3

At December 31, 2019, the Town reported the following for its proportionate share of the net pension liability for ERS:

	<u>Town</u>
Measurement date	March 31, 2019
Net pension liability	7,452,541
Town's proportion of the net pension liability	0.1051830%
Change in proportion since the prior measurement date	(0.0031539%)

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

The net pension liability was measured as of March 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the date. The Town's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members.

For the year ended December 31, 2019, the Town recognized pension expense in the government-wide financial statements of \$5,465,844. Pension expenditures of \$4,356,355 were recorded in the fund financial statements and were charged to the following funds:

General	\$ 2,383,486
Highway	910,490
Solid Waste Management Authority	98,360
Part Town	749,345
Lighting District	5,594
Park Districts	49,397
Sidewalk District	113,049
Public Parking District	<u>46,634</u>
Total Primary Government	<u>\$ 4,356,355</u>

At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to the ERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,467,561	\$ 500,276
Changes of assumptions	1,873,265	-
Net difference between projected and actual earnings on pension plan investments	-	1,912,734
Changes in proportion and differences between Town contributions and proportionate share of contributions	902,432	216,380
Town contributions subsequent to the measurement date	<u>3,063,349</u>	<u>-</u>
	<u>\$ 7,306,607</u>	<u>\$ 2,629,390</u>

\$3,063,349 reported as deferred outflows of resources related to the ERS resulted from the Town's contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended March 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the ERS will be recognized in pension expense as follows:

<u>Year Ended March 31,</u>	
2020	\$ 1,855,049
2021	(1,269,364)
2022	(18,097)
2023	1,046,280

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

The total pension liability for the ERS measurement date was determined by using an actuarial valuation as noted below, with update procedures used to roll forward the total pension liability to that measurement date. Significant actuarial assumptions used in the valuation were as follows:

Measurement date	March 31, 2019
Actuarial valuation date	April 1, 2018
Investment rate of return	7.0%*
Salary scale	4.2%
Inflation rate	2.5%
Cost of living adjustments	1.3% annually

*Compounded annually, net of pension plan investment expenses, including inflation.

Annuitant mortality rates are based on the system's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014.

The actuarial assumptions used in the April 1, 2017 valuation are based on the results of an actuarial experience study of the period April 1, 2010 - March 31, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation is summarized in the following table.

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	36 %	4.55 %
International Equity	14	6.35
Private Equity	10	7.50
Real Estate	10	5.55
Absolute Return Strategies	2	3.75
Opportunistic Portfolio	3	5.68
Real Assets	3	5.29
Bonds and Mortgages	17	1.31
Cash	1	(0.25)
Inflation Indexed Bonds	4	1.25
	100 %	

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

The real rate of return is net of the long-term inflation assumption of 2.50%.

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the ERS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Primary Government's proportionate share of the ERS net pension liability (asset)	<u>\$ 32,583,700</u>	<u>\$ 7,452,541</u>	<u>\$ 13,002,869</u>

The components of the current year net pension liability of the ERS as of March 31, 2019, were as follows:

Total pension liability	\$ 189,803,429,000
Fiduciary net position	<u>182,718,124,000</u>
Employers' net pension liability	<u>\$ 7,085,305,000</u>
Fiduciary net position as a percentage of total pension liability	<u>96.27%</u>

Employer contributions to ERS are paid annually and cover the period through the end of ERS's fiscal year, which is March 31st. Accrued retirement contributions as of December 31, 2019 represent the projected employer contribution for the period of April 1, 2019 through December 31, 2019 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS for the nine month ended December 31, 2019 were \$3,063,349.

Fire Protection Length of Service Awards Program ("LOSAP") Liabilities

The Town's financial statements are for the year ended December 31, 2019. However, the information contained in this note is based on information for the LOSAP's for the plan years ending on various dates (see Table No. 1), which are the most recent plan years for which complete information is available.

Note 3 - Detailed Notes on All Funds (Continued)

Program Description

The Town, along with the respective Fire Companies and other municipalities, as required, sponsor six Volunteer Firefighters Length of Service Award Programs ("the Plans"): Albertson Hook & Ladder Engine & Hose Company No. 1 ("Albertson"), Alert Engine, Hook and Ladder and Hose Company No. 1 ("Alert"), Floral Park Centre Fire Company, Inc. ("Floral Park Centre"), Glenwood Hook and Ladder, Engine and Hose Company ("Glenwood"), Port Washington Fire Department, Inc. ("Port Washington") and Roslyn Volunteer Firefighter Service Awards Program ("Roslyn"). The programs are defined benefit plans and were established pursuant to Article 11 A of the New York State General Municipal Law. The programs took effect on various dates (see Table No. 1). The Plans established a defined benefit LOSAP for the active volunteer firefighters of the respective fire companies. The programs provide municipal funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters. Four of the programs, Alert, Glenwood, Port Washington and Roslyn, have multiple sponsors.

Participation, Vesting, and Service Credit

Active volunteer firefighters, who have reached a specific age (as determined by each Plan - see Table No. 1) 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 - see Table No. 1).

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 - see Table No. 1) of firefighting service (called "Prior Service") rendered prior to the establishment of the Plan.

Benefits Provided

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 - see Table No. 1), 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 25 to 40 years (as determined by each Plan - see Table No. 1), including Prior Service credits. Except in the case of disability or death, benefits are payable when the participant has attained the entitlement age. The program provides statutorily mandated death and disability benefits. (See Table No. 1).

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Table No. 1 Program Description

	<u>Albertson</u>	<u>Alert</u>	<u>Floral Park Centre</u>
Plan year end date	12/31/2018	12/31/2018	12/31/2018
Plan established by:	Town of North Hempstead	Town of North Hempstead; Villages of Great Neck, Kings Point and Saddle Rock (Joint Sponsoring Board)	Town of North Hempstead
Sponsored by:	Town of North Hempstead	Joint Sponsoring Board	Town of North Hempstead
Effective date of plan	1/1/1991	1/1/1996	7/1/1991
Entitlement Age	62	65	65
Nonforfeitable right to award after:	5 years	5 years	5 years
Prior service credit (up to):	5 years	5 years	5 years
Eligible age	17	17	18
Required years of service	One	One	One
Benefits:			
Monthly payment	\$20-\$30	\$20	\$20
Maximum years used to calculate	40 years	40 years	25 years
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	No	No	No
	<u>Glenwood</u>	<u>Port Washington</u>	<u>Roslyn</u>
Plan year end date	12/31/2018	12/31/2018	12/31/2018
Plan established by:	Towns of North Hempstead and Oyster Bay, Villages of Brookville and Roslyn Harbor	Town of North Hempstead, Villages of Baxter Estates, Flower Hill, Manorhaven, Plandome Manor, Port Washington North and Sands Point	Towns of North Hempstead and Oyster Bay; Villages of Brookville, East Hills, Flower Hill, North Hills, Old Westbury, Roslyn, Roslyn Estates and Roslyn Harbor
Sponsored by:	Glenwood H&L E&H Company	Joint Sponsoring Board	Joint Sponsoring Board
Effective date of plan	4/1/1990	1/1/1993	1/1/1996
Entitlement Age	55	65	62
Nonforfeitable right to award after:	5 years	5 years	5 years
Prior service credit (up to):	5 years	5 years	5 years
Eligible age	18	18	18
Required years of service	One	One	One
Benefits:			
Monthly payment	\$20	\$20	\$20
Maximum years used to calculate	37 years	40 years	30 years
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	No	No	No

Note: The Albertson and Floral Park Centre LOSAPs were established and supported 100% by the Town of North Hempstead. All the other LOSAPs involve multiple municipalities and the costs are shared among them.

Participants Covered by the Benefit Terms

	<u>Albertson</u>	<u>Floral Park Centre</u>
Inactive participants currently receiving benefits	21	3
Inactive participants entitled to, but not yet receiving benefits	17	4
Active participants	44	24
Total	<u>82</u>	<u>31</u>

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

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 to assist in the administration of the program (see Table No. 2). The designated program administrator's functions include duties outlined in the service agreements. Disbursements of program assets for the payment of benefits or administrative expenditures are approved by a representative of the Fire Company, the Plans Joint Sponsoring Board, or the Plan Administrator (as determined by each Plan).

Program assets are required to be held in trust by LOSAP legislation, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenditures of the operation and administration of the program. Any payments under the programs shall be made from the general assets of the sponsors which general assets are subject to the claims of the creditors of the sponsor. There are no assets accumulated in a trust that meet the criteria in GASB Statement No. 73. As such, the trust assets may not be offset against the LOSAP liability. Some Plans have designated trustees (see Table No. 2).

Authority to invest program assets is vested in the sponsor's name. Subject to restrictions in the programs plan documents, program assets are currently invested in accordance with a statutory "prudent person" rule.

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 No. 2 for report dates).

Table No. 2 Fiduciary Information

	<u>Albertson</u>	<u>Alert</u>	<u>Floral Park Centre</u>
Administered by the actuary:	Penflex, Inc.	Penflex, Inc.	Penflex, Inc.
Disbursements approved by:	Town of North Hempstead	Joint Sponsoring Board	Town of North Hempstead
Plan Trustee	Town of North Hempstead	Joint Sponsoring Board	Town of North Hempstead
Authority to invest assets	RBC Wealth Management	RBC Wealth Management	RBC Wealth Management
Valuation date	1/1/2019	1/1/2019	1/1/2019
Actuary report date	8/7/2019	7/9/2019	8/8/2019
	<u>Glenwood</u>	<u>Port Washington</u>	<u>Roslyn</u>
Administered by the actuary:	VFIS	Penflex, Inc.	Penflex, Inc.
Disbursements approved by:	Fire Company's Board	Joint Sponsoring Board	Joint Sponsoring Board
Plan Trustee	Joint Sponsoring Board	Joint Sponsoring Board	Joint Sponsoring Board
Authority to invest assets	MassMutual Financial Group	Castle Asset Management LLC	FCE Group
Valuation date	1/1/2018	1/1/2019	1/1/2019
Actuary report date	11/15/2019	7/17/2019	9/12/2019

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Program Liabilities, Program Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Program

At December 31, 2019, the Town reported a liability of \$11,787,661 for its proportionate share of the length of service award program liability. The length of service award program liability was measured as of December 31, 2018 for all plans except Glenwood, which was measured as of January 1, 2018. The Town's proportion of the length of service award program liability was based on a projection of the Town's share of contributions to the programs.

The following table shows the schedule of changes in the program liability for the year ended December 31, 2019 for the two LOSAP plans where the Town is the sole sponsor:

	<u>Albertson</u>	<u>Floral Park Centre</u>
Program Liability - Beginning of year	\$ 4,075,715	\$ 929,354
Service cost	115,276	22,143
Interest	130,620	29,881
Difference between expected and actual experience	48,397	19,715
Change in assumptions	(276,021)	(64,808)
Benefit payments	<u>(114,910)</u>	<u>(11,760)</u>
Program Liability - End of year	<u>\$ 3,979,077</u>	<u>\$ 924,525</u>

The Town's proportionate share of the total pension liability, the basis on which its proportion was determined and the changes in its proportionate share since the prior measurement date is as follows:

	<u>Albertson</u>	<u>Floral Park</u>	<u>Alert</u>	<u>Glenwood</u>	<u>Port Washington</u>	<u>Roslyn</u>
Town's proportionate share of the total pension liability at December 31, 2018	100.00%	100.00%	6.11%	19.60%	47.08%	21.63%
Town's proportionate share of the total pension liability at December 31, 2017	100.00%	100.00%	6.27%	19.60%	47.08%	21.68%
Change in proportionate share	0.00%	0.00%	-0.16%	0.00%	0.00%	(0.05%)
Basis on which proportion was determined	100% Town	100% Town	cost sharing agreement	cost sharing agreement	cost sharing agreement	cost sharing agreement

For the year ended December 31, 2019, the Town recognized pension expense of \$474,593 in the statement of activities. At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to the program from the following sources:

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Deferred Outflows of Resources

	<u>Albertson</u>	<u>Alert</u>	<u>Floral Park Centre</u>	<u>Glenwood</u>	<u>Port Washington</u>	<u>Roslyn</u>	<u>Totals</u>
Differences between expected and actual experience	\$ 85,466	\$ -	\$ 21,481	\$ 45,613	\$ -	\$ 24,683	\$ 177,243
Changes of assumptions or other inputs	241,642	16,155	62,008	454,506	309,958	105,134	1,189,403
Changes in proportion and difference between Town pension payments and proportionate share of benefit payments	-	-	-	-	74,378	13,587	87,965
Benefit payments and administrative expenses subsequent to the measurement date	163,665	12,500	23,214	-	99,476	47,371	346,226
Total	\$ 490,773	\$ 28,655	\$ 106,703	\$ 500,119	\$ 483,812	\$ 190,775	\$ 1,800,837

Deferred Inflows of Resources

	<u>Albertson</u>	<u>Alert</u>	<u>Floral Park Centre</u>	<u>Glenwood</u>	<u>Port Washington</u>	<u>Roslyn</u>	<u>Totals</u>
Differences between expected and actual experience	\$ -	\$ 10,648	\$ 14,987	\$ 89,961	\$ 81,757	\$ -	\$ 197,353
Changes of assumptions or other inputs	443,742	28,752	112,534	-	552,188	187,415	1,324,631
Changes in proportion and difference between Town pension payments and proportionate share of benefit payments	-	6,892	-	-	-	-	6,892
Total	\$ 443,742	\$ 46,292	\$ 127,521	\$ 89,961	\$ 633,945	\$ 187,415	\$ 1,528,876

Deferred outflows of resources related to the program resulting from the Town's contribution subsequent to the measurement date in the amount of \$346,226 will be recognized as a reduction of the program liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the program will be recognized in program expense as follows:

<u>Years Ending December 31,</u>	<u>Albertson</u>	<u>Alert</u>	<u>Floral Park Centre</u>	<u>Glenwood</u>	<u>Port Washington</u>	<u>Roslyn</u>	<u>Totals</u>
2020	\$ (12,316)	\$ (3,586)	\$ (4,846)	\$ 123,089	\$ (16,455)	\$ (5,371)	\$ 80,515
2021	(12,316)	(3,586)	(4,846)	123,089	(16,455)	(5,371)	80,515
2022	(12,316)	(3,586)	(4,846)	123,090	(16,455)	(5,371)	80,516
2023	(12,316)	(3,586)	(4,846)	40,890	(16,455)	(5,371)	(1,684)
2024	(12,316)	(3,586)	(4,846)	-	(16,455)	(5,371)	(42,574)
Thereafter	(55,054)	(12,207)	(19,802)	-	(167,334)	(17,156)	(271,553)

Funding Methodology and Actuarial Assumptions

The actuarial valuation methodology used by the actuary to determine the sponsor's liability is listed in Table No. 4 below. The assumed rate of return on investment was determined by using the yield to maturity of the S&P Municipal Bond 20-Year High Grade Rate Index for all LOSAP Plans other than Glenwood. Glenwood's assumed rate of return on investment was determined by using the 20-year AA general obligation bond rate. Update procedures were used to roll forward the liability from the actuarial valuation date to the measurement date.

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

The assumptions used by the actuary to determine the sponsor's liability are:

Table No. 4 Methodology and Assumptions

	<u>Albertson</u>	<u>Alert</u>	<u>Floral Park Centre</u>
Actuarial valuation date	1/1/2019	1/1/2019	1/1/2019
Measurement date	1/1/2019	1/1/2019	1/1/2019
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Salary increases	Not Applicable	Not Applicable	Not Applicable
Inflation rate	2.25%	2.25%	2.25%
Mortality table used for withdrawals, retirements, active and inactive deaths:			
Pre-entitlement age	*	*	*
Post-entitlement age	*	*	*

*RP-2014 Male Mortality Table without projection for mortality improvement.

	<u>Glenwood</u>	<u>Port Washington</u>	<u>Roslyn</u>
Actuarial valuation date	1/1/2019	1/1/2019	1/1/2019
Measurement date	12/31/2019	1/1/2019	1/1/2019
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Salary increases	Not Applicable	Not Applicable	Not Applicable
Inflation rate	Not Applicable	2.25%	2.25%
Mortality table used for withdrawals, retirements, active and inactive deaths:			
Pre-entitlement age	*	*	*
Post-entitlement age	*	*	*

*RP-2014 Male Mortality Table without projection for mortality improvement.

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
 December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Sensitivity of the Proportionate Share of the Program Liability to the Discount Rate Assumption

The following presents the Town's proportionate share of the length of service award program liability calculated using the discount rate (investment rate of return) as listed in Table No. 4 above as well as what the Town's proportionate share of the program liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current assumption:

	<u>1%</u> <u>Decrease</u>	<u>Current</u> <u>Assumption</u>	<u>1%</u> <u>Increase</u>
Albertson			
Discount rates	2.64%	3.64%	4.64%
LOSAP liability	\$ 4,586,953	\$ 3,979,077	\$ 3,483,419
Alert			
Discount rates	2.64%	3.64%	4.64%
LOSAP liability	\$ 280,753	\$ 241,873	\$ 210,349
Floral Park Centre			
Discount rates	2.64%	3.64%	4.64%
LOSAP liability	\$ 1,066,948	\$ 924,525	\$ 807,467
Glenwood			
Discount rates	1.75%	2.75%	3.75%
LOSAP liability	\$ 1,502,594	\$ 1,403,913	\$ 1,303,021
Port Washington			
Discount rates	2.64%	3.64%	4.64%
LOSAP liability	\$ 4,581,875	\$ 3,879,176	\$ 3,314,699
Roslyn			
Discount rates	2.64%	3.64%	4.64%
LOSAP liability	\$ 1,609,969	\$ 1,359,097	\$ 1,161,640

Other Post Employment Benefit Obligations Payable

In addition to providing pension benefits, the Town provides certain health care benefits for retired employees through a single employer defined benefit OPEB plan. The collective bargaining agreement stipulates the employees covered and the percentage of contribution. Contributions by the Town may vary according to length of service. The cost of providing post employment health care benefits is shared between the Town and the retired employees as noted below. Substantially all of the Town's employees may become eligible for those benefits if they reach normal retirement age while working for the Town. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

Town of North Hempstead, New York

Notes to Financial Statements (Continued)

December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

At December 31, 2019, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	281
Surviving spouse currently receiving benefit payments	44
Active employees	<u>430</u>
	<u><u>755</u></u>

The Town's total OPEB liability of \$209,081,462 was measured as of December 31, 2019, and was determined by an actuarial valuation as of January 1, 2018.

The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	2.5%, average, including inflation
Discount rate	2.7%
Healthcare cost trend rates	6.25% for Pre-65 and 7.75% for Post-65 for 2019, decreasing at various rates to an ultimate rate of 5.0% for 2025 and later years
Retirees' share of benefit-related costs	Varies from 0% to 50%, depending on applicable retirement year and if they are a surviving spouse

The discount rate was based on a review of the yield derived from the 20 Year AA Municipal GO Bond Index, as of December 31, 2019, per Fidelity Investments.

Mortality rates were in accordance with the SOA RP-2014 Total Dataset. Mortality improvements are projected using SOA Scale MP-2014.

The actuarial assumptions used in the January 1, 2018 valuation were based on the experience of the New York State Employees Retirement System as outlined in AON's *New York State/SUNY – Development of Recommended Actuarial Assumptions for Other Post Employment Benefit Plans Actuarial Valuations – Participating Agency Version – December 2017* report for turnover and retirement.

The Town's change in the total OPEB liability for the year ended December 31, 2019 is as follows:

Total OPEB Liability - Beginning of Year	\$ 167,519,397
Service cost	6,763,407
Interest	6,113,873
Changes in assumptions or other inputs	33,243,929
Benefit payments	<u>(4,559,144)</u>
Total OPEB Liability - End of Year	<u><u>\$ 209,081,462</u></u>

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.7%) or 1 percentage point higher (3.7%) than the current discount rate:

	1% Decrease (1.7%)	Current Assumption (2.7%)	1% Increase (3.7%)
Total OPEB Liability	<u>\$ 252,230,304</u>	<u>\$ 209,081,462</u>	<u>\$ 175,837,533</u>

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (decreasing in various amounts to a trend rate of 4.0%) or 1 percentage point higher (decreasing in various amounts to a trend rate of 6.0%) than the current healthcare cost trend rates:

	1% Decrease (decreasing in various amounts to a trend rate of 4.0%)	Healthcare Cost Trend Rates (decreasing in various amounts to a trend rate of 5.0%)	1% Increase (decreasing in various amounts to a trend rate of 6.0%)
Total OPEB Liability	<u>\$ 169,726,814</u>	<u>\$ 209,081,462</u>	<u>\$ 262,239,344</u>

For the year ended December 31, 2019, the Town recognized OPEB expense of \$16,460,909 in the government-wide financial statements. At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ -
Changes of assumptions or other inputs	19,875,171
Changes in proportion and difference between Town pension payments and proportionate share of benefit payments	-
Benefit payments and administrative expenses subsequent to the measurement date	-
	<u>\$ 19,875,171</u>

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended	
<u>December 31,</u>	
2020	\$ 3,583,629
2021	3,583,629
2022	3,583,629
2023	3,583,629
2024	5,540,655

F. Revenues and Expenditures

Interfund Transfers

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without the equivalent flow of assets in return. The interfund transfers reflected below have been reflected as transfers:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 606,576	\$ 16,807,618
Highway Fund	951,426	6,399,040
Solid Waste Management Authority	325,000	-
Refuse and Garbage Districts	450,157	466,534
Debt Service Fund	23,595,111	1,067,559
Capital Projects Fund	1,587,209	-
Non-Major Governmental Funds	126,655	2,901,383
	<u>\$ 27,642,134</u>	<u>\$ 27,642,134</u>

Transfers are used to 1) move amounts earmarked in the operating funds to fulfill commitments for Capital Projects Fund expenditures and to move funds from the fund with collection authorization to the funds where additional amounts are needed and 2) to move amounts earmarked in the operating funds to fulfill commitments for Debt Service Fund expenditures.

G. Net Position

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Debt Service – the component of net position that reports the difference between assets and liabilities of the Debt Service Fund with constraints placed on their use by Local Finance Law.

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

H. Fund Balances

	General Fund	Highway Fund	Solid Waste Management Authority	Part Town Fund	Refuse and Garbage Districts	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable									
Prepaid expenditures	\$ 976,411	\$ 291,766	\$ 3,667	\$ 237,635	\$ -	\$ -	\$ -	\$ 70,145	\$ 1,579,624
Inventory	377,599	267,247	-	-	-	-	-	-	644,846
Total Nonspendable	1,354,010	559,013	3,667	237,635	-	-	-	70,145	2,224,470
Restricted									
Capital projects	-	-	-	-	-	-	35,549,116	-	35,549,116
Debt service	-	-	-	-	-	5,178,210	-	-	5,178,210
Length of service award program	-	-	-	-	-	-	-	7,502,869	7,502,869
Total Restricted	-	-	-	-	-	5,178,210	35,549,116	7,502,869	48,230,195
Assigned									
Subsequent year's expenditures	-	-	-	-	-	-	-	249,825	249,825
Capital projects	1,518,649	1,400,000	-	750,000	-	-	-	-	3,668,649
Workers' compensation	744,019	1,050,000	-	-	-	-	-	-	1,794,019
Insurance	1,162,834	100,000	-	200,000	-	-	-	-	1,462,834
Employee benefit accrued liability	400,000	475,000	-	325,000	-	-	-	-	1,200,000
Senior endowment	1,211,071	-	-	-	-	-	-	-	1,211,071
Major funds	-	6,514,798	620,660	8,451,006	-	-	-	-	15,586,464
Non-major funds	-	-	-	-	-	-	-	1,243,827	1,243,827
Fire protection	-	-	-	-	-	-	-	304,089	304,089
Lighting	-	-	-	-	-	-	-	763,649	763,649
Park	-	-	-	-	-	-	-	1,804,135	1,804,135
Sidewalk	-	-	-	-	-	-	-	433,119	433,119
Public parking	-	-	-	-	-	-	-	5,572	5,572
Water	-	-	-	-	-	-	-	-	-
Total Assigned	5,036,573	9,539,798	620,660	9,726,006	-	-	-	4,804,216	29,727,253
Unassigned									
Subsequent year's expenditures	-	-	-	-	25,000	-	-	-	25,000
Unassigned	10,914,844	-	-	-	(1,969,602)	-	-	-	8,945,242
Total Unassigned	10,914,844	-	-	-	(1,944,602)	-	-	-	8,970,242
Total Fund Balances	\$ 17,305,427	\$ 10,098,811	\$ 624,327	\$ 9,963,641	\$ (1,944,602)	\$ 5,178,210	\$ 35,549,116	\$ 12,377,230	\$ 89,152,160

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Certain elements of fund balance are described above. Those additional elements which are not reflected in the Statement of Net Position but are reported in the governmental funds balance sheet are described below.

Prepaid Expenditures has been established to account for certain payments made in advance. The amount is classified as nonspendable to indicate that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Inventories have been classified as nonspendable to indicate that a portion of fund balance is not "available" for expenditure because the asset is in the form of commodities and the City anticipates utilizing them in the normal course of operations.

Restricted for LOSAP represents funds set aside to be used for LOSAP pension benefits in accordance with Article 11-A and Article 11-AAA of the General Municipal Law of the State of New York.

Subsequent year's expenditures represent that at December 31, 2019, the Town Board has assigned the above amounts to be appropriated for the ensuing year's budget.

Assignment for capital projects has been established to set aside funds for capital projects.

Assignment for workers' compensation has been established to set aside funds for medical, hospital, or other similar expenditures.

Assignment for insurance has been established to set aside funds for certain uninsured losses, claims, actions, or judgments.

Assignment for employee benefit accrued liability has been established pursuant to General Municipal Law to provide funds for the payment of unused sick, holiday and vacation time.

Assignment for the senior endowment has been established to set aside funds to support the development of affordable senior housing within the Town.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted or assigned.

Note 4 - Summary Disclosure of Significant Contingencies

A. Cybersecurity

The Town, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the Town faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Town carries insurance with coverage for cyber incidents or attacks and invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage Town digital networks and systems and the costs of remedying any such damage could be substantial.

Note 4 - Summary Disclosure of Significant 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 provisions which could have a materially adverse impact on the financial condition of the Town. In addition, notices of claim have been filed with the Town. The allegations set forth in the claims relate to various circumstances including personal injury, property damage, civil rights violations, employment discrimination, breach of contract and administrative determinations by Town officials. The claims seek money damages.

Nassau County Cases

Garbage Taxes and Local Utilities

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

In February 2015, the Town paid \$1,550,174 to resolve the actions commenced by Verizon from 2003 through 2012. In April 2015 the Town issued notes in the amount of \$1,575,000 to fund the Town's settlement with Verizon. The Town obtained a judgment against the County for the refund plus interest, which the County appealed. In August 2015, the Town paid Keyspan \$1,118,125 to resolve the actions commenced by Keyspan and issued notes in the amount of \$1,120,000 to fund the Town's settlement with Keyspan. The Town obtained a judgment against the County for the refund, plus interest, which the County appealed. It was the Town's position, based on Appellate Division precedent, that all of these matters were covered by the County Guarantee requiring an eventual payment or reimbursement of any judgments by the County. The appeals were fully briefed and argued in the Appellate Division, Second Department, which issued its decision on February 6, 2019, affirming the judgment in the Town's favor. The County filed an appeal as of right with the Court of Appeals, which was dismissed by the Court for lack of a question of law that is appealable as of right. The County filed a motion with the Appellate Division, Second Department, for permission to appeal to the Court of Appeals. The County's motion was denied and the County then filed a motion with the Court of Appeals for permission to appeal. That motion was denied on February 18, 2020, ending the litigation. The Town, exclusive of nonmajor component units, has recorded a receivable from the County under the County Guarantee for \$3,303,416 within the government-wide statement of net position.

Long Island Power Authority Case

The Town is a defendant in an action relating to expenses incurred in repairing an underground Long Island Power Authority ("LIPA") line damaged by the Town during an excavation project. The Town engaged in the proper procedures, notifying One Call prior to the excavation, and LIPA and its agents came out and supposedly marked the locations of all of their lines prior to the Town undertaking the excavation. However, LIPA and its agent failed to mark out the damaged line. The complaint in the action seeks \$5,000,000 in damages and there is no excess coverage for this claim. The General Business Law applies to this claim. The Town moved to dismiss the complaint based upon such statute, which provides that if the utility does not diligently and accurately mark

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

out its lines, it cannot recover for the expenses of repair. The statute does not preclude common law claims, however, LIPA's failure to accurately mark out its own lines would seem to militate against, or on the basis of comparative negligence at least dramatically reduce, the success of such claim regardless of how it is made. The Town's motion to dismiss was denied. On appeal, LIPA's General Business Law claims were dismissed. The negligence claims against the Town remain. Because of the appeal, the action was marked stayed in 2011. Although the appeal was decided in December 2012, LIPA has not filed the necessary papers to restore the matter to the active calendar. LIPA, its agent and the Town have attended Court-sponsored mediation without resolution. The last mediation was in November 2014. In April 2019, co-defendant ELS filed motion to dismiss based on LIPA's failure to prosecute (over a year). LIPA cross-moved to restore the case to trial calendar. Co-defendant's motion to dismiss for failure to prosecute was granted. LIPA's cross-motion to restore was denied. The Court concluded that LIPA "failed to rebut the presumption of abandonment and ... failed to establish that the Defendant would not be prejudiced if the action was restored to the trial calendar."

This decision, by denying LIPA's motion to restore the matter to the trial calendar, is an effective "dismissal" of the case. LIPA filed an appeal in December 2019. LIPA recently (June 9th) wrote to say they will request a further 60 days to perfect the appeal. It is the opinion of the Town Attorney that any potential exposure of the Town will not approach \$5,000,000. The outcome of this litigation cannot be determined at this time, however, to be conservative, the Town has recorded a \$750,000 claim within the general liability claims payable on the government-wide statement of net position.

Nassau County Storm Water Pipe Case

In August 2015, Town officials became aware that a storm water pipe was blocked, causing flooding in the area of the railroad and Rushmore Street in New Cassel. Town employees discovered that the pipe was blocked by a mass of concrete near Rushmore Street where a concrete company operated. The Town subsequently determined that the pipe was owned by Nassau County. On September 4, 2015, the County sent the Town a letter asserting that the Town was responsible for the concrete in the pipe and claimed that the Town would be liable to the County for all restoration costs. Nassau County subsequently filed a complaint against the Town and area concrete companies asserting \$1.4 million in damages. The County's theory against the Town is that the Town failed in its responsibility under its MS4 storm water permit to prevent concrete from discharging into the storm water system.

The Town counterclaimed against the County and cross-claimed against the concrete companies for the Town's expenses and flood damage. The Town's theory against the County is that the County failed to maintain its storm water pipe as is its obligation under its MS4 storm water permit. The Town, the County and the concrete companies are in the early stages of litigation over these issues. A Temporary Restraining Order jointly obtained by the Town and the County against the concrete companies prohibiting discharge of concrete slurry into the storm water drain system has been lifted. Pleadings were amended to assert a continuing nuisance and continuing damages from any continued discharge into the storm water drains. Document discovery and depositions are ongoing. The County and Town have proposed (and are discussing) discontinuing the claims and counterclaims between Town and County which would leave only County and Town claims against Commercial Concrete and NY Ready Mix. A further discovery was scheduled for March 25, 2020. However due to the limitations imposed by the pandemic (Covid-19), depositions were halted in March 2020 and none are currently scheduled. The resolution and outcome of this litigation cannot

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

be determined at this time. As such, no amount for liability has been recorded in the Town's financial statements.

Glenwood Power Plant Case

In April 2018, National Grid sued the County, the Town, North Shore Central School District, and various special districts within the Town alleging that when the Glenwood Power Plant was demolished the plant remained overtaxed because of the adjusted and current base proportions used to divide tax levy between property classes in the 2014/15 through 2017/18 tax years. The claim against Town defendants is for monies had and received. In a February 14, 2019 decision, the court dismissed National Grid's claims against the school districts based on the County Guarantee. The County Guarantee also applies to the claims against the Town. The Town did not file a motion in that case. However, that decision is "law of the case" and also bars the claims against the Town. The County filed an appeal from that decision but recently (February, 2020) withdrew the appeal. During a May 2020 phone conference, counsel for the County and National Grid confirmed that they are negotiating a possible settlement. The Town defendants' position is that the claim is covered by the County guarantee and the Town has no refund liability. The resolution and outcome of this litigation cannot be determined at this time. As such, no amount for liability has been recorded in the Town's financial statements.

Clinton G. Martin Park

In 2017 the Town awarded a contract to Gramercy Group, Inc. for the renovation of the Clinton G. Martin Park, which included the renovation of the public swimming pool, with construction and renovation of other park facilities. The initial contract amount was \$20,731,000 and the project was to have been completed by April 24, 2018. Gramercy did not complete the project on time. Although the pool opened in June 2018, outstanding work remains to be completed and defective and non-compliant work remains to be remedied.

Following discussions among the Town, Gramercy and its performance bond surety, the Town began the process under to the terms of the contract to declare Gramercy in default, to terminate the contract and demand that the surety completes the project. Shortly before the Town Board meeting to approve the declaration of default, Gramercy filed for Chapter 11 bankruptcy protection. Gramercy has, in the bankruptcy proceeding, commenced an adversary proceeding against the Town, seeking to recover \$2.8 million it claims the Town is wrongfully withholding. The Town intends to vigorously assert defenses and to pursue affirmative counterclaims. The Town has filed a motion to dismiss for lack of jurisdiction, which has been fully briefed and awaiting a date for oral argument. Discovery is not stayed during the pendency of the motion and is ongoing. The resolution and outcome of this case cannot be determined at this time, as such the Town has maintained the retainage payable to the contractor in the corresponding capital project account.

Impact of Hurricane Sandy on the Town

As a result of Hurricane Sandy (the "Storm"), the Town sustained substantial damage to infrastructure and improved properties. Many Town roads had numerous large trees fall, destroying sidewalks and obstructing the right-of-ways, which were removed by Town workforce and outside contractors. Several Town Parks also incurred damage. The roof at the Department of Public Works Building (285 Denton Avenue, New Hyde Park) was damaged, as well as, the roof at Harbor

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

Hills Park. There was damage to various recreational facilities, due to flooding issues, especially Harbor Hills Park and North Hempstead Beach Park.

Since the Storm, the Town has been in contact with officials from the Federal and State governments and 90% of the expenditures associated with the foregoing has been largely reimbursed by Federal agencies while 10% has been reimbursed by Community Development Block Grant ("CDBG") Funds made available by the State.

On an ongoing basis the Town continues to review and undertake projects to restore areas that were damaged by the Storm and to increase the resiliency of the Town's infrastructure. Ultimately, the Town anticipates spending approximately \$65,000,000 on projects, much of which is expected to be reimbursed by State and Federal agencies. The Town believes that it has complied with all terms and conditions of the grants and therefore any disallowances will be immaterial. Accordingly, no amounts pertaining to potential reimbursements or disallowances have been accrued in the Town's financial statements.

Wrongful Deaths

Estate of Schneider vs. Hanasab, e al.

This wrongful death case resulted from a June 6, 2016 automobile accident. The deceased, while riding a motor scooter, was involved in an accident with a car. The deceased died as a result of injuries from that accident. The wife of the deceased sued on behalf of herself and the Estate, claiming that the Town was negligent in the placement of a stop sign and in the maintenance of nearby trees and shrubbery. The complaint alleged that the Town placed the stop sign at the wrong location and therefore caused the driver's view to be blocked by vegetation.

At a February 2020 trial, the jury found in favor of plaintiff. The jury awarded plaintiff \$2.7M in damages and apportioned 70% fault to the Town and 30% fault to the driver of the vehicle. No judgment has been entered at this time. During a June 3rd phone conference, plaintiff's counsel stated that he drafted a judgment and presented it to the County Clerk for entry, but because of the limitations imposed by the pandemic (Covid-19) that judgment has not yet been entered. Due to the limitations imposed by the pandemic, post-trial motions have not yet been filed. Post-trial motions are now scheduled to be filed in July 2020. When the proposed judgment is served, the Town will file a Notice of Appeal. By law, the Notice of Appeal will stay all attempts to enforce the judgment. The resolution and outcome of this litigation cannot be determined at this time. As such, no amount for liability has been recorded in the Town's financial statements.

Estate of Silva vs. Town

A Notice of Claim was received recently by the Town from the Estate of the deceased on July 8, 2020, asserting a claim for unspecified damages for wrongful death and conscious pain and suffering arising from an incident at the Solid Waste Management Authority Transfer Station on March 15, 2020. Due to the date of notice of this claim the Town Attorney has not at this date evaluated if there is any potential exposure of the Town and if so whether it would be covered by existing insurance coverage. Accordingly, no amount for liability has been recorded in the Town's financial statements.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

Other Litigation

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

In the opinion of the Town Attorney, other than the claims previously described, the resolution of such various cases and claims presently pending against the Town will not have an adverse material effect on the Town's financial position. Such matters are immaterial or adequately covered by existing insurance coverage. Accordingly, no amount for liability has been recorded in these Town's financial statements.

B. Risk Management

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 \$500,000, 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 for general liability to be \$2,944,357. 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 \$250,000 per loss. The Town carries building and contents coverage in excess of \$100,000,000. Flood and earthquake claims are covered up to \$10,000,000 for any one loss and a \$10,000,000 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 \$2,981,143. The Town is also self-insured for unemployment benefits paid.

C. Contingencies

The Town participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Single Audit Act. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town anticipates such amounts, if any, to be immaterial.

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

D. Authority

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

E. 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 2019, and expire between February 2020 and May 2029. Total rental expenditures on such leases for the year ended December 31, 2019 totaled \$456,420. The minimum future non-cancelable operating lease payments are as follows:

<u>Years Ending December 31,</u>	
2020	\$ 389,541
2021	321,845
2022	60,104
2023	17,535
2024	15,000
2025-2029	<u>65,000</u>
	<u>\$ 869,025</u>

Note 5 - Tax Abatements

The Town is subject to real property tax abatements granted by the Nassau County Industrial Development Agency ("NCIDA"), an entity created as a New York State public benefit corporation. The NCIDA was established by Code Section 922, which became Chapter 674 of the Laws of 1975. The NCIDA offers several abatement programs on certain qualified projects to promote, retain, attract and encourage sound commerce and industry base to prevent unemployment. At December 31, 2019, only the real property tax abatement program offered by NCIDA impacts the Town's revenues. Generally, a qualified project is an applicant submitted project which meets certain economic development criteria (such as job creation/retention) and which either (1) has been or will be financed by the issuance of NCIDA issued bonds, notes or other evidences of indebtedness with respect thereto, or (2) is a straight lease transaction which the NCIDA has determined to undertake pursuant to a lease policy. The NCIDA, based on the agreement and as a condition of providing assistance, may require that the benefiting company remit a Payment in Lieu of Taxes ("PILOT") payment to offset the amount of taxes abated. The NCIDA is authorized to enter into PILOT agreements per Real Property Tax Law, Section 412-a and General Municipal Law, Section 874. During the year ended December 31, 2019, the agreements the NCIDA ratified resulted in an abatement of \$3,767,968 of the Town's real property taxes and the receipt of \$1,459,025 in PILOT payments.

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 6 - Condensed Financial Statements for the Discretely Presented Non-Major Component Units

The following represents condensed financial statements for the discretely presented non-major component units as of, and for the year ended, December 31, 2019:

Condensed Statement of Net Position

	Assets & Deferred Outflows of Resources		Liabilities & Deferred Inflows of Resources		Net Position		
	Current,		Current,		Net Investment in Capital Assets	Restricted	Unrestricted
	Non-current and Deferred Outflows of Resources	Capital Assets Net of Depreciation	Non-current and Deferred Inflows of Resources	Bonds and Other Long-Term Liabilities			
Garbage Districts:							
Port Washington	\$ 2,050,772	\$ 24,750	\$ 360,194	\$ -	\$ 24,750	\$ -	\$ 1,690,578
Glenwood	62,060	-	4,955	-	-	-	57,105
Carle Place	480,674	-	46,862	-	-	-	433,812
Roslyn	679,831	-	62,430	1,104	-	-	616,297
Water Pollution Control Districts:							
Great Neck	13,101,673	75,484,025	7,008,762	64,535,915	20,706,498	6,035,185	(9,700,662)
Belgrave	7,215,005	12,814,017	1,788,580	12,664,375	7,463,627	3,144,292	(5,031,852)
Port Washington	11,271,817	30,129,774	8,420,628	24,869,924	15,390,148	156,774	(7,435,883)
Water Districts:							
Glenwood	757,693	479,197	186,253	142,429	479,197	170,697	258,314
Albertson	3,475,159	9,831,184	764,522	9,472,910	3,862,783	1,510,604	(2,304,476)
Garden City Park	10,509,510	20,631,596	1,621,528	21,079,294	9,574,547	5,954,092	(7,088,355)
Port Washington	8,263,947	23,433,127	2,231,736	30,946,732	7,747,127	528,416	(9,756,937)
Westbury	5,576,270	9,694,020	1,239,512	10,252,619	8,064,546	2,796,967	(7,083,354)
Roslyn	12,635,394	15,675,934	1,190,562	22,634,884	4,612,424	5,429,409	(5,555,951)
Carle Place	12,489,016	14,218,981	1,229,196	15,364,308	4,331,590	9,372,781	(3,589,878)
Manhasset - Lakeville	10,323,981	43,047,061	2,273,992	12,801,826	37,934,627	5,640,307	(5,279,710)
Park Districts:							
Manhasset	1,944,139	2,271,237	392,280	6,997,859	2,271,237	-	(5,446,000)
Great Neck	13,800,189	24,448,990	5,070,666	37,086,696	14,159,862	969,603	(19,037,648)
Other:							
Port Washington Police District	28,666,982	1,567,528	5,547,910	83,049,640	1,522,709	1,171,484	(61,057,233)
Shelter Rock Public Library District	3,129,887	5,213,414	596,020	6,187,837	3,007,645	227,608	(1,675,809)
Town of North Hempstead Community Development Agency	4,672,684	-	1,311,305	2,255,254	-	1,297,273	(191,148)
Town of North Hempstead Business and Tourism Development Corporation	167,369	-	22,000	-	-	27,010	118,359
Greater Port Washington Business Improvement District	204,550	78,081	11,624	22,547	44,704	24,940	178,816
	<u>\$ 151,478,602</u>	<u>\$ 289,042,916</u>	<u>\$ 41,381,517</u>	<u>\$ 360,366,153</u>	<u>\$ 141,198,021</u>	<u>\$ 44,457,442</u>	<u>\$ (146,881,615)</u>

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 6 - Condensed Financial Statements for the Discretely Presented Non-major 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	As Restated January 1, 2019	December 31, 2019
Garbage Districts:									
Port Washington	\$ 2,324,812	\$ -	\$ -	\$ 2,324,812	\$ 2,747,614	\$ 2,942	\$ 425,744	\$ 1,289,584	\$ 1,715,328
Glenwood	59,607	-	-	59,607	61,214	25	1,632	55,473	57,105
Carle Place	907,553	-	-	907,553	879,989	16,755	(10,809)	444,621	433,812
Roslyn	636,124	-	-	636,124	615,929	107,593	87,398	528,899	616,297
Water Pollution Control Districts:									
Great Neck	8,847,121	3,077,611	623,150	5,146,360	6,898,455	216,794	1,968,889	15,072,132	17,041,021
Belgrave	2,909,659	914,608	-	1,995,051	2,657,640	60,004	722,593	4,853,474	5,576,067
Port Washington	8,004,443	1,075,199	-	6,929,244	5,147,005	603,485	(1,178,754)	9,289,793	8,111,039
Other Districts:									
Glenwood	415,450	142,777	-	272,673	330,632	42,050	100,009	808,199	908,208
Albertson	2,763,032	1,473,825	-	1,289,207	1,675,485	179,054	565,332	2,503,579	3,068,911
Garden City Park	5,946,828	3,666,927	-	2,279,901	3,441,341	572,812	1,734,252	6,706,032	8,440,284
Port Washington	7,171,123	4,621,585	-	2,549,538	1,684,294	346,602	(518,642)	(962,752)	(1,481,394)
Westbury	5,350,280	1,648,689	-	3,701,591	3,195,082	446,296	(60,213)	3,838,372	3,778,159
Roslyn	5,150,512	2,825,451	-	2,325,061	2,684,791	211,786	571,516	3,914,366	4,485,882
Carle Place	3,497,048	854,210	-	2,642,838	2,745,580	573,020	675,762	9,438,731	10,114,493
Manhasset - Lakeville	8,500,028	6,190,631	-	2,309,397	3,430,687	714,895	1,836,185	36,459,039	38,295,224
Park Districts:									
Manhasset	2,013,513	825,447	-	1,188,066	744,689	46,686	(396,691)	(2,778,072)	(3,174,763)
Great Neck	20,216,879	5,081,721	-	15,135,158	11,994,125	957,662	(2,163,371)	(1,724,812)	(3,908,183)
Other:									
Port Washington Police District	25,667,548	12,953	107,259	25,547,336	21,040,759	2,901,183	(1,605,394)	(56,757,646)	(58,363,040)
Shelter Rock Public Library District	4,414,439	21,237	17,972	4,375,230	3,908,585	197,018	(269,627)	1,829,071	1,559,444
Community Development Agency	1,228,232	532,762	1,066,519	(371,049)	-	17,325	388,374	717,751	1,106,125
Town of North Hempstead Business and Tourism Development Corporation	65,816	-	-	65,816	-	19,024	(46,792)	192,161	145,369
Port Washington Business Improvement District	193,348	4,220	-	189,128	198,054	1,925	10,851	237,609	248,460
	\$ 116,283,395	\$ 32,969,853	\$ 1,814,900	\$ 81,498,642	\$ 76,081,950	\$ 8,234,936	\$ 2,818,244	\$ 35,955,604	\$ 38,773,848

Town of North Hempstead, New York

Notes to Financial Statements (Continued)

December 31, 2019

Note 6 - 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 E 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 Garden City 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 Road Pt. Washington, NY 11050	Roslyn Water District 24 West Shore Drive Roslyn, NY 11576
Westbury Water District 160 Drexel Avenue Westbury, NY 11590	Great Neck Park District 5 Beach Road Great Neck, NY 11023
Manhasset Park District 62 Manhasset Avenue Manhasset, NY 11030	Port Washington Police District 500 Pt. Washington Blvd. Pt. Washington, NY 11050
Shelter Rock Public Library District 165 Searingtown Road Albertson, NY 11507	Town of 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	Town of North Hempstead Business and Tourism Development Corporation 220 Plandome Road Manhasset, NY 11030

Town of North Hempstead, New York

Notes to Financial Statements (Concluded)
December 31, 2019

Note 7 - Subsequent Events

The Town, in March 2020, issued bond anticipation notes for various purposes in the amount of \$8,392,500 with an interest rate of 1.28% that will mature in March 2021.

Subsequent to year end, the COVID-19 pandemic has resulted in increased economic volatility on a global scale. As a result, the Town's economically sensitive revenues (e.g. sales taxes and federal aid) might be negatively impacted. None of these factors were taken into consideration in the development of the 2020 adopted budget. In addition, due to the uncertainty surrounding the disease's spread or its mitigation, management cannot reasonably estimate the actual impact on the Town's financial position at this time.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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Town of North Hempstead, New York

Required Supplementary Information - Schedule of Changes in the
Town's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years (1)

	2019	2018
Total OPEB Liability:		
Service cost	\$ 6,763,407	\$ 7,227,658
Interest	6,113,873	5,635,836
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions or other inputs	33,243,929 (4)	(11,742,155)
Benefit payments	<u>(4,559,144)</u>	<u>(4,384,851)</u>
Net Change in Total OPEB Liability	41,562,065	(3,263,512)
Total OPEB Liability - Beginning of Year	<u>167,519,397</u>	<u>170,782,909 (3)</u>
Total OPEB Liability - End of Year	<u>\$ 209,081,462</u>	<u>\$ 167,519,397</u>
Town's covered-employee payroll	<u>\$ 30,105,868</u>	<u>\$ 30,105,868</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>694.49%</u>	<u>556.43%</u>

Notes to Schedule:

(1) Data not available prior to fiscal year 2018 implementation of Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

(2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of this Statement to pay related benefits.

(3) Restated for the implementation of the provisions of GASB Statement No. 75.

(4) Assumption Changes - The discount rate was changed from 3.7% to 2.7%.

See independent auditors' report.

Town of North Hempstead, New York

Required Supplementary Information
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (2)

Schedule of the Town's Proportionate Share of the Net Pension Liability (1)					
	2019	2018	2017	2016 (3)	2015
Town's proportion of the net pension liability	0.1051830%	0.1083369%	0.1097790%	0.1105340%	0.1093560%
Town's proportionate share of the net pension liability	\$ 7,452,541	\$ 3,496,515	\$ 10,315,083	\$ 17,741,027	\$ 3,693,060
Town's covered payroll	\$ 31,667,813	\$ 31,704,375	\$ 32,253,694	\$ 31,605,182	\$ 30,647,874
Town's proportionate share of the net pension liability as a percentage of its covered payroll	23.53%	11.03%	31.98%	56.13%	12.05%
Plan fiduciary net position as a percentage of the total pension liability	96.27%	98.24%	94.70%	90.70%	97.90%

Schedule of Contributions

	2019	2018	2017	2016	2015
Contractually required contribution	\$ 4,637,862	\$ 4,872,331	\$ 4,752,914	\$ 4,972,909	\$ 5,410,065
Contributions in relation to the contractually required contribution	(4,637,862)	(4,872,331)	(4,752,914)	(4,761,477)	(4,564,335)
Contribution excess	\$ -	\$ -	\$ -	\$ 211,432	\$ 845,730
Town's covered payroll	\$ 31,553,997	\$ 31,917,508	\$ 31,409,407	\$ 31,483,760	\$ 31,474,762
Contributions as a percentage of covered payroll	14.70%	15.27%	15.13%	15.12%	14.50%

(1) The amounts presented for each fiscal year were determined as of the March 31st measurement date within the current fiscal year.

(2) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".

(3) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

See independent auditors' report.

Town of North Hempstead, New York

Required Supplementary Information - Length of Service Awards Program
 Schedule of Changes in Total Pension Liability and Related Ratios
 Last Ten Fiscal Years (1)

Schedule of Changes in the Town's Total Pension Liability

	2019	2018	2017
Total Pension Liability:			
Service cost	\$ 137,419	\$ 131,706	\$ 159,047
Interest	160,501	167,662	150,892
Differences between expected and actual experience	68,112	29,415	11,419
Changes of assumptions or other inputs	(340,829)	374,520	(339,920)
Benefit payments	(126,670)	(171,392)	(129,173)
Net Change in Total Pension Liability	(101,467)	531,911	(147,735)
Total Pension Liability - Beginning of Year	5,005,069	4,473,158	4,620,893
Total Pension Liability - End of Year	\$ 4,903,602	\$ 5,005,069	\$ 4,473,158
Town's covered-employee payroll	N/A	N/A	N/A
Total pension liability as a percentage of covered-employee payroll	0.00%	0.00%	0.00%
Discount rate	3.64%	3.16%	3.71%

Notes to Schedule:

- (1) Data not available prior to fiscal year 2017 implementation of Governmental Accounting Standards Board Statement No. 73.
- (2) The information presented above are for the two length of service awards program plans where the Town is the sole sponsor.

See independent auditors' report.

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MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund constitutes the primary operating fund of the Town and is used to account for and report all financial resources not accounted for and reported in another fund.

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The major special revenue funds of the Town are as follows:

- **Highway Fund** - The Highway Fund is used to account for road and bridge maintenance and improvements as defined in the Highway Law of the State of New York.
- **Solid Waste Management Authority Fund** - The Solid Waste Management Authority Fund is a public benefit corporation created in 1984, use to account for solid waste management services for the benefit of the Town.
- **Part Town Fund** - The Part Town Fund is used to account for transactions which by statute affect only those areas outside the boundaries of the villages located within the Town.
- **Refuse and Garbage Districts Fund** - The Refuse and Garbage Districts Fund is used to account for the operation and maintenance of the Town's refuse and garbage districts.

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Town of North Hempstead, New York

General Fund
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 24,976,417	\$ 24,976,417	\$ 25,031,636	\$ 55,219
Other tax items	2,166,534	2,166,534	2,287,256	120,722
Non-property tax items	14,393,000	14,393,000	14,602,001	209,001
Departmental income	9,161,800	9,180,435	8,647,895	(532,540)
Use of money and property	350,000	350,000	548,318	198,318
Licenses and permits	281,300	281,300	238,656	(42,644)
Fines and forfeitures	30,000	30,000	30,000	-
Sale of property and compensation for loss	15,000	26,064	27,324	1,260
Interfund revenues	6,785,337	6,785,337	6,800,687	15,350
State aid	8,379,996	8,494,496	8,406,696	(87,800)
Federal aid	400,000	414,006	177,591	(236,415)
Miscellaneous	1,129,063	1,196,223	1,136,685	(59,538)
Total Revenues	68,068,447	68,293,812	67,934,745	(359,067)
EXPENDITURES				
Current				
General government support	15,499,370	15,251,830	14,546,240	705,590
Education	2,000,000	2,102,251	2,102,250	1
Public safety	1,416,996	1,461,909	1,461,892	17
Transportation	-	16,895	16,894	1
Economic opportunity and development	2,607,374	2,660,819	2,506,280	154,539
Culture and recreation	17,950,939	18,032,720	17,358,237	674,483
Home and community services	1,387,653	1,387,653	1,315,416	72,237
Employee benefits	11,996,458	11,203,161	11,079,890	123,271
Total Expenditures	52,858,790	52,117,238	50,387,099	1,730,139
Excess of Revenues Over Expenditures	15,209,657	16,176,574	17,547,646	1,371,072
OTHER FINANCING SOURCES (USES)				
Sale of property	-	-	90,000	90,000
Transfers in	606,575	606,575	606,576	1
Transfers out	(15,816,232)	(16,809,149)	(16,807,618)	1,531
Total Other Financing Uses	(15,209,657)	(16,202,574)	(16,111,042)	91,532
Net Change in Fund Balance	-	(26,000)	1,436,604	1,462,604
FUND BALANCE				
Beginning of Year	-	26,000	15,868,823	15,842,823
End of Year	\$ -	\$ -	\$ 17,305,427	\$ 17,305,427

See independent auditors' report.

Town of North Hempstead, New York

General Fund
 Schedule of Revenues and Other Financing Sources Compared to Budget
 Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REAL PROPERTY TAXES	\$ 24,976,417	\$ 24,976,417	\$ 25,031,636	\$ 55,219
OTHER TAX ITEMS				
Interest and penalties on real property taxes	1,136,398	1,136,398	1,224,546	88,148
Payments in lieu of taxes	1,022,136	1,022,136	1,053,730	31,594
Returned check charge: property tax	8,000	8,000	8,980	980
	<u>2,166,534</u>	<u>2,166,534</u>	<u>2,287,256</u>	<u>120,722</u>
NON-PROPERTY TAX ITEMS				
Nassau County local government assistance	12,193,000	12,193,000	12,391,434	198,434
Franchise fees	2,200,000	2,200,000	2,210,567	10,567
	<u>14,393,000</u>	<u>14,393,000</u>	<u>14,602,001</u>	<u>209,001</u>
DEPARTMENTAL INCOME				
Comptroller's fees	7,000	7,000	6,705	(295)
Town clerk fees	45,000	45,000	60,125	15,125
Other general departmental income	12,800	12,800	9,270	(3,530)
Parking enforcement - disables surcharge	1,000	1,000	-	(1,000)
Public pound charge dog fees	10,000	10,000	8,430	(1,570)
Other public safety departmental income	50,000	50,000	38,180	(11,820)
Parks and recreation charges	2,400,000	2,400,000	2,304,654	(95,346)
Dock storage leases	45,000	45,000	83,344	38,344
Recreational concessions	11,000	11,000	18,028	7,028
Special recreational facility charges	6,555,000	6,555,000	6,102,334	(452,666)
Other culture and recreation	25,000	43,635	16,825	(26,810)
	<u>9,161,800</u>	<u>9,180,435</u>	<u>8,647,895</u>	<u>(532,540)</u>
USE OF MONEY AND PROPERTY				
Earnings on investments	200,000	200,000	356,156	156,156
Rental of real property	150,000	150,000	192,162	42,162
	<u>350,000</u>	<u>350,000</u>	<u>548,318</u>	<u>198,318</u>
LICENSES AND PERMITS				
Games of chance	300	300	230	(70)
Bingo licenses	1,000	1,000	-	(1,000)
Dog license fund apportionment	30,000	30,000	19,405	(10,595)
Licensing fees	50,000	50,000	42,020	(7,980)
Town permits	200,000	200,000	177,001	(22,999)
	<u>281,300</u>	<u>281,300</u>	<u>238,656</u>	<u>(42,644)</u>

(Continued)

Town of North Hempstead, New York

General Fund
 Schedule of Revenues and Other Financing Sources Compared to Budget (Continued)
 Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
FINES AND FORFEITURES				
Fines and forfeited bail	\$ 30,000	\$ 30,000	\$ 30,000	\$ -
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Sale of equipment	15,000	15,000	13,861	(1,139)
Insurance recoveries	-	11,064	13,463	2,399
	<u>15,000</u>	<u>26,064</u>	<u>27,324</u>	<u>1,260</u>
INTERFUND REVENUES				
	<u>6,785,337</u>	<u>6,785,337</u>	<u>6,800,687</u>	<u>15,350</u>
STATE AID				
Mortgage tax	8,100,000	8,100,000	8,161,165	61,165
Youth program	77,406	77,406	49,286	(28,120)
Recreation for disabled	25,000	25,000	28,120	3,120
Environmental conservation	170,090	205,090	32,414	(172,676)
Other home and community service	7,500	87,000	135,711	48,711
	<u>8,379,996</u>	<u>8,494,496</u>	<u>8,406,696</u>	<u>(87,800)</u>
FEDERAL AID				
Programs for the aging	400,000	400,000	419,650	19,650
Emergency disaster assistance	-	-	(273,765)	(273,765)
Other	-	14,006	31,706	17,700
	<u>400,000</u>	<u>414,006</u>	<u>177,591</u>	<u>(236,415)</u>
MISCELLANEOUS				
Reimbursement of Medicare Part D	25,000	25,000	4,267	(20,733)
Refund of prior year expenditures	-	1,100	50,750	49,650
AIM related payments	1,023,567	1,023,567	1,023,565	(2)
Gifts and donations	50,000	116,060	59,864	(56,196)
Unclassified	30,496	30,496	(1,761)	(32,257)
	<u>1,129,063</u>	<u>1,196,223</u>	<u>1,136,685</u>	<u>(59,538)</u>
TOTAL REVENUES	<u>68,068,447</u>	<u>68,293,812</u>	<u>67,934,745</u>	<u>(359,067)</u>
OTHER FINANCING SOURCES				
Sale of property	-	-	90,000	90,000
Transfers in	606,575	606,575	606,576	1
TOTAL OTHER FINANCING SOURCES	<u>606,575</u>	<u>606,575</u>	<u>696,576</u>	<u>90,001</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 68,675,022</u>	<u>\$ 68,900,387</u>	<u>\$ 68,631,321</u>	<u>\$ (269,066)</u>

See independent auditors' report.

Town of North Hempstead, New York

General Fund
 Schedule of Expenditures and Other Financing Uses Compared to Budget
 Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
GENERAL GOVERNMENT SUPPORT				
Town Board	\$ 826,177	\$ 826,177	\$ 778,881	\$ 47,296
Supervisor	794,364	756,994	674,421	82,573
Finance	231,720	182,844	68,330	114,514
Comptroller	1,592,396	1,507,405	1,415,260	92,145
Receiver of Taxes	1,261,787	1,251,774	1,230,534	21,240
Purchasing	209,843	218,164	209,332	8,832
Credit card fees	119,190	134,561	133,663	898
Fiscal agent fees	35,000	7,330	7,330	-
Town clerk	721,085	727,123	726,612	511
Town attorney	1,382,720	1,556,042	1,556,039	3
Human resources	452,547	473,451	473,450	1
Engineering	332,753	351,861	342,632	9,229
Records management	247,145	247,145	174,381	72,764
Call center	542,368	542,368	521,125	21,243
Public information	632,968	706,430	672,084	34,346
Public works	538,183	529,088	529,086	2
General services	1,393,563	1,406,692	1,335,459	71,233
Community center	68,441	63,441	51,302	12,139
Central printing and mail	513,091	502,418	454,694	47,724
Technology services	1,861,441	1,861,441	1,806,807	54,634
Unallocated insurance	435,500	431,831	431,770	61
Other general government support	1,307,088	967,250	953,048	14,202
	<u>15,499,370</u>	<u>15,251,830</u>	<u>14,546,240</u>	<u>705,590</u>
EDUCATION				
Community college	<u>2,000,000</u>	<u>2,102,251</u>	<u>2,102,250</u>	<u>1</u>
PUBLIC SAFETY				
Administration	246,389	211,750	211,748	2
Animal shelter	657,233	725,342	725,336	6
Harbor patrol	362,830	354,282	354,276	6
Town dock	23,000	22,145	22,142	3
Emergency management services	127,544	148,390	148,390	-
	<u>1,416,996</u>	<u>1,461,909</u>	<u>1,461,892</u>	<u>17</u>
TRANSPORTATION				
Snow removal	<u>-</u>	<u>16,895</u>	<u>16,894</u>	<u>1</u>
ECONOMIC OPPORTUNITY AND DEVELOPMENT				
Community services	274,537	275,537	256,513	19,024
Programs for the aging	2,332,837	2,385,282	2,249,767	135,515
	<u>2,607,374</u>	<u>2,660,819</u>	<u>2,506,280</u>	<u>154,539</u>

(Continued)

Town of North Hempstead, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)

Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
CULTURE AND RECREATION				
Parks and recreation	\$ 1,335,976	\$ 1,389,496	\$ 1,389,489	\$ 7
Parks	8,440,973	8,518,306	8,308,690	209,616
Community center	1,211,065	1,270,353	1,246,782	23,571
Special recreation facilities	6,316,715	6,196,855	5,821,753	375,102
Youth activities	646,210	657,710	591,523	66,187
	<u>17,950,939</u>	<u>18,032,720</u>	<u>17,358,237</u>	<u>674,483</u>
HOME AND COMMUNITY SERVICES				
Environmental facilities	1,231,567	1,231,567	1,162,230	69,337
Housing authority	148,586	148,586	148,586	-
Emergency tenant protection act	7,500	7,500	4,600	2,900
	<u>1,387,653</u>	<u>1,387,653</u>	<u>1,315,416</u>	<u>72,237</u>
EMPLOYEE BENEFITS				
State retirement	3,212,672	2,906,703	2,906,702	1
Social security	1,614,714	1,520,109	1,520,109	-
Workers' compensation	425,000	421,339	341,607	79,732
Unemployment benefits	20,000	23,661	23,660	1
Disability benefits	1,000	1,000	-	1,000
Hospital, medical and dental	6,663,726	6,270,919	6,239,281	31,638
Other employee benefits	59,346	59,430	48,531	10,899
	<u>11,996,458</u>	<u>11,203,161</u>	<u>11,079,890</u>	<u>123,271</u>
TOTAL EXPENDITURES	<u>52,858,790</u>	<u>52,117,238</u>	<u>50,387,099</u>	<u>1,730,139</u>
OTHER FINANCING USES				
Transfers out	<u>15,816,232</u>	<u>16,809,149</u>	<u>16,807,618</u>	<u>1,531</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 68,675,022</u>	<u>\$ 68,926,387</u>	<u>\$ 67,194,717</u>	<u>\$ 1,731,670</u>

See independent auditors' report.

Town of North Hempstead, New York

Highway Fund
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
REAL PROPERTY TAXES	\$ 21,681,139	\$ 21,681,139	\$ 21,739,157	\$ 58,018
OTHER TAX ITEMS				
Special assessment	12,000	12,000	-	(12,000)
Payment in lieu of taxes	1,600,781	1,600,781	1,678,581	77,800
Interest and penalties on real property taxes	-	-	715	715
	<u>1,612,781</u>	<u>1,612,781</u>	<u>1,679,296</u>	<u>66,515</u>
DEPARTMENTAL INCOME				
Concession fees	-	-	142	142
INTERGOVERNMENTAL CHARGES				
Services for other governments	50,000	50,000	39,965	(10,035)
USE OF MONEY AND PROPERTY				
Interest and earnings	60,000	60,000	131,298	71,298
Rental of real property	65,000	65,000	56,293	(8,707)
	<u>125,000</u>	<u>125,000</u>	<u>187,591</u>	<u>62,591</u>
LICENSE AND PERMITS				
Permits - road restoration fee	900,000	900,000	572,903	(327,097)
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Recycling	-	-	507	507
Sale of equipment	30,000	30,000	74,169	44,169
Insurance recoveries	-	16,938	58,080	41,142
	<u>30,000</u>	<u>46,938</u>	<u>132,756</u>	<u>85,818</u>
INTERFUND REVENUES				
	-	-	129,212	129,212
STATE AID				
Consolidated highway aid	513,600	513,600	513,325	(275)
FEDERAL AID				
Emergency disaster assistance	-	-	(112,264)	(112,264)
MISCELLANEOUS				
Refund of prior year expenditures	-	-	37,666	37,666
Gifts and donations	-	13,456	13,456	-
Miscellaneous revenue	-	-	336	336
	<u>-</u>	<u>13,456</u>	<u>51,458</u>	<u>38,002</u>
Total Revenues	<u>24,912,520</u>	<u>24,942,914</u>	<u>24,933,541</u>	<u>(9,373)</u>

Town of North Hempstead, New York

Highway Fund
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual (Continued)
 Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES				
GENERAL GOVERNMENT SUPPORT				
Unallocated insurance	\$ 125,000	\$ 133,200	\$ 133,185	\$ 15
Other	2,683,755	2,683,653	2,427,663	255,990
	<u>2,808,755</u>	<u>2,816,853</u>	<u>2,560,848</u>	<u>256,005</u>
TRANSPORTATION				
Administration	3,185,179	3,131,497	2,749,376	382,121
Garage	4,476,042	4,475,372	4,079,454	395,918
Snow removal	1,327,500	1,403,447	980,030	423,417
Services for other governments	1,095,736	1,082,981	984,394	98,587
Signs	655,371	668,827	619,139	49,688
Traffic safety	67,118	67,118	58,953	8,165
	<u>10,806,946</u>	<u>10,829,242</u>	<u>9,471,346</u>	<u>1,357,896</u>
EMPLOYEE BENEFITS				
State retirement	1,276,714	1,164,177	1,106,881	57,296
Social security	570,000	522,207	486,327	35,880
Workers' compensation	450,000	851,880	851,879	1
Unemployment benefits	20,000	20,000	3,247	16,753
Disability benefits	100	100	-	100
Hospital, medical and dental	3,505,917	3,264,340	3,260,395	3,945
Other employee benefits	26,474	26,501	18,393	8,108
	<u>5,849,205</u>	<u>5,849,205</u>	<u>5,727,122</u>	<u>122,083</u>
Total Expenditures	<u>19,464,906</u>	<u>19,495,300</u>	<u>17,759,316</u>	<u>1,735,984</u>
Excess of Revenues Over Expenditures	<u>5,447,614</u>	<u>5,447,614</u>	<u>7,174,225</u>	<u>1,726,611</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	951,426	951,426	951,426	-
Transfers out	(6,399,040)	(6,399,040)	(6,399,040)	-
Total Other Financing Uses	<u>(5,447,614)</u>	<u>(5,447,614)</u>	<u>(5,447,614)</u>	<u>-</u>
Net Change in Fund Balance	-	-	1,726,611	1,726,611
FUND BALANCE				
Beginning of Year	<u>-</u>	<u>-</u>	<u>8,372,200</u>	<u>8,372,200</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,098,811</u>	<u>\$ 10,098,811</u>

See independent auditors' report.

Town of North Hempstead, New York

Solid Waste Management Authority Fund
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
DEPARTMENTAL INCOME				
Solid waste disposal	\$ 15,157,189	\$ 15,157,189	\$ 14,618,996	\$ (538,193)
Other unclassified	150,000	150,000	127,830	(22,170)
	<u>15,307,189</u>	<u>15,307,189</u>	<u>14,746,826</u>	<u>(560,363)</u>
INTERGOVERNMENTAL CHARGES				
Services for other governments	1,300,860	1,300,860	1,300,859	(1)
USE OF MONEY AND PROPERTY				
Interest and earnings	-	-	2,964	2,964
Rental of real property	69,368	69,368	84,318	14,950
	<u>69,368</u>	<u>69,368</u>	<u>87,282</u>	<u>17,914</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Recycling	152,636	152,636	39,215	(113,421)
STATE AID				
Recycling	-	-	-	-
Environmental conservation	65,000	65,000	209,122	144,122
	<u>65,000</u>	<u>65,000</u>	<u>209,122</u>	<u>144,122</u>
MISCELLANEOUS				
Unclassified	-	-	7,288	7,288
Total Revenues	<u>16,895,053</u>	<u>16,895,053</u>	<u>16,390,592</u>	<u>(504,461)</u>

Town of North Hempstead, New York

Solid Waste Management Authority Fund
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual (Continued)
 Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES				
HOME AND COMMUNITY SERVICES				
Administration	\$ 861,802	\$ 1,044,062	\$ 925,279	\$ 118,783
Leachate	373,824	380,684	265,727	114,957
Transfer station	14,358,038	14,261,134	14,261,133	1
Scale house	253,982	190,193	183,418	6,775
Maintenance	315,280	337,280	297,693	39,587
Equipment	25,000	29,000	22,646	6,354
Recycling	324,200	227,000	193,224	33,776
Office of sustainability	-	42,773	42,772	1
	<u>16,512,126</u>	<u>16,512,126</u>	<u>16,191,892</u>	<u>320,234</u>
EMPLOYEE BENEFITS				
State retirement	166,983	166,983	143,003	23,980
Social security	82,050	82,050	71,061	10,989
Workers' compensation	15,000	15,000	12,579	2,421
Hospital, medical and dental	494,423	494,423	448,398	46,025
Other employee benefits	1,050	1,050	900	150
	<u>759,506</u>	<u>759,506</u>	<u>675,941</u>	<u>83,565</u>
Total Expenditures	<u>17,271,632</u>	<u>17,271,632</u>	<u>16,867,833</u>	<u>403,799</u>
Deficiency of Revenues Over Expenditures	<u>(376,579)</u>	<u>(376,579)</u>	<u>(477,241)</u>	<u>(100,662)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>325,000</u>	<u>325,000</u>	<u>325,000</u>	<u>-</u>
Net Change in Fund Balance	<u>(51,579)</u>	<u>(51,579)</u>	<u>(152,241)</u>	<u>(100,662)</u>
FUND BALANCE				
Beginning of Year	<u>51,579</u>	<u>51,579</u>	<u>776,568</u>	<u>724,989</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 624,327</u>	<u>\$ 624,327</u>

See independent auditors' report.

Town of North Hempstead, New York

Part Town Fund
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
REAL PROPERTY TAXES	\$ 5,206,431	\$ 5,206,431	\$ 5,206,441	\$ 10
OTHER TAX ITEMS				
Payment in lieu of taxes	419,546	419,546	439,937	20,391
Interest and penalties on real property taxes	-	-	187	187
	<u>419,546</u>	<u>419,546</u>	<u>440,124</u>	<u>20,578</u>
NON-PROPERTY TAXES				
Franchise fees	57,000	57,000	57,000	-
DEPARTMENTAL INCOME				
Parking enforcement	469,000	469,000	499,804	30,804
Registrar of vital statistics	375,000	375,000	267,540	(107,460)
Zoning board fees	215,000	215,000	270,073	55,073
	<u>1,059,000</u>	<u>1,059,000</u>	<u>1,037,417</u>	<u>(21,583)</u>
USE OF MONEY AND PROPERTY				
Interest and earnings	60,000	60,000	134,086	74,086
LICENSES AND PERMITS				
Building permits	4,375,000	4,375,000	5,798,682	1,423,682
FINES AND FORFEITURES				
Court fines	210,000	210,000	271,354	61,354
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Sale of equipment	-	-	2,361	2,361
FEDERAL AID				
Other	-	-	35	35
MISCELLANEOUS				
Refund of prior year expenditures	-	-	34,672	34,672
Miscellaneous revenue	-	-	223	223
	<u>-</u>	<u>-</u>	<u>34,895</u>	<u>34,895</u>
Total Revenues	<u>11,386,977</u>	<u>11,386,977</u>	<u>12,982,395</u>	<u>1,595,418</u>

Town of North Hempstead, New York

Part Town Fund
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual (Continued)
 Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES				
GENERAL GOVERNMENT SUPPORT				
Unallocated insurance	\$ 70,000	\$ 70,000	\$ 58,889	\$ 11,111
Other	1,848,107	1,848,107	1,699,995	148,112
	<u>1,918,107</u>	<u>1,918,107</u>	<u>1,758,884</u>	<u>159,223</u>
PUBLIC SAFETY				
Parking enforcement	301,232	318,067	318,062	5
Building	3,898,034	4,011,186	4,010,817	369
Code enforcement	518,398	476,044	453,755	22,289
Other public safety	65,333	65,333	65,333	-
	<u>4,782,997</u>	<u>4,870,630</u>	<u>4,847,967</u>	<u>22,663</u>
HEALTH				
Registrar of vital statistics	306,752	306,752	248,911	57,841
HOME AND COMMUNITY SERVICES				
Board of appeals	198,440	199,940	198,253	1,687
Planning and development - staff	792,860	835,856	835,852	4
Environmental facilities	72,822	53,845	53,845	-
	<u>1,064,122</u>	<u>1,089,641</u>	<u>1,087,950</u>	<u>1,691</u>
EMPLOYEE BENEFITS				
State retirement	976,066	976,066	916,388	59,678
Social security	476,000	476,000	440,139	35,861
Workers' compensation	125,000	125,000	106,688	18,312
Unemployment benefits	5,000	5,000	2,815	2,185
Disability benefits	200	200	-	200
Hospital, medical and dental	1,713,579	1,600,391	1,595,782	4,609
Other employee benefits	19,154	19,190	15,002	4,188
	<u>3,314,999</u>	<u>3,201,847</u>	<u>3,076,814</u>	<u>125,033</u>
Total Expenditures	<u>11,386,977</u>	<u>11,386,977</u>	<u>11,020,526</u>	<u>366,451</u>
Net Change in Fund Balance	-	-	1,961,869	1,961,869
FUND BALANCE				
Beginning of Year	<u>-</u>	<u>-</u>	<u>8,001,772</u>	<u>8,001,772</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,963,641</u>	<u>\$ 9,963,641</u>

See independent auditors' report.

Town of North Hempstead, New York

Refuse and Garbage Districts Fund
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
REAL PROPERTY TAXES	\$ 9,187,804	\$ 9,187,804	\$ 9,196,075	\$ 8,271
OTHER TAX ITEMS				
Payment in lieu of taxes	127,053	127,053	131,177	4,124
Interest and penalties on real property taxes	-	-	716	716
Other tax items	30,000	30,000	30,001	1
	<u>157,053</u>	<u>157,053</u>	<u>161,894</u>	<u>4,841</u>
USE OF MONEY AND PROPERTY				
Interest and earnings	4,636	4,636	22,880	18,244
Total Revenues	<u>9,349,493</u>	<u>9,349,493</u>	<u>9,380,849</u>	<u>31,356</u>
EXPENDITURES				
GENERAL GOVERNMENT SUPPORT				
Other	537,353	538,103	533,383	4,720
HOME AND COMMUNITY SERVICES				
Sanitation	8,876,716	8,875,966	8,657,012	218,954
Total Expenditures	<u>9,414,069</u>	<u>9,414,069</u>	<u>9,190,395</u>	<u>223,674</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(64,576)</u>	<u>(64,576)</u>	<u>190,454</u>	<u>255,030</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,329	4,329	450,157	445,828
Transfers out	(466,690)	(466,690)	(466,534)	156
Total Other Financing Uses	<u>(462,361)</u>	<u>(462,361)</u>	<u>(16,377)</u>	<u>445,984</u>
Net Change in Fund Balance	<u>(526,937)</u>	<u>(526,937)</u>	<u>174,077</u>	<u>701,014</u>
FUND BALANCE (DEFICIT)				
Beginning of Year	526,937	526,937	(2,118,679)	(2,645,616)
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,944,602)</u>	<u>\$ (1,944,602)</u>

See independent auditors' report.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL DISTRICT 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 which are administered by the Town Board as follows:

- **Fire Protection Districts Fund** – The Fire Protection Districts Fund is used to account for the operation and maintenance of the Town’s fire protection districts.
- **Lighting District Fund** - The Lighting District Fund is used to account for the operation and maintenance of the Town’s lighting district.
- **Park Districts Fund** – The Parks Districts Fund is used to account for the operation and maintenance of the Town’s parks districts.
- **Sidewalk District Fund** – The Sidewalk District Fund is used to account for the operation and maintenance of the Town’s sidewalk district.
- **Public Parking District Fund** – The Public Parking District Fund is used to account for the operation and maintenance of the Town’s public parking district.
- **Water District Fund** - The Water District Fund is used to account for the operation and maintenance of the Town’s water district.

Town of North Hempstead, New York

Combining Balance Sheet
 Non-Major Governmental Funds
 December 31, 2019

	Fire Protection Districts	Lighting District	Park Districts
ASSETS			
Cash and equivalents	\$ 1,337,774	\$ 544,300	\$ 1,178,195
Investments - LOSAP	7,502,869	-	-
Receivables			
Accounts	57,368	-	1,050
Due from other funds	-	-	210,340
	57,368	-	211,390
Prepaid expenditures	-	2,826	16,082
Total Assets	<u>\$ 8,898,011</u>	<u>\$ 547,126</u>	<u>\$ 1,405,667</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accrued liabilities	\$ 6,761	\$ 163,290	\$ 67,089
Deposits payable	-	-	318,507
Due to other funds	60,260	-	210,340
Unearned revenues	14,469	1,921	-
Total Liabilities	<u>81,490</u>	<u>165,211</u>	<u>595,936</u>
Fund balances			
Nonspendable	-	2,826	16,082
Restricted	7,502,869	-	-
Assigned	1,313,652	379,089	793,649
Total Fund Balances	<u>8,816,521</u>	<u>381,915</u>	<u>809,731</u>
Total Liabilities and Fund Balances	<u>\$ 8,898,011</u>	<u>\$ 547,126</u>	<u>\$ 1,405,667</u>

See independent auditors' report.

Sidewalk District	Public Parking District	Water District	Total Non-Major Governmental Funds
\$ 1,860,992	\$ 540,618	\$ 19,036	\$ 5,480,915
-	-	-	7,502,869
-	-	-	58,418
-	-	-	210,340
-	-	-	268,758
36,114	15,123	-	70,145
<u>\$ 1,897,106</u>	<u>\$ 555,741</u>	<u>\$ 19,036</u>	<u>\$ 13,322,687</u>
\$ 52,823	\$ 32,080	\$ 13,464	\$ 335,507
-	-	-	318,507
880	-	-	271,480
3,154	419	-	19,963
56,857	32,499	13,464	945,457
36,114	15,123	-	70,145
-	-	-	7,502,869
1,804,135	508,119	5,572	4,804,216
1,840,249	523,242	5,572	12,377,230
<u>\$ 1,897,106</u>	<u>\$ 555,741</u>	<u>\$ 19,036</u>	<u>\$ 13,322,687</u>

Town of North Hempstead, New York

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Governmental Funds
Year Ended December 31, 2019

	Fire Protection Districts	Lighting District	Park Districts
REVENUES			
Real property taxes	\$ 6,791,712	\$ 1,917,972	\$ 2,529,995
Other tax items	708,253	191,635	17,605
Departmental income	-	-	364,227
Use of money and property	934,473	9,953	33,599
Interfund revenues	-	-	64,073
Miscellaneous	88,425	(126)	-
Total Revenues	8,522,863	2,119,434	3,009,499
EXPENDITURES			
Current			
General government support	571,347	262,035	256,695
Public safety	6,588,206	-	-
Transportation	-	1,903,446	-
Culture and recreation	-	-	1,173,035
Home and community services	-	-	-
Employee benefits	-	21,406	191,212
Total Expenditures	7,159,553	2,186,887	1,620,942
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,363,310	(67,453)	1,388,557
OTHER FINANCING SOURCES (USES)			
Transfers in	-	6,844	74,114
Transfers out	-	(30,526)	(1,689,531)
Other Financing Uses	-	(23,682)	(1,615,417)
Net Change in Fund Balance	1,363,310	(91,135)	(226,860)
FUND BALANCES			
Beginning of Year	7,453,211	473,050	1,036,591
End of Year	<u>\$ 8,816,521</u>	<u>\$ 381,915</u>	<u>\$ 809,731</u>

See independent auditors' report.

Sidewalk District	Public Parking District	Water District	Total Non-Major Governmental Funds
\$ 3,148,598	\$ 290,867	\$ 45,174	\$ 14,724,318
306,438	19,537	7,902	1,251,370
-	879,191	-	1,243,418
27,819	5,926	244	1,012,014
16,967	-	-	81,040
3,892	63	-	92,254
<u>3,503,714</u>	<u>1,195,584</u>	<u>53,320</u>	<u>18,404,414</u>
556,778	173,484	-	1,820,339
-	-	-	6,588,206
1,199,417	471,986	-	3,574,849
-	-	-	1,173,035
-	-	51,968	51,968
665,089	197,798	-	1,075,505
<u>2,421,284</u>	<u>843,268</u>	<u>51,968</u>	<u>14,283,902</u>
1,082,430	352,316	1,352	4,120,512
29,404	16,293	-	126,655
(741,297)	(440,029)	-	(2,901,383)
<u>(711,893)</u>	<u>(423,736)</u>	<u>-</u>	<u>(2,774,728)</u>
<u>370,537</u>	<u>(71,420)</u>	<u>1,352</u>	<u>1,345,784</u>
<u>1,469,712</u>	<u>594,662</u>	<u>4,220</u>	<u>11,031,446</u>
<u>\$ 1,840,249</u>	<u>\$ 523,242</u>	<u>\$ 5,572</u>	<u>\$ 12,377,230</u>

Town of North Hempstead, New York

Fire Protection Districts
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
REAL PROPERTY TAXES	\$ 6,791,479	\$ 6,791,479	\$ 6,791,712	\$ 233
OTHER TAX ITEMS				
Payment in lieu of taxes	651,394	651,394	708,104	56,710
Interest and penalties on real property taxes	-	-	149	149
	<u>651,394</u>	<u>651,394</u>	<u>708,253</u>	<u>56,859</u>
USE OF MONEY AND PROPERTY				
Interest earnings and income on investments	5,499	26,529	934,473	907,944
MISCELLANEOUS				
Refund of prior year expenditures	-	-	45,502	45,502
Total Revenues	<u>7,448,372</u>	<u>7,469,402</u>	<u>8,522,863</u>	<u>1,053,461</u>
EXPENDITURES				
GENERAL GOVERNMENT SUPPORT				
Unallocated insurance	166,000	156,948	132,006	24,942
Other	537,054	525,586	439,341	86,245
	<u>703,054</u>	<u>682,534</u>	<u>571,347</u>	<u>111,187</u>
PUBLIC SAFETY				
Fire protection	6,745,318	6,786,868	6,588,206	198,662
Total Expenditures	<u>7,448,372</u>	<u>7,469,402</u>	<u>7,159,553</u>	<u>309,849</u>
Net Change in Fund Balance	-	-	1,363,310	1,363,310
FUND BALANCE				
Beginning of Year	-	-	7,453,211	7,453,211
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,816,521</u>	<u>\$ 8,816,521</u>

See independent auditors' report.

Town of North Hempstead, New York

Lighting District
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
REAL PROPERTY TAXES	\$ 1,917,024	\$ 1,917,024	\$ 1,917,972	\$ 948
OTHER TAX ITEMS				
Payment in lieu of taxes	191,003	191,003	191,545	542
Interest and penalties on real property taxes	-	-	90	90
	<u>191,003</u>	<u>191,003</u>	<u>191,635</u>	<u>632</u>
USE OF MONEY AND PROPERTY				
Interest and earnings	2,500	2,500	9,953	7,453
MISCELLANEOUS				
Refund of prior year expenditures	-	-	(126)	(126)
Total Revenues	<u>2,110,527</u>	<u>2,110,527</u>	<u>2,119,434</u>	<u>8,907</u>
EXPENDITURES				
GENERAL GOVERNMENT SUPPORT				
Unallocated insurance	12,000	12,000	11,558	442
Other	263,866	263,866	250,477	13,389
	<u>275,866</u>	<u>275,866</u>	<u>262,035</u>	<u>13,831</u>
TRANSPORTATION				
Lighting	1,986,909	1,986,907	1,903,446	83,461
EMPLOYEE BENEFITS				
State retirement	7,341	7,341	6,820	521
Social security	3,200	3,200	3,095	105
Workers' compensation	1,000	1,002	509	493
Hospital, medical and dental	12,179	12,179	10,911	1,268
Other employee benefits	350	350	71	279
	<u>24,070</u>	<u>24,072</u>	<u>21,406</u>	<u>2,666</u>
Total Expenditures	<u>2,286,845</u>	<u>2,286,845</u>	<u>2,186,887</u>	<u>99,958</u>
Deficiency of Revenues Over Expenditures	<u>(176,318)</u>	<u>(176,318)</u>	<u>(67,453)</u>	<u>108,865</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	6,844	6,844	6,844	-
Transfers out	(30,526)	(30,526)	(30,526)	-
Total Other Financing Uses	<u>(23,682)</u>	<u>(23,682)</u>	<u>(23,682)</u>	<u>-</u>
Net Change in Fund Balance	(200,000)	(200,000)	(91,135)	108,865
FUND BALANCE				
Beginning of Year	200,000	200,000	473,050	273,050
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 381,915</u>	<u>\$ 381,915</u>

See independent auditors' report.

Town of North Hempstead, New York

Park Districts
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
REAL PROPERTY TAXES	\$ 2,527,768	\$ 2,527,768	\$ 2,529,995	\$ 2,227
OTHER TAX ITEMS				
Payment in lieu of taxes	16,938	16,938	17,605	667
DEPARTMENTAL INCOME				
Special recreational facility charges	403,000	403,000	364,227	(38,773)
USE OF MONEY AND PROPERTY				
Interest and earnings	4,284	8,607	18,599	9,992
Rental of real property	15,000	15,000	15,000	-
	19,284	23,607	33,599	9,992
INTERFUND REVENUES	-	149,455	64,073	(85,382)
MISCELLANEOUS				
Miscellaneous revenue	100	100	-	(100)
Total Revenues	2,967,090	3,120,868	3,009,499	(111,369)
EXPENDITURES				
GENERAL GOVERNMENT SUPPORT				
Unallocated insurance	7,000	6,155	5,827	328
Other	268,249	250,869	250,868	1
	275,249	257,024	256,695	329
CULTURE AND RECREATION				
Parks and pools	975,847	1,189,297	1,173,035	16,262
EMPLOYEE BENEFITS				
State retirement	64,756	60,520	60,520	-
Social security	55,275	61,531	61,529	2
Workers' compensation	7,000	3,138	3,135	3
Hospital, medical and dental	73,289	64,307	64,305	2
Other employee benefits	1,331	1,723	1,723	-
	201,651	191,219	191,212	7
Total Expenditures	1,452,747	1,637,540	1,620,942	16,598
Excess of Revenues Over Expenditures	1,514,343	1,483,328	1,388,557	(94,771)
OTHER FINANCING SOURCES (USES)				
Transfers in	74,114	74,114	74,114	-
Transfers out	(1,689,549)	(1,689,534)	(1,689,531)	3
Total Other Financing Uses	(1,615,435)	(1,615,420)	(1,615,417)	3
Net Change in Fund Balance	(101,092)	(132,092)	(226,860)	(94,768)
FUND BALANCE				
Beginning of Year	101,092	132,092	1,036,591	904,499
End of Year	\$ -	\$ -	\$ 809,731	\$ 809,731

See independent auditors' report.

Town of North Hempstead, New York

Sidewalk District
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
REAL PROPERTY TAXES	\$ 3,146,925	\$ 3,146,925	\$ 3,148,598	\$ 1,673
OTHER TAX ITEMS				
Payment in lieu of taxes	294,203	294,203	306,299	12,096
Interest and penalties on real property taxes	-	-	139	139
	<u>294,203</u>	<u>294,203</u>	<u>306,438</u>	<u>12,235</u>
USE OF MONEY AND PROPERTY				
Interest and earnings	4,500	4,500	27,819	23,319
INTERFUND REVENUES				
	-	-	16,967	16,967
MISCELLANEOUS				
Refund of prior year expenditures	-	-	3,892	3,892
Total Revenues	<u>3,445,628</u>	<u>3,445,628</u>	<u>3,503,714</u>	<u>58,086</u>
EXPENDITURES				
GENERAL GOVERNMENT SUPPORT				
Unallocated insurance	25,000	25,000	17,282	7,718
Other	570,980	570,980	539,496	31,484
	<u>595,980</u>	<u>595,980</u>	<u>556,778</u>	<u>39,202</u>
TRANSPORTATION				
Sidewalks	1,467,382	1,400,142	1,199,417	200,725
EMPLOYEE BENEFITS				
State retirement	148,952	148,952	137,786	11,166
Social security	88,000	88,000	77,637	10,363
Workers' compensation	4,000	65,452	65,450	2
Unemployment insurance	100	100	-	100
Hospital, medical and dental	425,721	431,459	381,507	49,952
Other employee benefits	3,600	3,650	2,709	941
	<u>670,373</u>	<u>737,613</u>	<u>665,089</u>	<u>72,524</u>
Total Expenditures	<u>2,733,735</u>	<u>2,733,735</u>	<u>2,421,284</u>	<u>312,451</u>
Excess of Revenues Over Expenditures	<u>711,893</u>	<u>711,893</u>	<u>1,082,430</u>	<u>370,537</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	29,404	29,404	29,404	-
Transfers out	(741,297)	(741,297)	(741,297)	-
Total Financing Uses	<u>(711,893)</u>	<u>(711,893)</u>	<u>(711,893)</u>	<u>-</u>
Net Change in Fund Balance	-	-	370,537	370,537
FUND BALANCE				
Beginning of Year	-	-	1,469,712	1,469,712
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,840,249</u>	<u>\$ 1,840,249</u>

See independent auditors' report.

Town of North Hempstead, New York

Public Parking District
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
REAL PROPERTY TAXES	\$ 290,923	\$ 290,923	\$ 290,867	\$ (56)
OTHER TAX ITEMS				
Payment in lieu of taxes	26,192	26,192	19,527	(6,665)
Interest and penalties on real property taxes	-	-	10	10
	<u>26,192</u>	<u>26,192</u>	<u>19,537</u>	<u>(6,655)</u>
DEPARTMENTAL INCOME				
Parking enforcement	65,000	65,000	65,000	-
Parking permits	85,000	85,000	89,633	4,633
Parking lots	460,000	497,437	473,896	(23,541)
Parking meter fees	260,000	260,000	250,662	(9,338)
	<u>870,000</u>	<u>907,437</u>	<u>879,191</u>	<u>(28,246)</u>
USE OF MONEY AND PROPERTY				
Interest and earnings	1,000	1,000	5,826	4,826
Rental of real property	1,500	1,500	100	(1,400)
	<u>2,500</u>	<u>2,500</u>	<u>5,926</u>	<u>3,426</u>
MISCELLANEOUS				
Refund of prior year expenditures	-	-	63	63
Total Revenues	<u>1,189,615</u>	<u>1,227,052</u>	<u>1,195,584</u>	<u>(31,468)</u>
EXPENDITURES				
GENERAL GOVERNMENT SUPPORT				
Credit card fees	30,000	33,377	33,377	-
Unallocated insurance	7,000	5,928	5,927	1
Other	134,180	134,180	134,180	-
	<u>171,180</u>	<u>173,485</u>	<u>173,484</u>	<u>1</u>
TRANSPORTATION				
Parking	<u>460,886</u>	<u>472,029</u>	<u>471,986</u>	<u>43</u>

Town of North Hempstead, New York

Public Parking District
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual (Continued)
 Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EMPLOYEE BENEFITS				
State employee retirement system	\$ 57,564	\$ 57,137	\$ 57,137	\$ -
Social security	26,044	29,550	29,549	1
Workers' compensation	2,500	2,488	2,487	1
Hospital, medical and dental	86,175	107,482	107,481	1
Other employee benefits	1,530	1,145	1,144	1
	<u>173,813</u>	<u>197,802</u>	<u>197,798</u>	<u>4</u>
Total Expenditures	<u>805,879</u>	<u>843,316</u>	<u>843,268</u>	<u>48</u>
Excess of Revenues Over Expenditures	<u>383,736</u>	<u>383,736</u>	<u>352,316</u>	<u>(31,420)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	16,293	16,293	16,293	-
Transfers out	(440,029)	(440,029)	(440,029)	-
Total Other Financing Uses	<u>(423,736)</u>	<u>(423,736)</u>	<u>(423,736)</u>	<u>-</u>
Net Change in Fund Balance	(40,000)	(40,000)	(71,420)	(31,420)
FUND BALANCE				
Beginning of Year	<u>40,000</u>	<u>40,000</u>	<u>594,662</u>	<u>554,662</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 523,242</u>	<u>\$ 523,242</u>

See independent auditors' report.

Town of North Hempstead, New York

Water District
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
REAL PROPERTY TAXES	\$ 45,178	\$ 45,178	\$ 45,174	\$ (4)
OTHER TAX ITEMS				
Payment in lieu of taxes	8,201	8,201	7,902	(299)
USE OF MONEY AND PROPERTY				
Interest and earnings	53	2,501	244	(2,257)
Total Revenues	53,432	55,880	53,320	(2,560)
EXPENDITURES				
HOME AND COMMUNITY SERVICES				
Water	53,432	55,880	51,968	3,912
Total Expenditures	53,432	55,880	51,968	3,912
Net Change in Fund Balance	-	-	1,352	1,352
FUND BALANCE				
Beginning of Year	-	-	4,220	4,220
End of Year	\$ -	\$ -	\$ 5,572	\$ 5,572

See independent auditors' report.

STATISTICAL SECTION
(UNAUDITED)

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Financial Trends

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time. These schedules include:

Net Position by Component

Changes in Net Position

Fund Balances of Governmental Funds

Changes in Fund Balances of Governmental Funds

Town of North Hempstead, New York

Net Position by Component
Last Ten Fiscal Years

As of December 31,	2019	2018	2017	2016
Governmental activities				
Net investment in capital assets	\$ 258,175,334	\$ 246,936,635	\$ 248,900,563	\$ 242,330,248
Restricted	5,178,210	6,464,595	7,464,775	12,144,195
Unrestricted	<u>(185,588,168)</u>	<u>(179,871,092)</u>	<u>(85,812,029)</u>	<u>(84,425,694)</u>
Total primary government net position	<u>\$ 77,765,376</u>	<u>\$ 73,530,138</u>	<u>\$ 170,553,309</u>	<u>\$ 170,048,749</u>

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

2015	2014	2013	2012	2011	2010
\$ 239,681,379	\$ 231,094,773	\$ 225,486,423	\$ 231,420,763	\$ 223,505,633	\$ 217,695,935
-	-	1,841,053	2,117,638	6,283,772	5,557,086
<u>(69,252,429)</u>	<u>(64,790,663)</u>	<u>(65,367,033)</u>	<u>(66,309,234)</u>	<u>(62,918,534)</u>	<u>(54,631,750)</u>
<u>\$ 170,428,950</u>	<u>\$ 166,304,110</u>	<u>\$ 161,960,443</u>	<u>\$ 167,229,167</u>	<u>\$ 166,870,871</u>	<u>\$ 168,621,271</u>

Town of North Hempstead, New York

Changes in Net Position
Last Ten Years

Year ended December 31,	2019	2018	2017	2016
Expenses				
Governmental activities:				
General government support	\$ 26,421,968	\$ 22,374,597	\$ 30,216,273	\$ 28,779,266
Education	2,102,250	2,680,039	3,455,484	2,325,386
Public safety	19,382,131	17,007,720	14,259,877	15,129,393
Health	501,762	405,955	410,369	390,993
Transportation	24,897,557	24,874,549	23,540,680	23,473,504
Economic assistance and opportunity	3,594,064	3,175,299	3,647,150	3,798,866
Culture and recreation	31,434,837	31,364,889	29,362,341	28,423,638
Home and community service	29,209,440	27,932,903	26,859,210	29,671,225
Interest on debt	5,971,524	5,814,348	5,350,058	5,222,307
Total primary government expenses	<u>\$ 143,515,533</u>	<u>\$ 135,630,299</u>	<u>\$ 137,101,442</u>	<u>\$ 137,214,578</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government support	\$ 487,283	\$ 532,911	\$ 566,435	\$ 438,798
Public safety	6,935,928	5,731,206	5,101,695	4,421,971
Health	267,540	251,562	270,362	282,800
Transportation	1,548,494	1,663,892	2,004,874	1,478,194
Economic assistance and opportunity	59,864	31,870	52,166	43,497
Culture and recreation	8,904,642	8,553,798	8,900,648	9,466,886
Home and community service	16,171,218	16,726,713	15,545,743	16,213,363
Operating grants and contributions	1,550,237	495,371	608,922	1,176,467
Capital grants and contributions	3,739,607	1,039,716	2,094,442	1,501,146
Total primary government program revenues	<u>\$ 39,664,813</u>	<u>\$ 35,027,039</u>	<u>\$ 35,145,287</u>	<u>\$ 35,023,122</u>
Net (Expense) Revenue				
Total primary government net expense	<u>\$ (103,850,720)</u>	<u>\$ (100,603,260)</u>	<u>\$ (101,956,155)</u>	<u>\$ (102,191,456)</u>
General Revenues				
Governmental Activities:				
Real property taxes	\$ 75,897,627	\$ 73,463,548	\$ 69,454,516	\$ 73,724,772
Other tax items	5,819,940	5,499,824	5,358,015	5,681,740
Non-property tax items	14,659,001	14,268,519	13,879,873	13,632,320
Interest earnings - unrestricted	1,993,413	1,196,207	1,300,037	228,531
Mortgage tax	8,161,165	7,819,351	9,184,447	9,556,463
Sale of property and compensation for loss	90,000	-	-	-
State aid - unrestricted	-	1,023,565	1,023,565	1,023,565
Other	1,464,812	1,232,566	2,260,262	2,935,695
Total primary government	<u>\$ 108,085,958</u>	<u>\$ 104,503,580</u>	<u>\$ 102,460,715</u>	<u>\$ 106,783,086</u>
Change in Net Position				
Total primary government change in net position	<u>\$ 4,235,238</u>	<u>\$ 3,900,320</u>	<u>\$ 504,560</u>	<u>\$ 4,591,630</u>

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

2015	2014	2013	2012	2011	2010
\$ 28,189,765	\$ 29,539,133	\$ 28,161,989	\$ 27,351,522	\$ 27,001,662	\$ 25,899,656
2,199,528	1,823,139	2,007,847	2,502,099	600,000	601,906
14,292,840	14,261,443	13,883,747	13,102,628	11,813,435	10,541,116
427,110	422,533	400,116	339,412	393,024	311,324
24,270,255	23,690,160	26,237,863	24,696,466	26,314,860	23,896,533
3,626,479	2,873,584	2,957,536	2,853,738	3,519,550	2,931,069
26,621,444	26,962,089	28,275,078	27,158,800	26,220,885	24,971,385
27,259,608	27,652,600	38,960,568	32,643,032	26,003,597	26,943,688
5,812,532	4,815,137	5,650,792	6,263,292	6,864,391	7,050,021
<u>\$ 132,699,561</u>	<u>\$ 132,039,818</u>	<u>\$ 146,535,536</u>	<u>\$ 136,910,989</u>	<u>\$ 128,731,404</u>	<u>\$ 123,146,698</u>
\$ 501,619	\$ 497,926	\$ 432,869	\$ 364,101	\$ 322,246	\$ 316,511
4,333,981	3,585,511	4,133,966	4,377,666	5,032,348	4,157,137
262,706	274,282	285,178	263,486	242,072	241,740
1,548,496	1,318,572	2,288,644	1,660,870	1,173,076	1,464,958
61,324	281,716	351,277	22,164		
9,477,758	10,028,738	9,819,123	10,368,158	9,192,518	8,488,338
16,553,220	16,446,757	18,032,300	18,074,442	16,514,602	15,917,596
2,785,051	5,142,096	13,003,479	9,142,273	1,293,242	3,688,338
870,020	476,148	552,202	29,125	2,498,242	9,070,051
<u>\$ 36,394,175</u>	<u>\$ 38,051,746</u>	<u>\$ 48,899,038</u>	<u>\$ 44,302,285</u>	<u>\$ 36,268,346</u>	<u>\$ 43,344,669</u>
<u>\$ (96,305,386)</u>	<u>\$ (93,988,072)</u>	<u>\$ (97,636,498)</u>	<u>\$ (92,608,704)</u>	<u>\$ (92,463,058)</u>	<u>\$ (79,802,029)</u>
\$ 73,161,136	\$ 72,038,134	\$ 70,878,833	\$ 68,261,387	\$ 65,134,391	\$ 63,816,162
2,573,825	2,344,889	2,277,435	2,033,313	1,986,292	1,808,357
13,554,251	12,850,767	13,235,095	12,441,196	12,029,189	11,272,681
243,894	1,501,136	632,970	775,259	1,466,528	1,328,722
7,698,406	7,228,190	7,493,601	6,690,606	5,752,767	5,863,439
-	-	1,023,565	-	-	-
1,023,565	1,023,565	1,923,480	1,023,565	1,065,026	1,044,454
2,847,395	2,188,594	1,575,642	1,841,674	3,178,465	116,176,605
<u>\$ 101,102,472</u>	<u>\$ 99,175,275</u>	<u>\$ 99,040,621</u>	<u>\$ 93,067,000</u>	<u>\$ 90,612,658</u>	<u>\$ 201,310,420</u>
<u>\$ 4,797,086</u>	<u>\$ 5,187,203</u>	<u>\$ 1,404,123</u>	<u>\$ 458,296</u>	<u>\$ (1,850,400)</u>	<u>\$ 121,508,391</u>

Town of North Hempstead, New York

Fund Balances of Governmental Funds
Last Ten Years

<u>As of December 31,</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	1,354,010	1,303,353	1,214,842	2,495,507
Assigned	5,036,573	4,584,013	4,751,811	3,552,773
Unassigned	<u>10,914,844</u>	<u>9,981,457</u>	<u>8,370,032</u>	<u>8,270,030</u>
Total General Fund	<u>\$ 17,305,427</u>	<u>\$ 15,868,823</u>	<u>\$ 14,336,685</u>	<u>\$ 14,318,310</u>
All other governmental funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Debt service fund	-	-	-	-
Nonspendable	870,460	888,692	901,586	862,450
Restricted	48,230,195	44,039,831	45,356,032	6,470,022
Assigned	24,690,680	25,036,855	22,149,346	23,179,163
Unassigned	<u>(1,944,602)</u>	<u>(3,931,626)</u>	<u>(1,812,947)</u>	<u>(1,060,948)</u>
Total All Other Governmental Funds	<u>\$ 71,846,733</u>	<u>\$ 66,033,752</u>	<u>\$ 66,594,017</u>	<u>\$ 29,450,687</u>

Note ⁽¹⁾: 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

2015	2014	2013	2012	2011 ⁽¹⁾	2010
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,395,670
-	-	-	-	-	9,915,603
1,622,361	2,605,903	6,317,118	5,522,182	4,677,860	-
2,623,538	3,616,445	3,707,833	3,815,070	3,970,756	-
<u>7,445,560</u>	<u>4,161,400</u>	<u>3,693,793</u>	<u>201,856</u>	<u>510,271</u>	<u>-</u>
<u>\$ 11,691,459</u>	<u>\$ 10,383,748</u>	<u>\$ 13,718,744</u>	<u>\$ 9,539,108</u>	<u>\$ 9,158,887</u>	<u>\$ 12,311,273</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,247,468
-	-	-	-	-	10,041,155
-	-	-	-	-	(54,504,415)
-	-	-	-	-	752,320
3,716,181	1,459,022	371,007	958,708	3,692,838	-
493,155	15,539,657	1,841,053	2,117,638	6,183,772	-
19,539,989	19,684,938	17,704,669	17,085,131	12,080,353	-
<u>(44,825,924)</u>	<u>(53,834,341)</u>	<u>(73,879,682)</u>	<u>(66,246,267)</u>	<u>(58,151,444)</u>	<u>-</u>
<u>\$ (21,076,599)</u>	<u>\$ (17,150,724)</u>	<u>\$ (53,962,953)</u>	<u>\$ (46,084,790)</u>	<u>\$ (36,194,481)</u>	<u>\$ (8,463,472)</u>

Town of North Hempstead, New York

Changes in Fund Balances of Governmental Funds
Last Ten Years

Year ended December 31,	2019	2018	2017	2016
Revenues				
Real property taxes	\$ 75,897,627	\$ 73,643,772	\$ 69,274,292	\$ 73,724,772
Other tax items	5,819,940	5,499,824	5,358,015	5,681,740
Non-property tax items	14,659,001	14,268,519	13,879,873	13,632,320
Departmental income	25,675,698	26,100,998	24,887,296	25,925,575
Intergovernmental charges	1,340,824	1,180,037	1,176,710	1,199,836
Use of money and property	3,178,188	1,144,767	1,519,698	473,550
License and permits	6,610,241	5,399,245	5,535,816	4,335,603
Fines and forfeitures	301,354	352,965	190,180	238,908
Sale of property and compensation for loss	201,656	294,476	921,275	703,004
Miscellaneous revenue	2,021,254	253,641	703,633	1,242,126
Interfund revenues	7,010,939	6,830,352	6,924,674	6,836,057
State aid	10,069,899	10,413,133	12,411,291	12,454,869
Federal aid	3,816	270,766	249,085	802,772
Total Revenues	152,790,437	145,652,495	143,031,838	147,251,132
Expenditures				
General government support	21,219,694	21,141,178	20,875,498	20,871,024
Education	2,102,250	2,680,039	3,455,484	2,325,385
Public safety	12,898,065	12,323,964	11,922,786	12,494,483
Health	248,911	231,204	226,999	218,940
Transportation	13,063,089	14,335,692	14,404,316	14,246,990
Economic assistance and opportunity	2,506,280	2,371,058	2,595,142	2,651,359
Culture and recreation	18,531,272	18,080,022	17,464,056	17,169,378
Home and community service	27,304,238	26,628,905	26,132,641	25,955,284
Employee benefits	21,635,272	21,298,922	20,829,919	20,122,128
Debt Service				
Principal	17,090,977	16,615,956	16,263,357	16,315,225
Interest	6,504,134	6,234,267	5,317,824	4,863,242
Other charges	-	-	-	-
Capital outlay	24,676,604	24,765,610	19,266,865	11,719,397
Total Expenditures	167,780,786	166,706,817	158,754,887	148,952,835
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(14,990,349)</u>	<u>(21,054,322)</u>	<u>(15,723,049)</u>	<u>(1,701,703)</u>
Other Financing Sources (Uses)				
Transfers in	27,642,134	23,777,729	25,039,204	33,162,476
Transfers out	(27,642,134)	(23,777,729)	(25,039,204)	(33,162,476)
Debt issuance	20,897,057	22,643,500	46,992,625	54,591,465
Premium on debt issuance	1,252,877	1,864,911	217,956	264,375
Bond anticipation notes redeemed	-	-	-	-
Retirement of debt payment made by funds	-	-	-	-
Refunding bonds issued	-	-	-	-
Payments to refund bond escrow agent	-	-	-	-
Sale of property	90,000	821,200	-	-
Total Other Financing Sources	22,239,934	25,329,611	47,210,581	54,855,840
Net Change in Fund Balances	\$ 7,249,585	\$ 4,275,289	\$ 31,487,532	\$ 53,154,137
Debt service as a percentage of noncapital expenditures	16.49%	16.10%	15.50%	15.42%

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

	2015	2014	2013	2012	2011	2010
\$	73,161,136	\$ 72,038,134	\$ 70,878,833	\$ 68,261,387	\$ 65,134,391	\$ 63,816,162
	2,573,825	2,344,889	2,277,435	2,031,479	1,983,764	1,808,357
	13,554,251	12,850,767	13,235,095	12,441,196	12,029,189	11,272,681
	26,126,290	25,976,819	28,161,245	27,647,268	25,665,439	24,400,667
	1,302,739	963,096	2,381,714	1,794,090	1,375,209	1,622,331
	442,529	593,378	521,771	706,324	1,229,803	1,216,559
	4,549,233	3,234,920	3,655,105	3,945,324	4,388,479	3,745,966
	242,603	239,052	205,709	279,175	349,525	301,504
	682,269	409,852	1,370,285	356,668	1,776,050	459,710
	1,152,977	1,203,246	1,334,774	1,839,787	1,240,997	120,830,435
	6,879,071	6,994,901	6,861,935	6,837,796	7,088,604	6,186,021
	10,659,621	10,400,768	10,698,776	9,472,707	7,861,711	9,429,326
	1,717,421	4,112,792	11,374,071	8,231,952	2,706,105	5,390,644
	<u>143,043,965</u>	<u>141,362,614</u>	<u>152,956,748</u>	<u>143,845,153</u>	<u>132,829,266</u>	<u>250,480,363</u>
	21,122,838	21,719,953	20,971,505	20,214,430	18,885,445	18,041,263
	2,199,528	5,362,136	439,233	531,716	600,000	601,906
	12,394,374	12,162,015	11,725,481	11,349,801	10,120,902	9,276,505
	283,333	242,761	226,569	197,082	214,121	181,135
	15,290,185	14,396,223	16,542,073	15,257,407	16,370,205	15,645,227
	2,617,744	2,083,114	2,094,184	2,093,973	2,396,237	2,075,798
	16,602,868	16,993,305	17,789,654	16,889,672	16,381,463	16,326,553
	27,076,363	27,204,995	37,544,848	30,999,963	25,220,268	24,568,372
	19,333,110	18,533,022	17,504,421	16,384,918	15,228,229	13,265,108
	31,543,158	15,190,493	15,793,474	19,100,317	17,524,153	18,803,632
	4,765,583	4,287,174	5,391,079	7,022,723	7,072,317	6,988,606
	-	-	-	126,483	-	130,757
	<u>12,608,240</u>	<u>10,123,687</u>	<u>10,632,754</u>	<u>23,240,864</u>	<u>33,775,975</u>	<u>148,094,890</u>
	<u>165,837,324</u>	<u>148,298,878</u>	<u>156,655,275</u>	<u>163,409,349</u>	<u>163,789,315</u>	<u>273,999,752</u>
	<u>(22,793,359)</u>	<u>(6,936,264)</u>	<u>(3,698,527)</u>	<u>(19,564,196)</u>	<u>(30,960,049)</u>	<u>(23,519,389)</u>
	26,464,109	28,587,034	24,429,877	31,544,621	29,944,267	35,647,342
	(26,464,109)	(28,587,034)	(24,429,877)	(31,544,621)	(29,944,267)	(35,647,342)
	4,390,000	43,795,581	-	9,192,341	-	2,879,000
	2,997,535	220,325	-	604,540	76,654	410,228
	-	-	(2,285,201)	(1,898,059)	(1,460,000)	(383,500)
	-	-	2,285,201	1,898,059	1,460,000	383,500
	24,688,205	31,489,609	-	10,403,791	-	7,547,603
	(12,516,931)	(35,092,018)	-	(10,146,564)	-	(7,827,073)
	-	-	-	-	-	-
	<u>19,558,809</u>	<u>40,413,497</u>	<u>-</u>	<u>10,054,108</u>	<u>76,654</u>	<u>3,009,758</u>
\$	<u>(3,234,550)</u>	<u>\$ 33,477,233</u>	<u>\$ (3,698,527)</u>	<u>\$ (9,510,088)</u>	<u>\$ (30,883,395)</u>	<u>\$ (20,509,631)</u>
	23.78%	14.13%	14.54%	18.75%	18.72%	20.55%

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Revenue Capacity

These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax. These schedules include:

Governmental Activities Tax Revenues By Source

General Governmental Tax Revenues By Source

Assessed Value, State Equalization Rate, and Estimated Full Value of Real Property

Property Tax Rates

Principal Property Taxpayers

Property Tax Levies and Collections

Town of North Hempstead, New York

Governmental Activities Tax Revenues By Source
Last Ten Years

Year Ended December 31,	Real Property Tax	Real Property Tax Items	Non-Property Tax Items	Total
2019	\$ 75,897,627	\$ 5,819,940	\$ 14,659,001	\$ 96,376,568
2018	73,643,772	5,499,824	14,268,519	93,412,115
2017	69,274,292	5,358,015	13,879,873	88,512,180
2016	73,724,772	5,681,740	13,632,320	93,038,832
2015	73,161,142	2,573,825	13,554,251	89,289,218
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

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

Town of North Hempstead, New York

General Governmental Tax Revenues By Source
Last Ten Fiscal Years

Year Ended December 31,	Real Property Tax	Sales Tax	Mortgage Tax	Franchise Tax	Total
2019	\$ 75,897,627	\$ 12,391,434	\$ 8,161,165	\$ 2,267,567	\$ 98,717,793
2018	73,643,772	11,964,837	7,819,351	2,303,682	95,731,642
2017	69,274,292	11,549,683	9,184,447	2,330,190	92,338,612
2016	73,724,772	11,237,939	9,556,463	2,394,381	96,913,555
2015	73,161,142	11,047,131	7,698,406	2,707,120	94,613,799
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

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

Primary government
Classified as Nassau County local government assistance
Classified as part of State Aid

Town of North Hempstead, New York

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 Condominium and Cooperatives	Utility Property	All Other Property
2019	\$ 87,445,180	\$ 8,643,003	\$ 3,707,678	\$ 37,146,239
2018	89,473,157	8,419,278	3,483,284	34,614,735
2017	91,263,155	8,865,651	3,574,779	35,828,683
2016	93,593,109	8,995,913	7,939,673	42,012,337
2015	95,436,524	8,877,421	7,867,980	42,572,887
2014	97,799,191	9,012,086	8,550,680	43,874,552
2013	101,341,024	9,095,629	8,567,065	44,473,827
2012	110,586,676	9,792,042	8,830,153	48,767,035
2011	116,480,241	10,753,627	8,852,979	56,526,239
2010	132,570,851	10,243,443	8,477,047	54,793,312

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

Sources: Town of North Hempstead Budgets and Official Statements

Total Net Assessed Value	State Equalization Rate	Full Valuation	Total Direct Tax Rate
\$ 136,942,100	0.23 %	\$ 59,540,043,478	\$ 175.055
135,990,454	0.25	54,396,181,600	168.264
139,532,268	0.27	51,678,617,778	154.564
152,541,032	0.28	54,478,940,000	150.735
154,754,812	0.31	49,920,878,065	146.640
159,236,509	0.32	49,761,409,063	137.830
163,477,545	0.32	51,086,732,813	133.531
177,975,906	0.33	53,932,092,727	118.848
192,613,086	0.35	55,032,310,286	101.791
206,084,653	0.33	62,449,894,848	96.924

Town of North Hempstead, New York

Property Tax Rates
 Direct and Overlapping Governments
 Last Ten Years

GOVERNMENTAL FUNDS									
TOWN OPERATED DISTRICTS									
Year Ended December 31,	General	Town¹ Outside Villages	Fire Protection	Garbage	Lighting	Parks	Public Parking	Sidewalk	Water
2019	\$ 18.239	\$ 49.198	\$ 34.354	\$ 27.675	\$ 3.445	\$ 32.392	\$ 1.396	\$ 5.656	\$ 2.700
2018	17.978	48.592	33.455	25.722	3.509	29.460	1.456	5.393	2.700
2017	17.272	44.373	29.003	24.742	3.307	27.160	1.380	5.083	2.243
2016	16.338	43.822	29.178	22.800	3.371	26.105	1.422	5.209	2.491
2015	15.987	43.077	28.133	21.769	3.299	25.399	1.392	5.136	2.448
2014	15.378	41.047	25.307	20.101	3.115	24.330	1.335	4.813	2.404
2013	14.632	39.925	24.248	20.317	3.047	23.189	1.277	4.583	2.313
2012	12.509	36.269	21.969	17.380	2.823	20.510	1.141	4.148	2.099
2011	10.464	32.673	19.502	10.758	2.647	18.830	1.069	3.875	1.974
2010	9.404	29.436	18.276	15.043	2.349	15.995	0.999	3.625	1.798

Source: Adopted Town Budgets

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

Includes all classes of property for each Fund/District

Town Direct Rate	County Direct Rate	School Direct Rate	Total Direct & Overlapping Rate
\$ 175.055	\$ 180.74	\$ 688.40	\$ 1044.19
168.264	191.36	675.77	1035.40
154.564	179.49	646.68	980.74
150.735	150.67	588.30	889.70
146.640	152.50	583.40	882.54
137.830	144.59	512.87	840.48
133.531	139.53	499.56	801.88
118.848	128.96	458.86	721.59
101.791	119.43	423.99	645.22
96.924	110.06	389.58	596.56

Town of North Hempstead, New York

Principal Property Taxpayers
Current Year and Nine Years Ago

2019				
Rank	Taxpayer	Nature of Business	Assessed Valuation	Percentage of Total Assessed Valuation ⁽¹⁾
1	Keyspan Gas East	Utility	\$ 3,278,798	2.46%
2	Verizon New York	Utility	706,159	0.53%
3	Fifth Avenue of LI Real	Real Estate	933,928	0.70%
4	Country Glen LLC	Shopping Center	411,856	0.31%
5	1111 Marcus Avenue	Real Estate	752,158	0.57%
6	CLK Marcus Avenue Property	Real Estate	577,903	0.43%
7	We're Associates Inc	Real Estate	546,591	0.41%
8	Lake Success Shopping Center	Shopping Center	343,378	0.26%
9	Basser-Kaufman	Real Estate	203,759	0.15%
10	Voice Road Plaza LLC	Shopping Center	195,141	0.15%
	Total		<u>\$ 7,949,671</u>	<u>5.98%</u>

2010				
Rank	Taxpayer	Nature of Business	Assessed Valuation	Percentage of Total Assessed Valuation ⁽¹⁾
1	Keyspan Gas East	Utility	\$ 3,942,857	1.95%
2	Long Island Power Authority	Utility	3,571,788	1.76
3	1 Park Lake Success LLC	Real Estate	1,532,052	0.76
4	Verizon New York	Utility	1,353,732	0.67
5	Feiga-Olive Tree/Marcus Avenue LLC	Real Estate	1,280,474	0.63
6	We're Associates Inc.	Real Estate	1,216,973	0.60
7	Fifth Avenue of Long Island Realty Associ.	Real Estate	922,534	0.46
8	Country Glen LLC	Real Estate	684,421	0.34
9	600 Community LLC	Real Estate	549,269	0.27
10	1979 Marcus Avenue Associates LLC	Real Estate	529,329	0.26
	Total		<u>\$ 15,583,429</u>	<u>7.70%</u>

Source: Town of North Hempstead 2020 and 2010 Official Statements

See Assessed Valuation, State Equalization Rate and Estimated Full Value of Real Property for Total Net Assessed Value.

Town of North Hempstead, New York

Property Tax Levies and Collections
Last Ten Years

Year Ended December 31,	Tax Levy For Town	Total Tax Levy¹	Amount Collected²	Percent of Total Tax Levy Collected	Amount Uncollected²	Percent of Total Tax Levy Uncollected
2019	\$ 169,551,679	\$ 417,055,908	\$ 410,488,150	98.43%	\$ 6,567,758	1.57%
2018	165,790,392	426,027,889	419,031,503	98.36%	6,996,386	1.64%
2017	156,023,560	406,476,951	399,657,611	98.32%	6,819,340	1.68%
2016	163,674,001	393,506,864	386,960,136	98.34%	6,546,728	1.66%
2015	161,817,212	397,817,335	383,885,148	96.50%	13,932,187	3.50%
2014	158,981,782	389,220,761	382,405,938	98.25%	6,814,823	1.75%
2013	152,431,800	380,528,008	373,775,985	98.23%	6,752,023	1.77%
2012	146,367,808	375,892,701	367,877,825	97.87%	8,014,876	2.13%
2011	139,663,972	369,704,857	362,617,428	98.08%	7,087,429	1.92%
2010	135,200,465	362,025,228	353,981,362	97.78%	8,043,866	2.22%

Source: Town of North Hempstead Official Statements

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

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

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Debt Capacity

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. These schedules include:

Ratios of Outstanding Debt by Type

Ratios of General Bonded Debt Outstanding

Direct and Overlapping Governmental Activities Debt

Legal Debt Margin Information

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Town of North Hempstead, New York

Ratios of Outstanding Debt by Type
Last Ten Years

Governmental Activities					
Year Ended December 31,	General Obligation Bonds	Revenue Bonds	Total Primary Government	Percentage of Personal Income¹	Per Capita¹
2019	\$ 206,317,435	\$ -	\$ 206,317,435	0.21%	\$ 896
2018	201,818,745	-	201,818,745	0.20%	873
2017	193,493,411	890,582	194,383,993	0.19%	846
2016	162,919,467	1,760,914	164,680,381	0.16%	717
2015	124,859,447	2,611,456	127,470,903	0.13%	556
2014	136,090,078	3,442,658	139,532,736	0.14%	611
2013	111,901,566	4,254,960	116,156,526	0.12%	512
2012	125,326,047	5,048,960	130,375,007	0.14%	577
2011	131,145,587	8,880,000	140,025,587	0.15%	623
2010	146,514,740	11,035,000	157,549,740	0.18%	696

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, 2018, the Town had \$9,321,935 in short-term bond anticipation notes not being presented.

1 See the schedule of Demographic and Economic Statistics for personal income and population data.

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

Town of North Hempstead, New York

Ratios of General Bonded Debt Outstanding
Last Ten Years

Year Ended December 31,	General Obligation Bonds	Percentage of Total Net Assessed Valuation¹	Percentage of Full Taxable Value¹ of Property	Per Capita²
2019	\$ 206,317,435	\$ 150.66%	0.35%	\$ 896
2018	201,818,745	148.41%	0.37%	873
2017	193,493,411	138.67%	0.37%	843
2016	162,919,467	106.80%	0.30%	709
2015	124,859,447	80.68%	0.25%	545
2014	136,090,078	85.46%	0.27%	596
2013	111,901,566 ³	68.45%	0.22%	493
2012	125,326,047	70.42%	0.23%	555
2011	131,145,587	68.09%	0.24%	584
2010	146,514,740	71.09%	0.23%	647

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

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

2 See the schedule of Demographic and Economic Statistics for population data.

3 As of the 2013 report, the Town's debt capacity amounts are reported net of premiums, discounts and adjustments.

Town of North Hempstead, New York

Direct and Overlapping Governmental Activities Debt
As of December 31, 2019

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
Town of North Hempstead	\$ 291,743,318	100.00%	<u>\$ 291,743,318</u>
Overlapping:			
Nassau County	3,259,699,000	24.70%	805,145,653
Incorporated Villages	105,139,429	varied ¹	88,221,423
School Districts	211,186,309	varied ²	210,648,309
Fire Districts	-	0.00%	-
Total overlapping debt			<u>1,104,015,385</u>
Total direct and overlapping debt			<u><u>\$ 1,395,758,703</u></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, 2019, the Town had \$8,567,311 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 September 2019 Official Statement

- 1 Six of the villages located in the Town are also partially located in one of the neighboring towns.
- 2 One of the school districts located in the Town is also partially located in one of the neighboring towns.

Town of North Hempstead

Legal Debt Margin Information
December 31, 2019

Years Ended December 31,	Net Assessed Valuation	State Equalization Rate	Full Valuation		
2019	\$ 136,942,100	0.22%	\$ 62,246,409,091		
2018	135,990,454	0.24%	56,662,689,167		
2017	139,532,268	0.27%	51,678,617,778		
2016	152,541,032	0.28%	54,478,940,000		
2015	154,754,722	0.31%	49,920,878,065		
Total Five Year Full Valuation			<u>274,987,534,100</u>		
Five Year Average Full Valuation of Taxable Real Property			<u>54,997,506,820</u>		
Constitutional Debt Limit (7% of Average Full Valuation)			<u>3,849,825,477</u>		
Inclusions:					
Outstanding Bonded Indebtedness at December 31st			366,348,461		
Outstanding Bond Anticipation Notes at December 31st			<u>15,523,187</u>		
Total Inclusions			<u>381,871,648</u>		
Exclusions:					
Water Bonds			<u>71,063,276</u>		
Total Exclusions			<u>71,063,276</u>		
Net Indebtedness Subject to Debt Limit			<u>310,808,372</u>		
Net Debt Contracting Margin			<u>\$ 3,539,017,105</u>		
Percentage of Net Debt Contracting Margin Available			91.93%		
Percentage of Net Debt Contracting Power Exhausted			8.07%		
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
2019	\$ 3,849,825,477	\$ 310,808,372	\$ 3,539,017,105	8.07%	91.93%
2018	3,675,035,477	296,988,433	3,378,047,044	8.08%	91.92%
2017	3,596,972,088	297,220,265	3,299,751,823	8.26%	91.74%
2016	3,628,520,737	279,534,075	3,348,986,662	7.70%	92.30%
2015	3,636,267,921	284,836,307	3,351,431,614	7.83%	92.17%
2014	3,811,674,156	294,651,649	3,517,022,507	7.73%	92.27%
2013	4,001,362,554	289,009,786	3,712,352,768	7.22%	92.78%
2012	4,191,624,460	301,613,900	3,890,010,560	7.20%	92.80%
2011	4,285,936,776	280,613,809	4,005,322,967	6.55%	93.45%
2010	4,252,270,686	266,350,279	3,985,920,407	6.26%	93.74%

Source: The Town of North Hempstead Comptroller's Office

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place. These schedules include:

Demographic and Economic Statistics

Principal Employers

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Town of North Hempstead, New York

Demographic and Economic Statistics
Last Ten Years

Year Ended December 31,	Population¹	Personal Income² (billions of dollars)	Per Capita Income¹	Median Family Income¹	Unemployment Rate³	Number of Households Estimate¹	Average Household Size Estimates¹	Population Density Per Square Mile¹
2019	230,241	\$ 100,019	\$ 63,857	\$ 117,750	2.9%	77,638	2.97	4,303
2018	231,085	100,019	62,844	111,570	2.9%	77,577	2.98	4,319
2017	229,640	100,019	53,818	107,235	3.5%	76,568	3.00	4,292
2016	229,640	100,019	53,818	107,235	3.4%	76,658	3.00	4,292
2015	229,105	98,096	51,999	104,698	4.6%	76,523	2.99	4,282
2014	228,245	98,096	51,652	104,264	4.6%	76,868	2.97	4,265
2013	227,029	98,096	51,446	103,551	6.2%	76,856	2.95	4,243
2012	225,971	95,473	51,679	104,378	5.9%	77,023	2.93	4,223
2011	224,664	91,120	52,509	102,893	5.8%	77,638	2.89	4,199
2010	226,322	88,059	65,665	115,307	6.8%	78,084	2.87	4,224

Data Sources:

- 1 U.S. Census Bureau, 2017 America Community Survey 5-Year Population Estimate
- 2 U.S. Department of Commerce, Bureau of Economic Analysis
- 3 U.S. Department of Labor, Local Area Unemployment Statistics, North Hempstead town, NY

Town of North Hempstead, New York

Principal Employers

Current Year and Nine Years Ago

2019

Rank	Name	Type of Business	Number of Employees
1	North Shore University Hospital at Manhasset	Hospital	13,697
2	Winthrop-University Hospital	Hospital	8,706
3	St. Francis Hospital	Hospital	3,573
4	Northwell Health Home Care	Home Health Agency	1,001
5	Northwell Health Stern Family Center	Nursing Home	576
6	Laffey Real Estate	Real Estate Brokers	575
7	Coffee Distributing Corp	Office Supply Company	390
8	Sunharbor Manor	Nursing Home	322
9	Sands Point Center for Health & Rehabilitation	Nursing Home	220
10	NYU Winthrop Hospital Home Health Agency	Home Health Agency	197

2010

Rank	Name	Type of Business	Number of Employees
1	North Shore - LI 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: Book of Lists, 2019, 100+ Employee Companies, Long Island Business News and the Town 2010 CAFR

Percentage of total Town employment is not available.

Town of North Hempstead Payroll Files

Operating Information

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. These schedules include:

Full-Time Governmental Employees By Function

Operating Indicators By Function

Capital Asset Statistics By Function

Town of North Hempstead, New York

Full-Time Government Employees by Function
Last Ten Years

Function	Full-Time Equivalent Employees as of December 31,				
	2019	2018	2017	2016	2015
General government	81	84	86	87	85
Highways	84	88	90	84	86
Parks and recreation	87	84	80	80	69
Buildings and planning	62	62	52	48	47
Public works	19	20	20	20	23
Community services	15	17	19	23	21
Town clerk	12	14	14	15	16
Receiver of taxes	14	14	13	14	14
Public safety	34	36	41	37	34
Solid waste management	12	12	14	17	15
Total	420	431	429	425	410

Source: Town of North Hempstead Human Resource Department records

2014	2013	2012	2011	2010
85	87	89	84	78
86	96	90	94	89
69	77	76	79	82
47	50	50	42	39
23	23	26	25	21
21	27	28	16	21
16	19	19	21	21
14	14	18	17	14
34	38	32	28	25
15	15	15	15	18
410	446	443	421	408

Town of North Hempstead, New York

Operating Indicators by Function
Last Ten Years

Year Ended December 31,	2019	2018	2017	2016	2015
Function					
Town Clerk					
Vital statistic documents	28,832	28,762	28,426	30,272	27,845
Dog licenses	3,735	4,133	4,303	4,676	4,811
Business licenses	798	1,152	1,241	1,160	1,306
Marriage licenses	899	891	827	921	967
Dumping permits	1,378	1,354	3,082	1,096	3,221
311 Call Center					
Calls Answered	160,886	168,710	173,344		
Unique Service Requests	65,650	63,158	62,194		
Project Independence Calls					
Taxi rides - medical appointment	11,812	11,326	12,166		
Taxi rides - food shopping	4,567	4,329	4,390		
Other project independence service requests	8,300	7,519	7,179		
Building					
Building permits issued	6,355	5,635	5,003	5091	5498
Public Safety					
Dogs adopted or reclaimed by owners	143	195	179	254	239
Dog citations issued					
Fire					
Number of fire protection districts	11	11	11	11	11
Parking					
Number of parking meters	532	538	539	544	544
Off-Street Meters	239				
Parking lots and garage revenue	\$ 473,896	\$ 473,858	\$ 473,858	\$ 453,666	\$ 399,004
Annual meter revenue	\$ 250,662	\$ 260,181	\$ 260,181	\$ 222,892	\$ 166,206
Parking permit revenue	\$ 89,633	\$ 84,668	\$ 85,267	\$ 84,760	\$ 54,870
Highways and Streets					
Street resurfacing (lane miles)				19	19.38
Number of trees planted	51	-	329	540	212
Number of trees trimmed	1,073	522	1,175	1,364	1,145
Number of tress removed	405	1,239	602	694	734
Road opening permits issued	719	745	722	745	792
Abandoned vehicles removed	13	20	20	34	11
Signs installed	1,214	1,704	1,692	1,425	1,197
Sanitation (tons per annum)					
Residential and commercial waste collected	134,141	143,274	132,655	141,689	149,117
Recyclables collected	8,084	8,263	8,517	9,095	9,148
Yardwaste	11,109	12,337	10,785	13,905	14,225
Construction and demolition debris	17,238	15,000	13,015	11,792	12,799
S.T.O.P. Program					
Household hazardous waste:					
Liquids (gallons)	13,055	14,495	9,825		
Solids (pounds)	25,200	28,040	14,405		
Other household items (pounds)	10,910	14,575	6,100		
Pharmaceuticals (pounds)	-	-	-	We do not collect at S.T.O.P. Events (N	
E-waste (tons)	35	18	150	37	
Shredded paper (tons)	41	47	42	54	
Culture and recreation					
Beach permits issued	2,446	2,353	2,455	2,559	2,917
Registration for adult programs	344	253	455	298	642
Registration for summer programs	8,809	9,277	8,049	7,321	8,442

Source: Various government departments

1 During 2012, Port Washington Public Parking replaced 300 single space meters, with 6 multi-space meters.

2 Tully Park and new Manorhaven Pool reopened in 2011.

3 CGM Pool was closed in 2017 due to reconstruction project.

2014	2013	2012	2011	2010
------	------	------	------	------

29,007	29,069	26,956	25,931	25,893
5,107	5,380	5,261	5,440	5,339
1,290	1,276	1,432	1,365	1,062
939	967	972	905	910
964	2,348	2,293	567	2,698

5,571	5,584	4,884	4,625	4,053
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273	275	337	274	366
-0-	-0-	-0-	-0-	57

11	11	11	11	11
----	----	----	----	----

544	544	511	805	807
-----	-----	-----	-----	-----

\$ 370,063	\$ 376,568	\$ 276,242	\$ 337,401	\$ 308,602
\$ 162,486	\$ 165,784	\$ 179,044	\$ 169,216	\$ 153,552
\$ 52,405	\$ 51,410	\$ 50,705	\$ 50,540	\$ 45,945

16	15	15	11	14
194	568	277	244	505
786	1,153	1,036	2,078	1,334
518	793	617	585	692
874	746	608	668	754
3	11	6	9	10
1,467	1,896	1,128	1,580	1,688

156,000	155,927	159,650	173,472	166,610
10,000	8,974	9,714	11,550	12,181
15,000	34,356	42,621	18,291	19,014
14,000	18,986	10,207	6,598	4,323

JCPD is not willing to pay the OT)

2,917	2,886	3,403	3,380	3,000
435	436	423	355	340
8,829	6,975	7,213	6,223	3,150

Town of North Hempstead, New York

Capital Asset Statistics by Function
Last Ten Years

<u>Year Ended December 31,</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Function					
General Government					
Town Hall and annex	3	3	3	3	3
Sanitation					
Transfer station	1	1	1	1	1
Annual tonnage processed	170,750	178,874	164,972	176,481	185,289
Highways and Streets					
Streets (miles)	275	275	275	275	275
Culture and recreation					
Parks acreage	838.5	838.5	838.5	837	837
Parks	49	49	49 ²	48	48
Swimming pools	6	6	6	6	6
Beaches	2	2	2	2	2
Docks	2	2	2	2	2
Boat ramps	2	2	2	2	2
Golf courses (18 hole)	1	1	1	1	1
Golf courses (9 hole)	1	1	1	1	1
Driving range	1	1	1	1	1
Miniature golf course	1	1	1	1	1
Tennis courts	37	37	37	37	37
Community centers	4	4	4	4	4

Source: Various government departments

¹ 2010 and 2009 reflect adjustments made due to reclassification in prior years.

There is no data available for corrections to years prior to 2009.

² Alvan Petrus Park opened in 2017 (1.5 acre property)

2014	2013	2012	2011	2010
3	3	2	2	2
1	1	1	1	1
195,000	222,773	222,790	210,007	198,526
275	275	275	275	275
837	837	837	841	841
48	48	48	48	48
6	6	6	6	6
2	2	2	3	3
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
37	37	37	35	35
4	4	4	3	3