



# TOWN OF NORTH HEMPSTEAD

NASSAU COUNTY, NEW YORK

**JENNIFER DeSENA, SUPERVISOR**

[www.northhempsteadny.gov](http://www.northhempsteadny.gov)



**2021**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**



# **Town of North Hempstead, New York**

Annual Comprehensive Financial Report

Fiscal Year Ended December 31, 2021

Prepared by the Office of the Town Comptroller  
Paul Wood, CPA  
Acting Comptroller



**Town of North Hempstead, New York**

Annual Comprehensive Financial Report  
Fiscal Year Ended December 31, 2021  
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<b>STATISTICAL SECTION (Unaudited)</b>
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This part of the Town's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information reveals about the Town's overall financial health. This section includes the following schedules:

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**INTRODUCTORY  
SECTION**

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**TOWN OF NORTH HEMPSTEAD**

**PRINCIPAL OFFICIALS**

December 31, 2021

**ELECTED OFFICIALS**

**TOWN BOARD:**

SUPERVISOR

JUDI BOSWORTH

*DISTRICT 1 - COUNCILWOMAN*

VIVIANA RUSSELL

*DISTRICT 2 - COUNCILMAN*

PETER J. ZUCKERMAN

*DISTRICIT 3 - COUNCILMAN*

ANGELO P. FERRARA

*DISTRICT 4 - COUNCILWOMAN*

VERONICA LURVEY

*DISTRICT 5 - COUNCILWOMAN*

LEE R. SEEMAN

*DISTRICIT 6 - COUNCILWOMAN*

MARIANN DALIMONTE

TOWN CLERK:

WAYNE H. WINK, JR.

RECEIVER OF TAXES:

CHARLES BERMAN

**APPOINTED OFFICIALS**

CHIEF OF STAFF:

JEANINE DILLON

TOWN ATTORNEY:

LEONARD KAPSALIS

DIRECTOR OF COMMUNICATIONS:

GORDON TEPPER

INTERGOVERNMENTAL COORDINATOR:

RACHEL BRINN

DIRECTOR OF LEGISLATIVE AFFAIRS:

RACHEL BRINN

DIRECTOR OF PURCHASING:

MOIRA LABARBERA

DIRECTOR OF CONSTITUENT AFFAIRS:

STEPHEN MAZZA

COMMISSIONER OF PUBLIC SAFETY:

SHAWN BROWN

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

KIMBERLY A. CORCORAN - GALANTE

COMMISSIONER OF PUBLIC WORKS (acting):

VICTOR THOMAS

SUPERINTENDENT OF HIGHWAYS:

HARRY WEED

COMMISSIONER OF INFORMATION TECHNOLOGY:

DANIEL GUILLERMO

COMMISSIONER OF ADMINISTRATIVE SERVICES:

VACANT

EXECUTIVE DIRECTOR OF SOLID WASTE MANAGEMENT:

MICHAEL KELLY

COMMISSIONER OF PLANNING:

MICHAEL A. LEVINE

COMMISSIONER OF 311 CALL CENTER

VINCENT MALIZIA

COMMISSIONER OF BUILDINGS:

JOHN NIEWENDER

COMPROLLER:

TANIA ORENSTEIN

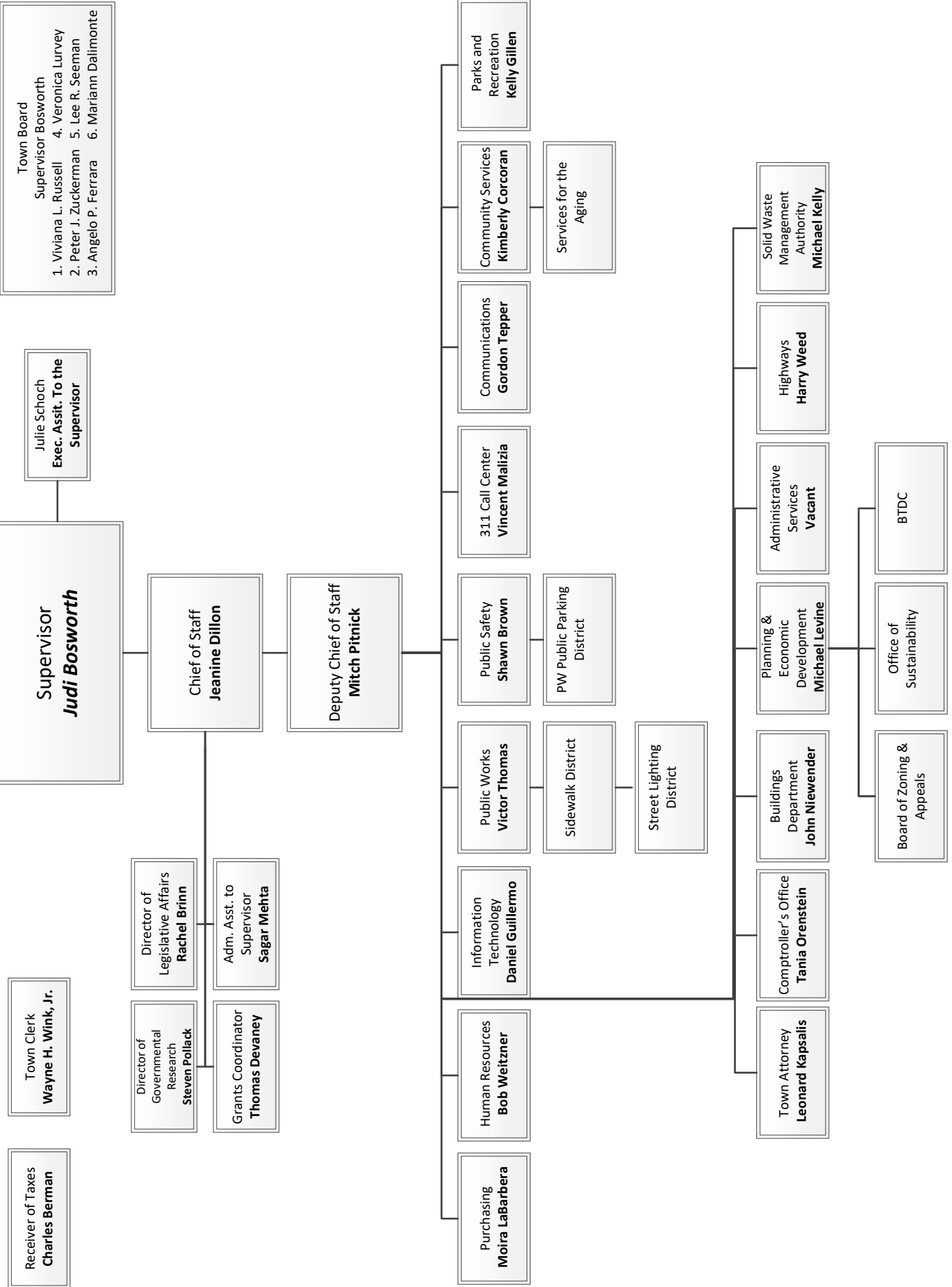
COMMISSIONER OF PARKS & RECREATION (acting):

KELLY GILLEN

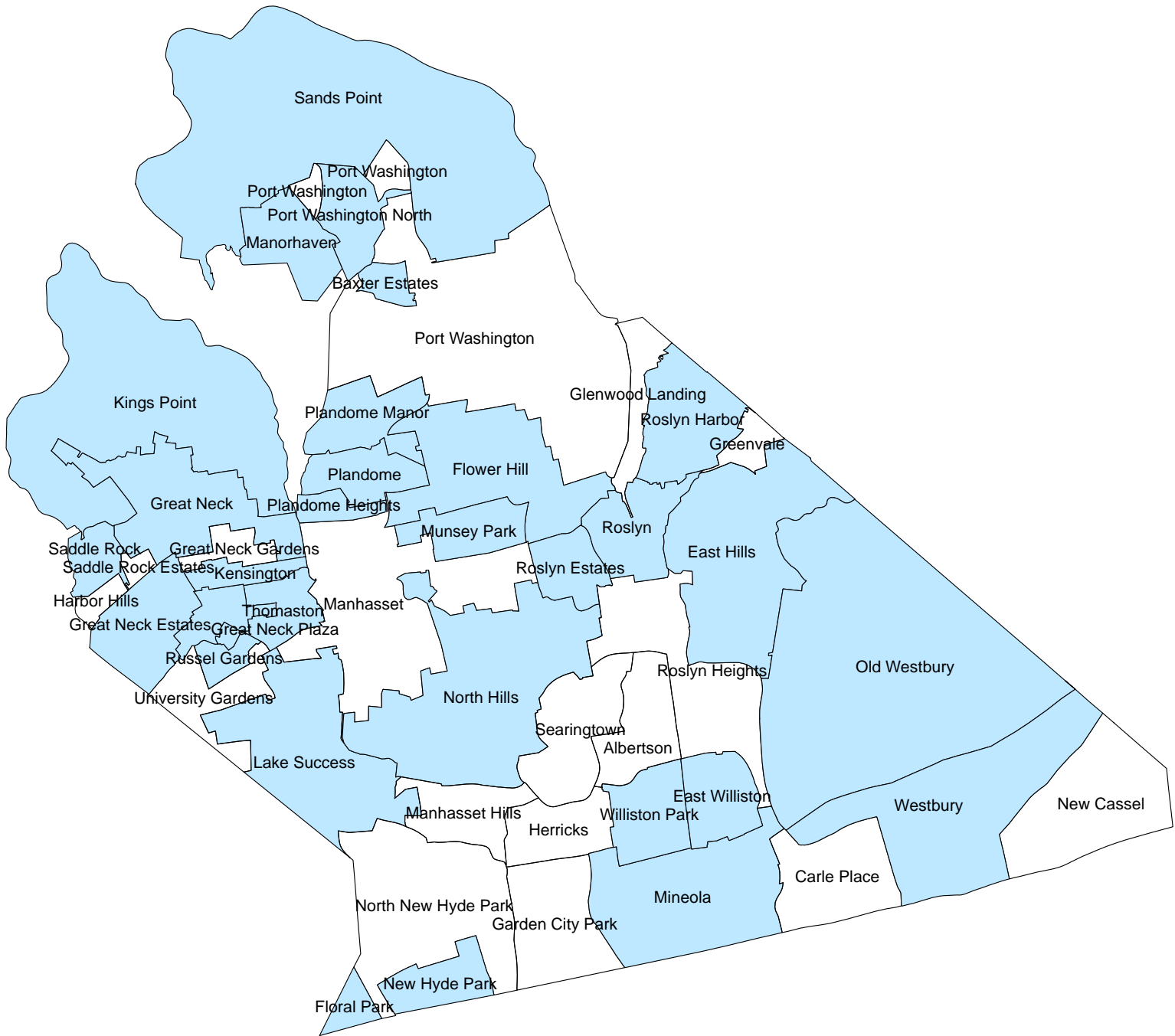
COMMISSIONER OF HUMAN RESOURCES:

ROBERT WEITZNER

# Town of North Hempstead Organizational Chart As of 12/31/2021



# 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*  
ROBERT J. TROIANO  
PETER J. ZUCKERMAN  
DENNIS J. WALSH  
VERONICA LURVEY  
DAVID A. ADHAMI  
MARIANN DALIMONTE

*Town Clerk*  
RAGINI SRIVASTAVA

*Receiver of Taxes*  
CHARLES BERMAN

## TOWN OF NORTH HEMPSTEAD OFFICE OF THE SUPERVISOR



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



*Supervisor*  
JENNIFER DeSENA

September 28, 2022

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

I am pleased to submit the Annual Comprehensive Financial Report (“ACFR”) of the Town of North Hempstead, New York (“the Town”) for the year ended December 31, 2021. 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 eleventh Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the December 31, 2020 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, 2021 financial report continues to meet the requirements of the Certificate of Achievement Program.

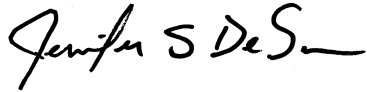
Transparency in government is more important than ever before, and I am proud of the Town’s ability to carefully balance budgetary concerns while simultaneously continuing to provide essential services for our residents.

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 has presented unique challenges as the Town has been operating without an appointed Comptroller since January. But through the dedicated efforts of the remaining staff of the Comptroller’s Office, my Director of Finance, and the cooperation of other Town departments, we have been up to the task, and 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.

Best regards,

A handwritten signature in black ink that reads "Jennifer S DeSena". The signature is written in a cursive style with a long horizontal flourish at the end.

Jennifer DeSena  
North Hempstead Town Supervisor



*Supervisor*  
JENNIFER S. DESENA

*Deputy Supervisor*  
JOSEPH SCALERO

*Town Board*  
ROBERT J. TROIANO  
PETER J. ZUCKERMAN  
DENNIS J. WALSH  
VERONICA LURVEY  
DAVID A. ADHAMI  
MARIANN DALIMONTE

*Town Clerk*  
RAGINI SRIVASTAVA

*Receiver of Taxes*  
CHARLES BERMAN

## TOWN OF NORTH HEMPSTEAD

COMPTROLLER'S OFFICE  
220 PLANDOME ROAD  
MANHASSET, NY 11030

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



*Acting Comptroller*  
PAUL WOOD

*Deputy Comptroller*  
SHARON GLASSMAN

September 28, 2022

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

I am pleased to submit the Annual Comprehensive Financial Report ("ACFR") of the Town of North Hempstead, New York (the "Town") for the year ended December 31, 2021.

The ACFR 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 ACFR. Our internal controls have the objective of providing reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

PKF O'Connor Davies, LLP, Certified Public Accountants, have issued an unmodified independent auditors' report dated September 28, 2022, for the Town and its discretely presented non-major component units as of and for the year ended December 31, 2021. 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 19<sup>th</sup> century, North Hempstead became the seat of Queens County, which included the three eastern Towns of North Hempstead, Hempstead and Oyster Bay. In 1899, these Towns formed the new Nassau County when the remainder of Queens County joined New York City. The Cities of Glen Cove and Long Beach were later created out of portions of Oyster Bay and Hempstead, respectively.

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

North Hempstead includes all of Manhasset Bay and portions of both Little Neck Bay and Hempstead Harbor. The Town has two beaches, one within Manhasset Bay and one within Hempstead Harbor. Manhasset Bay in Port Washington is also the location of the Town Dock, which hosts a public mooring field, a kayak launch, docking facilities, and also serves as a fishing spot and the starting point for a harborside trail. 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 and has a population of 237,433.

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 were provided through the Town's Solid Waste Management Authority ("Authority") through December 31, 2021. The Town Board passed a resolution terminating the corporate existence of the Authority and transferring all assets and liabilities of the Authority as of December 31, 2021 to the Town's General Fund where the operations will continue to operate under the Town's department of solid waste management.

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 Town 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.

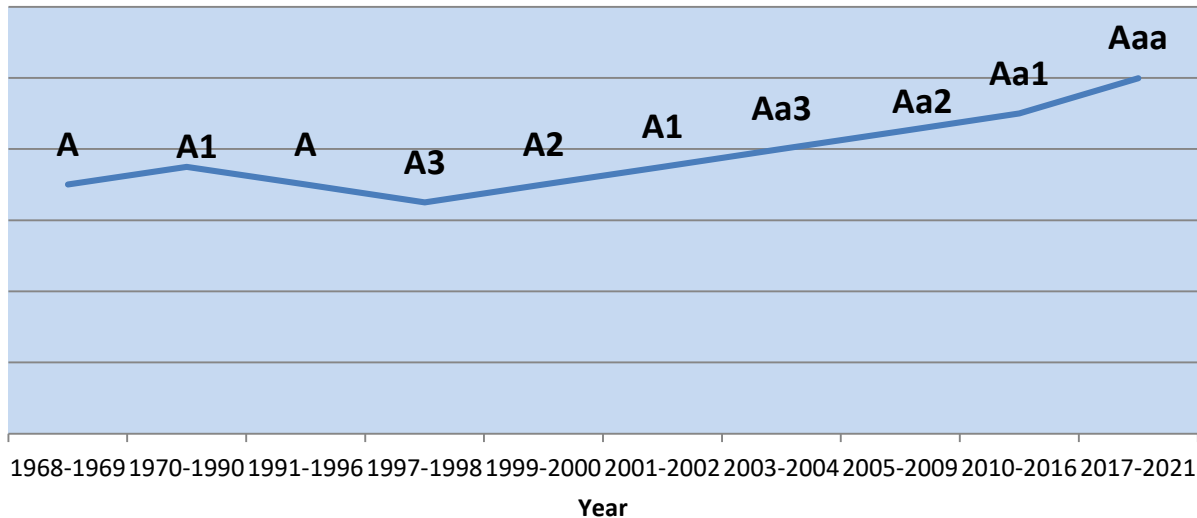
Based on New York State Department of Labor statistics, the Town’s 2021 unemployment rate, averaged at 4.4%, 3.4% less than the 2020 average and as of December 2021 was at 2.2% ([labor.ny.gov/stats/laus.asp](http://labor.ny.gov/stats/laus.asp)). This decrease is related to being out of the pandemic phase and the lifting of its related lockdowns. 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 spike in 2020 was related to the COVID-19 pandemic and consistently decreases as the Town, New York State and the United States return to normalcy. The Statistical Section of this report lists these and a number of additional economic indices whose trends are also favorable.

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

## **Long-Term Financial Planning**

The Town achieved a Aaa bond rating from Moody’s Investors Service with a stable outlook in March of 2017. This rating reflects strong fiscal management marked by conservative budgeting and maintenance of solid reserve levels. The Town is committed to remaining fiscally responsible with the goal of maintaining its bond rating in future years.

## Town of North Hempstead Moody's Rating History



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 and efficiency in government and has made many changes to make information easily available to residents. Further, the Town continues its commitment to sound financial management. The Town's fiscal stress score is 1.7, which according to data released by the Office of the New York State Comptroller, is one of the lowest of any Town on Long Island.

The Town continues to place 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, has helped thousands of North

Hempstead seniors maintain and improve their quality of life, making it easier for them to remain in their homes and part of our community. The program also serves disabled riders who are between 21 and 59 years of age.

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.

The Town has established a number of recurring festivals and programs that have continued to grow over the year. Parks and Recreation Department have continued to provide exceptional concerts, multicultural events, and myriad recreational opportunities. Our Highway Department provides snow removal, tree trimming, tree planting, street sweeping, and sidewalk repair at current levels, with no cuts to these important “quality of life” services and attention to safety. Moreover, the Town continues to work closely with all of our Local Chambers of Commerce.

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 Annual Comprehensive Financial Report (ACFR) for the year ended December 31, 2020. This was the eleventh 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 annual comprehensive 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 annual comprehensive 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, PKF 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,



Paul Wood, CPA  
Town of North Hempstead  
Acting Comptroller



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Town of North Hempstead  
New York**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*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 Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the aggregate 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, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Town, as of December 31, 2021, and the respective changes in financial position and the respective budgetary comparisons for the General, Highway, Solid Waste Management Authority, Part Town and Refuse and Garbage Districts funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of 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, 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, Great Neck Park District, Port Washington Police District, Shelter Rock Public Library District, Town of North Hempstead Community Development Agency, Town of North Hempstead Business and Tourism Development Corporation, and Greater Port Washington Business Improvement District, which represent 99.04% and 98.61%, respectively, of the assets and deferred outflows of resources and revenues of the aggregate discretely presented component units as of December 31, 2021, and the respective changes in financial position. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for such component units are based solely on the report of the other auditors.

## ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (“GAAS”) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Emphasis of Matter***

As discussed in Note 7, the Board of Directors passed a resolution terminating the corporate existence of the Town of North Hempstead’s Solid Waste Management Authority (“Authority”) and transferring all assets and liabilities of the Authority as of December 31, 2021 to the Town’s General Fund where the operations will continue to operate under the Town’s department of solid waste management. Our opinion is not modified with respect to this matter.

## ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditors’ Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***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 is the responsibility of management and, 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 Information***

Our audit 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 schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2022 on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**

Harrison, New York

September 28, 2022

# **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, 2021

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## 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, 2021. 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 annual comprehensive financial report (ACFR).

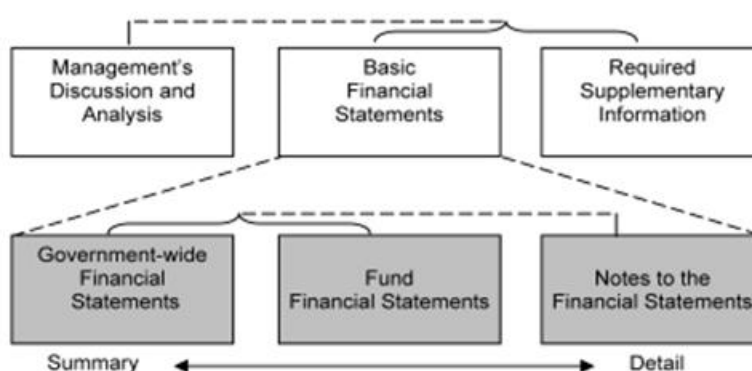
## Financial Highlights

- 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 2021 by \$84,754,328. The Town's total net position as of December 31, 2021 increased by \$12,107,766 versus the 2020 net position decrease of \$5,118,814. This swing of \$17,226,580 is primarily due to increases in the departmental income from recreational charges of \$4,795,738 and decreases in expenditures related to the Town's pension expenditure, compensated absences, landfill post-closure care costs, claims payable and retainage payable of \$7,003,686, \$4,665,135, \$4,274,278, \$1,798,288 and \$1,701,570, respectively, offset by a decrease in capital grants revenue recognized of \$6,038,016.
- As of the close of 2021, the Town's governmental funds reported combined ending fund balance of \$98,386,443, an increase of \$9,045,331 when compared to the fund balance of \$89,341,112 at the end of 2020. The increase is primarily due to increases in sales tax, mortgage tax and a transfer in of \$1,253,564 from the Town's Solid Waste Management Authority as the Town will continue the Authority's operations under the Town's department of solid waste management.
- The Town's General fund balance was \$26,087,473 at the close of 2021, an increase of \$8,004,204 compared to the prior year fund balance. The restricted, assigned, and unassigned fund balance for the general fund was \$6,174,416 or 8.7% of total general fund actual expenditures and other uses.
- The Town's highway fund balance was \$13,148,971 at the close of 2021, an increase of \$619,220 or up 4.9% from the prior year. The increase is primarily caused by savings in snow removal costs, transportation administration and employee benefits, as well as conservative spending and strong expenditure 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 expenditures 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 expenditures 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 expenditures 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 expenditures 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 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**

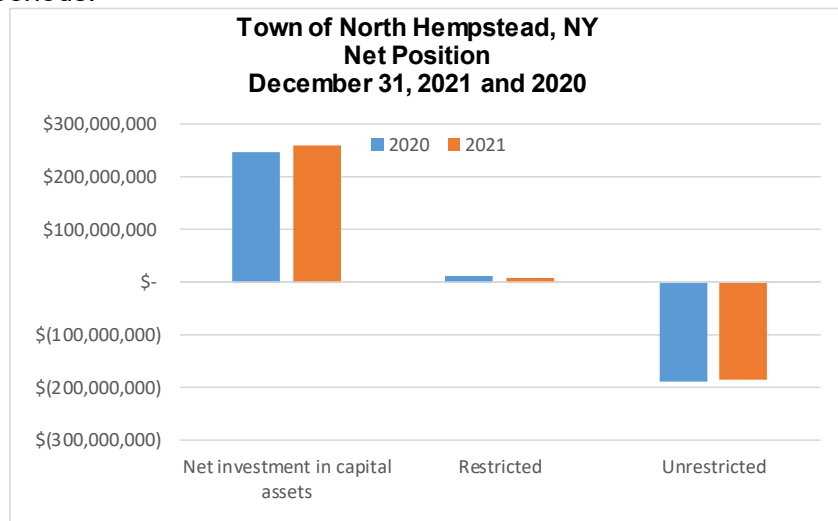
The Town's net position, including all capital assets, all debt, and all known future payment obligations, is positive. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$84,754,328 at the close of 2021.

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

	2021	2020
Current and Other Assets:		
Current Assets	\$ 135,522,108	\$ 128,591,936
Capital Assets, net of depreciation	436,332,968	428,532,144
Other non-current assets	6,588,416	6,520,916
Total Assets	<u>578,443,492</u>	<u>563,644,996</u>
Deferred Outflows of Resources	<u>69,920,059</u>	<u>48,886,202</u>
Current Liabilities	55,873,216	61,526,134
Long-term Liabilities	<u>464,834,388</u>	<u>475,977,577</u>
Total Liabilities	<u>520,707,604</u>	<u>537,503,711</u>
Deferred Inflows of Resources	<u>42,901,619</u>	<u>2,380,925</u>
Net Position:		
Net Investment in capital assets	259,347,185	249,230,226
Restricted	9,366,414	11,538,242
Unrestricted	<u>(183,959,271)</u>	<u>(188,121,906)</u>
Total Net Position	<u>\$ 84,754,328</u>	<u>\$ 72,646,562</u>

By far the largest portion of the Town’s net position, \$259,347,185 reflects its net investment in capital assets (e.g., land, buildings, machinery and equipment, intangibles - software and infrastructure); less any outstanding debt and payables used to acquire these assets. The Town uses its capital assets to provide services to its citizens; consequently, the Town has no plans to sell the assets and it pays the associated principal and interest from its operating budget.

The OPEB liability is the largest component of the Town’s unrestricted net position, which has a deficit balance of \$183,959,271. The other components are primarily similar long-term liabilities, which include bonds payable, future payments due to the employees’ retirement system, compensated absences, claims and judgments, landfill closure and post closure care costs and net pension liability – proportionate share. OPEB and these other long-term obligations will be funded as they become payable in future periods.



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

	2021	2020
Revenues:		
Program Revenues:		
Charges for Services	\$ 35,307,878	\$ 26,965,368
Operating Grants and Contributions	1,382,760	990,321
Capital Grants and Contributions	5,072,904	10,969,402
	<u>41,763,542</u>	<u>38,925,091</u>
General Revenues:		
Real Property Taxes	78,172,073	76,703,013
Other tax items	5,865,391	5,842,926
Non-property taxes	16,297,882	13,994,959
Mortgage tax	13,224,118	9,522,797
Other	2,199,936	2,236,551
	<u>115,759,400</u>	<u>108,300,246</u>
Total Governmental Revenues	<u>157,522,942</u>	<u>147,225,337</u>
Expenses:		
Program Expenses:		
General Government Support	28,176,289	31,391,657
Education	2,349,819	2,657,322
Public Safety	21,418,891	21,516,418
Health	687,860	690,837
Transportation	23,681,058	26,224,943
Economic Opportunity and Development	3,419,705	3,683,569
Culture and Recreation	32,664,059	31,299,681
Home and Community Services	27,964,139	29,717,641
Interest on Debt	5,053,356	5,162,083
	<u>145,415,176</u>	<u>152,344,151</u>
Total Governmental Expenses	<u>145,415,176</u>	<u>152,344,151</u>
Change in Net Position	12,107,766	(5,118,814)
Net Position - Beginning	<u>72,646,562</u>	<u>77,765,376</u>
Net Position - Ending	<u>\$ 84,754,328</u>	<u>\$ 72,646,562</u>

Net position, from all governmental activities, increased by \$12,107,766 from the prior year ending net position.

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

- General revenues increased by \$7,459,154 from the prior year. The largest category is the real property taxes category which shows an increase of \$1,469,060. This increase results from the 2021 budget increase in taxes across various funds, primarily in the General, Town Outside Village and the Refuse and Garbage District funds in the amounts of \$769,717, \$289,586, \$107,253, respectively. Non-property tax revenues increased over prior year by \$2,302,923 primarily due to 2021 sales tax revenue which increased by \$2,523,346 due to the economy coming back from the COVID-19 pandemic and its related lockdown. 2021 mortgage tax receipts increased over prior year by \$3,701,321 due to strong economic activity in the housing market and the low interest rate environment.
- Program revenues increased by \$2,838,451 from the prior year. Charges for services increased by \$8,342,510 which was driven primarily from the increase in departmental revenue. To protect our parks staff and constituents, management elected to waive all park fees for the 2020 parks season. To comply with the Center of Disease Control (“CDC”) guidelines, the Town operated its 2020 park season at a reduced capacity at our parks and golf course. These regulations implemented in 2020 were removed in 2021 and the parks and special recreational facilities were in full operation resulting in the increase. Capital grants and contributions decreased by \$5,896,498 which is mainly driven by a reduction in FEMA reimbursements for approved FEMA projects from Hurricane Sandy that were incurred in 2020 versus 2021. In 2020, there was an additional total of \$2,151,169 due in reimbursements from Nassau County and the Environmental Protection Agency related a capital project at Gerry Pond Park.
- Program expenses decreased by \$6,928,975 over the prior year.
  - General government support expenses decreased by \$3,215,368 primarily due to:
    - A decrease of \$2,036,840 in pension expense allocation for GASB 68 activity.
    - An increase in the OPEB obligation of \$568,060.
    - Judgment and claims payable decreased by \$641,839 versus prior year. This decrease is due to a 2020 judgement in a lawsuit.
    - A decrease of \$1,338,988 in compensated absences which is due to the payout of additional contractual compensation time earned throughout the pandemic.
  - Transportation services decreased by \$2,543,885 primarily due to a decrease of \$1,543,808 pension expense allocation per GASB 68 activity. Additionally, there was a decrease in compensated absences of \$1,034,544 related to the payout of additional contractual compensation time earned throughout the pandemic.
  - Culture and recreation services increased by \$1,364,378 primarily due to an increase of \$678,766 in the OPEB obligation and culture and recreation fund level expenses of \$3,967,525. These increased costs were offset by a decrease of \$1,435,133 pension expense allocation per GASB 68 activity, \$1,178,568 in retainage payable activity. Additionally, there was a decrease in compensated absences of \$993,580 related to the payout of additional contractual compensation time earned throughout the pandemic.
  - Home and community services decreased by \$1,753,502 primarily due to a decrease of \$418,473 pension expense allocation per GASB 68 activity. There was also a decrease in compensated absences of \$274,369 related to the payout of additional contractual compensation time earned throughout the pandemic. Additionally, the landfill post-closure care costs were reevaluated resulting in a decrease of \$4,274,278 in expenses. These increased costs were offset by an increase in home and community fund level expenses of \$2,883,834.

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	
	2021	2020	2021	2020	2021	2020
General government support	\$ 28,176,289	\$ 31,391,657	\$ 717,770	\$ 443,702	\$ 27,458,519	\$ 30,947,955
Education	2,349,819	2,657,322	-	-	2,349,819	2,657,322
Public safety	21,418,891	21,516,418	6,430,929	5,977,167	14,987,962	15,539,251
Health	687,860	690,837	424,567	415,586	263,293	275,251
Transportation	23,681,058	26,224,943	2,188,232	1,512,090	21,492,826	24,712,853
Economic assistance and opportunity	3,419,705	3,683,569	285,824	242,913	3,133,881	3,440,656
Culture and recreation	32,664,059	31,299,681	12,385,472	14,079,205	20,278,587	17,220,476
Home and community services	27,964,139	29,717,641	19,181,908	16,254,428	8,782,231	13,463,213
Interest on debt	5,053,356	5,162,083	148,840	-	4,904,516	5,162,083
	<u>\$ 145,415,176</u>	<u>\$ 152,344,151</u>	<u>\$ 41,763,542</u>	<u>\$ 38,925,091</u>	<u>\$ 103,651,634</u>	<u>\$ 113,419,060</u>

The total cost of all governmental activities this year was \$145,415,176. The net cost of these services was \$103,651,634. Program revenues of \$41,763,542 represented 28.7% of the governmental activity cost.

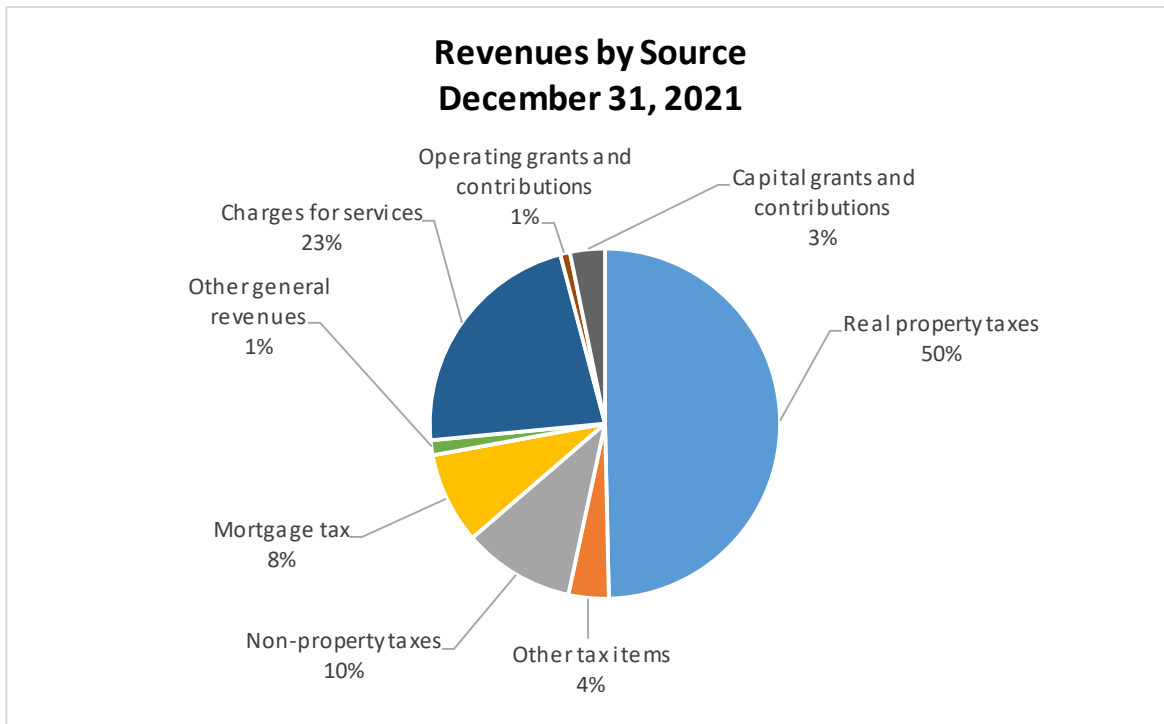
The following chart illustrates the revenues by source for the Town's governmental activities. The Town's revenue increased by \$10,297,605 versus the prior year, primarily because of the increase in charges for services of \$8,342,510, sales tax of \$2,523,346, mortgage tax of \$3,701,321 and real property tax of \$1,469,060. The charges for services increases were largely driven by the impact of the COVID-19 pandemic which contributed to lower revenues in various services provided during 2020, which were lifted for 2021. The increase in sales tax was due to the economy coming back from the COVID-19 pandemic and its related lockdown and the increase in mortgage tax was due to the strong economic activity in the housing market. These increases were offset by a decrease in capital grants and contributions.

Capital grants and contributions decreased by \$5,896,498 which was driven by less activity relating to the FEMA reimbursable projects in the current year versus the prior year activity of \$5,561,367 in expected FEMA reimbursements for approved FEMA projects from Hurricane Sandy.

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

	2021	2020
Real property taxes	\$ 78,172,073	\$ 76,703,013
Other tax items	5,865,391	5,842,926
Non-property taxes	16,297,882	13,994,959
Mortgage tax	13,224,118	9,522,797
Other general revenues	2,199,936	2,236,551
Charges for services	35,307,878	26,965,368
Operating grants and contributions	1,382,760	990,321
Capital grants and contributions	5,072,904	10,969,402
	<u>\$ 157,522,942</u>	<u>\$ 147,225,337</u>





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

### Governmental Funds

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.

As of December 31, 2021, the Town's governmental funds reported \$98,386,443 total ending fund balance as compared to the prior year of \$89,341,112, an increase of \$9,045,331. The increase is due to operating surpluses in the General, Highway and Capital Projects funds of \$8,004,204, \$619,220, and \$2,984,453, respectively. These surpluses were offset by a decrease in the Solid Waste Management Authority and the Debt Service funds of \$727,722 and \$2,171,828, respectively. The Authority's decrease was due to the transferring of the remaining assets and liabilities to the Town's General Fund to continue its operations. The decrease in the debt service fund was budgeted in order to utilize the fund's fund balance to pay down the current debt outstanding.

- **Nonspendable fund balance** – \$2,605,368 (inherently nonspendable) includes the portion of net resources that cannot be spent because they must be maintained intact.
- **Restricted fund balance** – \$46,483,415 (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** – \$30,746,070 (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** – \$18,551,590 (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 \$26,087,473, increasing \$8,004,204 from the prior year's fund balance. Of this amount, \$1,466,068 is nonspendable (inventory and prepaids). The remaining \$24,621,405 of the fund balance is spendable as follows: \$4,708,348 has been assigned by the Town Board, (\$950,000 designated for subsequent year's expenditures, \$598,019 for workers' compensation, \$1,101,834 for insurance, \$1,218,819 for senior housing related programs, \$786,419 for capital projects and \$53,257 for accrued employee benefits) and \$19,913,057 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 \$10,485,050. The primary reasons for this favorable variance were due to the sales tax and mortgage tax received in amounts greater than the budget of \$2,869,361 and \$5,524,118, which resulted due to strong economic activity. There was also a favorable variance in the special recreational facility charges of \$692,038 as a result of the lifting of lockdowns related to the COVID-19 pandemic.
- Total Expenditures and Other Financing Uses were lower than budgeted by \$1,372,698 due to conservative spending and strong expenditure control. Several departments had favorable spending variances including Comptroller, Town Attorney, Programs for the Aging, Culture and Recreation (including recreational facilities), and Transfers Out of \$176,841, \$63,518, \$87,883, \$184,452, and \$429,034, respectively.

### **Highway Fund**

At the end of 2021, the highway fund balance was \$13,148,971 an increase of \$619,220, or 4.9%, from the prior year. The portion of the fund balance that is considered nonspendable is \$762,906, for inventory and prepaid expenditures (\$359,023 and \$403,883, respectively). The Town Board has assigned \$250,392 in a reserve for accrued employee benefits, \$1,831,478 for capital projects, \$100,000 for insurance, \$1,450,000 for workers' compensation and \$1,031,056 designated for subsequent year's expenditures. The remaining fund balance is spendable and available for highway operating purposes.

The surplus is attributed to decreased cost of snow removal as the 2021 winter season was more mild than anticipated and newer employees replacing longer term employees while the overall headcount remained flat.

### **Solid Waste Management Authority**

At the end of 2021, the total net position of the Solid Waste Management Authority was eliminated as the Town Board passed a resolution terminating the corporate existence of the Authority resulting in the Town's department of solid waste management to continue its operations within the Town's General Fund.

## **Part Town**

At the end of 2021, the part town fund had a total fund balance of \$9,868,087 a decrease of \$387,674 or -3.8%. Nonspendable fund balance allocated to prepaid expenditures totaled \$290,365. The Town Board has assigned \$244,624 in a reserve for accrued employee benefits, \$251,880 for capital projects, and \$200,000 for insurance. The remaining \$8,542,274 of the fund balance can be used for general part town purposes. The decrease in fund balance is attributed to an increase in real property tax of \$289,586 which is offset by a reduction of \$133,784 in various revenue categories including interest, federal aid and court fines. There was an increase in the payout of additional contractual compensation time earned throughout the pandemic.

## **Refuse and Garbage Districts Fund**

At the end of 2021, the refuse and garbage districts fund had a total fund deficit of (\$1,167,854), a decrease of \$266,188 or 18.6% from the prior year. The negative fund balance is due to a prior period adjustment in the 2018 statements in the amount of (\$3,303,416) related to ongoing litigation between the garbage districts and Nassau County regarding a utility property lawsuit. The Town paid out settlements to Verizon and Keyspan in 2011 and 2015, respectively, and recognized revenue and a receivable from the County. The receivable has not yet been paid, and therefore is not deemed to be measurable and available as required by modified accrual basis accounting.

The increase in fund balance is due to a reduction of debt expenditures in the districts, as the short-term note related to the ongoing litigation has been paid in full.

## **Capital Projects Fund**

At the end of 2021, the total fund balance of the capital projects fund was \$27,871,904. This entire amount is restricted for capital projects.

The balance increased in the capital projects fund by \$2,984,453 during the current year. Primarily because of:

- Proceeds from the sale of bonds in the amount of \$15,960,000.
- Capital outlay and equipment expenditures were \$21,274,054.
- Bond anticipation notes were redeemed from appropriations of \$2,497,000.
- State and Federal Aid revenues were \$2,449,443.
- Premiums on obligations in the amount of \$2,538,517.

## **Nonmajor Governmental Funds**

At the end of 2021, the total fund balance of the nonmajor governmental funds was \$13,211,448, increasing \$458,490 or 3.6%, from the prior year. Of this amount, \$86,029 is nonspendable for prepaid expenditures. The fund balance includes \$9,245,097 which is restricted for the length of service award program and \$105,600 assigned as designated for subsequent year's expenditures. The remaining \$3,880,322 of the fund balance can be used for general special district purposes.

The major fund balance fluctuations are as follows:

- The Fire Protection Districts' fund balance increased by \$778,005 primarily due to the increase of LOSAP assets of \$857,166.
- The Park Districts' fund balance suffered a decrease of \$210,457 due to the opening of the parks and pools and returning to normal operations resulting in an increase expenditure of

personnel. There were increases in hourly rates for lifeguards, as well as the overall headcount within the department.

- The Lighting District fund balance decreased by \$175,308 primarily due to an increase cost of materials and Public Service Enterprise Group (“PSEG”) electricity.

### General Fund Budgetary Highlights

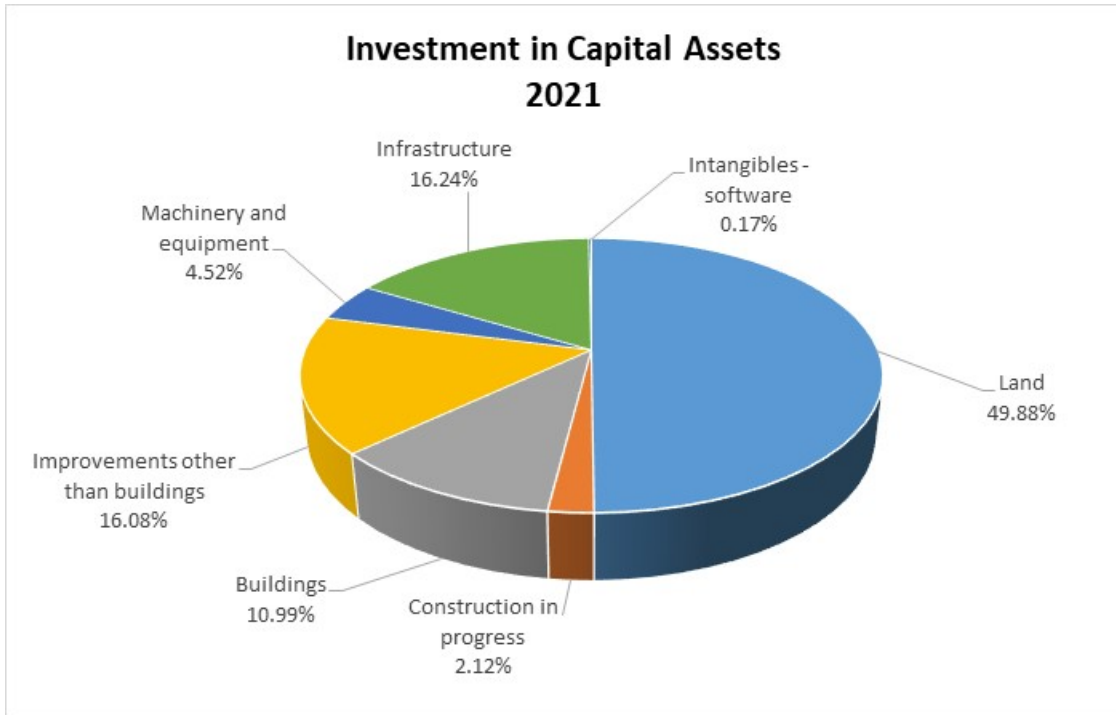
The differences between the 2021 original budget and the final amended budget as adopted by Town Board resolution throughout the year were \$1,143,468. The primary reason for the increase in budget is due to a resolution where the Town accepted additional revenues to offset expenditures of \$743,524 related to the Harbor Links Golf Course. The other amendments were de minimis. There are no variances that are expected to have a significant effect on future services or liquidity. Please see the “General Fund” section for more details on the comparison of final budgets and actual amounts. Over the course of the year the Town Board revises the budget as needed so that expenditures do not exceed appropriations.

### Capital Asset and Debt Administration

#### Capital Assets

The Town’s investment in capital assets for its governmental activities as of December 31, 2021 amounts to \$436,332,968. This investment in capital assets includes land, construction in progress, buildings, improvements, machinery and equipment, roads, curb and sidewalks, drainage, street lighting and intangibles net of accumulated depreciation.

	<u>2021</u>	<u>2020</u>
Land	\$ 217,629,085	\$ 217,629,085
Construction in progress	9,289,221	12,077,230
Buildings	47,939,645	49,725,129
Improvements other than buildings	70,156,912	66,106,123
Machinery and equipment	19,721,995	15,744,712
Infrastructure	70,846,058	66,518,889
Intangibles - software	750,052	730,976
	<hr/>	<hr/>
Total	<u>\$ 436,332,968</u>	<u>\$ 428,532,144</u>



Additional information of the Town of North Hempstead's capital assets is shown in Note 3C 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 2021, the Town had decreased total debt outstanding including serial bonds, revenue bonds, and bond anticipation notes (BANs) by \$4,234,721 from the prior year.

#### Short-Term Debt

As of December 31, 2021, the Town had outstanding short-term bond anticipation notes of \$13,625,601 with maturity dates in 2022. This is a decrease of \$1,811,399, or -11.7% from 2020 primarily due to the timing of construction on projects that are grant reimbursable, which is what the Town primarily uses the short-term debt for.

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Bond Anticipation Notes	<u>\$ 13,625,601</u>	<u>\$ 15,437,000</u>

#### Long-Term Debt

As of December 31, 2021, the Town had outstanding long-term bonded debt of \$193,317,996. This is a decrease of \$2,423,322, or -1.24%, versus the prior year largely due to current year payments offset by general obligation bonds issued in 2021. Outstanding long-term bonds are as follows:

	<u>2021</u>	<u>2020</u>
General obligation bonds	<u>\$ 193,317,996</u>	<u>\$ 195,741,318</u>

In 2021, 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 2022.

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, 2021, the Town had exhausted 8.40% of its constitutionally available debt limit, which is \$3,914,050,730.

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 2022 that stayed within the 2% limit on property tax increases permitted by state law without a super-majority vote.

#### State Aid and Local Assistance

The Town receives financial assistance from New York State and Nassau County. The 2022 budget includes mortgage tax of \$8,100,000: AIM related funding of \$1,023,565 and local government assistance (sales tax) of \$12,100,000. Although the State has adopted its budget timely, if in the future the budget is not adopted in a timely manner, municipalities, and school districts in the State, including the Town, may be affected by a delay in the payment of state aid. The State is not constitutionally obligated to maintain or continue state aid to the Town.

#### Collective Bargaining

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

### **Requests for Information**

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

**BASIC FINANCIAL  
STATEMENTS**

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**Town of North Hempstead, New York**

Statement of Net Position  
December 31, 2021

	Primary Government		Non-Major Component Units
	Governmental Activities		
<b>ASSETS</b>			
Cash and equivalents	\$ 108,392,094	\$	104,170,719
Cash and equivalents - restricted	-		34,282,221
Investments - LOSAP	9,245,097		-
Receivables			
Accounts	4,108,471		4,812,721
State and Federal aid	5,077,188		467,285
Due from other governments	6,093,890		20,789,005
Due from primary government	-		27,872,971
Loans	-		1,203,911
Deposits	-		3,025
Inventory	681,327		735,065
Prepaid expenses	1,924,041		2,782,320
Notes receivable	3,285,000		-
Due from County of Nassau	3,303,416		-
Property held for resale	-		2,193,496
Capital assets			
Not being depreciated	226,918,306		108,160,671
Being depreciated, net	209,414,662		237,384,881
Total Assets	<u>578,443,492</u>		<u>544,858,291</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding bonds	1,093,514		145,937
Pension related	24,290,212		30,151,204
OPEB related	38,987,441		34,028,340
Length of service awards programs	5,548,892		-
Total Deferred Outflows of Resources	<u>69,920,059</u>		<u>64,325,481</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	11,243,131		16,477,997
Due to other governments	1,302,916		719,065
Bond anticipation notes payable	13,625,601		60,086,000
Deposits payable	2,049,323		3,852,764
Unearned revenues	5,474,435		1,863,440
Accrued interest payable	1,878,469		1,098,106
Loan payable - EFC	-		18,586,687
Non-current liabilities			
Due within one year	20,299,341		11,257,755
Due in more than one year	464,834,388		408,849,640
Total Liabilities	<u>520,707,604</u>		<u>522,791,454</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes	-		44,564
Loans receivable	-		394,980
Pension related	29,934,295		11,739,936
OPEB related	11,523,516		30,379,876
Length of service awards programs	1,443,808		-
Total Deferred Inflows of Resources	<u>42,901,619</u>		<u>42,559,356</u>
<b>NET POSITION</b>			
Net Investment in capital assets	259,347,185		137,039,330
Restricted for			
Accrued employee benefits	-		233,564
Asset forfeiture	-		879,302
Capital projects	-		61,518,924
Debt service	9,366,414		1,271,611
Herbert Paul memorial fund	-		216,813
Insurance	-		224,474
Maintenance	-		423,173
New York State grant	-		201,005
Property held for redevelopment	-		2,193,496
Repairs	-		11,142,128
Retirement contribution	-		3,445
Unrestricted	<u>(183,959,271)</u>		<u>(171,514,303)</u>
Total Net Position	<u>\$ 84,754,328</u>	<u>\$</u>	<u>43,832,962</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, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government</b>				
Governmental activities				
General government support	\$ 28,176,289	\$ 717,770	\$ -	\$ -
Education	2,349,819	-	-	-
Public safety	21,418,891	5,672,209	758,720	-
Health	687,860	424,567	-	-
Transportation	23,681,058	1,039,272	-	1,148,960
Economic opportunity and development	3,419,705	28,910	256,914	-
Culture and recreation	32,664,059	8,512,413	97,955	3,775,104
Home and community services	27,964,139	18,912,737	269,171	-
Interest	5,053,356	-	-	148,840
<b>Total Primary Government</b>	<b>\$ 145,415,176</b>	<b>\$ 35,307,878</b>	<b>\$ 1,382,760</b>	<b>\$ 5,072,904</b>
<b>Non-major component units</b>				
General government support	\$ 4,622,459	\$ -	\$ -	\$ -
Public safety	29,149,294	117,719	77,069	-
Culture and recreation	23,880,867	5,465,280	51,814	-
Home and community services	60,238,297	26,326,303	541,245	7,772,716
Interest	4,505,610	-	-	-
	<b>\$ 122,396,527</b>	<b>\$ 31,909,302</b>	<b>\$ 670,128</b>	<b>\$ 7,772,716</b>

General revenues

Real property taxes

Other tax items

Interest and penalties on real property taxes

Payments in lieu of taxes

Other

Non-property taxes

Nassau County local government assistance

Franchise fees

Mortgage tax

Unrestricted use of money and property

Insurance recoveries

Miscellaneous

Total General Revenues

Change in Net Position

**NET POSITION**

Net Position - Beginning

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
\$ (27,458,519)	\$ -
(2,349,819)	-
(14,987,962)	-
(263,293)	-
(21,492,826)	-
(3,133,881)	-
(20,278,587)	-
(8,782,231)	-
(4,904,516)	-
<u>\$ (103,651,634)</u>	<u>\$ -</u>
\$ -	\$ (4,622,459)
-	(28,954,506)
-	(18,363,773)
-	(25,598,033)
-	(4,505,610)
<u>\$ -</u>	<u>\$ (82,044,381)</u>
78,172,073	81,945,333
1,195,638	-
4,659,273	3,491,832
10,480	-
14,369,361	-
1,928,521	-
13,224,118	-
98,032	1,493,599
-	446,451
2,101,904	3,502,142
<u>115,759,400</u>	<u>90,879,357</u>
12,107,766	8,834,976
<u>72,646,562</u>	<u>34,997,986</u>
<u>\$ 84,754,328</u>	<u>\$ 43,832,962</u>

**Town of North Hempstead, New York**

Balance Sheet  
 Governmental Funds  
 December 31, 2021

	General	Highway	Solid Waste Management Authority
<b>ASSETS</b>			
Cash and equivalents	\$ 22,057,925	\$ 12,183,922	\$ -
Investments - LOSAP	-	-	-
Other receivables			
Accounts	3,964,305	17,871	-
State and Federal aid	803,094	13,378	-
Due from other governments	6,035,565	4,139	-
Due from other funds	4,261,021	908,274	-
	<u>15,063,985</u>	<u>943,662</u>	<u>-</u>
Inventories	<u>322,304</u>	<u>359,023</u>	<u>-</u>
Prepaid expenditures	<u>1,143,764</u>	<u>403,883</u>	<u>-</u>
Total Assets	<u>\$ 38,587,978</u>	<u>\$ 13,890,490</u>	<u>\$ -</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities			
Accounts payable and accrued liabilities	\$ 3,590,704	\$ 414,919	\$ -
Due to other governments	1,266,072	-	-
Bond anticipation notes payable	-	-	-
Deposits payable	1,024,826	-	-
Due to other funds	1,008,727	314,748	-
Unearned revenues	5,436,601	11,852	-
Total Liabilities	<u>12,326,930</u>	<u>741,519</u>	<u>-</u>
Deferred Inflows of Resources			
Unavailable revenues - State and Federal aid	<u>173,575</u>	<u>-</u>	<u>-</u>
Fund balances			
Nonspendable	1,466,068	762,906	-
Restricted	-	-	-
Assigned	4,708,348	12,386,065	-
Unassigned	19,913,057	-	-
Total Fund Balances	<u>26,087,473</u>	<u>13,148,971</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 38,587,978</u>	<u>\$ 13,890,490</u>	<u>\$ -</u>

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

Part Town	Refuse and Garbage Districts	Debt Service	Capital Projects	Non-Major Governmental	Total Governmental Funds
\$ 10,289,470	\$ 590,911	\$ 9,546,365	\$ 48,803,653	\$ 4,919,848	\$ 108,392,094
-	-	-	-	9,245,097	9,245,097
80,291	-	-	-	46,004	4,108,471
-	-	-	4,260,716	-	5,077,188
54,186	-	-	-	-	6,093,890
57,000	-	-	422,906	18,257	5,667,458
191,477	-	-	4,683,622	64,261	20,947,007
-	-	-	-	-	681,327
290,365	-	-	-	86,029	1,924,041
<u>\$ 10,771,312</u>	<u>\$ 590,911</u>	<u>\$ 9,546,365</u>	<u>\$ 53,487,275</u>	<u>\$ 14,315,235</u>	<u>\$ 141,189,566</u>
\$ 218,754	\$ 81,573	\$ -	\$ 5,792,476	\$ 414,608	\$ 10,513,034
36,844	-	-	-	-	1,302,916
-	-	-	13,625,601	-	13,625,601
643,731	-	-	-	380,766	2,049,323
-	1,669,551	179,951	2,200,513	293,968	5,667,458
3,896	7,641	-	-	14,445	5,474,435
903,225	1,758,765	179,951	21,618,590	1,103,787	38,632,767
-	-	-	3,996,781	-	4,170,356
290,365	-	-	-	86,029	2,605,368
-	-	9,366,414	27,871,904	9,245,097	46,483,415
9,577,722	-	-	-	4,073,935	30,746,070
-	(1,167,854)	-	-	(193,613)	18,551,590
9,868,087	(1,167,854)	9,366,414	27,871,904	13,211,448	98,386,443
<u>\$ 10,771,312</u>	<u>\$ 590,911</u>	<u>\$ 9,546,365</u>	<u>\$ 53,487,275</u>	<u>\$ 14,315,235</u>	<u>\$ 141,189,566</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, 2021

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

Total Fund Balances - Governmental Funds	\$ 98,386,443
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	3,285,000
Due from County of Nassau	3,303,416
	<u>6,588,416</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	226,918,306
Capital assets - depreciable	489,125,245
Accumulated depreciation	(279,710,583)
	<u>436,332,968</u>
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	24,290,212
Deferred outflows - OPEB related	38,987,441
Deferred outflows - length of service awards programs	5,548,892
Deferred inflows - pension related	(29,934,295)
Deferred inflows - OPEB related	(11,523,516)
Deferred inflows - length of service awards programs	(1,443,808)
	<u>25,924,926</u>
Other long-term assets that are not available to pay for current period expenditures, and, therefore, are either deferred or not reported in the funds.	
State and Federal aid receivables	4,170,356
	<u>4,170,356</u>
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(1,878,469)
Retainage payable	(730,097)
General obligation bonds payable	(193,317,996)
Retirement incentives and other pension obligations	(1,656,001)
Compensated absences	(5,752,318)
Claims payable	(7,721,262)
Landfill closure and postclosure costs	(4,810,051)
Net pension liability	(101,813)
Length of service award program liabilities	(17,188,488)
Total OPEB liability	(246,961,500)
	<u>(480,117,995)</u>
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amount on refunding bonds	1,093,514
Premium on general obligation bonds	(7,624,300)
	<u>(6,530,786)</u>
Net Position of Governmental Activities	<u>\$ 84,754,328</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, 2021

	General	Highway	Solid Waste Management Authority
<b>REVENUES</b>			
Real property taxes	\$ 26,087,299	\$ 21,331,108	\$ -
Other tax items	2,324,706	1,709,831	-
Non-property taxes	16,240,882	-	-
Departmental income	8,515,717	87	16,354,065
Intergovernmental charges	660	26,960	2,225,836
Use of money and property	154,170	69,909	89,444
Licenses and permits	273,389	434,840	-
Fines and forfeitures	30,633	-	-
Sale of property and compensation for loss	49,100	108,224	243,392
Interfund revenues	7,221,237	96,302	-
State aid	13,352,458	1,148,960	50,500
Federal aid	450,200	-	-
Miscellaneous	1,128,953	19,042	46,938
<b>Total Revenues</b>	<b>75,829,404</b>	<b>24,945,263</b>	<b>19,010,175</b>
<b>EXPENDITURES</b>			
Current			
General government support	15,388,275	2,862,731	-
Education	2,349,819	-	-
Public safety	1,723,585	-	-
Health	-	-	-
Transportation	135,292	9,469,835	-
Economic opportunity and development	2,381,829	-	-
Culture and recreation	18,396,541	-	-
Home and community services	2,029,107	-	17,705,493
Employee benefits	11,606,855	5,905,864	853,840
Debt service			
Principal	-	-	-
Interest	-	-	-
Capital outlay	-	-	-
<b>Total Expenditures</b>	<b>54,011,303</b>	<b>18,238,430</b>	<b>18,559,333</b>
Excess (Deficiency) of Revenues Over Expenditures	21,818,101	6,706,833	450,842
<b>OTHER FINANCING SOURCES (USES)</b>			
General obligation bonds issued	-	-	-
Issuance premium	-	-	-
Transfers in	3,062,854	899,183	75,000
Transfers out	(16,876,751)	(6,986,796)	(1,253,564)
<b>Total Other Financing Sources (Uses)</b>	<b>(13,813,897)</b>	<b>(6,087,613)</b>	<b>(1,178,564)</b>
<b>Net Change in Fund Balances</b>	<b>8,004,204</b>	<b>619,220</b>	<b>(727,722)</b>
<b>FUND BALANCES (DEFICITS)</b>			
Beginning of Year	18,083,269	12,529,751	727,722
End of Year	\$ 26,087,473	\$ 13,148,971	\$ -

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
\$ 6,063,670	\$ 9,475,613	\$ -	\$ -	\$ 15,214,383	\$ 78,172,073
487,092	203,073	-	-	1,140,689	5,865,391
57,000	-	-	-	-	16,297,882
880,481	-	-	-	814,921	26,565,271
-	-	-	-	-	2,253,456
2,635	79	103,948	-	775,690	1,195,875
5,015,472	-	-	-	-	5,723,701
109,840	-	-	-	-	140,473
-	-	-	-	-	400,716
5,151	-	-	-	106,494	7,429,184
-	-	-	964,562	-	15,516,480
-	-	-	1,484,881	-	1,935,081
588	-	44,892	784,644	39,197	2,064,254
<u>12,621,929</u>	<u>9,678,765</u>	<u>148,840</u>	<u>3,234,087</u>	<u>18,091,374</u>	<u>163,559,837</u>
2,545,522	46,731	-	-	1,771,878	22,615,137
-	-	-	-	-	2,349,819
5,076,010	-	-	-	7,134,275	13,933,870
358,016	-	-	-	-	358,016
5,151	-	-	-	3,779,338	13,389,616
-	-	-	-	-	2,381,829
-	-	-	-	1,292,805	19,689,346
1,175,813	9,290,846	-	-	65,523	30,266,782
3,447,839	-	-	-	1,099,467	22,913,865
-	-	18,383,322	-	-	18,383,322
-	-	5,463,451	-	-	5,463,451
-	-	-	21,274,054	-	21,274,054
<u>12,608,351</u>	<u>9,337,577</u>	<u>23,846,773</u>	<u>21,274,054</u>	<u>15,143,286</u>	<u>173,019,107</u>
<u>13,578</u>	<u>341,188</u>	<u>(23,697,933)</u>	<u>(18,039,967)</u>	<u>2,948,088</u>	<u>(9,459,270)</u>
-	-	-	15,960,000	-	15,960,000
-	-	6,084	2,538,517	-	2,544,601
-	-	23,846,773	3,003,359	314,939	31,202,108
(401,252)	(75,000)	(2,326,752)	(477,456)	(2,804,537)	(31,202,108)
<u>(401,252)</u>	<u>(75,000)</u>	<u>21,526,105</u>	<u>21,024,420</u>	<u>(2,489,598)</u>	<u>18,504,601</u>
(387,674)	266,188	(2,171,828)	2,984,453	458,490	9,045,331
<u>10,255,761</u>	<u>(1,434,042)</u>	<u>11,538,242</u>	<u>24,887,451</u>	<u>12,752,958</u>	<u>89,341,112</u>
<u>\$ 9,868,087</u>	<u>\$ (1,167,854)</u>	<u>\$ 9,366,414</u>	<u>\$ 27,871,904</u>	<u>\$ 13,211,448</u>	<u>\$ 98,386,443</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, 2021

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

Net Change in Fund Balances - Total Governmental Funds	\$ 9,045,331
<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	22,137,858
Depreciation expense	(14,337,034)
	<u>7,800,824</u>
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Interest income on note receivable	67,500
State and Federal aid	1,144,833
	<u>1,212,333</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>	
General obligation bonds issued	(15,960,000)
Issuance premium	(2,544,601)
Principal paid on general obligation bonds	18,383,322
	<u>(121,279)</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	(411,023)
Retainage payable	1,449,862
Retirement incentives and other pension liabilities	852,542
Compensated absences	1,678,057
Claims and judgments payable	(373,737)
Landfill closure and postclosure costs	5,217,124
Changes in pension liabilities and related deferred outflows and inflows of resources	2,073,694
Changes in length of service award program liabilities and related deferred outflows and inflows of resources	(1,024,469)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(16,292,567)
Amortization of loss on refunding bonds and issuance premium	1,001,074
	<u>(5,829,443)</u>
Change in Net Position of Governmental Activities	<u>\$ 12,107,766</u>

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

**Town of North Hempstead, New York**

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

Statement of Revenues, Expenditures and Changes  
in Fund Balances - Budget and Actual  
Year Ended December 31, 2021

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Real property taxes	\$ 26,047,300	\$ 26,047,300	\$ 26,087,299	\$ 39,999
Other tax items	2,280,388	2,280,388	2,324,706	44,318
Non-property taxes	13,300,000	13,300,000	16,240,882	2,940,882
Departmental income	7,323,645	8,097,169	8,515,717	418,548
Intergovernmental charges	-	-	660	660
Use of money and property	213,464	263,464	154,170	(109,294)
Licenses and permits	285,700	285,700	273,389	(12,311)
Fines and forfeitures	30,000	30,000	30,633	633
Sale of property and compensation for loss	-	-	49,100	49,100
Interfund revenues	7,151,854	7,221,068	7,221,237	169
State aid	7,817,285	7,832,285	13,352,458	5,520,173
Federal aid	333,000	334,550	450,200	115,650
Miscellaneous	871,352	907,827	1,128,953	221,126
<b>Total Revenues</b>	<b>65,653,988</b>	<b>66,599,751</b>	<b>75,829,404</b>	<b>9,229,653</b>
<b>EXPENDITURES</b>				
Current				
General government support	16,190,448	15,935,554	15,388,275	547,279
Education	2,200,000	2,349,819	2,349,819	-
Public safety	1,678,116	1,762,970	1,723,585	39,385
Health	-	-	-	-
Transportation	-	135,293	135,292	1
Economic opportunity and development	2,623,399	2,469,712	2,381,829	87,883
Culture and recreation	17,939,615	18,580,993	18,396,541	184,452
Home and community services	1,859,508	2,030,067	2,029,107	960
Employee benefits	11,937,850	11,690,559	11,606,855	83,704
<b>Total Expenditures</b>	<b>54,428,936</b>	<b>54,954,967</b>	<b>54,011,303</b>	<b>943,664</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>11,225,052</b>	<b>11,644,784</b>	<b>21,818,101</b>	<b>10,173,317</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,807,457	1,807,457	3,062,854	1,255,397
Transfers out	(16,688,348)	(17,305,785)	(16,876,751)	429,034
<b>Total Other Financing Sources (Uses)</b>	<b>(14,880,891)</b>	<b>(15,498,328)</b>	<b>(13,813,897)</b>	<b>1,684,431</b>
<b>Net Change in Fund Balances</b>	<b>(3,655,839)</b>	<b>(3,853,544)</b>	<b>8,004,204</b>	<b>11,857,748</b>
<b>FUND BALANCES (DEFICITS)</b>				
Beginning of Year	3,655,839	3,853,544	18,083,269	14,229,725
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,087,473</u>	<u>\$ 26,087,473</u>

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	Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 21,284,573	\$ 21,284,573	\$ 21,331,108	\$ 46,535	\$ -	\$ -	\$ -	\$ -
1,788,877	1,788,877	1,709,831	(79,046)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	87	87	15,214,217	15,851,333	16,354,065	502,732
35,000	35,000	26,960	(8,040)	2,225,836	2,225,836	2,225,836	-
81,801	81,801	69,909	(11,892)	70,868	70,868	89,444	18,576
550,000	550,000	434,840	(115,160)	-	-	-	-
-	-	-	-	-	-	-	-
40,000	40,000	108,224	68,224	53,500	102,543	243,392	140,849
95,000	105,522	96,302	(9,220)	-	-	-	-
643,000	643,000	1,148,960	505,960	51,000	51,000	50,500	(500)
-	-	-	-	-	-	-	-
40,000	40,000	19,042	(20,958)	-	14,601	46,938	32,337
<u>24,558,251</u>	<u>24,568,773</u>	<u>24,945,263</u>	<u>376,490</u>	<u>17,615,421</u>	<u>18,316,181</u>	<u>19,010,175</u>	<u>693,994</u>
3,112,078	3,112,078	2,862,731	249,347	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
10,704,965	10,660,148	9,469,835	1,190,313	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	16,941,001	17,705,493	17,705,493	-
6,048,143	6,148,143	5,905,864	242,279	749,420	853,840	853,840	-
<u>19,865,186</u>	<u>19,920,369</u>	<u>18,238,430</u>	<u>1,681,939</u>	<u>17,690,421</u>	<u>18,559,333</u>	<u>18,559,333</u>	<u>-</u>
4,693,065	4,648,404	6,706,833	2,058,429	(75,000)	(243,152)	450,842	693,994
878,997	878,997	899,183	20,186	75,000	75,000	75,000	-
(6,509,685)	(6,986,796)	(6,986,796)	-	-	(1,253,564)	(1,253,564)	-
(5,630,688)	(6,107,799)	(6,087,613)	20,186	75,000	(1,178,564)	(1,178,564)	-
(937,623)	(1,459,395)	619,220	2,078,615	-	(1,421,716)	(727,722)	693,994
937,623	1,459,395	12,529,751	11,070,356	-	1,421,716	727,722	(693,994)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,148,971</u>	<u>\$ 13,148,971</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

**Town of North Hempstead, New York**

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

Statement of Revenues, Expenditures and Changes  
in Fund Balances - Budget and Actual (Concluded)  
Year Ended December 31, 2021

	Part Town Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Real property taxes	\$ 6,063,647	\$ 6,063,647	\$ 6,063,670	\$ 23
Other tax items	486,752	486,752	487,092	340
Non-property taxes	57,000	57,000	57,000	-
Departmental income	1,015,000	1,015,000	880,481	(134,519)
Intergovernmental charges	-	-	-	-
Use of money and property	24,000	24,000	2,635	(21,365)
Licenses and permits	4,654,000	4,654,000	5,015,472	361,472
Fines and forfeitures	175,000	175,000	109,840	(65,160)
Sale of property and compensation for loss	-	-	-	-
Interfund revenues	-	5,151	5,151	-
State aid	150,000	150,000	-	(150,000)
Federal aid	-	-	-	-
Miscellaneous	-	-	588	588
<b>Total Revenues</b>	<b>12,625,399</b>	<b>12,630,550</b>	<b>12,621,929</b>	<b>(8,621)</b>
<b>EXPENDITURES</b>				
Current				
General government support	2,670,963	2,650,750	2,545,522	105,228
Education	-	-	-	-
Public safety	5,043,769	5,138,281	5,076,010	62,271
Health	320,027	358,016	358,016	-
Transportation	-	5,151	5,151	-
Economic opportunity and development	-	-	-	-
Culture and recreation	-	-	-	-
Home and community services	1,356,561	1,195,624	1,175,813	19,811
Employee benefits	3,401,344	3,449,993	3,447,839	2,154
<b>Total Expenditures</b>	<b>12,792,664</b>	<b>12,797,815</b>	<b>12,608,351</b>	<b>189,464</b>
Excess (Deficiency) of Revenues Over Expenditures	(167,265)	(167,265)	13,578	180,843
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(99,849)	(449,431)	(401,252)	48,179
<b>Total Other Financing Uses</b>	<b>(99,849)</b>	<b>(449,431)</b>	<b>(401,252)</b>	<b>48,179</b>
Net Change in Fund Balances	(267,114)	(616,696)	(387,674)	229,022
<b>FUND BALANCES (DEFICITS)</b>				
Beginning of Year	267,114	616,696	10,255,761	9,639,065
End of Year	\$ -	\$ -	\$ 9,868,087	\$ 9,868,087

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
\$ 9,474,474	\$ 9,474,474	\$ 9,475,613	\$ 1,139
184,565	184,565	203,073	18,508
-	-	-	-
-	-	-	-
-	-	-	-
9,100	9,100	79	(9,021)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>9,668,139</u>	<u>9,668,139</u>	<u>9,678,765</u>	<u>10,626</u>
46,731	46,731	46,731	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
9,573,908	9,573,908	9,290,846	283,062
-	-	-	-
<u>9,620,639</u>	<u>9,620,639</u>	<u>9,337,577</u>	<u>283,062</u>
47,500	47,500	341,188	293,688
-	-	-	-
<u>(75,000)</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>
<u>(75,000)</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>
(27,500)	(27,500)	266,188	293,688
27,500	27,500	(1,434,042)	(1,461,542)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,167,854)</u>	<u>\$ (1,167,854)</u>

**Town of North Hempstead, New York**

Statement of Fiduciary Net Position  
Fiduciary Fund  
December 31, 2021

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	Custodial Fund
<b>ASSETS</b>	
Cash and equivalents	<u>\$ 60,624,251</u>
<b>LIABILITIES</b>	
Due to other governments	<u>\$ 60,624,251</u>

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



**Town of North Hempstead, New York**

Statement of Changes in Fiduciary Net Position  
Fiduciary Fund  
Year Ended December 31, 2021

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	Custodial Fund
<b>ADDITIONS</b>	
Real property taxes collected for other governments	\$ 1,242,931,229
Other fees collected for other governments	<u>31,019</u>
Total Additions	<u>1,242,962,248</u>
<b>DEDUCTIONS</b>	
Payments of real property taxes to other governments	1,242,931,229
Payments of other fees to other governments	<u>31,019</u>
Total Deductions	<u>1,242,962,248</u>
Net Change in Fiduciary Net Position	-
<b>NET POSITION</b>	
Beginning of Year	<u>-</u>
End of Year	<u><u>\$ -</u></u>

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

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**Note 1 - Summary of Significant Accounting Policies**

The Town of North Hempstead, New York ("Town") was established in 1784, is governed by Town Law and other general laws of the State of New York and various local laws. The Town Board is the legislative body responsible for overall operations. The Town Board consists of the Supervisor, who is elected for a term of two years, and six council members who are elected for terms of four years. The Town Clerk and Receiver of Taxes are elected and serve for four years. The Town Board appoints the Town Attorney, Comptroller and Superintendent of Highways. The Supervisor appoints the Deputy Supervisor, as well as the Commissioners, Department heads and other members of her staff. The Supervisor serves as the Chief Executive Officer and Chief Fiscal Officer of the Town.

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

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America as applied 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 Town's significant accounting policies are described below:

**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. Any debt issued is expected to be repaid entirely, or almost entirely, by the Town. 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. As discussed in Note 7, the Board of Directors passed a resolution terminating the corporate existence of the Authority and transferring all assets and liabilities of the Authority as of December 31, 2021 to the Town's General Fund where the operations will continue to operate under the Town's department of solid waste management.

## Town of North Hempstead, New York

Notes to Financial Statements (Continued)  
December 31, 2021

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### **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

## Town of North Hempstead, New York

Notes to Financial Statements (Continued)  
December 31, 2021

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### **Note 1 - Summary of Significant Accounting Policies (Continued)**

service on the obligations. Budgets and tax rates are approved by the Town. Tax levies of the special districts are collected by the Town Receiver of Taxes. These water districts are included in the Town's reporting entity since the Town is able to impose its will, as demonstrated through the ability to approve budgets.

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

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

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

The Town of North Hempstead Community Development Agency ("Agency") is a separate public benefit corporation, created by state legislation, to promote the safety, health and welfare of the Town's inhabitants and to promote the sound growth and development of the Town. The Agency provides a full range of community development services, including construction of affordable

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

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

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

Condensed financial statements along with the addresses of the administrative office for these component units are presented in Note 6.

**B. Government-Wide Financial Statements**

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the primary government as a whole and its discretely presented component units. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

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

**C. Fund Financial Statements**

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

**Fund Categories**

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

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

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

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

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

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

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

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

The Town also reports the following non-major governmental funds.

Special District Funds – are used to account for taxes or other revenues, which are raised or received to provide special services to areas that encompass less than the whole Town. The Special District Funds consist of a number of separate districts, which are administered by the Town Board as follows:

Fire Protection Districts as follows:

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

Town of North Hempstead Lighting District

Park Districts as follows:

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



**Town of North Hempstead, New York**

Notes to Financial Statements (Continued)  
December 31, 2021

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

Town of North Hempstead Sidewalk District

Port Washington Public Parking District

Great Neck Water District

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

**Discretely Presented Nonmajor Component Units**

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

Garbage Districts:

Port Washington  
Glenwood  
Carle Place  
Roslyn

Water Pollution Control Districts:

Great Neck  
Belgrave  
Port Washington

Port Washington Police District

Town of North Hempstead Community  
Development Agency

Town of North Hempstead Business  
and Tourism Development Corporation

Water Districts:

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

Park Districts:

Manhasset  
Great Neck

Shelter Rock Public Library District

Greater Port Washington Business  
Improvement District

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

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

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they have been earned and 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 and the amounts are expected to be collected within one year of the fiscal year end. 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, retirement incentives, compensated absences, net pension liability, landfill closure costs and other post employment benefit liability are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

**Component Unit**

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

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

**Cash and Equivalents, Investments and Risk Disclosure**

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

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

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

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

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

**Risk Disclosure**

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

**Custodial Credit Risk** - Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. GASB Statement No. 40, “*Deposit and Investment Risk Disclosures - an amendment of GASB Statement No. 3*”, directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution’s trust department but not in the Town’s name. The Town’s aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2021.

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

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

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

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

2021, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

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

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

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

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

**Notes Receivable** - The Town holds a note receivable in the amount of \$1,500,000 from a limited liability company and a housing development fund company for premises of an affordable housing development conveyed to the partnership by the Town in 1992. The original note was set to mature in 2023 with all principal and interest accrued at 4% annum (simple interest), due on the maturity date. In 2015, the note and mortgage agreement were modified to extend the maturity date to January 1, 2045 with an interest rate of 4.5% per annum for the remainder of the note term. All principal and accrued interest are payable on the extended maturity date. The Town's note and mortgage are subordinated to a construction and permanent loan financing for the housing development located at the property. The value of the note and all accrued interest at December 31, 2021 of \$3,285,000 has been reported as a note receivable in the government-wide financial statements.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Due From County of Nassau** – A number of cases against the Town and the Commissioner-operated garbage districts within the Town challenging *ad valorem* garbage district taxes brought by several local utilities have been settled with the plaintiffs. The Town paid the settlement to the plaintiff and obtained a judgment against the County for a refund plus interest. A decision was issued in 2019 affirming the judgment in the Town’s favor. The value of the receivable at December 31, 2021 of \$3,303,416 is included in the government-wide financial statements.

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

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

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

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

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

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

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

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

**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 \$5,436,601, which is made up of \$299,117 for gift cards, \$5,539 for PILOT payments received in advance, \$74,935 for grant revenue received in advance of eligible expenditures, and \$5,057,010 for American Rescue Plan Act monies received in advance of eligible expenditures. The Town has also reported unearned revenues in the Highway Fund of \$11,852, the Part Town Fund of \$3,896, the Refuse and Garbage Districts Fund of \$7,641, and the non-major governmental funds for \$14,445 for PILOT payments received in advance. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

**Deferred Outflows/Inflows of Resources** - In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets 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 includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The Town has reported deferred inflows of resources in the General Fund of \$173,575 and the Capital Projects Fund of \$3,996,781 for state and federal aid not expected to be collected within one year of the subsequent fiscal year. Those amounts are deferred and recognized as an inflow of resources in the period that the amount becomes available.

The Town reported deferred amounts on refunding bonds resulting from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is being deferred and amortized over the short of the life of the refunded or refunding debt.

The Town has also reported deferred outflows of resources and deferred inflows of resources in relation to its pension, fire service award and other postemployment benefit liabilities in the government-wide financial statement for governmental activities. These amounts are detailed in the discussion of the Town's pension, fire service award and other postemployment benefit liabilities in Note 3F.

**Long-Term Liabilities** - In the government-wide financial statements, 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.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

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

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

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

**Other Postemployment Benefit Liability ("OPEB")** - In addition to providing pension benefits, the Town provides health care benefits for certain retired employees and their survivors. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*".

**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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

**Net Position** - represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

*Net investment in capital assets* consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

*Restricted* net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset 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. Restricted net position for the Town includes restricted for debt service.

*Unrestricted* net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

**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



**Note 1 - Summary of Significant Accounting Policies (Continued)**

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 unassigned fund balance. For all governmental funds other than the General Fund, any deficit fund balance is reported as unassigned.

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

## Town of North Hempstead, New York

Notes to Financial Statements (Continued)  
December 31, 2021

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### **Note 1 - Summary of Significant Accounting Policies (Continued)**

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 September 28, 2022.

### **Note 2 - Stewardship, Compliance and Accountability**

#### **A. Budgetary Data**

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

- a) On or before September 20th, each department, officer or district submits to the Comptroller and the Director of Finance a detailed estimate of the budget known as "departmental estimates" for the amount of revenue to be received and expenditures to be made for the ensuing year.
- b) On or before September 30th, the Director of Finance files with the Town Clerk and the Comptroller and presents to the Town Board a tentative budget for the ensuing year.
- c) On or before October 5th, the Town Board receives the tentative budget from the Town Clerk. After review, it adopts the tentative budget as preliminary and sets a date for a budget hearing.
- d) The Town Board conducts a public hearing on the preliminary budget and on or before November 20th, the Town Board meets to adopt the budget then known as the "adopted budget".
- e) Formal budgetary integration is employed during the year as a management control device for the general and certain special revenue funds. The Town Board adopts the budget and establishes legal level of control of the budget at the function level of expenditures. 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.

**Note 2 - Stewardship, Compliance and Accountability (Continued)**

- 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. The Town also utilizes an encumbrance system during the year and closes all open purchase orders before fiscal year end.
- 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**

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

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

**Town of North Hempstead, New York**

Notes to Financial Statements (Continued)  
December 31, 2021

**Note 2 - Stewardship, Compliance and Accountability (Continued)**

**C. Fund Deficit**

The Refuse and Garbage Districts reflects a deficit of \$1,167,854 at December 31, 2021. The deficit is attributable to a litigation claim that was paid out by the Town. There was a court ruling in the Town's favor to receive reimbursement from the County related to this claim. The Town also reflects a deficit of \$193,613 in the Public Parking District. These deficits will be addressed in the ensuing years.

**Note 3 - Detailed Notes on All Funds**

**A. Investments**

At December 31, 2021, the Town has the following investments and average maturities:

Type of investment	Fair Value	N/A	Less Than 1	1-5 Years	5-10 Years	More Than 10 Years
Money market and bank deposits	\$ 747,988	\$ 747,988	\$ -	\$ -	\$ -	\$ -
Group annuity contracts	694,394	-	694,394	-	-	-
Common stock	502,068	502,068	-	-	-	-
U.S. and international equities funds	3,471,591	3,471,591	-	-	-	-
Bonds and bond funds	3,821,338	-	41,279	762,760	2,562,685	454,614
Corporate bonds	7,718	-	-	7,718	-	-
	<u>\$ 9,245,097</u>	<u>\$ 4,721,647</u>	<u>\$ 735,673</u>	<u>\$ 770,478</u>	<u>\$ 2,562,685</u>	<u>\$ 454,614</u>

The investments had the following average credit ratings:

Type of investment	Fair Value	N/A	A or Better	BBB	BB	B or Lower	Unrated
Money market and bank deposits	\$ 747,988	\$ 747,988	\$ -	\$ -	\$ -	\$ -	\$ -
Group annuity contracts	694,394	-	694,394	-	-	-	-
Common stock	502,068	502,068	-	-	-	-	-
U.S. and international equities funds	3,471,591	3,471,591	-	-	-	-	-
Bonds and bond funds	3,821,338	-	2,496,169	737,953	323,231	202,893	61,092
Corporate bonds	7,718	-	-	7,718	-	-	-
	<u>\$ 9,245,097</u>	<u>\$ 4,721,647</u>	<u>\$ 3,190,563</u>	<u>\$ 745,671</u>	<u>\$ 323,231</u>	<u>\$ 202,893</u>	<u>\$ 61,092</u>

All of the Town's investments listed above are valued using level 1 inputs.

**B. Due From/To Other Funds**

The balances reflected as due from/to other funds of the primary government at December 31, 2021 were as follows:

Fund	Due From	Due To
General	\$ 4,261,021	\$ 1,008,727
Highway	908,274	314,748
Part Town	57,000	-
Refuse and Garbage Districts	-	1,669,551
Debt Service	-	179,951
Capital Projects	422,906	2,200,513
Non-Major Governmental	18,257	293,968
	<u>\$ 5,667,458</u>	<u>\$ 5,667,458</u>

**Town of North Hempstead, New York**

Notes to Financial Statements (Continued)  
December 31, 2021

**Note 3 - Detailed Notes on All Funds (Continued)**

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

**C. Capital Assets**

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

Class	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021
<b>Primary Government</b>				
Governmental Activities -				
Capital Assets, not being depreciated:				
Land - other than landfills	\$ 217,629,085	\$ -	\$ -	\$ 217,629,085
Construction-in-progress	12,077,230	4,999,614	7,787,623	9,289,221
Total Capital Assets, not being depreciated	<u>\$ 229,706,315</u>	<u>\$ 4,999,614</u>	<u>\$ 7,787,623</u>	<u>\$ 226,918,306</u>
Capital Assets, being depreciated:				
Buildings	\$ 86,188,629	\$ 355,637	\$ -	\$ 86,544,266
Improvements other than buildings	103,841,953	8,150,079	-	111,992,032
Machinery and equipment	47,133,240	6,217,847	1,773,584	51,577,503
Infrastructure	225,807,011	10,060,638	-	235,867,649
Intangibles - software	3,002,129	141,666	-	3,143,795
Total Capital Assets, being depreciated	<u>465,972,962</u>	<u>24,925,867</u>	<u>1,773,584</u>	<u>489,125,245</u>
Less Accumulated Depreciation for:				
Buildings	36,463,500	2,141,121	-	38,604,621
Improvements other than buildings	37,735,830	4,099,290	-	41,835,120
Machinery and equipment	31,388,528	2,240,564	1,773,584	31,855,508
Infrastructure	159,288,122	5,733,469	-	165,021,591
Intangibles - software	2,271,153	122,590	-	2,393,743
Total Accumulated Depreciation	<u>267,147,133</u>	<u>14,337,034</u>	<u>1,773,584</u>	<u>279,710,583</u>
Total Capital Assets, being depreciated, net	<u>\$ 198,825,829</u>	<u>\$ 10,588,833</u>	<u>\$ -</u>	<u>\$ 209,414,662</u>
<b>Primary Government Capital Assets, net</b>	<u>\$ 428,532,144</u>	<u>\$ 15,588,447</u>	<u>\$ 7,787,623</u>	<u>\$ 436,332,968</u>

The Town evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The Town's policy is to record an impairment loss in the period when the Town determines that the carrying amount of the asset will not be recoverable. At December 31, 2021, 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	\$ 916,406
Public Safety	217,498
Transportation	5,083,655
Culture and Recreation	6,767,468
Home and Community Services	<u>1,352,007</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 14,337,034</u>

**Town of North Hempstead, New York**

Notes to Financial Statements (Continued)  
December 31, 2021

**Note 3 - Detailed Notes on All Funds (Continued)**

**Capital Assets - Component Unit**

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

Class	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021
<b>Nonmajor Component Units</b>				
Capital Assets, not being depreciated:				
Land	\$ 13,526,129	\$ 525,000	\$ -	\$ 14,051,129
Construction-in-progress	48,688,324	51,355,511	5,934,293	94,109,542
Total Capital Assets, not being depreciated	<u>\$ 62,214,453</u>	<u>\$ 51,880,511</u>	<u>\$ 5,934,293</u>	<u>\$ 108,160,671</u>
Capital Assets, being depreciated:				
Buildings	\$ 151,031,196	\$ 4,581,726	\$ 1,380,301	\$ 154,232,621
Improvements other than buildings	40,702,784	76,671	367,772	40,411,683
Parking meters	188,979	-	-	188,979
Water mains	7,292,987	278,066	-	7,571,053
Library collection materials	1,215,973	90,682	139,863	1,166,792
Machinery and equipment	165,596,559	2,303,305	2,644,463	165,255,401
Vehicles	3,371,551	492,437	131,901	3,732,087
Infrastructure	108,462,705	3,195,067	-	111,657,772
Total Capital Assets, being depreciated	<u>477,862,734</u>	<u>11,017,954</u>	<u>4,664,300</u>	<u>484,216,388</u>
Less Accumulated Depreciation for:				
Buildings	68,541,920	3,662,900	446,141	71,758,679
Improvements other than buildings	21,071,424	1,436,588	128,391	22,379,621
Parking meters	172,375	4,560	-	176,935
Water mains	4,628,762	180,514	-	4,809,276
Library collection materials	980,222	97,445	139,863	937,804
Machinery and equipment	87,360,478	6,549,164	2,130,972	91,778,670
Vehicles	2,288,849	221,692	130,152	2,380,389
Infrastructure	49,642,915	2,967,218	-	52,610,133
Total Accumulated Depreciation	<u>234,686,945</u>	<u>15,120,081</u>	<u>2,975,519</u>	<u>246,831,507</u>
Total Capital Assets, being depreciated, net	<u>\$ 243,175,789</u>	<u>\$ (4,102,127)</u>	<u>\$ 1,688,781</u>	<u>\$ 237,384,881</u>
<b>Nonmajor Component Units</b>				
<b>Capital Assets, net</b>	<u>\$ 305,390,242</u>	<u>\$ 47,778,384</u>	<u>\$ 7,623,074</u>	<u>\$ 345,545,552</u>

**Town of North Hempstead, New York**

Notes to Financial Statements (Continued)  
December 31, 2021

**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, 2021	Issued	Redemptions	Balance December 31, 2021
Various Capital Projects	2015	03/25/22	1.50 %	\$ 323,000	\$ -	\$ 316,000	\$ 7,000
Various Capital Projects	2016	03/25/22	1.50	1,676,000	-	509,399	1,166,601
Various Capital Projects	2017	03/25/22	1.50	72,000	-	5,000	67,000
Various Capital Projects	2017	09/23/22	1.50	4,531,500	-	1,820,500	2,711,000
Various Capital Projects	2018	03/25/22	1.50	1,765,000	-	493,000	1,272,000
Various Capital Projects	2018	03/25/22	1.50	1,487,000	-	13,000	1,474,000
Various Capital Projects	2019	03/25/22	1.50	269,500	-	27,500	242,000
Various Capital Projects	2019	09/23/22	1.50	6,400,000	-	57,000	6,343,000
Various Capital Projects	2020	09/23/22	1.50	4,154,492	-	30,492	4,124,000
Various Capital Projects	2020	03/25/22	1.50	15,475,000	1,000,000	-	16,475,000
Various Capital Projects	2020	03/25/22	1.50	2,800,000	-	-	2,800,000
Various Capital Projects	2021	03/25/22	1.50	-	11,860,000	-	11,860,000
Various Capital Projects	2021	09/23/22	1.50	-	25,170,000	-	25,170,000
Total Primary Government and Non-Major Component Units				<u>\$ 38,953,492</u>	<u>\$ 38,030,000</u>	<u>\$ 3,271,891</u>	<u>\$ 73,711,601</u>

These bond anticipation notes are summarized as follows:

	Balance January 1, 2021	Issued	Redeemed	Balance December 31, 2021
<b>Primary Government:</b>				
Capital Projects Fund	<u>\$ 15,437,000</u>	<u>\$ 1,360,000</u>	<u>\$ 3,171,399</u>	<u>\$ 13,625,601</u>
<b>Non-Major Component Units:</b>				
Water District	14,714,492	27,970,000	30,492	42,654,000
Water Pollution Control Districts	<u>8,802,000</u>	<u>8,700,000</u>	<u>70,000</u>	<u>17,432,000</u>
	<u>23,516,492</u>	<u>36,670,000</u>	<u>100,492</u>	<u>60,086,000</u>
	<u>\$ 38,953,492</u>	<u>\$ 38,030,000</u>	<u>\$ 3,271,891</u>	<u>\$ 73,711,601</u>

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects 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 \$184,634 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$228,874 was recorded in the government-wide financial statements.

## Town of North Hempstead, New York

Notes to Financial Statements (Continued)

December 31, 2021

### Note 3 - Detailed Notes on All Funds (Continued)

#### **E. Component Unit – EFC and DEC Short-Term Debt and Grant Programs**

Storm Mitigation Loan Program – The State of New York has established a State Drinking Water Program, which includes a state drinking water revolving fund (“Revolving Fund”) to be used for purposes of the Safe Drinking Water Act. The New York State Environmental Facilities Corporation (“NYSEFC”) is responsible for administering the Revolving Fund and providing financial assistance from the Revolving Fund through the Storm Mitigation Loan Program (“SMLP”). In December 2015, the component unit Belgrave Water Pollution Control District (“BWPCD”) executed an agreement with NYSEFC which allows the BWPCD to receive an interest free loan in the maximum amount of \$8,729,751 (Series 2015B Notes) that matures on December 3, 2021 (which was extended to June 20, 2022), and a maximum grant of \$2,909,916. The BWPCD agrees to provide payments of principal in full by converting the financing into long-term financing at maturity or pay 12% on the unpaid balance. As of December 31, 2021, the total amount advanced under these notes and grants was \$3,825,987 and \$589,447, respectively.

Water Quality Improvement Program (“WQIP”) – The New York State Department of Environmental Conservation (“DEC”) contributed over \$93 million to the Water Quality Improvement Project program that provides resources for projects focused on community development and job creation, tourism, waterfront revitalization, energy and environmental improvements, sustainability, and low-cost financing. In January 2020, the BWPCD was awarded a grant in the amount of \$5,000,000, as of December 31, 2021, the total amount advanced under this grant was \$0.

Water Infrastructure Improvement Act (“WIIA”) – The State of New York established the Clean Water Infrastructure Act to invest \$3 billion in clean and drinking water infrastructure projects and water quality protection across New York. As part of the program the EFC is offering \$350 million in grants for clean and drinking water projects during the 2019-2020 state fiscal year to selected municipalities with infrastructure projects that protect public health and/or improve water quality. In December 2019, the BWPCD entered into a grant agreement with the EFC for a grant in the amount of \$3,621,500 and as of December 31, 2021, the total amount advanced under this grant was \$1,810,750.

NYSEFC General Loan and Short-Term Market Rate Financing (“SMRF”) – The BWPCD executed an agreement with NYSEFC which allows the BWPCD to receive a short-term market rate financing loan and general loan in the maximum amount of \$10,432,250 and \$5,432,250, respectively, for its outfall replacement infrastructure project in October 2020. As of December 31, 2021, the total amount advanced under the short-term market rate financing and general loan was \$9,328,450 and \$5,432,250, respectively.

The following is a summary of changes in short-term liabilities for the period ended December 31, 2021:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
NYSEFC Loan - SMLP	\$ 1,015,412	\$ 2,810,575	\$ -	\$ 3,825,987
NYSEFC Loan - General	-	5,432,250	-	5,432,250
NYSEFC Loan - SMRF	-	9,328,450	-	9,328,450
	<u>\$ 1,015,412</u>	<u>\$ 17,571,275</u>	<u>\$ -</u>	<u>\$ 18,586,687</u>



**Town of North Hempstead, New York**

Notes to Financial Statements (Continued)  
December 31, 2021

**Note 3 - Detailed Notes on All Funds (Continued)**

**F. Long-Term Liabilities**

The following table summarizes changes in the Town's long-term liabilities for the year ended December 31, 2021:

	Balance January 1, 2021	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2021	Due Within One Year
<b>Primary Government</b>					
Bonds Payable:					
General obligation	\$ 195,741,318	\$ 15,960,000	\$ 18,383,322	\$ 193,317,996	\$ 17,762,085
Plus					
Unamortized premium on bonds	6,145,097	2,544,601	1,065,398	7,624,300	-
	<u>201,886,415</u>	<u>18,504,601</u>	<u>19,448,720</u>	<u>200,942,296</u>	<u>17,762,085</u>
Retirement incentives and other					
pension obligations	2,508,543	-	852,542	1,656,001	751,243
Compensated absences	7,430,375	-	1,678,057	5,752,318	575,232
Claims and judgments payable	7,347,525	2,202,992	1,829,255	7,721,262	773,000
Estimated liability for landfill closure					
and postclosure care costs	10,027,175	-	5,217,124	4,810,051	437,781
Net Pension Liability	26,775,128	-	26,673,315	101,813	-
Length of service awards					
program liabilities	12,953,690	4,234,798	-	17,188,488	-
Other Post Employment					
Benefit Liability	228,702,154	23,527,138	5,267,792	246,961,500	-
	<u>295,744,590</u>	<u>29,964,928</u>	<u>41,518,085</u>	<u>284,191,433</u>	<u>2,537,256</u>
Primary Government					
Long-Term liabilities	<u>\$ 497,631,005</u>	<u>\$ 48,469,529</u>	<u>\$ 60,966,805</u>	<u>\$ 485,133,729</u>	<u>\$ 20,299,341</u>
<b>Non-major Component Units</b>					
Bonds Payable - General Obligation	\$ 183,255,821	\$ 9,215,000	\$ 10,240,256	\$ 182,230,565	\$ 10,048,670
Plus					
Unamortized premium on bonds	2,704,281	786,428	320,925	3,169,784	259,843
	<u>185,960,102</u>	<u>10,001,428</u>	<u>10,561,181</u>	<u>185,400,349</u>	<u>10,308,513</u>
Retirement incentives and other					
pension obligations	2,819	-	2,819	-	-
Compensated Absences	12,635,426	1,280,730	869,828	13,046,328	827,972
Installment purchase debt	239,642	-	118,372	121,270	121,270
Net Pension Liability	29,157,706	1,730,081	26,725,092	4,162,695	-
Other Post Employment					
Benefit Liability	202,327,921	19,318,678	4,269,846	217,376,753	-
	<u>\$ 430,323,616</u>	<u>\$ 32,330,917</u>	<u>\$ 42,547,138</u>	<u>\$ 420,107,395</u>	<u>\$ 11,257,755</u>

Each governmental fund's liability for bonds is liquidated by the Debt Service Fund, which is funded by transfers from other funds. Each governmental fund's liability for retirement incentives and other pension obligations, compensated absences, claims and judgments, landfill closure costs, net pension liability, length of service awards program and other postemployment 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, 2021

## Note 3 - Detailed Notes on All Funds (Continued)

### General Obligation Bonds Payable

General obligation bonds payable at December 31, 2021 are comprised of the following individual issues:

Purpose	Original Issue Amount	Final Maturity Date	Interest Rates	Amount Outstanding at December 31, 2021
New York State EFC Bonds-2001, Series B	\$ 8,154,789	November, 2022	3.811 %	\$ 215,000
New York State EFC Bonds-2002 Series F	1,365,000	November, 2023	6.131-6.181	165,000
New York State EFC Bonds-2002 Series I	1,160,000	September, 2022	5.380	45,000
New York State EFC Bonds-2003 Series A	1,160,000	April, 2031	4.711-4.901	495,000
General Obligation Serial Bonds-2004	3,880,000	February, 2022	5.400	25,000
New York State EFC Bonds-2006 Series C	3,442,810	April, 2036	4.671-4.861	2,045,000
NYS EFC Bonds-2008, Series A- 1, B-1 , A-2, B-2 (2011 C)	1,783,412	April, 2038	4.270	420,000
EFC Serial Bonds-2010 Series C	15,173,760	October, 2039	3.405-4.603	9,800,000
EFC 2012 Series E Bonds	54,148,000	November, 2042	2.043-4.098	40,150,000
\$550,000 NYS EFC Series 2013B	550,000	January, 2023	2.745	125,000
Refunding Serial Bonds 2004 & 2005 Ref. 2014 Series A	25,220,000	February, 2025	2.500-5.000	3,159,853
Refunding Serial Bonds 2003 Ref. 2014 Series B	11,545,000	July, 2022	5.000	265,000
Refunding Serial Bonds 2003 Ref. 2014 Series C	21,790,825	April, 2032	3.000-3.500	1,120,000
Various Purpose Serial Bond 2014 Series D	25,108,147	October, 2030	2.000-3.000	15,072,345
Refunding 2015 Series A (2006,2007A,2007B)	21,245,000	February, 2027	2.125-5.000	8,593,269
Public Improvement 2015 Series B	4,390,000	April, 2035	2.125-5.000	3,440,000
Refunding 2015 Series C	17,210,000	January, 2023	5.000	775,710
EFC - Clean Water Statutory Installment Bond 2016	1,885,113	June, 2045	0.000	1,509,600
Public Improvement Serial Bonds Series 2016 A	13,862,090	October, 2037	2.000-3.000	11,060,002
Public Improvement Serial Bonds Series 2016 B	48,046,322	September, 2034	2.000-3.000	35,043,454
Public Improvement Serial Bonds Series 2016 C	19,308,531	September, 2046	2.250-3.000	16,765,000
Public Improvement Serial Bonds Series 2017 A	49,774,425	April, 2039	3.000-3.250	42,179,838
Public Improvement Serial Bonds Series 2017 B	10,970,000	April, 2047	3.000-4.000	9,975,000
Public Improvement Serial Bonds Series 2017 C	21,677,200	September, 2036	2.000-3.100	18,260,000
Public Improvement Serial Bonds Series 2017 D	4,750,000	September, 2047	3.000	4,270,000
Public Improvement Serial Bonds Series 2018 A	20,895,000	April, 2032	3.000-5.000	16,471,731
Public Improvement Serial Bonds Series 2018 B	8,730,201	September, 2047	3.000-5.000	8,095,000
Public Improvement Serial Bonds Series 2019 A	18,910,000	March, 2033	2.250-5.000	17,125,000
Public Improvement Serial Bonds Series 2019 B	16,379,057	September, 2049	2.000-5.000	15,490,000
Public Improvement Serial Bonds Series 2020 A	30,310,000	August, 2050	2.000-5.000	29,700,000
Refunding 2020 Series B	7,375,000	May, 2024	5.000	4,647,759
Public Improvement Serial Bonds Series 2020 C	3,930,000	September, 2033	1.125-5.000	3,700,000
Public Improvement Serial Bonds Series 2020 D	4,740,000	September, 2040	1.875-5.000	4,575,000
Refunding 2020 Series E	3,950,000	October, 2027	5.000	3,435,000
Refunding 2020 Series F	26,065,000	January, 2039	1.350-2.000	22,160,000
Public Improvement Serial Bonds Series 2021 A	11,420,000	March, 2036	2.000-5.000	11,420,000
Public Improvement Serial Bonds Series 2021 B	13,755,000	September, 2041	2.000-5.000	13,755,000
				<u>\$ 375,548,561</u>

Interest expenditures of \$5,278,817 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$4,824,482 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 2022 through 2050.

**Town of North Hempstead, New York**

Notes to Financial Statements (Continued)  
December 31, 2021

**Note 3 - Detailed Notes on All Funds (Continued)**

	Balance January 1, 2021	Issued	Redeemed	Balance December 31, 2021
<b>Primary Government</b>				
Capital Projects Fund:				
General	\$ 116,873,174	\$ 6,681,811	\$ 12,059,773	\$ 111,495,212
Part town	549,561	431,635	32,460	948,736
Highway	51,511,605	7,573,553	4,824,808	54,260,350
Public parking	2,880,834	66,179	298,202	2,648,811
Sidewalk	1,973,166	565,000	59,881	2,478,285
Lighting	479,834	90,001	25,981	543,854
Parks	21,473,144	551,821	1,082,217	20,942,748
Total Primary Government	<u>195,741,318</u>	<u>15,960,000</u>	<u>18,383,322</u>	<u>193,317,996</u>
<b>Non-Major Component Units</b>				
Water Pollution Control Districts	99,375,129	-	3,747,946	95,627,183
Water Districts	72,963,513	9,215,000	4,219,545	77,958,968
Park Districts	9,205,359	-	1,641,422	7,563,937
Library District	1,690,623	-	623,524	1,067,099
Business Improvement District	21,197	-	7,819	13,378
Total Component Units	<u>183,255,821</u>	<u>9,215,000</u>	<u>10,240,256</u>	<u>182,230,565</u>
Total General Obligation Bonds	<u>\$ 378,997,139</u>	<u>\$ 25,175,000</u>	<u>\$ 28,623,578</u>	<u>\$ 375,548,561</u>

**Payments to Maturity**

The annual requirements to amortize all bonded debt outstanding as of December 31, 2021 including interest payments of \$93,734,771 are as follows:

Year Ending December 31,	Principal	Interest
2022	\$ 27,810,755	\$ 10,310,494
2023	23,027,802	9,292,405
2024	22,717,493	8,581,243
2025	22,391,114	7,892,060
2026	21,931,296	7,228,740
2027-2031	104,274,501	26,832,334
2032-2036	79,324,500	13,987,474
2037-2041	43,799,500	6,453,893
2042-2046	21,636,600	2,720,528
2047-2050	8,635,000	435,600
	<u>\$ 375,548,561</u>	<u>\$ 93,734,771</u>

The above general obligation bonds are direct borrowings 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.

**Town of North Hempstead, New York**

Notes to Financial Statements (Continued)  
 December 31, 2021

**Note 3 - Detailed Notes on All Funds (Continued)**

**Legal Debt Margin**

The Town is subject to legal limitations on the amount of debt that it may issue. The Town's legal debt margin is 7% of the five-year average full valuation of taxable real property.

**Retirement Incentives and Other Pension Obligations**

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

	Original Amount Amortized	Current Year Payments	Balance Due	Due Within One Year
<b>Primary Government</b>				
2011 ERS	\$ 329,537	\$ -	\$ -	\$ -
2012 ERS	1,067,724	130,006	-	-
2013 ERS	1,995,134	233,890	227,079	227,079
2014 ERS	2,434,717	295,268	559,549	274,732
2015 ERS	1,496,908	176,828	498,743	161,119
2016 ERS	845,730	100,211	370,630	88,313
	<u>\$ 8,169,750</u>	<u>\$ 936,203</u>	<u>\$ 1,656,001</u>	<u>\$ 751,243</u>
<b>Non-Major Component Units</b>				
2011 ERS	\$ 630	\$ -	\$ -	\$ -
2012 ERS	1,955	239	-	-
2013 ERS	3,706	856	-	-
2014 ERS	4,414	1,550	-	-
2015 ERS	596	271	-	-
	<u>\$ 11,301</u>	<u>\$ 2,916</u>	<u>\$ -</u>	<u>\$ -</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, sick leave and compensatory time, 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, 2021

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### **Note 3 - Detailed Notes on All Funds (Continued)**

As of December 31, 2021, the value of the accumulated vacation and sick leave was \$5,752,318 for the Town. The liability for compensated absences for the nonmajor component units amounted to \$13,046,328.

#### **Claims and Judgments Payable**

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

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

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

	<u>Workers'</u> <u>Compensation</u>	<u>General</u> <u>Liability</u>
Balance - Beginning of Year	\$ 2,981,688	\$ 4,365,837
Provision for Claims and Claims Adjustment Expenses	1,259,023	943,969
Claims and Claims Adjustments Expenses Paid	<u>(1,815,505)</u>	<u>(13,750)</u>
Balance - End of Year	<u>\$ 2,425,206</u>	<u>\$ 5,296,056</u>
Current Portion	<u>\$ 243,000</u>	<u>\$ 530,000</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 at the sites for thirty years after closure. The L-4 Landfill stopped receiving waste in 1991 and was closed in 1996. The L-5 Landfill stopped receiving waste in 2002, and the capping was completed in 2004. Postclosure maintenance and monitoring activities for the L-4 and L-5 Landfills are estimated to be approximately \$930,000 per year. Accordingly, as of December 31, 2021, the Town has recorded a liability of \$4,810,051 in the government-wide financial statements, which represents the provision

**Town of North Hempstead, New York**

Notes to Financial Statements (Continued)  
December 31, 2021

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**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 Employees' Retirement System*

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

The ERS is noncontributory except for employees who joined after July 2, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. Contribution rates for the plan's year ending in 2021 are as follows:

<u>Tier/Plan</u>	<u>Rate</u>
1 75I	21.6 %
2 75I	19.7
3 A14	16.1
4 A15	16.1
5 A15	13.4
6 A15	9.6

**Town of North Hempstead, New York**

Notes to Financial Statements (Continued)  
December 31, 2021

**Note 3 - Detailed Notes on All Funds (Continued)**

At December 31, 2021, the Town reported the following for its proportionate share of the net pension liability for ERS:

Measurement date	March 31, 2021
Net pension liability	\$ 101,813
Town's proportion of the net pension liability	0.1022683%
Change in proportion since the prior measurement date	-(0.0011559%)

The net pension liability was measured as of March 31, 2021 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, 2021, the Town recognized its proportionate share of pension expense in the government-wide financial statements of \$2,744,196. Pension expenditures (exclusive of retirement incentives and other pension obligations) of \$4,817,890 were recorded in the fund financial statements and were charged to the following funds:

General	\$ 2,677,462
Highway	916,780
Solid Waste Management Authority	138,894
Part Town	851,104
Lighting District	6,356
Park Districts	62,309
Sidewalk District	115,662
Public Parking District	49,323
Total Primary Government	<u>\$ 4,817,890</u>

At December 31, 2021, the Town reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to the ERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,243,652	\$ -
Changes of assumptions	18,723,729	353,135
Net difference between projected and actual earnings on pension plan investments	-	29,252,316
Changes in proportion and differences between Town contributions and proportionate share of contributions	804,285	328,844
Town contributions subsequent to the measurement date	<u>3,518,546</u>	<u>-</u>
	<u>\$ 24,290,212</u>	<u>\$ 29,934,295</u>

**Town of North Hempstead, New York**

Notes to Financial Statements (Continued)  
December 31, 2021

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**Note 3 - Detailed Notes on All Funds (Continued)**

\$3,518,546 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, 2022. 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>	
2022	\$ (1,535,138)
2023	(502,768)
2024	(1,521,541)
2025	<u>(5,603,182)</u>
	<u>\$ (9,162,629)</u>

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

Measurement date	March 31, 2021
Actuarial valuation date	April 1, 2020
Investment rate of return	5.9%*
Salary scale	4.4%
Inflation rate	2.7%
Cost of living adjustments	1.4% annually

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

Annuitant mortality rates are based on the system's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2020.

The actuarial assumptions used in the valuation are based on the results of an actuarial experience study of the period April 1, 2015 - March 31, 2020.

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

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



**Town of North Hempstead, New York**

Notes to Financial Statements (Continued)

December 31, 2021

**Note 3 - Detailed Notes on All Funds (Continued)**

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	32 %	4.05 %
International Equity	15	6.30
Private Equity	10	6.75
Real Estate	9	4.95
Opportunistic/ARS Portfolio	3	4.50
Credit	4	3.63
Real Assets	3	5.95
Fixed Income	23	-
Cash	1	0.50
	<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.7%.

The discount rate used to calculate the total pension liability was 5.9%. 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 5.9%, as well as what the Town's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (4.9%) or 1 percentage point higher (6.9%) than the current rate:

	<u>1% Decrease (4.9%)</u>	<u>Current Discount Rate (5.9%)</u>	<u>1% Increase (6.9%)</u>
Primary Government's proportionate share of the ERS net pension liability (asset)	<u>\$ 28,264,788</u>	<u>\$ 101,813</u>	<u>\$ (25,871,003)</u>

The components of the current year collective net pension liability of the ERS as of March 31, 2021, were as follows:

Total pension liability	\$ 220,680,157,000
Fiduciary net position	<u>220,580,583,000</u>
Employers' net pension liability	<u>\$ 99,574,000</u>
Fiduciary net position as a percentage of total pension liability	<u>99.95%</u>

**Note 3 - Detailed Notes on All Funds (Continued)**

Employer contributions to ERS are paid annually and cover the period through the end of ERS's fiscal year, which is March 31<sup>st</sup>. Accrued retirement contributions as of December 31, 2021 represent the projected employer contribution for the period of April 1, 2021 through December 31, 2021 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS for the nine months ended December 31, 2021 were \$3,518,546.

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

The Town's financial statements are for the year ended December 31, 2021. 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 ("Albertson"), Alert Engine, Hook and Ladder and Hose Company No. 1 ("Alert"), Floral Park Centre Fire Company, Inc. ("Floral Park Centre"), Glenwood Hook and Ladder, Engine and Hose Company ("Glenwood"), Port Washington Fire Department, Inc. ("Port Washington") and Roslyn Volunteer Firefighter Service Awards Program ("Roslyn"). The programs are defined benefit plans and were established pursuant to Article 11 A of the New York State General Municipal Law. The programs took effect on various dates (see Table No. 1). The Plans established a defined benefit LOSAP for the active volunteer firefighters of the respective fire companies. The programs provide municipal funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters. Four of the programs, Alert, Glenwood, Port Washington and Roslyn, have multiple sponsors.

*Participation, Vesting, and Service Credit*

Active volunteer firefighters, who have reached a specific age (as determined by each Plan - see Table No. 1) on the last day of the year and who have completed one year of firefighting service (or a probationary period), are eligible to participate in the Plan. Participants acquire a nonforfeitable right to a service award after being credited with five years of firefighting service, or upon attaining the Plan's entitlement age while active, becoming totally and permanently disabled, or upon death while an active member. The Plan's entitlement ages vary, ranging from 55 to 65 (as determined by each plan) and take effect after the first year of service credit or after the probationary period (as determined by each Plan - see Table No. 1).

In general, an active volunteer firefighter is credited with a year of firefighting service for each calendar year, after the establishment of the Plan, in which they become eligible to participate and accumulate a specified number of points. Points are granted for the performance of certain activities, in accordance with a system established by the sponsor, on the basis of a statutory list of activities and point values. A participant may also receive credit for previous years (as determined by each Plan - see Table No. 1) of firefighting service (called "Prior Service") rendered prior to the establishment of the Plan.

# Town of North Hempstead, New York

## Notes to Financial Statements (Continued)

December 31, 2021

### Note 3 - Detailed Notes on All Funds (Continued)

#### 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	12/31/2020	12/31/2020	12/31/2020
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
Plan Type	Single Employer	Cost Sharing Multiple Employer	Single Employer
Effective date of plan	1/1/1991	1/1/1996	7/1/1991
Entitlement Age	62	65	65
Nonforfeitable right to award after:	5 years	5 years	5 years
Prior service credit (up to):	5 years	5 years	5 years
Eligible age	17	17	18
Required years of service	One	One	One
Benefits:			
Monthly payment	\$20-\$30	\$20	\$20
Maximum years used to calculate	40 years	40 years	25 years
Benefits payable at	Entitlement Age except for disability or death	Entitlement Age except for disability or death	Entitlement Age except for disability or death
Optional line-of-duty disability	No	No	No
	<u>Glenwood</u>	<u>Port Washington</u>	<u>Roslyn</u>
Plan year end date	12/31/2020	12/31/2020	12/31/2020
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
Plan Type	Cost Sharing Multiple Employer	Cost Sharing Multiple Employer	Cost Sharing Multiple Employer
Effective date of plan	4/1/1990	1/1/1993	1/1/1996
Entitlement Age	55	65	62
Nonforfeitable right to award after:	5 years	5 years	5 years
Prior service credit (up to):	5 years	5 years	5 years
Eligible age	18	18	18
Required years of service	One	One	One
Benefits:			
Monthly payment	\$20	\$20	\$20
Maximum years used to calculate	37 years	40 years	30 years
Benefits payable at	Entitlement Age except for disability or death	Entitlement Age except for disability or death	Entitlement Age except for disability or death
Optional line-of-duty disability	No	No	No

**Town of North Hempstead, New York**

Notes to Financial Statements (Continued)  
December 31, 2021

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**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	24	4
Inactive participants entitled to, but not yet receiving benefits	18	7
Active participants	<u>42</u>	<u>16</u>
Total	<u><u>84</u></u>	<u><u>27</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, 2021

**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	12/31/2020	12/31/2020	12/31/2020
Actuary report date	7/21/2021	6/8/2021	7/21/2021
	<u>Glenwood</u>	<u>Port Washington</u>	<u>Roslyn</u>
Administered by the actuary:	VFIS	Firefly	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	Miracle Mile Advisors LLC	FCE Group
Valuation date	1/1/2021	12/31/2020	12/31/2020
Actuary report date	12/14/2021	1/12/2022	7/16/2021

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

At December 31, 2021, the Town reported a liability of \$17,188,488 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, 2020 for all plans except Glenwood, which was measured as of January 1, 2020. 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, 2021 for the two LOSAP plans where the Town is the sole sponsor:

	<u>Albertson</u>	<u>Floral Park Centre</u>
Program Liability - Beginning of year	\$ 4,348,446	\$ 1,029,347
Service cost	125,455	10,468
Interest	142,704	33,510
Difference between expected and actual experience	35,144	(16,703)
Change in assumptions	978,484	225,122
Benefit payments	(192,944)	(23,760)
Program Liability - End of year	<u>\$ 5,437,289</u>	<u>\$ 1,257,984</u>

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

**Town of North Hempstead, New York**

Notes to Financial Statements (Continued)  
December 31, 2021

**Note 3 - Detailed Notes on All Funds (Continued)**

	Albertson	Floral Park	Alert	Glenwood	Port Washington	Roslyn
Town's proportionate share of the total pension liability at plan year end December 31, 2020	100.00%	100.00%	6.11%	19.60%	50.81%	22.13%
Town's proportionate share of the total pension liability at plan year end December 31, 2019	100.00%	100.00%	6.11%	19.60%	50.81%	22.13%
Change in proportionate share	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Basis on which proportion was determined	100% Town	100% Town	cost sharing agreement	cost sharing agreement	cost sharing agreement	cost sharing agreement

For the year ended December 31, 2021, the Town recognized pension expense of \$1,457,648 in the statement of activities. At December 31, 2021, 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	\$ 128,885	\$ 3,254	\$ 34,120	\$ 22,806	\$ 65,150	\$ 24,289	\$ 278,504
Changes of assumptions or other inputs	1,259,883	79,902	301,700	314,072	2,073,277	504,767	4,533,601
Changes in proportion and difference between Town pension payments and proportionate share of benefit payments	-	-	-	-	298,132	35,811	333,943
Benefit payments and administrative expenses subsequent to the measurement date	153,720	11,342	34,705	-	137,565	65,512	402,844
Total	<u>\$ 1,542,488</u>	<u>\$ 94,498</u>	<u>\$ 370,525</u>	<u>\$ 336,878</u>	<u>\$ 2,574,124</u>	<u>\$ 630,379</u>	<u>\$ 5,548,892</u>

**Deferred Inflows of Resources**

	Albertson	Alert	Floral Park Centre	Glenwood	Port Washington	Roslyn	Totals
Differences between expected and actual experience	\$ -	\$ 8,262	\$ 27,954	\$ 52,879	\$ 274,198	\$ 634	\$ 363,927
Changes of assumptions or other inputs	335,120	22,018	93,590	-	478,884	149,554	1,079,166
Changes in proportion and difference between Town pension payments and proportionate share of benefit payments	-	715	-	-	-	-	715
Total	<u>\$ 335,120</u>	<u>\$ 30,995</u>	<u>\$ 121,544</u>	<u>\$ 52,879</u>	<u>\$ 753,082</u>	<u>\$ 150,188</u>	<u>\$ 1,443,808</u>

Deferred outflows of resources related to the program resulting from the Town's contribution subsequent to the measurement date in the amount of \$402,844 will be recognized as a reduction of the program liability in the year ended December 31, 2022. 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:

Years Ending December 31,	Albertson	Alert	Floral Park Centre	Glenwood	Port Washington	Roslyn	Totals
2022	\$ 96,051	\$ 5,308	\$ 22,199	\$ 178,855	\$ 249,158	\$ 55,671	\$ 607,242
2023	96,051	5,308	22,199	96,654	249,158	55,671	525,041
2024	96,051	5,308	22,199	8,490	249,158	55,671	436,877
2025	96,051	5,308	22,199	-	249,158	55,671	428,387
2026	96,051	5,308	22,199	-	249,158	55,671	428,387
Thereafter	573,393	25,621	103,281	-	437,687	136,324	1,276,306
	<u>\$ 1,053,648</u>	<u>\$ 52,161</u>	<u>\$ 214,276</u>	<u>\$ 283,999</u>	<u>\$ 1,683,477</u>	<u>\$ 414,679</u>	<u>\$ 3,702,240</u>

## Town of North Hempstead, New York

Notes to Financial Statements (Continued)

December 31, 2021

### **Note 3 - Detailed Notes on All Funds (Continued)**

#### *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**

	<u>Albertson</u>	<u>Alert</u>	<u>Floral Park Centre</u>
Actuarial valuation date	12/31/2020	12/31/2020	12/31/2020
Measurement date	12/31/2020	12/31/2020	12/31/2020
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Salary increases	Not Applicable	Not Applicable	Not Applicable
Inflation rate	2.25%	2.25%	2.25%
Mortality table used for withdrawals, retirements, active and inactive deaths:			
Pre-entitlement age	*	*	*
Post-entitlement age	*	*	*

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

	<u>Glenwood</u>	<u>Port Washington</u>	<u>Roslyn</u>
Actuarial valuation date	1/1/2021	12/31/2020	12/31/2020
Measurement date	12/31/2021	12/31/2020	12/31/2020
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Salary increases	Not Applicable	Not Applicable	Not Applicable
Inflation rate	0.00%	n/a	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, 2021

**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
<b>Albertson</b>			
Discount rates	0.93%	1.93%	2.93%
LOSAP liability	\$ 6,396,057	\$ 5,437,289	\$ 4,675,529
<b>Alert</b>			
Discount rates	0.93%	1.93%	2.93%
LOSAP liability	\$ 403,137	\$ 341,652	\$ 293,007
<b>Floral Park Centre</b>			
Discount rates	0.93%	1.93%	2.93%
LOSAP liability	\$ 1,480,068	\$ 1,257,984	\$ 1,082,646
<b>Glenwood</b>			
Discount rates	0.84%	1.84%	2.84%
LOSAP liability	\$ 2,092,595	\$ 1,721,027	\$ 1,436,407
<b>Port Washington</b>			
Discount rates	0.93%	1.93%	2.93%
LOSAP liability	\$ 7,882,471	\$ 6,520,419	\$ 5,450,979
<b>Roslyn</b>			
Discount rates	0.93%	1.93%	2.93%
LOSAP liability	\$ 2,311,416	\$ 1,910,117	\$ 1,600,655

**Other Postemployment Benefit Liability (“OPEB”)**

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 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, 2021

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### **Note 3 - Detailed Notes on All Funds (Continued)**

At December 31, 2021, the following employees were covered by the benefit terms:

	<u>Primary Government</u>
Inactive employees currently receiving benefit payments	287
Surviving spouse currently receiving benefit payments	42
Active employees	<u>401</u>
	<u>730</u>

The Town's total OPEB liability of \$246,961,500 was measured as of December 31, 2021, and was determined by an actuarial valuation as of January 1, 2020.

The total OPEB liability in the January 1, 2020 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	1.8%
Healthcare cost trend rates	5.75% for Pre-65 and 4.5% for Post-65 for 2021, decreasing at various rates to an ultimate rate of 4.5% for 2027 and later years
Retirees' share of benefit-related costs	Varies from 0% to 50%, depending on applicable retirement year and if they are a surviving spouse

The discount rate was based on a review of the yield derived from the 20 Year AA Municipal GO Bond Index, as of December 31, 2021, per Fidelity Investments.

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

The actuarial assumptions used in the January 1, 2020 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 Town Version – June 2019* report for turnover and retirement.

The Town's change in the total OPEB liability for the year ended December 31, 2021 is as follows:

**Town of North Hempstead, New York**

Notes to Financial Statements (Continued)  
December 31, 2021

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**Note 3 - Detailed Notes on All Funds (Continued)**

	<u>Primary Government</u>
Total OPEB Liability - Beginning of Year	\$ 228,702,154
Service cost	10,135,938
Interest	4,521,365
Differences between actual and expected experience	-
Changes in assumptions or other inputs	8,869,835
Benefit payments	<u>(5,267,792)</u>
 Total OPEB Liability - End of Year	 <u><u>\$ 246,961,500</u></u>

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (0.8%) or 1 percentage point higher (2.8%) than the current discount rate:

	<u>1% Decrease (0.8%)</u>	<u>Current Discount Rate (1.8%)</u>	<u>1% Increase (2.8%)</u>
Total OPEB Liability	<u>\$ 229,194,228</u>	<u>\$ 246,961,500</u>	<u>\$ 206,877,534</u>

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (decreasing in various amounts to a trend rate of 3.5%) or 1 percentage point higher (decreasing in various amounts to a trend rate of 5.5%) than the current healthcare cost trend rates:

	<u>1% Decrease (4.75% decreasing in various amounts to a trend rate of 3.5%)</u>	<u>Healthcare Cost Trend Rates (5.75% decreasing in various amounts to a trend rate of 4.5%)</u>	<u>1% Increase (6.75% decreasing in various amounts to a trend rate of 5.5%)</u>
Total OPEB Liability	<u>\$ 199,611,692</u>	<u>\$ 246,961,500</u>	<u>\$ 311,257,095</u>

For the year ended December 31, 2021, the Town recognized OPEB expense of \$21,560,359 in the government-wide financial statements. At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**Town of North Hempstead, New York**

Notes to Financial Statements (Continued)  
December 31, 2021

**Note 3 - Detailed Notes on All Funds (Continued)**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,135,709	\$ -
Changes of assumptions or other inputs	<u>37,851,732</u>	<u>11,523,516</u>
	<u>\$ 38,987,441</u>	<u>\$ 11,523,516</u>

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

<u>Year Ended December 31,</u>	
2022	\$ 6,903,056
2023	6,903,057
2024	8,860,081
2025	3,319,426
2026	<u>1,478,305</u>
	<u>\$ 27,463,925</u>

**G. 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	\$ 3,062,854	\$ 16,876,751
Highway Fund	899,183	6,986,796
Solid Waste Management Authority	75,000	1,253,564
Part Town	-	401,252
Refuse and Garbage Districts	-	75,000
Debt Service Fund	23,846,773	2,326,752
Capital Projects Fund	3,003,359	477,456
Non-Major Governmental Funds	<u>314,939</u>	<u>2,804,537</u>
	<u>\$ 31,202,108</u>	<u>\$ 31,202,108</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, 2) to move amounts earmarked in the operating funds to fulfill commitments for Debt Service Fund expenditures and 3) to transfer the assets and liabilities of the Authority to the Town's General Fund where operations will continue.

## Town of North Hempstead, New York

Notes to Financial Statements (Continued)  
December 31, 2021

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### **Note 3 - Detailed Notes on All Funds (Continued)**

#### **H. Net Position**

The components of net position are detailed below:

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

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

*Unrestricted* - all other amounts that do not meet the definitions of "restricted" or "net investment in capital assets".

**Town of North Hempstead, New York**

Notes to Financial Statements (Continued)  
December 31, 2021

**Note 3 - Detailed Notes on All Funds (Continued)**

**I. Fund Balances**

	General Fund	Highway Fund	Part Town Fund	Refuse and Garbage Districts	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
<b>Nonspendable</b>								
Prepaid expenditures	\$ 1,143,764	\$ 403,883	\$ 290,365	\$ -	\$ -	\$ -	\$ 86,029	\$ 1,924,041
Inventory	322,304	359,023	-	-	-	-	-	681,327
<b>Total Nonspendable</b>	<b>1,466,068</b>	<b>762,906</b>	<b>290,365</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>86,029</b>	<b>2,605,368</b>
<b>Restricted</b>								
Capital projects	-	-	-	-	-	27,871,904	-	27,871,904
Debt service	-	-	-	-	9,366,414	-	-	9,366,414
Length of service award program	-	-	-	-	-	-	9,245,097	9,245,097
<b>Total Restricted</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,366,414</b>	<b>27,871,904</b>	<b>9,245,097</b>	<b>46,483,415</b>
<b>Assigned</b>								
Subsequent year's expenditures	950,000	1,031,056	338,944	-	-	-	105,600	2,425,600
Capital projects	786,419	1,831,478	251,880	-	-	-	-	2,869,777
Workers' compensation	598,019	1,450,000	-	-	-	-	-	2,048,019
Insurance	1,101,834	100,000	200,000	-	-	-	-	1,401,834
Employee benefit accrued liability	53,257	250,392	244,624	-	-	-	-	548,273
Senior endowment	1,218,819	-	-	-	-	-	-	1,218,819
Major funds	-	7,723,139	8,542,274	-	-	-	-	16,265,413
Non-major funds								
Fire protection	-	-	-	-	-	-	1,124,949	1,124,949
Lighting	-	-	-	-	-	-	344,995	344,995
Park	-	-	-	-	-	-	296,275	296,275
Sidewalk	-	-	-	-	-	-	2,199,657	2,199,657
Water	-	-	-	-	-	-	2,459	2,459
<b>Total Assigned</b>	<b>4,708,348</b>	<b>12,386,065</b>	<b>9,577,722</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,073,935</b>	<b>30,746,070</b>
<b>Unassigned</b>								
Subsequent year's expenditures - Public Parking	-	-	-	-	-	-	100,000	100,000
Non-major - Public Parking	-	-	-	-	-	-	(293,613)	(293,613)
Unassigned	19,913,057	-	-	(1,167,854)	-	-	-	18,745,203
<b>Total Unassigned</b>	<b>19,913,057</b>	<b>-</b>	<b>-</b>	<b>(1,167,854)</b>	<b>-</b>	<b>-</b>	<b>(193,613)</b>	<b>18,551,590</b>
<b>Total Fund Balances</b>	<b>\$ 26,087,473</b>	<b>\$ 13,148,971</b>	<b>\$ 9,868,087</b>	<b>\$ (1,167,854)</b>	<b>\$ 9,366,414</b>	<b>\$ 27,871,904</b>	<b>\$ 13,211,448</b>	<b>\$ 98,386,443</b>

## Town of North Hempstead, New York

Notes to Financial Statements (Continued)  
December 31, 2021

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### **Note 3 - Detailed Notes on All Funds (Continued)**

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

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

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

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

Subsequent year's expenditures represent that at December 31, 2021, the Town Board has assigned the above amounts to be appropriated for the ensuing year's budget. The Town designated \$100,000 for subsequent year's expenditures in the Public Parking District. This amount exceeded the available fund balance and is shown as a reduction to the unassigned.

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. Unassigned fund balance in the Refuse and Garbage Districts represents the deficit balance in the fund.

### **Note 4 - Summary Disclosure of Significant Contingencies**

#### **A. Cybersecurity**

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

**Note 4 - Summary Disclosure of Significant Contingencies (Continued)**

**B. Litigation**

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

Nassau County Cases

*Garbage Taxes and Local Utilities*

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

In February 2015, the Town paid \$1,550,174 to resolve the actions commenced by Verizon from 2003 through 2012. In April 2015 the Town issued notes in the amount of \$1,575,000 to fund the Town's settlement with Verizon. The Town obtained a judgment against the County for the refund plus interest, which the County appealed. In August 2015, the Town paid Keyspan \$1,118,125 to resolve the actions commenced by Keyspan and issued notes in the amount of \$1,120,000 to fund the Town's settlement with Keyspan. The Town obtained a judgment against the County for the refund, plus interest, which the County appealed. It was the Town's position, based on Appellate Division precedent, that all of these matters were covered by the County Guarantee requiring an eventual payment or reimbursement of any judgments by the County. The appeals were fully briefed and argued in the Appellate Division, Second Department, which issued its decision on February 6, 2019, affirming the judgment in the Town's favor. The County filed an appeal as of right with the Court of Appeals, which was dismissed by the Court for lack of a question of law that is appealable as of right. The County filed a motion with the Appellate Division, Second Department, for permission to appeal to the Court of Appeals. The County's motion was denied and the County then filed a motion with the Court of Appeals for permission to appeal. That motion was denied on February 18, 2020, ending the litigation. Subsequently, the Town and the County entered into settlement negotiations for the payment of the judgments and a negotiated amount of interest. In July of 2022, the Town and the County agreed to a settlement where the County would pay the Town the sum of \$9,450,000 in three annual payments commencing in September 2022. A settlement agreement was executed in September 2022, ending this matter.

Nassau County Storm Water Pipe Case

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

**Note 4 - Summary Disclosure of Significant Contingencies (Continued)**

Town is that the Town failed in its responsibility under its MS4 storm water permit to prevent concrete from discharging into the storm water system.

The Town counterclaimed against the County and cross-claimed against the concrete companies for the Town's expenses and flood damage. The Town's theory against the County is that the County failed to maintain its storm water pipe as is its obligation under its MS4 storm water permit. The Town, the County and the concrete companies are in the early stages of litigation over these issues. A Temporary Restraining Order jointly obtained by the Town and the County against the concrete companies prohibiting discharge of concrete slurry into the storm water drain system has been lifted. Pleadings were amended to assert a continuing nuisance and continuing damages from any continued discharge into the storm water drains. Document discovery and depositions have been ongoing and are ongoing. The County and Town have proposed (and are discussing) discontinuing the claims and counterclaims between Town and County which would leave only County and Town claims against Commercial Concrete and NY Ready Mix. A further discovery conference was scheduled for March 25, 2020. However due to the limitations imposed by the pandemic (Covid-19), depositions were halted in March 2020. Discovery started again in July 2020, and depositions of various witnesses and exchange of additional documents is ongoing. Discovery has been completed. Dispositive motions were filed. The return date is October 17, 2022.

In fall 2021, NY Ready Mix filed third-party claims against Commercial Concrete and Town in the separate (but related) action by LIRR which resulting from the same flooding incident. The claims were generally the same ones as previously asserted in the counter-claims. Commercial Concrete has moved to dismiss the direct Third-Party complaint on the basis that since both companies are insured on the same policy, Commercial Concrete cannot make a direct claim against NY Ready Mix. The Third-Party Motion to Dismiss has been denied.

Recently, LIRR agreed to settle its claims against Commercial Concrete and NY Ready Mix. A stipulation discontinuing that matter is being circulated. That will bring to an end the third-party claim that was asserted against the Town in that "LIRR Action."

Separately, Nassau County and the Town have agreed to discontinue the claims that each had asserted against the other. That stipulation was submitted to the judge to be So-Ordered. This agreement between the County and the Town does not affect the cross-claims by Commercial Concrete and New York Ready Mix for indemnification/contribution from the Town. However, those claims have been significantly undermined now that Nassau County and the Town are no longer asserting claims against each other.

As before, the resolution and outcome of this litigation cannot be determined at this time. As such, no amount for liability has been recorded in the Town's financial statements.

**Glenwood Power Plant Case**

In April 2018, National Grid sued the County, the Town, North Shore Central School District, and various special districts within the Town alleging that when the Glenwood Power Plant was demolished the plant remained overtaxed because of the adjusted and current base proportions used to divide tax levy between property classes in the 2014/15 through 2017/18 tax years. The claim against Town defendants is for monies had and received. In a February 14, 2019 decision, the court dismissed National Grid's claims against the school districts based on the County Guaranty. The County Guaranty also applies to the claims against the Town. The Town did not file a motion in that case. However, that decision is "law of the case" and also bars the claims against



**Note 4 - Summary Disclosure of Significant Contingencies (Continued)**

the Town. The County filed an appeal from that decision but recently (February, 2020) withdrew the appeal.

The Town defendants' position is that the claim is covered by the County guarantee and the Town has no refund liability. As of August 12, 2022 the County and National Grid have been discussing settlement. It does not appear that there has been significant progress. The Town filed a motion for summary judgment, based on the County Guaranty. National Grid filed a motion for summary judgment on the issue of liability as against the County. The scheduled settlement conference with the judge was adjourned, pending decisions on the outstanding motions. The resolution and outcome of this litigation cannot be determined at this time. As such, no amount for liability has been recorded in the Town's financial statements.

Clinton G. Martin Park

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

Although the pool opened in June 2018, outstanding work remains to be completed and defective and non-compliant work remains to be remedied. Following discussions among the Town, Gramercy and its performance bond surety, the Town began the process under the terms of the contract to declare Gramercy in default, to terminate the contract and demand that the surety completes the project. Shortly before the Town Board meeting to approve the declaration of default, Gramercy filed for Chapter 11 bankruptcy protection. Gramercy has, in the bankruptcy proceeding, commenced an adversary proceeding against the Town, seeking to recover \$2.8 million it claims the Town is wrongfully withholding.

A settlement has been reached and the parties are currently engaged in carrying out the conditions precedent to filing a dismissal motion with the Court. The amount paid to Gramercy would be paid out of the outstanding retainage that the Town has held onto since the "completion" of the project and thus would not materially affect the Town's finances. This matter was settled and a Stipulation of Discontinuance was filed on October 21, 2021.

Village Sales Tax Claim

Seven villages in the Town served a notice of claim on the Town and County for \$20 million in damages dating to the 1980's. The villages claim that they should have received a greater share of the portion of sales tax that the County is required by State Law to pay to the Towns. A similar claim was brought against the Town of Hempstead and the County. The Town of North Hempstead has now been named in two lawsuits relating to the apportionment of sales tax revenue by various incorporated villages, both within and outside of the Town, each claiming damages in the amount of \$21,500,000. Based upon the Town's analysis, if the claim has any merit against the Town, the liability would be substantially less than the claim. The Town's motion to dismiss the various claims was granted. In August 2019, plaintiff filed a Notice of Appeal. The Town's opposition brief was served/filed on January 12, 2021. The County requested a further extension of time to submit its opposing brief. After all opposing briefs have been filed, the Villages will have time to submit a Reply Brief. In May, 2022, Town received a notification from the Appellate Division asking for proposed dates for oral arguments. However, no oral argument date has been set. We expect the court may eventually issue a decision without any oral arguments. Any potential exposure of the

## Town of North Hempstead, New York

Notes to Financial Statements (Continued)  
December 31, 2021

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### **Note 4 - Summary Disclosure of Significant Contingencies (Continued)**

Town has not yet been determined. Accordingly, no amount for liability has been recorded in the Town's financial statements.

#### Dow Chemical v. Town of North Hempstead

This third-party action is related to a consolidated series of litigations commenced by various water districts and municipalities across Long Island alleging that Dow and others have contaminated the underground aquifers and their well waters by reason of the manufacture and distribution of products containing the chemical 1,4-Dioxane. These claims seek to recover damages sustained by the districts and municipalities due to the increased cost of treatment of the public water supply. Dow Chemical and others filed a third-party complaint in United States District Court for the Eastern District of New York against the Town in September of 2021 seeking contribution towards any damages it may suffer as a result of the judgment rendered in the underlying claims. More specifically, Dow contends that North Hempstead's ownership of the Port Washington landfills is a contributing cause of the alleged contamination, and that the Town has been negligent in failing to abate the presence and migration of 1,4-Dioxane from the landfill resulting in contamination of water wells of the Port Washington Water District. At this time, the third-party action has been stayed and the Town has not been required to answer the complaint. The Town disputes the third-party claim and plans to vigorously defend the claim when and if the third-party action becomes active. As the action has been stayed, no amount for liability has been recorded in the Town's financial statements.

#### Douglas Oko v. Town of North Hempstead

This is a personal injury claim resulting from a November 8, 2019 motor vehicle accident. Mr. Oko claims his vehicle was slowing for a traffic light when it was rear-ended by a Town vehicle. In February 2021, Mr. Oko had neck/spine surgery. After the lawsuit was filed, in May 2021, Mr. Oko was granted summary judgment (on the issue of liability) against the Town and Town's employee/driver. The outstanding issues in this case are causation (whether the accident caused the claimed injuries) and the amount of damages (if any).

The Town's expert orthopedist (IME) who evaluated Mr. Oko, concluded that Mr. Oko had a pre-existing age-related neck/back condition that was not caused by the accident. The February 2021 surgery addressed that pre-existing condition which was not caused by the November 2019 accident. However, issues of causation and/or damages are usually reserved for a jury trial.

Plaintiff's counsel filed a Note of Issue seeking to place the case on the trial calendar in January 2022. However, to date no conference date or court date has been scheduled. This is likely due to the significant backlog of cases that resulted when the courts were closed for the covid/pandemic.

The Town's present reserves are set at \$400,000. However, at this time, there is no settlement demand. We are waiting for a settlement demand from plaintiff's counsel.

#### Gail Selis v. Town of North Hempstead

This is a personal injury claim resulting from a January 5, 2015 trip and fall accident in a Town building at 80 Manorhaven Boulevard, Port Washington. Plaintiff Gail Selis claims she tripped on defective carpeting in the Town building and injured her neck/back. Ms. Selis underwent neck/back surgery. After trial, on July 15, 2021 a jury returned a verdict finding the Town 100% at fault for Ms. Selis accident and later (on October 15, 2021) awarded Ms. Selis \$1,262,863 in damages.

**Note 4 - Summary Disclosure of Significant Contingencies (Continued)**

At the time of the accident, Ms. Selis, was employed by the Jewish Association for the Services for the Aged (“JASA”) to provide counseling service to the Town’s Senior Citizens. Ms. Selis worked from an office in the Town’s building. The Town filed a third-party action against JASA seeking indemnification, based on the terms of its contract with JASA.

After the July 2021 verdict, by decision dated September 27, 2021 the trial court issued a decision stating that under the terms of the contract, JASA is obligated to indemnify the Town for the damages awarded to Ms. Selis. In July 2022, plaintiff filed a judgment in the amount of \$1,432,351. That amount includes interest from the date of the October 2021 verdict. The Town filed an appeal from that judgment. That appeal will bring up for review, the assessment of liability and damages in this matter as well as the post-trial decision which concluded that JASA is obligated to indemnify the Town.

Presently, the Town’s reserves are set at \$400,000. The Town is in discussions with JASA, seeking to settle this matter.

**Wrongful Deaths**

*Estate of Schneider vs. Hanasab, et al.*

This wrongful death case resulted from a June 6, 2016 automobile accident. The deceased, while riding a motor scooter, was involved in an accident with a car. The deceased died as a result of injuries from that accident. The wife of the deceased sued on behalf of herself and the Estate, claiming that the Town was negligent in the placement of a stop sign and in the maintenance of nearby trees and shrubbery. The complaint alleged that the Town placed the stop sign at the wrong location and therefore caused the driver’s view to be blocked by vegetation. At a February 2020 trial, the jury found in favor of plaintiff. The jury awarded plaintiff \$2.7M in damages and apportioned 70% fault to the Town and 30% fault to the driver of the vehicle. The plaintiff filed a judgement in the amount of \$2,920,050.54.

The Town’s post-trial motion was denied on April 7, 2021. A Notice of Appeal has been filed, the appeal has been briefed and oral arguments have been conducted. The Town is awaiting the Appellate Division’s decision. By law, the Notice of Appeal will stay all attempts to enforce the judgment. The resolution and outcome of this litigation cannot be determined at this time. However, to be conservative, the Town has recorded a \$2,250,000 claim within the general liability claims payable on the government-wide statement of net position.

*Estate of Silva vs. Town*

This is the wrongful death claim on behalf of Rogerio Silva who fell into a dumpster at the Authority’s facility in Port Washington. A complaint was filed naming the Town and the Authority as defendants. The complaint was later amended to name OMNI as a defendant. OMNI was operating the facility under a contract with the Authority. The Town and the Authority are insured under OMNI’s insurance policy. The case is still in very early stages of discovery, following plaintiff’s amending the complaint to add OMNI. The Town and the Authority’s potential exposure in this matter, if any, would be covered by OMNI’s insurer. Discovery is ongoing at this time and a deposition of a witness on behalf of the Town and the Authority has been scheduled.

As of January 1, 2022, the corporate existence of the Authority was terminated and the liabilities of the Authority were assumed by the Town. Any claims that existed prior to that date are covered by insurance that existed at the time and by the Town.

**Note 4 - Summary Disclosure of Significant Contingencies (Continued)**

As the litigation is in the early stages, any potential exposure of the Town has not yet been determined. Accordingly, no amount for liability has been recorded in the Town's financial statements.

Other Litigation

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

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

**B. Risk Management**

In common with other municipalities, the Town receives numerous notices of claims. The Town carries excess liability insurance coverage of \$5,000,000 per occurrence, with a \$5,000,000 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 \$5,296,056. 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 through a self-insurance pool comprised of New York State municipalities. Estimated benefits to be paid are appropriated in the various operating funds of the Town. The Town has provided an umbrella-type policy protecting against a catastrophic loss in the workers' compensation self-insurance protection program with \$500,000 retention, per occurrence, with benefits of up to \$25,000,000. Although the eventual value of these claims cannot presently be determined, the third-party administrator has estimated the workers' compensation to be \$2,425,206. The Town is also self-insured for unemployment benefits paid.

**C. Contingencies**

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

## Town of North Hempstead, New York

Notes to Financial Statements (Continued)

December 31, 2021

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### **Note 4 - Summary Disclosure of Significant Contingencies (Continued)**

#### **D. Authority**

The Town is obligated, via agreement, to pay service fees to the Authority in an amount equal to the difference between the Authority expenditures, including debt service, and the Authority revenues. If the Authority revenues are insufficient to cover its expenditures, the Town is obligated to pay service fees to the Authority, as long as the Authority continues to provide solid waste services to the Town. As discussed in Note 7, the Authority's corporate existence has been terminated and the operations will continue to operate under the Town's department of solid waste management.

#### **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 2021, and expire between April 2022 and May 2029. Total rental expenditures on such leases for the year ended December 31, 2021 totaled \$454,282. The minimum future non-cancelable operating lease payments are as follows:

<u>Years Ending December 31,</u>	
2022	\$ 148,642
2023	99,057
2024	42,765
2025	25,924
2026	15,000
2027-2029	<u>35,000</u>
	<u>\$ 366,388</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, 2021, only the real property tax abatement program offered by NCIDA impacts the Town's revenues. Generally, a qualified project is an applicant submitted project which meets certain economic development criteria (such as job creation/retention) and which either (1) has been or will be financed by the issuance of NCIDA issued bonds, notes or other evidences of indebtedness with respect thereto, or (2) is a straight lease transaction which the NCIDA has determined to undertake pursuant to a lease policy. The NCIDA, based on the agreement and as a condition of providing assistance, may require that the benefiting company remit a Payment in Lieu of Taxes ("PILOT") payment to offset the amount of taxes abated. The NCIDA is authorized to enter into PILOT agreements per Real Property Tax Law, Section 412-a and General Municipal Law, Section 874. During the year ended December 31, 2021, the agreements the NCIDA ratified resulted in an abatement of \$3,526,060 of the Town's real property taxes and the receipt of \$1,377,869 in PILOT payments.

# Town of North Hempstead, New York

Notes to Financial Statements (Continued)  
December 31, 2021

## 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, 2021:

### 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	\$ 2,179,408	\$ 24,750	\$ 17,539	\$ -	\$ 24,750	\$ -	\$ 2,161,869
Glenwood	59,184	-	3,346	-	-	-	55,838
Carle Place	555,627	-	2,865	-	-	-	552,762
Roslyn	835,253	-	19,385	18	-	-	815,850
Water Pollution							
Control Districts:							
Great Neck	33,657,261	88,803,777	9,360,702	86,089,000	29,471,747	22,067,298	(24,527,709)
Belgrave	8,476,689	33,551,067	21,780,151	12,976,734	9,174,014	3,179,490	(5,082,633)
Port Washington	18,226,552	34,904,083	22,039,361	25,837,285	14,291,685	392,049	(9,429,745)
Water Districts:							
Glenwood	655,691	491,456	52,965	161,388	505,082	165,707	262,005
Albertson	12,158,711	11,226,167	10,847,977	9,833,376	4,237,195	5,939,027	(7,472,697)
Garden City Park	12,866,949	29,460,956	9,730,603	23,086,911	13,762,041	2,768,212	(7,019,862)
Port Washington	14,436,337	27,503,048	11,017,921	29,708,678	1,845,367	511,931	(1,144,512)
Westbury	13,858,168	13,411,136	13,355,940	10,165,489	7,847,607	3,891,498	(7,991,230)
Roslyn	16,940,481	16,323,835	6,668,355	22,858,278	5,123,501	5,061,948	(6,447,766)
Carle Place	16,015,317	15,675,848	4,931,704	15,414,349	2,576,213	9,402,600	(633,701)
Manhasset - Lakeville	30,910,296	44,245,969	6,260,367	26,608,949	25,949,660	20,300,399	(3,963,110)
Park Districts:							
Manhasset	2,509,299	2,178,041	1,154,116	8,135,349	2,178,041	-	(6,780,166)
Great Neck	19,527,416	21,604,378	7,717,160	39,577,373	15,007,537	1,314,281	(22,484,557)
Other:							
Port Washington							
Police District	48,837,324	1,409,555	17,144,862	101,526,113	1,393,881	882,747	(70,700,724)
Shelter Rock Public Library District	5,027,316	4,665,835	1,617,732	5,481,467	3,598,736	226,460	(1,231,244)
Town of North Hempstead Community Development Agency	5,578,991	-	1,516,488	2,633,260	-	2,193,496	(764,253)
Town of North Hempstead Business and Tourism Development Corporation	56,830	-	-	-	-	5,784	51,046
Greater Port Washington Business Improvement District	269,120	65,651	3,876	13,378	52,273	5,008	260,236
	<u>\$ 263,638,220</u>	<u>\$ 345,545,552</u>	<u>\$ 145,243,415</u>	<u>\$ 420,107,395</u>	<u>\$ 137,039,330</u>	<u>\$ 78,307,935</u>	<u>\$ (171,514,303)</u>

**Town of North Hempstead, New York**

Notes to Financial Statements (Continued)  
December 31, 2021

**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	January 1, 2021	December 31, 2021
Garbage Districts:									
Port Washington	\$ 2,395,045	\$ -	\$ -	\$ 2,395,045	\$ 2,498,191	\$ 2,089	\$ 105,235	\$ 2,081,384	\$ 2,186,619
Glenwood	64,772	-	-	64,772	62,799	1	(1,972)	57,810	55,838
Carle Place	903,813	-	-	903,813	979,613	19,517	95,317	457,445	552,762
Roslyn	669,101	-	-	669,101	612,610	132,979	76,488	739,362	815,850
Water Pollution Control Districts:									
Great Neck	10,897,913	2,768,072	5,575,420	2,554,421	8,095,009	681,940	6,222,528	20,788,808	27,011,336
Belgrave	4,299,013	921,584	2,150,886	1,226,543	2,762,214	7,899	1,543,570	5,727,301	7,270,871
Port Washington	8,560,108	1,168,211	-	7,391,897	5,596,991	204,426	(1,590,480)	6,844,469	5,253,989
Water Districts:									
Glenwood	411,019	169,055	-	241,964	277,106	39,548	74,690	858,104	932,794
Albertson	2,222,421	1,958,138	-	264,283	1,761,083	284,890	1,781,690	921,835	2,703,525
Garden City Park	6,749,891	2,130,924	-	4,618,967	4,128,383	1,763,722	1,273,138	8,237,253	9,510,391
Port Washington	6,695,530	6,149,363	-	546,167	2,126,185	324,018	1,904,036	(691,250)	1,212,786
Westbury	5,220,531	1,648,760	-	3,571,771	4,051,273	657,755	1,137,257	2,610,618	3,747,875
Roslyn	5,875,746	2,228,557	-	3,647,189	2,934,004	188,038	(525,147)	4,262,830	3,737,683
Carle Place	4,131,747	939,509	46,410	3,145,828	3,263,345	494,112	611,629	10,733,483	11,345,112
Manhasset - Lakeville	8,832,281	6,140,555	-	2,691,726	3,686,197	516,560	1,511,031	40,775,918	42,286,949
Park Districts:									
Manhasset	1,888,696	509,953	-	1,378,743	788,705	44,036	(546,002)	(4,056,123)	(4,602,125)
Great Neck	18,770,698	4,943,623	-	13,827,075	11,994,250	1,347,294	(485,531)	(5,677,208)	(6,162,739)
Other:									
Port Washington Police District	29,150,451	117,719	77,069	28,955,663	22,050,821	2,045,920	(4,858,922)	(63,565,174)	(68,424,096)
Shelter Rock Public Library District	3,510,851	11,704	51,814	3,447,333	4,073,000	139,831	765,498	1,828,454	2,593,952
Community Development Agency	896,706	88,178	536,265	272,263	-	12,013	(260,250)	1,689,493	1,429,243
Town of North Hempstead Business and Tourism Development Corporation	65,222	-	-	65,222	-	26,830	(38,392)	95,222	56,830
Port Washington Business Improvement District	184,972	15,397	4,980	164,595	203,554	606	39,565	277,952	317,517
	<u>\$ 122,396,527</u>	<u>\$ 31,909,302</u>	<u>\$ 8,442,844</u>	<u>\$ 82,044,381</u>	<u>\$ 81,945,333</u>	<u>\$ 8,934,024</u>	<u>\$ 8,834,976</u>	<u>\$ 34,997,986</u>	<u>\$ 43,832,962</u>

## Town of North Hempstead, New York

Notes to Financial Statements (Continued)  
December 31, 2021

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### **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 Searingtown Road  
Albertson, NY 11507

Town of North Hempstead  
Community Development Agency  
51 Orchard Street  
Roslyn Heights, NY 11577

Greater Port Washington Business  
Improvement District Association, Inc.  
329 Main Street  
P.O. Box 121  
Port Washington, NY 11050

Town of North Hempstead Business  
and Tourism Development Corporation  
220 Plandome Road  
Manhasset, NY 11030



## Town of North Hempstead, New York

Notes to Financial Statements (Concluded)  
December 31, 2021

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### **Note 7 - Terminating the Existence of the Authority**

On September 30, 2021, the Town Board passed a resolution terminating the corporate existence of the Town of North Hempstead Solid Waste Management Authority and transferring all assets and liabilities of the Authority to the Town of North Hempstead's General Fund as of December 31, 2021. The resolution states that the Authority and its corporate existence be terminated effective January 1, 2022. The Authority's functions will continue to be performed by the Town of North Hempstead through the Town's Department of Solid Waste Management. The intent of the transfer was to manage the solid waste operations more efficiently, transparently and cost-effectively.

The Authority has confirmed that any financing issued by the Authority have been completely retired as of February 2018, with the remainder of any improvements to solid waste management facilities in the Town being financed by bonds of the Town. Through this resolution 1) all rights, responsibilities, liabilities, obligations and real property are transferred to the Town; 2) all contracts are assigned and assumed by the Town; 3) all employees are transferred to the Town with the same titles, grades, steps, salaries and benefits; and 4) all permits and fees are transferred to the Town and adopted.

### **Note 8 - Recently Issued GASB Pronouncements**

GASB Statement No. 87, "Leases", as amended by GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance", establishes a single model for lease accounting based on the concept that leases are a financing of a "right-to-use" underlying assets. As such, this Statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset. A lessor will be required to record a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 96, "Subscription-Based Information Technology Arrangements" provides guidance on the accounting and financial reporting for subscription-based information technology arrangements ("SBITAs") for government end users. This Statement defines a SBITA and establishes that a SBITA results in a right-to-use subscription asset (intangible asset) and a corresponding liability. The Statement also provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, as well as detailing the requirements for note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the Town believes will most impact its financial statements. The Town will evaluate the impact this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

### **Note 9 - Subsequent Events**

The Town, in March 2022, issued bond anticipation notes for various purposes in the amount of \$39,569,000 with an interest rate of 3.00% that will mature in March 2023.

The Town, in March 2022, issued public improvement serial bonds for various purposes in the amount of \$19,764,407 with interest rates ranging from 2.00% to 3.125% that will mature in March 2042.

The Town, in March 2022, issued federally taxable public improvement serial bonds for various purposes in the amount of \$414,603 with interest rates ranging from 0.70% to 3.50% that will mature in March 2032.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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**Town of North Hempstead, New York**

Required Supplementary Information - Schedule of Changes in the  
Town's Total OPEB Liability and Related Ratios  
Last Ten Fiscal Years (1)(2)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability:				
Service cost	\$ 10,135,938	\$ 7,893,098	\$ 6,763,407	\$ 7,227,658
Interest	4,521,365	5,579,074	6,113,873	5,635,836
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	1,703,565	-	-
Changes of assumptions or other inputs	8,869,835	9,343,160	33,243,929	(11,742,155)
Benefit payments	<u>(5,267,792)</u>	<u>(4,898,205)</u>	<u>(4,559,144)</u>	<u>(4,384,851)</u>
Net Change in Total OPEB Liability	18,259,346	19,620,692	41,562,065	(3,263,512)
Total OPEB Liability - Beginning of Year	<u>228,702,154</u>	<u>209,081,462</u>	<u>167,519,397</u>	<u>170,782,909</u> (3)
Total OPEB Liability - End of Year	<u>\$ 246,961,500</u>	<u>\$ 228,702,154</u>	<u>\$ 209,081,462</u>	<u>\$ 167,519,397</u>
Town's covered-employee payroll	<u>\$ 29,056,807</u>	<u>\$ 29,056,807</u>	<u>\$ 30,105,868</u>	<u>\$ 30,105,868</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>849.93%</u>	<u>787.09%</u>	<u>694.49%</u>	<u>556.43%</u>
Discount Rate	<u>1.80%</u>	<u>2.00%</u>	<u>2.70%</u>	<u>3.70%</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.

**Town of North Hempstead, New York**

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

Schedule of the Town's Proportionate Share of the Net Pension Liability (2)

	2021 (4)	2020 (3)	2019	2018	2017	2016	2015
Town's proportion of the net pension liability	0.1022683%	0.1011124%	0.1051830%	0.1083369%	0.1097790%	0.1105340%	0.1093560%
Town's proportionate share of the net pension liability	\$ 101,813	\$ 26,775,128	\$ 7,452,541	\$ 3,496,515	\$ 10,315,083	\$ 17,741,027	\$ 3,693,060
Town's covered payroll	\$ 32,708,568	\$ 31,538,017	\$ 31,667,813	\$ 31,704,375	\$ 32,253,694	\$ 31,605,182	\$ 30,647,874
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.31%	84.90%	23.53%	11.03%	31.98%	56.13%	12.05%
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%
Discount rate	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%

Schedule of Contributions

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 4,619,338	\$ 4,647,047	\$ 4,637,862	\$ 4,872,331	\$ 4,752,914	\$ 4,972,909	\$ 5,410,065
Contributions in relation to the contractually required contribution	(4,619,338)	(4,647,047)	(4,637,862)	(4,872,331)	(4,752,914)	(4,761,477)	(4,564,335)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 211,432	\$ 845,730
Town's covered payroll	\$ 34,746,610	\$ 31,899,314	\$ 31,553,997	\$ 31,917,508	\$ 31,409,407	\$ 31,483,760	\$ 31,474,762
Contributions as a percentage of covered payroll	13.29%	14.57%	14.70%	15.27%	15.13%	15.12%	14.50%

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

(3) Increase in Town's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment loss.

(4) Decrease in the Town's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

See independent auditors' report.

**Town of North Hempstead, New York**

Required Supplementary Information - Length of Service Awards Program  
 Schedule of Changes in Total Pension Liability and Related Ratios  
 Last Ten Fiscal Years (1)(3)

Schedule of Changes in the Town's Total Pension Liability

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Pension Liability:					
Service cost	\$ 135,923	\$ 133,287	\$ 137,419	\$ 131,706	\$ 159,047
Interest	176,214	180,172	160,501	167,662	150,892
Differences between expected and actual experience	18,441	57,382	68,112	29,415	11,419
Changes of assumptions or other inputs	1,203,606	277,586	(340,829)	374,520	(339,920)
Benefit payments	<u>(216,704)</u>	<u>(174,236)</u>	<u>(126,670)</u>	<u>(171,392)</u>	<u>(129,173)</u>
Net Change in Total Pension Liability	1,317,480	474,191	(101,467)	531,911	(147,735)
Total Pension Liability - Beginning of Year	<u>5,377,793</u>	<u>4,903,602</u>	<u>5,005,069</u>	<u>4,473,158</u>	<u>4,620,893</u>
Total Pension Liability - End of Year	<u>\$ 6,695,273</u>	<u>\$ 5,377,793</u>	<u>\$ 4,903,602</u>	<u>\$ 5,005,069</u>	<u>\$ 4,473,158</u>
Town's covered-employee payroll	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Total pension liability as a percentage of covered-employee payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Discount rate	<u>1.93%</u>	<u>3.26%</u>	<u>3.64%</u>	<u>3.16%</u>	<u>3.71%</u>

Notes to Schedule:

- (1) Data not available prior to fiscal year 2017 implementation of Governmental Accounting Standards Board Statement No. 73.
- (2) The information presented above are for the two length of service awards program plans where the Town is the sole sponsor.
- (3) No assets are accumulated in a trust that meets the criteria of GASB codification P22.101 to pay related benefits for the plan.

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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Real property taxes	\$ 26,047,300	\$ 26,047,300	\$ 26,087,299	\$ 39,999
Other tax items	2,280,388	2,280,388	2,324,706	44,318
Non-property tax items	13,300,000	13,300,000	16,240,882	2,940,882
Departmental income	7,323,645	8,097,169	8,515,717	418,548
Intergovernmental charges	-	-	660	660
Use of money and property	213,464	263,464	154,170	(109,294)
Licenses and permits	285,700	285,700	273,389	(12,311)
Fines and forfeitures	30,000	30,000	30,633	633
Sale of property and compensation for loss	-	-	49,100	49,100
Interfund revenues	7,151,854	7,221,068	7,221,237	169
State aid	7,817,285	7,832,285	13,352,458	5,520,173
Federal aid	333,000	334,550	450,200	115,650
Miscellaneous	871,352	907,827	1,128,953	221,126
<b>Total Revenues</b>	<b>65,653,988</b>	<b>66,599,751</b>	<b>75,829,404</b>	<b>9,229,653</b>
<b>EXPENDITURES</b>				
Current				
General government support	16,190,448	15,935,554	15,388,275	547,279
Education	2,200,000	2,349,819	2,349,819	-
Public safety	1,678,116	1,762,970	1,723,585	39,385
Transportation	-	135,293	135,292	1
Economic opportunity and development	2,623,399	2,469,712	2,381,829	87,883
Culture and recreation	17,939,615	18,580,993	18,396,541	184,452
Home and community services	1,859,508	2,030,067	2,029,107	960
Employee benefits	11,937,850	11,690,559	11,606,855	83,704
<b>Total Expenditures</b>	<b>54,428,936</b>	<b>54,954,967</b>	<b>54,011,303</b>	<b>943,664</b>
Excess of Revenues Over Expenditures	11,225,052	11,644,784	21,818,101	10,173,317
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,807,457	1,807,457	3,062,854	1,255,397
Transfers out	(16,688,348)	(17,305,785)	(16,876,751)	429,034
<b>Total Other Financing Uses</b>	<b>(14,880,891)</b>	<b>(15,498,328)</b>	<b>(13,813,897)</b>	<b>1,684,431</b>
Net Change in Fund Balance	(3,655,839)	(3,853,544)	8,004,204	11,857,748
<b>FUND BALANCE</b>				
Beginning of Year	3,655,839	3,853,544	18,083,269	14,229,725
End of Year	\$ -	\$ -	\$ 26,087,473	\$ 26,087,473

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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REAL PROPERTY TAXES</b>	\$ 26,047,300	\$ 26,047,300	\$ 26,087,299	\$ 39,999
<b>OTHER TAX ITEMS</b>				
Interest and penalties on real property taxes	1,150,000	1,150,000	1,194,168	44,168
Payments in lieu of taxes	1,121,388	1,121,388	1,120,058	(1,330)
Returned check charge: property tax	9,000	9,000	10,480	1,480
	<u>2,280,388</u>	<u>2,280,388</u>	<u>2,324,706</u>	<u>44,318</u>
<b>NON-PROPERTY TAX ITEMS</b>				
Nassau County local government assistance	11,500,000	11,500,000	14,369,361	2,869,361
Franchise fees	1,800,000	1,800,000	1,871,521	71,521
	<u>13,300,000</u>	<u>13,300,000</u>	<u>16,240,882</u>	<u>2,940,882</u>
<b>DEPARTMENTAL INCOME</b>				
Comptroller's fees	11,525	11,525	11,075	(450)
Town clerk fees	45,000	45,000	51,894	6,894
Other general departmental income	9,620	9,620	218,766	209,146
Public pound charge dog fees	10,000	10,000	6,272	(3,728)
Other public safety departmental income	40,000	40,000	36,855	(3,145)
Parks and recreation charges	2,000,000	2,030,000	1,566,150	(463,850)
Dock storage leases	30,000	30,000	26,052	(3,948)
Recreational concessions	7,000	7,000	15,091	8,091
Special recreational facility charges	5,148,000	5,891,524	6,583,562	692,038
Other culture and recreation	22,500	22,500	-	(22,500)
	<u>7,323,645</u>	<u>8,097,169</u>	<u>8,515,717</u>	<u>418,548</u>
<b>INTERGOVERNMENTAL CHARGES</b>				
Animal control services	-	-	660	660
<b>USE OF MONEY AND PROPERTY</b>				
Earnings on investments	124,000	124,000	19,921	(104,079)
Rental of real property	89,464	139,464	134,249	(5,215)
	<u>213,464</u>	<u>263,464</u>	<u>154,170</u>	<u>(109,294)</u>
<b>LICENSES AND PERMITS</b>				
Games of chance	200	200	40	(160)
Bingo licenses	500	500	-	(500)
Dog license fund apportionment	25,000	25,000	16,563	(8,437)
Licensing fees	50,000	50,000	34,470	(15,530)
Town permits	210,000	210,000	222,316	12,316
	<u>285,700</u>	<u>285,700</u>	<u>273,389</u>	<u>(12,311)</u>
<b>FINES AND FORFEITURES</b>				
Fines and forfeited bail	30,000	30,000	30,633	633

(Continued)

**Town of North Hempstead, New York**

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget (Continued)

Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS</b>				
Sale of equipment	\$ -	\$ -	\$ 4,100	\$ 4,100
Sale of property	-	-	45,000	45,000
	-	-	49,100	49,100
<b>INTERFUND REVENUES</b>	7,151,854	7,221,068	7,221,237	169
<b>STATE AID</b>				
Mortgage tax	7,700,000	7,700,000	13,224,118	5,524,118
Youth program	49,285	64,285	49,286	(14,999)
Recreation for disabled	31,000	31,000	46,401	15,401
Environmental conservation	37,000	37,000	32,653	(4,347)
	7,817,285	7,832,285	13,352,458	5,520,173
<b>FEDERAL AID</b>				
Culture and recreation	-	-	5,000	5,000
Programs for the aging	333,000	333,000	256,914	(76,086)
Emergency disaster assistance	-	-	186,018	186,018
Other	-	1,550	2,268	718
	333,000	334,550	450,200	115,650
<b>MISCELLANEOUS</b>				
Reimbursement of Medicare Part D	10,000	10,000	-	(10,000)
Refund of prior year expenditures	10,000	10,000	57,470	47,470
AIM related payments	818,852	818,852	1,023,565	204,713
Gifts and donations	25,000	60,121	28,910	(31,211)
Unclassified	7,500	8,854	19,008	10,154
	871,352	907,827	1,128,953	221,126
<b>TOTAL REVENUES</b>	65,653,988	66,599,751	75,829,404	9,229,653
<b>OTHER FINANCING SOURCES</b>				
Transfers in	1,807,457	1,807,457	3,062,854	1,255,397
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>\$ 67,461,445</u>	<u>\$ 68,407,208</u>	<u>\$ 78,892,258</u>	<u>\$ 10,485,050</u>

See independent auditors' report.

**Town of North Hempstead, New York**

General Fund  
 Schedule of Expenditures and Other Financing Uses Compared to Budget  
 Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>GENERAL GOVERNMENT SUPPORT</b>				
Town Board	\$ 828,816	\$ 828,816	\$ 802,140	\$ 26,676
Supervisor	780,557	870,954	870,954	-
Finance	183,466	153,466	125,468	27,998
Comptroller	1,629,754	1,556,410	1,379,569	176,841
Receiver of Taxes	1,284,844	1,309,196	1,309,196	-
Purchasing	299,924	311,479	311,479	-
Credit card fees	101,002	152,641	146,518	6,123
Fiscal agent fees	20,000	2,410	2,410	-
Town clerk	740,563	740,563	732,967	7,596
Town attorney	1,584,972	1,665,519	1,602,001	63,518
Human resources	495,972	475,612	461,829	13,783
Engineering	577,118	516,745	514,945	1,800
Records management	249,779	241,167	233,362	7,805
Call center	551,754	560,922	560,922	-
Public information	655,566	633,054	606,138	26,916
Public works	288,427	173,983	155,654	18,329
General services	1,483,874	1,515,807	1,436,453	79,354
Community center	40,363	31,411	20,330	11,081
Central printing and mail	516,884	485,301	458,866	26,435
Technology services	2,056,013	2,165,823	2,165,823	-
Unallocated insurance	508,050	504,181	467,776	36,405
Other general government support	1,312,750	1,040,094	1,023,475	16,619
	<u>16,190,448</u>	<u>15,935,554</u>	<u>15,388,275</u>	<u>547,279</u>
<b>EDUCATION</b>				
Community college	<u>2,200,000</u>	<u>2,349,819</u>	<u>2,349,819</u>	<u>-</u>
<b>PUBLIC SAFETY</b>				
Administration	274,958	286,468	286,468	-
Animal shelter	826,691	827,858	808,696	19,162
Harbor patrol	396,302	422,122	405,949	16,173
Town dock	25,700	25,700	21,650	4,050
Emergency management services	154,465	200,822	200,822	-
	<u>1,678,116</u>	<u>1,762,970</u>	<u>1,723,585</u>	<u>39,385</u>
<b>TRANSPORTATION</b>				
Snow removal	<u>-</u>	<u>135,293</u>	<u>135,292</u>	<u>1</u>
<b>ECONOMIC OPPORTUNITY AND DEVELOPMENT</b>				
Community services	215,776	223,323	223,323	-
Programs for the aging	2,407,623	2,246,389	2,158,506	87,883
	<u>2,623,399</u>	<u>2,469,712</u>	<u>2,381,829</u>	<u>87,883</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>CULTURE AND RECREATION</b>				
Parks and recreation	\$ 1,365,144	\$ 1,364,789	\$ 1,356,262	\$ 8,527
Parks	9,099,635	9,493,123	9,493,123	-
Community center	1,357,382	1,325,828	1,303,208	22,620
Special recreation facilities	5,495,463	5,803,741	5,730,690	73,051
Youth activities	621,991	593,512	513,258	80,254
	<u>17,939,615</u>	<u>18,580,993</u>	<u>18,396,541</u>	<u>184,452</u>
<b>HOME AND COMMUNITY SERVICES</b>				
Environmental facilities	1,700,922	1,871,481	1,871,481	-
Housing authority	148,586	148,586	148,586	-
Emergency tenant protection act	10,000	10,000	9,040	960
	<u>1,859,508</u>	<u>2,030,067</u>	<u>2,029,107</u>	<u>960</u>
<b>EMPLOYEE BENEFITS</b>				
State retirement	3,183,837	3,191,741	3,191,741	-
Social security	1,604,714	1,643,725	1,643,725	-
Workers' compensation	357,524	490,492	490,492	-
Unemployment benefits	15,000	13,975	-	13,975
Disability benefits	1,000	1,000	-	1,000
Hospital, medical and dental	6,716,002	6,289,853	6,222,608	67,245
Other employee benefits	59,773	59,773	58,289	1,484
	<u>11,937,850</u>	<u>11,690,559</u>	<u>11,606,855</u>	<u>83,704</u>
<b>TOTAL EXPENDITURES</b>	<u>54,428,936</u>	<u>54,954,967</u>	<u>54,011,303</u>	<u>943,664</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>16,688,348</u>	<u>17,305,785</u>	<u>16,876,751</u>	<u>429,034</u>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 71,117,284</u>	<u>\$ 72,260,752</u>	<u>\$ 70,888,054</u>	<u>\$ 1,372,698</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES</b>	\$ 21,284,573	\$ 21,284,573	\$ 21,331,108	\$ 46,535
<b>OTHER TAX ITEMS</b>				
Payment in lieu of taxes	1,788,877	1,788,877	1,709,313	(79,564)
Interest and penalties on real property taxes	-	-	518	518
	<u>1,788,877</u>	<u>1,788,877</u>	<u>1,709,831</u>	<u>(79,046)</u>
<b>DEPARTMENTAL INCOME</b>				
Concession fees	-	-	87	87
<b>INTERGOVERNMENTAL CHARGES</b>				
Services for other governments	35,000	35,000	26,960	(8,040)
<b>USE OF MONEY AND PROPERTY</b>				
Interest and earnings	21,000	21,000	5,927	(15,073)
Rental of real property	60,801	60,801	63,982	3,181
	<u>81,801</u>	<u>81,801</u>	<u>69,909</u>	<u>(11,892)</u>
<b>LICENSE AND PERMITS</b>				
Permits - road restoration fee	550,000	550,000	434,840	(115,160)
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS</b>				
Recycling	-	-	3,824	3,824
Sale of equipment	40,000	40,000	104,400	64,400
	<u>40,000</u>	<u>40,000</u>	<u>108,224</u>	<u>68,224</u>
<b>INTERFUND REVENUES</b>	95,000	105,522	96,302	(9,220)
<b>STATE AID</b>				
Consolidated highway aid	643,000	643,000	1,148,960	505,960
<b>MISCELLANEOUS</b>				
Refund of prior year expenditures	40,000	40,000	18,183	(21,817)
Miscellaneous revenue	-	-	859	859
	<u>40,000</u>	<u>40,000</u>	<u>19,042</u>	<u>(20,958)</u>
Total Revenues	<u>24,558,251</u>	<u>24,568,773</u>	<u>24,945,263</u>	<u>376,490</u>



**Town of North Hempstead, New York**

Highway Fund  
 Schedule of Revenues, Expenditures and Changes  
 in Fund Balance - Budget and Actual (Continued)  
 Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT SUPPORT</b>				
Unallocated insurance	\$ 121,250	\$ 121,250	\$ 110,801	\$ 10,449
Other	2,990,828	2,990,828	2,751,930	238,898
	<u>3,112,078</u>	<u>3,112,078</u>	<u>2,862,731</u>	<u>249,347</u>
<b>TRANSPORTATION</b>				
Administration	3,398,201	3,396,124	3,013,992	382,132
Garage	4,225,334	4,242,050	4,242,050	-
Snow removal	1,382,500	1,382,500	879,257	503,243
Services for other governments	1,064,997	1,064,997	871,284	193,713
Signs	565,304	504,383	393,158	111,225
Traffic safety	68,629	70,094	70,094	-
	<u>10,704,965</u>	<u>10,660,148</u>	<u>9,469,835</u>	<u>1,190,313</u>
<b>EMPLOYEE BENEFITS</b>				
State retirement	1,195,063	1,195,063	1,086,660	108,403
Social security	570,000	570,000	481,349	88,651
Workers' compensation	656,854	1,066,377	1,065,350	1,027
Unemployment benefits	20,000	4,775	-	4,775
Disability benefits	100	100	-	100
Hospital, medical and dental	3,579,875	3,285,577	3,251,631	33,946
Other employee benefits	26,251	26,251	20,874	5,377
	<u>6,048,143</u>	<u>6,148,143</u>	<u>5,905,864</u>	<u>242,279</u>
Total Expenditures	<u>19,865,186</u>	<u>19,920,369</u>	<u>18,238,430</u>	<u>1,681,939</u>
Excess of Revenues Over Expenditures	<u>4,693,065</u>	<u>4,648,404</u>	<u>6,706,833</u>	<u>2,058,429</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	878,997	878,997	899,183	20,186
Transfers out	<u>(6,509,685)</u>	<u>(6,986,796)</u>	<u>(6,986,796)</u>	<u>-</u>
Total Other Financing Uses	<u>(5,630,688)</u>	<u>(6,107,799)</u>	<u>(6,087,613)</u>	<u>20,186</u>
Net Change in Fund Balance	(937,623)	(1,459,395)	619,220	2,078,615
<b>FUND BALANCE</b>				
Beginning of Year	<u>937,623</u>	<u>1,459,395</u>	<u>12,529,751</u>	<u>11,070,356</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,148,971</u>	<u>\$ 13,148,971</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
<b>DEPARTMENTAL INCOME</b>				
Solid waste disposal	\$ 15,094,217	\$ 15,731,333	\$ 16,231,221	\$ 499,888
Other unclassified	120,000	120,000	122,844	2,844
	<u>15,214,217</u>	<u>15,851,333</u>	<u>16,354,065</u>	<u>502,732</u>
<b>INTERGOVERNMENTAL CHARGES</b>				
Services for other governments	2,225,836	2,225,836	2,225,836	-
<b>USE OF MONEY AND PROPERTY</b>				
Interest and earnings	1,500	1,500	-	(1,500)
Rental of real property	69,368	69,368	89,444	20,076
	<u>70,868</u>	<u>70,868</u>	<u>89,444</u>	<u>18,576</u>
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS</b>				
Recycling	53,500	102,543	240,592	138,049
Sale of equipment	-	-	2,800	2,800
	<u>53,500</u>	<u>102,543</u>	<u>243,392</u>	<u>140,849</u>
<b>STATE AID</b>				
Environmental conservation	51,000	51,000	50,500	(500)
<b>MISCELLANEOUS</b>				
Unclassified	-	14,601	46,938	32,337
Total Revenues	<u>17,615,421</u>	<u>18,316,181</u>	<u>19,010,175</u>	<u>693,994</u>
<b>EXPENDITURES</b>				
<b>HOME AND COMMUNITY SERVICES</b>				
Administration	874,154	863,210	863,210	-
Leachate	380,177	309,833	309,833	-
Transfer station	14,827,423	15,773,505	15,773,505	-
Scale house	173,105	200,056	200,056	-
Maintenance	325,342	340,217	340,217	-
Equipment	24,500	24,794	24,794	-
Recycling	336,300	193,878	193,878	-
	<u>16,941,001</u>	<u>17,705,493</u>	<u>17,705,493</u>	<u>-</u>

**Town of North Hempstead, New York**

Solid Waste Management Authority Fund  
 Schedule of Revenues, Expenditures and Changes  
 in Fund Balance - Budget and Actual (Continued)  
 Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>EMPLOYEE BENEFITS</b>				
State retirement	\$ 151,392	\$ 183,537	\$ 183,537	\$ -
Social security	81,950	84,651	84,651	-
Workers' compensation	15,160	95,623	95,623	-
Unemployment benefits	-	(3,887)	(3,887)	-
Hospital, medical and dental	500,012	493,010	493,010	-
Other employee benefits	906	906	906	-
	<u>749,420</u>	<u>853,840</u>	<u>853,840</u>	<u>-</u>
Total Expenditures	<u>17,690,421</u>	<u>18,559,333</u>	<u>18,559,333</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(75,000)</u>	<u>(243,152)</u>	<u>450,842</u>	<u>693,994</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	75,000	75,000	75,000	-
Transfers out	-	(1,253,564)	(1,253,564)	-
Total Other Financing Sources (Uses)	<u>75,000</u>	<u>(1,178,564)</u>	<u>(1,178,564)</u>	<u>-</u>
Net Change in Fund Balance	-	(1,421,716)	(727,722)	693,994
<b>FUND BALANCE</b>				
Beginning of Year	<u>-</u>	<u>1,421,716</u>	<u>727,722</u>	<u>(693,994)</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES</b>	\$ 6,063,647	\$ 6,063,647	\$ 6,063,670	\$ 23
<b>OTHER TAX ITEMS</b>				
Payment in lieu of taxes	486,752	486,752	486,945	193
Interest and penalties on real property taxes	-	-	147	147
	<u>486,752</u>	<u>486,752</u>	<u>487,092</u>	<u>340</u>
<b>NON-PROPERTY TAXES</b>				
Franchise fees	57,000	57,000	57,000	-
<b>DEPARTMENTAL INCOME</b>				
Parking enforcement	440,000	440,000	275,564	(164,436)
Registrar of vital statistics	375,000	375,000	424,567	49,567
Zoning board fees	200,000	200,000	180,350	(19,650)
	<u>1,015,000</u>	<u>1,015,000</u>	<u>880,481</u>	<u>(134,519)</u>
<b>USE OF MONEY AND PROPERTY</b>				
Interest and earnings	24,000	24,000	2,635	(21,365)
<b>LICENSES AND PERMITS</b>				
Building permits	4,654,000	4,654,000	5,015,472	361,472
<b>FINES AND FORFEITURES</b>				
Court fines	175,000	175,000	109,840	(65,160)
<b>INTERFUND REVENUES</b>				
	-	5,151	5,151	-
<b>STATE AID</b>				
Other	150,000	150,000	-	(150,000)
<b>MISCELLANEOUS</b>				
Refund of prior year expenditures	-	-	588	588
Total Revenues	<u>12,625,399</u>	<u>12,630,550</u>	<u>12,621,929</u>	<u>(8,621)</u>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT SUPPORT</b>				
Unallocated insurance	86,900	85,178	78,219	6,959
Other	2,584,063	2,565,572	2,467,303	98,269
	<u>2,670,963</u>	<u>2,650,750</u>	<u>2,545,522</u>	<u>105,228</u>
<b>PUBLIC SAFETY</b>				
Parking enforcement	348,983	348,983	318,332	30,651
Building	4,224,405	4,318,917	4,318,917	-
Code enforcement	470,381	470,381	438,761	31,620
	<u>5,043,769</u>	<u>5,138,281</u>	<u>5,076,010</u>	<u>62,271</u>

**Town of North Hempstead, New York**

Part Town Fund  
 Schedule of Revenues, Expenditures and Changes  
 in Fund Balance - Budget and Actual (Continued)  
 Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>HEALTH</b>				
Registrar of vital statistics	\$ 320,027	\$ 358,016	\$ 358,016	\$ -
<b>TRANSPORTATION</b>				
Snow removal	-	5,151	5,151	-
<b>HOME AND COMMUNITY SERVICES</b>				
Board of appeals	203,997	235,797	222,892	12,905
Planning and development - staff	1,090,212	864,699	857,793	6,906
Environmental facilities	62,352	95,128	95,128	-
	<u>1,356,561</u>	<u>1,195,624</u>	<u>1,175,813</u>	<u>19,811</u>
<b>EMPLOYEE BENEFITS</b>				
State retirement	1,016,475	1,016,475	1,014,321	2,154
Social security	450,000	477,245	477,245	-
Workers' compensation	218,613	222,539	222,539	-
Unemployment benefits	5,000	-	-	-
Disability benefits	200	-	-	-
Hospital, medical and dental	1,691,980	1,715,394	1,715,394	-
Other employee benefits	19,076	18,340	18,340	-
	<u>3,401,344</u>	<u>3,449,993</u>	<u>3,447,839</u>	<u>2,154</u>
Total Expenditures	<u>12,792,664</u>	<u>12,797,815</u>	<u>12,608,351</u>	<u>189,464</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(167,265)</u>	<u>(167,265)</u>	<u>13,578</u>	<u>180,843</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(99,849)</u>	<u>(449,431)</u>	<u>(401,252)</u>	<u>48,179</u>
Net Change in Fund Balance	<u>(267,114)</u>	<u>(616,696)</u>	<u>(387,674)</u>	<u>229,022</u>
<b>FUND BALANCE</b>				
Beginning of Year	<u>267,114</u>	<u>616,696</u>	<u>10,255,761</u>	<u>9,639,065</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,868,087</u>	<u>\$ 9,868,087</u>

See independent auditors' report.

**Town of North Hempstead, New York**

Refuse and Garbage Districts Fund  
 Schedule of Revenues, Expenditures and Changes  
 in Fund Balance - Budget and Actual  
 Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES</b>	\$ 9,474,474	\$ 9,474,474	\$ 9,475,613	\$ 1,139
<b>OTHER TAX ITEMS</b>				
Payment in lieu of taxes	154,565	154,565	172,675	18,110
Interest and penalties on real property taxes	-	-	397	397
Other tax items	30,000	30,000	30,001	1
	<u>184,565</u>	<u>184,565</u>	<u>203,073</u>	<u>18,508</u>
<b>USE OF MONEY AND PROPERTY</b>				
Interest and earnings	9,100	9,100	79	(9,021)
Total Revenues	<u>9,668,139</u>	<u>9,668,139</u>	<u>9,678,765</u>	<u>10,626</u>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT SUPPORT</b>				
Other	46,731	46,731	46,731	-
<b>HOME AND COMMUNITY SERVICES</b>				
Sanitation	9,573,908	9,573,908	9,290,846	283,062
Total Expenditures	<u>9,620,639</u>	<u>9,620,639</u>	<u>9,337,577</u>	<u>283,062</u>
Excess of Revenues Over Expenditures	<u>47,500</u>	<u>47,500</u>	<u>341,188</u>	<u>293,688</u>
<b>OTHER FINANCING USES</b>				
Transfers out	(75,000)	(75,000)	(75,000)	-
Net Change in Fund Balance	(27,500)	(27,500)	266,188	293,688
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of Year	<u>27,500</u>	<u>27,500</u>	<u>(1,434,042)</u>	<u>(1,461,542)</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,167,854)</u>	<u>\$ (1,167,854)</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 Park 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, 2021

	Fire Protection Districts	Lighting District	Park Districts
<b>ASSETS</b>			
Cash and equivalents	\$ 1,244,946	\$ 560,516	\$ 778,571
Investments - LOSAP	9,245,097	-	-
Receivables			
Accounts	44,248	-	-
Due from other funds	-	-	-
	44,248	-	-
Prepaid expenditures	-	2,033	26,495
Total Assets	<u>\$ 10,534,291</u>	<u>\$ 562,549</u>	<u>\$ 805,066</u>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>			
Liabilities			
Accounts payable and accrued liabilities	\$ 35,516	\$ 213,803	\$ 18,430
Deposits payable	-	-	380,766
Due to other funds	48,655	-	47,500
Unearned revenues	10,074	1,718	-
Total Liabilities	<u>94,245</u>	<u>215,521</u>	<u>446,696</u>
Fund balances (deficits)			
Nonspendable	-	2,033	26,495
Restricted	9,245,097	-	-
Assigned	1,194,949	344,995	331,875
Unassigned	-	-	-
Total Fund Balances (Deficits)	<u>10,440,046</u>	<u>347,028</u>	<u>358,370</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 10,534,291</u>	<u>\$ 562,549</u>	<u>\$ 805,066</u>

See independent auditors' report.



Sidewalk District	Public Parking District	Water District	Total Non-Major Governmental Funds
\$ 2,319,219	\$ -	\$ 16,596	\$ 4,919,848
-	-	-	9,245,097
-	1,756	-	46,004
18,257	-	-	18,257
18,257	1,756	-	64,261
39,856	17,645	-	86,029
<u>\$ 2,377,332</u>	<u>\$ 19,401</u>	<u>\$ 16,596</u>	<u>\$ 14,315,235</u>
\$ 119,413	\$ 13,309	\$ 14,137	\$ 414,608
-	-	-	380,766
16,227	181,586	-	293,968
2,179	474	-	14,445
137,819	195,369	14,137	1,103,787
39,856	17,645	-	86,029
-	-	-	9,245,097
2,199,657	-	2,459	4,073,935
-	(193,613)	-	(193,613)
2,239,513	(175,968)	2,459	13,211,448
<u>\$ 2,377,332</u>	<u>\$ 19,401</u>	<u>\$ 16,596</u>	<u>\$ 14,315,235</u>

**Town of North Hempstead, New York**

Combining Statement of Revenues, Expenditures and Changes  
in Fund Balances  
Non-Major Governmental Funds  
Year Ended December 31, 2021

	Fire Protection Districts	Lighting District	Park Districts
<b>REVENUES</b>			
Real property taxes	\$ 6,816,272	\$ 2,231,457	\$ 2,943,235
Other tax items	658,929	188,691	20,550
Departmental income	-	-	301,518
Use of money and property	759,412	248	15,270
Interfund revenues	-	-	87,866
Miscellaneous	-	-	8,685
<b>Total Revenues</b>	<b>8,234,613</b>	<b>2,420,396</b>	<b>3,377,124</b>
<b>EXPENDITURES</b>			
Current			
General government support	322,333	271,075	382,495
Public safety	7,134,275	-	-
Transportation	-	2,266,094	-
Culture and recreation	-	-	1,292,805
Home and community services	-	-	-
Employee benefits	-	22,283	260,962
<b>Total Expenditures</b>	<b>7,456,608</b>	<b>2,559,452</b>	<b>1,936,262</b>
Excess (Deficiency) of Revenues Over Expenditures	778,005	(139,056)	1,440,862
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	4,358	30,448
Transfers out	-	(40,610)	(1,681,767)
<b>Other Financing Uses</b>	<b>-</b>	<b>(36,252)</b>	<b>(1,651,319)</b>
<b>Net Change in Fund Balance</b>	<b>778,005</b>	<b>(175,308)</b>	<b>(210,457)</b>
<b>FUND BALANCES (DEFICITS)</b>			
Beginning of Year	9,662,041	522,336	568,827
End of Year	<u>\$ 10,440,046</u>	<u>\$ 347,028</u>	<u>\$ 358,370</u>

See independent auditors' report.

Sidewalk District	Public Parking District	Water District	Total Non-Major Governmental Funds
\$ 2,830,184	\$ 338,719	\$ 54,516	\$ 15,214,383
243,883	20,912	7,724	1,140,689
-	513,403	-	814,921
594	159	7	775,690
18,628	-	-	106,494
28,651	1,861	-	39,197
<u>3,121,940</u>	<u>875,054</u>	<u>62,247</u>	<u>18,091,374</u>
588,367	207,608	-	1,771,878
-	-	-	7,134,275
1,161,253	351,991	-	3,779,338
-	-	-	1,292,805
-	-	65,523	65,523
590,234	225,988	-	1,099,467
<u>2,339,854</u>	<u>785,587</u>	<u>65,523</u>	<u>15,143,286</u>
782,086	89,467	(3,276)	2,948,088
38,421	241,712	-	314,939
(676,513)	(405,647)	-	(2,804,537)
<u>(638,092)</u>	<u>(163,935)</u>	<u>-</u>	<u>(2,489,598)</u>
143,994	(74,468)	(3,276)	458,490
<u>2,095,519</u>	<u>(101,500)</u>	<u>5,735</u>	<u>12,752,958</u>
<u>\$ 2,239,513</u>	<u>\$ (175,968)</u>	<u>\$ 2,459</u>	<u>\$ 13,211,448</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES</b>	\$ 6,815,192	\$ 6,815,192	\$ 6,816,272	\$ 1,080
<b>OTHER TAX ITEMS</b>				
Payment in lieu of taxes	714,211	714,211	658,691	(55,520)
Interest and penalties on real property taxes	-	-	238	238
	<u>714,211</u>	<u>714,211</u>	<u>658,929</u>	<u>(55,282)</u>
<b>USE OF MONEY AND PROPERTY</b>				
Interest earnings and income on investments	9,240	9,240	759,412	750,172
Total Revenues	<u>7,538,643</u>	<u>7,538,643</u>	<u>8,234,613</u>	<u>695,970</u>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT SUPPORT</b>				
Unallocated insurance	127,850	124,251	123,708	543
Other	245,780	256,802	198,625	58,177
	<u>373,630</u>	<u>381,053</u>	<u>322,333</u>	<u>58,720</u>
<b>PUBLIC SAFETY</b>				
Fire protection	7,235,013	7,327,279	7,134,275	193,004
Total Expenditures	<u>7,608,643</u>	<u>7,708,332</u>	<u>7,456,608</u>	<u>251,724</u>
Excess (Deficiency) of Revenues Over Expenditures	(70,000)	(169,689)	778,005	947,694
<b>FUND BALANCE</b>				
Beginning of Year	70,000	169,689	9,662,041	9,492,352
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,440,046</u>	<u>\$ 10,440,046</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES</b>	\$ 2,231,109	\$ 2,231,109	\$ 2,231,457	\$ 348
<b>OTHER TAX ITEMS</b>				
Payment in lieu of taxes	206,683	206,683	188,618	(18,065)
Interest and penalties on real property taxes	-	-	73	73
	<u>206,683</u>	<u>206,683</u>	<u>188,691</u>	<u>(17,992)</u>
<b>USE OF MONEY AND PROPERTY</b>				
Interest and earnings	3,555	3,555	248	(3,307)
Total Revenues	<u>2,441,347</u>	<u>2,441,347</u>	<u>2,420,396</u>	<u>(20,951)</u>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT SUPPORT</b>				
Unallocated insurance	10,250	902	902	-
Other	275,173	270,173	270,173	-
	<u>285,423</u>	<u>271,075</u>	<u>271,075</u>	<u>-</u>
<b>TRANSPORTATION</b>				
Lighting	2,096,229	2,266,094	2,266,094	-
<b>EMPLOYEE BENEFITS</b>				
State retirement	7,195	7,583	7,583	-
Social security	3,200	3,220	3,220	-
Workers' compensation	505	238	238	-
Hospital, medical and dental	12,193	11,151	11,151	-
Other employee benefits	350	91	91	-
	<u>23,443</u>	<u>22,283</u>	<u>22,283</u>	<u>-</u>
Total Expenditures	<u>2,405,095</u>	<u>2,559,452</u>	<u>2,559,452</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>36,252</u>	<u>(118,105)</u>	<u>(139,056)</u>	<u>(20,951)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	4,358	4,358	4,358	-
Transfers out	(40,610)	(40,610)	(40,610)	-
Total Other Financing Uses	<u>(36,252)</u>	<u>(36,252)</u>	<u>(36,252)</u>	<u>-</u>
Net Change in Fund Balance	-	(154,357)	(175,308)	(20,951)
<b>FUND BALANCE</b>				
Beginning of Year	-	154,357	522,336	367,979
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 347,028</u>	<u>\$ 347,028</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES</b>	\$ 2,943,033	\$ 2,943,033	\$ 2,943,235	\$ 202
<b>OTHER TAX ITEMS</b>				
Payment in lieu of taxes	17,605	17,605	20,550	2,945
<b>DEPARTMENTAL INCOME</b>				
Special recreational facility charges	352,000	352,000	301,518	(50,482)
<b>USE OF MONEY AND PROPERTY</b>				
Interest and earnings	7,380	7,380	270	(7,110)
Rental of real property	15,000	15,000	15,000	-
	22,380	22,380	15,270	(7,110)
<b>INTERFUND REVENUES</b>	60,000	60,000	87,866	27,866
<b>MISCELLANEOUS</b>				
Miscellaneous revenue	100	100	8,685	8,585
Total Revenues	3,395,118	3,395,118	3,377,124	(17,994)
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT SUPPORT</b>				
Unallocated insurance	32,000	29,903	29,903	-
Other	382,592	352,592	352,592	-
	414,592	382,495	382,495	-
<b>CULTURE AND RECREATION</b>				
Parks and pools	1,135,114	1,292,805	1,292,805	-
<b>EMPLOYEE BENEFITS</b>				
State retirement	65,273	74,657	74,657	-
Social security	55,275	72,805	72,805	-
Workers' compensation	5,508	721	721	-
Hospital, medical and dental	90,398	110,258	110,258	-
Other employee benefits	1,359	2,521	2,521	-
	217,813	260,962	260,962	-
Total Expenditures	1,767,519	1,936,262	1,936,262	-
Excess (Deficiency) of Revenues Over Expenditures	1,627,599	1,458,856	1,440,862	(17,994)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	30,448	30,448	30,448	-
Transfers out	(1,683,047)	(1,681,767)	(1,681,767)	-
Total Other Financing Uses	(1,652,599)	(1,651,319)	(1,651,319)	-
Net Change in Fund Balance	(25,000)	(192,463)	(210,457)	(17,994)
<b>FUND BALANCE</b>				
Beginning of Year	25,000	192,463	568,827	376,364
End of Year	\$ -	\$ -	\$ 358,370	\$ 358,370

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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES</b>	\$ 2,829,663	\$ 2,829,663	\$ 2,830,184	\$ 521
<b>OTHER TAX ITEMS</b>				
Payment in lieu of taxes	305,165	305,165	243,786	(61,379)
Interest and penalties on real property taxes	-	-	97	97
	<u>305,165</u>	<u>305,165</u>	<u>243,883</u>	<u>(61,282)</u>
<b>USE OF MONEY AND PROPERTY</b>				
Interest and earnings	9,880	9,880	594	(9,286)
<b>INTERFUND REVENUES</b>	-	17,957	18,628	671
<b>MISCELLANEOUS</b>				
Refund of prior year expenditures	-	-	28,651	28,651
Total Revenues	<u>3,144,708</u>	<u>3,162,665</u>	<u>3,121,940</u>	<u>(40,725)</u>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT SUPPORT</b>				
Unallocated insurance	17,900	17,900	16,108	1,792
Other	592,259	592,259	572,259	20,000
	<u>610,159</u>	<u>610,159</u>	<u>588,367</u>	<u>21,792</u>
<b>TRANSPORTATION</b>				
Sidewalks	1,309,926	1,240,642	1,161,253	79,389
<b>EMPLOYEE BENEFITS</b>				
State retirement	145,172	145,172	137,109	8,063
Social security	73,000	73,000	65,950	7,050
Workers' compensation	37,641	37,641	22,811	14,830
Unemployment insurance	100	100	-	100
Hospital, medical and dental	414,262	414,262	361,528	52,734
Other employee benefits	3,597	3,597	2,836	761
	<u>673,772</u>	<u>673,772</u>	<u>590,234</u>	<u>83,538</u>
Total Expenditures	<u>2,593,857</u>	<u>2,524,573</u>	<u>2,339,854</u>	<u>184,719</u>
Excess of Revenues Over Expenditures	<u>550,851</u>	<u>638,092</u>	<u>782,086</u>	<u>143,994</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	38,421	38,421	38,421	-
Transfers out	(589,272)	(676,513)	(676,513)	-
Total Financing Uses	<u>(550,851)</u>	<u>(638,092)</u>	<u>(638,092)</u>	<u>-</u>
Net Change in Fund Balance	-	-	143,994	143,994
<b>FUND BALANCE</b>				
Beginning of Year	-	-	2,095,519	2,095,519
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,239,513</u>	<u>\$ 2,239,513</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES</b>	\$ 338,745	\$ 338,745	\$ 338,719	\$ (26)
<b>OTHER TAX ITEMS</b>				
Payment in lieu of taxes	20,563	20,563	20,912	349
<b>DEPARTMENTAL INCOME</b>				
Parking enforcement	85,000	85,000	-	(85,000)
Parking permits	85,000	85,000	56,458	(28,542)
Parking lots	285,000	285,000	251,412	(33,588)
Parking meter fees	200,000	200,000	205,533	5,533
	<u>655,000</u>	<u>655,000</u>	<u>513,403</u>	<u>(141,597)</u>
<b>USE OF MONEY AND PROPERTY</b>				
Interest and earnings	2,030	2,030	-	(2,030)
Rental of real property	-	-	159	159
	<u>2,030</u>	<u>2,030</u>	<u>159</u>	<u>(1,871)</u>
<b>MISCELLANEOUS</b>				
Other unclassified revenue	-	-	1,861	1,861
Total Revenues	<u>1,016,338</u>	<u>1,016,338</u>	<u>875,054</u>	<u>(141,284)</u>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT SUPPORT</b>				
Credit card fees	15,000	18,031	18,026	5
Unallocated insurance	4,600	4,600	4,071	529
Other	185,511	185,511	185,511	-
	<u>205,111</u>	<u>208,142</u>	<u>207,608</u>	<u>534</u>
<b>TRANSPORTATION</b>				
Parking	372,570	371,339	351,991	19,348
<b>EMPLOYEE BENEFITS</b>				
State employee retirement system	61,638	61,638	58,485	3,153
Social security	27,630	27,630	20,981	6,649
Workers' compensation	21,782	21,782	13,354	8,428
Hospital, medical and dental	143,761	143,761	132,133	11,628
Other employee benefits	1,553	1,553	1,035	518
	<u>256,364</u>	<u>256,364</u>	<u>225,988</u>	<u>30,376</u>
Total Expenditures	<u>834,045</u>	<u>835,845</u>	<u>785,587</u>	<u>50,258</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>182,293</u>	<u>180,493</u>	<u>89,467</u>	<u>(91,026)</u>



**Town of North Hempstead, New York**

Public Parking District  
 Schedule of Revenues, Expenditures and Changes  
 in Fund Balance - Budget and Actual (Continued)  
 Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 241,712	\$ 241,712	\$ 241,712	\$ -
Transfers out	<u>(424,005)</u>	<u>(424,005)</u>	<u>(405,647)</u>	<u>18,358</u>
Total Other Financing Uses	<u>(182,293)</u>	<u>(182,293)</u>	<u>(163,935)</u>	<u>18,358</u>
Net Change in Fund Balance	-	(1,800)	(74,468)	(72,668)
<b>FUND DEFICIT</b>				
Beginning of Year	<u>-</u>	<u>1,800</u>	<u>(101,500)</u>	<u>(103,300)</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (175,968)</u>	<u>\$ (175,968)</u>

See independent auditors' report.

**Town of North Hempstead, New York**

Water District  
 Schedule of Revenues, Expenditures and Changes  
 in Fund Balance - Budget and Actual  
 Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES</b>	\$ 54,520	\$ 54,520	\$ 54,516	\$ (4)
<b>OTHER TAX ITEMS</b>				
Payment in lieu of taxes	<u>7,536</u>	<u>7,536</u>	<u>7,724</u>	<u>188</u>
<b>USE OF MONEY AND PROPERTY</b>				
Interest and earnings	<u>150</u>	<u>150</u>	<u>7</u>	<u>(143)</u>
Total Revenues	<u>62,206</u>	<u>62,206</u>	<u>62,247</u>	<u>41</u>
<b>EXPENDITURES</b>				
<b>HOME AND COMMUNITY SERVICES</b>				
Water	<u>63,706</u>	<u>65,523</u>	<u>65,523</u>	<u>-</u>
Total Expenditures	<u>63,706</u>	<u>65,523</u>	<u>65,523</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,500)	(3,317)	(3,276)	41
<b>FUND BALANCE</b>				
Beginning of Year	<u>1,500</u>	<u>3,317</u>	<u>5,735</u>	<u>2,418</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,459</u>	<u>\$ 2,459</u>

See independent auditors' report.

**STATISTICAL SECTION**  
**(UNAUDITED)**

**Town of North Hempstead, New York**

Net Position by Component  
Last Ten Fiscal Years

<u>As of December 31,</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Governmental activities				
Net investment in capital assets	\$ 259,347,185	\$ 249,230,226	\$ 248,668,258	\$ 246,936,635
Restricted	9,366,414	11,538,242	5,178,210	6,464,595
Unrestricted	<u>(183,959,271)</u>	<u>(188,121,906)</u>	<u>(176,081,092)</u>	<u>(179,871,092)</u>
Total primary government net position	<u>\$ 84,754,328</u>	<u>\$ 72,646,562</u>	<u>\$ 77,765,376</u>	<u>\$ 73,530,138</u>

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

See independent auditors' report.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 248,900,563	\$ 242,330,248	\$ 239,681,379	\$ 231,094,773	\$ 225,486,423	\$ 231,420,763
7,464,775	12,144,195	-	-	1,841,053	2,117,638
<u>(85,812,029)</u>	<u>(84,425,694)</u>	<u>(69,252,429)</u>	<u>(64,790,663)</u>	<u>(65,367,033)</u>	<u>(66,309,234)</u>
<u>\$ 170,553,309</u>	<u>\$ 170,048,749</u>	<u>\$ 170,428,950</u>	<u>\$ 166,304,110</u>	<u>\$ 161,960,443</u>	<u>\$ 167,229,167</u>

**Town of North Hempstead, New York**

Changes in Net Position  
Last Ten Years

Year ended December 31,	2021	2020	2019	2018
<b>Expenses</b>				
Governmental activities:				
General government support	\$ 28,176,289	\$ 31,391,657	\$ 26,421,968	\$ 22,374,597
Education	2,349,819	2,657,322	2,102,250	2,680,039
Public safety	21,418,891	21,516,418	19,382,131	17,007,720
Health	687,860	690,837	501,762	405,955
Transportation	23,681,058	26,224,943	24,897,557	24,874,549
Economic assistance and opportunity	3,419,705	3,683,569	3,594,064	3,175,299
Culture and recreation	32,664,059	31,299,681	31,434,837	31,364,889
Home and community service	27,964,139	29,717,641	29,209,440	27,932,903
Interest on debt	5,053,356	5,162,083	5,971,524	5,814,348
Total primary government expenses	<u>\$ 145,415,176</u>	<u>\$ 152,344,151</u>	<u>\$ 143,515,533</u>	<u>\$ 135,630,299</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government support	\$ 717,770	\$ 443,702	\$ 487,283	\$ 532,911
Public safety	5,672,209	5,404,766	6,935,928	5,731,206
Health	424,567	415,586	267,540	251,562
Transportation	1,039,272	866,432	1,548,494	1,663,892
Economic assistance and opportunity	28,910	19,378	59,864	31,870
Culture and recreation	8,512,413	3,716,675	8,904,642	8,553,798
Home and community service	18,912,737	16,098,829	16,171,218	16,726,713
Operating grants and contributions	1,382,760	990,321	1,550,237	495,371
Capital grants and contributions	5,072,904	10,969,402	3,739,607	1,039,716
Total primary government program revenues	<u>\$ 41,763,542</u>	<u>\$ 38,925,091</u>	<u>\$ 39,664,813</u>	<u>\$ 35,027,039</u>
<b>Net (Expense) Revenue</b>				
Total primary government net expense	<u>\$ (103,651,634)</u>	<u>\$ (113,419,060)</u>	<u>\$ (103,850,720)</u>	<u>\$ (100,603,260)</u>
<b>General Revenues</b>				
Governmental Activities:				
Real property taxes	\$ 78,172,073	\$ 76,703,013	\$ 75,897,627	\$ 73,463,548
Real property tax items	5,865,391	5,842,926	5,819,940	5,499,824
Non-property tax items	16,297,882	13,994,959	14,659,001	14,268,519
Interest earnings - unrestricted	98,032	786,435	1,993,413	1,196,207
Mortgage tax	13,224,118	9,522,797	8,161,165	7,819,351
Sale of property and compensation for loss	-	-	90,000	-
State aid - unrestricted	-	-	-	1,023,565
Other	2,101,904	1,450,116	1,464,812	1,232,566
Total primary government	<u>\$ 115,759,400</u>	<u>\$ 108,300,246</u>	<u>\$ 108,085,958</u>	<u>\$ 104,503,580</u>
<b>Change in Net Position</b>				
Total primary government change in net position	<u>\$ 12,107,766</u>	<u>\$ (5,118,814)</u>	<u>\$ 4,235,238</u>	<u>\$ 3,900,320</u>

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

See independent auditors' report.

2017	2016	2015	2014	2013	2012
\$ 30,216,273	\$ 28,779,266	\$ 28,189,765	\$ 29,539,133	\$ 28,161,989	\$ 27,351,522
3,455,484	2,325,386	2,199,528	1,823,139	2,007,847	2,502,099
14,259,877	15,129,393	14,292,840	14,261,443	13,883,747	13,102,628
410,369	390,993	427,110	422,533	400,116	339,412
23,540,680	23,473,504	24,270,255	23,690,160	26,237,863	24,696,466
3,647,150	3,798,866	3,626,479	2,873,584	2,957,536	2,853,738
29,362,341	28,423,638	26,621,444	26,962,089	28,275,078	27,158,800
26,859,210	29,671,225	27,259,608	27,652,600	38,960,568	32,643,032
5,350,058	5,222,307	5,812,532	4,815,137	5,650,792	6,263,292
<u>\$ 137,101,442</u>	<u>\$ 137,214,578</u>	<u>\$ 132,699,561</u>	<u>\$ 132,039,818</u>	<u>\$ 146,535,536</u>	<u>\$ 136,910,989</u>
\$ 566,435	\$ 438,798	\$ 501,619	\$ 497,926	\$ 432,869	\$ 364,101
5,101,695	4,421,971	4,333,981	3,585,511	4,133,966	4,377,666
270,362	282,800	262,706	274,282	285,178	263,486
2,004,874	1,478,194	1,548,496	1,318,572	2,288,644	1,660,870
52,166	43,497	61,324	281,716	351,277	22,164
8,900,648	9,466,886	9,477,758	10,028,738	9,819,123	10,368,158
15,545,743	16,213,363	16,553,220	16,446,757	18,032,300	18,074,442
608,922	1,176,467	2,785,051	5,142,096	13,003,479	9,142,273
2,094,442	1,501,146	870,020	476,148	552,202	29,125
<u>\$ 35,145,287</u>	<u>\$ 35,023,122</u>	<u>\$ 36,394,175</u>	<u>\$ 38,051,746</u>	<u>\$ 48,899,038</u>	<u>\$ 44,302,285</u>
<u>\$ (101,956,155)</u>	<u>\$ (102,191,456)</u>	<u>\$ (96,305,386)</u>	<u>\$ (93,988,072)</u>	<u>\$ (97,636,498)</u>	<u>\$ (92,608,704)</u>
\$ 69,454,516	\$ 73,724,772	\$ 73,161,136	\$ 72,038,134	\$ 70,878,833	\$ 68,261,387
5,358,015	5,681,740	2,573,825	2,344,889	2,277,435	2,033,313
13,879,873	13,632,320	13,554,251	12,850,767	13,235,095	12,441,196
1,300,037	228,531	243,894	1,501,136	632,970	775,259
9,184,447	9,556,463	7,698,406	7,228,190	7,493,601	6,690,606
-	-	-	-	1,023,565	-
1,023,565	1,023,565	1,023,565	1,023,565	1,923,480	1,023,565
2,260,262	2,935,695	2,847,395	2,188,594	1,575,642	1,841,674
<u>\$ 102,460,715</u>	<u>\$ 106,783,086</u>	<u>\$ 101,102,472</u>	<u>\$ 99,175,275</u>	<u>\$ 99,040,621</u>	<u>\$ 93,067,000</u>
<u>\$ 504,560</u>	<u>\$ 4,591,630</u>	<u>\$ 4,797,086</u>	<u>\$ 5,187,203</u>	<u>\$ 1,404,123</u>	<u>\$ 458,296</u>

**Town of North Hempstead, New York**

Fund Balances of Governmental Funds  
Last Ten Years

As of December 31,	2021	2020	2019	2018
General Fund				
Nonspendable	\$ 1,466,068	\$ 1,348,585	\$ 1,354,010	\$ 1,303,353
Assigned	4,708,348	4,480,804	5,036,573	4,584,013
Unassigned	19,913,057	12,253,880	10,914,844	9,981,457
Total General Fund	\$ 26,087,473	\$ 18,083,269	\$ 17,305,427	\$ 15,868,823
All other governmental funds				
Nonspendable	\$ 1,139,300	\$ 1,061,115	\$ 870,460	\$ 888,692
Restricted	46,483,415	44,832,122	48,230,195	44,039,831
Assigned	26,037,722	26,917,511	24,690,680	25,036,855
Unassigned	(1,361,467)	(1,552,905)	(1,944,602)	(3,931,626)
Total All Other Governmental Funds	\$ 72,298,970	\$ 71,257,843	\$ 71,846,733	\$ 66,033,752

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

See independent auditors' report.



<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
\$ 1,214,842	\$ 2,495,507	\$ 1,622,361	\$ 2,605,903	\$ 6,317,118	\$ 5,522,182
4,751,811	3,552,773	2,623,538	3,616,445	3,707,833	3,815,070
8,370,032	8,270,030	7,445,560	4,161,400	3,693,793	201,856
<u>\$ 14,336,685</u>	<u>\$ 14,318,310</u>	<u>\$ 11,691,459</u>	<u>\$ 10,383,748</u>	<u>\$ 13,718,744</u>	<u>\$ 9,539,108</u>
\$ 901,586	\$ 862,450	\$ 3,716,181	\$ 1,459,022	\$ 371,007	\$ 958,708
45,356,032	6,470,022	493,155	15,539,657	1,841,053	2,117,638
22,149,346	23,179,163	19,539,989	19,684,938	17,704,669	17,085,131
(1,812,947)	(1,060,948)	(44,825,924)	(53,834,341)	(73,879,682)	(66,246,267)
<u>\$ 66,594,017</u>	<u>\$ 29,450,687</u>	<u>\$ (21,076,599)</u>	<u>\$ (17,150,724)</u>	<u>\$ (53,962,953)</u>	<u>\$ (46,084,790)</u>

**Town of North Hempstead, New York**

Changes in Fund Balances of Governmental Funds  
Last Ten Years

Year ended December 31,	2021	2020	2019	2018
<b>Revenues</b>				
Real property taxes	\$ 78,172,073	\$ 76,703,013	\$ 75,897,627	\$ 73,643,772
Other tax items	5,865,391	5,842,926	5,819,940	5,499,824
Non-property tax items	16,297,882	13,994,959	14,659,001	14,268,519
Departmental income	26,565,271	19,411,076	25,675,698	26,100,998
Intergovernmental charges	2,253,456	1,558,845	1,340,824	1,180,037
Use of money and property	1,195,875	1,555,771	3,178,188	1,144,767
License and permits	5,723,701	5,422,323	6,610,241	5,399,245
Fines and forfeitures	140,473	163,121	301,354	352,965
Sale of property and compensation for loss	400,716	167,290	201,656	294,476
Interfund revenues	7,429,184	6,963,250	7,010,939	6,830,352
State aid	15,516,480	11,244,439	10,069,899	10,413,133
Federal aid	1,935,081	6,019,305	3,816	270,766
Miscellaneous revenue	2,064,254	3,456,876	2,021,254	253,641
<b>Total Revenues</b>	<b>163,559,837</b>	<b>152,503,194</b>	<b>152,790,437</b>	<b>145,652,495</b>
<b>Expenditures</b>				
General government support	22,615,137	21,788,517	21,219,694	21,141,178
Education	2,349,819	2,657,322	2,102,250	2,680,039
Public safety	13,933,870	13,113,604	12,898,065	12,323,964
Health	358,016	310,886	248,911	231,204
Transportation	13,389,616	12,194,352	13,063,089	14,335,692
Economic assistance and opportunity	2,381,829	2,289,678	2,506,280	2,371,058
Culture and recreation	19,689,346	15,740,956	18,531,272	18,080,022
Home and community service	30,266,782	27,432,948	27,304,238	26,628,905
Employee benefits	22,913,865	21,502,061	21,635,272	21,298,922
Debt Service				
Principal	18,383,322	16,770,809	17,090,977	16,615,956
Interest	5,463,451	6,506,679	6,504,134	6,234,267
Other charges	-	377,983	-	-
Capital outlay	21,274,054	23,793,533	24,676,604	24,765,610
<b>Total Expenditures</b>	<b>173,019,107</b>	<b>164,479,328</b>	<b>167,780,786</b>	<b>166,706,817</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,459,270)	(11,976,134)	(14,990,349)	(21,054,322)
<b>Other Financing Sources (Uses)</b>				
Transfers in	31,202,108	37,011,495	27,642,134	23,777,729
Transfers out	(31,202,108)	(37,011,495)	(27,642,134)	(23,777,729)
Debt issuance	15,960,000	10,819,404	20,897,057	22,643,500
Premium on debt issuance	2,544,601	2,589,376	1,252,877	1,864,911
Bond anticipation notes redeemed	-	-	-	-
Retirement of debt payment made by funds	-	-	-	-
Refunding bonds issued	-	28,857,806	-	-
Payments to refunded bond escrow agent	-	(30,101,500)	-	-
Sale of property	-	-	90,000	821,200
<b>Total Other Financing Sources</b>	<b>18,504,601</b>	<b>12,165,086</b>	<b>22,239,934</b>	<b>25,329,611</b>
<b>Net Change in Fund Balances</b>	<b>\$ 9,045,331</b>	<b>\$ 188,952</b>	<b>\$ 7,249,585</b>	<b>\$ 4,275,289</b>
Debt service as a percentage of noncapital expenditures	15.80%	16.53%	16.46%	16.08%

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

See independent auditors' report.

	2017	2016	2015	2014	2013	2012
\$	69,274,292	\$ 73,724,772	\$ 73,161,136	\$ 72,038,134	\$ 70,878,833	\$ 68,261,387
	5,358,015	5,681,740	2,573,825	2,344,889	2,277,435	2,031,479
	13,879,873	13,632,320	13,554,251	12,850,767	13,235,095	12,441,196
	24,887,296	25,925,575	26,126,290	25,976,819	28,161,245	27,647,268
	1,176,710	1,199,836	1,302,739	963,096	2,381,714	1,794,090
	1,519,698	473,550	442,529	593,378	521,771	706,324
	5,535,816	4,335,603	4,549,233	3,234,920	3,655,105	3,945,324
	190,180	238,908	242,603	239,052	205,709	279,175
	921,275	703,004	682,269	409,852	1,370,285	356,668
	6,924,674	6,836,057	6,879,071	6,994,901	6,861,935	6,837,796
	12,411,291	12,454,869	10,659,621	10,400,768	10,698,776	9,472,707
	249,085	802,772	1,717,421	4,112,792	11,374,071	8,231,952
	703,633	1,242,126	1,152,977	1,203,246	1,334,774	1,839,787
	<u>143,031,838</u>	<u>147,251,132</u>	<u>143,043,965</u>	<u>141,362,614</u>	<u>152,956,748</u>	<u>143,845,153</u>
	20,875,498	20,871,024	21,122,838	21,719,953	20,971,505	20,214,430
	3,455,484	2,325,385	2,199,528	5,362,136	439,233	531,716
	11,922,786	12,494,483	12,394,374	12,162,015	11,725,481	11,349,801
	226,999	218,940	283,333	242,761	226,569	197,082
	14,404,316	14,246,990	15,290,185	14,396,223	16,542,073	15,257,407
	2,595,142	2,651,359	2,617,744	2,083,114	2,094,184	2,093,973
	17,464,056	17,169,378	16,602,868	16,993,305	17,789,654	16,889,672
	26,132,641	25,955,284	27,076,363	27,204,995	37,544,848	30,999,963
	20,829,919	20,122,128	19,333,110	18,533,022	17,504,421	16,384,918
	16,263,357	16,315,225	31,543,158	15,190,493	15,793,474	19,100,317
	5,317,824	4,863,242	4,765,583	4,287,174	5,391,079	7,022,723
	-	-	-	-	-	126,483
	19,266,865	11,719,397	12,608,240	10,123,687	10,632,754	23,240,864
	<u>158,754,887</u>	<u>148,952,835</u>	<u>165,837,324</u>	<u>148,298,878</u>	<u>156,655,275</u>	<u>163,409,349</u>
	(15,723,049)	(1,701,703)	(22,793,359)	(6,936,264)	(3,698,527)	(19,564,196)
	25,039,204	33,162,476	26,464,109	28,587,034	24,429,877	31,544,621
	(25,039,204)	(33,162,476)	(26,464,109)	(28,587,034)	(24,429,877)	(31,544,621)
	46,992,625	54,591,465	4,390,000	43,795,581	-	9,192,341
	217,956	264,375	2,997,535	220,325	-	604,540
	-	-	-	-	(2,285,201)	(1,898,059)
	-	-	-	-	2,285,201	1,898,059
	-	-	24,688,205	31,489,609	-	10,403,791
	-	-	(12,516,931)	(35,092,018)	-	(10,146,564)
	-	-	-	-	-	-
	<u>47,210,581</u>	<u>54,855,840</u>	<u>19,558,809</u>	<u>40,413,497</u>	<u>-</u>	<u>10,054,108</u>
\$	<u>31,487,532</u>	<u>\$ 53,154,137</u>	<u>\$ (3,234,550)</u>	<u>\$ 33,477,233</u>	<u>\$ (3,698,527)</u>	<u>\$ (9,510,088)</u>
	15.50%	15.42%	23.78%	14.13%	14.54%	18.75%

**Town of North Hempstead, New York**

**Governmental Activities Tax Revenues By Source  
Last Ten Years**

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<b>Year Ended December 31,</b>	<b>Real Property Tax</b>	<b>Real Property Tax Items</b>	<b>Non-Property Tax Items</b>	<b>Total</b>
2021	\$ 78,172,073	\$ 5,865,391	\$ 16,297,882	\$ 100,335,346
2020	76,703,013	5,842,926	13,994,959	96,540,898
2019	75,897,627	5,819,940	14,659,001	96,376,568
2018	73,643,772	5,499,824	14,268,519	93,412,115
2017	69,274,292	5,358,015	13,879,873	88,512,180
2016	73,724,772	5,681,740	13,632,320	93,038,832
2015	73,161,142	2,573,825	13,554,251	89,289,218
2014	72,038,134	2,344,889	12,850,767	87,233,790
2013	70,878,833	2,277,435	13,235,095	86,391,363
2012	68,261,387	2,033,313	12,441,196	82,735,896

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

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<b>Year Ended December 31,</b>	<b>Real Property Tax<sup>1</sup></b>	<b>Sales Tax<sup>2</sup></b>	<b>Mortgage Tax<sup>3</sup></b>	<b>Franchise Tax</b>	<b>Total</b>
2021	\$ 78,172,073	\$ 14,369,361	\$ 13,224,118	\$ 1,928,521	\$ 107,694,073
2020	76,703,013	11,846,015	9,522,797	2,091,944	100,163,769
2019	75,897,627	12,391,434	8,161,165	2,267,567	98,717,793
2018	73,643,772	11,964,837	7,819,351	2,303,682	95,731,642
2017	69,274,292	11,549,683	9,184,447	2,330,190	92,338,612
2016	73,724,772	11,237,939	9,556,463	2,394,381	96,913,555
2015	73,161,142	11,047,131	7,698,406	2,707,120	94,613,799
2014	72,038,134	10,845,925	7,228,190	2,004,842	92,117,091
2013	70,878,833	11,334,246	7,493,601	1,900,849	91,607,529
2012	68,261,387	10,613,091	6,690,606	1,828,105	87,393,189

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

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<b>Year Ended December 31,</b>	<b>Residential Property 1 to 4 Family Homes</b>	<b>Residential Property Condominium and Cooperatives</b>	<b>Utility Property</b>	<b>All Other Property</b>
2021	\$ 37,435,584	\$ 9,801,856	\$ 4,369,708	\$ 39,481,831
2020	84,966,952	8,313,627	3,910,145	35,855,239
2019	87,445,180	8,643,003	3,707,678	37,146,239
2018	89,473,157	8,419,278	3,483,284	34,614,735
2017	91,263,155	8,865,651	3,574,779	35,828,683
2016	93,593,109	8,995,913	7,939,673	42,012,337
2015	95,436,524	8,877,421	7,867,980	42,572,887
2014	97,799,191	9,012,086	8,550,680	43,874,552
2013	101,341,024	9,095,629	8,567,065	44,473,827
2012	110,586,676	9,792,042	8,830,153	48,767,035

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

Sources: Town of North Hempstead Budgets and Official Statements

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<b>Total Net Assessed Value</b>	<b>State Equalization Rate</b>	<b>Full Valuation</b>	<b>Total Direct Tax Rate</b>
\$ 91,088,979	0.18%	\$ 50,604,988,333	\$ 297.962
133,045,963	0.21%	63,355,220,476	183.838
136,942,100	0.23%	59,540,043,478	175.055
135,990,454	0.25%	54,396,181,600	168.264
139,532,268	0.27%	51,678,617,778	154.564
152,541,032	0.28%	54,478,940,000	150.735
154,754,812	0.31%	49,920,878,065	146.640
159,236,509	0.32%	49,761,409,063	137.830
163,477,545	0.32%	51,086,732,813	133.531
177,975,906	0.33%	53,932,092,727	118.848

**Town of North Hempstead, New York**

Property Tax Rates  
 Direct and Overlapping Governments  
 Last Ten Years

<b>GOVERNMENTAL FUNDS</b>									
<b>TOWN OPERATED DISTRICTS</b>									
<b>Year Ended December 31,</b>	<b>General</b>	<b>Town<sup>1</sup> Outside Villages</b>	<b>Fire Protection</b>	<b>Garbage</b>	<b>Lighting</b>	<b>Parks</b>	<b>Public Parking</b>	<b>Sidewalk</b>	<b>Water</b>
2021	28.595	69.529	51.611	42.429	5.588	84.553	2.679	7.087	5.892
2020	19.006	50.727	34.818	29.320	4.069	36.229	1.549	5.545	2.576
2019	18.239	49.198	34.354	27.675	3.445	32.392	1.396	5.656	2.700
2018	17.978	48.592	33.455	25.722	3.509	29.460	1.456	5.393	2.700
2017	17.272	44.373	29.003	24.742	3.307	27.160	1.380	5.083	2.243
2016	16.338	43.822	29.178	22.800	3.371	26.105	1.422	5.209	2.491
2015	15.987	43.077	28.133	21.769	3.299	25.399	1.392	5.136	2.448
2014	15.378	41.047	25.307	20.101	3.115	24.330	1.335	4.813	2.404
2013	14.632	39.925	24.248	20.317	3.047	23.189	1.277	4.583	2.313
2012	12.509	36.269	21.969	17.380	2.823	20.510	1.141	4.148	2.099

Source: Adopted Town Budgets

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

Includes all classes of property for each Fund/District



<b>Town Direct Rate</b>	<b>County Direct Rate</b>	<b>School Direct Rate</b>	<b>Total Direct &amp; Overlapping Rate</b>
297.962	275.32	1114.33	1687.61
183.838	189.42	731.08	1104.34
175.055	180.74	688.40	1044.19
168.264	191.36	675.77	1035.40
154.564	179.49	646.68	980.74
150.735	150.67	588.30	889.70
146.640	152.50	583.40	882.54
137.830	144.59	512.87	795.28
133.531	139.53	499.56	772.62
118.848	128.96	458.86	706.68

**Town of North Hempstead, New York**

Principal Property Taxpayers  
Current Year and Nine Years Ago

2021				
Rank	Taxpayer	Nature of Business	Assessed Valuation	Percentage of Total Assessed Valuation <sup>(1)</sup>
1	Keyspan Gas East	Utility	\$ 3,675,230	4.03%
2	Verizon New York	Utility	688,656	0.76%
3	Fifth Avenue of LI Real	Real Estate	936,470	1.03%
4	Country Glen LLC	Shopping Center	460,622	0.51%
5	1111 Marcus Avenue	Real Estate	863,292	0.95%
6	CLK Marcus Avenue Property	Real Estate	635,761	0.70%
7	We're Associates Inc	Real Estate	639,085	0.70%
8	Lake Success Shopping Center	Shopping Center	387,434	0.43%
9	Basser-Kaufman	Real Estate	223,172	0.25%
10	Birchwood Court Owners	Real Estate	269,469	0.30%
Total			<u>\$ 8,779,191</u>	<u>9.64%</u>

2012				
Rank	Taxpayer	Nature of Business	Assessed Valuation	Percentage of Total Assessed Valuation <sup>(1)</sup>
1	Long Island Power Authority	Utility	\$ 6,286,845	3.53%
2	Keyspan Gas East	Utility	3,906,702	2.20%
3	1 Park Lake Success LLC	Real Estate	1,452,184	0.82%
4	Verizon New York	Utility	1,288,114	0.72%
5	We're Associates Inc.	Real Estate	909,625	0.51%
6	Fifth Avenue of Long Island Realty Assoc.	Real Estate	880,430	0.49%
7	Feiga-Olive Tree/Marcus Ave LLC	Real Estate	869,361	0.49%
8	CK-HP LLC	Real Estate	611,076	0.34%
9	Country Glen LLC	Real Estate	610,104	0.34%
10	600 Community LLC	Real Estate	373,201	0.21%
Total			<u>\$ 17,187,642</u>	<u>9.66%</u>

Source: Town of North Hempstead 2022 and 2012 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

<b>Year Ended December 31,</b>	<b>Tax Levy For Town</b>	<b>Total Tax Levy <sup>1</sup></b>	<b>Amount Collected <sup>2</sup></b>	<b>Percent of Total Tax Levy Collected</b>	<b>Amount Uncollected <sup>2</sup></b>	<b>Percent of Total Tax Levy Uncollected</b>
2021	\$ 178,782,164	\$ 429,566,277	\$ 422,399,608	98.33%	\$ 7,166,669	1.67%
2020	172,452,052	424,472,260	417,193,306	98.29%	7,278,954	1.71%
2019	169,551,679	417,055,908	410,488,150	98.43%	6,567,758	1.57%
2018	165,790,392	426,027,889	419,031,503	98.36%	6,996,386	1.64%
2017	156,023,560	406,476,951	399,657,611	98.32%	6,819,340	1.68%
2016	163,674,001	393,506,864	399,930,223	101.63%	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%

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.

**Town of North Hempstead, New York**

Ratios of Outstanding Debt by Type  
Last Ten Years

<b>Governmental Activities</b>					
<b>Year Ended December 31,</b>	<b>General Obligation Bonds<sup>2</sup></b>	<b>Revenue Bonds</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income<sup>1</sup></b>	<b>Per Capita<sup>1</sup></b>
2021	\$ 200,942,296	\$ -	\$ 200,942,296	0.15%	\$ 846
2020	201,886,415	-	201,886,415	0.16%	874
2019	206,317,435	-	206,317,435	0.21%	896
2018	201,818,745	-	201,818,745	0.20%	873
2017	193,493,411	890,582	194,383,993	0.19%	846
2016	162,919,467	1,760,914	164,680,381	0.16%	717
2015	124,859,447	2,611,456	127,470,903	0.13%	556
2014	136,090,078	3,442,658	139,532,736	0.14%	611
2013	111,901,566	4,254,960	116,156,526	0.12%	512
2012	125,326,047	5,048,960	130,375,007	0.14%	577

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, 2021, the Town had \$31,057,601 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 Amounts are reported inclusive of premiums.

**Town of North Hempstead, New York**

Ratios of General Bonded Debt Outstanding  
Last Ten Years

<b>Year Ended December 31,</b>	<b>General Obligation Bonds<sup>3</sup></b>	<b>Percentage of Total Net Assessed Valuation<sup>1</sup></b>	<b>Percentage of Full Taxable Value<sup>1</sup> of Property</b>	<b>Per Capita<sup>2</sup></b>
2021	\$ 200,942,296	220.60%	0.40%	\$ 846
2020	201,886,415	151.74%	0.32%	874
2019	206,317,435	150.66%	0.35%	896
2018	201,818,745	148.41%	0.37%	873
2017	193,493,411	138.67%	0.37%	843
2016	162,919,467	106.80%	0.30%	709
2015	124,859,447	80.68%	0.25%	545
2014	136,090,078	85.46%	0.27%	596
2013	111,901,566	68.45%	0.22%	493
2012	125,326,047	70.42%	0.23%	555

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 Amounts are reported inclusive of premiums.

**Town of North Hempstead, New York**

Direct and Overlapping Governmental Activities Debt  
As of December 31, 2021

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
<b>Direct:</b>			
Town of North Hempstead	\$ 375,548,561	100.00%	\$ 375,548,561
<b>Overlapping:</b>			
Nassau County	3,585,852,000	16.25%	582,700,950
Incorporated Villages	109,141,216	Various <sup>1</sup>	92,770,034
School Districts	289,286,177	Various <sup>2</sup>	196,649,926
Fire Districts	-	100.00%	-
<b>Total overlapping debt</b>			<b>872,120,910</b>
<b>Total direct and overlapping debt</b>			<b>\$ 1,247,669,471</b>

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, 2021, the Town had \$13,625,601 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 2022 Official Statement

- <sup>1</sup> Seven of the villages located in the Town are also partially located in one of the neighboring towns.
- <sup>2</sup> One of the school districts located in the Town is also partially located in one of the neighboring towns.

**Town of North Hempstead**

Legal Debt Margin Information  
December 31, 2021

Years Ended December 31,	Net Assessed Valuation	State Equalization Rate	Full Valuation		
2021	\$ 91,088,979	0.18%	\$ 50,604,988,333		
2020	133,045,963	0.21%	63,355,220,476		
2019	136,942,100	0.23%	59,540,043,478		
2018	135,990,454	0.25%	54,396,181,600		
2017	139,532,268	0.27%	51,678,618,278		
Total Five Year Full Valuation			<u>279,575,052,166</u>		
Five Year Average Full Valuation of Taxable Real Property			<u>55,915,010,433</u>		
Constitutional Debt Limit (7% of Average Full Valuation)			<u>3,914,050,730</u>		
Inclusions:					
Outstanding Bonded Indebtedness at December 31st			375,548,561		
Outstanding Bond Anticipation Notes at December 31st			<u>73,711,601</u>		
Total Inclusions			<u>449,260,162</u>		
Exclusions:					
Water Bonds			77,958,968		
Water Bond Anticipation Notes			<u>42,654,000</u>		
Total Exclusions			<u>120,612,968</u>		
Net Indebtedness Subject to Debt Limit			<u>328,647,194</u>		
Net Debt Contracting Margin			<u>\$ 3,585,403,536</u>		
Percentage of Net Debt Contracting Margin Available			91.60%		
Percentage of Net Debt Contracting Power Exhausted			8.40%		
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
2021	\$ 3,914,050,730	\$ 328,647,194	\$ 3,585,403,536	8.40%	91.60%
2020	3,968,286,054	329,899,392	3,638,386,662	8.31%	91.69%
2019	3,849,825,477	310,808,372	3,539,017,105	8.07%	91.93%
2018	3,675,035,477	296,988,433	3,378,047,044	8.08%	91.92%
2017	3,596,972,088	297,220,265	3,299,751,823	8.26%	91.74%
2016	3,628,520,737	279,534,075	3,348,986,662	7.70%	92.30%
2015	3,636,267,921	284,836,307	3,351,431,614	7.83%	92.17%
2014	3,811,674,156	294,651,649	3,517,022,507	7.73%	92.27%
2013	4,001,362,554	289,009,786	3,712,352,768	7.22%	92.78%
2012	4,191,624,460	301,613,900	3,890,010,560	7.20%	92.80%

Source: The Town of North Hempstead Comptroller's Office

See independent auditors' report.

**Town of North Hempstead, New York**

Demographic and Economic Statistics  
Last Ten Years

<b>Year Ended December 31,</b>	<b>Population<sup>1</sup></b>	<b>Personal Income<sup>2</sup> (billions of dollars)</b>	<b>Per Capita Income<sup>2</sup></b>	<b>Median Family Income<sup>1</sup></b>	<b>Unemployment Rate<sup>3</sup></b>	<b>Number of Households Estimate<sup>1</sup></b>	<b>Average Household Size Estimates<sup>1</sup></b>	<b>Population Density Per Square Mile<sup>1</sup></b>
2021	237,639	130,069	96,253	137,415	2.2%	77,721	3.06	4,441
2020	230,933	130,069	96,253	125,364	5.3%	77,721	2.97	4,316
2019	230,241	100,019	63,857	117,750	3.0%	77,638	2.97	4,303
2018	231,085	100,019	62,844	111,570	3.0%	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	3.5%	76,658	3.00	4,292
2015	229,105	98,096	51,999	104,698	3.4%	76,523	2.99	4,282
2014	228,245	98,096	51,652	104,264	3.8%	76,868	2.97	4,265
2013	227,029	98,096	51,446	103,551	4.6%	76,856	2.95	4,243
2012	225,971	95,473	51,679	104,378	6.0%	77,023	2.93	4,223

Data Sources:

- 1 U.S. Census Bureau, 2020 Census and 2017 America Community Survey 5-Year Population Estimate
- 2 U.S. Department of Commerce, Bureau of Economic Analysis - Nassau County, 2021 is a copy of 2020 (last available data)
- 3 U.S. Department of Labor, Local Area Unemployment Statistics, North Hempstead town, NY - December of given year



**Town of North Hempstead, New York**

Principal Employers  
Current Year and Nine Years Ago

<b>2021</b>			
<b>Rank</b>	<b>Name</b>	<b>Type of Business</b>	<b>Number of Employees</b>
1	North Shore University Hospital at Manhasset	Hospital	13,697
2	Winthrop-University Hospital	Hospital	8,706
3	St. Francis Hospital	Hospital	3,573
4	Northwell Health Home Care	Home Health Agency	1,001
5	Daniel Gale Sotheby's International Realty	Real Estate Brokers - Residential	950
6	Northwell Health Stern Family Center	Nursing Home	576
7	Laffey Real Estate	Real Estate Brokers - Residential	560
8	Coffee Distributing Corp	Office Supply Companies	390
9	Sunharbor Manor	Nursing Home	220
10	Sands Point Center for Health & Rehabilitation	Home Health Agency	197

<b>2012</b>			
<b>Rank</b>	<b>Name</b>	<b>Type of Business</b>	<b>Number of Employees</b>
1	North Shore University	Hospital	7,824
2	Winthrop - University Hospital	Hospital	6,600
3	Long Island Jewish Medical Center	Hospital	6,500
4	St. Francis Hospital	Hospital	3,090
5	ProHEALTH Care Associates	Comprehensive Multi-Specialty Medical Practice	3,000
6	Broadridge Financial Solutions Inc.	Finance	1,500
7	New York Community Bankcorp inc.	Banking	1,208
8	Canon USA	Imaging Solution Provider	1,167
9	Astoria Federal Savings & Loan Association	Banking	1,148
10	Parker Jewish Institute for Health Care & Rehabilitation	Skilled Nursing and Rehabilitation Center	1,036

Source: Book of Lists, 2021, Long Island Business News and the Town  
2012 CAFR

**Town of North Hempstead, New York**

Full-Time Government Employees by Function  
Last Ten Years

Function	Full-Time Equivalent Employees as of December 31,				
	2021	2020	2019	2018	2017
General government	80	88	81	84	86
Highways	82	82	84	88	90
Parks and recreation	87	83	87	84	80
Buildings and planning	61	59	62	62	52
Public works	15	18	19	20	20
Community services	13	14	15	17	19
Town clerk	15	16	12	14	14
Receiver of taxes	14	14	14	14	13
Public safety	38	36	34	36	41
Solid waste management	14	13	12	12	14
Total	<u>419</u>	<u>423</u>	<u>420</u>	<u>431</u>	<u>429</u>

Source: Town of North Hempstead Human Resource Department records

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<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
87	85	85	87	89	84
84	86	86	96	90	94
80	69	69	77	76	79
48	47	47	50	50	42
20	23	23	23	26	25
23	21	21	27	28	16
15	16	16	19	19	21
14	14	14	14	18	17
37	34	34	38	32	28
17	15	15	15	15	15
<u>425</u>	<u>410</u>	<u>410</u>	<u>446</u>	<u>443</u>	<u>421</u>

**Town of North Hempstead, New York**

Operating Indicators by Function  
Last Ten Years

Year Ended December 31,	2021	2020	2019	2018	2017
<b>Function</b>					
Town Clerk					
Vital statistic documents	44,186	43,016	28,832	28,762	28,426
Dog licenses	3,269	3,322	3,735	4,133	4,303
Business licenses	1,059	731	798	1,152	1,241
Marriage licenses	812	971	899	891	827
Dumping permits	1,643	2,362	1,378	1,354	3,082
311 Call Center					
Calls Answered	176,510	177,079	160,886	168,710	173,344
Unique Service Requests	62,674	56,024	65,650	63,158	62,194
<i>Project Independence Calls</i>					
Taxi rides - medical appointment	12,019	8,136	11,812	11,326	12,166
Taxi rides - food shopping	3,507	3,398	4,567	4,329	4,390
Other project independence service requests	11,366	9,763	8,300	7,519	7,179
Building					
Building permits issued	5,275	4,726	6,355	5,635	5,003
Public Safety					
Dogs adopted or reclaimed by owners	79	91	143	195	179
Dog citations issued					
Fire					
Number of fire protection districts	11	11	11	11	11
Parking					
Number of parking meters	528	532	532	538	539
Off-Street Meters	468	233	239		
Parking lots and garage revenue	\$ 251,412	\$ 122,544	\$ 473,896	\$ 473,858	\$ 473,858
Annual meter revenue	\$ 204,417	\$ 150,529	\$ 250,662	\$ 260,181	\$ 260,181
Parking permit revenue	\$ 56,458	\$ 34,645	\$ 89,633	\$ 84,668	\$ 85,267
Highways and Streets					
Street resurfacing (lane miles)					
Number of trees planted	200	8	51	-	329
Number of trees trimmed	480	472	1,073	522	1,175
Number of trees removed	446	223	405	1,239	602
Road opening permits issued	525	557	719	745	722
Abandoned vehicles removed	4	8	13	20	20
Signs installed	1,021	2,544	1,214	1,704	1,692
Sanitation (tons per annum)					
Residential and commercial waste collected	137,864	128,839	134,141	143,274	132,655
Recyclables collected	8,449		8,084	8,263	8,517
Yardwaste	11,480	13,487	11,109	12,337	10,785
Construction and demolition debris	22,299	14,585	17,238	15,000	13,015
S.T.O.P. Program					
Household hazardous waste:					
Liquids (gallons)	11,045	7,150	13,055	14,495	9,825
Solids (pounds)	23,340	23,470	25,200	28,040	14,405
Other household items (pounds)	16,941	12,639	10,910	14,575	6,100
Pharmaceuticals (pounds)	1,900	540	-	-	-
E-waste (tons)	66	101	35	18	150
Shredded paper (tons)	88	41	41	47	42
Culture and recreation					
Beach permits issued	3,127	-	2,446	2,353	2,455
Registration for adult programs	123	-	344	253	455
Registration for summer programs	9,396	-	8,809	9,277	8,049

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.

See independent auditors' report.

	2016	2015	2014	2013	2012	2011
	30,272	27,845	29,007	29,069	26,956	25,931
	4,676	4,811	5,107	5,380	5,261	5,440
	1,160	1,306	1,290	1,276	1,432	1,365
	921	967	939	967	972	905
	1,096	3,221	964	2,348	2,293	567
	5091	5498	5,571	5,584	4,884	4,625
	254	239	273	275	337	274
			-0-	-0-	-0-	-0-
	11	11	11	11	11	11
	544	544	544	544	511	805
\$	453,666	\$ 399,004	\$ 370,063	\$ 376,568	\$ 276,242	\$ 337,401
\$	222,892	\$ 166,206	\$ 162,486	\$ 165,784	\$ 179,044	\$ 169,216
\$	84,760	\$ 54,870	\$ 52,405	\$ 51,410	\$ 50,705	\$ 50,540
	19	19.38	16	15	15	11
	540	212	194	568	277	244
	1,364	1,145	786	1,153	1,036	2,078
	694	734	518	793	617	585
	745	792	874	746	608	668
	34	11	3	11	6	9
	1,425	1,197	1,467	1,896	1,128	1,580
	141,689	149,117	156,000	155,927	159,650	173,472
	9,095	9,148	10,000	8,974	9,714	11,550
	13,905	14,225	15,000	34,356	42,621	18,291
	11,792	12,799	14,000	18,986	10,207	6,598

We do not collect at S.T.O.P. Events (NCPD is not willing to pay the OT)

37  
54

2,559	2,917	2,917	2,886	3,403	3,380
298	642	435	436	423	355
7,321	8,442	8,829	6,975	7,213	6,223

**Town of North Hempstead, New York**

Capital Asset Statistics by Function  
Last Ten Years

Year Ended December 31,	2021	2020	2019	2018	2017
<b>Function</b>					
General Government					
Town Hall and annex	3	3	3	3	3
Sanitation					
Transfer station	1	1	1	1	1
Annual tonnage processed	180,091	156,911	170,750	178,874	1,664,972
Highways and Streets					
Streets (miles)	275	275	275	275	275
Culture and recreation					
Parks acreage	838.5	838.5	838.5	838.5	838.5
Parks	49	49	49	49	49 #
Swimming pools	6	6	6	6	6
Beaches	2	2	2	2	2
Docks	2	2	2	2	2
Boat ramps	2	2	2	2	2
Golf courses (18 hole)	1	1	1	1	1
Golf courses (9 hole)	1	1	1	1	1
Driving range	1	1	1	1	1
Miniature golf course	1	1	1	1	1
Tennis courts	37	37	37	37	37
Community centers	4	4	4	4	4

Source: Various government departments

<sup>1</sup> 2010 and 2009 reflect adjustments made due to reclassification in prior years.

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

<sup>2</sup> Alvan Petrus Park opened in 2017 (1.5 acre property)

<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
3	3	3	3	2	2
1	1	1	1	1	1
176,481	185,289	195,000	222,773	222,790	210,007
275	275	275	275	275	275
837	837	837	837	837	841
48	48	48	48	48	48
6	6	6	6	6	6
2	2	2	2	2	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	37	37	35
4	4	4	4	4	3

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**FEDERAL  
AWARDS**

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**Report on Internal Control Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements Performed in Accordance  
With Government Auditing Standards**

**Independent Auditors' Report**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate 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, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated September 28, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**

Harrison, New York  
September 28, 2022



**Report on Compliance for Each Major Federal Program and Report on  
Internal Control Over Compliance Required by the Uniform Guidance**

**Independent Auditors' Report**

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Town of North Hempstead, New York's ("Town") compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Town's major federal programs for the year ended December 31, 2021. The Town's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

***Emphasis of Matter***

As discussed in Note 2, the Town's basic financial statements include the operations of the Town of North Hempstead Community Development Agency ("Agency") as part of the aggregate discretely presented component units, which expended \$818,372 in federal awards which is not included in the Schedule of Expenditures of Federal Awards for the year ended December 31, 2021. Our audit, described below, did not include the operations of these funds because their compliance audit is being issued under a separate cover by the Agency. Our opinion is not modified with respect to this matter.

## ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town's federal programs.

## ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Governmental Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error; as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**

Harrison, New York  
September 28, 2022

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**Town of North Hempstead, New York**

Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2021

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Provided to Subrecipients</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Transportation</u>				
Indirect Program - Passed Through New York State Department of Transportation				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	C004044	\$ -	\$ 56,913
Total U.S. Department of Transportation			-	56,913
<u>U.S. Environmental Protection Agency</u>				
Direct Program				
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	N/A	-	183,754
Total U.S. Environmental Protection Agency			-	183,754
<u>U.S. Department of Homeland Security</u>				
Indirect Program - Passed Through New York State Division of Homeland Security and Emergency Services				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4085-DR-NY	-	2,364,650
Total U.S. Department of Homeland Security			-	2,364,650
Total Expenditures of Federal Awards			\$ -	\$ 2,605,317

N/A - Information not available.

The accompanying notes are an integral part of this schedule.

## Town of North Hempstead, New York

Notes to Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2021

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### **Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Town of North Hempstead, New York ("Town") under programs of the federal government for the year ended December 31, 2021. Federal awards received directly from the Federal agencies as well as Federal awards passed through other government agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town.

### **Note 2 - Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

The financial statements include \$818,372 of federal award activity that is attributable to the Town of North Hempstead Community Development Agency (a discretely presented component unit of the Town of North Hempstead, New York). The audit of compliance in accordance with the Uniform Guidance will be issued separately by the Agency.

### **Note 3 - Indirect Cost Rate**

The Town has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Town of North Hempstead, New York**

Schedule of Findings and Questioned Costs  
Year Ended December 31, 2021

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**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

Yes     No  
 Yes     None reported

Noncompliance material to financial statements noted?

Yes     No

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

Yes     No  
 Yes     None reported

Type of auditors' report issued on compliance for major federal programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes     No

Identification of major federal programs:

Assistance

Listing Number(s)    Name of Federal Program or Cluster

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97.036    Disaster Grants - Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish between Type A and Type B programs

\$750,000

Auditee qualified as low-risk auditee?

Yes     No

**Town of North Hempstead, New York**

Schedule of Findings and Questioned Costs (Concluded)  
Year Ended December 31, 2021

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**Section II - Financial Statement Findings**

None

**Section III - Federal Award Findings and Questioned Costs**

None

**Town of North Hempstead, New York**

Summary of Prior Audit Findings  
Year Ended December 31, 2021

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None