

TOWN OF HEMPSTEAD, NEW YORK
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
(WITH INDEPENDENT AUDITORS' REPORT)

Year Ended December 31, 2024

TOWN OF HEMPSTEAD, NEW YORK

FINANCIAL STATEMENTS
Year Ended December 31, 2024

Table of Contents

	<u>Page</u>
FINANCIAL SECTION	
Independent Auditors' Report	2-4
REQUIRED SUPPLEMENTARY INFORMATION	
Management's Discussion and Analysis.....	5-22
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	24
Statement of Activities.....	25
Fund Financial Statements	
Governmental Fund Financial Statements	
Balance Sheet	26
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	27
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	28
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	29
Proprietary Fund Financial Statements	
Statement of Net Position	30
Statement of Revenues, Expenses and Changes in Net Position	31
Statement of Cash Flows.....	32
Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Position.....	33
Statement of Changes in Fiduciary Net Position	34
Notes to Financial Statements.....	35-88
REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	
General Fund.....	90
Highway Fund.....	91
Park Districts Fund	92
Refuse and Garbage Districts Fund	93
Water Districts Fund	94
Schedule of Changes in Total Other Postemployment Benefits Liability and Related Ratio	95
Schedule of Proportionate Share of the Net Pension Liability/(Asset)	96
Schedule of Pension Contributions	97
Schedule of Pension Liability - Length of Service Award Program Plan.....	98

(continued)

TOWN OF HEMPSTEAD, NEW YORK

FINANCIAL STATEMENTS
Year Ended December 31, 2024

Table of Contents

OTHER SUPPLEMENTARY INFORMATION

Combining Fund Statements:

Nonmajor Governmental Funds:

Combining Balance Sheet	100
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	101

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -

Nonmajor Special Revenue Funds:

Town Outside Village Fund	102
Fire Protection Districts	103
Street Lighting District	104
Public Parking Districts	105
Library Funding Districts.....	106

Discretely Presented Component Units:

Combining Statement of Net Position	107
Combining Statement of Activities	108

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

**Honorable Supervisor and Town Board
Town of Hempstead
Hempstead, New York**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Hempstead, New York (the "Town"), as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2024, and the respective changes in financial position, and where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit 100% of the assets, net position, and revenues of the business-type activities and proprietary fund as of December 31, 2024 and changes in financial position, and where applicable cash flows thereof for the year then ended. We did not audit the financial statements of seven of the eight discretely presented component units, which represent 92.05% of the assets, 88.19% of net position, and 88.85% of revenues of the discretely presented component units as of December 31, 2024, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for the business-type activities and proprietary fund pertaining to the Town of Hempstead Local Development Corporation, and discretely presented component units consisting of Town of Hempstead Industrial Development Agency, Lakeview Public Library District, Uniondale Public Library District, Cathedral Gardens Water District, Franklin Square Water District, West Hempstead – Hempstead Gardens Water Districts and the Greater Atlantic Beach Water Reclamation District, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Lakeview Public Library District, Roosevelt Public Library, Uniondale Public Library District, Cathedral Gardens Water District, Franklin Square Water District, and West Hempstead – Hempstead Gardens Water Districts, six of the eight the discretely presented component units, were not audited in accordance with *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Change in Accounting Policy

We draw attention to Notes 1H and 7 in the notes to the financial statements which discloses the effects of the Town's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 101, "Compensated Absences". Our opinions on the financial statements have not been modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The other supplementary information consisting of combining fund statements of nonmajor governmental funds and schedules of revenues, expenditures, and changes in fund balances – budget and actual for nonmajor funds, and combining statements for discretely presented component units, as described in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, and the procedures as described above, the other supplementary information referred to in the previous paragraph is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2025, on our consideration of the Town'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 and is issued separately as part of the Single Audit report package.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP
Hauppauge, New York
September 25, 2025

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis

TOWN OF HEMPSTEAD, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended December 31, 2024

As management of the Town of Hempstead (the "Town"), we offer readers of the financial statements this narrative overview and analysis of the financial activities for the year ended December 31, 2024. This section is only an introduction and should be read in conjunction with the Town's financial statements, which immediately follows this section.

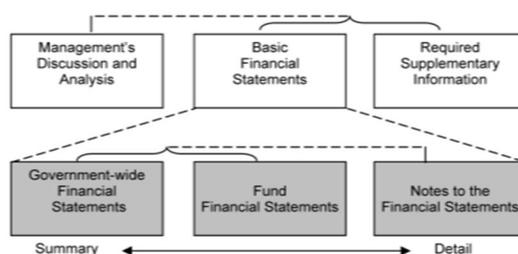
FINANCIAL HIGHLIGHTS

- Effective, January 1, 2024, the Town implemented Governmental Standards Accounting Board ("GASB") Statement No. 100, "*Accounting Changes and Error Corrections*" and Statement No. 101, "*Compensated Absences*". As a result of implementing these standards, net position as of January 1, 2024 was decreased by \$8,713,612.
- The liabilities and deferred inflows of resources of the Town's primary government's governmental activities exceeded its assets and deferred outflows of resources at the close of 2024 by \$987,390,413 resulting in a negative net position. This is primarily due to the recognition of long-term liabilities, especially the total other postemployment benefits liability of \$1,039,201,452.
- The net change in the Town's governmental activities net position (excluding the effects of the restatement) was an increase of \$23,099,728 for the year ended December 31, 2024, compared to a decrease of \$44,030,458 in the prior year. The most significant factor driving this fluctuation was a decrease in other postemployment benefits ("OPEB") expense of \$60,331,413, resulting from an increase in the discount rate used in the actuarial valuation from 3.26% to 4.08%. Pension expense also decreased by \$6,974,140 from the prior year, reflecting the impact of market conditions on investments and the resulting net investment appreciation. These decreases were offset by an increase in the compensated absences expense of \$3,881,860, net of the cumulative effect of the adoption of GASB 101.
- The Town's governmental activities long-term bonded debt increased by 33.65% to \$574,255,616. The Town's business-type activities have no debt.
- The assets of the Town's primary government's business-type activities exceeded its liabilities at the close of 2024 by \$2,000,498.
- As of the close of 2024, the Town's governmental funds reported combined ending fund balances of \$270,590,665 an increase of \$69,760,418 from the prior year. The combined ending fund balances excluding the Capital Projects Fund balance, totaled \$227,717,117, of which \$16,414,157 is not in spendable form, and \$211,302,960, or 92.79%, is in spendable form with various levels of spending constraint: restricted, assigned, or unassigned making them available for spending at the Town's discretion.
- At the end of 2024, the Town's total fund balance for the General Fund was \$66,459,425, which increased by \$218,939 from the prior year; revenues and other financing sources totaled \$223,476,795 while expenditures and other financing uses totaled \$223,257,856.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Components Of The Annual Financial Report



TOWN OF HEMPSTEAD, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended December 31, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

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.

The statement of net position presents financial information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows 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 nonfinancial 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 only 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.

The Town's government-wide financial statements include the governmental activities and business-type 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.

Governmental Activities

The Town's basic services reported herein includes general government support; education; public safety; transportation; economic assistance and opportunity; culture and recreation; and home and community services. Real property taxes, sales taxes, franchise fees, mortgage tax, and state and federal grants finance these activities. The Town also charges fees to customers to help it cover the cost of certain services it provides.

Business-Type Activities

The Town's business-type activities report the operations of the Town of Hempstead Local Development Corporation (the "LDC"), which stimulates the economic welfare of the Town via promoting the expansion of business and creation of jobs within the Town.

Component Units

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. The Town has identified, as component units, nine separate legal entities: discretely presented nonmajor: three water districts, one water reclamation district, three library districts, one industrial development agency and one blended LDC mentioned above. These discretely presented entities are reported in a separate column in the government-wide statements and the blended is reported as a proprietary fund.

Information on the determination of inclusion in the reporting entity is shown in Note 1.A and administrative office locations for separately issued component unit financial statements in Note 6.

TOWN OF HEMPSTEAD, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended December 31, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Fund Financial Statements

The fund financial statements focus on current available resources and are organized and operated on the basis of funds, each of which is defined as an accounting entity with a self-balancing set of accounts established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restriction 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 three fund categories: governmental, proprietary/enterprise and fiduciary.

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 government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating the Town's near-term financial requirements.

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

The Town maintains fourteen (14) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the seven (7) major funds. The General Fund, Highway Fund, Park Districts Fund, Refuse and Garbage Districts Fund, Water Districts Fund, Capital Projects Fund and Debt Service Fund 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 in this report. The Town has elected to report the Highway Fund and the Debt Service Fund as major funds, given the significance of the fund activity.

The Town adopts an annual appropriated budget for all its governmental funds, except for: Capital Projects Fund, Debt Service Fund, Special Grants Fund and Permanent Fund. A budgetary comparison schedule for the General, Highway, Park Districts, Refuse and Garbage Districts and Water Districts Funds can be found in the section labeled "Required Supplementary Information Other Than Management's Discussion and Analysis". Budgetary comparison schedules for the non-major funds which adopt an annual appropriated budget can be found in the section labeled "Other Supplementary Information".

Proprietary Funds

The Town maintains one proprietary fund which is classified as an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses the enterprise fund to account for its blended component unit, the Town of Hempstead Local Development Corporation.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Fiduciary funds are not reflected in the government-wide financial statements as those resources are not available to support the Town's programs. The Town maintains one type of fiduciary fund that is known as a Custodial Fund.

TOWN OF HEMPSTEAD, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

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 supplementary information immediately following the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. At December 31, 2024, the Town's governmental activities liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$987,390,413 and the Town's business-type activities assets exceeded its liabilities by \$2,000,498.

Condensed Statements of Net Position
as of December 31, 2024 and 2023

	Governmental Activities		Business -Type Activities	
	2024	2023	2024	2023
Current and other assets:				
Current assets	\$ 349,381,181	\$ 275,495,842	\$ 2,012,550	\$ 2,102,515
Capital assets	853,152,736	785,011,173		
Other non-current assets	58,534,613	60,295,902		
Total assets	<u>1,261,068,530</u>	<u>1,120,802,917</u>	<u>2,012,550</u>	<u>2,102,515</u>
Deferred outflows of resources	198,093,090	237,331,585	-0-	-0-
Total assets and deferred outflows of resources	<u>1,459,161,620</u>	<u>1,358,134,502</u>	<u>2,012,550</u>	<u>2,102,515</u>
Current and other liabilities:				
Current liabilities	194,219,122	200,442,137	12,052	9,731
Long-term liabilities	1,766,106,907	1,797,573,878		
Total liabilities	<u>1,960,326,029</u>	<u>1,998,016,015</u>	<u>12,052</u>	<u>9,731</u>
Deferred inflows of resources	486,226,004	361,895,016	-0-	-0-
Total liabilities and deferred inflows of resources	<u>2,446,552,033</u>	<u>2,359,911,031</u>	<u>12,052</u>	<u>9,731</u>
Net position:				
Net investment in capital assets	266,757,444	332,001,766		
Restricted	1,716,532	1,337,867		
Unrestricted (deficit)	<u>(1,255,864,389)</u>	<u>(1,335,116,162)</u>	<u>2,000,498</u>	<u>2,092,784</u>
Total net position	<u>\$ (987,390,413)</u>	<u>\$ (1,001,776,529)</u>	<u>\$ 2,000,498</u>	<u>\$ 2,092,784</u>

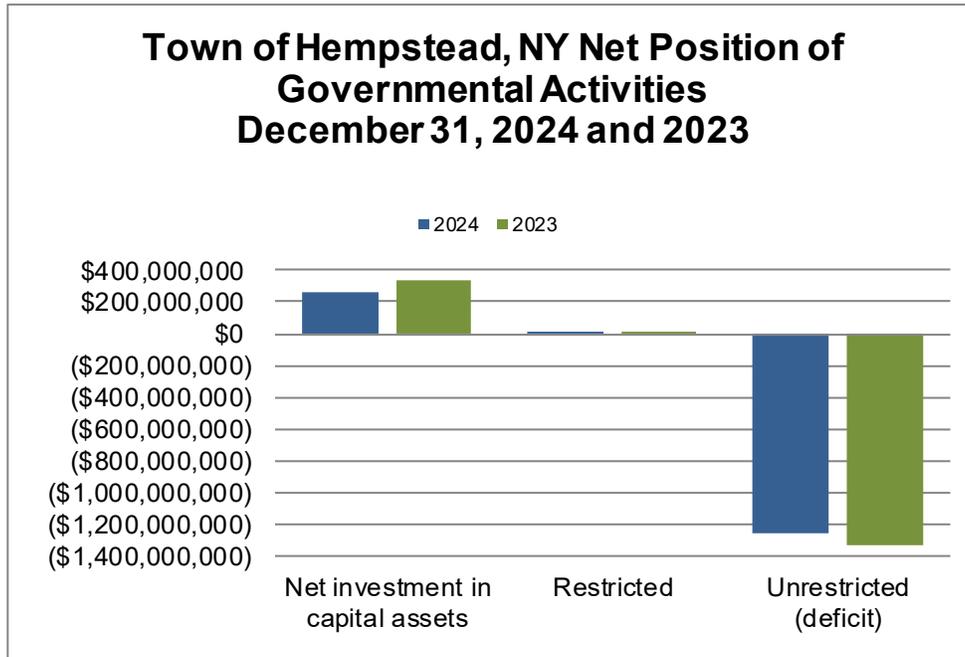
TOWN OF HEMPSTEAD, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

The Town's governmental activities net investment in capital assets portion of net position, \$266,757,444, reflects its investment in capital assets (e.g., land, construction in progress, buildings, machinery, and equipment, intangibles, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves will not be used to liquidate these liabilities.

The deficit unrestricted portion of governmental activities net position and total net position does not necessarily indicate fiscal stress. At the end of the current year, the Town is able to report a positive balance in the categories of net investment in capital assets and restricted. The same situation held true for the prior year. The deficit balance in governmental unrestricted arose primarily due to long-term liabilities, including but not limited to bonds payable, bond anticipation notes, OPEB, Employees' Retirement System net pension liability - proportionate share, length of service award program pension liability, compensated absences, claims and judgments, landfill closure and postclosure care costs and pollution remediation that will be funded through future budgetary appropriations when they become payable in future periods.



The total governmental activities net position of the Town as of December 31, 2024, was a negative/deficit balance of \$987,390,413, a decrease in the deficit of \$23,099,728 from the prior year (excluding the cumulative effect of change in accounting principle). Net position consists of (a) \$266,757,444 net investment in capital assets, (b) \$1,716,532 restricted, and (b) unrestricted deficit of \$1,255,864,389.

Total governmental activities net position deficit balance increased by \$23,099,728 (excluding cumulative effect of change in accounting principle) as total revenues of \$516,517,723 exceeded total expenditures of \$493,417,995. Revenues were \$3,638,325 more than the prior year, and expenditures were \$63,491,861 less than the prior year. The slight decrease in revenues stems from the decrease in legal settlements received as compared to the prior year. By far, the most notable decrease in expenses is due to the decrease in OPEB expense by \$60,331,413 (\$3,716,057 in 2024 vs. \$64,047,470 in 2023) as the discount rate used in the actuarial valuation increased from 3.26% to 4.08%, updated healthcare trend rates and mortality tables, and a decrease in the assumed participation rate from 100% in 2023 to 95% in 2024.

Business-type activities net position decreased by \$92,286 to \$2,000,498 at December 31, 2024.

TOWN OF HEMPSTEAD, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Changes in Net Position
For the years ended December 31, 2024 and 2023

		Governmental Activities	
		2024	2023
Program Revenues:			
Charges for services	\$	109,504,261	\$ 87,727,812
Operating grants and contributions		10,056,942	23,703,321
Capital grants and contributions		30,850,697	31,113,282
		150,411,900	142,544,415
General Revenues:			
Real property taxes		253,693,960	253,845,533
Real property tax items		10,947,659	11,080,916
Non-property tax items		62,172,941	62,587,884
Interest earnings		14,364,343	14,513,609
State aid - mortgage tax		19,709,506	17,893,690
State aid - other unrestricted		3,848,884	3,848,885
Other		1,368,530	6,564,466
		366,105,823	370,334,983
Total Revenues		516,517,723	512,879,398
Program Expenses:			
General government support		100,559,773	128,229,314
Education		8,472,195	8,455,830
Public safety		45,911,760	54,144,333
Transportation		57,351,954	62,763,258
Economic assistance and opportunity		15,633,311	17,250,975
Culture and recreation		98,082,538	111,326,859
Home and community services		153,269,485	162,550,913
Interest and other debt related costs		14,136,979	12,188,374
Total Expenses		493,417,995	556,909,856
Change in Net Position		23,099,728	(44,030,458)
Net Position - Beginning, as reported		(1,001,776,529)	(956,374,093)
Cumulative Effect of Change in Accounting Principle*		(8,713,612)	284,800
Correction of an error			(1,656,778)
Net Position - Beginning as Restated (see Note 7)		(1,010,490,141)	(957,746,071)
Net Position - Ending		\$ (987,390,413)	\$ (1,001,776,529)

*Governmental Activities: The 2023 beginning balances have not been restated for the cumulative effect of adopting Governmental Accounting Standards Board ("GASB") Statement No. 101, "Compensated Absences" as per the requirements of GASB Statement No. 100 "Accounting Changes and Error Corrections". The 2023 opening net position balance was restated to reflect recognition of the energy performance liability and for the cumulative effect of adopting GASB Statement No. 87 "Leases".

Net position for the years ended December 31, 2024 and 2023, from all governmental activities, increased/(decreased) (excluding effects of change in accounting principle) by \$23,099,728 and (\$44,030,458), respectively. Net position from the business-type activities for the years ended December 31, 2024 and 2023, (decreased) by (\$92,286) and (\$86,407) respectively.

TOWN OF HEMPSTEAD, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended December 31, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Key elements of the governmental activities are:

- Total program revenues of \$150,411,900 increased by \$7,867,485 or 5.52% from the prior year. This increase was driven by an increase in charges for services of \$21,776,449, offset by a decrease in operating grants and contributions of \$13,646,379, which are discussed below. Notable changes in program revenues by type are as follows:
 - Charges for services increased by \$21,776,449 from the prior year. General government support fees increased by \$10,286,545 as fines and forfeited bail increased by \$11,456,233. Public safety fees increased by \$5,588,065 due to \$5,105,752 more in safety inspection fees. Home and community charges increased by \$4,744,074 as fees refuse and garbage and ancillary revenues increased by \$4,564,532.
 - Operating grants in total decreased by \$13,646,379 from the prior year. This decrease was most notable in general government support \$13,592,406 due to \$13,825,360 less in federal COVID-19 funding (\$12,664,852 emergency rental award and \$1,249,485 in COVID-19 relief awards "CSLFR") based on level of eligible expenses incurred. Operating grants remained consistent across all other functions.
 - Total capital grants decreased slightly by \$262,585, which is made up of fluctuations across multiple functions. Home and community services increased \$21,413,305 as the Town received state aid from New York State Environmental Facilities Corporation in the amount of \$19,815,024, for which no related revenue was recognized in the prior year. This was offset by a decrease in culture and recreation capital grants and contributions of \$12,229,409 primarily due to \$12,632,534 less in CSLFR awards stemming from less eligible expenses incurred, as well as capital grants and contributions for transportation purposes decreasing \$9,484,893 from the prior year stemming from \$6,285,004 less in grant revenue recognized from the Government Office of Storm Recovery combined with \$2,597,842 less consolidated highway aid recognized in the current year.
- General revenues of \$366,105,823 decreased by \$4,229,160 from the prior year. The decrease was primarily due to legal settlements of \$5,100,000 received in the prior year that were not realized in the current year. Additional decreases included non-property tax items (\$414,943), real property taxes (\$151,573), and interest earnings (\$149,266). These decreases were partially offset by an increase in state aid – mortgage tax of \$1,815,816, reflecting the effects of higher house prices.
- Overall expenses of \$493,417,995 is \$63,491,861 less than the prior year, with decreases in all functional areas except for education and interest expense. This is primarily attributable to the fluctuations in employee benefits. OPEB expense decreased by \$60,331,413, which stems from the change in discount rate from 3.26% to 4.08% in 2024. Pension expense decreased by \$6,974,140 primarily due to investment gains (market conditions at the Plan's measurement date) and the expense related to compensated absences increased by \$3,881,860 net of the cumulative effect of adopting GASB 101. Below discusses fluctuations by functional area in more detail.

TOWN OF HEMPSTEAD, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

- **Noteworthy changes in functional expenses** from the prior year, by function, are as follows:
 - General government support - The \$27,669,541 decrease in general government support is primarily due to the decreases in the following: \$18,269,015 in allocated employee benefits (OPEB, pension and compensated absences), and judgment and claims of \$8,618,708.
 - Public safety - The \$8,232,573 decrease in public safety expenses is primarily due to a \$9,696,058 decrease in employee benefits costs (OPEB, pension, and compensated absences). This decrease was offset by an increase in the LOSAP expense of \$491,361.
 - Transportation - The decrease of \$5,411,304 in transportation expenses is primarily due to the following: a \$6,083,267 decrease in employee benefits costs (OPEB, pension, and compensated absences).
 - Economic assistance and opportunity - The decrease of \$1,617,664 is primarily due to a \$1,831,001 decrease in allocated employee benefits (OPEB, pension, and compensated absences).
 - Culture and recreation - The culture and recreation expenses decreased by \$13,244,321 from the prior year. This is attributable a decrease of: \$19,197,459 in employee benefits (OPEB, pension, and compensated absences), offset by an increase of \$3,719,847 in salaries for operating the Town's various parks, as well as various other insignificant fluctuations.
 - Home and community services - The \$9,281,428 decrease in home and community expenses is primarily related to the following: \$20,564,516 decrease in employee benefits (OPEB, pension and compensated absences), offset by increases of \$2,899,733 in depreciation/amortization, \$4,115,106 in cost of garbage collection and disposal, \$952,931 of insurance costs as well as various other insignificant fluctuations.
 - Interest expense increased \$1,948,605 as the amount of outstanding debt increased from the prior year.

The following chart illustrates the total expenses and net costs of services by program function for the Town's governmental activities:

Net Cost of Services
Governmental Activities
For the years ended December 31, 2024 and 2023

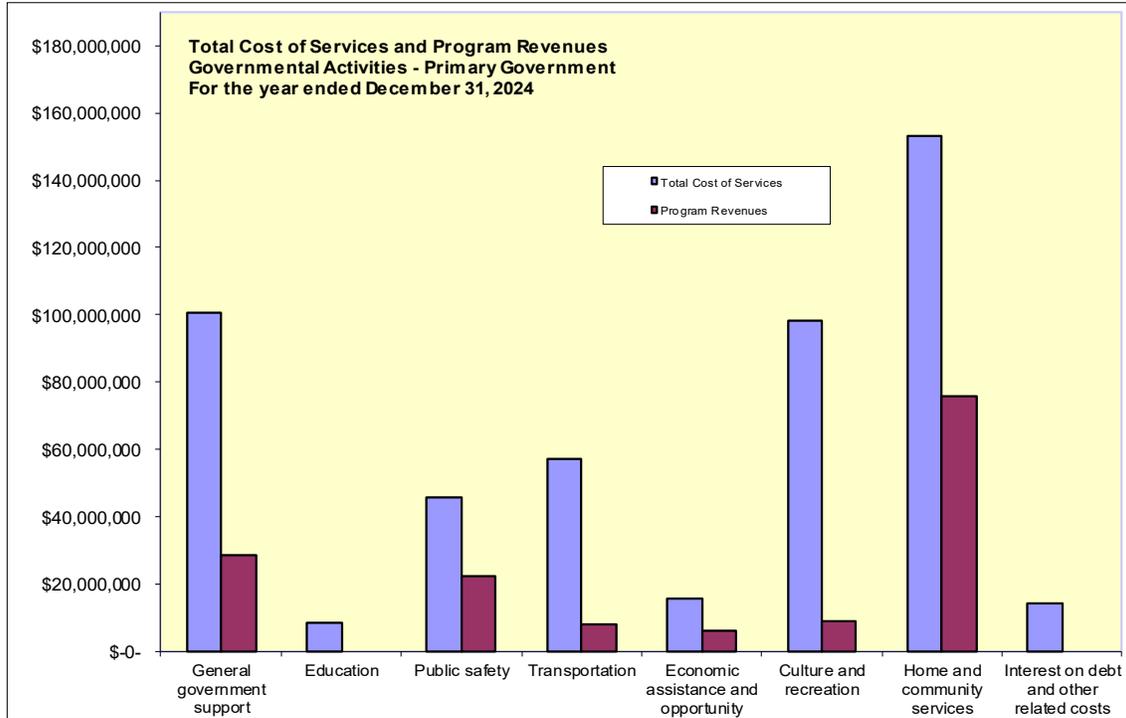
	Total Cost (Expense) of Services		Program Revenues		Net Cost (Revenue) of Services	
	2024	2023	2024	2023	2024	2023
General government support	\$ 100,559,773	\$ 128,229,314	\$ 28,570,385	\$ 31,789,331	\$ 71,989,388	\$ 96,439,983
Education	8,472,195	8,455,830			8,472,195	8,455,830
Public safety	45,911,760	54,144,333	22,430,245	16,352,135	23,481,515	37,792,198
Transportation	57,351,954	62,763,258	8,181,202	17,678,396	49,170,752	45,084,862
Economic assistance and opportunity	15,633,311	17,250,975	6,297,405	7,213,990	9,335,906	10,036,985
Culture and recreation	98,082,538	111,326,859	9,210,767	20,274,134	88,871,771	91,052,725
Home and community services	153,269,485	162,550,913	75,721,896	49,213,546	77,547,589	113,337,367
Interest and other debt related costs	14,136,979	12,188,374		22,883	14,136,979	12,165,491
	<u>\$ 493,417,995</u>	<u>\$ 556,909,856</u>	<u>\$ 150,411,900</u>	<u>\$ 142,544,415</u>	<u>\$ 343,006,095</u>	<u>\$ 414,365,441</u>

TOWN OF HEMPSTEAD, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2024

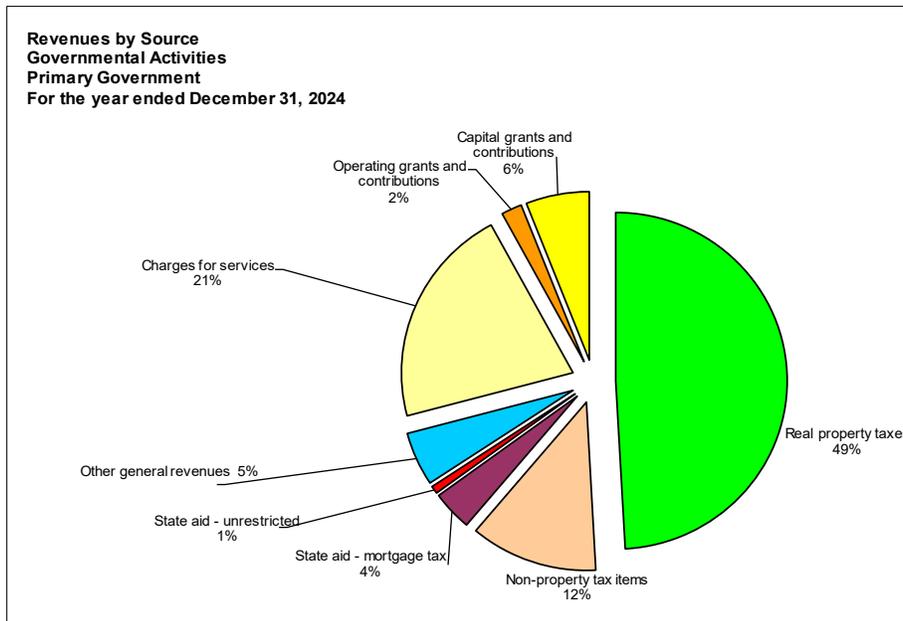
GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

The following chart shows the governmental activities total cost of service and program revenues :



The total cost of all governmental activities this year was \$493,417,995. The net cost of these services after being subsidized by program revenues of \$150,411,900 was \$343,006,095.

The following chart illustrates the revenues by source for the Town's governmental activities:



TOWN OF HEMPSTEAD, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Revenue by Source

For the Years ended December 31, 2024 and 2023

	2024	2023
Real property taxes	\$ 253,693,960	\$ 253,845,533
Non-property tax items	62,172,941	62,587,884
State aid - mortgage tax	19,709,506	17,893,690
State aid - unrestricted	3,848,884	3,848,885
Other general revenues	26,680,532	32,158,991
Charges for services	109,504,261	87,727,812
Operating grants and contributions	10,056,942	23,703,321
Capital grants and contributions	30,850,697	31,113,282
	\$ 516,517,723	\$ 512,879,398

The business-type activities net position decreased by \$92,286. Revenue from charges for services decreased by \$500 from the prior year to \$23,000, while interest income increased by \$1,735 to \$34,639. Expenses of \$149,925 increased slightly from the prior year's expenses of \$142,811.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

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

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, spendable fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the year.

There are no restrictions that are expected to have a significant effect on the availability of fund resources for future use.

At December 31, 2024, the Town's governmental funds reported total ending fund balances of \$270,590,665, an increase of \$69,760,418 from the prior year. The increase in total governmental funds fund balance is primarily a result of the issuance of \$22,162,712 in long-term bond anticipation notes and \$166,340,497 in general obligation bonds.

The category breakdown of fund balance is as follows:

- **Nonspendable fund balance** - \$16,414,157 (inherently nonspendable) includes balances that cannot be spent, such as inventory and prepaid items, as well as the portion of net resources that cannot be spent because they must be maintained intact (permanent funds).
- **Restricted fund balance** - \$108,386,295 (externally enforceable limitations on use) include amounts subject to limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments.
- **Assigned fund balance** - \$154,353,110 (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 special revenue funds other than the General Fund.
- **Unassigned fund balance (deficit)** - (\$8,562,897) is the total residual fund balance in the General Fund of \$43,277,053 and unassigned deficits in the Capital Projects Fund of (\$51,259,144) and (\$580,806) in the Special Grants Fund.

TOWN OF HEMPSTEAD, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended December 31, 2024

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS (continued)

Governmental Funds (continued)

General Fund

The General Fund is the main operating fund of the Town. At the end of the current year, the total fund balance of the General Fund was \$66,459,425, an increase of \$218,939 or 0.33% from the prior year. Of the total fund balance, \$6,001,007 is not in spendable form (inventory and prepaid items), \$867,359 is restricted for debt service and \$16,314,006 is assigned for the subsequent year's budget. There is a remaining unassigned fund balance of \$43,277,053 for general purposes.

The General Fund's total revenues and other financing sources exceeded total expenditures and other financing uses by \$218,939 for the year. Revenues and other financing sources increased by \$8,263,049 from the prior year to \$223,476,795, while expenditures and other financing uses increased by \$4,826,261 from the prior year to \$223,257,856.

The increase in revenues and other financing sources of \$8,263,049 consists of an increase in revenues of \$1,571,767 and an increase of \$6,691,282 in other financing sources. The increase in revenues primarily stems from the \$11,431,933 increase in fines and forfeitures, \$2,852,257 increase in state aid (increase in mortgage tax of \$1,815,816 and an increase in state aid recognized related to the urban Development Corporation of \$616,170) and a \$1,953,885 increase in real property taxes. This increase was offset by a decrease in federal aid recognized of \$13,905,927 based on eligible expenditures incurred (Emergency rental assistance of \$12,664,852 and \$1,249,485 of CSLFR). The \$6,691,282 increase in other financing sources is primarily attributable to \$5,610,949 of proceeds from long-term financing issued and \$806,449 more in premiums on bonds received.

The increase in expenditures and other financing uses of \$4,826,261 is attributable to an increase in total expenditures of \$5,078,249 and a slight decrease in other financing uses of \$251,988. The most notable change from the prior year is the increase in employee benefit costs of \$5,416,437. General government support costs decreased \$2,010,984 (\$6,866,974 less in expenditures of the emergency rental assistance award offset by \$1,410,111 more in town attorney personnel and contractual costs, \$1,084,857 more in judgments and claims and \$979,306 more in public works administration), home and community services costs increased \$477,188 (\$468,955 increase in conservation) and debt service requirements increased \$1,310,899. The General Fund also had insignificant increases in economic assistance and opportunity and transportation of \$201,479 and \$155,030, respectively, while culture and recreation costs decreased \$338,125.

Highway Fund

At the end of the current year, the total fund balance of the Highway Fund was \$8,585,401 a decrease of \$4,224,025 or 32.98% from the prior year. Of this, the total fund balance, \$4,605,700 is not in spendable form (inventory and prepaid items), \$3,746,488 is restricted for debt service and \$233,213 is assigned for the subsequent year's budget.

The Highway Fund's expenditures and other financing uses exceeded total revenues and other financing sources by \$4,224,025 for the year. Revenues and other financing sources increased by \$1,655,763 from the prior year to \$67,854,153 while expenditures and other financing uses decreased slightly by \$92,619 from the prior year to \$72,078,178.

The increase in revenues and financing sources of \$1,655,763 is primarily attributable to a decrease in revenues of \$1,371,423 and an increase in other financing sources of \$3,027,186. The decrease in revenues is primarily due to decreases in real property taxes of \$840,429 and use of money and property of \$599,257. The increase in other financing sources is attributable to \$3,452,391 more in premiums on issuance, \$2,770,301 more in debt issuances, and a \$3,195,506 decrease in transfers in (unspent bond proceeds for closed projects).

TOWN OF HEMPSTEAD, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended December 31, 2024

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS (continued)

Governmental Funds (continued)

Highway Fund (continued)

The decrease in expenditures and financing uses of \$92,619 is attributable to a \$4,547,251 increase in expenditures and a \$4,639,870 decrease in other financing uses. The \$4,547,251 increase in expenditures is primarily attributable to the following: \$1,147,624 increase in snow removal costs (more inclement weather) and \$1,063,798 increase of maintenance and acquisition of highway equipment costs, as well as a \$1,404,439 increase in employee benefit costs. The \$4,639,870 decrease in other financing uses is attributable to less debt service costs, resulting in less transfers to the Debt Service Fund.

Park Districts Fund

At the end of the current year, the total fund balance of the Park Districts Fund was \$9,134,818, a decrease of \$10,085,676 from the prior year. Of the total fund balance, \$1,711,886 is not in spendable form (inventory and prepaid items), \$656,630 is restricted for debt service and \$6,766,302 is assigned for general park districts fund purposes.

The Park Districts Fund's expenditures and other financing uses exceeded revenues and other financing sources by \$10,085,676 for the year. Revenues and other financing sources increased by \$5,373,111 from the prior year to \$105,060,803 while expenditures and other financing uses increased \$6,760,788 from the prior year to \$115,146,479.

The increase in revenues and financing sources of \$5,373,111 is primarily attributable to an increase in long term financing of \$4,679,694 related to bond issuance proceeds and a \$636,411 increase in bond premiums.

The expenditures and financing uses increased by \$6,760,788 from the prior year. Most notably, there was a \$5,692,711 increase in salaries and related benefits, and \$1,536,790 in contractual costs (materials and supplies) offset by a decrease in transfers out of \$352,077 (lower debt service transfers).

Refuse and Garbage Districts Fund

At the end of the current year, the total fund balance of the Refuse and Garbage Districts Fund was \$51,521,430, a decrease of \$9,977,876 or 16.22% from the prior year. Of the total fund balance, \$1,199,875 is not in spendable form (inventory and prepaid items), \$199,863 is restricted for debt service and the remaining \$50,121,692 is in spendable form as follows: \$6,368,410 is assigned for the subsequent year's budget and \$43,753,282 is assigned for general refuse and garbage purposes.

The Refuse and Garbage Districts Fund's total expenditures and other financing uses exceeded revenues and other financing sources by \$9,977,876 for the year. Revenues and other financing sources increased by \$8,836,372 from the prior year to \$128,474,874 and expenditures and other financing uses increased by \$8,405,975 from the prior year to \$138,452,750.

The increase in revenues and other financing sources of \$9,977,876 consists of a \$5,160,003 increase in revenue and \$3,676,369 increase in other financing sources. The \$5,160,003 increase in revenue is most notably attributable to the \$4,470,219 increase in departmental revenue (increase in dumping fees for municipal solid waste) as well as an increase in state and federal disaster assistance recognized in the amounts of \$80,515 and \$720,840, respectively. Notable changes in other financing sources are increases in bond issuance proceeds of \$3,462,006 and premiums on issuance of \$198,047.

Total expenditures and financing uses of \$138,452,750 increased by \$8,405,975 from the prior year. The cost of providing refuse and garbage collection services (including employee benefits) totaled \$123,132,807, which is 17.38% or \$8,466,891 higher than the prior cost of \$114,665,916. Debt service costs and transfers to the Debt Service Fund remained in line with the prior year.

TOWN OF HEMPSTEAD, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended December 31, 2024

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS (continued)

Governmental Funds (continued)

Water Districts Fund

At the end of the current year, the total fund balance of the Water Districts Fund was \$60,161,870, an increase of \$8,173,012 or 15.72%, from the prior year. Of this amount, \$719,822 is not in spendable form (inventory and prepaid items), \$4,825,519 is restricted for debt service and the remaining \$54,616,529 of the fund balance is in spendable form as follows: \$4,423,162 appropriated for subsequent year budget, and \$50,193,367 is for general water service purposes.

The Water Districts Fund's total revenues and other financing sources exceeded expenditures, and other financing uses by \$8,173,012 for the year. Revenues and other financing sources increased by \$5,857,191 from the prior year to \$37,305,747 while expenditures and other financing uses increased by \$3,492,661 from the prior year to \$29,132,735.

The increase in revenues and financing sources of \$5,857,191 is mainly attributable to a \$4,790,414 increase in premium on bonds recognized as well as \$690,966 in bond issuances. The increase in expenditures and financing uses of \$3,492,661 is primarily attributable to a \$3,067,231 increase in salaries and related benefits.

Capital Projects Fund

At the end of the current year, the Capital Projects Fund had a total fund balance of \$42,873,548, an increase of \$76,312,675 from the prior year. Of this amount, \$94,132,692 is restricted for capital projects and the remaining \$51,259,144 deficit is unassigned. The increase in fund balance stems from a timing difference of when project expenditures are incurred and issuance of long-term debt. During 2024, the Capital Projects Fund received \$163,980,497 in debt issuance proceeds (general obligation bonds) \$27,974,441 in revenues primarily from federal and state grants, and \$2,440,705 in financing arrangements issued (leases and subscription based information technology arrangements) while expending \$116,217,647 for various capital/public improvement projects and . During 2023, the Capital Projects Fund received \$24,221,772 in debt issuance proceeds (bond anticipation notes) and \$30,325,760 in revenues primarily from federal and state grants, while expending \$122,520,792 for various capital/public improvement projects. Transfers to other funds for unspent bond proceeds on closed projects totaled \$2,374,250 and \$4,978,551 for the years ended December 31, 2024 and 2023, respectively.

Debt Service Fund

At the end of the current year, the Debt Service Fund's total fund balance remained at \$0. Debt service expenditures of \$62,735,019 decreased by \$7,512,279 from the prior year, primarily due to lower scheduled principal payments. To finance the debt service payments, the operating funds transferred to the Debt Service Fund \$62,735,019, a decrease of \$6,596,180 from the prior year.

Nonmajor Governmental Funds

The net change in fund balances was an increase of \$9,343,369 which is attributable to: Town Outside Village Fund of \$8,963,879, Fire Protection Districts of \$1,790,663, Street Lighting Districts Fund of (\$1,578,397), Public Parking Districts Fund of \$573,272, Library Funding Districts Fund of \$7,589, and Special Grants Fund of (\$413,637). Revenues and other financing sources totaled \$81,177,704, which increased by \$6,677,495 from the prior year.

Overall, revenues increased by \$5,530,401 and stems primarily from an increase in departmental income of \$5,031,836. All other revenue fluctuations were insignificant. Other financing sources increased by \$1,147,094 primarily due to \$485,585 increase in long term financing (issuances of bonds and bond anticipation notes) as well as a \$418,140 increase in transfers in and \$243,369 increase in premiums on bonds. Total expenditures and other financing uses increased by \$1,027,672 from the prior year to \$71,834,335. The notable changes in expenditures (excluding other financing uses) are as follows: an increase in Town Outside Village fund of \$2,998,399 (salaries and employee benefits) and an increase in Public Parking Districts of \$474,346 (legal settlement and administrative costs), offset by a decrease in Special Grants \$2,454,015 (costs pertaining to occupational/workforce grants).

TOWN OF HEMPSTEAD, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2024

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS (continued)

Proprietary Fund

Town of Hempstead Local Development Corporation

The Town of Hempstead Local Development Corporation net position of \$2,000,498 was \$92,286 less than the prior year as operating expenses exceeded operating and non-operating revenues/income. Program revenues consisting of fees for services of \$23,000 were \$500 less than the prior and interest earned totaled \$34,639, which was consistent with the prior year. Expenses of \$149,925 were consistent with that of the prior year, increasing \$7,114.

GENERAL FUND BUDGETARY HIGHLIGHTS

The differences between the 2024 original budget and the final amended budget are adopted by Town Board Resolution throughout the year. During the year the General Fund's budget was modified as follows: a \$22,855,998 or 11.94% increase in revenues and a \$11,307,524 or 5.51% increase in expenditures, and a \$9,760,124 increase in the other financing sources and uses (net use).

Significant modifications to the budgeted revenues are: \$15,461,511 more in fines and forfeitures (additional bus stop violations), \$4,508,130 more in state aid (conservative budgeting of mortgage tax revenue), \$2,760,662 more in real property taxes. As a result of the issuance of bond anticipation notes and general bond obligations, other financing sources for these issuances were modified by \$9,089,987 and \$800,000, respectively.

Of the \$10,849,066 supplemental appropriations (expenditures and other financing uses), \$11,328,990 was for general government support purposes. The significant supplemental appropriations consisted of \$9,000,000 for amounts due to Nassau County in relation to the bus stop violations mentioned above. Additional appropriations for judgments and torts in the amount of \$993,000. There are no variances that are expected to have a significant effect on future services or liquidity.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets, net of accumulated depreciation/amortization for its governmental type activities as of December 31, 2024, amounts to \$853,152,736. This investment in capital assets includes land, construction in progress, buildings, improvements, machinery and equipment, park facilities, roads, highways, bridges, and intangible assets.

Major capital asset events during the current year included the following: road construction, street lighting improvements, heavy equipment replacement, information and technology upgrades, building improvements, water distribution infrastructure and park improvements.

	Governmental Activities	
	2024	2023
Land and landfills	\$ 86,967,285	\$ 86,967,285
Construction work in progress	3,591,168	2,531,174
Buildings	31,924,355	33,891,654
Infrastructure and improvements other than building	693,571,835	630,274,508
Improvements to park portion of Merrick landfill	3,773,874	4,314,429
Machinery and equipment	27,275,150	20,492,126
Intangibles	6,049,069	6,539,997
Total Net Capital Assets	<u>\$ 853,152,736</u>	<u>\$ 785,011,173</u>

TOWN OF HEMPSTEAD, NEW YORK

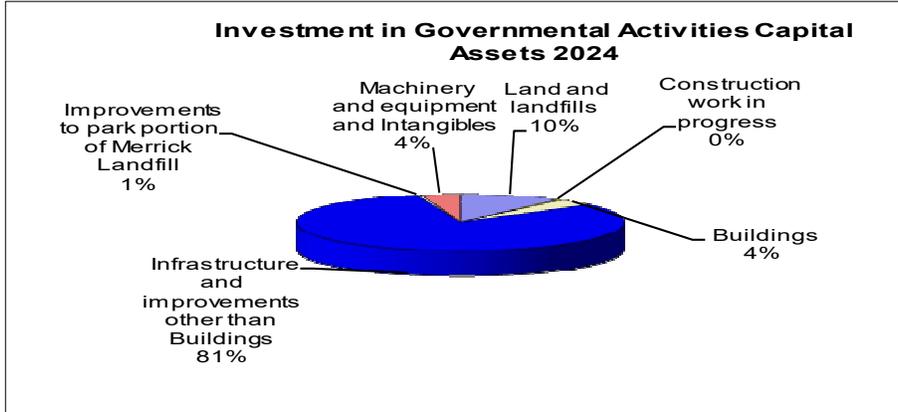
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2024

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

Capital Assets (continued)

The business-type activities have no capital assets as of December 31, 2024.

The composition of capital assets by percentage at December 31, 2024, is as follows:



There was no activity in the business-type activities capital assets. Additional information on the Town's capital assets is shown in Note 3.E to the financial statements.

Debt Administration

Long-Term Debt

At the end of the current year, the long-term bonded debt outstanding, exclusive of premiums totaled \$574,255,616 and long-term bond anticipation notes totaled \$22,162,712. The entire debt is backed by the full faith and credit of the Town. The Town's business-type activities has no debt outstanding. The outstanding long-term debt at December 31, 2024 and 2023, is as follows:

	Governmental Activities	
	2024	2023
General obligation bonds	\$ 574,255,616	\$ 429,686,802
Bond anticipation notes	22,162,712	25,206,772
Total	\$ 596,418,328	\$ 454,893,574

The general obligation bonds outstanding at December 31, 2024, increased by 33.65% from the prior year. The Town issued \$194,547,269 in general obligation bonds, inclusive of \$3,000,000 for nonmajor component units during 2024 and the Town issued \$22,162,712 of bond anticipation notes to temporarily finance the cost of various public improvement projects and litigation/tort payments.

In April 2024, Moody's Investor Service revised the outlook to negative from stable, with an Aaa rating to the Town's 2024 general obligation bonds issued for public improvement purposes. These are the most recent bond ratings for the Town through 2024. In May 2025, Moody's Investor Services revised the outlook on the Town to stable from negative and affirmed the Aaa issuer rating.

TOWN OF HEMPSTEAD, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended December 31, 2024

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

Debt Administration (continued)

Debt Limit

State statutes limit the amount of general obligation a governmental entity may issue to 7% of a 5-year average full valuation. For 2024, the five-year average full valuation is \$118,841,846,577. The current debt limitation (7% of average full valuation) for the Town is \$8,318,829,260 which is significantly in excess of the Town's outstanding debt. The percentage of debt contracting power exhausted as of November 20, 2024 (the date of calculation during 2024) is approximately 5.3%.

Additional information on the Town's indebtedness is shown in Note 3.F to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The Town's elected and appointed officials considered many factors when preparing the 2025 budget. The Town's statistical data compares favorably to New York State and the United States. According to the U.S Bureau of Labor Statistics, the Town's 2024 average unemployment rate of 3.4% compares favorably to New York State's 4.3% and the United States' 4.0%. Household income in the Town also compares favorably to both the state and the nation. According to the U.S. Census Bureau's American Community Survey 2023 5-Year Estimates, more than six out of every ten households in the Town – 64.5% – have annual incomes of \$100,000 or more, compared to 43.3% in New York State and 39.3% nationwide. Mean household income in the Town of Hempstead is \$171,999, compared to New York State's \$125,909 and the United States' \$101,491. In addition, 82% of housing units in the Town of Hempstead are owner-occupied, compared to 54% in New York State and 65% nationwide. The median home value in the Town is more than 53% higher than the State median, and more than double the national median. These factors provide a stable tax environment enabling the Town to reliably project tax revenue.
- Families across the Town of Hempstead have been impacted by rising costs. Indeed, it has been a rollercoaster ride since the early months of 2020. In recent history we have seen a worldwide pandemic, record inflation, rising interest rates, and skyrocketing costs of just about everything. This is evident in the fact that, during the twelve months ending September 2024, year-over-year consumer prices in our region rose by more than 3.7 percent. Furthermore, our township has battled numerous storms and weather events, as well as sharp and unexpected increases in unfunded mandates from New York State.
- Despite these potential stumbling blocks the 2025 Town Budget maintains all government programs and services, while showing the highest degree of respect for the taxpayers and continuing to be mindful of the future. By controlling costs within our discretion and pursuing valuable grants, Hempstead Town has been able to maintain its priority of providing excellent services while minimizing the financial burden on local taxpayers.
- One such way we have accomplished this is through right-sizing the Town's workforce. In 2024 the Town implemented a retirement incentive program that resulted in scores of employees retiring from Town employment, paring down staffing levels in the 2025 budget by 5.9 percent. As a result, the Town will avoid \$16.6 million dollars in salary and payroll tax expenses. Coupled with our reaffirmed Aaa credit rating by Moody's Investor Services, it's clear the Town's conservative fiscal management is paying dividends for our residents.
- The Town of Hempstead boasts a population of nearly 780,000 residents, making our Town the largest and most diverse in the nation. Our township is larger than several states, with a population that rivals sprawling metropolises like San Francisco, Seattle, and Denver. Our hardworking union workforce maintains 1,200 miles of roadway, operates over 200 parks, pools, beaches, and marinas, collects garbage from 85,000 homes, provides water to over 121,000 customers, and offers services for the aging for over 200,000 residents.

TOWN OF HEMPSTEAD, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended December 31, 2024

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES (continued)

- The 2025 Town Budget amounts to \$549.1 million, a modest increase over the 2024 spending plan. The 2025 budget also reflects a modest positive adjustment to property-based revenues, which had remained flat since 2020. Positive adjustments to expenditures in the 2025 budget are responsive to factors beyond the Town's control, including: a 7% increase in refuse disposal expenses; an 11% increase in pension costs as mandated by New York State; and a 5% increase in health insurance costs as mandated by New York State.
- Chapter 97 of the Laws of 2011 (the "Tax Cap Law") was enacted on June 24, 2011. The Tax Cap Law limits annual increases of the Town's overall real property tax to no more than the lesser of 2% or the rate of inflation. The Tax Cap law took effect with the 2012 budget year. Certain increases to the tax levy are excluded from the limitations imposed by the Tax Cap Law, including exclusions for certain expenditures for retirement system contributions and tort judgments payable by the Town. In addition, if the Town uses less than the amount of its allowable tax levy increase in a given fiscal year it may include the unused portion, up to one and one-half percent (1.5%), in calculating its tax levy limit for the following fiscal year. Furthermore, the Town Board may override the limitations if the Town Board enacts, by vote of at least sixty percent of the voting power of the Town Board, a local law to override such limit for the upcoming budget year. The Tax Cap Law does not provide exclusion for debt service on general obligations issued by the Town.
- The adopted budget for the fiscal year beginning January 1, 2025, increases the total property tax levy by \$42.1 million over the amount in the 2024 budget.
- When all these factors are considered, the Town's combined fund balances are expected to decline by the close of 2025.

Chapter 1262-e of Article 29 of New York Tax Law, Establishment of Local Government Assistance Programs in Nassau County was enacted on January 1, 1998. This local government assistance program provides for the towns and cities within Nassau County a revenue sharing source equal to one-third of the revenues received by the County from its imposition of the three-quarters percent sales and use tax during the years 2001-2027. The Town has included \$51,000,000 of local government assistance for the expected shared sales tax revenue in its 2025 budget. After 2027, the legislation providing for this County local assistance/shared sales tax revenue assistance expires.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town of Hempstead, Office of the Comptroller, Hempstead, New York.

BASIC FINANCIAL STATEMENTS

TOWN OF HEMPSTEAD, NEW YORK

**GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF NET POSITION
December 31, 2024**

	Primary Government		Total	Nonmajor Component Units
	Governmental Activities	Business-Type Activities		
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 240,478,483	\$ 2,012,550	\$ 242,491,033	\$ 38,802,817
Cash and cash equivalents- restricted	12,767,451		12,767,451	6,487,189
Receivables	19,409,719		19,409,719	2,106,666
Leases receivable, due within one year	936,172		936,172	422,032
Due from other governments	54,195,806		54,195,806	253,725
Prepaid items	13,792,497		13,792,497	529,919
Inventories	7,657,544		7,657,544	
Other assets	143,509		143,509	
Total Current Assets	<u>349,381,181</u>	<u>2,012,550</u>	<u>351,393,731</u>	<u>48,602,348</u>
Non-Current Assets:				
Receivables, service concession arrangements	5,811,537		5,811,537	
Lease receivable	21,056,993		21,056,993	8,181,011
Due from other governments	28,334,636		28,334,636	
Other assets			-	149,324
Length of service award program plan assets	3,331,447		3,331,447	
Non-depreciable capital assets	90,558,453		90,558,453	9,741,406
Depreciable capital assets, net of depreciation/amortization	762,594,283		762,594,283	55,172,476
Total Non-Current Assets	<u>911,687,349</u>	<u>-0-</u>	<u>911,687,349</u>	<u>73,244,217</u>
Total Assets	<u>1,261,068,530</u>	<u>2,012,550</u>	<u>1,263,081,080</u>	<u>121,846,565</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension - employees' retirement system	76,503,575		76,503,575	3,593,549
Pension - length of service award program	95,790		95,790	
Other postemployment benefits	121,493,725		121,493,725	3,308,618
Total Deferred Outflows of Resources	<u>198,093,090</u>	<u>-0-</u>	<u>198,093,090</u>	<u>6,902,167</u>
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued expenses	61,856,497	12,052	61,868,549	2,403,934
Due to other governments	271,700		271,700	12,068,918
Unearned revenue	365,228		365,228	106,312
Other liabilities	2,567,559		2,567,559	
Guarantee, bid and escrow deposits liabilities	6,176,271		6,176,271	749,654
Non-current liabilities due within one year	122,981,867		122,981,867	1,860,956
Total Current Liabilities	<u>194,219,122</u>	<u>12,052</u>	<u>194,231,174</u>	<u>17,189,774</u>
Non-Current Liabilities				
Due in more than one year	1,766,106,907		1,766,106,907	56,209,974
Total Non-Current Liabilities	<u>1,766,106,907</u>	<u>-0-</u>	<u>1,766,106,907</u>	<u>56,209,974</u>
Total Liabilities	<u>1,960,326,029</u>	<u>12,052</u>	<u>1,960,338,081</u>	<u>73,399,748</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred amounts on refunding bonds	5,818,170		5,818,170	
Pension - employees' retirement system	41,233,876		41,233,876	1,902,987
Pension - length of service award program	738,464		738,464	
Deferred service concession arrangement receipts	6,508,191		6,508,191	
Other postemployment benefits	410,815,541		410,815,541	5,268,829
Lease related	21,111,762		21,111,762	8,011,050
Total Deferred Inflows of Resources	<u>486,226,004</u>	<u>-0-</u>	<u>486,226,004</u>	<u>15,182,866</u>
NET POSITION				
Net investment in capital assets	266,757,444		266,757,444	35,156,708
Restricted for:				
Culture and recreation				16,087
Home and community services	1,716,532		1,716,532	6,098,275
Unrestricted (deficit)	(1,255,864,389)	2,000,498	(1,253,863,891)	(1,104,952)
Total Net Position	<u>\$ (987,390,413)</u>	<u>\$ 2,000,498</u>	<u>\$ (985,389,915)</u>	<u>\$ 40,166,118</u>

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

TOWN OF HEMPSTEAD, NEW YORK

**GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF ACTIVITIES
Year Ended December 31, 2024**

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Nonmajor Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental Activities:								
General government support	\$ 100,559,773	\$ 28,120,383	\$ 363,087	\$ 86,915	\$ (71,989,388)	\$ -0-	\$ (71,989,388)	
Education	8,472,195				(8,472,195)		(8,472,195)	
Public safety	45,911,760	21,370,554	1,059,691		(23,481,515)		(23,481,515)	
Transportation	57,351,954	329,731	123,762	7,727,709	(49,170,752)		(49,170,752)	
Economic assistance and opportunity	15,633,311	136,389	6,161,016		(9,335,906)		(9,335,906)	
Culture and recreation	98,082,538	8,426,310	242,429	542,028	(88,871,771)		(88,871,771)	
Home and community services	153,269,485	51,120,894	2,106,957	22,494,045	(77,547,589)		(77,547,589)	
Interest and other debt related costs	14,136,979				(14,136,979)		(14,136,979)	
Total Governmental Activities	493,417,995	109,504,261	10,056,942	30,850,697	(343,006,095)	-0-	(343,006,095)	
Business-Type Activities:								
Local Development Corporation	149,925	23,000				(126,925)	(126,925)	
Total Business-Type Activities	149,925	23,000	-0-	-0-	-0-	(126,925)	(126,925)	
Total Primary Government	\$ 493,567,920	\$ 109,527,261	\$ 10,056,942	\$ 30,850,697	(343,006,095)	(126,925)	(343,133,020)	
Nonmajor Component Units								
Economic assistance and opportunity	\$ 1,120,429	\$ 1,085,518	\$ -0-	\$ -0-				\$ (34,911)
Culture and recreation	9,816,486	38,488	21,200					(9,756,798)
Home and community services	13,619,743	5,901,611		2,703,750				(5,014,382)
Total Component Units	\$ 24,556,658	\$ 7,025,617	\$ 21,200	\$ 2,703,750				(14,806,091)
General Revenues								
Real property taxes					253,693,960		253,693,960	15,150,833
Real property tax items					10,947,659		10,947,659	682,970
Non-property taxes:								
Sales tax distribution by county, unrestricted					52,565,160		52,565,160	
Franchise fees					9,607,781		9,607,781	
Interest earnings - unrestricted					14,364,343	34,639	14,398,982	1,990,958
State aid - mortgage tax					19,709,506		19,709,506	
State aid - other unrestricted					3,848,884		3,848,884	43,570
Other					1,368,530		1,368,530	1,790,313
Total General Revenues and Transfers					366,105,823	34,639	366,140,462	19,658,644
Change in Net Position					23,099,728	(92,286)	23,007,442	4,852,553
Net Position at Beginning of Year, as originally reported					(1,001,776,529)	2,092,784	(999,683,745)	35,567,309
Cumulative effect of change in accounting principles (Note 7)					(8,713,612)		(8,713,612)	(253,744)
Net Position at Beginning of Year, as restated (Note 7)					(1,010,490,141)	2,092,784	(1,008,397,357)	35,313,565
Net Position at End of Year					\$ (987,390,413)	\$ 2,000,498	\$ (985,389,915)	\$ 40,166,118

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

TOWN OF HEMPSTEAD, NEW YORK

**BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2024**

	MAJOR FUNDS							Nonmajor Governmental Funds	Total Governmental Funds
	General	Highway	Park Districts	Refuse and Garbage Districts	Water Districts	Capital Projects	Debt Service		
ASSETS									
Cash and cash equivalents	\$ 49,699,393	\$ 1,133,587	\$ 10,280,697	\$ 48,959,909	\$ 55,003,100	\$ 48,374,903	\$ -0-	\$ 27,026,894	\$ 240,478,483
Cash and cash equivalent - restricted	867,359	3,746,488	656,630	199,863	4,825,519			2,471,592	12,767,451
Receivables	1,425,473	350,091	630,372	4,729,800	9,560,693			2,016,636	18,713,065
Lease receivable	2,158,371	2,223,154	84,804		17,526,836				21,993,165
Due from other funds	11,583,439	738,149		2,307,888				338,762	14,968,238
Due from other governments	17,611,014	84,633	308,152	1,174,776	9,750	25,704,816		1,680,015	46,573,156
Inventories	2,722,294	3,981,725	182,822	84,125	263,769			422,809	7,657,544
Prepaid items	3,278,713	623,975	1,529,064	1,115,750	456,053			415,191	7,418,746
Length of service award program plan assets								3,331,447	3,331,447
Other assets	17,966	24,588	4,581		4,061			92,313	143,509
Total Assets	\$ 89,364,022	\$ 12,906,390	\$ 13,677,122	\$ 58,572,111	\$ 87,649,781	\$ 74,079,719	\$ -0-	\$ 37,795,659	\$ 374,044,804
LIABILITIES									
Accounts payable and accrued liabilities	\$ 13,882,472	\$ 1,655,673	\$ 3,067,998	\$ 6,571,734	\$ 1,110,646	\$ 26,564,727		\$ 2,701,242	\$ 55,554,492
Due to other funds			868,730		7,176,851	3,910,900		3,011,757	14,968,238
Due to other governments						271,700			271,700
Unearned revenue	115,114			732		249,382			365,228
Other liabilities	694,926	352,465	518,002	478,215	86,002	209,462		228,487	2,567,559
Guarantee, bid and escrow deposits liabilities	6,176,271								6,176,271
Total Liabilities	20,868,783	2,008,138	4,454,730	7,050,681	8,373,499	31,206,171	\$ -0-	5,941,486	79,903,488
DEFERRED INFLOWS OF RESOURCES									
Lease related	2,035,814	2,059,247	87,574		16,929,127				21,111,762
Unavailable revenue - water fees					2,185,285				2,185,285
Unavailable revenue - sidewalk repair		253,604							253,604
Total Deferred Inflows of Resources	2,035,814	2,312,851	87,574	-0-	19,114,412	-0-	-0-	-0-	23,550,651
FUND BALANCES									
Nonspendable	6,001,007	4,605,700	1,711,886	1,199,875	719,822			2,175,867	16,414,157
Restricted	867,359	3,746,488	656,630	199,863	4,825,519	94,132,692		3,957,744	108,386,295
Assigned	16,314,006	233,213	6,766,302	50,121,692	54,616,529			26,301,368	154,353,110
Unassigned	43,277,053					(51,259,144)		(580,806)	(8,562,897)
Total Fund Balances	66,459,425	8,585,401	9,134,818	51,521,430	60,161,870	42,873,548	-0-	31,854,173	270,590,665
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 89,364,022	\$ 12,906,390	\$ 13,677,122	\$ 58,572,111	\$ 87,649,781	\$ 74,079,719	\$ -0-	\$ 37,795,659	\$ 374,044,804

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

TOWN OF HEMPSTEAD, NEW YORK

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**

December 31, 2024

Total Fund Balances - Governmental Funds		\$ 270,590,665
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets less accumulated depreciation/amortization are included in the statement of net position:		
Capital assets - non-depreciable	\$ 90,558,453	
Capital assets - depreciable and amortizable	1,422,810,703	
Accumulated depreciation/amortization	<u>(660,216,420)</u>	853,152,736
Other long-term assets in the statement of net position that do not provide current financial resources and are not reported in the governmental funds:		
Prepaid items	6,373,751	
Long-term receivables and due from other governments	<u>42,465,477</u>	48,839,228
Revenues earned but are unavailable in the governmental fund statements		
		2,438,889
Deferred outflows of resources not reported in the governmental fund statements:		
Pension - employees' retirement system	76,503,575	
Pension - length of service award program	95,790	
Other postemployment benefits	<u>121,493,725</u>	198,093,090
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	(574,255,616)	
Bond anticipation notes payable	(22,162,712)	
Finance purchases payable	(170,108)	
Energy performance contract payable	(994,107)	
Lease liabilities	(2,090,093)	
Subscription liabilities	(3,668,145)	
Employees' retirement system net pension liability	(76,477,258)	
Length of service award program plan pension liability	(4,890,144)	
Compensated absences	(72,672,874)	
Claims and judgments	(49,641,619)	
Estimated liability for landfill closure and postclosure care costs	(757,449)	
Pollution remediation obligations	(3,431,900)	
Total other postemployment benefits liability	<u>(1,039,201,452)</u>	(1,850,413,477)
Deferred inflows of resources not reported in governmental fund statements:		
Deferred gain on debt refundings	(5,818,170)	
Pension - employees' retirement system	(41,233,876)	
Pension - length of service award program	(738,464)	
Service concession arrangements	(6,508,191)	
Other postemployment benefits	<u>(410,815,541)</u>	(465,114,242)
Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:		
Premiums on bonds included in the statement of net position		(38,675,297)
Interest payable and accrued 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.		
		<u>(6,302,005)</u>
Net Position of Governmental Activities		\$ (987,390,413)

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

TOWN OF HEMPSTEAD, NEW YORK

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2024**

	MAJOR FUNDS							Nonmajor Governmental Funds	Total Governmental Funds
	General	Highway	Park Districts	Refuse and Garbage Districts	Water Districts	Capital Projects	Debt Service		
REVENUES									
Real property taxes	\$ 27,258,079	\$ 55,917,604	\$ 51,673,494	\$ 85,432,414	\$ 5,625,803	\$ -0-	\$ -0-	\$ 27,786,566	\$ 253,693,960
Real property tax items	1,725,308	2,305,611	2,783,949	1,684,969	258,183			2,189,639	10,947,659
Non-property tax items	52,565,160							9,607,781	62,172,941
Departmental income	8,793,358		2,415,181	16,233,866	20,854,172			20,176,350	68,472,927
Intergovernmental charges	70,062		1,078,734	2,402,107	230,950				3,781,853
Use of money and property	5,329,481	716,118	1,249,643	8,603,577	4,511,383			1,147,314	21,557,516
Licenses and permits	1,896,167			25,229					1,921,396
Fines and forfeitures	24,472,510							673,889	25,146,399
Sale of property and compensation for loss	157,710	98,614	48,300	821,338	8,261			86,922	1,221,145
Miscellaneous revenue	571,603	156,948	201,499	8,074,598		179,578		1,239,192	10,423,418
Interfund revenues	66,614,210		39,884,061	627,236	28,125			2,321,904	109,475,536
State aid	22,938,982	8,463	235,158	80,515	975	26,875,249		2,317,176	52,456,518
Federal aid	16,620	76,169	7,271	720,840	8,775	919,614		10,138,651	11,887,940
Total Revenues	212,409,250	59,279,527	99,577,290	124,706,689	31,526,627	27,974,441	-0-	77,685,384	633,159,208
EXPENDITURES									
Current:									
General government support	117,476,861							94,189	117,571,050
Education	8,472,195								8,472,195
Public safety	15,673,481							25,735,776	41,409,257
Transportation	1,541,840	34,953,249						14,062,722	50,557,811
Economic assistance and opportunity	5,294,474							6,127,994	11,422,468
Culture and recreation	5,350		81,463,142					1,464,305	82,932,797
Home and community services	13,261,395			96,301,703	18,125,175			10,168,913	137,857,186
Employee benefits	48,013,334	12,866,851	28,267,712	26,831,104	4,174,055			9,213,569	129,366,625
Capital Outlay						116,217,647			116,217,647
Debt Service:									
Principal	2,233,416		101,790	19,572	41,558		46,978,455	2,434,957	51,809,748
Interest	272,331	931,390	68,722	6,791	111,780		15,756,564	103,437	17,251,015
Total Expenditures	212,244,677	48,751,490	109,901,366	123,159,170	22,452,568	116,217,647	62,735,019	69,405,862	764,867,799
Excess (Deficiency) of Revenues Over (Under) Expenditures	164,573	10,528,037	(10,324,076)	1,547,519	9,074,059	(88,243,206)	(62,735,019)	8,279,522	(131,708,591)
Other Financing Sources (Uses)									
Transfers in	328,595	1,772,837	22,225	16,316	262,635	508,929	62,735,019	714,894	66,361,450
Transfers out	(11,013,179)	(23,326,688)	(5,245,113)	(15,293,580)	(6,680,167)	(2,374,250)		(2,428,473)	(66,361,450)
Issuance of bond anticipation notes	9,089,987	1,805,301	4,804,658	3,552,006	690,966			2,219,794	22,162,712
Issuance of general obligation bonds	800,000	1,250,000				163,980,497		310,000	166,340,497
Leases issued						670,920			670,920
Subscriptions issued						1,769,785			1,769,785
Premium on bonds	848,963	3,746,488	656,630	199,863	4,825,519			247,632	10,525,095
Total Other Financing Sources (Uses)	54,366	(14,752,062)	238,400	(11,525,395)	(901,047)	164,555,881	62,735,019	1,063,847	201,469,009
Net Change in Fund Balances	218,939	(4,224,025)	(10,085,676)	(9,977,876)	8,173,012	76,312,675	-0-	9,343,369	69,760,418
Fund Balance at Beginning of Year	66,240,486	12,809,426	19,220,494	61,499,306	51,988,858	(33,439,127)	-0-	22,510,804	200,830,247
Fund Balance at End of Year	\$ 66,459,425	\$ 8,585,401	\$ 9,134,818	\$ 51,521,430	\$ 60,161,870	\$ 42,873,548	\$ -0-	\$ 31,854,173	\$ 270,590,665

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

TOWN OF HEMPSTEAD, NEW YORK

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
Year Ended December 31, 2024**

Net Change in Fund Balances - Total Governmental Funds	\$	69,760,418
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/amortization expense. The amount by which capital outlay exceeds depreciation expense in the current period is:		
Capital outlay	\$ 115,161,909	
Depreciation/amortization expense	<u>(47,020,346)</u>	68,141,563
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds:		
Prepaid items		296,374
Net change in deferred outflows of resources not reported in the governmental fund statements:		
Pension - employees' retirement system	(11,924,095)	
Pension - length of service award program	16,535	
Other postemployment benefits	<u>(27,330,935)</u>	(39,238,495)
Differences in revenue recognition in the statement of activities and governmental funds due to measurement focus/basis of accounting differences:		
Amortization/installment of amounts due from other governments	(7,622,650)	
Unavailable revenue - water fees, sidewalk repair and park fees	456,701	
Premiums on bonds, net of amortization	(5,983,400)	
Amortization of deferred gains on debt refunding	<u>604,258</u>	(12,545,091)
The issuance of long-term debt 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:		
Proceeds from sale of bond anticipation notes payable	(22,162,712)	
Proceeds from sale of bonds	(191,547,269)	
Proceeds from leases issued	(670,920)	
Proceeds from subscriptions issued	(1,769,785)	
Principal payment of bonds	46,978,455	
Principal payment of bond anticipation notes	25,206,772	
Principal payment of financed purchases payable	2,006,394	
Principal payment of energy performance contract payable	331,342	
Principal payment of lease liability	1,007,059	
Principal payment of subscription liability	<u>1,486,498</u>	(139,134,166)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Changes in net pension liability/(asset)- proportionate share	37,622,828	
Length of service award program plan pension liability	140,775	
Compensated absences	4,831,752	
Claims and judgments, net of estimated recoveries	2,109,013	
Estimated liability for landfill closure and postclosure care costs	26,073	
Pollution remediation obligations	(149,100)	
Total other postemployment benefits liability	152,652,160	
Accrued interest payable	<u>(2,031,917)</u>	195,201,584
Net change in deferred inflows of resources not reported in the governmental fund statements:		
Pension - employees' retirement system	(34,994,328)	
Pension - length of service award program	(204,140)	
Other postemployment benefits	<u>(84,183,991)</u>	(119,382,459)
Change in Net Position of Governmental Activities	\$	<u>23,099,728</u>

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

TOWN OF HEMPSTEAD, NEW YORK

PROPRIETARY FUND
STATEMENT OF NET POSITION
December 31, 2024

		<u>Town of Hempstead Local Development Corporation</u>
ASSETS		
Cash and cash equivalents		\$ 2,012,550
	Total Assets	<u>2,012,550</u>
LIABILITIES		
Accounts payable and accrued liabilities		<u>12,052</u>
	Total Liabilities	<u>12,052</u>
NET POSITION		
Unrestricted		<u>2,000,498</u>
	Total Net Position	<u>\$ 2,000,498</u>

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

TOWN OF HEMPSTEAD, NEW YORK

**PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended December 31, 2024**

	<u>Town of Hempstead Local Development Corporation</u>
OPERATING REVENUES	
Fees for services	\$ 23,000
Total Operating Revenues	<u>23,000</u>
OPERATING EXPENSES	
Contractual and professional fees	20,605
Rent	16,889
Compensation and related costs	101,716
Advertising	5,000
Office, meeting and travel	5,715
Total Operating Expenses	<u>149,925</u>
Loss from Operations	<u>(126,925)</u>
NON-OPERATING INCOME	
Interest income	<u>34,639</u>
Net Change in Net Position	(92,286)
Net Position at Beginning of Year	<u>2,092,784</u>
Net Position at End of Year	<u>\$ 2,000,498</u>

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

TOWN OF HEMPSTEAD, NEW YORK

PROPRIETARY FUND
STATEMENT OF CASH FLOWS
Year Ended December 31, 2024

	Town of Hempstead Local Development Corporation
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from services provided	\$ 23,000
Payments for personal services and employee benefits	(101,716)
Payments to suppliers and service providers	(45,888)
Net Cash from Operating Activities	(124,604)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	34,639
Net Cash from Investing Activities	34,639
Net Change in Cash and Cash Equivalents	(89,965)
Cash and Cash Equivalents at Beginning of Year	2,102,515
Cash and Cash Equivalents at End of Year	\$ 2,012,550
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES	
Loss from operations	\$ (126,925)
Adjustments to reconcile operating loss to net cash from operations:	
Increase in accounts payable and accrued liabilities	2,321
Net Cash from Operating Activities	\$ (124,604)

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

TOWN OF HEMPSTEAD, NEW YORK
FIDUCIARY FUND
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2024

	Custodial Fund
ASSETS	
Cash and cash equivalents	\$ 43,398,650
Taxes Receivable - school districts	1,164,059,895
	Total Assets \$ 1,207,458,545
 LIABILITIES	
Due to other governments	\$ 1,207,458,545
	Total Liabilities \$ 1,207,458,545

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

TOWN OF HEMPSTEAD, NEW YORK

**FIDUCIARY FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended December 31, 2024**

	<u>Custodial Fund</u>
ADDITIONS	
Real property taxes collected for other governments	\$ 3,058,818,934
Other taxes collected for other governments	<u>113,947</u>
Total Additions	<u>3,058,932,881</u>
DEDUCTIONS	
Payment of real property taxes to other governments	3,058,818,934
Payment of other taxes collected for other governments	<u>113,947</u>
Total Deductions	<u>3,058,932,881</u>
Net Change in Fiduciary Net Position	-0-
Net Position at Beginning of Year	<u>-0-</u>
Net Position at End of Year	<u><u>\$ -0-</u></u>

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

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

Table of Contents

Note 1 - Summary of Significant Accounting Policies	
1. A Reporting Entity	35-37
1. B Government-wide and Fund Financial Statements	37-40
1. C Measurement Focus, Basis of Accounting, and Financial Statement Presentation	40-41
1. D Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position/Fund Balance	42-47
1. E Revenues and Expenditures/Expenses	48-49
1. F Encumbrances	49
1. G Use of Estimates	49
1. H Accounting Standards Adopted	50
1. I Subsequent Events	50
Note 2 - Stewardship, Compliance and Accountability	
2. A Budgetary Information	51
2. B Fund Equity	52
Note 3 - Detailed Notes on All Funds	
3. A Cash, Cash Equivalents, and Investments	53-54
3. B Interfund Receivables, Payables and Transfers	55
3. C Due from Other Governments	56
3. D Lease Receivable	56
3. E Capital Assets	57-58
3. F Indebtedness	59-63
3. G Conduit Debt Obligations	64
3. H Retirement System	64-70
3. I Length of Service Award Program Plan	71-75
3. J Other Postemployment Benefits	75-78
3. K Compensated Absences	79
3. L Termination Benefits	79
3. M Permanent Fund	79
Note 4 - Commitments and Contingencies	
4. A Risk Retention	79-80
4. B Litigation	80-82
4. C Resource Recovery Facility	82
4. D Landfill Closure and Postclosure Care Costs	83
4. E Construction and Other Capital Acquisition Commitments	83
4. F Encumbrances	83
4. G Pollution Remediation Obligations	83-84
4. H Service Concession Arrangements	84
4. I Other	84
Note 5 - Tax Abatements	84-85
Note 6 - Condensed Financial Statements for the Discretely Presented Nonmajor Component Units	85-86
Note 7 - Changes to Previously Issued Report	87
Note 8 - Subsequent Events	87
Note 9 - New Pronouncements	87-88

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Hempstead (the "Town"), which was chartered in 1644, 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 two-year term and six council members who are elected for four-year terms. The Supervisor serves as the Chief Executive Officer and Chief Fiscal Officer of the Town. The Town Board appoints the Town Attorney, the Town Comptroller, the Highway Superintendent, and the heads of the various Town departments whose terms are fixed by Town Law. The Town Clerk and Receiver of Taxes are elected and serve for two years and four years, respectively.

The Town provides the following principal services either directly or through Town-operated special districts: parks and recreation, highway construction and maintenance, inland waterways and marinas, building inspection and zoning administration, fire protection, street lighting, garbage pick-up and disposal, water services, and administration of certain state and federal grants for specific purposes.

The basic financial statements of the Town have been prepared in conformity with accounting principles generally accepted 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 more 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, financial accountability, or the determination by management that it would be misleading to exclude the component unit. The current guidance also clarifies the status as a major or nonmajor component unit.

Blended Component Unit - though a legally separate entity, this component unit is, in substance, part of the primary government'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 reports one blended component unit in these financial statements as follows:

The Town of Hempstead Local Development Corporation (the "TOHLDC") was established under the Laws of New York State as a not-for-profit corporation, with the Town being the sole corporate member. The purpose of the TOHLDC is to promote and provide for additional employment, improve and maintain job opportunities through the development/retention/attraction of industry within the Town. Accordingly, the TOHLDC is included in the Town's financial statements as a blended component unit in the proprietary fund 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 discretely presented component units serve or benefit those outside of the primary government. See Note 1.B for a complete list of the nonmajor discretely presented component units.

Based on the application of the above criteria, the following are nonmajor discretely presented component units of the Town which provide library services, potable water, and a sanitary sewer and wastewater treatment system to residents and businesses within the districts, promote the expansion of business and creation of job opportunities within the Town, as well as housing assistance to qualified individuals.

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. REPORTING ENTITY (continued)

The Town of Hempstead Industrial Development Agency (the "TOHIDA"), a public benefit corporation was established under the provisions of article 18-A of General Municipal Law of the State of New York, as amended. The TOHIDA was established to provide benefits that reduce costs and financial barriers to the creation and expansion of business within the Town. The governing Board of the Town appoints the TOHIDA's Board of Directors. However, the TOHIDA Board of Directors approves and adopts the TOHIDA policies and has accountability for fiscal matters. Accordingly, the TOHIDA is included in the Town's reporting entity.

The Lakeview Public Library District, Roosevelt Public Library District, and Uniondale Public Library District (the "Library Districts") are chartered public library districts established by the New York State Board of Regents pursuant to Article 5 of the New York State Education Law. The Library Districts were established to serve the public interest by providing library services to the residents within their respective boundaries. Each district is governed by an independently elected board of trustees. Expenses are primarily financed through local property taxes. The Library 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 the Library Districts which are responsible for the payment of annual debt service on the obligations. Budgets and tax rates are adopted by each Library Board of Trustees and approved by the Town. Tax levies of the Library Districts are collected by the Town Receiver of Taxes. As a result of this fiscal dependency and potential for financial burden the Town is financially accountable for the Library Districts. Accordingly, these Library Districts are included in the Town's reporting entity.

The Cathedral Gardens Water District, Franklin Square Water District, and West Hempstead - Hempstead Gardens Water District (the "Water Districts") are special improvement districts established pursuant to Chapter 516 of the Laws of New York, 1928. The Water Districts were established to serve the public interest by providing potable water for residents and commercial establishments within their respective boundaries. Each district is governed by an independently elected Board of Commissioners. Expenses are paid primarily through local property taxes and charges for water, generally based on the gallons used as measured by water meters. The Water 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 the Water Districts which are responsible for the payment of annual debt service on the obligations. Budgets and tax rates are adopted by each Board of Commissioners and approved by the Town. Tax levies of the Water Districts are collected by the Town Receiver of Taxes. As a result of this fiscal dependency and potential for financial burden the Town is financially accountable for the Water Districts. Accordingly, these Water Districts are included in the Town's reporting entity.

The Greater Atlantic Beach Water Reclamation District (the "Reclamation District") is a special improvement district established pursuant to Chapter 516 of the Laws of New York, 1928. It was established to serve the public interest by providing a sanitary sewer and wastewater treatment system for residents and commercial establishments within its boundaries. Reclamation District expenses are paid primarily through local property taxes. The Reclamation District is governed by an independently elected Board of Commissioners. It 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 Reclamation District which is responsible for the payment of annual debt service on the obligations.

Budgets and assessment rolls are adopted by the Board of Commissioners and approved by the Town. Tax levies of the Reclamation District are collected by the Town Receiver of Taxes. As a result of this fiscal dependency and potential for financial burden, the Town is financially accountable for the Reclamation District. The Reclamation District's financial information is not included in this report as it is unavailable.

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. REPORTING ENTITY (continued)

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

Related Organization - The Town of Hempstead Housing Authority, (the "Housing Authority"), a municipal housing authority for the Town was established pursuant to the Housing Statues of the State of New York. It was established to serve the public interest by providing low rent housing to qualified individuals in accordance with rules and regulations prescribed by the U.S. Department of Housing and Urban Development and other Federal Agencies. Although the Town Board appoints the governing board members of the Housing Authority, it is not financially accountable for it.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the governmental, proprietary, and fiduciary funds, with a focus on the Town's major 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 governmental activities and business-type activities, as well as the discretely presented nonmajor component units. All fiduciary activities, although reported in the fund financial statements, are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements, except for interfund services provided and used. The elimination of these charges would distort the direct costs and program revenues for the various functions concerned.

The government-wide statement of activities demonstrates the degree to which the 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) operating grants and contributions that are restricted to meeting the operation of a particular function, and (3) grants and contributions which are required to be used to support a particular capital 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 fund financial statements provide information about the Town's funds, including blended component units. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and proprietary funds, each displayed in a separate column in the funds' financial statements. All remaining governmental and proprietary funds, if applicable, are aggregated and reported as nonmajor funds.

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 equities, revenues, and expenditures/expenses, 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 funds' financial statements (governmental and proprietary) is on the major funds. Accordingly, the Town maintains the following fund types:

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

Fund Financial Statements (continued)

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. Governmental fund financial statements include a balance sheet and a statement of revenue, expenditures, and changes in fund balance. 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 and report 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 - a special revenue fund is used to account for repairs and improvement of highways and bridges, purchase and repair of highway machinery and equipment, and expenditures from snow removal and other miscellaneous highway purposes. The major source of revenue is real property taxes. Management has elected to present the Highway Fund as a major fund.

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. The major Special District Funds are as follows:

Park Districts Fund - a special revenue fund used to account for parks and recreation services within the Town. The Park Districts fund includes the following individual districts:

Atlantic Beach Estates	Levittown
East Atlantic Beach	Lido Beach
Franklin Square	Point Lookout
Joint Hempstead - Oyster Bay Park	Town of Hempstead

Refuse and Garbage Districts Fund - special revenue fund used to account for garbage collection and solid waste disposal services in the Town. The Refuse and Garbage Districts Fund includes the following individual districts:

Lido Beach - Point Lookout	Merrick - North Merrick
Town of Hempstead - Refuse and Garbage Collection	Town of Hempstead – Refuse and Disposal

Water Districts Fund - a special revenue fund used to account for providing clean, safe water to residents within the Town. The Water Districts Fund includes the following individual districts:

Bowling Green Estates	Lido Beach - Point Lookout
East Meadow	Roosevelt Field
Levittown	Uniondale

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

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

Fund Financial Statements (continued)

Governmental Funds (continued)

Debt Service Fund - is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest and for financial resources that are being accumulated for principal and interest in future years. Management has elected to present it as a major fund.

Additionally, the Town accounts for and reports the following nonmajor funds:

Town Outside Village Fund - is used to account for revenues and expenditures for certain services provided to the area of the Town located outside of Incorporated Villages.

Special Grant Fund - is used to account for Federal Aid for the Community Development Block Grant Program, the Workforce Innovation and Opportunity Grant and other occupational resource grants.

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 Fund, which includes the following:

Angle Sea	Mill Brook	South Franklin Square	Woodmere
East Lawrence	North Lynbrook	South Freeport	Wreck Lead
Green Acres Mall	North West Malverne	South Westbury	
Hempstead Plains	Roosevelt Field	Uniondale	
Merrick	Silver Point	West Sunbury	

Street Lighting District Fund

Public Parking Districts Fund, which includes the following:

Baldwin	Franklin Square	Oceanside	West Hempstead
Bellmore	Garden City South	Roosevelt	Woodmere-Hewlett
East End Turnpike	Merrick	Seaford	
Elmont	North Merrick	Uniondale	

Library Funding Districts Fund, which includes the following:

Bay Park	North Malverne
East Franklin Square	North Valley Stream
Mill Brook	South Lynbrook/Hewlett
North Lynbrook	

Permanent Fund - is used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the Town's programs for the benefit of the Town or its citizenry.

Proprietary Fund - In general, proprietary funds are used to account for ongoing activities, which are similar to those often found in the private sector. Proprietary fund financial statements include a statement of net position, a statement of revenues and expenses and changes in net position and a statement of cash flows.

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

Fund Financial Statements (continued)

Proprietary Fund (continued)

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or non-current) and deferred outflows and inflows are included in the statement of net position. The statement of revenues, expenses and changes in net position presents increases (revenues) and decreases (expenses) in total net position.

The Town reports the Town of Hempstead Local Development Corporation, a blended component unit, as a major proprietary fund. The Town of Hempstead Local Development Corporation is used to account for operations of promoting the expansion of business and creation of jobs within the Town.

Fiduciary Fund - Fiduciary Funds are used to account for assets (and changes thereof) held by the Town on behalf of others. The Town’s fiduciary fund consists of a custodial fund, and it is primarily used to account for real property taxes billed and collected on behalf of other governments and the distribution of such amounts.

Discretely Presented Nonmajor Component Units

Certain special districts that have separately elected boards and provide water, sewer and library services to residents and businesses or promote the creation or expansion of business and jobs follow government fund accounting principles. These districts, which are accounted for as discretely presented nonmajor component units, are as follows:

Town of Hempstead Industrial Development Agency	Greater Atlantic Beach Water Reclamation District
Lakeview Public Library District	Roosevelt Public Library District
Uniondale Public Library District	Cathedral Gardens Water District
Franklin Square Water District	West Hempstead - Hempstead Gardens Water 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.

Government-Wide

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 as soon as all eligibility requirements imposed by the provider have been met.

Governmental Funds

Governmental fund financial statements are reported using the “current financial resources” measurement focus and the modified accrual basis of accounting. This focus is on the determination of and changes in financial position and generally only current financial resources and current liabilities are included on the balance sheet although certain receivable amounts may not be currently available. These funds use the modified accrual basis of accounting, whereby revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the fiscal period.

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Governmental Funds (continued)

Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered available if they are collected within 60 days after the year end. The Town generally considers all other revenues available if received within one year after year end. However, revenue water meter sales are considered available when billed to the customer.

Expenditures generally are recorded when a liability is incurred, and payment is due, 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, pension liabilities (employees retirement system and length of service award program), and total other postemployment benefits (“OPEB”) are recorded when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and financing arrangements issued (leases and subscription arrangements executed) is reported as other financing sources upon receipt of the proceeds.

Revenues susceptible to accrual include Nassau County local assistance (sales tax) at year end on behalf of the Town, mortgage tax, franchise fees, and charges for services, intergovernmental revenues, grants, 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, and eligibility requirements have been met.

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, a reconciliation is presented that briefly explains the adjustments necessary to reconcile ending net position and the change in net position.

Proprietary Fund

Proprietary funds are financed and operated in a manner similar to private business where the intent is that the costs are providing services are financed/recovered through user charges, and therefore are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when the liability is incurred, regardless of the timing of related cash flows. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and or services in connection with the fund’s principal ongoing operations. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses, as applicable.

Fiduciary Fund

Fiduciary funds utilize the accrual basis of accounting.

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

1. INTERFUND TRANSACTIONS

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

a) Interfund Revenues

Interfund revenues are for interfund services (provided and used) in the General Fund and represent amounts charged for services or facilities provided by the General Fund. The amounts paid by the fund receiving the benefit of the service or facilities are reflected as an expenditure of that fund.

b) Transfers

Transfers primarily represent payments to the Debt Service and Capital Projects Funds from the other funds for their appropriate share of the debt service or capital project costs, and payments from the Capital Projects Fund to various operating governmental funds for unspent bond proceeds related to completed capital projects.

2. 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. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

3. INVENTORY AND PREPAID ITEMS

Inventory in the General and Special Revenue Funds is valued at cost and consists of supplies on hand. Inventory in these funds is accounted for under the consumption method and is recorded as an expenditure when consumed.

Prepaid items in the General and Special Revenue Funds are 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.

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 net current assets.

(space intentionally left blank)

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

4. CAPITAL ASSETS

Capital assets are reported in the government-wide statement of net position.

In the funds' financial statements, capital assets used in the governmental fund activities are accounted for as expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for in the same manner as the government-wide financial statements.

Capital assets (except intangible right to use leased assets and right to use subscription assets) purchased or acquired for governmental activities with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Infrastructure assets are reported at historical cost as of 1980. Donated capital assets are reported at acquisition value (an entry price) at 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. However, for business-type activities, all property and equipment acquired with an estimated useful life of greater than one year are capitalized.

Intangible assets lack physical substance, are nonfinancial in nature, and have estimated useful lives extending beyond a single reporting period. All the Town's intangible capital assets have definite useful lives. Right-of-use leased assets ("leased asset") and right-to-use subscription-based information technology assets ("subscription asset") are valued at the present value of the expected lease and subscription payments pursuant to the underlying lease/subscription agreements and adjusted for certain items (if and as applicable) as defined by GASB.

Depreciation/amortization on all governmental activities and business-type activities assets is calculated on the straight-line basis over the following estimated useful lives:

Buildings	40 years
Landfill improvements	30 years
Machinery and equipment	7 years
Intangibles	10 years
Leased assets - equipment	5 years
Leased assets - office space	6 years
Leased assets – infrastructure improvements	20 years
Subscription assets	6 years
Infrastructure:	
Roads	30 years
Curbs and sidewalks	20 years
Drainage system	30 years
Street lighting	25 years
Improvements	20 years

Assets stemming from lease liabilities, subscription liabilities and energy performance contract liabilities are amortized over the shorter life of the asset or the term of the contractual arrangement.

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.

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

5. LEASES (LESSEE AND LESSOR) AND SIMILAR SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENT

The Town has entered various lease and subscription-based information technology agreements ("SBITA"). Agreements with a maximum possible term of 12 months or less at commencement, the Town recognizes expense/expenditure (as a lessee) or revenue (as lessor) based on the provisions of the agreement. Agreements with a maximum possible term (including options to renew which management expects to exercise) of more than 12 months the Town, as a lessor recognizes an asset and deferred inflows or resources, and as a lessee recognizes a liability and right-to-use intangible capital asset, as discussed below.

Leases

A lease is defined as a contractual agreement that conveys controls of the right to use another entity's nonfinancial asset(s) for a minimum contractual period of greater than one year, in an exchange or exchange like transaction.

At the commencement of a lease, the lessor initially measures the lease receivable at the present value of payments expected to be received during the lease terms. The deferred inflows of resources for leases is equal to the amount of the lease receivable plus any lease payments received in advance which are related to future periods, less any lease incentives paid to, or on behalf of the lessee at or before the commencement of the lease term.

Likewise, at the lease commencement date, the Town as a lessee initially measures the lease liability at the present value of payments expected to be made during the lease term. A leased asset is initially measured as the amount of the initial lease liability less lease payments made at or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any incentives received at or before the lease commencement date.

SBITA

A SBITA is defined as a contractual agreement that conveys control of the right to use another parties information technology ("IT") software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a minimum contractual period of greater than one year, in an exchange or exchange like transaction. At subscription commencement date, the Town initially measures the subscription liability at the present value of payments expected to be made during the term of the agreement. A related subscription asset is initially measured at the present value of the liability, less payments made at or before the subscription commencement date, less any vendor incentives received at or before the subscription commencement date, plus capitalizable implementation costs.

Key estimates and judgments related to leases and SBITAs include 1) the discount rate used to present value payments to be received under each individual agreement, 2) agreement term, and 3) payments to be received or paid over the term of the agreement, which generally includes fixed variable amounts. The Town generally uses an estimated incremental borrowing rate as the discount rate in measuring the leases and SBITAs assets and liabilities The Town monitors changes in circumstances that would require a remeasurement of recorded lease/SBITA assets, liabilities and related deferred inflow of resources if certain changes occur that are expected to significantly affect the amounts recorded.

In the year a lease (lessee) and or SBITA agreement is executed, in the governmental funds, an other financing source (financing arrangements issued) and an expenditure is recognized in an amount equal to the measured related asset value.

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

6. LENGTH OF SERVICE AWARD PROGRAM PLAN ASSETS

The Town sponsors a length of service award program (“LOSAP”), a defined benefit plan, to provide retirement like benefits to those volunteering time and services to the Merrick Fire Department, in accordance with the LOSAP Plan provisions. The assets are considered restricted and are set-aside to fund the pension like benefits and are held in a grantor/rabbi trust account in the name of Merrick Fire Department, which is the fire department company for which the Plan has been established. These assets are primarily invested in group annuity contracts and a limited partnership which was established to manage investments. The group annuity contracts are valued at amortized cost and the limited partnership is valued at net asset value.

7. GUARANTEE, BID AND ESCROW DEPOSITS, AND OTHER LIABILITIES

The guarantee, bid and escrow deposits, and other liabilities consists of deposits received from banks owning vacant properties to ensure the property is maintained in accordance with the Town Code, potential vendors, or vendors, in an amount determined by the Town, to guarantee satisfactory performance with the terms of a contract as well as amounts pursuant to a contract. The deposits are held in escrow and will be returned to customer, bank, or vendor upon the Town’s approval of performance with the terms of the contract. The deposit may be forfeited to the Town if the work is not completed satisfactorily, or contract obligations are not fulfilled.

8. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the balance sheet or the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expenditure/expense) until that time. The Town reports deferred outflows, when applicable, for the following: (1) amounts arising from actuarial valuations of pension plans (employees’ retirement system and length of service award program) and other postemployment benefit plans, and (2) employees’ retirement system contribution payments made subsequent to the measurement date.

In addition to liabilities, the balance sheet or statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The unavailable revenues related to leases receivable, sidewalk repair fees and unbilled water fees are deferred in the governmental funds. These will be recognized as revenues in the period that the amounts become available.

Additionally, in the government-wide financial statements, the Town reports deferred inflows of resources associated with (1) amounts arising from actuarial valuations of the pension plans (employees’ retirement system and length of service award program) and other postemployment benefit plans, (2) service concession arrangements, (3) deferred amounts on refunding bonds transactions and (4) leases receivable. These amounts will be recognized as revenues in the period when earned.

9. UNEARNED REVENUES

Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In the government-wide financial statements and fund financial statements, unearned revenues consist of grant awards received in advance and/or amounts received from grants received before eligibility requirements have been met.

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

10. LONG-TERM OBLIGATIONS

In the government-wide financial statements, liabilities for long-term obligations consisting of general obligation bonds, bond anticipation notes, financed purchases payable, energy performance contract payable, lease liabilities, subscription liabilities, employees' retirement systems net pension liability - proportionate share, length of service award program plan pension liability, compensated absences, claims and judgments, estimated liability for landfill closure and postclosure care costs, pollution remediation obligations, and total other postemployment benefits liability are recognized in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest rate method.

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. 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.

11. 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 and proprietary fund financial statements, net position is reported in three categories:

- 1) Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances of any bonds, notes, retainage payable, or other borrowings and related deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets. Accounts payable in the Capital Projects Fund are capital related debt and are used in the calculation of net investment in capital assets.
- 2) 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. Permanent fund principal amounts are displayed as expendable and/or nonexpendable. Nonexpendable net position is required to be retained in perpetuity.
- 3) Unrestricted - All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

In the fund financial 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 of the components of fund balance available to that fund.

- 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).

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

11. NET POSITION AND FUND EQUITY CLASSIFICATIONS (continued)

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

- 1) 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.
- 2) 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.
- 3) 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 has 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.
- 4) Unassigned fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

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 default policy to use restricted resources first, and then unrestricted resources - committed, assigned and unassigned - in order as needed.

12. FUND BALANCE POLICIES

The Town has, by resolution, adopted a fund balance policy that states the Town must maintain a minimum unrestricted (the total of committed, assigned, and unassigned) fund balance for emergency purposes equal to one-twelfth of the annual operating expenses as presented in the most recent audit of the financial statements of the Town. In addition to the unrestricted fund balance maintained for emergency purposes, the Town will maintain an unrestricted fund balance equal to one-fourth of the annual operating expenses as presented in the most recent audited financial statements. Unrestricted fund balance below the minimum should be replenished through the budgetary process over a period of three to five years. In the event that the unassigned fund balance exceeds one-fourth of the annual operating expenditures, the excess shall be appropriated for capital expenditures, long-term employment liabilities and/or operating expenditures in future years.

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. REVENUES AND EXPENDITURES/EXPENSES

1. REAL PROPERTY TAX ASSESSMENT AND COLLECTION PROCEDURES (continued)

In Nassau County (the "County"), the assessment and lien of real property for taxation is done by the County Department of Assessment. 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 Hempstead Receiver of Taxes collects all real property taxes for the Town, Nassau County, Town Special Districts and School Districts.

Town and County taxes are due in two installments, 50% on January 1 and 50% on July 1, payable without penalty to February 10 and August 10, respectively. Real property taxes become a lien on the respective days when they become due and payable. Penalties are imposed thereafter at the rate of 1% per month from January 1st and July 1st until August 31st, after which, taxes are payable to the County Treasurer. The Town retains the total amount of Town, Highway 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 the 100% collection of real property taxes.

School districts property taxes are levied on October 1st and are due in two installments, 50% on October 1st and 50% on April 1st, and are payable without penalty through November 10th and May 10th, respectively and are accounted for in the fiduciary fund. The County is also responsible for uncollected school taxes.

Property taxes receivable includes restored taxes from prior tax rolls received within 60 days of year end. Taxes are restored when there is a transfer of ownership from a person entitled to an exemption to a person not entitled to an exemption and may result in a difference between budget and actual on the fund financial statements.

2. OTHER POSTEMPLOYMENT BENEFITS (HEALTHCARE) ("OPEB")

Pursuant to union and management agreements, the Town provides postemployment benefits other than pensions consisting of health insurance coverage and survivor benefits for retired employees and their qualifying survivors as defined in the union agreement. Substantially all of the Town's employees may become eligible for these benefits if they reach normal retirement age while working for the Town. The cost of the other postemployment benefits for retiree's healthcare benefits is measured and disclosed using the accrual basis of accounting in the government-wide statements. In the governmental funds' financial statements, the Town recognizes the cost of providing the healthcare benefits by recording its share of premiums as an expenditure when due.

3. COMPENSATED ABSENCES

The liability for compensated absences represents the vacation, holiday, personal and sick time ("leave"/"leave days") and salary related payments which have been earned for services previously rendered by employees in accordance with the Town's various collective bargaining and other agreements, accumulates, is allowed to be carried over to subsequent year(s), and is deemed more likely than not (by management) to be used for time off or otherwise paid/settled in the future. The liability is calculated based on each employee's rate of pay and the number of unused leave days accumulated as of year-end, management's assumption that the likelihood of future use (either by use during employment or settlement/payment upon separation from service) is probable, and the salary-related payments that are directly and incrementally associated with payments for the leave. The Town utilizes historical data of past usage patterns to estimate future expected usage and payment of compensated absences. The liability for compensated absences is reflected in the government-wide and propriety fund financial statements as current and long-term liabilities. In the fund statements, only the compensated absences liability that has matured through employee resignation or retirement and is expected to be payable from expendable available financial resources is reported.

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. REVENUES AND EXPENDITURES/EXPENSES (continued)

4. PENSIONS

Employees' Retirement System

The Town participates in the New York State and Local Employees' Retirement System ("the ERS" or the "System"). For purposes of measuring (at the government-wide level) the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the System and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments, including refunds of employee contributions are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Length of Service Award Program Plan

The Town sponsors a defined benefit service award program ("Length of Service Award Program"/ "LOSAP") for volunteer firefighters of the Merrick Fire Department Company in accordance with Article 11-A of the New York State General Municipal Law. The LOSAP plan pension liability has been measured as the actuarial present value of projected benefit payments. In accordance with the LOSAP plan provisions, a grantor/rabbi trust was established to hold the LOSAP plan assets and as such, the assets are not legally protected from the Town's creditors. Accordingly, the assets set-aside to fund LOSAP benefits do not meet the requirements (as defined by GASB) to reduce the LOSAP plan pension liability for financial reporting purposes.

5. EDUCATION EXPENSE

Pursuant to New York State Education Law, Nassau County may pay tuition for local residents to certain community colleges. Under the law, Nassau County may chargeback the tuition cost or portion thereof to the applicable Town in which the student resides. The Town recognizes a liability for tuition expenditures based on the timing of the receipt of the invoice from Nassau County and timeframe the student was enrolled in school. As the Town has no reasonable basis to estimate an accrual for unbilled tuition costs at the time the financial statements are issued, no accrual is made for any potential unbilled amounts.

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.

G. USE OF ESTIMATES

The preparation of 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 during the reporting period. Actual results could differ from those estimates, and such differences may be material.

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. ACCOUNTING STANDARDS ADOPTED

During 2024, the Town adopted the following statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- Statement No. 100, *“Accounting for Changes and Corrections of Errors”*
- Statement No. 101 *“Compensated Absences”*

Of the aforementioned statements, only GASB 101 had a significant impact on the Town's financial statements. See Note 7.

Statement No. 101, *“Compensated Absences”*, was issued to provide updated guidance for the recognition and measurement of compensated absences under a uniformed model and by amending certain previously required disclosures. Among other provision, this Statement requires the liabilities for compensated absences be recognized for 1) leave that has not been used and 2) leave that has been used by not yet paid in cash or settled through noncash means – for leave that is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

I. SUBSEQUENT EVENTS

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through September 25, 2025, the date the financial statements were available for issuance. See Note 8 for additional information.

(space intentionally left blank)

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

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 Town Comptroller, 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 Officer, who is the Supervisor, files with the Town Clerk a tentative budget for the ensuing year.
- c) On or before October 5th, the Town Board reviews the tentative budget and files with the Town Clerk a preliminary budget.
- d) The Town Board conducts a public hearing on the preliminary budget before the end of October. On or before November 20th, the Town Board meets to adopt the budget now 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.
- f) Budgets for the General and certain Special Revenue Funds 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 are made.
- g) Annual budgets are not prepared for the Capital Projects Fund, Debt Service, Special Grant Fund and Permanent Fund. Programs in the Special Grant Fund are governed by various grant agreements and reports are issued to regulatory authorities on a regular basis. Budgetary controls are established for the Capital Projects Fund through resolutions authorizing individual projects, which remain in effect for the life of the project.

In June 2011, New York State enacted Chapter 97, Laws of 2011 Real Property Tax Levy Cap and Mandate Relief Provisions, which includes a 2% property tax cap for municipalities. No local government is authorized to increase its property tax levy by more than 2% or the rate of inflation (whichever is less); subject to certain limited exceptions and adjustments, 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 did not vote to override the tax levy cap for the 2024 Adopted Budget. On October 17, 2023, the members of the Town Board adopted the 2024 budget.

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

B. FUND EQUITY

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 (deficit) is also shown, as applicable.

	General Fund	Highway Fund	Park Districts Fund	Refuse and Garbage Districts Fund	Water Districts Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Fund Balances:								
Nonspendable:								
Inventory	\$ 2,722,294	\$ 3,981,725	\$ 182,822	\$ 84,125	\$ 263,769	\$ -0-	\$ 422,809	\$ 7,657,544
Prepaid items	3,278,713	623,975	1,529,064	1,115,750	456,053		415,191	7,418,746
Permanent fund principal							1,337,867	1,337,867
Total Nonspendable	<u>6,001,007</u>	<u>4,605,700</u>	<u>1,711,886</u>	<u>1,199,875</u>	<u>719,822</u>	<u>-0-</u>	<u>2,175,867</u>	<u>16,414,157</u>
Restricted for:								
Debt service	867,359	3,746,488	656,630	199,863	4,825,519		247,632	10,543,491
Capital projects						94,132,692		94,132,692
Length of service award program plan benefits							3,331,447	3,331,447
Other reserves							378,665	378,665
Total Restricted	<u>867,359</u>	<u>3,746,488</u>	<u>656,630</u>	<u>199,863</u>	<u>4,825,519</u>	<u>94,132,692</u>	<u>3,957,744</u>	<u>108,386,295</u>
Assigned to:								
Subsequent year's budget*	16,314,006	233,213		6,368,410	4,423,162			27,338,791
Special revenue funds			6,766,302	43,753,282	50,193,367		26,301,368	127,014,319
Total Assigned	<u>16,314,006</u>	<u>233,213</u>	<u>6,766,302</u>	<u>50,121,692</u>	<u>54,616,529</u>	<u>-0-</u>	<u>26,301,368</u>	<u>154,353,110</u>
Unassigned, reported in:								
General Fund	43,277,053							43,277,053
Capital Projects						(51,259,144)		(51,259,144)
Special Grants							(580,806)	(580,806)
	<u>43,277,053</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(51,259,144)</u>	<u>(580,806)</u>	<u>(8,562,897)</u>
Total Fund Balances	<u>\$66,459,425</u>	<u>\$ 8,585,401</u>	<u>\$ 9,134,818</u>	<u>\$51,521,430</u>	<u>\$ 60,161,870</u>	<u>\$ 42,873,548</u>	<u>\$ 31,854,173</u>	<u>\$ 270,590,665</u>

* excludes sub-funds budgeted surplus

At December 31, 2024, the Capital Projects Fund and the Special Grants Fund have deficit unassigned fund balances of \$51,259,144 and \$580,806, respectively. The Capital Projects Fund's deficit fund balance will be resolved in future years when long-term financing is issued. The Special Grants Fund's deficit fund balance will be resolved through future transfers from the General Fund and recognition of grant revenue.

(space intentionally left blank)

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

3. DETAILED NOTES ON ALL FUNDS

A. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents - Primary Government

Cash and cash equivalents generally consist of funds deposited in demand accounts, time deposit accounts and certificates of deposits with maturities of three months or less.

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, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Town does not participate in a multi-municipal cooperation investment pool.

Deposits are required 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, 2024, the Town's cash and cash equivalents totaled \$296,618,759. This amount is inclusive of fiduciary fund deposits of \$43,398,650 and restricted cash of \$12,767,451 but exclusive of petty cash of \$25,825 and the blended component unit cash of \$2,012,550. The related bank balances totaled \$302,636,301 Of the bank balance, \$149,940,182 was covered by federal deposit insurance, and \$152,696,119 was covered by collateral with a fair value of \$195,356,386, held by the Town's agent, a third-party financial institution, in the Town's name.

Restricted cash and cash equivalents of \$12,767,451 consists of \$10,543,491 of monies restricted for debt service, \$378,665 of monies held in the Town Outside Village Fund for affordable housing, \$1,337,867 of monies held in the Permanent Fund which may not be spent and \$507,428 monies restricted pursuant to grant agreements in the Special Grant Fund.

The bank balances of the blended component unit totaled \$2,013,441 of which \$250,000 was covered by federal deposit insurance and \$1,763,441 was secured by collateral held by the pledging financial institution's agent, a third-party financial institution, but not in TOHLDC's name.

Credit Risk – Credit risk is the risk that a bank borrower will fail to meet its obligations in accordance with agreed terms. State law and Town law limit investments to those authorized by State statutes. The Town has a written investment policy.

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 – Concentration of credit risk is the potential for loss when an individual or group of investments and deposits move together in an unfavorable direction. It can arise as a result of failure to adequately diversify investments. Concentration risk disclosure is required for positions of 5% or more in securities of a single issuer.

As of December 31, 2024, the Town did not have any cash and cash equivalents subject to credit risk, interest-rate risk, or concentration of credit risk.

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

A. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

Restricted Investments - Primary Government

The Town, as sponsor of a LOSAP Plan, contributes monies to the LOSAP Plan to fund future benefit payments to volunteer firefighters. The assets are held in a rabbi trust. At December 31, 2024, LOSAP Plan assets of \$3,331,447 consist of investments in guaranteed annuity contracts.

The Town categorizes the fair value measurements into the fair value hierarchy established by GASB Statement No. 72. The three levels of inputs used to measure fair value are as follows:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Town has the ability to access.
- Level 2 - Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 - Significant unobservable inputs that reflect the Town's own assumptions about the assumptions that market participants would use in pricing an asset.

The fair value measurement level within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The Town has no investments valued using the above-mentioned levels.

The following methods and assumptions were used in estimating the fair value assets for the LOSAP plan assets:

Guaranteed Annuity Contracts

The carrying amounts of guaranteed annuity contracts totaling \$3,331,447 are reported as amortized cost which approximates fair value. These are considered unallocated insurance contracts.

(space intentionally left blank)

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

B. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At December 31, 2024, individual fund interfund receivable and payable balances for the primary government are generally expected to be paid currently. The primary government's governmental funds balances represent various temporary loans, recharges, and reimbursements between funds, are expected to be repaid early in the subsequent year, and are stated as follows:

	Receivables	Payables
<u>Major Governmental Funds:</u>		
General	\$ 11,583,439	\$ -0-
Highway	738,149	
Park Districts		868,730
Refuse & Garbage Districts	2,307,888	
Water Districts		7,176,851
Capital Projects		3,910,900
<u>Nonmajor Governmental Funds:</u>		
Town Outside Village	5,128	
Special Grant		1,660,710
Fire Protection Districts	201,336	
Street Lighting District		1,351,047
Public Parking Districts	119,378	
Library Funding Districts	12,920	
	\$ 14,968,238	\$ 14,968,238

At December 31, 2024, individual fund interfund transfers balances for the primary government's governmental activities primarily represent funding of debt service and capital projects expenditures, and are stated as follows:

	Transfers In	Transfers Out
<u>Major Governmental Funds:</u>		
General	\$ 328,595	\$ 11,013,179
Highway	1,772,837	23,326,688
Park Districts	22,225	5,245,113
Refuse & Garbage Districts	16,316	15,293,580
Water Districts	262,635	6,680,167
Capital Projects	508,929	2,374,250
Debt Service	62,735,019	
<u>Nonmajor Governmental Funds:</u>		
Town Outside Village	385	67,940
Special Grant	694,960	
Fire Protection Districts		670,253
Street Lighting District	7,341	696,052
Public Parking Districts	12,208	945,937
Permanent		48,291
	\$ 66,361,450	\$ 66,361,450

(space intentionally left blank)

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

C. DUE FROM OTHER GOVERNMENTS

The statement of net position (governmental activities) reports \$82,530,442 due from other governments, of which \$54,195,806 is current and \$28,334,636 is long-term. The receivable balance consists of the following amounts:

In 2016, the Town entered into an inter-municipal agreement with the County whereby the County will reimburse the Town 70% of judgment the Town paid related to the garbage taxes and local utility company litigation settlement over a ten-year period commencing March 2019 and through March 2028 in equal installments of \$5,800,421. In 2020, as a result of an additional judgment against the Town pertaining to the garbage taxes and local utility companies' litigation, the receivable balance from the County increased by an additional \$18,222,290, which is payable in ten annual installments of \$1,822,229 commencing in March 2022 through March 2031. As of December 31, 2024, the outstanding balance was \$35,957,286 and is reported in statement of net position as due from other governments and which \$28,334,636 is considered a long-term receivable and \$7,622,650 is current See Note 4B.

Additionally, due from other governments includes receivable balances pertaining to grants, mortgage tax revenue, sales tax revenue, special assessments, and intergovernmental charges, of \$46,573,156 all of which is considered current. These amounts are also reported in the governmental funds balance sheet.

D. LEASE RECEIVABLE

The Town has executed numerous agreements (25) with third parties pertaining to the use of their owned infrastructure assets. The Town will receive monthly or annual payments from each lessee as stipulated in each agreement. In measuring the lease receivable balance, the future expected payments to be received pursuant to the agreements were discounted using interest rates ranging from 0.000% to 3.3550%. Under the terms of these agreements, the leases expire at various dates through 2090 and allows for annual increases between 0.22% and 4.00%. At December 31, 2024, the outstanding balance of the lease receivable and related deferred inflow of resources was \$21,993,165 and \$21,111,762, respectively.

Two of the component units also have agreements with third parties pertaining to the use of their owned infrastructure assets.

The annual requirements to amortize all lease receivables as of December 31, 2024, is as follows:

Years Ending December 31,:	Primary Government Governmental Activities:			Nonmajor Discretely Presented Component Units:		
	Principal	Interest	Total Principal and Interest	Principal	Interest	Total Principal and Interest
2025	\$ 936,172	\$ 374,093	\$ 1,310,265	\$ 422,032	\$ 211,672	\$ 633,704
2026	890,857	364,722	1,255,579	453,333	202,317	655,650
2027	838,140	355,222	1,193,362	486,193	192,193	678,386
2028	750,039	345,199	1,095,238	520,682	181,257	701,939
2029	680,423	337,147	1,017,570	556,873	169,467	726,340
2030-2034	3,201,728	1,564,171	4,765,899	3,392,266	637,364	4,029,630
2035-2039	3,267,167	1,312,806	4,579,973	1,619,130	285,050	1,904,180
2040-2044	3,833,492	964,811	4,798,303	635,504	152,348	787,852
2045-2049	3,788,757	517,344	4,306,101	517,030	29,946	546,976
2050-2054	310,088	277,755	587,843			
2055-2059	242,219	260,568	502,787			
2060-2064	305,398	239,631	545,029			
2065-2069	375,774	213,451	589,225			
2070-2074	460,369	181,329	641,698			
2075-2079	553,107	142,503	695,610			
2080-2084	656,001	96,016	752,017			
2085-2089	778,088	40,899	818,987			
2090	125,346	806	126,152			
	<u>\$ 21,993,165</u>	<u>\$ 7,588,473</u>	<u>\$ 29,581,638</u>	<u>\$ 8,603,043</u>	<u>\$ 2,061,614</u>	<u>\$ 10,664,657</u>

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

E. CAPITAL ASSETS

The following is a summary of governmental activities capital assets for the year ended December 31, 2024:

Primary Government	Balance 1/1/2024	Additions	Deletions	Balance 12/31/2024
Governmental Activities:				
Capital assets not being depreciated:				
Land - other than landfills	\$ 56,298,500			\$ 56,298,500
Landfills	30,668,785			30,668,785
Construction in progress	2,531,174	\$ 1,059,994	\$ -0-	3,591,168
Total capital assets not being depreciated	<u>89,498,459</u>	<u>1,059,994</u>	<u>-0-</u>	<u>90,558,453</u>
Depreciable/amortizable capital assets:				
Infrastructure and improvements other than buildings	1,098,454,461	96,630,744	15,563,325	1,179,521,880
Buildings	57,330,933	902,776	340,419	57,893,290
Improvement to park portion of Merrick landfill	15,741,484			15,741,484
Machinery and equipment	144,747,318	14,058,230	1,164,425	157,641,123
Intangibles:				
Software	2,838,218	69,460		2,907,678
Leased assets	3,024,106	670,920	261,421	3,433,605
Subscription assets	3,901,858	1,769,785		5,671,643
Total depreciable capital assets	<u>1,326,038,378</u>	<u>114,101,915</u>	<u>17,329,590</u>	<u>1,422,810,703</u>
Less accumulated depreciation/amortization:				
Infrastructure and improvements other than buildings	468,179,953	33,333,417	15,563,325	485,950,045
Buildings	23,439,279	2,870,075	340,419	25,968,935
Improvements to park portion of Merrick landfill	11,427,055	540,555		11,967,610
Machinery and equipment	124,255,192	7,275,206	1,164,425	130,365,973
Intangibles:				
Software	2,126,536	134,865		2,261,401
Leased assets	609,668	990,615	261,421	1,338,862
Subscription assets	487,981	1,875,613		2,363,594
Total accumulated depreciation/amortization	<u>\$ 630,525,664</u>	<u>\$ 47,020,346</u>	<u>\$ 17,329,590</u>	<u>660,216,420</u>
Total net depreciable/amortizable capital assets				<u>762,594,283</u>
Total net capital assets - governmental activities				<u>\$ 853,152,736</u>

The following is a summary of the amount of leased assets by major classes of underlying asset for governmental activities as of December 31, 2024:

Primary Government	Leased Asset	Accumulated Amortization	Net
Governmental Activities:			
Infrastructure and improvements other than buildings	\$ 484,932	\$ 242,466	\$ 242,466
Buildings (office space)	2,044,209	579,193	1,465,016
Equipment	904,464	517,203	387,261
	<u>\$ 3,433,605</u>	<u>\$ 1,338,862</u>	<u>\$ 2,094,743</u>

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

E. CAPITAL ASSETS (continued)

Depreciation/amortization expense by function for governmental activities is as follows:

General government support	\$	5,393,614
Public safety		1,369,921
Transportation		22,587,882
Economic assistance and opportunity		508,235
Culture and recreation		6,590,024
Home and community services		10,570,670
Total primary government depreciation expense	\$	<u>47,020,346</u>

The following is a summary of discretely presented nonmajor component units capital assets for the year ended December 31, 2024:

Discretely Presented Nonmajor Component Units

	Balance 1/1/2024	Additions	Deletions	Balance 12/31/2024
Capital assets not being depreciated:				
Land	\$ 1,493,185			\$ 1,493,185
Construction in progress	877,383	\$ 7,372,703	\$ 1,865	8,248,221
Total capital assets not being depreciated	<u>2,370,568</u>	<u>7,372,703</u>	<u>1,865</u>	<u>9,741,406</u>
Depreciable/amortizable capital assets:				
Buildings	54,004,310	143,524		54,147,834
Improvements other than buildings	75,093			75,093
Machinery and equipment	18,828,225	399,682	78,914	19,148,993
Software	1,347	6,000		7,347
Infrastructure	32,499,857	109,221		32,609,078
Leased assets	193,388	80,227		273,615
Total depreciable/amortizable capital assets	<u>105,602,220</u>	<u>738,654</u>	<u>78,914</u>	<u>106,261,960</u>
Less: total accumulated depreciation/amortization	<u>\$ 48,045,193</u>	<u>\$ 3,123,205</u>	<u>\$ 78,914</u>	51,089,484
Total net depreciable capital assets				<u>55,172,476</u>
Total net capital assets				<u>\$ 64,913,882</u>

Leased assets (equipment) and accumulated amortization on discretely presented nonmajor component units leased assets totaled \$273,615 and \$87,680, respectively at December 31, 2024.

The Town evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The Town's policy is to record an impairment loss in the period when the Town determines that the carrying amount of the asset will not be recoverable. At December 31, 2024, the Town has not recorded any such impairment losses.

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

F. INDEBTEDNESS

LONG-TERM DEBT

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2024, is as follows:

	Beginning Balance 1/1/2024	Cumulative Effect of Change in Accounting Principle***	Balance as Restated 1/1/2024	New Issues/ Additions	Maturities/ Reductions	Ending Balance 12/31/2024	Non-Current Liabilities Due Within One Year	Non-Current Liabilities
Primary Government								
Governmental Activities:								
Bonds Payable:								
General obligation bonds	\$ 429,686,802			\$ 191,547,269 *	\$ 46,978,455	\$ 574,255,616	\$ 49,366,726	\$ 524,888,890
Plus premiums on bonds	32,691,897			10,525,095	4,541,695	38,675,297		38,675,297
Total Bonds Payable	462,378,699			202,072,364	51,520,150	612,930,913	49,366,726	563,564,187
Bond anticipation notes	25,206,772			22,162,712	25,206,772 *	22,162,712		22,162,712
Financed purchases payable	2,176,502				2,006,394	170,108	79,815	90,293
Energy performance contract payable	1,325,449				331,342	994,107	331,356	662,751
Lease liability	2,426,232			670,920	1,007,059	2,090,093	827,393	1,262,700
Subscription liabilities	3,384,858			1,769,785	1,486,498	3,668,145	1,532,977	2,135,168
Employees' retirement system net pension liability - proportionate share	114,100,086			97,445,390	135,068,218	76,477,258		76,477,258
Length of service award program plan pension liability	5,030,919			124,677	265,452	4,890,144	265,000	4,625,144
Compensated absences **	68,791,014	\$ 8,713,612	\$ 77,504,626		4,831,752	72,672,874	7,267,000	65,405,874
Claims and judgments	51,750,632			14,567,725	16,676,738	49,641,619	15,160,000	34,481,619
Estimated liability for landfill closure and postclosure care costs	783,522				26,073	757,449	85,500	671,949
Pollution remediation obligations	3,282,800			834,244	685,144	3,431,900	1,066,100	2,365,800
Total other postemployment benefits liability	1,191,853,612			116,520,536	269,172,696	1,039,201,452	47,000,000	992,201,452
Total Non-Current Liabilities	\$ 1,932,491,097	\$ 8,713,612	\$ 77,504,626	\$ 456,168,353	\$ 508,284,288	\$ 1,889,088,774	\$ 122,981,867	\$ 1,766,106,907

* The general obligation bond additions for 2024 of \$191,547,269 were used to pay off the long-term bond anticipation notes outstanding as of 12/31/2023 of \$25,206,772.

** The change in the compensated absences liability is presented as a net change.

*** Refer to Note 7

	Beginning Balance 1/1/2024	Cumulative Effect of Change in Accounting Principle*	Balance as Restated 1/1/2024	New Issues/ Additions	Maturities/ Reductions	Ending Balance 12/31/2024	Non-Current Liabilities Due Within One Year	Non-Current Liabilities
Nonmajor Component Units:								
Bonds Payable:								
General obligation bonds	\$ 27,293,198		\$ 27,293,198	\$ 3,000,000	\$ 1,366,545	\$ 28,926,653	\$ 1,425,543	\$ 27,501,110
Plus premiums on issuance	1,334,002		1,334,002	189,823	106,642	1,417,183	84,113	1,333,070
Total Bonds Payable	28,627,200		28,627,200	3,189,823	1,473,187	30,343,836	1,509,656	28,834,180
Direct borrowings - other loan	5,507		5,507		5,507			-0-
Lease liability	157,294		157,294	78,964	47,689	188,569	61,956	126,613
Employees' retirement system net pension liability - proportionate share	4,814,685		4,814,685	16,184	1,375,149	3,455,720		3,455,720
Compensated absences	1,736,406	\$ 253,744	1,990,150	230,685	47,552	2,173,283	74,344	2,098,939
Total other postemployment benefits liability	20,789,018		20,789,018	2,680,177	1,559,673	21,909,522	215,000	21,694,522
Total Non-Current Liabilities	\$ 56,130,110	\$ 253,744	\$ 56,383,854	\$ 6,195,833	\$ 4,508,757	\$ 58,070,930	\$ 1,860,956	\$ 56,209,974

Liabilities for claims and judgments and landfill closure and landfill postclosure costs are liquidated through future budgetary appropriations in the General Fund. Lease liabilities are liquidated through future budgetary appropriations in the following funds: General, Park District, Refuse and Garbage Districts, Water Districts, Town Outside Village, Special Grants and Street Lighting District. Finance purchases payable and energy performance contract payable are liquidated through future budgetary appropriations in the Street Lighting District Fund. Subscription liabilities will be liquidated through future budgetary appropriations from the General Fund and Park Districts Fund. The majority of the liabilities for pollution remediation will be paid through authorized capital projects, but the cost will ultimately be borne by the General, Water, Sanitation and Highway Funds.

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

F. INDEBTEDNESS (continued)

LONG-TERM DEBT (continued)

CHANGES IN LONG-TERM LIABILITIES (continued)

The length of service award program plan pension liability will be liquidated through budgetary appropriation in the Fire Protection Districts Fund. Long-term liabilities for other postemployment health care benefits, employees' retirement system net pension liability and pension related debt are liquidated through future budgetary appropriation in the following funds: General, Highway, Park Districts, Refuse and Garbage Districts, Town Outside Village, Public Parking Districts, Water Districts and Special Grant, depending upon which fund gave rise to the liability.

Bond Anticipation Notes - The Town had outstanding long-term bond anticipation notes on January 1, 2024 of \$25,206,772, these were refinanced to long-term general obligation bonds on May 23, 2024 bearing interest rates from 4.00%-5.00%. On December 18, 2024, the Town issued \$22,162,712 of bond anticipation notes with a maturity date of December 18, 2025, with an interest rate of 3.40%. Prior to the maturity date (on July 9, 2025), the bond anticipation notes were refinanced to long-term general obligation bonds, accordingly the bond anticipation notes are reflected as long-term debt. See Note 8.

General Obligation Bonds - The Town borrows money for both the Town and its special districts discretely presented component units in order to finance the acquisition of 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 bonds are direct obligations of the Town and are backed by the full faith and credit of the Town, including bonds of the Town's special districts discretely presented component units, which are payable from tax revenues of the areas benefited. The average interest rates of these bonds vary from 1.93% to 4.86%.

A summary of these bonds are as follows:

	Balance 1/1/2024	Issued	Redeemed	Balance 12/31/2024
Primary Government, Governmental Activities:				
General	\$ 65,561,258	\$ 16,354,145	\$ 7,708,893	\$ 74,206,510
Highway	167,437,864	77,812,015	17,169,784	228,080,095
Park Districts	36,266,603	11,594,968	3,950,285	43,911,286
Refuse and Garbage Districts	78,795,790	3,227,070	11,895,672	70,127,188
Part-town	444,655	621,587	51,905	1,014,337
Fire Districts	5,309,351		475,329	4,834,022
Lighting District	3,376,149	350,765	573,582	3,153,332
Parking Districts	5,110,173	3,182,146	729,420	7,562,899
Water District	67,384,959	78,404,573	4,423,585	141,365,947
Total Primary Government	<u>429,686,802</u>	<u>191,547,269</u>	<u>46,978,455</u>	<u>574,255,616</u>
Nonmajor Component Units:				
Library Districts	4,659,321		322,899	4,336,422
Water Districts	22,633,877	3,000,000	1,043,646	24,590,231
Total Nonmajor Component Units	<u>27,293,198</u>	<u>3,000,000</u>	<u>1,366,545</u>	<u>28,926,653</u>
Total General Obligation Bonds	<u>\$ 456,980,000</u>	<u>\$ 194,547,269</u>	<u>\$ 48,345,000</u>	<u>\$ 603,182,269</u>

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

F. INDEBTEDNESS (continued)

LONG-TERM DEBT (continued)

CHANGES IN LONG-TERM LIABILITIES (continued)

General Obligation Bonds (continued)

A summary of these bonds are as follows:

Future principal and interest payments to maturity are as follows:

		Principal	Interest	Total Principal and Interest
Primary Government, Governmental Activities:				
Years Ending December 31,	2025	\$ 49,366,726	\$ 24,310,661	\$ 73,677,387
	2026	52,331,169	18,451,772	70,782,941
	2027	50,101,170	16,174,412	66,275,582
	2028	48,677,823	14,012,939	62,690,762
	2029	34,959,870	12,232,218	47,192,088
	2030-2034	126,275,649	43,789,908	170,065,557
	2035-2039	80,905,487	27,739,004	108,644,491
	2040-2044	87,032,070	15,290,704	102,322,774
	2045-2047	44,605,652	2,324,245	46,929,897
Total Primary Government		<u>574,255,616</u>	<u>174,325,863</u>	<u>748,581,479</u>
Nonmajor Component Units:				
Years Ending December 31,	2025	1,425,543	1,030,471	2,456,014
	2026	1,578,831	900,539	2,479,370
	2027	1,648,830	821,069	2,469,899
	2028	1,712,177	754,337	2,466,514
	2029	1,780,130	683,810	2,463,940
	2030-2034	8,204,351	2,514,882	10,719,233
	2035-2039	7,619,513	1,274,734	8,894,247
	2040-2044	3,792,930	446,112	4,239,042
	2045-2047	1,164,348	42,627	1,206,975
Total Nonmajor Component Units		<u>28,926,653</u>	<u>8,468,581</u>	<u>37,395,234</u>
Total Principal and Interest		<u>\$ 603,182,269</u>	<u>\$ 182,794,444</u>	<u>\$ 785,976,713</u>

Arbitrage provisions of the Internal Revenue Tax Act of 1986 require the Town to rebate excess arbitrage earnings from bond proceeds to the federal government. There were no excess arbitrage earnings for the year ended December 31, 2024.

A summary of outstanding bonds by issuance is as follows:

Outstanding Bond Issue	Average Rate	Original Amount	Outstanding Amount	Final Maturity
General Obligation Serial Bonds-2015, Series A	2.44205%	\$ 67,144,108	\$ 23,335,000	December 15, 2028
General Obligation Serial Bonds-2017, Series A	2.66126%	75,735,000	42,015,000	April 1, 2030
General Obligation Serial Bonds-2018, Series A	2.39110%	72,895,000	34,035,000	June 15, 2028
General Obligation Serial Bonds-2018, Series B	2.72100%	55,101,774	33,920,000	September 15, 2031
General Obligation Serial Bonds-2018, Series C	3.17230%	7,600,000	5,875,000	September 15, 2038
General Obligation Refunding Serial Bonds-2018, Series D	2.90460%	27,085,000	9,345,000	August 15, 2038
General Obligation Refunding Serial Bonds - 2019	4.56900%	24,685,000	550,000	April 15, 2035
General Obligation Serial Bonds - 2019 Series A	3.28734%	45,507,182	31,000,000	August 15, 2032
General Obligation Refunding Serial Bonds - 2019, Series B	4.68741%	27,065,000	12,055,000	August 1, 2030
General Obligation Refunding Serial Bonds - 2021, Series A	2.36103%	19,945,000	4,850,000	August 15, 2025
General Obligation Serial Bonds - 2021	2.07000%	140,048,572	130,240,000	June 15, 2045
General Obligation Refunding Bonds - 2021, Series B	1.92758%	20,695,000	8,770,000	January 1, 2026
General Obligation Bonds - 2022 Series A	2.26000%	58,954,799	51,965,000	March 1, 2035
General Obligation Bonds - 2022 Series B	2.25000%	24,000,000	19,515,000	September 15, 2031
General Obligation Bonds - 2022 Series C	2.45000%	1,247,000	1,165,000	September 15, 2042
General Obligation Bonds - 2024	4.10000%	194,547,269	194,547,269	May 1, 2047
		<u>\$ 862,255,704</u>	<u>\$ 603,182,269</u>	

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

F. INDEBTEDNESS (continued)

LONG-TERM DEBT (continued)

PRIOR-YEAR DEFEASANCE OF DEBT

In prior years, the Town defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payment on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Town's financial statements. At December 31, 2024, there are no outstanding bonds considered defeased.

LEGAL DEBT MARGIN

The Town is subject to legal limitations on the amount of debt that it may issue. The Town's legal debt margin is 7% of the five-year average full valuation of taxable real property. As of November 20, 2024 (latest 2024 calculation) the debt limit is \$8,318,829,260, the total outstanding debt applicable to the limit (total net indebtedness) was \$440,250,140, which is 5.2921% of the total debt limit.

DIRECT BORROWINGS

Financed Purchases Payable

The Town has entered into long-term purchase agreements which financed the acquisition of street lighting equipment. In the government-wide financial statements, this property is recorded as a capital asset (infrastructure) and the related obligation (financed purchases payable) is reported at an amount equal to the present value of minimum future payments payable remaining pursuant to the purchase agreement. Related to these assets, at December 31, 2024, accumulated amortization totaled \$4,688,703, and the 2024 amortization expense totaled \$640,157.

Future payments on financed purchases payable at December 31, 2024, are as follows:

Primary Government, Governmental Activities:

	Principal	Interest	Total
Years Ending December 31, 2025	\$ 79,815	\$ 8,573	\$ 88,388
2026	90,293	3,960	94,253
	\$ 170,108	12,533	182,641

Energy Performance Contract Payable

The Town entered into a qualified energy conservation bond lease agreement to finance the costs of energy saving equipment and/ or upgrade existing facilities to enhance energy performance. The liability and a corresponding capital asset (building improvements) was measured based on the present value of future expected payments using a discount rate of 2.93%. The related capital asset is fully depreciated.

Future payments at December 31, 2024, are as follows:

Primary Government, Governmental Activities:

	Principal	Interest	Total
Years Ending December 31, 2025	\$ 331,356	\$ 26,700	\$ 358,056
2026	331,369	16,991	348,360
2027	331,382	7,282	338,664
	\$ 994,107	\$ 50,973	\$ 1,045,080

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

F. INDEBTEDNESS (continued)

LONG-TERM DEBT (continued)

DIRECT BORROWINGS (continued)

Lease Liabilities

The Town has executed numerous long-term lease agreements (124) for the right to use various equipment and office space (leased assets). At December 31, 2024, the liabilities under these lease agreements totaled \$2,090,093. The discount rates used to measure these liabilities ranges from 0.2180% to 3.5910% based on the term of the agreement. The discretely presented nonmajor component units agreements for equipment leases total \$188,569. The discount rates used to measure these liabilities ranges from 1.52% to 5.00% based on the term of the agreement. Future minimum principal and interest payment requirements for its leasing activities, with a remaining term in excess of one year, are as follows:

	Primary Government, Governmental Activities			Nonmajor Component Units		
	Principal	Interest	Total	Principal	Interest	Total
Years Ending December 31, 2025	\$ 827,393	\$ 44,927	\$ 872,320	\$ 61,956	\$ 7,506	\$ 69,462
2026	535,572	26,619	562,191	62,036	4,502	66,538
2027	458,531	13,683	472,214	36,692	1,819	38,511
2028	266,867	2,416	269,283	13,089	899	13,988
2029	1,730	25	1,755	13,635	353	13,988
2030				1,161	5	1,166
	\$ 2,090,093	\$ 87,670	\$2,177,763	\$ 188,569	\$ 15,084	\$ 203,653

Subscription-Based IT Arrangement Liabilities (SBITA)

The Town has executed several subscription-based IT arrangements. These arrangements require monthly payments which total between \$18,342 to \$106,667 annually and mature at various times through 2028. The discount rate used in measuring the subscription liabilities ranges from 2.2300% to 2.9010%. At December 31, 2024, the subscription liabilities totaled \$3,384,858. Future minimum principal and interest payment requirements for its SBITA activities, with a remaining term in excess of one year, are as follows:

Primary Government, Governmental Activities:			
	Principal	Interest	Total
Years Ending December 31, 2025	\$ 1,532,977	\$ 70,769	\$1,603,746
2026	880,709	39,195	919,904
2027	878,993	21,623	900,616
2028	375,466	4,186	379,652
Total minimum lease payments	\$ 3,668,145	\$ 135,773	\$3,803,918

(space intentionally left blank)

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS Year Ended December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

G. CONDUIT DEBT OBLIGATIONS

The Town of Hempstead Local Development Corporation (“TOHLDC”) (a blended nonmajor component unit) has issued tax-exempt bonds and the Town of Hempstead Industrial Development Agency (“TOHIDA”) (a discretely presented nonmajor component unit) has issued industrial revenue bonds to provide financial assistance to non-profit and commercial entities, respectively, for the acquisition and construction of industrial, recreational, and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from revenues and assets pledged under the indenture/the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities will transfer to the private-sector entity served by the bond issuance. Neither the TOHLDC, TOHIDA, the State, nor any political subdivision thereof (including the Town), is obligated or contingently obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. Debt service payments are paid directly to the lender by the entity which incurred this supplemental debt.

As of December 31, 2024, the outstanding debt induced by the TOHLDC and TOHIDA and issued by other entities amount to approximately \$593,995,000 and \$55,320,000 respectively.

H. RETIREMENT SYSTEM

Plan Description

The Town participates in the New York State and Local Employees’ Retirement System (“ERS” or “System”). This is a cost-sharing, multiple-employer defined benefit pension plan. The net position of the System is held in the New York State Common Retirement Fund (“Fund”), which was established to hold all assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York 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.

The external advisory committees appointed by the Comptroller meet periodically throughout the year and provide independent, expert assistance in guiding the Fund. These committees include: the Advisory Council for the Retirement System; the Investment Advisory Committee; the Real Estate Advisory Committee; the Actuarial Advisory Committee and the Audit Advisory Committee.

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. 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. Generally, members of the System are employees of the State and its municipalities, other than New York City. The Town also participates in the Public Employees’ Group Life Insurance Plan (“GLIP”), which provides death benefits in the form of life insurance. In the Fund statements, GLIP amounts are apportioned to and included in ERS. The System is included in the State’s financial report as a pension trust fund. That report may be found at www.osc.state.ny.us/retire/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244-0001.

Obligation of employers and employees to contribute and benefits to employees are governed by RSSL. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of their funds.

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

H. RETIREMENT SYSTEM (continued)

Vesting

As of April 9, 2022, legislation was passed that reduced the number of years of service credit from ten years to five years. Therefore, all Members are vested when they reach five years of service credit.

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% 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 aged 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, Tiers 1 and 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's compensation used in the final average salary calculation is limited to no more than 20% greater than the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20% greater than the average of the previous two years.

Tiers 3, 4 and 5

Eligibility: Tier 3, 4 and 5 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 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% 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. Tiers 3 and 4 members with five or more years of service and Tier 5 members with five or more years of service can retire as early as age 55 with reduced benefits. Tiers 3 and 4 members aged 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's compensation used in the final average salary calculation is limited to no more than 10% greater than the average of the previous two years.

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

H. RETIREMENT SYSTEM (continued)

Benefits Provided (continued)

Tier 6

Eligibility: Tier 6 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 full benefit age for Tier 6 members is age 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% of final average salary is applied for each year of service over 20 years. Tier 6 members with five 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's compensation used in the final average salary calculation is limited to no more than 10% greater than 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 incapacity. 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 member 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%.

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

H. RETIREMENT SYSTEM (continued)

Contributions

Generally, Tiers 3, 4 and 5 members must contribute 3% of their salary to the System. As a result of Article 19 of the RSSL, eligible Tiers 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, Tiers 5 and 6 members are required to contribute for all years of service. Under the authority of the RSSL, the Comptroller shall certify annually the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's year ended March 31.

The employer contribution rates for the plan's year ending in 2024 are as follows:

Tier	Plan	Options	Rate
1	75l	41J165	23.5%
2	75l	41J165	21.5%
3	A14	41J165	17.8%
4	A15	41J165	17.8%
5	A15	41J165	15.3%
6	A15	41J100	11.3%

The required contributions paid during the current year and preceding two years were as follows:

Primary Government, Governmental Activities:

Annual Required Contribution - ERS

	Amount	Credits & Miscellaneous Adjustments	Prepayment Discount	Amortization Payments	Total Payment
2024	\$ 26,367,741	\$ (684,481)	\$ (188,257)	\$ -0-	\$ 25,495,003
2023	21,782,205	673,740	(157,898)	598,401	22,896,448
2022	22,778,715	85,685	(149,166)	3,509,045	26,224,279

(space intentionally left blank)

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

H. RETIREMENT SYSTEM (continued)

Pension Liabilities/(Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2024, the Town reported a liability of \$76,477,258 for its proportionate share of the net pension liability related to its governmental activities and \$-0- related to its business-type activities. The net pension liability was measured as of March 31, 2024, and the total pension asset used to calculate the net pension liability was determined by an actuarial valuation as April 1, 2023. 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 are the Town's governmental activities proportionate share of the net pension liability/(asset) of the System and its related employer allocation percentage.

Measurement Date	Net Pension Liability/(Asset)	Allocation of the System's Total Net Liability
March 31, 2024	\$ 76,477,258	0.5194038%

There was no significant change in the Town's proportionate share of 0.5320832% at March 31, 2023, to 0.5194038% at March 31, 2024.

The net pension liability/(asset) proportionate share for the discretely presented nonmajor component units totaled \$3,455,720 at December 31, 2024.

For the year ended December 31, 2024, the Town recognized pension expense of \$33,806,976 in the government-wide statement of activities - governmental activities and \$1,545,182 for the discretely presented nonmajor component units. At December 31, 2024, the Town and discretely presented nonmajor component units reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Primary Government		Nonmajor Component Units	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 24,633,265	\$ 2,085,335	\$ 1,113,086	\$ 94,229
Changes of assumptions	28,914,333		1,306,531	
Net difference between projected and actual earnings on pension plan investments		37,358,734		1,688,101
Changes in proportion and differences between the Town's contribution and proportionate share of contributions	3,834,725	1,789,807	336,351	120,657
Town's contributions subsequent to the measurement date, net of prepaid amounts	19,121,252		837,581	
Total	\$ 76,503,575	\$ 41,233,876	\$ 3,593,549	\$ 1,902,987

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

H. RETIREMENT SYSTEM (continued)

Pension Liabilities/(Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

The Town's and the discretely presented component unit contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension as expense as follows:

	Primary Government	Nonmajor Component Units
Years Ending December 31, 2025	\$ (13,448,507)	\$ (585,206)
2026	15,553,228	730,295
2027	22,270,766	1,050,657
2028	(8,227,040)	(342,765)
	\$ 16,148,447	\$ 852,981

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 asset to the measurement date. The actuarial valuations used the following actuarial assumptions:

Actuarial Valuation Date	April 1, 2023
Interest rate	5.90%
Salary increase	4.40%
Cost of living adjustment	1.50%
Inflation rate	2.90%
Decrement tables	April 1, 2015 - March 2020 System Experience Scale MP 2021

Demographic assumptions used in the April 1, 2023 actuarial valuation are based on the results of an actuarial experience study completed April 1, 2020. Demographic assumptions are primarily based on System experience over the period April 1, 2015 – March 31, 2020. Annuitant mortality rates are adjusted to incorporate mortality improvements under the Society of Actuaries' MP-2021.

To set the long-term expected rate of return on pension plan investments consideration was given to a building-block method using best estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) 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.

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

H. RETIREMENT SYSTEM (continued)

Actuarial Assumptions (continued)

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2024, are summarized below:

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return
Equity:		
Domestic equity	32.00%	4.00%
International equity	15.00%	6.65%
Alternatives:		
Private equity	10.00%	7.25%
Real estate	9.00%	4.60%
Other	10.00%	5.25%-5.79%
Fixed income	23.00%	1.50%
Cash	1.00%	0.25%
	100.00%	

The real rate of return is net of the long-term inflation assumption of 2.9%.

Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. 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/(Asset) to the Discount Rate Assumption

The following presents the Town's proportionate share of the net pension liability/(asset) calculated using the discount rate of 5.9%, as well as what the Town's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage point lower (4.9%) or 1-percentage point higher (6.9%) than the current assumption:

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Town's proportionate share of the collective net pension liability/(asset)	\$ 240,452,314	\$ 76,477,258	\$ (60,475,931)
Nonmajor component unit's proportionate share of the collective net pension liability/(asset)	\$ 10,865,140	\$ 3,455,720	\$ (2,732,680)

Pension Plan Fiduciary Net Position

The components of the current year net pension liability/(asset) (measured as of March 31, 2024) of the employers as of the respective valuation dates were as follows:

	(Dollars in Thousands)
Employers' total pension liability	\$ 240,696,851
Less: Plan net position	(225,972,801)
Employers' net pension liability/(asset)	\$ 14,724,050
Ratio of plan net position to the Employers' total pension liability	93.88%

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

I. LENGTH OF SERVICE AWARD PROGRAM PLAN

Plan Description

The Town established and is the sponsor of a defined benefit length of service award program ("LOSAP"/"Plan") under Section 457 (e)(11) of the Internal Revenue Code effective January 1, 1991, for the volunteer firefighters of the Merrick Fire Department. This Plan was established pursuant to Article 11-A of New York State General Municipal Law ("GML") and provides municipally funded deferred compensation to volunteer firefighters of the Merrick Fire Department Company. For purposes of financial reporting of the LOSAP plan assets, deferred outflows/inflows of resources and liabilities, the Town is considered the employer (as defined by GASB) for this Plan. The Plan is administered by Hometown Firefighter Services; however, all Plan provisions and amendments are subject to conform with GML and the approval of the Town Board. The Town, as the Plan's sponsor, has the right to amend or terminate the Plan.

Participation, Vesting and Service Credit

An eligible program participant is defined to be an active volunteer firefighter who is at least 18 years of age and has completed one year of firefighting service. Participants acquire a non-forfeitable right to a service award after being credited with five years of firefighting service or upon attaining the Plan's defined entitlement age of 60. A participant may also receive credit for five years of firefighting service rendered prior to the establishment of the Plan. Effective January 1, 2013, the Plan was amended to provide credit for years after an individual reaches the entitlement age. In general, an active volunteer firefighter is credited with a year of firefighting service for each calendar year in which he or she accumulates fifty points. Points are granted for the performance of certain activities in accordance with Plan provisions on the basis of a statutory list of activities and point values.

Benefits

The amount of the monthly retirement income payable to a volunteer firefighter eligible for normal retirement benefits is equal to \$20 multiplied by the total years of service, which is not to exceed 40 years annually. Unless a Participant elects to be paid in a lump-sum form, the benefit shall be paid straight line annuity equal to one-twelfth of the Participants service award on a monthly basis. Benefit payments commence on the Plan anniversary date following the date the entitlement date is attained. The payment election is irrevocable once made. However, upon disability, the participant may apply for benefits regardless of whether or not the entitlement age has been attained or a nonforfeitable right has been acquired. If a participant should die prior reaching the entitlement age, a lump-sum benefit payment shall be made equal to the value of benefits earned under the program. The benefits to the participants are limited to the available assets set aside in the grantor/rabbi trust.

Participants

As of December 31, 2024, the LOSAP Plans' measurement date, the following participants were covered by the benefit terms:

Inactive participants or beneficiaries receiving benefits	25
Inactive participants entitled to, but not yet receiving benefits	71
Active participants	<u>105</u>
Total	<u><u>201</u></u>

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

I. LENGTH OF SERVICE AWARD PROGRAM PLAN (continued)

Contributions

New York State General Municipal Law Section §219-o (1) requires the Plan sponsor (which is the Town) to contribute an actuarially determined contribution on an annual basis. The actuarially determined contributions are appropriated annually by the Town Board. During the year ended December 31, 2024, the Town remitted \$267,744 to the plan, which consisted of \$261,628 of contributions and \$6,116 administrative fees.

Trust Assets

Assets have been accumulated in a grantor/rabbi trust such that the assets are dedicated to providing pensions to plan members in accordance with benefit terms and in accordance with Article 11-A of GML. The grantor/rabbi trust assets are not legally protected from creditors of the Town. As such, the trust assets do not meet the criteria as defined by GASB, and therefore, may not be offset against the pension liabilities. The Trustee of the assets is a member of the Merrick Fire Department Company.

Measurement of Liability

The total LOSAP Plan pension liability and the collective total pension liability at the December 31, 2024 measurement date was determined using an actuarial valuation as of that same date.

Actuarial Assumptions

The total pension liability as of December 31, 2024 (the measurement and actuarial valuation date) was determined by using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry Age Normal
Discount rate	4.08%
Inflation rate	2.77%
Salary Scale	None Assumed

The discount rate and inflation rate used to measure the 2023 LOSAP pension liability was 3.77% and 3.15%, respectively.

Mortality rates were based on the RP2014 Combined Unisex Projected to 2025 Mortality Table. In developing the discount rate, GASB requires that it is based on a yield or index rate for a 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The discount rate used to determine the Plan's liabilities was based upon the Bond Buyer 20-Year GO AA Bond Index.

LOSAP Total Pension Liability

The Town's total pension liability related to the LOSAP plan totaled \$4,890,144 at December 31, 2024. Below summarizes the change in the total pension liability from January 1, 2024 to December 31, 2024:

Balance at beginning of year	\$	5,030,919
Service costs		126,361
Interest		184,383
Changes of assumptions or other inputs		(207,908)
Differences between expected and actual experience		21,841
Benefit payments		(265,452)
		(265,452)
Balance at end of year	\$	4,890,144

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

I. LENGTH OF SERVICE AWARD PROGRAM PLAN (continued)

Sensitivity of the Total Pension Liability to the Discount Rate Assumption

The following presents the Town’s total pension liability calculated using the discount rate of 4.08%, as well as what the Town’s total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.08%) or 1-percentage point higher (5.08%) than the current rate:

	1% Decrease (3.08%)	Current Assumption (4.08%)	1% Increase (5.08%)
Total Pension Liability (Asset)	\$ 5,852,000	\$ 4,890,144	\$ (4,122,000)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2024, the Town recognized LOSAP pension expense of \$312,281.

At December 31, 2024, the Town reported deferred inflows of resources related to the LOSAP pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 95,790	
Changes of assumptions		\$ 738,464
Total	\$ 95,790	\$ 738,464

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

Years Ending December 31,	2025	\$ (13,334)
	2026	(13,334)
	2027	(13,334)
	2028	(13,334)
	2029	(13,334)
2030 & thereafter		(576,004)
		\$ (642,674)

Other Information

Fiduciary Investment and Control

Service credit is determined by the governing board of the sponsor, based on information certified to the governing board by the Merrick Fire Company (“Fire Company”) whose members participate in the program. The fire company must maintain all required records on forms prescribed by the governing board.

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

I. LENGTH OF SERVICE AWARD PROGRAM PLAN (continued)

Other Information (continued)

The governing board of the sponsor has retained Hometown Firefighters Services to assist in the administration of the program. The designated program administrator's functions include obtaining benefit calculations, processing entitlement and disability payouts, administering death claims, handling census changes, updating information, and responding to inquiries from the fire department's personnel and members. Disbursements of program assets for the payment of the benefits or administrative expenses must be approved by the Board of Fire Commissioners.

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 expenses of the operation and administration of the program. The trust agreement is dated May 7, 1991, and the Trustee is a member of the Merrick Fire Department.

Authority to invest program assets is vested in the trustees who are the current Board of Fire Commissioners. Subject to restrictions in the program document, program assets are invested in accordance with a statutory "prudent person" rule.

The Sponsor is required to retain an actuary to determine the amount of the sponsor's contributions to the plan. The actuary retained by the sponsor for this purpose is BPAS Actuarial and Pension Service, LLC. Portions of the following information are derived from a report prepared by the actuary dated March 2025 and the plan's statement of receipts and disbursements for 2024.

Receipts and Disbursements

Plan assets, December 31, 2023	\$	3,213,699
Changes during the year:		
(+) Plan contributions	\$	267,744
(+) Investment income earned		121,571
(-) Plan benefit withdrawals		(265,452)
(-) Administrative and other fees/charges		(6,115)
		117,748
Plan assets, December 31, 2024	\$	3,331,447

Contributions and Administration Fees

Amount of sponsor's required contribution for 2024: Recommended \$261,628 - \$294,423

Amount of sponsor's actual contribution paid:

Plan contributions	\$	261,628
Administrative fees		6,116
Amount paid to the plan		\$ 267,744

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

I. LENGTH OF SERVICE AWARD PROGRAM PLAN (continued)

Funding: Methodology and Actuarial Assumptions

The contributions to the LOSAP plan are determined based on an actuarial valuation using assumptions which differ from the actuarial assumptions used to measure the LOSAP pension liability. The actuarial valuation methodology used by the actuary to determine the sponsors contribution is the Unit Credit Cost Method. The recommended contribution consists of two parts: (1) the current-year normal costs, and (2) a payment to amortize the unfunded liability. The unfunded liability was recomputed as of January 1, 2025 (date of actuarial valuation) to incorporate any actuarial or experience gains or losses which occurred from the previous year. The present value of accrued benefits is based on the current cost of purchasing an individual annuity. The assumptions used by the actuary to determine the sponsors contribution and actuarial present value of the benefits are as follows:

Assumed rate of return on investments:	4.75%
Mortality Post-Entitlement:	RP2014 Combined Projected to 2025-Unisex

J. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

Postemployment benefits other than pensions are provided to retirees, beneficiaries, and dependents under a single-employer defined benefit plan. Postemployment benefits other than pensions consist of providing healthcare coverage and dental insurance, or a portion thereof, to eligible retirees and survivors in accordance with the provisions of the union agreement in effect at the date of retirement. As the union agreement expires in future years, it will be renegotiated, and the benefits provided may be modified at that time. No assets have been accumulated in a trust which meets the criteria defined by GASB Statement No. 75, paragraph 4.

To provide these benefits, the Town currently participates in the New York State Health Insurance Plan ("NYSHIP"), which offers health insurance coverage to New York State public employees through the Empire Plan (an indemnity health insurance plan) or an approved Health Maintenance Organization ("HMO"). Currently, healthcare insurance coverage is through the Empire Core Plan plus Enhancement and HIP- Health Plan of New York (an HMO). The New York State Department of Civil Service administers NYSHIP.

The Town pays the health insurance premiums to NYSHIP on a monthly basis. Health insurance premiums paid by the Town are based on the benefits paid through the State during the year or from a choice of HMOs. Under the provisions of the Empire Plan, premiums are adjusted on a prospective basis for any losses experienced by the Empire Plan. The Town has the option to terminate its participation in the Empire Plan at any time without liability for its respective share of any previously incurred losses. 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. Substantially all of the Town's employees may be eligible for these benefits if they reach normal retirement age while working for the Town.

The Town, pursuant to its union agreement with employees, will pay 100% of the healthcare insurance premium for full-time employees with 10 years of service, who have attained the age of 55 and were hired on or before April 22, 2013 and will pay 85% of the healthcare insurance premium for full-time employees with 10 years of service, who have attained the age of 55 and were hired after April 22, 2013. Effective January 1, 2018, retirees enrolled in an HMO Plan with a monthly premium greater than that of the Empire Plan, the Town's allocable percentage of the premium (85%/100%) is limited to the cost of the Empire Plan.

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

J. OTHER POSTEMPLOYMENT BENEFITS (continued)

Plan Description (continued)

The Town shall also pay the percentage share of the costs of health and dental insurance for the surviving spouse and dependents at the same rate of contribution in effect for the employee/retiree prior to retirement, provided that the employee completed 20 years of service, retired within six months of his/her retirement eligibility date based on age, length of service and tier requirements and retired after December 31, 2017.

The retiree is also eligible for Medicare Part B reimbursement, starting at a rate of \$174.70/month, based on the standard 2024 rate. The Medicare Part B premium that is charged varies by income level. Medicare Part B reimbursement valuation was assumed at the basic level. The Town also provides dental coverage on a self-insured basis through Healthplex. The maximum coverage benefit was \$2,400 in 2023 through the term of the union agreement (year 2025).

The Town's blended component unit reported in the business-type activities and proprietary fund does not have any employees and therefore other postemployment benefits is not applicable to it. Therefore, all disclosures pertain to the primary government's governmental activities.

Upon death of a retiree the Town ceases to pay the healthcare costs for the un-remarried survivor after three months. The survivors can continue the insurance through the Town at their own cost. However, effective January 1, 2017, in circumstances when an employee retires within six months of reaching the required age (55 years), with 20 years of service, and pursuant to a Town offered retirement incentive plan, the Town will pay 100% coverage of the lifetime healthcare premiums of the surviving spouse. The survivors continue to receive Medicare reimbursement.

The union agreement/contract will be renegotiated at various times in the future and these benefits are subject to change at the point on renegotiation. The Town, as administrator of the Plan, does not issue a separate report.

Employees Covered by Benefit Terms

As of January 1, 2024, the effective date of the most recent OPEB valuation, there are 3,349 participants in the plan, consisting of 1,678 active employees and 1,671 retired employees.

There have been no significant changes in the number or employees or the type of coverage since that date.

Total OPEB Liability

The Town's total OPEB liability of \$1,039,201,452 was measured as of December 31, 2024 (measurement date) and was determined by an actuarial valuation as of January 1, 2024, with updating procedures used to roll forward the OPEB liability to the measurement date. The total OPEB liability represents the sum of expected future benefit payments which may be attributed to past service or 'earned', discounted to the end of the year using the current discount rate. The total OPEB liability is part of the non-current liabilities due in more than one year in the statement of net position.

Funding Policy

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

Actuarial Assumptions and Other Inputs

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 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.

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

J. OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions and Other Inputs (continued)

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 included techniques that are designed to reduce the effects of short-term liability actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

The total OPEB liability in the January 1, 2024, actuarial valuation and measured as of December 31, 2024, was determined using the following actuarial assumptions and other inputs:

Census collection date	January 1, 2024
Discount rate	4.08%
Healthcare cost trend rates (pre 65/post 65):	
Year 1:	
Pre 65 Single/Two Person	2.34% / .02%
Post 65 Single/Two Person	.53% / .90%
Year 2 & thereafter	
Pre 65/Post 65	8.00% / 5.00%
Ultimate inflation rate	4.54%
Actuarial cost method	Entry Age Normal (percent of salary)
Participation rate	100% of future eligible retirees will elect coverage; 50% of covered spouses will elect coverage after retiree's death
Mortality rate	Pub-2010 General Disabled Retirees & Employees & Headcount Tables Weighted Mortality fully generational using Scale MP 2021

The discount rate used to measure the liability was 4.08% based on the Bond Buyer's 20-year general obligation bond index. In the prior year, the discount rate used was 3.26%.

Changes in the Total OPEB Liability

The following table shows the elements of the Town's and the discretely presented nonmajor component units' total OPEB liability:

	<u>Primary Government</u>	<u>Nonmajor Component Units</u>
Total OPEB liability, December 31, 2023 measurement date	\$ 1,191,853,612	\$ 20,789,018
Changes for the year:		
Service costs	30,535,069	756,799
Interest	41,616,474	780,141
Assumption changes	(224,319,405)	(681,635)
Differences between expected and actual experience	44,368,993	867,000
Benefit payments	<u>(44,853,291)</u>	<u>(601,801)</u>
Balance as of the December 31, 2024 measurement date	<u>\$ 1,039,201,452</u>	<u>\$ 21,909,522</u>

Changes in assumptions and other inputs used in measuring the liability from December 31, 2023 to December 31, 2024 include: 1) a change in the discount rate from 3.26% in 2023 to 4.08% in 2024, 2) initial trend rates were advances, the model for trends in subsequent years is based on the Getzen Model as updated through September 2024, marital assumption was changed to 65% on future expectations and the percentage of future retirees electing benefits has been reduced to 95% based on future expectations.

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

J. OTHER POSTEMPLOYMENT BENEFITS (continued)

Sensitivity of the Total OPEB liability to Changes in the Discount and Healthcare Cost Trend Rates

The following presents the total OPEB liability at December 31, 2024, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the discount rate used:

	Discount Rate		
	1% Decrease (3.08%)	Current Assumption (4.08%)	1% Increase (5.08%)
Town's total OPEB liability	\$ 1,192,400,702	\$ 1,039,201,452	\$ 913,670,940
Nonmajor component units total OPEB liability	\$ 25,705,932	\$ 21,909,522	\$ 18,877,497

The following presents the total OPEB liability at December 31, 2024, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the healthcare cost trend rates used:

	Healthcare Cost Trend Rate		
	1% Decrease (5.02%/19.57%)	Current Assumption (6.02%/20.57%)	1% Increase (7.02%/21.57%)
Town's total OPEB liability	\$ 887,038,166	\$ 1,039,201,452	\$ 1,234,440,029
Nonmajor component units total OPEB liability	\$ 18,680,726	\$ 21,909,522	\$ 26,024,975

OPEB Expense and Deferred Outflows/Inflows of Resources

For the year ended December 31, 2024, the Town recognized OPEB expense of \$3,716,057. At December 31, 2024, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Primary Government		Nonmajor Component Units	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 37,130,984	\$ 20,066,158	\$ 1,232,852	\$ 2,124,067
Changes in assumptions	84,362,741	390,749,383	2,075,766	3,144,762
Total	\$ 121,493,725	\$ 410,815,541	\$ 3,308,618	\$ 5,268,829

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

	Primary Government	Nonmajor Component Units
Years Ending December 31, 2025	\$ (82,010,298)	\$ (1,467,110)
2026	(85,878,863)	94,708
2027	(58,905,023)	(107,576)
2028	(29,355,695)	(107,579)
2029	(29,355,695)	(180,826)
Thereafter	(3,816,242)	(191,828)
	\$ (289,321,816)	\$ (1,960,211)

A copy of the Town of Hempstead Retiree Medical Program 2024 Actuarial Valuation is available by contacting the Town of Hempstead, Office of the Comptroller, Hempstead, New York.

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

3. DETAILED NOTES ON ALL FUNDS (continued)

K. COMPENSATED ABSENCES

Town employees are granted paid leave days (vacation, sick leave and earn compensatory absences) in varying amounts pursuant to respective collective bargaining agreements. The liability includes estimated future usage of accumulated leave and settlement/payment upon termination, as well as related costs. In the event of separation from employment, an employee is entitled to payment for accumulated vacation, and sick leave, subject to certain limitations. Management believes that sufficient resources will be made available for the payments of the accumulated leave when such payments become due. As of December 31, 2024, the liability of the compensated absences was \$72,672,874 for the primary government's governmental activities. The liability for compensated absences for the nonmajor component units amounted to \$2,173,283.

L. TERMINATION BENEFITS Incentive Program

On December 5, 2023, the Town Board offered to all its active full-time employees (excluding elected officials, members of Boards and Commissioners) an in-house incentive program. Such employees had until March 1, 2024 to elect to participate in the incentive program and those employees were required to separate from full-time work status by May 1, 2024. This program was subsequently amended to allow for notification by May 17 and separation by May 31, 2024. Employees electing to participate in this program may continue to work part-time at the Town. Pursuant to the incentive program, those eligible employees who elected to participate in the program are entitled to receive: 1) \$2,000 per year of service up to twenty years of service credit in a retirement system or pension plan administered by New York State or any of its political subdivisions and 2) an additional \$3,000 per each additional full year of service credit exceeding 20 years of service, with payment due within ninety days of separation. The cost of the incentive program excluding payroll taxes totaled \$11,245,367 and was recognized as a liability and expenditure in 2024 based on the date the Town was informed of employees' election.

M. PERMANENT FUND

The Town maintains the Greenfield Cemetery pursuant to Chapter 663 of the Laws of New York 1964 amending the Chapter 273 of the Laws of New York 1939. Pursuant to Article 3 §276.0 the Trustees of the Greenfield Cemetery transferred to the Town all funds, securities, and other items of personal and real property. The Town maintains Greenfield Cemetery in accordance with Article 3 §278.0 and §279.0. Interest earnings are transferred to the General Fund for the sole use of maintaining the Greenfield Cemetery. The amount of interest earnings transferred to the General Fund as of the year ended December 31, 2024, was \$48,291. At December 31, 2024, the amount of net position restricted for Permanent fund nonexpendable purposes in the statement of net position and nonexpendable fund balance for Permanent fund principal in the governmental funds balance sheet pertaining to the Greenfield Cemetery was \$1,337,867.

4. COMMITMENTS AND CONTINGENCIES

A. RISK RETENTION

In common with other municipalities, the Town receives numerous notices of claims. The Town is self-insured for general liability claims. Although the eventual outcome of these claims cannot presently be determined, the Town Attorney estimates the potential liability pertaining to unsettled claims and litigation. Claims for which the outcome is deemed probable, and the potential loss is estimable, a liability is recorded in the government-wide financial statements. 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 also self-insured for workers' compensation insurance, unemployment insurance and disability insurance. Estimated benefits to be paid are appropriated in the various operating funds of the Town.

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

4. COMMITMENTS AND CONTINGENCIES (continued)

A. RISK RETENTION (continued)

The Town estimates its workers' compensation and general liability reserves liabilities by consulting with legal counsel and 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.

Primary Government, Governmental Activities	Workers' Compensation		General Liability	
	2024	2023	2024	2023
Unpaid claims and claim adjustment expenditures at the beginning of the year	\$ 34,011,734	\$ 34,631,292	\$ 17,738,898	\$ 11,531,559
Insured claims and claim adjustment expenditures:				
Provision for the insured events of the current year and increases in provision for insured events of prior years	12,608,566	10,073,312	1,959,159	9,219,592
Total incurred claims and claim adjustment expenditures	12,608,566	10,073,312	1,959,159	9,219,592
Payments:				
Claim and claim adjustment expenditures attributable to insured events of the current and prior years	12,306,210	10,692,870	4,370,528	3,012,253
Total unpaid claims and claim adjustment expenditures at the end of the year	\$ 34,314,090	\$ 34,011,734	\$ 15,327,529	\$ 17,738,898

The Town carries insurance for property protection in excess of \$250,000,000 per occurrence and in the aggregate, except for flood and earthquake, which is \$25,000,000 per occurrence and in the aggregate. 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.

B. LITIGATION

The Town in the normal course of business is involved in various matters of litigation. In the opinion of the Town Attorney, there is no litigation by or pending against the Town that is not covered by insurance, budgetary appropriations or other reasons which could have a materially adverse impact on the financial condition of the Town.

Garbage Taxes and Local Utilities

There were five (5) cases against the Town regarding garbage taxes and local utilities. Plaintiff utility companies sued the Town and its garbage districts on the theory that the ad valorem levies imposed upon plaintiff's transmission and distribution properties to fund the Town's garbage collection and disposal services are illegal because these properties do not and cannot generate any garbage. [See New York Telephone Company v. Oyster Bay, 4 N.Y.3d 387 (2005)]. The Town vigorously defended all these claims. The Town brought Nassau County into the proceedings by means of a third-party summons and complaint. In March 2014, the Appellate Division directed the Town to pay plaintiffs in the first instance and directed the County to reimburse the Town for the sums the Town pays plaintiffs.

In October of 2016, the Town and County entered into an agreement where the County would reimburse the Town for 70% of the sums the Town has already paid to all utility plaintiffs and the County would reimburse the Town 70% of all future sums the Town pays to any utility plaintiffs in these cases, and the Town and County would cooperate with each other to try to limit the future liabilities in these cases (including the below mentioned interest rate litigation).

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

4. COMMITMENTS AND CONTINGENCIES (continued)

B. LITIGATION (continued)

Garbage Taxes and Local Utilities (continued)

The trial court issued judgments using pre-judgment interest in the 5-6.02% range in the matters, and the Town satisfied those judgments subject to pending appeals and cross-appeals regarding the appropriate rate of interest. The Appellate Division reversed the trial court on those appeals, and the Town has been ordered to pay interest at 9% on those judgments. The Town moved to reargue and for leave to appeal from the lead Verizon case and has settled the remaining cases. In addition, the Town settled the MCI litigation at a reduced interest rate and the Court executed a Consent Judgment which the Town has satisfied out of operating funds.

The Town issued bonds in July 2018, to satisfy the Verizon, KeySpan, Long Island Water, and New York Water judgments. During 2018, the Town paid \$82,863,155 to the aforementioned utility companies to satisfy the judgments (at the lower interest rates). The Town issued bond anticipation notes on October 28, 2021, in the amount of \$26,031,844 to satisfy the remaining liability (accrual in claims and judgments payable). See Note 3F.

Pursuant to the executed Town/County Agreement dated September 27, 2016, the County agreed to reimburse the Town 70% of these judgments. The Town has recorded a receivable (due from other governments) of \$35,957,287 as of December 31, 2024, of which \$7,622,650 is current and \$28,334,636 is long term. See Note 3C.

The Town filed a motion to leave to the Court of Appeals in the Verizon Action challenging the rate of interest, which was denied. No further legal action is currently required on these cases.

Tax Certiorari Claims

In common with other municipalities, there are a number of tax certiorari proceedings pending involving properties that are subject to the levy of Town taxes. Plaintiffs in these matters have asserted that their properties are over-assessed for real property tax purposes and are seeking assessment reductions. Historically, certiorari claims have been settled through negotiations, resulting in amounts, at times, substantially less than originally claims. Many settlements provide for future adjustments with no direct outlay of monies. The Town does not expect that future settlements will have a material impact on the Town's financial statements. No liability has been accrued in the financial statements.

Other Litigation

In addition to the above referenced cases, the Town is involved in other lawsuits with claims up to nine million dollars. These cases are in various stages of litigation. The Town has accrued \$15,327,529 of general liability claims pertaining to these lawsuits. However, if the outcome cannot presently be determined, no liability has been recorded in the financial statements. See Note 4A.

Environmental

Pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601 et seq. and New York State Common Law, the Town initiated action against the U.S. Department of the Navy and Northrop Grumman Corp (together with chemical companies Covestro LLC, Bayer Corp., and Occidental Chemical Corp.) ("Defendants") seeking recovery from the Defendants for their actions which the Town alleges caused the disposal and release of hazardous materials into the Town's Levittown Water District water supply.

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS Year Ended December 31, 2024

4. COMMITMENTS AND CONTINGENCIES (continued)

B. LITIGATION (continued)

Environmental (continued)

In December 2021, Defendants each filed summary judgment motions seeking the dismissal of the Town's federal and state claims. In February 2025, the court granted the motions and dismissed all of the Town's claims. The Town has timely appealed and perfected the appeal in the U.S. Court of Appeals for the Second Circuit in August 2025. It is anticipated that the appeal will be fully briefed by the end of this year and scheduled for oral argument sometime in 2026.

C. RESOURCE RECOVERY FACILITY

The Town on behalf of the Town of Hempstead Refuse Disposal District (the "District") entered into a 25-year term agreement commencing in August 2009, with the independent company, Reworld Waste, LLC Hempstead Company (formerly Covanta) (the "Company") that operates a resource recovery facility (the "Facility") in the Town. Under this service agreement, the Town has committed to delivering certain tonnages of municipal solid waste to the Company, which will use it to generate electricity at the Facility.

The Facility site is owned by the Town of Hempstead Refuse Disposal District (the "District") and has been leased to the Town of Hempstead Industrial Development Agency (the "TOHIDA") and, in turn, sub-leased to the Company.

In conjunction with the new service agreement, the Town, District, TOHIDA and Company, as applicable, executed certain amendments to several agreements so that the respective term of each agreement corresponds with or extends beyond the anticipated term of the new service agreement - *i.e.*, August 19, 2034. Those amended agreements include: (1) Second Amendment to District Site Lease between the Town on behalf of the District and the TOHIDA; (2) Second Amendment to Site Lease Agreement between the TOHIDA and the Company; (3) Third Amendment to [Facility] Lease Agreement between the TOHIDA and the Company; and (4) Payment In Lieu Of Taxes Agreement between the TOHIDA and the Company.

The Town may, under certain circumstances, terminate the new service agreement; however, if the Town terminates the agreement because the cost to the Town of uncontrollable circumstances under the service agreement exceeds a specified amount, the Town is obligated to make a termination payment corresponding to 25% of the Town's pro rata share (as defined in the new agreement) of any outstanding indebtedness incurred by the Company to finance the cost of prior uncontrollable circumstances.

Under this service agreement, the Town has incurred certain contingent liabilities with respect to the resource recovery facility. The Town has obligated itself to pay service fees for the processing of a minimum of 420,000 tons (the "Annual Tonnage") of Town Waste (as defined in the service agreement) each year, whether or not such tonnage is actually delivered to the Facility. The Annual Tonnage is subject to adjustment in accordance with the terms of the new service agreement. In the event the Annual Tonnage is not provided, the Town must pay service fees as if the Annual Tonnage had been delivered, although any shortfall payment obligation is subject to reduction through mitigation.

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

4. COMMITMENTS AND CONTINGENCIES (continued)

D. 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 Oceanside Landfill stopped receiving waste in July 1989 and the Merrick Landfill stopped receiving waste in 1984. Accordingly, as of December 31, 2024, the Town has recorded a liability of \$757,449 in the government-wide financial statements, which represents the estimated costs for postclosure care (monitoring and maintenance) landfill costs to be paid in future years. As the liability is based on 100% of capacity, there are no additional estimated costs for closure or postclosure care remaining to be recognized. Actual costs may vary due to inflation or deflation, changes in technology, or changes in regulations or applicable laws.

E. CONSTRUCTION AND OTHER CAPITAL ACQUISITION COMMITMENTS

The Town is committed to capital improvements to its various facilities and infrastructure. The Town at December 31, 2024, has commitments for capital acquisitions and improvements of \$93,970,783 in the Capital Projects Fund that it are anticipated will be paid for by the issuance of general obligation bonds and grant funding.

F. ENCUMBRANCES

As discussed in Note 1.F, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At December 31, 2024, excluding Capital Projects, there were no outstanding encumbrances expected to be honored upon performance by the vendor in the next year.

G. 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.

Pollution remediation activities include the removal and disposal of sediment and soil from dry wells contaminated by automotive lubricants, and from spills related to removal and replacement of underground storage tanks for waste oil, heating oil, and automotive fuels. Other pollution remediation obligations include asbestos abatement and removal. Estimates are based on known liabilities from existing New York State Department of Environmental Conservation (the "NYSDEC") spill cases and the United States Environmental Protection Agency (the "USEPA") Consent Order, and on the assumed course of action that the NYSDEC/USEPA would require based on the professional judgment and experience of the Town's consulting engineers in dealing with these agencies and projects. During the course of any of the Town's pollution remediation projects, additional information found through soil/water sampling could adversely affect duration and costs if additional contaminants are found or decrease duration and costs if clean samples are also found.

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS Year Ended December 31, 2024

4. COMMITMENTS AND CONTINGENCIES (continued)

G. POLLUTION REMEDIATION OBLIGATIONS (continued)

At December 31, 2024, the Town's governmental activities has estimated pollution remediation obligations amounts at \$3,431,900, of which \$1,066,100 is estimated to be payable within one year.

Actual costs may vary due to inflation or deflation, changes in technology, or changes in regulations or applicable laws. The Town does not anticipate any recoveries from insurance or other parties in connection with its pollution remediation activities. Estimates are based on current environmental regulations, which are periodically subject to change by the NYSDEC/USEPA.

H. SERVICE CONCESSION ARRANGEMENTS

In December 2020, the Town extended its agreement with Dover Gourmet Corp. through April 2036, for the management and maintenance of the Malibu Beach Park. Pursuant to the agreement, Dover Gourmet will pay the Town an annual license fee of \$560,291 for fifteen years commencing in 2021. If there is an increase in rental fees to be charged to Malibu Park cabana patrons, the annual license fee shall be increased by the percentage increase in fees.

At December 31, 2024, the Town reports a receivable and deferred inflow of resources in the government-wide statements in the amount of \$6,508,191, of which \$591,654 is current and \$5,916,538 is long-term. The Town reports the Malibu Beach Park as a capital asset and adds improvements over the course of the licensing agreement as they are made.

The agreement also stipulates that Dover Gourmet Corp. will pay to the Town various other amounts, including but not limited to rent, PILOTs, reimbursement of lifeguard fees, utilities, toll booth fees.

I. OTHER

Grant Funding

The Town participates in various Federal Grant Programs, including programs awarded under the CARES Act and the ARP Act. These programs are subject to program compliance, program compliance audits pursuant to the Uniform Grant Guidance, and compliance audits in the future by the granting agency. Accordingly, the Town's compliance with applicable grant requirements may be established at a future date. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

5. TAX ABATEMENTS

The Town is subject to tax abatements granted by (1) Nassau County Industrial Development Agency, an entity created by Nassau County, (2) the Town of Hempstead Industrial Development Agency ("TOHIDA") and (collectively referred to as the IDAs), and (3) the Town of Hempstead. The IDA's offer these abatement programs to businesses to promote, retain, attract, and encourage and develop economically sound commerce and industry base to prevent unemployment and economic deterioration with Nassau County and Town of Hempstead, respectively. As of December 31, 2024, the tax abatement program which may be offered by the IDA's on qualified projects, and which impacts the Town's revenues, relates to real property tax abatements. Generally, a qualified project is an applicant submitted project which meet certain economic development criteria (such as job creation/retention) and which either (1) has been or will be financed by the issuance of IDA issued bonds, notes, or other evidence of indebtedness with respect thereto, or (2) is a straight lease transaction with the IDA has determined to undertake pursuant to a Lease Policy. The IDAs, as a condition of providing assistance, may require that the benefiting company remit a payment in lieu of taxes' ("PILOT") payment to offset the amount of taxes abated.

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

5. TAX ABATEMENTS (continued)

The Town also granted real property tax abatements to promote affordable and senior citizen housing within the Town of Hempstead limits. Pursuant to Section 125 of the Private Housing Finance Law of the State of New York, a qualified project may be included into its privately financed affordable and senior citizen housing tax abatement program. This program provides real property tax abatements of 100% of real property taxes for 25 years on qualified new capital improvements or where the property has a federally aided mortgage the tax exemption period shall be the period in which the mortgage is outstanding, but in no event longer than 40 years from the date on which the federally aided mortgage takes effect. During the term of the agreements, the benefiting entity must operate and maintain the property consistent with the terms of the agreement. As a general condition of providing tax relief assistance, the benefiting company enters into a PILOT agreement to offset the taxes abated.

The TOHIDA has a TOHIDA Board adopted Uniform Tax Exemption Policy, which outlines how local businesses' real estate taxes are reduced and how the amount of the real estate abatement is determined. During the term of the agreements, the local business must operate and maintain the property consistent with the term of the agreement. If the local business does not comply, financial penalties may be imposed, such as the recapture of the benefits received, depending upon the severity of the noncompliance.

During the year ended December 31, 2024, the agreements the IDAs and the Town ratified, resulted in the following:

	Industrial Development Agency			
	Town of			
	Hempstead	Nassau County	Town of Hempstead	Total
Real property tax abated	\$ 12,184,395	\$ 2,460,109	\$ 105,068	\$ 14,749,572
PILOTs received	4,168,094	1,077,753	100,526	5,346,373
Net	\$ 8,016,301	\$ 1,382,356	\$ 4,542	\$ 9,403,199

The amount of abated taxes reported is based on the assessed value of property per the official assessment tax rolls and tax rates in effect on January 1, 2024, the tax lien date for the 2024 real property tax and PILOT revenue recognized.

The Town also receives PILOT payments pursuant to laws and regulations, and therefore, is not included in this disclosure.

6. 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, 2024:

Condensed Statement of Net Position:

	Assets				Liabilities			Net Position		
	Current Assets	Other Assets	Capital Assets Net of Depreciation	Deferred Outflows of Resources	Current Liabilities	Non-Current Liabilities	Deferred Inflows of Resources	Net Investment in Capital Assets	Restricted	Unrestricted
Town of Hempstead Industrial Development Agency	\$ 17,547,763		\$ 4,520	\$ 1,200,288	\$ 12,076,253	\$ 2,414,448	\$ 434,706	\$ 4,520		\$ 3,822,644
Lakeview Public Library District	4,675,698		2,255,405	280,255	202,119	353,225	144,565	2,249,853	\$ 155	4,261,441
Roosevelt Public Library District	857,954		8,960,484	419,598	550,754	4,771,281	171,037	4,278,073		466,891
Uniondale Public Library District	6,702,332		5,332,745	1,543,608	253,181	4,852,384	2,725,638	5,269,899	15,932	461,651
Cathedral Gardens Water District	209,555		5,700		13,619		5,700.0	5,700.0		195,936
Franklin Square Water District	5,079,103	\$ 4,102,972	16,283,747	541,226	1,219,627	19,094,155	4,183,964	5,671,720	2,356,027	(6,518,445)
West Hempstead - Hempstead Gardens Water District	12,586,023	4,227,363	29,128,624	2,444,610	2,594,182	20,235,149	6,321,343	16,023,342	3,226,911	(14,307)
Greater Atlantic Beach Water Reclamation District	943,920		2,942,657	472,582	280,039	4,489,332	1,201,613	1,653,601	515,337	(3,780,763)
	\$ 48,602,348	\$ 8,330,335	\$ 64,913,882	\$ 6,902,167	\$ 17,189,774	\$ 56,209,974	\$ 15,182,866	\$ 35,156,708	\$ 6,114,362	\$ (1,104,952)

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

6. 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 Grants and Contributions	Capital Grants and Contributions	Net Expense (Revenue)	Taxes and Tax Items	Other	Change	(As Restated) 1/1/2024	12/31/2024
Town of Hempstead Industrial Development Agency	\$ 1,120,429	\$ 1,085,518			\$ 34,911		\$ 69,954	\$ 35,043	\$ 3,792,121	\$ 3,827,164
Lakeview Public Library District	1,460,281	4,737			1,455,544	\$ 1,519,381	207,380	271,217	6,240,232	6,511,449
Roosevelt Public Library District	3,261,818	7,360	\$ 21,200		3,233,258	3,233,755	18,252	18,749	4,726,215	4,744,964
Uniondale Public Library District	5,094,387	26,391			5,067,996	4,211,975	287,167	(568,854)	6,316,336	5,747,482
Cathedral Gardens Water District	99,965	4,785			95,180	70,751	5,179	(19,250)	220,886	201,636
Franklin Square Water District	5,326,968	2,525,602		\$ 2,703,750	97,616	1,461,257	466,603	1,830,244	(320,942)	1,509,302
West Hempstead - Hempstead Gardens Water District	6,314,664	3,162,428			3,152,236	3,101,852	2,735,122	2,684,738	16,551,208	19,235,946
Greater Atlantic Beach Water Reclamation District	1,878,146	208,796			1,669,350	2,234,832	35,184	600,666	(2,212,491)	(1,611,825)
	<u>\$ 24,556,658</u>	<u>\$ 7,025,617</u>	<u>\$ 21,200</u>	<u>\$ 2,703,750</u>	<u>\$ 14,806,091</u>	<u>\$ 15,833,803</u>	<u>\$ 3,824,841</u>	<u>\$ 4,852,553</u>	<u>\$ 35,313,565</u>	<u>\$ 40,166,118</u>

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

Discretely Presented Nonmajor Component Units

- | | |
|---|--|
| <p>1) Town of Hempstead Industrial Development Agency
350 Front Street
Hempstead, NY 11550</p> <p>3) Roosevelt Public Library District
27 West Fulton Street
Roosevelt, NY 11575</p> <p>5) Cathedral Gardens Water District
150 Westminster Road
West Hempstead, NY 11552</p> <p>7) West Hempstead - Hempstead Gardens Water District
575 Birch Street
West Hempstead, NY 11550</p> | <p>2) Lakeview Public Library District
P.O. Box 177
Franklin Square, NY 11570</p> <p>4) Uniondale Public Library District
400 Uniondale Avenue
Uniondale, NY 11553</p> <p>6) Franklin Square Water District
P.O. Box 177
Franklin Square, NY 11570</p> <p>8) Greater Atlantic Beach Water Reclamation District**
2150 Bay Blvd.
Atlantic Beach, NY 11509</p> |
|---|--|

Blended Nonmajor Component Unit - Proprietary Fund

- 9) Town of Hempstead Local Development Corporation
350 Front Street
Hempstead, NY 11550

(space intentionally left blank)

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

7. CHANGES TO PREVIOUSLY ISSUED REPORT

Cumulative Effect of Change in Accounting Principles

During 2024, the Town adopted the provisions of GASB Statement No. 101, “*Compensated Absences*”. As a result, the January 1, 2024 net position was restated as follows:

	Primary Government Governmental Activities	Discretely Presented Component Units
Net position, as originally reported	\$ (1,001,776,529)	\$ 35,567,309
Cumulative effect of change in accounting principle (Note 1.H)	(8,713,612)	(253,744)
Net position, as restated	\$ (1,010,490,141)	\$ 35,313,565

8. SUBSEQUENT EVENTS

Bond Issuance

Subsequent to year-end, the Town issued \$137,718,895 of general obligation bonds (2025 Series A) to finance various public improvements, separation pay and general liability claims and \$33,910,000 refunding bonds (2025 Series B) to refund public improvement serial bonds 2017. The 2025 Series A bonds bear interest rates ranging from 4% to 5% and mature in 2041. Bonds maturing subsequent to June 1, 2034 are subject to redemption prior to maturity. The 2025 Series B bonds bear interest at 5% and mature 2030 and are not subject to early redemption and carry a premium of \$2,354,559.

Retirement Incentive

In February and May of 2025 the Town Board offered to all its active full-time employees (excluding elected officials, members of Boards and Commissioners) an in-house retirement incentive program. Such employees had until September 2, 2025 to elect to participate in the incentive program and those employees were required to separate from full-time work status by December 31, 2025. Employees electing to participate in this program may continue to work part-time at the Town. Pursuant to the incentive program, those eligible employees who elected to participate in the program are entitled to receive: 1) \$2,000 per year of service up to twenty years of service credit in a retirement system or pension plan administered by New York State or any of its political subdivisions and 2) an additional \$3,000 per each additional full year of service credit exceeding 20 years of service, with payment due within ninety days of separation. The cost of the incentive program excluding payroll taxes totaled \$2,934,000 for those employees separating as of May 31, 2025 and \$189,000 for those giving notice as of September 2, 2025 separating after May 31, 2025.

9. NEW PRONOUNCEMENTS

The Governmental Accounting Standards Board (“GASB”) adopted various statements with effective dates in subsequent years and the statement(s) mentioned below are expected to have a significant impact on the Town’s future financial statements.

Statement No. 102, “*Certain Risk Disclosures*”, was issued to enhance disclosures regarding concentrations and/or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. The required disclosure includes descriptions of the concentration and/or constraint, each event associated with the concentration/constraint that could cause a substantial impact if it occurred or had begun to occur prior to issuance of the financial statements and actions taken by the government prior to issuance of the financial statements to mitigate the risk. The requirements of this Statement are effective for years beginning after June 15, 2024.

TOWN OF HEMPSTEAD, NEW YORK

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

9. NEW PRONOUNCEMENTS (continued)

Statement No. 103, "*Financial Reporting Model Improvements*", this Statement has been issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for the years beginning after June 15, 2025.

Statement No. 104, "*Disclosure of Certain Capital Assets*", this Statement has been issued to improve disclosures about certain types of capital assets by requiring additional disclosures for capital assets held for resale (historical cost and accumulated depreciation and carrying amount of debt for carrying amount of debt for which capital asset is pledged as collateral) as well as requiring certain types of assets to be disclosed separately in the capital asset footnote (such as right to use assets recognized from lease liabilities, subscription liabilities and public-private and public-public partnerships and availability payment arrangements). The requirements of this Statement are effective for the years beginning after June 15, 2025.

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

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

**Schedules of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Major Governmental Funds**

**Schedule of Changes in Total Other Postemployment Benefits Liability
and Related Ratio**

Schedule of Proportionate Share of the Net Pension Liability/(Asset)

Schedule of Pension Contributions

Schedule of Pension Liability - Length of Service Award Program Plan

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, additional budgetary appropriations are made. The Capital Projects and Special Grant Funds are budgeted on a project or grant basis.

TOWN OF HEMPSTEAD, NEW YORK

**REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Real property taxes	\$ 24,498,152	\$ 27,258,814	\$ 27,258,079	\$ (735)
Real property tax items	2,360,000	2,360,000	1,725,308	(634,692)
Non-property tax items	54,000,000	54,000,000	52,565,160	(1,434,840)
Departmental income	7,890,035	7,890,035	8,793,358	903,323
Intergovernmental charges	130,000	130,000	70,062	(59,938)
Use of money and property	5,850,000	5,850,000	5,329,481	(520,519)
Licenses and permits	2,386,100	2,388,229	1,896,167	(492,062)
Fines and forfeitures	9,020,000	24,481,511	24,472,510	(9,001)
Sale of property and compensation for loss	115,275	115,275	157,710	42,435
Miscellaneous revenue	171,000	277,945	571,603	293,658
Interfund revenues	66,578,073	66,578,073	66,614,210	36,137
State aid	18,439,443	22,947,573	22,938,982	(8,591)
Federal aid	-0-	16,621	16,620	(1)
Total Revenues	<u>191,438,078</u>	<u>214,294,076</u>	<u>212,409,250</u>	<u>(1,884,826)</u>
EXPENDITURES				
Current:				
General government support	107,950,191	119,279,181	117,476,861	1,802,320
Education	8,750,000	8,472,195	8,472,195	-0-
Public safety	17,302,812	17,302,812	15,673,481	1,629,331
Transportation	1,583,076	1,583,076	1,541,840	41,236
Economic assistance and opportunity	5,723,633	5,722,133	5,294,474	427,659
Culture and recreation	100,000	5,350	5,350	-0-
Home and community services	13,492,301	13,740,953	13,261,395	479,558
Employee benefits	47,909,500	48,013,337	48,013,334	3
Debt service:				
Principal	2,233,415	2,233,416	2,233,416	-0-
Interest	273,360	273,359	272,331	1,028
Total Expenditures	<u>205,318,288</u>	<u>216,625,812</u>	<u>212,244,677</u>	<u>4,381,135</u>
Excess of Revenues Over Expenditures	<u>(13,880,210)</u>	<u>(2,331,736)</u>	<u>164,573</u>	<u>2,496,309</u>
Other Financing Sources (Uses)				
Transfers in	-0-	328,595	328,595	-0-
Transfers out	(10,555,832)	(11,014,290)	(11,013,179)	1,111
Issuance of bond anticipation notes	-0-	9,089,987	9,089,987	-0-
Issuance of general obligation bonds	-0-	800,000	800,000	-0-
Premiums on bonds	1,000,000	1,000,000	848,963	(151,037)
Total Other Financing Sources (Uses)	<u>(9,555,832)</u>	<u>204,292</u>	<u>54,366</u>	<u>(149,926)</u>
Net Change in Fund Balances*	<u>\$ (23,436,042)</u>	<u>\$ (2,127,444)</u>	<u>218,939</u>	<u>\$ 2,346,383</u>
Fund Balances at Beginning of Year			<u>66,240,486</u>	
Fund Balances at End of Year			<u>\$ 66,459,425</u>	
* Budgeted net change in fund balance:				
The net change in fund balances was included in the budget as an appropriation of fund balance and purchase orders brought forward.				
	<u>\$ (23,436,042)</u>			

See independent auditors' report.

TOWN OF HEMPSTEAD, NEW YORK

REQUIRED SUPPLEMENTARY INFORMATION
HIGHWAY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Real property taxes	\$ 55,917,728	\$ 55,917,728	\$ 55,917,604	\$ (124)
Real property tax items	2,165,000	2,165,000	2,305,611	140,611
Intergovernmental charges	6,250	6,250	-0-	(6,250)
Use of money and property	2,130,000	2,130,000	716,118	(1,413,882)
Sale of property and compensation for loss	67,500	67,500	98,614	31,114
Miscellaneous revenue	205,000	205,000	156,948	(48,052)
State aid	-0-	8,464	8,463	(1)
Federal aid	-0-	76,170	76,169	(1)
Total Revenues	<u>60,491,478</u>	<u>60,576,112</u>	<u>59,279,527</u>	<u>(1,296,585)</u>
EXPENDITURES				
Current:				
Transportation	35,441,718	35,997,809	34,953,249	1,044,560
Employee benefits	13,031,050	13,031,050	12,866,851	164,199
Debt service:				
Interest	931,276	931,895	931,390	505
Total Expenditures	<u>49,404,044</u>	<u>49,960,754</u>	<u>48,751,490</u>	<u>1,209,264</u>
Excess of Revenues Over Expenditures	<u>11,087,434</u>	<u>10,615,358</u>	<u>10,528,037</u>	<u>(87,321)</u>
Other Financing Sources (Uses)				
Transfers in	5,000,000	5,000,000	1,772,837	(3,227,163)
Transfers out	(23,135,490)	(23,326,690)	(23,326,688)	2
Issuance of bond anticipation notes	-0-	1,805,301	1,805,301	-0-
Issuance of general obligation bonds	-0-	1,250,000	1,250,000	-0-
Premiums on bonds	2,000,000	2,000,000	3,746,488	1,746,488
Total Other Financing Sources (Uses)	<u>(16,135,490)</u>	<u>(13,271,389)</u>	<u>(14,752,062)</u>	<u>(1,480,673)</u>
Net Change in Fund Balances*	<u>\$ (5,048,056)</u>	<u>\$ (2,656,031)</u>	<u>(4,224,025)</u>	<u>\$ (1,567,994)</u>
Fund Balances at Beginning of Year			<u>12,809,426</u>	
Fund Balances at End of Year			<u>\$ 8,585,401</u>	
* Budgeted net change in fund balance:				
The net change in fund balances was included in the budget as an appropriation of fund balance and purchase orders brought forward.				
	<u>\$ (5,048,056)</u>			

See independent auditors' report.

TOWN OF HEMPSTEAD, NEW YORK

REQUIRED SUPPLEMENTARY INFORMATION
 PARK DISTRICTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Real property taxes	\$ 51,673,777	\$ 51,673,777	\$ 51,673,494	\$ (283)
Real property tax items	2,562,155	2,562,155	2,783,949	221,794
Non-property tax items				-0-
Departmental income	2,620,785	2,620,785	2,415,181	(205,604)
Intergovernmental charges	978,661	978,661	1,078,734	100,073
Use of money and property	1,212,080	1,265,299	1,249,643	(15,656)
Sale of property and compensation for loss	1,100	35,515	48,300	12,785
Miscellaneous revenue	251,000	251,000	201,499	(49,501)
Interfund revenues	39,884,061	39,884,061	39,884,061	-0-
State aid	80,000	235,160	235,158	(2)
Federal aid	-0-	7,271	7,271	-0-
Total Revenues	<u>99,263,619</u>	<u>99,513,684</u>	<u>99,577,290</u>	<u>63,606</u>
EXPENDITURES				
Current:				
Culture and recreation	74,699,022	81,648,016	81,463,142	184,874
Employee benefits	27,937,021	28,267,715	28,267,712	3
Debt service:				
Principal	101,790	101,790	101,790	-0-
Interest	68,472	69,360	68,722	638
Total Expenditures	<u>102,806,305</u>	<u>110,086,881</u>	<u>109,901,366</u>	<u>185,515</u>
Excess of Revenues Over Expenditures	<u>(3,542,686)</u>	<u>(10,573,197)</u>	<u>(10,324,076)</u>	<u>249,121</u>
Other Financing Sources (Uses)				
Transfers in		22,226	22,225	(1)
Transfers out	(5,245,118)	(5,245,118)	(5,245,113)	5
Issuance of bond anticipation notes	-0-	4,804,659	4,804,658	(1)
Premiums on bonds	325,000	469,862	656,630	186,768
Total Other Financing Sources (Uses)	<u>(4,920,118)</u>	<u>51,629</u>	<u>238,400</u>	<u>186,771</u>
Net Change in Fund Balances*	<u>\$ (8,462,804)</u>	<u>\$ (10,521,568)</u>	<u>(10,085,676)</u>	<u>\$ 435,892</u>
Fund Balances at Beginning of Year			<u>19,220,494</u>	
Fund Balances at End of Year			<u>\$ 9,134,818</u>	

* **Budgeted net change in fund balance:**
 The net change in fund balances was included in the budget as an appropriation of fund balance and purchase orders brought forward.

\$ (8,462,804)

See independent auditors' report.

TOWN OF HEMPSTEAD, NEW YORK

**REQUIRED SUPPLEMENTARY INFORMATION
REFUSE AND GARBAGE DISTRICTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Real property taxes	\$ 85,433,942	\$ 85,433,942	\$ 85,432,414	\$ (1,528)
Real property tax items	1,304,565	1,304,565	1,684,969	380,404
Departmental income	13,200,000	13,200,000	16,233,866	3,033,866
Intergovernmental charges	2,200,000	2,200,000	2,402,107	202,107
Use of money and property	7,791,000	7,791,443	8,603,577	812,134
Licenses and permits	32,500	32,500	25,229	(7,271)
Sale of property and compensation for loss	711,000	711,000	821,338	110,338
Miscellaneous revenue	8,158,761	8,158,761	8,074,598	(84,163)
Interfund revenues	1,000,000	1,000,000	627,236	(372,764)
State aid	-0-	80,516	80,515	(1)
Federal aid	-0-	720,842	720,840	(2)
Total Revenues	<u>119,831,768</u>	<u>120,633,569</u>	<u>124,706,689</u>	<u>4,073,120</u>
EXPENDITURES				
Current:				
Home and community services:				
Cost of refuse and garbage collections	95,572,841	96,959,385	96,301,703	657,682
Employee benefits	27,571,449	27,506,030	26,831,104	674,926
Debt service:				
Principal	19,572	19,572	19,572	-0-
Interest	6,239	6,792	6,791	1
Total Expenditures	<u>123,170,101</u>	<u>124,491,779</u>	<u>123,159,170</u>	<u>1,332,609</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,338,333)</u>	<u>(3,858,210)</u>	<u>1,547,519</u>	<u>5,405,729</u>
Other Financing Sources (Uses)				
Transfers in	-0-	16,317	16,316	(1)
Transfers out	(15,270,837)	(15,295,305)	(15,293,580)	1,725
Issuance of bond anticipation notes	-0-	3,552,007	3,552,006	(1)
Premiums on bonds	100,000	134,801	199,863	65,062
Total Other Financing Sources (Uses)	<u>(15,170,837)</u>	<u>(11,592,180)</u>	<u>(11,525,395)</u>	<u>66,785</u>
Net Change in Fund Balances*	<u>\$ (18,509,170)</u>	<u>\$ (15,450,390)</u>	<u>(9,977,876)</u>	<u>\$ 5,472,514</u>
Fund Balances at Beginning of Year			<u>61,499,306</u>	
Fund Balances at End of Year			<u>\$ 51,521,430</u>	

* **Budgeted net change in fund balance:**
The net change in fund balances was included in the budget as an appropriation of fund balance and purchase orders brought forward.

\$ (18,509,170)

See independent auditors' report.

TOWN OF HEMPSTEAD, NEW YORK

REQUIRED SUPPLEMENTARY INFORMATION
 WATER DISTRICTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Real property taxes	\$ 5,625,969	\$ 5,625,969	\$ 5,625,803	\$ (166)
Real property tax items	261,854	261,854	258,183	(3,671)
Departmental income	21,075,210	21,075,210	20,854,172	(221,038)
Intergovernmental charges	230,050	230,050	230,950	900
Use of money and property	3,933,875	3,961,874	4,511,383	549,509
Sale of property and compensation for loss	6,500	6,500	8,261	1,761
Miscellaneous revenue	4,200	4,200	-	(4,200)
Interfund revenues	28,125	28,125	28,125	-
State aid	-	975	975	-
Federal aid	-	8,775	8,775	-
Total Revenues	<u>31,165,783</u>	<u>31,203,532</u>	<u>31,526,627</u>	<u>323,095</u>
EXPENDITURES				
Current:				
Home and community services	19,215,613	20,592,578	18,125,175	2,467,403
Employee benefits	4,290,498	4,290,498	4,174,055	116,443
Debt service:				
Principal	41,558	41,558	41,558	-
Interest	112,034	111,783	111,780	3
Total Expenditures	<u>23,659,703</u>	<u>25,036,417</u>	<u>22,452,568</u>	<u>2,583,849</u>
Excess of Revenues Over Expenditures	<u>7,506,080</u>	<u>6,167,115</u>	<u>9,074,059</u>	<u>2,906,944</u>
Other Financing Sources (Uses)				
Transfers in	-	262,637	262,635	(2)
Transfers out	(6,541,434)	(6,680,170)	(6,680,167)	3
Issuance of bond anticipation notes	-	690,966	690,966	-
Premiums on bonds	25,000	4,797,600	4,825,519	27,919
Total Other Financing Sources (Uses)	<u>(6,516,434)</u>	<u>(928,967)</u>	<u>(901,047)</u>	<u>27,920</u>
Net Change in Fund Balances*	<u>\$ 989,646</u>	<u>\$ 5,238,148</u>	8,173,012	<u>\$ 2,934,864</u>
Fund Balances at Beginning of Year			<u>51,988,858</u>	
Fund Balances at End of Year			<u>\$ 60,161,870</u>	
* Budgeted net change in fund balance:				
Revenues raised to restore fund balance per fund balance policy, less purchase orders brought forward, as applicable	<u>\$ 989,646</u>			

See independent auditors' report.

TOWN OF HEMPSTEAD, NEW YORK

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY
AND RELATED RATIO
Year Ended December 31, 2024**

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability:							
Balance, beginning of year, as originally reported	\$ 1,191,853,612	\$ 1,008,614,354	\$ 1,441,026,026	\$ 1,392,474,232	\$ 1,306,759,675	\$ 1,093,863,073	\$ 514,862,234
Cumulative effect of implementation of GASB Statement No. 75							536,966,008
Balance, beginning of year, as restated	1,191,853,612	1,008,614,354	1,441,026,026	1,392,474,232	1,306,759,675	1,093,863,073	1,051,828,242
Changes for the year:							
Service costs	30,535,069	46,551,962	37,292,337	62,422,997	55,009,484	51,671,609	33,041,631
Interest	41,616,474	38,189,757	36,793,047	28,182,898	28,125,283	36,229,424	42,439,313
Effects of legislative change, repeal of excise tax						(127,765,245)	
Difference between expected and actual experience	44,368,993		(32,526,438)		(45,071,055)		
Changes in assumptions	(224,319,405)	134,099,715	(439,492,431)	(6,690,660)	82,300,503	287,304,327	
Benefit payments	(44,853,291)	(35,602,176)	(34,478,187)	(35,363,441)	(34,649,658)	(34,543,513)	(33,446,113)
Balance, end of year	<u>\$ 1,039,201,452</u>	<u>\$ 1,191,853,612</u>	<u>\$ 1,008,614,354</u>	<u>\$ 1,441,026,026</u>	<u>\$ 1,392,474,232</u>	<u>\$ 1,306,759,675</u>	<u>\$ 1,093,863,073</u>
Covered-employee payroll	\$ 151,760,442	\$ 162,349,505	\$ 156,859,425	\$ 148,870,857	\$ 145,505,686	\$ 148,811,366	\$ 145,893,496
Total OPEB liability as a percentage of covered-employee payroll	684.76%	734.13%	643.01%	967.97%	956.99%	878.13%	749.77%

Notes to the Schedule:

Measurement date	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
------------------	-------------------	-------------------	-------------------	-------------------	-------------------	-------------------	-------------------

Changes to assumptions:

Discount rate	4.08%	3.26%	3.72%	2.06%	2.12%	2.66%	4.10%
---------------	-------	-------	-------	-------	-------	-------	-------

Other Significant Changes from 2023 to 2024

Initial trend rates were advanced, the model for trends in subsequent years is based on the Getzan Model as updated through September 2024.

There are no assets accumulated in a trust which meets the criteria in GASB Statement No. 75, paragraph 4 to pay related benefits.

This Schedule is presented to illustrate the requirements to show information for 10 years. However, until the full 10 year trend is compiled, the Town presents information for those years for which information is available.

This Schedule only includes the Primary Government, component unit information can be found on their respective separately issued financial statements.

See independent auditors' report.

TOWN OF HEMPSTEAD, NEW YORK

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)
Year Ended December 31, 2024**

As of March 31st,	Proportion of the Employees' Retirement System Net Pension Liability	Proportionate Share of the Net Pension Liability/(Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as Percentage of Total Pension Liability
2024	0.5194038%	\$ 76,477,258	\$ 168,000,097	45.52%	93.88%
2023	0.5320832%	114,100,086	162,803,022	70.08%	90.78%
2022	0.5352770%	(43,756,679)	159,213,905	-27.48%	103.65%
2021	0.5042206%	259,777,583	154,329,995	168.33%	99.95%
2020	0.5395018%	141,909,890	151,638,298	93.58%	86.39%
2019	0.5509447%	39,036,111	153,604,900	25.41%	96.27%
2018	0.5742699%	18,534,246	154,912,394	11.96%	98.24%
2017	0.5993282%	56,314,216	161,468,153	34.88%	94.70%
2016	0.6106243%	98,006,897	161,514,609	60.68%	90.70%
2015	0.5928557%	20,023,115	159,642,317	12.54%	97.95%

Notes to the Schedule:

Amounts presented were determined as the System's measurement date of March 31st.

Changes of assumptions or other inputs:

The discount rate used to measure the proportionate share of the pension liability is based on projection of cash flows and assumes that contributions from plan members will be made at statutorily required rates, actuarially.

Discount rates for the current and previous years are as follows:

2022-2024	5.90%
2020	6.80%
2016-2019	7.00%
2014-2015	7.50%

The change from a proportionate share of a liability to an asset at March 31, 2022 is primarily attributable to investment gains the Plan recognized during the fiscal year ended March 31, 2022.

This Schedule only includes the Primary Government, component unit information can be found on their respective separately issued financial statements.

See independent auditors' report.

TOWN OF HEMPSTEAD, NEW YORK

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
Year Ended December 31, 2024**

Years Ended December 31,	Contractually Required Contributions	Contributions Recognized by the Plan in Relation to the Contractually Required Contributions	Contribution Deficiency (excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 25,198,629	\$ 25,198,629	\$ -0-	\$ 164,002,621	15.36%
2023	20,898,893	20,898,893	-0-	166,722,371	12.54%
2022	24,426,251	24,426,251	-0-	162,611,418	15.02%
2021	24,707,584	22,382,445	2,325,139	158,694,686	14.10%
2020	22,382,445	22,663,403	(280,958)	151,636,121	14.95%
2019	22,663,403	23,392,433	(729,030)	154,166,633	15.17%
2018	23,392,433	24,872,922	(1,480,489)	154,973,392	16.05%
2017	24,872,922	25,174,401	(301,479)	165,451,834	15.22%
2016	26,629,215	23,549,087	3,080,128	161,046,536	14.62%
2015	29,683,529	23,458,504	6,225,025	161,151,978	14.56%

Note to the Schedule:

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

See independent auditors' report.

TOWN OF HEMPSTEAD, NEW YORK

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION LIABILITY - LENGTH OF SERVICE AWARD PROGRAM PLAN
Year Ended December 31, 2024**

Measurement date	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Total pension liability:								
Service cost	\$ 126,361	\$ 78,171	\$ 172,769	\$ 278,784	\$ 204,041	\$ 159,492	\$ 167,974	\$ 135,034
Interest	184,383	177,478	128,092	157,610	172,175	191,219	176,402	173,996
Changes in assumptions	(207,908)	615,892	16,049	(74,542)	1,395,945	863,957	(357,895)	619,043
Differences between expected and actual experience	21,841	112,988	(2,403,803)	(832,837)	42,907	36,167	(39,634)	(33,394)
Benefit payments	(265,452)	(644,393)	(360,351)	(485,856)	(38,548)	(173,270)	(67,508)	(200,138)
Total pension liability - beginning of year	<u>5,030,919</u>	<u>4,690,783</u>	<u>7,138,027</u>	<u>8,094,868</u>	<u>6,318,348</u>	<u>5,240,783</u>	<u>5,361,444</u>	<u>4,666,903</u>
Total pension liability - end of year	<u>\$ 4,890,144</u>	<u>\$ 5,030,919</u>	<u>\$ 4,690,783</u>	<u>\$ 7,138,027</u>	<u>\$ 8,094,868</u>	<u>\$ 6,318,348</u>	<u>\$ 5,240,783</u>	<u>\$ 5,361,444</u>
Covered payroll	N/A							
Total pension liability as a percentage of covered-employee payroll	N/A							

Notes to the Schedule:

The Plan provides benefits to volunteer fire fighters, therefore there is no payroll associated with this Plan.

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

This Schedule is presented to illustrate the requirements to show information for 10 years. However, until the full 10 year trend is compiled, the Town presents information for those years for which information is available.

Covered payroll and total pension liability as a percentage of covered payroll is not applicable as since the participants are volunteer firefighters.

Changes of assumptions or other inputs:

The discount rate used to measure the total LOSAP plan liability was based on the yield to maturity of the Fidelity 20-yr GO AA Bond Index as follows:

Discount rate used in measuring the total LOSAP plan liability	4.08%	3.77%	4.05%	1.84%	2.00%	2.75%	3.71%	3.31%
--	-------	-------	-------	-------	-------	-------	-------	-------

See independent auditors' report.

OTHER SUPPLEMENTARY INFORMATION

Combining Fund Statements - Nonmajor Governmental Funds:
Combining Balance Sheet
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

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

Discretely Presented Nonmajor Component Units:
Combining Statement of Net Position
Combining Statement of Activities

TOWN OF HEMPSTEAD, NEW YORK

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2024**

	Special Revenue Funds						Permanent Fund	Total Nonmajor Governmental Funds
	Town Outside Village	Special Grants	Fire Protection Districts	Street Lighting District	Public Parking Districts	Library Funding Districts		
ASSETS								
Cash and cash equivalents	\$ 11,892,145	\$ -0-	\$ 6,880,540	\$ 3,714,011	\$ 4,098,303	\$ 441,895	\$ -0-	\$ 27,026,894
Cash and cash equivalents - restricted	418,365	507,428		6,376	201,556		1,337,867	2,471,592
Receivables	1,980,298		7,590	19,953	7,739	1,056		2,016,636
Due from other funds	5,128		201,336		119,378	12,920		338,762
Due from other governments	65,172	1,575,713		39,130				1,680,015
Inventory				422,809				422,809
Prepaid items	402,317				12,874			415,191
Length of service award program plan assets			3,331,447					3,331,447
Other assets		92,313						92,313
Total Assets	\$ 14,763,425	\$ 2,175,454	\$ 10,420,913	\$ 4,202,279	\$ 4,439,850	\$ 455,871	\$ 1,337,867	\$ 37,795,659
LIABILITIES								
Accounts payable and accrued liabilities	\$ 864,342	\$ 1,066,309	\$ 121,534	\$ 590,071	\$ 58,986	\$ -0-	\$ -0-	\$ 2,701,242
Due to other funds		1,660,710		1,351,047				3,011,757
Other liabilities	183,510	29,241	919	6,373	7,847	597		228,487
Total Liabilities	1,047,852	2,756,260	122,453	1,947,491	66,833	597	-0-	5,941,486
Fund Balances								
Nonspendable	402,317			422,809	12,874		1,337,867	2,175,867
Restricted	418,365		3,331,447	6,376	201,556			3,957,744
Assigned	12,894,891		6,967,013	1,825,603	4,158,587	455,274		26,301,368
Unassigned (deficit)		(580,806)						(580,806)
Total Fund Balances	13,715,573	(580,806)	10,298,460	2,254,788	4,373,017	455,274	1,337,867	31,854,173
Total Liabilities and Fund Balances	\$ 14,763,425	\$ 2,175,454	\$ 10,420,913	\$ 4,202,279	\$ 4,439,850	\$ 455,871	\$ 1,337,867	\$ 37,795,659

See independent auditors' report.

TOWN OF HEMPSTEAD, NEW YORK

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2024**

	Special Revenue Funds							Total Nonmajor Governmental Funds
	Town Outside Village	Special Grants	Fire Protection Districts	Street Lighting District	Public Parking Districts	Library Funding Districts	Permanent Fund	
Revenues								
Real property taxes	\$ 6,843,021	\$ -0-	\$ 6,779,915	\$ 9,908,080	\$ 2,865,069	\$ 1,390,481	\$ -0-	\$ 27,786,566
Real property tax items	190,862		1,319,733	558,405	53,506	67,133		2,189,639
Non-property tax items	9,607,781							9,607,781
Departmental income	20,162,549				13,801			20,176,350
Use of money and property	220,736	3,256	343,006	294,079	223,736	14,210	48,291	1,147,314
Fines and forfeitures	673,889							673,889
Sale of property and compensation for loss				86,922				86,922
Miscellaneous revenue	907,714	326,729		4,749				1,239,192
Interfund revenues					2,321,904			2,321,904
State aid	1,978,954	334,309		3,913				2,317,176
Federal aid	902,809	9,200,625		35,217				10,138,651
Total Revenues	<u>41,488,315</u>	<u>9,864,919</u>	<u>8,442,654</u>	<u>10,891,365</u>	<u>5,478,016</u>	<u>1,471,824</u>	<u>48,291</u>	<u>77,685,384</u>
Expenditures								
Current:								
General government support	94,189							94,189
Public safety	20,271,241		5,464,535					25,735,776
Transportation				9,799,206	4,263,516			14,062,722
Economic assistance and opportunity		6,127,994						6,127,994
Culture and recreation	70					1,464,235		1,464,305
Home and community services	6,587,673	3,581,240						10,168,913
Employee benefits	7,577,543	834,768	517,203		284,055			9,213,569
Debt Service:								
Principal	118,827	383,881		1,932,249				2,434,957
Interest	1,832	45,633		55,972				103,437
Total Expenditures	<u>34,651,375</u>	<u>10,973,516</u>	<u>5,981,738</u>	<u>11,787,427</u>	<u>4,547,571</u>	<u>1,464,235</u>	<u>-0-</u>	<u>69,405,862</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,836,940</u>	<u>(1,108,597)</u>	<u>2,460,916</u>	<u>(896,062)</u>	<u>930,445</u>	<u>7,589</u>	<u>48,291</u>	<u>8,279,522</u>
Other Financing Sources (Uses)								
Transfers in	385	694,960		7,341	12,208			714,894
Transfers out	(67,940)		(670,253)	(696,052)	(945,937)		(48,291)	(2,428,473)
Issuance of bond anticipation notes	1,969,794				250,000			2,219,794
Issuance of general obligation bonds	185,000				125,000			310,000
Premiums on bonds	39,700			6,376	201,556			247,632
Total Other Financing Sources (Uses)	<u>2,126,939</u>	<u>694,960</u>	<u>(670,253)</u>	<u>(682,335)</u>	<u>(357,173)</u>	<u>-0-</u>	<u>(48,291)</u>	<u>1,063,847</u>
Net Change in Fund Balances	8,963,879	(413,637)	1,790,663	(1,578,397)	573,272	7,589	-0-	9,343,369
Fund Balances at Beginning of Year	4,751,694	(167,169)	8,507,797	3,833,185	3,799,745	447,685	1,337,867	22,510,804
Fund Balances at End of Year	<u>\$ 13,715,573</u>	<u>\$ (580,806)</u>	<u>\$ 10,298,460</u>	<u>\$ 2,254,788</u>	<u>\$ 4,373,017</u>	<u>\$ 455,274</u>	<u>\$ 1,337,867</u>	<u>\$ 31,854,173</u>

See independent auditors' report.

TOWN OF HEMPSTEAD, NEW YORK

**TOWN OUTSIDE VILLAGE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Real property taxes	\$ 6,843,937	\$ 6,843,937	6,843,021	\$ (916)
Real property tax items	165,000	165,000	190,862	25,862
Non-property tax items	9,750,000	9,750,000	9,607,781	(142,219)
Departmental income	14,075,000	14,075,000	20,162,549	6,087,549
Use of money and property	62,500	63,460	220,736	157,276
Fines and forfeitures	500,000	500,000	673,889	173,889
Sale of property and compensation for loss	1,500	1,500	-0-	(1,500)
Miscellaneous revenue	300,000	300,000	907,714	607,714
State aid	1,828,942	1,978,943	1,978,954	11
Federal aid	-0-	902,810	902,809	(1)
Total Revenues	<u>33,526,879</u>	<u>34,580,650</u>	<u>41,488,315</u>	<u>6,907,665</u>
EXPENDITURES				
Current:				
General government support	211,500	94,192	94,189	3
Public safety	20,629,437	20,629,437	20,271,241	358,196
Culture and recreation	1,500	1,500	70	1,430
Home and community services	6,038,151	6,587,679	6,587,673	6
Employee benefits	7,208,549	7,577,547	7,577,543	4
Debt service:				
Principal	118,828	118,828	118,827	1
Interest	1,571	1,832	1,832	-0-
Total Expenditures	<u>34,209,536</u>	<u>35,011,015</u>	<u>34,651,375</u>	<u>359,640</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	<u>(682,657)</u>	<u>(430,365)</u>	<u>6,836,940</u>	<u>7,267,305</u>
Other Financing Sources (Uses)				
Transfers in	-0-	385	385	-0-
Transfers out	(67,941)	(67,940)	(67,940)	-0-
Issuance of bond anticipation notes	-0-	1,969,794	1,969,794	-0-
Issuance of general obligation bonds	-0-	185,000	185,000	-0-
Premiums on bonds	7,500	7,500	39,700	32,200
Total Other Financing Sources (Uses)	<u>(60,441)</u>	<u>2,094,739</u>	<u>2,126,939</u>	<u>32,200</u>
Net Change in Fund Balances*				
	<u>\$ (743,098)</u>	<u>\$ 1,664,374</u>	<u>8,963,879</u>	<u>\$ 7,299,505</u>
Fund Balances at Beginning of Year			<u>4,751,694</u>	
Fund Balances at End of Year			<u>\$ 13,715,573</u>	
* Budgeted net change in fund balance:				
Revenues raised to restore fund balance per fund balance policy, less purchase orders brought forward, as applicable.				
	<u>\$ (743,098)</u>			

See independent auditors' report.

TOWN OF HEMPSTEAD, NEW YORK

**FIRE PROTECTION DISTRICTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Real property taxes	\$ 6,779,995	\$ 6,779,995	6,779,915	\$ (80)
Real property tax items	1,193,667	1,201,991	1,319,733	117,742
Use of money and property	54,850	171,463	343,006	171,543
Total Revenues	<u>8,028,512</u>	<u>8,153,449</u>	<u>8,442,654</u>	<u>289,205</u>
EXPENDITURES				
Current:				
Public safety	5,562,864	5,608,508	5,464,535	143,973
Employee benefits	602,500	602,227	517,203	85,024
Total Expenditures	<u>6,165,364</u>	<u>6,210,735</u>	<u>5,981,738</u>	<u>228,997</u>
Excess of Revenues Over Expenditures	<u>1,863,148</u>	<u>1,942,714</u>	<u>2,460,916</u>	<u>518,202</u>
Other Financing (Uses)				
Transfers out	(670,253)	(670,253)	(670,253)	-0-
Total Other Financing (Uses)	<u>(670,253)</u>	<u>(670,253)</u>	<u>(670,253)</u>	<u>-0-</u>
Net Change in Fund Balances*	<u>\$ 1,192,895</u>	<u>\$ 1,272,461</u>	<u>1,790,663</u>	<u>\$ 518,202</u>
Fund Balances at Beginning of Year			<u>8,507,797</u>	
Fund Balances at End of Year			<u>\$ 10,298,460</u>	
* Budgeted net change in fund balance:				
Revenues raised to restore fund balance per fund balance policy, less purchase orders brought forward, as applicable.	<u>\$ 1,192,895</u>			

See independent auditors' report.

TOWN OF HEMPSTEAD, NEW YORK

**STREET LIGHTING DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Real property taxes	\$ 9,908,370	\$ 9,908,370	\$ 9,908,080	\$ (290)
Real property tax items	525,000	525,000	558,405	33,405
Use of money and property	20,650	21,485	294,079	272,594
Sale of property and compensation for loss	10,000	10,000	86,922	76,922
Miscellaneous revenue		4,749	4,749	
State aid		3,914	3,913	(1)
Federal aid	35,218	35,218	35,217	(1)
Total Revenues	<u>10,499,238</u>	<u>10,508,736</u>	<u>10,891,365</u>	<u>382,629</u>
EXPENDITURES				
Current:				
Transportation	10,065,116	10,065,012	9,799,206	265,806
Debt service:				
Principal	1,932,249	1,932,249	1,932,249	-0-
Interest	55,869	55,973	55,972	1
Total Expenditures	<u>12,053,234</u>	<u>12,053,234</u>	<u>11,787,427</u>	<u>265,807</u>
Excess of Revenues Over Expenditures	<u>(1,553,996)</u>	<u>(1,544,498)</u>	<u>(896,062)</u>	<u>648,436</u>
Other Financing Sources (Uses)				
Transfers in	-0-	7,342	7,341	(1)
Transfers out	(696,052)	(696,052)	(696,052)	-0-
Premiums on bonds	50,000	50,000	6,376	(43,624)
Total Other Financing Sources (Uses)	<u>(646,052)</u>	<u>(638,710)</u>	<u>(682,335)</u>	<u>(43,625)</u>
Net Change in Fund Balances*	<u>\$ (2,200,048)</u>	<u>\$ (2,183,208)</u>	<u>(1,578,397)</u>	<u>\$ 604,811</u>
Fund Balances at Beginning of Year			<u>3,833,185</u>	
Fund Balances at End of Year			<u>\$ 2,254,788</u>	
* Budgeted net change in fund balance:				
The net change in fund balances was included in the budget as an appropriation of fund balance and purchase orders brought forward, as applicable.				
	<u>\$ (2,200,048)</u>			

See independent auditors' report.

TOWN OF HEMPSTEAD, NEW YORK

**PUBLIC PARKING DISTRICTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Real property taxes	\$ 2,865,244	\$ 2,865,244	\$ 2,865,069	\$ (175)
Real property tax items	49,287	49,287	53,506	4,219
Departmental income	15,000	15,000	13,801	(1,199)
Use of money and property	135,325	187,008	223,736	36,728
Interfund revenues	2,321,904	2,321,904	2,321,904	-0-
Total Revenues	<u>5,386,760</u>	<u>5,438,443</u>	<u>5,478,016</u>	<u>39,573</u>
EXPENDITURES				
Current:				
Transportation	4,231,921	4,438,168	4,263,516	174,652
Employee benefits	300,506	284,058	284,055	3
Total Expenditures	<u>4,532,427</u>	<u>4,722,226</u>	<u>4,547,571</u>	<u>174,655</u>
Excess of Revenues Over Expenditures	<u>854,333</u>	<u>716,217</u>	<u>930,445</u>	<u>214,228</u>
Other Financing Sources (Uses)				
Transfers in	-0-	12,209	12,208	(1)
Transfers out	(930,138)	(945,943)	(945,937)	6
Issuance of bond anticipation notes	-0-	250,000	250,000	-0-
Issuance of general obligation bonds	-0-	125,000	125,000	-0-
Premiums on bonds	-0-	201,558	201,556	(2)
Total Other Financing Sources (Uses)	<u>(930,138)</u>	<u>(357,176)</u>	<u>(357,173)</u>	<u>3</u>
Net Change in Fund Balances*	<u>\$ (75,805)</u>	<u>\$ 359,041</u>	<u>573,272</u>	<u>\$ 214,231</u>
Fund Balances at Beginning of Year			<u>3,799,745</u>	
Fund Balances at End of Year			<u>\$ 4,373,017</u>	

*** Budgeted net change in fund balance:**

The net change in fund balances was included in the budget as an appropriation of fund balance and purchase orders brought forward, as applicable.

\$ (75,805)

See independent auditors' report.

TOWN OF HEMPSTEAD, NEW YORK

LIBRARY FUNDING DISTRICTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Real property taxes	\$ 1,390,492	\$ 1,390,492	\$ 1,390,481	\$ (11)
Real property tax items	58,400	58,400	67,133	8,733
Non-property tax items				-0-
Use of money and property	7,575	8,702	14,210	5,508
Total Revenues	<u>1,456,467</u>	<u>1,457,594</u>	<u>1,471,824</u>	<u>14,230</u>
EXPENDITURES				
Current:				
Culture and recreation	1,538,961	1,538,961	1,464,235	74,726
Total Expenditures	<u>1,538,961</u>	<u>1,538,961</u>	<u>1,464,235</u>	<u>74,726</u>
Excess of Revenues Over Expenditures	<u>(82,494)</u>	<u>(81,367)</u>	<u>7,589</u>	<u>88,956</u>
Net Change in Fund Balances*	<u>\$ (82,494)</u>	<u>\$ (81,367)</u>	<u>7,589</u>	<u>\$ 88,956</u>
Fund Balances at Beginning of Year			<u>447,685</u>	
Fund Balances at End of Year			<u>\$ 455,274</u>	

*** Budgeted net change in fund balance:**

The net change in fund balances was included in the budget as an appropriation of fund balance and purchase orders brought forward, as applicable.

\$ (82,494)

See independent auditors' report.

TOWN OF HEMPSTEAD, NEW YORK

**DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
December 31, 2024**

	Town of Hempstead Industrial Development Agency	Lakeview Public Library District	Roosevelt Public Library District	Uniondale Public Library District	Cathedral Gardens Water District	Franklin Square Water District	West Hempstead - Hempstead Gardens Water District	Greater Atlantic Beach Water Reclamation District	Totals
ASSETS									
Current assets:									
Cash and cash equivalents	\$ 17,504,343	\$ 4,605,947	\$ 797,586	\$ 6,451,896	\$ 204,770	\$ 2,176,261	\$ 6,663,099	\$ 398,915	\$ 38,802,817
Cash and cash equivalents restricted				14,660		1,735,033	4,222,159	515,337	6,487,189
Receivables, net of allowance:	43,420			119,482		718,639	1,225,125		2,106,666
Leases receivable, due within one year						157,789	264,243		422,032
Due from other governments		180		1,036	4,785	247,724			253,725
Prepaid items and Other		69,571	60,368	115,258		43,657	211,397	29,668	529,919
Total Current Assets	17,547,763	4,675,698	857,954	6,702,332	209,555	5,079,103	12,586,023	943,920	48,602,348
Non-Current Assets:									
Other						149,324			149,324
Lease receivable, due in more than one year						3,953,648	4,227,363		8,181,011
Capital assets, net of depreciation	4,520	2,255,405	8,960,484	5,332,745	5,700	16,283,747	29,128,624	2,942,657	64,913,882
Total Non-Current Assets	4,520	2,255,405	8,960,484	5,332,745	5,700	20,386,719	33,355,987	2,942,657	73,244,217
Total Assets	17,552,283	6,931,103	9,818,438	12,035,077	215,255	25,465,822	45,942,010	3,886,577	121,846,565
DEFERRED OUTFLOWS OF RESOURCES	1,200,288	280,255	419,598	1,543,608	-0-	541,226	2,444,610	472,582	6,902,167
LIABILITIES									
Current liabilities:									
Accounts payable and accrued liabilities	7,335	91,012	153,381	217,249	13,619	797,268	1,033,654	90,416	2,403,934
Due to other governments	12,068,918								12,068,918
Unearned revenue		106,312							106,312
Escrow payable							749,654		749,654
Non-current liabilities due within one year		4,795	397,373	35,932		422,359	810,874	189,623	1,860,956
Total Current Liabilities	12,076,253	202,119	550,754	253,181	13,619	1,219,627	2,594,182	280,039	17,189,774
Non-Current Liabilities									
Due in more than one year	2,414,448	353,225	4,771,281	4,852,384		19,094,155	20,235,149	4,489,332	56,209,974
Total Liabilities	14,490,701	555,344	5,322,035	5,105,565	13,619	20,313,782	22,829,331	4,769,371	73,399,748
DEFERRED INFLOWS OF RESOURCES	434,706	144,565	171,037	2,725,638	-0-	4,183,964	6,321,343	1,201,613	15,182,866
NET POSITION									
Net investment in capital assets	4,520	2,249,853	4,278,073	5,269,899	5,700	5,671,720	16,023,342	1,653,601	35,156,708
Restricted		155		15,932		2,356,027	3,226,911	515,337	6,114,362
Unrestricted (deficit)	3,822,644	4,261,441	466,891	461,651	195,936	(6,518,445)	(14,307)	(3,780,763)	(1,104,952)
Total Net Position	\$ 3,827,164	\$ 6,511,449	\$ 4,744,964	\$ 5,747,482	\$ 201,636	\$ 1,509,302	\$ 19,235,946	\$ (1,611,825)	\$ 40,166,118

See independent auditors' report.

TOWN OF HEMPSTEAD, NEW YORK

**DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
Year Ended December 31, 2024**

	Town of Hempstead Industrial Development Agency	Lakeview Public Library District	Roosevelt Public Library District	Uniondale Public Library District	Cathedral Gardens Water District	Franklin Square Water District	West Hempstead - Hempstead Gardens Water District	Greater Atlantic Beach Water Reclamation District	Totals
REVENUES									
Program revenues:									
Charges for services	\$ 1,085,518	\$ 4,737	\$ 7,360	\$ 26,391	\$ 4,785	\$ 2,525,602	\$ 3,162,428	\$ 208,796	\$ 7,025,617
Operating grants and contributions			21,200						21,200
Capital grants and contributions						2,703,750			2,703,750
Real property taxes		1,519,381	3,138,779	3,674,522	70,751	1,461,257	3,051,311	2,234,832	15,150,833
Other real property tax items			94,976	537,453			50,541		682,970
Use of money and property - interest and earnings	69,954	199,017	18,252	250,556	5,179	466,213	963,603	18,184	1,990,958
Miscellaneous local sources		6,328		12,076		390	1,771,519		1,790,313
State aid - unrestricted		2,035		24,535				17,000	43,570
Total Revenues	1,155,472	1,731,498	3,280,567	4,525,533	80,715	7,157,212	8,999,402	2,478,812	29,409,211
EXPENSES									
Economic assistance and opportunity	1,120,429								1,120,429
Culture and recreation		1,460,281	3,261,818	5,094,387					9,816,486
Home and community services					99,965	5,326,968	6,314,664	1,878,146	13,619,743
Total Expenses	1,120,429	1,460,281	3,261,818	5,094,387	99,965	5,326,968	6,314,664	1,878,146	24,556,658
Change in Net Position	35,043	271,217	18,749	(568,854)	(19,250)	1,830,244	2,684,738	600,666	4,852,553
Net Position - Beginning of Year	3,792,121	6,240,232	4,726,215	6,316,336	220,886	(93,178)	16,577,188	(2,212,491)	35,567,309
Cumulative Effect of Change in Accounting Principle (Note 7)						(227,764)	(25,980)		(253,744)
Net Position at Beginning of Year, as Restated	3,792,121	6,240,232	4,726,215	6,316,336	220,886	(320,942)	16,551,208	(2,212,491)	35,313,565
Net Position - End of Year	\$ 3,827,164	\$ 6,511,449	\$ 4,744,964	\$ 5,747,482	\$ 201,636	\$ 1,509,302	\$ 19,235,946	\$ (1,611,825)	\$ 40,166,118

See independent auditors' report.