



JUDI BOSWORTH, SUPERVISOR

*Town of North Hempstead*  
**2017**  
**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**  
N A S S A U   C O U N T Y ,   N E W   Y O R K

FOR THE YEAR ENDED DECEMBER 31, 2017

**TOWN OF NORTH HEMPSTEAD  
NEW YORK**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2017**

Prepared by the Office of the Town Comptroller  
Jessica Lamendola, MPA  
Acting Comptroller

**TOWN OF NORTH HEMPSTEAD**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED DECEMBER 31, 2017**  
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**INTRODUCTORY  
SECTION**

*Town Board*  
VIVIANA L. RUSSELL  
PETER J. ZUCKERMAN  
ANGELO P. FERRARA  
ANNA M. KAPLAN  
LEE R. SEEMAN  
DINA M. DE GIORGIO

*Town Clerk*  
WAYNE H. WINK, JR.

*Receiver of Taxes*  
CHARLES BERMAN

## TOWN OF NORTH HEMPSTEAD OFFICE OF THE SUPERVISOR



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



*Supervisor*  
**JUDI BOSWORTH**

July 30, 2018

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

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Town of North Hempstead, New York (the "Town") for the year ended December 31, 2017. The financial statements have been audited by the accounting firm selected by the Town Board, Albrecht, Viggiano, Zureck & Company, P.C. The auditors' unmodified opinion is included in this report.

The Town received its seventh Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association ("GFOA") for the December 31, 2016 report. Certificates are awarded to those governments whose annual financial reports are judged to conform to generally accepted accounting principles promulgated by the Governmental Accounting Standards Board. It is my belief that the December 31, 2017 financial report continues to meet the requirements of the Certificate of Achievement Program.

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

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

Sincerely,

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

Judi Bosworth  
Town Supervisor



*Supervisor*  
**JUDI BOSWORTH**

*Deputy Supervisor*  
**ALINE KHATCHADOURIAN**

*Town Board*  
**VIVIANA L. RUSSELL**  
**PETER J. ZUCKERMAN**  
**ANGELO P. FERRARA**  
**ANNA M. KAPLAN**  
**LEE SEEMAN**  
**DINA M. DE GIORGIO**

*Town Clerk*  
**WAYNE H. WINK, JR.**

*Receiver of Taxes*  
**CHARLES BERMAN**

## **TOWN OF NORTH HEMPSTEAD**

**COMPTROLLER'S OFFICE**  
**220 PLANDOME ROAD**  
**MANHASSET, NY 11030**

**PHONE (516) 869-7740**  
**FAX (516) 869-7762**



*Acting Comptroller/Director of Finance*  
**JESSICA A. LAMENDOLA**

*Chief Deputy Comptroller*  
**TANIA ORENSTEIN**

July 30, 2018

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

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Town of North Hempstead, New York (the "Town") for the year ended December 31, 2017.

The CAFR is prepared by the Comptroller's Office with assistance from many members of the Town government. The Town and its management are responsible for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. The Town has established a comprehensive system of internal controls concerning its finances and the internal controls provide management with confidence in the accuracy of the information presented in the CAFR. Our internal controls have the objective of providing reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Albrecht, Viggiano, Zureck & Co. P.C., Certified Public Accountants, have issued an unmodified auditors' report dated July 30, 2018, for the Town and its discretely presented nonmajor component units as of December 31, 2017. Their report may be found at the beginning of the Financial Section.

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

### **Profile of the Government**

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

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

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

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

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

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

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

The Town of North Hempstead's Receiver of Taxes collects taxes for 10 public school districts within the Town of North Hempstead and three school districts that have parcels in North Hempstead, but are largely in other adjacent towns.

The chief executive officer of the Town is the Supervisor, who is elected for a term of two years. The Supervisor is also a member of the Town Board. The other six members of the Town Board are elected to four-year terms. The terms are staggered so that every two years, three council members run for election. There is no limitation on the number of terms that may be served by the Supervisor and members of the Town Board. The Supervisor is elected at large while council members are elected through council districts. The Town Clerk and Receiver of Taxes are elected for four-year terms and, like the Supervisor, are elected at large.

Services are provided to residents by the following Town Departments: 311 Call Center, Administrative Services, Building and Safety Inspection, Community Services, Comptroller, Department of Services for the Aging, Highway, Human Resources, Information Technology, Parks and Recreation, Planning and Economic Development, Public Safety, Public Works (including Lighting and Sidewalks Divisions), Receiver of Taxes, Town Supervisor, Town Attorney and Town Clerk. Certain sanitation services are provided through the Town's Solid Waste Management Authority ("SWMA"). SWMA's assets, liabilities, revenues and expenditures are included in the financial statements of the Town.

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

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

The Town has 47 special districts, of which 20 are Town operated and included in Primary Governmental Activities for financial reporting purposes. Of the remaining 27 districts, 21 are reported as "Discretely Presented Nonmajor Component Units" and 6 districts (2 library funding and 4 fire) are excluded. Inclusion in or exclusion from the financial statements is determined by whether there is a financial or operational interdependence between the Town and the District. Generally, the interdependence is predicated on the authority or lack of authority of the District to tax and borrow. Where such authority is lacking, the Town taxes and borrows in its own name, on behalf of the District. The Town Board appoints the Town's Community Development Agency ("CDA") Board of Directors and the CDA is included as a discretely presented nonmajor component unit in the financial statements so as not to be misleading or incomplete.

Each year, the Town Board is required to adopt a budget, no later than November 20, for the following calendar year. It has been the consistent practice of the current Town administration to adopt the budget before Election Day. The budget is prepared by fund, department (which generally equates to function), down to individual expenditure line item. The adopted budget includes major and nonmajor 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 unemployment rate, remained at 3.6% at December 2017 (<https://labor.ny.gov/stats>). This number continues to be below that reported for New York state (4.4%) and the nation (3.9%) for the same period. A review of the Town's historical unemployment trend shows that the unemployment rate continues to be relatively low, indicative of a sound economic base. The Statistical Section of this report lists these and a number of additional economic indices whose trends are also favorable.

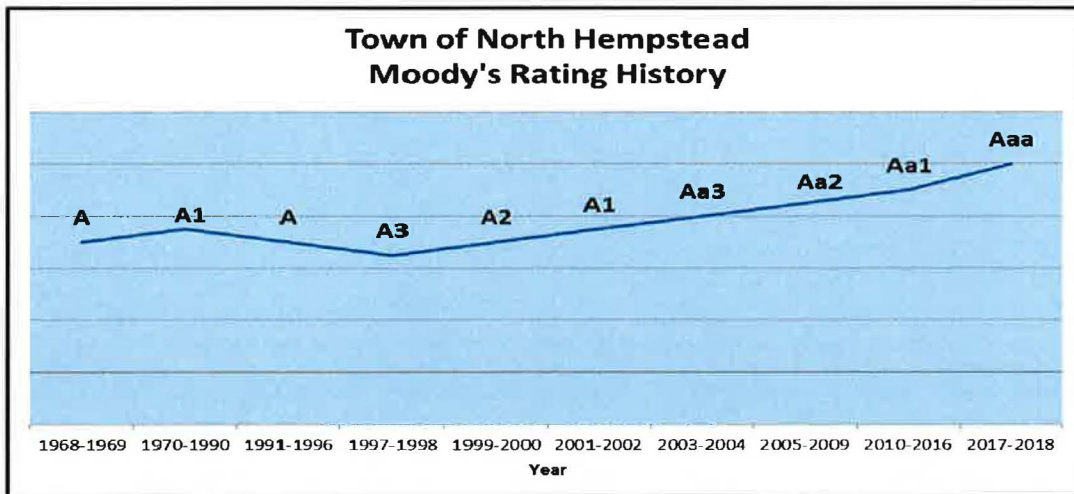
The Town's proximity to New York City also makes it a highly desirable suburban location for commuters, attracted to the ease of access to employment. Residents' access to the Town's highly regarded public, private and parochial schools and overall quality of life is another reason why people choose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

## Impact of Superstorm Sandy on the Town

As a result of Superstorm Sandy (the “Storm”) in 2012, the Town sustained damage, mainly from wind, downed trees and floodwaters. Many Town roads had numerous large trees fall, damaging sidewalks and obstructing the right-of-ways. Fallen trees and debris were removed by the Town’s workforce and outside contractors. Several Town parks and recreational facilities also incurred damage. Town employees undertook emergency protective measures to prepare for and respond to the needs of residents. The Town’s costs for emergency protective measures, debris removal and other recovery efforts total approximately \$55 million to date, with the work to continue for several years. Since the Storm, the Town has been reimbursed approximately \$22 million in Federal and State funds. It is expected an additional \$33 million will be reimbursed to the Town in future years for eligible work at North Hempstead Beach Park, Tully Park Aquatic Center and Manorhaven Beach Park.

## Long-Term Financial Planning

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



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

## Relevant Financial Policies

The Town of North Hempstead is governed by financial policies pursuant to laws of the State of New York. In addition, the Town has adopted and adheres to a set of Financial Management Policies that includes the following: Debt Management, Fund Balance, Investment, Purchasing, Capital Asset, Petty Cash and Change Bank, and Employee Reimbursement and Travel. The annual budgetary process contributes to prudent fiscal planning, by using conservative revenue and expenditure forecasting in the preparation of Town budgets. All policies are designed to strengthen internal controls and are reviewed annually.

## Major Initiatives

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

- New ethics reforms were approved including a new anti-nepotism law to bolster and clarify the Town Code of Ethics;
- More competitive procurement policies with a greater focus on participation by minority and women owned firms;
- Transcripts of Town Board and Board of Zoning Appeals proceedings are posted on line;
- Town spending is posted on line through the “open gov” application.

The Town continues to handle requests for services or information through its 311 calling and tracking system, which received 173,344 resident calls in 2017. Town officials monitor the effectiveness of how the Town addresses constituents' concerns through the management initiative known as "TownStat". In 2017, for the seventh consecutive year, the Town received a certificate from the International City/County Management Association's (ICMA) Performance Management Certification Program for North Hempstead's TownStat Performance Measurement and Management Program.

The Town has placed a special emphasis on ensuring the health and well-being of our senior population. Project Independence, our nationally-recognized "aging-in-place" senior program continues to expand throughout North Hempstead, with seven local offices. The program successfully links seniors with services ranging from medical and social service providers, to taxi rides for trips to the supermarket and doctor's appointments, to assistance with repairs. Project Independence, which is served by the Town's 311 system, handled 26,181 service requests in 2017, and has helped thousands of North Hempstead seniors maintain and improve their quality of life, making it easier for them to remain in their homes and part of our community.

In 2016 this program was expanded to provide transportation to Town residents with disabilities, the result of a suggestion by the Town's Disability Advisory Committee. Rides are provided on request to residents with a disability in areas where the transit system's Able Ride does not operate. In 2017, this program provided 64 taxi trips.

The Town enacted the Tobacco 21 legislation, prohibiting anyone under the age of 21 from buying tobacco products in the Town. North Hempstead was the first municipality in Nassau County to enact this age restriction with the County, Town of Hempstead and many villages following suit.

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

The Town's Animal Shelter once again worked with the not-for-profit The Shelter Connection to offer free microchips to dogs and cats of Town residents. Microchipping allows dogs and cats to be electronically identified through a unique, permanent, tamper-proof identification number, increasing the odds of reuniting them with their owners if they became lost or stolen. This is a service performed for 16 pets in 2017. Also in 2017, the Animal Shelter and in conjunction with the Nassau County Department of Health the Town offered a free rabies clinic. In 2017, 190 pets were treated.

The Town currently has Intermunicipal Agreements ("IMA's") with municipal entities, including incorporated villages, and school, library, water, water pollution control, and police districts. These agreements cover a broad range of shared services, including: repaving, street sweeping, storm basin cleaning, street sanding, salt storage, snow removal, tree pruning, sign making, and dumping services at reduced costs, for the benefit of the taxpayers.

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

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

The Town's TV station, North Hempstead TV (NHTV), broadcasts 24/7 with quality programs that educate and entertain. NHTV was recognized in 2017 by the Alliance for Community Media with an award for the Best Entertainment and Arts Series for the nature show "Off the Trail" and Best Public Service Announcement ("PSA") for a PSA on not leaving your dog in a hot car.

With these cornerstones in place, the Town will strive to continue to provide high quality service delivered in a transparent, accountable and efficient manner.

### **Reporting Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of North Hempstead for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2016. This was the seventh consecutive year that the Town has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **Acknowledgements**

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Comptroller's Office and the guidance of our independent auditors, Albrecht, Viggiano, Zureck & Co., P.C. I would like to express my sincere appreciation to all members of the department who assisted in and contributed to its preparation.

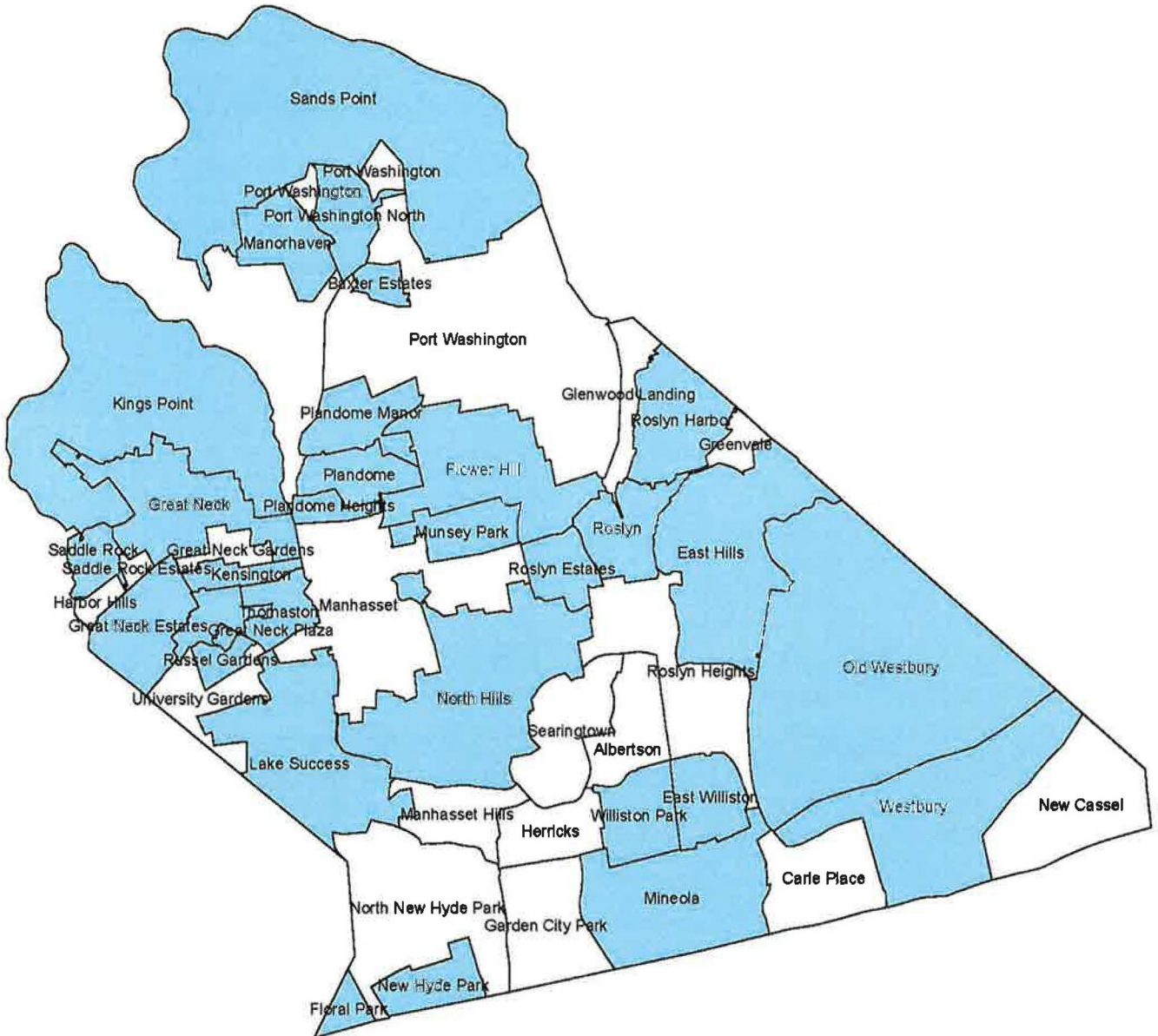
Finally, I would like to thank the Supervisor and Members of the Town Board for their continuing support in planning and conducting the financial operations of the Town of North Hempstead in a responsible manner.

Respectfully submitted,



Jessica Lamendola, MPA  
Town of North Hempstead  
Acting Comptroller

# TOWN OF NORTH HEMPSTEAD



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

**TOWN OF NORTH HEMPSTEAD**  
PRINCIPAL OFFICIALS  
December 31, 2017

**ELECTED OFFICIALS**

**TOWN BOARD:**

SUPERVISOR

JUDI BOSWORTH

*DISTRICT 1 - COUNCILWOMAN*  
*DISTRICT 2 - COUNCILMAN*  
*DISTRCT 3 - COUNCILMAN*  
*DISTRICT 4 - COUNCILWOMAN*  
*DISTRICT 5 - COUNCILWOMAN*  
*DISTRCT 6 - COUNCILWOMAN*

VIVIANA RUSSELL  
PETER J. ZUCKERMAN  
ANGELO P. FERRARA  
ANNA M. KAPLAN  
LEE R. SEEMAN  
DINA M. DeGIORGIO

TOWN CLERK:

WAYNE H. WINK, JR.

RECEIVER OF TAXES:

CHARLES BERMAN

**APPOINTED OFFICIALS**

DEPUTY SUPERVISOR:

ALINE KHATCHADOURIAN

TOWN ATTORNEY:

ELIZABETH BOTWIN

DIRECTOR OF FINANCE:

JESSICA LAMENDOLA

DIRECTOR OF COMMUNICATIONS:

CAROLE TROTTERE

INTERGOVERNMENTAL COORDINATOR:

RACHAEL BRINN

DIRECTOR OF LEGISLATIVE AFFAIRS:

STEPHANIE HEANEY

DIRECTOR OF PURCHASING:

MOIRA LABARBERA

DIRECTOR OF CONSTITUENT AFFAIRS:

STEPHEN MAZZA

COMMISSIONER OF PUBLIC SAFETY:

SHAWN BROWN

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

KIMBERLY A. CORCORAN - GALANTE

COMMISSIONER OF PUBLIC WORKS:

PAUL DIMARIA

SUPERINTENDENT OF HIGHWAYS (acting):

JOSEPH GERACI

COMMISSIONER OF INFORMATION TECHNOLOGY:

DANIEL GUILLERMO

COMMISSIONER OF ADMINISTRATIVE SERVICES:

PETER M. HODA

EXECUTIVE DIRECTOR OF SOLID WASTE MANAGEMENT:

ROBERT LANGE

COMMISSIONER OF PLANNING:

MICHAEL A. LEVINE

COMMISSIONER OF 311 CALL CENTER

VINCENT MALIZIA

COMMISSIONER OF BUILDINGS:

JOHN NIEWENDER

COMPTRROLLER:

AVERIL SMITH

COMMISSIONER OF PARKS & RECREATION:

JILL WEBER

COMMISSIONER OF HUMAN RESOURCES:

ROBERT WEITZNER



**Town of North Hempstead  
Organizational Chart  
As of 12/31/2017**

Receiver of Taxes  
**Charles Berman**

Town Clerk  
**Wayne H. Wink, Jr.**

Supervisor  
**Judi Bosworth**

Vacant  
Admin Assistant to  
Supervisor

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

Deputy Supervisor  
**Aline Khatchadourian**

Town Attorney  
**Elizabeth Botwin**

Purchasing  
**Moira Labarbera**

Director of Finance  
**Jessica Lamendola**

Information Technology  
**Daniel Guillermo**

Public Works  
**Paul DiMaria**

Public Safety  
**Shawn Brown**

311 Call Center  
**Vincent Malizia**

Communications  
**Carole Trottere**

Community Services  
**Kimberly Corcoran**

Parks and Recreation  
**Bill Weber**

Director of  
Constituent Affairs  
**Stephen Mazza**

Comptroller  
**Averil Smith**

Sidewalks

PW Parking District

Services for the  
Aging

TownStat  
**Steven Pollack**

Director of  
Legislative Affairs  
**Stephanie Hearney**

Lighting

Grants Coordinator  
**Thomas Devaney**

Intergovernmental  
Coordinator  
**Rachel Brinn**

Human Resources  
**Bob Weitzner**

Buildings  
Department  
**John Niewender**

Planning &  
Economic  
Development  
**Michael Levine**

Administrative  
Services  
**Peter Hoda**

Highways  
**Joseph Geraci**

Solid Waste  
Management  
Authority  
**Robert Lange**

Board of Zoning &  
Appeals

Office of  
Sustainability

BTDC



Government Finance Officers Association

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Presented to

**Town of North Hempstead  
New York**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2016**

*Christopher P. Morill*

Executive Director/CEO

**FINANCIAL  
SECTION**



## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented nonmajor component units, each major fund, and the aggregate remaining fund information of the Town of North Hempstead, New York (the "Town"), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of eighteen of the twenty-one nonmajor component units, Carle Place Garbage District, Glenwood Garbage District, Port Washington Garbage District, Roslyn Garbage District, Belgrave Water Pollution Control District, Great Neck Water Pollution Control District, Port Washington Water Pollution Control District, Carle Place Water District, Garden City Park Water District, Manhasset-Lakeville Water District, Port Washington Water District, Roslyn Water District, Westbury Water District, Great Neck Park District, Port Washington Police District, Shelter Rock Public Library District, Town of North Hempstead Community Development Agency, and Greater Port Washington Business Improvement District, which represent 95.3%, 95.2% and 95.1% respectively, of the assets, net position and revenues of the aggregate discretely presented nonmajor component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those eighteen component units, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Carle Place Garbage District, Glenwood Garbage District, Port Washington Garbage District, Roslyn Garbage District, Belgrave Water Pollution Control District, Great Neck Water Pollution Control District, Albertson Water District, Glenwood Water District, Great Neck Park District, Manhasset Park District, Shelter Rock Public Library District, and Greater Port Washington Business Improvement District, which are discretely presented nonmajor component units, were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

**BEYOND THE NUMBERS...**

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

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INDEPENDENT MEMBER OF BKR INTERNATIONAL

## **Auditors' Responsibility** (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented nonmajor component units, each major fund and the aggregate remaining fund information of the Town of North Hempstead, New York as of December 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

### *Change in Accounting Principle*

As described in Note 1.H and Note 6 to the basic financial statements, the Town adopted the provisions of Governmental Accounting Standards Statement No. 73, "*Accounting and Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.*" In the fund level financial statements, the fire protection districts fund beginning fund balance was restated by \$5,674,173 for the recognition of the Town's proportionate share of the program assets. In the government-wide statements, the Town's January 1, 2017 governmental activities net position was restated by the net amount of the Town's proportionate share of the liabilities and the program assets which decreased net position by \$4,971,831. Our opinions are not modified with respect to this matter.

### *Restatements*

As described in Note 7 to the basic financial statements, management of the Town determined that fund balances of the Town's highway and solid waste management authority fund at the end of 2016 have been incorrectly reported. Due to a subsequent adjustment in a Federal Emergency Management Agency ("FEMA") project worksheet, FEMA revenue of \$638,279 recorded in the solid waste management authority fund should have been recorded in the highway fund. The restatement had no effect on the results of the current period's activities or the overall Town's fund balance. Our opinions are not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the major fund budgetary comparison information, schedule of pension contributions for the pension plan, schedule of proportionate share of the net pension liability for the pension plan, schedule of proportionate share of the length of service award program liability, schedule of the length of service award program liability, and schedule of funding progress for the postemployment benefits healthcare costs, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

**Other Matters** (continued)

*Required Supplementary Information* (continued)

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of North Hempstead, New York's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules (as listed in the table of contents) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the report of other auditors, the combining and individual nonmajor financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2018, on our consideration of the Town of North Hempstead, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

*Albrecht, Viggiano, Zureck & Company, P.C.*

Hauppauge, New York  
July 30, 2018

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2017

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, 2017. We encourage readers to consider the information presented here together with additional information furnished in our letters of transmittal, which can be found in the introductory section of this comprehensive annual financial report (CAFR).

**FINANCIAL HIGHLIGHTS**

- The Town closed the year with a positive net position. Its assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of 2017 by \$170,553,309. The Town's total net position at December 31, 2017 increased by \$504,560 over the previous year, as restated.
- As of the close of 2017, the Town's governmental funds reported combined ending fund balance of \$80,930,702, an increase of \$31,487,532 when compared to the restated fund balance of \$49,443,170 at the end of 2016. The issuance of long-term bonds of \$46,992,625 in 2017 significantly impacted the combined governmental fund balance. As a result of the bond issuance, the capital projects fund balance changed from \$5,409,074 in 2016 to a fund balance of \$36,078,310 at the end of 2017.
- As of the close of 2017, the Town increased its total outstanding debt by \$23,230,596. The increase was primarily driven by issuance of debt through its Town Operated Special Districts, primarily the Clinton G. Martin Park District (\$21,500,000). Short-term debt was reduced by \$7,498,672, while long-term debt increased by \$30,729,268 over the prior year. This change is part of the Town's strategy to lock in lower interest rates as it manages its debt.
- The Town's general fund balance was \$14,336,685 at the close of 2017, an increase of \$18,375 compared to the prior year fund balance. The year-end performance was driven by the higher than budgeted mortgage tax revenue which was \$1,484,447 over budget, offset by higher than originally anticipated community college expenditures. The restricted, assigned and unassigned fund balance for the general fund was \$13,121,843 or 19.4% of total general fund actual expenditures and other uses.
- The Town's highway fund balance was \$7,695,696 at the close of 2017, an increase of \$699,616, primarily due to a restatement of the beginning fund balance of \$638,279. The Town's Solid Waste Management Authority (SWMA) fund balance was reduced by the corresponding amount \$638,279. This prior period adjustment resulted from the receipt of reimbursement from the Federal Emergency Management Agency (FEMA) for debris removal related to Superstorm Sandy due to a subsequent adjustment by the State to the project worksheet. SWMA was overpaid for cleanup work related to Superstorm Sandy. When the overpayment was identified, FEMA through New York State suggested that the Town apply the payment that was in excess of actual SWMA expenditures to a FEMA highway fund project.
- The Town implemented GASB Statement No. 73, "*Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statement 67 and 68*" (GASB 73). The requirements of this statement address accounting and reporting for employers and governmental non-employer contributing entities for pensions that are not within the scope of Statement 68 that are effective for financial statements for fiscal year beginning after June 15, 2016, and the requirements of this statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. In anticipation of adopting the full provisions of GASB 73, the Town has reported its length of service award (LOSAP) assets and restricted fund balance and its deferred outflows of resources, liabilities and deferred inflows of resources for fire protection services in the fund and government-wide financial statements, respectively.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

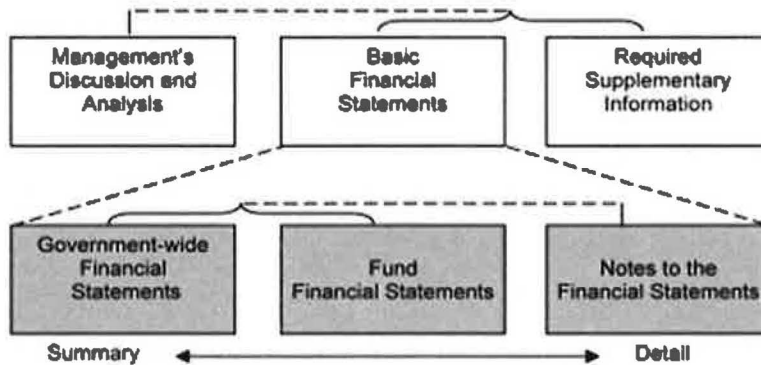
The discussion and analysis is an introduction to the Town's basic financial statements. The Town's basic financial statements comprise the following components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to basic financial statements. This report also contains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



**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 December 31, 2017

**OVERVIEW OF THE FINANCIAL STATEMENTS (continued)**

**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 reported as net position. Over time, increases or decreases in the Town's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's buildings, roads, drainage and other assets to assess the overall health of the Town.

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

**Governmental Activities**

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

**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2017

**OVERVIEW OF THE FINANCIAL STATEMENTS** (continued)

**Governmental Activities** (continued)

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

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

**Nonmajor Component Units**

The nonmajor component units are legally separate organizations for which the Town is either financially accountable, or the nature and significance of their relationship with the Town is such that exclusion would cause the Town's financial statements to be misleading or incomplete. These entities are reported in a separate column in the government-wide statements. The Town includes twenty-one separate legal entities in its report (four refuse and garbage districts, three water pollution control districts, eight water districts, two park districts, one police district, one library district, one community development agency, and one business improvement district). They are legally separate entities that are not operating departments of the Town. All of the Town's component units are deemed to be nonmajor.

Information on separately issued financial statements is shown in Note 5 to the financial statements.

**Fund Financial Statements**

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with related liabilities, and residual equity or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The Town, like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

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

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

**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2017

**OVERVIEW OF THE FINANCIAL STATEMENTS** (continued)

**Fund Financial Statements** (continued)

The Town maintains twelve (12) individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the major funds. The Town has five (5) major funds, however, for purposes of the presentation of the Town's financials and ease of comparison with earlier years, the part town and highway funds, which comprise the town outside village fund, are presented as separate funds. These funds have been combined by operation of State law. The general fund, solid waste management authority (SWMA), debt service funds, capital projects fund and town outside village (TOV) are reported as major funds. Data from the seven (7) other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the other supplementary information section of this report.

The Town adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison schedules for the general fund, highway fund, SWMA and part town fund can be found in the section labeled "Required Supplementary Information Other Than Management's Discussion and Analysis". Budgetary comparison schedules for the nonmajor governmental funds are presented in "Other Supplementary Information". The Town does not adopt budgets for either the capital projects fund or debt service fund.

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

Fiduciary Funds

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

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

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found following the basic financial statements.

**Other Information**

In addition to the basic financial statements this report contains required and other supplementary information immediately following the notes to the financial statements.

**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2017

**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 \$170,553,309 at the close of 2017.

Condensed Statement of Net Position  
Governmental Activities - Primary Government  
as of December 31,

	2017	(As Restated)* 2016
Current and other assets:		
Current assets	\$ 98,435,386	\$ 70,007,368
Capital assets, net	407,801,897	401,093,003
Other non-current assets	12,882,406	13,191,087
Total assets	519,119,689	484,291,458
Deferred outflows of resources	10,715,799	19,671,816
Current and other liabilities:		
Current liabilities	49,568,913	54,056,965
Long-term liabilities	307,332,196	277,750,958
Total liabilities	356,901,109	331,807,923
Deferred inflows of resources	2,381,070	2,106,602
Net position:		
Net investment in capital assets	248,900,563	242,330,248
Restricted	7,464,775	12,144,195
Unrestricted	(85,812,029)	(84,425,694)
Total net position	\$ 170,553,309	\$ 170,048,749

\*Amounts for 2016 were restated for comparative purposes to show the effect of applying Governmental Accounting Standards Board (GASB) Statement No. 73, "Accounting and Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68." See Note 6 of the audited financial statements for more detail.

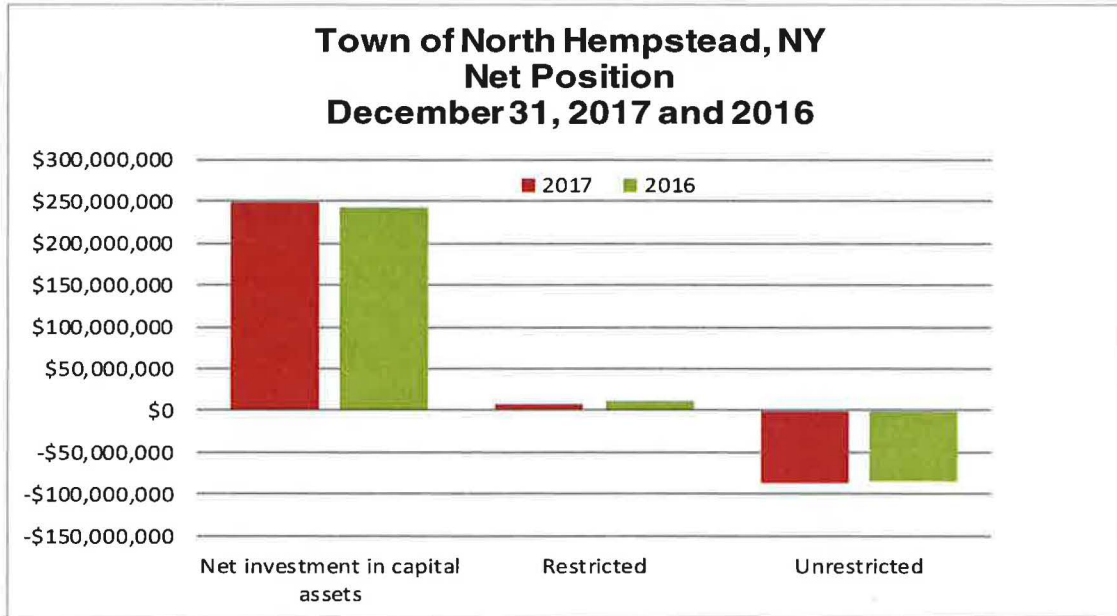
By far the largest portion of the Town's net position, \$248,900,563, reflects its net investment in capital assets (e.g. land, buildings, machinery and equipment, intangibles - software and infrastructure); less any outstanding debt used to acquire these assets. The Town uses its capital assets to provide services to its citizens; consequently, the Town has no plans to sell the assets and it pays the associated principal and interest from its operating budget.

The Town's obligation to its current and future retirees for postemployment health care benefits (OPEB) has been calculated at \$82,759,306 for 2017. The OPEB liability continues to grow and increased in 2017 by \$7,934,547. Additional information on postemployment benefit healthcare costs can be found in Note 3.G to the financial statements.

The OPEB liability is the largest component of the Town's unrestricted net position, which has a deficit balance of \$85,812,029. 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 postclosure 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. The Town implemented GASB 73 on the 2017 financials which breaks out the Length of Service Award Programs liability.

**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 December 31, 2017

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



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

	2017	(As Restated)* 2016
<b>Program Revenues</b>		
Charges for services	\$ 32,441,923	\$ 32,345,509
Operating grants and contributions	608,922	1,176,467
Capital grants and contributions	2,094,442	1,501,146
	<u>35,145,287</u>	<u>35,023,122</u>
<b>General Revenues</b>		
Real property taxes	69,454,516	73,724,772
Real property tax items	5,358,015	5,681,740
Non-property tax items	13,879,873	13,632,320
Mortgage tax	9,184,447	9,556,463
State aid - unrestricted	1,023,565	1,023,565
Other	3,560,299	3,164,226
	<u>102,460,715</u>	<u>106,783,086</u>
<b>Total Revenues</b>	<u>137,606,002</u>	<u>141,806,208</u>
<b>Program Expenses</b>		
General government support	30,216,273	28,779,266
Education	3,455,484	2,325,386
Public safety	14,259,877	15,129,393
Health	410,369	390,993
Transportation	23,540,680	23,473,504
Economic assistance and opportunity	3,647,150	3,798,866
Culture and recreation	29,362,341	28,423,638
Home and community services	26,859,210	29,671,225
Interest on debt	5,350,058	5,222,307
	<u>137,101,442</u>	<u>137,214,578</u>
<b>Total Expenses</b>	<u>137,101,442</u>	<u>137,214,578</u>
<b>Change in Net Position</b>	<u>504,560</u>	<u>4,591,630</u>
Net Position - Beginning	170,048,749	170,428,950
Cumulative Effect of Change in Accounting Principle *		(4,971,831)
Net Position - Beginning, as Restated	<u>170,048,749</u>	<u>165,457,119</u>
Net Position - Ending	<u>\$ 170,553,309</u>	<u>\$ 170,048,749</u>

\*The cumulative effect of applying Governmental Accounting Standards Board (GASB) Statement No. 73, "Accounting and Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68" is shown as an adjustment to the beginning net position in 2016. See Note 6 of the audited financial statements for more detail.

Net position, from all governmental activities, increased by \$504,560 from the restated prior year ending net position.

**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2017

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

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

- General revenues had a net decrease of \$4,322,371 over the prior year. The largest driver of this decrease is related to the change in treatment of the payment in lieu of taxes (PILOTs); Long Island Power Authority ("LIPA") parcels were transferred from being included in the property tax levy to PILOTs revenue to adhere to a state statute. In 2016, the Town collected additional property tax as a result of the levy not reducing in tandem with the removal of the LIPA properties. The property tax was placed into a reserve and applied to the 2017 budget. This caused a one-year dip in property tax collections as they were collected in the previous year. In addition, Nassau County local government assistance revenues (sales taxes) increased by \$311,744.
- Program revenues increased by \$122,165 from the prior year. Capital grants and contributions increases of \$593,296 were largely driven by additional road repair grants from New York State. Departmental revenue was relatively flat when compared to the previous year. Road opening permits and building permit issuance increased over the prior year by \$504,982 and \$584,453, respectively. These positive departmental revenue variances offset the decline of solid waste revenue \$693,744 and the decline in revenue at Clinton G. Martin Park while the pool was closed for renovation, \$249,367. The increases were offset by a decrease in federal and state revenues for Superstorm Sandy of \$438,069 partially due to the timing of related expenditures.
- Program expenses decreased by \$113,136 from the prior year. General government expenses increased by \$1,437,007 mainly due to an increase in the general liability for judgment and claims of \$1,493,481 due to an increase in the reserve in the current year related to certain open cases as well as certain payments and changes in the provision from the prior year. Education expenses increased by \$1,130,098 due to higher community college costs. Public safety decreased by \$869,516 as a result of moving Town security to the Parks Department as their responsibility was almost entirely at parks facilities. In line with the reduction in public safety, culture and recreation increased by \$938,703 with \$915,907 representing the move of Town security to the Parks Department. Home and community services decreased by \$2,812,015 due to lower expenses related to the liability for monitoring and maintenance for landfill closure and postclosure care costs which accounted for \$1,717,455 of the decrease as well as a reduction of the retainage payable. Economic assistance and opportunity decreased by \$151,716 largely driven by lower personnel services in community service administration of \$131,003. Interest on debt was higher by \$127,751 than in 2016.

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

Net Cost of Services  
Governmental Activities - Primary Government  
for the years ended December 31,

	Total Cost of Services		Program Revenue		Net Cost of Services	
	2017	2016	2017	2016	2017	2016
General government support	\$ 30,216,273	\$ 28,779,266	\$ 566,435	\$ 438,798	\$ 29,649,838	\$ 28,340,468
Education	3,455,484	2,325,386			3,455,484	2,325,386
Public safety	14,259,877	15,129,393	5,101,695	4,521,962	9,158,182	10,607,431
Health	410,369	390,993	280,362	302,800	130,007	88,193
Transportation	23,540,680	23,473,504	2,767,581	2,269,340	20,773,099	21,204,164
Economic assistance and opportunity	3,647,150	3,798,866	256,428	455,297	3,390,722	3,343,569
Culture and recreation	29,362,341	28,423,638	9,849,717	10,239,086	19,512,624	18,184,552
Home and community services	26,859,210	29,671,225	16,323,069	16,795,839	10,536,141	12,875,386
Interest on debt	5,350,058	5,222,307			5,350,058	5,222,307
	<u>\$ 137,101,442</u>	<u>\$ 137,214,578</u>	<u>\$ 35,145,287</u>	<u>\$ 35,023,122</u>	<u>\$ 101,956,155</u>	<u>\$ 102,191,456</u>

The total cost of all governmental activities this year was \$137,101,442. The net cost of these services was \$101,956,155. Program revenues of \$35,145,287 represented 25.6% of the governmental activity cost.

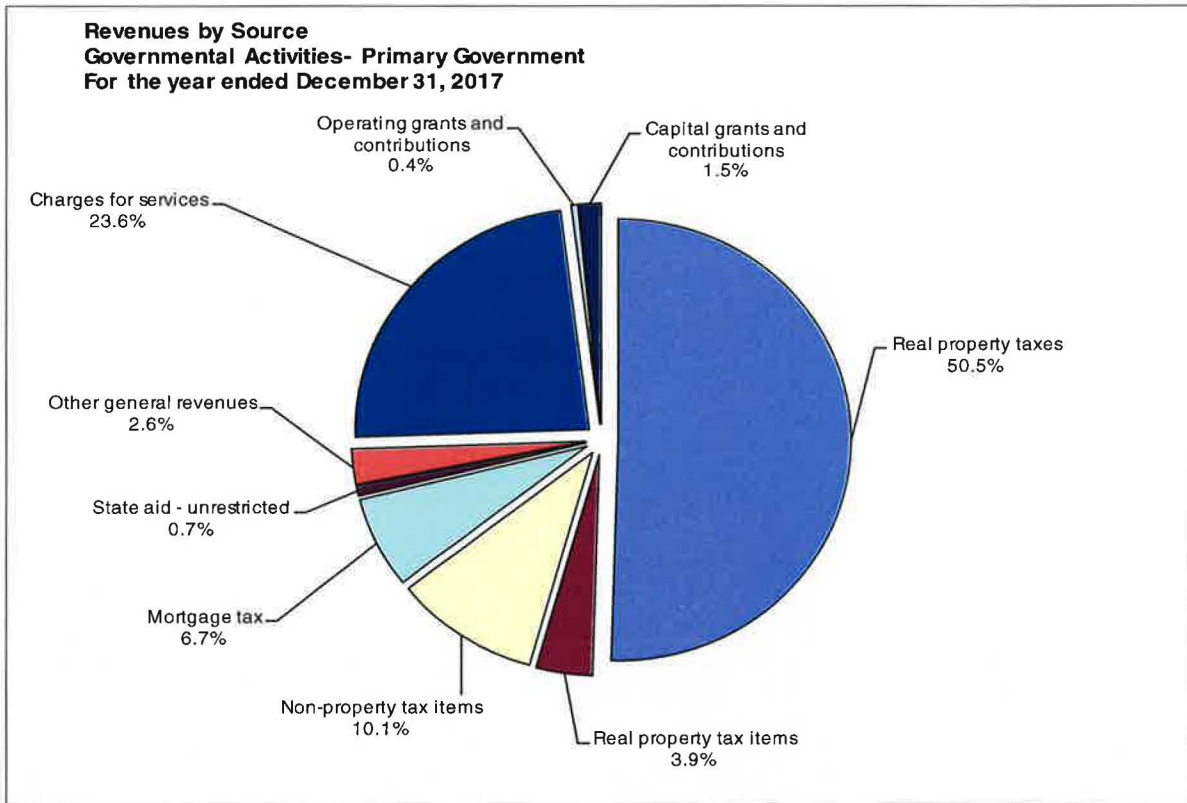
**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 December 31, 2017

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

The following chart illustrates the revenues by source for the Town's governmental activities. The Town's revenue decreased by \$4,200,206 over the prior year, primarily because of the decrease in real property taxes and mortgage tax revenue, \$4,270,256 and \$372,016, respectively. The property tax decline was driven by the 2016 collection of additional property tax related to the levy not being reduced in tandem with the removal of the LIPA properties. The property tax was placed into a reserve and applied to the 2017 budget which caused a one-year dip in property tax collections as they were collected in the previous year. These were partially offset by increases in sales tax of \$311,744 when compared to the previous year.

Revenue by Source - Primary Government  
 Years ended December 31,

	2017	2016
Real property taxes	\$ 69,454,516	\$ 73,724,772
Real property tax items	5,358,015	5,681,740
Non-property tax items	13,879,873	13,632,320
Mortgage tax	9,184,447	9,556,463
State aid - unrestricted	1,023,565	1,023,565
Other general revenues	3,560,299	3,164,226
Charges for services	32,441,923	32,345,509
Operating grants and contributions	608,922	1,176,467
Capital grants and contributions	2,094,442	1,501,146
	<u>\$ 137,606,002</u>	<u>\$ 141,806,208</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.

**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2017

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

**Governmental Funds** (continued)

At December 31, 2017, the Town's governmental funds reported total ending fund balance of \$80,930,702, as compared to the prior year restated balance of \$49,443,170, an increase of \$31,487,532. This change in total governmental fund balances was due principally to the long-term bonds acquired in 2017. Below is the breakdown of the governmental fund balance:

- **Nonspendable fund balance** – \$2,116,428 (inherently nonspendable) includes the portion of net resources that cannot be spent because they must be maintained intact.
- **Restricted fund balance** – \$45,356,032 (externally enforceable limitations on use) includes amounts subject to limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments.
- **Assigned fund balance** – \$26,901,157 (limitation resulting from intended use) consists of amounts where the intended use is established by the highest level of decision making and the remaining positive fund balance amounts in funds other than the general fund.
- **Unassigned fund balance** – \$6,557,085 (residual net resources) is the total fund balance in the general fund and capital projects fund in excess of nonspendable, restricted 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 \$14,336,685, increasing \$18,375 from the prior year's fund balance. Of this amount, \$1,214,842 is nonspendable (inventory and prepaids). The remaining \$13,121,843 of the fund balance is spendable as follows: \$4,751,811 has been assigned by the Town Board, (\$744,019 for workers' compensation, \$1,072,834 for insurance, \$1,196,625 for senior housing related programs, \$1,538,333 for capital projects and \$200,000 for accrued employee benefits) and \$8,370,032 represents spendable, unassigned fund balance.

The major variances versus the adopted budget were as follows:

- Revenues were higher than budgeted by \$1,072,966. Mortgage tax actual revenues were higher than budget by \$1,484,447 due to the real estate related economic activity in the Town. Nassau County local government assistance revenues (sales tax) exceeded budget by \$119,683. These positive variances were partially offset by lower than budgeted golf course, franchise fee and Parks facility fee revenues of \$223,991, \$316,810, \$282,833, respectively. Federal and State aid revenues, exclusive of mortgage tax, were under by \$124,315.
- Expenditures were relatively flat to budget with a modest \$52,312 positive variance. Community college Nassau County reimbursements expense exceeded budget by \$1,255,484. The Parks department, net of the golf course, exceeded their budget by \$303,125. Health insurance was also in excess of budget by \$136,868. Golf course expenditures ended the year \$499,364 lower than budget which partially offset the lower revenue performance at the facility. Several departments had favorable spending variances including Comptroller, Records Management, Technology services, Department of Services for the Aging, and Environmental facilities of \$210,274, \$112,024, \$228,312, \$114,051, and \$103,946, respectively.

**Highway Fund**

At the end of 2017, the highway fund balance was \$7,695,696, an increase of \$61,337 from the prior year restated fund balance. The restatement to fund balance of \$638,279, is related to an overpayment to the Town's Solid Waste Management Authority (SWMA) which was redesignated as a FEMA payment for a Highway Superstorm Sandy related cost. The restatement was made due to a subsequent adjustment by FEMA through the State to the project worksheet. The portion of the fund balance that is considered nonspendable is \$524,024, for inventory and prepaid expenses (\$218,778 and \$305,246, respectively). The Town Board has assigned \$300,000 in a reserve for accrued employee benefits, \$1,150,000 for capital projects, and \$100,000 for insurance. The remaining fund balance is spendable and available for highway operating purposes.



**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2017

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

**Highway Fund** (continued)

The highway fund operations, not including the prior period adjustment, ended the year with a \$61,337 operating surplus. Strong revenue performance and expenditure management prevented the use of fund balance.

The main reasons for the operating surplus of \$61,337 are as follows:

- Revenues in the highway fund exceeded adopted budget by \$1,136,511. This increase was mainly due to higher than budgeted road restoration permits issuance and insurance recoveries of \$365,270 and \$380,751, respectively, when compared to the budget. The Town received an additional \$120,707 in state aid for road reconstruction which was unbudgeted. In addition, an unbudgeted sale of equipment yielded \$140,986 in additional revenue.
- Expenditures ended close to the original budget. Savings were found in employee medical insurance, and the state retirement system of \$108,390 and \$252,298, respectively.

**Solid Waste Management Authority**

At the end of 2017, the total fund balance of the Solid Waste Management Authority was \$1,574,839, decreasing by \$524,539 from the prior year restated fund balance. As discussed in the Highway Fund discussion, the restatement was partially the result of an adjustment due to an overpayment to SWMA from FEMA for cleanup related to Superstorm Sandy. When the overpayment was identified, FEMA through NYS suggested that the Town apply the funding to a FEMA highway fund project. The portion of the fund balance that is considered nonspendable is for inventory and prepaid expenses of \$44,388 and \$3,048, respectively. The remaining amount is spendable, with \$900,786 restricted for debt service and \$626,617 available for solid waste management purposes.

In addition to the prior period adjustment, an operating deficit of \$524,539 also caused the decrease in fund balance at the end of 2017. The major variances versus the adopted budget were as follows:

- A reduction in processed solid waste tonnage, drove a decline in solid waste processing revenues of \$1,005,938. Related solid waste processing expenditures also declined in relation to the adopted budget at the transfer station and scale house of \$548,776 and \$25,439, respectively.

**Part Town**

At the end of 2017, the part town fund had a total fund balance of \$6,687,467, an increase of \$536,207 or 8.7%. Non-spendable fund balance allocated to prepaid expenditures totaled \$250,684. The Town Board has assigned \$125,000 in a reserve for accrued employee benefits, \$200,000 for capital projects and \$100,000 for insurance. The remaining \$6,011,783 of the fund balance can be used for general part town purposes.

- Part town revenues came in \$262,444 over adopted budget primarily because of \$381,485 in higher than budgeted building permit revenue. The number of permits increased and the cost of permits was also increased in 2017. This was offset by lower than expected PILOTs revenue and state aid, which were \$79,134 and \$70,000 below budget, respectively.
- Favorable spending variances of \$569,669 added to the strong year end performance. This was primarily driven by savings found throughout the budget in personnel related costs, such as savings realized in employee medical insurance of \$92,033 and savings in costs associated with the state retirement system of \$77,130. Additional personnel vacancies in environmental facilities and the board of zoning appeals resulted in budget savings of \$91,942 and \$61,982, respectively. In addition, a reduction in social security tax saved approximately \$60,778.

**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2017

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

**Capital Projects Fund**

At the end of 2017, the total fund balance of the capital projects fund was \$36,078,310. A total of \$37,891,257 is restricted for certain capital projects and the remaining \$1,812,947 is a deficit in unassigned.

The fund balance increased in the capital projects fund by \$30,669,236 during the current year. Primarily because of:

- Proceeds from the sale of bonds in the amount \$46,992,625.
- Capital outlay and equipment expenditures were \$19,266,865.
- Bond anticipation notes were redeemed from appropriations of \$1,040,500.
- State and Federal Aid revenues were \$1,080,735.

**Nonmajor Governmental Funds**

At the end of 2017, the total fund balance of the nonmajor governmental funds was \$11,939,499, increasing \$408,644 or 3.5%, from the prior year restated fund balance. Of this amount, \$79,442 is nonspendable for prepaid expenses. The fund balance includes \$6,563,989, which is restricted for the length of service award program. The remaining \$5,296,068 of fund balance is assigned for nonmajor governmental fund purposes in their respective funds.

The restatement to fund balance was the cumulative effect of the implementation of Government Accounting Standards Board (GASB) Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statement 67 and 68 (GASB 73)*.

The major variances versus the adopted budget were as follows:

- The lighting district had positive variance in payroll and payroll related expenditures of \$42,683.
- The park districts' employee medical benefits came in under budget by \$28,122.
- The sidewalk district had positive variance in personal services of \$151,881.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The differences between the 2017 original budget and the final amended budget as adopted by Town Board resolution throughout the year were approximately \$970,334. The adjustment related to the increase in college tuition costs in 2017. There are no variances that are expected to have a significant effect on future services or liquidity. Please see the "General Fund" section for more details on the comparison of final budgets and actual amounts. Over the course of the year the Town Board revises the budget as needed so that expenditures do not exceed appropriations.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The Town's net capital assets for its governmental activities as of December 31, 2017 amounts to \$407,801,897. This investment in capital assets includes land, construction in progress, buildings, improvements, machinery and equipment, roads, curb and sidewalks, drainage, street lighting and intangibles.

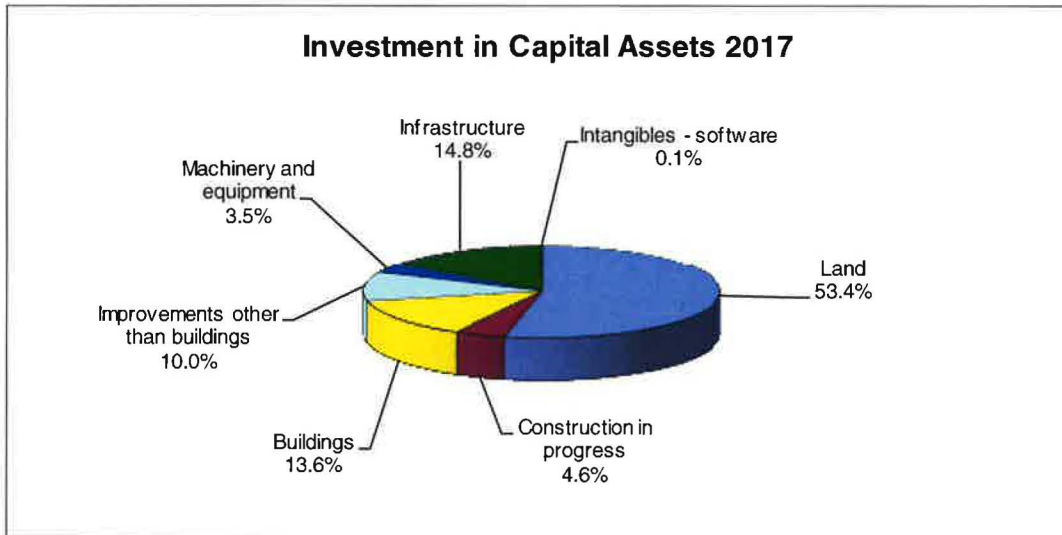
Capital Assets - Net of Depreciation  
as of December 31,

	Governmental Activities	
	2017	2016
Land	\$ 217,629,085	\$ 217,629,085
Construction in progress	18,954,741	9,736,935
Buildings	55,302,571	56,400,426
Improvements other than buildings	40,611,469	39,656,542
Machinery and equipment	14,188,097	14,605,981
Infrastructure	60,525,093	62,374,302
Intangibles - software	590,841	689,732
Total Net Capital Assets	<u>\$ 407,801,897</u>	<u>\$ 401,093,003</u>

**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 December 31, 2017

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

**Capital Assets** (continued)



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

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

**Debt**

At the end of 2017, the primary government had increased total debt outstanding including serial bonds, revenue bonds, and bond anticipation notes (BANs) by \$23,230,596 from the prior year.

Short-Term Debt

As of December 31, 2017, the primary government had outstanding short-term bond anticipation notes of \$11,353,409 with maturity dates in 2018. This is a decrease of 7,498,672, or 39.8% from 2016 largely due to the conversion of BANs to long-term debt.

Outstanding Short-Term Debt  
as of December 31,

	Governmental Activities	
	2017	2016
Bond anticipation notes	\$ 11,353,409	\$ 18,852,081
<b>Total</b>	<b>\$ 11,353,409</b>	<b>\$ 18,852,081</b>

Long-Term Debt

As of December 31, 2017, the primary government had outstanding long-term bonded debt of \$191,730,273. This is an increase of \$30,729,268, or 19.1%, over the prior year as a result of conversion of BANs to long-term debt. Outstanding long-term bonds are as follows:

Outstanding Long-Term Debt  
as of December 31,

	Governmental Activities	
	2017	2016
General obligation bonds	\$ 190,839,691	\$ 159,240,091
Revenue bonds	890,582	1,760,914
<b>Total</b>	<b>\$ 191,730,273</b>	<b>\$ 161,001,005</b>

**TOWN OF NORTH HEMPSTEAD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2017

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

**Debt** (continued)

In 2017, Moody's Investment Services upgraded the Town's credit rating to "Aaa" with a stable outlook. This is the highest available rating.

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, 2017, the Town had exhausted 8.26% of its constitutionally available debt limit, which is \$3,596,972,088.

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 2018 that stayed within the 1.84% limit on property tax increases permitted by state law without a super-majority vote.

State Aid and Local Assistance

The Town receives financial assistance from New York State and Nassau County. The 2018 budget includes mortgage tax of \$8,000,000; State aid - per capita of \$1,023,565 and local government assistance (sales tax) of \$11,500,000. If the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Town, may be affected by a delay in the payment of state aid. The State is not constitutionally obligated to maintain or continue state aid to the Town. After 2020, the legislation providing for County local government assistance expires.

**REQUESTS FOR INFORMATION**

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

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF NORTH HEMPSTEAD**  
**GOVERNMENT-WIDE FINANCIAL STATEMENT**  
**STATEMENT OF NET POSITION**  
December 31, 2017

	<u>Primary Governmental Activities</u>	<u>Nonmajor Component Units</u>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and investments	\$ 84,031,563	\$ 57,896,906
Cash and investments - restricted	900,786	4,467,343
Taxes receivable	258,064	
Accounts receivable, net of allowances	2,994,239	4,849,880
Prepays	1,498,835	2,308,479
State and federal aid receivables	1,901,342	
Due from other governments	6,232,964	3,448,038
Due from primary government		27,807,228
Inventory of materials and supplies	617,593	630,900
	<hr/>	<hr/>
Total Current Assets	98,435,386	101,408,774
<b>Non-Current Assets:</b>		
Due from other governments	3,303,417	
Notes receivable	3,015,000	
Loan receivable		1,274,384
Property held for resale		1,619,544
Length of service award program plan assets	6,563,989	
Capital assets not being depreciated	236,583,826	46,469,549
Capital assets, net of accumulated depreciation	171,218,071	222,549,207
	<hr/>	<hr/>
Total Non-Current Assets	420,684,303	271,912,684
	<hr/>	<hr/>
<b>Total Assets</b>	519,119,689	373,321,458
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charge on refunding		27,082
Pensions - length of service award program	494,220	
Pensions - employee retirement system	10,221,579	13,166,265
	<hr/>	<hr/>
<b>Total Deferred Outflows of Resources</b>	10,715,799	13,193,347

(continued)

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

**TOWN OF NORTH HEMPSTEAD**  
**GOVERNMENT-WIDE FINANCIAL STATEMENT**  
**STATEMENT OF NET POSITION**  
December 31, 2017

	Primary Governmental Activities	Nonmajor Component Units
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued liabilities	\$ 12,543,278	\$ 6,997,435
Accrued interest payable	2,019,063	707,894
Bond anticipation notes payable	11,353,409	730,552
Due to other governments	3,447,291	86,290
Unearned revenue	519,302	1,514,832
Other liabilities		765,618
General obligation bonds payable, inclusive of premiums	16,183,076	9,559,805
Revenue bonds payable	890,582	
Due to employees' retirement system	808,824	1,139
Compensated absences	262,026	486,350
Claims and judgments payable	607,000	
Estimated liability for landfill closure and postclosure care costs	935,062	
Installment purchase debt		97,249
Total Current Liabilities	49,568,913	20,947,164
<b>Non-Current Liabilities due in more than one year:</b>		
Unearned revenue		289,263
General obligation bonds payable, inclusive of premiums	177,310,335	153,131,928
Due to employees' retirement system	4,210,608	5,215
Compensated absences	4,978,494	12,137,846
Claims and judgments payable	5,564,256	
Estimated liability for landfill closure and postclosure care costs	11,908,965	
Installment purchase debt		409,648
Net pension liability - proportionate share	10,315,083	10,875,491
Length of service award program liabilities	10,285,149	
Postemployment benefits healthcare costs	82,759,306	74,253,905
Total Non-Current Liabilities	307,332,196	251,103,296
<b>Total Liabilities</b>	<b>356,901,109</b>	<b>272,050,460</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred charge on refunding		311,142
Pensions - length of service award program	785,112	
Pensions - employee retirement system	1,595,958	2,041,879
<b>Total Deferred Inflows of Resources</b>	<b>2,381,070</b>	<b>2,353,021</b>
<b>NET POSITION</b>		
Net investment in capital assets	248,900,563	123,323,379
Restricted for:		
Accrued employee benefits		231,733
Insurance		225,945
Length of service award program	6,563,989	
Capital projects		9,597,290
Repairs		9,968,894
Public safety		323,626
Home and community services		3,003,379
Debt service	900,786	673,219
Unrestricted	(85,812,029)	(35,236,141)
<b>Total Net Position</b>	<b>\$ 170,553,309</b>	<b>\$ 112,111,324</b>

**TOWN OF NORTH HEMPSTEAD**  
**GOVERNMENT-WIDE FINANCIAL STATEMENT**  
**STATEMENT OF ACTIVITIES**  
Year ended December 31, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Government Activities:				
General government support	\$ 30,216,273	\$ 566,435		
Education	3,455,484			
Public safety	14,259,877	5,101,695		
Health	410,369	270,362	\$ 10,000	
Transportation	23,540,680	2,004,874		\$ 762,707
Economic assistance and opportunity	3,647,150	52,166	204,262	
Culture and recreation	29,362,341	8,900,648	86,309	862,760
Home and community services	26,859,210	15,545,743	308,351	468,975
Interest on debt	5,350,058			
<b>Total Primary Government</b>	<b>\$ 137,101,442</b>	<b>\$ 32,441,923</b>	<b>\$ 608,922</b>	<b>\$ 2,094,442</b>
<b>Nonmajor Component Units</b>				
Public safety	\$ 23,843,500	\$ 7,171	\$ 153,116	
Culture and recreation	23,711,329	5,563,567	10,000	\$ 85,000
Home and community services	61,260,537	22,576,209	939,254	304,070
<b>Total Nonmajor Component Units</b>	<b>\$ 108,815,366</b>	<b>\$ 28,146,947</b>	<b>\$ 1,102,370</b>	<b>\$ 389,070</b>

**General Revenues**

Real property taxes  
Real property tax items  
Non-property tax items  
Nassau County local government assistance  
Interest and earnings - unrestricted  
Mortgage tax  
Sale of property and compensation for loss  
State aid - unrestricted  
Federal aid  
Other

Total General Revenues

Change in Net Position

**Net Position at Beginning of Year, as Reported**

Prior Period Adjustment

Cumulative Effect of Change in Accounting Principle

Net Position at Beginning of Year, as Restated

**Net Position at End of Year**

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



Net (Expenses) Revenues and  
Changes in Net Position

Primary Government	Nonmajor Component Units
\$ (29,649,838)	
(3,455,484)	
(9,158,182)	
(130,007)	
(20,773,099)	
(3,390,722)	
(19,512,624)	
(10,536,141)	
(5,350,058)	
<u>(101,956,155)</u>	
	\$ (23,683,213)
	(18,052,762)
	<u>(37,441,004)</u>
	<u>(79,176,979)</u>
69,454,516	70,787,720
5,358,015	3,049,480
2,330,190	185,272
11,549,683	
1,300,037	728,757
9,184,447	
	481,066
1,023,565	
	31,592
2,260,262	<u>2,334,250</u>
<u>102,460,715</u>	<u>77,598,137</u>
504,560	<u>(1,578,842)</u>
175,020,580	113,531,397
	158,769
<u>(4,971,831)</u>	
<u>170,048,749</u>	<u>113,690,166</u>
<u>\$ 170,553,309</u>	<u>\$ 112,111,324</u>

**TOWN OF NORTH HEMPSTEAD**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2017

	MAJOR FUNDS			
	General	Highway	Solid Waste Management Authority	Part Town
<b>ASSETS</b>				
Cash and investments	\$ 11,963,793	\$ 5,835,256	\$ 1,196,127	\$ 6,536,934
Cash and investments - restricted			900,786	
Taxes receivable	78,431	69,544		19,103
Accounts receivable, net of allowances	848,521	35,997	2,072,746	36,475
Prepays	860,415	305,246	3,048	250,684
Due from other funds	1,218,347	965,857	297,602	
State and federal aid receivable	241,519	831,550	226,504	
Due from other governments	4,991,986	543,321		308,490
Inventory of materials and supplies	354,427	218,778	44,388	
Length of service award program plan assets				
Total Assets	<u>\$ 20,557,439</u>	<u>\$ 8,805,549</u>	<u>\$ 4,741,201</u>	<u>\$ 7,151,686</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 1,908,782	\$ 1,040,954	\$ 2,250,807	\$ 315,693
Bond anticipation notes payable				
Due to other governments	3,360,267			87,024
Due to other funds	413,536	25,388	915,555	50
Unearned revenue	469,802			49,500
Total Liabilities	<u>6,152,387</u>	<u>1,066,342</u>	<u>3,166,362</u>	<u>452,267</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues, real property taxes	68,367	43,511		11,952
Total Deferred Inflows of Resources	<u>68,367</u>	<u>43,511</u>		<u>11,952</u>
<b>FUND BALANCES</b>				
Nonspendable	1,214,842	524,024	47,436	250,684
Restricted			900,786	
Assigned	4,751,811	7,171,672	626,617	6,436,783
Unassigned	8,370,032			
Total Fund Balances	<u>14,336,685</u>	<u>7,695,696</u>	<u>1,574,839</u>	<u>6,687,467</u>
Total Liabilities and Fund Balances	<u>\$ 20,557,439</u>	<u>\$ 8,805,549</u>	<u>\$ 4,741,201</u>	<u>\$ 7,151,686</u>

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

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,642,438	\$ 51,441,095	\$ 4,415,920	\$ 84,031,563
			900,786
		90,986	258,064
		500	2,994,239
		79,442	1,498,835
11	389,479		2,871,296
	534,836	66,933	1,901,342
		3,692,584	9,536,381
			617,593
		6,563,989	6,563,989
<u>\$ 2,642,449</u>	<u>\$ 52,365,410</u>	<u>\$ 14,910,354</u>	<u>\$ 111,174,088</u>
\$ 24,243	\$ 5,570,494	\$ 760,891	\$ 11,871,864
	10,013,961	1,339,448	11,353,409
			3,447,291
	702,645	814,122	2,871,296
			519,302
<u>24,243</u>	<u>16,287,100</u>	<u>2,914,461</u>	<u>30,063,162</u>
		56,394	180,224
		56,394	180,224
		79,442	2,116,428
	37,891,257	6,563,989	45,356,032
2,618,206		5,296,068	26,901,157
	(1,812,947)		6,557,085
<u>2,618,206</u>	<u>36,078,310</u>	<u>11,939,499</u>	<u>80,930,702</u>
<u>\$ 2,642,449</u>	<u>\$ 52,365,410</u>	<u>\$ 14,910,354</u>	<u>\$ 111,174,088</u>

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**TOWN OF NORTH HEMPSTEAD**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE**  
**STATEMENT OF NET POSITION**  
December 31, 2017

**Total Fund Balances - Governmental Funds** \$ 80,930,702

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

Notes receivable applicable to the Town's governmental activities are not due and receivable in the current period, and accordingly, are not reported in the funds. However, these assets are included in the Statement of Net Position. 3,015,000

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

Capital assets - non-depreciable	\$ 236,583,826	
Capital assets - depreciable	411,374,874	
Accumulated depreciation	<u>(240,156,803)</u>	
		407,801,897

Deferred outflows of resources related to pensions are not recorded in the governmental funds. 10,715,799

Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period, and accordingly, are not reported in the funds. However these liabilities are included in the Statement of Net Position:

General obligation bonds payable	(190,839,691)	
Premiums on debt issuance	(2,653,720)	
Revenue bonds payable	(890,582)	
Due to employees' retirement system	(5,019,432)	
Compensated absences	(5,240,520)	
Claims and judgments payable	(6,171,256)	
Estimated liability for landfill closure and postclosure care costs	(12,844,027)	
Net pension liability - proportionate share	(10,315,083)	
Length of service award program liabilities	(10,285,149)	
Postemployment benefits healthcare costs	(82,759,306)	
Retainage payable	(671,414)	
Accrued interest payable	<u>(2,019,063)</u>	
		(329,709,243)

Other assets not available to pay for current period expenditures and, therefore, are deferred inflows in the funds. 180,224

Deferred inflows of resources related to pensions are not recorded in the governmental funds. (2,381,070)

**Net Position of Governmental Activities** \$ 170,553,309

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

**TOWN OF NORTH HEMPSTEAD**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
Year ended December 31, 2017

	MAJOR FUNDS			
	General	Highway	Solid Waste Management Authority	Part Town
<b>REVENUES</b>				
Real property taxes	\$ 24,205,519	\$ 19,283,106		\$ 5,295,548
Real property tax items	2,104,711	1,530,994		420,567
Non-property tax items	13,822,873			57,000
Departmental income	8,993,625		\$ 14,056,387	948,285
Intergovernmental charges		52,981	1,123,729	
Use of money and property	390,752	72,063	71,240	21,853
Licenses and permits	359,061	1,015,270		4,161,485
Fines and forfeitures	30,000			160,180
Sale of property and compensation for loss	89,756	522,870	295,293	4,517
Miscellaneous local sources	207,699	13,880	185	61
Interfund revenues	6,607,215	257,459		
State aid	10,591,975	762,707	121,903	
Federal aid	48,109		54,947	
Total Revenues	<u>67,451,295</u>	<u>23,511,330</u>	<u>15,723,684</u>	<u>11,069,496</u>
<b>EXPENDITURES</b>				
Current:				
General government support	14,076,542	2,580,562		1,794,646
Education	3,455,484			
Public safety	1,254,731			4,466,725
Health				226,999
Transportation	5,447	10,982,394		
Economic assistance and opportunity	2,595,142			
Culture and recreation	16,896,146			
Home and community services	1,272,933		15,472,595	991,200
Employee benefits	10,742,765	5,316,881	775,628	3,053,719
Capital Outlay				
Debt Service:				
Principal				
Interest				
Total Expenditures	<u>50,299,190</u>	<u>18,879,837</u>	<u>16,248,223</u>	<u>10,533,289</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>17,152,105</u>	<u>4,631,493</u>	<u>(524,539)</u>	<u>536,207</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	270,740	683,116	900,825	
Transfers out	(17,404,470)	(5,253,272)	(900,825)	
Debt issuance				
Premiums on obligations				
Total Other Financing Sources (Uses)	<u>(17,133,730)</u>	<u>(4,570,156)</u>		
<b>Net Change in Fund Balances</b>	<u>18,375</u>	<u>61,337</u>	<u>(524,539)</u>	<u>536,207</u>
<b>Fund Balances at Beginning of Year, as Reported</b>	14,318,310	6,996,080	2,737,657	6,151,260
<b>Prior Period Adjustment</b>		638,279	(638,279)	
<b>Cumulative Effect of Change in Accounting Principle</b>				
<b>Fund Balances at Beginning of Year, as Restated</b>	<u>14,318,310</u>	<u>7,634,359</u>	<u>2,099,378</u>	<u>6,151,260</u>
<b>Fund Balances at End of Year</b>	<u>\$ 14,336,685</u>	<u>\$ 7,695,696</u>	<u>\$ 1,574,839</u>	<u>\$ 6,687,467</u>

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

Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
		\$ 20,490,119	\$ 69,274,292
		1,301,743	5,358,015
			13,879,873
		888,999	24,887,296
			1,176,710
\$ 310,895		652,895	1,519,698
			5,535,816
			190,180
		8,839	921,275
101,387	\$ 290,800	89,621	703,633
		60,000	6,924,674
	934,706		12,411,291
	146,029		249,085
<u>412,282</u>	<u>1,371,535</u>	<u>23,492,216</u>	<u>143,031,838</u>
		2,423,748	20,875,498
			3,455,484
		6,201,330	11,922,786
			226,999
		3,416,475	14,404,316
			2,595,142
		567,910	17,464,056
		8,395,913	26,132,641
		940,926	20,829,919
	19,266,865		19,266,865
16,263,357			16,263,357
5,317,824			5,317,824
<u>21,581,181</u>	<u>19,266,865</u>	<u>21,946,302</u>	<u>158,754,887</u>
<u>(21,168,899)</u>	<u>(17,895,330)</u>	<u>1,545,914</u>	<u>(15,723,049)</u>
21,596,882	1,587,641		25,039,204
(327,667)	(15,700)	(1,137,270)	(25,039,204)
	46,992,625		46,992,625
<u>217,956</u>			<u>217,956</u>
<u>21,487,171</u>	<u>48,564,566</u>	<u>(1,137,270)</u>	<u>47,210,581</u>
<u>318,272</u>	<u>30,669,236</u>	<u>408,644</u>	<u>31,487,532</u>
<u>2,299,934</u>	<u>5,409,074</u>	<u>5,856,682</u>	<u>43,768,997</u>
		5,674,173	5,674,173
<u>2,299,934</u>	<u>5,409,074</u>	<u>11,530,855</u>	<u>49,443,170</u>
<u>\$ 2,618,206</u>	<u>\$ 36,078,310</u>	<u>\$ 11,939,499</u>	<u>\$ 80,930,702</u>

**TOWN OF NORTH HEMPSTEAD**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
Year ended December 31, 2017

**Net Change in Fund Balance - Total Governmental Funds** **\$ 31,487,532**

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation exceeds capital outlay in the current period is:

Capital outlay	\$ 19,557,831	
Depreciation expense	(12,509,567)	
Loss on disposal/write off of capital assets	<u>(339,370)</u>	
		6,708,894

Net change in deferred outflows of resources related to pensions (8,956,017)

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	75,000	
Unavailable revenues, real property taxes	180,224	
Premiums on debt issuance	<u>1,025,656</u>	
		1,280,880

The issuance of long-term debt and increase in obligations provides current financial resources to governmental funds, while the repayment of the principal of long term-debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.

General obligation debt issued	(46,992,625)	
Repayment of general obligation bond principal	15,393,025	
Repayment of revenue bond principal	870,332	
Due to employees' retirement system	781,950	
Compensated absences	(135,377)	
Claims and judgments	(882,879)	
Estimated liability for landfill closure and postclosure care costs	931,199	
Net pension liability - proportionate share	7,425,944	
Length of service award program liabilities	360,855	
Postemployment benefits healthcare costs	(7,934,547)	
Retainage payable	472,095	
Accrued interest payable	<u>(32,233)</u>	
		(29,742,261)

Net change in deferred inflows of resources related to pensions (274,468)

**Change in Net Position of Governmental Activities** **\$ 504,560**

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



**TOWN OF NORTH HEMPSTEAD**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
December 31, 2017

	<u>Total Agency Funds</u>
<b>ASSETS</b>	
Cash	\$ 133,149,925
<b>Total Assets</b>	<u>\$ 133,149,925</u>
<b>LIABILITIES</b>	
Due to nonmajor component units	\$ 27,807,228
Due to school districts	68,930,329
Due to other governments	1,437
Other agency liabilities	<u>36,410,931</u>
<b>Total Liabilities</b>	<u>\$ 133,149,925</u>

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

**TOWN OF NORTH HEMPSTEAD**  
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December 31, 2017

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**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

The basic financial statements of the Town of North Hempstead have been prepared in conformity with generally accepted accounting principles in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The most significant of the Town's accounting policies are described below:

**A. REPORTING ENTITY**

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

The decision to include a potential component unit in the Town's reporting entity is based on several criteria, including legal standing, dependency and financial accountability. Component units are classified as either blended component units or discretely presented component units. The current guidance also clarifies the status as a major or nonmajor component unit. Based on the application of these criteria, the following is a summary of certain entities considered in determining the Town's reporting entity.

Blended Component Units – though legally separate entities, these component units are, in substance, part of the Town's operations. The blended component unit serves or benefits the primary government almost exclusively. Financial information from these units is combined with that of the primary government. The Town's only blended component unit is:

The Solid Waste Management Authority (the "Authority") is a separate public benefit corporation created by state legislation to provide and account for solid waste management services facilities for the benefit of the Town's inhabitants. The Town Board presides as the Authority's Board. The Authority's management is designated by the Town Board. The Town Board is completely accountable for fiscal matters of the Authority. The Authority is a blended component unit of the Town and is reported as a special revenue fund in the major governmental funds statements.

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 primary government, or have a relationship such that exclusion would cause the Town's financial statements to be misleading or incomplete. These discrete component units serve or benefit those outside of the primary government. See Note 1.B 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**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

**A. REPORTING ENTITY** (continued)

The Town has four discretely presented garbage districts: Carle Place, Glenwood, Port Washington and Roslyn. They were established as political subdivisions of the Town. Garbage Districts are governed by Town Law and other general laws of the State of New York. The Board of Commissioners is the legislative body responsible for overall operations. The Board of Commissioners consists of three members, all of whom are elected by the residents of the districts for terms of three years. The primary functions of the districts are to provide garbage collection and disposal services to district residents. Special districts cannot issue bonded debt without the approval and the backing of the full faith and credit of the Town. The Town issues indebtedness on behalf of these districts which are responsible for the payment of annual debt service on the obligations. Budgets and tax rates are approved by the Town. Tax levies of the special districts are collected by the Town Receiver of Taxes. These garbage and refuse districts are included in the Town's reporting entity since the primary government is able to impose its will, as demonstrated through the ability to approve budgets.

The Town has three discretely presented water pollution control districts: Belgrave, Great Neck and Port Washington. They were established as political subdivisions of the Town. Water Pollution Control Districts are governed by Town Law and other general laws of the State of New York. The Board of Commissioners is the legislative body responsible for overall operations. The Board of Commissioners consists of three members, all of whom are elected by the residents of the districts for terms of three years. The primary functions of the districts are to provide water pollution control services to district residents. Special districts cannot issue bonded debt without the approval and the backing of the full faith and credit of the Town. The Town issues indebtedness on behalf of these districts which are responsible for the payment of annual debt service on the obligations. Budgets and tax rates are approved by the Town. Tax levies of the special districts are collected by the Town Receiver of Taxes. These water pollution control districts are included in the Town's reporting entity since the primary government is able to impose its will, as demonstrated through the ability to approve budgets.

The Town has eight discretely presented water districts: Albertson, Carle Place, Garden City Park, Glenwood, Manhasset-Lakeville, Port Washington, Roslyn and Westbury. They were established as political subdivisions of the Town. Water Districts are governed by Town Law and other general laws of the State of New York. The Board of Commissioners is the legislative body responsible for overall operations. The Board of Commissioners consists of three members, all of whom are elected by the residents of the districts for terms of three years. The primary functions of the districts are to provide water services to district residents. Special districts cannot issue bonded debt without the approval and the backing of the full faith and credit of the Town. The Town issues indebtedness on behalf of these districts which are responsible for the payment of annual debt service on the obligations. Budgets and tax rates are approved by the Town. Tax levies of the special districts are collected by the Town Receiver of Taxes. These water districts are included in the Town's reporting entity since the primary government is able to impose its will, as demonstrated through the ability to approve budgets.

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

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

**A. REPORTING ENTITY** (continued)

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

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

The Town of North Hempstead Community Development Agency (the "Agency") is a separate public benefit corporation, created by state legislation, to promote the safety, health and welfare of the Town's inhabitants and to promote the sound growth and development of the Town. The Agency provides a full range of community development services, including construction of affordable housing, residential and commercial land acquisition, code enforcement services, and public facility improvements. The Agency's Board of Directors is the legislative body responsible for overall operations. The Executive Director serves as the chief executive officer. The 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 primary government and the Agency, exclusion would cause the financial statements to be misleading.

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

Condensed financial statements along with the addresses of the administrative office, for these component units are presented in Note 5.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

**B. GOVERNMENT-WIDE AND FUND FINANCIALS STATEMENTS**

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major and aggregate nonmajor funds).

**Government-wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Town as a whole, with separate columns for the primary government's governmental activities and the discretely presented component units. For the most part, the effect of interfund activity has been eliminated from the government-wide financial statements, except for interfund services provided and used.

The government-wide statement of activities demonstrates the degree to which direct expenses of a given function are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; (2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function; and (3) interest earned on grants or capital projects that is required to be used to support a particular program or project. Taxes and other items not properly included among program revenues are reported as general revenues. The Town does not allocate indirect expenses to specific functions in the statement of activities.

**Fund Financial Statements**

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues, and expenditures, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds are presented by type in the fund financial statements. Certain funds of the Town are utilized to account for resources derived from and/or expenditures applicable to an area less than the entire town. The focus of the governmental funds financial statements is on the major funds. Accordingly, the Town maintains the following fund types:

**Governmental Funds** – Governmental funds are those through which most governmental functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is upon determination of financial position and changes in financial position. Governmental funds are further classified as major and nonmajor funds.

The Town reports the following major governmental funds:

General Fund – is the principal operating fund of the Town. This fund is used to account for all financial resources not accounted for and reported in another fund.

Special Revenue Funds – are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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

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

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

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

**Fund Financial Statements** (continued)

Town Outside Village (Part Town) Fund – is used for revenues and expenditures for certain services provided to the areas of the Town located outside of Incorporated Villages. The major source of revenue is real property taxes and building permits. The Town reports the Town Outside Village (Part Town) Fund as a major fund, rather than a nonmajor fund, to enhance consistency and because management believes it is important to the financial statement users.

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 expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Additionally, the Town accounts for and reports the following nonmajor 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

Refuse and Garbage Districts as follows:

Albertson – Searingtown – Herricks	New Cassel
Great Neck	Manhasset
New Hyde Park – Garden City Park – Floral Park Centre	

Port Washington Public Parking District

Great Neck Water District

**Fiduciary Funds** – are used to account for assets held by the Town in a trustee or custodial capacity.

The Town's fiduciary funds ("Agency Fund") are presented in the statement of fiduciary assets and liabilities. Since, by definition, these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
 December 31, 2017

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

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

**Fund Financial Statements** (continued)

The Town has presented the following fiduciary funds:

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

Town Clerk Agency Fund – account for permit and license fees collected on behalf of other governments.

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

**Discretely Presented Nonmajor Component Units**

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

Garbage Districts

Carle Place  
 Glenwood  
 Port Washington  
 Roslyn

Water Pollution Control Districts

Belgrave  
 Great Neck  
 Port Washington

Water Districts

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

Park Districts

Great Neck  
 Manhasset

Port Washington Police District

Shelter Rock Public Library District

North Hempstead Community  
 Development Agency

Greater Port Washington Business  
 Improvement District

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

Measurement focus refers to what is being measured, whereas the basis of accounting refers to when revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue once the grant has been awarded and all eligibility requirements imposed by the provider have been met.



**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**  
(continued)

An exception to this policy is that emergency disaster assistance grants awarded by the Federal Emergency Management Agency are recognized in the year the Town receives the notification of project worksheet award ("Blue Book"). However, if the Town has received the Blue Book and has received the grant proceeds within sixty days of year-end, the revenue will be recognized in the year the expenditures are incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town generally considers revenues to be available if they are collected within 60 days of the end of the current year. However, certain revenues may be considered available if received within one year after the end of the current year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, landfill closure and postclosure care costs, pollution remediation obligations, postemployment benefits healthcare costs, length of service award program ("LOSAP") pensions, and net pension liability – proportionate share are recorded when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt is reported as other financing sources.

Revenues susceptible to accrual include Nassau County local assistance (sales tax), mortgage tax, franchise fees, charges for services, intergovernmental revenues and operating transfers. Permits, fees and other similar revenues are not susceptible to accrual because generally they are not measurable until they are received in cash. In those instances where expenditures are the prime factor in determining eligibility for state and federal grants, revenues are recognized when the expenditure is incurred or in the case of emergency disaster grants when the Blue Book is awarded. In the capital projects fund, long-term debt is recognized as revenue upon receipt of the proceeds.

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements' governmental column, reconciliation is presented that briefly explains the adjustments necessary to reconcile ending net position and the change in net position.

The agency fund uses the accrual basis of accounting.

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

**1. CASH AND INVESTMENTS**

Cash consists of funds deposited in demand accounts, both interest bearing and non-interest bearing, petty cash, and when utilized, certificates of deposit with maturities of three months or less.

State statutes govern the Town's investment policy. The Town has a written investment policy stating that Town money must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. The Town is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury. It is the Town's policy to require collateral held in the name of the Town for demand deposits, money market deposits and certificates of deposit, if any, for all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

Restricted cash and investments represent amounts held for payment of future debt service.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

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

**2. RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS**

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

The Town in its normal course of business is subject to the risk that it may be unable to collect all outstanding accounts receivable arising from costs associated with dumping at the landfill. Therefore, the Town has established an allowance account totaling \$118,873.

**3. 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:

a) **Interfund Revenues**

Interfund revenues in the general fund, highway fund and other nonmajor 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.

b) **Operating Transfers**

Operating transfers represent payments to the general fund, highway fund, Solid Waste Management Authority, debt service and capital projects funds from the other funds for their appropriate share of the debt service or capital project costs and recognition of premiums, accrued interest and interest earnings to service debt.

**4. DUE FROM/TO OTHER FUNDS**

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at the year-end are reported as due from/due to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

**5. INVENTORY AND PREPAID ITEMS**

Inventory in the general and special revenue funds is valued at cost, using the weighted average cost method. Inventory in these funds is accounted for under the consumption method.

Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid items in both the government-wide and fund financial statements. Prepaid items are accounted for under the consumption method.

In governmental funds, amounts reported as inventories and prepaid items are equally offset by nonspendable fund balance amounts, indicating that they do not constitute "available spendable resources" even though they are a component of current assets.

**6. 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% per 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, 2017 of \$3,015,000 has been reported as a note receivable in the government-wide financial statements.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

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

**7. CAPITAL ASSETS**

Capital assets purchased or acquired with an original cost of \$2,500 or more are reported at historical cost. Infrastructure assets are reported at historical cost as of 1980. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation/amortization on all assets is calculated on the straight-line basis over the following estimated useful lives:

Buildings	45 years
Improvements other than buildings	7-20 years
Machinery and equipment	5-30 years
Infrastructure:	
Roads, curbs and sidewalks	20-25 years
Drainage systems	20-25 years
Street lighting	20 years
Parks	12-45 years
Intangible assets	5-10 years

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

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

In the fund financial statements, capital assets are recorded as capital outlay expenditures in the appropriate governmental fund upon acquisition.

**8. UNEARNED REVENUE**

Unearned revenues represent gift cards and catering event deposits which will be applied to future services provided, as well as grant revenue received in advance of eligible expenditures.

**9. LENGTH OF SERVICE AWARD PROGRAM (LOSAP) ASSETS**

The Town sponsors length of service award programs ("LOSAP") to provide retirement-like benefits for those volunteering time and services pertaining to fire protection services, in accordance with the plan documents. The Town is the sole sponsor of two LOSAP plans and is a joint sponsor for four LOSAP plans. The assets are held in trust accounts in the name of the award programs. See Note 3.A for more information on the program's investments and Note 3.F for more information on the programs.

**10. DEFERRED INFLOWS/OUTFLOWS OF RESOURCES**

In addition to assets, the balance sheet or statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure/expense) until that time. Deferred outflows of resources mainly consist of pension related amounts. The amounts related to pensions (employee retirement system and LOSAP) consists of differences between expected and actual experience, changes of assumptions, net differences between projected and actual earnings on pension plan investments, changes in proportion and differences between the Town's contributions and proportionate share of contributions and Town's contribution subsequent to the measurement date.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

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

**10. DEFERRED INFLOWS/OUTFLOWS OF RESOURCES** (continued)

In addition to liabilities, the balance sheet or statement of net position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represents an acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The unavailable revenue related to real property taxes is deferred in the governmental funds and will be recognized as an inflow of resources in the period that the amounts become available. In the government-wide statements, deferred inflows of resources consist of pension related amounts for both the employee retirement system and LOSAP. The amounts related to pensions consist of differences between the pension plan's expected and actual experience, changes in assumptions and the changes in proportion and differences between the Town's contributions and proportionate share of contributions.

**11. LONG-TERM OBLIGATIONS**

In the government-wide financial statements, liabilities for long-term obligations consisting of general obligation bonds, revenue bonds, pension liabilities for the employees' retirement system and LOSAP plans, compensated absences, claims and judgments, estimated liability for landfill closure and postclosure care costs, postemployment benefits healthcare costs and net pension liability – proportionate share are recognized in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds on a straight-line basis and are presented as part of the general obligation bonds payable in the non-current liabilities. Bonds payable are reported net of applicable bond premium or discount. Debt issuance costs are recognized as an outflow of resources in the period incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period in the fund servicing the debt. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as debt service expenditures.

**12. NET POSITION AND FUND EQUITY CLASSIFICATIONS**

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources.

In the government-wide financial statements, net position is reported in three categories:

- a) Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Retainage payable and capital accounts payable are capital related debt and are used in the calculation of net investment in capital assets.
- b) Restricted – Consists of net position with constraints placed on the use either by: (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c) Unrestricted – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the fund financials statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources; they are: (1) nonspendable, (2) restricted, (3) committed, (4) assigned, or (5) unassigned. Not all of the Town's funds will necessarily have all the fund classifications noted above.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

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

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

- 1) Nonspendable fund balance includes amounts that cannot be spent because they are either: (a) not in spendable form (i.e., prepaid items or inventories), or (b) will not convert to cash within the current period (i.e., long-term receivables and financial assets held for resale), or (c) legally or contractually required to be maintained intact (i.e., the principal of a permanent fund).

The spendable portion of fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

- 2) Restricted fund balance reflects the constraints imposed on resources either: (a) externally by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- 3) Committed fund balance reflects amounts that can only be used for specific purposes by a government using its highest and most binding level of decision making authority. The Town's highest decision making authority is the Town Board, who by adoption of a Town ordinance prior to year-end, can commit fund balance. Those committed amounts cannot be used for any other purpose unless the Town Board removes or changes the specified use by taking the same type of action imposing the commitment.
- 4) Assigned fund balance reflects the amounts constrained by the Town's "intent" to be used for specific purposes, but are neither restricted nor committed. The Town Board and Town Comptroller, through resolution granted by the Town Board, have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.
- 5) Unassigned fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

**13. NET POSITION AND FUND BALANCE FLOW ASSUMPTIONS**

When outlays for a particular purpose can be funded from both restricted and unrestricted net position resources, it is the Town's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

When both restricted and unrestricted fund balance resources are available for use, it is the Town's policy to use restricted fund balance resources first, and then unrestricted fund balance resources – committed, assigned and unassigned – in order as needed.

**14. 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.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

**E. REVENUES AND EXPENDITURES**

**1. REAL PROPERTY TAX ASSESSMENT AND COLLECTION PROCEDURES**

In Nassau County, the assessment and lien of real property for taxation is done by the County Department of Assessment, except for villages and cities. The County assessment rolls are used for the levy of real property taxes by the Town and the School Districts, as well as by the County and by Special Districts of the County and the Town. The Town of North Hempstead Receiver of Taxes collects all real property taxes for the Town, Nassau County, Town Special Districts and School Districts. Real property taxes become a lien on January 1<sup>st</sup> for general taxes and October 1<sup>st</sup> 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.

**2. POSTEMPLOYMENT BENEFITS HEALTHCARE COSTS**

In addition to providing pension benefits, the Town provides health insurance coverage and survivor benefits for retired employees and their survivors. Town employees become eligible for these benefits when an employee completes five or ten years of service, depending upon position, with the Town and can retire. Any employee who has five years of service with the Town, has reached the age of 70, and can retire is eligible for individual benefits. The Town also provides full dental and vision benefits to exempt employees when they retire.

Health care benefits are currently provided by the New York State Health Insurance Program (NYSHIP) (Empire Plan) whose premiums are based on the benefits paid throughout the State during the year. In addition, the Town offers retirees Health Insurance Plan of New York (HIP) Prime HMO and Island 65 for those retirees over 65.

The Town recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the governmental funds in the year paid. The liability for postemployment benefits healthcare costs is recorded as a non-current liability in the government-wide statements. The current year increase in the liability is based on the most recent actuarial valuation.

**3. COMPENSATED ABSENCES**

The liability for vested or accumulated vacation or sick leave (compensated absences) is recorded as current and non-current obligations in the government-wide statements. The current portion of this debt is estimated based on historical trends. Compensated absence liabilities and expenditures are reported in the governmental funds only if they have matured, for example, as a result of employee resignations, terminations or retirements. The amount that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a liability in the funds statement in the respective fund that will pay it.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

**E. REVENUES AND EXPENDITURES** (continued)

**4. NET PENSION LIABILITY – PROPORTIONATE SHARE**

For purposes of measuring the net pension liability – proportionate share, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New York State and Local Retirement System (the “System”) have been determined on the same basis as they are reported by the System. For this purpose, the System recognizes benefit payments when due and payable in accordance with the benefit terms; and reports investments at fair value.

**5. LENGTH OF SERVICE AWARD PROGRAM (LOSAP) LIABILITIES**

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

The trust does not meet the criteria of GASB Statement No. 73, paragraph 4 because the assets are not protected from the Town’s creditors. Accordingly, the Town reports its proportionate share of the total LOSAP service award liabilities which have been measured at the actuarial present value of projected benefit payments without offset from the trust assets.

**F. ENCUMBRANCES**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes, is employed in the governmental funds. Encumbrances are reported as restrictions, commitments, or assignments of fund balances since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred. There were no encumbrances outstanding at December 31, 2017.

**G. USE OF ESTIMATES**

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

**H. NEW ACCOUNTING PRINCIPLES**

The Town has adopted all of the current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. During the year ended December 31, 2017, the Town adopted:

Statement No. 73 *“Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB 68 - and amendments to Certain Provisions of GASB 67 and 68,”* the objective of which is to clarify the existing guidance, as well as, establish new requirements for pensions not covered by Statement No. 67 and No. 68. The implementation of this Statement resulted in the recognition of assets, liabilities, deferred outflows of resources and deferred inflows of resources related to the LOSAP defined benefit plan, restatement of opening fund balance/net position and additional disclosure requirements. See Note 6 for additional information.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

**H. NEW ACCOUNTING PRINCIPLES** (continued)

Statement No. 80, "*Blending Requirements for Certain Component Units - an Amendment of Statement No. 14,*" the objective of which is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. The implementation of this Statement had no impact on the Town's financial statements.

Statement No. 81, "*Irrevocable Split-Interest Agreements,*" provides guidance over financing reporting for irrevocable split-interest agreements where the government is a beneficiary of the agreement. The implementation of this Statement had no impact on the Town's financial statements.

Statement No. 82, "*Pension Issues - an Amendment of GASB Statements No. 67, 68 and 73,*" the objective of which is to address issues regarding (a) the presentation of payroll-related measures in required supplementary information, (b) the selections of assumptions and the treatment of deviations from the guidance in the Actuarial Standard of Practice for financial reporting purposes, and (c) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The implementation of this Statement had no significant impact on the Town's financial statements.

**I. SUBSEQUENT EVENTS**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date of the auditors' report, which is the date the financial statements were available to be issued.

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. BUDGETARY INFORMATION**

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

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

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



**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

**A. BUDGETARY INFORMATION** (continued)

- f) Budgets for the general and certain special revenue service funds, including the highway fund, the Solid Waste Management Authority, the part town fund, the fire protection districts, the lighting district, the park districts, the sidewalk district, the refuse and garbage districts, the public parking district and the water district are legally adopted for each year. The budgets are adopted on a basis of accounting consistent with GAAP except that outstanding encumbrances are re-appropriated in the subsequent year. In the event that actual revenues received exceed budgeted amounts, additional budgetary appropriations may be made.
- g) Annual budgets are not prepared for the capital projects fund and the debt service fund. Capital projects funds are budgeted on a project basis.

In June 2011, New York State enacted Chapter 97, Laws of 2011 Real Property Tax Levy Cap and Mandate Relief Provisions, which included a property tax cap for municipalities that affects the Town and its municipal component units. However, local governments can exceed the tax levy limit by a 60% vote of the governing body and annually adopting a local law. The Town Board did not vote to override the tax levy cap imposed by the State for the 2017 Adopted Budget. On November 1, 2016, the members of the Town Board adopted the 2017 Budget.

**B. FUND EQUITY**

**1. FUND BALANCE**

The following table provides the detail regarding fund balance categories and classifications for the governmental funds which show components of nonspendable fund balances, as well as the purposes for restricted and assigned fund balance. The unassigned fund balance is also shown.

	General Fund	Highway Fund	Solid Waste Management Fund	Part Town Fund	Debt Service Fund	Capital Projects Funds	Other Governmental Funds	Total
<b>Fund Balances:</b>								
<b>Nonspendable:</b>								
Prepays	\$ 860,415	\$ 305,246	\$ 3,048	\$ 250,684			\$ 79,442	\$ 1,498,835
Inventory	354,427	218,778	44,388					617,593
Total Nonspendable	1,214,842	524,024	47,436	250,684			79,442	2,116,428
<b>Restricted for:</b>								
Debt service			900,786					900,786
Capital projects						\$ 37,891,257		37,891,257
Length of service award program							6,563,989	6,563,989
Total Restricted			900,786			37,891,257	6,563,989	45,356,032
<b>Assigned to:</b>								
Subsequent year's budget			550,000				409,523	959,523
Long-term receivables							919,323	919,323
Capital projects	1,538,333	1,150,000		200,000				2,888,333
Debt service					\$ 2,618,206			2,618,206
Special revenue funds		5,621,672	76,617	6,011,783			3,967,222	15,677,294
Workers' compensation	744,019							744,019
Insurance	1,072,834	100,000		100,000				1,272,834
Accrued employee benefits	200,000	300,000		125,000				625,000
Senior endowment	1,196,625							1,196,625
Total Assigned	4,751,811	7,171,672	626,617	6,436,783	2,618,206		5,296,068	26,901,157
<b>Unassigned, reported in:</b>								
General Fund	8,370,032							8,370,032
Capital Projects Fund						(1,812,947)		(1,812,947)
Total Unassigned	8,370,032					(1,812,947)		6,557,085
<b>Total Fund Balances</b>	<b>\$ 14,336,685</b>	<b>\$ 7,695,696</b>	<b>\$ 1,574,839</b>	<b>\$ 6,687,467</b>	<b>\$ 2,618,206</b>	<b>\$ 36,078,310</b>	<b>\$ 11,939,499</b>	<b>\$ 80,930,702</b>

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

**3. DETAILED NOTES ON ALL FUNDS**

**A. CASH, INVESTMENTS AND FAIR VALUE MEASUREMENT**

Annually, the Town Board designates the bank depositories and approves an investment policy. The investment policy limits the amount of deposits at any time in any one bank or trust company. The following risk assessments apply to cash and investment of the Town.

Custodial Credit Risk – Deposits/Investments – Custodial credit risk for deposits exists when, in the event of the failure of a depository financial institution, a government may be unable to recover deposits, or recover collateral securities that are in possession of an outside agency. Custodial credit risk for investments exists when, in the event of the failure of the counterparty, a government will be unable to recover the value of its investments or collateral securities that are in possession of an outside party. The Town's investment policy defines permissible investments, limits the amount of deposits at any time any one bank or trust company, requires that bank balances in excess of the Federal Deposit Insurance Corporation insurance limits of \$250,000 are protected with custodial agreements which requires that balances are fully collateralized in accordance with New York State General Municipal Law (GML) and limits the form of acceptable collateralization.

Financial institutions can satisfy collateral requirements by furnishing an eligible letter of credit, an eligible surety bond, by pledging eligible securities as specified in Section 10 of GML, or participating in a deposit placement program pursuant to section 9-r of the banking law. Irrevocable letters of credit issued as collateral in certain situations may require a threshold of up to 140% of aggregate deposits. Eligible securities that may be pledged as collateral include, but is not limited to, obligations of the United States or its agencies, obligations of New York State and obligation of municipalities of New York State.

The use of available daily balances to determine collateral requirements may result in the available balance being under-collateralized at various times during the year.

Deposits are required to be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either:

- Uncollateralized
- Collateralized with securities held by the pledging financial institution, or
- Collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Town's name.

At December 31, 2017, the Town's deposits were \$218,074,144. This amount is inclusive of fiduciary fund deposits of \$133,149,925 exclusive of petty cash of \$8,130. The bank balance required to be insured and/or collateralized was \$149,185,245. Of the bank balance, \$3,137,627 was covered by the Federal Deposit Insurance Corporation (FDIC), \$52,523,134 was covered by collateral held by the Town's agent, a third-party financial institution, in the Town's name, \$10,232,271 was covered by collateral held by the bank and \$83,292,213 was covered by irrevocable letters of credit from a federal home loan bank. At December 31, 2017, the Town's deposits included \$900,786 in U.S. treasury bills.

Credit Risk – The Town's written investment guidelines and policies are designed to protect principal by limiting risk. State law and Town law limit investments to those authorized by State statutes.

Interest-Rate Risk – Interest-rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates substantially increase, thereby affording potential purchasers more favorable rates on essentially equivalent securities. Accordingly, such investments would have to be held to maturity to avoid a potential loss.

Concentration of Credit Risk – Credit risk can arise as a result of failure to adequately diversify investments. Concentration risk disclosure is required for positions of 5 percent or more in securities of a single issuer.

As of December 31, 2017, the Town did not have any investments subject to credit risk, interest-rate risk or concentration of credit risk.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

**A. CASH, INVESTMENTS AND FAIR VALUE MEASUREMENT** (continued)

Restricted Length of Service Award Program Investments

The Town contributes monies as both a sole sponsor and as a non-employer contributing entity through a joint sponsorship. The funds are set-a-side for LOSAP retirement-like benefits and are managed by an administrator, designated by the Town Board and if applicable the joint sponsoring board. The administrator maintains the investments which are invested by various custodians. The investments consist of money market funds, corporate and foreign bonds, common equity securities, equity mutual funds and fixed income mutual funds. Investments are stated at market value.

In accordance with FASB guidance, the LOSAP assets utilizes ASC 820 "Fair Value Measurement and Disclosure" to define fair value, establish a framework for measuring fair value, and expand disclosure requirements regarding fair value measurements. ASC 820 does not require new fair value measurements, but is applied to the extent that other accounting pronouncements require or permit fair value measurements. This standard emphasizes that fair value is a market-based measurement that should be determined based on the assumptions that market participants would use in pricing an asset or liability. Various inputs are used in determining the value of LOSAP portfolio investments defined pursuant to this standard.

Securities are valued at the most recent market bid price as obtained from one or more market makers for such securities. There have been no significant changes in valuation techniques used in valuing any such positions held by LOSAP since the beginning of their fiscal year. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The Town's investment in the various LOSAP's totals \$6,563,989 at December 31, 2017 and are reported in the fire protection districts fund. The assets are subject to custodial risk in the event of the failure of the custodian holding the investments.

Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

**A. CASH, INVESTMENTS AND FAIR VALUE MEASUREMENT (continued)**

Fair Value Measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the LOSAP's assets at fair value as of December 31, 2017:

	Level 1	Total
Cash and short-term investments	\$ 272,356	\$ 272,356
Mutual funds	5,730,555	5,730,555
Total assets in the fair value hierarchy	6,002,911	6,002,911
Investments measured at contract value		538,272
Other assets not in fair value hierarchy		22,806
Total length of service award award plan assets	\$ 6,002,911	\$ 6,563,989

There were no Level 2 or Level 3 assets held by the LOSAP at December 31, 2017.

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

At December 31, 2017, individual fund interfund receivable and payable balances for the primary government are expected to be paid currently. These balances represent various temporary loans, recharges and reimbursements between funds and are stated as follows:

	Amount Receivable	Amount Payable
<b>Primary Government</b>		
<u>Major Funds:</u>		
General Fund	\$ 1,218,347	\$ 413,536
Highway Fund	965,857	25,388
Solid Waste Management Authority	297,602	915,555
Part Town Fund		50
Debt Service Fund	11	
Capital Projects Fund	389,479	702,645
<u>Nonmajor Funds:</u>		
Fire Protection Districts		19,257
Sidewalk District		10,949
Refuse and Garbage Districts		783,916
	\$ 2,871,296	\$ 2,871,296

At December 31, 2017, individual fund interfund transfers balances for the primary government mainly represent receipt and payment of debt service and capital project expenditures, and are stated as follows:

	Transfers In	Transfers Out
<b>Primary Government</b>		
<u>Major Funds:</u>		
General Fund	\$ 270,740	\$ 17,404,470
Highway Fund	683,116	5,253,272
Solid Waste Management Authority	900,825	900,825
Debt Service Fund	21,596,882	327,667
Capital Projects Fund	1,587,641	15,700
<u>Nonmajor Funds:</u>		
Lighting District		14,328
Park Districts		27,539
Sidewalk District		677,026
Refuse and Garbage Districts		37,313
Public Parking District		381,064
	\$ 25,039,204	\$ 25,039,204

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

**C. CAPITAL ASSETS**

The summary of changes within the capital assets of the Town for the year ended December 31, 2017 is as follows:

	Balance 1/1/2017	Additions	Deletions/ Reclassifications	Balance 12/31/2017
<b>Primary Government</b>				
Capital assets not being depreciated				
Land - other than landfills	\$ 217,629,085			\$ 217,629,085
Construction in progress	9,736,935	\$ 14,423,505	\$ 5,205,699	18,954,741
Total capital assets not being depreciated	227,366,020	14,423,505	5,205,699	236,583,826
Depreciable capital assets				
Buildings	85,425,243	763,386		86,188,629
Improvements other than buildings	66,727,257	3,223,325		69,950,582
Machinery and equipment	40,100,329	1,891,590	1,840,539	40,151,380
Infrastructure	208,308,939	4,288,160		212,597,099
Intangibles - software	2,451,851	35,333		2,487,184
Total depreciable capital assets	403,013,619	10,201,794	1,840,539	411,374,874
Less accumulated depreciation				
Buildings	29,024,817	1,861,241		30,886,058
Improvements other than buildings	27,070,715	2,268,398		29,339,113
Machinery and equipment	25,494,348	2,108,335	1,639,400	25,963,283
Infrastructure	145,934,637	6,137,369		152,072,006
Intangibles - software	1,762,119	134,224		1,896,343
Total accumulated depreciation	\$ 229,286,636	\$ 12,509,567	\$ 1,639,400	240,156,803
Total net depreciable capital assets				171,218,071
Total net capital assets				\$ 407,801,897

The Town has expended funds to construct a sanitary sewer and pump station and install a sanitary force main at the Harbor Links Golf Course. Under contractual obligation, this project will be turned over to the Port Washington Water Pollution Control District, a component unit of the Town. As of December 31, 2017, the project was completed but title has not yet passed to the Port Washington Water Pollution Control District.

The Town depreciated all capital assets acquired or put in service during 2017 with an effective date of July 1, 2017, or on a six month depreciable basis.

The Town of North Hempstead evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The Town's policy is to record an impairment loss in the period when the Town determines that the carrying amount of the asset will not be recoverable. At December 31, 2017, the Town has not recorded any such impairment losses.

Depreciation expense was charged to governmental functions as follows:

General government support	\$ 552,730
Public safety	180,526
Transportation	5,265,828
Culture and recreation	5,396,759
Home and community services	1,113,724
Total governmental activities depreciation expense	<u>\$ 12,509,567</u>

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

**C. CAPITAL ASSETS (continued)**

The summary of changes within the capital assets for the nonmajor component units for the year ended December 31, 2017 is as follows:

<u>Nonmajor Component Units</u>	(Restated) Balance 1/1/2017	Additions	Deletions	Balance 12/31/2017
Capital assets not being depreciated				
Land	\$ 13,067,129			\$ 13,067,129
Construction in progress	37,513,319	\$ 10,239,250	\$ 14,350,149	33,402,420
Total capital assets not being depreciated	50,580,448	10,239,250	14,350,149	46,469,549
Depreciable capital assets				
Buildings	118,704,560	10,456,899	701,055	128,460,404
Improvements other than buildings	80,038,391	646,898	5,600	80,679,689
Machinery and equipment	101,718,479	8,627,586	1,254,027	109,092,038
Infrastructure	95,090,852	4,464,212	651,502	98,903,562
Total depreciable capital assets	395,552,282	24,195,595	2,612,184	417,135,693
Less accumulated depreciation				
Buildings	53,379,727	3,009,779	376,445	56,013,061
Improvements other than buildings	24,578,594	2,785,753	5,600	27,358,747
Machinery and equipment	64,244,247	4,403,981	1,100,200	67,548,028
Infrastructure	41,090,687	2,704,200	128,237	43,666,650
Total accumulated depreciation	\$183,293,255	\$ 12,903,713	\$ 1,610,482	\$194,586,486
Total net depreciable capital assets				222,549,207
Total net capital assets				\$269,018,756

**D. INDEBTEDNESS**

**CHANGES IN LONG-TERM LIABILITIES (continued)**

Long-term liability activity for the year ended December 31, 2017 is as follows:

	(Restated)* Balance 1/1/2017	Increases	Reductions	Balance 12/31/2017	Non-current Liabilities Due within One Year	Non-current Liabilities
<b>Primary Government</b>						
Bonds Payable:						
General obligation bonds payable	\$ 159,240,091	\$ 46,992,625	\$ 15,393,025	\$ 190,839,691	\$ 15,725,374	\$ 175,114,317
Revenue bonds payable	1,760,914		870,332	890,582	890,582	
Plus deferred amounts:						
Premiums on issuance	3,679,376	217,956	1,243,612	2,653,720	457,702	2,196,018
Total Bonds Payable	164,680,381	47,210,581	17,506,969	194,383,993	17,073,658	177,310,335
Due to employees' retirement system	5,801,382		781,950	5,019,432	808,824	4,210,608
Compensated absences	5,105,143	4,296,224	4,160,847	5,240,520	262,026	4,978,494
Claims and judgments payable	5,288,377	1,776,334	893,455	6,171,256	607,000	5,564,256
Estimated liability for landfill closure and postclosure care costs	13,775,226		931,199	12,844,027	935,062	11,908,965
Net pension liability - proportionate share	17,741,027	6,680,358	14,106,302	10,315,083		10,315,083
Length of service award program liabilities	10,646,004		360,855	10,285,149		10,285,149
Postemployment benefits healthcare costs	74,824,759	11,878,847	3,944,300	82,759,306		82,759,306
Total Primary Government	\$ 297,862,299	\$ 71,842,344	\$ 42,685,877	\$ 327,018,766	\$ 19,686,570	\$ 307,332,196
<b>Nonmajor Component Units</b>						
Bonds Payable:						
General obligation bonds payable	\$ 131,304,066	\$ 40,179,000	\$ 9,051,819	\$ 162,431,247	\$ 9,521,150	\$ 152,910,097
Plus deferred amounts:						
Premiums on issuance	299,850		39,364	260,486	38,655	221,831
Total Bonds Payable	131,603,916	40,179,000	9,091,183	162,691,733	9,559,805	153,131,928
Due to employees' retirement system	7,454		1,100	6,354	1,139	5,215
Compensated absences	11,694,104	1,185,944	255,852	12,624,196	486,350	12,137,846
Installation purchase debt	602,164		95,267	506,897	97,249	409,648
Net pension liability - proportionate share	18,403,100	3,067,548	10,595,157	10,875,491		10,875,491
Postemployment benefits healthcare costs	66,467,859	10,773,093	2,987,047	74,253,905		74,253,905
Total Nonmajor Component Units	\$ 228,778,597	\$ 55,205,585	\$ 23,025,606	\$ 260,958,576	\$ 10,144,543	\$ 250,814,033

\*The beginning balance of the length of service award program liabilities was restated as of January 1, 2017 in accordance with GASB Statement No. 73. See Note 6.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

**D. INDEBTEDNESS** (continued)

**CHANGES IN LONG-TERM LIABILITIES** (continued)

Liabilities for claims and judgments and landfill closure and postclosure care costs are liquidated through future appropriations in the general fund. Long-term liabilities for due to employees' retirement system, compensated absences, net pension liability – proportionate share and postemployment benefits healthcare costs are paid through future budgetary appropriations in the following funds: general, highway, Solid Waste Management Authority, part-town, lighting district, park districts, sidewalk district, refuse and garbage districts and public parking district, depending upon which fund gave rise to the liability. The length of service award program liabilities will be liquidated from the fire protection districts.

**SHORT-TERM DEBT**

**Bond Anticipation Notes (BANs)** – are used as a temporary means of financing capital expenditures in the capital projects fund. State law requires that BANs issued for capital purposes prior to 2008 be converted to long-term obligations within five years after the original issue date; BANs issued for capital purposes after 2008 need to be converted to long-term obligations within seven years. The notes or renewal thereof may not extend more than two years beyond the original date of issue, unless a portion is redeemed within two years and within each 12 month period thereafter. Liabilities for BANs are generally accounted for in the capital projects fund. BANs are expected to be paid from the proceeds of future bond issues or renewal of the notes.

The refuse and garbage and garbage districts (Town and component unit) BANs consist of a \$1,210,000 BAN – 2017 Series A and a \$860,000 BAN – 2017 Series B renewed by the Town in 2017. The BANs were originally issued to fund the payment of cases challenging *ad valorem* garbage district taxes that the Town is confident will be reimbursed through the "County Guarantee". See Note 4.B, Litigation, for further discussion.

At December 31, 2017, the Town, inclusive of its discretely presented nonmajor component units had \$12,083,961 of BANs payable with interest rates of 2.000% with maturities in 2018.

These bond anticipation notes are summarized as follows:

	Balance 1/1/2017	Issued	Redeemed	Balance 12/31/2017
<b><u>Primary government:</u></b>				
Capital projects fund:				
General	\$ 11,331,389	\$ 7,832,262	\$ 9,672,000	\$ 9,491,651
Highway	5,538,000	158,500	5,463,000	233,500
Public parking	238,810			238,810
Street Lighting		50,000		50,000
Refuse and Garbage	1,743,882		404,434	1,339,448
Total primary government	<u>18,852,081</u>	<u>8,040,762</u>	<u>15,539,434</u>	<u>11,353,409</u>
<b><u>Nonmajor component units:</u></b>				
Garbage districts	951,118		220,566	730,552
Water pollution control districts	2,749,998		2,749,998	-
Water districts	20,850,000		20,850,000	-
Park districts	2,395,000		2,395,000	-
Total component units	<u>26,946,116</u>		<u>26,215,564</u>	<u>730,552</u>
Total bond anticipation notes	<u>\$ 45,798,197</u>	<u>\$ 8,040,762</u>	<u>\$ 41,754,998</u>	<u>\$ 12,083,961</u>

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

**D. INDEBTEDNESS (continued)**

**LONG-TERM DEBT**

**General Obligation Bonds** – The Town borrows money in order to acquire land or equipment, or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are backed by the full faith and credit of the Town, bear interest at various rates from 0.000% to 6.181% and have maturity dates in 2018 through 2047.

	Balance 1/1/2017	Issued	Redeemed	Balance 12/31/2017
<b>Primary Government</b>				
Capital projects fund:				
General	\$ 117,349,905	\$ 13,924,425	\$ 11,309,201	\$ 119,965,129
Highway	37,537,240	11,055,200	3,684,477	44,907,963
Public parking	3,593,963	513,000	300,425	3,806,538
Sidewalk	396,231		68,303	327,928
Lighting	200,000		9,975	190,025
Parks	162,752	21,500,000	20,644	21,642,108
Total primary government	<u>159,240,091</u>	<u>46,992,625</u>	<u>15,393,025</u>	<u>190,839,691</u>
<b>Nonmajor Component Units</b>				
Water pollution control districts	75,895,397	2,725,000	3,203,423	75,416,974
Water districts	37,719,193	35,064,000	3,757,587	69,025,606
Park districts	14,221,405	2,390,000	1,694,384	14,917,021
Police district	55,751		17,784	37,967
Library district	3,348,429		368,834	2,979,595
Business improvement district	63,891		9,807	54,084
Total component units	<u>131,304,066</u>	<u>40,179,000</u>	<u>9,051,819</u>	<u>162,431,247</u>
Total general obligation bonds	<u>\$ 290,544,157</u>	<u>\$ 87,171,625</u>	<u>\$ 24,444,844</u>	<u>\$ 353,270,938</u>

Also included in bonds are borrowings from the State Revolving Fund and Environmental Facilities Corporation (EFC). The Town, three Water Pollution Control Districts and three Water Districts have financed capital projects through the New York State EFC and State Revolving Fund Loans (bond issues). Under the financing plan, the Town and the Districts receive interest subsidies from the United States Environmental Protection Agency and the EFC.

Future principal and interest payments to maturity, for both the primary government and the nonmajor component units, are as follows:

	Principal	Interest	Total Principal and Interest
Years Ending December 31, 2018	\$ 25,246,524	\$ 10,449,444	\$ 35,695,968
2019	25,295,010	8,730,129	34,025,139
2020	23,778,897	7,910,842	31,689,739
2021	24,435,902	7,116,079	31,551,981
2022	22,802,900	6,410,171	29,213,071
2023-2027	80,994,507	24,944,685	105,939,192
2028-2032	67,624,496	15,978,187	83,602,683
2033-2037	49,999,503	7,741,561	57,741,064
2038-2042	25,804,500	2,659,619	28,464,119
2043-2047	7,288,699	622,450	7,911,149
	<u>\$ 353,270,938</u>	<u>\$ 92,563,167</u>	<u>\$ 445,834,105</u>



**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

**D. INDEBTEDNESS (continued)**

**LONG-TERM DEBT (continued)**

The general obligations bonds, by issue, are as follows:

Outstanding Bond Issues	Rate	Original Amount	Outstanding Amount	Final Maturity
New York State EFC Bonds-2001, Series B	2.306% - 3.811%	\$ 8,154,789	\$ 1,485,000	November 1, 2022
New York State EFC Bonds-2002 Series F	5.771% - 6.181%	1,365,000	455,000	November 1, 2023
New York State EFC Bonds-2002 Series G	2.075% - 2.745%	3,452,513	475,000	October 1, 2019
New York State EFC Bonds-2002 Series I	4.920% - 5.380%	1,160,000	205,000	September 1, 2022
New York State EFC Bonds-2003 Series A	4.311% - 4.901%	1,160,000	655,000	April 1, 2031
General Obligation Serial Bonds-2004	5.375% - 5.400%	3,880,000	130,000	February 15, 2022
New York State EFC Bonds-2006 Series C	4.396% - 4.731%	3,442,810	2,465,000	April 1, 2036
Various Purposes Serial Bonds-2008	4.000% - 4.250%	13,210,000	5,800,000	June 15, 2022
NYS EFC Bonds-2008, Series A-1, B-1, A-2, B-2 (2011C)	4.270%	1,783,412	500,000	April 1, 2038
Public Improvement Serial Bonds-2009	3.250% - 4.000%	11,615,000	6,180,000	June 1, 2024
EFC Refunding-2010	2.412% - 2.586%	845,000	105,000	October 1, 2018
EFC Serial Bonds-2010 Series C	2.412% - 4.603%	15,173,760	11,605,000	October 1, 2039
Various Purposes Serial Bonds-2010 Series A	2.000% - 2.500%	6,063,000	2,335,000	October 1, 2021
Refunding Serial Bonds -2010	4.000% - 2.750%	12,065,000	4,060,000	May 1, 2022
Various Purposes Serial Bonds-2012	2.000% - 2.250%	9,192,341	6,360,000	October 1, 2027
L-C 2012 Series E Bonds	0.779% - 4.098%	54,148,000	46,430,000	November 1, 2042
\$550,000 NYS EFC Series 2013B	2.075% - 2.745%	550,000	350,000	January 1, 2023
Refunding Serial Bonds 2004 & 2005 Ref. 2014 Series A	5.000% - 3.000%	25,220,000	16,520,000	February 1, 2025
Refunding Serial Bonds 2003 Ref. 2014 Series B	5.000% - 3.000%	11,545,000	4,700,000	July 15, 2022
Refunding Serial Bonds 2003 Ref. 2014 Series C	3.000% - 3.500%	21,790,825	18,720,000	April 1, 2032
Various Purpose Serial Bond 2014 Series D	2.000% - 3.000%	25,108,147	20,905,000	October 1, 2030
Refunding Landfill Capping L-5 - NYSEFC Series 2014B	4.061% - 4.325%	6,861,511	1,730,000	May 15, 2021
Refunding 2015 Series A (2006,2007A,2007B)	4.000% - 2.500%	21,245,000	19,970,000	February 1, 2027
Public Improvement 2015 Series B	3.000%	4,390,000	4,145,000	April 1, 2035
Refunding 2015 Series C	5.000%	17,210,000	10,300,000	January 15, 2023
EFC - Clean Water Statutory Installment Bond 2016	0.000%	1,885,113	1,759,312	June 19, 2045
Public Improvement Serial Bonds Series 2016 A	2.000% - 3.000%	13,862,090	13,310,001	October 1, 2037
Public Improvement Serial Bonds Series 2016 B	2.000% - 3.000%	48,046,322	45,650,000	September 15, 2034
Public Improvement Serial Bonds Series 2016 C	2.250% - 3.000%	19,308,531	18,795,000	September 15, 2046
Public Improvement Serial Bonds Series 2017 A	3.000% - 3.250%	49,774,425	49,774,425	April 1, 2039
Public Improvement Serial Bonds Series 2017 B	3.000% - 4.000%	10,970,000	10,970,000	April 1, 2047
Public Improvement Serial Bonds Series 2017 C	2.000% - 3.100%	21,677,200	21,677,200	September 15, 2036
Public Improvement Serial Bonds Series 2017 D	1.000% - 3.000%	4,750,000	4,750,000	September 15, 2047
		<u>\$ 450,904,789</u>	<u>\$ 353,270,938</u>	

**Revenue Bonds** – The Town borrowed money in order to finance the purchase of certain real property. These bonds bear an interest rate of 2.300% and mature on February 1, 2018.

Future principal and interest payments to maturity for the Town’s revenue bonds are as follows:

	Principal	Interest	Total Principal and Interest
Year Ending December 31, 2018	\$ 890,582	\$ 10,242	\$ 900,824

Revenue bonds are paid through annual budgetary appropriation in the Solid Waste Management Authority.

**E. RETIREMENT SYSTEM**

Plan Description

The Town of North Hempstead participates in the New York State and Local Employees’ Retirement System (“ERS” or the “System”). This is a cost-sharing multiple-employer defined benefit pension plan. The net position of the System is held in the New York Common Retirement Fund (“Fund”), which was established to hold all assets and record changes in the fiduciary net position allocated to the System. The Comptroller of the State of New York (the “Comptroller”) serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. System benefits are established under the provisions of the New York State Retirement and Social Security Law (“RSSL”). Once a public employer elects to participate in the System, the election is irrevocable.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

**E. RETIREMENT SYSTEM** (continued)

Plan Description (continued)

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 ("GLIP"), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report may be found at <http://www.osc.state.ny.us/retire/publications/index.php> or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244-0001.

Benefits Provided

The System provides retirement benefits, as well as death and disability benefits.

*Tiers 1 and 2*

**Eligibility:** Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 and Tier 2 is 55 and 62, respectively.

**Benefit calculation:** Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2.0% of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

**Final average salary** is the average of the wages earned in the three highest consecutive years of employment. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20% of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20% of the average of the previous two years.

*Tiers 3, 4, and 5*

**Eligibility:** Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

**Benefit calculation:** Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2.0% of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5% of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with ten or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

**Final average salary** is the average of the wages earned in the three highest consecutive years of employment. For Tier 3, 4 and 5 members, each year of final average salary is limited to no more than 10% of the average of the previous two years.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

**E. RETIREMENT SYSTEM** (continued)

Benefits Provided (continued)

*Tier 6*

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63.

Benefit Calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75% of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2.0% of final average salary is applied for each year of service over 20 years. Tier 6 members with ten or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years of employment. For Tier 6 members, each year of final average salary is limited to no more than 10% of the average of the previous four years.

*Disability Retirement Benefits*

Disability retirement benefits are available to members unable to perform their job duties because of permanent physical or mental capacity. There are three general types of disability benefits: ordinary, performance of duty and accidental disability benefits. Eligibility, benefit amounts and other rules such as any offsets of other benefits depend on a member's tier, years of service and plan.

*Ordinary Death Benefits*

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

*Post-Retirement Benefit Increases*

A cost-of-living adjustment is provided annually to: (i) all retirees who have attained age 62 and have been retired for five years; (ii) all retirees who have attained age 55 and have been retired for ten years; (iii) all disability retirees, regardless of age, who have been retired for five years; (iv) recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible retiree as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50% of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1% or exceed 3%.

Contributions

Generally, Tier 3, 4 and 5 members must contribute 3% of their salary to the System. As a result of Article 19 of the RSSL, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1976, who have ten or more years of membership or credited service with the System, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

**E. RETIREMENT SYSTEM** (continued)

Contributions (continued)

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 System's fiscal year ending March 31. Contributions for the current Plan year and two preceding years, inclusive of two component units were as follows:

Annual Required Contribution - ERS						
	Amount	Credits & Miscellaneous Adjustments	Prepayment Discount	2011-2016 Amortization/ Deferral	2010 Incentive Installment	Total Payment
March 31, 2018	\$ 5,035,565	\$ 3,060	\$ (45,225)	\$ 960,172		\$ 5,953,572
2017	5,030,156	134,508	(45,714)	1,005,270		6,124,220
2016	5,712,758	(94,008)		59,329	\$ 323,230	6,001,309

The actual contributions were \$4,752,914.

Chapter 57 of the Laws of 2010 of the State of New York was enacted to allow local employers to amortize a portion of their retirement bill for 10 years in accordance with the following stipulations:

- For State fiscal year 2010-11, the amount in excess of the graded rate of 9.5 percent of employees' covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the amortization was instituted.
- For subsequent State fiscal years, the graded rate will increase or decrease by up to one percent depending on the gap between the increase or decrease in the System's average rate and the previous graded rate.
- For subsequent State fiscal years in which the System's average rates are lower than the graded rates, the employer will be required to pay the graded rate. Any additional contributions made will first be used to pay off existing amortizations, and then any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.

Chapter 57 of the Laws of 2013 of the State of New York was enacted that allows local employers to amortize a portion of their retirement bill for 12 years in accordance with stipulations. The Town has continued with a 10 year amortization.

This law requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years, when the local employer opts to participate in the program. The total unpaid liability for the Town for the 2010 - 2015 amortization programs is \$5,025,786 inclusive of SWMA and one nonmajor component unit, the Glenwood Water District, of \$6,354. The total unpaid liability for the Town, without the nonmajor component unit, of \$5,019,432, was recorded in the government-wide statements. Amortization contributions will be paid in ten equal installments, one per year, but may be prepaid at any time. The Town has, for now, opted to amortize over the ten-year period. The interest rate for repayment of the amounts amortized for the System's fiscal years ending March 31, 2016, 2015, 2014, 2013, 2012 and 2011 are 3.210%, 3.150%, 3.670%, 3.000%, 3.750% and 5.000%, respectively. Future principal and interest payments to maturity for the amortization installments are as follows:

	Principal	Interest	Total Principal and Interest
Years Ending December 31, 2018	\$ 809,963	\$ 170,944	\$ 980,907
2019	837,817	143,091	980,908
2020	866,647	114,260	980,907
2021	853,727	83,758	937,485
2022	752,228	55,012	807,240
2023-2025	905,404	39,427	944,831
	\$ 5,025,786	\$ 606,492	\$ 5,632,278

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

**E. RETIREMENT SYSTEM** (continued)

Pension Liabilities, Pension Expense and Deferred Outflows of Resources Related to Pensions

At December 31, 2017, the Town reported a liability of \$10,315,083 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of March 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2016. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. Below is the Town's proportionate share of the net pension liability of the System and its related employer allocation percentage.

Measurement Date		March 31, 2017
Net Pension Liability	\$	10,315,083
Town's Portion of the System's total Net Pension Liability		0.1097790%

The Town's proportionate share of the System's total net pension liability as of March 31, 2016 was 0.1105340% and therefore there was no significant change in the Town's proportion from March 31, 2016 to March 31, 2017.

For the year ended December 31, 2017, the Town recognized pension expense of \$6,169,714 in the statement of activities. At December 31, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 258,487	\$ 1,566,403
Changes of assumptions	3,524,010	
Net difference between projected and actual earnings on pension plan investments	2,060,340	
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	817,768	29,555
Town's contribution subsequent to the measurement date	3,560,974	
	\$ 10,221,579	\$ 1,595,958

The Town's contribution subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan Years Ending December 31, 2018	\$	2,213,435
2019		2,213,435
2020		1,946,969
2021		(1,309,192)
	\$	5,064,647

Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date.

The actuarial valuations used the following actuarial assumptions:

Measurement Date		March 31, 2017
Actuarial Valuation Date		April 1, 2016
Investment Rate of Return (net of investment expense, including inflation)		7.0%
Salary Scale		3.8%
Cost of Living Adjustments		1.3% annually
Inflation Rate		2.5%

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

**E. RETIREMENT SYSTEM** (continued)

Actuarial Assumptions continued)

Annuitant mortality rates are based on the April 1, 2010 – March 31, 2015 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014. The actuarial assumptions used in the April 1, 2016 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

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

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2017 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	36.0%	4.55%
International equity	14.0%	6.35%
Private equity	10.0%	7.75%
Real estate	10.0%	5.80%
Absolute return strategies	2.0%	4.00%
Opportunistic portfolio	3.0%	5.89%
Real assets	3.0%	5.54%
Bonds and mortgages	17.0%	1.31%
Cash	1.0%	(0.25)%
Inflation indexed bonds	4.0%	1.50%
	<u>100.0%</u>	

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

Discount Rate

The discount rate used to calculate the total pension liability was 7.0% for the System. 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. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

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

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Town's proportionate share of the net pension liability (asset)	\$ 32,944,331	\$ 10,315,083	\$ (8,817,904)

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

**E. RETIREMENT SYSTEM** (continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption  
(continued)

The components of the current year net pension liability of the employers participating in the System as March 31, 2017, were as follows (dollars in thousands):

Employers' total pension liability	\$	177,400,586
Plan net position		(168,004,363)
Employers' net pension liability	\$	9,396,223
Ratio of plan net position to the Employers' total pension liability		94.70%

Detailed information about the pension plan's fiduciary net position is available in the System's separately issued financial statements.

**F. FIRE PROTECTION LENGTH OF SERVICE AWARD PROGRAM ("LOSAP")**

The Town of North Hempstead's financial statements are for the year ended December 31, 2017. 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 #1), which are the most recent plan years for which complete information is available.

**Program Description**

The Town of North Hempstead, 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 #1, Alert Engine, Hook and Ladder and Hose Company #1, Floral Park Centre Fire Company, Inc., Glenwood Hook and Ladder, Engine and Hose Company, Port Washington Fire Department, Inc. and Roslyn Volunteer Firefighter Service Award Program. The programs are defined benefit plans and were established pursuant to Article 11A of the New York State General Municipal Law. The programs took effect on various dates (see Table #1). The Plans established a defined benefit LOSAP for the active volunteer firefighters of the respective fire companies. The programs provide municipal funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters. Four of the programs, Alert Engine, Hook and Ladder and Hose Company #1, Glenwood Hook and Ladder, Engine and Hose Company, Port Washington Fire Department Inc. and Roslyn Volunteer Firefighter Service Award Program, have multiple sponsors.

Participation, Vesting, and Service Credit

Active volunteer firefighters, who have reached a specific age (as determined by each Plan – see Table #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 #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 #1) of firefighting service (called "Prior Service") rendered prior to the establishment of the Plan.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

**F. FIRE PROTECTION LENGTH OF SERVICE AWARD PROGRAM (“LOSAP”) (continued)**

Benefits Provided

A participant's benefit under the Plan is the actuarial equivalent of a monthly payment for life equal to \$20 to \$30 (as determined by each Plan – see Table #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 #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 #1).

**Table #1 Program Description**

	<u>Albertson</u>	<u>Alert</u>	<u>Floral Park Centre</u>
Plan year end date	12/31/2017	12/31/2016	12/31/2017
Plan established by:	Town of North Hempstead	Town of North Hempstead; Villages of Great Neck, Kings Point and Saddle Rock (Joint Sponsoring Board)	Town of North Hempstead
Sponsored by:	Town of North Hempstead	Joint Sponsoring Board	Town of North Hempstead
Effective date of plan	1/1/1991	1/1/1996	7/1/1991
Entitlement Age	62	65	65
Nonforfeitable right to award after:	5 years	5 years	5 years
Prior service credit (up to):	5 years	5 years	5 years
Eligible age	17	17	18
Required years of service	One	One	One
Benefits:			
Monthly payment	\$20-\$30	\$20	\$20
Maximum years used to calculate	40 years	40 years	25 years
Benefits payable at	Entitlement Age except for disability or death	Entitlement Age except for disability or death	Entitlement Age except for disability or death
Optional line-of-duty disability	No	No	No
	<u>Glenwood</u>	<u>Port Washington</u>	<u>Roslyn</u>
Plan year end date	12/31/2016	12/31/2017	12/31/2016
Plan established by:	Towns of North Hempstead and Oyster Bay, Villages of Brookville and Roslyn Harbor	Town of North Hempstead, Villages of Baxter Estates, Flower Hill, Manorhaven, Plandome Manor, Port Washington North and Sands Point	Towns of North Hempstead and Oyster Bay, Villages of Brookville, East Hills, Flower Hill, North Hills, Old Westbury, Roslyn, Roslyn Estates and Roslyn Harbor
Sponsored by:	Glenwood H&L E&H Company	Joint Sponsoring Board	Joint Sponsoring Board
Effective date of plan	4/1/1990	1/1/1993	1/1/1996
Entitlement Age	55	65	62
Nonforfeitable right to award after:	5 years	5 years	5 years
Prior service credit (up to):	5 years	5 years	5 years
Eligible age	18	18	18
Required years of service	One	One	One
Benefits:			
Monthly payment	\$20	\$20	\$20
Maximum years used to calculate	37 years	40 years	30 years
Benefits payable at	Entitlement Age except for disability or death	Entitlement Age except for disability or death	Entitlement Age except for disability or death
Optional line-of-duty disability	No	No	No

**Participants Covered by the Benefit Terms**

	<u>Albertson</u>	<u>Floral Park Centre</u>
Inactive participants currently receiving benefits	18	3
Inactive participants entitled to, but not yet receiving benefits	17	3
Active participants	42	26
<b>Total</b>	<b>77</b>	<b>32</b>



**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

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

**Fiduciary Investment and Control**

Service credit is determined by the governing board of the sponsor, based on information certified to the governing board by each fire company having members who participate in the program. Each fire company must maintain all required records on forms prescribed by the governing board.

Some governing boards of the sponsors retained and designated organizations to assist in the administration of the program (see Table #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 #2).

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

Plan sponsors are required to retain an actuary to determine the amount of the sponsor's contributions to the plan. The actuaries retained by the sponsors for this purpose are outlined in the table below. Portions of the following information are derived from the reports prepared by these actuaries (see Table #2 for report dates).

**Table #2 Fiduciary Information**

	<u><b>Albertson</b></u>	<u><b>Alert</b></u>	<u><b>Floral Park Centre</b></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	1/1/2018	1/1/2017	1/1/2018
Actuary report date	4/27/2018	7/12/2017	5/3/2018
	<u><b>Glenwood</b></u>	<u><b>Port Washington</b></u>	<u><b>Roslyn</b></u>
Administered by the actuary:	VFIS	Penflex, Inc.	Penflex, Inc.
Disbursements approved by:	Fire Company's Board	Joint Sponsoring Board	Joint Sponsoring Board
Plan Trustee	Joint Sponsoring Board	Joint Sponsoring Board	Joint Sponsoring Board
Authority to invest assets	MassMutual Financial Group	Castle Asset Management LLC	FCE Group
Valuation date	1/1/2017	1/1/2018	1/1/2017
Actuary report date	7/27/2017	5/4/2018	10/20/2017

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

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

**Program Financial Condition**

The following represents the Town's proportionate share of program assets as of December 31, 2017 and the changes for the year then ended:

**Table #3 Program Financial Condition**

	<u>Albertson</u>		<u>Alert</u>		<u>Floral Park Centre</u>	
<u>Net Assets Available for Benefits</u>		<u>% of total</u>		<u>% of total</u>		<u>% of total</u>
Cash & short-term investments	\$ 60,313	2.44%	\$ 4,772	2.99%	\$ 18,529	3.36%
Other securities/assets	2,409,260	97.56%	154,772	97.01%	532,506	96.64%
	<u>2,469,573</u>	100.00%	<u>159,544</u>	100.00%	<u>551,035</u>	100.00%
January payments made in prior December	7,500		543		980	
Total Net Assets Available for Benefits	<u>\$ 2,477,073</u>		<u>\$ 160,087</u>		<u>\$ 552,015</u>	
<u>Prior Service Costs/Separate Service Costs</u>						
Amortization period	15 years		20 years		15 years	
Discount rate	5.50%		5.50%		5.50%	
<u>Receipts and Disbursements</u>						
Program Net Assets, January 1, 2017	\$ 2,153,210		\$ 140,411		\$ 523,439	
Plan contributions	180,000		13,012		50,000	
Investment income earned	246,310		16,026		57,606	
Plan benefit withdrawals	(97,676)		(7,269)		(74,576)	
Life insurance premium			(296)			
Administrative fees	(5,631)		(541)		(4,454)	
Other expenses	860		(1,256)			
Program Net Assets, December 31, 2017	<u>\$ 2,477,073</u>		<u>\$ 160,087</u>		<u>\$ 552,015</u>	
<u>Contributions</u>						
Recommended by Actuary	\$ 177,210		\$ 13,012		\$ 34,220	
Actual contribution	\$ 180,000		\$ 13,012		\$ 50,000	
<u>Administration Fees</u>						
Paid to Plan Administrator	\$ 5,631		\$ 541		\$ 4,454	

	<u>Glenwood</u>		<u>Port Washington</u>		<u>Roslyn</u>	
<u>Net Assets Available for Benefits</u>		<u>% of total</u>		<u>% of total</u>		<u>% of total</u>
Cash & short-term investments	\$ 259	0.05%	\$ 166,417	7.87%	\$ 22,066	3.12%
Group annuity contracts	538,272	99.95%	1,948,323	92.13%	685,694	96.88%
Other securities/assets	<u>538,531</u>	100.00%	<u>2,114,740</u>	100.00%	<u>707,760</u>	100.00%
January payments made in prior December			5,970		3,256	
Receivables					11,069	
Benefits payable			(3,389)		(3,123)	
Total Net Assets Available for Benefits	<u>\$ 538,531</u>		<u>\$ 2,117,321</u>		<u>\$ 718,962</u>	
<u>Prior Service Costs/Separate Service Costs</u>						
Amortization period	N/A		15 years		15 years	
Discount rate	4.75%		5.25%		5.50%	
<u>Receipts and Disbursements</u>						
Program Net Assets, January 1, 2017	\$ 444,435		\$ 1,759,192		\$ 653,486	
Plan contributions	57,855		216,568		51,446	
Settlements	89,618					
Investment income earned	15,429		216,705		58,723	
Plan benefit withdrawals	(67,275)		(69,019)		(40,712)	
Life insurance premium	(1,163)					
Administrative fees	(270)		(6,125)		(2,185)	
Other expenses	(98)				(1,796)	
Program Net Assets, December 31, 2017	<u>\$ 538,531</u>		<u>\$ 2,117,321</u>		<u>\$ 718,962</u>	
<u>Contributions</u>						
Recommended by Actuary	\$ 47,631		\$ 216,568		\$ 51,446	
Actual contribution	\$ 57,855		\$ 216,568		\$ 51,446	
<u>Administration Fees</u>						
Paid to Plan Administrator	\$ 270		\$ 6,125		\$ 2,185	

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

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

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

At December 31, 2017, the Town reported a liability of \$10,285,149 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, 2016 for all plans except for Glenwood Hook and Ladder which was measured as of December 31, 2017. 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, 2017 for the two LOSAP Plans where the Town is the sole sponsor:

	<u>Albertson</u>	<u>Floral Park Centre</u>
Program Liability - Beginning of year	\$ 3,698,067	\$ 922,826
Service cost	138,879	20,168
Interest	120,904	29,988
Difference between expected and actual experience	7,473	3,946
Change in assumptions	(271,929)	(67,991)
Benefit payments	(117,413)	(11,760)
Program Liability - End of year	<u>\$ 3,575,981</u>	<u>\$ 897,177</u>

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

	<u>Alert</u>	<u>Glenwood</u>	<u>Port Washington</u>	<u>Roslyn</u>
Town's proportionate share of the total pension liability at December 31, 2016	6.27%	19.60%	47.08%	21.71%
Town's proportionate share of the total pension liability at December 31, 2015	6.23%	19.60%	47.08%	21.59%
Change in proportionate share	0.04%	0.00%	0.00%	0.12%
Basis on which proportion was determined	cost sharing agreement	cost sharing agreement	cost sharing agreement	cost sharing agreement

For the year ended December 31, 2017, the Town recognized pension expense of \$716,493 in the statement of activities. At December 31, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to the program from the following sources:

**Deferred Outflows of Resources**

	<u>Albertson</u>	<u>Alert</u>	<u>Floral Park Centre</u>	<u>Glenwood</u>	<u>Port Washington</u>	<u>Roslyn</u>	<u>Totals</u>
Differences between expected and actual experience	\$ 6,787		\$ 3,632			\$ 13,284	\$ 23,703
Changes of assumptions or other inputs				\$ 64,488			64,488
Changes in proportion and difference between Town pension payments and proportionate share of benefit payments		\$ 5,156			\$ 84,429	5,704	95,289
Benefit payments and administrative expenses subsequent to the measurement date	102,446	9,362	79,029		75,141	44,762	310,740
Total	<u>\$ 109,233</u>	<u>\$ 14,518</u>	<u>\$ 82,661</u>	<u>\$ 64,488</u>	<u>\$ 159,570</u>	<u>\$ 63,750</u>	<u>\$ 494,220</u>

**Deferred Inflows of Resources**

	<u>Albertson</u>	<u>Alert</u>	<u>Floral Park Centre</u>	<u>Glenwood</u>	<u>Port Washington</u>	<u>Roslyn</u>	<u>Totals</u>
Differences between expected and actual experience		\$ 1,495			\$ 65,045		\$ 66,540
Changes of assumptions or other inputs	\$ 246,980	17,404	\$ 62,594		288,243	\$ 103,351	718,572
Total	<u>\$ 246,980</u>	<u>\$ 18,899</u>	<u>\$ 62,594</u>	<u>\$ -0-</u>	<u>\$ 353,288</u>	<u>\$ 103,351</u>	<u>\$ 785,112</u>

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

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

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

Deferred outflows of resources related to the program resulting from the Town's contribution subsequent to the measurement date in the amount of \$310,740 will be recognized as a reduction of the program liability in the year ended December 31, 2018. 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:

	Albertson	Alert	Floral Park Centre	Glenwood	Port Washington	Roslyn	Totals
For Years Ending December 31, 2018	\$ (24,262)	\$ (1,510)	\$ (5,083)	\$ 10,748	\$ (16,003)	\$ (7,811)	\$ (43,921)
2019	(24,262)	(1,510)	(5,083)	10,748	(16,003)	(7,811)	(43,921)
2020	(24,262)	(1,510)	(5,083)	10,748	(16,003)	(7,811)	(43,921)
2021	(24,262)	(1,510)	(5,083)	10,748	(16,003)	(7,811)	(43,921)
2022	(24,262)	(1,510)	(5,083)	10,748	(16,003)	(7,811)	(43,921)
Thereafter	(118,883)	(6,193)	(33,547)	10,748	(188,844)	(45,308)	(382,027)
	<u>\$ (240,193)</u>	<u>\$ (13,743)</u>	<u>\$ (58,962)</u>	<u>\$ 64,488</u>	<u>\$ (268,859)</u>	<u>\$ (84,363)</u>	<u>\$ (601,632)</u>

**Funding Methodology and Actuarial Assumptions**

The actuarial valuation methodology used by the actuary to determine the sponsor's liability is listed in Table #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 #4 Methodology and Assumptions**

	Albertson	Alert	Floral Park Centre
Actuarial valuation date	12/31/2016	12/31/2016	12/31/2016
Measurement date	12/31/2016	12/31/2016	12/31/2016
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment rate of return	3.71%	3.71%	3.71%
Salary increases	Not Applicable	Not Applicable	Not Applicable
Inflation rate	2.25%	2.25%	2.25%
Mortality table used for withdrawals, retirements, active and inactive deaths:			
Pre-entitlement age	*	*	*
Post-entitlement age	*	*	*

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

	Glenwood	Port Washington	Roslyn
Actuarial valuation date	1/1/2017	12/31/2016	12/31/2016
Measurement date	12/31/2017	12/31/2016	12/31/2016
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment rate of return	3.31%	3.71%	3.71%
Salary increases	Not Applicable	Not Applicable	Not Applicable
Inflation rate	0.00%	2.25%	2.25%
Mortality table used for withdrawals, retirements, active and inactive deaths:			
Pre-entitlement age	None	*	*
Post-entitlement age	GAR94	*	*

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

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

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

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

The following presents the Town's proportionate share of the length of service award program liability calculated using the discount rate (investment rate of return) as listed in Table #4 above as well as what the Town's proportionate share of the program liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current assumption:

	1% Decrease	Current Assumption	1% Increase
<b>Albertson</b>			
Discount Rates	2.71%	3.71%	4.71%
LOSAP liability	\$ 4,137,981	\$ 3,575,981	\$ 3,118,082
<b>Alert</b>			
Discount Rates	2.71%	3.71%	4.71%
LOSAP liability	\$ 285,091	\$ 245,114	\$ 212,691
<b>Floral Park Centre</b>			
Discount Rates	2.71%	3.71%	4.71%
LOSAP liability	\$ 1,037,050	\$ 897,177	\$ 781,284
<b>Glenwood</b>			
Discount Rates	2.31%	3.31%	4.31%
LOSAP liability	\$ 911,603	\$ 847,565	\$ 782,110
<b>Port Washington</b>			
Discount Rates	2.71%	3.71%	4.71%
LOSAP liability	\$ 4,101,510	\$ 3,468,830	\$ 2,958,210
<b>Roslyn</b>			
Discount Rates	2.71%	3.71%	4.71%
LOSAP liability	\$ 1,486,005	\$ 1,250,482	\$ 1,065,013

**G. POSTEMPLOYMENT BENEFITS HEALTHCARE COSTS**

Plan Description

The Town operates a single-employer defined benefit plan per its contract with its union employees and is also followed by its non-union staff. The Town will pay the full premium costs for the medical benefits, currently provided by the New York State Health Insurance Program (NYSHIP) (Empire Plan), HIP Prime HMO or Island 65. Active and retired employees of the Town have the Empire PPO Plan (Core Plus Enhancements) or HIP Prime HMO. Island 65, available for retirees over 65, is a choice of coverage for retirees, through a self-administered arrangement through Island Group Administration, Inc. The Empire Plan has separate pre-Medicare and Medicare rates. Since the plans are community rated, the retiree claim costs are based on the actual rates without adjustment for age.

Regular full-time employees who have completed ten (10) cumulative years of full-time service with the Town, or Elected Officials and Executive Management/Appointed Employees who have five (5) or more cumulative years of service with the Town, vest the right to receive fully covered medical coverage at retirement age, as determined by the Plan. Retiree health insurance contributions for non-union staff will follow that which is set forth in the CSEA contract. Individual coverage is provided to those employees with five full years of service and who have reached the age of 70 and can retire. Additionally, individual and family medical benefits are provided to those retirees who are 55 years or older and have ten years of service. Retirees within five years of age 55 can contribute 100% of their medical premiums as a vestee until age 55 at which time the Town will pay the full benefit. The Town provides full dental and vision benefits to exempt employees when they retire. Non-exempt employees can pay for dental and vision benefits for up to eighteen months under COBRA.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

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

Upon the death of a retiree, the Town continues to pay full healthcare costs for the un-remarried survivor for three months after the month of death. During the three month period of time, the survivor determines if they want to continue and pay for coverage under the Town's policy. The Town does not pay the premium costs for survivors of former employees who became survivors before March 1, 1995 and pays 50% of the premium costs for survivors of former employees who became survivors after March 1, 1995. If at the time of death of the surviving spouse, he or she is survived by a qualified dependent of the former employee for who there has been continuous coverage under the Town's medical plan, the Town will pay 50% of the premium to continue individual medical coverage for the qualified dependent for as long as such person remains a qualified dependent, up to age 26.

The retiree is also eligible for Medicare Part B reimbursement. The Medicare Part B premium that is charged varies by income level, with a base rate of \$1,608. Medicare Part reimbursement valuation was assumed at the basic level. Presently, the survivor does continue to receive the Medicare reimbursement. For future survivors, the plan provides 50% of the medical premium and none of the Medicare Part B premium. These contracts may be renegotiated at various times in the future.

The Town, as administrator of the plan, does not issue a separate report.

The number of participants as of January 1, 2016, the effective date of the OPEB valuation, follows. There have been no significant changes in the number of employees or the type of coverage since that date.

Active employees	419
Retired employees and spouses	278
Surviving spouses of deceased retirees	44
Total	741

Funding Policy

The Town currently pays for postemployment health care benefits on a pay-as-you-go basis.

Annual Other Postemployment Benefit Cost

For the year ended December 31, 2017, the Town's annual OPEB cost (expense) was \$11,878,847. Considering the annual expense as well as the payment of current health, dental and vision insurance premiums and Medicare reimbursements, which totaled \$3,944,300 for retirees and their beneficiaries, the result was an increase in the other postemployment benefits liability of \$7,934,547 for the year ended December 31, 2017. The OPEB cost for the nonmajor component units for the year ended December 31, 2017, amounted to \$10,773,093. Considering health insurance payments totaling \$2,987,047, the increase in the other postemployment benefits liability for the nonmajor component units for the year ended December 31, 2017 amounted to \$7,786,046.

Benefit Obligations and Normal Cost

	Medical, Dental, Vision and Medicare Part B
Actuarial Accrued Liability (AAL)	
Active employees	\$ 71,897,278
Retired employees	61,797,716
	133,694,994
Total Actuarial Accrued Liability (AAL)	133,694,994
Actuarial value of plan assets	-0-
	133,694,994
Unfunded actuarial accrued liability (UAAL)	\$ 133,694,994
Funded ratio	0%
Annual covered payroll	\$ 29,583,286
UAAL as a percentage of covered payroll	451.93%

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

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

Benefit Obligations and Normal Cost (continued)

The Town's annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, which is an amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The unfunded actuarial accrued liability for the Town for the year ended December 31, 2017 amounted to \$133,694,994. The unfunded actuarial accrued liability for the nonmajor components units for the year ended December 31, 2017 amounted to \$129,166,885.

Level Dollar Amortization Calculation of ARC under the Projected Unit Credit Cost Method

The following table shows the components of the Town's OPEB liability:

Normal cost	\$	5,314,220
Amortization of unfunded actuarial liability (UAAL) over 30 years		7,733,192
Annual required contribution (ARC)		13,047,412
Interest on net OPEB obligation		2,992,990
Adjustment to ARC		(4,161,555)
Annual OPEB Cost		11,878,847
Less: Contribution for year ended December 31, 2017		3,944,300
Increase in other postemployment benefits liability		7,934,547
Other postemployment benefits liability at December 31, 2016		74,824,759
Other postemployment benefits liability at December 31, 2017	\$	82,759,306
Percentage of annual OPEB cost contributed		33.2%

Funded Status and Funding Progress

The percentage contributed for the current year and preceding two years was:

	Annual OPEB Cost	Annual Contribution Made	Percentage Contributed	Net OPEB Obligation
2017	\$ 11,878,847	\$ 3,944,300	33.2%	\$ 82,759,306
2016	12,008,234	3,723,385	31.0%	74,824,759
2015	10,907,908	3,485,867	32.0%	66,539,910

The funded status of the plan as of December 31, 2017 (based on the date of the most recent valuation) is as follows:

Actuarial Valuation Date January 1,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
Town	\$ -0-	\$ 133,694,994	\$ 133,694,994	0%	\$ 29,583,286	451.93%
Nonmajor component units	-0-	129,166,885	129,166,885	0%	25,837,099	499.93%

The required schedule of funding progress can be found immediately following the notes, in required supplementary information and presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

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

Actuarial Methods and Assumptions

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of future events far into the future. Amounts determined regarding the funded status of a plan and the employer's annual required contributions are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members), and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point.

The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

In the January 1, 2016 actuarial valuation the assumptions used in calculating OPEB are as follows:

- The actuarial funding method used is the projected unit credit cost method.
- The method for amortizing the initial unfunded accrued liability is level dollar amortization. A 30-year open amortization period was used.
- The discount rate used is 4.0%.
- The mortality table used is the 2011 United States Life Tables, extended to age 110.
- The inflation rate is 4.0%.
- Health care cost trends rates inclusive of general inflation:
  - Medical Premiums: 9.0% in year 1 grading to 5.0% in year 9 and subsequent.
  - Medicare Part B Premiums: 7.0% in year 1 grading to 5.0% in year 5 and subsequent.
  - Dental Premiums: 5.0% in year 1 grading to 4.0% in year 5 and subsequent.
  - Vision Premiums: 3.0% in year 1 and subsequent.
- Spousal coverage:
  - For current retirees, actual data is used in determining if spousal benefits are included in the valuation.
  - For future retirees, it is assumed that 65% of males and 40% of females will elect to receive family coverage at retirement.
- Turnover rates are based on the experience of the New York State and Local Retirement System.
- Retirement rates are based on the experience of the New York State and Local Retirement System.
- All active employees potentially eligible for medical insurance related to OPEB benefits are included in the valuation, including those who may not have currently elected to receive benefits. It is assumed that 90% of all eligible personnel will elect to receive postemployment medical benefits upon retirement and that 100% will elect dental and vision benefits upon retirement.
- Empire Plan, Island 65, Medicare Part B and dental/vision premiums are assumed to increase on January 1 of each year.
- Administrative fees are assumed to continue and increase each year by 4.0%. Participation rate is 100% of eligible retirees.

A copy of the Town of North Hempstead's Retiree Medical Program, December 31, 2017 valuation is available by contacting the Town of North Hempstead, Office of the Comptroller, 220 Plandome Rd., Manhasset, New York 11030.



**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

**H. COMPENSATED ABSENCES**

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

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

As of December 31, 2017, the value of the accumulated vacation time and sick leave was \$5,240,520 for the Town. The liability for compensated absences for the nonmajor component units amounted to \$12,624,196.

**I. TAX ABATEMENT PROGRAMS**

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, 2017, 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 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, 2017, the agreements the NCIDA ratified resulted in an abatement of \$3,293,239 of the Town's real property taxes and the receipt of \$1,205,191 in PILOT payments.

**4. COMMITMENTS AND CONTINGENCIES**

**A. RISK RETENTION**

In common with other municipalities, the Town receives numerous notices of claims. The Town carries excess liability insurance coverage of \$1,000,000 per occurrence, with a \$3,000,000 annual aggregate, and is self-insured, up to \$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 \$3,012,721. The Town is of the opinion that the ultimate settlement of the outstanding claims will not result in a material adverse effect on the Town's financial position.

The Town is self-insured for property protection on the first \$250,000 per loss. The Town carries building and contents coverage in excess of \$100,000,000. Flood and earthquake claims are covered up to \$10,000,000 for any one loss and a \$10,000,000 annual aggregate.

The Town is self-insured for workers' compensation insurance and general liability insurance. Estimated benefits to be paid are appropriated in the various operating funds of the Town. The Town has provided an umbrella-type policy protecting against a catastrophic loss in the workers' compensation self-insurance protection program with \$500,000 retention, per occurrence, with benefits of up to \$25,000,000. Although the eventual value of these claims cannot presently be determined, the third-party administrator has estimated the workers' compensation to be \$3,158,535. The Town is also self-insured for unemployment benefits paid.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

**A. RISK RETENTION** (continued)

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

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

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

	Workers' Compensation		General Liability	
	2017	2016	2017	2016
Unpaid claims and claim adjustment expenditures at the beginning of the year	\$ 3,052,946	\$ 2,939,323	\$ 2,235,431	\$ 2,971,622
Insured claims and claim adjustment expenditures:				
Provision for the insured events of the current year and increases/decreases in provision for insured events of prior years	942,895	1,079,872	833,439	(696,017)
Payments:				
Claim and claim adjustment expenditures attributable to insured events of the current and prior years	837,306	966,249	56,149	40,174
Total unpaid claims and claim adjustment expenditures at the end of the year	<u>\$ 3,158,535</u>	<u>\$ 3,052,946</u>	<u>\$ 3,012,721</u>	<u>\$ 2,235,431</u>

**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.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

**B. LITIGATION** (continued)

Nassau County Cases (continued)

*Garbage Taxes and Local Utilities* (continued)

In February 2015, the Town paid \$1,550,174 to resolve the actions commenced by Verizon from 2003-2012. Proceeds of the \$4,765,000 Bond Anticipation Notes – 2015 Series B in the amount of \$1,575,000 funded the Town's settlement with Verizon. As of December 31, 2017, and after annual renewal, the outstanding balance of the BAN is \$1,210,000. The Town has obtained a judgment against the County for the refund plus interest, which the County has appealed. In August 2015, the Town paid Keyspan \$1,118,125 to resolve the actions commenced by Keyspan. Proceeds of the \$38,278,984 Bond Anticipation Notes – 2015 Series C in the amount of \$1,120,000 funded the Town's settlement with Keyspan. As of December 31, 2017, and after annual renewal, the outstanding balance of the BAN is \$860,000. The Town has obtained a judgment against the County for the refund, plus interest, which the County has appealed. It is the Town's position, based on Appellate Division precedent, that all of these matters are covered by the County Guarantee requiring an eventual payment or reimbursement of any judgments by the County. The County's appeals have been fully briefed but have not yet been calendared for argument in the Appellate Division, Second Department. The Town, exclusive of nonmajor component units, has recorded a receivable from the County under the County Guarantee for \$3,303,417. The Town considers this receivable to be long-term.

Long Island Power Authority Case

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

Nassau County Storm Water Pipe Case

In August 2015, Town officials became aware that a storm water pipe was blocked, causing flooding in the area of the railroad and Rushmore Street in New Cassel. Town employees discovered that the pipe was blocked by a mass of concrete near Rushmore Street where a concrete company operated. The Town subsequently determined that the pipe was owned by Nassau County. On September 4, 2015, the County sent the Town a letter asserting that the Town was responsible for the concrete in the pipe and claimed that the Town would be liable to the County for all restoration costs. Nassau County subsequently filed a complaint against the Town and area concrete companies asserting \$1,400,000 in damages. The County's theory is that the Town has failed in its responsibility under its MS4 storm water permit to prevent concrete from discharging from an area concrete plant into the storm water system.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

**B. LITIGATION** (continued)

Nassau County Storm Water Pipe Case (continued)

The Town counterclaimed against the County and cross-claimed against the concrete companies for the Town's expenses and flood damage. The Town's theory against the County is that the County failed to maintain its storm water pipe as is its obligation under its MS4 storm water permit. The Town, the County and the concrete companies are in the early stages of litigation over these issues and the outcome of this litigation cannot be determined at this time.

Glenwood Power Plant Case

In April 2018, National Grid sued Nassau County, the Town of North Hempstead, North Shore Central School District, and various special districts within the Town alleging that when the Glenwood Power Plant was demolished, the plant remained overtaxed because of the adjusted and current base proportions used to divide tax levy between property classes in the 2014/15 through 2017/18 tax years. The claim against the Town defendants is for monies had and received. The Town defendants' position is that the claim is covered by the County guarantee and the Town has no refund liability. The outcome of this litigation cannot be determined at this time.

Impact of Hurricane Sandy on the Town

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

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

On an ongoing basis the Town continues to review and undertake projects to restore areas that were damaged by the Storm and to increase the resiliency of the Town's infrastructure. Ultimately, the Town anticipates spending approximately \$65,000,000 on projects, much of which is expected to be reimbursed by State and Federal agencies. The Town believes that it has complied with all terms and conditions of the grants and therefore any disallowances will be immaterial.

Other Litigation

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

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

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

**C. LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS**

State and federal laws and regulations require the Town to place a final cover on its landfill sites and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. The L-4 Landfill stopped receiving waste in 1991 and was closed in 1996. The L-5 Landfill stopped receiving waste in 2002, and the capping was completed in 2004. Postclosure maintenance and monitoring activities for the L-4 and L-5 Landfills are estimated to be approximately \$930,000 per year. Accordingly, as of December 31, 2017, the Town has recorded a liability of \$12,844,027, in the government-wide financial statements, which represents the provision to be made in future budgets for unfunded closure and postclosure landfill costs. As this liability is based on 100% capacity, there are no estimated costs of closure and postclosure care costs remaining to be recognized. Actual costs may vary due to inflation, changes in technology, or changes in regulations or applicable laws.

**D. FEDERAL AND STATE GRANTS**

The Town has received grants, which are subject to audit by agencies of the state and federal governments. Such audits may result in disallowances and a request for a return of funds. Based on prior audits, the Towns' administration believes disallowances, if any, will be immaterial.

**E. SOLID WASTE MANAGEMENT AUTHORITY**

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

**F. CONSTRUCTION AND OTHER CAPITAL ACQUISITION COMMITMENTS**

Construction in progress, commitments for equipment purchases, and other capital acquisition commitments amount to \$13,020,186 at December 31, 2017.

**G. LEASE COMMITMENTS AND LEASED ASSETS**

Operating Leases

The Town leases equipment and space under non-cancelable operating leases that commenced between May 1989 and December 2017, and expire between February 2018 and May 2029. Total rental expenditures on such leases for the year ended December 31, 2017 totaled \$418,297. The minimum future non-cancelable operating lease payments are as follows:

Years Ending December 31,	2018	\$	321,878
	2019		264,052
	2020		185,745
	2021		85,908
	2022		15,000
	2023-2027		75,000
	2028-2029		21,250
Present value of minimum lease payments		<u>\$</u>	<u>968,833</u>

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

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

**H. POLLUTION REMEDIATION OBLIGATIONS**

The Town's policy is to estimate the components of expected pollution remediation outlays and determine whether outlays for those components should be accrued as a liability or, if appropriate, capitalized when goods and services are acquired. Obligating events include the following:

The Town:

- Is compelled to take remediation action because of imminent endangerment
- Violates a pollution related permit or license
- Is named or will be named as a responsible party or potentially responsible party for a remediation
- Is named or will be named in a lawsuit to compel pollution remediation
- Commences or obligates itself to remediate pollution

At December 31, 2017, the Town has recorded no pollution remediation obligations.

**5. CONDENSED FINANCIAL STATEMENTS FOR THE DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS**

The following represents condensed financial statements for the discretely presented nonmajor component units as of, and for the year ended, December 31, 2017:

**Condensed Statement of Net Position:**

	Assets & Deferred Outflows of Resource		Liabilities & Deferred Inflows of Resource		Net Position		
	Current, Non-current and Deferred Outflows of Resources	Capital Assets Net of Depreciation	Current, Non-current and Deferred Inflows of Resources	Bonds and Other Long-Term Liabilities	Net Investment in Capital Assets	Restricted	Unrestricted
<b><u>GARBAGE DISTRICTS</u></b>							
Carle Place	\$ 594,404		\$ 126,683				\$ 467,721
Glenwood	67,563		8,942				58,621
Port Washington	2,132,909	\$ 24,750	641,576		\$ 24,750		1,491,333
Roslyn	653,657		163,345	\$ 1,673			488,639
<b><u>WATER POLLUTION CONTROL DISTRICTS</u></b>							
Belgrave	5,644,591	13,283,525	729,693	9,676,166	6,418,861	\$ 1,199,173	904,223
Great Neck	8,800,775	65,837,818	2,814,784	54,343,819	17,642,084	679,055	(841,149)
Port Washington	4,243,337	31,291,001	1,331,258	20,056,128	10,578,242	155,721	3,412,989
<b><u>WATER DISTRICTS</u></b>							
Albertson	5,354,166	8,455,436	836,673	8,124,962	3,686,292	1,175,414	(13,739)
Carle Place	10,188,587	12,588,079	2,027,874	13,700,759	3,383,253	5,219,678	(1,554,898)
Garden City Park	7,480,259	14,505,231	846,016	10,661,165	10,362,725	3,308,184	(3,192,600)
Glenwood	522,947	275,991	38,811	35,933	273,111		451,083
Manhasset - Lakeville	10,223,318	41,643,624	2,808,619	12,193,754	34,308,227	600,851	1,955,491
Port Washington	8,948,714	19,464,587	2,423,556	21,868,820	5,548,492	1,650,756	(3,078,323)
Roslyn	10,085,288	16,465,657	1,128,138	19,413,821	5,120,820	3,128,150	(2,239,984)
Westbury	4,444,625	9,564,934	938,982	6,307,624	7,367,969	2,630,782	(3,235,798)
<b><u>PARK DISTRICTS</u></b>							
Great Neck	12,768,392	26,090,870	3,865,144	25,186,604	12,152,946	1,104,897	(3,450,329)
Manhasset	991,455	2,365,514	101,741	3,400,394	2,365,514		(2,510,680)
<b><u>OTHER</u></b>							
Port Washington Police District	16,933,540	1,310,518	1,729,038	39,444,123	1,272,552	323,626	(24,525,281)
Shelter Rock Public Library District Community	2,796,102	5,754,357	542,176	4,987,352	2,774,761	223,599	22,571
Development Agency Port Washington Business Improvement District	4,442,450		186,202	1,656,332		2,599,916	
	178,970	96,864	10,934	43,867	42,780	24,284	153,969
	<u>\$ 117,496,049</u>	<u>\$ 269,018,756</u>	<u>\$ 23,300,185</u>	<u>\$ 251,103,296</u>	<u>\$ 123,323,379</u>	<u>\$ 24,024,086</u>	<u>\$ (35,236,141)</u>

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

**5. CONDENSED FINANCIAL STATEMENTS FOR THE DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS (continued)**

**Condensed Statement of Activities:**

	Program			General Revenue		Net Position			
	Expenses	Charges for Services	Operating/ Capital Grants and Contributions	Net Expense (Revenue)	Property Tax	Other	Change	(As Restated) 1/1/2017	12/31/2017
<b>GARBAGE DISTRICTS</b>									
Carle Place	\$ 900,858			\$ 900,858	\$ 840,050	\$ 14,033	\$ (46,775)	\$ 514,496	\$ 467,721
Glenwood	62,737			62,737	60,543	64	(2,130)	60,751	58,621
Port Washington	2,318,285			2,318,285	2,148,946	109,904	(59,435)	1,575,518	1,516,083
Roslyn	518,556			518,556	481,447	71,941	34,832	453,807	488,639
<b>WATER POLLUTION CONTROL DISTRICTS</b>									
Belgrave	3,070,179	\$ 881,586		2,188,593	2,558,971	17,490	387,868	8,134,389	8,522,257
Great Neck	9,483,683	2,928,169	\$ 304,070	6,251,444	6,656,833	240,172	645,561	16,834,429	17,479,990
Port Washington	6,932,670	972,346		5,960,324	4,892,134	101,280	(966,910)	15,113,862	14,146,952
<b>WATER DISTRICTS</b>									
Albertson	2,946,183	1,460,384		1,485,799	1,506,948	195,221	216,370	4,631,597	4,847,967
Carle Place	2,794,644	894,791		1,899,853	1,694,287	526,474	320,908	6,727,125	7,048,033
Garden City Park	4,914,133	1,240,361		3,673,772	2,556,066	450,286	(667,420)	11,145,729	10,478,309
Glenwood	376,808	144,373		232,435	321,106	39,795	128,466	595,728	724,194
Manhasset - Lakeville	8,808,618	6,043,862		2,764,756	3,432,774	707,249	1,375,267	35,489,302	36,864,569
Port Washington	6,860,273	4,133,814		2,726,459	1,621,761	303,105	(801,593)	4,922,518	4,120,925
Roslyn	5,026,452	2,177,420		2,849,032	2,215,193	831,107	197,268	5,811,718	6,008,986
Westbury	4,843,632	1,696,205		3,147,427	2,611,992	706,971	171,536	6,591,417	6,762,953
<b>PARK DISTRICTS</b>									
Great Neck	17,602,443	4,705,463	75,000	12,821,980	12,661,642	195,440	35,102	9,772,412	9,807,514
Manhasset	1,989,603	835,036		1,154,567	708,298	49,558	(396,711)	251,545	(145,166)
<b>OTHER</b>									
Port Washington Police District	23,843,500	7,171	153,116	23,683,213	19,928,810	1,980,096	(1,774,307)	(21,154,796)	(22,929,103)
Shelter Rock Public Library District	4,119,283	23,068	20,000	4,076,215	3,699,249	224,305	(152,661)	3,173,592	3,020,931
Community Development Agency	1,209,179		939,254	269,925		45,207	(224,718)	2,824,634	2,599,916
Port Washington Business Improvement District	193,647	2,898		190,749	190,670	719	640	220,393	221,033
	\$ 108,815,366	\$ 28,146,947	\$ 1,491,440	\$ 79,176,979	\$ 70,787,720	\$ 6,810,417	\$ (1,578,842)	\$ 113,690,166	\$ 112,111,324

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 Rd  
Pt. Washington, NY 11050

Roslyn Water District  
24 West Shore Drive  
Roslyn, NY 11576

Westbury Water District  
160 Drexel Avenue  
Westbury, NY 11590

Great Neck Park District  
5 Beach Road  
Great Neck, NY 11023

Manhasset Park District  
62 Manhasset Avenue  
Manhasset, NY 11030

Port Washington Police District  
500 Pt. Washington Blvd.  
Pt. Washington, NY 11050

Shelter Rock Public Library District  
165 Seeringtown Road  
Albertson, NY 11507

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

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

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

**6. CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE**

For the year ended December 31, 2017, the Town implemented GASB Statement No. 73 “*Accounting and Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.*” The implementation of the Statement resulted in the retroactive reporting of a liability related to the Town’s participation in the various length of service award programs (defined benefit plans) for volunteer firefighters. The Statement also required that the assets held in trust for the program that are not protected from creditors be reported as assets of the sponsoring municipalities. In the fund level financial statements, the fire protection districts fund beginning fund balance was restated by \$5,674,173, increasing from \$1,192,786 to \$6,866,959 for the recognition of the Town’s proportionate share of the program assets. In the government-wide statements, The Town’s January 1, 2017 governmental activities net position was restated by the net amount of the Town’s proportionate share of the liabilities and the program assets which decreased net position by \$4,971,831 from \$175,020,580 to \$170,048,749.

**7. RESTATEMENTS**

Primary Government

Management of the Town determined that fund balances of the Town’s highway and solid waste management authority funds were incorrectly reported as of December 31, 2016. Due to a subsequent adjustment in a Federal Emergency Management Agency (“FEMA”) project worksheet, FEMA revenue of \$638,279 recorded in the solid waste management authority fund should have been recorded as revenue in the highway fund. The restatement had no effect on the results of the current period’s activities or the overall Town’s fund balance; however, the restatement increased the highway fund’s beginning fund balance by \$638,279 from \$6,996,080 to \$7,634,359 and decreased the solid waste management authority’s fund balance by \$638,279 from \$2,737,657 to \$2,099,378.

Nonmajor Component Units

Fund balances as of January 1, 2017 of certain nonmajor component units have been adjusted as follows:

Carle Place Water District beginning fund balance decreased by \$302,509 as management of the district determined that certain assets would become obsolete or replaced as a result of the work performed in conjunction with the new bond issue. To avoid depreciation on any of the items or duplication as a result of construction in progress, it became necessary to adjust the opening balances and net position for the net change of \$302,509.

Great Neck Water Pollution Control District beginning fund balance increased by \$494,737 as changes were made to correct the amount owed for previously reported expenses.

Manhasset-Lakeville Water District beginning fund balance decreased by \$33,459 due to various adjustments for over and under statements in the amounts due from primary government recognized in error in the prior year.

**8. SUBSEQUENT EVENTS**

Debt Issuances

In April 2018, the Town issued \$20,895,000 of Public Improvement Bonds – 2018 Series A, with maturity dates of April 1, 2019-2032. The interest rates range from 3.000% to 5.000%. The proceeds from the sale of the Bonds, together with \$495,420 in available funds, will be used to redeem a \$3,466,663 portion of the Town’s \$7,354,461 Bond Anticipation Notes for Various Purposes – 2017 Series A at maturity. A portion of the proceeds in the amount of \$17,923,757 will be used to provide original or additional financing for various capital projects.

In April 2018, the Town issued \$5,364,485 of Bond Anticipation Notes – 2018 Series A at interest rates of 1.35% and 2.75%, maturing on April 2, 2019. A portion of the proceeds from the sale in the amount of \$3,459,798, together with \$428,000 in available funds, will be used to redeem a \$3,887,798 portion of the Town’s 2017 Series A note. A portion of the proceeds in the amount of \$1,904,687 will be used to provide original or additional financing for various capital projects.



**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

**8. SUBSEQUENT EVENTS** (continued)

Debt Issuances (continued)

In April 2018, the Town issued a \$1,500,000 Bond Anticipation Note – 2018 Series B at an interest rate of 1.29% maturing on April 2, 2019. The note will be used to provide original financing for a water pollution district capital project.

**9. NEW PRONOUNCEMENTS**

The Governmental Accounting Standards Board (GASB) has issued the following Statements:

Statement No. 75, “*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*,” the primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. The requirements of the new Statement become effective for the Town for the year ended December 31, 2018.

Statement No. 82, “*Pension Issues - An Amendment of GASB Statements No. 67, 68 and 73*,” is to be implemented over multiple years. The objective of this Statement to be implemented in the future is to address issues regarding the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes. In those certain circumstances, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. The requirements of the new Statement become effective for the Town for the year ended December 31, 2018.

Statement No. 83, “*Certain Assets Retirement Obligations*,” establishes criteria for determining the timing and pattern of recognition of a liability and corresponding deferred outflow of resources for asset retirement obligations. It also addresses that measurement of both the asset retirement obligation and deferred outflows of resources should be based on the estimated of the current value of expected outlays. The requirements of the new Statement become effective for the Town for the year ended December 31, 2019.

Statement No. 84, “*Fiduciary Activities*,” establishes criteria for identifying fiduciary activities of all state and local governments. The criteria focus is generally on (1) whether a government is controlling the assets of the fiduciary activity, and (2) the beneficiaries with whom a fiduciary relationship exists. The Statement establishes the four fiduciary funds that should be reported (as applicable): (1) pension and other employee benefit trust funds, (2) investment trust funds, (3) private purpose trust funds, and (4) custodial funds. This Statement also provides guidance for the recognition of a liability when an event has occurred that compels the government to disburse fiduciary resources. The requirements of the new Statement become effective for the Town for the year ended December 31, 2019.

Statement No. 85, “*Omnibus 2017*,” was issued to address practice issues identified in the implementation and application of certain GASB Statements. It addresses many topics including, but not limited to: blending component units, goodwill, fair value measurement and applications, and postemployment benefits such as pension and other postemployment benefits. The requirements of the new Statement become effective for the Town for the year ended December 31, 2018.

**TOWN OF NORTH HEMPSTEAD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

**9. NEW PRONOUNCEMENTS** (continued)

Statement No. 86, "*Certain Debt Extinguishment Issues*," was issued to improve the consistency in accounting and reporting for in-substance defeasance of debt and prepaid insurance on debt that is extinguished. This Statement clarifies that the governments should recognize any difference between the reacquisition price (the amount required to be placed in trust) and the net carrying amount of the debt defeased in substance using only existing resources as a separately identified gain or loss in the period of the defeasance, regardless if utilizing existing resources or issuing refunding debt. It also clarifies that any prepaid insurance related to the extinguished debt be included in the net carrying amount of debt for purposes of calculating the difference between the reacquisition price and carrying amount of the debt. The requirements of the new Statement become effective for the Town for the year ended December 31, 2018.

Statement No. 87, "*Leases*," establishes accounting and financial reporting of leases. It requires the recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. For leases with terms in-excess of 12 months, the Statement requires the leases to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The requirements of the new Statement become effective for the Town for the year ended December 31, 2020.

Statement No. 88, "*Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*," was issued to improve information disclosed in the notes to financial statements related to debt and clarifies which liabilities governments should include when disclosing information related to debt. The requirements of the new Statement become effective for the Town for the year ended December 31, 2019.

The Town is currently evaluating the impact of the above pronouncements on its financial statements.

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

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

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

The budgets are adopted on a basis of accounting consistent with GAAP. In the event that actual revenues received exceed budgeted amounts, generally, additional budgetary appropriations are made. The capital projects fund is budgeted on a project basis.

The Town adopts the budget and establishes legal level of control of the budget at the object level expenditures. The object level identifies expenditures by the article purchased or service obtained to carry out a function.

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

**TOWN OF NORTH HEMPSTEAD**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
Year ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES:</b>				
Ad valorem taxes	\$ 24,100,681	\$ 24,110,745	\$ 24,205,519	\$ 94,774
Total Real Property Taxes	24,100,681	24,110,745	24,205,519	94,774
<b>REAL PROPERTY TAX ITEMS:</b>				
Payment in lieu of taxes	1,023,953	1,013,889	960,193	(53,696)
Interest and penalties on taxes	1,190,000	1,190,000	1,136,398	(53,602)
Returned check charge: property tax	4,000	4,000	8,120	4,120
Total Real Property Tax Items	2,217,953	2,207,889	2,104,711	(103,178)
<b>NON-PROPERTY TAX ITEMS:</b>				
Nassau County local government assistance	11,430,000	11,430,000	11,549,683	119,683
Franchises-cable TV	2,590,000	2,590,000	2,273,190	(316,810)
Total Non-Property Tax Items	14,020,000	14,020,000	13,822,873	(197,127)
<b>DEPARTMENTAL INCOME:</b>				
Comptroller's fees	8,500	8,500	7,440	(1,060)
Town clerk fees	40,000	40,000	56,306	16,306
Other general departmental income	12,000	12,000	8,886	(3,114)
Parking enforcement - disabled surcharge			1,755	1,755
Public pound charge dog fees	10,000	10,000	10,435	435
Other public safety departmental income	65,000	65,000	38,570	(26,430)
Parks and recreation charges	2,700,000	2,706,000	2,417,167	(288,833)
Dock storage leases	50,000	50,000	41,990	(8,010)
Recreational concessions	7,500	7,500	13,357	5,857
Special recreational facility charges	6,600,000	6,600,000	6,376,009	(223,991)
Other culture and recreation	25,000	26,060	21,710	(4,350)
Total Departmental Income	9,518,000	9,525,060	8,993,625	(531,435)
<b>USE OF MONEY AND PROPERTY:</b>				
Interest and earnings	50,000	50,000	232,586	182,586
Rental of real property	270,000	270,000	158,166	(111,834)
Total Use of Money and Property	320,000	320,000	390,752	70,752
<b>LICENSES AND PERMITS:</b>				
Games of chance	300	300	210	(90)
Bingo licenses	1,000	1,000	113	(887)
Dog license fund apportionment	30,000	30,000	23,102	(6,898)
Licensing fees	53,130	53,130	46,560	(6,570)
Town permits	225,000	225,000	289,076	64,076
Total Licenses and Permits	309,430	309,430	359,061	49,631

(Continued)

**TOWN OF NORTH HEMPSTEAD**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>FINES AND FORFEITURES:</b>				
Court fines	\$ 30,000	\$ 30,000	\$ 30,000	\$ -0-
Total Fines and Forfeitures	30,000	30,000	30,000	-0-
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS:</b>				
Sale of real property			75,000	75,000
Sale of equipment			6,510	6,510
Insurance recoveries			8,246	8,246
Total Sale of Property and Compensation for Loss			89,756	89,756
<b>MISCELLANEOUS LOCAL SOURCES:</b>				
Reimbursement of Medicare Part D	25,000	25,000	9,030	(15,970)
Refund of prior year expenditures			29,256	29,256
Gifts and donations	50,000	74,850	52,166	(22,684)
Miscellaneous revenue	35,000	35,000	117,247	82,247
Total Miscellaneous Local Sources	110,000	134,850	207,699	72,849
<b>INTERFUND REVENUES</b>	<b>6,472,313</b>	<b>6,472,313</b>	<b>6,607,215</b>	<b>134,902</b>
<b>STATE AID:</b>				
State aid - per capita	1,023,565	1,023,565	1,023,565	-0-
State aid - mortgage tax	7,700,000	7,700,000	9,184,447	1,484,447
State aid - youth program			49,286	49,286
State aid - recreation for disabled	25,000	25,000	37,023	12,023
State aid - environmental conservation	221,387	221,387	40,442	(180,945)
State aid - other home and community service	10,000	89,500	257,212	167,712
Total State Aid	8,979,952	9,059,452	10,591,975	1,532,523
<b>FEDERAL AID:</b>				
Federal aid - culture and recreation			10,000	10,000
Federal aid - programs for the aging	300,000	300,000	204,262	(95,738)
Federal aid - emergency disaster assistance			(166,153)	(166,153)
Total Federal Aid	300,000	300,000	48,109	(251,891)
Total Revenues	66,378,329	66,489,739	67,451,295	961,556

(Continued)

**TOWN OF NORTH HEMPSTEAD**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES</b>				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Town board	\$ 792,576	\$ 792,576	\$ 735,643	\$ 56,933
Supervisor	793,679	773,258	772,328	930
Finance	453,115	490,757	490,755	2
Comptroller	1,580,657	1,370,607	1,370,383	224
Receiver of taxes	1,213,080	1,220,228	1,220,226	2
Purchasing		9,816	9,815	1
Credit card fees	110,378	112,753	112,749	4
Fiscal agent fees	35,000	17,074	17,074	-0-
Town clerk	712,786	717,174	717,169	5
Town attorney	1,305,084	1,375,084	1,336,867	38,217
Human resources	445,230	437,878	437,876	2
Engineering	309,045	304,011	269,766	34,245
Records management	279,305	195,243	167,281	27,962
Call center	507,743	524,115	524,114	1
Public Information	645,442	672,049	645,734	26,315
Public works	513,987	519,021	519,018	3
General services	1,378,208	1,418,364	1,348,257	70,107
Central printing and mail	545,644	533,501	455,166	78,335
Technology services	1,806,498	1,586,640	1,578,186	8,454
Unallocated insurance	390,000	424,308	424,307	1
Other general government support	1,214,075	923,829	923,828	1
Total General Government Support	<u>15,031,532</u>	<u>14,418,286</u>	<u>14,076,542</u>	<u>341,744</u>
EDUCATION:				
Community College	2,200,000	3,455,484	3,455,484	-0-
Total Education	<u>2,200,000</u>	<u>3,455,484</u>	<u>3,455,484</u>	<u>-0-</u>
PUBLIC SAFETY:				
Administration	145,585	145,585	144,454	1,131
Animal shelter	639,187	635,731	609,712	26,019
Harbor patrol	363,328	364,399	360,168	4,231
Emergency Management Services	188,479	140,400	140,397	3
Total Public Safety	<u>1,336,579</u>	<u>1,286,115</u>	<u>1,254,731</u>	<u>31,384</u>
TRANSPORTATION:				
Snow removal		5,448	5,447	1
Total Transportation		<u>5,448</u>	<u>5,447</u>	<u>1</u>

(Continued)

**TOWN OF NORTH HEMPSTEAD**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>ECONOMIC ASSISTANCE AND OPPORTUNITY:</b>				
Community services	\$ 418,367	\$ 348,035	\$ 329,306	\$ 18,729
Veterans services		20,000	19,500	500
Programs for the aging	2,360,387	2,294,233	2,246,336	47,897
Total Economic Assistance and Opportunity	<u>2,778,754</u>	<u>2,662,268</u>	<u>2,595,142</u>	<u>67,126</u>
<b>CULTURE AND RECREATION:</b>				
Parks and recreation	1,211,163	1,215,377	1,215,369	8
Parks	8,085,868	8,371,314	8,262,717	108,597
Community center	1,001,708	1,115,687	1,088,399	27,288
Special recreation facilities	6,226,330	5,777,007	5,726,966	50,041
Youth activities	567,316	625,167	602,695	22,472
Total Culture and Recreation	<u>17,092,385</u>	<u>17,104,552</u>	<u>16,896,146</u>	<u>208,406</u>
<b>HOME AND COMMUNITY SERVICES:</b>				
Environmental facilities	1,223,879	1,119,933	1,119,933	-0-
Housing authority	148,586	148,586	148,000	586
Emergency tenant protection act	7,500	5,000	5,000	-0-
Total Home and Community Services	<u>1,379,965</u>	<u>1,273,519</u>	<u>1,272,933</u>	<u>586</u>
<b>EMPLOYEE BENEFITS:</b>				
State employee retirement system	2,997,565	3,059,269	3,059,269	-0-
Social security	1,589,322	1,585,100	1,585,099	1
Workers' compensation	400,000	423,287	423,287	-0-
Unemployment benefits	30,000	21,259	21,258	1
Disability benefits	1,000	85	84	1
Hospital, medical and dental	5,503,900	5,640,771	5,640,768	3
Other employee benefits	10,500	13,000	13,000	-0-
Total Employee Benefits	<u>10,532,287</u>	<u>10,742,771</u>	<u>10,742,765</u>	<u>6</u>
Total Expenditures	<u>50,351,502</u>	<u>50,948,443</u>	<u>50,299,190</u>	<u>649,253</u>
<b>Excess of Revenues Over Expenditures</b>	<u>16,026,827</u>	<u>15,541,296</u>	<u>17,152,105</u>	<u>1,610,809</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	270,740	270,740	270,740	-0-
Transfers out	(16,919,667)	(17,404,470)	(17,404,470)	-0-
Total Other Financing Sources (Uses)	<u>(16,648,927)</u>	<u>(17,133,730)</u>	<u>(17,133,730)</u>	<u>-0-</u>
<b>Net Change in Fund Balance</b>	<u>\$ (622,100)</u>	<u>\$ (1,592,434)</u>	<u>18,375</u>	<u>\$ 1,610,809</u>
<b>Fund Balance at Beginning of Year</b>			<u>14,318,310</u>	
<b>Fund Balance at End of Year</b>			<u>\$ 14,336,685</u>	

**TOWN OF NORTH HEMPSTEAD**  
**HIGHWAY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
Year ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES:</b>				
Ad valorem taxes	\$ 19,256,918	\$ 19,282,951	\$ 19,283,106	\$ 155
Total Real Property Taxes	19,256,918	19,282,951	19,283,106	155
<b>REAL PROPERTY TAX ITEMS:</b>				
Special assessment	20,000	20,000		(20,000)
Payment in lieu of taxes	1,563,150	1,537,118	1,530,646	(6,472)
Interest and penalties on taxes			348	348
Total Real Property Tax Items	1,583,150	1,557,118	1,530,994	(26,124)
<b>INTERGOVERNMENTAL CHARGES:</b>				
Services for other governments	25,000	25,000	52,981	27,981
Total Intergovernmental Charges	25,000	25,000	52,981	27,981
<b>USE OF MONEY AND PROPERTY:</b>				
Interest and earnings	5,000	5,000	21,846	16,846
Rental of real property	60,000	60,000	50,217	(9,783)
Total Use of Money and Property	65,000	65,000	72,063	7,063
<b>LICENSES AND PERMITS:</b>				
Permits - road restoration fee	650,000	650,000	1,015,270	365,270
Total Licenses and Permits	650,000	650,000	1,015,270	365,270
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS:</b>				
Recycling			1,133	1,133
Sale of equipment			140,986	140,986
Insurance recoveries			380,751	380,751
Total Sale of Property and Compensation for Loss			522,870	522,870
<b>MISCELLANEOUS LOCAL SOURCES:</b>				
Local grant assistance				
Refund of prior year expenditures			7,055	7,055
Miscellaneous revenue			6,825	6,825
Total Miscellaneous Local Sources			13,880	13,880
<b>INTERFUND REVENUES</b>	152,750	152,750	257,459	104,709
<b>STATE AID:</b>				
State aid - consolidated highway aid	642,000	642,000	762,707	120,707
Total State Aid	642,000	642,000	762,707	120,707
Total Revenues	22,374,818	22,374,819	23,511,330	1,136,511

(Continued)



**TOWN OF NORTH HEMPSTEAD**  
**HIGHWAY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
Year ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES</b>				
<b>CURRENT:</b>				
<b>GENERAL GOVERNMENT SUPPORT:</b>				
Unallocated insurance	\$ 225,000	\$ 115,930	\$ 115,930	\$ -0-
Other general government support	2,640,481	2,464,635	2,464,632	3
Total General Government Support	<u>2,865,481</u>	<u>2,580,565</u>	<u>2,580,562</u>	<u>3</u>
<b>TRANSPORTATION:</b>				
Administration	3,524,963	3,780,362	3,780,342	20
Garage	4,224,420	4,432,248	4,432,235	13
Snow removal	1,025,000	1,284,131	1,284,128	3
Services for other governments	1,139,377	931,471	931,467	4
Signs	446,135	465,153	465,152	1
Traffic safety	84,589	89,071	89,070	1
Total Transportation	<u>10,444,484</u>	<u>10,982,436</u>	<u>10,982,394</u>	<u>42</u>
<b>EMPLOYEE BENEFITS:</b>				
State employee retirement system	1,434,568	1,182,271	1,182,270	1
Social security	515,721	566,369	566,369	-0-
Workers' compensation	450,000	495,741	495,741	-0-
Unemployment benefits	20,000	21,489	21,488	1
Disability benefits		32	31	1
Hospital, medical and dental	3,154,372	3,048,258	3,045,982	2,276
Other employee benefits	5,850	5,000	5,000	-0-
Total Employee Benefits	<u>5,580,511</u>	<u>5,319,160</u>	<u>5,316,881</u>	<u>2,279</u>
Total Expenditures	<u>18,890,476</u>	<u>18,882,161</u>	<u>18,879,837</u>	<u>2,324</u>
<b>Excess of Revenues Over Expenditures</b>	<u>3,484,342</u>	<u>3,492,658</u>	<u>4,631,493</u>	<u>1,138,835</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	683,116	683,116	683,116	-0-
Transfers out	(5,244,956)	(5,253,272)	(5,253,272)	-0-
Total Other Financing Sources (Uses)	<u>(4,561,840)</u>	<u>(4,570,156)</u>	<u>(4,570,156)</u>	<u>-0-</u>
<b>Net Change in Fund Balance</b>	<u>\$ (1,077,498)</u>	<u>\$ (1,077,498)</u>	<u>61,337</u>	<u>\$ 1,138,835</u>
<b>Fund Balance at Beginning of Year, as Reported</b>			6,996,080	
<b>Prior Period Adjustment</b>			<u>638,279</u>	
<b>Fund Balance at Beginning of Year, as Restated</b>			<u>7,634,359</u>	
<b>Fund Balance at End of Year</b>			<u>\$ 7,695,696</u>	

**TOWN OF NORTH HEMPSTEAD**  
**SOLID WASTE MANAGEMENT AUTHORITY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
Year ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>DEPARTMENTAL INCOME:</b>				
Solid waste	\$ 14,962,244	\$ 14,962,244	\$ 13,956,306	\$ (1,005,938)
Other	86,000	86,000	100,081	14,081
Total Departmental Income	<u>15,048,244</u>	<u>15,048,244</u>	<u>14,056,387</u>	<u>(991,857)</u>
<b>INTERGOVERNMENTAL CHARGES:</b>				
Services for other governments	1,123,732	1,123,732	1,123,729	(3)
Total Intergovernmental Charges	<u>1,123,732</u>	<u>1,123,732</u>	<u>1,123,729</u>	<u>(3)</u>
<b>USE OF MONEY AND PROPERTY:</b>				
Interest and earnings			2,662	2,662
Rental of real property	101,583	101,583	68,578	(33,005)
Total Use of Money and Property	<u>101,583</u>	<u>101,583</u>	<u>71,240</u>	<u>(30,343)</u>
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS:</b>				
Recycling	205,000	205,000	240,561	35,561
Sale of equipment			54,732	54,732
Total Sale of Property and Compensation for Loss	<u>205,000</u>	<u>205,000</u>	<u>295,293</u>	<u>90,293</u>
<b>MISCELLANEOUS LOCAL SOURCES:</b>				
Miscellaneous revenue			185	185
Total Miscellaneous Local Sources			<u>185</u>	<u>185</u>
<b>STATE AID:</b>				
State aid - recycling grant			58,153	58,153
State aid - environmental conservation	65,000	65,000	63,750	(1,250)
Total State Aid	<u>65,000</u>	<u>65,000</u>	<u>121,903</u>	<u>56,903</u>
<b>FEDERAL AID:</b>				
Federal aid - emergency disaster assistance			54,947	54,947
Total Federal Aid			<u>54,947</u>	<u>54,947</u>
Total Revenues	<u>16,543,559</u>	<u>16,543,559</u>	<u>15,723,684</u>	<u>(819,875)</u>

(Continued)

**TOWN OF NORTH HEMPSTEAD**  
**SOLID WASTE MANAGEMENT AUTHORITY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES</b>				
CURRENT:				
HOME AND COMMUNITY SERVICES:				
Administration	\$ 703,516	\$ 786,537	\$ 774,384	\$ 12,153
Leachate	434,152	428,102	354,796	73,306
Transfer station	13,914,314	13,793,725	13,365,538	428,187
Scale house	295,404	294,004	269,965	24,039
Maintenance	384,643	398,443	352,417	46,026
Equipment	16,000	20,602	20,600	2
Recycling	42,000	34,850	34,286	564
Office of sustainability	249,000	211,715	180,020	31,695
Emergency disaster work		120,589	120,589	-0-
Total Home and Community Services	<u>16,039,029</u>	<u>16,088,567</u>	<u>15,472,595</u>	<u>615,972</u>
EMPLOYEE BENEFITS:				
State employee retirement system	228,000	228,000	187,806	40,194
Social security	82,663	82,663	82,204	459
Workers' compensation	20,000	20,000	14,540	5,460
Unemployment insurance		1,300	1,297	3
Disability benefits	25	25		25
Hospital, medical and dental	557,351	506,000	488,593	17,407
Other employee benefits	675	1,188	1,188	-0-
Total Employee Benefits	<u>888,714</u>	<u>839,176</u>	<u>775,628</u>	<u>63,548</u>
Total Expenditures	<u>16,927,743</u>	<u>16,927,743</u>	<u>16,248,223</u>	<u>679,520</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(384,184)</u>	<u>(384,184)</u>	<u>(524,539)</u>	<u>(140,355)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	900,825	900,825	900,825	-0-
Transfers out	(900,825)	(900,825)	(900,825)	-0-
Total Other Financing Sources (Uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>Net Change in Fund Balance</b>	<u>\$ (384,184)</u>	<u>\$ (384,184)</u>	<u>(524,539)</u>	<u>\$ (140,355)</u>
<b>Fund Balance at Beginning of Year, as Reported</b>			2,737,657	
<b>Prior Period Adjustment</b>			<u>(638,279)</u>	
<b>Fund Balance at Beginning of Year, as Restated</b>			<u>2,099,378</u>	
<b>Fund Balance at End of Year</b>			<u>\$ 1,574,839</u>	

**TOWN OF NORTH HEMPSTEAD**  
**PART TOWN**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES:</b>				
Ad valorem taxes	\$ 5,288,354	\$ 5,295,505	\$ 5,295,548	\$ 43
Total Real Property Taxes	5,288,354	5,295,505	5,295,548	43
<b>REAL PROPERTY TAX ITEMS:</b>				
Payment in lieu of taxes	499,598	492,447	420,464	(71,983)
Interest and penalties on taxes	100	100	103	3
Total Real Property Tax Items	499,698	492,547	420,567	(71,980)
<b>NON-PROPERTY TAX ITEMS:</b>				
Franchises-cable TV	57,000	57,000	57,000	-0-
Total Non-Property Tax Items	57,000	57,000	57,000	-0-
<b>DEPARTMENTAL INCOME:</b>				
Parking enforcement	454,000	454,000	474,783	20,783
Registrar of vital statistics	275,000	275,000	270,362	(4,638)
Zoning board fees	173,000	173,000	203,140	30,140
Total Departmental Income	902,000	902,000	948,285	46,285
<b>USE OF MONEY AND PROPERTY:</b>				
Interest and earnings	10,000	10,000	21,853	11,853
Total Use of Money and Property	10,000	10,000	21,853	11,853
<b>LICENSES AND PERMITS:</b>				
Building permits	3,780,000	3,780,000	4,161,485	381,485
Total Licenses and Permits	3,780,000	3,780,000	4,161,485	381,485
<b>FINES AND FORFEITURES:</b>				
Court fines	200,000	200,000	160,180	(39,820)
Total Fines and Forfeitures	200,000	200,000	160,180	(39,820)
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS:</b>				
Sale of equipment			230	230
Insurance recoveries			4,287	4,287
Total Sale of Property and Compensation for Loss			4,517	4,517
<b>MISCELLANEOUS LOCAL SOURCES:</b>				
Miscellaneous revenue			61	61
Total Miscellaneous Local Sources			61	61
<b>STATE AID:</b>				
State aid - planning studies	70,000	70,000		(70,000)
Total State Aid	70,000	70,000		(70,000)
Total Revenues	10,807,052	10,807,052	11,069,496	262,444

(Continued)

**TOWN OF NORTH HEMPSTEAD**  
**PART TOWN**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES</b>				
<b>CURRENT:</b>				
<b>GENERAL GOVERNMENT SUPPORT:</b>				
Unallocated insurance	\$ 116,000	\$ 116,000	\$ 52,452	\$ 63,548
Other general government support	1,943,407	1,787,195	1,742,194	45,001
Total General Government Support	<u>2,059,407</u>	<u>1,903,195</u>	<u>1,794,646</u>	<u>108,549</u>
<b>PUBLIC SAFETY:</b>				
Parking enforcement	284,316	289,751	289,432	319
Building	3,462,254	3,627,624	3,584,938	42,686
Code enforcement	492,877	487,442	433,210	54,232
Other public safety	159,145	159,145	159,145	-0-
Total Public Safety	<u>4,398,592</u>	<u>4,563,962</u>	<u>4,466,725</u>	<u>97,237</u>
<b>HEALTH:</b>				
Registrar of vital statistics	241,924	241,924	226,999	14,925
Total Health	<u>241,924</u>	<u>241,924</u>	<u>226,999</u>	<u>14,925</u>
<b>HOME AND COMMUNITY SERVICES:</b>				
Board of appeals	229,057	229,057	167,075	61,982
Planning and development - staff	752,957	752,957	745,129	7,828
Environmental facilities	170,938	170,938	78,996	91,942
Total Home and Community Services	<u>1,152,952</u>	<u>1,152,952</u>	<u>991,200</u>	<u>161,752</u>
<b>EMPLOYEE BENEFITS:</b>				
State employee retirement system	1,060,121	1,046,782	982,991	63,791
Social security	476,343	443,098	415,565	27,533
Workers' compensation	125,000	165,626	165,626	-0-
Disability benefits	200	200	26	174
Unemployment benefits	5,000			-0-
Hospital, medical and dental	1,579,144	1,582,819	1,487,111	95,708
Other employee benefits	4,275	2,400	2,400	-0-
Total Employee Benefits	<u>3,250,083</u>	<u>3,240,925</u>	<u>3,053,719</u>	<u>187,206</u>
Total Expenditures	<u>11,102,958</u>	<u>11,102,958</u>	<u>10,533,289</u>	<u>569,669</u>
<b>Net Change in Fund Balance</b>	<u>\$ (295,906)</u>	<u>\$ (295,906)</u>	536,207	<u>\$ 832,113</u>
<b>Fund Balance at Beginning of Year</b>			<u>6,151,260</u>	
<b>Fund Balance at End of Year</b>			<u>\$ 6,687,467</u>	

**TOWN OF NORTH HEMPSTEAD**  
**PENSION PLAN**  
**SCHEDULE OF PENSION CONTRIBUTIONS**  
December 31, 2017

Years Ended December 31,	Contractually Required Contributions ( a )	Contributions Recognized by the Plan in Relation to the Contractually Required Contributions ( b )	Unfunded Contributions Deficiency/ (Excess) ( a - b )	Covered Payroll ( c )	Contributions as a Percentage of Covered Payroll ( b / c )
2017	\$ 4,752,914	\$ 4,752,914	\$ -0-	\$ 31,409,407	15.13%
2016	4,972,909	4,761,477	211,432	31,483,760	15.12%
2015	5,410,065	4,564,335	845,730	31,474,762	14.50%
2014	5,913,495	4,416,587	1,496,908	30,512,750	14.47%
2013	6,080,169	3,645,452	2,434,717	30,030,375	12.14%
2012	5,058,045	3,062,911	1,995,134	29,639,296	10.33%
2011	3,899,767	2,832,043	1,067,724	27,920,574	10.14%
2010	2,784,119	1,214,402	1,569,717	27,579,118	4.40%
2009	2,004,455	2,004,455		27,151,317	7.38%
2008	2,160,507	2,160,507		26,597,648	8.12%

Amounts presented for each year were determined as of December 31 and the contractually required contributions are based on the amounts invoiced by the New York State Local Retirement System.

Additional Pension Plan information is shown in Note 3.E to the financial statements.

**TOWN OF NORTH HEMPSTEAD**  
**PENSION PLAN**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**December 31, 2017**

	March 31,			
	2017	2016	2015	2014
Town's proportion of the net pension liability	0.1097790%	0.1105340%	0.1093560%	0.1093560%
Town's proportionate share of the net pension liability	\$ 10,315,083	\$ 17,741,027	\$ 3,693,060	\$ 4,939,969
Covered payroll	\$ 32,253,694	\$ 31,605,182	\$ 30,647,874	\$ 30,576,213
Town's proportionate share of the net pension liability as a percentage of its covered payroll	31.98%	56.13%	12.05%	16.16%

Amounts presented were determined as of the System's measurement date of March 31.  
Additional Pension Plan information is shown in Note 3.E to the financial statements.

**TOWN OF NORTH HEMPSTEAD**  
**PENSION PLAN**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE LENGTH OF SERVICE AWARD PROGRAM LIABILITY**  
**December 31, 2017**

	2017					
	Albertson	Alert	Floral Park Centre	Glenwood	Port Washington	Roslyn
Measurement date	12/31/2016	12/31/2016	12/31/2016	12/31/2017	12/31/2016	12/31/2016
Total program liability - end of year	\$ 3,575,981	\$ 3,909,314	\$ 897,177	\$ 4,324,311	\$ 7,367,948	\$ 5,759,936
Town's percentage share of the LOSAP liability	100.00%	6.27%	100.00%	19.60%	47.08%	21.71%
Town's proportionate share of the LOSAP liability	\$ 3,575,981	\$ 245,114	\$ 897,177	\$ 847,565	\$ 3,468,830	\$ 1,250,482
	2016					
Measurement date	12/31/2015	12/31/2015	12/31/2015	12/31/2016	12/31/2015	12/31/2015
Total program liability - end of year	\$ 3,698,067	\$ 4,119,518	\$ 922,826	\$ 4,033,227	\$ 7,790,344	\$ 6,068,824
Town's percentage share of the LOSAP liability	100.00%	6.23%	100.00%	19.60%	47.08%	21.59%
Town's proportionate share of the LOSAP liability	\$ 3,698,067	\$ 256,646	\$ 922,826	\$ 790,512	\$ 3,667,694	\$ 1,310,259

**Notes:**

There is no covered payroll due to the fact that these are volunteer fire departments. Benefits are determined based off service credits earned.

**Trust Assets:**

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 73 to pay related benefits.



**TOWN OF NORTH HEMPSTEAD**  
**PENSION PLAN**  
**SCHEDULE OF THE LENGTH OF SERVICE AWARD PROGRAM LIABILITY**  
**December 31, 2017**

	<u>Albertson</u>	<u>Floral Park Centre</u>
Measurement date	12/31/2016	12/31/2016
Program liability - beginning of year	\$ 3,698,067	\$ 922,826
Service cost	138,879	20,168
Interest	120,904	29,988
Differences between expected and actual experience	7,473	3,946
Change in assumptions	(271,929)	(67,991)
Benefit payments	<u>(117,413)</u>	<u>(11,760)</u>
Program liability - end of year	<u>\$ 3,575,981</u>	<u>\$ 897,177</u>

**Notes:**

There is no covered payroll due to the fact that these are volunteer fire departments.  
Benefits are determined based off service credits earned.

**Trust Assets:**

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of  
GASB Statement No. 73 to pay related benefits.

**TOWN OF NORTH HEMPSTEAD**  
**TOWN OF NORTH HEMPSTEAD RETIREE MEDICAL PROGRAM**  
**POSTEMPLOYMENT BENEFITS HEALTHCARE COSTS**  
**SCHEDULE OF FUNDING PROGRESS**  
December 31, 2017

Actuarial Valuation Date January 1,	Actuarial Value of Assets ( a )	Actuarial Accrued Liability (AAL) - Projected Unit Credit Cost Method ( b )	Unfunded AAL (UAAL) ( b - a )	Funded Ratio ( a / b )	Covered Payroll ( c )	UAAL as a Percentage of Covered Payroll (( b - a ) / c )
2017	\$ -0-	\$ 133,694,994 *	\$ 133,694,994	0%	\$ 29,583,286	451.93%
2016	-0-	133,694,994 <sup>2</sup>	133,694,994 *	0%	29,583,286	451.93%
2015	-0-	124,438,190 *	124,438,190 *	0%	27,665,945	449.79%
2014	-0-	124,438,190 <sup>2</sup>	124,438,190	0%	27,665,945	449.79%
2013	-0-	108,930,105 *	108,930,105 *	0%	25,647,674	424.72%
2012	-0-	108,930,105 <sup>1</sup>	108,930,105	0%	25,647,674	424.72%
2011	-0-	133,271,000 *	133,271,000 *	0%	30,863,411	431.81%
2010	-0-	125,785,000	125,785,000	0%	30,437,386	413.26%
2009	-0-	124,832,000 *	124,832,000 *	0%	29,701,483	420.29%
2008	-0-	117,768,000	117,768,000	0%	29,008,187	405.98%

The Town changed actuarial consultants in the 2013 roll-forward year.

\* Roll forward

<sup>1</sup> The decrease in the Town's liability stemmed from a variety of factors, including lower than anticipated increases in medical premiums, actuarial adjustments concerning the medical premium cumulative trend and mortality tables, and a decrease in the number of active employees from the prior year.

<sup>2</sup> The increase in the Town's liability stemmed from a variety of factors, including increases in medical premiums and changes in mortality tables.

Additional Postemployment Benefit Healthcare Costs information is shown in Note 3.G to the financial statements.

## **OTHER SUPPLEMENTARY INFORMATION**

Combining and Individual Fund Schedule of  
Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual - Nonmajor  
Special Revenue Funds and Schedules

**TOWN OF NORTH HEMPSTEAD**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
December 31, 2017

	Special Revenue Funds			
	Fire Protection Districts	Lighting District	Park Districts	Sidewalk District
<b>ASSETS</b>				
Cash and investments	\$ 477,579	\$ 513,922	\$ 1,325,389	\$ 1,106,224
Taxes receivable	46,487	8,889		11,578
Accounts receivable, net of allowances				
Prepays		3,476	15,976	46,261
State and federal aid receivables		940	58,307	7,686
Due from other governments	208,726	63,070	7,367	97,195
Length of service award program plan assets	6,563,989			
Total Assets	<u>\$ 7,296,781</u>	<u>\$ 590,297</u>	<u>\$ 1,407,039</u>	<u>\$ 1,268,944</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 45,502	\$ 135,421	\$ 11,992	\$ 44,035
Bond anticipation notes payable				
Due to other funds	19,257			10,949
Total Liabilities	<u>64,759</u>	<u>135,421</u>	<u>11,992</u>	<u>54,984</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues, real property taxes	30,893	5,519		7,462
Total Deferred Inflows of Resources	<u>30,893</u>	<u>5,519</u>		<u>7,462</u>
<b>FUND BALANCES</b>				
Nonspendable		3,476	15,976	46,261
Restricted	6,563,989			
Assigned	637,140	445,881	1,379,071	1,160,237
Total Fund Balances	<u>7,201,129</u>	<u>449,357</u>	<u>1,395,047</u>	<u>1,206,498</u>
Total Liabilities and Fund Balances	<u>\$ 7,296,781</u>	<u>\$ 590,297</u>	<u>\$ 1,407,039</u>	<u>\$ 1,268,944</u>

Refuse and Garbage Districts	Public Parking District	Water District	Total Nonmajor Governmental Funds
\$ 370,861	\$ 610,327	\$ 11,618	\$ 4,415,920
19,346	4,686		90,986
	500		500
	13,729		79,442
			66,933
3,305,569	7,154	3,503	3,692,584
			6,563,989
<u>\$ 3,695,776</u>	<u>\$ 636,396</u>	<u>\$ 15,121</u>	<u>\$ 14,910,354</u>
\$ 493,416	\$ 18,285	\$ 12,240	\$ 760,891
1,339,448			1,339,448
783,916			814,122
<u>2,616,780</u>	<u>18,285</u>	<u>12,240</u>	<u>2,914,461</u>
9,673	2,847		56,394
<u>9,673</u>	<u>2,847</u>		<u>56,394</u>
	13,729		79,442
			6,563,989
1,069,323	601,535	2,881	5,296,068
<u>1,069,323</u>	<u>615,264</u>	<u>2,881</u>	<u>11,939,499</u>
<u>\$ 3,695,776</u>	<u>\$ 636,396</u>	<u>\$ 15,121</u>	<u>\$ 14,910,354</u>

**TOWN OF NORTH HEMPSTEAD**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
Year ended December 31, 2017

		Special Revenue Funds			
		Fire Protection Districts	Lighting District	Park Districts	Sidewalk District
<b>REVENUES</b>					
Real property taxes		\$ 5,830,860	\$ 1,872,012	\$ 986,452	\$ 2,875,810
Real property tax items		652,528	184,048	16,861	280,776
Departmental income				5,292	
Use of money and property		616,206	2,072	20,510	4,516
Sale of property and compensation for loss					
Miscellaneous local sources		89,618			
Interfund revenues				60,000	
	Total Revenues	<u>7,189,212</u>	<u>2,058,132</u>	<u>1,089,115</u>	<u>3,161,102</u>
<b>EXPENDITURES</b>					
Current:					
General government support		653,712	285,595	198,422	595,598
Public safety		6,201,330			
Transportation			1,853,809		1,171,217
Culture and recreation				567,910	
Home and community services					
Employee benefits			17,231	169,439	597,999
	Total Expenditures	<u>6,855,042</u>	<u>2,156,635</u>	<u>935,771</u>	<u>2,364,814</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>		<u>334,170</u>	<u>(98,503)</u>	<u>153,344</u>	<u>796,288</u>
<b>OTHER FINANCING USES</b>					
Transfers out			(14,328)	(27,539)	(677,026)
	Total Other Financing Uses		<u>(14,328)</u>	<u>(27,539)</u>	<u>(677,026)</u>
<b>Net Change in Fund Balances</b>		<u>334,170</u>	<u>(112,831)</u>	<u>125,805</u>	<u>119,262</u>
<b>Fund Balances at Beginning of Year, as Reported</b>		1,192,786	562,188	1,269,242	1,087,236
<b>Cumulative Effect of Change in Accounting Principle</b>		5,674,173			
<b>Fund Balances at Beginning of Year, as Restated</b>		<u>6,866,959</u>	<u>562,188</u>	<u>1,269,242</u>	<u>1,087,236</u>
<b>Fund Balances at End of Year</b>		<u>\$ 7,201,129</u>	<u>\$ 449,357</u>	<u>\$ 1,395,047</u>	<u>\$ 1,206,498</u>

Refuse and Garbage Districts	Public Parking District	Water District	Total Nonmajor Governmental Funds
\$ 8,588,135	\$ 297,996	\$ 38,854	\$ 20,490,119
135,008	24,981	7,541	1,301,743
	883,707		888,999
5,818	3,736	37	652,895
	8,839		8,839
	3		89,621
			60,000
<u>8,728,961</u>	<u>1,219,262</u>	<u>46,432</u>	<u>23,492,216</u>
511,010	179,411		2,423,748
			6,201,330
	391,449		3,416,475
			567,910
8,343,407		52,506	8,395,913
	156,257		940,926
<u>8,854,417</u>	<u>727,117</u>	<u>52,506</u>	<u>21,946,302</u>
(125,456)	492,145	(6,074)	1,545,914
(37,313)	(381,064)		(1,137,270)
(37,313)	(381,064)		(1,137,270)
(162,769)	111,081	(6,074)	408,644
1,232,092	504,183	8,955	5,856,682
			5,674,173
<u>1,232,092</u>	<u>504,183</u>	<u>8,955</u>	<u>11,530,855</u>
<u>\$ 1,069,323</u>	<u>\$ 615,264</u>	<u>\$ 2,881</u>	<u>\$ 11,939,499</u>

**TOWN OF NORTH HEMPSTEAD**  
**FIRE PROTECTION DISTRICTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
Year ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES:</b>				
Ad valorem taxes	\$ 5,815,286	\$ 5,830,880	\$ 5,830,860	\$ (20)
Total Real Property Taxes	5,815,286	5,830,880	5,830,860	(20)
<b>REAL PROPERTY TAX ITEMS:</b>				
Payment in lieu of taxes	707,699	692,105	652,528	(39,577)
Interest and penalties on taxes	354	354		(354)
Total Real Property Tax Items	708,053	692,459	652,528	(39,931)
<b>USE OF MONEY AND PROPERTY:</b>				
Interest and earnings	3,277	614,074	616,206	2,132
Total Use of Money and Property	3,277	614,074	616,206	2,132
<b>MISCELLANEOUS LOCAL SOURCES:</b>				
Miscellaneous revenue		89,618	89,618	-0-
Total Miscellaneous Local Sources		89,618	89,618	-0-
Total Revenues	6,526,616	7,227,031	7,189,212	(37,819)
<b>EXPENDITURES</b>				
<b>CURRENT:</b>				
<b>GENERAL GOVERNMENT SUPPORT:</b>				
Unallocated insurance	246,477	246,477	230,368	16,109
Other general government support	450,096	450,096	423,344	26,752
Total General Government Support	696,573	696,573	653,712	42,861
<b>PUBLIC SAFETY:</b>				
Fire protection	6,436,619	7,137,034	6,201,330	935,704
Total Public Safety	6,436,619	7,137,034	6,201,330	935,704
Total Expenditures	7,133,192	7,833,607	6,855,042	978,565
<b>Net Change in Fund Balance</b>	<b>\$ (606,576)</b>	<b>\$ (606,576)</b>	334,170	<b>\$ 940,746</b>
<b>Fund Balance at Beginning of Year, as Reported</b>			1,192,786	
<b>Cumulative Effect of Change in Accounting Principle</b>			5,674,173	
<b>Fund Balance at Beginning of Year, as Restated</b>			6,866,959	
<b>Fund Balance at End of Year</b>			<b>\$ 7,201,129</b>	



**TOWN OF NORTH HEMPSTEAD**  
**LIGHTING DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES:</b>				
Ad valorem taxes	\$ 1,868,560	\$ 1,871,931	\$ 1,872,012	\$ 81
Total Real Property Taxes	1,868,560	1,871,931	1,872,012	81
<b>REAL PROPERTY TAX ITEMS:</b>				
Payment in lieu of taxes	197,319	193,948	184,006	(9,942)
Interest and penalties on taxes			42	42
Total Real Property Tax Items	197,319	193,948	184,048	(9,900)
<b>USE OF MONEY AND PROPERTY:</b>				
Interest and earnings	1	1	2,072	2,071
Total Use of Money and Property	1	1	2,072	2,071
Total Revenues	2,065,880	2,065,880	2,058,132	(7,748)
<b>EXPENDITURES</b>				
<b>CURRENT:</b>				
<b>GENERAL GOVERNMENT SUPPORT:</b>				
Unallocated insurance	5,500	10,492	10,490	2
Other general government support	288,124	275,426	275,105	321
Total General Government Support	293,624	285,918	285,595	323
<b>TRANSPORTATION:</b>				
Lighting	1,828,474	1,853,809	1,853,809	-0-
Total Transportation	1,828,474	1,853,809	1,853,809	-0-
<b>EMPLOYEE BENEFITS:</b>				
State employee retirement system	18,368	16,596	9,643	6,953
Social security	3,061	3,061	2,953	108
Workers' compensation	750	750	679	71
Disability benefits		1		1
Hospital, medical and dental	38,558	22,600	3,856	18,744
Other employee benefits		100	100	-0-
Total Employee Benefits	60,737	43,108	17,231	25,877
Total Expenditures	2,182,835	2,182,835	2,156,635	26,200
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(116,955)</u>	<u>(116,955)</u>	<u>(98,503)</u>	<u>18,452</u>
<b>OTHER FINANCING USES</b>				
Transfers out	(14,328)	(14,328)	(14,328)	-0-
Total Other Financing Uses	(14,328)	(14,328)	(14,328)	-0-
<b>Net Change in Fund Balance</b>	<u>\$ (131,283)</u>	<u>\$ (131,283)</u>	<u>(112,831)</u>	<u>\$ 18,452</u>
<b>Fund Balance at Beginning of Year</b>			<u>562,188</u>	
<b>Fund Balance at End of Year</b>			<u>\$ 449,357</u>	

**TOWN OF NORTH HEMPSTEAD**  
**PARK DISTRICTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES:</b>				
Ad valorem taxes	\$ 986,420	\$ 986,420	\$ 986,452	\$ 32
Total Real Property Taxes	986,420	986,420	986,452	32
<b>REAL PROPERTY TAX ITEMS:</b>				
Payment in lieu of taxes	17,365	17,365	16,807	(558)
Interest and penalties on taxes			54	54
Total Real Property Tax Items	17,365	17,365	16,861	(504)
<b>DEPARTMENTAL INCOME:</b>				
Special recreational facility charges	3,000	3,000	5,292	2,292
Total Departmental Income	3,000	3,000	5,292	2,292
<b>USE OF MONEY AND PROPERTY:</b>				
Interest and earnings	16,350	16,350	20,510	4,160
Total Use of Money and Property	16,350	16,350	20,510	4,160
<b>MISCELLANEOUS LOCAL SOURCES:</b>				
Gifts and donations		71		(71)
Total Miscellaneous Local Sources		71		(71)
<b>INTERFUND REVENUES</b>				
	60,000	60,000	60,000	-0-
Total Revenues	1,083,135	1,083,206	1,089,115	5,909

(Continued)

**TOWN OF NORTH HEMPSTEAD**  
**PARK DISTRICTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES</b>				
<b>CURRENT:</b>				
<b>GENERAL GOVERNMENT SUPPORT:</b>				
Unallocated insurance	\$ 20,700	\$ 18,363	\$ 5,960	\$ 12,403
Other general government support	289,171	237,383	192,462	44,921
Total General Government Support	<u>309,871</u>	<u>255,746</u>	<u>198,422</u>	<u>57,324</u>
<b>CULTURE AND RECREATION:</b>				
Parks and pools	570,993	618,955	567,910	51,045
Total Culture and Recreation	<u>570,993</u>	<u>618,955</u>	<u>567,910</u>	<u>51,045</u>
<b>EMPLOYEE BENEFITS:</b>				
State employee retirement system	60,796	64,412	64,412	-0-
Social security	30,324	34,498	34,129	369
Workers' compensation	4,500	5,855	5,854	1
Disability benefits		2	2	-0-
Hospital, medical and dental	92,514	89,251	64,392	24,859
Other employee benefits	300	650	650	-0-
Total Employee Benefits	<u>188,434</u>	<u>194,668</u>	<u>169,439</u>	<u>25,229</u>
Total Expenditures	<u>1,069,298</u>	<u>1,069,369</u>	<u>935,771</u>	<u>133,598</u>
<b>Excess of Revenues Over Expenditures</b>	<u>13,837</u>	<u>13,837</u>	<u>153,344</u>	<u>139,507</u>
<b>OTHER FINANCING USES</b>				
Transfers out	(28,606)	(28,606)	(27,539)	1,067
Total Other Financing Uses	<u>(28,606)</u>	<u>(28,606)</u>	<u>(27,539)</u>	<u>1,067</u>
<b>Net Change in Fund Balance</b>	<u>\$ (14,769)</u>	<u>\$ (14,769)</u>	125,805	<u>\$ 140,574</u>
<b>Fund Balance at Beginning of Year</b>			<u>1,269,242</u>	
<b>Fund Balance at End of Year</b>			<u>\$ 1,395,047</u>	

**TOWN OF NORTH HEMPSTEAD**  
**SIDEWALK DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 2,871,848	\$ 2,875,965	\$ 2,875,810	\$ (155)
Total Real Property Taxes	2,871,848	2,875,965	2,875,810	(155)
REAL PROPERTY TAX ITEMS:				
Payment in lieu of taxes	305,482	301,365	280,711	(20,654)
Interest and penalties on taxes			65	65
Total Real Property Tax Items	305,482	301,365	280,776	(20,589)
USE OF MONEY AND PROPERTY:				
Interest and earnings			4,516	4,516
Total Use of Money and Property			4,516	4,516
Total Revenues	3,177,330	3,177,330	3,161,102	(16,228)

(Continued)

**TOWN OF NORTH HEMPSTEAD**  
**SIDEWALK DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES</b>				
<b>CURRENT:</b>				
<b>GENERAL GOVERNMENT SUPPORT:</b>				
Unallocated insurance	\$ 33,000	\$ 33,000	\$ 15,020	\$ 17,980
Other general government support	605,403	596,904	580,578	16,326
Total General Government Support	<u>638,403</u>	<u>629,904</u>	<u>595,598</u>	<u>34,306</u>
<b>TRANSPORTATION:</b>				
Sidewalks	1,446,136	1,446,136	1,171,217	274,919
Total Transportation	<u>1,446,136</u>	<u>1,446,136</u>	<u>1,171,217</u>	<u>274,919</u>
<b>EMPLOYEE BENEFITS:</b>				
State employee retirement system	196,786	196,786	181,514	15,272
Social security	88,185	88,185	75,073	13,112
Workers' compensation	3,000	6,250	6,250	-0-
Unemployment insurance	100			-0-
Disability benefits		6	6	-0-
Hospital, medical and dental	331,397	335,057	335,056	1
Other employee benefits	675	675	100	575
Total Employee Benefits	<u>620,143</u>	<u>626,959</u>	<u>597,999</u>	<u>28,960</u>
Total Expenditures	<u>2,704,682</u>	<u>2,702,999</u>	<u>2,364,814</u>	<u>338,185</u>
<b>Excess of Revenues Over Expenditures</b>	<u>472,648</u>	<u>474,331</u>	<u>796,288</u>	<u>321,957</u>
<b>OTHER FINANCING USES</b>				
Transfers out	(675,343)	(677,026)	(677,026)	-0-
Total Other Financing Uses	<u>(675,343)</u>	<u>(677,026)</u>	<u>(677,026)</u>	<u>-0-</u>
<b>Net Change in Fund Balance</b>	<u>\$ (202,695)</u>	<u>\$ (202,695)</u>	119,262	<u>\$ 321,957</u>
<b>Fund Balance at Beginning of Year</b>			<u>1,087,236</u>	
<b>Fund Balance at End of Year</b>			<u>\$ 1,206,498</u>	

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**TOWN OF NORTH HEMPSTEAD**  
**REFUSE AND GARBAGE DISTRICTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
Year ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 8,578,385	\$ 8,588,058	\$ 8,588,135	\$ 77
Total Real Property Taxes	8,578,385	8,588,058	8,588,135	77
REAL PROPERTY TAX ITEMS:				
Payment in lieu of taxes	117,420	107,748	109,675	1,927
Interest and penalties on taxes			327	327
Other tax items	25,000	25,000	25,006	6
Total Real Property Tax Items	142,420	132,748	135,008	2,260
USE OF MONEY AND PROPERTY:				
Interest and earnings	1,806	1,806	5,818	4,012
Total Use of Money and Property	1,806	1,806	5,818	4,012
Total Revenues	8,722,611	8,722,612	8,728,961	6,349
<b>EXPENDITURES</b>				
CURRENT:				
GENERAL GOVERNMENT SUPPORT:				
Other general government support	521,010	521,010	511,010	10,000
Total General Government Support	521,010	521,010	511,010	10,000
HOME AND COMMUNITY SERVICES:				
Sanitation	8,479,476	8,452,466	8,343,407	109,059
Total Home and Community Services	8,479,476	8,452,466	8,343,407	109,059
Total Expenditures	9,000,486	8,973,476	8,854,417	119,059
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(277,875)</u>	<u>(250,864)</u>	<u>(125,456)</u>	<u>125,408</u>
<b>OTHER FINANCING USES</b>				
Transfers out	(10,302)	(37,313)	(37,313)	-0-
Total Other Financing Uses	(10,302)	(37,313)	(37,313)	-0-
<b>Net Change in Fund Balance</b>	<u>\$ (288,177)</u>	<u>\$ (288,177)</u>	<u>(162,769)</u>	<u>\$ 125,408</u>
<b>Fund Balance at Beginning of Year</b>			<u>1,232,092</u>	
<b>Fund Balance at End of Year</b>			<u>\$ 1,069,323</u>	

**TOWN OF NORTH HEMPSTEAD**  
**PUBLIC PARKING DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES:</b>				
Ad valorem taxes	\$ 296,227	\$ 298,067	\$ 297,996	\$ (71)
Total Real Property Taxes	296,227	298,067	297,996	(71)
<b>REAL PROPERTY TAX ITEMS:</b>				
Payment in lieu of taxes	26,192	24,352	24,981	629
Total Real Property Tax Items	26,192	24,352	24,981	629
<b>DEPARTMENTAL INCOME:</b>				
Parking enforcement	65,000	65,000	65,000	-0-
Parking permits	80,000	80,000	84,668	4,668
Parking lots	500,000	500,000	473,858	(26,142)
Parking meter fees	180,000	180,000	260,181	80,181
Total Departmental Income	825,000	825,000	883,707	58,707
<b>USE OF MONEY AND PROPERTY:</b>				
Interest and earnings	1,000	1,000	1,036	36
Rental of real property			2,700	2,700
Total Use of Money and Property	1,000	1,000	3,736	2,736
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS:</b>				
Insurance recoveries			8,839	8,839
Total Sale of Property and Compensation for Loss			8,839	8,839
<b>MISCELLANEOUS LOCAL SOURCES:</b>				
Miscellaneous revenue			3	3
Total Miscellaneous Local Sources			3	3
Total Revenues	1,148,419	1,148,419	1,219,262	70,843

(Continued)



**TOWN OF NORTH HEMPSTEAD**  
**PUBLIC PARKING DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES</b>				
<b>CURRENT:</b>				
<b>GENERAL GOVERNMENT SUPPORT:</b>				
Credit card fees	\$ 22,361	\$ 28,361	\$ 27,769	\$ 592
Unallocated insurance	10,000	10,000	5,245	4,755
Other general government support	151,393	146,398	146,397	1
Total General Government Support	<u>183,754</u>	<u>184,759</u>	<u>179,411</u>	<u>5,348</u>
<b>TRANSPORTATION:</b>				
Parking	456,163	442,125	391,449	50,676
Total Transportation	<u>456,163</u>	<u>442,125</u>	<u>391,449</u>	<u>50,676</u>
<b>EMPLOYEE BENEFITS:</b>				
State employee retirement system	54,580	52,575	52,575	-0-
Social security	24,595	24,765	24,765	-0-
Workers' compensation	2,000	1,907	1,907	-0-
Disability benefits		2	2	-0-
Hospital, medical and dental	67,408	77,009	76,945	64
Other employee benefits	225	225	63	162
Total Employee Benefits	<u>148,808</u>	<u>156,483</u>	<u>156,257</u>	<u>226</u>
Total Expenditures	<u>788,725</u>	<u>783,367</u>	<u>727,117</u>	<u>56,250</u>
<b>Excess of Revenues Over Expenditures</b>	<u>359,694</u>	<u>365,052</u>	<u>492,145</u>	<u>127,093</u>
<b>OTHER FINANCING USES</b>				
Transfers out	(375,706)	(381,064)	(381,064)	-0-
Total Other Financing Uses	<u>(375,706)</u>	<u>(381,064)</u>	<u>(381,064)</u>	<u>-0-</u>
<b>Net Change in Fund Balance</b>	<u>\$ (16,012)</u>	<u>\$ (16,012)</u>	111,081	<u>\$ 127,093</u>
<b>Fund Balance at Beginning of Year</b>			<u>504,183</u>	
<b>Fund Balance at End of Year</b>			<u>\$ 615,264</u>	

**TOWN OF NORTH HEMPSTEAD**  
**WATER DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
REAL PROPERTY TAXES:				
Ad valorem taxes	\$ 38,851	\$ 38,851	\$ 38,854	\$ 3
Total Real Property Taxes	38,851	38,851	38,854	3
REAL PROPERTY TAX ITEMS:				
Payment in lieu of taxes	7,664	7,664	7,541	(123)
Total Real Property Tax Items	7,664	7,664	7,541	(123)
USE OF MONEY AND PROPERTY:				
Interest and earnings	35	35	37	2
Total Use of Money and Property	35	35	37	2
Total Revenues	46,550	46,550	46,432	(118)
<b>EXPENDITURES</b>				
CURRENT:				
HOME AND COMMUNITY SERVICES:				
Water	52,506	52,506	52,506	-0-
Total Home and Community Services	52,506	52,506	52,506	-0-
Total Expenditures	52,506	52,506	52,506	-0-
<b>Net Change in Fund Balance</b>	<b>\$ (5,956)</b>	<b>\$ (5,956)</b>	<b>(6,074)</b>	<b>\$ (118)</b>
<b>Fund Balance at Beginning of Year</b>			<b>8,955</b>	
<b>Fund Balance at End of Year</b>			<b>\$ 2,881</b>	

**TOWN OF NORTH HEMPSTEAD**  
**FIDUCIARY FUNDS**  
**STATEMENT OF CHANGES IN AGENCY ASSETS AND LIABILITIES**  
Year ended December 31, 2017

<b>ASSETS</b>	Balance January 1, 2017	Additions	Deductions	Balance December 31, 2017
<i>Town Agency Fund</i>				
Cash	\$ 26,370,289	\$ 303,516,237	\$ 299,625,957	\$ 30,260,569
<b>Total Assets - Town Agency Fund</b>	<u>26,370,289</u>	<u>303,516,237</u>	<u>299,625,957</u>	<u>30,260,569</u>
<i>Town Clerk Agency Fund</i>				
Cash	73,517	732,099	696,217	109,399
<b>Total Assets - Town Clerk Agency Fund</b>	<u>73,517</u>	<u>732,099</u>	<u>696,217</u>	<u>109,399</u>
<i>Town Receiver of Taxes Agency Fund</i>				
Cash	6,583,824	1,392,932,958	1,296,736,825	102,779,957
<b>Total Assets - Town Receiver of Taxes Agency Fund</b>	<u>6,583,824</u>	<u>1,392,932,958</u>	<u>1,296,736,825</u>	<u>102,779,957</u>
<b>Total Assets</b>	<u>\$ 33,027,630</u>	<u>\$ 1,697,181,294</u>	<u>\$ 1,597,058,999</u>	<u>\$ 133,149,925</u>
<b>LIABILITIES</b>				
<i>Town Agency Fund</i>				
Due to nonmajor component units	\$ 23,854,174	\$ 261,763,874	\$ 257,810,820	\$ 27,807,228
Other liabilities	2,516,115	41,752,363	41,815,137	2,453,341
<b>Total Liabilities - Town Agency Fund</b>	<u>26,370,289</u>	<u>303,516,237</u>	<u>299,625,957</u>	<u>30,260,569</u>
<i>Town Clerk Agency Fund</i>				
Due to the Comptroller of the State of New York	-0-	484	484	-0-
Due to the Department of Environmental Conservation of the State of New York	460	11,548	11,823	185
Due to the Department of Health of the State of New York	1,193	18,608	18,833	968
Due to the Department of Agriculture and Markets of the State of New York	343	5,195	5,254	284
Other liabilities	71,521	696,264	659,823	107,962
<b>Total Liabilities - Town Clerk Agency Fund</b>	<u>73,517</u>	<u>732,099</u>	<u>696,217</u>	<u>109,399</u>
<i>Town Receiver of Taxes Agency Fund</i>				
Due to school districts	6,583,818	958,606,717	896,260,206	68,930,329
Other liabilities	6	434,326,241	400,476,619	33,849,628
<b>Total Liabilities - Town Receiver of Taxes Agency Fund</b>	<u>6,583,824</u>	<u>1,392,932,958</u>	<u>1,296,736,825</u>	<u>102,779,957</u>
<b>Total Liabilities</b>	<u>\$ 33,027,630</u>	<u>\$ 1,697,181,294</u>	<u>\$ 1,597,058,999</u>	<u>\$ 133,149,925</u>

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## **DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS**

The nonmajor component units of the Town provide water, water pollution control, garbage, parks, police, library, community development, and business improvement services to residents and businesses within the districts. These districts are organized under New York State Town Law and have separately elected boards. Long-term debt, backed by the full faith and credit of the Town, and other matters result in interdependency with the Town.

**TOWN OF NORTH HEMPSTEAD**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**COMBINING STATEMENT OF NET POSITION**  
**DECEMBER 31, 2017**

	<b>GARBAGE DISTRICTS:</b>				<b>WATER POLLUTION CONTROL DISTRICTS:</b>		
	Port Washington	Glenwood	Carle Place	Roslyn	Great Neck	Belgrave	Port Washington
<b>ASSETS</b>							
<b>Current Assets:</b>							
Cash and investments	\$ 1,007,223	\$ 58,311	\$ 273,988	\$ 317,459	\$ 3,283,210	\$ 3,831,810	\$ 3,388,145
Cash - restricted					474,709	347,405	155,721
Receivable, net of allowance for doubtful accounts					169,789	9,705	2,708
Prepays	832			885	143,978	55,557	181,140
Due from other governments	1,121,256	9,193	319,455	325,297	160,479		55,684
Due from primary government	3,598	59	961	5,203	4,137,777	1,133,037	6,964
Inventory of materials and supplies				1,799			3,439
Total Current Assets	<u>2,132,909</u>	<u>67,563</u>	<u>594,404</u>	<u>650,643</u>	<u>8,369,942</u>	<u>5,377,514</u>	<u>3,793,801</u>
<b>Non-current Assets:</b>							
Loan Receivable							
Property held for resale							
Capital assets, net of depreciation	24,750				65,837,818	13,283,525	31,291,001
Total Non-Current Assets	<u>24,750</u>				<u>65,837,818</u>	<u>13,283,525</u>	<u>31,291,001</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred charge on refunding							16,837
Pensions				3,014	430,833	267,077	432,699
Total Deferred Outflows of Resources				<u>3,014</u>	<u>430,833</u>	<u>267,077</u>	<u>449,536</u>
<b>LIABILITIES</b>							
<b>Current Liabilities:</b>							
Accounts payable	179,557	2,238		5,434	675,817	30,662	352,653
Accrued liabilities	4,860			1,860	65,879		29,534
Accrued interest payable					183,495	57,492	
Bond anticipation notes payable	447,428	6,704	123,950	152,470			
Due to other governments	9,731		2,733	3,203	44,466		
Unearned revenue							
Other liabilities					17,827		
Non-current liabilities due within one year:							
General obligation bonds payable					1,709,441	529,476	844,216
Due to employee retirement system							
Compensated absences							15,619
Installment purchase debt							
Total Current Liabilities	<u>641,576</u>	<u>8,942</u>	<u>126,683</u>	<u>162,967</u>	<u>2,696,925</u>	<u>617,630</u>	<u>1,242,022</u>
<b>Noncurrent liabilities:</b>							
Unearned revenue							
General obligation bonds payable					50,398,216	7,437,061	14,498,564
Due to employee retirement system							
Compensated absences					53,299	70,786	306,590
Installment purchase debt							
Net pension liability - proportionate share				1,673	440,658	285,309	426,622
Other post-employment benefits					3,451,646	1,883,010	4,824,352
Total Non-Current Liabilities				<u>1,673</u>	<u>54,343,819</u>	<u>9,676,166</u>	<u>20,056,128</u>
Total Liabilities	<u>641,576</u>	<u>8,942</u>	<u>126,683</u>	<u>164,640</u>	<u>57,040,744</u>	<u>10,293,796</u>	<u>21,298,150</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred charge on refunding							16,897
Pensions				378	117,859	112,063	72,339
Total Deferred Inflows of Resources				<u>378</u>	<u>117,859</u>	<u>112,063</u>	<u>89,236</u>
<b>NET POSITION</b>							
Net investment in capital assets	24,750				17,642,084	6,418,861	10,578,242
Restricted					679,055	1,199,173	155,721
Unrestricted	1,491,333	58,621	467,721	488,639	(841,149)	904,223	3,412,989
Total Net Position	<u>\$ 1,516,083</u>	<u>\$ 58,621</u>	<u>\$ 467,721</u>	<u>\$ 488,639</u>	<u>\$ 17,479,990</u>	<u>\$ 8,522,257</u>	<u>\$ 14,146,952</u>

**WATER DISTRICTS:**

Glenwood	Albertson	Garden City Park	Port Washington	Westbury	Roslyn	Carle Place	Manhasset - Lakeville
\$ 432,172	\$ 881,143 1,188,936	\$ 3,751,471	\$ 2,584,562	\$ 2,782,199	\$ 3,717,814	\$ 4,026,232 1,753,347	\$ 6,174,851
46,023	288,984 50,440	230,603 167,480	654,469 74,985	564,192 167,450	337,388 197,800	355,652 61,617	1,133,749 125,664
39,071	204,655 2,483,669	123,615 2,781,191 31,538	136,981 4,986,197	278,950 131,627 56,395	133,647 5,135,184 141,721	133,647 3,671,230 87,344	264,979 1,670,564 308,664
517,266	5,097,827	7,085,898	8,437,194	3,980,813	9,663,554	9,955,422	9,678,471
275,991	8,455,436	14,505,231	19,464,587	9,564,934	16,465,657	12,588,079	41,643,624
275,991	8,455,436	14,505,231	19,464,587	9,564,934	16,465,657	12,588,079	41,643,624
5,681	256,339	394,361	511,520	463,812	421,734	10,245 222,920	544,847
5,681	256,339	394,361	511,520	463,812	421,734	233,165	544,847
28,678	80,290	434,731 88,453	923,037 181,747	160,983 35,951	397,186	1,486,964	479,504 7,151 70,249
19	59,409				198,353		384
5,488	64,793	66,930	128,928	357,114	5,597	5,322	747,791
2,880 1,139	570,854 30,118	168,352	1,133,136	310,321	470,816	505,532	1,121,458
38,204	805,464	758,466	2,366,848	864,369	1,071,952	1,997,818	2,426,537
5,215	6,493,800 271,065	6,746,648 286,649	16,843,238 311,053	1,886,644 305,656	15,872,557 499,351	11,224,622 72,543	5,932,956 259,641
3,986	191,698	380,620	322,874	438,727	365,397	197,924	597,591
26,732	1,168,399	3,247,248	4,391,655	3,676,597	2,676,516	2,205,670	5,403,566
35,933	8,124,962	10,661,165	21,868,820	6,307,624	19,413,821	13,700,759	12,193,754
74,137	8,930,426	11,419,631	24,235,668	7,171,993	20,485,773	15,698,577	14,620,291
607	31,209	87,550	56,708	74,613	56,186	30,056	294,245 87,837
607	31,209	87,550	56,708	74,613	56,186	30,056	382,082
273,111	3,686,292 1,175,414	10,362,725 3,308,184	5,548,492 1,650,756	7,367,969 2,630,782	5,120,820 3,128,150	3,383,253 5,219,678	34,308,227 600,851
451,083	(13,739)	(3,192,600)	(3,078,323)	(3,235,798)	(2,239,984)	(1,554,898)	1,955,491
\$ 724,194	\$ 4,847,967	\$ 10,478,309	\$ 4,120,925	\$ 6,762,953	\$ 6,008,986	\$ 7,048,033	\$ 36,864,569

(continued)

**TOWN OF NORTH HEMPSTEAD**  
DISCRETELY PRESENTED COMPONENT UNITS  
COMBINING STATEMENT OF NET POSITION  
DECEMBER 31, 2017

	<b>PARK DISTRICTS:</b>		<b>POLICE DISTRICT:</b>	<b>PUBLIC LIBRARY DISTRICT:</b>	<b>COMMUNITY DEVELOPMENT AGENCY:</b>
	Manhasset	Great Neck	Port Washington	Shelter Rock	Town of North Hempstead
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash and investments	\$ 661,744	\$ 9,415,777	\$ 8,449,828	\$ 1,853,711	\$ 903,639
Cash - Restricted			323,626	223,599	
Receivable, net of allowance for doubtful accounts		11,206	535,667	163	509,582
Prepays	23,929	56,667	917,264	67,653	15,138
Due from other governments	99,442	75,000		100,334	
Due from primary government	1	1,575,405	1,534	5,674	
Inventory of materials and supplies					
<b>Total Current Assets</b>	<b>785,116</b>	<b>11,134,055</b>	<b>10,227,919</b>	<b>2,251,134</b>	<b>1,428,359</b>
<b>Non-current Assets:</b>					
Loan Receivable					1,274,384
Property held for resale					1,619,544
Capital assets, net of depreciation	2,365,514	26,090,870	1,310,518	5,754,357	
<b>Total Non-Current Assets</b>	<b>2,365,514</b>	<b>26,090,870</b>	<b>1,310,518</b>	<b>5,754,357</b>	<b>2,893,928</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred charge on refunding Pensions	206,339	1,634,337	6,705,621	544,968	120,163
<b>Total Deferred Outflows of Resources</b>	<b>206,339</b>	<b>1,634,337</b>	<b>6,705,621</b>	<b>544,968</b>	<b>120,163</b>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts payable	68,399	374,084	204,483	37,559	60,433
Accrued liabilities		425,828	131,226	41,791	
Accrued interest payable		137,838	785		
Bond anticipation notes payable					
Due to other governments					20,285
Unearned revenue		825,198			60,950
Other liabilities					
Non-current liabilities due within one year:					
General obligation bonds payable		1,783,972	18,602	380,532	
Due to employee retirement system					
Compensated absences			412,113		28,500
Installment purchase debt		97,249			
<b>Total Current Liabilities</b>	<b>68,399</b>	<b>3,644,169</b>	<b>767,209</b>	<b>459,882</b>	<b>170,168</b>
<b>Noncurrent liabilities:</b>					
Unearned revenue					289,263
General obligation bonds payable		13,133,049	19,365	2,601,341	
Due to employee retirement system					
Compensated absences	126,475	971,146	8,433,692	148,063	21,837
Installment purchase debt		409,648			
Net pension liability - proportionate share	219,562	1,422,509	4,953,459	532,488	94,394
Other post-employment benefits	3,054,357	9,250,252	26,037,607	1,705,460	1,250,838
<b>Total Non-Current Liabilities</b>	<b>3,400,394</b>	<b>25,186,604</b>	<b>39,444,123</b>	<b>4,987,352</b>	<b>1,656,332</b>
<b>Total Liabilities</b>	<b>3,468,793</b>	<b>28,830,773</b>	<b>40,211,332</b>	<b>5,447,234</b>	<b>1,826,500</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred charge on refunding Pensions	33,342	220,975	961,829	82,294	16,034
<b>Total Deferred Inflows of Resources</b>	<b>33,342</b>	<b>220,975</b>	<b>961,829</b>	<b>82,294</b>	<b>16,034</b>
<b>NET POSITION</b>					
Investment in capital assets	2,365,514	12,152,946	1,272,552	2,774,761	
Restricted		1,104,897	323,626	223,599	2,599,916
Unrestricted	(2,510,680)	(3,450,329)	(24,525,281)	22,571	
<b>Total Net Position</b>	<b>\$ (145,166)</b>	<b>\$ 9,807,514</b>	<b>\$ (22,929,103)</b>	<b>\$ 3,020,931</b>	<b>\$ 2,599,916</b>



**BUSINESS  
IMPROVEMENT  
DISTRICT:**

Greater Port Washington		Totals
\$ 101,617	\$ 57,896,906	4,467,343
		4,849,880
		2,308,479
		3,448,038
77,353	27,807,228	630,900
<u>178,970</u>	<u>101,408,774</u>	
		1,274,384
		1,619,544
96,864	269,018,756	
<u>96,864</u>	<u>271,912,684</u>	
		27,082
		<u>13,166,265</u>
		<u>13,193,347</u>
463	5,983,155	
	1,014,280	
254	707,894	
	730,552	
	86,290	
	1,514,832	
	765,618	
10,217	9,559,805	
	1,139	
	486,350	
	97,249	
<u>10,934</u>	<u>20,947,164</u>	
	289,263	
43,867	153,131,928	
	5,215	
	12,137,846	
	409,648	
	10,875,491	
	74,253,905	
<u>43,867</u>	<u>251,103,296</u>	
<u>54,801</u>	<u>272,050,460</u>	
		311,142
		<u>2,041,879</u>
		<u>2,353,021</u>
42,780	123,323,379	
24,284	24,024,086	
153,969	(35,236,141)	
<u>\$ 221,033</u>	<u>\$ 112,111,324</u>	

**TOWN OF NORTH HEMPSTEAD**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**COMBINING STATEMENT OF ACTIVITIES**  
**DECEMBER 31, 2017**

	<b>GARBAGE DISTRICTS:</b>				<b>WATER POLLUTION CONTROL DISTRICTS:</b>		
	Port Washington	Glenwood	Carle Place	Roslyn	Great Neck	Belgrave	Port Washington
<b>REVENUES</b>							
Program revenues:							
Charges for services					\$ 2,928,169	\$ 881,586	\$ 972,346
Operating grants and contributions							
Capital grants and contributions					304,070		
Real property taxes	\$ 2,148,946	\$ 60,543	\$ 840,050	\$ 481,447	6,656,833	2,558,971	4,892,134
Other real property tax items	103,966		12,680	70,175			
Non-property tax items							
Use of money and property - interest and earnings	1,938	64	1,353	412	29,593	17,490	18,340
Sales of property and compensation for loss					198,558		17,990
Miscellaneous local sources	4,000			1,354	12,021		33,358
Federal aid							31,592
Total Revenues	<u>2,258,850</u>	<u>60,607</u>	<u>854,083</u>	<u>553,388</u>	<u>10,129,244</u>	<u>3,458,047</u>	<u>5,965,760</u>
<b>EXPENDITURES</b>							
Current:							
Public safety							
Culture and recreation							
Home and community services	2,318,285	62,737	900,858	518,556	9,483,683	3,070,179	6,932,670
Total Expenditures	<u>2,318,285</u>	<u>62,737</u>	<u>900,858</u>	<u>518,556</u>	<u>9,483,683</u>	<u>3,070,179</u>	<u>6,932,670</u>
<b>Changes in Net Revenues Over Expenditures</b>	<u>(59,435)</u>	<u>(2,130)</u>	<u>(46,775)</u>	<u>34,832</u>	<u>645,561</u>	<u>387,868</u>	<u>(966,910)</u>
<b>Net Position at Beginning of Year, as Reported</b>	1,575,518	60,751	514,496	453,807	16,339,692	8,134,389	15,113,862
<b>Prior Period Adjustment</b>					494,737		
<b>Net Position at Beginning of Year, as Restated</b>	<u>1,575,518</u>	<u>60,751</u>	<u>514,496</u>	<u>453,807</u>	<u>16,834,429</u>	<u>8,134,389</u>	<u>15,113,862</u>
Net Position at End of Year	<u>\$ 1,516,083</u>	<u>\$ 58,621</u>	<u>\$ 467,721</u>	<u>\$ 488,639</u>	<u>\$ 17,479,990</u>	<u>\$ 8,522,257</u>	<u>\$ 14,146,952</u>

**WATER DISTRICTS:**

Glenwood	Albertson	Garden City Park	Port Washington	Westbury	Roslyn	Carle Place	Manhasset - Lakeville
\$ 144,373	\$ 1,460,384	\$ 1,240,361	\$ 4,133,814	\$ 1,696,205	\$ 2,177,420	\$ 894,791	\$ 6,043,862
321,106	1,506,948	2,556,066	1,621,761	2,611,992	2,215,193	1,694,287	3,432,774
39,421	127,726	97,672	80,783	221,551	222,227	120,622	162,370
34	47,744	16,247	79,304	6,015	45,447	32,219	237,978
340	7,593 12,158	336,367	143,018	479,405	563,433	373,633	162,471 144,430
<u>505,274</u>	<u>3,162,553</u>	<u>4,246,713</u>	<u>6,058,680</u>	<u>5,015,168</u>	<u>5,223,720</u>	<u>3,115,552</u>	<u>10,183,885</u>
376,808	2,946,183	4,914,133	6,860,273	4,843,632	5,026,452	2,794,644	8,808,618
<u>376,808</u>	<u>2,946,183</u>	<u>4,914,133</u>	<u>6,860,273</u>	<u>4,843,632</u>	<u>5,026,452</u>	<u>2,794,644</u>	<u>8,808,618</u>
128,466	216,370	(667,420)	(801,593)	171,536	197,268	320,908	1,375,267
595,728	4,631,597	11,145,729	4,922,518	6,591,417	5,811,718	7,029,634	35,522,761
595,728	4,631,597	11,145,729	4,922,518	6,591,417	5,811,718	(302,509)	(33,459)
<u>595,728</u>	<u>4,631,597</u>	<u>11,145,729</u>	<u>4,922,518</u>	<u>6,591,417</u>	<u>5,811,718</u>	<u>6,727,125</u>	<u>35,489,302</u>
<u>\$ 724,194</u>	<u>\$ 4,847,967</u>	<u>\$ 10,478,309</u>	<u>\$ 4,120,925</u>	<u>\$ 6,762,953</u>	<u>\$ 6,008,986</u>	<u>\$ 7,048,033</u>	<u>\$ 36,864,569</u>

(continued)

**TOWN OF NORTH HEMPSTEAD**  
DISCRETELY PRESENTED COMPONENT UNITS  
COMBINING STATEMENT OF ACTIVITIES  
DECEMBER 31, 2017

	<b>PARK DISTRICTS:</b>		<b>POLICE DISTRICT:</b>	<b>PUBLIC LIBRARY DISTRICT:</b>	<b>COMMUNITY DEVELOPMENT AGENCY:</b>
	Manhasset	Great Neck	Port Washington	Shelter Rock	Town of North Hempstead
<b>REVENUES</b>					
Program revenues:					
Charges for services	\$ 835,036	\$ 4,705,463	\$ 7,171	\$ 23,068	
Operating grants and contributions			153,116	10,000	\$ 939,254
Capital grants and contributions		75,000		10,000	
Real property taxes	708,298	12,661,642	19,928,810	3,699,249	
Other real property tax items			1,748,982	201,348	
Non-property tax items	25,229				
Use of money and property - interest and earnings	1,142	74,820	99,896		18,002
Sales of property and compensation for loss			94,454		
Miscellaneous local sources	23,187	120,620	36,764	22,957	27,205
Federal aid					
<b>Total Revenues</b>	<b>1,592,892</b>	<b>17,637,545</b>	<b>22,069,193</b>	<b>3,966,622</b>	<b>984,461</b>
<b>EXPENDITURES</b>					
Current:					
Public safety			23,843,500		
Culture and recreation	1,989,603	17,602,443		4,119,283	
Home and community services					1,209,179
<b>Total Expenditures</b>	<b>1,989,603</b>	<b>17,602,443</b>	<b>23,843,500</b>	<b>4,119,283</b>	<b>1,209,179</b>
<b>Changes in Net Revenues Over Expenditures</b>	<b>(396,711)</b>	<b>35,102</b>	<b>(1,774,307)</b>	<b>(152,661)</b>	<b>(224,718)</b>
<b>Net Position at Beginning of Year, as Reported</b>	251,545	9,772,412	(21,154,796)	3,173,592	2,824,634
<b>Prior Period Adjustment</b>					
<b>Net Position at Beginning of Year, as Restated</b>	251,545	9,772,412	(21,154,796)	3,173,592	2,824,634
<b>Net Position at End of Year</b>	<b>\$ (145,166)</b>	<b>\$ 9,807,514</b>	<b>\$ (22,929,103)</b>	<b>\$ 3,020,931</b>	<b>\$ 2,599,916</b>

**BUSINESS  
IMPROVEMENT  
DISTRICT:**

Greater Port Washington		Totals
\$ 2,898	\$	28,146,947
		1,102,370
		389,070
190,670		70,787,720
		3,049,480
		185,272
719		728,757
		481,066
		2,334,250
		31,592
<u>194,287</u>		<u>107,236,524</u>
		23,843,500
		23,711,329
<u>193,647</u>		<u>61,260,537</u>
<u>193,647</u>		<u>108,815,366</u>
<u>640</u>		<u>(1,578,842)</u>
220,393		113,531,397
		158,769
<u>220,393</u>		<u>113,690,166</u>
<u>\$ 221,033</u>	<u>\$</u>	<u>112,111,324</u>

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## STATISTICAL SECTION

This part of the Town of North Hempstead's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

<b><u>Contents</u></b>	<b>Page</b>
<b>Financial Trends</b> <i>These schedules contain information to help the reader understand how the Town's financial performance and well-being have changed over time.</i>	138-147
<b>Revenue Capacity</b> <i>These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.</i>	148-153
<b>Debt Capacity</b> <i>These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.</i>	154-157
<b>Demographic and Economic Information</b> <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.</i>	158-159
<b>Operating Information</b> <i>These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.</i>	160-165

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

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

As of December 31,	2017	2016*	2015	2014
Governmental activities:				
Net investment in capital assets	\$ 248,900,563	\$ 242,330,248	\$ 239,681,379	\$ 231,094,773
Restricted	7,464,775	12,144,195	-0-	-0-
Unrestricted	<u>(85,812,029)</u>	<u>(84,425,694)</u>	<u>(69,252,429)</u>	<u>(64,790,663)</u>
Total primary government net position	<u>\$ 170,553,309</u>	<u>\$ 170,048,749</u>	<u>\$ 170,428,950</u>	<u>\$ 166,304,110</u>

\*Amounts for 2016 were restated for comparative purposes to show the effect of applying Governmental Accounting Standards Board (GASB) Statement No. 73, "Accounting and Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68." See Note 6 of the audited financial statements for more detail.

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



<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 225,486,423	\$ 231,420,763	\$ 223,505,633	\$ 217,695,935	\$ 81,566,768	\$ 76,605,301
1,841,053	2,117,638	6,283,772	5,557,086	4,730,567	11,493,040
<u>(65,367,033)</u>	<u>(66,309,234)</u>	<u>(62,918,534)</u>	<u>(54,631,750)</u>	<u>(39,184,455)</u>	<u>(41,691,280)</u>
<u>\$ 161,960,443</u>	<u>\$ 167,229,167</u>	<u>\$ 166,870,871</u>	<u>\$ 168,621,271</u>	<u>\$ 47,112,880</u>	<u>\$ 46,407,061</u>

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

Years ended December 31,	2017	2016	2015	2014
<b>Expenses</b>				
Governmental activities:				
General government support	\$ 30,216,273	\$ 28,779,266	\$ 28,189,765	\$ 29,539,133
Education	3,455,484	2,325,386	2,199,528	1,823,139
Public safety	14,259,877	15,129,393	14,292,840	14,261,443
Health	410,369	390,993	427,110	422,533
Transportation	23,540,680	23,473,504	24,270,255	23,690,160
Economic assistance and opportunity	3,647,150	3,798,866	3,626,479	2,873,584
Culture and recreation	29,362,341	28,423,638	26,621,444	26,962,089
Home and community service	26,859,210	29,671,225	27,259,608	27,652,600
Interest on debt	5,350,058	5,222,307	5,812,532	4,815,137
	<u>\$ 137,101,442</u>	<u>\$ 137,214,578</u>	<u>\$ 132,699,561</u>	<u>\$ 132,039,818</u>
Total primary government expenses				
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government support	\$ 566,435	\$ 438,798	\$ 501,619	\$ 497,926
Public safety	5,101,695	4,421,971	4,333,981	3,585,511
Health	270,362	282,800	262,706	274,282
Transportation	2,004,874	1,478,194	1,548,496	1,318,572
Economic assistance and opportunity	52,166	43,497	61,324	281,716
Culture and recreation	8,900,648	9,466,886	9,477,758	10,028,738
Home and community service	15,545,743	16,213,363	16,553,220	16,446,757
Operating grants and contributions	608,922	1,176,467	2,785,051	5,142,096
Capital grants and contributions	2,094,442	1,501,146	870,020	476,148
	<u>\$ 35,145,287</u>	<u>\$ 35,023,122</u>	<u>\$ 36,394,175</u>	<u>\$ 38,051,746</u>
Total primary government program revenues				
<b>Net (Expense) Revenue</b>				
Total primary government net expense				
	<u>\$ (101,956,155)</u>	<u>\$ (102,191,456)</u>	<u>\$ (96,305,386)</u>	<u>\$ (93,988,072)</u>
<b>General Revenues</b>				
Governmental activities:				
Real property taxes	\$ 69,454,516	\$ 73,724,772	\$ 73,161,136	\$ 72,038,134
Real property tax items	5,358,015	5,681,740	2,573,825	2,344,889
Non-property tax items	13,879,873	13,632,320	13,554,251	12,850,767
Interest earnings - unrestricted	1,300,037	228,531	243,894	1,501,136
Mortgage tax	9,184,447	9,556,463	7,698,406	7,228,190
Sale of property and compensation for loss				
State aid - unrestricted	1,023,565	1,023,565	1,023,565	1,023,565
Licenses and permits				
Other	2,260,262	2,935,695	2,847,395	2,188,594
	<u>\$ 102,460,715</u>	<u>\$ 106,783,086</u>	<u>\$ 101,102,472</u>	<u>\$ 99,175,275</u>
Total primary government				
<b>Change in Net Position</b>				
Total primary government change in net position				
	<u>\$ 504,560</u>	<u>\$ 4,591,630</u>	<u>\$ 4,797,086</u>	<u>\$ 5,187,203</u>

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

2013	2012	2011	2010	2009	2008
\$ 28,161,989	\$ 27,351,522	\$ 27,001,662	\$ 25,899,656	\$ 23,933,803	\$ 23,840,684
2,007,847	2,502,099	600,000	601,906	571,367	629,492
13,883,747	13,102,628	11,813,435	10,541,116	10,859,785	11,382,404
400,116	339,412	393,024	311,324	336,891	318,914
26,237,863	24,696,466	26,314,860	23,896,533	23,299,489	22,076,865
2,957,536	2,853,738	3,519,550	2,931,069	2,098,481	3,135,811
28,275,078	27,158,800	26,220,885	24,971,385	24,682,702	22,643,001
38,960,568	32,643,032	26,003,597	26,943,688	22,950,170	23,993,678
5,650,792	6,263,292	6,864,391	7,050,021	7,319,311	8,106,577
<u>\$ 146,535,536</u>	<u>\$ 136,910,989</u>	<u>\$ 128,731,404</u>	<u>\$ 123,146,698</u>	<u>\$ 116,051,999</u>	<u>\$ 116,127,426</u>
\$ 432,869	\$ 364,101	\$ 322,246	\$ 316,511	\$ 268,864	\$ 321,849
4,133,966	4,377,666	5,032,348	4,157,137	3,632,095	4,491,380
285,178	263,486	242,072	241,740		
2,288,644	1,660,870	1,173,076	1,464,958	1,231,699	958,363
351,277	22,164				
9,819,123	10,368,158	9,192,518	8,488,338	8,291,163	8,876,165
18,032,300	18,074,442	16,514,602	15,917,596	13,360,668	14,796,616
13,003,479	9,142,273	1,293,242	3,688,338	3,752,788	2,788,957
552,202	29,125	2,498,242	9,070,051	905,706	1,170,927
<u>\$ 48,899,038</u>	<u>\$ 44,302,285</u>	<u>\$ 36,268,346</u>	<u>\$ 43,344,669</u>	<u>\$ 31,442,983</u>	<u>\$ 33,404,257</u>
<u>\$ (97,636,498)</u>	<u>\$ (92,608,704)</u>	<u>\$ (92,463,058)</u>	<u>\$ (79,802,029)</u>	<u>\$ (84,609,016)</u>	<u>\$ (82,723,169)</u>
\$ 70,878,833	\$ 68,261,387	\$ 65,134,391	\$ 63,816,162	\$ 61,685,941	\$ 56,422,999
2,277,435	2,033,313	1,986,292	1,808,357	1,772,707	2,108,771
13,235,095	12,441,196	12,029,189	11,272,681	10,553,049	11,177,944
632,970	775,259	1,466,528	1,328,722	796,401	1,270,556
7,493,601	6,690,606	5,752,767	5,863,439	5,643,419	7,677,222
1,023,565					
1,923,480	1,023,565	1,065,026	1,044,454	1,111,654	1,111,654
1,575,642	1,841,674	3,178,465	116,176,605	3,751,664	1,342,723
<u>\$ 99,040,621</u>	<u>\$ 93,067,000</u>	<u>\$ 90,612,658</u>	<u>\$ 201,310,420</u>	<u>\$ 85,314,835</u>	<u>\$ 81,111,869</u>
<u>\$ 1,404,123</u>	<u>\$ 458,296</u>	<u>\$ (1,850,400)</u>	<u>\$ 121,508,391</u>	<u>\$ 705,819</u>	<u>\$ (1,611,300)</u>

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**TOWN OF NORTH HEMPSTEAD**  
**Governmental Activities Tax Revenues By Source**  
**Last Ten Years**  
**(accrual basis of accounting)**

<b>Years Ended December 31,</b>	<b>Real Property Tax</b>	<b>Real Property Tax Items</b>	<b>Non-Property Tax Items</b>	<b>Total</b>
2017	\$ 69,454,516	\$ 5,358,015	\$ 13,879,873	\$ 88,692,404
2016	73,724,772	5,681,740	13,632,320	93,038,832
2015	73,161,136	2,573,825	13,554,251	89,289,212
2014	72,038,134	2,344,889	12,850,767	87,233,790
2013	70,878,833	2,277,435	13,235,095	86,391,363
2012	68,261,387	2,033,313	12,441,196	82,735,896
2011	65,134,391	1,986,292	12,029,189	79,149,872
2010	63,816,162	1,808,357	11,272,681	76,897,200
2009	61,685,941	1,772,707	10,553,049	74,011,697
2008	56,422,999	2,108,771	11,177,944	69,709,714

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

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

As of December 31,	2017	2016	2015	2014
General Fund				
Reserved				
Unreserved				
Nonspendable	\$ 1,214,842	\$ 2,495,507	\$ 1,622,361	\$ 2,605,903
Assigned	4,751,811	3,552,773	2,623,538	3,616,445
Unassigned	8,370,032	8,270,030	7,445,560	4,161,400
Total General Fund	\$ 14,336,685	\$ 14,318,310	\$ 11,691,459	\$ 10,383,748
All other governmental funds				
Reserved				
Unreserved, reported in:				
Special revenue funds				
Capital projects funds				
Debt service fund				
Nonspendable	\$ 901,586	\$ 862,450	\$ 3,716,181	\$ 1,459,022
Restricted	45,356,032	6,470,022	493,155	15,539,657
Assigned	22,149,346	23,179,163	19,539,989	19,684,938
Unassigned	(1,812,947)	(1,060,948)	(44,825,924)	(53,834,341)
Total All Other Governmental Funds	\$ 66,594,017	\$ 29,450,687	\$ (21,076,599)	\$ (17,150,724)

Note <sup>(1)</sup> Components of Fund Balance have been reclassified, beginning with the December 31, 2011 CAFR in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*

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

2013	2012	2011 <sup>(1)</sup>	2010	2009	2008
			\$ 2,395,670	\$ 519,264	\$ 552,305
			9,915,603	11,636,395	17,289,914
\$ 6,317,118	\$ 5,522,182	\$ 4,677,860			
3,707,833	3,815,070	3,970,756			
3,693,793	201,856	510,271			
<u>\$ 13,718,744</u>	<u>\$ 9,539,108</u>	<u>\$ 9,158,887</u>	<u>\$ 12,311,273</u>	<u>\$ 12,155,659</u>	<u>\$ 17,842,219</u>
			\$ 35,247,468	\$ 20,071,816	\$ 18,548,411
			10,041,155	7,810,240	5,750,366
			(54,504,415)	(18,493,070)	(6,046,966)
			752,320	2,812,787	2,477,787
\$ 371,007	\$ 958,708	\$ 3,692,838			
1,841,053	2,117,638	6,183,772			
17,704,669	17,085,131	12,080,353			
(73,879,682)	(66,246,267)	(58,151,444)			
<u>\$ (53,962,953)</u>	<u>\$ (46,084,790)</u>	<u>\$ (36,194,481)</u>	<u>\$ (8,463,472)</u>	<u>\$ 12,201,773</u>	<u>\$ 20,729,598</u>

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

Years ended December 31,	2017	2016	2015	2014
<b>Revenues</b>				
Real property taxes	\$ 69,274,292	\$ 73,724,772	\$ 73,161,136	\$ 72,038,134
Real property tax items	5,358,015	5,681,740	2,573,825	2,344,889
Non-property tax items	13,879,873	13,632,320	13,554,251	12,850,767
Departmental income	24,887,296	25,925,575	26,126,290	25,976,819
Intergovernmental charges	1,176,710	1,199,836	1,302,739	963,096
Use of money and property	1,519,698	473,550	442,529	593,378
License and permits	5,535,816	4,335,603	4,549,233	3,234,920
Fines and forfeitures	190,180	238,908	242,603	239,052
Sale of property and compensation for loss	921,275	703,004	682,269	409,852
Miscellaneous revenue	703,633	1,242,126	1,152,977	1,203,246
Interfund revenues	6,924,674	6,836,057	6,879,071	6,994,901
State aid	12,411,291	12,454,869	10,659,621	10,400,768
Federal aid	249,085	802,772	1,717,421	4,112,792
<b>Total Revenues</b>	<b>143,031,838</b>	<b>147,251,132</b>	<b>143,043,965</b>	<b>141,362,614</b>
<b>Expenditures</b>				
General government support	20,875,498	20,871,024	21,122,838	21,719,953
Education	3,455,484	2,325,385	2,199,528	5,362,136
Public safety	11,922,786	12,494,483	12,394,374	12,162,015
Health	226,999	218,940	283,333	242,761
Transportation	14,404,316	14,246,990	15,290,185	14,396,223
Economic assistance and opportunity	2,595,142	2,651,359	2,617,744	2,083,114
Culture and recreation	17,464,056	17,169,378	16,602,868	16,993,305
Home and community service	26,132,641	25,955,284	27,076,363	27,204,995
Employee benefits	20,829,919	20,122,128	19,333,110	18,533,022
Capital outlay	19,266,865	11,719,397	12,608,240	10,123,687
Debt Service				
Principal	16,263,357	16,315,225	31,543,158	15,190,493
Interest	5,317,824	4,863,242	4,765,583	4,287,174
Other charges				
<b>Total Expenditures</b>	<b>158,754,887</b>	<b>148,952,835</b>	<b>165,837,324</b>	<b>148,298,878</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,723,049)	(1,701,703)	(22,793,359)	(6,936,264)
<b>Other Financing Sources (Uses)</b>				
Transfers in	25,039,204	33,162,476	26,464,109	28,587,034
Transfers out	(25,039,204)	(33,162,476)	(26,464,109)	(28,587,034)
Debt issuance	46,992,625	54,591,465	4,390,000	43,795,581
Premium on obligations	217,956	264,375	2,997,535	220,325
Bond anticipation notes redeemed				
Retirement of debt payment made by funds				
Refunding bonds issued			24,688,205	31,489,609
Payments to refund bond escrow agent			(12,516,931)	(35,092,018)
<b>Total Other Financing Sources</b>	<b>47,210,581</b>	<b>54,855,840</b>	<b>19,558,809</b>	<b>40,413,497</b>
<b>Net Change in Fund Balances</b>	<b>\$ 31,487,532</b>	<b>\$ 53,154,137</b>	<b>\$ (3,234,550)</b>	<b>\$ 33,477,233</b>
Debt service as a percentage of noncapital expenditures	15.50%	15.42%	23.78%	14.13%

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



2013	2012	2011	2010	2009	2008
\$ 70,878,833	\$ 68,261,387	\$ 65,134,391	\$ 63,816,162	\$ 61,685,941	\$ 56,422,999
2,277,435	2,031,479	1,983,764	1,808,357	1,772,707	2,108,771
13,235,095	12,441,196	12,029,189	11,272,681	10,553,049	11,177,944
28,161,245	27,647,268	25,665,439	24,400,667	23,203,649	25,662,941
2,381,714	1,794,090	1,375,209	1,622,331	578,911	856,683
521,771	706,324	1,229,803	1,216,559	842,928	1,323,318
3,655,105	3,945,324	4,388,479	3,745,966	2,876,128	4,069,511
205,709	279,175	349,525	301,504	395,050	162,710
1,370,285	356,668	1,776,050	459,710	2,204,692	601,074
1,334,774	1,839,787	1,240,997	120,830,435	4,336,599	2,805,462
6,861,935	6,837,796	7,088,604	6,186,021	6,545,301	6,257,139
10,698,776	9,472,707	7,861,711	9,429,326	7,926,549	9,684,298
11,374,071	8,231,952	2,706,105	5,390,644	707,018	965,817
<u>152,956,748</u>	<u>143,845,153</u>	<u>132,829,266</u>	<u>250,480,363</u>	<u>123,628,522</u>	<u>122,098,667</u>
20,971,505	20,214,430	18,885,445	18,041,263	17,174,514	16,915,724
439,233	531,716	600,000	601,906	571,367	629,492
11,725,481	11,349,801	10,120,902	9,276,505	9,354,264	9,898,211
226,569	197,082	214,121	181,135	191,946	189,337
16,542,073	15,257,407	16,370,205	15,645,227	14,285,581	14,105,804
2,094,184	2,093,973	2,396,237	2,075,798	1,442,441	2,105,211
17,789,654	16,889,672	16,381,463	16,326,553	16,051,879	15,601,723
37,544,848	30,999,963	25,220,268	24,568,372	22,457,155	23,308,180
17,504,421	16,384,918	15,228,229	13,265,108	12,829,691	12,761,276
10,632,754	23,240,864	33,775,975	148,094,890	22,361,001	10,439,461
15,793,474	19,100,317	17,524,153	18,803,632	19,597,605	18,440,527
5,391,079	7,022,723	7,072,317	6,988,606	7,540,463	8,329,626
	126,483		130,757		
<u>156,655,275</u>	<u>163,409,349</u>	<u>163,789,315</u>	<u>273,999,752</u>	<u>143,857,907</u>	<u>132,724,572</u>
<u>(3,698,527)</u>	<u>(19,564,196)</u>	<u>(30,960,049)</u>	<u>(23,519,389)</u>	<u>(20,229,385)</u>	<u>(10,625,905)</u>
24,429,877	31,544,621	29,944,267	35,647,342	30,969,268	27,543,991
(24,429,877)	(31,544,621)	(29,944,267)	(35,647,342)	(30,969,268)	(27,543,991)
	9,192,341		2,879,000	6,015,000	2,270,000
	604,540	76,654	410,228		
(2,285,201)	(1,898,059)	(1,460,000)	(383,500)		
2,285,201	1,898,059	1,460,000	383,500		
	10,403,791		7,547,603		
	(10,146,564)		(7,827,073)		
<u>-0-</u>	<u>10,054,108</u>	<u>76,654</u>	<u>3,009,758</u>	<u>6,015,000</u>	<u>2,270,000</u>
<u>\$ (3,698,527)</u>	<u>\$ (9,510,088)</u>	<u>\$ (30,883,395)</u>	<u>\$ (20,509,631)</u>	<u>\$ (14,214,385)</u>	<u>\$ (8,355,905)</u>
14.54%	18.75%	18.72%	20.55%	22.38%	22.03%

**TOWN OF NORTH HEMPSTEAD**  
**General Governmental Tax Revenues By Source**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

<b>Years Ended December 31,</b>	<b>Real Property Tax<sup>1</sup></b>	<b>Sales Tax<sup>2</sup></b>	<b>Mortgage Tax<sup>3</sup></b>	<b>Franchise Tax</b>	<b>Total</b>
2017	\$ 69,274,292	\$ 11,549,683	\$ 9,184,447	\$ 2,330,190	\$ 92,338,612
2016	73,724,772	11,237,939	9,556,463	2,394,381	96,913,555
2015	73,161,136	11,047,131	7,698,406	2,507,120	94,413,793
2014	72,038,134	10,845,925	7,228,190	2,004,842	92,117,091
2013	70,878,833	11,334,246	7,493,601	1,900,849	91,607,529
2012	68,261,387	10,613,091	6,690,606	1,828,105	87,393,189
2011	65,134,391	10,223,512	5,752,767	1,805,677	82,916,347
2010	63,816,162	9,550,499	5,863,439	1,722,182	80,952,282
2009	61,685,941	9,005,021	5,643,419	1,548,028	77,882,409
2008	56,422,999	9,724,584	7,677,222	1,453,360	75,278,165

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

<b>Years Ended December 31,</b>	<b>Residential Property 1 to 4 Family Homes</b>	<b>Residential Property Condominia Cooperatives</b>	<b>Utility Property</b>	<b>All Other Property</b>	<b>Total Net Assessed Value</b>	<b>State Equalization Rate</b>	<b>Full Valuation</b>	<b>Total Direct Tax Rate</b>
2017	\$ 91,263,155	\$ 8,865,651	\$ 3,574,779	\$ 35,828,683	\$139,532,268	0.27%	\$ 51,678,617,778	\$ 154.564
2016	93,593,109	8,995,913	7,939,673	42,012,337	152,541,032	0.28%	54,478,940,000	150.736
2015	95,436,524	8,877,421	7,867,890	42,572,887	154,754,722	0.31%	49,920,878,065	146.640
2014	97,799,191	9,012,086	8,550,680	43,874,552	159,236,509	0.32%	49,761,409,063	137.830
2013	101,341,024	9,095,629	8,567,065	44,473,827	163,477,545	0.32%	51,086,732,813	133.531
2012	110,586,676	9,792,042	8,830,153	48,767,035	177,975,906	0.33%	53,932,092,727	118.848
2011	116,480,241	10,753,627	8,852,979	56,526,239	192,613,086	0.35%	55,032,310,286	101.791
2010	132,570,851	10,243,443	8,477,047	54,793,312	206,084,653	0.33%	62,449,894,848	96.924
2009	133,075,463	9,655,173	8,204,377	51,658,844	202,593,857	0.32%	63,310,580,313	96.505
2008	129,604,894	8,624,417	7,459,244	48,342,052	194,030,607	0.30%	64,676,869,000	92.669

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

Sources: Town of North Hempstead Budgets and Official Statements

**TOWN OF NORTH HEMPSTEAD**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
**Last Ten Years**

Years Ended December 31,	GOVERNMENTAL FUNDS								
	TOWN OPERATED DISTRICTS								
	General	Town <sup>1</sup> Outside Villages	Fire Protection	Garbage	Lighting	Parks	Public Parking	Sidewalk	Water
2017	\$ 17.272	\$ 44.373	\$ 29.003	\$ 24.742	\$ 3.307	\$ 27.160	\$ 1.380	\$ 5.083	\$ 2.243
2016	16.338	43.822	29.178	22.800	3.371	26.105	1.422	5.209	2.491
2015	15.987	43.077	28.133	21.769	3.299	25.399	1.392	5.136	2.448
2014	15.378	41.047	25.307	20.101	3.115	24.330	1.335	4.813	2.404
2013	14.632	39.925	24.248	20.317	3.047	23.189	1.277	4.583	2.313
2012	12.509	36.269	21.969	17.380	2.823	20.510	1.141	4.148	2.099
2011	10.464	32.673	19.502	10.758	2.647	18.830	1.069	3.875	1.974
2010	9.404	29.436	18.276	15.043	2.349	15.995	0.999	3.625	1.798
2009	9.164	28.738	18.541	15.824	2.233	15.727	1.009	3.482	1.787
2008	8.504	26.751	18.408	16.182	2.090	14.592	1.004	3.327	1.811

Source: Adopted Town Budgets

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

Includes all classes of property for each Fund/District

<b>Town Direct Rate</b>	<b>County Direct Rate</b>	<b>School Direct Rate</b>	<b>Total Direct &amp; Overlapping Rate</b>
\$ 154.564	\$ 179.495	\$ 646.677	\$ 980.736
150.736	150.670	588.299	889.704
146.640	152.499	583.403	882.542
137.830	144.589	558.056	840.475
133.531	139.528	528.820	801.879
118.848	128.964	473.776	721.588
101.791	119.432	423.994	645.217
96.924	110.064	389.576	596.564
96.505	92.623	396.288	585.416
92.669	113.798	406.065	612.532

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

2017

Rank	Taxpayer	Nature of Business	Assessed Valuation	Percentage of Total Assessed Valuation <sup>(1)</sup>
1	Keyspan Gas East	Utility	\$ 2,803,096	2.01%
2	Apollo Lake Success LLC	Real Estate	1,529,874	1.10%
3	Fifth Avenue of Long Island Realty Assoc.	Real Estate	933,928	0.67%
4	Verizon New York	Utility	827,683	0.59%
5	CLK Marcus Avenue Property	Real Estate	628,605	0.45%
6	We're Associates Inc.	Real Estate	599,813	0.43%
7	Country Glen LLC	Shopping Center	502,356	0.36%
8	111 Marcus Avenue Unit 2 Owner	Real Estate	376,953	0.27%
9	Lake Success Shopping Center	Shopping Center	308,203	0.22%
10	600 Community LLC	Real Estate	307,203	0.22%
	Total		<u>\$ 8,817,714</u>	<u>6.32%</u>

2008

Rank	Taxpayer	Nature of Business	Assessed Valuation	Percentage of Total Assessed Valuation <sup>(1)</sup>
1	Long Island Power Authority	Utility	\$ 5,153,161	2.66%
2	Keyspan Gas East	Utility	1,656,246	0.85%
3	Park Lake Success	Real Estate	1,451,379	0.75%
4	Feiga-Olive Tree	Real Estate	1,008,505	0.52%
5	2001 Marcus Avenue LLC	Real Estate	802,774	0.41%
6	Verizon New York	Utility	769,386	0.40%
7	Marcus Avenue Associates	Real Estate	540,716	0.28%
8	Country Glen LLC	Real Estate	536,292	0.28%
9	Community LLC and Lavidia Properties	Real Estate	526,605	0.27%
10	Lake Success Shopping Center	Real Estate	491,611	0.25%
	Total		<u>\$ 12,936,675</u>	<u>6.67%</u>

Source: Town of North Hempstead 2017 and 2008 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  
Property Tax Levies and Collections  
Last Ten Years**

<b>Years Ended December 31,</b>	<b>Tax Levy For Town</b>	<b>Total Tax Levy <sup>1</sup></b>	<b>Amount Collected <sup>2</sup></b>	<b>Percent of Total Tax Levy Collected</b>	<b>Amount Uncollected <sup>2</sup></b>	<b>Percent of Total Tax Levy Uncollected</b>
2017	\$ 156,023,560	\$ 406,476,951	\$ 399,657,611	98.32%	\$ 6,819,340	1.68%
2016	163,674,001	393,506,864	386,960,136	98.34%	6,546,728	1.66%
2015	161,817,212	397,817,335	383,885,148	96.50%	13,932,187	3.50%
2014	158,981,782	389,220,761	382,405,938	98.25%	6,814,823	1.75%
2013	152,431,800	380,528,008	373,775,985	98.23%	6,752,023	1.77%
2012	146,367,808	375,892,701	367,877,825	97.87%	8,014,876	2.13%
2011	139,663,972	369,704,857	362,617,428	98.08%	7,087,429	1.92%
2010	135,200,465	362,025,228	353,981,362	97.78%	8,043,866	2.22%
2009	132,256,987	319,905,676	313,611,841	98.03%	6,293,835	1.97%
2008	123,632,214	344,434,261	337,510,707	97.99%	6,923,554	2.01%

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  
Ratios of Outstanding Debt by Type  
Last Ten Years**

<b>Governmental Activities</b>					
<b>Years Ended December 31,</b>	<b>General Obligation Bonds</b>	<b>Revenue Bonds</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income<sup>1</sup></b>	<b>Per Capita<sup>1</sup></b>
2017	\$ 193,493,411	\$ 890,582	\$ 194,383,993	0.19%	\$ 846
2016	162,919,467	1,760,914	164,680,381	0.16%	722
2015	124,859,447	2,611,456	127,470,903	0.13%	558
2014	136,090,078	3,442,658	139,532,736	0.14%	611
2013	111,901,566 <sup>2</sup>	4,254,960	116,156,526	0.12%	512
2012	125,326,047	5,048,960	130,375,007	0.14%	577
2011	131,145,587	8,880,000	140,025,587	0.15%	623
2010	146,514,740	11,035,000	157,549,740	0.18%	704
2009	160,142,656	13,130,000	173,272,656	0.20%	764
2008	171,685,261	15,170,000	186,855,261	0.20%	826

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

As of the 2011 CAFR the Town is no longer reporting bond anticipation notes and revenue anticipation notes on this schedule in accordance with GASB No. 44 paragraph 45.

At December 31, 2017, the Town had \$11,353,409 in short-term bond anticipation notes not being presented.

<sup>1</sup> See the schedule of Demographic and Economic Statistics for personal income and population data.

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



**Town of North Hempstead  
Ratios of General Bonded Debt Outstanding  
Last Ten Years**

<u>Years Ended December 31,</u>	<u>General Obligation Bonds</u>	<u>Percentage of Total Net Assessed Valuation<sup>1</sup></u>	<u>Percentage of Full Taxable Value<sup>1</sup> of Property</u>	<u>Per Capita<sup>2</sup></u>
2017	\$ 193,493,411	138.67%	0.37%	\$ 843
2016	162,919,467	106.80%	0.30%	714
2015	124,859,447	80.68%	0.25%	547
2014	136,090,078	85.46%	0.27%	596
2013	111,901,566 <sup>3</sup>	68.45%	0.22%	493
2012	125,326,047	70.42%	0.23%	555
2011	131,145,587	68.09%	0.24%	584
2010	146,514,740	71.09%	0.23%	655
2009	160,142,656	79.05%	0.25%	706
2008	171,685,261	88.48%	0.27%	759

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

- 1 See the Schedule of Assessed Value, State Equalization Rate and Estimated Full Value of Real Property.
- 2 See the schedule of Demographic and Economic Statistics for population data.
- 3 As of the 2013 report, the Town's debt capacity amounts are reported net of premiums, discounts and adjustments.

**Town of North Hempstead  
Direct and Overlapping Governmental Activities Debt  
As of December 31, 2017**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Direct:</b>			
Town of North Hempstead	\$ 194,383,993	100.00%	<u>\$ 194,383,993</u>
<b>Overlapping:</b>			
Nassau County	3,531,503,000	24.70%	872,281,241
Incorporated Villages	104,391,110	varied <sup>1</sup>	93,927,951
School Districts	178,310,690	varied <sup>2</sup>	177,687,940
Fire Districts	495,000	100.00%	495,000
Water Pollution Control Districts	75,416,974	100.00%	75,416,974
Water Districts	69,025,606	100.00%	69,025,606
Park Districts	14,917,020	100.00%	14,917,020
Police District	37,968	100.00%	37,968
Library District	2,979,596	100.00%	2,979,596
Business Improvement District	54,083	100.00%	<u>54,083</u>
<b>Total overlapping debt</b>			<u>1,306,823,379</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 1,501,207,372</u></u>

Note: As of the 2011 CAFR, the Town is no longer reporting bond anticipation notes and revenue anticipation notes on this schedule in accordance with GASB 44 paragraph 45.

At December 31, 2017, the Town had \$11,353,409 in short-term bond anticipation notes not being presented.

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

Source: Town of North Hempstead Comptroller's Office April 2018 Official Statement  
Special Report on Municipal Affairs, 2012 released by the NYS Office of the Comptroller and County Officials

1 Six of the villages located in the Town are also partially located in one of the neighboring towns.

2 One of the school districts located in the Town is also partially located in one of the neighboring towns.

**Town of North Hempstead  
Legal Debt Margin Information  
December 31, 2017**

<u>Years Ended December 31,</u>	<u>Net Assessed Valuation</u>	<u>State Equalization Rate</u>	<u>Full Valuation</u>
2017	\$ 139,532,268	0.27%	\$ 51,678,617,778
2016	152,541,032	0.28%	54,478,940,000
2015	154,754,722	0.31%	49,920,878,065
2014	159,236,509	0.32%	49,761,409,063
2013	163,477,545	0.32%	51,086,732,813
Total Five Year Full Valuation			256,926,577,719
Five Year Average Full Valuation of Taxable Real Property			51,385,315,544
Constitutional Debt Limit (7% of Average Full Valuation)			3,596,972,088
Inclusions:			
Outstanding Bonded Indebtedness at December 31st			354,161,520
Outstanding Bond Anticipation Notes at December 31st			12,083,961
Total Inclusions			366,245,481
Exclusions:			
Water Bonds			69,025,216
Total Exclusions			69,025,216
Net Indebtedness Subject to Debt Limit			297,220,265
Net Debt Contracting Margin			\$ 3,299,751,823
Percentage of Net Debt Contracting Margin Available			91.74%
Percentage of Net Debt Contracting Power Exhausted			8.26%

**Last Ten Years**

<u>Year</u>	<u>Constitutional Debt Limit</u>	<u>Total Net Debt Subject to Limit</u>	<u>Net Debt Contracting Margin</u>	<u>Percentage of Debt Contracting Power Exhausted</u>	<u>Percentage of Net Debt Contracting Margin Available</u>
2017	\$ 3,596,972,088	\$ 297,220,265	\$ 3,299,751,823	8.26%	91.74%
2016	3,628,520,737	279,534,075	3,348,986,662	7.70%	92.30%
2015	3,636,267,921	284,836,307	3,351,431,614	7.83%	92.17%
2014	3,811,674,156	294,651,649	3,517,022,507	7.73%	92.27%
2013	4,001,362,554	289,009,786	3,712,352,768	7.22%	92.78%
2012	4,191,624,460	301,613,900	3,890,010,560	7.20%	92.80%
2011	4,285,936,776	280,613,809	4,005,322,967	6.55%	93.45%
2010	4,252,270,686	266,350,279	3,985,920,407	6.26%	93.74%
2009	4,045,022,175	225,179,837	3,819,842,338	5.57%	94.43%
2008	3,723,316,751	216,981,938	3,506,334,813	5.83%	94.17%

Source: The Town of North Hempstead Comptroller's Office

**Town of North Hempstead  
Demographic and Economic Statistics  
Last Ten Years**

<b>Years Ended December 31,</b>	<b>Population<sup>1</sup></b>	<b>Personal Income<sup>2</sup> (in millions)</b>	<b>Per Capita Income<sup>2</sup></b>	<b>Median Family Income<sup>1</sup></b>	<b>Unemployment Rate<sup>3</sup></b>	<b>Number of Households Estimate<sup>1</sup></b>	<b>Average Household Size Estimates<sup>1</sup></b>	<b>Population Density Per Square Mile<sup>4</sup></b>
2017	229,640	\$ 100,019	\$ 53,818	\$ 107,235	3.5%	76,568	3.00	4,292
2016	229,640	100,019	53,818	107,235	3.4%	76,568	3.00	4,292
2015	229,105	98,096	51,999	104,698	4.6%	76,523	2.99	4,282
2014	228,245	98,096	51,652	104,264	4.6%	76,868	2.97	4,265
2013	227,029	98,096	51,446	103,551	6.2%	76,856	2.95	4,243
2012	225,971	95,473	51,679	104,378	5.9%	77,023	2.93	4,223
2011	224,664	91,120	52,509	102,893	5.8%	77,638	2.89	4,199
2010	226,322	88,059	65,665	115,307	6.8%	78,084	2.87	4,230
2009	226,874	85,239	63,989	112,059	6.5%	78,333	2.89	4,240
2008	226,109	91,326	68,918	119,773	4.4%	78,097	2.86	4,226

Data Sources:

- 1 U.S. Census Bureau, 2016 American Community Survey 5-Year Population Estimate
- 2 U.S. Department of Commerce, Bureau of Economic Analysis for Nassau County, 2017 data not available
- 3 U.S. Department of Labor, Local Area Unemployment Statistics, Town of North Hempstead, NY
- 4 U.S. Census Bureau, 2010 Census based on 53.51 square miles of land area

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

**2017**

<b>Rank</b>	<b>Name</b>	<b>Type of Business</b>	<b>Number of Employees</b>
1	North Shore University Hospital at Manhasset	Hospitals	13,042
2	Winthrop-University Hospital	Hospitals	8,330
3	St. Francis Hospital	Hospitals	3,573
4	Laffey Real Estate	Real Estate Broker - Resident	495
5	Coffee Distributing Corp	Office Supply Company	387
6	Sidney B. Bowne & Son	Engineering Firms & Consultants	140
7	Didit	Advertising Agencies	120
8	U.S. Merchant Marine Academy	College & Universities - Four Year	113
9	Lizardos Engineering Associates	Engineering Firms & Consultants	80
10	Garfunkel Wild	Law Firms	68

**2008**

<b>Rank</b>	<b>Name</b>	<b>Type of Business</b>	<b>Number of Employees</b>
1	North Shore University Hospital of Manhasset	Hospital and Ancillary Services	10,387
2	Winthrop University Hospital	Hospital	5,100
3	St. Francis Hospital	Hospital	2,539
4	Broadridge Financial Solutions, Inc.	Finance	1,500
5	Astoria Federal Savings & Loan Association	Banking	1,180
6	Canon USA	Manufacturer	1,100
7	ProHEALTH Care Associates	Medicine	850
8	Pall Corporation	Technology	800
9	The NPD Group	Private Company	750
10	1-800-Flowers.com	Internet Retail	700

Source: 2017 - Long Island Business News 2017 Book of Lists and NYS Department of Labor  
2008 - Long Island Business News 2008 Book of Lists and 2008 CAFR  
Percentage of total Town employment is not available.

**Town of North Hempstead  
Full-Time Government Employees by Function  
Last Ten Years**

Function	Full-Time Equivalent					
	2017	2016	2015	2014	2013	2012
General government	86	83	87	85	87	89
Highways	90	81	84	86	96	90
Parks and recreation	80	84	80	69	77	76
Buildings and planning	52	50	48	47	50	50
Public works	20	21	20	23	23	26
Community services	19	22	23	21	27	28
Town clerk	14	15	15	16	19	19
Receiver of taxes	13	14	14	14	14	18
Public safety	41	36	37	34	38	32
Solid waste management	14	11	17	15	15	15
<b>Total</b>	<b>429</b>	<b>417</b>	<b>425</b>	<b>410</b>	<b>446</b>	<b>443</b>

Source: Town of North Hempstead Human Resource Department records

**Employees as of December 31,**

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
84	78	89	94
94	89	94	92
79	82	90	96
42	39	46	35
25	21	17	22
16	21	24	23
21	21	21	17
17	14	13	14
28	25	23	20
15	18	10	9
<u>421</u>	<u>408</u>	<u>427</u>	<u>422</u>

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

Years Ended December 31,	2017	2016	2015	2014
<b>Function/Department</b>				
<b>Town Clerk</b>				
Vital statistic documents	28,426	30,272	27,845	29,007
Dog licenses	4,303	4,676	4,811	5,107
Business licenses	1,241	1,160	1,306	1,290
Marriage licenses	827	921	967	939
Dumping permits	3,082	1,096	3,221	964
<b>311 Call Center</b>				
Calls answered	173,344	171,234	173,359	168,369
Unique service requests	62,194	64,923	62,886	60,359
<i>Project Independence Calls</i>				
Taxi rides - medical appointment	12,166	12,268	13,257	12,078
Taxi rides - food shopping	4,390	4,434	5,298	4,942
Other project independence service requests	7,179	7,472	7,181	6,577
<b>Building</b>				
Building permits issued	5,003	5,091	5,498	5,571
<b>Public Safety</b>				
Dogs adopted or reclaimed by owners	179	254	239	273
<b>Fire</b>				
Number of fire protection districts	11	11	11	11
<b>Parking</b>				
Number of parking meters	539	544	544	544
Parking lots and garage revenue	\$ 473,858	\$ 453,666	\$ 399,004	\$ 370,063
Annual meter revenue	\$ 260,181	\$ 222,892	\$ 166,206	\$ 162,486
Parking permit revenue	\$ 85,267	\$ 84,760	\$ 54,870	\$ 52,405
<b>Highways and Streets</b>				
Street resurfacing (lane miles)	24	19	19	16
Number of trees planted	329	540	212	194
Number of trees trimmed	1,175	1,364	1,145	786
Number of trees removed	602	694	734	518
Road opening permits issued	722	745	792	874
Abandoned vehicles removed	20	34	11	3
Signs installed	1,692	1,425	1,197	1,467
<b>Sanitation (tons per annum)</b>				
Residential and commercial waste collected	132,655	141,689	149,117	156,000
Recyclables collected	8,517	9,095	9,148	10,000
Yardwaste	10,785	13,905	14,225	15,000
Construction and demolition debris	13,015	11,792	12,799	14,000
<b>S.T.O.P. Program</b>				
<b>Household hazardous waste:</b>				
Liquids (gallons)	9,825	7,195	9,950	19,023
Solids (pounds)	20,505	16,240	15,945	17,226
Other household items (pounds)	15,309	12,461	10,580	9,712
Pharmaceuticals (pounds)	-0 <sup>6</sup>	6,845	5,600	4,800
E-waste (tons)	151	37	45	34
Shredded paper (tons)	42	54	28	25
<b>Culture and recreation</b>				
Beach permits issued	2,455	2,559	2,917	2,917
Registration for adult programs	455	298	642	435
Registration for summer programs	8,049 <sup>5</sup>	7,321	8,442	8,829

Source: Various government departments

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

2 Tully Park and new Manorhaven Pool reopened in 2011.

3 311 call center data unavailable prior to 2009.

4 S.T.O.P. program data unavailable prior to 2012.

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

6 In 2017, the Town was no longer accepting this waste.



2013	2012	2011	2010	2009	2008
29,069	26,956	25,931	25,893	26,205	23,953
5,380	5,261	5,440	5,339	5,612	5,844
1,276	1,432	1,365	1,062	1,104	1,329
967	972	905	910	1,009	1,137
2,348	2,293	567	2,698	1,260	1,136
171,325	199,281	181,483	167,472	112,723 <sup>3</sup>	
63,643	63,156	63,119	167,472	112,723 <sup>3</sup>	
10,940	9,431	8,297	3,467	-0- <sup>3</sup>	
4,944	4,842	5,068	4,265	134 <sup>3</sup>	
8,026	5,924	2,718	8,071	1,382 <sup>3</sup>	
5,584	4,884	4,625	4,053	4,336	4,399
275	337	274	366	365	354
11	11	11	11	11	11
544	511 <sup>1</sup>	805	807	803	775
\$ 376,568	\$ 276,242	\$ 337,401	\$ 308,602	\$ 335,286	\$ 335,032
\$ 165,784	\$ 179,044	\$ 169,216	\$ 153,552	\$ 149,814	\$ 151,156
\$ 51,410	\$ 50,705	\$ 50,540	\$ 45,945	\$ 47,445	\$ 47,687
15	15	11	14	14	14
568	277	244	505	456	559
1,153	1,036	2,078	1,334	955	1,170
793	617	585	692	424	365
746	608	668	754	721	855
11	6	9	10	8	12
1,896	1,128	1,580	1,688	1,457	1,450
155,927	159,650	173,472	166,610	135,769	142,860
8,974	9,714	11,550	12,181	13,050	2,557
34,356	42,621	18,291	19,014	16,576	19,961
18,986	10,207	6,598	4,323	4,491	6,671
11,186	14,881 <sup>4</sup>				
27,634	13,530 <sup>4</sup>				
8,451	6,034 <sup>4</sup>				
4,480	2,190 <sup>4</sup>				
29	20 <sup>4</sup>				
22	8 <sup>4</sup>				
2,886	3,403	3,380	3,000	3,175	3,120
436	423	355	340	339	898
6,975	7,213	6,223 <sup>2</sup>	3,150	3,104	1,477

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

<b>Years Ended December 31,</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Function</b>				
General Government				
Town Hall and annex	3	3	3	3
Sanitation				
Transfer station	1	1	1	1
Annual tonnage processed	164,972	176,481	185,289	195,000
Highways and Streets				
Streets (miles)	275	275	275	275
Culture and recreation				
Parks acreage	839 <sup>2</sup>	837	837	837
Parks	49 <sup>2</sup>	48	48	48
Swimming pools	6	6	6	6
Beaches	2	2	2	2
Docks	2	2	2	2
Boat ramps	2	2	2	2
Golf courses (18 hole)	1	1	1	1
Golf courses (9 hole)	1	1	1	1
Driving range	1	1	1	1
Miniature golf course	1	1	1	1
Tennis courts	37	37	37	37
Community centers	4	4	4	4

Source: Various government departments

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

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

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

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
3	2	2	2	2	2
1	1	1	1	1	1
222,773	222,790	210,007	198,526	161,564	172,049
275	275	275	275	275	275
837	837	841	841	722	883
48	48	48	48	41	22
6	6	6	6	6	6
2	2	3	3	3	3
2	2	2	2	2	2
2	2	2	2	2	2
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
37	37	35	35	35	35
4	4	3	3	3	2