



TOWN OF NORTH HEMPSTEAD

NASSAU COUNTY, NEW YORK

JUDI BOSWORTH, SUPERVISOR

www.northhempsteadny.gov



2018

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2018

Town of North Hempstead, New York

Comprehensive Annual Financial Report

Fiscal Year Ended December 31, 2018

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, 2018

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Town of North Hempstead, New York

Comprehensive Annual Financial Report
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<p style="text-align: center;">STATISTICAL SECTION (Unaudited)</p>

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.

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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, 2018

ELECTED OFFICIALS

TOWN BOARD:

SUPERVISOR

DISTRICT 1 - COUNCILWOMAN

DISTRICT 2 - COUNCILMAN

DISTRICIT 3 - COUNCILMAN

DISTRICT 4 - COUNCILWOMAN

DISTRICT 5 - COUNCILWOMAN

DISTRICIT 6 - COUNCILWOMAN

TOWN CLERK:

RECEIVER OF TAXES:

JUDI BOSWORTH

VIVIANA RUSSELL

PETER J. ZUCKERMAN

ANGELO P. FERRARA

VERONICA LURVEY effective 1/30/19

LEE R. SEEMAN

DINA M. DeGIORGIO

WAYNE H. WINK, JR.

CHARLES BERMAN

APPOINTED OFFICIALS

DEPUTY SUPERVISOR:

CHIEF OF STAFF:

TOWN ATTORNEY:

DIRECTOR OF FINANCE:

DIRECTOR OF COMMUNICATIONS:

INTERGOVERNMENTAL COORDINATOR:

DIRECTOR OF LEGISLATIVE AFFAIRS:

DIRECTOR OF PURCHASING:

DIRECTOR OF CONSTITUENT AFFAIRS:

COMMISSIONER OF PUBLIC SAFETY:

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

COMMISSIONER OF PUBLIC WORKS:

SUPERINTENDENT OF HIGHWAYS:

COMMISSIONER OF INFORMATION TECHNOLOGY:

COMMISSIONER OF ADMINISTRATIVE SERVICES:

EXECUTIVE DIRECTOR OF SOLID WASTE MANAGEMENT:

COMMISSIONER OF PLANNING:

COMMISSIONER OF 311 CALL CENTER

COMMISSIONER OF BUILDINGS:

COMPTROLLER:

COMMISSIONER OF PARKS & RECREATION:

COMMISSIONER OF HUMAN RESOURCES:

VACANT

ALINE KHATCHADOURIAN as of 12/31/18

JEANINE DILLON

LEONARD KAPSALIS effective 1/7/19

ELIZABETH BOTWIN through 12/22/18

VACANT

JESSICA LAMENDOLA as of 12/31/18

CAROLE TROTTERE

RACHAEL BRINN

STEPHANIE HEANEY

MOIRA LABARBERA

STEPHEN MAZZA

SHAWN BROWN

KIMBERLY A. CORCORAN - GALANTE

PAUL DIMARIA

RICHARD BAKER effective 3/5/19

KEVIN CRONIN Acting as of 12/31/18

DANIEL GUILLERMO

PETER M. HODA

ROBERT LANGE

MICHAEL A. LEVINE

VINCENT MALIZIA

JOHN NIEWENDER

TANIA ORENSTEIN effective 2/23/19

JESSICA LAMENDOLA Acting as of 12/31/18

JILL WEBER

ROBERT WEITZNER

**Town of North Hempstead
Organizational Chart
As of 12/31/2018**

**Supervisor
Judi Bosworth**

Jennifer Eberhardt
**Admin Assistant to
Supervisor**

**Town Board
Supervisor Bosworth**
1. Viviana L. Russell 4. Anna M. Kaplan
2. Peter J. Zuckerman 5. Lee R. Seeman
3. Angelo P. Ferrara 6. Dina M. De Giorgio

Receiver of Taxes
Charles Berman

Town Clerk
Wayne H. Wink, Jr.

TownStat
Steven Pollack

Director of
Legislative Affairs
Stephanie Heaney

Grants Coordinator
Thomas Devaney

Intergovernmental
Coordinator
Rachel Brinn

Director of Finance/
Acting Comptroller
Jessica Lamendola

Deputy Supervisor
Aline Khatchadourian

Chief of Staff
Jeanine Dillon

Town Attorney
Elizabeth Botwin

Purchasing
Moira Labarbera

Human Resources
Bob Weitzner

Information
Technology
Daniel Guillermo

Public Works
Paul DiMaria

Public Safety
Shawn Brown

311 Call Center
Vincent Malizia

Communications
Carole Trottere

Community Services
Kimberly Corcoran

Parks and
Recreation
Jill Weber

Director of
Constituent Affairs
Stephen Mazza

Sidewalks

PW Parking District

Services for the
Aging

Lighting

Buildings
Department
John Niewender

Planning &
Economic
Development
Michael Levine

Administrative
Services
Peter Hoda

Highways
Kevin Cronin

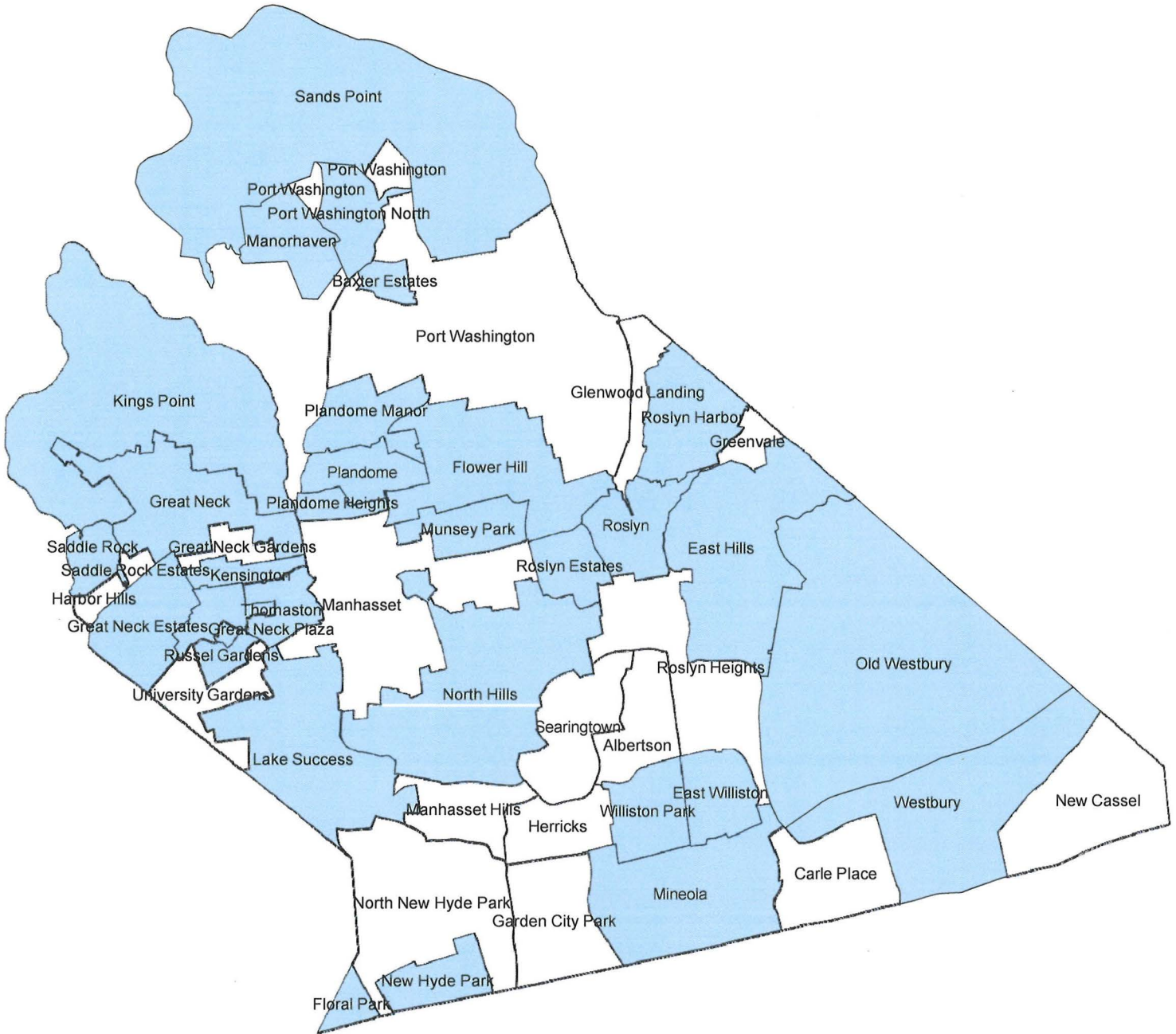
Solid Waste
Management
Authority
Robert Lange

Board of Zoning &
Appeals

Office of
Sustainability

BTDC

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
DINA M. DE GIORGIO

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



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



Supervisor
JUDI BOSWORTH

Town Clerk
WAYNE H. WINK, JR.

Receiver of Taxes
CHARLES BERMAN

June 28, 2019

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, 2018. 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 eighth Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the December 31, 2017 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, 2018 financial report continues to meet the requirements of the Certificate of Achievement Program.

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

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

Sincerely,

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

Judi Bosworth
Town Supervisor

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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
DINA M. DE GIORGIO

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

June 28, 2019

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, 2018.

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. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide 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 June 28, 2019, for the Town and its discretely presented non-major component units as of December 31, 2018. 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 2018 unemployment rate, averaged at 3.3%, .3% less than the 2017 average (<https://labor.ny.gov/stats>). This number continues to be below that reported for New York state average (4.1%) and the nation average (3.9%) 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.

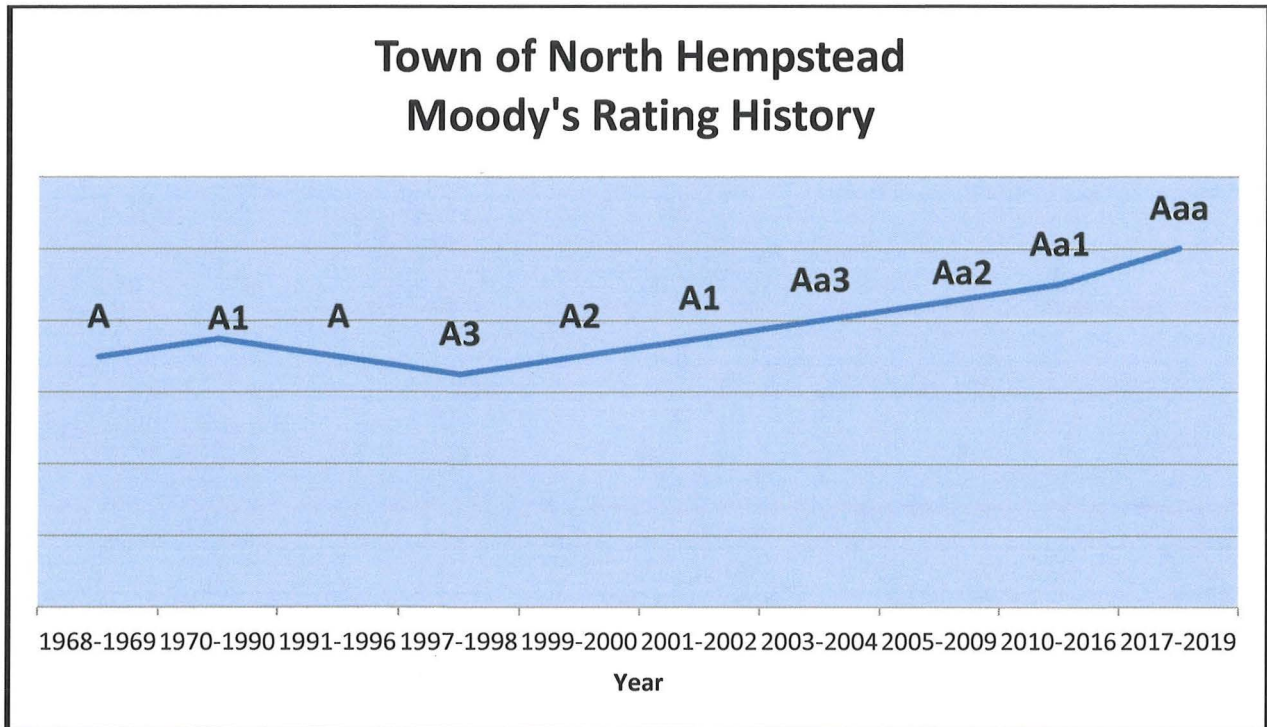
The Town's proximity to New York City also makes it a highly desirable suburban location for commuters, attracted to the ease of access to employment. Residents' access to the Town's highly regarded public, private and parochial schools and overall quality of life is another reason why people choose to live in North Hempstead. In 2018, North Hempstead was named one of Money Magazine's top places to retire in the United States. The Town's location is less than a one hour drive from New York City's museums, theaters and other cultural activities.

Impact of Superstorm Sandy on the Town

As a result of Superstorm Sandy (the "Storm") in 2012, the Town sustained damage, mainly from wind, downed trees and floodwaters. Many Town roads had numerous large trees fall, damaging sidewalks and obstructing the right-of-ways. Fallen trees and debris were removed by the Town's workforce and outside contractors. Several Town parks and recreational facilities also incurred damage. Town employees undertook emergency protective measures to prepare for and respond to the needs of residents. The Town's costs for emergency protective measures, debris removal and other recovery efforts total approximately \$56 million to date, with the work to continue for several years. Since the Storm, the Town has been reimbursed approximately \$22 million in Federal and State funds. It is expected an additional \$34 million will be reimbursed to the Town in future years for eligible work at North Hempstead Beach Park, Tully Park Aquatic Center and Manorhaven Beach Park.

Long-Term Financial Planning

The Town achieved a Aaa bond rating from Moody's Investors Service with a stable outlook in March of 2018. 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 “open gov” application

The Town continues to handle requests for services or information through its 311 calling and tracking system, which received 168,710 resident calls in 2018. Town officials monitor the effectiveness of how the Town addresses constituents’ concerns through the management initiative known as “TownStat”. In 2018, for the eighth 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 23,174 service requests in 2018, and has helped thousands of North Hempstead seniors maintain and improve their quality of life, making it easier for them to remain in their homes and part of our community. In 2018 The North Hempstead Housing Authority broke ground on seventy-seven units of affordable senior housing in New Cassel, at the former site of the Grand Street School.

In 2016 this program was expanded to provide transportation to Town residents with disabilities, the result of a suggestion by the Town’s Disability Advisory Committee. Rides are provided on request to residents with a disability in areas where the transit system’s Able Ride does not operate. In the year of 2018, this program provided 183 taxi trips.

2018 brought medical relief to the veterans of the Town of North Hempstead. Rather than have to travel for hours to visit the VH hospital in Northport, the Northport VA Medical Center mobile unit comes to them. Medical care is offered three times a week at Clinton G Martin Park.

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”.

A cultural master plan initiative got underway in 2018, led by the Town’s Planning Department and an experienced cultural planning team called 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.

The Supervisor's Chamber of Commerce Roundtable was instituted in 2018 to see how the Town can work together with the Chambers to address the challenges our downtowns are facing.

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 69 pets in 2018. Also in 2018, the Animal Shelter and in conjunction with the Nassau County Department of Health the Town offered a free rabies clinic. In 2018, 303 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 December of 2018 the Town of North Hempstead approved a code change that will help keep newly paved roads from being opened up by local utility companies for non-emergency repairs.

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

The Town's TV station, North Hempstead TV (NHTV), broadcasts 24/7 with quality programs that educate and entertain. NHTV won a first place award in 2018 in the Alliance for Community Media's Annual Hometown Media Awards in the Government Profile category. This was the third year in a row that the Town has been selected for a Home Town Media Award. The 2018 award winning piece focused on how the New York State Department of Environmental Conservation works to protect marine life in Manhasset Bay and surrounding waters.

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, 2017. This was the eighth 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, 2017

Christopher P. Morill

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, 2018, 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-one 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, and Greater Port Washington Business Improvement District, for the year ended December 31, 2018. 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 report 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, 2018, and the respective changes in financial position and, where applicable, cash flows, thereof, and the respective budgetary comparison for the General, Highway, Solid Waste Management Authority, and Part Town funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note 2D and Note 3E 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. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". 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, 2018 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, 2018 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, 2018 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, 2018.

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, 2018 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
June 28, 2019

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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, 2018

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, 2018. 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).

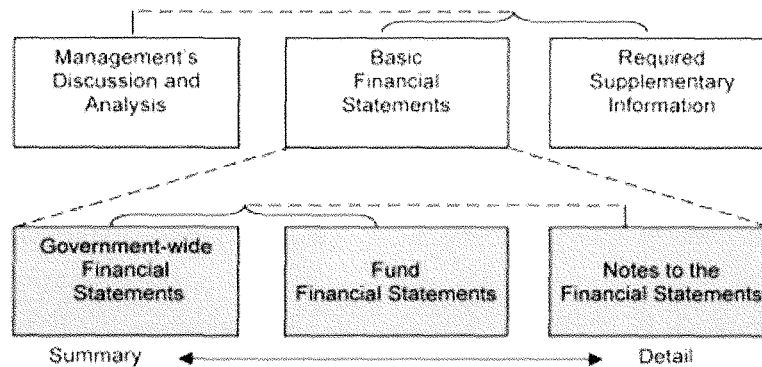
Financial Highlights

- 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 2018 by \$73,530,138. The Town's total net position at December 31, 2018 decreased by \$97,023,171 from the previous year. This decrease is inclusive of a prior period adjustment in the amount of (\$12,899,888) and a cumulative effect of change in accounting principle amount of (\$88,023,603) from the implementation of a new Governmental Accounting Standards Board ("GASB") pronouncement, both discussed in Note 2D and 2E. The decrease was offset by operating surpluses in the primary governmental funds in the net amount of \$3,900,320.
- As of the close of 2018, the Town's governmental funds reported combined ending fund balance of \$81,902,575 an increase of \$971,873 when compared to the fund balance of \$80,930,702 at the end of 2017. The increase is due to a prior period adjustment in the amount of \$3,303,416 in the Non-Major Governmental funds, offset by operating surpluses in the general, highway and part town funds of \$1,532,138, \$676,504 and \$1,314,305, respectively.
- As of the close of 2018, the Town increased its total outstanding debt by \$3,996,070. Short-term debt was reduced by \$2,031,474, while long-term debt increased by \$6,027,544 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 \$15,868,823 at the close of 2018, an increase of \$1,532,138 compared to the prior year fund balance. The year-end performance was driven by a one-time property sale in the amount of \$800,000, higher than budgeted sales tax which was \$464,837 over budget, as well as strong budgetary control throughout the year. The restricted, assigned and unassigned fund balance for the general fund was \$14,565,470 or 22% of total general fund actual expenditures and other uses.
- The Town's highway fund balance was \$8,372,200 at the close of 2018, an increase of \$676,504 or up 8.8% from the prior year. The increase is partially caused by a decrease in snow removal costs due to weather conditions 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.

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 \$73,530,138 at the close of 2018.

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

	2018	2017
Current and Other Assets:		
Current Assets	\$ 103,264,596	\$ 104,999,375 *
Capital Assets, net of depreciation	406,903,424	407,801,897
Other non-current assets	6,385,916	6,318,417 *
Total Assets	516,553,936	519,119,689
Deferred Outflows of Resources	14,424,941	10,715,799
Current Liabilities	44,723,872	49,568,913
Long-term Liabilities	391,032,734	307,332,196
Total Liabilities	435,756,606	356,901,109
Deferred Inflows of Resources	21,692,133	2,381,070
Net Position:		
Net Investment in capital assets	249,023,637	248,900,563
Restricted	4,808,156	7,464,775
Unrestricted	(180,301,655)	(85,812,029)
Total Net Position	\$ 73,530,138	\$ 170,553,309

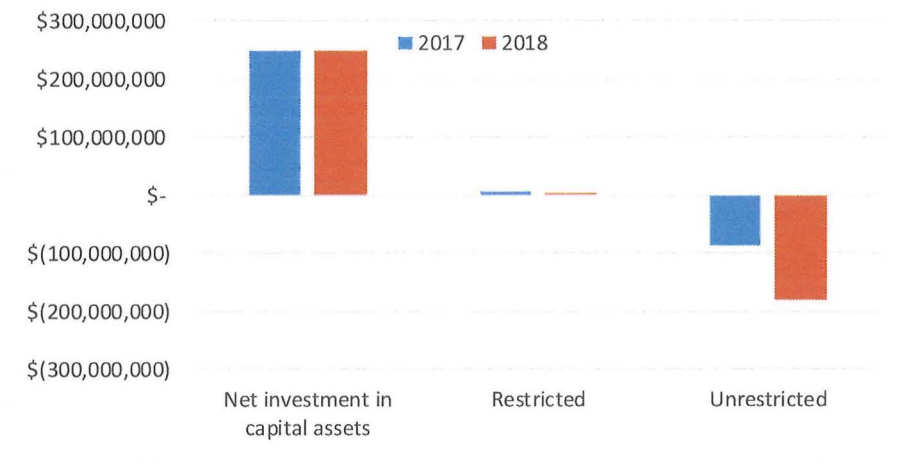
*Certain amounts have been reclassified to conform to the current year presentation.

By far the largest portion of the Town's net position, \$249,023,637 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.

In 2018, the Town implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". Under the new statement, the Town's obligation to its current and future retirees for postemployment health care benefits ("OPEB") has been calculated at \$167,519,397 for 2018. This is a decrease of \$3,263,512 from the 2017 restated liability of \$170,782,909. Additional information on postemployment benefit healthcare costs can be found in Note 3E to the financial statements.

The OPEB liability is the largest component of the Town's unrestricted net position, which has a deficit balance of \$180,301,655. 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.

**Town of North Hempstead, NY
Net Position
December 31, 2018 and 2017**



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

	2018	2017
Revenues:		
Program Revenues:		
Charges for Services	\$ 33,491,952	\$ 32,441,923
Operating Grants and Contributions	495,371	608,922
Capital Grants and Contributions	1,039,716	2,094,442
	<u>35,027,039</u>	<u>35,145,287</u>
General Revenues:		
Real Property Taxes	73,463,548	69,454,516
Other tax items	5,499,824	5,358,015
Non-property taxes	14,268,519	13,879,873
Mortgage tax	7,819,351	9,184,447
State aid - unrestricted	1,023,565	1,023,565
Other	2,428,773	3,560,299
	<u>104,503,580</u>	<u>102,460,715</u>
Total Governmental Revenues	<u>139,530,619</u>	<u>137,606,002</u>
Expenses:		
Program Expenses:		
General Government Support	22,374,597	30,216,273
Education	2,680,039	3,455,484
Public Safety	17,007,720	14,259,877
Health	405,955	410,369
Transportation	24,874,549	23,540,680
Economic Opportunity and Development	3,175,299	3,647,150
Culture and Recreation	31,364,889	29,362,341
Home and Community Services	27,932,903	26,859,210
Interest on Debt	5,814,348	5,350,058
	<u>135,630,299</u>	<u>137,101,442</u>
Total Governmental Expenses	<u>135,630,299</u>	<u>137,101,442</u>
Change in Net Position	3,900,320	504,560
Net Position - Beginning, as Restated	<u>69,629,818</u>	<u>170,048,749</u>
Net Position - Ending	<u>\$ 73,530,138</u>	<u>\$ 170,553,309</u>

Net position, from all governmental activities, decreased by \$97,023,171 from the prior year ending net position, inclusive of the prior period adjustment and cumulative effect of change in accounting principle.

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

- General revenues had a net increase of \$2,042,865 over the prior year. The largest driver of this increase is in the real property taxes category which shows an increase of \$4,009,032. This increase results from prior year’s treatment of the payment in lieu of taxes (PILOTs); Long Island Power Authority (“LIPA”) parcels were transferred from being included in the property tax levy to PILOTs revenue in order to adhere to a state statute. In 2016, the Town collected additional property tax, as a result of the levy not reducing in tandem with the removal of the LIPA properties. The property tax was placed into a reserve and applied to the 2018 budget. This caused a one-year dip in 2017 property tax collections as they were collected in 2016. The large increase in real property tax was offset, by a decrease in Mortgage tax of \$1,365,096, which is driven by economic conditions, consumer spending and housing market conditions. In prior year, the housing market had experienced a boom which had caused larger than usual mortgage tax revenues. Whereas in 2018, the market slowed down which resulted in significantly lower mortgage tax. Non-property tax revenues increased over prior year by \$388,646 primarily due to 2018 sales tax revenue which exceeded prior year by \$415,154.
- Program revenues decreased by \$118,248 from the prior year. Capital grants and contributions decreased by \$1,054,726 largely driven by one-time grants from New York State received in 2017 totaling \$499,775. Additionally, federal and state reimbursements for Superstorm Sandy were lower by \$316,937 due to the timing of related expenditures. Departmental revenue increased by \$1,050,029 primarily driven by the increase in solid waste revenue of \$1,372,878 due to increased activity throughout the year. The solid waste positive variance was offset by a decline in highway permit revenue of \$352,967 as prior year had experienced unusually high volume in road opening permits from National Grid in order to lay and insulate gas lines across the Town.
- Program expenses decreased by \$1,471,143 over the prior year.
 - General government support expenses decreased by \$7,841,676 primarily due to interfund revenues being allocated using a different methodology than prior year thus amounting to a difference of \$5,886,258 year over year.

	2018	2017
Interfund Revenues Allocation		
General Government Support	\$ 5,896,200	\$ 9,942
Public Safety	114,431	2,210,040
Transportation	561,151	3,456,140
Culture and Recreation	95,266	312,837
Home and Community Services	163,304	935,715
Total Interfund Revenue Allocation	<u>\$ 6,830,352</u>	<u>\$ 6,924,674</u>

- Judgment and claims payable decreased by \$631,706 in the current year due to Town Attorney’s continuous successes in ongoing cases. In the prior year, they had experienced an increase of \$777,290, which results in a total decrease of expenditures year over year of \$1,408,996.
- Education expenses decreased by \$775,445 due to lower community college costs.

- Public safety increased by \$2,747,843 of which \$2,095,609 of the increase is attributable to the interfund revenue allocation methodology change, the remaining increase is driven by increased parking enforcement.
- Transportation increased by \$1,333,869. Employee benefit expenses decreased in the amount of \$1,397,750. The savings were offset by interfund revenues being allocated using a different methodology than prior year amounting to a variance of \$2,894,989 year over year.
- Culture and recreation increased by \$2,002,548 primarily due to the re-opening of the new pool in the Clinton G. Martin Park district. In prior year the pool was closed for renovations and re-opened for the 2018 season. Park district expenses increased by \$405,132. Additionally, related to the Clinton G Martin pool opening, depreciation and retainage payable increased by \$118,477 and \$695,190 respectively. The interfund revenue allocation under a different methodology also caused a variance of \$217,571 from the prior year.
- Home and community services increased by \$1,073,693 primarily due to an increase in disposal activity in our Solid Waste Management Authority in the amount of \$531,888. The balance of the increase is due to the interfund revenue change in allocation methodology resulting in a variance \$772,411 from the prior year.

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	
	2018	2017	2018	2017	2018	2017
General government support	\$ 22,374,597	\$ 30,216,273	\$ 532,911	\$ 566,435	\$ 21,841,686	\$ 29,649,838
Education	2,680,039	3,455,484	-	-	2,680,039	3,455,484
Public safety	17,007,720	14,259,877	5,435,810	5,101,695	11,571,910	9,158,182
Health	405,955	410,369	251,562	280,362	154,393	130,007
Transportation	24,874,549	23,540,680	2,461,759	2,767,581	22,412,790	20,773,099
Economic assistance and opportunity	3,175,299	3,647,150	288,350	256,428	2,886,949	3,390,722
Culture and recreation	31,364,889	29,362,341	8,912,931	9,849,717	22,451,958	19,512,624
Home and community services	27,932,903	26,859,210	17,143,716	16,323,069	10,789,187	10,536,141
Interest on debt	5,814,348	5,350,058	-	-	5,814,348	5,350,058
	<u>\$ 135,630,299</u>	<u>\$ 137,101,442</u>	<u>\$ 35,027,039</u>	<u>\$ 35,145,287</u>	<u>\$ 100,603,260</u>	<u>\$ 101,956,155</u>

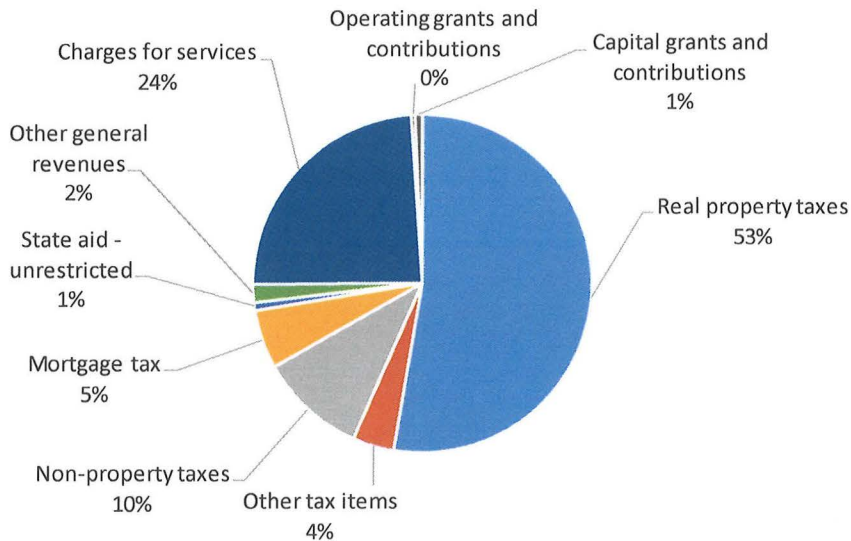
The total cost of all governmental activities this year was \$135,630,299. The net cost of these services was \$100,603,260. Program revenues of \$35,027,039 represented 25.8% of the governmental activity cost.

The following chart illustrates the revenues by source for the Town's governmental funds. The Town's revenue increased by \$1,924,617 over the prior year, primarily because of the increase in real property taxes of \$4,009,032. The property tax increase was driven by the 2017 collection of additional property tax, related to the levy not being reduced in tandem with the removal of the LIPA PILOT properties. The property tax was placed into a reserve and applied to the 2018 budget which caused a one-year dip in property tax collections as they were collected in the previous year. This large increase was partially offset by the \$1,365,096 decrease in mortgage tax. Other general revenues decreased by \$1,131,526 primarily due to a decrease in refund of prior year expenditures in the amount of \$368,325 related to workers compensation recoveries received in 2017 for prior year's claims as well as a decrease in sale of equipment of \$120,046 due to prior year equipment inventory clean up.

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

	2018	2017
Real property taxes	\$ 73,463,548	\$ 69,454,516
Other tax items	5,499,824	5,358,015
Non-property taxes	14,268,519	13,879,873
Mortgage tax	7,819,351	9,184,447
State aid - unrestricted	1,023,565	1,023,565
Other general revenues	2,428,773	3,560,299
Charges for services	33,491,952	32,441,923
Operating grants and contributions	495,371	608,922
Capital grants and contributions	1,039,716	2,094,442
	<u>\$ 139,530,619</u>	<u>\$ 137,606,002</u>

**Revenues by Source
December 31, 2018**



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, 2018, the Town's governmental funds reported total ending fund balance of \$81,902,575, as compared to the prior year of \$80,930,702, an increase of \$971,873. The increase is due to a prior period adjustment in the amount of \$3,303,416 in the refuse and garbage districts fund, offset by operating surpluses in the general, highway and part town funds of \$1,532,138, \$676,504, and \$1,314,305, respectively. Below is the breakdown of the governmental fund balance:

- **Nonspendable fund balance** – \$2,192,045 (inherently nonspendable) includes the portion of net resources that cannot be spent because they must be maintained intact.

- **Restricted fund balance** – \$47,035,040 (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** – \$26,227,712 (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** – \$6,447,778 (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 \$15,868,823, increasing \$1,532,138 from the prior year's fund balance. Of this amount, \$1,303,353 is nonspendable (inventory and prepaids). The remaining \$14,565,470 of the fund balance is spendable as follows: \$600,000 has been legally restricted by contractual obligations; \$5,399,013 has been assigned by the Town Board, (\$744,019 for workers' compensation, \$1,162,834 for insurance, \$1,203,827 for senior housing related programs, \$1,888,333 for capital projects and \$400,000 for accrued employee benefits) and \$8,566,457 represents spendable, unassigned fund balance.

The major variances versus the adopted budget were as follows:

- Total Revenues and Other Financing sources were higher than budgeted by \$185,474. Nassau County local government assistance revenues (sales tax) exceeded budget by \$464,837. Additionally, the Town had unbudgeted sales of property in the amount of \$821,200. These positive variances were partially offset by lower than budgeted golf course, franchise fee and Parks facility fee revenues of \$894,147, \$218,318, and \$204,558, respectively.
- Total Expenditures and Other Financing Uses were lower than budget by \$1,521,664. The Parks department, net of the golf course, exceeded their budget by \$501,383. Golf course expenditures ended the year \$460,747 lower than budget which partially offset the lower revenue performance at the facility. Several departments had favorable spending variances including Employee Benefits, Programs for the Aging, General Services, Technology Services, Other Government Support of \$610,481, \$158,137, \$111,431, \$111,549, and \$202,188, respectively.

Highway Fund

At the end of 2018, the highway fund balance was \$8,372,200, an increase of \$676,504, or 8.9%, from the prior year. The portion of the fund balance that is considered nonspendable is \$577,575, for inventory and prepaid expenses (\$273,821 and \$303,754, respectively). The Town Board has assigned \$350,000 in a reserve for accrued employee benefits, \$1,300,000 for capital projects, \$100,000 for insurance and \$50,000 for workers' compensation. The remaining fund balance is spendable and available for highway operating purposes.

The highway fund operations, ended the year with a \$676,504 operating surplus. Strong revenue performance and expenditure management prevented the use of fund balance.

- Revenues in the highway fund exceeded budget by \$103,355. This increase was partially due to restored taxes collected in 2018 related to expired PILOT agreements in the amount of \$86,223. In addition, revenues for work performed for other departments exceeded budget by \$89,742 as well as actual interest earned which exceeded budget by \$52,717. These positive variances were offset by road permits coming in below budget by \$163,697.
- Expenditures ended favorable to budget by \$573,149. Savings were found in employee benefits and in the Highway Garage department totaling \$275,814 and \$197,999 respectively.

Solid Waste Management Authority

At the end of 2018, the total fund balance of the Solid Waste Management Authority was \$776,568, decreasing by \$798,271 or 50.7% from the prior year. The portion of the fund balance that is considered nonspendable is for inventory and prepaid expenses of \$10,927 and \$3,225, respectively. The remaining amount is spendable and available for solid waste management purposes.

The decrease of \$798,271 in fund balance was related to a final debt payment made in February 2018 of \$900,786 that was paid via a release of restricted fund balance of the same amount.

- In 2018 due to increased processed solid waste in 2018, the net decrease in fund balance from operating activities was \$98,271. The decrease was primarily related to the timing of FEMA reimbursement and expenditures which contributed \$104,600 to the negative variance.

Part Town

At the end of 2018, the part town fund had a total fund balance of \$8,001,772 an increase of \$1,314,305 or 19.7%. Non-spendable fund balance allocated to prepaid expenses totaled \$228,520. The Town Board has assigned \$225,000 in a reserve for accrued employee benefits, \$600,000 for capital projects, and \$200,000 for insurance. The remaining \$6,748,252 of the fund balance can be used for general part town purposes.

- Part town revenues came in \$523,492 over budget primarily because of higher than budgeted building permit revenue of \$339,021 and \$112,965 higher than budgeted court fine revenue. The number of permits increased and the cost of permits was also increased in 2017. Additionally, parking enforcement revenue exceeded budget by \$121,135 due to increased activity.
- Favorable spending variances of \$790,813 added to the strong year end performance. This was primarily driven by savings in employee benefits totaling \$299,792, and unused contingency of \$112,340. Additional personnel vacancies in the Code Enforcement and the Registrar of Vital statistics, yielded in budget savings of \$60,680 and \$69,511 respectively.

Refuse and Garbage Districts Fund

At the end of 2018, the refuse and garbage districts fund had a total fund deficit of (\$2,118,679), a decrease of \$3,188,002 or 298% from the prior year. The primary reason for the decrease in fund balance was because of a prior period adjustment 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 \$424,497.

Capital Projects Fund

At the end of 2018, the total fund balance of the capital projects fund was \$35,762,289. This entire amount is restricted for capital projects.

The balance decreased in the capital projects fund by \$316,021 during the current year. Primarily because of:

- Proceeds from the sale of bonds in the amount of \$22,643,500.
- Capital outlay and equipment expenditures were \$24,765,610.
- Bond anticipation notes were redeemed from appropriations of \$540,420.
- State and Federal Aid revenues were \$300,156.
- Premiums on obligations in the amount of \$842,731.

As of December 31, 2018 the entire fund balance, \$2,192,401, of the Clinton G. Martin Capital Project Fund is restricted pending litigation with the contractor.

Nonmajor Governmental Funds

At the end of 2018, the total fund balance of the nonmajor governmental funds was \$11,031,446, increasing \$161,270 or 1.5%, from the prior year. Of this amount, \$68,445 is nonspendable for prepaid expenses. The fund balance includes \$6,464,595, which is restricted for the length of service award program. The remaining \$4,498,406 of the fund balance can be used for general special district purposes.

The major variances versus the adopted budget were as follows:

- The fire district had positive variance in fire protection related expenditures of \$295,778.
- The park districts' departmental income came in \$54,984 under budget and federal aid came in \$76,614 under budget.
- The sidewalk district had positive variance in personal services of \$177,854 and employee benefit expenditures of \$46,125.

General Fund Budgetary Highlights

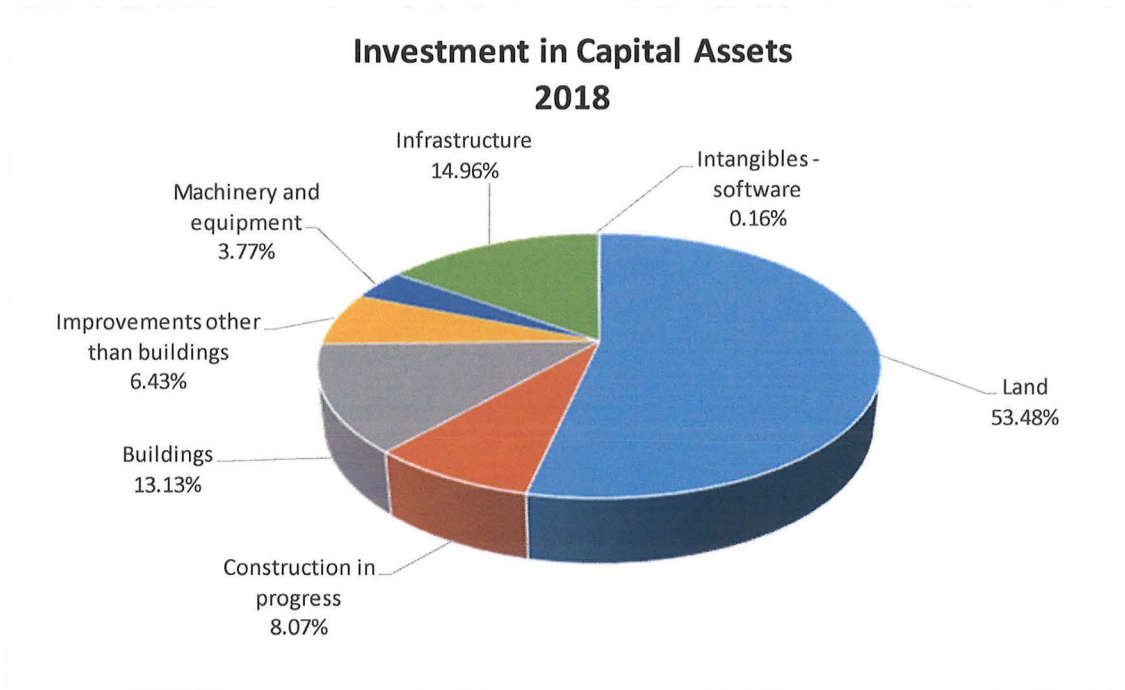
The differences between the 2018 original budget and the final amended budget as adopted by Town Board resolution throughout the year were de minimis with the exception of the release of \$175,000 from the Insurance reserve in order to pay out a settlement. There are no variances that are expected to 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, 2018 amounts to \$406,903,424. This investment in capital assets includes land, construction in progress, buildings, improvements, machinery and equipment, roads, curb and sidewalks, drainage, street lighting and intangibles.

	2018	2017
Land	\$ 217,629,085	\$ 217,629,085
Construction in progress	32,815,415	18,954,741
Buildings	53,427,824	55,302,571
Improvements other than buildings	26,173,855	40,611,469
Machinery and equipment	15,355,295	14,188,097
Infrastructure	60,853,171	60,525,093
Intangibles - software	648,779	590,841
	\$ 406,903,424	\$ 407,801,897



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 2018, the Town had increased total debt outstanding including serial bonds, revenue bonds, and bond anticipation notes (BANs) by \$3,996,070 from the prior year.

Short-Term Debt

As of December 31, 2018, the Town had outstanding short-term bond anticipation notes of \$9,321,935 with maturity dates in 2018. This is a decrease of \$2,031,474, or 17.9% from 2017 largely due to the conversion of BANS to long-term debt.

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Bond Anticipation Notes	<u>\$ 9,321,935</u>	<u>\$ 11,353,409</u>

Long-Term Debt

As of December 31, 2018, the Town had outstanding long-term bonded debt of \$197,757,817. This is an increase of \$6,027,544, or 3.1%, over the prior year largely as a result of conversion of BANS to long-term debt. Outstanding long-term bonds are as follows:

	<u>2018</u>	<u>2017</u>
General obligation bonds	\$ 197,757,817	\$ 190,839,691
Revenues bonds	-	890,582
Total	<u>\$ 197,757,817</u>	<u>\$ 191,730,273</u>

In 2018, 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 2019.

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, 2018, the Town had exhausted 8.06% of its constitutionally available debt limit, which is \$3,643,304,371.

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 2019 that stayed within the 1.84% 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 2019 budget includes mortgage tax of \$8,100,000; State aid - per capita of \$1,023,565 and local government assistance (sales tax) of \$12,193,000. If the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Town, may be affected by a delay in the payment of state aid. The State is not constitutionally obligated to maintain or continue state aid to the Town. After 2020, the legislation providing for County local government assistance expires.

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, 2018

	Primary Government		Non-Major Component Units
	Governmental Activities		
ASSETS			
Cash and equivalents	\$ 85,679,550	\$	54,936,093
Cash and equivalents - restricted	-		11,733,021
Investments - LOSAP	6,464,595		-
Receivables			
Accounts	3,382,105		3,755,598
State and Federal aid	701,565		1,487,315
Due from other governments	4,844,736		4,779,098
Due from primary government	-		21,366,180
Loans	-		1,457,779
Deposits	-		1,525
Inventory	720,110		700,378
Prepaid expenses	1,471,935		2,146,060
Notes receivable	3,082,500		-
Due from County	3,303,416		-
Property held for resale	-		1,464,375
Capital assets			
Not being depreciated	250,444,500		41,198,487
Being depreciated, net	156,458,924		236,199,013
Total Assets	<u>516,553,936</u>		<u>381,224,922</u>
DEFERRED OUTFLOWS OF RESOURCES			
	<u>14,424,941</u>		<u>15,945,903</u>
LIABILITIES			
Accounts payable and accrued liabilities	10,876,020		8,558,656
Due to other governments	2,071,062		70,394
Bond anticipation notes payable	9,321,935		1,999,050
Unearned revenues	508,449		1,803,219
Deposits	-		701,973
Accrued interest payable	2,056,847		416,188
Due to primary government	-		3,280
Other liabilities	-		376,165
Non-current liabilities			
Due within one year	19,889,559		10,418,784
Due in more than one year	391,032,734		316,889,030
Total Liabilities	<u>435,756,606</u>		<u>341,236,739</u>
DEFERRED INFLOWS OF RESOURCES			
	<u>21,692,133</u>		<u>20,170,793</u>
NET POSITION			
Net investment in capital assets	249,023,637		127,826,621
Restricted for			
Accrued employee benefits	-		232,524
Asset forfeiture	-		441,712
Capital projects	600,000		18,793,663
Debt service	4,208,156		734,778
Herbert Paul memorial fund	-		213,494
Insurance	-		227,213
Maintenance	-		446,004
New York State grant	-		192,480
Property held for redevelopment	-		1,464,375
Repairs	-		11,951,136
Retirement contribution	-		3,400
Unrestricted	<u>(180,301,655)</u>		<u>(126,764,107)</u>
Total Net Position	<u>\$ 73,530,138</u>	\$	<u>35,763,293</u>

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, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government support	\$ 22,374,597	\$ 532,911	\$ -	\$ -
Education	2,680,039	-	-	-
Public safety	17,007,720	5,731,206	(295,396)	-
Health	405,955	251,562	-	-
Transportation	24,874,549	1,663,892	-	797,867
Economic opportunity and development	3,175,299	31,870	256,480	-
Culture and recreation	31,364,889	8,553,798	117,284	241,849
Home and community services	27,932,903	16,726,713	417,003	-
Interest	5,814,348	-	-	-
Total Primary Government	\$ 135,630,299	\$ 33,491,952	\$ 495,371	\$ 1,039,716
Non-major component units				
General government support	\$ 2,579,079	\$ -	\$ -	\$ -
Public Safety	23,677,809	5,399	100,547	-
Culture and recreation	23,301,403	5,740,205	-	-
Home and community services	57,579,565	25,585,569	1,353,577	3,040,306
Interest	3,774,239	487	-	-
	\$ 110,912,095	\$ 31,331,660	\$ 1,454,124	\$ 3,040,306

General revenues
Real property taxes
Other tax items
Special assessment
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
Unrestricted State aid
Loss on capital asset dispositions
Insurance recoveries
Federal aid
Miscellaneous
Gain on sale of property
Total General Revenues
Change in Net Position

NET POSITION

Net Position - Beginning, as reported

Cumulative Effect of Change in Accounting Principle

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
\$ (21,841,686)	\$ -
(2,680,039)	-
(11,571,910)	-
(154,393)	-
(22,412,790)	-
(2,886,949)	-
(22,451,958)	-
(10,789,187)	-
(5,814,348)	-
<u>\$ (100,603,260)</u>	<u>\$ -</u>
\$ -	\$ (2,579,079)
-	(23,571,863)
-	(17,561,198)
-	(27,600,113)
-	(3,773,752)
<u>\$ -</u>	<u>\$ (75,086,005)</u>
73,463,548	73,651,066
5,336	-
1,098,611	-
4,382,077	2,828,331
13,800	120,096
11,964,837	-
2,303,682	-
7,819,351	-
1,196,207	1,642,100
1,023,565	-
-	(333,615)
-	217,294
-	239,710
411,366	1,382,503
821,200	312,406
<u>104,503,580</u>	<u>80,059,891</u>
<u>3,900,320</u>	<u>4,973,886</u>
170,553,309	111,566,034
(88,023,603)	(79,296,764)
<u>(12,899,888)</u>	<u>(1,479,863)</u>
<u>69,629,818</u>	<u>30,789,407</u>
<u>\$ 73,530,138</u>	<u>\$ 35,763,293</u>

Town of North Hempstead, New York

Balance Sheet
 Governmental Funds
 December 31, 2018

	General	Highway	Solid Waste Management Authority
ASSETS			
Cash and equivalents	\$ 11,643,156	\$ 7,660,315	\$ 1,356,067
Investments - LOSAP	-	-	-
Other receivables			
Accounts	716,965	113,715	2,429,003
State and Federal aid	426,634	112,264	101,115
Due from other governments	4,673,421	5,274	-
Due from other funds	2,364,959	927,691	474,949
	<u>8,181,979</u>	<u>1,158,944</u>	<u>3,005,067</u>
Inventories	<u>435,362</u>	<u>273,821</u>	<u>10,927</u>
Prepaid expenditures	<u>867,991</u>	<u>303,754</u>	<u>3,225</u>
Total Assets	<u>\$ 21,128,488</u>	<u>\$ 9,396,834</u>	<u>\$ 4,375,286</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accrued liabilities	\$ 2,674,375	\$ 875,107	\$ 2,554,505
Due to other governments	2,071,062	-	-
Bond anticipation notes payable	-	-	-
Due to other funds	26,838	146,485	1,041,568
Unearned revenues	487,390	3,042	2,645
Total Liabilities	<u>5,259,665</u>	<u>1,024,634</u>	<u>3,598,718</u>
Fund balances			
Nonspendable	1,303,353	577,575	14,152
Restricted	600,000	-	-
Assigned	5,399,013	7,794,625	762,416
Unassigned	8,566,457	-	-
Total Fund Balances	<u>15,868,823</u>	<u>8,372,200</u>	<u>776,568</u>
Total Liabilities and Fund Balances	<u>\$ 21,128,488</u>	<u>\$ 9,396,834</u>	<u>\$ 4,375,286</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
\$ 8,027,977	\$ 1,211,800	\$ 4,232,388	\$ 46,721,111	\$ 4,826,736	\$ 85,679,550
-	-	-	-	6,464,595	6,464,595
68,134	-	-	-	54,288	3,382,105
-	-	-	61,552	-	701,565
94,611	-	-	71,000	430	4,844,736
-	-	11	146,485	6,966	3,921,061
162,745	-	11	279,037	61,684	12,849,467
-	-	-	-	-	720,110
228,520	-	-	-	68,445	1,471,935
<u>\$ 8,419,242</u>	<u>\$ 1,211,800</u>	<u>\$ 4,232,399</u>	<u>\$ 47,000,148</u>	<u>\$ 11,421,460</u>	<u>\$ 107,185,657</u>
\$ 417,470	\$ 408,585	\$ 24,243	\$ 2,153,106	\$ 353,184	\$ 9,460,575
-	-	-	-	-	2,071,062
-	914,950	-	8,406,985	-	9,321,935
-	2,006,944	-	662,396	36,830	3,921,061
-	-	-	15,372	-	508,449
417,470	3,330,479	24,243	11,237,859	390,014	25,283,082
228,520	-	-	-	68,445	2,192,045
-	-	4,208,156	35,762,289	6,464,595	47,035,040
7,773,252	-	-	-	4,498,406	26,227,712
-	(2,118,679)	-	-	-	6,447,778
8,001,772	(2,118,679)	4,208,156	35,762,289	11,031,446	81,902,575
<u>\$ 8,419,242</u>	<u>\$ 1,211,800</u>	<u>\$ 4,232,399</u>	<u>\$ 47,000,148</u>	<u>\$ 11,421,460</u>	<u>\$ 107,185,657</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, 2018

Fund Balances - Total Governmental Funds	\$ 81,902,575
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because	
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	3,082,500
Due from County	3,303,416
	<u>6,385,916</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>406,903,424</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	1,830,680
Deferred amounts on length of service award program liabilities	687,257
Deferred amounts on other postemployment benefit obligations	(9,785,129)
	<u>(7,267,192)</u>
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(2,056,847)
Retainage payable	(1,415,445)
Bonds payable	(201,818,745)
Due to employees' retirement system	(4,210,608)
Compensated absences	(4,674,933)
Claims payable	(5,564,766)
Landfill closure and postclosure costs	(11,908,965)
Net pension liability	(3,496,515)
Length of service award program liabilities	(11,728,364)
Other post employment benefit obligations payable	(167,519,397)
	<u>(414,394,585)</u>
Net Position of Governmental Activities	<u>\$ 73,530,138</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, 2018

	General	Highway	Solid Waste Management Authority
REVENUES			
Real property taxes	\$ 24,538,509	\$ 20,884,706	\$ -
Other tax items	2,132,974	1,551,826	-
Non-property taxes	14,211,519	-	-
Departmental income	8,305,826	343	15,429,265
Intergovernmental charges	2,541	64,097	1,113,399
Use of money and property	370,937	121,396	84,670
Licenses and permits	292,921	662,303	-
Fines and forfeitures	30,000	-	-
Sale of property and compensation for loss	141,752	39,421	104,881
Interfund revenues	6,580,111	249,240	-
State aid	8,996,760	763,072	131,202
Federal aid	571,321	43,421	(104,600)
Miscellaneous	2,186	26,146	55,485
Total Revenues	66,177,357	24,405,971	16,814,302
EXPENDITURES			
Current			
General government support	14,457,480	2,529,871	-
Education	2,680,039	-	-
Public safety	1,430,023	-	-
Health	-	-	-
Transportation	40,635	10,751,937	-
Economic opportunity and development	2,371,058	-	-
Culture and recreation	17,106,703	-	-
Home and community services	1,111,903	-	15,998,982
Employee benefits	11,125,065	5,364,791	712,805
Debt service			
Principal	-	-	890,582
Interest	-	-	10,204
Capital outlay	-	-	-
Total Expenditures	50,322,906	18,646,599	17,612,573
Excess (Deficiency) of Revenues Over Expenditures	15,854,451	5,759,372	(798,271)
OTHER FINANCING SOURCES (USES)			
Bonds issued	-	-	-
Issuance premium	-	-	-
Sale of property	821,200	-	-
Transfers in	193,959	613,112	-
Transfers out	(15,337,472)	(5,695,980)	-
Total Other Financing Sources (Uses)	(14,322,313)	(5,082,868)	-
Net Change in Fund Balances	1,532,138	676,504	(798,271)
FUND BALANCES			
Beginning of Year, as reported	14,336,685	7,695,696	1,574,839
Prior Period Adjustment	-	-	-
Beginning of Year, as restated	14,336,685	7,695,696	1,574,839
End of Year	\$ 15,868,823	\$ 8,372,200	\$ 776,568

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
\$ 5,506,259	\$ 8,894,640	\$ -	\$ -	\$ 13,819,658	\$ 73,643,772
474,837	157,310	-	-	1,182,877	5,499,824
57,000	-	-	-	-	14,268,519
1,109,078	-	-	-	1,256,486	26,100,998
-	-	-	-	-	1,180,037
65,816	12,827	727,909	-	(238,788)	1,144,767
4,444,021	-	-	-	-	5,399,245
322,965	-	-	-	-	352,965
8,422	-	-	-	-	294,476
-	-	-	-	1,001	6,830,352
49,500	-	-	472,599	-	10,413,133
-	-	-	(172,443)	(66,933)	270,766
1,739	-	-	103,763	64,322	253,641
<u>12,039,637</u>	<u>9,064,777</u>	<u>727,909</u>	<u>403,919</u>	<u>16,018,623</u>	<u>145,652,495</u>
1,803,664	496,478	-	-	1,853,685	21,141,178
-	-	-	-	-	2,680,039
4,567,190	-	-	-	6,326,751	12,323,964
231,204	-	-	-	-	231,204
930	-	-	-	3,542,190	14,335,692
-	-	-	-	-	2,371,058
-	-	-	-	973,319	18,080,022
1,039,618	8,426,097	-	-	52,305	26,628,905
3,082,726	-	-	-	1,013,535	21,298,922
-	-	15,725,374	-	-	16,615,956
-	-	6,224,063	-	-	6,234,267
-	-	-	24,765,610	-	24,765,610
<u>10,725,332</u>	<u>8,922,575</u>	<u>21,949,437</u>	<u>24,765,610</u>	<u>13,761,785</u>	<u>166,706,817</u>
<u>1,314,305</u>	<u>142,202</u>	<u>(21,221,528)</u>	<u>(24,361,691)</u>	<u>2,256,838</u>	<u>(21,054,322)</u>
-	-	-	22,643,500	-	22,643,500
-	-	1,022,180	842,731	-	1,864,911
-	-	-	-	-	821,200
-	424,497	21,968,079	578,082	-	23,777,729
-	(451,285)	(178,781)	(18,643)	(2,095,568)	(23,777,729)
-	(26,788)	22,811,478	24,045,670	(2,095,568)	25,329,611
<u>1,314,305</u>	<u>115,414</u>	<u>1,589,950</u>	<u>(316,021)</u>	<u>161,270</u>	<u>4,275,289</u>
6,687,467	1,069,323	2,618,206	36,078,310	10,870,176	80,930,702
-	(3,303,416)	-	-	-	(3,303,416)
<u>6,687,467</u>	<u>(2,234,093)</u>	<u>2,618,206</u>	<u>36,078,310</u>	<u>10,870,176</u>	<u>77,627,286</u>
<u>\$ 8,001,772</u>	<u>\$ (2,118,679)</u>	<u>\$ 4,208,156</u>	<u>\$ 35,762,289</u>	<u>\$ 11,031,446</u>	<u>\$ 81,902,575</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, 2018

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 4,275,289</u>
<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	24,617,230
Depreciation expense	<u>(12,615,815)</u>
	<u>12,001,415</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
Real property taxes	<u>(180,224)</u>
	<u>(112,724)</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	(22,643,500)
Principal paid on bonds	16,615,956
Amortization of premium on refunding bonds and issuance premium	<u>(1,407,208)</u>
	<u>(7,434,752)</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	(37,784)
Retainage payable	(744,031)
Due to employees' retirement system	808,824
Compensated absences	565,587
Claims payable	606,490
Landfill closure and postclosure costs	935,062
Pension obligations	23,627
Length of service award program obligations	(465,066)
Other post employment benefit obligations	<u>(6,521,617)</u>
	<u>(4,828,908)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 3,900,320</u></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 Funds and Refuse and Garbage Districts

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Year Ended December 31, 2018

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 24,448,964	\$ 24,448,964	\$ 24,538,509	\$ 89,545
Other tax items	2,211,953	2,211,953	2,132,974	(78,979)
Non-property taxes	13,965,000	13,965,000	14,211,519	246,519
Departmental income	9,406,800	9,407,900	8,305,826	(1,102,074)
Intergovernmental charges	-	-	2,541	2,541
Use of money and property	230,000	230,000	370,937	140,937
Licenses and permits	314,300	314,300	292,921	(21,379)
Fines and forfeitures	30,000	30,000	30,000	-
Sale of property and compensation for loss	-	-	141,752	141,752
Interfund revenues	6,524,593	6,524,593	6,580,111	55,518
State aid	9,359,854	9,359,854	8,996,760	(363,094)
Federal aid	162,300	187,789	571,321	383,532
Miscellaneous	110,000	132,730	2,186	(130,544)
Total Revenues	66,763,764	66,813,083	66,177,357	(635,726)
EXPENDITURES				
Current				
General government support	15,137,119	15,116,732	14,457,480	659,252
Education	1,933,000	2,680,039	2,680,039	-
Public safety	1,348,931	1,430,036	1,430,023	13
Health	-	-	-	-
Transportation	-	40,637	40,635	2
Economic opportunity and development	2,572,440	2,543,873	2,371,058	172,815
Culture and recreation	17,143,639	17,148,992	17,106,703	42,289
Home and community services	1,281,086	1,141,672	1,111,903	29,769
Employee benefits	11,660,630	11,735,546	11,125,065	610,481
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	51,076,845	51,837,527	50,322,906	1,514,621
Excess (Deficiency) of Revenues Over Expenditures	15,686,919	14,975,556	15,854,451	878,895
OTHER FINANCING SOURCES (USES)				
Sale of property	-	-	821,200	821,200
Transfers in	193,959	193,959	193,959	-
Transfers out	(15,880,878)	(15,344,515)	(15,337,472)	7,043
Total Other Financing Uses	(15,686,919)	(15,150,556)	(14,322,313)	828,243
Net Change in Fund Balances	-	(175,000)	1,532,138	1,707,138
FUND BALANCES (DEFICITS)				
Beginning of Year, as reported	-	175,000	14,336,685	14,161,685
Prior Period Adjustment	-	-	-	-
Beginning of Year, as restated	-	175,000	14,336,685	14,161,685
End of Year	\$ -	\$ -	\$ 15,868,823	\$ 15,868,823

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)
\$ 20,798,483	\$ 20,798,483	\$ 20,884,706	\$ 86,223	\$ -	\$ -	\$ -	\$ -
1,575,150	1,575,150	1,551,826	(23,324)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	343	343	13,847,050	15,418,078	15,429,265	11,187
75,000	75,000	64,097	(10,903)	1,113,399	1,113,399	1,113,399	-
80,000	80,000	121,396	41,396	82,006	82,006	84,670	2,664
826,000	826,000	662,303	(163,697)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	39,421	39,421	193,102	193,102	104,881	(88,221)
159,498	159,498	249,240	89,742	-	-	-	-
788,485	788,485	763,072	(25,413)	115,000	115,000	131,202	16,202
-	-	43,421	43,421	-	-	(104,600)	(104,600)
-	-	26,146	26,146	-	-	55,485	55,485
<u>24,302,616</u>	<u>24,302,616</u>	<u>24,405,971</u>	<u>103,355</u>	<u>15,350,557</u>	<u>16,921,585</u>	<u>16,814,302</u>	<u>(107,283)</u>
2,805,184	2,629,185	2,529,871	99,314	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
10,670,817	10,949,958	10,751,937	198,021	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	14,964,202	16,007,987	15,998,982	9,005
5,627,385	5,640,605	5,364,791	275,814	936,355	712,811	712,805	6
-	-	-	-	-	890,582	890,582	-
-	-	-	-	-	10,205	10,204	1
<u>19,103,386</u>	<u>19,219,748</u>	<u>18,646,599</u>	<u>573,149</u>	<u>15,900,557</u>	<u>17,621,585</u>	<u>17,612,573</u>	<u>9,012</u>
<u>5,199,230</u>	<u>5,082,868</u>	<u>5,759,372</u>	<u>676,504</u>	<u>(550,000)</u>	<u>(700,000)</u>	<u>(798,271)</u>	<u>(98,271)</u>
-	-	-	-	-	-	-	-
613,112	613,112	613,112	-	150,000	150,000	-	(150,000)
<u>(5,812,342)</u>	<u>(5,695,980)</u>	<u>(5,695,980)</u>	<u>-</u>	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(5,199,230)</u>	<u>(5,082,868)</u>	<u>(5,082,868)</u>	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>(150,000)</u>
-	-	676,504	676,504	(550,000)	(550,000)	(798,271)	(248,271)
-	-	7,695,696	7,695,696	550,000	550,000	1,574,839	1,024,839
-	-	-	-	-	-	-	-
-	-	7,695,696	7,695,696	550,000	550,000	1,574,839	1,024,839
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,372,200</u>	<u>\$ 8,372,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 776,568</u>	<u>\$ 776,568</u>

(Continued)

Town of North Hempstead, New York

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

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual (Concluded)
Year Ended December 31, 2018

	Part Town Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 5,451,047	\$ 5,451,047	\$ 5,506,259	\$ 55,212
Other tax items	499,598	499,598	474,837	(24,761)
Non-property taxes	57,000	57,000	57,000	-
Departmental income	1,059,000	1,059,000	1,109,078	50,078
Intergovernmental charges	-	-	-	-
Use of money and property	15,000	15,000	65,816	50,816
Licenses and permits	4,105,000	4,105,000	4,444,021	339,021
Fines and forfeitures	210,000	210,000	322,965	112,965
Sale of property and compensation for loss	-	-	8,422	8,422
Interfund revenues	-	-	-	-
State aid	70,000	119,500	49,500	(70,000)
Federal aid	-	-	-	-
Miscellaneous	-	-	1,739	1,739
Total Revenues	11,466,645	11,516,145	12,039,637	523,492
EXPENDITURES				
Current				
General government support	1,962,775	1,954,475	1,803,664	150,811
Education	-	-	-	-
Public safety	4,610,645	4,686,173	4,567,190	118,983
Health	307,828	311,274	231,204	80,070
Transportation	-	931	930	1
Economic opportunity and development	-	-	-	-
Culture and recreation	-	-	-	-
Home and community services	1,116,615	1,180,774	1,039,618	141,156
Employee benefits	3,468,782	3,382,518	3,082,726	299,792
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	11,466,645	11,516,145	10,725,332	790,813
Excess (Deficiency) of Revenues Over Expenditures	-	-	1,314,305	1,314,305
OTHER FINANCING SOURCES (USES)				
Sale of property	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Uses	-	-	-	-
Net Change in Fund Balances	-	-	1,314,305	1,314,305
FUND BALANCES (DEFICITS)				
Beginning of Year, as reported	-	-	6,687,467	6,687,467
Prior Period Adjustment	-	-	-	-
Beginning of Year, as restated	-	-	6,687,467	6,687,467
End of Year	\$ -	\$ -	\$ 8,001,772	\$ 8,001,772

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)
\$ 8,887,364	\$ 8,887,364	\$ 8,894,640	\$ 7,276
147,398	147,398	157,310	9,912
-	-	-	-
-	-	-	-
4,321	4,321	12,827	8,506
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>9,039,083</u>	<u>9,039,083</u>	<u>9,064,777</u>	<u>25,694</u>
501,113	496,478	496,478	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
8,665,524	8,492,078	8,426,097	65,981
-	-	-	-
-	-	-	-
<u>9,166,637</u>	<u>8,988,556</u>	<u>8,922,575</u>	<u>65,981</u>
<u>(127,554)</u>	<u>50,527</u>	<u>142,202</u>	<u>91,675</u>
-	-	-	-
-	250,865	424,497	173,632
<u>(22,446)</u>	<u>(451,392)</u>	<u>(451,285)</u>	<u>107</u>
<u>(22,446)</u>	<u>(200,527)</u>	<u>(26,788)</u>	<u>173,739</u>
<u>(150,000)</u>	<u>(150,000)</u>	<u>115,414</u>	<u>265,414</u>
150,000	150,000	1,069,323	919,323
-	-	<u>(3,303,416)</u>	<u>(3,303,416)</u>
150,000	150,000	<u>(2,234,093)</u>	<u>(2,384,093)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,118,679)</u>	<u>\$ (2,118,679)</u>

Town of North Hempstead, New York

Statement of Assets and Liabilities

Fiduciary Fund

December 31, 2018

	<u>Agency</u>
ASSETS	
Cash and equivalents	\$ 37,491,896
LIABILITIES	
Due to nonmajor component units	\$ 21,362,900
Due to school districts	13,460,151
Other liabilities	<u>2,668,845</u>
Total Liabilities	<u>\$ 37,491,896</u>

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

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 public safety, transportation, 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 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 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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/net position, revenues and expenditures/expenses. 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 and 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:

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 – Searingtown – 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 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 in an agency capacity on behalf of others. The Agency Fund is also used to account for employee payroll tax withholdings and various other deposits that are payable to other jurisdictions or individuals.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Town has presented the following fiduciary funds:

Town Agency Fund - is used to account for consolidated payroll, amounts due to component units and other agency liabilities.

Town Clerk Agency Fund - is used to account for permit and license fees collected on behalf of other governments.

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

Discretely Presented Nonmajor Component Units

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

Garbage Districts:

Port Washington
Glenwood
Carle Place
Roslyn

Water Districts:

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

Water Pollution Control Districts:

Great Neck
Belgrave
Port Washington

Park Districts:

Manhasset
Great Neck

Port Washington Police District

Town of North Hempstead Community
Development Agency

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 are the internal service funds and the enterprise fund. The Agency Fund has no measurement focus but utilizes the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is

Note 1 - Summary of Significant Accounting Policies (Continued)

incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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 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, 2018.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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, 2018, 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.

Operating Transfers - Operating 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.

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.

Inventory - Inventoriable items in the General Fund, Highway Fund and Solid Waste Management Authority consist of materials and supplies, which are recorded at cost 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. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

development located at the property. The value of the note and all accrued interest at December 31, 2018 of \$3,082,500 has been reported as a note receivable 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 \$2,500. 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 footnotes, 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.

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 \$487,390 for gift cards, catering event deposits, and grant revenue received in advance of eligible expenditures. The Town has also reported unearned revenues in the Highway Fund of \$3,042, the Solid Waste Management Authority of \$2,645 and the Capital Projects Fund of \$15,372 for funds 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.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
New York State and Local Employees' Retirement System	\$ 12,975,217	\$ 11,144,537
Fire Protection Length of Service Awards Program ("LOSAP")	1,449,724	762,467
Other Postemployment Benefit Obligations	-	9,785,129
	<u>\$ 14,424,941</u>	<u>\$ 21,692,133</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 expensed 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 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 trust. 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 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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, restricted for capital projects and 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.

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,

Note 1 - Summary of Significant Accounting Policies (Continued)

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 June 28, 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 Budget Director a detailed estimate of the budget known as "departmental estimates" for the amount of revenue to be received and expenditures to be made for the ensuing year.
- b) On or before September 30th, the Budget Director files with the Town Clerk and the Comptroller and presents to the Town Board a tentative budget for the ensuing year.
- c) On or before October 5th, the Town Board receives the tentative budget from the Town Clerk. After review, it adopts the tentative budget as preliminary and sets a date for a budget hearing.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- 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.

B. Property Tax Limitation

The Town is not limited as to the maximum amount of real property taxes that may be raised. However, on June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 ("Tax Levy Limitation Law"). This applies to all local governments.

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a Town in a particular year. The original legislation that established the Tax Levy Limitation Law was set to expire on June 16, 2016. Chapter 20 of the Laws of 2015 extends the Tax Levy Limitation Law through June 2020.

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

Note 2 - Stewardship, Compliance and Accountability (Continued)

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 \$2,118,679 at December 31, 2018. 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. Cumulative Effect of Change in Accounting Principle

For the year ended December 31, 2018, the Town implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("OPEB")". This statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governments by establishing standards for recognizing and measuring liabilities, deferred outflows/inflows of resources and expenses/expenditures. This statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to the periods of employee service. As a result of adopting these standards, the government-wide financial statements reflect a cumulative effect for the change in accounting principle of \$(88,023,603) and the discretely presented non-major component units reflect a cumulative effect for the change in accounting principle of \$(79,296,764).

E. Prior Period Adjustments

Beginning net position of the Town as of December 31, 2017 was restated for a prior period adjustment, decreasing the net position by \$12,899,888. The Town incorrectly capitalized landfill related expenditures that should have been expensed in accordance with GASB Statement No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs". The amount of the prior period adjustment represents the net book value.

Beginning fund balance of the Special Revenue Fund - Refuse and Garbage Districts as of December 31, 2017 was restated for a prior period adjustment, decreasing fund balance by \$3,303,416. The Town recognized revenue relating to a litigation settlement that would be paid in subsequent years by the County. However, the receivable has not been paid for several years and, therefore, is not deemed to be measurable and available as required by the modified accrual basis of accounting.

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 2 - Stewardship, Compliance and Accountability (Continued)

Beginning fund balance of the discretely presented non-major component units as of December 31, 2017 was restated for a prior period adjustment, decreasing net position by \$1,479,923 as follows:

	Belgrave Water Pollution Control District	Port Washington Water District	Total
Adjustments to correct:			
Net capital assets	\$ (1,275,212)	\$ 1,210,695	\$ (64,517)
Inventory	-	60,000	60,000
Deferred outflows of resources, pension	-	(41,485)	(41,485)
Accounts payable	-	(1,408,629)	(1,408,629)
Accrued liabilities	-	(25,232)	(25,232)
Total Prior Period Adjustments	\$ (1,275,212)	\$ (204,651)	\$ (1,479,863)

Note 3 - Detailed Notes on All Funds

A. Investments

At December 31, 2018, 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
Asset backed securities	\$ 3,017	\$ -	\$ -	\$ -	\$ -	\$ 3,017
Bonds funds	1,743,496	-	10,925	1,120,685	611,886	-
Certificates of deposits	314,144	-	314,144	-	-	-
Common stock	291,793	291,793	-	-	-	-
Corporate bonds	72,612	-	19,835	32,098	20,679	-
Insurance contracts	553,573	-	553,573	-	-	-
Money market and bank deposits	378,534	378,534	-	-	-	-
U.S. agency securities	8,582	-	-	8,582	-	-
U.S. and international equities funds	3,098,844	3,098,844	-	-	-	-
	\$ 6,464,595	\$ 3,769,171	\$ 898,477	\$ 1,161,365	\$ 632,565	\$ 3,017

The investments had the following average credit ratings:

Type of investment	Fair Value	N/A	A or Better	BBB	BB	Unrated
Asset backed securities	\$ 3,017	\$ -	\$ -	\$ -	\$ -	\$ 3,017
Bonds funds	1,743,496	-	898,983	12,761	641,920	189,832
Certificates of deposits	314,144	314,144	-	-	-	-
Common stock	291,793	291,793	-	-	-	-
Corporate bonds	72,612	-	14,750	42,417	7,713	7,732
Insurance contracts	553,573	-	553,573	-	-	-
Money market and bank deposits	378,534	378,534	-	-	-	-
U.S. agency securities	8,582	-	8,582	-	-	-
U.S. and international equities funds	3,098,844	3,098,844	-	-	-	-
	\$ 6,464,595	\$ 4,083,315	\$ 1,475,888	\$ 55,178	\$ 649,633	\$ 200,581

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, 2018

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, 2018 were as follows:

Fund	Due From	Due To
General	\$ 2,364,959	\$ 26,838
Highway	927,691	146,485
Solid Waste Management Authority	474,949	1,041,568
Refuse and Garbage Districts	-	2,006,944
Debt Service	11	-
Capital Projects	146,485	662,396
Non-Major Governmental	6,966	36,830
	<u>\$ 3,921,061</u>	<u>\$ 3,921,061</u>

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 as Reported January 1, 2018	Prior Period Adjustment*	Balance as Restated January 1, 2018	Additions	Deletions	Balance December 31, 2018
Primary Government						
Governmental Activities -						
Capital Assets, not being depreciated:						
Land - other than landfills	\$ 217,629,085	\$ -	\$ 217,629,085	\$ -	\$ -	\$ 217,629,085
Construction-in-progress	18,954,741	-	18,954,741	16,721,598	2,860,924	32,815,415
Total Capital Assets, not being depreciated	<u>\$ 236,583,826</u>	<u>\$ -</u>	<u>\$ 236,583,826</u>	<u>\$ 16,721,598</u>	<u>\$ 2,860,924</u>	<u>\$ 250,444,500</u>
Capital Assets, being depreciated:						
Buildings	\$ 86,188,629	\$ -	\$ 86,188,629	\$ -	\$ -	\$ 86,188,629
Improvements other than buildings	69,950,582	(12,955,093)	56,995,489	731,731	-	57,727,220
Machinery and equipment	40,151,380	(54,014)	40,097,366	3,434,166	609,106	42,922,426
Infrastructure	212,597,099	(10,403,387)	202,193,712	6,407,740	-	208,601,452
Intangibles - software	2,487,184	-	2,487,184	182,919	-	2,670,103
Total Capital Assets, being depreciated	<u>411,374,874</u>	<u>(23,412,494)</u>	<u>387,962,380</u>	<u>10,756,556</u>	<u>609,106</u>	<u>398,109,830</u>
Less Accumulated Depreciation for:						
Buildings	30,886,058	-	30,886,058	1,874,747	-	32,760,805
Improvements other than buildings	29,339,113	(122,875)	29,216,238	2,337,127	-	31,553,365
Machinery and equipment	25,963,283	(25,099)	25,938,184	2,238,053	609,106	27,567,131
Infrastructure	152,072,006	(10,364,632)	141,707,374	6,040,907	-	147,748,281
Intangibles - software	1,896,343	-	1,896,343	124,981	-	2,021,324
Total Accumulated Depreciation	<u>240,156,803</u>	<u>(10,512,606)</u>	<u>229,644,197</u>	<u>12,615,815</u>	<u>609,106</u>	<u>241,650,906</u>
Total Capital Assets, being depreciated, net	<u>\$ 171,218,071</u>	<u>\$ (12,899,888)</u>	<u>\$ 158,318,183</u>	<u>\$ (1,859,259)</u>	<u>\$ -</u>	<u>\$ 156,458,924</u>
Primary Government Capital Assets, net	<u>\$ 407,801,897</u>	<u>\$ (12,899,888)</u>	<u>\$ 394,902,009</u>	<u>\$ 14,862,339</u>	<u>\$ 2,860,924</u>	<u>\$ 406,903,424</u>

*See Note 2E.

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

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

impairment loss in the period when the Town determines that the carrying amount of the asset will not be recoverable. At December 31, 2018, 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	\$ 598,755
Public Safety	208,788
Transportation	5,170,743
Culture and Recreation	5,515,236
Home and Community Services	<u>1,122,293</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 12,615,815</u>

Capital Assets - Component Unit

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

Class	Balance January 1, 2018, as restated	Additions	Deletions	Balance December 31, 2018
Nonmajor Component Units				
Capital Assets, not being depreciated:				
Land	\$ 13,067,129	\$ -	\$ -	\$ 13,067,129
Construction-in-progress	26,298,534	17,167,545	15,334,721	28,131,358
Total Capital Assets, not being depreciated	<u>\$ 39,365,663</u>	<u>\$ 17,167,545</u>	<u>\$ 15,334,721</u>	<u>\$ 41,198,487</u>
Capital Assets, being depreciated:				
Buildings	\$ 138,481,673	\$ 3,317,306	\$ 290,719	\$ 141,508,260
Improvements other than buildings	80,360,082	14,134,151	12,883	94,481,350
Parking meters	188,979	-	-	188,979
Water mains	7,292,987	-	-	7,292,987
Library collection materials	1,525,177	91,609	218,062	1,398,724
Machinery and equipment	102,319,240	4,480,920	1,194,668	105,605,492
Vehicles	2,956,702	79,849	55,132	2,981,419
Infrastructure	92,305,197	295,774	162,409	92,438,562
Total Capital Assets, being depreciated	<u>425,430,037</u>	<u>22,399,609</u>	<u>1,933,873</u>	<u>445,895,773</u>
Less Accumulated Depreciation for:				
Buildings	57,849,094	3,357,904	125,883	61,081,115
Improvements other than buildings	27,209,066	4,462,965	25,066	31,646,965
Parking meters	158,697	4,559	-	163,256
Water mains	4,097,667	177,019	-	4,274,686
Library collection materials	1,229,186	120,244	218,062	1,131,368
Machinery and equipment	63,917,521	4,377,983	927,460	67,368,044
Vehicles	2,015,380	190,658	54,521	2,151,517
Infrastructure	39,364,848	2,514,961	-	41,879,809
Total Accumulated Depreciation	<u>195,841,459</u>	<u>15,206,293</u>	<u>1,350,992</u>	<u>209,696,760</u>
Total Capital Assets, being depreciated, net	<u>\$ 229,588,578</u>	<u>\$ 7,193,316</u>	<u>\$ 582,881</u>	<u>\$ 236,199,013</u>
Nonmajor Component Units				
Capital Assets, net	<u>\$ 268,954,241</u>	<u>\$ 24,360,861</u>	<u>\$ 15,917,602</u>	<u>\$ 277,397,500</u>

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2018

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, 2018	Issued	Redemptions	Balance December 31, 2018
Various Capital Projects				\$ 3,466,663	\$ -	\$ 3,466,663	\$ -
Various Capital Projects	2015	04/02/19	1.35-2.75 %	485,000	-	45,000	440,000
Settlement of a claim	2015	04/02/19	1.35-2.75	1,210,000	-	383,000	827,000
Various Capital Projects	2015	09/26/19	1.96	860,000	-	273,000	587,000
Various Capital Projects	2016	04/02/19	1.35-2.75	2,112,798	-	-	2,112,798
Various Capital Projects	2017	04/02/19	1.35-2.75	80,000	-	-	80,000
Various Capital Projects	2017	09/26/19	1.96	3,869,500	-	-	3,869,500
Various Capital Projects	2018	04/02/19	1.35-2.75	-	1,904,687	-	1,904,687
Various Capital Projects	2018	04/02/19	1.29	-	1,500,000	-	1,500,000
Total Primary Government and Non-Major Component Units				<u>\$ 12,083,961</u>	<u>\$ 3,404,687</u>	<u>\$ 4,167,663</u>	<u>\$ 11,320,985</u>

These bond anticipation notes are summarized as follows:

	Balance January 1, 2018	Issued	Redeemed	Balance December 31, 2018
Primary Government:				
Capital Projects Fund:				
General	\$ 9,491,651	\$ 1,904,687	\$ 2,989,353	\$ 8,406,985
Highway	233,500	-	233,500	-
Public parking	238,810	-	238,810	-
Street lighting	50,000	-	50,000	-
Refuse and garbage	1,339,448	-	424,498	914,950
	<u>11,353,409</u>	<u>1,904,687</u>	<u>3,936,161</u>	<u>9,321,935</u>
Non-Major Component Units:				
Garbage Districts	730,552	-	231,502	499,050
Water Pollution Control Districts	-	1,500,000	-	1,500,000
	<u>730,552</u>	<u>1,500,000</u>	<u>231,502</u>	<u>1,999,050</u>
	<u>\$ 12,083,961</u>	<u>\$ 3,404,687</u>	<u>\$ 4,167,663</u>	<u>\$ 11,320,985</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 \$223,067 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$224,927 was recorded in the government-wide financial statements.

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2018

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, 2018:

	Balance as Reported January 1, 2018	Cumulative Effect of Change in Accounting Principle*	Balance as Restated January 1, 2018	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2018	Due Within One Year
Primary Government							
Bonds Payable:							
General obligation	\$ 190,839,691	\$ -	\$ 190,839,691	\$ 22,643,500	\$ 15,725,374	\$ 197,757,817	\$ 17,090,977
Revenue bonds	890,582	-	890,582	-	890,582	-	-
	191,730,273	-	191,730,273	22,643,500	16,615,956	197,757,817	17,090,977
Plus							
Unamortized premium on bonds	2,653,720	-	2,653,720	1,864,911	457,703	4,060,928	-
	194,383,993	-	194,383,993	24,508,411	17,073,659	201,818,745	17,090,977
Retirement incentives and other pension obligations	5,019,432	-	5,019,432	-	808,824	4,210,608	836,638
Compensated absences	5,240,520	-	5,240,520	40,461	606,048	4,674,933	467,000
Claims and judgments payable	6,171,256	-	6,171,256	492,975	1,099,465	5,564,766	556,000
Estimated liability for landfill closure and postclosure care costs	12,844,027	-	12,844,027	-	935,062	11,908,965	938,944
Net Pension Liability	10,315,083	-	10,315,083	-	6,818,568	3,496,515	-
Length of service award program liabilities	10,285,149	-	10,285,149	1,443,215	-	11,728,364	-
Other Post Employment Benefit Obligations Payable	82,759,306	88,023,603	170,782,909	12,863,494	16,127,006	167,519,397	-
	132,634,773	88,023,603	220,658,376	14,840,145	26,394,973	209,103,548	2,798,582
Primary Government Long-Term liabilities	\$ 327,018,766	\$ 88,023,603	\$ 415,042,369	\$ 39,348,556	\$ 43,468,632	\$ 410,922,293	\$ 19,889,559
Non-major Component Units							
Bonds Payable - General Obligation	\$ 162,431,247	\$ -	\$ 162,431,247	\$ 6,981,701	\$ 9,521,151	\$ 159,891,797	\$ 9,499,233
Plus							
Unamortized premium on bonds	260,486	-	260,486	-	39,364	221,122	35,390
	162,691,733	-	162,691,733	6,981,701	9,560,515	160,112,919	9,534,623
Retirement incentives and other pension obligations	6,354	-	6,354	-	1,137	5,217	1,178
Compensated Absences	12,624,196	-	12,624,196	1,299,577	1,436,405	12,487,368	770,172
Installment purchase debt	506,897	-	506,897	80,413	119,304	468,006	112,811
Net Pension Liability	10,875,491	-	10,875,491	915,444	7,205,425	4,585,510	-
Other Post Employment Benefit Obligations Payable	74,253,905	79,296,764	153,550,669	9,845,702	13,747,577	149,648,794	-
	\$ 260,958,576	\$ 79,296,764	\$ 340,255,340	\$ 19,122,837	\$ 32,070,363	\$ 327,307,814	\$ 10,418,784

*See Note 2D.

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 award 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, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Bonds Payable

Bonds payable at December 31, 2018 are comprised of the following individual issues:

Purpose	Original Issue Amount	Final Maturity Date	Interest Rates	Amount Outstanding at December 31, 2018
New York State EFC Bonds-2001, Series B	\$ 8,154,789	November, 2022	2.656-3.811 %	\$ 955,000
New York State EFC Bonds-2002 Series F	1,365,000	November, 2023	5.851-6.181	385,000
New York State EFC Bonds-2002 Series G	3,452,513	October, 2019	2.424-2.745	240,000
New York State EFC Bonds-2002 Series I	1,160,000	September, 2022	5.020-5.380	168,000
New York State EFC Bonds-2003 Series A	1,160,000	April, 2031	4.391-4.901	615,000
General Obligation Serial Bonds-2004	3,880,000	February, 2022	5.375-5.400	105,000
New York State EFC Bonds-2006 Series C	3,442,810	April, 2036	4.477-4.861	2,365,000
Various Purposes Serial Bonds-2008	13,210,000	June, 2022	4.000-4.250	4,730,000
NYS EFC Bonds-2008, Series A- 1, B-1 , A-2, B-2 (2011 C)	1,783,412	April, 2038	4.270	480,000
Public Improvement Serial Bonds-2009	11,615,000	June, 2024	3.500-4.000	5,390,000
EFC Serial Bonds-2010 Series C	15,173,760	October, 2039	2.586-4.603	11,165,000
Various Purposes Serial Bonds-2010 Series A	6,063,000	October, 2021	2.000-2.500	1,770,000
Refunding Serial Bonds-2010	12,065,000	May, 2022	2.250-4.000	3,220,000
Various Purposes Serial Bonds-2012	9,192,341	October, 2027	2.000-2.250	5,780,000
EFC 2012 Series E Bonds	54,148,000	November, 2042	0.959-4.098	44,875,000
\$550,000 NYS EFC Series 2013B	550,000	January, 2023	2.424-2.745	295,000
Refunding Serial Bonds 2004 & 2005 Ref. 2014 Series A	25,220,000	February, 2025	2.500-5.000	14,080,000
Refunding Serial Bonds 2003 Ref. 2014 Series B	11,545,000	July, 2022	3.000-5.000	2,775,000
Refunding Serial Bonds 2003 Ref. 2014 Series C	21,790,825	April, 2032	3.000-3.500	17,680,000
Various Purpose Serial Bond 2014 Series D	25,108,147	October, 2030	2.000-3.000	19,485,000
Refunding Landfill Capping L-5 - NYS EFC Series 2014B	6,861,511	May, 2021	4.184-4.325	1,315,000
Refunding 2015 Series A (2006,2007A,2007B)	21,245,000	February, 2027	2.125-5.000	17,585,000
Public Improvement 2015 Series B	4,390,000	April, 2035	2.125-5.000	3,980,000
Refunding 2015 Series C	17,210,000	January, 2023	5.000	7,855,000
EFC - Clean Water Statutory Installment Bond 2016	1,885,113	June, 2045	0.000	1,696,413
Public Improvement Serial Bonds Series 2016 A	13,862,090	October, 2037	2.000-3.000	12,755,000
Public Improvement Serial Bonds Series 2016 B	48,046,322	September, 2034	2.000-3.000	43,265,000
Public Improvement Serial Bonds Series 2016 C	19,308,531	September, 2046	2.250-3.000	18,295,000
Public Improvement Serial Bonds Series 2017 A	49,774,425	April, 2039	3.000-3.250	48,015,000
Public Improvement Serial Bonds Series 2017 B	10,970,000	April, 2047	3.000-4.000	10,725,000
Public Improvement Serial Bonds Series 2017 C	21,677,200	September, 2036	2.000-3.100	21,350,000
Public Improvement Serial Bonds Series 2017 D	4,750,000	September, 2047	1.000-3.000	4,630,000
Public Improvement Serial Bonds Series 2018 A	20,895,000	April, 2032	3.000-5.000	20,895,000
Public Improvement Serial Bonds Series 2018 B	8,730,201	September, 2047	3.000-5.000	8,730,201
				<u>\$ 357,649,614</u>

Interest expenditures of \$6,000,996 and \$10,204 were recorded in the fund financial statements in the Debt Service Fund and Solid Waste Management Authority Fund, respectively. Interest expense of \$5,589,421 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 2019 through 2047.

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

	Balance January 1, 2018	Issued	Redeemed	Balance December 31, 2018
Primary Government				
Capital Projects Fund:				
General	\$ 119,965,129	\$ 11,351,641	\$ 10,900,694	\$ 120,416,076
Highway	44,907,963	8,687,778	4,154,399	49,441,342
Public parking	3,806,538	397,883	321,393	3,883,028
Sidewalk	327,928	664,876	70,467	922,337
Lighting	190,025	143,601	9,928	323,698
Parks	21,642,108	1,397,721	268,493	22,771,336
Total Primary Government	190,839,691	22,643,500	15,725,374	197,757,817
Non-Major Component Units				
Water Pollution Control Districts	75,416,974	-	3,083,133	72,333,840
Water Districts	69,025,606	6,981,701	4,244,339	71,762,968
Park Districts	14,917,021	-	1,783,972	13,133,049
Police District	37,967	-	18,602	19,365
Library District	2,979,595	-	380,887	2,598,708
Business Improvement District	54,084	-	10,217	43,867
Total Component Units	162,431,247	6,981,701	9,521,150	159,891,797
Total General Obligation Bonds	<u>\$ 353,270,938</u>	<u>\$ 29,625,201</u>	<u>\$ 25,246,524</u>	<u>\$ 357,649,614</u>

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of December 31, 2018 including interest payments of \$93,981,217 are as follows:

Year Ending December 31,	Principal	Interest
2019	\$ 26,590,210	\$ 10,345,019
2020	25,123,897	9,032,536
2021	25,845,902	8,169,023
2022	24,277,900	7,391,115
2023	19,102,899	6,701,864
2024-2028	85,849,507	26,358,418
2029-2033	74,454,497	15,691,521
2034-2038	46,949,502	7,178,996
2039-2043	22,059,500	2,561,244
2044-2047	7,395,800	551,481
	<u>\$ 357,649,614</u>	<u>\$ 93,981,217</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. The Town had elected to amortize the maximum allowable ERS contributions in each of the fiscal years since this option was first offered which is outlined in the table below.

	Original Amount Amortized	Current Year Payments	Balance Due	Due Within One Year
Primary Government				
2011 ERS	\$ 329,537	\$ 42,677	\$ 79,353	\$ 38,709
2012 ERS	1,067,724	130,007	362,501	116,414
2013 ERS	1,995,134	233,891	869,395	207,809
2014 ERS	2,434,717	295,267	1,326,755	246,575
2015 ERS	1,496,908	176,829	953,174	146,804
2016 ERS	845,730	100,211	619,430	80,327
	<u>\$ 8,169,750</u>	<u>\$ 978,882</u>	<u>\$ 4,210,608</u>	<u>\$ 836,638</u>
Non-Major Component Units				
2011 ERS	\$ 630	\$ 81	\$ 152	\$ 74
2012 ERS	1,955	238	664	213
2013 ERS	3,706	435	1,615	386
2014 ERS	4,414	535	2,405	447
2015 ERS	596	70	381	58
	<u>\$ 11,301</u>	<u>\$ 1,359</u>	<u>\$ 5,217</u>	<u>\$ 1,178</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.

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

As of December 31, 2018, the value of the accumulated vacation and sick leave was \$4,674,933 for the Town. The liability for compensated absences for the nonmajor component units amounted to \$12,487,368.

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 procedure 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	\$ 3,158,535	\$ 3,012,721
Provision for Claims and Claims Adjustment Expenses	1,058,778	(565,803)
Claims and Claims Adjustments Expenses Paid	<u>(1,033,562)</u>	<u>(65,903)</u>
Balance - End of Year	<u>\$ 3,183,751</u>	<u>\$ 2,381,015</u>
Current Portion	<u>\$ 318,000</u>	<u>\$ 238,000</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, 2018, the Town has recorded a liability of \$11,908,965 in the government-wide financial statements, which represents the provision

Note 3 - Detailed Notes on All Funds (Continued)

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.

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 Authority 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/publications/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 2018 are as follows:

<u>Tier/Plan</u>	<u>Rate</u>
1 75I	21.7 %
2 75I	19.7
3 A14	16.0
4 A15	16.0
5 A15	13.1
6 A15	9.3

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

At December 31, 2018, the Town reported the following for its proportionate share of the net pension liability for ERS:

	<u>Town</u>
Measurement date	March 31, 2018
Net pension liability	3,496,515
Town's proportion of the net pension liability	0.1083369%
Change in proportion since the prior measurement date	(0.0014421%)

The net pension liability was measured as of March 31, 2018 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, 2018, the Town recognized pension expense in the government-wide financial statements of \$4,472,768. Pension expenditures of \$4,495,491 were recorded in the fund financial statements and were charged to the following funds:

General	\$ 2,444,531
Highway	960,500
Solid Waste Management Authority	111,415
Part Town	755,336
Lighting District	6,360
Park Districts	48,186
Sidewalk District	125,008
Public Parking District	<u>44,155</u>
Total Primary Government	<u>\$ 4,495,491</u>

At December 31, 2018, 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	\$ 1,247,094	\$ 1,030,551
Changes of assumptions	2,318,478	-
Net difference between projected and actual earnings on pension plan investments	5,078,411	10,024,272
Changes in proportion and differences between Town contributions and proportionate share of contributions	925,784	89,714
Town contributions subsequent to the measurement date	<u>3,405,450</u>	<u>-</u>
	<u>\$ 12,975,217</u>	<u>\$ 11,144,537</u>

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

\$3,405,450 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, 2019. 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</u> <u>March 31,</u>	
	2019	\$ 1,088,777
	2020	824,917
	2021	(2,389,783)
	2022	(1,098,681)

The total pension liability at March 31, 2018 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, 2018
Actuarial valuation date	April 1, 2017
Actuarial cost method	Entry age normal
Inflation	2.5%
Salary scale	3.8%, indexed by service
Investment rate of return	7.0% compounded annually, net of investment expenses, including inflation
Cost of living adjustments	1.3% annually

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 as of March 31, 2018 are summarized below.

Town of North Hempstead, New York

Notes to Financial Statements (Continued)

December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

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
	<u>100 %</u>	

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>\$ 26,455,572</u>	<u>\$ 3,496,515</u>	<u>\$ (15,925,930)</u>

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

The components of the current year net pension liability of the ERS as of March 31, 2018, were as follows:

Total pension liability	\$ 183,400,590,000
Fiduciary net position	<u>180,173,145,000</u>
Employers' net pension liability	<u>\$ 3,227,445,000</u>
Fiduciary net position as a percentage of total pension liability	<u>98.24%</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, 2018 represent the projected employer contribution for the period of April 1, 2018 through December 31, 2018 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS for the nine month ended December 31, 2018 were \$3,405,450.

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

The Town's financial statements are for the year ended December 31, 2018. 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.

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, Alert Engine, Hook and Ladder and Hose Company No. 1, Floral Park Centre Fire Company, Inc., Glenwood Hook and Ladder, Engine and Hose Company, Port Washington Fire Department, Inc. and Roslyn Volunteer Firefighter Service Award Program. The programs 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 Engine, Hook and Ladder and Hose Company No. 1, Glenwood Hook and Ladder, Engine and Hose Company, Port Washington Fire Department Inc. and Roslyn Volunteer Firefighter Service Award Program, 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

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

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).

Table No. 1 Program Description

	<u>Albertson</u>	<u>Alert</u>	<u>Floral Park Centre</u>
Plan year end date	12/31/2018	12/31/2017	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	Entitlement Age	Entitlement Age
	except for disability or death	except for disability or death	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	12/31/2017	12/31/2018	12/31/2017
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	Entitlement Age	Entitlement Age
	except for disability or death	except for disability or death	except for disability or death
Optional line-of-duty disability	No	No	No

Note 3 - Detailed Notes on All Funds (Continued)

Participants Covered by the Benefit Terms

	<u>Albertson</u>	<u>Floral Park Centre</u>
Inactive participants currently receiving benefits	20	3
Inactive participants entitled to, but not yet receiving benefits	18	4
Active participants	<u>38</u>	<u>24</u>
Total	<u><u>76</u></u>	<u><u>31</u></u>

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).

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

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	12/31/2017	12/31/2017	12/31/2017
Actuary report date	2/18/2019	2/18/2019	2/18/2019
	<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	12/31/2017	12/31/2017
Actuary report date	2/7/2019	2/18/2019	2/18/2019

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

At December 31, 2018, the Town reported a liability of \$11,728,364 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, 2017 for all plans except Glenwood Hook and Ladder, 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, 2018 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	\$ 3,575,981	\$ 897,177
Service cost	110,799	20,907
Interest	134,984	32,678
Difference between expected and actual experience	46,361	(16,946)
Change in assumptions	304,406	70,114
Benefit payments	(96,816)	(74,576)
	<u>\$ 4,075,715</u>	<u>\$ 929,354</u>
Program Liability - End of year		

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

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:

	Alert	Glenwood	Port Washington	Roslyn
Town's proportionate share of the total pension liability at December 31, 2017	6.27%	19.60%	47.08%	21.68%
Town's proportionate share of the total pension liability at December 31, 2016	6.27%	19.60%	47.08%	21.71%
Change in proportionate share	0.00%	0.00%	0.00%	(0.03%)
Basis on which proportion was determined	cost sharing agreement	cost sharing agreement	cost sharing agreement	cost sharing agreement

For the year ended December 31, 2018, the Town recognized pension expense of \$465,065 in the statement of activities. At December 31, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to the program from the following sources:

Deferred Outflows of Resources

	Albertson	Alert	Floral Park Centre	Glenwood	Port Washington	Roslyn	Totals
Differences between expected and actual experience	\$ 47,683	\$ -	\$ 3,320	\$ 57,016	\$ -	\$ 20,406	\$ 128,425
Changes of assumptions or other inputs	273,024	19,061	66,061	147,430	330,622	114,518	950,716
Changes in proportion and difference between Town pension payments and proportionate share of benefit payments	-	4,589	-	-	79,404	2,931	86,924
Benefit payments and administrative expenses subsequent to the measurement date	121,757	8,758	17,056	-	88,817	47,271	283,659
Total	\$ 442,464	\$ 32,408	\$ 86,437	\$ 204,446	\$ 498,843	\$ 185,126	\$ 1,449,724

Deferred Inflows of Resources

	Albertson	Alert	Floral Park Centre	Glenwood	Port Washington	Roslyn	Totals
Differences between expected and actual experience	\$ -	\$ 7,046	\$ 15,966	\$ -	\$ 80,026	\$ -	\$ 103,038
Changes of assumptions or other inputs	222,033	15,492	57,198	-	271,086	93,620	659,429
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	-	-	-	-	-	-	-
Total	\$ 222,033	\$ 22,538	\$ 73,164	\$ -	\$ 351,112	\$ 93,620	\$ 762,467

Deferred outflows of resources related to the program resulting from the Town's contribution subsequent to the measurement date in the amount of \$283,659 will be recognized as a reduction of the program liability in the year ended December 31, 2019. 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:

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Years Ending December 31,	Albertson	Alert	Floral Park Centre	Glenwood	Port Washington	Roslyn	Totals
2019	\$ 11,900	\$ (44)	\$ (2,010)	\$ 40,889	\$ 3,482	\$ 3,072	\$ 57,289
2020	11,900	(44)	(2,010)	40,889	3,482	3,072	57,289
2021	11,900	(44)	(2,010)	40,889	3,482	3,072	57,289
2022	11,900	(44)	(2,010)	40,889	3,482	3,072	57,289
2023	11,900	(44)	(2,010)	40,890	3,482	3,072	57,290
Thereafter	39,174	1,332	6,267	-	41,504	28,875	117,152

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.

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

Table No. 4 Methodology and Assumptions

	Albertson	Alert	Floral Park Centre
Actuarial valuation date	12/31/2017	12/31/2017	12/31/2017
Measurement date	12/31/2017	12/31/2017	12/31/2017
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment rate of return	3.16%	3.16%	3.16%
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.

	Glenwood	Port Washington	Roslyn
Actuarial valuation date	1/1/2018	12/31/2017	12/31/2017
Measurement date	12/31/2018	12/31/2017	12/31/2017
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment rate of return	3.71%	3.16%	3.16%
Salary increases	Not Applicable	Not Applicable	Not Applicable
Inflation rate	0.00%	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, 2018

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:

	1% Decrease	Current Assumption	1% Increase
Albertson			
Discount rates	2.16%	3.16%	4.16%
LOSAP liability	\$ 4,728,831	\$ 4,075,715	\$ 3,546,629
Alert			
Discount rates	2.16%	3.16%	4.16%
LOSAP liability	\$ 314,280	\$ 268,591	\$ 231,870
Floral Park Centre			
Discount rates	2.16%	3.16%	4.16%
LOSAP liability	\$ 1,078,323	\$ 929,354	\$ 807,170
Glenwood			
Discount rates	2.71%	3.71%	4.71%
LOSAP liability	\$ 1,104,762	\$ 1,028,881	\$ 951,324
Port Washington			
Discount rates	2.16%	3.16%	4.16%
LOSAP liability	\$ 4,769,966	\$ 4,007,880	\$ 3,399,119
Roslyn			
Discount rates	2.16%	3.16%	4.16%
LOSAP liability	\$ 1,693,263	\$ 1,417,943	\$ 1,202,479

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, 2018

Note 3 - Detailed Notes on All Funds (Continued)

At December 31, 2018, 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>755</u>

The Town's total OPEB liability of \$167,519,397 was measured as of December 31, 2018, 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	3.7%
Healthcare cost trend rates	6.75% for Pre-65 and 8.0% 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 Fidelity General Obligation 20 Year AA Municipal Bond Index.

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, 2018 is as follows:

Total OPEB Liability - Beginning of Year	\$ 170,782,909
Service cost	7,227,658
Interest	5,635,836
Changes in assumptions or other inputs	(11,742,155)
Benefit payments	<u>(4,384,851)</u>
Total OPEB Liability - End of Year	<u>\$ 167,519,397</u>

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2018

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 (6.0%) or 1 percentage point higher (8.0%) than the current discount rate:

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Total OPEB Liability	\$ 199,265,444	\$ 167,519,397	\$ 142,744,229

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	\$ 139,430,626	\$ 167,519,397	\$ 204,605,380

For the year ended December 31, 2018, the Town recognized OPEB expense of \$6,521,617 in the government-wide financial statements. At December 31, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -
Changes of assumptions or other inputs	9,785,129
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>\$ 9,785,129</u>

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2018

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 December 31,	
2019	\$ 1,957,026
2020	1,957,026
2021	1,957,026
2022	1,957,026
2023	1,957,025

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	\$ 193,959	\$ 15,337,472
Highway Fund	613,112	5,695,980
Refuse and Garbage Districts	424,497	451,285
Debt Service Fund	21,968,079	178,781
Capital Projects Fund	578,082	18,643
Non-Major Governmental Funds	-	2,095,568
	<u>\$ 23,777,729</u>	<u>\$ 23,777,729</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.

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2018

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	\$ 867,991	\$ 303,754	\$ 3,225	\$ 228,520	\$ -	\$ -	\$ -	\$ 68,445	\$ 1,471,935
Inventory	435,362	273,821	10,927	-	-	-	-	-	720,110
Total Nonspendable	1,303,353	577,575	14,152	228,520	-	-	-	68,445	2,192,045
Restricted									
Capital projects	600,000	-	-	-	-	-	35,762,289	-	36,362,289
Debt service	-	-	-	-	-	4,208,156	-	-	4,208,156
Length of service award program	-	-	-	-	-	-	-	6,464,595	6,464,595
Total Restricted	600,000	-	-	-	-	4,208,156	35,762,289	6,464,595	47,035,040
Assigned									
Subsequent year's expenditures	-	-	-	-	-	-	-	301,092	301,092
Capital projects	1,888,333	1,300,000	-	600,000	-	-	-	-	3,788,333
Workers' compensation	744,019	50,000	-	-	-	-	-	-	794,019
Insurance	1,162,834	100,000	-	200,000	-	-	-	-	1,462,834
Employee benefit accrued liability	400,000	350,000	-	225,000	-	-	-	-	975,000
Senior endowment	1,203,827	-	-	-	-	-	-	-	1,203,827
Major funds	-	5,994,625	762,416	6,748,252	-	-	-	-	13,505,293
Non-major funds									
Fire protection	-	-	-	-	-	-	-	988,616	988,616
Lighting	-	-	-	-	-	-	-	270,327	270,327
Park	-	-	-	-	-	-	-	920,552	920,552
Sidewalk	-	-	-	-	-	-	-	1,432,982	1,432,982
Public parking	-	-	-	-	-	-	-	580,617	580,617
Water	-	-	-	-	-	-	-	4,220	4,220
Total Assigned	5,399,013	7,794,625	762,416	7,773,252	-	-	-	4,498,406	26,227,712
Unassigned									
Subsequent year's expenditures	-	-	-	-	526,937	-	-	-	526,937
Unassigned	8,566,457	-	-	-	(2,645,616)	-	-	-	5,920,841
Total Unassigned	8,566,457	-	-	-	(2,118,679)	-	-	-	6,447,778
Total Fund Balances	\$ 15,868,823	\$ 8,372,200	\$ 776,568	\$ 8,001,772	\$ (2,118,679)	\$ 4,208,156	\$ 35,762,289	\$ 11,031,446	\$ 81,902,575

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.

Subsequent year's expenditures represent that at December 31, 2018, 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. 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 *as 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.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

In February 2015, the Town paid \$1,550,174 to resolve the actions commenced by Verizon from 2003 through 2012. Proceeds of the \$4,765,000 Bond Anticipation Notes ("BAN") - 2015 Series B in the amount of \$1,575,000 funded the Town's settlement with Verizon. As of December 31, 2018, and after annual renewal, the outstanding balance of the BAN is \$827,000. The Town has obtained a judgment against the County for the refund plus interest, which the County has appealed. In August 2015, the Town paid Keyspan \$1,118,125 to resolve the actions commenced by Keyspan. Proceeds of the \$38,278,984 BAN - 2015 Series C in the amount of \$1,120,000 funded the Town's settlement with Keyspan. As of December 31, 2018, and after annual renewal, the outstanding balance of the BAN is \$587,000. The Town has obtained a judgment against the County for the refund, plus interest, which the County has appealed. It is the Town's position, based on Appellate Division precedent, that all of these matters are covered by the County Guarantee requiring an eventual payment or reimbursement of any judgments by the County. The County's appeals have been fully briefed but have not yet been calendared for argument in the Appellate Division, Second Department. The Town, exclusive of nonmajor component units, has recorded a receivable from the County under the County Guarantee for \$3,303,416 within the statement of net position. The Town considers this receivable to be long-term.

Long Island Power Authority Case

The Town is a defendant in an action relating to expenditures incurred in repairing an underground Long Island Power Authority ("LIPA") line damaged by the Town during an excavation project. The Town engaged in the proper procedures, notifying One Call prior to the excavation, and LIPA and its agents came out and supposedly marked the locations of all of their lines prior to the Town undertaking the excavation. However, LIPA and its agent failed to mark out the damaged line. The complaint seeks \$5,000,000 in damages and there is no excess coverage for this claim. The General Business Law applies to this claim. The Town moved to dismiss the complaint based upon such statute, which provides that if the utility does not diligently and accurately mark out its lines, it cannot recover for the expense of repair. The statute does not preclude common law claims; however, LIPA's failure to accurately mark out its own lines would seem to mitigate against, or on the basis of comparative negligence at least dramatically reduce, the success of such claim regardless of how it is made. The Town's motion to dismiss was denied. On appeal, LIPA's General Business Law claims; were dismissed. The negligence claims against the Town remain. Because of the appeal, the action was marked stayed in 2011. Although the appeal was decided in December 2012, LIPA has not filed the necessary papers to restore the matter to the active calendar. LIPA, its agent and the Town have attended Court-sponsored mediation without resolution. The last mediation was in November 2014. It is the opinion of the Town Attorney that any potential exposure of the Town will not approach \$5,000,000. The outcome of this litigation cannot be determined at this time, however, to be conservative, the Town has reserved \$750,000 related to this case and is included in the general liability above.

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

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

and area concrete companies asserting \$1,400,000 in damages. The County's theory is that the Town has failed in its responsibility under its MS4 storm water permit to prevent concrete from discharging from an area concrete plant into the storm water system.

The Town 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 and the outcome of this litigation cannot be determined at this time.

Glenwood Power Plant Case

In April 2018, National Grid sued Nassau County, the Town of North Hempstead, 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 the Town defendants is for monies had and received. The Town defendants' position is that the claim is covered by the County guarantee and the Town has no refund liability. The outcome of this litigation cannot be determined at this time.

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 complete the project. Shortly before the Town Board meeting to approve the declaration of default, Gramercy filed for Chapter 11 bankruptcy protection.

It is anticipated that Gramercy will, in the bankruptcy proceeding, seek to recover \$2.8 million it claims the Town is wrongfully withholding. In the event such an action is brought, the Town intends to vigorously assert defenses and affirmative counterclaims. No litigation has been commenced, and this office is not in a position to offer an evaluation of the likelihood of an unfavorable outcome at this time.

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.

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 liability has been recorded.

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 \$2,381,015. 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

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

determined, the third-party administrator has estimated the workers' compensation to be \$3,183,751. 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.

D. Solid Waste Management Authority ("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 2018, and expire between June 2019 and May 2030. Total rental expenditures on such leases for the year ended December 31, 2018 totaled \$308,906. The minimum future non-cancelable operating lease payments are as follows:

	<u>Years Ending December 31,</u>	
	2019	\$ 131,688
	2020	136,544
	2021	138,466
	2022	139,825
	2023	141,164
	2024-2028	766,354
	2029-2030	<u>329,777</u>
Present value of minimum lease payments		<u>\$ 1,783,818</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, 2018, only the real property tax abatement program offered by NCIDA impacts the Town's revenues. Generally, a qualified project is an

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 5 - Tax Abatements (Continued)

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, 2018, the agreements the NCIDA ratified resulted in an abatement of \$3,105,800 of the Town's real property taxes and the receipt of \$1,123,950 in PILOT payments.

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, 2018:

Condensed Statement of Net Position

	Assets & Deferred Outflows of Resources		Liabilities & Deferred Inflows of Resources		Net Position		
	Current, Non-current and Deferred Outflows of Resources	Capital Assets Net of Depreciation	Current, Non-current and Deferred Inflows of Resources	Bonds and Other Long-Term Liabilities	Net Investment in Capital Assets	Restricted	Unrestricted
Garbage Districts:							
Port Washington	\$ 1,786,956	\$ 24,750	\$ 522,122	\$ -	\$ 24,750	\$ -	\$ 1,264,834
Glenwood	62,068	-	6,595	-	-	-	55,473
Carle Place	532,976	-	88,355	-	-	-	444,621
Roslyn	646,298	-	116,870	529	-	-	528,899
Water Pollution Control Districts:							
Great Neck	7,290,763	65,039,813	3,518,684	53,739,760	16,849,925	2,694,856	(4,472,649)
Belgrave	6,226,449	11,915,622	1,395,946	11,892,801	5,954,466	2,302,386	(3,403,528)
Port Washington	5,201,750	30,940,297	3,469,227	23,383,027	11,071,754	156,203	(1,938,164)
Water Districts:							
Glenwood	692,243	286,480	41,265	129,259	286,480	200,000	321,719
Albertson	4,125,066	10,277,953	1,644,125	10,255,315	3,747,753	1,416,767	(2,660,941)
Garden City Park	8,495,998	18,087,517	2,002,810	17,874,673	9,912,962	3,413,202	(6,620,132)
Port Washington	5,811,101	23,470,974	2,621,540	27,623,287	6,912,560	914,905	(8,790,217)
Westbury	4,115,568	10,047,856	1,686,796	8,638,256	8,161,212	2,245,427	(6,568,267)
Roslyn	11,489,777	15,603,042	1,595,931	21,582,522	4,280,664	5,044,427	(5,410,725)
Carle Place	11,803,146	13,789,791	1,520,450	14,633,756	3,687,309	8,934,360	(3,182,938)
Manhasset - Lakeville	10,339,173	43,205,562	3,958,896	13,126,800	37,048,964	4,030,804	(4,620,729)
Park Districts:							
Manhasset	1,090,706	2,324,974	679,714	5,514,038	2,324,974	-	(5,103,046)
Great Neck	12,887,408	25,253,727	6,522,852	33,343,095	13,154,005	1,176,491	(16,055,308)
Other:							
Port Washington Police District	19,461,652	1,546,674	10,204,868	67,561,104	1,468,951	445,112	(58,671,709)
Shelter Rock Public Library District	3,123,277	5,495,169	1,056,963	5,732,412	2,896,460	225,286	(1,292,675)
Town of North Hempstead Community Development Agency	4,396,588	-	1,853,818	1,825,019	-	1,464,375	(746,624)
Greater Port Washington Business Improvement District	194,362	87,299	10,675	33,377	43,432	36,178	157,999
	<u>\$ 119,773,325</u>	<u>\$ 277,397,500</u>	<u>\$ 44,518,502</u>	<u>\$ 316,869,030</u>	<u>\$ 127,826,621</u>	<u>\$ 34,700,779</u>	<u>\$ (126,764,107)</u>

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2018

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, 2018	December 31, 2018
Garbage Districts:									
Port Washington	\$ 2,522,701	\$ -	\$ -	\$ 2,522,701	\$ 2,292,125	\$ 4,077	\$ (226,499)	\$ 1,516,083	\$ 1,289,584
Glenwood	63,885	-	-	63,885	60,697	40	(3,148)	58,621	55,473
Carle Place	907,583	-	-	907,583	869,561	14,922	(23,100)	467,721	444,621
Roslyn	516,659	-	-	516,659	555,655	1,264	40,260	488,639	528,899
Water Pollution Control Districts:									
Great Neck	10,552,392	2,705,055	-	7,847,337	6,758,377	39,661	(1,049,299)	16,121,431	15,072,132
Belgrave	2,777,296	887,257	-	1,890,039	2,610,088	60,821	780,870	4,072,454	4,853,324
Port Washington	6,551,938	1,008,752	-	5,543,186	4,992,523	299,550	(251,113)	9,540,906	9,289,793
Water Districts:									
Glenwood	339,282	150,937	-	188,345	324,970	51,126	187,751	620,448	808,199
Albertson	2,134,526	1,457,182	-	677,344	1,642,849	181,040	1,146,545	1,357,034	2,503,579
Garden City Park	5,726,868	1,192,034	-	4,534,834	3,111,550	501,121	(922,163)	7,628,195	6,706,032
Port Washington	6,702,795	5,081,076	40,306	1,581,413	1,651,237	541,474	611,298	(1,574,050)	(962,752)
Westbury	5,184,289	1,668,683	-	3,515,606	3,210,109	420,513	115,016	3,723,356	3,838,372
Roslyn	5,747,250	4,089,551	-	1,657,699	2,478,150	163,537	983,988	2,930,378	3,914,366
Carle Place	3,076,315	895,351	3,000,000	(819,036)	2,522,187	563,175	3,904,398	5,534,333	9,438,731
Manhasset - Lakeville	7,983,874	6,245,738	-	1,738,136	3,455,877	279,488	1,997,229	34,461,810	36,459,039
Park Districts:									
Manhasset	1,831,857	815,955	-	1,015,902	724,854	56,466	(234,582)	(2,543,490)	(2,778,072)
Great Neck	18,086,595	4,900,727	-	13,185,868	11,994,128	1,113,738	(78,002)	(1,646,810)	(1,724,812)
Other:									
Port Washington Police District	23,680,639	5,399	100,547	23,574,693	20,388,192	1,868,166	(1,318,335)	(55,439,311)	(56,757,646)
Shelter Rock Public Library District	4,011,152	23,523	-	3,987,629	3,813,767	211,590	37,728	1,791,343	1,829,071
Community Development Agency	2,322,093	200,953	1,346,467	774,673	-	33,141	(741,532)	1,459,283	717,751
Port Washington Business Improvement District	192,106	3,487	7,110	181,509	194,170	3,915	16,576	221,033	237,609
	<u>\$ 110,912,095</u>	<u>\$ 31,331,660</u>	<u>\$ 4,494,430</u>	<u>\$ 75,086,005</u>	<u>\$ 73,651,066</u>	<u>\$ 6,408,825</u>	<u>\$ 4,973,886</u>	<u>\$ 30,789,407</u>	<u>\$ 35,763,293</u>

Town of North Hempstead, New York

Notes to Financial Statements (Continued)

December 31, 2018

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 Dis
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 Seasingtown 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, New York

Notes to Financial Statements (Concluded)
December 31, 2018

Note 7 - Subsequent Events

The Town, in March 2019, issued \$18,910,000 in Series A public improvement serial bonds. The bonds mature annually through 2033 with interest at rates ranging from 2.25% to 5.00%, depending on maturity.

The Town, in March 2019, issued bond anticipation notes for various purposes in the amount of \$6,460,187 with an interest rate of 2.5% that will mature in March 2020.

**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 Three Fiscal Years (1)

	<u>2018</u>
Total OPEB Liability:	
Service cost	\$ 7,227,658
Interest	5,635,836
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	(11,742,155)
Benefit payments	<u>(4,384,851)</u>
Net Change in Total OPEB Liability	(3,263,512)
Total OPEB Liability - Beginning of Year	<u>170,782,909</u> (3)
Total OPEB Liability - End of Year	<u>\$ 167,519,397</u>
Town's covered-employee payroll	<u>\$ 30,105,868</u>
Total OPEB liability as a percentage of covered-employee payroll	<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.

See independent auditors' report.

Town of North Hempstead, New York

Required Supplementary Information - Schedule of the
Town's Proportionate Share of the Net Pension Liability
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)

	2018	2017	2016 (2)	2015
Town's proportion of the net pension liability	<u>0.1083369%</u>	<u>0.1097790%</u>	<u>0.1105340%</u>	<u>0.1093560%</u>
Town's proportionate share of the net pension liability	<u>\$ 3,496,515</u>	<u>\$ 10,315,083</u>	<u>\$ 17,741,027</u>	<u>\$ 3,693,060</u>
Town's covered payroll	<u>\$ 31,704,375</u>	<u>\$ 32,253,694</u>	<u>\$ 31,605,182</u>	<u>\$ 30,647,874</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>11.03%</u>	<u>31.98%</u>	<u>56.13%</u>	<u>12.05%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>

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

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

(2) 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.

Town of North Hempstead, New York

Required Supplementary Information - Schedule of Contributions
 New York State and Local Employees' Retirement System
 Last Ten Fiscal Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 4,872,331	\$ 4,752,914	\$ 4,972,909	\$ 5,410,065
Contributions in relation to the contractually required contribution	<u>(4,872,331)</u>	<u>(4,752,914)</u>	<u>(4,761,477)</u>	<u>(4,564,335)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 211,432</u>	<u>\$ 845,730</u>
Town's covered payroll	<u>\$ 24,858,661</u>	<u>\$ 31,409,407</u>	<u>\$ 31,483,760</u>	<u>\$ 31,474,762</u>
Contributions as a percentage of covered payroll	<u>19.60%</u>	<u>15.13%</u>	<u>15.12%</u>	<u>14.50%</u>

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

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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 24,448,964	\$ 24,448,964	\$ 24,538,509	\$ 89,545
Other tax items	2,211,953	2,211,953	2,132,974	(78,979)
Non-property tax items	13,965,000	13,965,000	14,211,519	246,519
Departmental income	9,406,800	9,407,900	8,305,826	(1,102,074)
Intergovernmental charges	-	-	2,541	2,541
Use of money and property	230,000	230,000	370,937	140,937
Licenses and permits	314,300	314,300	292,921	(21,379)
Fines and forfeitures	30,000	30,000	30,000	-
Sale of property and compensation for loss	-	-	141,752	141,752
Interfund revenues	6,524,593	6,524,593	6,580,111	55,518
State aid	9,359,854	9,359,854	8,996,760	(363,094)
Federal aid	162,300	187,789	571,321	383,532
Miscellaneous	110,000	132,730	2,186	(130,544)
Total Revenues	66,763,764	66,813,083	66,177,357	(635,726)
EXPENDITURES				
Current				
General government support	15,137,119	15,116,732	14,457,480	659,252
Education	1,933,000	2,680,039	2,680,039	-
Public safety	1,348,931	1,430,036	1,430,023	13
Transportation	-	40,637	40,635	2
Economic opportunity and development	2,572,440	2,543,873	2,371,058	172,815
Culture and recreation	17,143,639	17,148,992	17,106,703	42,289
Home and community services	1,281,086	1,141,672	1,111,903	29,769
Employee benefits	11,660,630	11,735,546	11,125,065	610,481
Total Expenditures	51,076,845	51,837,527	50,322,906	1,514,621
Excess of Revenues Over Expenditures	15,686,919	14,975,556	15,854,451	878,895
OTHER FINANCING SOURCES (USES)				
Sale of property	-	-	821,200	821,200
Transfers in	193,959	193,959	193,959	-
Transfers out	(15,880,878)	(15,344,515)	(15,337,472)	7,043
Total Other Financing Uses	(15,686,919)	(15,150,556)	(14,322,313)	828,243
Net Change in Fund Balance	-	(175,000)	1,532,138	1,707,138
FUND BALANCE				
Beginning of Year	-	175,000	14,336,685	14,161,685
End of Year	\$ -	\$ -	\$ 15,868,823	\$ 15,868,823

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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REAL PROPERTY TAXES	\$ 24,448,964	\$ 24,448,964	\$ 24,538,509	\$ 89,545
OTHER TAX ITEMS				
Interest and penalties on real property taxes	1,180,000	1,180,000	1,096,604	(83,396)
Payments in lieu of taxes	1,023,953	1,023,953	1,022,570	(1,383)
Returned check charge: property tax	8,000	8,000	13,800	5,800
	<u>2,211,953</u>	<u>2,211,953</u>	<u>2,132,974</u>	<u>(78,979)</u>
NON-PROPERTY TAX ITEMS				
Nassau County local government assistance	11,500,000	11,500,000	11,964,837	464,837
Franchise licenses	2,465,000	2,465,000	2,246,682	(218,318)
	<u>13,965,000</u>	<u>13,965,000</u>	<u>14,211,519</u>	<u>246,519</u>
DEPARTMENTAL INCOME				
Comptroller's fees	7,000	7,000	7,020	20
Town clerk fees	45,000	45,000	61,684	16,684
Registrar	-	-	21,166	21,166
Other general departmental income	12,800	12,800	8,747	(4,053)
Parking enforcement - disables surcharge	1,000	1,000	-	(1,000)
Public pound charge dog fees	10,000	10,000	13,110	3,110
Other public safety departmental income	50,000	50,000	39,345	(10,655)
Parks and recreation charges	2,600,000	2,600,000	2,395,442	(204,558)
Dock storage leases	45,000	45,000	27,398	(17,602)
Recreational concessions	11,000	11,000	8,211	(2,789)
Special recreational facility charges	6,600,000	6,600,000	5,705,853	(894,147)
Other culture and recreation	25,000	26,100	17,850	(8,250)
	<u>9,406,800</u>	<u>9,407,900</u>	<u>8,305,826</u>	<u>(1,102,074)</u>
INTERGOVERNMENTAL CHARGES				
Animal control services	-	-	2,541	2,541
USE OF MONEY AND PROPERTY				
Earnings on investments	55,000	55,000	207,328	152,328
Rental of real property	175,000	175,000	163,609	(11,391)
	<u>230,000</u>	<u>230,000</u>	<u>370,937</u>	<u>140,937</u>
LICENSES AND PERMITS				
Games of chance	300	300	190	(110)
Bingo licenses	1,000	1,000	338	(662)
Dog license fund apportionment	30,000	30,000	21,708	(8,292)
Licensing fees	53,000	53,000	42,705	(10,295)
Town permits	230,000	230,000	227,980	(2,020)
	<u>314,300</u>	<u>314,300</u>	<u>292,921</u>	<u>(21,379)</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, 2018

	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	-	-	15,219	15,219
Insurance recoveries	-	-	126,533	126,533
	-	-	141,752	141,752
INTERFUND REVENUES	6,524,593	6,524,593	6,580,111	55,518
STATE AID				
Per capita	1,023,565	1,023,565	1,023,565	-
Mortgage tax	8,000,000	8,000,000	7,819,351	(180,649)
Youth program	80,296	80,296	49,286	(31,010)
Recreation for disabled	25,000	25,000	29,113	4,113
Environmental conservation	223,493	223,493	1,630	(221,863)
Other culture and recreation	-	-	2,500	2,500
Other home and community service	7,500	7,500	71,315	63,815
	9,359,854	9,359,854	8,996,760	(363,094)
FEDERAL AID				
Culture and recreation	-	-	10,500	10,500
Programs for the aging	162,300	162,300	256,480	94,180
Emergency disaster assistance	-	-	240,458	240,458
Other	-	25,489	63,883	38,394
	162,300	187,789	571,321	383,532
MISCELLANEOUS				
Reimbursement of Medicare Part D	25,000	25,000	(905)	(25,905)
Refund of prior year expenditures	-	-	(24,060)	(24,060)
Gifts and donations	60,000	82,730	31,870	(50,860)
Unclassified	25,000	25,000	(4,719)	(29,719)
	110,000	132,730	2,186	(130,544)
TOTAL REVENUES	66,763,764	66,813,083	66,177,357	(635,726)
OTHER FINANCING SOURCES				
Sale of property	-	-	821,200	821,200
Transfers in	193,959	193,959	193,959	-
TOTAL OTHER FINANCING SOURCES	193,959	193,959	1,015,159	821,200
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 66,957,723	\$ 67,007,042	\$ 67,192,516	\$ 185,474

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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
GENERAL GOVERNMENT SUPPORT				
Town Board	\$ 783,184	\$ 814,583	\$ 781,969	\$ 32,614
Supervisor	803,043	811,213	800,333	10,880
Finance	284,455	232,587	228,726	3,861
Comptroller	1,558,049	1,293,554	1,291,156	2,398
Receiver of Taxes	1,226,092	1,234,355	1,234,351	4
Purchasing	257,142	193,808	183,279	10,529
Credit card fees	118,258	112,446	112,442	4
Fiscal agent fees	35,000	10,315	10,315	-
Town clerk	700,713	722,014	722,011	3
Town attorney	1,322,460	1,502,671	1,473,664	29,007
Human resources	452,641	397,155	379,725	17,430
Engineering	307,911	325,864	325,863	1
Records management	243,254	200,666	163,893	36,773
Call center	507,280	519,369	519,367	2
Public information	617,516	647,748	632,988	14,760
Public works	518,577	547,188	547,186	2
General services	1,378,177	1,397,357	1,285,926	111,431
Community center	107,240	105,740	59,593	46,147
Central printing and mail	510,300	496,320	466,651	29,669
Technology services	1,763,739	1,775,155	1,663,606	111,549
Unallocated insurance	435,500	419,832	419,832	-
Other general government support	1,206,588	1,356,792	1,154,604	202,188
	<u>15,137,119</u>	<u>15,116,732</u>	<u>14,457,480</u>	<u>659,252</u>
EDUCATION				
Community college	<u>1,933,000</u>	<u>2,680,039</u>	<u>2,680,039</u>	<u>-</u>
PUBLIC SAFETY				
Administration	181,343	242,489	242,488	1
Animal shelter	645,732	673,520	673,517	3
Harbor patrol	365,307	365,655	365,650	5
Town dock	22,500	21,692	21,690	2
Emergency management services	<u>134,049</u>	<u>126,680</u>	<u>126,678</u>	<u>2</u>
	<u>1,348,931</u>	<u>1,430,036</u>	<u>1,430,023</u>	<u>13</u>
TRANSPORTATION				
Snow removal	<u>-</u>	<u>40,637</u>	<u>40,635</u>	<u>2</u>
ECONOMIC OPPORTUNITY AND DEVELOPMENT				
Community services	264,906	239,014	224,354	14,660
Veterans' services	-	2,100	2,082	18
Programs for the aging	<u>2,307,534</u>	<u>2,302,759</u>	<u>2,144,622</u>	<u>158,137</u>
	<u>2,572,440</u>	<u>2,543,873</u>	<u>2,371,058</u>	<u>172,815</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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
CULTURE AND RECREATION				
Parks and recreation	\$ 1,120,591	\$ 1,087,730	\$ 1,087,725	\$ 5
Parks	8,021,687	8,573,090	8,572,735	355
Community center	1,095,256	1,088,416	1,088,412	4
Special recreation facilities	6,217,126	5,780,507	5,780,482	25
Youth activities	688,979	619,249	577,349	41,900
	<u>17,143,639</u>	<u>17,148,992</u>	<u>17,106,703</u>	<u>42,289</u>
HOME AND COMMUNITY SERVICES				
Environmental facilities	1,125,000	988,286	958,517	29,769
Housing authority	148,586	148,586	148,586	-
Emergency tenant protection act	7,500	4,800	4,800	-
	<u>1,281,086</u>	<u>1,141,672</u>	<u>1,111,903</u>	<u>29,769</u>
EMPLOYEE BENEFITS				
State retirement	3,326,359	3,326,359	2,966,904	359,455
Social security	1,614,714	1,669,748	1,506,383	163,365
Workers' compensation	425,000	434,053	434,052	1
Unemployment benefits	20,000	18,940	10,667	8,273
Disability benefits	1,000	1,000	-	1,000
Hospital, medical and dental	6,262,307	6,270,446	6,192,059	78,387
Other employee benefits	11,250	15,000	15,000	-
	<u>11,660,630</u>	<u>11,735,546</u>	<u>11,125,065</u>	<u>610,481</u>
TOTAL EXPENDITURES	<u>51,076,845</u>	<u>51,837,527</u>	<u>50,322,906</u>	<u>1,514,621</u>
OTHER FINANCING USES				
Transfers out	15,880,878	15,344,515	15,337,472	7,043
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 66,957,723</u>	<u>\$ 67,182,042</u>	<u>\$ 65,660,378</u>	<u>\$ 1,521,664</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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
REAL PROPERTY TAXES	\$ 20,798,483	\$ 20,798,483	\$ 20,884,706	\$ 86,223
OTHER TAX ITEMS				
Special assessment	12,000	12,000	5,336	(6,664)
Payment in lieu of taxes	1,563,150	1,563,150	1,545,698	(17,452)
Interest and penalties on taxes	-	-	792	792
	<u>1,575,150</u>	<u>1,575,150</u>	<u>1,551,826</u>	<u>(23,324)</u>
DEPARTMENTAL INCOME				
Concession fees	-	-	343	343
INTERGOVERNMENTAL CHARGES				
Services for other governments	75,000	75,000	64,097	(10,903)
USE OF MONEY AND PROPERTY				
Interest and earnings	15,000	15,000	67,717	52,717
Rental of real property	65,000	65,000	53,679	(11,321)
	<u>80,000</u>	<u>80,000</u>	<u>121,396</u>	<u>41,396</u>
LICENSE AND PERMITS				
Permits - road restoration fee	826,000	826,000	662,303	(163,697)
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Recycling	-	-	708	708
Sale of equipment	-	-	20,940	20,940
Insurance recoveries	-	-	17,773	17,773
	<u>-</u>	<u>-</u>	<u>39,421</u>	<u>39,421</u>
INTERFUND REVENUES	<u>159,498</u>	<u>159,498</u>	<u>249,240</u>	<u>89,742</u>
STATE AID				
Consolidated highway aid	788,485	788,485	763,072	(25,413)
FEDERAL AID				
Emergency disaster assistance	-	-	43,421	43,421
MISCELLANEOUS				
Refund of prior year expenditures	-	-	19,481	19,481
Miscellaneous revenue	-	-	6,665	6,665
	<u>-</u>	<u>-</u>	<u>26,146</u>	<u>26,146</u>
Total Revenues	<u>24,302,616</u>	<u>24,302,616</u>	<u>24,405,971</u>	<u>103,355</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 (Continued)
 Years Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES				
GENERAL GOVERNMENT SUPPORT				
Unallocated insurance	\$ 125,000	\$ 124,001	\$ 124,001	\$ -
Other	2,680,184	2,505,184	2,405,870	99,314
	<u>2,805,184</u>	<u>2,629,185</u>	<u>2,529,871</u>	<u>99,314</u>
TRANSPORTATION				
Administration	3,693,336	3,818,137	3,818,124	13
Garage	4,704,383	4,592,895	4,394,896	197,999
Snow removal	1,305,500	1,135,628	1,135,626	2
Services for other governments	317,850	719,460	719,456	4
Signs	565,274	627,587	627,585	2
Traffic safety	84,474	56,251	56,250	1
	<u>10,670,817</u>	<u>10,949,958</u>	<u>10,751,937</u>	<u>198,021</u>
EMPLOYEE BENEFITS				
State retirement	1,313,702	1,313,702	1,167,842	145,860
Social security	530,000	542,445	538,209	4,236
Workers' compensation	425,000	425,000	382,359	42,641
Unemployment benefits	20,000	20,000	3,045	16,955
Disability benefits	100	100	-	100
Hospital, medical and dental	3,332,508	3,331,258	3,265,236	66,022
Other employee benefits	6,075	8,100	8,100	-
	<u>5,627,385</u>	<u>5,640,605</u>	<u>5,364,791</u>	<u>275,814</u>
Total Expenditures	<u>19,103,386</u>	<u>19,219,748</u>	<u>18,646,599</u>	<u>573,149</u>
Excess of Revenues Over Expenditures	<u>5,199,230</u>	<u>5,082,868</u>	<u>5,759,372</u>	<u>676,504</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	613,112	613,112	613,112	-
Transfers out	<u>(5,812,342)</u>	<u>(5,695,980)</u>	<u>(5,695,980)</u>	<u>-</u>
Total Other Financing Uses	<u>(5,199,230)</u>	<u>(5,082,868)</u>	<u>(5,082,868)</u>	<u>-</u>
Net Change in Fund Balance	-	-	676,504	676,504
FUND BALANCE				
Beginning of Year	<u>-</u>	<u>-</u>	<u>7,695,696</u>	<u>7,695,696</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,372,200</u>	<u>\$ 8,372,200</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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
DEPARTMENTAL INCOME				
Solid waste disposal	\$ 13,758,516	\$ 15,308,376	\$ 15,317,955	\$ 9,579
Other unclassified	88,534	109,702	111,310	1,608
	<u>13,847,050</u>	<u>15,418,078</u>	<u>15,429,265</u>	<u>11,187</u>
INTERGOVERNMENTAL CHARGES				
Services for other governments	<u>1,113,399</u>	<u>1,113,399</u>	<u>1,113,399</u>	<u>-</u>
USE OF MONEY AND PROPERTY				
Interest and earnings	-	-	5,502	5,502
Rental of real property	<u>82,006</u>	<u>82,006</u>	<u>79,168</u>	<u>(2,838)</u>
	<u>82,006</u>	<u>82,006</u>	<u>84,670</u>	<u>2,664</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Recycling	193,102	193,102	101,261	(91,841)
Sale of equipment	<u>-</u>	<u>-</u>	<u>3,620</u>	<u>3,620</u>
	<u>193,102</u>	<u>193,102</u>	<u>104,881</u>	<u>(88,221)</u>
STATE AID				
Recycling	-	-	37,364	37,364
Environmental conservation	<u>115,000</u>	<u>115,000</u>	<u>93,838</u>	<u>(21,162)</u>
	<u>115,000</u>	<u>115,000</u>	<u>131,202</u>	<u>16,202</u>
FEDERAL AID				
Emergency disaster assistance	<u>-</u>	<u>-</u>	<u>(104,600)</u>	<u>(104,600)</u>
MISCELLANEOUS				
Unclassified	<u>-</u>	<u>-</u>	<u>55,485</u>	<u>55,485</u>
Total Revenues	<u>15,350,557</u>	<u>16,921,585</u>	<u>16,814,302</u>	<u>(107,283)</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 (Continued)
 Years Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES				
HOME AND COMMUNITY SERVICES				
Administration	\$ 714,526	\$ 726,581	\$ 717,591	\$ 8,990
Leachate	360,539	229,204	229,199	5
Transfer station	12,848,622	14,223,224	14,223,221	3
Scale house	304,195	241,905	241,902	3
Maintenance	427,432	255,408	255,406	2
Equipment	16,006	33,581	33,581	-
Recycling	292,882	233,353	233,352	1
Office of sustainability	-	64,731	64,730	1
	<u>14,964,202</u>	<u>16,007,987</u>	<u>15,998,982</u>	<u>9,005</u>
EMPLOYEE BENEFITS				
State retirement	224,023	156,059	156,059	-
Social security	87,050	69,267	69,266	1
Workers' compensation	20,000	19,362	19,359	3
Unemployment benefits	-	6	6	-
Hospital, medical and dental	604,497	467,067	467,065	2
Other employee benefits	785	1,050	1,050	-
	<u>936,355</u>	<u>712,811</u>	<u>712,805</u>	<u>6</u>
DEBT SERVICE				
Principal	-	890,582	890,582	-
Interest	-	10,205	10,204	1
	<u>-</u>	<u>900,787</u>	<u>900,786</u>	<u>1</u>
Total Expenditures	<u>15,900,557</u>	<u>17,621,585</u>	<u>17,612,573</u>	<u>9,012</u>
Deficiency of Revenues Over Expenditures	<u>(550,000)</u>	<u>(700,000)</u>	<u>(798,271)</u>	<u>(98,271)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	150,000	150,000	-	(150,000)
Transfers out	(150,000)	-	-	-
Total Other Financing Sources	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>(150,000)</u>
Net Change in Fund Balance	(550,000)	(550,000)	(798,271)	(248,271)
FUND BALANCE				
Beginning of Year	550,000	550,000	1,574,839	1,024,839
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 776,568</u>	<u>\$ 776,568</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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
REAL PROPERTY TAXES	\$ 5,451,047	\$ 5,451,047	\$ 5,506,259	\$ 55,212
OTHER TAX ITEMS				
Payment in lieu of taxes	499,598	499,598	474,629	(24,969)
Interest and penalties on taxes	-	-	208	208
	<u>499,598</u>	<u>499,598</u>	<u>474,837</u>	<u>(24,761)</u>
NON-PROPERTY TAXES				
Franchise fees	57,000	57,000	57,000	-
DEPARTMENTAL INCOME				
Parking enforcement	469,000	469,000	590,135	121,135
Registrar of vital statistics	375,000	375,000	251,562	(123,438)
Zoning board fees	215,000	215,000	267,381	52,381
	<u>1,059,000</u>	<u>1,059,000</u>	<u>1,109,078</u>	<u>50,078</u>
USE OF MONEY AND PROPERTY				
Interest and earnings	15,000	15,000	65,816	50,816
LICENSE AND PERMITS				
Building permits	4,105,000	4,105,000	4,444,021	339,021
FINES AND FORFEITURES				
Court fines	210,000	210,000	322,965	112,965
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Sale of equipment	-	-	2,730	2,730
Insurance recoveries	-	-	5,692	5,692
	<u>-</u>	<u>-</u>	<u>8,422</u>	<u>8,422</u>
STATE AID				
Planning studies	-	49,500	49,500	-
Other	70,000	70,000	-	(70,000)
	<u>70,000</u>	<u>119,500</u>	<u>49,500</u>	<u>(70,000)</u>
MISCELLANEOUS				
Refund of prior year expenditures	-	-	1,619	1,619
Miscellaneous revenue	-	-	120	120
	<u>-</u>	<u>-</u>	<u>1,739</u>	<u>1,739</u>
Total Revenues	<u>11,466,645</u>	<u>11,516,145</u>	<u>12,039,637</u>	<u>523,492</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 (Continued)
 Years Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES				
GENERAL GOVERNMENT SUPPORT				
Unallocated insurance	\$ 70,000	\$ 70,000	\$ 64,583	\$ 5,417
Other	1,892,775	1,884,475	1,739,081	145,394
	<u>1,962,775</u>	<u>1,954,475</u>	<u>1,803,664</u>	<u>150,811</u>
PUBLIC SAFETY				
Parking enforcement	287,446	304,041	301,423	2,618
Building	3,752,559	3,810,888	3,755,203	55,685
Code enforcement	495,838	496,442	435,762	60,680
Other public safety	74,802	74,802	74,802	-
	<u>4,610,645</u>	<u>4,686,173</u>	<u>4,567,190</u>	<u>118,983</u>
HEALTH				
Registrar of vital statistics	307,828	311,274	231,204	80,070
TRANSPORTATION				
Snow removal	-	931	930	1
HOME AND COMMUNITY SERVICES				
Board of appeals	203,920	207,020	190,372	16,648
Planning and development - staff	797,751	858,023	803,026	54,997
Environmental facilities	114,944	115,731	46,220	69,511
	<u>1,116,615</u>	<u>1,180,774</u>	<u>1,039,618</u>	<u>141,156</u>
EMPLOYEE BENEFITS				
State retirement	1,155,594	1,055,594	913,852	141,742
Social security	485,000	435,066	425,236	9,830
Workers' compensation	105,000	162,122	162,087	35
Unemployment benefits	5,000	5,000	-	5,000
Disability benefits	200	200	-	200
Hospital, medical and dental	1,714,613	1,720,036	1,577,051	142,985
Other employee benefits	3,375	4,500	4,500	-
	<u>3,468,782</u>	<u>3,382,518</u>	<u>3,082,726</u>	<u>299,792</u>
Total Expenditures	<u>11,466,645</u>	<u>11,516,145</u>	<u>10,725,332</u>	<u>790,813</u>
Net Change in Fund Balance	-	-	1,314,305	1,314,305
FUND BALANCE				
Beginning of Year	-	-	6,687,467	6,687,467
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,001,772</u>	<u>\$ 8,001,772</u>

See independent auditors' report.

Town of North Hempstead, New York

Refuse and Garbage Districts
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
REAL PROPERTY TAXES	\$ 8,887,364	\$ 8,887,364	\$ 8,894,640	\$ 7,276
OTHER TAX ITEMS				
Payment in lieu of taxes	117,398	117,398	127,054	9,656
Interest and penalties on taxes	-	-	255	255
Other tax items	30,000	30,000	30,001	1
	<u>147,398</u>	<u>147,398</u>	<u>157,310</u>	<u>9,912</u>
USE OF MONEY AND PROPERTY				
Interest and earnings	4,321	4,321	12,827	8,506
Total Revenues	<u>9,039,083</u>	<u>9,039,083</u>	<u>9,064,777</u>	<u>25,694</u>
EXPENDITURES				
GENERAL GOVERNMENT SUPPORT				
Other	501,113	496,478	496,478	-
HOME AND COMMUNITY SERVICES				
Sanitation	8,665,524	8,492,078	8,426,097	65,981
Total Expenditures	<u>9,166,637</u>	<u>8,988,556</u>	<u>8,922,575</u>	<u>65,981</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(127,554)</u>	<u>50,527</u>	<u>142,202</u>	<u>91,675</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	250,865	424,497	173,632
Transfers out	(22,446)	(451,392)	(451,285)	107
Total Other Financing Uses	<u>(22,446)</u>	<u>(200,527)</u>	<u>(26,788)</u>	<u>173,739</u>
Net Change in Fund Balance	<u>(150,000)</u>	<u>(150,000)</u>	<u>115,414</u>	<u>265,414</u>
FUND BALANCE				
Beginning of Year, as reported	150,000	150,000	1,069,323	919,323
Prior Period Adjustment	-	-	(3,303,416)	(3,303,416)
Beginning of Year, as restated	<u>150,000</u>	<u>150,000</u>	<u>(2,234,093)</u>	<u>(2,384,093)</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,118,679)</u>	<u>\$ (2,118,679)</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, 2018

	Special Revenue Funds		
	Fire Protection Districts	Lighting District	Park Districts
ASSETS			
Cash and equivalents	\$ 994,097	\$ 623,783	\$ 1,049,495
Investments - LOSAP	6,464,595	-	-
Receivables			
Accounts	52,068	-	-
Due from other governments	301	43	-
Due from other funds	6,966	-	-
	59,335	43	-
Prepaid expenditures	-	2,723	14,947
Total Assets	<u>\$ 7,518,027</u>	<u>\$ 626,549</u>	<u>\$ 1,064,442</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accrued liabilities	\$ 45,502	\$ 153,499	\$ 27,851
Due to other funds	19,314	-	-
Total Liabilities	64,816	153,499	27,851
Fund balances			
Nonspendable	-	2,723	14,947
Restricted	6,464,595	-	-
Assigned	988,616	470,327	1,021,644
Total Fund Balances	7,453,211	473,050	1,036,591
Total Liabilities and Fund Balances	<u>\$ 7,518,027</u>	<u>\$ 626,549</u>	<u>\$ 1,064,442</u>

See independent auditors' report.

Sidewalk District	Public Parking District	Water District	Total Non-Major Governmental Funds
\$ 1,539,096	\$ 603,805	\$ 16,460	\$ 4,826,736
-	-	-	6,464,595
-	2,220	-	54,288
66	20	-	430
-	-	-	6,966
66	2,240	-	61,684
36,730	14,045	-	68,445
\$ 1,575,892	\$ 620,090	\$ 16,460	\$ 11,421,460
\$ 88,664	\$ 25,428	\$ 12,240	\$ 353,184
17,516	-	-	36,830
106,180	25,428	12,240	390,014
36,730	14,045	-	68,445
-	-	-	6,464,595
1,432,982	580,617	4,220	4,498,406
1,469,712	594,662	4,220	11,031,446
\$ 1,575,892	\$ 620,090	\$ 16,460	\$ 11,421,460

Town of North Hempstead, New York

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Governmental Funds
Year Ended December 31, 2018

	Special Revenue Funds		
	Fire Protection Districts	Lighting District	Park Districts
REVENUES			
Real property taxes	\$ 6,700,522	\$ 2,004,583	\$ 1,674,906
Other tax items	651,865	191,105	16,938
Departmental income	-	-	373,016
Use of money and property	(286,415)	5,463	25,339
Interfund revenues	-	-	1,001
Federal aid	-	(940)	(58,307)
Miscellaneous	64,131	-	(358)
Total Revenues	<u>7,130,103</u>	<u>2,200,211</u>	<u>2,032,535</u>
EXPENDITURES			
Current			
General government support	551,270	195,306	303,293
Public safety	6,326,751	-	-
Transportation	-	1,944,030	-
Culture and recreation	-	-	973,319
Home and community services	-	-	-
Employee benefits	-	21,924	179,483
Total Expenditures	<u>6,878,021</u>	<u>2,161,260</u>	<u>1,456,095</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>252,082</u>	<u>38,951</u>	<u>576,440</u>
OTHER FINANCING USES			
Transfers out	-	(15,258)	(934,896)
Net Change in Fund Balance	<u>252,082</u>	<u>23,693</u>	<u>(358,456)</u>
FUND BALANCES			
Beginning of Year	<u>7,201,129</u>	<u>449,357</u>	<u>1,395,047</u>
End of Year	<u>\$ 7,453,211</u>	<u>\$ 473,050</u>	<u>\$ 1,036,591</u>

See independent auditors' report.

Sidewalk District	Public Parking District	Water District	Total Non-Major Governmental Funds
\$ 3,081,538	\$ 312,760	\$ 45,349	\$ 13,819,658
294,361	20,407	8,201	1,182,877
-	883,470	-	1,256,486
12,328	4,403	94	(238,788)
-	-	-	1,001
(7,686)	-	-	(66,933)
523	26	-	64,322
<u>3,381,064</u>	<u>1,221,066</u>	<u>53,644</u>	<u>16,018,623</u>
615,799	188,017	-	1,853,685
-	-	-	6,326,751
1,180,482	417,678	-	3,542,190
-	-	-	973,319
-	-	52,305	52,305
613,159	198,969	-	1,013,535
<u>2,409,440</u>	<u>804,664</u>	<u>52,305</u>	<u>13,761,785</u>
<u>971,624</u>	<u>416,402</u>	<u>1,339</u>	<u>2,256,838</u>
<u>(708,410)</u>	<u>(437,004)</u>	<u>-</u>	<u>(2,095,568)</u>
<u>263,214</u>	<u>(20,602)</u>	<u>1,339</u>	<u>161,270</u>
<u>1,206,498</u>	<u>615,264</u>	<u>2,881</u>	<u>10,870,176</u>
<u>\$ 1,469,712</u>	<u>\$ 594,662</u>	<u>\$ 4,220</u>	<u>\$ 11,031,446</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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
REAL PROPERTY TAXES	\$ 6,672,382	\$ 6,672,382	\$ 6,700,522	\$ 28,140
OTHER TAX ITEMS				
Payment in lieu of taxes	713,726	713,726	651,394	(62,332)
Interest and penalties on taxes	-	-	471	471
	<u>713,726</u>	<u>713,726</u>	<u>651,865</u>	<u>(61,861)</u>
USE OF MONEY AND PROPERTY				
Interest earnings and losses on investments	<u>3,382</u>	<u>3,382</u>	<u>(286,415)</u>	<u>(289,797)</u>
MISCELLANEOUS				
Refund of prior year expenditures	-	-	12,063	12,063
Miscellaneous revenue	<u>-</u>	<u>-</u>	<u>52,068</u>	<u>52,068</u>
	<u>-</u>	<u>-</u>	<u>64,131</u>	<u>64,131</u>
Total Revenues	<u>7,389,490</u>	<u>7,389,490</u>	<u>7,130,103</u>	<u>(259,387)</u>
EXPENDITURES				
GENERAL GOVERNMENT SUPPORT				
Unallocated insurance	261,058	261,058	147,334	113,724
Other	<u>522,903</u>	<u>522,903</u>	<u>403,936</u>	<u>118,967</u>
	<u>783,961</u>	<u>783,961</u>	<u>551,270</u>	<u>232,691</u>
PUBLIC SAFETY				
Fire protection	<u>6,622,529</u>	<u>6,622,529</u>	<u>6,326,751</u>	<u>295,778</u>
Total Expenditures	<u>7,406,490</u>	<u>7,406,490</u>	<u>6,878,021</u>	<u>528,469</u>
Net Change in Fund Balance	(17,000)	(17,000)	252,082	269,082
FUND BALANCE				
Beginning of Year	<u>17,000</u>	<u>17,000</u>	<u>7,201,129</u>	<u>7,184,129</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,453,211</u>	<u>\$ 7,453,211</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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
REAL PROPERTY TAXES	\$ 1,999,925	\$ 1,999,925	\$ 2,004,583	\$ 4,658
OTHER TAX ITEMS				
Payment in lieu of taxes	197,319	197,319	191,002	(6,317)
Interest and penalties on taxes	-	-	103	103
	<u>197,319</u>	<u>197,319</u>	<u>191,105</u>	<u>(6,214)</u>
USE OF MONEY AND PROPERTY				
Interest and earnings	-	-	5,463	5,463
FEDERAL AID				
Emergency disaster assistance	-	-	(940)	(940)
Total Revenues	<u>2,197,244</u>	<u>2,197,244</u>	<u>2,200,211</u>	<u>2,967</u>
EXPENDITURES				
GENERAL GOVERNMENT SUPPORT				
Unallocated insurance	12,000	12,000	11,372	628
Other	197,638	197,638	183,934	13,704
	<u>209,638</u>	<u>209,638</u>	<u>195,306</u>	<u>14,332</u>
TRANSPORTATION				
Lighting	1,931,956	1,946,173	1,944,030	2,143
EMPLOYEE BENEFITS				
State retirement	10,197	10,197	7,590	2,607
Social security	3,200	3,300	3,067	233
Workers' compensation	1,000	1,000	608	392
Hospital, medical and dental	25,170	11,653	10,659	994
	<u>39,567</u>	<u>26,150</u>	<u>21,924</u>	<u>4,226</u>
Total Expenditures	<u>2,181,161</u>	<u>2,181,961</u>	<u>2,161,260</u>	<u>20,701</u>
Excess of Revenues Over Expenditures	<u>16,083</u>	<u>15,283</u>	<u>38,951</u>	<u>23,668</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	575	575	-	(575)
Transfers out	(16,658)	(15,858)	(15,258)	600
Total Other Financing Uses	<u>(16,083)</u>	<u>(15,283)</u>	<u>(15,258)</u>	<u>25</u>
Net Change in Fund Balance	-	-	23,693	23,693
FUND BALANCE				
Beginning of Year	-	-	449,357	449,357
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 473,050</u>	<u>\$ 473,050</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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
REAL PROPERTY TAXES	\$ 1,674,920	\$ 1,674,920	\$ 1,674,906	\$ (14)
OTHER TAX ITEMS				
Payment in lieu of taxes	17,365	17,365	16,938	(427)
DEPARTMENTAL INCOME				
Special recreational facility charges	428,000	428,000	373,016	(54,984)
USE OF MONEY AND PROPERTY				
Interest and earnings	2,750	2,750	10,339	7,589
Rental of real property	15,000	15,000	15,000	-
	17,750	17,750	25,339	7,589
INTERFUND REVENUES	-	-	1,001	1,001
FEDERAL AID				
Emergency disaster assistance	-	18,307	(58,307)	(76,614)
MISCELLANEOUS				
Refund of prior year expenditures	-	-	(378)	(378)
Miscellaneous revenue	2,500	2,500	20	(2,480)
	2,500	2,500	(358)	(2,858)
Total Revenues	2,140,535	2,158,842	2,032,535	(126,307)
EXPENDITURES				
GENERAL GOVERNMENT SUPPORT				
Unallocated insurance	7,500	7,014	6,815	199
Other	328,117	296,635	296,478	157
	335,617	303,649	303,293	356
CULTURE AND RECREATION				
Parks and pools	900,884	982,917	973,319	9,598
EMPLOYEE BENEFITS				
State retirement	64,097	58,387	58,387	-
Social security	52,924	53,504	52,177	1,327
Workers' compensation	4,000	4,084	3,957	127
Hospital, medical and dental	114,133	64,808	64,512	296
Other employee benefits	295	450	450	-
	235,449	181,233	179,483	1,750
Total Expenditures	1,471,950	1,467,799	1,456,095	11,704
Excess of Revenues Over Expenditures	668,585	691,043	576,440	(114,603)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,334	1,334	-	(1,334)
Transfers out	(912,441)	(934,899)	(934,896)	3
Total Other Financing Uses	(911,107)	(933,565)	(934,896)	(1,331)
Net Change in Fund Balance	(242,522)	(242,522)	(358,456)	(115,934)
FUND BALANCE				
Beginning of Year	242,522	242,522	1,395,047	1,152,525
End of Year	\$ -	\$ -	\$ 1,036,591	\$ 1,036,591

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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
REAL PROPERTY TAXES	\$ 3,073,695	\$ 3,073,695	\$ 3,081,538	\$ 7,843
OTHER TAX ITEMS				
Payment in lieu of taxes	305,482	305,482	294,203	(11,279)
Interest and penalties on taxes	-	-	158	158
	<u>305,482</u>	<u>305,482</u>	<u>294,361</u>	<u>(11,121)</u>
USE OF MONEY AND PROPERTY				
Interest and earnings	-	-	12,328	12,328
FEDERAL AID				
Emergency disaster assistance	-	-	(7,686)	(7,686)
MISCELLANEOUS				
Refund of prior year expenditures	-	-	523	523
Total Revenues	<u>3,379,177</u>	<u>3,379,177</u>	<u>3,381,064</u>	<u>1,887</u>
EXPENDITURES				
GENERAL GOVERNMENT SUPPORT				
Unallocated insurance	25,000	25,000	21,558	3,442
Other	627,509	627,509	594,241	33,268
	<u>652,509</u>	<u>652,509</u>	<u>615,799</u>	<u>36,710</u>
TRANSPORTATION				
Sidewalks	1,363,575	1,358,336	1,180,482	177,854
EMPLOYEE BENEFITS				
State retirement	214,500	162,192	149,961	12,231
Social security	91,582	94,651	66,049	28,602
Workers' compensation	4,000	9,739	9,739	-
Unemployment insurance	100	100	-	100
Hospital, medical and dental	368,414	392,002	386,810	5,192
Other employee benefits	450	600	600	-
	<u>679,046</u>	<u>659,284</u>	<u>613,159</u>	<u>46,125</u>
Total Expenditures	<u>2,695,130</u>	<u>2,670,129</u>	<u>2,409,440</u>	<u>260,689</u>
Excess of Revenues Over Expenditures	<u>684,047</u>	<u>709,048</u>	<u>971,624</u>	<u>262,576</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	863	863	-	(863)
Transfers out	(684,910)	(709,911)	(708,410)	1,501
Total Financing Uses	<u>(684,047)</u>	<u>(709,048)</u>	<u>(708,410)</u>	<u>638</u>
Net Change in Fund Balance	-	-	263,214	263,214
FUND BALANCE				
Beginning of Year	-	-	1,206,498	1,206,498
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,469,712</u>	<u>\$ 1,469,712</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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
REAL PROPERTY TAXES	\$ 312,133	\$ 312,133	\$ 312,760	\$ 627
OTHER TAX ITEMS				
Payment in lieu of taxes	26,192	26,192	20,387	(5,805)
Interest and penalties on taxes	-	-	20	20
	<u>26,192</u>	<u>26,192</u>	<u>20,407</u>	<u>(5,785)</u>
DEPARTMENTAL INCOME				
Parking enforcement	65,000	65,000	65,000	-
Parking permits	85,000	85,000	90,707	5,707
Parking lots	550,000	550,000	477,805	(72,195)
Parking meter fees	230,000	230,000	249,958	19,958
	<u>930,000</u>	<u>930,000</u>	<u>883,470</u>	<u>(46,530)</u>
USE OF MONEY AND PROPERTY				
Interest and earnings	1,000	1,000	4,203	3,203
Rental of real property	1,500	1,500	200	(1,300)
	<u>2,500</u>	<u>2,500</u>	<u>4,403</u>	<u>1,903</u>
MISCELLANEOUS				
Miscellaneous revenue	-	-	26	26
Total Revenues	<u>1,270,825</u>	<u>1,270,825</u>	<u>1,221,066</u>	<u>(49,759)</u>
EXPENDITURES				
GENERAL GOVERNMENT SUPPORT				
Credit card fees	25,000	30,653	29,943	710
Unallocated insurance	7,000	7,000	6,214	786
Other	153,031	153,156	151,860	1,296
	<u>185,031</u>	<u>190,809</u>	<u>188,017</u>	<u>2,792</u>
TRANSPORTATION				
Parking	483,407	443,720	417,678	26,042

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 (Continued)
 Years Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EMPLOYEE BENEFITS				
State employee retirement system	\$ 53,214	\$ 53,778	\$ 53,778	\$ -
Social security	25,285	26,238	25,196	1,042
Workers' compensation	2,500	40,760	40,760	-
Unemployment insurance	-	(3,768)	(4,862)	1,094
Hospital, medical and dental	80,900	84,728	83,797	931
Other employee benefits	230	300	300	-
	<u>162,129</u>	<u>202,036</u>	<u>198,969</u>	<u>3,067</u>
Total Expenditures	<u>830,567</u>	<u>836,565</u>	<u>804,664</u>	<u>31,901</u>
Excess of Revenues Over Expenditures	<u>440,258</u>	<u>434,260</u>	<u>416,402</u>	<u>(17,858)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,746	2,746	-	(2,746)
Transfers out	<u>(443,004)</u>	<u>(437,006)</u>	<u>(437,004)</u>	<u>2</u>
Total Other Financing Uses	<u>(440,258)</u>	<u>(434,260)</u>	<u>(437,004)</u>	<u>(2,744)</u>
Net Change in Fund Balance	-	-	(20,602)	(20,602)
FUND BALANCE				
Beginning of Year	<u>-</u>	<u>-</u>	<u>615,264</u>	<u>615,264</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 594,662</u>	<u>\$ 594,662</u>

See independent auditors' report.

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Town of North Hempstead, New York

Water District
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
REAL PROPERTY TAXES	\$ 45,354	\$ 45,354	\$ 45,349	\$ (5)
OTHER TAX ITEMS				
Payment in lieu of taxes	7,664	7,664	8,201	537
USE OF MONEY AND PROPERTY				
Interest and earnings	32	32	94	62
Total Revenues	53,050	53,050	53,644	594
EXPENDITURES				
Current				
HOME AND COMMUNITY SERVICES				
Water	53,050	53,050	52,305	745
Total Expenditures	53,050	53,050	52,305	745
Net Change in Fund Balance	-	-	1,339	1,339
FUND BALANCE				
Beginning of Year	-	-	2,881	2,881
End of Year	\$ -	\$ -	\$ 4,220	\$ 4,220

Town of North Hempstead, New York

Fiduciary Fund - Agency Fund
 Statement of Changes in Assets and Liabilities
 Year Ended December 31, 2018

	Balance January 1, 2018	Increases
ASSETS		
<i>Town Agency Fund</i>		
Cash and equivalents	\$ 30,260,569	\$ 280,053,390
<i>Town Clerk Agency Fund</i>		
Cash and equivalents	109,399	702,797
<i>Town Receiver of Taxes Agency Fund</i>		
Cash and equivalents	102,779,957	1,240,456,074
Total Assets	<u>\$ 133,149,925</u>	<u>\$ 1,521,212,261</u>
LIABILITIES		
<i>Town Agency Fund</i>		
Due to nonmajor component units	\$ 27,807,228	\$ 105,597,295
Other liabilities	2,453,341	42,571,579
Total Liabilities - Town Agency Fund	<u>30,260,569</u>	<u>148,168,874</u>
<i>Town Clerk Agency Fund</i>		
Due to the Comptroller of the State of New York	-	531
Due to the Department of Environmental Conservation of the State of New York	185	10,146
Due to the Department of Health of the State of New York	968	19,604
Due to the Department of Agriculture and Markets of the State of New York	284	5,293
Other liabilities	107,962	667,223
Total Liabilities - Town Clerk Agency Fund	<u>109,399</u>	<u>702,797</u>
<i>Town Receiver of Taxes Agency Fund</i>		
Due to school districts	68,930,329	854,358,548
Other liabilities	33,849,628	386,097,526
Total Liabilities - Town Receiver of Taxes Agency Fund	<u>102,779,957</u>	<u>1,240,456,074</u>
Total Liabilities	<u>\$ 133,149,925</u>	<u>\$ 1,389,327,745</u>

See independent auditors' report.

<u>Decreases</u>	<u>Balance December 31, 2018</u>
<u>\$ 286,341,773</u>	<u>\$ 23,972,186</u>
<u>756,526</u>	<u>55,670</u>
<u>1,329,771,991</u>	<u>13,464,040</u>
<u>\$ 1,616,870,290</u>	<u>\$ 37,491,896</u>
<u>\$ 112,041,623</u>	<u>\$ 21,362,900</u>
<u>42,415,634</u>	<u>2,609,286</u>
<u>154,457,257</u>	<u>23,972,186</u>
531	-
10,331	-
19,425	1,147
5,206	371
<u>721,033</u>	<u>54,152</u>
<u>756,526</u>	<u>55,670</u>
909,828,726	13,460,151
<u>419,943,265</u>	<u>3,889</u>
<u>1,329,771,991</u>	<u>13,464,040</u>
<u>\$ 1,484,985,774</u>	<u>\$ 37,491,896</u>

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**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

<u>As of December 31,</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental activities				
Net investment in capital assets	\$ 249,023,637	\$ 248,900,563	\$ 242,330,248	\$ 239,681,379
Restricted	4,808,156	7,464,775	12,144,195	-
Unrestricted	<u>(180,301,655)</u>	<u>(85,812,029)</u>	<u>(84,425,694)</u>	<u>(69,252,429)</u>
Total primary government net position	<u>\$ 73,530,138</u>	<u>\$ 170,553,309</u>	<u>\$ 170,048,749</u>	<u>\$ 170,428,950</u>

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

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 231,094,773	\$ 225,486,423	\$ 231,420,763	\$ 223,505,633	\$ 217,695,935	\$ 81,566,768
-	1,841,053	2,117,638	6,283,772	5,557,086	4,730,567
<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>(39,184,455)</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>	<u>\$ 47,112,880</u>

Town of North Hempstead, New York

Changes in Net Position
Last Ten Years

Year ended December 31,	2018	2017	2016	2015
Expenses				
Governmental activities:				
General government support	\$ 22,374,597	\$ 30,216,273	\$ 28,779,266	\$ 28,189,765
Education	2,680,039	3,455,484	2,325,386	2,199,528
Public safety	17,007,720	14,259,877	15,129,393	14,292,840
Health	405,955	410,369	390,993	427,110
Transportation	24,874,549	23,540,680	23,473,504	24,270,255
Economic assistance and opportunity	3,175,299	3,647,150	3,798,866	3,626,479
Culture and recreation	31,364,889	29,362,341	28,423,638	26,621,444
Home and community service	27,932,903	26,859,210	29,671,225	27,259,608
Interest on debt	5,814,348	5,350,058	5,222,307	5,812,532
Total primary government expenses	<u>\$ 135,630,299</u>	<u>\$ 137,101,442</u>	<u>\$ 137,214,578</u>	<u>\$ 132,699,561</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government support	\$ 532,911	\$ 566,435	\$ 438,798	\$ 501,619
Public safety	5,731,206	5,101,695	4,421,971	4,333,981
Health	251,562	270,362	282,800	262,706
Transportation	1,663,892	2,004,874	1,478,194	1,548,496
Economic assistance and opportunity	31,870	52,166	43,497	61,324
Culture and recreation	8,553,798	8,900,648	9,466,886	9,477,758
Home and community service	16,726,713	15,545,743	16,213,363	16,553,220
Operating grants and contributions	495,371	608,922	1,176,467	2,785,051
Capital grants and contributions	1,039,716	2,094,442	1,501,146	870,020
Total primary government program revenues	<u>\$ 35,027,039</u>	<u>\$ 35,145,287</u>	<u>\$ 35,023,122</u>	<u>\$ 36,394,175</u>
Net (Expense) Revenue				
Total primary government net expense	<u>\$ (100,603,260)</u>	<u>\$ (101,956,155)</u>	<u>\$ (102,191,456)</u>	<u>\$ (96,305,386)</u>
General Revenues				
Governmental Activities:				
Real property taxes	\$ 73,463,548	\$ 69,454,516	\$ 73,724,772	\$ 73,161,136
Real property tax items	5,499,824	5,358,015	5,681,740	2,573,825
Non-property tax items	14,268,519	13,879,873	13,632,320	13,554,251
Interest earnings - unrestricted	1,196,207	1,300,037	228,531	243,894
Mortgage tax	7,819,351	9,184,447	9,556,463	7,698,406
Sale of property and compensation for loss	-	-	-	-
State aid - unrestricted	1,023,565	1,023,565	1,023,565	1,023,565
Other	1,232,566	2,260,262	2,935,695	2,847,395
Total primary government	<u>\$ 104,503,580</u>	<u>\$ 102,460,715</u>	<u>\$ 106,783,086</u>	<u>\$ 101,102,472</u>
Change in Net Position				
Total primary government change in net position	<u>\$ 3,900,320</u>	<u>\$ 504,560</u>	<u>\$ 4,591,630</u>	<u>\$ 4,797,086</u>

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

2014	2013	2012	2011	2010	2009
\$ 29,539,133	\$ 28,161,989	\$ 27,351,522	\$ 27,001,662	\$ 25,899,656	\$ 23,933,803
1,823,139	2,007,847	2,502,099	600,000	601,906	571,367
14,261,443	13,883,747	13,102,628	11,813,435	10,541,116	10,859,785
422,533	400,116	339,412	393,024	311,324	336,891
23,690,160	26,237,863	24,696,466	26,314,860	23,896,533	23,299,489
2,873,584	2,957,536	2,853,738	3,519,550	2,931,069	2,098,481
26,962,089	28,275,078	27,158,800	26,220,885	24,971,385	24,682,702
27,652,600	38,960,568	32,643,032	26,003,597	26,943,688	22,950,170
4,815,137	5,650,792	6,263,292	6,864,391	7,050,021	7,319,311
<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>	<u>\$ 116,051,999</u>
\$ 497,926	\$ 432,869	\$ 364,101	\$ 322,246	\$ 316,511	\$ 268,864
3,585,511	4,133,966	4,377,666	5,032,348	4,157,137	3,632,095
274,282	285,178	263,486	242,072	241,740	-
1,318,572	2,288,644	1,660,870	1,173,076	1,464,958	1,231,699
281,716	351,277	22,164	-	-	-
10,028,738	9,819,123	10,368,158	9,192,518	8,488,338	8,291,163
16,446,757	18,032,300	18,074,442	16,514,602	15,917,596	13,360,668
5,142,096	13,003,479	9,142,273	1,293,242	3,688,338	3,752,788
476,148	552,202	29,125	2,498,242	9,070,051	905,706
<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>\$ 31,442,983</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>	<u>\$ (84,609,016)</u>
\$ 72,038,134	\$ 70,878,833	\$ 68,261,387	\$ 65,134,391	\$ 63,816,162	\$ 61,685,941
2,344,889	2,277,435	2,033,313	1,986,292	1,808,357	1,772,707
12,850,767	13,235,095	12,441,196	12,029,189	11,272,681	10,553,049
1,501,136	632,970	775,259	1,466,528	1,328,722	796,401
7,228,190	7,493,601	6,690,606	5,752,767	5,863,439	5,643,419
-	1,023,565	-	-	-	-
1,023,565	1,923,480	1,023,565	1,065,026	1,044,454	1,111,654
2,188,594	1,575,642	1,841,674	3,178,465	116,176,605	3,751,664
<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>\$ 85,314,835</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>	<u>\$ 705,819</u>

Town of North Hempstead, New York

Fund Balances of Governmental Funds
Last Ten Years

<u>As of December 31,</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	1,303,353	1,214,842	2,495,507	1,622,361
Restricted	600,000	-	-	-
Assigned	5,399,013	4,751,811	3,552,773	2,623,538
Unassigned	8,566,457	8,370,032	8,270,030	7,445,560
Total General Fund	<u>\$ 15,868,823</u>	<u>\$ 14,336,685</u>	<u>\$ 14,318,310</u>	<u>\$ 11,691,459</u>
All other governmental funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:	-	-	-	-
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Debt service fund	-	-	-	-
Nonspendable	888,692	901,586	862,450	3,716,181
Restricted	46,435,040	45,356,032	6,470,022	493,155
Assigned	20,828,699	22,149,346	23,179,163	19,539,989
Unassigned	(2,118,679)	(1,812,947)	(1,060,948)	(44,825,924)
Total All Other Governmental Funds	<u>\$ 66,033,752</u>	<u>\$ 66,594,017</u>	<u>\$ 29,450,687</u>	<u>\$ (21,076,599)</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

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011 ⁽¹⁾</u>	<u>2010</u>	<u>2009</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,395,670	\$ 519,264
-	-	-	-	9,915,603	11,636,395
2,605,903	6,317,118	5,522,182	4,677,860	-	-
-	-	-	-	-	-
3,616,445	3,707,833	3,815,070	3,970,756	-	-
4,161,400	3,693,793	201,856	510,271	-	-
<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>	<u>\$ 12,155,659</u>
\$ -	\$ -	\$ -	\$ -	\$ 35,247,468	\$ 20,071,816
-	-	-	-	10,041,155	7,810,240
-	-	-	-	(54,504,415)	(18,493,070)
-	-	-	-	752,320	2,812,787
1,459,022	371,007	958,708	3,692,838	-	-
15,539,657	1,841,053	2,117,638	6,183,772	-	-
19,684,938	17,704,669	17,085,131	12,080,353	-	-
(53,834,341)	(73,879,682)	(66,246,267)	(58,151,444)	-	-
<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>	<u>\$ 12,201,773</u>

Town of North Hempstead, New York

Changes in Fund Balances of Governmental Funds
Last Ten Years

<u>Year ended December 31,</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Revenues				
Real property taxes	\$ 73,643,772	\$ 69,274,292	\$ 73,724,772	\$ 73,161,136
Real property tax items	5,499,824	5,358,015	5,681,740	2,573,825
Non-property tax items	14,268,519	13,879,873	13,632,320	13,554,251
Departmental income	26,100,998	24,887,296	25,925,575	26,126,290
Intergovernmental charges	1,180,037	1,176,710	1,199,836	1,302,739
Use of money and property	1,144,767	1,519,698	473,550	442,529
License and permits	5,399,245	5,535,816	4,335,603	4,549,233
Fines and forfeitures	352,965	190,180	238,908	242,603
Sale of property and compensation for loss	294,476	921,275	703,004	682,269
Miscellaneous revenue	253,641	703,633	1,242,126	1,152,977
Interfund revenues	6,830,352	6,924,674	6,836,057	6,879,071
State aid	10,413,133	12,411,291	12,454,869	10,659,621
Federal aid	270,766	249,085	802,772	1,717,421
Total Revenues	145,652,495	143,031,838	147,251,132	143,043,965
Expenditures				
General government support	21,141,178	20,875,498	20,871,024	21,122,838
Education	2,680,039	3,455,484	2,325,385	2,199,528
Public safety	12,323,964	11,922,786	12,494,483	12,394,374
Health	231,204	226,999	218,940	283,333
Transportation	14,335,692	14,404,316	14,246,990	15,290,185
Economic assistance and opportunity	2,371,058	2,595,142	2,651,359	2,617,744
Culture and recreation	18,080,022	17,464,056	17,169,378	16,602,868
Home and community service	26,628,905	26,132,641	25,955,284	27,076,363
Employee benefits	21,298,922	20,829,919	20,122,128	19,333,110
Debt Service				
Principal	16,615,956	16,263,357	16,315,225	31,543,158
Interest	6,234,267	5,317,824	4,863,242	4,765,583
Other charges	-	-	-	-
Capital outlay	24,765,610	19,266,865	11,719,397	12,608,240
Total Expenditures	166,706,817	158,754,887	148,952,835	165,837,324
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(21,054,322)</u>	<u>(15,723,049)</u>	<u>(1,701,703)</u>	<u>(22,793,359)</u>
Other Financing Sources (Uses)				
Transfers in	23,777,729	25,039,204	33,162,476	26,464,109
Transfers out	(23,777,729)	(25,039,204)	(33,162,476)	(26,464,109)
Debt issuance	22,643,500	46,992,625	54,591,465	4,390,000
Premium on debt issuance	1,864,911	217,956	264,375	2,997,535
Bond anticipation notes redeemed	-	-	-	-
Retirement of debt payment made by funds	-	-	-	-
Refunding bonds issued	-	-	-	24,688,205
Payments to refund bond escrow agent	-	-	-	(12,516,931)
Sale of property	821,200	-	-	-
Total Other Financing Sources	25,329,611	47,210,581	54,855,840	19,558,809
Net Change in Fund Balances	\$ 4,275,289	\$ 31,487,532	\$ 53,154,137	\$ (3,234,550)
Debt service as a percentage of noncapital expenditures	16.10%	15.50%	15.42%	23.78%

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

	2014	2013	2012	2011	2010	2009
\$	72,038,134	\$ 70,878,833	\$ 68,261,387	\$ 65,134,391	\$ 63,816,162	\$ 61,685,941
	2,344,889	2,277,435	2,031,479	1,983,764	1,808,357	1,772,707
	12,850,767	13,235,095	12,441,196	12,029,189	11,272,681	10,553,049
	25,976,819	28,161,245	27,647,268	25,665,439	24,400,667	23,203,649
	963,096	2,381,714	1,794,090	1,375,209	1,622,331	578,911
	593,378	521,771	706,324	1,229,803	1,216,559	842,928
	3,234,920	3,655,105	3,945,324	4,388,479	3,745,966	2,876,128
	239,052	205,709	279,175	349,525	301,504	395,050
	409,852	1,370,285	356,668	1,776,050	459,710	2,204,692
	1,203,246	1,334,774	1,839,787	1,240,997	120,830,435	4,336,599
	6,994,901	6,861,935	6,837,796	7,088,604	6,186,021	6,545,301
	10,400,768	10,698,776	9,472,707	7,861,711	9,429,326	7,926,549
	4,112,792	11,374,071	8,231,952	2,706,105	5,390,644	707,018
	<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>	<u>123,628,522</u>
	21,719,953	20,971,505	20,214,430	18,885,445	18,041,263	17,174,514
	5,362,136	439,233	531,716	600,000	601,906	571,367
	12,162,015	11,725,481	11,349,801	10,120,902	9,276,505	9,354,264
	242,761	226,569	197,082	214,121	181,135	191,946
	14,396,223	16,542,073	15,257,407	16,370,205	15,645,227	14,285,581
	2,083,114	2,094,184	2,093,973	2,396,237	2,075,798	1,442,441
	16,993,305	17,789,654	16,889,672	16,381,463	16,326,553	16,051,879
	27,204,995	37,544,848	30,999,963	25,220,268	24,568,372	22,457,155
	18,533,022	17,504,421	16,384,918	15,228,229	13,265,108	12,829,691
	15,190,493	15,793,474	19,100,317	17,524,153	18,803,632	19,597,605
	4,287,174	5,391,079	7,022,723	7,072,317	6,988,606	7,540,463
	-	-	126,483	-	130,757	-
	10,123,687	10,632,754	23,240,864	33,775,975	148,094,890	22,361,001
	<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>143,857,907</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>	<u>(20,229,385)</u>
	28,587,034	24,429,877	31,544,621	29,944,267	35,647,342	30,969,268
	(28,587,034)	(24,429,877)	(31,544,621)	(29,944,267)	(35,647,342)	(30,969,268)
	43,795,581	-	9,192,341	-	2,879,000	6,015,000
	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	-
	31,489,609	-	10,403,791	-	7,547,603	-
	(35,092,018)	-	(10,146,564)	-	(7,827,073)	-
	-	-	-	-	-	-
	<u>40,413,497</u>	<u>-</u>	<u>10,054,108</u>	<u>76,654</u>	<u>3,009,758</u>	<u>6,015,000</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>	<u>\$ (14,214,385)</u>
	14.13%	14.54%	18.75%	18.72%	20.55%	22.38%

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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
2018	\$ 73,463,548	\$ 5,499,824	\$ 14,268,519	\$ 93,231,891
2017	69,454,516	5,358,015	13,879,873	88,692,404
2016	73,724,772	5,681,740	13,632,320	93,038,832
2015	73,161,136	2,573,825	13,554,251	89,289,212
2014	72,038,134	2,344,889	12,850,767	87,233,790
2013	70,878,833	2,277,435	13,235,095	86,391,363
2012	68,261,387	2,033,313	12,441,196	82,735,896
2011	65,134,391	1,986,292	12,029,189	79,149,872
2010	63,816,162	1,808,357	11,272,681	76,897,200
2009	61,685,941	1,772,707	10,553,049	74,011,697

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 Tax¹	Sales Tax²	Mortgage Tax³	Franchise Tax	Total
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	73,161,136	11,047,131	7,698,406	2,507,120	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
2009	61,685,941	9,005,021	5,643,419	1,548,028	77,882,409

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
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	7,867,890	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
2009	133,075,463	9,655,173	8,204,377	51,658,844

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
\$	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
	154,754,722	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
	202,593,857	0.32%	63,310,580,313	96.505

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	Town ¹ Outside Villages	Fire Protection	Garbage	Lighting	Parks	Public Parking	Sidewalk	Water
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
2009	9.164	28.738	18.541	15.824	2.233	15.727	1.009	3.482	1.787

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
\$ 168.264	\$ 191.365	\$ 675.772	\$ 1,035.401
154.564	179.495	646.677	980.736
150.735	150.670	588.299	889.703
146.640	152.500	583.400	882.540
137.830	144.589	558.056	840.475
133.531	139.528	528.820	801.879
118.848	128.964	473.776	721.588
101.791	119.432	423.994	645.217
96.924	110.064	389.576	596.564
96.505	92.623	396.288	585.416

Town of North Hempstead, New York

Principal Property Taxpayers
Current Year and Nine Years Ago

2018				
Rank	Taxpayer	Nature of Business	Assessed Valuation	Percentage of Total Assessed Valuation ⁽¹⁾
1	Keyspan Gas East	Utility	\$ 2,803,096	2.00%
2	Fifth Avenue of Long Island Realty Assoc.	Real Estate	933,928	0.67
3	111 Marcus Avenue Unit 2 Owner	Real Estate	752,158	0.54
4	CLK Marcus Avenue Property	Real Estate	577,903	0.41
5	We're Associates Inc.	Real Estate	551,433	0.39
6	Country Glen LLC	Shopping Center	502,356	0.36
7	Verizon New York	Utility	363,495	0.26
8	Lake Success Shopping Center	Shopping Center	362,648	0.26
9	KMO-361 Manhasset LLC	Real Estate	307,203	0.22
10	Great Neck Terrace Owners Associ.	Real Estate	284,397	0.20
Total			<u>\$ 7,438,617</u>	<u>5.31%</u>

2009				
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 2018 and 2009 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

<u>Year Ended December 31,</u>	<u>Tax Levy For Town</u>	<u>Total Tax Levy ¹</u>	<u>Amount Collected ²</u>	<u>Percent of Total Tax Levy Collected</u>	<u>Amount Uncollected ²</u>	<u>Percent of Total Tax Levy Uncollected</u>
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%
2009	132,256,987	319,905,676	313,611,841	98.03%	6,293,835	1.97%

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
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 ²	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
2009	160,142,656	13,130,000	173,272,656	0.20%	764

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**

<u>Year Ended December 31,</u>	<u>General Obligation Bonds</u>	<u>Percentage of Total Net Assessed Valuation¹</u>	<u>Percentage of Full Taxable Value¹ of Property</u>	<u>Per Capita²</u>
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
2009	160,142,656	79.05%	0.25%	706

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, 2018

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct:			
Town of North Hempstead	\$ 135,990,454	100.00%	\$ 135,990,454
Overlapping:			
Nassau County	3,280,048,000	24.70%	810,171,856
Incorporated Villages	100,700,054	varied ¹	88,798,213
School Districts	179,813,115	varied ²	179,275,115
Fire Districts	-	0.00%	-
Water Pollution Control Districts	72,333,841	100.00%	72,333,841
Water Districts	71,762,959	100.00%	71,762,959
Park Districts	13,133,048	100.00%	13,133,048
Police District	19,366	100.00%	19,366
Library District	2,598,709	100.00%	2,598,709
Business Improvement District	43,866	100.00%	43,866
Total overlapping debt			1,238,136,973
Total direct and overlapping debt			\$ 1,374,127,427

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, 2018, the Town had \$9,321,936 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 March 2019 Official Statement
Special Report on Municipal Affairs, 2012 released by the NYS Office of the Comptroller and County Officials

- 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, 2018

Years Ended December 31,	Net Assessed Valuation	State Equalization Rate	Full Valuation
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
2014	159,236,509	0.32%	49,761,409,063
Total Five Year Full Valuation			<u>262,502,534,071</u>
Five Year Average Full Valuation of Taxable Real Property			<u>52,500,506,814</u>
Constitutional Debt Limit (7% of Average Full Valuation)			<u>3,675,035,477</u>
Inclusions:			
Outstanding Bonded Indebtedness at December 31st			357,649,614
Outstanding Bond Anticipation Notes at December 31st			<u>11,320,985</u>
Total Inclusions			<u>368,970,599</u>
Exclusions:			
Water Bonds			<u>71,982,166</u>
Total Exclusions			<u>71,982,166</u>
Net Indebtedness Subject to Debt Limit			<u>296,988,433</u>
Net Debt Contracting Margin			<u>\$ 3,378,047,044</u>
Percentage of Net Debt Contracting Margin Available			91.92%
Percentage of Net Debt Contracting Power Exhausted			8.08%

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
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%
2009	4,045,022,175	225,179,837	3,819,842,338	5.57%	94.43%

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
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
2009	226,874	85,239	63,989	112,059	6.5%	78,333	2.89	4,234

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

2018			
Rank	Name	Type of Business	Number of Employees
1	North Shore University Hospital at Manhasset	Hospitals	13,697
2	Winthrop-University Hospital	Hospitals	8,706
3	St. Francis Hospital	Hospitals	3,573
4	Northwell Health Home Care	Home Health Agencies	1,001
5	Northwell Health Stern Family Center for Rehabilitation	Nursing Homes	576
6	Laffey Real Estate	Real Estate Brokers - Residential	575
7	Town of North Hempstead	Government	431
8	Coffee Distributing Corp	Office Supply Companies	390
9	Sunharbor Manor	Nursing Homes	322
10	Sands Point Center for Health & Rehabilitation	Nursing Homes	262
2009			
Rank	Name	Type of Business	Number of Employees
1	North Shore - LI Jewish Health System	Hospital	12,859
2	Winthrop - University Hospital	Hospital	6,240
3	Parker Jewish Institute	Skilled Nursing and Rehabilitation Center	3,149
4	St. Francis Hospital	Hospital	2,965
5	Broadridge Financial Solutions Inc.	Finance	1,500
6	Canon USA	Imaging Solution Provider	1,385
7	Astoria Federal Savings & Loan Association	Banking	1,175
8	ProHEALTH Care Associates	Comprehensive Multi-Specialty Medical Practice	850
9	PALL Corp.	Technology	800
10	The NPD Group	Marketing Research and Information Services	600

Source: Book of Lists, 2018, 100+ Employee Companies, Long Island Business News and the Town
2009 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,					
	2018	2017	2016	2015	2014	2013
General government	84	86	87	85	85	87
Highways	88	90	84	86	86	96
Parks and recreation	84	80	80	69	69	77
Buildings and planning	62	52	48	47	47	50
Public works	20	20	20	23	23	23
Community services	17	19	23	21	21	27
Town clerk	14	14	15	16	16	19
Receiver of taxes	14	13	14	14	14	14
Public safety	36	41	37	34	34	38
Solid waste management	12	14	17	15	15	15
Total	431	429	425	410	410	446

Source: Town of North Hempstead Human Resource Department records

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
89	84	78	89
90	94	89	94
76	79	82	90
50	42	39	46
26	25	21	17
28	16	21	24
19	21	21	21
18	17	14	13
32	28	25	23
15	15	18	10
<u>443</u>	<u>421</u>	<u>408</u>	<u>427</u>

Town of North Hempstead, New York

Operating Indicators by Function
Last Ten Years

Year Ended December 31,	2018	2017	2016	2015	2014
Function					
Town Clerk					
Vital statistic documents	28,762	28,426	30,272	27,845	29,007
Dog licenses	4,133	4,303	4,676	4,811	5,107
Business licenses	1,152	1,241	1,160	1,306	1,290
Marriage licenses	891	827	921	967	939
Dumping permits	1,354	3,082	1,096	3,221	964
311 Call Center					
Calls Answered	168,710	173,344	171,234	173,359	168,369
Unique Service Requests	63,158	62,194	64,923	62,886	60,359
Project Independence Calls					
Taxi rides - medical appointment	11,326	12,166	12,268	13,257	12,078
Taxi rides - food shopping	4,329	4,390	4,434	5,298	4,945
Other project independence service requests	7,519	7,179	7,472	7,181	6,577
Building					
Building permits issued	5,635	5,003	5,091	5,498	5,571
Public Safety					
Dogs adopted or reclaimed by owners	195	179	254	239	273
Dog citations issued	-	-	-	-	-
Fire					
Number of fire protection districts	11	11	11	11	11
Parking					
Number of parking meters	538	539	544	544	544
Parking lots and garage revenue	\$ 473,858	\$ 473,858	\$ 453,666	\$ 399,004	\$ 370,063
Annual meter revenue	\$ 260,181	\$ 260,181	\$ 222,892	\$ 166,206	\$ 162,486
Parking permit revenue	\$ 84,668	\$ 85,267	\$ 84,760	\$ 54,870	\$ 52,405
Highways and Streets					
Street resurfacing (lane miles)	-	-	19	19	16
Number of trees planted	-	329	540	212	194
Number of trees trimmed	522	1,175	1,364	1,145	786
Number of trees removed	1,239	602	694	734	518
Road opening permits issued	745	722	745	792	874
Abandoned vehicles removed	20	20	34	11	3
Signs installed	1,704	1,692	1,425	1,197	1,467
Sanitation (tons per annum)					
Residential and commercial waste collected	143,274	132,655	141,689	149,117	156,000
Recyclables collected	8,263	8,517	9,095	9,148	10,000
Yardwaste	12,337	10,785	13,905	14,225	15,000
Construction and demolition debris	15,000	13,015	11,792	12,799	14,000
S.T.O.P. Program					
Household hazardous waste:					
Liquids (gallons)	14,495	9,825	7,195	9,950	19,023
Solids (pounds)	28,040	20,505	16,240	15,945	17,226
Other household items (pounds)	14,575	15,309	12,461	10,580	9,712
Pharmaceuticals (pounds)	-	- ⁵	6,845	5,600	4,800
E-waste (tons)	18	151	37	45	34
Shredded paper (tons)	47	42	54	28	25
Culture and recreation					
Beach permits issued	2,353	2,455	2,559	2,917	2,917
Registration for adult programs	253	455	298	642	435
Registration for summer programs	9,277	8,049 ³	7,321	8,442	8,829

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.
- 4 S.T.O.P. program data unavailable prior to 2012.
- 5 In 2017, the Town was no longer accepting this waste.

	2013	2012	2011	2010	2009
	29,069	26,956	25,931	25,893	26,205
	5,380	5,261	5,440	5,339	5,612
	1,276	1,432	1,365	1,062	1,104
	967	972	905	910	1,009
	2,348	2,293	567	2,698	1,260
	171,325	199,281	181,483	167,472	112,723
	63,643	63,156	63,119	167,472	112,723
	10,940	9,431	8,297	3,467	-
	4,944	4,842	5,068	4,265	134
	8,026	5,924	2,718	8,071	1,382
	5,584	4,884	4,625	4,053	4,336
	275	337	274	366	365
	-	-	- 1	57	262
	11	11	11	11	11
	544	511 ¹	805	807	803
\$	376,568	\$ 276,242	\$ 337,401	\$ 308,602	\$ 335,286
\$	165,784	\$ 179,044	\$ 169,216	\$ 153,552	\$ 149,814
\$	51,410	\$ 50,705	\$ 50,540	\$ 45,945	\$ 47,445
	15	15	11	14	14
	568	277	244	505	456
	1,153	1,036	2,078	1,334	955
	793	617	585	692	424
	746	608	668	754	721
	11	6	9	10	8
	1,896	1,128	1,580	1,688	1,457
	155,927	159,650	173,472	166,610	135,769
	8,974	9,714	11,550	12,181	13,050
	34,356	42,621	18,291	19,014	16,576
	18,986	10,207	6,598	4,323	4,491
	11,186	14,881 ⁴	-	-	-
	27,634	13,530 ⁴	-	-	-
	8,451	6,034 ⁴	-	-	-
	4,480	2,190 ⁴	-	-	-
	29	20 ⁴	-	-	-
	22	8 ⁴	-	-	-
	2,886	3,403	3,380	3,000	3,175
	436	423	355	340	339
	6,975	7,213	6,223 ²	3,150	3,104

Town of North Hempstead, New York

Capital Asset Statistics by Function
Last Ten Years

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

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
3	3	2	2	2	2
1	1	1	1	1	1
195,000	222,773	222,790	210,007	198,526	161,564
275	275	275	275	275	275
837	837	837	841	841	722
48	48	48	48	48	41
6	6	6	6	6	6
2	2	2	3	3	3
2	2	2	2	2	2
2	2	2	2	2	2
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
37	37	37	35	35	35
4	4	4	3	3	3