



TOWN OF NORTH HEMPSTEAD

NASSAU COUNTY, NEW YORK

JENNIFER DeSENA, SUPERVISOR

www.northhempsteadny.gov

2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2022

Town of North Hempstead, New York

Annual Comprehensive Financial Report

Fiscal Year Ended December 31, 2022

Prepared by the Office of the Town Comptroller
Paul Wood, CPA
Director of Finance

Town of North Hempstead, New York

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Fiscal Year Ended December 31, 2022
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| <p style="text-align: center;">STATISTICAL SECTION (Unaudited)</p> |
|-------------------------------------------------------------------------------|

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

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**INTRODUCTORY
SECTION**

TOWN OF NORTH HEMPSTEAD

PRINCIPAL OFFICIALS

December 31, 2022

ELECTED OFFICIALS

TOWN BOARD:

| | |
|----------------------------|---------------------|
| SUPERVISOR | JENNIFER DESENA |
| DISTRICT 1 - COUNCILMEMBER | ROBERT TROIANO, JR. |
| DISTRICT 2 - COUNCILMEMBER | PETER J. ZUCKERMAN |
| DISTRICT 3 - COUNCILMEMBER | DENNIS J. WALSH |
| DISTRICT 4 - COUNCILMEMBER | VERONICA LURVEY |
| DISTRICT 5 - COUNCILMEMBER | DAVID A. ADHAMI |
| DISTRICT 6 - COUNCILMEMBER | MARIANN DALIMONTE |
| TOWN CLERK | RAGINI SRIVASTAVA |
| RECEIVER OF TAXES | CHARLES BERMAN |

APPOINTED OFFICIALS

| | |
|------------------------------------------------------------------------------|------------------------------|
| DEPUTY SUPERVISOR / CHIEF OF STAFF | JOSEPH R. SCALERO |
| TOWN ATTORNEY | JOHN CHIARA |
| DIRECTOR OF COMMUNICATIONS | GORDON TEPPER |
| COMMISSIONER OF PUBLIC SAFETY | SHAWN BROWN |
| COMMISSIONER OF COMMUNITY SERVICE and DEPARTMENT OF SERVICES OF THE AGING | KIMBERLY A. CORCORAN-GALANTE |
| COMMISSIONER OF PUBLIC WORKS (acting) | VICTOR THOMAS |
| SUPERINTENDENT OF HIGHWAYS | DOUGLAS SCHLAEFER |
| COMMISSIONER OF INFORMATION TECHNOLOGY | GEORGE MORFESSIS |
| COMMISSIONER OF ADMINISTRATIVE SERVICES | VACANT |
| COMMISSIONER OF SOLID WASTE MANAGEMENT | MARSHAH-REAFF BARRETT |
| COMMISSIONER OF PLANNING | MICHAEL A. LEVINE |
| COMMISSIONER OF 311 CALL CENTER | VINCENT MALIZIA |
| COMMISSIONER OF BUILDINGS | JOHN NIEWENDER |
| COMPTROLLER (acting) / DIRECTOR OF FINANCE | PAUL WOOD |
| COMMISSIONER OF PARKS & RECREATION | KELLY GILLEN |
| COMMISSIONER OF HUMAN RESOURCES | ROBERT WEITZNER |

Town of North Hempstead Organizational Chart As of 12/31/2022

Receiver of Taxes
Charles Berman

Town Clerk
Ragini Srivastava

Town Board
Supervisor DeSena
1. Robert Troiano, Jr. 4. Veronica Lurvey
2. Peter J. Zuckerman 5. David A. Adhami
3. Dennis J. Walsh 6. Mariam Dallimonte

Chief Research Analyst
Jeanine Dillon

Sec. to Comm. of Parks & Recreation
Sagar Mehta

Sec. to Comm. of Finance
Mitch Pitnick

Sec. to Councilman
Rachel Brinn

**Supervisor
Jennifer DeSena**

Director of Governmental Research
Steven Pollack

Grants Coordinator
Thomas Devaney

Director of Finance
Paul Wood

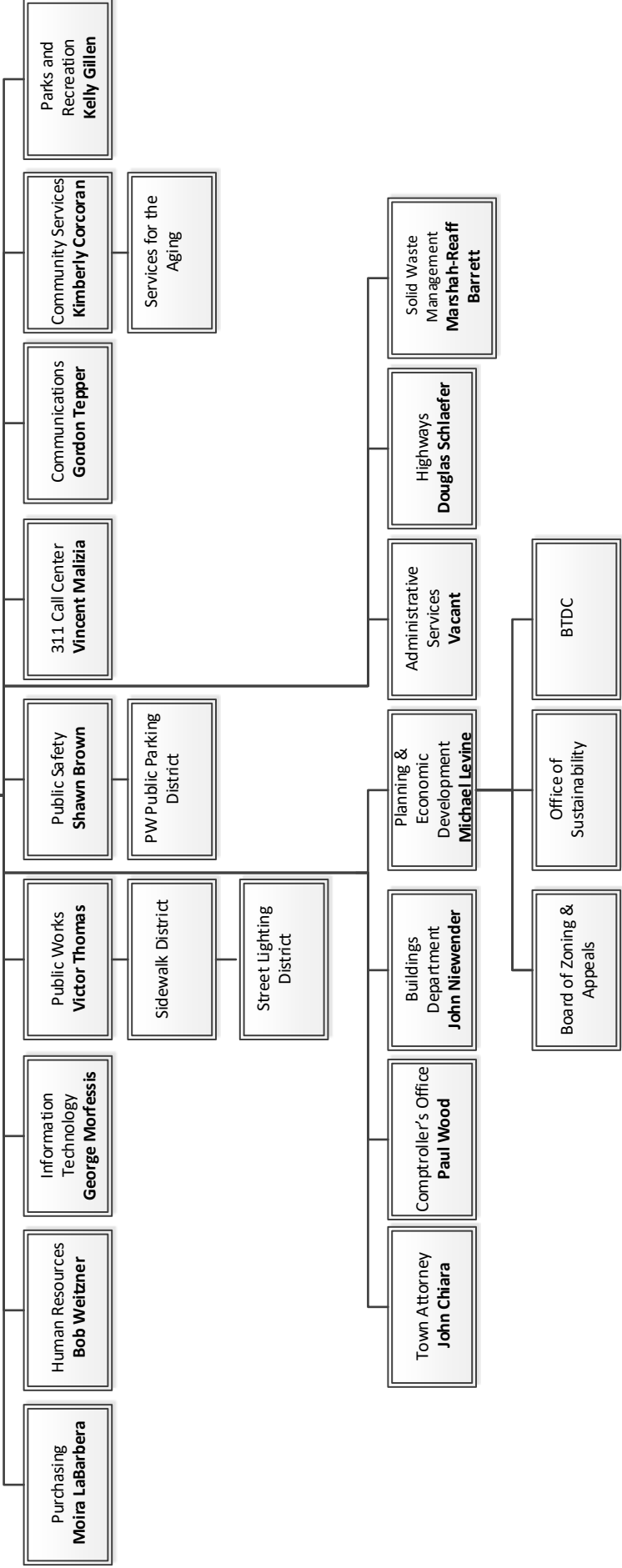
Conner Dunleavy
Exec. Assit. To the Supervisor

Noelle Sydor
Admin. Asst. to Supervisor

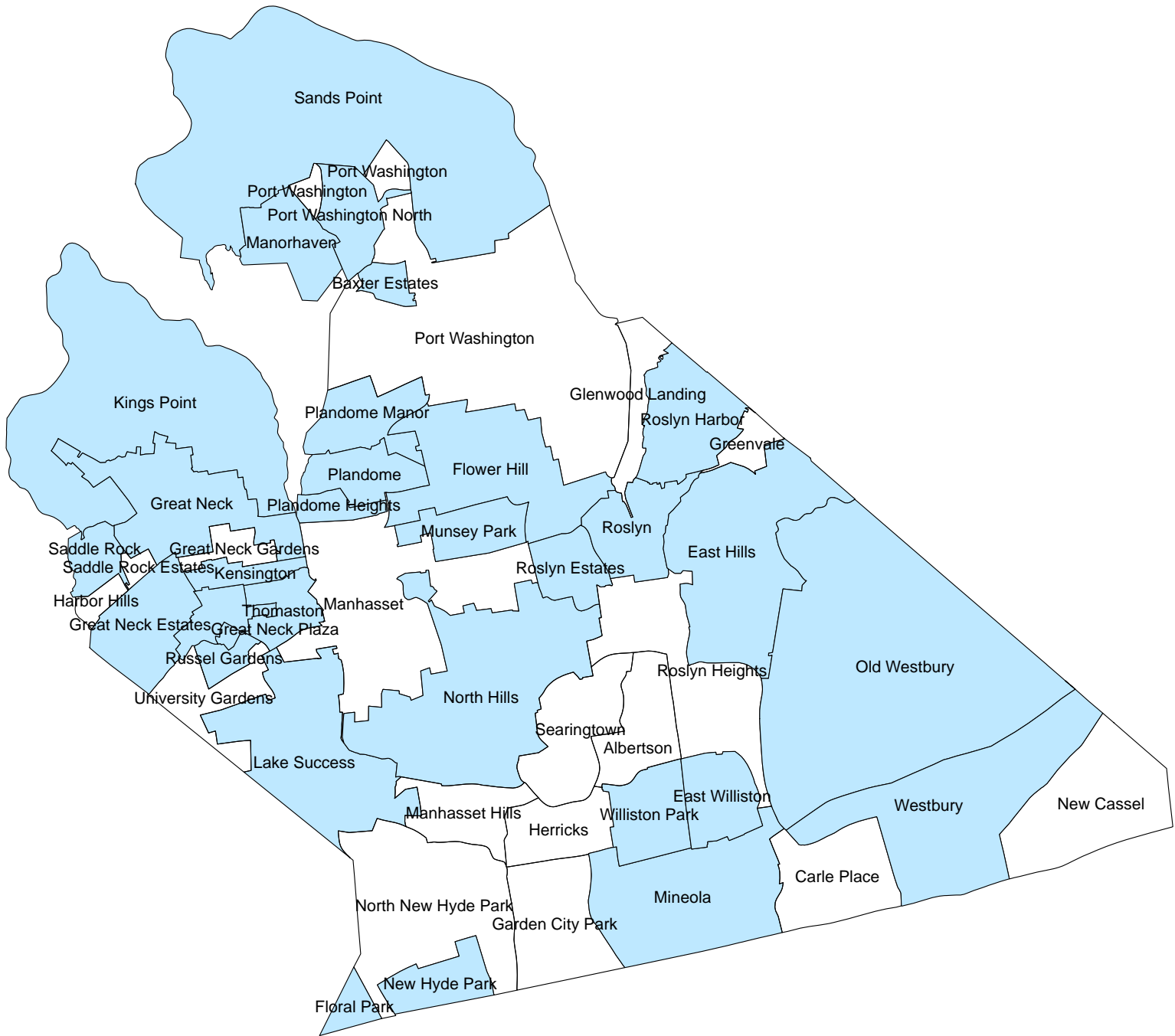
Deputy Supervisor & Chief of Staff
Joseph R. Scalero

Dir. of Legislative Affairs
Brian Devine

Special Counsel to the Supervisor
Charles McQuair



Town of North Hempstead



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

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

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



Supervisor
JENNIFER DeSENA

August 17, 2023

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, 2022. 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 twelfth Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the December 31, 2021, 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. I believe that the December 31, 2022, financial report continues to meet the requirements of the Certificate of Achievement Program.

This report is published to provide the Town Board, Town employees, residents, bond holders and other interested parties with detailed information concerning the Town’s operations and financial positions. Throughout my time in office, I have put a priority on transparency in government, as I believe it is more important than ever before. As such, I am proud of the Town’s ability to carefully balance any budgetary concerns while simultaneously continuing to provide essential services for our residents.

The preparation of this report is the direct result of the hard work and dedication of the Town’s Comptroller and her staff, my Director of Finance, and the cooperation of the other Town departments. Their hard work enhances the accounting and financial reporting of the Town and in turn provides a clear and detailed picture of the Town’s financial health to our residents.

Best regards,

Jennifer DeSena
North Hempstead Town Supervisor

TOWN OF NORTH HEMPSTEAD

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

COMPTROLLER'S OFFICE
220 PLANDOME ROAD
MANHASSET, NY 11030

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



Director of Finance
PAUL WOOD

August 17, 2023

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, 2022.

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 August 17, 2023, on the Town's financial statements as of and for the year ended December 31, 2022. Their report may be found at the beginning of the Financial Section.

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

Profile of the Government

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

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

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

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

North Hempstead includes all of Manhasset Bay and portions of both Little Neck Bay and Hempstead Harbor. The Town has two beaches, one within Manhasset Bay and one within Hempstead Harbor. Manhasset Bay in Port Washington is also the location of the Town Dock, which hosts a public mooring field, a kayak launch, docking facilities, and also serves as a fishing spot and the starting point for a harborside trail. A non-motorized boat dock was added during 2018 in Hempstead Harbor, bringing the total to two non-motorized boat docks at this location. The Town maintains boat launching sites on Manhasset Bay and Hempstead Harbor.

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

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

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

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

The Town is within easy commuting distance of New York City. The Long Island Rail Road, which has frequently scheduled trains, accommodates daily commutes and trips to New York City on three lines from 10 stations within the Town. The Town is connected with New York City and other nearby points by four main east-west highways: Route 25A (Northern Boulevard), Route 25 (Jericho Turnpike), Northern State Parkway and the Long Island Expressway. Town residents may also travel from nearby John F. Kennedy International, LaGuardia or Long Island-MacArthur Airports.

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

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

The Town of North Hempstead is governed by Town Law and other general laws of the State of New York and various local laws and ordinances. It is classified by New York State as a suburban town. The Town includes 31 incorporated villages. In addition, there are 16 unincorporated hamlets in the Town. The Town encompasses an area of over 53.58 square land miles and has a population of 237,433.

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

The Chief Executive Officer of the Town is the Supervisor, who is elected for a term of two years. The Supervisor is also a member of the Town Board. 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, Town Clerk and the Solid Waste Management Division.

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 46 special districts, of which 20 are Town operated and included in Primary Governmental Activities for financial reporting purposes. Of the remaining 26 districts, 20 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

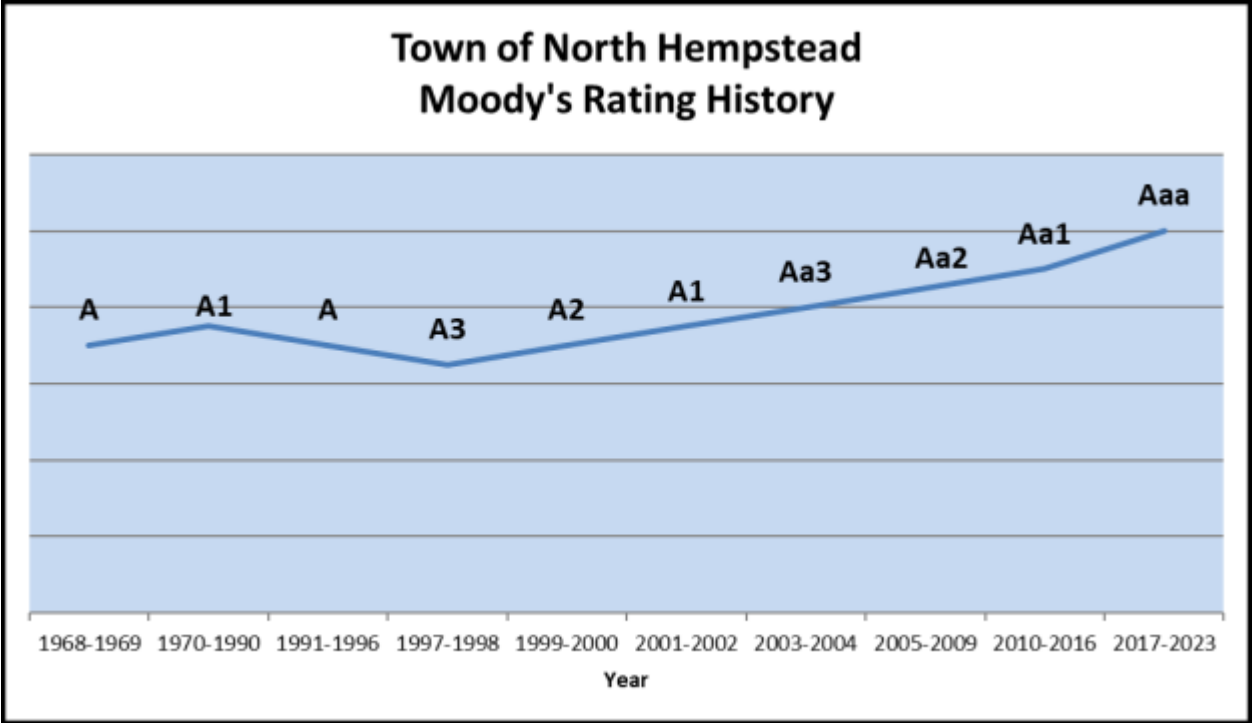
The Town’s award-winning hospitals and other medical providers offer an employment base for a largely highly educated and affluent population. These facilities not only employ thousands of local residents, across a wide spectrum of occupations, but also bring thousands of patients and their families 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 2022 unemployment annual average was 2.6%, less than 2021’s average. This decrease is related to the continued recovery from the COVID-19 pandemic and lifting of it’s related lockdown. 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 (7.4% annual average) 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.



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 the Town 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 Polices 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, 2021. This was the twelfth 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
Director of Finance



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, 2021

Christopher P. Morill

Executive Director/CEO

**FINANCIAL
SECTION**

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, 2022, 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, 2022, and the respective changes in financial position and the respective budgetary comparisons for the General, Highway, 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, Glenwood Water District, Albertson Water District, Garden City Park Water District, Port Washington Water District, Westbury Water District, Roslyn Water District, Carle Place Water District, Manhasset-Lakeville Water District, Manhasset Park District, Great Neck Park District, Port Washington Police District, Shelter Rock Public Library District, Town of North Hempstead Community Development Agency and Greater Port Washington Business Improvement District, which represent 99.81% and 99.7%, respectively, of the assets and deferred outflows of resources and revenues of the aggregate discretely presented component units as of December 31, 2022. 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 reports 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.

Other Matter

The auditor’s opinion on the Westbury Water District, which represents 5.9% of the assets and 4.25% of the revenues of the aggregate discretely presented component units, included a qualified opinion on its Governmental Activities and General Fund with respect to inventory valuation and leases, the effects of which were not determined. Our opinion is not modified with respect to this other 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 August 17, 2023 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

August 17, 2023

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis

Town of North Hempstead, New York

Management's Discussion and Analysis
December 31, 2022

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, 2022. 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).

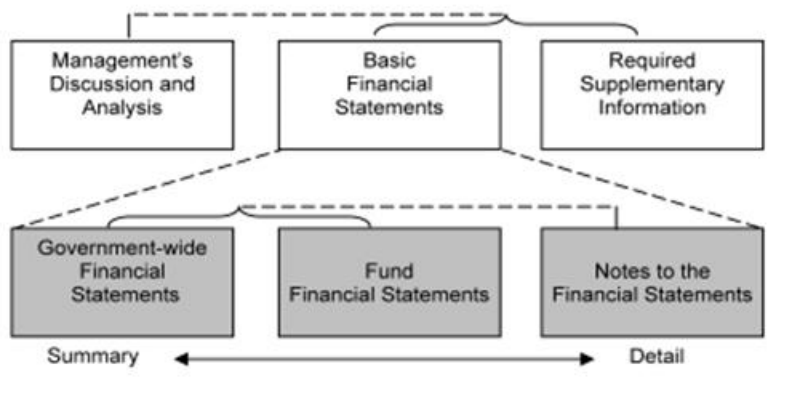
Financial Highlights

- 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 2022 by \$125,515,361. The Town's total net position as of December 31, 2022 increased by \$40,761,033 versus the 2021 net position increase of \$12,107,766. This swing of \$28,653,267 is primarily due to a decrease in the OPEB liability and related deferred inflows and outflows of resources, which was due to the increase in the discount rate used in the actuarial assumptions.
- As of the close of 2022, the Town's governmental funds reported combined ending fund balance of \$115,474,367, an increase of \$17,087,924 when compared to the fund balance of \$98,386,443 at the end of 2021. The increase is primarily due to the issuance of general obligation bonds and a decrease in capital outlay expenditures.
- The Town's General fund balance was \$35,519,790 at the close of 2022, an increase of \$9,432,317 compared to the prior year fund balance. The restricted, assigned, and unassigned fund balance for the general fund was \$7,608,054 or 8.7% of total general fund actual expenditures and other uses.
- The Town's highway fund balance was \$11,883,232 at the close of 2022, a decrease of \$1,265,739 or down 9.6% from the prior year. The decrease is primarily caused by a one-time payment of a judgment, offset 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 within the other supplementary information in the combining statement of net position and combining statement of activities.

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, refuse and garbage districts fund, debt service funds, capital projects fund and part town 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, 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 statements 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

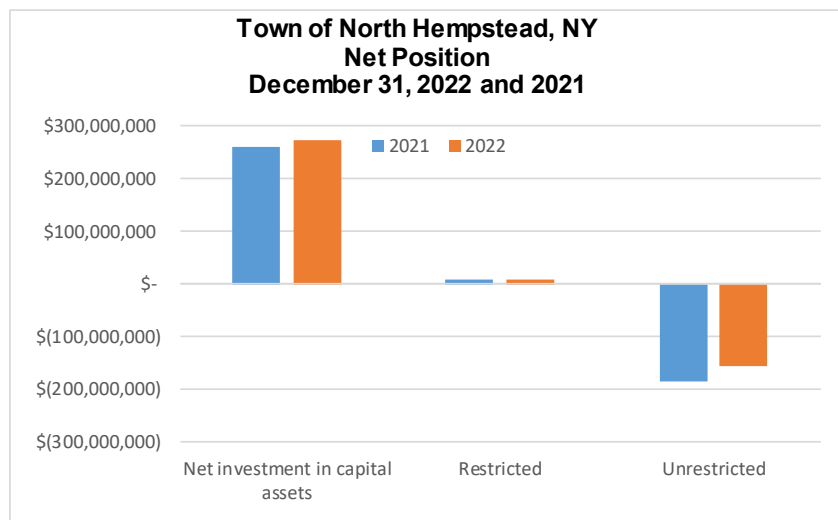
The Town's net position, including all capital assets, all debt, and all known future payment obligations, is positive. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$125,515,361 at the close of 2022.

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

| | 2022 | 2021 |
|-------------------------------------|-----------------------|----------------------|
| Current and Other Assets: | | |
| Current Assets | \$ 140,955,058 | \$ 135,522,108 |
| Capital Assets, net of depreciation | 435,792,352 | 436,332,968 |
| Other non-current assets | 16,686,019 | 6,588,416 |
| Total Assets | <u>593,433,429</u> | <u>578,443,492</u> |
| Deferred Outflows of Resources | <u>25,352,143</u> | <u>69,920,059</u> |
| Current Liabilities | 41,956,766 | 55,873,216 |
| Long-term Liabilities | <u>347,298,163</u> | <u>464,834,388</u> |
| Total Liabilities | <u>389,254,929</u> | <u>520,707,604</u> |
| Deferred Inflows of Resources | <u>104,015,282</u> | <u>42,901,619</u> |
| Net Position: | | |
| Net Investment in capital assets | 273,145,819 | 259,347,185 |
| Restricted | 8,023,580 | 9,366,414 |
| Unrestricted | <u>(155,654,038)</u> | <u>(183,959,271)</u> |
| Total Net Position | <u>\$ 125,515,361</u> | <u>\$ 84,754,328</u> |

By far the largest portion of the Town’s net position, \$273,145,819 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 \$155,654,038. 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,**

| | 2022 | 2021 |
|--------------------------------------|----------------|---------------|
| Revenues: | | |
| Program Revenues: | | |
| Charges for Services | \$ 34,355,509 | \$ 35,307,878 |
| Operating Grants and Contributions | 3,051,815 | 1,382,760 |
| Capital Grants and Contributions | 3,850,946 | 5,072,904 |
| | 41,258,270 | 41,763,542 |
| General Revenues: | | |
| Real Property Taxes | 80,163,836 | 78,172,073 |
| Other tax items | 6,178,989 | 5,865,391 |
| Non-property taxes | 17,517,079 | 16,297,882 |
| Mortgage tax | 11,670,076 | 13,224,118 |
| Other | 1,834,356 | 2,199,936 |
| | 117,364,336 | 115,759,400 |
| Total Governmental Revenues | 158,622,606 | 157,522,942 |
| Expenses: | | |
| Program Expenses: | | |
| General Government Support | 15,823,561 | 28,176,289 |
| Education | 1,763,677 | 2,349,819 |
| Public Safety | 15,439,837 | 21,418,891 |
| Health | 317,828 | 687,860 |
| Transportation | 20,392,584 | 23,681,058 |
| Economic Opportunity and Development | 2,497,347 | 3,419,705 |
| Culture and Recreation | 27,842,281 | 32,664,059 |
| Home and Community Services | 28,535,443 | 27,964,139 |
| Interest on Debt | 5,249,015 | 5,053,356 |
| | 117,861,573 | 145,415,176 |
| Total Governmental Expenses | 117,861,573 | 145,415,176 |
| Change in Net Position | 40,761,033 | 12,107,766 |
| Net Position - Beginning | 84,754,328 | 72,646,562 |
| Net Position - Ending | \$ 125,515,361 | \$ 84,754,328 |

Net position, from all governmental activities, increased by \$40,761,033 from the prior year ending net position.

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

- General revenues increased by \$1,604,936 from the prior year. The largest category is the real property taxes category which shows an increase of \$1,991,763. This increase results from the 2022 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 \$757,348, \$856,316, \$221,299, respectively. Non-property tax revenues increased over prior year by \$1,219,197 primarily due to 2022 sales tax revenue which increased by \$1,035,816 due to the continued increase in the economy which is still coming back from the COVID-19 pandemic and its related lockdown. These increases were offset by a decrease in 2022 mortgage tax receipts received from the prior year of \$1,554,042 due to the fluctuation in the housing market and the higher interest rates than in previous years.
- Program expenses decreased by \$27,553,603 over the prior year.
 - General government support expenses decreased by \$12,352,728 primarily due to:
 - A decrease of \$467,354 in pension expense allocation for GASB 68 activity.
 - A decrease in the OPEB liability and related deferred outflows of resources and deferred outflow of resources of \$9,332,212. This change was mainly due to an increase in the discount rate to 4.0% in 2022 when compared to 1.8% in 2021.
 - Judgment and claims payable decreased by \$2,612,385 compared to the prior year. This decrease is due to a judgement in a lawsuit.
 - A decrease of \$207,627 in the retirement incentives and other pension liabilities.
 - An increase of \$425,117 was related to the change in compensated absences year over year.
 - Public safety expenses decreased by \$5,979,054 primarily due to a decrease of \$342,478 pension expense allocation per GASB 68 activity. Additionally, there was a decrease in the OPEB liability and related deferred outflows of resources and deferred inflows of resources of \$6,189,014, which was mainly due to an increase in the discount rate to 4.0% in 2022 when compared to 1.8% in 2021. These were offset by an increase of \$276,568 related to the change in compensated absences year over year.
 - Transportation services decreased by \$3,288,474 primarily due to a decrease of \$6,618,512 in the OPEB liability and related deferred outflows of resources and deferred inflows of resources, which was mainly due to an increase in the discount rate to 4.0% in 2022 when compared to 1.8% in 2021. This was offset by an increase in spending on the fund level of \$3,204,393 related to payment of a judgment.
 - Culture and recreation services decreased by \$4,821,778 primarily due to a decrease of \$7,363,217 in the OPEB liability and related deferred outflows of resources and deferred inflows of resources, which was mainly due to an increase in the discount rate to 4.0% in 2022 when compared to 1.8% in 2021. This decrease in expenses were offset by an increase of \$322,499 and \$1,202,276 related to the year over year change in compensated absences and retainage payable, respectively. Additionally, there was an increase in spending on the fund level of \$921,001 due to increased spending on recreational programming for the community.

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 | |
|-------------------------------------|------------------------|-----------------------|----------------------|----------------------|----------------------|-----------------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| General government support | \$ 15,823,561 | \$ 28,176,289 | \$ 807,467 | \$ 717,770 | \$ 15,016,094 | \$ 27,458,519 |
| Education | 1,763,677 | 2,349,819 | - | - | 1,763,677 | 2,349,819 |
| Public safety | 15,439,837 | 21,418,891 | 5,021,099 | 6,430,929 | 10,418,738 | 14,987,962 |
| Health | 317,828 | 687,860 | 438,560 | 424,567 | (120,732) | 263,293 |
| Transportation | 20,392,584 | 23,681,058 | 2,978,916 | 2,188,232 | 17,413,668 | 21,492,826 |
| Economic assistance and opportunity | 2,497,347 | 3,419,705 | 206,906 | 285,824 | 2,290,441 | 3,133,881 |
| Culture and recreation | 27,842,281 | 32,664,059 | 12,533,020 | 12,385,472 | 15,309,261 | 20,278,587 |
| Home and community services | 28,535,443 | 27,964,139 | 18,897,085 | 19,181,908 | 9,638,358 | 8,782,231 |
| Interest on debt | 5,249,015 | 5,053,356 | 375,217 | 148,840 | 4,873,798 | 4,904,516 |
| | <u>\$ 117,861,573</u> | <u>\$ 145,415,176</u> | <u>\$ 41,258,270</u> | <u>\$ 41,763,542</u> | <u>\$ 76,603,303</u> | <u>\$ 103,651,634</u> |

The total cost of all governmental activities this year was \$117,861,573. The net cost of these services was \$76,603,303. Program revenues of \$41,258,270 represented 35.0% of the governmental activity cost.

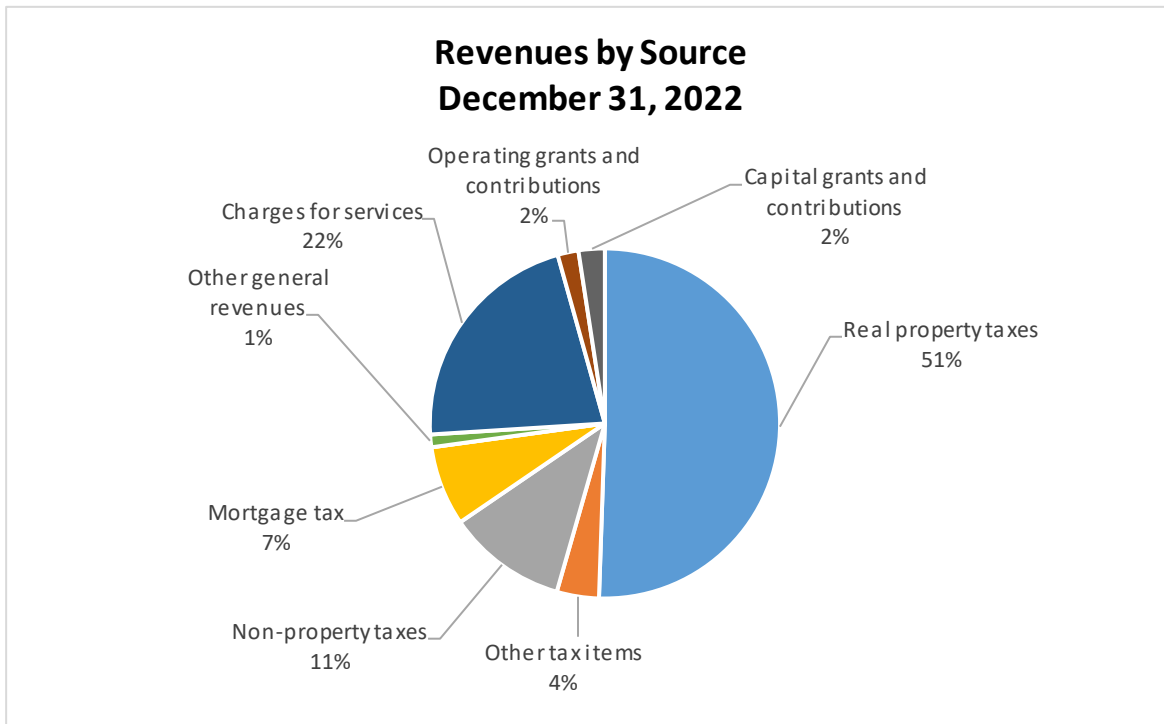
The following chart illustrates the revenues by source for the Town's governmental activities. The Town's revenue increased by \$1,099,664 versus the prior year, primarily because of the increase in sales tax of \$1,035,816, and real property tax of \$1,991,763. The increase in sales tax was due to the continued increase in the economy which is still coming back from the COVID-19 pandemic and its related lockdown. These increases were offset by a decrease in mortgage tax of \$1,554,042 due to the fluctuation in the housing market and the higher interest rates than in previous years.

Operating grants and contributions increased by \$1,669,055 which was mainly due to the use of American Rescue Plan Act funding for the revenue loss incurred during the pandemic in the Public Parking District Fund.

Capital grants and contributions decreased by \$1,221,958 which was driven by a decrease in the deferred inflows of resources related to the availability of federal and state grants.

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

| | 2022 | 2021 |
|------------------------------------|-----------------------|-----------------------|
| Real property taxes | \$ 80,163,836 | \$ 78,172,073 |
| Other tax items | 6,178,989 | 5,865,391 |
| Non-property taxes | 17,517,079 | 16,297,882 |
| Mortgage tax | 11,670,076 | 13,224,118 |
| Other general revenues | 1,834,356 | 2,199,936 |
| Charges for services | 34,355,509 | 35,307,878 |
| Operating grants and contributions | 3,051,815 | 1,382,760 |
| Capital grants and contributions | 3,850,946 | 5,072,904 |
| | <u>\$ 158,622,606</u> | <u>\$ 157,522,942</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, 2022, the Town's governmental funds reported \$115,474,367 total ending fund balance as compared to the prior year of \$98,386,443, an increase of \$17,087,924. The increase is due to operating surpluses in the General, Part Town, Refuse and Garbage Districts and Capital Projects funds of \$9,432,317, \$667,096, \$2,054,341 and \$7,365,371, respectively. These surpluses were offset by a decrease in the Highway and the Debt Service funds of \$1,265,739 and \$1,342,834, respectively. 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** – \$2,519,269 (inherently nonspendable) includes the portion of net resources that cannot be spent because they must be maintained intact.
- **Restricted fund balance** – \$51,512,258 (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** – \$33,531,104 (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** – \$27,911,736 (residual net resources) is the total fund balance in the general 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 \$35,519,790, increasing \$9,432,317 from the prior year's fund balance. Of this amount, \$1,532,160 is nonspendable (inventory and prepaids). The remaining \$33,987,630 of the fund balance is spendable as follows: \$6,075,894 has been assigned by the Town Board, (\$2,446,913 designated for subsequent year's expenditures, \$598,019 for workers' compensation, \$1,101,834 for insurance, \$1,225,678 for senior housing related programs and \$703,450 for capital projects) and \$27,911,736 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 \$8,676,174. The primary reasons for this favorable variance were due to the sales tax and mortgage tax received in amounts greater than the budget of \$3,305,177 and \$3,570,076, which resulted due to strong economic activity. There was also a favorable variance in the federal aid of \$1,326,381 for the use of the American Rescue Plan Act funding.
- Total Expenditures and Other Financing Uses were lower than budgeted by \$5,588,526 due to conservative spending and strong expenditure control. Several departments had favorable spending variances including Comptroller, Public Information, Public Works, Technology Services, Programs for Aging, Solid Waste Management Department, and Transfers Out of \$362,420, \$203,248, \$130,414, \$172,595, \$385,176, \$466,853 and \$2,673,000, respectively.

Highway Fund

At the end of 2022, the highway fund balance was \$11,883,232 a decrease of \$1,265,739, or 9.6%, from the prior year. The portion of the fund balance that is considered nonspendable is \$637,481, for inventory and prepaid expenditures (\$273,596 and \$363,885, respectively). The Town Board has assigned \$250,392 in a reserve for accrued employee benefits, \$831,478 for capital projects, \$100,000 for insurance, \$1,450,000 for workers' compensation and \$4,565,492 designated for subsequent year's expenditures. The remaining fund balance is spendable and available for highway operating purposes. The decrease in fund balance was in line with the budgeted appropriated fund balance of \$1,031,056.

Part Town

At the end of 2022, the part town fund had a total fund balance of \$10,535,183 an increase of \$667,096 or 6.8%. Nonspendable fund balance allocated to prepaid expenditures totaled \$273,520. The Town Board has assigned \$244,624 in a reserve for accrued employee benefits, \$251,880 for capital projects, \$200,000 for insurance and \$1,378,780 designated for subsequent year's expenditures. The remaining \$8,177,379 of the fund balance can be used for general part town purposes. The increase in fund balance is mainly attributed to an increase in building permits issued in 2022.

Refuse and Garbage Districts Fund

At the end of 2022, the refuse and garbage districts fund had a total fund balance of \$886,487, an increase of \$2,054,341 or 175.9% from the prior year. The increase in fund balance is mainly attributable to the receipt of the first year's settlement paid by Nassau County. The terms of the settlement agreement requires the County to pay the Town in three equal installments due in 2022, 2023 and 2024.

Capital Projects Fund

At the end of 2022, the total fund balance of the capital projects fund was \$35,237,275. This entire amount is restricted for capital projects.

The balance increased in the capital projects fund by \$7,365,371 during the current year. Primarily because of:

- Proceeds from the sale of bonds in the amount of \$16,599,010.
- Capital outlay and equipment expenditures were \$13,931,056.
- Bond anticipation notes were redeemed from appropriations of \$864,000.
- State and Federal Aid revenues were \$3,251,942.
- Premiums on obligations in the amount of \$368,263.

Nonmajor Governmental Funds

At the end of 2022, the total fund balance of the nonmajor governmental funds was \$13,388,820, increasing \$177,372 or 1.3%, from the prior year. Of this amount, \$76,108 is nonspendable for prepaid expenditures. The fund balance includes \$8,251,403 which is restricted for the length of service award program and \$167,011 assigned as designated for subsequent year's expenditures. The remaining \$5,061,309 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 decreased by \$905,410 primarily due to the decrease of LOSAP assets of \$993,694.
- The Public Parking District's fund balance increased by \$1,107,179 primarily due to a transfer in of American Recovery Plan Act funding from the General Fund to replenish the revenue losses from the pandemic.

General Fund Budgetary Highlights

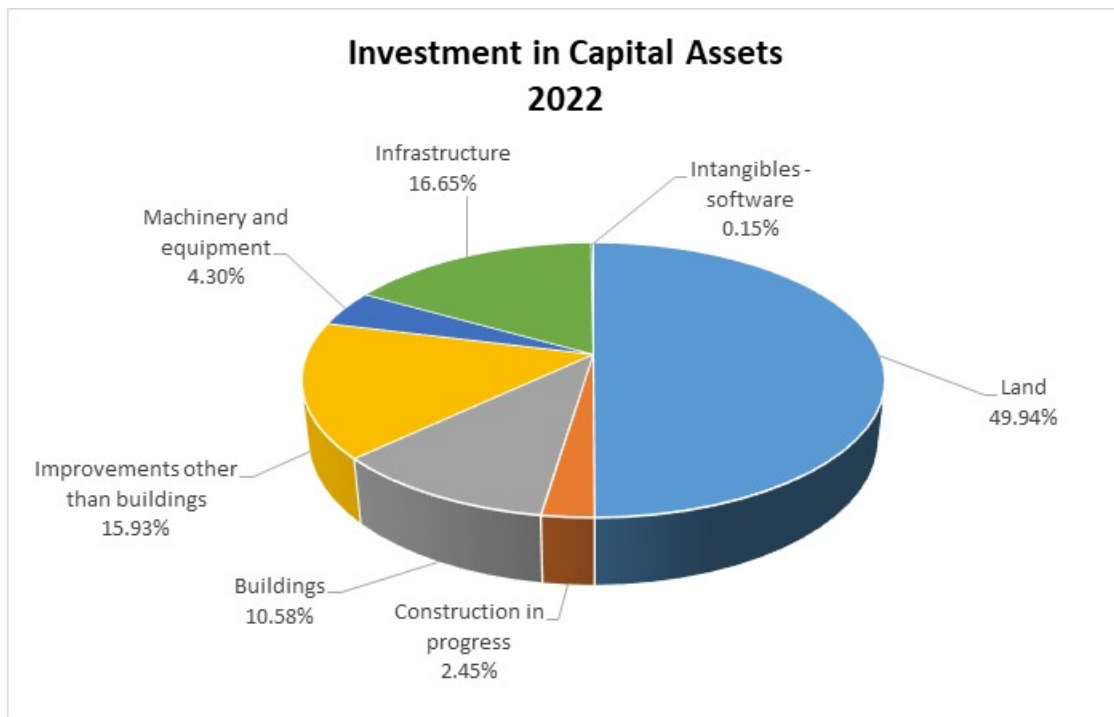
The differences between the 2022 original budget and the final amended budget as adopted by Town Board resolution throughout the year were \$4,846,300. The primary reasons for the increase in budget are due to resolutions where the Town covered overexpended lines and to account for the greater than expected receipts of construction and demolition debris at the transfer station and its subsequent disposal. 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, 2022 amounts to \$435,792,352. 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.

| | 2022 | 2021 |
|-----------------------------------|----------------|----------------|
| Land | \$ 217,629,085 | \$ 217,629,085 |
| Construction in progress | 10,713,970 | 9,289,221 |
| Buildings | 46,087,084 | 47,939,645 |
| Improvements other than buildings | 69,426,859 | 70,156,912 |
| Machinery and equipment | 18,746,960 | 19,721,995 |
| Infrastructure | 72,555,969 | 70,846,058 |
| Intangibles - software | 632,425 | 750,052 |
| | \$ 435,792,352 | \$ 436,332,968 |



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 2022, the Town had decreased total debt outstanding including serial bonds, revenue bonds, and bond anticipation notes (BANs) by \$12,801,676 from the prior year.

Short-Term Debt

As of December 31, 2022, the Town had outstanding short-term bond anticipation notes of \$1,987,000 with maturity dates in 2023. This is a decrease of \$11,638,601, or -85.4% from 2021 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>2022</u> | <u>2021</u> |
| Bond Anticipation Notes | <u>\$ 1,987,000</u> | <u>\$ 13,625,601</u> |

Long-Term Debt

As of December 31, 2022, the Town had outstanding long-term bonded debt of \$192,154,921. This is a decrease of \$1,163,075, or -0.6%, versus the prior year largely due to current year payments offset by general obligation bonds issued in 2022. Outstanding long-term bonds are as follows:

| | <u>2022</u> | <u>2021</u> |
|--------------------------|-----------------------|-----------------------|
| General obligation bonds | <u>\$ 192,154,921</u> | <u>\$ 193,317,996</u> |

In 2022, 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 2023.

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, 2022, the Town had exhausted 8.12% of its constitutionally available debt limit, which is \$4,021,317,915.

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 2023 budget includes mortgage tax of \$8,500,000; 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 expired 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**

Town of North Hempstead, New York

Statement of Net Position
December 31, 2022

| | Primary Government | | Non-Major Component Units |
|------------------------------------------|----------------------------|----|---------------------------------|
| | Governmental Activities | | |
| ASSETS | | | |
| Cash and equivalents | \$ 116,576,731 | \$ | 93,346,434 |
| Cash and equivalents - restricted | - | | 52,029,297 |
| Investments - LOSAP | 8,251,403 | | - |
| Receivables | | | |
| Accounts | 3,271,390 | | 5,411,081 |
| State and Federal aid | 4,729,017 | | 637,236 |
| Due from other governments | 5,607,248 | | 15,640,490 |
| Due from primary government | - | | 24,501,996 |
| Loans | - | | 1,051,460 |
| Deposits | - | | 885 |
| Inventory | 697,681 | | 774,984 |
| Prepaid expenses | 1,821,588 | | 2,977,929 |
| Net pension asset | 9,744,573 | | 5,127,540 |
| Notes receivable | 3,352,500 | | - |
| Due from County of Nassau | 3,588,946 | | - |
| Property held for resale | - | | 2,350,088 |
| Lease receivable | - | | 7,456,350 |
| Capital assets | | | |
| Not being depreciated | 228,343,055 | | 66,143,647 |
| Being depreciated, net | 207,449,297 | | 316,565,286 |
| Total Assets | <u>593,433,429</u> | | <u>594,014,703</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred charge on refunding bonds | 1,029,190 | | 129,810 |
| Pension related | 19,448,983 | | 24,743,347 |
| OPEB related | - | | 3,210,034 |
| Length of service awards programs | 4,873,970 | | - |
| Total Deferred Outflows of Resources | <u>25,352,143</u> | | <u>28,083,191</u> |
| LIABILITIES | | | |
| Accounts payable and accrued liabilities | 8,446,290 | | 13,224,989 |
| Due to other governments | 867,851 | | 168,970 |
| Bond anticipation notes payable | 1,987,000 | | 83,327,000 |
| Deposits payable | 2,272,798 | | 2,994,167 |
| Unearned revenues | 9,404,955 | | 3,029,600 |
| Accrued interest payable | 1,818,472 | | 2,452,300 |
| Non-current liabilities | | | |
| Due within one year | 17,159,400 | | 9,481,004 |
| Due in more than one year | 347,298,163 | | 317,104,787 |
| Total Liabilities | <u>389,254,929</u> | | <u>431,782,817</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Property taxes | - | | 44,564 |
| Loans receivable | - | | 370,770 |
| Leases | - | | 7,330,809 |
| Pension related | 31,146,100 | | 62,256,509 |
| OPEB related | 70,262,599 | | 29,611,300 |
| Length of service awards programs | 2,606,583 | | - |
| Total Deferred Inflows of Resources | <u>104,015,282</u> | | <u>99,613,952</u> |
| NET POSITION | | | |
| Net investment in capital assets | 273,145,819 | | 165,419,237 |
| Restricted for | | | |
| Accrued employee benefits | - | | 233,564 |
| Asset forfeiture | - | | 879,302 |
| Capital projects | - | | 61,518,924 |
| Debt service | 8,023,580 | | 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>(155,654,038)</u> | | <u>(153,026,047)</u> |
| Total Net Position | <u>\$ 125,515,361</u> | \$ | <u>90,701,125</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, 2022

| Functions/Programs | Expenses | Program Revenues | | |
|--------------------------------------|-----------------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary government | | | | |
| Governmental activities | | | | |
| General government support | \$ 15,823,561 | \$ 540,800 | \$ 266,667 | \$ - |
| Education | 1,763,677 | - | - | - |
| Public safety | 15,439,837 | 6,061,625 | (1,040,526) | - |
| Health | 317,828 | 438,560 | - | - |
| Transportation | 20,392,584 | 1,472,881 | - | 1,506,035 |
| Economic opportunity and development | 2,497,347 | 17,822 | 189,084 | - |
| Culture and recreation | 27,842,281 | 9,452,135 | 1,111,716 | 1,969,169 |
| Home and community services | 28,535,443 | 16,371,686 | 2,524,874 | 525 |
| Interest | 5,249,015 | - | - | 375,217 |
| Total Primary Government | \$ 117,861,573 | \$ 34,355,509 | \$ 3,051,815 | \$ 3,850,946 |
| Non-major component units | | | | |
| General government support | \$ 1,874,705 | \$ - | \$ - | \$ - |
| Public safety | 17,379,391 | 96,463 | 118,893 | - |
| Culture and recreation | 18,450,116 | 6,721,971 | 22,092 | - |
| Home and community services | 54,726,124 | 29,264,418 | 1,683,332 | 14,429,589 |
| Interest | 6,240,437 | - | - | - |
| | \$ 98,670,773 | \$ 36,082,852 | \$ 1,824,317 | \$ 14,429,589 |

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, as Reported

Prior Period Adjustment

Net Position - Beginning, as Restated

Net Position - Ending

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

| Net (Expense) Revenue and Changes in Net Position | |
|------------------------------------------------------|---------------------------------|
| Primary Government | Non-Major Component Units |
| \$ (15,016,094) | \$ - |
| (1,763,677) | - |
| (10,418,738) | - |
| 120,732 | - |
| (17,413,668) | - |
| (2,290,441) | - |
| (15,309,261) | - |
| (9,638,358) | - |
| (4,873,798) | - |
| <u>\$ (76,603,303)</u> | <u>\$ -</u> |
| \$ - | \$ (1,874,705) |
| - | (17,164,035) |
| - | (11,706,053) |
| - | (9,348,785) |
| - | (6,240,437) |
| <u>\$ -</u> | <u>\$ (46,334,015)</u> |
| 80,163,836 | 83,653,366 |
| 1,286,803 | - |
| 4,879,666 | 4,536,252 |
| 12,520 | - |
| 15,405,177 | - |
| 2,111,902 | - |
| 11,670,076 | - |
| 179,563 | 3,087,635 |
| - | 51,909 |
| 1,654,793 | 3,046,917 |
| <u>117,364,336</u> | <u>94,376,079</u> |
| 40,761,033 | 48,042,064 |
| 84,754,328 | 43,832,962 |
| - | (1,173,901) |
| <u>84,754,328</u> | <u>42,659,061</u> |
| <u>\$ 125,515,361</u> | <u>\$ 90,701,125</u> |

Town of North Hempstead, New York

Balance Sheet
Governmental Funds
December 31, 2022

| | General | Highway | Part Town |
|-------------------------------------------------------------------------|----------------------|----------------------|----------------------|
| ASSETS | | | |
| Cash and equivalents | \$ 34,664,863 | \$ 10,832,081 | \$ 11,176,408 |
| Investments - LOSAP | - | - | - |
| Other receivables | | | |
| Accounts | 3,125,282 | 13,063 | 57,755 |
| State and Federal aid | 511,735 | 1,143,642 | - |
| Due from other governments | 5,561,720 | 2,442 | 39,903 |
| Due from other funds | 5,964,477 | 269,340 | 584 |
| | <u>15,163,214</u> | <u>1,428,487</u> | <u>98,242</u> |
| Inventories | <u>424,085</u> | <u>273,596</u> | <u>-</u> |
| Prepaid expenditures | <u>1,108,075</u> | <u>363,885</u> | <u>273,520</u> |
| Total Assets | <u>\$ 51,360,237</u> | <u>\$ 12,898,049</u> | <u>\$ 11,548,170</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts payable and accrued liabilities | \$ 4,334,365 | \$ 316,364 | \$ 223,428 |
| Due to other governments | 820,290 | - | 47,561 |
| Bond anticipation notes payable | - | - | - |
| Deposits payable | 1,135,149 | - | 738,985 |
| Due to other funds | 4,916 | 688,540 | - |
| Unearned revenues | 9,372,152 | 9,913 | 3,013 |
| Total Liabilities | <u>15,666,872</u> | <u>1,014,817</u> | <u>1,012,987</u> |
| Deferred Inflows of Resources | | | |
| Unavailable revenues - State and Federal aid | <u>173,575</u> | <u>-</u> | <u>-</u> |
| Fund balances | | | |
| Nonspendable | 1,532,160 | 637,481 | 273,520 |
| Restricted | - | - | - |
| Assigned | 6,075,894 | 11,245,751 | 10,261,663 |
| Unassigned | <u>27,911,736</u> | <u>-</u> | <u>-</u> |
| Total Fund Balances | <u>35,519,790</u> | <u>11,883,232</u> | <u>10,535,183</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 51,360,237</u> | <u>\$ 12,898,049</u> | <u>\$ 11,548,170</u> |

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

| Refuse and Garbage Districts | Debt Service | Capital Projects | Non-Major Governmental | Total Governmental Funds |
|------------------------------------|---------------------|----------------------|---------------------------|--------------------------------|
| \$ 2,714,806 | \$ 8,023,580 | \$ 43,348,133 | \$ 5,816,860 | \$ 116,576,731 |
| - | - | - | 8,251,403 | 8,251,403 |
| - | - | 33,008 | 42,282 | 3,271,390 |
| - | - | 3,073,640 | - | 4,729,017 |
| - | - | - | 3,183 | 5,607,248 |
| - | - | 227,173 | 56,473 | 6,518,047 |
| - | - | 3,333,821 | 101,938 | 20,125,702 |
| - | - | - | - | 697,681 |
| - | - | - | 76,108 | 1,821,588 |
| <u>\$ 2,714,806</u> | <u>\$ 8,023,580</u> | <u>\$ 46,681,954</u> | <u>\$ 14,246,309</u> | <u>\$ 147,473,105</u> |
| \$ 144,948 | \$ - | \$ 2,640,519 | \$ 433,230 | \$ 8,092,854 |
| - | - | - | - | 867,851 |
| - | - | 1,987,000 | - | 1,987,000 |
| - | - | - | 398,664 | 2,272,798 |
| 1,674,558 | - | 4,135,502 | 14,531 | 6,518,047 |
| 8,813 | - | - | 11,064 | 9,404,955 |
| 1,828,319 | - | 8,763,021 | 857,489 | 29,143,505 |
| - | - | 2,681,658 | - | 2,855,233 |
| - | - | - | 76,108 | 2,519,269 |
| - | 8,023,580 | 35,237,275 | 8,251,403 | 51,512,258 |
| 886,487 | - | - | 5,061,309 | 33,531,104 |
| - | - | - | - | 27,911,736 |
| 886,487 | 8,023,580 | 35,237,275 | 13,388,820 | 115,474,367 |
| <u>\$ 2,714,806</u> | <u>\$ 8,023,580</u> | <u>\$ 46,681,954</u> | <u>\$ 14,246,309</u> | <u>\$ 147,473,105</u> |

Town of North Hempstead, New York

Reconciliation of Governmental Funds Balance Sheet to
the Government-Wide Statement of Net Position - Governmental Activities
December 31, 2022

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

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Total Fund Balances - Governmental Funds | \$ 115,474,367 |
| 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 | 3,352,500 |
| Due from County of Nassau | 3,588,946 |
| | <u>6,941,446</u> |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | |
| Capital assets - non-depreciable | 228,343,055 |
| Capital assets - depreciable | 502,306,527 |
| Accumulated depreciation | (294,857,230) |
| | <u>435,792,352</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 | 19,448,983 |
| Deferred outflows - length of service awards programs | 4,873,970 |
| Deferred inflows - pension related | (31,146,100) |
| Deferred inflows - OPEB related | (70,262,599) |
| Deferred inflows - length of service awards programs | (2,606,583) |
| | <u>(79,692,329)</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. | |
| Net pension asset - ERS | 9,744,573 |
| State and Federal aid receivables | 2,855,233 |
| | <u>12,599,806</u> |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. | |
| Accrued interest payable | (1,818,472) |
| Retainage payable | (353,436) |
| General obligation bonds payable | (192,154,921) |
| Retirement incentives and other pension obligations | (32,388) |
| Compensated absences | (5,565,559) |
| Claims payable | (6,068,191) |
| Landfill closure and postclosure costs | (4,626,615) |
| Length of service award program liabilities | (16,158,247) |
| Total OPEB liability | (132,604,181) |
| | <u>(359,382,010)</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 | 1,029,190 |
| Premium on general obligation bonds | (7,247,461) |
| | <u>(6,218,271)</u> |
| Net Position of Governmental Activities | <u>\$ 125,515,361</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, 2022

| | General | Highway | Part Town |
|------------------------------------------------------|----------------------|----------------------|----------------------|
| REVENUES | | | |
| Real property taxes | \$ 26,844,647 | \$ 21,089,504 | \$ 6,919,986 |
| Other tax items | 2,459,011 | 1,722,328 | 566,175 |
| Non-property taxes | 17,460,079 | - | 57,000 |
| Departmental income | 24,667,071 | 88 | 1,055,766 |
| Intergovernmental charges | 664,081 | 45,227 | - |
| Use of money and property | 304,414 | 85,245 | 15,297 |
| Licenses and permits | 247,216 | 588,750 | 5,244,722 |
| Fines and forfeitures | 23,549 | - | 110,080 |
| Sale of property and compensation for loss | 340,454 | 215,275 | - |
| Interfund revenues | 7,430,118 | 62,555 | - |
| State aid | 11,953,360 | 1,201,243 | 58 |
| Federal aid | 1,747,429 | 287,235 | 525 |
| Miscellaneous | 1,104,055 | 162 | 53 |
| Total Revenues | 95,245,484 | 25,297,612 | 13,969,662 |
| EXPENDITURES | | | |
| Current | | | |
| General government support | 15,167,505 | 2,967,346 | 2,852,655 |
| Education | 1,763,677 | - | - |
| Public safety | 1,683,409 | - | 5,274,119 |
| Health | - | - | 309,371 |
| Transportation | 51,395 | 11,831,633 | - |
| Economic opportunity and development | 2,464,572 | - | - |
| Culture and recreation | 19,312,296 | - | - |
| Home and community services | 17,564,470 | - | 1,203,013 |
| Employee benefits | 13,016,430 | 5,413,625 | 3,567,257 |
| Debt service | | | |
| Principal | - | - | - |
| Interest | - | - | - |
| Capital outlay | - | - | - |
| Total Expenditures | 71,023,754 | 20,212,604 | 13,206,415 |
| Excess (Deficiency) of Revenues Over Expenditures | 24,221,730 | 5,085,008 | 763,247 |
| OTHER FINANCING SOURCES (USES) | | | |
| General obligation bonds issued | - | - | - |
| Issuance premium | - | - | - |
| Transfers in | 1,931,384 | 1,141,330 | 206 |
| Transfers out | (16,720,797) | (7,492,077) | (96,357) |
| Total Other Financing Sources (Uses) | (14,789,413) | (6,350,747) | (96,151) |
| Net Change in Fund Balances | 9,432,317 | (1,265,739) | 667,096 |
| FUND BALANCES (DEFICITS) | | | |
| Beginning of Year | 26,087,473 | 13,148,971 | 9,868,087 |
| End of Year | <u>\$ 35,519,790</u> | <u>\$ 11,883,232</u> | <u>\$ 10,535,183</u> |

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

| Refuse and Garbage Districts | Debt Service | Capital Projects | Non-Major Governmental | Total Governmental Funds |
|------------------------------------|---------------------|----------------------|---------------------------|--------------------------------|
| \$ 9,696,912 | \$ - | \$ - | \$ 15,612,787 | \$ 80,163,836 |
| 198,227 | - | - | 1,233,248 | 6,178,989 |
| - | - | - | - | 17,517,079 |
| - | - | - | 1,138,296 | 26,861,221 |
| - | - | - | - | 709,308 |
| (283) | 368,088 | - | (1,057,121) | (284,360) |
| - | - | - | - | 6,080,688 |
| - | - | - | - | 133,629 |
| - | - | - | - | 555,729 |
| - | - | - | 68,060 | 7,560,733 |
| - | - | 1,586,039 | 50,503 | 14,791,203 |
| - | - | 1,665,903 | 16,626 | 3,717,718 |
| 1,794,473 | 7,129 | 75,561 | 146,793 | 3,128,226 |
| <u>11,689,329</u> | <u>375,217</u> | <u>3,327,503</u> | <u>17,209,192</u> | <u>167,113,999</u> |
| 51,664 | - | - | 1,809,453 | 22,848,623 |
| - | - | - | - | 1,763,677 |
| - | - | - | 7,351,977 | 14,309,505 |
| - | - | - | - | 309,371 |
| - | - | - | 3,648,873 | 15,531,901 |
| - | - | - | - | 2,464,572 |
| - | - | - | 1,298,051 | 20,610,347 |
| 9,508,324 | - | - | 60,170 | 28,335,977 |
| - | - | - | 1,170,565 | 23,167,877 |
| - | 17,762,085 | - | - | 17,762,085 |
| - | 5,989,791 | - | - | 5,989,791 |
| - | - | 13,931,056 | - | 13,931,056 |
| <u>9,559,988</u> | <u>23,751,876</u> | <u>13,931,056</u> | <u>15,339,089</u> | <u>167,024,782</u> |
| <u>2,129,341</u> | <u>(23,376,659)</u> | <u>(10,603,553)</u> | <u>1,870,103</u> | <u>89,217</u> |
| - | - | 16,599,010 | - | 16,599,010 |
| - | 31,434 | 368,263 | - | 399,697 |
| - | 24,697,198 | 1,977,653 | 1,132,763 | 30,880,534 |
| (75,000) | (2,694,807) | (976,002) | (2,825,494) | (30,880,534) |
| <u>(75,000)</u> | <u>22,033,825</u> | <u>17,968,924</u> | <u>(1,692,731)</u> | <u>16,998,707</u> |
| 2,054,341 | (1,342,834) | 7,365,371 | 177,372 | 17,087,924 |
| <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> |
| <u>\$ 886,487</u> | <u>\$ 8,023,580</u> | <u>\$ 35,237,275</u> | <u>\$ 13,388,820</u> | <u>\$ 115,474,367</u> |

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, 2022

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

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ 17,087,924 |
| 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. | |
| Capital outlay expenditures | 14,853,616 |
| Depreciation expense | <u>(15,394,232)</u> |
| | <u>(540,616)</u> |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | |
| Interest income on note receivable | 67,500 |
| Revenue from the County of Nassau | 285,530 |
| State and Federal aid | <u>(1,315,123)</u> |
| | <u>(962,093)</u> |
| 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. | |
| General obligation bonds issued | (16,599,010) |
| Issuance premium | (399,697) |
| Principal paid on general obligation bonds | <u>17,762,085</u> |
| | <u>763,378</u> |
| 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. | |
| Accrued interest | 59,997 |
| Retainage payable | 376,661 |
| Retirement incentives and other pension liabilities | 1,623,613 |
| Compensated absences | 186,759 |
| Claims and judgments payable | 1,653,071 |
| Landfill closure and postclosure costs | 183,436 |
| Changes in pension liabilities and related deferred outflows and inflows of resources | 3,793,352 |
| Changes in length of service award program liabilities and related deferred outflows and inflows of resources | (807,456) |
| Changes in OPEB liabilities and related deferred outflows and inflows of resources | 16,630,795 |
| Amortization of loss on refunding bonds and issuance premium | <u>712,212</u> |
| | <u>24,412,440</u> |
| Change in Net Position of Governmental Activities | <u>\$ 40,761,033</u> |

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

Town of North Hempstead, New York
 General, Highway, Part Town and Refuse and Garbage Districts Funds

Statement of Revenues, Expenditures and Changes
 in Fund Balances - Budget and Actual
 Year Ended December 31, 2022

| | General Fund | | | |
|------------------------------------------------------|---------------------|---------------------|---------------------|-------------------------------|
| | Original Budget | Final Budget | Actual | Variance with Final Budget |
| REVENUES | | | | |
| Real property taxes | \$ 26,808,627 | \$ 26,808,627 | \$ 26,844,647 | \$ 36,020 |
| Other tax items | 2,353,615 | 2,353,615 | 2,459,011 | 105,396 |
| Non-property taxes | 13,975,000 | 14,172,602 | 17,460,079 | 3,287,477 |
| Departmental income | 24,149,591 | 24,846,777 | 24,667,071 | (179,706) |
| Intergovernmental charges | 643,461 | 647,121 | 664,081 | 16,960 |
| Use of money and property | 173,464 | 173,464 | 304,414 | 130,950 |
| Licenses and permits | 280,700 | 293,000 | 247,216 | (45,784) |
| Fines and forfeitures | 33,500 | 33,500 | 23,549 | (9,951) |
| Sale of property and compensation for loss | 60,000 | 60,000 | 340,454 | 280,454 |
| Interfund revenues | 7,408,715 | 7,423,530 | 7,430,118 | 6,588 |
| State aid | 8,337,837 | 8,345,337 | 11,953,360 | 3,608,023 |
| Federal aid | 333,000 | 333,000 | 1,747,429 | 1,414,429 |
| Miscellaneous | 1,078,565 | 1,109,419 | 1,104,055 | (5,364) |
| Total Revenues | 85,636,075 | 86,599,992 | 95,245,484 | 8,645,492 |
| EXPENDITURES | | | | |
| Current | | | | |
| General government support | 16,715,253 | 16,659,903 | 15,167,505 | 1,492,398 |
| Education | 2,200,000 | 2,200,000 | 1,763,677 | 436,323 |
| Public safety | 1,770,754 | 1,786,783 | 1,683,409 | 103,374 |
| Health | - | - | - | - |
| Transportation | - | 51,395 | 51,395 | - |
| Economic opportunity and development | 2,774,655 | 2,880,230 | 2,464,572 | 415,658 |
| Culture and recreation | 19,087,436 | 19,312,296 | 19,312,296 | - |
| Home and community services | 17,357,523 | 18,032,243 | 17,564,470 | 467,773 |
| Employee benefits | 12,679,962 | 13,016,430 | 13,016,430 | - |
| Total Expenditures | 72,585,583 | 73,939,280 | 71,023,754 | 2,915,526 |
| Excess (Deficiency) of Revenues Over Expenditures | 13,050,492 | 12,660,712 | 24,221,730 | 11,561,018 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 1,900,702 | 1,900,702 | 1,931,384 | 30,682 |
| Transfers out | (15,901,194) | (19,393,797) | (16,720,797) | 2,673,000 |
| Total Other Financing Sources (Uses) | (14,000,492) | (17,493,095) | (14,789,413) | 2,703,682 |
| Net Change in Fund Balances | (950,000) | (4,832,383) | 9,432,317 | 14,264,700 |
| FUND BALANCES (DEFICITS) | | | | |
| Beginning of Year | 950,000 | 4,832,383 | 26,087,473 | 21,255,090 |
| End of Year | \$ - | \$ - | \$ 35,519,790 | \$ 35,519,790 |

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

| Highway Fund | | | | Part Town Fund | | | |
|-------------------|-------------------|----------------------|----------------------------|-------------------|-------------------|----------------------|----------------------------|
| Original Budget | Final Budget | Actual | Variance with Final Budget | Original Budget | Final Budget | Actual | Variance with Final Budget |
| \$ 21,050,750 | \$ 21,050,750 | \$ 21,089,504 | \$ 38,754 | \$ 6,920,115 | \$ 6,920,115 | \$ 6,919,986 | \$ (129) |
| 1,708,898 | 1,708,898 | 1,722,328 | 13,430 | 486,827 | 486,827 | 566,175 | 79,348 |
| - | - | - | - | 57,000 | 57,000 | 57,000 | - |
| - | - | 88 | 88 | 895,000 | 928,400 | 1,055,766 | 127,366 |
| 15,000 | 15,000 | 45,227 | 30,227 | - | - | - | - |
| 63,302 | 63,302 | 85,245 | 21,943 | 2,500 | 2,500 | 15,297 | 12,797 |
| 550,000 | 550,000 | 588,750 | 38,750 | 4,654,000 | 4,654,000 | 5,244,722 | 590,722 |
| - | - | - | - | 150,000 | 150,000 | 110,080 | (39,920) |
| 20,000 | 20,000 | 215,275 | 195,275 | - | - | - | - |
| 50,000 | 50,000 | 62,555 | 12,555 | - | - | - | - |
| 888,855 | 888,855 | 1,201,243 | 312,388 | 56,562 | 56,562 | 58 | (56,504) |
| - | - | 287,235 | 287,235 | - | - | 525 | 525 |
| 40,000 | 3,244,393 | 162 | (3,244,231) | - | - | 53 | 53 |
| <u>24,386,805</u> | <u>27,591,198</u> | <u>25,297,612</u> | <u>(2,293,586)</u> | <u>13,222,004</u> | <u>13,255,404</u> | <u>13,969,662</u> | <u>714,258</u> |
| 3,209,554 | 3,213,304 | 2,967,346 | 245,958 | 2,926,307 | 2,912,396 | 2,852,655 | 59,741 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | 5,452,824 | 5,466,735 | 5,274,119 | 192,616 |
| - | - | - | - | 311,383 | 344,923 | 309,371 | 35,552 |
| 10,713,921 | 13,914,564 | 11,831,633 | 2,082,931 | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | 1,226,869 | 1,204,090 | 1,203,013 | 1,077 |
| 5,664,235 | 5,664,235 | 5,413,625 | 250,610 | 3,547,414 | 3,570,053 | 3,567,257 | 2,796 |
| <u>19,587,710</u> | <u>22,792,103</u> | <u>20,212,604</u> | <u>2,579,499</u> | <u>13,464,797</u> | <u>13,498,197</u> | <u>13,206,415</u> | <u>291,782</u> |
| 4,799,095 | 4,799,095 | 5,085,008 | 285,913 | (242,793) | (242,793) | 763,247 | 1,006,040 |
| 1,141,330 | 1,141,330 | 1,141,330 | - | 206 | 206 | 206 | - |
| (6,971,481) | (7,971,481) | (7,492,077) | 479,404 | (96,357) | (96,357) | (96,357) | - |
| (5,830,151) | (6,830,151) | (6,350,747) | 479,404 | (96,151) | (96,151) | (96,151) | - |
| (1,031,056) | (2,031,056) | (1,265,739) | 765,317 | (338,944) | (338,944) | 667,096 | 1,006,040 |
| 1,031,056 | 2,031,056 | 13,148,971 | 11,117,915 | 338,944 | 338,944 | 9,868,087 | 9,529,143 |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 11,883,232</u> | <u>\$ 11,883,232</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 10,535,183</u> | <u>\$ 10,535,183</u> |

(Continued)

Town of North Hempstead, New York
 General, Highway, 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, 2022

| | Refuse and Garbage Districts Fund | | | |
|------------------------------------------------------|-----------------------------------|------------------|-------------------|-------------------------------|
| | Original Budget | Final Budget | Actual | Variance with Final Budget |
| REVENUES | | | | |
| Real property taxes | \$ 9,696,338 | \$ 9,696,338 | \$ 9,696,912 | \$ 574 |
| Other tax items | 180,674 | 180,674 | 198,227 | 17,553 |
| Non-property taxes | - | - | - | - |
| Departmental income | - | - | - | - |
| Intergovernmental charges | - | - | - | - |
| Use of money and property | 295 | 295 | (283) | (578) |
| Licenses and permits | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Sale of property and compensation for loss | - | - | - | - |
| Interfund revenues | - | - | - | - |
| State aid | - | - | - | - |
| Federal aid | - | - | - | - |
| Miscellaneous | - | - | 1,794,473 | 1,794,473 |
| Total Revenues | 9,877,307 | 9,877,307 | 11,689,329 | 1,812,022 |
| EXPENDITURES | | | | |
| Current | | | | |
| General government support | 51,665 | 51,665 | 51,664 | 1 |
| Education | - | - | - | - |
| Public safety | - | - | - | - |
| Health | - | - | - | - |
| Transportation | - | - | - | - |
| Economic opportunity and development | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Home and community services | 9,750,642 | 9,750,642 | 9,508,324 | 242,318 |
| Employee benefits | - | - | - | - |
| Total Expenditures | 9,802,307 | 9,802,307 | 9,559,988 | 242,319 |
| Excess (Deficiency) of Revenues Over Expenditures | 75,000 | 75,000 | 2,129,341 | 2,054,341 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (75,000) | (75,000) | (75,000) | - |
| Total Other Financing Uses | (75,000) | (75,000) | (75,000) | - |
| Net Change in Fund Balances | - | - | 2,054,341 | 2,054,341 |
| FUND BALANCES (DEFICITS) | | | | |
| Beginning of Year | - | - | (1,167,854) | (1,167,854) |
| End of Year | \$ - | \$ - | \$ 886,487 | \$ 886,487 |

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

Town of North Hempstead, New York

Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2022

| | <u>Custodial Fund</u> |
|----------------------------------|---------------------------|
| ASSETS | |
| Cash and equivalents | <u>\$ 8,773,231</u> |
| LIABILITIES | |
| Due to other governments | <u>8,772,290</u> |
| NET POSITION | |
| Restricted for other governments | <u><u>\$ 941</u></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, 2022

| | Custodial Fund |
|------------------------------------------------------|----------------------|
| ADDITIONS | |
| Real property taxes collected for other governments | \$ 1,280,154,697 |
| Other fees collected for other governments | <u>22,072</u> |
| Total Additions | <u>1,280,176,769</u> |
| DEDUCTIONS | |
| Payments of real property taxes to other governments | 1,280,154,697 |
| Payments of other fees to other governments | <u>21,131</u> |
| Total Deductions | <u>1,280,175,828</u> |
| Net Change in Fiduciary Net Position | 941 |
| NET POSITION | |
| Beginning of Year | <u>-</u> |
| End of Year | <u><u>\$ 941</u></u> |

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

Note 1 - Summary of Significant Accounting Policies

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

The Town provides a range of municipal services, including 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.

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.

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

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 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

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

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

The Greater Port Washington Business Improvement District Association, Inc. ("BID") is a district management association established to carry out the activities of the business improvement district. The BID is a not-for-profit corporation under Section 501 (c)(3) of the Internal Revenue Code, and was incorporated in 1996. The purpose of the BID is to spur business improvement and neighborhood stability in the area thereby business activity in its downtown area. The BID is a special assessment district of the Town and operates pursuant to Town Law, the Local Finance Law and other general laws of the State of New York. The BID cannot issue bonded debt without

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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

| | | |
|--------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| Carle Place Garbage District P.O. Box 11 Carle Place, NY 11514 | Glenwood Garbage District P.O. Box 262 Glenwood Landing, NY 11547 | Port Washington Garbage District P.O. Box 608 Pt. Washington, NY 11050 |
| Roslyn Garbage District P.O. Box 1366 Roslyn Heights, NY 11577 | Belgrave Water Pollution Control District P.O. Box 408 Great Neck, NY 11023 | Port Washington Water Pollution Control District 70 Harbor Road Pt. Washington, NY 11050 |
| Great Neck Water Pollution Control District 236 East Shore Road Great Neck, NY 11023 | Albertson Water District P.O. Box 335 Albertson, NY 11507 | Carle Place Water District 578 Mineola Avenue Carle Place, NY 11514 |
| Garden City Park Water District 333 Marcus Avenue 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 |

B. Government-Wide Financial Statements

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

The Statement of Net Position presents the financial position of the Town and its discretely presented component units at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to

Note 1 - Summary of Significant Accounting Policies (Continued)

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:

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.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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:

| | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Garbage Districts:</p> <ul style="list-style-type: none"> Port Washington Glenwood Carle Place Roslyn <p>Water Pollution Control Districts:</p> <ul style="list-style-type: none"> Great Neck Belgrave Port Washington <p>Port Washington Police District</p> <p>Town of North Hempstead Community Development Agency</p> | <p>Water Districts:</p> <ul style="list-style-type: none"> Glenwood Albertson Garden City Park Port Washington Westbury Roslyn Carle Place Manhasset - Lakeville <p>Park Districts:</p> <ul style="list-style-type: none"> Manhasset Great Neck <p>Shelter Rock Public Library District</p> <p>Greater Port Washington Business Improvement District</p> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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 person 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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, 2022.

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, 2022, 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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, 2022 of \$3,352,500 has been reported as a note receivable in the government-wide financial statements.

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 and a settlement agreement was signed for the County to make payments in three equal installments over three years. The value of the receivable at December 31, 2022 of \$3,588,946 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.

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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 \$9,372,152, which is made up of \$233,732 for gift cards, \$4,748 for PILOT payments received in advance, \$74,935 for grant revenue received in advance of eligible expenditures, and \$9,058,737 for American Rescue Plan Act monies received in advance of eligible expenditures. The Town has also reported unearned revenues in the Highway Fund of \$9,913, the Part Town Fund of \$3,013, the Refuse and Garbage Districts Fund of \$8,813, and the non-major governmental funds for \$11,064 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 \$2,681,658 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 shorter 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.

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 (Asset) - The net pension liability (asset) represents the Town's proportionate share of the net pension liability (asset) 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 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 August 17, 2023.

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.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- 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.

- f) Budgets for the General and certain Special Revenue funds, including the Highway Fund, 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

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 2 - Stewardship, Compliance and Accountability (Continued)

months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States with the result expressed as a decimal to four places. The Town is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Town, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Town. The Town Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Town Board first enacts, by a vote of at least sixty percent of the total voting power of the Town Board, a local law to override such limit for such coming fiscal year.

C. New Accounting Pronouncement

GASB Statement No. 87, "Leases", established a single model for lease accounting based on the concept that leases are a financing of a "right-to-use" underlying asset. This statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset and a lessor to recognize a lease receivable and a deferred inflow of resources. The requirements of GASB Statement No. 87 are effective for the Town's fiscal year ended December 31, 2022. The Town has completed its evaluation of the financial impact of GASB Statement No. 87 and determined that the implementation of this standard was not required as it did not have a material impact on its financial statements.

D. Prior Period Adjustment - Discretely Presented Component Units

The composition of the prior period adjustments that were recorded within the discretely presented component units were as follows:

| | Garden City Park Water District | Westbury Water District | Roslyn Water District | Business and Tourism Development Corporation | Total |
|---------------------------------------------------------------------|---------------------------------------|-------------------------------|-----------------------------|-------------------------------------------------------|-----------------------|
| Prepaid expenditures | \$ - | \$ (46,686) | \$ - | \$ - | \$ (46,686) |
| Lease receivable | 4,605,076 | - | - | - | 4,605,076 |
| Capital assets, net | 491,654 | - | 1,004,293 | - | 1,495,947 |
| Deferred outflows of resources - deferred charge on refunding bonds | - | 10,823 | - | - | 10,823 |
| Accounts payable and accrued liabilities | (1,912,246) | (59,251) | (970,089) | - | (2,941,586) |
| Unearned revenue | 174,928 | 7,019 | - | - | 181,947 |
| Accrued interest | - | (88,989) | - | - | (88,989) |
| Long-term liabilities - bond premium | - | (11,444) | - | - | (11,444) |
| Deferred inflows of resources - leases | (4,605,076) | - | - | - | (4,605,076) |
| Encumbrances | - | 282,917 | - | - | 282,917 |
| Exclude discretely presented component unit | - | - | - | (56,830) | (56,830) |
| Prior period adjustment to net position | <u>\$ (1,245,664)</u> | <u>\$ 94,389</u> | <u>\$ 34,204</u> | <u>\$ (56,830)</u> | <u>\$ (1,173,901)</u> |

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds

A. Investments

At December 31, 2022, 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 | \$ 466,548 | \$ 466,548 | \$ - | \$ - | \$ - | \$ - |
| Certificates of deposits | 516,970 | - | - | 516,970 | - | - |
| Group annuity contracts | 753,031 | - | 753,031 | - | - | - |
| Common stock | 475,189 | 475,189 | - | - | - | - |
| U.S. and international equities funds | 3,153,592 | 3,153,592 | - | - | - | - |
| Bonds and bond funds | 2,879,465 | - | 24,361 | 691,035 | 1,623,106 | 540,963 |
| Corporate bonds | 6,608 | - | - | 6,608 | - | - |
| | <u>\$ 8,251,403</u> | <u>\$ 4,095,329</u> | <u>\$ 777,392</u> | <u>\$ 1,214,613</u> | <u>\$ 1,623,106</u> | <u>\$ 540,963</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 | \$ 466,548 | \$ 466,548 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Certificates of deposits | 516,970 | 516,970 | - | - | - | - | - |
| Group annuity contracts | 753,031 | - | 753,031 | - | - | - | - |
| Common stock | 475,189 | 475,189 | - | - | - | - | - |
| U.S. and international equities funds | 3,153,592 | 3,153,592 | - | - | - | - | - |
| Bonds and bond funds | 2,879,465 | - | 1,847,309 | 567,532 | 102,379 | 311,799 | 50,446 |
| Corporate bonds | 6,608 | - | - | 6,608 | - | - | - |
| | <u>\$ 8,251,403</u> | <u>\$ 4,612,299</u> | <u>\$ 2,600,340</u> | <u>\$ 574,140</u> | <u>\$ 102,379</u> | <u>\$ 311,799</u> | <u>\$ 50,446</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, 2022 were as follows:

| Fund | Due From | Due To |
|------------------------------|---------------------|---------------------|
| General | \$ 5,964,477 | \$ 4,916 |
| Highway | 269,340 | 688,540 |
| Part Town | 584 | - |
| Refuse and Garbage Districts | - | 1,674,558 |
| Capital Projects | 227,173 | 4,135,502 |
| Non-Major Governmental | 56,473 | 14,531 |
| | <u>\$ 6,518,047</u> | <u>\$ 6,518,047</u> |

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

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

C. Capital Assets

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

| Class | Balance January 1, 2022 | Additions | Deletions | Balance December 31, 2022 |
|-----------------------------------------------|----------------------------|-----------------------|---------------------|---------------------------------|
| Primary Government | | | | |
| Governmental Activities - | | | | |
| Capital Assets, not being depreciated: | | | | |
| Land - other than landfills | \$ 217,629,085 | \$ - | \$ - | \$ 217,629,085 |
| Construction-in-progress | 9,289,221 | 4,397,082 | 2,972,333 | 10,713,970 |
| Total Capital Assets, not being depreciated | <u>\$ 226,918,306</u> | <u>\$ 4,397,082</u> | <u>\$ 2,972,333</u> | <u>\$ 228,343,055</u> |
| Capital Assets, being depreciated: | | | | |
| Buildings | \$ 86,544,266 | \$ - | \$ - | \$ 86,544,266 |
| Improvements other than buildings | 111,992,032 | 3,604,469 | - | 115,596,501 |
| Machinery and equipment | 51,577,503 | 1,966,660 | 247,585 | 53,296,578 |
| Infrastructure | 235,867,649 | 7,840,431 | - | 243,708,080 |
| Intangibles - software | 3,143,795 | 17,307 | - | 3,161,102 |
| Total Capital Assets, being depreciated | <u>489,125,245</u> | <u>13,428,867</u> | <u>247,585</u> | <u>502,306,527</u> |
| Less Accumulated Depreciation for: | | | | |
| Buildings | 38,604,621 | 1,852,561 | - | 40,457,182 |
| Improvements other than buildings | 41,835,120 | 4,334,522 | - | 46,169,642 |
| Machinery and equipment | 31,855,508 | 2,941,695 | 247,585 | 34,549,618 |
| Infrastructure | 165,021,591 | 6,130,520 | - | 171,152,111 |
| Intangibles - software | 2,393,743 | 134,934 | - | 2,528,677 |
| Total Accumulated Depreciation | <u>279,710,583</u> | <u>15,394,232</u> | <u>247,585</u> | <u>294,857,230</u> |
| Total Capital Assets, being depreciated, net | <u>\$ 209,414,662</u> | <u>\$ (1,965,365)</u> | <u>\$ -</u> | <u>\$ 207,449,297</u> |
| Primary Government Capital Assets, net | <u>\$ 436,332,968</u> | <u>\$ 2,431,717</u> | <u>\$ 2,972,333</u> | <u>\$ 435,792,352</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, 2022, 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 | \$ 995,634 |
| Public Safety | 240,931 |
| Transportation | 5,566,934 |
| Culture and Recreation | 7,161,315 |
| Home and Community Services | 1,429,418 |
| Total Depreciation Expense - Governmental Activities | <u>\$ 15,394,232</u> |

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2022

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, as Reported January 1, 2022 | Prior Period Adjustment | Balance, as Restated January 1, 2022 | Additions | Deletions | Balance December 31, 2022 |
|--------------------------------------------------------|-----------------------------------------------|----------------------------|-----------------------------------------------|-----------------------|----------------------|---------------------------------|
| Nonmajor Component Units | | | | | | |
| Capital Assets, not being depreciated: | | | | | | |
| Land | \$ 14,051,129 | \$ - | \$ 14,051,129 | \$ - | \$ - | \$ 14,051,129 |
| Construction-in-progress | 94,109,542 | 1,495,947 | 95,605,489 | 47,818,282 | 91,331,253 | 52,092,518 |
| Total Capital Assets, not being depreciated | <u>\$ 108,160,671</u> | <u>\$ 1,495,947</u> | <u>\$ 109,656,618</u> | <u>\$ 47,818,282</u> | <u>\$ 91,331,253</u> | <u>\$ 66,143,647</u> |
| Capital Assets, being depreciated: | | | | | | |
| Buildings | \$ 154,232,621 | \$ - | \$ 154,232,621 | \$ 40,876,885 | \$ 478,349 | \$ 194,631,157 |
| Improvements other than buildings | 40,411,683 | - | 40,411,683 | 1,003,959 | 82,177 | 41,333,465 |
| Parking meters | 188,979 | - | 188,979 | - | - | 188,979 |
| Water mains | 7,571,053 | - | 7,571,053 | 42,060 | - | 7,613,113 |
| Library collection materials | 1,166,792 | - | 1,166,792 | 88,209 | 171,891 | 1,083,110 |
| Machinery and equipment | 165,255,401 | - | 165,255,401 | 17,504,284 | 2,339,557 | 180,420,128 |
| Vehicles | 3,732,087 | - | 3,732,087 | 532,913 | 242,361 | 4,022,639 |
| Infrastructure | 111,657,772 | - | 111,657,772 | 35,900,732 | - | 147,558,504 |
| Right-to-use leased equipment | - | - | - | 9,807 | - | 9,807 |
| Total Capital Assets, being depreciated | <u>484,216,388</u> | <u>-</u> | <u>484,216,388</u> | <u>95,958,849</u> | <u>3,314,335</u> | <u>576,860,902</u> |
| Less Accumulated Depreciation/Amortization for: | | | | | | |
| Buildings | 71,758,679 | - | 71,758,679 | 4,421,108 | 350,664 | 75,829,123 |
| Improvements other than buildings | 22,379,621 | - | 22,379,621 | 1,460,819 | 52,493 | 23,787,947 |
| Parking meters | 176,935 | - | 176,935 | 4,559 | - | 181,494 |
| Water mains | 4,809,276 | - | 4,809,276 | 184,506 | - | 4,993,782 |
| Library collection materials | 937,804 | - | 937,804 | 92,746 | 171,891 | 858,659 |
| Machinery and equipment | 91,778,670 | - | 91,778,670 | 6,821,365 | 2,299,359 | 96,300,676 |
| Vehicles | 2,380,389 | - | 2,380,389 | 258,040 | 223,116 | 2,415,313 |
| Infrastructure | 52,610,133 | - | 52,610,133 | 3,314,792 | - | 55,924,925 |
| Right-to-use leased equipment | - | - | - | 3,697 | - | 3,697 |
| Total Accumulated Depreciation/Amortization | <u>246,831,507</u> | <u>-</u> | <u>246,831,507</u> | <u>16,561,632</u> | <u>3,097,523</u> | <u>260,295,616</u> |
| Total Capital Assets, being depreciated/amortized, net | <u>\$ 237,384,881</u> | <u>\$ -</u> | <u>\$ 237,384,881</u> | <u>\$ 79,397,217</u> | <u>\$ 216,812</u> | <u>\$ 316,565,286</u> |
| Nonmajor Component Units | | | | | | |
| Capital Assets, net | <u>\$ 345,545,552</u> | <u>\$ 1,495,947</u> | <u>\$ 347,041,499</u> | <u>\$ 127,215,499</u> | <u>\$ 91,548,065</u> | <u>\$ 382,708,933</u> |

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2022

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, 2022 | Issued | Redemptions | Balance December 31, 2022 |
|--------------------------------------------------------|---------------------|---------------|---------------|-------------------------|----------------------|----------------------|---------------------------|
| Various Capital Projects | 2015 | n/a | n/a | \$ 7,000 | \$ - | \$ 7,000 | \$ - |
| Various Capital Projects | 2016 | n/a | n/a | 1,166,601 | - | 1,166,601 | - |
| Various Capital Projects | 2017 | n/a | n/a | 67,000 | - | 67,000 | - |
| Various Capital Projects | 2017 | n/a | n/a | 2,711,000 | - | 2,711,000 | - |
| Various Capital Projects | 2018 | 03/24/23 | 3.00 % | 1,272,000 | - | 878,000 | 394,000 |
| Various Capital Projects | 2018 | 03/24/23 | 3.00 | 1,474,000 | - | 14,000 | 1,460,000 |
| Various Capital Projects | 2019 | 03/24/23 | 3.00 | 242,000 | - | 9,000 | 233,000 |
| Various Capital Projects | 2019 | 09/22/23 | 4.50 | 6,343,000 | - | 58,000 | 6,285,000 |
| Various Capital Projects | 2020 | 09/22/23 | 4.50 | 4,124,000 | 700,000 | 34,000 | 4,790,000 |
| Various Capital Projects | 2020 | 03/24/23 | 3.00 | 16,475,000 | 2,500,000 | 4,100,000 | 14,875,000 |
| Various Capital Projects | 2020 | n/a | n/a | 2,800,000 | - | 2,800,000 | - |
| Various Capital Projects | 2021 | 03/24/23 | 3.00 | 11,860,000 | 5,000,000 | 2,500,000 | 14,360,000 |
| Various Capital Projects | 2021 | 09/22/23 | 4.50 | 25,170,000 | 9,500,000 | - | 34,670,000 |
| Various Capital Projects | 2022 | 03/24/23 | 3.00 | | 8,247,000 | - | 8,247,000 |
| Total Primary Government and Non-Major Component Units | | | | <u>\$ 73,711,601</u> | <u>\$ 25,947,000</u> | <u>\$ 14,344,601</u> | <u>\$ 85,314,000</u> |

These bond anticipation notes are summarized as follows:

| | Balance January 1, 2022 | Issued | Redeemed | Balance December 31, 2022 |
|-----------------------------------|-------------------------|----------------------|----------------------|---------------------------|
| Primary Government: | | | | |
| Capital Projects Fund | \$ 13,625,601 | \$ - | \$ 11,638,601 | \$ 1,987,000 |
| Non-Major Component Units: | | | | |
| Water District | 42,654,000 | 17,500,000 | 2,627,000 | 57,527,000 |
| Water Pollution Control Districts | 17,432,000 | 8,447,000 | 79,000 | 25,800,000 |
| | <u>60,086,000</u> | <u>25,947,000</u> | <u>2,706,000</u> | <u>83,327,000</u> |
| | <u>\$ 73,711,601</u> | <u>\$ 25,947,000</u> | <u>\$ 14,344,601</u> | <u>\$ 85,314,000</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 \$184,209 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$103,112 was recorded in the government-wide financial statements.

Town of North Hempstead, New York

Notes to Financial Statements (Continued)

December 31, 2022

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 (the 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, 2022, the total amount advanced under these notes and grants was \$4,033,087 and \$1,378,500, 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 and as of December 31, 2022, the total amount advanced under this grant was \$5,000,000.

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, 2022, the total amount advanced under this grant was \$3,621,500.

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, 2022, the total amount advanced under the short-term market rate financing and general loan was \$10,432,250 and \$5,432,250 respectively.

The BWPCD’s Outfall projects were completed in 2022 and the NYSEFC short-term loans were converted to serial bonds subsequently. The following is a summary of changes in short-term liabilities for the year ended December 31, 2022:

| | Beginning Balance | Additions | Reductions | Ending Balance |
|-----------------------|----------------------|---------------------|----------------------|-------------------|
| NYSEFC Loan - SMLP | \$ 3,825,987 | \$ 207,100 | \$ 4,033,087 | \$ - |
| NYSEFC Loan - General | 5,432,250 | - | 5,432,250 | - |
| NYSEFC Loan - SMRF | 9,328,450 | 1,103,800 | 10,432,250 | - |
| | <u>\$ 18,586,687</u> | <u>\$ 1,310,900</u> | <u>\$ 19,897,587</u> | <u>\$ -</u> |

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2022

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, 2022:

| | Balance January 1, 2022 | New Issues/ Additions | Maturities and/or Payments | Balance December 31, 2022 | Due Within One Year |
|---------------------------------------------------------------------|-------------------------------|--------------------------|----------------------------------|---------------------------------|------------------------|
| Primary Government | | | | | |
| Bonds Payable: | | | | | |
| General obligation | \$ 193,317,996 | \$ 16,599,010 | \$ 17,762,085 | \$ 192,154,921 | \$ 15,516,919 |
| Plus | | | | | |
| Unamortized premium on bonds | 7,624,300 | 368,264 | 745,103 | 7,247,461 | - |
| | <u>200,942,296</u> | <u>16,967,274</u> | <u>18,507,188</u> | <u>199,402,382</u> | <u>15,516,919</u> |
| Retirement incentives and other pension obligations | 1,656,001 | - | 1,623,613 | 32,388 | 32,388 |
| Compensated absences | 5,752,318 | - | 186,759 | 5,565,559 | 556,556 |
| Claims and judgments payable | 7,721,262 | 3,240,099 | 4,893,170 | 6,068,191 | 607,000 |
| Estimated liability for landfill closure and postclosure care costs | 4,810,051 | 254,345 | 437,781 | 4,626,615 | 446,537 |
| Net Pension Liability | 101,813 | - | 101,813 | - | - |
| Length of service awards program liabilities | 17,188,488 | - | 1,030,241 | 16,158,247 | - |
| Other Post Employment Benefit Liability | 246,961,500 | 12,004,937 | 126,362,256 | 132,604,181 | - |
| | <u>284,191,433</u> | <u>15,499,381</u> | <u>134,635,633</u> | <u>165,055,181</u> | <u>1,642,481</u> |
| Primary Government Long-Term liabilities | <u>\$ 485,133,729</u> | <u>\$ 32,466,655</u> | <u>\$ 153,142,821</u> | <u>\$ 364,457,563</u> | <u>\$ 17,159,400</u> |
| | | | | | |
| | Balance January 1, 2022 | New Issues/ Additions | Maturities and/or Payments | Balance December 31, 2022 | Due Within One Year |
| Non-major Component Units | | | | | |
| Bonds Payable - General Obligation | \$ 182,230,565 | \$ 17,706,490 | \$ 10,048,670 | \$ 189,888,385 | \$ 9,086,864 |
| Plus | | | | | |
| Unamortized premium on bonds | 3,232,131 * | 81,460 | 282,205 | 3,031,386 | 274,217 |
| | <u>185,462,696</u> | <u>17,787,950</u> | <u>10,330,875</u> | <u>192,919,771</u> | <u>9,361,081</u> |
| Compensated Absences | 13,046,328 | 591,879 | 280,491 | 13,357,716 | 116,124 |
| Lease payable | - | 9,807 | 3,785 | 6,022 | 3,799 |
| Installment purchase debt | 121,270 | - | 121,270 | - | - |
| Net Pension Liability | 4,162,695 | - | 2,840,549 | 1,322,146 | - |
| Other Post Employment Benefit Liability | 217,376,753 | 9,053,322 | 107,449,939 | 118,980,136 | - |
| | <u>\$ 420,169,742</u> | <u>\$ 27,442,958</u> | <u>\$ 121,026,909</u> | <u>\$ 326,585,791</u> | <u>\$ 9,481,004</u> |

* See prior period adjustment footnote at Note 2D.

Each governmental fund's liability for bonds is liquidated by the Debt Service Fund, which is funded by transfers from other funds. Each governmental fund's liability for retirement incentives and other pension obligations, compensated absences, claims and judgments, landfill closure costs, net pension liability, length of service awards program and other postemployment benefit obligations is liquidated by the General, Highway, 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, 2022

Note 3 - Detailed Notes on All Funds (Continued)

General Obligation Bonds Payable

General obligation bonds payable at December 31, 2022 are comprised of the following individual issues:

| Purpose | Original Issue Amount | Final Maturity Date | Interest Rates | Amount Outstanding at December 31, 2022 |
|---------------------------------------------------------|-----------------------|---------------------|----------------|-----------------------------------------|
| New York State EFC Bonds-2002 Series F | \$ 1,365,000 | November, 2023 | 6.131-6.181 % | \$ 85,000 |
| New York State EFC Bonds-2003 Series A | 1,160,000 | April, 2031 | 4.711-4.901 | 450,000 |
| New York State EFC Bonds-2006 Series C | 3,442,810 | April, 2036 | 4.671-4.861 | 1,935,000 |
| NYS EFC Bonds-2008, Series A- 1, B-1, A-2, B-2 (2011 C) | 1,783,412 | April, 2038 | 4.270 | 400,000 |
| EFC Serial Bonds-2010 Series C | 15,173,760 | October, 2039 | 3.405-4.603 | 9,335,000 |
| EFC 2012 Series E Bonds | 54,148,000 | November, 2042 | 2.382-4.098 | 38,550,000 |
| \$550,000 NYS EFC Series 2013B | 550,000 | January, 2023 | 2.745 | 65,000 |
| Refunding Serial Bonds 2004 & 2005 Ref. 2014 Series A | 25,220,000 | February, 2025 | 2.500-3.000 | 2,345,000 |
| Various Purpose Serial Bond 2014 Series D | 25,108,147 | October, 2030 | 2.250-3.000 | 13,560,000 |
| Refunding 2015 Series A (2006,2007A,2007B) | 21,245,000 | February, 2027 | 2.125-5.000 | 7,047,838 |
| Public Improvement 2015 Series B | 4,390,000 | April, 2035 | 2.125-5.000 | 3,240,000 |
| Refunding 2015 Series C | 17,210,000 | January, 2023 | 5.000 | 57,399 |
| EFC - Clean Water Statutory Installment Bond 2016 | 1,885,113 | June, 2045 | 0.000 | 1,446,700 |
| Public Improvement Serial Bonds Series 2016 A | 13,862,090 | October, 2037 | 2.000-3.000 | 10,480,002 |
| Public Improvement Serial Bonds Series 2016 B | 48,046,322 | September, 2034 | 2.000-3.000 | 32,614,814 |
| Public Improvement Serial Bonds Series 2016 C | 19,308,531 | September, 2046 | 2.250-3.000 | 16,240,000 |
| Public Improvement Serial Bonds Series 2017 A | 49,774,425 | April, 2039 | 3.000-3.250 | 40,348,050 |
| Public Improvement Serial Bonds Series 2017 B | 10,970,000 | April, 2047 | 3.000-4.000 | 9,715,000 |
| Public Improvement Serial Bonds Series 2017 C | 21,677,200 | September, 2036 | 2.000-3.100 | 17,205,000 |
| Public Improvement Serial Bonds Series 2017 D | 4,750,000 | September, 2047 | 3.000 | 4,150,000 |
| Public Improvement Serial Bonds Series 2018 A | 20,895,000 | April, 2032 | 3.000-5.000 | 15,288,003 |
| Public Improvement Serial Bonds Series 2018 B | 8,730,201 | September, 2047 | 3.000-5.000 | 7,875,000 |
| Public Improvement Serial Bonds Series 2019 A | 18,910,000 | March, 2033 | 2.250-5.000 | 15,995,000 |
| Public Improvement Serial Bonds Series 2019 B | 16,379,057 | September, 2049 | 2.000-5.000 | 15,040,000 |
| Public Improvement Serial Bonds Series 2020 A | 30,310,000 | August, 2050 | 2.000-5.000 | 29,080,000 |
| Refunding 2020 Series B | 7,375,000 | May, 2024 | 5.000 | 1,800,000 |
| Public Improvement Serial Bonds Series 2020 C | 3,930,000 | September, 2033 | 1.125-5.000 | 3,460,000 |
| Public Improvement Serial Bonds Series 2020 D | 4,740,000 | September, 2040 | 1.875-5.000 | 4,410,000 |
| Refunding 2020 Series E | 3,950,000 | October, 2027 | 5.000 | 2,935,000 |
| Refunding 2020 Series F | 26,065,000 | January, 2039 | 1.350-2.000 | 18,405,000 |
| Public Improvement Serial Bonds Series 2021 A | 11,420,000 | March, 2036 | 2.000-5.000 | 11,030,000 |
| Public Improvement Serial Bonds Series 2021 B | 13,755,000 | September, 2041 | 2.000-5.000 | 13,150,000 |
| Public Improvement Serial Bonds Series 2022 A | 19,764,407 | March, 2042 | 2.000-3.125 | 19,764,407 |
| Public Improvement Serial Bonds Series 2022 B | 414,603 | March, 2032 | 0.700-3.500 | 414,603 |
| EFC - Clean Water Statutory Installment Bond 2022 | 3,959,087 | October, 2052 | 0.000 | 3,959,087 |
| EFC - Clean Water Statutory Installment Bond 2022 | 10,167,403 | September, 2052 | 3.117-4.886 | 10,167,403 |
| | | | | <u>\$ 382,043,306</u> |

Interest expenditures of \$5,805,582 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$5,145,903 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 2052.

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

| | Balance January 1, 2022 | Issued | Redeemed | Balance December 31, 2022 |
|-----------------------------------|-------------------------------|----------------------|----------------------|---------------------------------|
| Primary Government | | | | |
| Capital Projects Fund: | | | | |
| General | \$ 111,495,212 | \$ 5,327,197 | \$ 11,491,756 | \$ 105,330,653 |
| Part town | 948,736 | - | 61,692 | 887,044 |
| Highway | 54,260,350 | 9,474,468 | 4,576,821 | 59,157,997 |
| Public parking | 2,648,811 | 955,001 | 293,871 | 3,309,941 |
| Sidewalk | 2,478,285 | 440,733 | 167,594 | 2,751,424 |
| Lighting | 543,854 | 401,611 | 41,835 | 903,630 |
| Parks | 20,942,748 | - | 1,128,516 | 19,814,232 |
| Total Primary Government | <u>193,317,996</u> | <u>16,599,010</u> | <u>17,762,085</u> | <u>192,154,921</u> |
| Non-Major Component Units | | | | |
| Water Pollution Control Districts | 95,627,183 | 14,126,490 | 3,794,372 | 105,959,301 |
| Water Districts | 77,958,968 | 3,580,000 | 4,306,648 | 77,232,320 |
| Park Districts | 7,563,937 | - | 1,284,973 | 6,278,964 |
| Library District | 1,067,099 | - | 654,472 | 412,627 |
| Business Improvement District | 13,378 | - | 8,205 | 5,173 |
| Total Component Units | <u>182,230,565</u> | <u>17,706,490</u> | <u>10,048,670</u> | <u>189,888,385</u> |
| Total General Obligation Bonds | <u>\$ 375,548,561</u> | <u>\$ 34,305,500</u> | <u>\$ 27,810,755</u> | <u>\$ 382,043,306</u> |

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of December 31, 2022 including interest payments of \$92,000,476 are as follows:

| Year Ending December 31, | Principal | Interest |
|-----------------------------|-----------------------|----------------------|
| 2023 | \$ 24,603,783 | \$ 10,283,826 |
| 2024 | 24,491,865 | 9,318,331 |
| 2025 | 24,193,084 | 8,597,634 |
| 2026 | 23,758,253 | 7,895,310 |
| 2027 | 22,794,870 | 7,201,490 |
| 2028-2032 | 113,679,351 | 26,284,490 |
| 2033-2037 | 75,974,350 | 13,323,519 |
| 2038-2042 | 43,124,350 | 6,206,812 |
| 2043-2047 | 21,353,550 | 2,513,045 |
| 2048-2052 | 8,069,850 | 376,019 |
| | <u>\$ 382,043,306</u> | <u>\$ 92,000,476</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, 2022

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 |
|---------------------------|---------------------------------|-----------------------------|------------------|------------------------|
| Primary Government | | | | |
| 2013 ERS | \$ 1,995,134 | \$ 233,891 | \$ - | \$ - |
| 2014 ERS | 2,434,717 | 580,085 | - | - |
| 2015 ERS | 1,496,908 | 514,453 | - | - |
| 2016 ERS | 845,730 | 350,139 | 32,388 | 32,388 |
| | <u>\$ 6,772,489</u> | <u>\$ 1,678,568</u> | <u>\$ 32,388</u> | <u>\$ 32,388</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.

As of December 31, 2022, the liability for compensated absences for the Town and the nonmajor discretely presented component units was \$5,565,559 and \$13,357,716, respectively.

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

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

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' Compensation</u> | <u>General Liability</u> |
|--------------------------------------------------------|----------------------------------|------------------------------|
| Balance - Beginning of Year | \$ 2,425,206 | \$ 5,296,056 |
| Provision for Claims and Claims Adjustment Expenses | 1,934,773 | 1,305,326 |
| Claims and Claims Adjustments Expenses Paid | <u>(1,651,677)</u> | <u>(3,241,493)</u> |
| Balance - End of Year | <u>\$ 2,708,302</u> | <u>\$ 3,359,889</u> |
| Current Portion | <u>\$ 271,000</u> | <u>\$ 336,000</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, 2022, the Town has recorded a liability of \$4,626,615 in the government-wide financial statements, which represents the provision to be made in future budgets for unfunded closure and postclosure landfill costs. As this liability is based on 100% capacity, there are no estimated costs of closure and postclosure care costs remaining to be recognized. Actual costs may vary due to inflation, changes in technology, or changes in regulations or applicable laws.

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

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

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

The ERS is noncontributory except for employees who joined after July 2, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers’ contributions based on salaries paid during the ERS’s fiscal year ending March 31. Contribution rates for the plan’s year ending in 2022 are as follows:

| <u>Tier/Plan</u> | <u>Rate</u> |
|------------------|-------------|
| 1 75I | 25.2 % |
| 2 75I | 23.0 |
| 3 A14 | 18.2 |
| 4 A15 | 18.2 |
| 5 A15 | 15.2 |
| 6 A15 | 10.6 |

At December 31, 2022, the Town reported the following for its proportionate share of the net pension liability (asset) for ERS:

| | |
|--------------------------------------------------------|----------------|
| Measurement date | March 31, 2022 |
| Net pension liability (asset) | \$ (9,744,573) |
| Town's proportion of the net pension liability (asset) | 0.1093754% |
| Change in proportion since the prior measurement date | -(0.0071071%) |

The net pension liability (asset) was measured as of March 31, 2022 and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of the date. The Town’s proportion of the net pension liability (asset) 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.

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

For the year ended December 31, 2022, the Town recognized its proportionate share of pension expense in the government-wide financial statements of \$15,283. Pension expenditures (exclusive of retirement incentives and other pension obligations) of \$3,808,635 were recorded in the fund financial statements and were charged to the following funds:

| | |
|--------------------------|---------------------|
| General | \$ 2,260,166 |
| Highway | 679,636 |
| Part Town | 692,293 |
| Lighting District | 5,084 |
| Park Districts | 57,823 |
| Sidewalk District | 82,126 |
| Public Parking District | <u>31,507</u> |
| Total Primary Government | <u>\$ 3,808,635</u> |

At December 31, 2022, the Town reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to the ERS from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|-----------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| Differences between expected and actual experience | \$ 677,114 | \$ 878,255 |
| Changes of assumptions | 14,921,504 | 251,784 |
| Net difference between projected and actual earnings on pension plan investments | - | 29,277,986 |
| Changes in proportion and differences between Town contributions and proportionate share of contributions | 1,593,435 | 738,075 |
| Town contributions subsequent to the measurement date | <u>2,256,930</u> | <u>-</u> |
| | <u>\$ 19,448,983</u> | <u>\$ 31,146,100</u> |

\$2,256,930 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 (asset) in the year ended March 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the ERS will be recognized in pension expense as follows:

| <u>Year Ended March 31,</u> | |
|---------------------------------|------------------------|
| 2023 | \$ (1,991,381) |
| 2024 | (3,077,784) |
| 2025 | (7,440,150) |
| 2026 | <u>(1,444,732)</u> |
| | <u>\$ (13,954,047)</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:

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

| | |
|----------------------------|----------------|
| Measurement date | March 31, 2022 |
| Actuarial valuation date | April 1, 2021 |
| 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.

| Asset Type | Target Allocation | Long-Term Expected Real Rate of Return |
|-----------------------------|-------------------|----------------------------------------|
| Domestic Equity | 32 % | 3.30 % |
| International Equity | 15 | 5.85 |
| Private Equity | 10 | 6.50 |
| Real Estate | 9 | 5.00 |
| Opportunistic/ARS Portfolio | 3 | 4.10 |
| Credit | 4 | 3.78 |
| Real Assets | 3 | 5.80 |
| Fixed Income | 23 | - |
| Cash | 1 | (1.00) |
| | 100 % | |

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

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

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 (asset) 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:

| | 1% Decrease (4.9%) | Current Discount Rate (5.9%) | 1% Increase (6.9%) |
|-----------------------------------------------------------------------------------|--------------------------|------------------------------------|--------------------------|
| Primary Government's proportionate share of the ERS net pension liability (asset) | <u>\$ 23,014,002</u> | <u>\$ (9,744,573)</u> | <u>\$ (35,669,794)</u> |

The components of the current year collective net pension liability (asset) of the ERS as of March 31, 2022, were as follows:

| | |
|-------------------------------------------------------------------|---------------------------|
| Total pension liability | \$ 223,874,888,000 |
| Fiduciary net position | <u>232,049,473,000</u> |
| Employers' net pension liability | <u>\$ (8,174,585,000)</u> |
| Fiduciary net position as a percentage of total pension liability | <u>103.65%</u> |

Employer contributions to ERS are paid annually and cover the period through the end of ERS’s fiscal year, which is March 31st. Accrued retirement contributions as of December 31, 2022 represent the projected employer contribution for the period of April 1, 2022 through December 31, 2022 based on paid ERS wages multiplied by the employers’ contribution rate, by tier. Retirement contributions to ERS for the nine months ended December 31, 2022 were \$2,256,930.

Fire Protection Length of Service Awards Program (“LOSAP”) Liabilities

The Town’s financial statements are for the year ended December 31, 2022. 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

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
 December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

facilitate the recruitment and retention of active volunteer firefighters. Four of the programs, Alert, Glenwood, Port Washington and Roslyn, have multiple sponsors.

Participation, Vesting, and Service Credit

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

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

Benefits Provided

A participant's benefit under the Plan is the actuarial equivalent of a monthly payment for life equal to \$20 to \$30 (as determined by each Plan - see Table No. 1), multiplied by the participant's total number of years of firefighting service. The number of years of firefighting service used to compute the benefit cannot exceed 25 to 40 years (as determined by each Plan - see Table No. 1), including Prior Service credits. Except in the case of disability or death, benefits are payable when the participant has attained the entitlement age. The program provides statutorily mandated death and disability benefits. (See Table No. 1).

Table No. 1 Program Description

| | <u>Albertson</u> | <u>Alert</u> | <u>Floral Park Centre</u> |
|--------------------------------------|--------------------------------|----------------------------------------------------------------------------------------------------------------|--------------------------------|
| Plan year end date | 12/31/2021 | 12/31/2021 | 12/31/2021 |
| 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 | Entitlement Age | Entitlement Age |
| | except for disability or death | except for disability or death | except for disability or death |
| Optional line-of-duty disability | No | No | No |

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

Table No. 1 Program Description (Continued)

| | <u>Glenwood</u> | <u>Port Washington</u> | <u>Roslyn</u> |
|--------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Plan year end date | 12/31/2021 | 12/31/2021 | 12/31/2021 |
| 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 | Entitlement Age | Entitlement Age |
| | except for disability or death | except for disability or death | except for disability or death |
| Optional line-of-duty disability | No | No | No |

Participants Covered by the Benefit Terms

| | <u>Albertson</u> | <u>Floral Park Centre</u> |
|-------------------------------------------------------------------|------------------|---------------------------|
| Inactive participants currently receiving benefits | 29 | 6 |
| Inactive participants entitled to, but not yet receiving benefits | 18 | 6 |
| Active participants | 42 | 15 |
| Total | <u>89</u> | <u>27</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).

Town of North Hempstead, New York

Notes to Financial Statements (Continued)

December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

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

Plan sponsors are required to retain an actuary to determine the amount of the sponsor's contributions to the plan. The actuaries retained by the sponsors for this purpose are outlined in the table below. Portions of the following information are derived from the reports prepared by these actuaries (see Table No. 2 for report dates).

Table No. 2 Fiduciary Information

| | <u>Albertson</u> | <u>Alert</u> | <u>Floral Park Centre</u> |
|------------------------------|----------------------------|---------------------------|---------------------------|
| Administered by the actuary: | Penflex, Inc. | Penflex, Inc. | Penflex, Inc. |
| Disbursements approved by: | Town of North Hempstead | Joint Sponsoring Board | Town of North Hempstead |
| Plan Trustee | Town of North Hempstead | Joint Sponsoring Board | Town of North Hempstead |
| Authority to invest assets | RBC Wealth Management | RBC Wealth Management | RBC Wealth Management |
| Valuation date | 1/1/2022 | 1/1/2022 | 1/1/2022 |
| Actuary report date | 7/13/2022 | 6/14/2022 | 8/3/2022 |
| | <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 | 1/1/2022 | 12/31/2021 | 1/1/2022 |
| Actuary report date | 3/19/2023 | 1/12/2023 | 7/18/2022 |

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

At December 31, 2022, the Town reported a liability of \$16,158,247 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, 2021 for all plans except Glenwood, which was measured as of January 1, 2021. 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, 2022 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 | \$ 5,437,289 | \$ 1,257,984 |
| Service cost | 167,241 | 14,103 |
| Interest | 106,763 | 24,278 |
| Difference between expected and actual experience | 91,209 | 3,076 |
| Change in assumptions | (260,605) | (57,347) |
| Benefit payments | (145,558) | (28,320) |
| Program Liability - End of year | <u>\$ 5,396,339</u> | <u>\$ 1,213,774</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, 2022

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, 2021 | 100.00% | 100.00% | 6.11% | 19.60% | 50.81% | 21.37% |
| 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% |
| Change in proportionate share | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | -0.76% |
| 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, 2022, the Town recognized pension expense of \$1,308,591 in the statement of activities. At December 31, 2022, 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 | \$ 195,223 | \$ 17,523 | \$ 34,043 | \$ 11,403 | \$ 56,136 | \$ 43,378 | \$ 357,706 |
| Changes of assumptions or other inputs | 1,126,461 | 69,960 | 270,053 | 107,335 | 1,801,061 | 422,208 | 3,797,078 |
| Changes in proportion and difference between Town pension payments and proportionate share of benefit payments | - | - | - | - | 254,257 | - | 254,257 |
| Benefit payments and administrative expenses subsequent to the measurement date | 198,716 | 13,147 | 52,352 | - | 148,352 | 52,362 | 464,929 |
| Total | <u>\$ 1,520,400</u> | <u>\$ 100,630</u> | <u>\$ 356,448</u> | <u>\$ 118,738</u> | <u>\$ 2,259,806</u> | <u>\$ 517,948</u> | <u>\$ 4,873,970</u> |

Deferred Inflows of Resources

| | Albertson | Alert | Floral Park Centre | Glenwood | Port Washington | Roslyn | Totals |
|----------------------------------------------------------------------------------------------------------------|-------------------|------------------|--------------------|-------------------|---------------------|-------------------|---------------------|
| Differences between expected and actual experience | \$ - | \$ 6,944 | \$ 25,195 | \$ 147,050 | \$ 337,405 | \$ 531 | \$ 517,125 |
| Changes of assumptions or other inputs | 518,749 | 33,547 | 134,556 | 373,819 | 782,914 | 219,489 | 2,063,074 |
| Changes in proportion and difference between Town pension payments and proportionate share of benefit payments | - | 724 | - | - | - | 25,660 | 26,384 |
| Total | <u>\$ 518,749</u> | <u>\$ 41,215</u> | <u>\$ 159,751</u> | <u>\$ 520,869</u> | <u>\$ 1,120,319</u> | <u>\$ 245,680</u> | <u>\$ 2,606,583</u> |

Deferred outflows of resources related to the program resulting from the Town's contribution subsequent to the measurement date in the amount of \$464,929 will be recognized as a reduction of the program liability in the year ended December 31, 2023. 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 |
|---------------------------|-------------------|------------------|--------------------|---------------------|-------------------|-------------------|---------------------|
| 2023 | \$ 81,320 | \$ 5,253 | \$ 15,661 | \$ (72,437) | \$ 198,876 | \$ 40,615 | \$ 269,288 |
| 2024 | 81,320 | 5,253 | 15,661 | (160,601) | 198,876 | 40,615 | 181,124 |
| 2025 | 81,320 | 5,253 | 15,661 | (169,093) | 198,876 | 40,615 | 172,632 |
| 2026 | 81,320 | 5,253 | 15,661 | - | 198,876 | 40,615 | 341,725 |
| 2027 | 72,904 | 6,559 | 15,661 | - | 198,876 | 40,615 | 334,615 |
| Thereafter | 404,751 | 18,697 | 66,040 | - | (3,245) | 16,831 | 503,074 |
| | <u>\$ 802,935</u> | <u>\$ 46,268</u> | <u>\$ 144,345</u> | <u>\$ (402,131)</u> | <u>\$ 991,135</u> | <u>\$ 219,906</u> | <u>\$ 1,802,458</u> |

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2022

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 | 1/1/2022 | 1/1/2022 | 1/1/2022 |
| Measurement date | 12/31/2021 | 12/31/2021 | 12/31/2021 |
| 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 | 1/1/2022 | 12/31/2021 | 1/1/2022 |
| Measurement date | 12/31/2022 | 12/31/2021 | 12/31/2021 |
| 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.

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:

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
 December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

| | <u>1% Decrease</u> | <u>Current Assumption</u> | <u>1% Increase</u> |
|---------------------------|------------------------|-------------------------------|------------------------|
| Albertson | | | |
| Discount rates | 1.24% | 2.24% | 3.24% |
| LOSAP liability | \$ 6,307,825 | \$ 5,396,339 | \$ 4,667,628 |
| Alert | | | |
| Discount rates | 1.24% | 2.24% | 3.24% |
| LOSAP liability | \$ 401,543 | \$ 343,093 | \$ 296,521 |
| Floral Park Centre | | | |
| Discount rates | 1.24% | 2.24% | 3.24% |
| LOSAP liability | \$ 1,414,823 | \$ 1,213,774 | \$ 1,053,723 |
| Glenwood | | | |
| Discount rates | 3.05% | 4.05% | 5.05% |
| LOSAP liability | \$ 1,290,946 | \$ 1,104,843 | \$ 957,654 |
| Port Washington | | | |
| Discount rates | 1.25% | 2.25% | 3.25% |
| LOSAP liability | \$ 7,626,940 | \$ 6,336,930 | \$ 5,320,555 |
| Roslyn | | | |
| Discount rates | 1.24% | 2.24% | 3.24% |
| LOSAP liability | \$ 2,132,657 | \$ 1,763,268 | \$ 1,478,144 |

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.

At December 31, 2022, the following employees were covered by the benefit terms:

| | <u>Primary Government</u> |
|---------------------------------------------------------|-------------------------------|
| Inactive employees currently receiving benefit payments | 307 |
| Surviving spouse currently receiving benefit payments | 38 |
| Active employees | <u>423</u> |
| | <u>768</u> |

The Town’s total OPEB liability of \$132,604,181 was measured as of December 31, 2022.

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

The total OPEB liability in the January 1, 2022 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 | 4.0% |
| Healthcare cost trend rates | 5.75% for Pre-65 and 4.5% for Post-65 for 2022, decreasing at various rates to an ultimate rate of 4.5% for 2029 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, 2022, per Fidelity Investments.

Mortality rates were in accordance with the SOA RP-2014 Total Dataset. Mortality improvements are projected using SOA Scale MP-2021.

The actuarial assumptions used in the January 1, 2022 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 – August 2022* report for turnover and retirement.

The Town's change in the total OPEB liability for the year ended December 31, 2022 is as follows:

| | <u>Primary Government</u> |
|-------------------------------------------------------|-------------------------------|
| Total OPEB Liability - Beginning of Year | \$ 246,961,500 |
| Service cost | 7,607,009 |
| Interest | 4,397,928 |
| Differences between actual and expected experience | (43,939,881) |
| Changes in assumptions or other inputs | (77,158,076) |
| Benefit payments | <u>(5,264,299)</u> |
| Total OPEB Liability - End of Year | <u>\$ 132,604,181</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 (3.0%) or 1 percentage point higher (5.0%) than the current discount rate:

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

| | 1% Decrease (3.0%) | Current Discount Rate (4.0%) | 1% Increase (5.0%) |
|----------------------|--------------------------|------------------------------------|--------------------------|
| Total OPEB Liability | <u>\$ 154,137,903</u> | <u>\$ 132,604,181</u> | <u>\$ 115,467,894</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:

| | 1% Decrease (4.75% decreasing in various amounts to a trend rate of 3.5%) | Healthcare Cost Trend Rates (5.75% decreasing in various amounts to a trend rate of 4.5%) | 1% Increase (6.75% decreasing in various amounts to a trend rate of 5.5%) |
|----------------------|------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| Total OPEB Liability | <u>\$ 113,465,670</u> | <u>\$ 132,604,181</u> | <u>\$ 157,049,988</u> |

For the year ended December 31, 2022, the Town recognized OPEB expense of (\$11,366,496) in the government-wide financial statements. At December 31, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|----------------------------------------------------|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ - | \$ 38,159,469 |
| Changes of assumptions or other inputs | - | 32,103,130 |
| | <u>\$ -</u> | <u>\$ 70,262,599</u> |

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

| Year Ended December 31, | |
|----------------------------|------------------------|
| 2023 | \$ (23,371,432) |
| 2024 | (21,414,408) |
| 2025 | (26,955,064) |
| 2026 | <u>1,478,305</u> |
| | <u>\$ (70,262,599)</u> |

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

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 | \$ 1,931,384 | \$ 16,720,797 |
| Highway Fund | 1,141,330 | 7,492,077 |
| Part Town | 206 | 96,357 |
| Refuse and Garbage Districts | - | 75,000 |
| Debt Service Fund | 24,697,198 | 2,694,807 |
| Capital Projects Fund | 1,977,653 | 976,002 |
| Non-Major Governmental Funds | 1,132,763 | 2,825,494 |
| | <u>\$ 30,880,534</u> | <u>\$ 30,880,534</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.

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, 2022

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 |
|------------------------------------|----------------------|----------------------|----------------------|------------------------------|---------------------|-----------------------|------------------------------|-----------------------|
| Nonspendable | | | | | | | | |
| Prepaid expenditures | \$ 1,108,075 | \$ 363,885 | \$ 273,520 | \$ - | \$ - | \$ - | \$ 76,108 | \$ 1,821,588 |
| Inventory | 424,085 | 273,596 | - | - | - | - | - | 697,681 |
| Total Nonspendable | 1,532,160 | 637,481 | 273,520 | - | - | - | 76,108 | 2,519,269 |
| Restricted | | | | | | | | |
| Capital projects | - | - | - | - | - | 35,237,275 | - | 35,237,275 |
| Debt service | - | - | - | - | 8,023,580 | - | - | 8,023,580 |
| Length of service award program | - | - | - | - | - | - | 8,251,403 | 8,251,403 |
| Total Restricted | - | - | - | - | 8,023,580 | 35,237,275 | 8,251,403 | 51,512,258 |
| Assigned | | | | | | | | |
| Subsequent year's expenditures | 2,446,913 | 4,565,492 | 1,387,780 | - | - | - | 167,011 | 8,567,196 |
| Capital projects | 703,450 | 831,478 | 251,880 | - | - | - | - | 1,786,808 |
| 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 | - | 250,392 | 244,624 | - | - | - | - | 495,016 |
| Senior endowment | 1,225,678 | - | - | - | - | - | - | 1,225,678 |
| Major funds | - | 4,048,389 | 8,177,379 | 886,487 | - | - | - | 13,112,255 |
| Non-major funds | | | | | | | | |
| Fire protection | - | - | - | - | - | - | 1,283,233 | 1,283,233 |
| Lighting | - | - | - | - | - | - | 237,615 | 237,615 |
| Park | - | - | - | - | - | - | 190,217 | 190,217 |
| Sidewalk | - | - | - | - | - | - | 2,390,274 | 2,390,274 |
| Public Parking | - | - | - | - | - | - | 787,966 | 787,966 |
| Water | - | - | - | - | - | - | 4,993 | 4,993 |
| Total Assigned | 6,075,894 | 11,245,751 | 10,261,663 | 886,487 | - | - | 5,061,309 | 33,531,104 |
| Unassigned | | | | | | | | |
| Unassigned | 27,911,736 | - | - | - | - | - | - | 27,911,736 |
| Total Fund Balances | \$ 35,519,790 | \$ 11,883,232 | \$ 10,535,183 | \$ 886,487 | \$ 8,023,580 | \$ 35,237,275 | \$ 13,388,820 | \$ 115,474,367 |

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2022

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, 2022, the Town Board has assigned the above amounts to be appropriated for the ensuing year's budget.

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

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

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

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

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

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted or assigned. 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 Guaranty 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. Various filings and motions by the County to the Appellate Division and Court of Appeals were either dismissed or denied, 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 signed a settlement agreement where the County would pay the Town the sum of \$9,450,000 in three annual payments commencing in September 2022. The County made its first annual payment to the Town in September 2022 as scheduled.

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. The County subsequently filed a complaint against the Town and area concrete companies asserting \$1.4 million in damages. The County's theory against the Town is that the Town failed in its responsibility under its MS4 storm water permit to prevent concrete from discharging into the storm water system.

The Town counterclaimed against the County and cross-claimed against the concrete companies for the Town's expenses and flood damage. Commercial Concrete and NY Ready Mix also cross-

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

claimed against the Town for contribution and indemnification for any damages they may owe to the County. The pleadings were amended to assert a continuing nuisance and continuing damages from any continued discharge into the storm water drains. Discovery has been completed.

The County and the Town have agreed to discontinue the claims that each had asserted against the other. That stipulation was so ordered by the Court. Court-ordered mediation was held, which failed to yield a settlement. Various dispositive motions have been submitted by the parties, and all have been denied by the Court. All parties have filed Notices of Appeal and the Town has filed a Motion to Renew and Reargue.

As before, the resolution and outcome of this litigation cannot be determined at this time. In addition, it is the Town's position that damages should be awarded to the Town for property damage and costs related to remediating the blocked pipe. As such, no amount for liability has been recorded in the Town's financial statements.

In fall 2021, NY Ready Mix filed third-party claims against Commercial Concrete and Town in the separate (but related) action by LIRR resulting from the same flooding incident. The claims were generally the same ones as previously asserted in the counterclaims. A stipulation discontinuing that matter has been executed, bringing to an end the third-party claim that was asserted against the Town in that action.

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 to dismiss at that time. The County filed an appeal from that decision but withdrew the appeal in February 2020.

The Town defendants' position is that the claim is covered by the County Guaranty and the Town has no refund liability. The Town's position is also that the Court's February 2019 decision is "law of the case" and also bars the claims against the Town. After the County answered, 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. In October 2022, the Court denied National Grid's motion for summary judgment, granted the County's motion for summary judgment and granted the Town's motion to dismiss and for summary judgment. National Grid has filed a Notice of Appeal regarding the Court's order. National Grid has also moved to reargue its motion against the County and the County's motion against National Grid. National Grid specifically has not moved to reargue the Town's motion to dismiss.

As the Town believes it does not have any liability in this matter, no amount for liability has been recorded in the Town's financial statements.

Louann Associates et al. v. Town of North Hempstead et al.

In February 2023, Louann Associates, as well as numerous other property owners within Nassau County, filed a summons and complaint against the County of Nassau, the Town and approximately

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

200 other municipal, school district and special district defendants concerning the Nassau County Disputed Assessment Fund (“DAF”). The Plaintiffs argue that the DAF has previously been invalidated by the court in a previous action, and that any monies remaining in DAF should be returned to the property owners that paid into the DAF. Unclear is the relief that the Plaintiffs are requesting from the Town. To this point, numerous answers and motions to dismiss have been filed by approximately thirty (30) of the defendants. The Town has filed a motion to dismiss based on the County Guaranty and the fact that the Town has not received any monies from the DAF. Based on the numerous filings, the Court has set a return date in August 2023 for all motions, and to ascertain the status of the litigation at that point.

As the Town believes it does not have any liability in this matter, no amount for liability has been recorded in the Town’s financial statements.

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. Subsequently, the Town of North Hempstead was 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. The Town’s motion to dismiss the various claims was granted. In August 2019, plaintiff filed a Notice of Appeal. The Plaintiffs’ brief was opposed by the County. Even though the dismissal of the Plaintiffs’ claims against the Town was not addressed in Plaintiff’s brief, the Town filed a brief requesting that the Supreme Court’s order be affirmed. The matter was argued in October 2022. In December 2022, the Appellate Division issued a Decision and Order modifying and affirming the Supreme Court’s order, ending this matter in favor of the defendants.

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, plans to vigorously defend the claim when and if the third-party action becomes active and continues to monitor the underlying municipal and district claims.

As the action has been stayed, no amount for liability has been recorded in the Town’s financial statements.

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

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 the Town's employee/driver. The outstanding issues in this case are causation (whether the accident caused the claimed injuries) and the amount of damages which would include an award for the injury (if any) and any applicable economic damages.

In January 2022 Plaintiff's counsel filed a Note of Issue placing the case on the trial calendar. The Town has been recently notified that the matter has been placed on the January 5, 2024 pre-trial conference calendar. It is expected that the matter will proceed to trial a few months after the pre-trial conference date.

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. 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 a Notice of Appeal from that judgment. On April 24, 2023, the Town perfected its appeal. The Town is currently awaiting the plaintiff's response.

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 addition, in February 2023, the Appellate Division issued a decision, related to a prior 2019 order of the Supreme Court stating that JASA may be obligated to indemnify the Town, affirming the 2019 decision and JASA's obligation to defend the Town. Based on the 2019 Supreme Court order, the September 2021 Supreme Court order and the Appellate Division's February 2023 order, the Town filed a proposed judgment against JASA. JASA has opposed this proposed judgment. The Town is waiting for a decision from the Court as to whether the proposed judgment will be signed.

Matthew Davis v. Town of North Hempstead et al.

This personal injury action stems from an incident on July 24, 2020 where plaintiff claims that he was struck by a motor vehicle while crossing Prospect Avenue at the intersection of Magnolia Avenue in New Cassel, New York. The Plaintiff sued Liro Engineers, Inc., the County of Nassau, Nassau County Department of Public Works, Nassau County Traffic Management, Nassau County Planning Department, Nassau County Traffic Safety Board, the Town of North Hempstead, Town of North Hempstead Department of Public Works, and the Town of North Hempstead Community Development Agency. The plaintiff claims, amongst other things, that the intersection of Prospect Avenue and Magnolia Avenue was constructed and maintained in a hazardous condition, that the

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

defendants did not undertake adequate studies of the condition of the intersection and that the intersection did not have adequate pedestrian protection signage, devices and features. A Summons and Complaint was served by the defendant in January 2022 and a Verified Answer was served on February 2022 on behalf of the Town of North Hempstead, Town of North Hempstead Department of Public Works and the Town of North Hempstead Community Development Agency. Discovery is ongoing and depositions are being taken.

Sharon Bird v. Town of North Hempstead

This personal injury action stems from an August 2015 incident where Plaintiff fell into a manhole in a Town street after a severe weather occurrence. Discovery was completed and depositions of Town personnel were had. The matter proceeded to trial on the issue of liability. The jury found that the Town was negligent and that the Town's negligence was a substantial cause of the incident. The jury also found that the Plaintiff was negligent, but that the Plaintiff's negligence was not a substantial cause of the incident, even though the jury ascribed a percentage fault to the Plaintiff. The jury was told to deliberate further, after which the jury answered all questions the same, but did not ascribe a percentage fault to the Plaintiff.

The Town filed a Notice of Appeal on the issues of the jury's inconsistent verdict, as well as whether the Court erred by charging the jury on "Habit of the Organization" from the Criminal Pattern Jury Instructions. The appeal has been fully briefed and oral argument was held in April 2023. The Town is awaiting a decision from the Appellate Division.

Depending on the outcome of the appeal, the matter may proceed to trial on the issue of damages or be remanded to the Supreme Court for a new trial on liability.

Josephine Gelo v. Town of North Hempstead

This action stems from a motor vehicle accident in June 2014 where Plaintiff's vehicle was rear-ended at an intersection after Plaintiff rear-ended another vehicle at the same intersection. Discovery has been completed and a summary judgment motion was made by Plaintiff as to liability. The Town opposed the motion, and summary judgment was denied. However, on appeal, the Appellate Division granted summary judgment to Plaintiff on liability. The matter is now proceeding to trial as to damages. A trial preference was granted due to the Plaintiff's age, and trial is scheduled to proceed as early as September 2023. Though the matter is proceeding to trial, the Town has filed a summary judgment motion as to damages. The Plaintiff has opposed this motion. The Town is awaiting a decision on the motion.

Charles Sockett v. Richard A. Ceriello and Town of North Hempstead

This is a personal injury action resulting from a June 2017 accident between a bicycle and Town truck. Plaintiff claims he was riding his bicycle on Plandome Road in Manhasset when he was struck by a door of a Town truck opening into traffic. Injuries claimed originally were pain in the right elbow, neck, back and left knee, as well as a laceration to the right elbow and 'road rash' to the left knee.

Subsequently, after experiencing pain in the arm and elbow, Plaintiff began physical therapy and underwent a cervical fusion surgery. Plaintiff claims permanent loss of balance and permanent right foot dragging. A no-fault physical exam found 50% causally related disability because of the

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

accident. The examining doctor found permanent residuals to Plaintiff's cervical spine lumbar spine, right shoulder and left shoulder as a result of the injuries with a "fair" prognosis. Plaintiff had further cervical fusion after a later incident where he tripped at a pool. He then had emergency surgery for a hematoma which occurred on his cervical spine as a result of the surgery. Plaintiff does not claim lost earnings, but claims inability to be as active as he was prior to the date of the accident.

Neurological and orthopedic defense examinations have been conducted. The Town is awaiting plaintiff's response to the Town's post-EBT demands and should be certifying this case as ready for trial in July 2023. The Town anticipates that it would take approximately 1 year to reach time of trial.

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 approximately \$2.7 million 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 \$2,920,051.

The Town's post-trial motion was denied on April 7, 2021. A Notice of Appeal was filed. In October 2022, the Appellate Division modified the verdict to reduce the award for loss of services, but otherwise unanimously affirmed the verdict and judgment. By law, since the Town was found to be more than fifty percent liable, the Town satisfied the entirety of the judgment in the amount of \$3,311,990 on October 7, 2022.

In January 2023, the Town commenced litigation against its co-defendant in the wrongful death matter, Haroon Hanasab, by filing a summons and complaint to recover Mr. Hanasab's 30% share of the judgment. An answer was filed in March 2023. Later that month, the Town filed a summary judgment motion, which is in the process of being further briefed.

Estate of Silva vs. Town

This is the wrongful death claim on behalf of Rogerio Silva who fell into a dumpster at the Town's solid waste management facility in Port Washington. A Complaint was filed naming the Town and the Town of North Hempstead Solid Waste Management Authority ("SWMA") as defendants. The complaint was later amended to name Omni Recycling, the Town's contracted facility operator, as a defendant. The Town and SWMA are insured under Omni's insurance policy. The Town/SWMA's potential exposure in this matter, if any, would be covered by Omni's insurer. Discovery is ongoing at this time and depositions have been taken.

As of January 1, 2022, the corporate existence of SWMA was terminated and the liabilities of SWMA 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 any potential exposure would be covered by Omni's insurer, no amount for liability has been recorded in the Town's financial statements.

Christopher Hagen, as Administrator of the Estate of Gerrin Michael Hagen, Deceased v. Town of North Hempstead

This is a wrongful death claim for the demise of Gerrin Michael Hagen, an 18-year-old student at the Nassau County Board of Cooperative Educational Services ("BOCES") facility known as Joseph M. Barry Career & Technical Education Center. The January 12, 2023 motor vehicle accident allegedly occurred when the decedent was exiting BOCES "as a pedestrian" and was struck by a motor vehicle operated by a 19-year-old motorist that was proceeding northbound in the southbound lane of Cantiague Lane, the roadway BOCES abuts. Newspaper reports indicate that the decedent was travelling on his skateboard at the time of the accident. The claim alleges that the accident occurred as a result of the Town's failure to properly design, construct, monitor and maintain the roadways south of the intersection of Cantiague Lane and Robbins Lane in Westbury. In addition to his wrongful death, plaintiff is suing for the conscious pain and suffering endured by the plaintiff. The motorist that allegedly struck Mr. Hagen was indicted on charges of criminally negligent homicide in Mr. Hagen's death in July 2023.

This matter remains a Notice of Claim, and no litigation has yet been filed. At this time, it is unknown whether the Town has any responsibility in this accident. As such, no amount for liability has been recorded on the Town's financial statements. Discovery will help the parties discern which entities, if any, are responsible. A 50-h hearing has been adjourned.

Estate of Ramirez-Ortiz v. Mohammad A. Mustafa, et al.

This wrongful death case stems from an August 20, 2021 automobile accident which happened within the Incorporated Village of New Hyde Park. Mr. Ramirez-Ortiz, the deceased, while riding a motorcycle, was involved in an accident with a car driven by 18-year-old Mr. Mustafa. Mr. Ramirez-Ortiz died as a result of injuries from that accident. Mr. Ramirez-Ortiz's wife, Cynthia Saavedra, sued on behalf of herself and the Estate, claiming that the Town was negligent in the ownership, operation, management, control of the roadways, traffic signals, signage, lane markings, lighting and train overpass located at the accident location. Plaintiff stipulated to discontinue this matter as against the Town in May 2023.

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.

Town of North Hempstead, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

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 \$3,359,889. 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 \$50,000 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 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 \$2,708,302. 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.

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, 2022, 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, 2022, the agreements the NCIDA ratified resulted in an abatement of \$3,729,396 of the Town's real property taxes and the receipt of \$1,579,912 in PILOT payments.

Town of North Hempstead, New York

Notes to Financial Statements (Concluded)
December 31, 2022

Note 6 - Recently Issued GASB Pronouncements

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 7 - Subsequent Events

The Town, in March 2023, issued bond anticipation notes for various purposes in the amount of \$49,508,000 with an interest rate of 4.00% that will mature in March 2024.

The Town, in March 2023, issued public improvement serial bonds for various purposes in the amount of \$21,155,000 with interest rates ranging from 3.00% to 4.00% that will mature in March 2043.

The Town, in March 2023, issued federally taxable public improvement serial bonds for various purposes in the amount of \$396,000 with interest rates ranging from 4.95% to 5.125% that will mature in March 2036.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| Total OPEB Liability: | | | | | |
| Service cost | \$ 7,607,009 | \$ 10,135,938 | \$ 7,893,098 | \$ 6,763,407 | \$ 7,227,658 |
| Interest | 4,397,928 | 4,521,365 | 5,579,074 | 6,113,873 | 5,635,836 |
| Changes of benefit terms | - | - | - | - | - |
| Differences between expected and actual experience | (43,939,881) | - | 1,703,565 | - | - |
| Changes of assumptions or other inputs | (77,158,076) | 8,869,835 | 9,343,160 | 33,243,929 | (11,742,155) |
| Benefit payments | <u>(5,264,299)</u> | <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 | (114,357,319) | 18,259,346 | 19,620,692 | 41,562,065 | (3,263,512) |
| Total OPEB Liability - Beginning of Year | <u>246,961,500</u> | <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>\$ 132,604,181</u> | <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>\$ 31,361,412</u> | <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>422.83%</u> | <u>849.93%</u> | <u>787.09%</u> | <u>694.49%</u> | <u>556.43%</u> |
| Discount Rate | <u>4.00%</u> | <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.

See independent auditors' report.

Town of North Hempstead, New York

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

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

| | 2022 (4) | 2021 (4) | 2020 (3) | 2019 | 2018 | 2017 | 2016 | 2015 |
|--------------------------------------------------------------------------------------------------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Town's proportion of the net pension liability (asset) | 0.1093754% | 0.1022683% | 0.1011124% | 0.1051830% | 0.1083369% | 0.1097790% | 0.1105340% | 0.1093560% |
| Town's proportionate share of the net pension liability (asset) | \$ (9,744,573) | \$ 101,813 | \$ 26,775,128 | \$ 7,452,541 | \$ 3,496,515 | \$ 10,315,083 | \$ 17,741,027 | \$ 3,693,060 |
| Town's covered payroll | \$ 33,276,299 | \$ 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 (asset) as a percentage of its covered payroll | -29.28% | 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 (asset) | 103.65% | 99.95% | 86.39% | 96.27% | 98.24% | 94.70% | 90.70% | 97.90% |
| Discount rate | 5.90% | 5.90% | 6.80% | 7.00% | 7.00% | 7.00% | 7.00% | 7.50% |

Schedule of Contributions

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|----------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Contractually required contribution | \$ 5,276,577 | \$ 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 | (5,276,577) | (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 | \$ 34,414,959 | \$ 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 | 15.33% | 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.

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>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total Pension Liability: | | | | | | |
| Service cost | \$ 181,344 | \$ 135,923 | \$ 133,287 | \$ 137,419 | \$ 131,706 | \$ 159,047 |
| Interest | 131,041 | 176,214 | 180,172 | 160,501 | 167,662 | 150,892 |
| Differences between expected and actual experience | 94,285 | 18,441 | 57,382 | 68,112 | 29,415 | 11,419 |
| Changes of assumptions or other inputs | (317,952) | 1,203,606 | 277,586 | (340,829) | 374,520 | (339,920) |
| Benefit payments | <u>(173,878)</u> | <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 | (85,160) | 1,317,480 | 474,191 | (101,467) | 531,911 | (147,735) |
| Total Pension Liability - Beginning 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> | <u>4,620,893</u> |
| Total Pension Liability - End of Year | <u>\$ 6,610,113</u> | <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> | <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> | <u>0.00%</u> |
| Discount rate | <u>1.93%</u> | <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.

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.
- **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.

Town of North Hempstead, New York

General Fund
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Year Ended December 31, 2022

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|-----------------------------------------------|---------------------|---------------------|---------------------|-------------------------------|
| REVENUES | | | | |
| Real property taxes | \$ 26,808,627 | \$ 26,808,627 | \$ 26,844,647 | \$ 36,020 |
| Other tax items | 2,353,615 | 2,353,615 | 2,459,011 | 105,396 |
| Non-property tax items | 13,975,000 | 14,172,602 | 17,460,079 | 3,287,477 |
| Departmental income | 24,149,591 | 24,846,777 | 24,667,071 | (179,706) |
| Intergovernmental charges | 643,461 | 647,121 | 664,081 | 16,960 |
| Use of money and property | 173,464 | 173,464 | 304,414 | 130,950 |
| Licenses and permits | 280,700 | 293,000 | 247,216 | (45,784) |
| Fines and forfeitures | 33,500 | 33,500 | 23,549 | (9,951) |
| Sale of property and compensation for loss | 60,000 | 60,000 | 340,454 | 280,454 |
| Interfund revenues | 7,408,715 | 7,423,530 | 7,430,118 | 6,588 |
| State aid | 8,337,837 | 8,345,337 | 11,953,360 | 3,608,023 |
| Federal aid | 333,000 | 333,000 | 1,747,429 | 1,414,429 |
| Miscellaneous | 1,078,565 | 1,109,419 | 1,104,055 | (5,364) |
| Total Revenues | 85,636,075 | 86,599,992 | 95,245,484 | 8,645,492 |
| EXPENDITURES | | | | |
| Current | | | | |
| General government support | 16,715,253 | 16,659,903 | 15,167,505 | 1,492,398 |
| Education | 2,200,000 | 2,200,000 | 1,763,677 | 436,323 |
| Public safety | 1,770,754 | 1,786,783 | 1,683,409 | 103,374 |
| Transportation | - | 51,395 | 51,395 | - |
| Economic opportunity and development | 2,774,655 | 2,880,230 | 2,464,572 | 415,658 |
| Culture and recreation | 19,087,436 | 19,312,296 | 19,312,296 | - |
| Home and community services | 17,357,523 | 18,032,243 | 17,564,470 | 467,773 |
| Employee benefits | 12,679,962 | 13,016,430 | 13,016,430 | - |
| Total Expenditures | 72,585,583 | 73,939,280 | 71,023,754 | 2,915,526 |
| Excess of Revenues Over Expenditures | 13,050,492 | 12,660,712 | 24,221,730 | 11,561,018 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 1,900,702 | 1,900,702 | 1,931,384 | 30,682 |
| Transfers out | (15,901,194) | (19,393,797) | (16,720,797) | 2,673,000 |
| Total Other Financing Uses | (14,000,492) | (17,493,095) | (14,789,413) | 2,703,682 |
| Net Change in Fund Balance | (950,000) | (4,832,383) | 9,432,317 | 14,264,700 |
| FUND BALANCE | | | | |
| Beginning of Year | 950,000 | 4,832,383 | 26,087,473 | 21,255,090 |
| End of Year | \$ - | \$ - | \$ 35,519,790 | \$ 35,519,790 |

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, 2022

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|-----------------------------------------------|--------------------|-------------------|-------------------|-------------------------------|
| REAL PROPERTY TAXES | \$ 26,808,627 | \$ 26,808,627 | \$ 26,844,647 | \$ 36,020 |
| OTHER TAX ITEMS | | | | |
| Interest and penalties on real property taxes | 1,225,000 | 1,225,000 | 1,280,318 | 55,318 |
| Payments in lieu of taxes | 1,118,615 | 1,118,615 | 1,166,173 | 47,558 |
| Returned check charge: property tax | 10,000 | 10,000 | 12,520 | 2,520 |
| | <u>2,353,615</u> | <u>2,353,615</u> | <u>2,459,011</u> | <u>105,396</u> |
| NON-PROPERTY TAX ITEMS | | | | |
| Nassau County local government assistance | 12,100,000 | 12,100,000 | 15,405,177 | 3,305,177 |
| Franchise fees | 1,875,000 | 2,072,602 | 2,054,902 | (17,700) |
| | <u>13,975,000</u> | <u>14,172,602</u> | <u>17,460,079</u> | <u>3,287,477</u> |
| DEPARTMENTAL INCOME | | | | |
| Comptroller's fees | 10,808 | 10,808 | 11,615 | 807 |
| Town clerk fees | 45,000 | 46,200 | 40,755 | (5,445) |
| Other general departmental income | 9,620 | 9,620 | 12,842 | 3,222 |
| Public pound charge dog fees | 10,000 | 10,000 | 7,800 | (2,200) |
| Other public safety departmental income | 40,000 | 40,000 | 22,435 | (17,565) |
| Parks and recreation charges | 2,000,000 | 2,000,000 | 1,972,921 | (27,079) |
| Dock storage leases | 30,000 | 30,000 | 13,110 | (16,890) |
| Recreational concessions | 10,000 | 10,000 | 9,356 | (644) |
| Special recreational facility charges | 6,460,126 | 6,460,126 | 7,029,150 | 569,024 |
| Solid waste disposal | 15,399,037 | 16,066,868 | 15,400,349 | (666,519) |
| Residential dropoff | 120,000 | 120,000 | 112,083 | (7,917) |
| Other culture and recreation | 15,000 | 43,155 | 34,655 | (8,500) |
| | <u>24,149,591</u> | <u>24,846,777</u> | <u>24,667,071</u> | <u>(179,706)</u> |
| INTERGOVERNMENTAL CHARGES | | | | |
| Animal control services | - | 3,660 | 20,620 | 16,960 |
| Services for other governments | 643,461 | 643,461 | 643,461 | - |
| | <u>643,461</u> | <u>647,121</u> | <u>664,081</u> | <u>16,960</u> |
| USE OF MONEY AND PROPERTY | | | | |
| Earnings on investments | 6,500 | 6,500 | 60,644 | 54,144 |
| Rental of real property | 166,964 | 166,964 | 243,770 | 76,806 |
| | <u>173,464</u> | <u>173,464</u> | <u>304,414</u> | <u>130,950</u> |
| LICENSES AND PERMITS | | | | |
| Games of chance | 200 | 200 | 185 | (15) |
| Bingo licenses | 500 | 500 | - | (500) |
| Dog license fund apportionment | 25,000 | 25,000 | 15,213 | (9,787) |
| Licensing fees | 45,000 | 45,000 | 31,010 | (13,990) |
| Town permits | 210,000 | 222,300 | 200,808 | (21,492) |
| | <u>280,700</u> | <u>293,000</u> | <u>247,216</u> | <u>(45,784)</u> |
| FINES AND FORFEITURES | | | | |
| Fines and forfeited bail | 33,500 | 33,500 | 23,549 | (9,951) |

(Continued)

Town of North Hempstead, New York

General Fund

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

Year Ended December 31, 2022

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|-------------------------------------------------------|----------------------|----------------------|----------------------|-------------------------------|
| SALE OF PROPERTY AND COMPENSATION FOR LOSS | | | | |
| Sale of equipment | \$ - | \$ - | \$ 6,375 | \$ 6,375 |
| Insurance recoveries | - | - | 124,341 | 124,341 |
| Recycling | 60,000 | 60,000 | 209,738 | 149,738 |
| | <u>60,000</u> | <u>60,000</u> | <u>340,454</u> | <u>280,454</u> |
| INTERFUND REVENUES | <u>7,408,715</u> | <u>7,423,530</u> | <u>7,430,118</u> | <u>6,588</u> |
| STATE AID | | | | |
| Mortgage tax | 8,100,000 | 8,100,000 | 11,670,076 | 3,570,076 |
| Youth program | 84,285 | 91,785 | 51,786 | (39,999) |
| Recreation for disabled | 32,552 | 32,552 | 216 | (32,336) |
| Environmental conservation | 121,000 | 121,000 | (62,378) | (183,378) |
| Emergency disaster assistance | - | - | 43,660 | 43,660 |
| Other home and community service | - | - | 250,000 | 250,000 |
| | <u>8,337,837</u> | <u>8,345,337</u> | <u>11,953,360</u> | <u>3,608,023</u> |
| FEDERAL AID | | | | |
| Culture and recreation | - | - | 18,375 | 18,375 |
| Programs for the aging | 333,000 | 333,000 | 189,084 | (143,916) |
| Emergency disaster assistance | - | - | 213,589 | 213,589 |
| American Rescue Plan Act | - | - | 1,059,714 | 1,059,714 |
| Other | - | - | 266,667 | 266,667 |
| | <u>333,000</u> | <u>333,000</u> | <u>1,747,429</u> | <u>1,414,429</u> |
| MISCELLANEOUS | | | | |
| Reimbursement of Medicare Part D | 10,000 | 10,000 | - | (10,000) |
| Refund of prior year expenditures | 10,000 | 10,000 | 22,095 | 12,095 |
| AIM related payments | 1,023,565 | 1,023,565 | 1,023,565 | - |
| Gifts and donations | 25,000 | 55,854 | 17,822 | (38,032) |
| Unclassified | 10,000 | 10,000 | 40,573 | 30,573 |
| | <u>1,078,565</u> | <u>1,109,419</u> | <u>1,104,055</u> | <u>(5,364)</u> |
| TOTAL REVENUES | <u>85,636,075</u> | <u>86,599,992</u> | <u>95,245,484</u> | <u>8,645,492</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | <u>1,900,702</u> | <u>1,900,702</u> | <u>1,931,384</u> | <u>30,682</u> |
| TOTAL OTHER FINANCING SOURCES | <u>1,900,702</u> | <u>1,900,702</u> | <u>1,931,384</u> | <u>30,682</u> |
| TOTAL REVENUES AND OTHER FINANCING SOURCES | <u>\$ 87,536,777</u> | <u>\$ 88,500,694</u> | <u>\$ 97,176,868</u> | <u>\$ 8,676,174</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, 2022

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---------------------------------------------|--------------------|-------------------|-------------------|-------------------------------|
| GENERAL GOVERNMENT SUPPORT | | | | |
| Town Board | \$ 844,894 | \$ 1,303,760 | \$ 1,160,323 | \$ 143,437 |
| Supervisor | 828,870 | 831,986 | 758,878 | 73,108 |
| Finance | 217,287 | 225,269 | 225,269 | - |
| Comptroller | 1,587,776 | 1,372,486 | 1,010,066 | 362,420 |
| Receiver of Taxes | 1,367,116 | 1,308,129 | 1,308,129 | - |
| Purchasing | 313,334 | 313,334 | 311,929 | 1,405 |
| Credit card fees | 130,478 | 159,003 | 158,812 | 191 |
| Fiscal agent fees | 20,000 | 16,096 | 3,596 | 12,500 |
| Town clerk | 735,562 | 735,562 | 719,032 | 16,530 |
| Town attorney | 1,355,395 | 1,416,808 | 1,416,808 | - |
| Human resources | 508,212 | 508,212 | 470,192 | 38,020 |
| Engineering | 574,971 | 539,971 | 461,089 | 78,882 |
| Records management | 252,975 | 252,975 | 173,527 | 79,448 |
| Call center | 567,931 | 582,081 | 582,081 | - |
| Public information | 792,487 | 792,487 | 589,239 | 203,248 |
| Public works | 326,448 | 287,698 | 157,284 | 130,414 |
| General services | 1,440,322 | 1,502,865 | 1,374,917 | 127,948 |
| Community center | - | 110 | 110 | - |
| Central printing and mail | 471,129 | 452,607 | 401,100 | 51,507 |
| Technology services | 2,364,666 | 2,364,666 | 2,192,071 | 172,595 |
| Unallocated insurance | 637,650 | 590,933 | 590,188 | 745 |
| Other general government support | 1,377,750 | 1,102,865 | 1,102,865 | - |
| | <u>16,715,253</u> | <u>16,659,903</u> | <u>15,167,505</u> | <u>1,492,398</u> |
| EDUCATION | | | | |
| Community college | <u>2,200,000</u> | <u>2,200,000</u> | <u>1,763,677</u> | <u>436,323</u> |
| PUBLIC SAFETY | | | | |
| Administration | 293,384 | 312,832 | 312,832 | - |
| Animal shelter | 835,020 | 819,801 | 745,543 | 74,258 |
| Harbor patrol | 453,385 | 464,735 | 454,559 | 10,176 |
| Town dock | 27,500 | 26,850 | 20,539 | 6,311 |
| Emergency management services | 161,465 | 162,565 | 149,936 | 12,629 |
| | <u>1,770,754</u> | <u>1,786,783</u> | <u>1,683,409</u> | <u>103,374</u> |
| TRANSPORTATION | | | | |
| Snow removal | - | 51,395 | 51,395 | - |
| ECONOMIC OPPORTUNITY AND DEVELOPMENT | | | | |
| Community services | 274,828 | 281,813 | 251,331 | 30,482 |
| Programs for the aging | 2,499,827 | 2,598,417 | 2,213,241 | 385,176 |
| | <u>2,774,655</u> | <u>2,880,230</u> | <u>2,464,572</u> | <u>415,658</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, 2022

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|--------------------------------------------------------|----------------------|----------------------|----------------------|-------------------------------|
| CULTURE AND RECREATION | | | | |
| Parks and recreation | \$ 1,679,834 | \$ 1,820,929 | \$ 1,820,929 | \$ - |
| Parks | 9,069,733 | 9,486,680 | 9,486,680 | - |
| Community center | 1,519,321 | 1,437,604 | 1,437,604 | - |
| Special recreation facilities | 6,313,047 | 6,165,728 | 6,165,728 | - |
| Historian | 49,650 | 33,462 | 33,462 | - |
| Youth activities | 455,851 | 367,893 | 367,893 | - |
| | <u>19,087,436</u> | <u>19,312,296</u> | <u>19,312,296</u> | <u>-</u> |
| HOME AND COMMUNITY SERVICES | | | | |
| Environmental facilities | 40,500 | 547,969 | 547,969 | - |
| Housing authority | 148,586 | 148,586 | 148,586 | - |
| Emergency tenant protection act | 10,000 | 10,000 | 9,080 | 920 |
| Solid waste management department | 17,158,437 | 17,325,688 | 16,858,835 | 466,853 |
| | <u>17,357,523</u> | <u>18,032,243</u> | <u>17,564,470</u> | <u>467,773</u> |
| EMPLOYEE BENEFITS | | | | |
| State retirement | 3,287,893 | 3,276,507 | 3,276,507 | - |
| Social security | 1,639,714 | 1,706,654 | 1,706,654 | - |
| Workers' compensation | 379,770 | 604,771 | 604,771 | - |
| Unemployment benefits | 15,000 | 46,523 | 46,523 | - |
| Disability benefits | 1,000 | - | - | - |
| Hospital, medical and dental | 7,295,329 | 7,316,456 | 7,316,456 | - |
| Other employee benefits | 61,256 | 65,519 | 65,519 | - |
| | <u>12,679,962</u> | <u>13,016,430</u> | <u>13,016,430</u> | <u>-</u> |
| TOTAL EXPENDITURES | <u>72,585,583</u> | <u>73,939,280</u> | <u>71,023,754</u> | <u>2,915,526</u> |
| OTHER FINANCING USES | | | | |
| Transfers out | <u>15,901,194</u> | <u>19,393,797</u> | <u>16,720,797</u> | <u>2,673,000</u> |
| TOTAL EXPENDITURES AND OTHER FINANCING USES | <u>\$ 88,486,777</u> | <u>\$ 93,333,077</u> | <u>\$ 87,744,551</u> | <u>\$ 5,588,526</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, 2022

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|-------------------------------------------------------|--------------------|-------------------|-------------------|-------------------------------|
| REVENUES | | | | |
| REAL PROPERTY TAXES | \$ 21,050,750 | \$ 21,050,750 | \$ 21,089,504 | \$ 38,754 |
| OTHER TAX ITEMS | | | | |
| Payment in lieu of taxes | 1,708,898 | 1,708,898 | 1,719,997 | 11,099 |
| Interest and penalties on real property taxes | - | - | 2,331 | 2,331 |
| | <u>1,708,898</u> | <u>1,708,898</u> | <u>1,722,328</u> | <u>13,430</u> |
| DEPARTMENTAL INCOME | | | | |
| Concession fees | - | - | 88 | 88 |
| INTERGOVERNMENTAL CHARGES | | | | |
| Services for other governments | 15,000 | 15,000 | 45,227 | 30,227 |
| USE OF MONEY AND PROPERTY | | | | |
| Interest and earnings | 2,500 | 2,500 | 19,287 | 16,787 |
| Rental of real property | 60,802 | 60,802 | 65,958 | 5,156 |
| | <u>63,302</u> | <u>63,302</u> | <u>85,245</u> | <u>21,943</u> |
| LICENSE AND PERMITS | | | | |
| Permits - road restoration fee | 550,000 | 550,000 | 588,750 | 38,750 |
| SALE OF PROPERTY AND COMPENSATION FOR LOSS | | | | |
| Recycling | - | - | 192 | 192 |
| Sale of equipment | 20,000 | 20,000 | 153,909 | 133,909 |
| Insurance recoveries | - | - | 61,174 | 61,174 |
| | <u>20,000</u> | <u>20,000</u> | <u>215,275</u> | <u>195,275</u> |
| INTERFUND REVENUES | <u>50,000</u> | <u>50,000</u> | <u>62,555</u> | <u>12,555</u> |
| STATE AID | | | | |
| Consolidated highway aid | 888,855 | 888,855 | 1,160,825 | 271,970 |
| Emergency disaster assistance | - | - | 40,418 | 40,418 |
| | <u>888,855</u> | <u>888,855</u> | <u>1,201,243</u> | <u>312,388</u> |
| FEDERAL AID | | | | |
| Emergency disaster assistance | - | - | 287,235 | 287,235 |
| MISCELLANEOUS | | | | |
| Refund of prior year expenditures | 40,000 | 40,000 | 162 | (39,838) |
| Miscellaneous revenue | - | 3,204,393 | - | (3,204,393) |
| | <u>40,000</u> | <u>3,244,393</u> | <u>162</u> | <u>(3,244,231)</u> |
| Total Revenues | <u>24,386,805</u> | <u>27,591,198</u> | <u>25,297,612</u> | <u>(2,293,586)</u> |

(Continued)

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, 2022

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|-------------------------------------------|--------------------|--------------------|----------------------|-------------------------------|
| EXPENDITURES | | | | |
| GENERAL GOVERNMENT SUPPORT | | | | |
| Unallocated insurance | \$ 144,200 | \$ 140,742 | \$ 133,257 | \$ 7,485 |
| Other | 3,065,354 | 3,072,562 | 2,834,089 | 238,473 |
| | <u>3,209,554</u> | <u>3,213,304</u> | <u>2,967,346</u> | <u>245,958</u> |
| TRANSPORTATION | | | | |
| Administration | 3,471,890 | 6,656,862 | 5,799,143 | 857,719 |
| Garage | 4,461,371 | 4,461,486 | 4,055,450 | 406,036 |
| Snow removal | 1,137,500 | 1,137,500 | 655,589 | 481,911 |
| Services for other governments | 1,007,176 | 1,022,732 | 861,790 | 160,942 |
| Signs | 562,000 | 559,962 | 383,639 | 176,323 |
| Traffic safety | 73,984 | 76,022 | 76,022 | - |
| | <u>10,713,921</u> | <u>13,914,564</u> | <u>11,831,633</u> | <u>2,082,931</u> |
| EMPLOYEE BENEFITS | | | | |
| State retirement | 1,048,808 | 1,048,808 | 965,455 | 83,353 |
| Social security | 520,000 | 520,000 | 435,028 | 84,972 |
| Workers' compensation | 580,398 | 878,839 | 828,126 | 50,713 |
| Unemployment benefits | 5,000 | 5,000 | - | 5,000 |
| Disability benefits | 100 | 100 | - | 100 |
| Hospital, medical and dental | 3,487,974 | 3,189,533 | 3,165,453 | 24,080 |
| Other employee benefits | 21,955 | 21,955 | 19,563 | 2,392 |
| | <u>5,664,235</u> | <u>5,664,235</u> | <u>5,413,625</u> | <u>250,610</u> |
| Total Expenditures | <u>19,587,710</u> | <u>22,792,103</u> | <u>20,212,604</u> | <u>2,579,499</u> |
| Excess of Revenues Over Expenditures | <u>4,799,095</u> | <u>4,799,095</u> | <u>5,085,008</u> | <u>285,913</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 1,141,330 | 1,141,330 | 1,141,330 | - |
| Transfers out | (6,971,481) | (7,971,481) | (7,492,077) | 479,404 |
| Total Other Financing Uses | <u>(5,830,151)</u> | <u>(6,830,151)</u> | <u>(6,350,747)</u> | <u>479,404</u> |
| Net Change in Fund Balance | (1,031,056) | (2,031,056) | (1,265,739) | 765,317 |
| FUND BALANCE | | | | |
| Beginning of Year | <u>1,031,056</u> | <u>2,031,056</u> | <u>13,148,971</u> | <u>11,117,915</u> |
| End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 11,883,232</u> | <u>\$ 11,883,232</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, 2022

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|--------------------------------------------------|--------------------|-------------------|-------------------|-------------------------------|
| REVENUES | | | | |
| REAL PROPERTY TAXES | \$ 6,920,115 | \$ 6,920,115 | \$ 6,919,986 | \$ (129) |
| OTHER TAX ITEMS | | | | |
| Payment in lieu of taxes | 486,827 | 486,827 | 565,409 | 78,582 |
| Interest and penalties on real property taxes | - | - | 766 | 766 |
| | <u>486,827</u> | <u>486,827</u> | <u>566,175</u> | <u>79,348</u> |
| NON-PROPERTY TAXES | | | | |
| Franchise fees | 57,000 | 57,000 | 57,000 | - |
| DEPARTMENTAL INCOME | | | | |
| Parking enforcement | 355,000 | 355,000 | 431,156 | 76,156 |
| Registrar of vital statistics | 380,000 | 413,400 | 438,560 | 25,160 |
| Zoning board fees | 160,000 | 160,000 | 186,050 | 26,050 |
| | <u>895,000</u> | <u>928,400</u> | <u>1,055,766</u> | <u>127,366</u> |
| USE OF MONEY AND PROPERTY | | | | |
| Interest and earnings | 2,500 | 2,500 | 15,297 | 12,797 |
| LICENSES AND PERMITS | | | | |
| Building permits | 4,654,000 | 4,654,000 | 5,244,722 | 590,722 |
| FINES AND FORFEITURES | | | | |
| Court fines | 150,000 | 150,000 | 110,080 | (39,920) |
| STATE AID | | | | |
| Other | 56,562 | 56,562 | 58 | (56,504) |
| FEDERAL AID | | | | |
| Emergency disaster assistance | - | - | 525 | 525 |
| MISCELLANEOUS | | | | |
| Refund of prior year expenditures | - | - | 4 | 4 |
| Miscellaneous revenue | - | - | 49 | 49 |
| | <u>-</u> | <u>-</u> | <u>53</u> | <u>53</u> |
| Total Revenues | <u>13,222,004</u> | <u>13,255,404</u> | <u>13,969,662</u> | <u>714,258</u> |
| EXPENDITURES | | | | |
| GENERAL GOVERNMENT SUPPORT | | | | |
| Unallocated insurance | 104,300 | 99,073 | 96,564 | 2,509 |
| Other | 2,822,007 | 2,813,323 | 2,756,091 | 57,232 |
| | <u>2,926,307</u> | <u>2,912,396</u> | <u>2,852,655</u> | <u>59,741</u> |

(Continued)

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, 2022

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|------------------------------------------------------|--------------------|-------------------|----------------------|-------------------------------|
| PUBLIC SAFETY | | | | |
| Parking enforcement | \$ 359,860 | \$ 359,860 | \$ 332,945 | \$ 26,915 |
| Building | 4,514,653 | 4,528,564 | 4,438,332 | 90,232 |
| Code enforcement | 578,311 | 578,311 | 502,842 | 75,469 |
| | <u>5,452,824</u> | <u>5,466,735</u> | <u>5,274,119</u> | <u>192,616</u> |
| HEALTH | | | | |
| Registrar of vital statistics | 311,383 | 344,923 | 309,371 | 35,552 |
| HOME AND COMMUNITY SERVICES | | | | |
| Board of appeals | 208,828 | 208,828 | 208,363 | 465 |
| Planning and development - staff | 922,904 | 899,821 | 899,209 | 612 |
| Environmental facilities | 95,137 | 95,441 | 95,441 | - |
| | <u>1,226,869</u> | <u>1,204,090</u> | <u>1,203,013</u> | <u>1,077</u> |
| EMPLOYEE BENEFITS | | | | |
| State retirement | 1,024,810 | 994,515 | 994,515 | - |
| Social security | 450,000 | 489,832 | 489,832 | - |
| Workers' compensation | 222,976 | 198,245 | 198,149 | 96 |
| Unemployment benefits | 2,500 | 2,500 | - | 2,500 |
| Disability benefits | 200 | 200 | - | 200 |
| Hospital, medical and dental | 1,828,068 | 1,865,822 | 1,865,822 | - |
| Other employee benefits | 18,860 | 18,939 | 18,939 | - |
| | <u>3,547,414</u> | <u>3,570,053</u> | <u>3,567,257</u> | <u>2,796</u> |
| Total Expenditures | <u>13,464,797</u> | <u>13,498,197</u> | <u>13,206,415</u> | <u>291,782</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(242,793)</u> | <u>(242,793)</u> | <u>763,247</u> | <u>1,006,040</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 206 | 206 | 206 | - |
| Transfers out | <u>(96,357)</u> | <u>(96,357)</u> | <u>(96,357)</u> | <u>-</u> |
| Total Other Financing Uses | <u>(96,151)</u> | <u>(96,151)</u> | <u>(96,151)</u> | <u>-</u> |
| Net Change in Fund Balance | <u>(338,944)</u> | <u>(338,944)</u> | <u>667,096</u> | <u>1,006,040</u> |
| FUND BALANCE | | | | |
| Beginning of Year | <u>338,944</u> | <u>338,944</u> | <u>9,868,087</u> | <u>9,529,143</u> |
| End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 10,535,183</u> | <u>\$ 10,535,183</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, 2022

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|-----------------------------------------|----------------------------|-------------------------|-------------------|---------------------------------------|
| REVENUES | | | | |
| REAL PROPERTY TAXES | \$ 9,696,338 | \$ 9,696,338 | \$ 9,696,912 | \$ 574 |
| OTHER TAX ITEMS | | | | |
| Payment in lieu of taxes | 172,674 | 172,674 | 190,224 | 17,550 |
| Other tax items | 8,000 | 8,000 | 8,003 | 3 |
| | <u>180,674</u> | <u>180,674</u> | <u>198,227</u> | <u>17,553</u> |
| USE OF MONEY AND PROPERTY | | | | |
| Interest and earnings | 295 | 295 | (283) | (578) |
| MISCELLANEOUS | | | | |
| Settlements | - | - | 1,794,473 | 1,794,473 |
| Total Revenues | <u>9,877,307</u> | <u>9,877,307</u> | <u>11,689,329</u> | <u>1,812,022</u> |
| EXPENDITURES | | | | |
| GENERAL GOVERNMENT SUPPORT | | | | |
| Other | 51,665 | 51,665 | 51,664 | 1 |
| HOME AND COMMUNITY SERVICES | | | | |
| Sanitation | 9,750,642 | 9,750,642 | 9,508,324 | 242,318 |
| Total Expenditures | <u>9,802,307</u> | <u>9,802,307</u> | <u>9,559,988</u> | <u>242,319</u> |
| Excess of Revenues Over Expenditures | <u>75,000</u> | <u>75,000</u> | <u>2,129,341</u> | <u>2,054,341</u> |
| OTHER FINANCING USES | | | | |
| Transfers out | (75,000) | (75,000) | (75,000) | - |
| Net Change in Fund Balance | - | - | 2,054,341 | 2,054,341 |
| FUND BALANCE (DEFICIT) | | | | |
| Beginning of Year | - | - | (1,167,854) | (1,167,854) |
| End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 886,487</u> | <u>\$ 886,487</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, 2022

| | Fire Protection Districts | Lighting District | Park Districts |
|------------------------------------------|---------------------------------|----------------------|-------------------|
| ASSETS | | | |
| Cash and equivalents | \$ 1,305,622 | \$ 444,090 | \$ 611,062 |
| Investments - LOSAP | 8,251,403 | - | - |
| Receivables | | | |
| Accounts | 40,207 | - | - |
| Due from other governments | 3,084 | 43 | - |
| Due from other funds | - | - | 38,916 |
| | <u>43,291</u> | <u>43</u> | <u>38,916</u> |
| Prepaid expenditures | - | 1,834 | 29,088 |
| Total Assets | <u>\$ 9,600,316</u> | <u>\$ 445,967</u> | <u>\$ 679,066</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts payable and accrued liabilities | \$ 58,056 | \$ 205,175 | \$ 25,028 |
| Deposits payable | - | - | 398,664 |
| Due to other funds | - | - | - |
| Unearned revenues | 7,624 | 1,343 | - |
| Total Liabilities | <u>65,680</u> | <u>206,518</u> | <u>423,692</u> |
| Fund balances | | | |
| Nonspendable | - | 1,834 | 29,088 |
| Restricted | 8,251,403 | - | - |
| Assigned | 1,283,233 | 237,615 | 226,286 |
| Total Fund Balances | <u>9,534,636</u> | <u>239,449</u> | <u>255,374</u> |
| Total Liabilities and Fund Balances | <u>\$ 9,600,316</u> | <u>\$ 445,967</u> | <u>\$ 679,066</u> |

See independent auditors' report.

| Sidewalk District | Public Parking District | Water District | Total Non-Major Governmental Funds |
|---------------------|-------------------------|------------------|------------------------------------|
| \$ 2,507,156 | \$ 928,883 | \$ 20,047 | \$ 5,816,860 |
| - | - | - | 8,251,403 |
| - | 2,075 | - | 42,282 |
| 56 | - | - | 3,183 |
| 17,557 | - | - | 56,473 |
| 17,613 | 2,075 | - | 101,938 |
| 32,673 | 12,513 | - | 76,108 |
| <u>\$ 2,557,442</u> | <u>\$ 943,471</u> | <u>\$ 20,047</u> | <u>\$ 14,246,309</u> |
| \$ 118,237 | \$ 11,890 | \$ 14,844 | \$ 433,230 |
| - | - | - | 398,664 |
| 14,531 | - | - | 14,531 |
| 1,727 | 370 | - | 11,064 |
| 134,495 | 12,260 | 14,844 | 857,489 |
| 32,673 | 12,513 | - | 76,108 |
| - | - | - | 8,251,403 |
| 2,390,274 | 918,698 | 5,203 | 5,061,309 |
| 2,422,947 | 931,211 | 5,203 | 13,388,820 |
| <u>\$ 2,557,442</u> | <u>\$ 943,471</u> | <u>\$ 20,047</u> | <u>\$ 14,246,309</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, 2022

| | Fire Protection Districts | Lighting District | Park Districts |
|------------------------------------------------------|---------------------------------|----------------------|--------------------|
| REVENUES | | | |
| Real property taxes | \$ 7,042,754 | \$ 2,214,042 | \$ 3,041,616 |
| Other tax items | 734,657 | 194,544 | 22,739 |
| Departmental income | - | - | 365,438 |
| Use of money and property | (1,085,704) | 1,313 | 16,307 |
| Interfund revenues | - | - | 68,060 |
| State aid | 48,655 | - | 92 |
| Federal aid | - | - | 825 |
| Miscellaneous | 35,844 | - | 110,949 |
| | <u>6,776,206</u> | <u>2,409,899</u> | <u>3,626,026</u> |
| EXPENDITURES | | | |
| Current | | | |
| General government support | 329,639 | 216,194 | 411,118 |
| Public safety | 7,351,977 | - | - |
| Transportation | - | 2,217,534 | - |
| Culture and recreation | - | - | 1,298,051 |
| Home and community services | - | - | - |
| Employee benefits | - | 23,191 | 324,747 |
| | <u>7,681,616</u> | <u>2,456,919</u> | <u>2,033,916</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(905,410)</u> | <u>(47,020)</u> | <u>1,592,110</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | - | 1,218 | 40,780 |
| Transfers out | - | (61,777) | (1,735,886) |
| | <u>-</u> | <u>(60,559)</u> | <u>(1,695,106)</u> |
| Other Financing Sources (Uses) | <u>-</u> | <u>(60,559)</u> | <u>(1,695,106)</u> |
| Net Change in Fund Balance | (905,410) | (107,579) | (102,996) |
| FUND BALANCES (DEFICITS) | | | |
| Beginning of Year | <u>10,440,046</u> | <u>347,028</u> | <u>358,370</u> |
| End of Year | <u>\$ 9,534,636</u> | <u>\$ 239,449</u> | <u>\$ 255,374</u> |

See independent auditors' report.

| Sidewalk District | Public Parking District | Water District | Total Non-Major Governmental Funds |
|---------------------|-------------------------|-----------------|------------------------------------|
| \$ 2,847,147 | \$ 412,212 | \$ 55,016 | \$ 15,612,787 |
| 249,155 | 24,298 | 7,855 | 1,233,248 |
| - | 772,858 | - | 1,138,296 |
| 4,139 | 6,781 | 43 | (1,057,121) |
| - | - | - | 68,060 |
| 1,756 | - | - | 50,503 |
| 15,801 | - | - | 16,626 |
| - | - | - | 146,793 |
| <u>3,117,998</u> | <u>1,216,149</u> | <u>62,914</u> | <u>17,209,192</u> |
| 607,444 | 245,058 | - | 1,809,453 |
| - | - | - | 7,351,977 |
| 1,111,539 | 319,800 | - | 3,648,873 |
| - | - | - | 1,298,051 |
| - | - | 60,170 | 60,170 |
| 611,125 | 211,502 | - | 1,170,565 |
| <u>2,330,108</u> | <u>776,360</u> | <u>60,170</u> | <u>15,339,089</u> |
| <u>787,890</u> | <u>439,789</u> | <u>2,744</u> | <u>1,870,103</u> |
| 11,825 | 1,078,940 | - | 1,132,763 |
| (616,281) | (411,550) | - | (2,825,494) |
| <u>(604,456)</u> | <u>667,390</u> | <u>-</u> | <u>(1,692,731)</u> |
| 183,434 | 1,107,179 | 2,744 | 177,372 |
| <u>2,239,513</u> | <u>(175,968)</u> | <u>2,459</u> | <u>13,211,448</u> |
| <u>\$ 2,422,947</u> | <u>\$ 931,211</u> | <u>\$ 5,203</u> | <u>\$ 13,388,820</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, 2022

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|-------------------------------------------------------|--------------------|------------------|---------------------|-------------------------------|
| REVENUES | | | | |
| REAL PROPERTY TAXES | \$ 7,042,518 | \$ 7,042,518 | \$ 7,042,754 | \$ 236 |
| OTHER TAX ITEMS | | | | |
| Payment in lieu of taxes | 655,645 | 655,645 | 732,130 | 76,485 |
| Interest and penalties on real property taxes | - | - | 2,527 | 2,527 |
| | <u>655,645</u> | <u>655,645</u> | <u>734,657</u> | <u>79,012</u> |
| USE OF MONEY AND PROPERTY | | | | |
| Interest earnings and income (loss) on investments | 888 | 888 | (1,085,704) | (1,086,592) |
| STATE AID | | | | |
| Other | - | - | 48,655 | 48,655 |
| MISCELLANEOUS | | | | |
| Miscellaneous revenue | - | - | 35,844 | 35,844 |
| Total Revenues | <u>7,699,051</u> | <u>7,699,051</u> | <u>6,776,206</u> | <u>(922,845)</u> |
| EXPENDITURES | | | | |
| GENERAL GOVERNMENT SUPPORT | | | | |
| Unallocated insurance | 141,200 | 141,200 | 135,192 | 6,008 |
| Other | 205,298 | 205,298 | 194,447 | 10,851 |
| | <u>346,498</u> | <u>346,498</u> | <u>329,639</u> | <u>16,859</u> |
| PUBLIC SAFETY | | | | |
| Fire protection | <u>7,422,553</u> | <u>7,422,553</u> | <u>7,351,977</u> | <u>70,576</u> |
| Total Expenditures | <u>7,769,051</u> | <u>7,769,051</u> | <u>7,681,616</u> | <u>87,435</u> |
| Deficiency of Revenues Over Expenditures | (70,000) | (70,000) | (905,410) | (835,410) |
| FUND BALANCE | | | | |
| Beginning of Year | <u>70,000</u> | <u>70,000</u> | <u>10,440,046</u> | <u>10,370,046</u> |
| End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 9,534,636</u> | <u>\$ 9,534,636</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, 2022

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|------------------------------------------------------|--------------------|------------------|-------------------|-------------------------------|
| REVENUES | | | | |
| REAL PROPERTY TAXES | \$ 2,214,120 | \$ 2,214,120 | \$ 2,214,042 | \$ (78) |
| OTHER TAX ITEMS | | | | |
| Payment in lieu of taxes | 188,575 | 188,575 | 194,193 | 5,618 |
| Interest and penalties on real property taxes | - | - | 351 | 351 |
| | <u>188,575</u> | <u>188,575</u> | <u>194,544</u> | <u>5,969</u> |
| USE OF MONEY AND PROPERTY | | | | |
| Interest and earnings | 190 | 190 | 1,313 | 1,123 |
| Total Revenues | <u>2,402,885</u> | <u>2,402,885</u> | <u>2,409,899</u> | <u>7,014</u> |
| EXPENDITURES | | | | |
| GENERAL GOVERNMENT SUPPORT | | | | |
| Unallocated insurance | 1,200 | 1,090 | 1,090 | - |
| Other | 220,104 | 215,104 | 215,104 | - |
| | <u>221,304</u> | <u>216,194</u> | <u>216,194</u> | <u>-</u> |
| TRANSPORTATION | | | | |
| Lighting | 2,097,114 | 2,217,534 | 2,217,534 | - |
| EMPLOYEE BENEFITS | | | | |
| State retirement | 7,467 | 7,272 | 7,272 | - |
| Social security | 3,200 | 3,369 | 3,369 | - |
| Workers' compensation | 488 | 117 | 117 | - |
| Hospital, medical and dental | 12,403 | 12,334 | 12,334 | - |
| Other employee benefits | 350 | 99 | 99 | - |
| | <u>23,908</u> | <u>23,191</u> | <u>23,191</u> | <u>-</u> |
| Total Expenditures | <u>2,342,326</u> | <u>2,456,919</u> | <u>2,456,919</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>60,559</u> | <u>(54,034)</u> | <u>(47,020)</u> | <u>7,014</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 1,218 | 1,218 | 1,218 | - |
| Transfers out | (61,777) | (61,777) | (61,777) | - |
| Total Other Financing Uses | <u>(60,559)</u> | <u>(60,559)</u> | <u>(60,559)</u> | <u>-</u> |
| Net Change in Fund Balance | - | (114,593) | (107,579) | 7,014 |
| FUND BALANCE | | | | |
| Beginning of Year | - | 114,593 | 347,028 | 232,435 |
| End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 239,449</u> | <u>\$ 239,449</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, 2022

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|-----------------------------------------|--------------------|-----------------|--------------|-------------------------------|
| REVENUES | | | | |
| REAL PROPERTY TAXES | \$ 3,041,531 | \$ 3,041,531 | \$ 3,041,616 | \$ 85 |
| OTHER TAX ITEMS | | | | |
| Payment in lieu of taxes | 20,550 | 20,550 | 22,739 | 2,189 |
| DEPARTMENTAL INCOME | | | | |
| Special recreational facility charges | 352,500 | 352,500 | 362,038 | 9,538 |
| Concession fees | - | - | 3,400 | 3,400 |
| | 352,500 | 352,500 | 365,438 | 12,938 |
| USE OF MONEY AND PROPERTY | | | | |
| Interest and earnings | 280 | 280 | 1,307 | 1,027 |
| Rental of real property | 15,000 | 15,000 | 15,000 | - |
| | 15,280 | 15,280 | 16,307 | 1,027 |
| INTERFUND REVENUES | 60,000 | 60,000 | 68,060 | 8,060 |
| STATE AID | | | | |
| Emergency disaster assistance | - | - | 92 | 92 |
| FEDERAL AID | | | | |
| Emergency disaster assistance | - | - | 825 | 825 |
| MISCELLANEOUS | | | | |
| Miscellaneous revenue | - | - | 110,949 | 110,949 |
| Total Revenues | 3,489,861 | 3,489,861 | 3,626,026 | 136,165 |
| EXPENDITURES | | | | |
| GENERAL GOVERNMENT SUPPORT | | | | |
| Unallocated insurance | 37,200 | 34,406 | 34,406 | - |
| Other | 406,712 | 376,712 | 376,712 | - |
| | 443,912 | 411,118 | 411,118 | - |
| CULTURE AND RECREATION | | | | |
| Parks and pools | 1,129,639 | 1,298,051 | 1,298,051 | - |
| EMPLOYEE BENEFITS | | | | |
| State retirement | 71,758 | 84,511 | 84,511 | - |
| Social security | 59,275 | 72,563 | 72,563 | - |
| Workers' compensation | 1,480 | 359 | 359 | - |
| Hospital, medical and dental | 119,366 | 164,665 | 164,665 | - |
| Other employee benefits | 1,925 | 2,649 | 2,649 | - |
| | 253,804 | 324,747 | 324,747 | - |
| Total Expenditures | 1,827,355 | 2,033,916 | 2,033,916 | - |
| Excess of Revenues Over Expenditures | 1,662,506 | 1,455,945 | 1,592,110 | 136,165 |

(Continued)

Town of North Hempstead, New York

Park Districts
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual (Continued)
 Year Ended December 31, 2022

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|-------------------------------------------|--------------------|--------------------|--------------------|-------------------------------|
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | \$ 40,780 | \$ 40,780 | \$ 40,780 | \$ - |
| Transfers out | <u>(1,738,886)</u> | <u>(1,773,886)</u> | <u>(1,735,886)</u> | <u>38,000</u> |
| Total Other Financing Uses | <u>(1,698,106)</u> | <u>(1,733,106)</u> | <u>(1,695,106)</u> | <u>38,000</u> |
| Net Change in Fund Balance | (35,600) | (277,161) | (102,996) | 174,165 |
| FUND BALANCE | | | | |
| Beginning of Year | <u>35,600</u> | <u>277,161</u> | <u>358,370</u> | <u>81,209</u> |
| End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 255,374</u> | <u>\$ 255,374</u> |

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, 2022

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|--------------------------------------------------|--------------------|------------------|------------------|-------------------------------|
| REVENUES | | | | |
| REAL PROPERTY TAXES | \$ 2,847,225 | \$ 2,847,225 | \$ 2,847,147 | \$ (78) |
| OTHER TAX ITEMS | | | | |
| Payment in lieu of taxes | 243,724 | 243,724 | 248,710 | 4,986 |
| Interest and penalties on real property taxes | - | - | 445 | 445 |
| | <u>243,724</u> | <u>243,724</u> | <u>249,155</u> | <u>5,431</u> |
| USE OF MONEY AND PROPERTY | | | | |
| Interest and earnings | 420 | 420 | 4,139 | 3,719 |
| INTERFUND REVENUES | <u>1,500</u> | <u>1,500</u> | <u>-</u> | <u>(1,500)</u> |
| STATE AID | | | | |
| Emergency disaster assistance | - | - | 1,756 | 1,756 |
| FEDERAL AID | | | | |
| Emergency disaster assistance | - | - | 15,801 | 15,801 |
| Total Revenues | <u>3,092,869</u> | <u>3,092,869</u> | <u>3,117,998</u> | <u>25,129</u> |
| EXPENDITURES | | | | |
| GENERAL GOVERNMENT SUPPORT | | | | |
| Unallocated insurance | 19,600 | 19,600 | 18,107 | 1,493 |
| Other | 609,337 | 609,337 | 589,337 | 20,000 |
| | <u>628,937</u> | <u>628,937</u> | <u>607,444</u> | <u>21,493</u> |
| TRANSPORTATION | | | | |
| Sidewalks | <u>1,220,750</u> | <u>1,168,978</u> | <u>1,111,539</u> | <u>57,439</u> |
| EMPLOYEE BENEFITS | | | | |
| State retirement | 137,344 | 137,344 | 115,633 | 21,711 |
| Social security | 78,000 | 78,000 | 56,118 | 21,882 |
| Workers' compensation | 46,837 | 46,837 | 19,791 | 27,046 |
| Unemployment insurance | 100 | 100 | - | 100 |
| Hospital, medical and dental | 377,560 | 424,611 | 416,957 | 7,654 |
| Other employee benefits | 3,606 | 3,606 | 2,626 | 980 |
| | <u>643,447</u> | <u>690,498</u> | <u>611,125</u> | <u>79,373</u> |
| Total Expenditures | <u>2,493,134</u> | <u>2,488,413</u> | <u>2,330,108</u> | <u>158,305</u> |
| Excess of Revenues Over Expenditures | <u>599,735</u> | <u>604,456</u> | <u>787,890</u> | <u>183,434</u> |

(Continued)

Town of North Hempstead, New York

Sidewalk District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Continued)
Year Ended December 31, 2022

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|-------------------------------------------|----------------------------|-------------------------|---------------------|---------------------------------------|
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | \$ 11,825 | \$ 11,825 | \$ 11,825 | \$ - |
| Transfers out | <u>(611,560)</u> | <u>(616,281)</u> | <u>(616,281)</u> | <u>-</u> |
| Total Financing Uses | <u>(599,735)</u> | <u>(604,456)</u> | <u>(604,456)</u> | <u>-</u> |
| Net Change in Fund Balance | - | - | 183,434 | 183,434 |
| FUND BALANCE | | | | |
| Beginning of Year | <u>-</u> | <u>-</u> | <u>2,239,513</u> | <u>2,239,513</u> |
| End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,422,947</u> | <u>\$ 2,422,947</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, 2022

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|-----------------------------------------------|--------------------|------------------|------------------|-------------------------------|
| REVENUES | | | | |
| REAL PROPERTY TAXES | \$ 412,214 | \$ 412,214 | \$ 412,212 | \$ (2) |
| OTHER TAX ITEMS | | | | |
| Interest and penalties on real property taxes | - | - | 65 | 65 |
| Payment in lieu of taxes | 20,912 | 20,912 | 24,233 | 3,321 |
| | <u>20,912</u> | <u>20,912</u> | <u>24,298</u> | <u>3,386</u> |
| DEPARTMENTAL INCOME | | | | |
| Parking enforcement | 58,500 | 58,500 | - | (58,500) |
| Parking permits | 85,000 | 85,000 | 70,759 | (14,241) |
| Parking lots | 308,100 | 308,100 | 482,711 | 174,611 |
| Parking meter fees | 225,000 | 225,000 | 219,388 | (5,612) |
| | <u>676,600</u> | <u>676,600</u> | <u>772,858</u> | <u>96,258</u> |
| USE OF MONEY AND PROPERTY | | | | |
| Interest and earnings | 100 | 100 | (208) | (308) |
| Rental of real property | - | - | 6,989 | 6,989 |
| | <u>100</u> | <u>100</u> | <u>6,781</u> | <u>6,681</u> |
| Total Revenues | <u>1,109,826</u> | <u>1,109,826</u> | <u>1,216,149</u> | <u>106,323</u> |
| EXPENDITURES | | | | |
| GENERAL GOVERNMENT SUPPORT | | | | |
| Credit card fees | 18,000 | 37,272 | 37,249 | 23 |
| Unallocated insurance | 6,500 | 6,500 | 5,976 | 524 |
| Other | 201,833 | 201,833 | 201,833 | - |
| | <u>226,333</u> | <u>245,605</u> | <u>245,058</u> | <u>547</u> |
| TRANSPORTATION | | | | |
| Parking | 330,014 | 330,014 | 319,800 | 10,214 |
| EMPLOYEE BENEFITS | | | | |
| State employee retirement system | 67,378 | 67,378 | 43,310 | 24,068 |
| Social security | 28,459 | 19,337 | 18,831 | 506 |
| Workers' compensation | 27,400 | 10,341 | 365 | 9,976 |
| Hospital, medical and dental | 141,213 | 148,122 | 148,122 | - |
| Other employee benefits | 1,135 | 1,135 | 874 | 261 |
| | <u>265,585</u> | <u>246,313</u> | <u>211,502</u> | <u>34,811</u> |
| Total Expenditures | <u>821,932</u> | <u>821,932</u> | <u>776,360</u> | <u>45,572</u> |
| Excess of Revenues Over Expenditures | <u>287,894</u> | <u>287,894</u> | <u>439,789</u> | <u>151,895</u> |

(Continued)

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, 2022

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|-------------------------------------------|----------------------------|-------------------------|-------------------|---------------------------------------|
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | \$ 23,656 | \$ 23,656 | \$ 1,078,940 | \$ 1,055,284 |
| Transfers out | (411,550) | (411,550) | (411,550) | - |
| Total Other Financing Sources (Uses) | <u>(387,894)</u> | <u>(387,894)</u> | <u>667,390</u> | <u>1,055,284</u> |
| Net Change in Fund Balance | (100,000) | (100,000) | 1,107,179 | 1,207,179 |
| FUND DEFICIT | | | | |
| Beginning of Year | <u>100,000</u> | <u>100,000</u> | <u>(175,968)</u> | <u>(275,968)</u> |
| End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 931,211</u> | <u>\$ 931,211</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, 2022

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|-----------------------------------------|----------------------------|-------------------------|-----------------|---------------------------------------|
| REVENUES | | | | |
| REAL PROPERTY TAXES | \$ 55,020 | \$ 55,020 | \$ 55,016 | \$ (4) |
| OTHER TAX ITEMS | | | | |
| Payment in lieu of taxes | <u>7,725</u> | <u>7,725</u> | <u>7,855</u> | <u>130</u> |
| USE OF MONEY AND PROPERTY | | | | |
| Interest and earnings | <u>10</u> | <u>10</u> | <u>43</u> | <u>33</u> |
| Total Revenues | <u>62,755</u> | <u>62,755</u> | <u>62,914</u> | <u>159</u> |
| EXPENDITURES | | | | |
| HOME AND COMMUNITY SERVICES | | | | |
| Water | <u>62,755</u> | <u>62,755</u> | <u>60,170</u> | <u>2,585</u> |
| Total Expenditures | <u>62,755</u> | <u>62,755</u> | <u>60,170</u> | <u>2,585</u> |
| Excess of Revenues Over Expenditures | - | - | 2,744 | 2,744 |
| FUND BALANCE | | | | |
| Beginning of Year | <u>-</u> | <u>-</u> | <u>2,459</u> | <u>2,459</u> |
| End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5,203</u> | <u>\$ 5,203</u> |

See independent auditors' report.

**NON-MAJOR DISCRETELY PRESENTED
COMPONENT UNITS**

Town of North Hempstead, New York

Discretely Presented Component Units
 Combining Statement of Net Position
 December 31, 2022

| | Garbage Districts | | | |
|---------------------------------------------|---------------------|------------------|-------------------|---------------------|
| | Port Washington | Glenwood | Carle Place | Roslyn |
| ASSETS | | | | |
| Cash and equivalents | \$ 1,128,250 | \$ 47,299 | \$ 574,095 | \$ 567,798 |
| Cash and equivalents - restricted | - | - | - | - |
| Receivables | | | | |
| Accounts | - | - | - | - |
| State and Federal aid | - | - | - | - |
| Due from other governments | 1,081,208 | 19,685 | 408,876 | 705,693 |
| Due from primary government | 690,272 | - | - | 198,211 |
| Loans | - | - | - | - |
| Deposits | - | - | - | 885 |
| Inventory | - | - | - | - |
| Prepaid expenses | 1,713 | - | - | - |
| Net pension asset | - | - | - | 1,095 |
| Property held for resale | - | - | - | - |
| Lease receivable | - | - | - | - |
| Capital assets | | | | |
| Not being depreciated | 24,750 | - | - | - |
| Being depreciated, net | - | - | - | - |
| Total Assets | 2,926,193 | 66,984 | 982,971 | 1,473,682 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred charge on refunding bonds | - | - | - | - |
| Pension related | - | - | - | 5,068 |
| OPEB related | - | - | - | - |
| Total Deferred Outflows of Resources | - | - | - | 5,068 |
| LIABILITIES | | | | |
| Accounts payable and accrued liabilities | 967 | 5,599 | - | 14,751 |
| Due to other governments | 12,778 | - | 3,696 | - |
| Bond anticipation notes payable | - | - | - | - |
| Deposits payable | - | - | - | - |
| Unearned revenue | - | - | - | - |
| Accrued interest payable | - | - | - | - |
| Non-current liabilities | | | | |
| Due within one year | - | - | - | - |
| Due in more than one year | - | - | - | - |
| Total Liabilities | 13,745 | 5,599 | 3,696 | 14,751 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Property taxes | - | - | - | - |
| Loans receivable | - | - | - | - |
| Leases | - | - | - | - |
| Pension related | - | - | - | 4,086 |
| OPEB related | - | - | - | - |
| Total Deferred Inflows of Resources | - | - | - | 4,086 |
| NET POSITION | | | | |
| Net investment in capital assets | 24,750 | - | - | - |
| Restricted for | | | | |
| Accrued employee benefits | - | - | - | - |
| Asset forfeiture | - | - | - | - |
| Capital projects | - | - | - | - |
| Debt service | - | - | - | - |
| Herbert Paul memorial fund | - | - | - | - |
| Insurance | - | - | - | - |
| Maintenance | - | - | - | - |
| Property held for redevelopment | - | - | - | - |
| Repairs | - | - | - | - |
| Retirement contribution | - | - | - | - |
| Unrestricted | 2,887,698 | 61,385 | 979,275 | 1,459,913 |
| Total Net Position | \$ 2,912,448 | \$ 61,385 | \$ 979,275 | \$ 1,459,913 |

See independent auditors' report.

| Water Pollution Control Districts | | | Water Districts | | | | |
|-----------------------------------|---------------|-----------------|-----------------|--------------|------------------|-----------------|--------------|
| Great Neck | Belgrave | Port Washington | Glenwood | Albertson | Garden City Park | Port Washington | Westbury |
| \$ 18,938,131 | \$ 3,200,099 | \$ 3,111,404 | \$ 656,049 | \$ 2,038,486 | \$ 1,880,612 | \$ 1,918,226 | \$ 6,734,096 |
| 1,475,766 | 3,047,492 | 443,538 | - | 1,519,583 | 2,748,613 | 3,643,999 | 11,548,857 |
| 45,700 | 5,663 | 94,327 | 46,536 | 459,514 | 499,986 | 1,293,921 | 752,014 |
| - | - | - | - | - | - | - | - |
| 1,372 | - | 4,573,533 | - | 8,684,616 | 20,000 | - | - |
| - | - | - | 9,324 | - | 5,899,946 | 9,064,927 | 377,618 |
| - | - | - | - | - | - | - | - |
| - | - | 12,559 | - | - | 68,153 | 72,361 | 4,519 |
| 192,414 | 91,064 | 234,235 | 750 | 24,946 | 190,048 | 66,336 | 206,723 |
| 421,746 | 275,252 | 362,276 | 5,465 | 161,544 | 440,787 | 250,681 | 352,139 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | 4,363,195 | - | - |
| 3,105,905 | 778,707 | 3,863,937 | 40,568 | 3,905,976 | 2,599,609 | 17,584,188 | 5,574,309 |
| 89,539,741 | 33,982,779 | 38,080,858 | 434,172 | 8,481,984 | 28,161,481 | 16,451,001 | 10,126,660 |
| 113,720,775 | 41,381,056 | 50,776,667 | 1,192,864 | 25,276,649 | 46,872,430 | 50,345,640 | 35,676,935 |
| - | - | - | - | - | - | - | 8,853 |
| 978,427 | 606,749 | 855,597 | 13,833 | 488,462 | 1,080,769 | 539,935 | 806,766 |
| - | - | - | - | - | - | - | - |
| 978,427 | 606,749 | 855,597 | 13,833 | 488,462 | 1,080,769 | 539,935 | 815,619 |
| 2,358,890 | 524,896 | 2,303,996 | 25,772 | 1,308,079 | 1,041,685 | 1,638,421 | 251,480 |
| 127,800 | - | 13,490 | - | - | - | - | - |
| - | - | 19,300,000 | - | 10,956,000 | 9,000,000 | 15,255,000 | 17,816,000 |
| 504,453 | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | 1,476,867 |
| 474,392 | 41,825 | 334,926 | - | 31,093 | 325,680 | 389,386 | 302,680 |
| 2,597,489 | 946,677 | 686,294 | - | 517,069 | 386,354 | 1,190,988 | 252,355 |
| 77,143,840 | 21,629,013 | 18,673,811 | 89,059 | 7,397,962 | 17,421,681 | 21,301,137 | 5,048,712 |
| 83,206,864 | 23,142,411 | 41,312,517 | 114,831 | 20,210,203 | 28,175,400 | 39,774,932 | 25,148,094 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | 4,228,975 | - | - |
| 1,455,489 | 965,883 | 1,243,138 | 19,026 | 553,077 | 1,509,128 | 924,662 | 1,201,894 |
| 2,976,241 | 2,334,834 | 3,160,655 | - | - | 3,406,502 | 4,075,517 | 3,376,161 |
| 4,431,730 | 3,300,717 | 4,403,793 | 19,026 | 553,077 | 9,144,605 | 5,000,179 | 4,578,055 |
| 29,538,953 | 15,105,121 | 10,934,275 | 474,740 | 4,453,939 | 13,908,796 | 9,676,614 | 14,836,939 |
| - | - | 157,196 | - | - | - | - | 76,741 |
| - | - | - | - | - | - | - | - |
| 14,621,110 | 3,218,838 | - | 165,776 | 5,973,074 | - | 3,413,171 | - |
| 281,693 | 29,636 | 286,342 | - | 104,781 | 155,057 | 230,828 | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | 2,748,613 | - | 3,911,517 |
| - | - | - | - | - | - | - | - |
| (17,381,148) | (2,808,918) | (5,461,859) | 432,324 | (5,529,963) | (6,179,272) | (7,210,149) | (12,058,792) |
| \$ 27,060,608 | \$ 15,544,677 | \$ 5,915,954 | \$ 1,072,840 | \$ 5,001,831 | \$ 10,633,194 | \$ 6,110,464 | \$ 6,766,405 |

Town of North Hempstead, New York

Discretely Presented Component Units
 Combining Statement of Net Position (Continued)
 December 31, 2022

| | Water Districts | | | Park Districts | |
|---------------------------------------------|---------------------|----------------------|--------------------------|-----------------------|-----------------------|
| | Roslyn | Carle Place | Manhasset - Lakeville | Manhasset | Great Neck |
| ASSETS | | | | | |
| Cash and equivalents | \$ 1,626,437 | \$ 4,392,015 | \$ 13,853,494 | \$ 977,428 | \$ 9,844,724 |
| Cash and equivalents - restricted | 4,887,533 | 9,958,032 | 10,792,665 | - | 709,013 |
| Receivables | | | | | |
| Accounts | 411,365 | 479,355 | 1,233,465 | - | 54,897 |
| State and Federal aid | - | - | - | - | - |
| Due from other governments | - | - | - | - | - |
| Due from primary government | 7,727,593 | 216,943 | 315,802 | 1,360 | - |
| Loans | - | - | - | - | - |
| Deposits | - | - | - | - | - |
| Inventory | 194,146 | 81,095 | 342,151 | - | - |
| Prepaid expenses | 202,291 | 76,221 | 85,874 | 11,551 | 263,035 |
| Net pension asset | 295,118 | 165,398 | 248,566 | 130,621 | 1,296,881 |
| Property held for resale | - | - | - | - | - |
| Lease receivable | - | 2,298,373 | 794,782 | - | - |
| Capital assets | | | | | |
| Not being depreciated | 4,499,543 | 11,807,932 | 6,082,798 | 1,704,973 | 4,416,994 |
| Being depreciated, net | 13,265,428 | 13,785,023 | 41,490,270 | 431,109 | 16,618,005 |
| Total Assets | 33,109,454 | 43,260,387 | 75,239,867 | 3,257,042 | 33,203,549 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Deferred charge on refunding bonds | - | 4,050 | 97,371 | - | 12,829 |
| Pension related | 673,664 | 440,383 | 1,006,927 | 310,187 | 3,097,846 |
| OPEB related | - | - | - | - | 3,123,148 |
| Total Deferred Outflows of Resources | 673,664 | 444,433 | 1,104,298 | 310,187 | 6,233,823 |
| LIABILITIES | | | | | |
| Accounts payable and accrued liabilities | 929,704 | 144,735 | 1,464,096 | 70,831 | 675,676 |
| Due to other governments | - | - | 2,269 | - | 8,937 |
| Bond anticipation notes payable | 6,000,000 | 5,000,000 | - | - | - |
| Deposits payable | - | - | 2,399,561 | - | 90,153 |
| Unearned revenue | - | - | - | - | 945,227 |
| Accrued interest payable | 205,983 | 150,411 | 142,350 | - | 53,511 |
| Non-current liabilities | | | | | |
| Due within one year | 441,138 | 617,306 | 978,516 | - | 585,308 |
| Due in more than one year | 18,182,995 | 15,276,406 | 23,060,599 | 4,142,983 | 23,598,473 |
| Total Liabilities | 25,759,820 | 21,188,858 | 28,047,391 | 4,213,814 | 25,957,285 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Property taxes | - | - | - | - | - |
| Loans receivable | - | - | - | - | - |
| Leases | - | 2,298,373 | 803,461 | - | - |
| Pension related | 1,016,061 | 571,919 | 1,503,183 | 475,880 | 4,450,139 |
| OPEB related | 2,759,731 | 2,009,837 | - | 2,558,762 | 11,736,194 |
| Total Deferred Inflows of Resources | 3,775,792 | 4,880,129 | 2,306,644 | 3,034,642 | 16,186,333 |
| NET POSITION | | | | | |
| Net investment in capital assets | 4,882,942 | 7,810,409 | 30,356,699 | 2,136,082 | 15,884,051 |
| Restricted for | | | | | |
| Accrued employee benefits | - | - | - | - | - |
| Asset forfeiture | - | - | - | - | - |
| Capital projects | 3,430,394 | 9,441,436 | 19,229,926 | - | - |
| Debt service | 163,600 | 193,616 | 46,451 | - | - |
| Herbert Paul memorial fund | - | - | - | - | - |
| Insurance | - | - | - | - | 224,586 |
| Maintenance | - | - | - | - | 423,385 |
| Property held for redevelopment | - | - | - | - | - |
| Repairs | 1,457,139 | 322,980 | - | - | 61,041 |
| Retirement contribution | - | - | - | - | - |
| Unrestricted | (5,686,569) | (132,608) | (3,642,946) | (5,817,309) | (19,299,309) |
| Total Net Position | \$ 4,247,506 | \$ 17,635,833 | \$ 45,990,130 | \$ (3,681,227) | \$ (2,706,246) |

See independent auditors' report.

| Police District | Public Library District | Community Development Agency | Business Improvement District | Totals |
|-----------------|-------------------------|------------------------------|-------------------------------|---------------|
| Port Washington | Shelter Rock | Town of North Hempstead | Greater Port Washington | |
| \$ 17,400,503 | \$ 3,490,415 | \$ 795,653 | \$ 171,220 | \$ 93,346,434 |
| 991,991 | 228,090 | 34,125 | - | 52,029,297 |
| 30,289 | 48 | 4,001 | - | 5,411,081 |
| 40,655 | 8,275 | 583,361 | 4,945 | 637,236 |
| 30,008 | 15,007 | - | 100,492 | 15,640,490 |
| - | - | - | - | 24,501,996 |
| - | - | 1,051,460 | - | 1,051,460 |
| - | - | - | - | 885 |
| - | - | - | - | 774,984 |
| 1,209,773 | 106,874 | 14,081 | - | 2,977,929 |
| 256,643 | 392,327 | 71,001 | - | 5,127,540 |
| - | - | 2,350,088 | - | 2,350,088 |
| - | - | - | - | 7,456,350 |
| 16,500 | 136,958 | - | - | 66,143,647 |
| 1,347,408 | 4,307,209 | - | 62,158 | 316,565,286 |
| 21,323,770 | 8,685,203 | 4,903,770 | 338,815 | 594,014,703 |
| - | 6,707 | - | - | 129,810 |
| 12,711,670 | 932,097 | 194,967 | - | 24,743,347 |
| - | - | 86,886 | - | 3,210,034 |
| 12,711,670 | 938,804 | 281,853 | - | 28,083,191 |
| 269,167 | 94,731 | 76,898 | 24,615 | 13,224,989 |
| - | - | - | - | 168,970 |
| - | - | - | - | 83,327,000 |
| - | - | - | - | 2,994,167 |
| 5,756 | 56,250 | 545,500 | - | 3,029,600 |
| - | - | - | 63 | 2,452,300 |
| 3,799 | 239,196 | 36,000 | 2,515 | 9,481,004 |
| 58,861,337 | 3,847,565 | 1,426,556 | 2,658 | 317,104,787 |
| 59,140,059 | 4,237,742 | 2,084,954 | 29,851 | 431,782,817 |
| 44,564 | - | - | - | 44,564 |
| - | - | 370,770 | - | 370,770 |
| - | - | - | - | 7,330,809 |
| 12,102,983 | 1,365,937 | 248,815 | - | 29,611,300 |
| 23,050,627 | - | 811,448 | - | 62,256,509 |
| 35,198,174 | 1,365,937 | 1,431,033 | - | 99,613,952 |
| 1,357,886 | 3,980,056 | - | 56,985 | 165,419,237 |
| - | - | - | - | 233,937 |
| 988,483 | - | - | - | 988,483 |
| - | - | - | - | 59,493,725 |
| - | 9,743 | - | - | 1,501,747 |
| - | 218,347 | - | - | 218,347 |
| - | - | - | - | 224,586 |
| - | - | - | - | 423,385 |
| - | - | 2,350,088 | - | 2,350,088 |
| - | - | - | - | 8,501,290 |
| 3,508 | - | - | - | 3,508 |
| (62,652,670) | (187,818) | (680,452) | 251,979 | (148,657,208) |
| \$ (60,302,793) | \$ 4,020,328 | \$ 1,669,636 | \$ 308,964 | \$ 90,701,125 |

Town of North Hempstead, New York

Discretely Presented Component Units
 Combining Statement of Activities
 Year Ended December 31, 2022

| | Garbage Districts | | | |
|----------------------------------------|---------------------|------------------|-------------------|---------------------|
| | Port Washington | Glenwood | Carle Place | Roslyn |
| REVENUES | | | | |
| Program revenues | | | | |
| Charges for services | \$ - | \$ 15,650 | \$ - | \$ - |
| Operating grants and contributions | - | - | 292,898 | - |
| Capital grants and contributions | - | - | - | - |
| Real property taxes | 2,381,548 | 62,668 | 982,621 | 612,547 |
| Other tax items | | | | |
| Payments in lieu of taxes | - | - | 56,225 | 125,292 |
| Unrestricted use of money and property | 5,906 | 40 | 2,456 | 1,370 |
| Insurance recoveries | - | - | - | - |
| Miscellaneous local sources | 683,221 | 366 | - | 587,952 |
| Total Revenues | 3,070,675 | 78,724 | 1,334,200 | 1,327,161 |
| EXPENSES | | | | |
| General government support | 869 | - | - | - |
| Public safety | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Home and community services | 2,343,977 | 73,177 | 907,687 | 683,098 |
| Interest | - | - | - | - |
| Total Expenses | 2,344,846 | 73,177 | 907,687 | 683,098 |
| Change in Net Position | 725,829 | 5,547 | 426,513 | 644,063 |
| NET POSITION | | | | |
| Net Position - Beginning, as reported | 2,186,619 | 55,838 | 552,762 | 815,850 |
| Prior Period Adjustment | - | - | - | - |
| Net Position - Beginning, as restated | 2,186,619 | 55,838 | 552,762 | 815,850 |
| Net Position - Ending | <u>\$ 2,912,448</u> | <u>\$ 61,385</u> | <u>\$ 979,275</u> | <u>\$ 1,459,913</u> |

See independent auditors' report.

| Water Pollution Control Districts | | | Water Districts | | | |
|-----------------------------------|----------------------|---------------------|---------------------|---------------------|----------------------|---------------------|
| Great Neck | Belgrave | Port Washington | Glenwood | Albertson | Garden City Park | Port Washington |
| \$ 3,448,147 | \$ 948,816 | \$ 1,241,199 | \$ 167,727 | \$ 2,236,966 | \$ 2,323,951 | \$ 7,108,984 |
| - | - | - | - | - | 50,895 | - |
| 1,131,032 | 7,119,008 | 25,000 | - | - | 1,451,382 | - |
| 8,290,549 | 2,811,470 | 5,895,597 | 229,177 | 1,830,028 | 4,210,965 | 2,168,782 |
| - | - | - | 38,212 | 91,248 | 101,653 | 165,321 |
| 120,102 | 28,676 | 36,442 | 320 | 252,627 | 638,666 | 64,745 |
| - | - | - | - | - | - | - |
| 708,527 | 200 | 35,094 | 5,634 | 4,309 | 146,636 | 258,486 |
| <u>13,698,357</u> | <u>10,908,170</u> | <u>7,233,332</u> | <u>441,070</u> | <u>4,415,178</u> | <u>8,924,148</u> | <u>9,766,318</u> |
| - | - | - | - | - | 1,319,855 | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 11,722,053 | 2,400,285 | 6,194,997 | 301,024 | 2,116,872 | 4,492,919 | 4,014,570 |
| 1,927,032 | 234,079 | 376,370 | - | - | 742,907 | 854,070 |
| <u>13,649,085</u> | <u>2,634,364</u> | <u>6,571,367</u> | <u>301,024</u> | <u>2,116,872</u> | <u>6,555,681</u> | <u>4,868,640</u> |
| <u>49,272</u> | <u>8,273,806</u> | <u>661,965</u> | <u>140,046</u> | <u>2,298,306</u> | <u>2,368,467</u> | <u>4,897,678</u> |
| 27,011,336 | 7,270,871 | 5,253,989 | 932,794 | 2,703,525 | 9,510,391 | 1,212,786 |
| - | - | - | - | - | (1,245,664) | - |
| <u>27,011,336</u> | <u>7,270,871</u> | <u>5,253,989</u> | <u>932,794</u> | <u>2,703,525</u> | <u>8,264,727</u> | <u>1,212,786</u> |
| <u>\$ 27,060,608</u> | <u>\$ 15,544,677</u> | <u>\$ 5,915,954</u> | <u>\$ 1,072,840</u> | <u>\$ 5,001,831</u> | <u>\$ 10,633,194</u> | <u>\$ 6,110,464</u> |

(Continued)

Town of North Hempstead, New York

Discretely Presented Component Units
 Combining Statement of Activities (Continued)
 Year Ended December 31, 2022

| | Water Districts | | | | Park Districts |
|----------------------------------------|------------------|------------------|------------------|--------------------------|------------------|
| | Westbury | Roslyn | Carle Place | Manhasset - Lakeville | Manhasset |
| REVENUES | | | | | |
| Program revenues | | | | | |
| Charges for services | \$ 1,774,793 | \$ 2,289,459 | \$ 937,797 | \$ 6,709,073 | \$ 842,933 |
| Operating grants and contributions | - | - | - | - | - |
| Capital grants and contributions | - | - | 4,703,167 | - | - |
| Real property taxes | 4,373,507 | 2,949,199 | 3,311,188 | 3,780,357 | 813,571 |
| Other tax items | | | | | |
| Payments in lieu of taxes | 356,181 | 250,851 | 253,564 | 203,925 | 21,024 |
| Unrestricted use of money and property | 692,269 | 82,321 | 398,604 | 439,600 | 42,466 |
| Insurance recoveries | 16,226 | - | - | 20,801 | - |
| Miscellaneous local sources | 6,388 | 161,233 | 18,456 | 135,661 | - |
| Total Revenues | 7,219,364 | 5,733,063 | 9,622,776 | 11,289,417 | 1,719,994 |
| EXPENSES | | | | | |
| General government support | 170,648 | - | 53,060 | 218,441 | - |
| Public safety | - | - | - | - | - |
| Culture and recreation | - | - | - | - | 799,096 |
| Home and community services | 3,754,346 | 4,663,052 | 2,881,109 | 6,887,927 | - |
| Interest | 370,229 | 594,392 | 397,886 | 479,868 | - |
| Total Expenses | 4,295,223 | 5,257,444 | 3,332,055 | 7,586,236 | 799,096 |
| Change in Net Position | 2,924,141 | 475,619 | 6,290,721 | 3,703,181 | 920,898 |
| NET POSITION | | | | | |
| Net Position - Beginning, as reported | 3,747,875 | 3,737,683 | 11,345,112 | 42,286,949 | (4,602,125) |
| Prior Period Adjustment | 94,389 | 34,204 | - | - | - |
| Net Position - Beginning, as restated | 3,842,264 | 3,771,887 | 11,345,112 | 42,286,949 | (4,602,125) |
| Net Position - Ending | \$ 6,766,405 | \$ 4,247,506 | \$ 17,635,833 | \$ 45,990,130 | \$ (3,681,227) |

See independent auditors' report.

| Park Districts | Police District | Public Library District | Community Development Agency | Business and Tourism Development Corporation | Business Improvement District | Totals |
|----------------|-----------------|-------------------------|------------------------------|----------------------------------------------|-------------------------------|---------------|
| Great Neck | Port Washington | Shelter Rock | Town of North Hempstead | Town of North Hempstead | Greater Port Washington | |
| \$ 5,871,452 | \$ 96,463 | \$ 7,586 | \$ 46,570 | \$ - | \$ 15,286 | \$ 36,082,852 |
| - | 118,893 | 22,092 | 1,331,094 | - | 8,445 | 1,824,317 |
| - | - | - | - | - | - | 14,429,589 |
| 11,994,248 | 22,672,187 | 4,073,037 | - | - | 210,120 | 83,653,366 |
| 501,879 | 2,243,507 | 127,370 | - | - | - | 4,536,252 |
| 56,605 | 215,505 | - | 7,444 | - | 1,471 | 3,087,635 |
| 14,882 | - | - | - | - | - | 51,909 |
| 91,260 | 154,531 | 36,316 | 12,647 | - | - | 3,046,917 |
| 18,530,326 | 25,501,086 | 4,266,401 | 1,397,755 | - | 235,322 | 146,712,837 |
| - | - | - | - | - | 111,832 | 1,874,705 |
| - | 17,379,391 | - | - | - | - | 17,379,391 |
| 14,808,952 | - | 2,842,068 | - | - | - | 18,450,116 |
| - | - | - | 1,157,362 | - | 131,669 | 54,726,124 |
| 264,881 | 392 | (2,043) | - | - | 374 | 6,240,437 |
| 15,073,833 | 17,379,783 | 2,840,025 | 1,157,362 | - | 243,875 | 98,670,773 |
| 3,456,493 | 8,121,303 | 1,426,376 | 240,393 | - | (8,553) | 48,042,064 |
| (6,162,739) | (68,424,096) | 2,593,952 | 1,429,243 | 56,830 | 317,517 | 43,832,962 |
| - | - | - | - | (56,830) | - | (1,173,901) |
| (6,162,739) | (68,424,096) | 2,593,952 | 1,429,243 | - | 317,517 | 42,659,061 |
| \$ (2,706,246) | \$ (60,302,793) | \$ 4,020,328 | \$ 1,669,636 | \$ - | \$ 308,964 | \$ 90,701,125 |

**STATISTICAL SECTION
(UNAUDITED)**

Page

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 and notes disclosures say about the Town's overall financial health.

Financial Trends

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

118-125

Revenue Capacity

These schedules contain information to help the reader assess the Town's most significant local revenue sources.

126-133

Debt Capacity

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

134-137

Demographic and Economic Information

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

138-139

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

140-145

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

Town of North Hempstead, New York

Net Position by Component
Last Ten Fiscal Years

| <u>As of December 31,</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|---------------------------------------|-----------------------|----------------------|----------------------|----------------------|
| Governmental activities | | | | |
| Net investment in capital assets | \$ 273,145,819 | \$ 259,347,185 | \$ 249,230,226 | \$ 248,668,258 |
| Restricted | 8,023,580 | 9,366,414 | 11,538,242 | 5,178,210 |
| Unrestricted | <u>(155,654,038)</u> | <u>(183,959,271)</u> | <u>(188,121,906)</u> | <u>(176,081,092)</u> |
| Total primary government net position | <u>\$ 125,515,361</u> | <u>\$ 84,754,328</u> | <u>\$ 72,646,562</u> | <u>\$ 77,765,376</u> |

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

See independent auditors' report.

| <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 246,936,635 | \$ 248,900,563 | \$ 242,330,248 | \$ 239,681,379 | \$ 231,094,773 | \$ 225,486,423 |
| 6,464,595 | 7,464,775 | 12,144,195 | - | - | 1,841,053 |
| <u>(179,871,092)</u> | <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>\$ 73,530,138</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> |

Town of North Hempstead, New York

Changes in Net Position
Last Ten Years

| Year ended December 31, | 2022 | 2021 | 2020 | 2019 |
|-------------------------------------------------|------------------------|-------------------------|-------------------------|-------------------------|
| Expenses | | | | |
| Governmental activities: | | | | |
| General government support | \$ 15,823,561 | \$ 28,176,289 | \$ 31,391,657 | \$ 26,421,968 |
| Education | 1,763,677 | 2,349,819 | 2,657,322 | 2,102,250 |
| Public safety | 15,439,837 | 21,418,891 | 21,516,418 | 19,382,131 |
| Health | 317,828 | 687,860 | 690,837 | 501,762 |
| Transportation | 20,392,584 | 23,681,058 | 26,224,943 | 24,897,557 |
| Economic assistance and opportunity | 2,497,347 | 3,419,705 | 3,683,569 | 3,594,064 |
| Culture and recreation | 27,842,281 | 32,664,059 | 31,299,681 | 31,434,837 |
| Home and community service | 28,535,443 | 27,964,139 | 29,717,641 | 29,209,440 |
| Interest on debt | 5,249,015 | 5,053,356 | 5,162,083 | 5,971,524 |
| Total primary government expenses | <u>\$ 117,861,573</u> | <u>\$ 145,415,176</u> | <u>\$ 152,344,151</u> | <u>\$ 143,515,533</u> |
| Program Revenues | | | | |
| Governmental activities: | | | | |
| Charges for services: | | | | |
| General government support | \$ 540,800 | \$ 717,770 | \$ 443,702 | \$ 487,283 |
| Public safety | 6,061,625 | 5,672,209 | 5,404,766 | 6,935,928 |
| Health | 438,560 | 424,567 | 415,586 | 267,540 |
| Transportation | 1,472,881 | 1,039,272 | 866,432 | 1,548,494 |
| Economic assistance and opportunity | 17,822 | 28,910 | 19,378 | 59,864 |
| Culture and recreation | 9,452,135 | 8,512,413 | 3,716,675 | 8,904,642 |
| Home and community service | 16,371,686 | 18,912,737 | 16,098,829 | 16,171,218 |
| Operating grants and contributions | 3,051,815 | 1,382,760 | 990,321 | 1,550,237 |
| Capital grants and contributions | 3,850,946 | 5,072,904 | 10,969,402 | 3,739,607 |
| Total primary government program revenues | <u>\$ 41,258,270</u> | <u>\$ 41,763,542</u> | <u>\$ 38,925,091</u> | <u>\$ 39,664,813</u> |
| Net (Expense) Revenue | | | | |
| Total primary government net expense | <u>\$ (76,603,303)</u> | <u>\$ (103,651,634)</u> | <u>\$ (113,419,060)</u> | <u>\$ (103,850,720)</u> |
| General Revenues | | | | |
| Governmental Activities: | | | | |
| Real property taxes | \$ 80,163,836 | \$ 78,172,073 | \$ 76,703,013 | \$ 75,897,627 |
| Real property tax items | 6,178,989 | 5,865,391 | 5,842,926 | 5,819,940 |
| Non-property tax items | 17,517,079 | 16,297,882 | 13,994,959 | 14,659,001 |
| Interest earnings - unrestricted | 179,563 | 98,032 | 786,435 | 1,993,413 |
| Mortgage tax | 11,670,076 | 13,224,118 | 9,522,797 | 8,161,165 |
| Sale of property and compensation for loss | - | - | - | 90,000 |
| State aid - unrestricted | - | - | - | - |
| Other | 1,654,793 | 2,101,904 | 1,450,116 | 1,464,812 |
| Total primary government | <u>\$ 117,364,336</u> | <u>\$ 115,759,400</u> | <u>\$ 108,300,246</u> | <u>\$ 108,085,958</u> |
| Change in Net Position | | | | |
| Total primary government change in net position | <u>\$ 40,761,033</u> | <u>\$ 12,107,766</u> | <u>\$ (5,118,814)</u> | <u>\$ 4,235,238</u> |

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

See independent auditors' report.

| 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|-------------------------|-------------------------|-------------------------|------------------------|------------------------|------------------------|
| \$ 22,374,597 | \$ 30,216,273 | \$ 28,779,266 | \$ 28,189,765 | \$ 29,539,133 | \$ 28,161,989 |
| 2,680,039 | 3,455,484 | 2,325,386 | 2,199,528 | 1,823,139 | 2,007,847 |
| 17,007,720 | 14,259,877 | 15,129,393 | 14,292,840 | 14,261,443 | 13,883,747 |
| 405,955 | 410,369 | 390,993 | 427,110 | 422,533 | 400,116 |
| 24,874,549 | 23,540,680 | 23,473,504 | 24,270,255 | 23,690,160 | 26,237,863 |
| 3,175,299 | 3,647,150 | 3,798,866 | 3,626,479 | 2,873,584 | 2,957,536 |
| 31,364,889 | 29,362,341 | 28,423,638 | 26,621,444 | 26,962,089 | 28,275,078 |
| 27,932,903 | 26,859,210 | 29,671,225 | 27,259,608 | 27,652,600 | 38,960,568 |
| 5,814,348 | 5,350,058 | 5,222,307 | 5,812,532 | 4,815,137 | 5,650,792 |
| <u>\$ 135,630,299</u> | <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> |
| \$ 532,911 | \$ 566,435 | \$ 438,798 | \$ 501,619 | \$ 497,926 | \$ 432,869 |
| 5,731,206 | 5,101,695 | 4,421,971 | 4,333,981 | 3,585,511 | 4,133,966 |
| 251,562 | 270,362 | 282,800 | 262,706 | 274,282 | 285,178 |
| 1,663,892 | 2,004,874 | 1,478,194 | 1,548,496 | 1,318,572 | 2,288,644 |
| 31,870 | 52,166 | 43,497 | 61,324 | 281,716 | 351,277 |
| 8,553,798 | 8,900,648 | 9,466,886 | 9,477,758 | 10,028,738 | 9,819,123 |
| 16,726,713 | 15,545,743 | 16,213,363 | 16,553,220 | 16,446,757 | 18,032,300 |
| 495,371 | 608,922 | 1,176,467 | 2,785,051 | 5,142,096 | 13,003,479 |
| 1,039,716 | 2,094,442 | 1,501,146 | 870,020 | 476,148 | 552,202 |
| <u>\$ 35,027,039</u> | <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>\$ (100,603,260)</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> |
| \$ 73,463,548 | \$ 69,454,516 | \$ 73,724,772 | \$ 73,161,136 | \$ 72,038,134 | \$ 70,878,833 |
| 5,499,824 | 5,358,015 | 5,681,740 | 2,573,825 | 2,344,889 | 2,277,435 |
| 14,268,519 | 13,879,873 | 13,632,320 | 13,554,251 | 12,850,767 | 13,235,095 |
| 1,196,207 | 1,300,037 | 228,531 | 243,894 | 1,501,136 | 632,970 |
| 7,819,351 | 9,184,447 | 9,556,463 | 7,698,406 | 7,228,190 | 7,493,601 |
| - | - | - | - | - | 1,023,565 |
| 1,023,565 | 1,023,565 | 1,023,565 | 1,023,565 | 1,023,565 | 1,923,480 |
| 1,232,566 | 2,260,262 | 2,935,695 | 2,847,395 | 2,188,594 | 1,575,642 |
| <u>\$ 104,503,580</u> | <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>\$ 3,900,320</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> |

Town of North Hempstead, New York

Fund Balances of Governmental Funds
Last Ten Years

| <u>As of December 31,</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund | | | | |
| Nonspendable | \$ 1,532,160 | \$ 1,466,068 | \$ 1,348,585 | \$ 1,354,010 |
| Assigned | 6,075,894 | 4,708,348 | 4,480,804 | 5,036,573 |
| Unassigned | <u>27,911,736</u> | <u>19,913,057</u> | <u>12,253,880</u> | <u>10,914,844</u> |
| Total General Fund | <u>\$ 35,519,790</u> | <u>\$ 26,087,473</u> | <u>\$ 18,083,269</u> | <u>\$ 17,305,427</u> |
| All other governmental funds | | | | |
| Nonspendable | \$ 987,109 | \$ 1,139,300 | \$ 1,061,115 | \$ 870,460 |
| Restricted | 51,512,258 | 46,483,415 | 44,832,122 | 48,230,195 |
| Assigned | 27,455,210 | 26,037,722 | 26,917,511 | 24,690,680 |
| Unassigned | <u>-</u> | <u>(1,361,467)</u> | <u>(1,552,905)</u> | <u>(1,944,602)</u> |
| Total All Other Governmental Funds | <u>\$ 79,954,577</u> | <u>\$ 72,298,970</u> | <u>\$ 71,257,843</u> | <u>\$ 71,846,733</u> |

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

See independent auditors' report.

| 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|----------------------|----------------------|----------------------|------------------------|------------------------|------------------------|
| \$ 1,303,353 | \$ 1,214,842 | \$ 2,495,507 | \$ 1,622,361 | \$ 2,605,903 | \$ 6,317,118 |
| 4,584,013 | 4,751,811 | 3,552,773 | 2,623,538 | 3,616,445 | 3,707,833 |
| 9,981,457 | 8,370,032 | 8,270,030 | 7,445,560 | 4,161,400 | 3,693,793 |
| <u>\$ 15,868,823</u> | <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> |
| \$ 888,692 | \$ 901,586 | \$ 862,450 | \$ 3,716,181 | \$ 1,459,022 | \$ 371,007 |
| 44,039,831 | 45,356,032 | 6,470,022 | 493,155 | 15,539,657 | 1,841,053 |
| 25,036,855 | 22,149,346 | 23,179,163 | 19,539,989 | 19,684,938 | 17,704,669 |
| (3,931,626) | (1,812,947) | (1,060,948) | (44,825,924) | (53,834,341) | (73,879,682) |
| <u>\$ 66,033,752</u> | <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> |

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|----|--------------------|----------------------|----------------------|-----------------------|----------------------|-----------------------|
| \$ | 73,643,772 | \$ 69,274,292 | \$ 73,724,772 | \$ 73,161,136 | \$ 72,038,134 | \$ 70,878,833 |
| | 5,499,824 | 5,358,015 | 5,681,740 | 2,573,825 | 2,344,889 | 2,277,435 |
| | 14,268,519 | 13,879,873 | 13,632,320 | 13,554,251 | 12,850,767 | 13,235,095 |
| | 26,100,998 | 24,887,296 | 25,925,575 | 26,126,290 | 25,976,819 | 28,161,245 |
| | 1,180,037 | 1,176,710 | 1,199,836 | 1,302,739 | 963,096 | 2,381,714 |
| | 1,144,767 | 1,519,698 | 473,550 | 442,529 | 593,378 | 521,771 |
| | 5,399,245 | 5,535,816 | 4,335,603 | 4,549,233 | 3,234,920 | 3,655,105 |
| | 352,965 | 190,180 | 238,908 | 242,603 | 239,052 | 205,709 |
| | 294,476 | 921,275 | 703,004 | 682,269 | 409,852 | 1,370,285 |
| | 6,830,352 | 6,924,674 | 6,836,057 | 6,879,071 | 6,994,901 | 6,861,935 |
| | 10,413,133 | 12,411,291 | 12,454,869 | 10,659,621 | 10,400,768 | 10,698,776 |
| | 270,766 | 249,085 | 802,772 | 1,717,421 | 4,112,792 | 11,374,071 |
| | 253,641 | 703,633 | 1,242,126 | 1,152,977 | 1,203,246 | 1,334,774 |
| | <u>145,652,495</u> | <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> |
| | 21,141,178 | 20,875,498 | 20,871,024 | 21,122,838 | 21,719,953 | 20,971,505 |
| | 2,680,039 | 3,455,484 | 2,325,385 | 2,199,528 | 5,362,136 | 439,233 |
| | 12,323,964 | 11,922,786 | 12,494,483 | 12,394,374 | 12,162,015 | 11,725,481 |
| | 231,204 | 226,999 | 218,940 | 283,333 | 242,761 | 226,569 |
| | 14,335,692 | 14,404,316 | 14,246,990 | 15,290,185 | 14,396,223 | 16,542,073 |
| | 2,371,058 | 2,595,142 | 2,651,359 | 2,617,744 | 2,083,114 | 2,094,184 |
| | 18,080,022 | 17,464,056 | 17,169,378 | 16,602,868 | 16,993,305 | 17,789,654 |
| | 26,628,905 | 26,132,641 | 25,955,284 | 27,076,363 | 27,204,995 | 37,544,848 |
| | 21,298,922 | 20,829,919 | 20,122,128 | 19,333,110 | 18,533,022 | 17,504,421 |
| | 16,615,956 | 16,263,357 | 16,315,225 | 31,543,158 | 15,190,493 | 15,793,474 |
| | 6,234,267 | 5,317,824 | 4,863,242 | 4,765,583 | 4,287,174 | 5,391,079 |
| | - | - | - | - | - | - |
| | 24,765,610 | 19,266,865 | 11,719,397 | 12,608,240 | 10,123,687 | 10,632,754 |
| | <u>166,706,817</u> | <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> |
| | (21,054,322) | (15,723,049) | (1,701,703) | (22,793,359) | (6,936,264) | (3,698,527) |
| | 23,777,729 | 25,039,204 | 33,162,476 | 26,464,109 | 28,587,034 | 24,429,877 |
| | (23,777,729) | (25,039,204) | (33,162,476) | (26,464,109) | (28,587,034) | (24,429,877) |
| | 22,643,500 | 46,992,625 | 54,591,465 | 4,390,000 | 43,795,581 | - |
| | 1,864,911 | 217,956 | 264,375 | 2,997,535 | 220,325 | - |
| | - | - | - | - | - | (2,285,201) |
| | - | - | - | - | - | 2,285,201 |
| | - | - | - | 24,688,205 | 31,489,609 | - |
| | - | - | - | (12,516,931) | (35,092,018) | - |
| | 821,200 | - | - | - | - | - |
| | <u>25,329,611</u> | <u>47,210,581</u> | <u>54,855,840</u> | <u>19,558,809</u> | <u>40,413,497</u> | <u>-</u> |
| \$ | <u>4,275,289</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> |
| | 16.08% | 15.50% | 15.42% | 23.78% | 14.13% | 14.54% |

Town of North Hempstead, New York

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

| Year Ended December 31, | Real Property Tax | Real Property Tax Items | Non-Property Tax Items | Total |
|------------------------------------|------------------------------|------------------------------------|-----------------------------------|----------------|
| 2022 | \$ 80,163,836 | \$ 6,178,989 | \$ 17,517,079 | \$ 103,859,904 |
| 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 |

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

Town of North Hempstead, New York

General Governmental Tax Revenues By Source
Last Ten Fiscal Years

| Year Ended December 31, | Real Property Tax¹ | Sales Tax² | Mortgage Tax³ | Franchise Tax | Total |
|------------------------------------|------------------------------------------|------------------------------|---------------------------------|----------------------|----------------|
| 2022 | \$ 80,163,836 | \$ 15,405,177 | \$ 11,670,076 | \$ 2,111,902 | \$ 109,350,991 |
| 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 |

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

- 1 Primary government
- 2 Classified as Nassau County local government assistance
- 3 Classified as part of State Aid

Town of North Hempstead, New York

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

| Year Ended December 31, | Residential Property 1 to 4 Family Homes | Residential Property Condominium and Cooperatives | Utility Property | All Other Property |
|------------------------------------|-------------------------------------------------------------|----------------------------------------------------------------------|-----------------------------|-------------------------------|
| 2022 | \$ 42,364,596 | \$ 11,345,610 | \$ 4,907,291 | \$ 42,837,335 |
| 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 |

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

Sources: Town of North Hempstead Budgets and Official Statements

| Total Net Assessed Value | State Equalization Rate | Full Valuation | Total Direct Tax Rate |
|---------------------------------------------|----------------------------------------|---------------------------|------------------------------------------|
| \$ 101,454,832 | 0.18% | \$ 56,363,795,556 | \$ 209.683 |
| 91,088,979 | 0.17% | 53,581,752,353 | 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 |

Town of North Hempstead, New York

Property Tax Rates
 Direct and Overlapping Governments
 Last Ten Years

| GOVERNMENTAL FUNDS | | | | | | | | | |
|------------------------------------|----------------|--------------------------------------------------|----------------------------|----------------|-----------------|--------------|---------------------------|-----------------|--------------|
| TOWN OPERATED DISTRICTS | | | | | | | | | |
| Year Ended December 31, | General | Town¹ Outside Villages | Fire Protection | Garbage | Lighting | Parks | Public Parking | Sidewalk | Water |
| 2022 | \$ 26.424 | \$ 64.545 | \$ 35.804 | \$ 37.325 | \$ 5.046 | \$ 25.887 | \$ 2.982 | \$ 6.489 | \$ 5.183 |
| 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 |

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

| Town Direct Rate | County Direct Rate | School Direct Rate | Total Direct & Overlapping Rate |
|---------------------------------|-----------------------------------|-----------------------------------|--------------------------------------------------------|
| \$ 209.683 | \$ 229.16 | \$ 1,017.64 | \$ 1,456.49 |
| 297.962 | 275.32 | 1,114.33 | 1,687.61 |
| 183.838 | 189.42 | 731.08 | 1,104.34 |
| 175.055 | 180.74 | 688.40 | 1,044.19 |
| 168.264 | 191.36 | 675.77 | 1,035.40 |
| 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 |

Town of North Hempstead, New York

Principal Property Taxpayers
Current Year and Nine Years Ago

| 2022 | | | | |
|------|----------------------------|--------------------|---------------------|-------------------------------------------------------|
| Rank | Taxpayer | Nature of Business | Assessed Valuation | Percentage of Total Assessed Valuation ⁽¹⁾ |
| 1 | Keyspan Gas East | Utility | \$ 4,285,234 | 4.22% |
| 2 | Fifth Avenue of L I Real | Real Estate | 980,463 | 0.97% |
| 3 | 1111 Marcus Avenue | Real Estate | 974,426 | 0.96% |
| 4 | We're Associates Inc. | Real Estate | 776,992 | 0.77% |
| 5 | CLK Marcus Avenue Property | Real Estate | 699,907 | 0.69% |
| 6 | Verizon NY | Utility | 665,527 | 0.66% |
| 7 | County Glen LLC | Shopping Center | 509,948 | 0.50% |
| 8 | Lake Success Shopping | Shopping Center | 439,439 | 0.43% |
| 9 | Birchwood Court Owners | Real Estate | 323,582 | 0.32% |
| 10 | Voice Road Plaza | Shopping Center | 222,668 | 0.22% |
| | Total | | <u>\$ 9,878,186</u> | <u>9.74%</u> |

| 2013 | | | | |
|------|-------------------------------------------|--------------------|----------------------|-------------------------------------------------------|
| Rank | Taxpayer | Nature of Business | Assessed Valuation | Percentage of Total Assessed Valuation ⁽¹⁾ |
| 1 | Keyspan Gas East | Utility | \$ 3,812,936 | 2.33% |
| 2 | Long Island Power Authority | Utility | 3,739,539 | 2.90% |
| 3 | Verizon New York | Utility | 1,161,800 | 0.71% |
| 4 | 1 Park Lake Success LLC | Real Estate | 1,141,016 | 0.70% |
| 5 | Fifth Avenue of Long Island Realty Assoc. | Real Estate | 933,928 | 0.57% |
| 6 | We're Associates Inc. | Real Estate | 841,923 | 0.52% |
| 7 | CLK Marcus Avenue Property | Real Estate | 718,605 | 0.44% |
| 8 | Country Glen LLC | Shopping Center | 609,236 | 0.37% |
| 9 | 600 Community LLC | Real Estate | 369,010 | 0.23% |
| 10 | CLK/HP 1 Old Country LLC | Real Estate | 258,238 | 0.16% |
| | Total | | <u>\$ 13,586,231</u> | <u>8.93%</u> |

Source: Town of North Hempstead 2022 and 2013 Official Statements

¹ See Assessed Valuation, State Equalization Rate and Estimated Full Value of Real Property for Total Net Assessed Value.

Town of North Hempstead, New York

Property Tax Levies and Collections
Last Ten Years

| Year Ended December 31, | Tax Levy For Town | Total Tax Levy ¹ | Amount Collected ² | Percent of Total Tax Levy Collected | Amount Uncollected ² | Percent of Total Tax Levy Uncollected |
|------------------------------------|------------------------------|----------------------------------------|------------------------------------------|----------------------------------------------------|--------------------------------------------|------------------------------------------------------|
| 2022 | \$ 183,445,135 | \$ 415,941,603 | \$ 409,165,125 | 98.37% | \$ 6,776,478 | 1.63% |
| 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% |

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

| Governmental Activities | | | | | |
|------------------------------------|-----------------------------------------------------|--------------------------|-------------------------------------|----------------------------------------------------------|-----------------------------------|
| Year Ended December 31, | General Obligation Bonds² | Revenue Bonds | Total Primary Government | Percentage of Personal Income¹ | Per Capita¹ |
| 2022 | \$ 199,402,382 | \$ - | \$ 199,402,382 | 0.15% | \$ 840 |
| 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 |

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

At December 31, 2022, the Town had \$1,987,000 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

| Year Ended December 31, | General Obligation Bonds³ | Percentage of Total Net Assessed Valuation¹ | Percentage of Full Taxable Value¹ of Property | Per Capita² |
|------------------------------------|-----------------------------------------------------|---------------------------------------------------------------------------|-------------------------------------------------------------------------|-----------------------------------|
| 2022 | \$ 199,402,382 | 196.54% | 0.35% | \$ 840 |
| 2021 | 200,942,296 | 220.60% | 0.38% | 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 |

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, 2022

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable</u> | <u>Estimated Share of Overlapping Debt</u> |
|------------------------------------------|-------------------------|----------------------------------------|--------------------------------------------|
| Direct: | | | |
| Town of North Hempstead | \$ 199,402,382 | 100.00% | <u>\$ 199,402,382</u> |
| Overlapping: | | | |
| Nassau County | 3,585,852,000 | 16.25% | 582,700,950 |
| Incorporated Villages | 109,141,216 | Various ¹ | 92,770,034 |
| School Districts | 289,286,177 | Various ² | 196,649,926 |
| Fire Districts | - | 100.00% | <u>-</u> |
| Total overlapping debt | | | <u>872,120,910</u> |
| Total direct and overlapping debt | | | <u><u>\$ 1,071,523,292</u></u> |

Note: At December 31, 2022, the Town had \$1,987,000 in short-term bond anticipation notes not being presented.

The taxpayers share of overlapping debt is based upon the amount of the Town's equalized property values taken as a percentage of each separate units' total values.

Source: Town of North Hempstead Comptroller's Office September 2022 Official Statement

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

Town of North Hempstead

Legal Debt Margin Information
December 31, 2022

| Years Ended December 31, | Net Assessed Valuation | State Equalization Rate | Full Valuation |
|-----------------------------------------------------------|---------------------------|-------------------------------|-------------------------|
| 2022 | \$ 101,454,832 | 0.18% | \$ 56,363,795,556 |
| 2021 | 91,088,979 | 0.17% | 53,581,752,353 |
| 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% | 54,396,182,100 |
| Total Five Year Full Valuation | | | <u>287,236,993,963</u> |
| Five Year Average Full Valuation of Taxable Real Property | | | <u>57,447,398,793</u> |
| Constitutional Debt Limit (7% of Average Full Valuation) | | | <u>4,021,317,915</u> |
| Inclusions: | | | |
| Outstanding Bonded Indebtedness at December 31st | | | 382,043,306 |
| Outstanding Bond Anticipation Notes at December 31st | | | <u>85,874,000</u> |
| Total Inclusions | | | <u>467,917,306</u> |
| Exclusions: | | | |
| Water Bonds | | | 79,028,080 |
| Water Bond Anticipation Notes | | | 54,056,000 |
| Appropriations - Notes | | | <u>8,385,226</u> |
| Total Exclusions | | | <u>141,469,306</u> |
| Net Indebtedness Subject to Debt Limit | | | <u>326,448,000</u> |
| Net Debt Contracting Margin | | | <u>\$ 3,694,869,915</u> |
| Percentage of Net Debt Contracting Margin Available | | | 91.88% |
| Percentage of Net Debt Contracting Power Exhausted | | | 8.12% |

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 |
|------|------------------------------|------------------------------------------|-----------------------------------|------------------------------------------------------------|-----------------------------------------------------------------|
| 2022 | \$ 4,021,317,915 | \$ 326,448,000 | \$ 3,694,869,915 | 8.12% | 91.88% |
| 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% |

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

| Year Ended December 31, | Population¹ | Personal Income² (billions of dollars) | Per Capita Income² | Median Family Income¹ | Unemployment Rate³ | Number of Households Estimate¹ | Average Household Size Estimates¹ | Population Density Per Square Mile¹ |
|------------------------------------|-------------------------------|----------------------------------------------------------------------|------------------------------------------|-------------------------------------------------|------------------------------------------|----------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------------|
| 2022 | 237,433 | 130,069 | 68,238 | 138,737 | 2.5% | 78,822 | 3.01 | 4,437 |
| 2021 | 237,639 | 130,069 | 67,760 | 137,415 | 2.2% | 77,721 | 3.06 | 4,441 |
| 2020 | 230,933 | 130,069 | 65,843 | 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 |

Data Sources:

- 1 U.S. Census Bureau, Population Estimates, July 1, 2021, (V2021)
- 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

| 2022 | | | |
|-------------|------------------------------------------------|-----------------------------------|----------------------------|
| Rank | Name | Type of Business | Number of Employees |
| 1 | North Shore University Hospital at Manhasset | Hospital | 13,697 |
| 2 | Winthrop-University Hospital | Hospital | 8,706 |
| 3 | St. Francis Hospital | Hospital | 3,573 |
| 4 | Northwell Health Home Care | Home Health Agency | 1,001 |
| 5 | 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 |

| 2013 | | | |
|-------------|------------------------------------------------|----------------------------------------------------|----------------------------|
| Rank | Name | Type of Business | Number of Employees |
| 1 | North Shore - Long Island Jewish Health System | Hospital | 12,859 |
| 2 | Winthrop University Hospital | Hospital | 6,240 |
| 3 | Parker Jewish Institute | Skilled Nursing Facility and Rehabilitation Center | 3,149 |
| 4 | St. Francis Hospital | Hospital | 2,965 |
| 5 | Broadridge Financial Solutions Inc. | Finance | 1,500 |
| 6 | Canon USA | Imaging Solution Provider | 1,385 |
| 7 | Astoria Federal Savings & Loan Association | Banking | 1,175 |
| 8 | ProHEALTH Care Associates | Health Care | 850 |
| 9 | Pall Corporation | Technology | 800 |
| 10 | The NPD Group | Marketing Research | 600 |

Source: Book of Lists, 2022, Long Island Business News and the Town 2013 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, | | | | |
|------------------------|---------------------------------------------------|------------|------------|------------|------------|
| | 2022 | 2021 | 2020 | 2019 | 2018 |
| General government | 80 | 80 | 88 | 81 | 84 |
| Highways | 82 | 82 | 82 | 84 | 88 |
| Parks and recreation | 101 | 87 | 83 | 87 | 84 |
| Buildings and planning | 60 | 61 | 59 | 62 | 62 |
| Public works | 17 | 15 | 18 | 19 | 20 |
| Community services | 14 | 13 | 14 | 15 | 17 |
| Town clerk | 15 | 15 | 16 | 12 | 14 |
| Receiver of taxes | 14 | 14 | 14 | 14 | 14 |
| Public safety | 42 | 38 | 36 | 34 | 36 |
| Solid waste management | 13 | 14 | 13 | 12 | 12 |
| Total | 438 | 419 | 423 | 420 | 431 |

Source: Town of North Hempstead Human Resource Department records

| <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 86 | 87 | 85 | 85 | 87 | 89 |
| 90 | 84 | 86 | 86 | 96 | 90 |
| 80 | 80 | 69 | 69 | 77 | 76 |
| 52 | 48 | 47 | 47 | 50 | 50 |
| 20 | 20 | 23 | 23 | 23 | 26 |
| 19 | 23 | 21 | 21 | 27 | 28 |
| 14 | 15 | 16 | 16 | 19 | 19 |
| 13 | 14 | 14 | 14 | 14 | 18 |
| 41 | 37 | 34 | 34 | 38 | 32 |
| 14 | 17 | 15 | 15 | 15 | 15 |
| <u>429</u> | <u>425</u> | <u>410</u> | <u>410</u> | <u>446</u> | <u>443</u> |

Town of North Hempstead, New York

Operating Indicators by Function
Last Ten Years

| Year Ended December 31, | 2022 | 2021 | 2020 | 2019 | 2018 |
|---------------------------------------------|------------|------------|------------|------------|------------|
| Function | | | | | |
| Town Clerk | | | | | |
| Vital statistic documents | 45,217 | 44,186 | 43,016 | 28,832 | 28,762 |
| Dog licenses | 3,039 | 3,269 | 3,322 | 3,735 | 4,133 |
| Business licenses | 877 | 1,059 | 731 | 798 | 1,152 |
| Marriage licenses | 483 | 812 | 971 | 899 | 891 |
| Dumping permits | 1,456 | 1,643 | 2,362 | 1,378 | 1,354 |
| 311 Call Center | | | | | |
| Calls Answered | 153,512 | 176,510 | 177,079 | 160,886 | 168,710 |
| Unique Service Requests | 56,989 | 62,674 | 56,024 | 65,650 | 63,158 |
| <i>Project Independence Calls</i> | | | | | |
| Taxi rides - medical appointment | 10,468 | 12,019 | 8,136 | 11,812 | 11,326 |
| Taxi rides - food shopping | 3,109 | 3,507 | 3,398 | 4,567 | 4,329 |
| Other project independence service requests | 9,701 | 11,366 | 9,763 | 8,300 | 7,519 |
| Building | | | | | |
| Building permits issued | 5,528 | 5,275 | 4,726 | 6,355 | 5,635 |
| Public Safety | | | | | |
| Dogs adopted or reclaimed by owners | 117 | 79 | 91 | 143 | 195 |
| Dog citations issued | | | | | |
| Fire | | | | | |
| Number of fire protection districts | 11 | 11 | 11 | 11 | 11 |
| Parking | | | | | |
| Number of parking meters | 528 | 528 | 532 | 532 | 538 |
| Off-Street Meters | 469 | 468 | 233 | 239 | |
| Parking lots and garage revenue | \$ 482,462 | \$ 251,412 | \$ 122,544 | \$ 473,896 | \$ 473,858 |
| Annual meter revenue | \$ 218,375 | \$ 204,417 | \$ 150,529 | \$ 250,662 | \$ 260,181 |
| Parking permit revenue | \$ 70,760 | \$ 56,458 | \$ 34,645 | \$ 89,633 | \$ 84,668 |
| Highways and Streets | | | | | |
| Street resurfacing (lane miles) | | | | | |
| Number of trees planted | 246 | 200 | 8 | 51 | - |
| Number of trees trimmed | 809 | 480 | 472 | 1,073 | 522 |
| Number of trees removed | 338 | 446 | 223 | 405 | 1,239 |
| Road opening permits issued | 667 | 525 | 557 | 719 | 745 |
| Abandoned vehicles removed | 43 | 4 | 8 | 13 | 20 |
| Signs installed | 749 | 1,021 | 2,544 | 1,214 | 1,704 |
| Sanitation (tons per annum) | | | | | |
| Residential and commercial waste collected | 152,896 | 137,864 | 128,839 | 134,141 | 143,274 |
| Recyclables collected | 8,074 | 8,449 | | 8,084 | 8,263 |
| Yardwaste | 10,616 | 11,480 | 13,487 | 11,109 | 12,337 |
| Construction and demolition debris | 22,050 | 22,299 | 14,585 | 17,238 | 15,000 |
| S.T.O.P. Program | | | | | |
| Household hazardous waste: | | | | | |
| Liquids (gallons) | 9,180 | 11,045 | 7,150 | 13,055 | 14,495 |
| Solids (pounds) | 18,700 | 23,340 | 23,470 | 25,200 | 28,040 |
| Other household items (pounds) | 3,297 | 16,941 | 12,639 | 10,910 | 14,575 |
| Pharmaceuticals (pounds) | 2,000 | 1,900 | 540 | - | - |
| E-waste (tons) | 89 | 66 | 101 | 35 | 18 |
| Shredded paper (tons) | 33 | 88 | 41 | 41 | 47 |
| Culture and recreation | | | | | |
| Beach permits issued | 2,955 | 3,127 | - | 2,446 | 2,353 |
| Registration for adult programs | 288 | 123 | - | 344 | 253 |
| Registration for summer programs | 9,328 | 9,396 | - | 8,809 | 9,277 |

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.

| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|----|---------|--------------------------------------------------------------------------|------------|------------|------------|------------|
| | 28,426 | 30,272 | 27,845 | 29,007 | 29,069 | 26,956 |
| | 4,303 | 4,676 | 4,811 | 5,107 | 5,380 | 5,261 |
| | 1,241 | 1,160 | 1,306 | 1,290 | 1,276 | 1,432 |
| | 827 | 921 | 967 | 939 | 967 | 972 |
| | 3,082 | 1,096 | 3,221 | 964 | 2,348 | 2,293 |
| | 173,344 | | | | | |
| | 62,194 | | | | | |
| | 12,166 | | | | | |
| | 4,390 | | | | | |
| | 7,179 | | | | | |
| | 5,003 | 5091 | 5498 | 5,571 | 5,584 | 4,884 |
| | 179 | 254 | 239 | 273 | 275 | 337 |
| | | | | -0- | -0- | -0- |
| | 11 | 11 | 11 | 11 | 11 | 11 |
| | 539 | 544 | 544 | 544 | 544 | 511 |
| \$ | 473,858 | \$ 453,666 | \$ 399,004 | \$ 370,063 | \$ 376,568 | \$ 276,242 |
| \$ | 260,181 | \$ 222,892 | \$ 166,206 | \$ 162,486 | \$ 165,784 | \$ 179,044 |
| \$ | 85,267 | \$ 84,760 | \$ 54,870 | \$ 52,405 | \$ 51,410 | \$ 50,705 |
| | | 19 | 19.38 | 16 | 15 | 15 |
| | 329 | 540 | 212 | 194 | 568 | 277 |
| | 1,175 | 1,364 | 1,145 | 786 | 1,153 | 1,036 |
| | 602 | 694 | 734 | 518 | 793 | 617 |
| | 722 | 745 | 792 | 874 | 746 | 608 |
| | 20 | 34 | 11 | 3 | 11 | 6 |
| | 1,692 | 1,425 | 1,197 | 1,467 | 1,896 | 1,128 |
| | 132,655 | 141,689 | 149,117 | 156,000 | 155,927 | 159,650 |
| | 8,517 | 9,095 | 9,148 | 10,000 | 8,974 | 9,714 |
| | 10,785 | 13,905 | 14,225 | 15,000 | 34,356 | 42,621 |
| | 13,015 | 11,792 | 12,799 | 14,000 | 18,986 | 10,207 |
| | 9,825 | | | | | |
| | 14,405 | | | | | |
| | 6,100 | | | | | |
| | - | We do not collect at S.T.O.P. Events (NCPD is not willing to pay the OT) | | | | |
| | 150 | 37 | | | | |
| | 42 | 54 | | | | |
| | 2,455 | 2,559 | 2,917 | 2,917 | 2,886 | 3,403 |
| | 455 | 298 | 642 | 435 | 436 | 423 |
| | 8,049 3 | 7,321 | 8,442 | 8,829 | 6,975 | 7,213 |

Town of North Hempstead, New York

Capital Asset Statistics by Function
Last Ten Years

| Year Ended December 31, | 2022 | 2021 | 2020 | 2019 | 2018 |
|--------------------------|---------|---------|---------|---------|---------|
| Function | | | | | |
| General Government | | | | | |
| Town Hall and annex | 3 | 3 | 3 | 3 | 3 |
| Sanitation | | | | | |
| Transfer station | 1 | 1 | 1 | 1 | 1 |
| Annual tonnage processed | 193,636 | 180,091 | 156,911 | 170,750 | 178,874 |
| 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

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

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

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

| 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 3 | 3 | 3 | 3 | 3 | 2 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 1,664,972 | 176,481 | 185,289 | 195,000 | 222,773 | 222,790 |
| 275 | 275 | 275 | 275 | 275 | 275 |
| 838.5 | 837 | 837 | 837 | 837 | 837 |
| 49 # | 48 | 48 | 48 | 48 | 48 |
| 6 | 6 | 6 | 6 | 6 | 6 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 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 | 37 |
| 4 | 4 | 4 | 4 | 4 | 4 |

**FEDERAL
AWARDS**



**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, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated August 17, 2023. Our report includes a reference to other auditors who audited the financial statements of the following discretely presented component units: Port Washington Garbage District, Glenwood Garbage District, Carle Place Garbage District, Roslyn Garbage District, Great Neck Water Pollution Control District, Belgrave Water Pollution Control District, Port Washington Water Pollution Control District, Glenwood Water District, Albertson Water District, Garden City Park Water District, Port Washington Water District, Westbury Water District, Roslyn Water District, Carle Place Water District, Manhasset-Lakeville Water District, Manhasset Park District, Great Neck Park District, Port Washington Police District, Shelter Rock Public Library District, Town of North Hempstead Community Development Agency and Greater Port Washington Business Improvement District. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Port Washington Garbage District, Glenwood Garbage District, Carle Place Garbage District, Glenwood Water District, Garden City Park Water District, Port Washington Water District, Roslyn Water District, Port Washington Police District and Shelter Rock Public Library District were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with Port Washington Garbage District, Glenwood Garbage District, Carle Place Garbage District, Glenwood Water District, Garden City Park Water District, Port Washington Water District, Roslyn Water District, Port Washington Police District and Shelter Rock Public Library District or that are reported on separately by those auditors.

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. 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

August 17, 2023



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, 2022. 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, 2022.

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 \$920,210 in federal awards which is not included in the Schedule of Expenditures of Federal Awards for the year ended December 31, 2022. 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, *Government 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

August 17, 2023

Town of North Hempstead, New York

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

| <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 the Interior</u> | | | | |
| Indirect Program - Passed Through New York State Environmental Facilities Corporation | | | | |
| Clean Vessel Act | 15.616 | CVAP | \$ - | \$ 18,375 |
| Total U.S. Department of the Interior | | | - | 18,375 |
| <u>U.S. Department of Transportation</u> | | | | |
| <i>Transit Services Program Cluster</i> | | | | |
| Indirect Program - Passed Through New York State Department of Transportation | | | | |
| Enhanced Mobility of Seniors and Individuals with Disabilities | 20.513 | C004044 | - | 267,112 |
| Total U.S. Department of Transportation | | | - | 267,112 |
| <u>U.S. Department of the Treasury</u> | | | | |
| Direct Program | | | | |
| Coronavirus State and Local Fiscal Recovery Funds | 21.027 | N/A | - | 1,055,284 |
| Total U.S. Department of the Treasury | | | - | 1,055,284 |
| <u>U.S. Environmental Protection Agency</u> | | | | |
| Direct Program | | | | |
| Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements | 66.818 | N/A | - | 69,002 |
| Total U.S. Environmental Protection Agency | | | - | 69,002 |
| <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 | - | 367,248 |
| Total U.S. Department of Homeland Security | | | - | 367,248 |
| Total Expenditures of Federal Awards | | | \$ - | \$ 1,777,021 |

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, 2022

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, 2022. 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 \$920,210 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, 2022

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:

| <u>Assistance Listing Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-------------------------------------|---------------------------------------------------|
| 21.027 | Coronavirus State and Local Fiscal Recovery Funds |

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, 2022

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, 2022

None