

TOWN OF HEMPSTEAD SANITARY
DISTRICT NUMBER SEVEN

Basic Financial Statements,
Supplementary Information and
Independent Auditors' Report

December 31, 2022

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Hempstead Sanitary District Number Seven
Oceanside, New York:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Hempstead Sanitary District Number Seven (the District), as of and for the year ended December 31, 2022, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District, as of December 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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 District'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 District'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District'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 additional information on pages 39 through 42 as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 District's basic financial statements. The accompanying comparative schedule of expenditures - general fund and the schedule of statistical data - last ten years 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 GAAS. In our opinion, the comparative schedule of expenditures - general fund and the schedule of statistical data - last ten years are 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 June 15, 2023, on our consideration of the District'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 District'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 District's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
June 15, 2023

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN

Management's Discussion and Analysis

December 31, 2022

The Town of Hempstead Sanitary District Number Seven's (the District) discussion and analysis of financial performance provides an overall review of the District's financial activities for the year ended December 31, 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole. This should be read in conjunction with the financial statements and notes to financial statements, which immediately follow this section.

Financial Highlights

Key financial highlights as of and for the year ended December 31, 2022 are as follows:

- The District's total net position, as reported in the district-wide financial statements, was a deficit of \$(35,703,086), at December 31, 2022, and reflects unfunded long-term liabilities such as compensated absences and the total other postemployment benefits (OPEB) liability.
- The District's net position decreased \$2,415,577 during the year ended December 31, 2022. The increase of \$1,888,256 in the District's total OPEB liability is the main reason for the decrease in net position.
- The District's general fund balance, as reflected in the fund financial statements was \$3,402,120 at December 31, 2022. This balance represents a decrease of \$893,852 from the prior year.

Overview of the Financial Statements

This annual report consists of four parts - management's discussion and analysis, the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements consist of district-wide financial statements, fund financial statements, and notes to financial statements.

District-Wide Financial Statements

The district-wide financial statements present the governmental activities of the District and are organized to provide an understanding of the fiscal performance of the District as a whole in a manner similar to a private sector business. There are two district-wide financial statements - the statement of net position and the statement of activities. These statements provide both an aggregate and long-term view of the District's finances.

These statements utilize the accrual basis of accounting. This basis of accounting recognizes the financial effects of events when they occur, without regard to the timing of cash flows related to the events.

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN
Management's Discussion and Analysis, Continued

District-Wide Financial Statements, Continued

The statement of net position presents information on all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between them reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The statement of net position combines and consolidates the government fund's balance sheet with capital assets and long-term obligations.

The statement of activities presents information showing the change in net position during the fiscal year. All changes in net position are recorded at the time the underlying financial event occurs. Therefore, revenue and expenses are reported in this statement for some items that will result in cash flow in future periods.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's fund, not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District also uses fund accounting to ensure compliance with finance-related legal requirements. The general fund of the District is reported as a governmental fund.

Governmental Fund

The District maintains one governmental fund, the general fund. Information for the general fund is presented in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures and changes in fund balance.

These statements utilize the modified accrual basis of accounting. This basis of accounting recognizes revenue in the period that they become measurable and available. It recognizes expenditures in the period in which the District incurs the liability, except for certain expenditures such as claims and judgments, compensated absences, pension costs, and other postemployment benefits, which are recognized as expenditures to the extent the related liabilities mature each period.

The governmental fund is used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, the governmental fund financial statements focus on short term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year for spending in future years. Consequently, the governmental fund statements provide a detailed short-term view of the District's operations and the services it provides.

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN

Management's Discussion and Analysis, Continued

Fund Financial Statements, Continued

Governmental Fund, Continued

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

Notes to Financial Statements

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

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budgetary comparative information for the general fund, a schedule of changes in the District's total OPEB liability and related ratios, a schedule of the District's proportionate share of the net pension asset/liability and a schedule of the District's pension contributions.

Other Supplementary Information

The individual schedules are presented as other supplementary information in a subsequent section of this report.

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN

Management's Discussion and Analysis, Continued

Financial Analysis of the District as a Whole

Net Position

The District's net position decreased by \$2,415,577 between fiscal year 2022 and 2021. A summary of the District's statements of net position follows:

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Assets:			
Current assets	\$ 3,851,901	4,929,413	(1,077,512)
Capital assets, net	2,199,994	2,545,191	(345,197)
Net pension asset - proportionate share	<u>1,469,424</u>	<u>-</u>	<u>1,469,424</u>
Total assets	<u>7,521,319</u>	<u>7,474,604</u>	<u>46,715</u>
Deferred outflows of resources - pension	<u>3,333,020</u>	<u>3,570,627</u>	<u>(237,607)</u>
Liabilities:			
Current liabilities	449,781	633,441	(183,660)
Compensated absences	1,308,157	1,538,350	(230,193)
Total OPEB liability	39,733,036	37,844,780	1,888,256
Net pension liability - proportionate share	<u>-</u>	<u>14,630</u>	<u>(14,630)</u>
Total liabilities	<u>41,490,974</u>	<u>40,031,201</u>	<u>1,459,773</u>
Deferred inflows of resources - pension	<u>5,066,451</u>	<u>4,301,539</u>	<u>764,912</u>
Net position:			
Net investment in capital assets	2,199,994	2,545,191	(345,197)
Restricted	775,130	847,161	(72,031)
Unrestricted (deficit)	<u>(38,678,210)</u>	<u>(36,679,861)</u>	<u>(1,998,349)</u>
Total net position (deficit)	<u>\$ (35,703,086)</u>	<u>(33,287,509)</u>	<u>(2,415,577)</u>

Current assets decreased by \$1,077,512, as compared to the prior year. This decrease is primarily due to the decrease in the District's cash balances.

Capital assets, net decreased by \$345,197, as compared to the prior year. This increase is due to depreciation expense exceeding additions.

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN
Management's Discussion and Analysis, Continued

Financial Analysis of the District as a Whole, Continued

Net Position, Continued

Deferred outflows of resources represents contributions to the retirement plan subsequent to the measurement date and actuarial adjustments at the plan level that will be amortized in future years.

Current liabilities decreased by \$183,660, as compared to the prior year. This decrease is primarily in connection with a decrease in accounts payable and accrued liabilities.

Compensated absences decreased by \$230,193, as compared to the prior year.

Total OPEB liability increased by \$1,888,256 as the OPEB cost exceeded contributions.

The net pension liability - proportionate share became a net pension asset in the current year. This liability represents the District's proportionate share of the New York State and Local Employees' Retirement System's collective net pension asset/liability at the measurement date of the respective year.

Deferred inflows of resources represents actuarial adjustments at the pension plan level that will be amortized in future years.

The net investment in capital assets in the amount of \$2,199,994, relates to capital assets at cost less depreciation. This number decreased from the prior year as follows:

Capital asset additions	\$ -
Depreciation expense	(345,197)
	\$ (345,197)

The restricted net position in the amount of \$775,130 relates to the District's employee benefit accrued liability reserve.

The unrestricted deficit in the amount of \$(38,678,210) relates to the balance of the District's net position. This number reflects unfunded long-term liabilities, such as the total OPEB liability. Currently, there is no provision in the law to permit the District to fund OPEB by any other means than the "pay-as-you-go" method.

The District's total net position decreased by \$2,415,577 to a deficit of \$(35,703,086) at December 31, 2022.

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN
Management's Discussion and Analysis, Continued

Financial Analysis of the District as a Whole, Continued

Changes in Net Position

The results of this year's operations as a whole are reported in the statement of activities in the accompanying financial statements. A summary of these statements for the years ended December 31, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Revenue:			
Real property taxes	\$ 9,281,027	8,942,647	338,380
Other payments in lieu of taxes	30,312	36,595	(6,283)
Use of money and property	20,802	6,674	14,128
Sale of property and compensation for loss	37,827	22,085	15,742
Miscellaneous	<u>2,093</u>	<u>34,205</u>	<u>(32,112)</u>
Total revenue	<u>9,372,061</u>	<u>9,042,206</u>	<u>329,855</u>
Expenses - home and community services	<u>11,787,638</u>	<u>10,795,837</u>	<u>991,801</u>
Change in net position	(2,415,577)	(1,753,631)	(661,946)
Net position (deficit) at beginning of year	<u>(33,287,509)</u>	<u>(31,533,878)</u>	<u>(1,753,631)</u>
Net position (deficit) at end of year	<u>\$ (35,703,086)</u>	<u>(33,287,509)</u>	<u>(2,415,577)</u>

The District primarily relies on real property taxes to support its operations. The increase in total revenue in 2022 as compared to 2021 was \$329,855 as shown above, primarily because of a higher tax levy in 2022, resulting in an increase of \$338,380 of real property taxes.

The total increase in expenses in 2022 was \$991,801. The increase in expenses was due to an increase in payroll.

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN

Management's Discussion and Analysis, Continued

Financial Analysis of the District's Fund

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the District's governmental fund is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the year.

The District only uses one governmental fund - the general fund, which is discussed below.

As of December 31, 2022, the general fund reported a fund balance of \$3,402,120, a decrease of \$893,852 from the prior year. A summary of the change in fund balance is as follows:

	<u>2022</u>	<u>2021</u>	<u>Change</u>
<u>General Fund</u>			
Nonspendable - prepaids	\$ 462,363	566,835	(104,472)
Restricted - employee benefit accrued liability reserve	775,130	847,161	(72,031)
Assigned	735,330	1,991,221	(1,255,891)
Unassigned	<u>1,429,297</u>	<u>890,755</u>	<u>538,542</u>
Fund balance	<u>\$3,402,120</u>	<u>4,295,972</u>	<u>(893,852)</u>

The net change in the general fund balance is a decrease of \$893,852, as expenditures exceeded revenue. Total revenue amounted to \$9,372,061 while expenditures totaled \$10,265,913. Expenditures increased by \$865,775 from 2021 totals, primarily due to an increase in payroll. Revenue increased 329,855 from 2021 totals, primarily because of an increase in real property taxes of \$338,380.

Nonspendable fund balance decreased \$104,472. The balance relates to the prepayment of insurance premiums and pension contributions. Fund balance restricted for the employee benefit accrued liability reserve is funded at \$775,130 as authorized by the Board.

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN

Management's Discussion and Analysis, Continued

General Fund Highlights

2022 Budget

The District's general fund budget for 2022 approved by the Board of Commissioners was \$10,098,540. The final budget was funded through \$9,281,087 of real property taxes.

Revenue Over Budget

The 2022 budget for revenue was \$9,321,087. Actual revenue received for the year was \$9,334,234. The excess of actual revenue over estimated or budgeted revenue was \$13,147.

Expenditures Over Budget

The 2022 final budget for expenditures was \$10,098,540. Actual expenditures for the year were \$10,265,913. The expenditures were \$167,373 over budget and contributes to the change to the unassigned portion of the general fund balance from December 31, 2021 to December 31, 2022.

Appropriated to Fund the 2023 Budget

The District is using \$17 of the available December 31, 2022 fund balance to partially fund the 2023 approved operating budget. As such, the unassigned portion of the December 31, 2022 fund balance was reduced by this amount.

Unassigned Fund Balance

The District will begin the 2023 year with an unassigned fund balance of \$1,429,297. This is an increase of \$538,542 over the unassigned balance of the prior year. This unassigned portion equals 14% of the District's 2023 approved operating budget of \$10,542,477.

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN

Management's Discussion and Analysis, Continued

Capital Assets

At December 31, 2022, the District had invested in a broad range of capital assets, including land; buildings; vehicles and equipment and improvements. A summary of capital assets, net of depreciation at year end is as follows:

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Land	\$ 49,206	49,206	-
Buildings and building renovations	832,396	858,869	(26,473)
Refuse trucks and vehicles	708,075	986,239	(278,164)
Machinery and equipment	21,903	29,572	(7,669)
Improvements other than buildings	<u>588,414</u>	<u>621,305</u>	<u>(32,891)</u>
Capital assets, net	<u>\$2,199,994</u>	<u>2,545,191</u>	<u>(345,197)</u>

Economic Factors and Next Year's Budget

The District's 2023 budget as adopted by the Board of Commissioners and approved by the Town of Hempstead is \$10,542,477. This represents a \$443,937 (4%) increase from the 2022 budget. Funding for the budget will be provided by a combination of a \$17 appropriation of the December 31, 2022 fund balance, estimated non-property tax revenue of \$40,000, and the balance in real property tax levy of \$10,502,460.

Future budgets will continue to be affected by rising costs of operations, most notably in health insurance costs.

Chapter 97 of the 2011 Laws of New York limits the increase in the property tax levy of local governments to the lesser of 2% or the rate of inflation. There are additional statutory adjustments in the law. Local governments may override the tax levy limit by first passing a local law that allows for the tax levy limit to be exceeded. The override vote requires a 60% vote of the total voting power of the governing board. The District's 2022 tax levy is within the tax levy limit.

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN

Management's Discussion and Analysis, Continued

Additional Financial Information

This financial report is designed to provide the District's taxpayers and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact:

Town of Hempstead Sanitary District Number Seven
Administration Office
90 Mott Street
Oceanside, New York 11572

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN
Statement of Net Position - Governmental Activities
December 31, 2022

Assets:	
Current assets:	
Cash:	
Unrestricted	\$ 2,614,408
Restricted	775,130
Prepaid expenses	<u>462,363</u>
Total current assets	<u>3,851,901</u>
Noncurrent assets:	
Capital assets:	
Non-depreciable	49,206
Depreciable	6,534,578
Accumulated depreciation	<u>(4,383,790)</u>
Net pension asset - proportionate share - ERS	<u>1,469,424</u>
Total noncurrent assets	<u>3,669,418</u>
Total assets	<u>7,521,319</u>
Deferred outflows of resources - pension	<u>3,333,020</u>
Liabilities:	
Current liabilities:	
Accounts payable	145,524
Accrued liabilities	<u>304,257</u>
Total current liabilities	<u>449,781</u>
Long-term liabilities:	
Compensated absences	1,308,157
Total OPEB liability	<u>39,733,036</u>
Total long-term liabilities	<u>41,041,193</u>
Total liabilities	<u>41,490,974</u>
Deferred inflows of resources - pension	<u>5,066,451</u>
Net position (deficit):	
Net investment in capital assets	2,199,994
Restricted	775,130
Unrestricted (deficit)	<u>(38,678,210)</u>
Total net position (deficit)	<u>\$ (35,703,086)</u>

See accompanying notes to financial statements.

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN
Statement of Activities - Governmental Activities
Year ended December 31, 2022

Program expenses - home and community services	<u>\$ 11,787,638</u>
General revenue:	
Real property taxes	9,281,027
Other payments in lieu of taxes	30,312
Use of money and property	20,802
Sale of property and compensation for loss	37,827
Miscellaneous	<u>2,093</u>
Total general revenue	<u>9,372,061</u>
Change in net position	(2,415,577)
Net position (deficit) at beginning of year	<u>(33,287,509)</u>
Net position (deficit) at end of year	<u>\$ (35,703,086)</u>

See accompanying notes to financial statements.

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN
 Balance Sheet - General Fund
 December 31, 2022

Assets:	
Cash:	
Unrestricted	\$ 2,614,408
Restricted	775,130
Prepaid expenditures	<u>462,363</u>
Total assets	<u>\$ 3,851,901</u>
Liabilities:	
Accounts payable	145,524
Accrued liabilities	<u>304,257</u>
Total liabilities	<u>449,781</u>
Fund balance:	
Nonspendable	462,363
Restricted	775,130
Assigned	735,330
Unassigned	<u>1,429,297</u>
Total fund balance	<u>3,402,120</u>
Total liabilities and fund balance	<u>\$ 3,851,901</u>

See accompanying notes to financial statements.

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN
 Reconciliation of the Balance Sheet - General Fund
 to the Statement of Net Position

Total governmental fund balance		\$ 3,402,120
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.</p>		
Original cost of capital assets	\$ 6,583,784	
Accumulated depreciation	<u>(4,383,790)</u>	2,199,994
<p>Governmental funds recognize revenue and expenditures incurred under the modified accrual method. The statement of net position recognizes revenue earned and expenses incurred under the full accrual method. Deferred inflows of resources and deferred outflows of resources related to the pension that will be recognized in future periods amounted to:</p>		
Deferred outflows of resources - pension	3,333,020	
Deferred inflows of resources - pension	<u>(5,066,451)</u>	(1,733,431)
<p>Long-term items are not due and payable in the current period and, therefore, are not reported as items in the governmental funds. Long-term items at year end consist of:</p>		
Compensated absences	(1,308,157)	
Total OPEB liability	(39,733,036)	
Net pension asset - proportionate share - ERS	<u>1,469,424</u>	<u>(39,571,769)</u>
Net position (deficit) of governmental activities		<u>\$ (35,703,086)</u>

See accompanying notes to financial statements.

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN
Statement of Revenue, Expenditures and Changes in Fund Balance
General Fund

Revenue:	
Real property taxes	\$ 9,281,027
Other payments in lieu of taxes	30,312
Use of money and property	20,802
Sale of property and compensation for loss	37,827
Miscellaneous	<u>2,093</u>
Total revenue	<u>9,372,061</u>
Expenditures:	
Home and community services	6,744,511
Employee benefits	<u>3,521,402</u>
Total expenditures	<u>10,265,913</u>
Change in fund balance	(893,852)
Fund balance at beginning of year	<u>4,295,972</u>
Fund balance at end of year	<u><u>\$ 3,402,120</u></u>

See accompanying notes to financial statements.

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN
 Reconciliation of the Statement of Revenue, Expenditures and
 Changes in Fund Balance - General Fund to the Statement of Activities

Net change in fund balance		\$ (893,852)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p><u>Long-Term Revenue and Expense Differences</u></p>		
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Change in compensated absences	\$ 230,193	
Change in total OPEB liability	<u>(1,888,256)</u>	(1,658,063)
<p><u>Capital Related Differences</u></p>		
<p>Governmental Funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital assets changed.</p>		
Depreciation expense		(345,197)
<p><u>Pension Differences</u></p>		
<p>Changes in the proportionate share of the net pension asset, deferred outflows of resources - pension, and deferred inflows of resources - pension reported in the statement of activities do not provide for or require the use of current financial resources and, therefore, are not reported as revenue or expenditures in the governmental funds.</p>		
Change in net pension asset - proportionate share	1,484,054	
Change in deferred outflows of resources - pension	(237,607)	
Change in deferred inflows of resources - pension	<u>(764,912)</u>	<u>481,535</u>
Change in net position of governmental activities		<u>\$ (2,415,577)</u>

See accompanying notes to financial statements.

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN

Notes to Financial Statements

December 31, 2022

(1) Summary of Significant Accounting Policies

The financial statements of the Town of Hempstead Sanitary District Number Seven (the District), located in Oceanside, Town of Hempstead, New York (the Town), have been prepared in accordance 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. Significant accounting principles and policies used by the District are as follows:

(a) Reporting Entity

The District is governed by general Town law, the laws of the Town and other general laws of the State of New York (the State). The elected Board of Commissioners is the legislative body responsible for overall operations of the District, with the Chairman serving as chief executive officer. An appointed Treasurer serves as chief fiscal officer.

The accompanying financial statements present the activities of the District. The scope of activities included within the accompanying financial statements are those transactions which comprise District operations and are governed by, or significantly influenced by, the Board of Commissioners. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. All governmental activities and functions performed for the District are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

The District provides for the collection, removal and disposal of all waste, special waste and recyclables within its territorial jurisdiction within the Town.

(b) Basis of Presentation

District-Wide Statements

The statement of net position and the statement of activities present information about the governmental activities of the District. Governmental activities generally are financed through taxes, operating revenues, and other exchange and non-exchange transactions.

The statement of net position presents the financial position of the District at year-end. The statement of activities presents a comparison between general revenue and program expenses for each function of the District's governmental activities. Program expenses are those that are specifically associated with and are clearly identifiable to a particular function. Revenue not classified as program revenue, including all taxes, are presented as general revenue.

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(b) Basis of Presentation, Continued

Fund Financial Statements

The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, as defined by GASB, each displayed in a separate column.

The District reports the general fund as a major governmental fund. This is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

(c) Basis of Accounting and Measurement Focus

The district-wide financial statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants are recognized, as revenue as soon as all eligibility requirements imposed by the provider have been met. All assets, liabilities and deferred inflows of resources or deferred outflows of resources associated with the operation of the District are included in the statement of net position.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as they are both measurable and available. Revenue is considered to be available when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenue to be available if it is collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences and other postemployment benefits which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

(d) Real Property Taxes

Real property taxes for the District are levied together with taxes for the Town. The taxes are due in two installments of 50% on January 1st and July 1st without penalty to February 10th and August 10th, respectively. Late payments are subject to penalties. The taxes are collected by the Town and subsequently forwarded to the District. Uncollected taxes are subsequently enforced by Nassau County.

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(e) Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, the District's policy concerning which to apply first varies with the intended use and with associated legal requirements, many of which are described elsewhere in these notes to financial statements.

(f) Use of Estimates

The preparation of financial statements, in accordance with GAAP, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingencies. Estimates also effect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

(g) Cash and Equivalents

The District's cash and equivalents consist of cash on hand and demand deposits. The District considers highly liquid investments, including restricted assets, with an original maturity of three months or less when purchased to be cash equivalents. Cash equivalents are reported at carrying amount which reasonably estimates fair value.

(h) Accounts Receivable

Accounts receivable are shown gross. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

(i) Prepaid Assets

Prepaid assets represent payments made by the District for which benefits extend beyond year-end. These payments reflect costs applicable to future accounting periods and are recorded as prepaids in both the district-wide and fund financial statements. These items are reported as assets on the statement of net position and governmental fund balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

(j) Capital Assets

Capital assets, which include land, buildings, improvements, vehicles, furniture and equipment and improvements other than buildings are reported in the district-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of \$1,000 or more and estimated useful life in excess of one year.

Capitalized assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(j) Capital Assets, Continued

Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings and building renovations	25-40 years
Refuse trucks and vehicles	6 years
Machinery and equipment	5-15 years
Improvements other than buildings	20 years

(k) Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. The District has two items that qualify for reporting in this category. The first item relates to the pension reported in the District-wide statement of net position. This represents the effect of the net change in the District's proportion of the collective net pension asset/liability and difference during the measurement period between the District's contributions and its proportionate share between the District's contributions and its proportionate share of total contributions to the pension system not included in pension expense. The second item is the District's contributions to the New York State and Local Employees' Retirement System subsequent to the measurement date.

Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. This represents the effect of the net change in the District's proportion of the collective net pension asset/liability and difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension system not included in pension expense.

(l) Vested Employee Benefits - Compensated Absences

District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods. Sick leave eligibility and accumulation is specified in negotiated labor contracts. Upon retirement, resignation or death, employees may receive a payment based on unused accumulated sick leave, based on contractual provisions.

• Civil Service Employees

The District provides vacation pay and sick time benefits for its Civil Service Employees Association (CSEA) members under a collective bargaining unit agreement covering the period January 1, 2014 through December 31, 2020. In 2019, a memorandum of the agreement was passed, extending the agreement through December 31, 2026.

All civil service employees may accumulate unused vacation days, personal days, floating days, sick leave and compensatory time up to a total of 150 days. This number will decrease to 100 days at December 31, 2022.

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(1) Vested Employee Benefits - Compensated Absences, Continued

• Civil Service Employees, Continued

Upon termination, separation retirement, or resignation while in the employ of the District, a CSEA employee shall be compensated in the cash equivalent amount to the full per diem amount of 100% of accumulated unused vacation, sick leave, floating days, compensatory time and personal days regardless of the amount of credited service time. The employee may request that any compensation due them be paid in a lump sum, weekly or monthly installments for the balance of the calendar year.

Upon the death of a CSEA employee while in the service of the District, payment of the accumulated days shall be made in a lump sum to the personal representative of the deceased.

If a CSEA employee has accumulated more than 150 days, the employee must sell and the District must buy back the excess days at the then current rate of per diem earnings so that by year-end the employee's accumulated days will not exceed the maximum.

The District, at its discretion will honor any requests made for the buy-back of accumulated days, over the maximum, made before August 31st. Payment will be made within 30 days. Request for buy-back after August 31st will be paid by January 31st of the following year. In either case, payment will be paid in a lump sum unless the parties agree that payment should be made in installments.

• Sanitation Drivers, Helpers and Laborers

The District entered into an agreement with the International Brotherhood of Teamsters, Local 553 (Teamsters Union) as the sole and exclusive bargaining agent for its drivers, helpers and laborers, excluding civil service Employees Association Members effective for the period January 1, 2019 through December 31, 2023.

The agreement establishes a "vacation period" within the District in which all Teamsters union employees would take their period vacation. Said period will commence the 1st day of January of each year and end the 31st day of December. All vacations must be taken within the above time period with the approval of the Supervisor. Accumulation of vacation days is not allowed and any vacation days not used within the calendar year shall be deemed forfeited. However, employees who receive five weeks of vacation time may be paid for one week if unused in the first week of the subsequent January.

Under this Agreement, a teamsters union employee may accumulate sick days and compensatory time earned in the calendar year, and carry same forward for use in the next calendar year subject to the following limits:

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(l) Vested Employee Benefits - Compensated Absences, Continued

• Sanitation Drivers, Helpers and Laborers, Continued

- No employee may accumulate more than 100 days. If an employee has more than 100 days as of December 31, 2022, the District shall compensate the employee for each day over 100 days, at the employee's rate of pay as of December 31, 2022. Payment shall be made on or before the subsequent February 1st.

Each teamster union employee shall be entitled to personal days in each calendar year of this agreement. Unused personal days at each calendar year's end shall be paid in the first week of the subsequent January.

A teamster union employee upon termination, retirement or resignation while in the employ of the District, shall be compensated in the cash equivalent amount to the full per diem amount of 100% of accumulated, unused sick leave and compensatory time not to exceed 100 days. Upon the death of an employee while in the service of the District, payment of the foresaid accumulated days shall be made in a lump sum to the personal representative for the estate of the deceased.

Consistent with GASB Statement No. 101 - "Compensated Absences," the liability has been calculated using the vesting method and an accrual for that liability is included in the district-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end, and is estimated to be \$1,308,157 at December 31, 2022.

In the fund financial statements only the amount of matured liabilities is accrued within the general fund based upon expendable and available financial resources.

(m) Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities and long-term obligations are reported in the district-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, compensated absences, termination benefits and other postemployment benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent they have matured. Bonds and other long-term obligations (such as installment purchase debt) that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the District's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the statement of net position.

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(n) Other Postemployment Benefits

The District provides other postemployment health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the District's employees become eligible for these benefits if they reach normal retirement age while working for the District. Healthcare benefits and survivor benefits are provided by the District and administered through an insurance company whose premiums are based on the benefits paid during the year. The District recognizes the cost of providing benefits by recording its share of insurance premiums as expenditures in the year paid. During the year ended December 31, 2022, \$339,003 was paid on behalf of 23 retirees and recorded as expenditures in the general fund.

(o) Net Position

In the district-wide statements there are three classes of net position:

- Net Investment in capital assets - consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets, if any.
- Restricted net position - reports net position when constraints placed on the assets or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position - reports the balance of net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the District.

(p) Fund Balance

The fund statements report fund balance classifications according to the relative strength of spending constraints placed on the purpose for which resources can be used, as follows:

- Nonspendable - Consists of amounts that cannot be spent because they are either not in spendable form, or legally or contractually required to remain intact. Nonspendable fund balance consists of prepaid items.
- Restricted - Consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation. Restricted fund balances, generally referred to as reserves in accordance with State law, are created to satisfy legal restrictions, plan for future expenditures or relate to resources not available for general use or appropriation. These reserve funds are established through Board action or voter approval and a separate identity must be maintained for each reserve. Earnings on the invested resources become part of the respective reserve funds; however, separate bank accounts are not necessary for each reserve fund.

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(p) Fund Balance, Continued

- Restricted, Continued - The Employee Benefit Accrued Liability Reserve (GML§6-9) is used to reserve funds of accrued employee benefits based on unused and unpaid sick leave, personal leave, holiday leave or vacation time due an employee upon terminations of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the general fund.
- Assigned - Consists of amounts that are subject to a purpose constraint that represents an intended use established by the District's Board. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance includes an amount appropriated to partially fund the subsequent year's budget.

Additionally, assigned fund balance includes unappropriated amounts for other postemployment benefits (OPEB) and for future building and land repairs.

- Unassigned - Represents the residual classification for the District's general fund and could report a surplus or deficit. In funds other than the general fund, the unassigned classification is used only to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, or assigned.

Any portion of fund balance may be applied or transferred for a specific purpose by law, voter approval if required by law or by formal action of the Board if voter approval is not required. Amendments or modification to the applied or transferred fund balance must also be approved by formal action of the Board.

The Board of Commissioners shall delegate the authority to assign fund balance, for encumbrance purposes, to the person(s) to whom it has delegated the authority to sign purchase orders.

In circumstances where an expenditure is incurred for a purpose for which accounts are available in multiple fund balance classifications (that is restricted, assigned or unassigned) the Board will assess the current financial condition of the District and then determine the order of application of expenditures to which fund balance classification will be charged.

(q) Accounting Standards Issued But Not Yet Implemented

GASB has issued the following pronouncements which will be implemented in the years required. The effects of the implementation of these pronouncements are not known at this time.

Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements. Effective for fiscal years beginning after June 15, 2022.

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(q) Accounting Standards Issued But Not Yet Implemented, Continued

Statement No. 96 - Subscription-Based Information Technology Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 99 - Omnibus 2022. Effective for various periods through fiscal years beginning after June 15, 2023.

(r) Subsequent Events

Management has evaluated subsequent events through the date of the report, which is the date the financial statements were available to be issued.

(2) Explanation of Certain Differences Between District-Wide Statements and Governmental Fund Statements

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic resource measurement focus of the district-wide statements, compared with the current financial resource measurement focus of the governmental funds.

(a) Total Fund Balance of the Governmental Fund vs. Net Position of Governmental Activities

Total fund balance of the District's governmental fund differs from net position of governmental activities reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental fund's balance sheet.

(b) Statement of Revenue, Expenditures and Changes in Fund Balance vs. Statement of Activities

Differences between the statement of revenue, expenditures and changes in fund balance and the statement of activities fall into the following categories.

- Long-Term Revenue and Expense Differences

Long-term revenue differences arise because the governmental fund reports revenue only when they are considered "available", whereas the statement of activities reports revenue when earned. Differences in long-term expenses arise because the governmental fund reports on a modified accrual basis, whereas the accrual basis of accounting is used on the statement of activities.

- Capital Related Differences

Capital related differences include the difference between proceeds from the sale of capital assets reported on fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and the difference between recording an expenditure for the purchase of capital items in the fund statements and depreciation expense on those items as recorded in the statement of activities.

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN

Notes to Financial Statements, Continued

(2) Explanation of Certain Differences Between District-Wide Statements and Governmental Fund Statements, Continued

(b) Statement of Revenue, Expenditures and Changes in Fund Balance vs. Statement of Activities, Continued

• Pension Differences

Pension differences occur as a result of changes in the District's proportion of the collective net pension liability and differences between the District's contributions and its proportionate share of the total contributions to the pension system.

(3) Stewardship, Compliance and Accountability

(a) Budget Policies

Budgets are adopted annually on a basis consistent with GAAP. The District's procedures for establishing its budget are as follow:

- (1) The District's administration prepares a proposed budget for the general fund and submits it to the Board of Commissioners for approval.
- (2) The proposed budget for the general fund is then submitted by the Board of Commissioners to the Hempstead Town Board, no later than September 20th, for approval.
- (3) Appropriations are adopted at the function/object level.
- (4) Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.
- (5) Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them, because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.

(b) Encumbrances

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental fund. Under this method, purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as part of assigned - unappropriated fund balance unless classified as restricted, and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

(c) Expenditures in Excess of Budget

Certain individual budgetary expenditure accounts exceeded their budgetary authorizations in the general fund. The general fund total expenditures exceeded its approved budgetary authorization at December 31, 2022 by \$121,989.

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN

Notes to Financial Statements, Continued

(4) Cash and Equivalents

The District's investment policies are governed by State statutes and District policy. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state.

Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and obligations of the State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance.

Obligations that may be pledged as collateral are obligations of the United States of America and its agencies and obligations of the State and its municipalities. Investments are stated at fair value.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by FDIC insurance and the deposits are as follows:

- (1) Uncollateralized
- (2) Collateralized by securities held by the pledging financial institution, or
- (3) Collateralized by securities held by the pledging financial institution's trust department or agent but not in the District's name.

The District's deposits at December 31, 2022, were entirely covered by FDIC insurance, collateral or letter of credit held by the District's custodial bank in the District's name.

	Book <u>Balance</u>	Bank <u>Balance</u>
Cash	\$ <u>3,389,538</u>	3,401,398
FDIC insurance		<u>(500,000)</u>
Collateral and letter of credit held in trust for the District's benefit		\$ <u>2,901,398</u>

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN

Notes to Financial Statements, Continued

(5) Capital Assets

Capital asset balances and activity for the year ended December 31, 2022 were as follows:

	Beginning <u>Balances</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balances</u>
Capital assets not being depreciated - land	\$ 49,206	-	-	<u>49,206</u>
Capital assets being depreciated:				
Buildings and building renovations	1,824,155	-	-	1,824,155
Refuse trucks and vehicles	4,097,895	-	(279,252)	3,818,643
Machinery and equipment	123,531	-	-	123,531
Improvements other than buildings	<u>768,249</u>	-	-	<u>768,249</u>
Total capital assets being depreciated	<u>6,813,830</u>	-	(279,252)	<u>6,534,578</u>
Less: accumulated depreciation for:				
Buildings and building renovations	965,286	26,473	-	991,759
Refuse trucks and vehicles	3,111,656	278,164	(279,252)	3,110,568
Machinery and equipment	93,959	7,669	-	101,628
Improvements other than buildings	<u>146,944</u>	<u>32,891</u>	-	<u>179,835</u>
Total accumulated depreciation	<u>4,317,845</u>	<u>345,197</u>	(279,252)	<u>4,383,790</u>
Total capital assets being depreciated, net	<u>2,495,985</u>	(345,197)	-	<u>2,150,788</u>
Capital assets, net	<u>\$2,545,191</u>	<u>(345,197)</u>	-	<u>2,199,994</u>

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN

Notes to Financial Statements, Continued

(6) Pension Plan

(a) Plan Descriptions and Benefits Provided

Employees' Retirement System

The District participates in the New York State and Local Employee Retirement System (the System). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net position and record changes in plan 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. System benefits are established under the provision 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. The County also participates in the Public Employees Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The GLIP is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3.0 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 6.0 percent of their salary for their entire length of service. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

(b) Pension Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

At December 31, 2022, the District reported the following asset for its proportionate share of the net pension asset for the System. The net pension asset was measured as of March 31, 2022. The total pension asset used to calculate the net pension asset was determined by an actuarial valuation. The District's proportionate share of the net pension asset was based on a projection of the District's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the System in reports provided to the District.

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN

Notes to Financial Statements, Continued

(6) Pension Plans, Continued

(b) Pension Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension, Continued

At December 31, 2022, the District reported the following for its proportionate share of the net pension asset for ERS:

	<u>ERS</u>
Measurement date	March 31, 2022
Net pension asset	\$1,469,424
Town's proportion of the net pension asset	0.0179755%
Change in proportion since the prior measurement date	0.0032829

The net pension asset was measured as of March 31, 2022 and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The District's proportion of the net pension asset was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members, actuarially determined.

For the year ended December 31, 2022, the District recognized pension expense of \$139,325 in the statement of activities. At December 31, 2022, the District's reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 111,282	(144,338)
Changes of assumptions	2,452,304	(41,380)
Net difference between projected and actual investment earnings on pension plan investments	-	(4,811,747)
Changes in proportion and differences between the District's contributions and proportionate share of contributions	339,571	(68,986)
District's contributions subsequent to the measurement date	<u>429,863</u>	<u>-</u>
Total	<u>\$ 3,333,020</u>	<u>(5,066,451)</u>

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized as follows:

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN

Notes to Financial Statements, Continued

(6) Pension Plans, Continued

(b) Pension Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension, Continued

<u>Year ending</u>	
2023	\$ (303,855)
2024	(474,005)
2025	(1,176,200)
2026	<u>(209,234)</u>
	\$ <u>(2,163,294)</u>

(c) Actuarial Assumptions

The total pension asset 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 valuation used the following actuarial assumptions:

Measurement date	March 31, 2022
Actuarial valuation date	April 1, 2021
Investment rate of return (net of investment expense, including inflation)	5.9%
Salary increases	4.4%
Inflation rate	2.7%
Cost-of-living adjustments	1.4%

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2020.

The actuarial assumptions used in the April 1, 2021 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

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

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN

Notes to Financial Statements, Continued

(6) Pension Plan, Continued

(c) Actuarial Assumptions, Continued

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return *</u>
Domestic equity	32.00%	3.30%
International equity	15.00%	5.85%
Private equity	10.00%	6.50%
Real estate	9.00%	5.00%
Opportunistic/ARS	3.00%	4.10%
Credit	4.00%	3.78%
Real assets	3.00%	5.80%
Fixed income	23.00%	0.00%
Cash	<u>1.00%</u>	(1.00%)
	<u>100.00%</u>	

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

(d) Discount Rate

The discount rate used to calculate the total pension asset was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon 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 asset.

(e) Sensitivity of the Proportionate Share of the Net Pension Asset/Liability to the Discount Rate

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

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
District's proportionate share of the net pension asset (liability)	\$ (3,782,281)	1,469,424	5,862,222

(f) Pension Plan Fiduciary Net Position

The components of the current-year net pension asset (liability) of all participating employers as of the respective measurement date, were as follows:

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN

Notes to Financial Statements, Continued

(6) Pension Plan, Continued

(f) Pension Plan Fiduciary Net Position, Continued

(Dollars in Millions)

Measurement date	3/31/2022
Employers' total pension liability	\$ (223,875)
Plan fiduciary net position	<u>232,050</u>
Employers' net pension asset	\$ <u>8,175</u>
Ratio of plan fiduciary net position to the Employers' total pension liability	103.65%

(g) Contributions to the Pension Plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Retirement contributions as of December 31, 2022 represent the projected employer contribution for the period of April 1, 2022 through March 31, 2023 based on paid employee wages multiplied by the employer's contribution rate, by tier. The retirement contribution paid to the System for the year ended December 31, 2022 was \$620,814.

(7) Other Postemployment Benefits (OPEB)

(a) Plan Description and Benefits

The District, as a single-employer defined benefit OPEB plan, in accordance with its contracts with employees, will pay the full premium costs for medical insurance coverage for the eligible employee and spouse for the lifetime of the employee. The District will also reimburse retirees, spouses and surviving spouses for the full premium costs for Medicare Part B payments. These contracts will be renegotiated at various times in the future. All financial activities of the Plan are included in the financial statements of the District. The Plan does not issue a separate financial report. No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4.

The District assumes the full cost of the premiums and recognizes the cost of the healthcare plan annually as expenditures in the general fund of the fund financial statements as payments are made. Currently, there is no provision in the law to permit the District to fund OPEB by any means other than the "pay as you go" method.

(b) Employees Covered by Benefit Terms

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

Active	54
Retired	23
Terminated	<u>1</u>
	<u>78</u>

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN

Notes to Financial Statements, Continued

(7) Other Postemployment Benefits (OPEB), Continued

(c) Total OPEB Liability

The District's total OPEB liability of \$39,733,036 was measured as of December 31, 2022 and was determined by an actuarial valuation as December 31, 2022 based on the alternative measurement method in accordance with GASB Statement No. 75.

(d) Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.50%
Discount rate	2.92%
Healthcare Cost Trend Rates	Medical - from 4.70% to ultimate rate of 4.20%
	Pharmacy - from 5.20% to ultimate rate of 4.20%
	Dental - from 3.50% to ultimate rate of 3.00%
	Vision - from 3.00% to ultimate rate of 3.00%

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables projected for 10 Years.

(e) Changes in the Total OPEB Liability

Total OPEB liability as of January 1, 2022	\$ 37,844,780
Changes for the year:	
Service cost	721,705
Interest	1,439,945
Effect of economic/demographic gains or losses	(5,177,507)
Changes in assumptions or other inputs	5,243,116
Benefit payments	<u>(339,003)</u>
Total changes	<u>1,888,256</u>
Total OPEB liability as of December 31, 2022	\$ <u>39,733,036</u>

(f) Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.92%) or 1-percentage point higher (3.92%) than the current discount rate:

	1% Decrease (1.92%)	Discount Rate (2.92%)	1% Increase (3.92%)
Total OPEB Liability	\$ (47,615,900)	(39,733,036)	(33,535,610)

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN

Notes to Financial Statements, Continued

(7) Other Postemployment Benefits (OPEB), Continued

(g) Sensitivity of the Total OPEB Liability to Changes in the Healthcare Costs Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a trend rate that is 1-percentage point lower or 1-percentage point higher than the current trend rate:

	1% <u>Decrease</u>	Trend <u>Rate</u>	1% <u>Increase</u>
Total OPEB Liability	\$ (31,802,930)	(39,733,036)	(50,088,820)

(h) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2022, the District recognized OPEB expense of \$2,227,260. At December 31, 2022, the District did not report deferred outflows of resources or deferred inflows of resources related to OPEB due to the alternative method. Additionally, since the measurement date was the same as the District's fiscal year, there are no contributions subsequent to the measurement date to report.

(8) Other Information

(a) Risk Management

The District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

(b) Commitments and Contingencies

The District is involved in various legal matters. Management expects most outstanding litigation to be covered by insurance. The District has accrued for any litigation that is not expected to be covered by insurance in accrued liabilities.

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN
 Required Supplementary Information
 Schedule of Revenue, Expenditures and Changes in Fund Balance
 Year ended December 31, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance</u>
Revenue:				
Real property taxes	\$ 9,281,087	9,281,087	9,281,027	(60)
Other payments in lieu of taxes	40,000	40,000	30,312	(9,688)
Use of money and property	-	-	20,802	20,802
Sale of property and compensation for loss	-	-	37,827	37,827
Miscellaneous	-	-	2,093	2,093
Total revenue	<u>9,321,087</u>	<u>9,321,087</u>	<u>9,372,061</u>	<u>50,974</u>
Expenditures:				
Home and community services	6,568,805	6,568,805	6,744,511	(175,706)
Employee benefits	<u>3,529,735</u>	<u>3,529,735</u>	<u>3,521,402</u>	<u>8,333</u>
Total expenditures	<u>10,098,540</u>	<u>10,098,540</u>	<u>10,265,913</u>	<u>(167,373)</u>
Change in fund balance	<u>\$ (777,453)</u>	<u>(777,453)</u>	(893,852)	<u>(116,399)</u>
Fund balance at beginning of year			<u>4,295,972</u>	
Fund balance at end of year			<u>\$ 3,402,120</u>	

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN
 Required Supplementary Information
 Schedule of the District's Proportionate Share of the Net Pension Asset/Liability

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension asset/liability	0.0179755%	0.0146926%	0.0137956%	0.0149099%	0.0150239%	0.0143634%	0.0158725%	0.0148735%	0.0148735%	N/A
District's proportionate share of the net pension asset (liability)	\$ 1,469,424	(14,630)	(3,653,157)	(1,056,410)	(484,889)	(1,349,622)	(2,547,578)	(502,464)	(672,113)	N/A
District's covered payroll	\$ 4,728,117	4,473,415	4,007,389	3,766,323	3,811,216	4,015,211	3,565,406	3,709,363	4,079,601	N/A
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	31.08%	0.33%	91.16%	28.05%	12.72%	33.61%	71.45%	13.55%	16.47%	N/A
Plan fiduciary net position as a percentage of the total pension asset (liability)	103.7%	99.9%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%	97.2%	N/A

N/A = Not Available

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN
 Required Supplementary Information
 Schedule of District's Pension Contributions

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 620,814	728,433	609,868	575,258	580,667	567,983	557,168	673,660	707,262	N/A
Contributions in relation to the contractually required contribution	<u>620,814</u>	<u>728,433</u>	<u>609,868</u>	<u>575,258</u>	<u>580,667</u>	<u>567,983</u>	<u>557,168</u>	<u>673,660</u>	<u>707,262</u>	<u>N/A</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>N/A</u>
District's covered payroll	\$ 4,728,117	4,473,415	4,007,389	3,766,323	3,811,216	4,015,211	3,565,406	3,709,363	4,079,601	N/A
Contributions as a percentage of covered payroll	13.13%	16.28%	15.22%	15.27%	15.24%	14.15%	15.21%	19.10%	19.14%	N/A

N/A = Not Available

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN
Required Supplementary Information
Schedule of Changes in the District's
Year ended December 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:					
Service cost	\$ 721,705	714,988	551,524	462,200	609,732
Interest	1,439,945	1,379,401	1,248,040	1,042,322	913,917
Differences between expected and actual experience	-	-	-	-	1,943,053
Effect of economic/demographic gains or losses	(5,177,507)	(5,109,848)	(2,936,218)	(74,682)	-
Changes in assumptions or other inputs	5,243,116	4,960,944	4,820,226	4,351,688	(1,220,310)
Benefit payments	<u>(339,003)</u>	<u>(336,517)</u>	<u>(351,384)</u>	<u>(418,058)</u>	<u>(413,288)</u>
Net change in total OPEB liability	1,888,256	1,608,968	3,332,188	5,363,470	1,833,104
Total OPEB liability - beginning	<u>37,844,780</u>	<u>36,235,812</u>	<u>32,903,624</u>	<u>27,540,154</u>	<u>25,707,050</u>
Total OPEB liability - ending	<u>\$ 39,733,036</u>	<u>37,844,780</u>	<u>36,235,812</u>	<u>32,903,624</u>	<u>27,540,154</u>
Covered payroll	\$ 5,558,236	4,998,808	5,051,207	4,366,223	4,133,785
Total OPEB liability as a percentage of covered payroll	714.85%	757.08%	717.37%	753.59%	666.22%

Notes to schedule:

Changes of assumptions - Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
2.92%	2.92%	2.92%	2.92%	3.75%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available. No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4.

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN
Other Supplementary Information
Comparative Schedule of Expenditures - General Fund

	December 31, 2022				December 31, 2021			
	Original Budget	Final Budget	Actual	Unexpended Balance	Original Budget	Final Budget	Actual	Unexpended Balance
Sanitary administration:								
Personal services - commissioners' salaries	\$ 29,952	29,952	30,010	(58)	\$ 37,440	37,440	29,952	7,488
Equipment and other capital outlay - office furniture, fixtures, etc.	3,000	3,000	4,335	(1,335)	5,000	5,000	2,962	2,038
Contractual expenses:								
Attorney fees and legal costs	118,000	118,000	165,028	(47,028)	125,000	125,000	64,366	60,634
Audit and accounting	60,000	60,000	49,656	10,344	60,000	60,000	64,149	(4,149)
Professional and other services	7,400	7,400	1,760	5,640	3,000	3,000	4,400	(1,400)
Election expenses	10,000	10,000	11,633	(1,633)	10,000	10,000	14,101	(4,101)
Office expense and postage	14,500	14,500	18,021	(3,521)	16,500	16,500	25,287	(8,787)
Memberships dues	-	-	-	-	1,000	1,000	-	1,000
Telephone	6,500	6,500	7,023	(523)	6,500	6,500	5,956	544
Ecology and recycling	146,500	146,500	94,531	51,969	10,000	10,000	3,528	6,472
	<u>395,852</u>	<u>395,852</u>	<u>381,997</u>	<u>13,855</u>	<u>274,440</u>	<u>274,440</u>	<u>214,701</u>	<u>59,739</u>
Refuse and Garbage:								
Personal services:								
Operating payroll	5,215,659	5,215,659	5,571,486	(355,827)	4,675,785	4,675,785	4,998,658	(322,873)
Equipment and other capital outlay	201,000	201,000	-	201,000	201,500	201,500	198,652	2,848
Contractual expenses:								
Gasoline, oil, grease and anti-freeze	130,000	130,000	226,787	(96,787)	95,000	95,000	140,893	(45,893)
Radio service	-	-	803	(803)	8,000	8,000	4,826	3,174
Truck parts and repairs	68,000	68,000	122,763	(54,763)	96,000	96,000	98,341	(2,341)
Tires, tubes and tire repairs	43,000	43,000	67,761	(24,761)	43,000	43,000	35,704	7,296
Insurance	279,085	279,085	269,454	9,631	215,000	215,000	260,557	(45,557)
Substance testing	6,000	6,000	5,650	350	7,800	7,800	7,066	734
Fuel and utilities:								
Electric	21,000	21,000	18,784	2,216	21,000	-	14,313	(14,313)
Gas	-	-	1,660	(1,660)	-	-	1,434	(1,434)
Water	-	-	6,235	(6,235)	-	-	4,221	(4,221)
Payroll processing	27,500	27,500	27,583	(83)	25,000	25,000	28,760	(3,760)
Uniform maintenance and replacements	15,000	15,000	6,529	8,471	20,000	20,000	14,580	5,420
Repairs and maintenance of buildings and grounds	150,420	150,420	18,639	131,781	25,000	25,000	29,180	(4,180)
Building and land repair	-	-	980	(980)	-	-	-	-
MCTM Tax	16,289	16,289	17,400	(1,111)	15,982	15,982	15,677	305
	<u>6,172,953</u>	<u>6,172,953</u>	<u>6,362,514</u>	<u>(189,561)</u>	<u>5,449,067</u>	<u>5,428,067</u>	<u>5,852,862</u>	<u>(424,795)</u>
Employee Benefits:								
New York State retirement	715,000	715,000	620,814	94,186	638,000	638,000	728,434	(90,434)
Social security	390,694	390,694	426,305	(35,611)	360,000	360,000	379,433	(19,433)
Workers' compensation	450,000	450,000	421,201	28,799	461,000	461,000	429,192	31,808
New York State disability	2,000	2,000	-	2,000	2,184	2,184	-	2,184
Hospital and medical insurance	1,900,000	1,900,000	1,980,469	(80,469)	1,925,000	1,925,000	1,744,574	180,426
Dental and optical insurance	72,041	72,041	72,613	(572)	73,000	73,000	50,942	22,058
	<u>3,529,735</u>	<u>3,529,735</u>	<u>3,521,402</u>	<u>8,333</u>	<u>3,459,184</u>	<u>3,459,184</u>	<u>3,332,575</u>	<u>126,609</u>
	<u>\$ 10,098,540</u>	<u>10,098,540</u>	<u>10,265,913</u>	<u>(167,373)</u>	<u>\$ 9,182,691</u>	<u>9,161,691</u>	<u>9,400,138</u>	<u>(238,447)</u>

TOWN OF HEMPSTEAD SANITARY DISTRICT NUMBER SEVEN
 Other Supplementary Information
 Schedule of Statistical Data

<u>Year</u>	<u>Assessed Valuation</u>	<u>Tax Rate</u>	<u>Net Adjusted Budget</u>	<u>Tax Levy</u>
2013	\$ 14,107,326	61.323%	8,651,222	8,651,092
2014	13,803,064	63.780%	8,808,333	8,808,233
2015	13,439,966	65.812%	8,845,094	8,845,048
2016	12,290,698	70.221%	8,630,659	8,630,545
2017	11,591,206	74.750%	8,664,399	8,664,356
2018	11,136,501	77.801%	8,670,839	8,664,281
2019	11,068,544	81.608%	9,080,189	9,032,816
2020	10,781,789	83.778%	9,190,083	9,032,758
2021	7,469,426	119.724%	9,142,669	8,942,669
2022	9,625,126	96.426%	10,058,541	9,281,087

Note 1

The tax levies for the following years were lower than the net adjusted budget because the District utilized available fund balance in the following amounts:

<u>Budget Year</u>	<u>Levy Lower Than Net Adjusted Budget</u>
2013	130
2014	100
2015	46
2016	114
2017	43
2018	6,558
2019	47,373
2020	157,325
2021	200,000
2022	777,454

Note 2

Nassau County re-assessment assessed valuation. Tax rate represents blended rate of four classes of property.