

NASSAU COUNTY

NEW YORK



COMPREHENSIVE
ANNUAL FINANCIAL
REPORT
OF THE
COMPTROLLER

FOR THE FISCAL YEAR ENDED

DECEMBER 31, 2015

GEORGE MARAGOS
COMPTROLLER

NASSAU COUNTY
NEW YORK



COMPREHENSIVE
ANNUAL FINANCIAL
REPORT
OF THE
COMPTROLLER

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2015

GEORGE MARAGOS
COMPTROLLER

JAMES A. GARNER
CHIEF DEPUTY COMPTROLLER

LISA S. TSIKOURAS, CPA
DIRECTOR OF ACCOUNTING



George Maragos
NASSAU COUNTY COMPTROLLER

COUNTY OF NASSAU, NEW YORK

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015 TABLE OF CONTENTS

	Exhibit	Page
<u>INTRODUCTORY SECTION</u>		
Letter of Transmittal.....		1
Certificate of Achievement for Excellence in Financial Reporting		6
Principal Officials		7
County Departments and Offices		8
<u>FINANCIAL SECTION</u>		
Independent Auditors' Report.....		10
Management's Discussion and Analysis.....		13
BASIC FINANCIAL STATEMENTS		
Government-wide Financial Statements:		
Statement of Net Position (Deficit) – December 31, 2015	X-1	28
Statement of Activities – for the year ended December 31, 2015.....	X-2	31
Fund Financial Statements:		
Governmental Funds – Balance Sheet - December 31, 2015.....	X-3	32
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position - December 31, 2015	X-4	33
Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balances - for the year ended December 31, 2015	X-5	34
Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities - for the year ended December 31, 2015.....	X-6	35
Statement of Revenues, Expenditures and Changes in Fund Balances - Total Budgetary Authority, Actual and Budgetary Basis:		
General Fund for the year ended December 31, 2015	X-7	36
Police District Fund for the year ended December 31, 2015.....	X-8	37
Sewer and Storm Water District Fund - for the year ended December 31, 2015.....	X-9	38
Statement of Fiduciary Assets and Liabilities – December 31, 2015.....	X-10	39
Statement of Net Position (Deficit) - All Discretely Presented Component Units – Proprietary - December 31, 2015	X-11	40
Statement of Activities – All Discretely Presented Component Units – Proprietary – for the year ended December 31, 2015.....	X-12	42

COUNTY OF NASSAU, NEW YORK

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015 TABLE OF CONTENTS

	Exhibit	Page
<u>FINANCIAL SECTION (CONTINUED)</u>		
BASIC FINANCIAL STATEMENTS (CONTINUED)		
Notes to Financial Statements	X-13	
1. Summary of Significant Accounting Policies.....		43
2. Deposits and Investments		70
3. Due from Other Governments		70
4. Tax Sale Certificates.....		70
5. Tax Real Estate Held for Sale.....		71
6. Interfund Receivables, Payables and Transfers		71
7. Deferred Outflows/Inflows of Resources		72
8. Capital Assets		74
9. Leases		78
10. Notes Payable and Long-Term Obligations.....		79
11. Refinancing of Long-Term Obligations		102
12. Pension Plans		102
13. Reconciliation of GAAP Fund Balances to Budgetary Basis.....		115
14. Fund Balances.....		116
15. Other Postemployment Benefits		116
16. Accumulated Vacation and Sick Leave Entitlements.....		121
17. Accrued Payroll		121
18. Contingencies and Commitments		122
19. Nassau Health Care Corporation (“NHCC”).....		128
20. Prior Period Adjustment.....		128
21. Effect of Change in Accounting Principle on Current-Period Financial Statements		130
22. Subsequent Events		131
REQUIRED SUPPLEMENTARY INFORMATION		
Schedule of Funding Progress.....	X-14	136
Schedule of Contributions NYSLRS Pension Plan.....	X-15	137
Schedule of Proportionate Share of the Net Pension Liability - NYSLRS Pension Plan.....	X-16	138
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES		
<u>NONMAJOR GOVERNMENTAL FUNDS</u>		
Combining Balance Sheet – December 31, 2015.....	A-1	140
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – for the year ended December 31, 2015	A-2	141
COMBINING STATEMENT OF NET POSITION AND ACTIVITIES		
<u>NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS – PROPRIETARY</u>		
Combining Statement of Net Position.....	A-3	144
Combining Statement of Activities.....	A-4	145

COUNTY OF NASSAU, NEW YORK

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015 TABLE OF CONTENTS

	Exhibit	Page
<u>FINANCIAL SECTION (CONTINUED)</u>		
OTHER SUPPLEMENTARY INFORMATION		
<u>MAJOR GOVERNMENTAL FUNDS</u>		
Comparative Schedule of Actual Revenues vs. Modified Budget - General Fund - for the year ended December 31, 2015	B-1	148
Comparative Schedule of Actual Expenditures vs. Total Budgetary Authority - General Fund - for the year ended December 31, 2015	B-2	153
Schedule of Revenues, Expenditures and Changes in Fund Balance - Total Budgetary Authority, Actual and Budgetary Basis:		
Police District Fund - for the year ended December 31, 2015	B-3	164
Sewer and Storm Water District Fund - for the year ended December 31, 2015	B-4	165
<u>NONMAJOR GOVERNMENTAL FUNDS</u>		
Schedule of Expenditures by County Departments and Offices Total Budgetary Authority and Actual – Grant Fund for the year ended December 31, 2015	B-5	166
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Total Budgetary Authority, Actual and Budgetary Basis:		
Environmental Protection Fund - for the year ended December 31, 2015	B-6	167
Schedule of Expenditures by County Department and Offices Total Budgetary Authority and Actual – FEMA Fund for the year ended December 31, 2015.....	B-7	168
Combining Balance Sheet – December 31, 2015 – General Fund	B-8	170
Combining Statement of Revenues, Expenditures and Changes In Fund Balances – for the year ended December 31, 2015 – General Fund	B-9	172
<u>CAPITAL ASSETS</u>		
Capital Assets Used in the Operation of Governmental Funds by Function – December 31, 2015	C-1	174
Statement of Changes in Capital Assets by Function – December 31, 2015	C-2	175
<u>FIDUCIARY FUNDS</u>		
Statement of Changes in Fiduciary Assets and Liabilities – December 31, 2015	D-1	176
Statement of Changes in Other Liabilities – Fiduciary Funds for the year ended December 31, 2015	D-2	177
<u>CASH IN BANKS</u>		
Statement of Cash in Banks - All Funds of the Primary Government – December 31, 2015.....	E-1	178

COUNTY OF NASSAU, NEW YORK

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015 TABLE OF CONTENTS

	Exhibit	Page
<u>STATISTICAL SECTION</u>		
<u>FINANCIAL TRENDS</u>		
Net Position by Component	T-1	183
Changes in Net Position	T-2	184
Governmental Activities Tax Revenue by Source (Accrual Basis)	T-3	186
Fund Balances of Governmental Funds	T-4	187
Changes in Fund Balances of Governmental Funds.....	T-5	188
<u>REVENUE CAPACITY INFORMATION</u>		
Government Activities Tax Revenues by Source (Modified Accrual Basis).....	T-6	192
Sales Tax, Assessed Value and Estimated Actual Value of Taxable Property	T-7	193
Property Tax Levies, Rates, Direct and Overlapping Governments	T-8	194
Principal Sources of Own Source Revenue.....	T-9	196
Constitutional Tax Margin	T-10	198
Property Tax Levies and Collections	T-11	199
<u>DEBT CAPACITY INFORMATION</u>		
Ratios of Outstanding Debt by Type.....	T-12	202
Ratios of General Bonded Debt Outstanding	T-13	204
Taxable Full Value Calculation for 2015	T-14	205
Legal Debt Margin Information	T-15	206
Pledged-Revenue Coverage	T-16	207
<u>DEMOGRAPHIC AND ECONOMIC INFORMATION</u>		
Demographic and Economic Statistics.....	T-17	210
Principal Employment by Sector - Current year and nine years ago.....	T-18	211
Annual Average Employment by Industry	T-19	212
<u>OPERATING INFORMATION</u>		
County Government Employees by Function	T-20	216
Capital Asset Statistics by Function.....	T-21	218
Operating Indicators by Function.....	T-22	220

THIS PAGE INTENTIONALLY LEFT BLANK

INTRODUCTORY SECTION



Hon. George Maragos
Nassau County Comptroller



OFFICE OF THE COMPTROLLER
240 Old Country Road
Mineola, New York 11501
Tel: (516) 571-2386
Fax: (516) 571-5900
nccomptroller@nassaucountyny.gov

July 13, 2016

TO THE PEOPLE OF NASSAU COUNTY

I respectfully submit the Comprehensive Annual Financial Report (“the report”) for the year ended December 31, 2015, as required by New York State County Law 577[1] (j)-(k). This letter of transmittal is designed to complement Management’s Discussion and Analysis (“MD&A”) and should be read in conjunction with it.

To the best of my knowledge, the data, as presented, is accurate in all material aspects and presents the financial and operational condition of the County fairly as measured by the financial activity of the governmental entity, its various funds and component units, and includes all necessary disclosures.

The County ended the year with a \$28.0 million surplus in the primary operating funds (General Fund, Police Funds, Fire Commission Fund and Debt Service Fund) under Generally Accepted Accounting Principles (“GAAP”). The surplus is primarily due to \$141.3 million of borrowing approved by the Nassau County Legislature and the Nassau County Interim Finance Authority (“NIFA”), \$33.5 million in one-shot revenue items and \$52.3 million of expenditure reduction opportunities offset by \$28.2 million of discretionary transfers. The borrowing and other initiatives were necessary to overcome a shortfall in recurring revenue of \$78.2 million and higher than budgeted recurring expenditures of \$63.5 million.

On a budgetary basis (not GAAP), the County’s primary operating funds ended 2015 with an estimated surplus of \$57.1 million, which included \$15.0 million of appropriated prior year fund balance. Consequently, the estimated ending 2015 budgetary fund balance increased by \$42.1 million to \$163.1 million. The difference between the \$57.1 million budgetary surplus and the \$28.0 million GAAP surplus is the result of adjustments necessary to arrive at GAAP reporting, including the adjustments to remove the effect of encumbrances, the use of appropriated fund balance and to record pension expense on a fiscal basis.

The County’s established policy on unreserved fund balance recommends that it be no less than 4% and no more than 5.0% of normal prior-year expenditures made from its General Fund and the County-wide Special Revenue Funds (i.e., Police Headquarters, Fire Commission, and Debt Service Funds). The operating fund balance for these four funds, of approximately \$141.4 million, represents about 6.1% of prior year expenditures. The ending fund balance in the Police District Fund on a budgetary basis is \$21.6 million.

OFFICE OF THE COMPTROLLER

240 Old Country Road • Mineola, New York 11501

Tel: (516) 571-2386 • Fax: (516) 571-5900 • nccomptroller@nassaucountyny.gov

The financial fundamentals of the County remain weak, primarily due to the continued use of significant borrowings to pay operating expenditures. The Structural Gap, which has been used historically to measure the financial health of the County, ended at a negative \$141.8 million. Nevertheless, this is an improvement over the prior year's negative \$240.5 million, primarily due to reduced borrowings to pay for operating expenditures, a reduction in social service expenditures, and the reduction of subsidies provided to Nassau Health Care Corporation, one of the County's component units. The Structural Gap is the difference between recurring revenues and expenditures, and excludes non-recurring items, such as certain borrowings, and extraordinary items.

Similarly, the NIFA presentation, which excludes certain other financing sources, such as borrowings to pay for operating expenditures, remains weak at a negative \$125.3 million, although an improvement over the prior year's negative \$189.2 million. Reducing borrowing should continue to be a priority for the Legislature, NIFA and the Administration in order to improve the County fiscal fundamentals.

The County's financial statements are issued in accordance with GAAP for governments in the United States of America, as prescribed by the Governmental Accounting Standards Board ("GASB"). For financial reporting purposes, the GASB requires certain operating funds to be consolidated into the General Fund. Therefore, the presentation of ending budgetary fund balance as presented in this report differs from the budgetary results disclosed above. Under GAAP, certain of the County's financial statements are reported on a government-wide basis while others are reported on a fund (governmental and fiduciary) basis. Government-wide financial statements provide information about the County, as a whole including its component units, while using the economic resources measurement focus and the accrual basis of accounting. Fund financial statements use the current financial resource measurement focus and the modified accrual basis of accounting. Detailed descriptions of each may be found in the Management's Discussion and Analysis section of this report and in Footnote 1, Significant Accounting Policies, which accompany the statements.

The independent accounting firm of RSM US, LLP performed an audit of the County's financial statements as of, and for the year ended, December 31, 2015. Their audit opinion on the basic financial statements, and combining and individual fund statements and schedules is located on pages 10 through 12 of this report.

County programs, which expend federal funds, must also undergo an annual "single audit" in conformance with the provisions of the Federal Single Audit Act and the United States Office of Management and Budget's issuance of Subpart F: *Audit Requirements*, contained in 2 CFR Part 200, of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. The single audit is presented as a separate report. Such report includes the independent auditors' report on internal controls over financial reporting and on compliance and other matters as an appendix.

The County is responsible for establishing and maintaining internal control structures, which should be designed to ensure that its assets are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformance with accounting principles generally accepted in the United States. Internal control structures are designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and, (2) the valuation of costs and benefits requires estimates and judgment by County managers. As a recipient of federal grants, the County must also establish internal control structures in compliance with applicable laws and regulations related to those programs. The County's internal control structures are subject to periodic evaluation by the Comptroller's Office personnel, as well as by the independent auditors engaged to conduct the annual single audit, as required by law.

OFFICE OF THE COMPTROLLER

240 Old Country Road • Mineola, New York 11501

Tel: (516) 571-2386 • Fax: (516) 571-5900 • nccomptroller@nassaucountyny.gov

Profile of the Government

Nassau County funds a full range of municipal services, which include: public safety, health, highways, water and sewer, college education, sanitation, public improvements and parks, recreational facilities and cultural events, as well as planning and general administrative services. Incorporated in 1899, the County contains three towns, two cities, 64 incorporated villages, 56 school districts and approximately 200 special taxing districts that provide services in specific areas, such as garbage collection and water supply. With a population of over 1.3 million people, it occupies 287 square miles located approximately 15 miles east of Manhattan.

The various funds and component units included in this report are deemed to be controlled by, or financially accountable to, the County based on criteria set forth by the Governmental Accounting Standards Board Statement No. 61, as discussed in Note 1 to the Financial Statements. The County's component units are comprised of: NIFA, the Nassau County Tobacco Settlement Corporation, the Nassau County Sewer and Storm Water Finance Authority, the Nassau Community College, the Nassau Health Care Corporation, the Nassau Regional Off-Track Betting Corporation, the Nassau County Industrial Development Agency, the Nassau County Local Economic Assistance Corporation, and the Nassau County Bridge Authority.

The County establishes budgetary controls to ensure compliance with legal provisions contained in the annual appropriated budgets approved by the County Legislature. Activities of the General Fund, Debt Service Fund, and Special Revenue Funds, with the exception of the Grant Fund and the FEMA Fund, are provided for in annual appropriated budgets. Activities of the Grant Fund are appropriated for the life of each grant, as the individual grants are made available to the County; activities of the FEMA Fund were appropriated to cover Super-Storm Sandy expenditures incurred by the County. Project-length financial plans, as well as annual spending plans, are adopted for the Capital Projects Funds.

The level of budgetary control at which expenditures cannot exceed the appropriated amount is exercised by object appropriation level within a department control center. The County also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Appropriations, which have not been expended or encumbered, lapse at the end of the year. Encumbrances outstanding at year-end are recorded in order to reserve that portion of the applicable appropriation and may be expended in a subsequent budgetary period.

Financial policies that had a significant impact on the current period's financial statements

Under GAAP as required for governmental financial reporting, the County's results for the fiscal year were a \$56.9 million surplus, \$55.3 million in the General Fund and \$1.5 million in the Police District Fund. The surplus in the General Fund was primarily the result of the use of borrowed funds to pay operating expenditures, the deferral of pension expenditures, and the reimbursement from Community Development Block Grant – Disaster Recovery ("CDBG-DR") funds of the County's 10% local match for FEMA expenditures incurred since 2012. The County recorded approximately \$15.1 million of revenue under the CDBG-DR as reimbursement for the County's local match share of the FEMA expenditures that have been paid since Superstorm Sandy hit the County in 2012. This revenue was unbudgeted and reflected a boost to the County's 2015 results.

As part of the County's commitment to be compliant with NIFA's accounting treatment of borrowings in 2018, the Administration has removed the financing of judgments and settlements from its multi-year plan in 2018. The County created in 2015 a Litigation Fund to pay for future judgments and settlements; the funding for these costs, which had in prior years been paid with bond proceeds, is debt service surpluses that arise from the use of bond premiums to pay for County debt service costs. For the fiscal year, the County transferred \$20.2 million into the newly established Litigation Fund to use for future judgments and settlement expenditures.

OFFICE OF THE COMPTROLLER

240 Old Country Road • Mineola, New York 11501

Tel: (516) 571-2386 • Fax: (516) 571-5900 • nccomptroller@nassaucountyny.gov

As of December 31, 2015, the County set aside \$8.0 million in the Retirement Contribution Reserve Fund to offset future non-police pension costs.

The County issued a total of \$198.5 million in serial bonds to fund operating expenditures and capital projects, which were offset by maturities and the refinancing of NIFA's debt. The net effect was a decrease in the total outstanding serial bond debt of the County and its component units to \$3.58 billion from \$3.63 billion in 2014 (a net decrease of 1.5% or \$54.67 million, of which \$3.2 billion is recourse and the balance of \$417.8 million is non-recourse debt. The \$417.8 million debt is recourse only to the Nassau County Tobacco Settlement Corporation (NCTSC), one of the component units of the County. The County's liability to the New York State (NYS) Retirement Systems which is the result of the County's continuing election to defer a portion of its annual pension contribution expense increased to an estimated \$221.1 million as of December 31, 2015.

The estimated outstanding property tax liability, excluding Superstorm Sandy assessment tax refunds, rose to \$316.4 million from \$306.6 million. In addition, there is an estimated \$437.0 million of liability from litigation, of which a possible \$385.0 million relates to utilities litigation from certain non-certiorari tax cases dating, in some cases, to the 1990s. In 2016, the County settled a portion of this liability, however the County is still making legal arguments and negotiating to further reduce this liability.

Long-Term Financial Planning

In accordance with NIFA, the County's Control Board, the County is required to submit a multi-year plan (MYP) which addresses the anticipated fiscal challenges. Included in Nassau County's multi-year financial plan are initiatives designed to preserve the County's fiscal integrity, increase the County's resilience to volatile economic conditions and lessen its reliance on borrowing to cover operating expenditures.

The County continues to face significant fiscal challenges due to a divergence between recurring revenues and recurring expenditures currently running at a negative \$141.8 million structural deficit. This divergence is expected to increase due to weakening in sales tax revenues (the County's biggest revenue source) and annual cost increases built into the labor agreements. Various initiatives by the Administration such as fee increases, savings from privatizing the operations of the sewage system and reduced expenditures from assessment reforms have helped to reduce the structural gap but more is required.

In the meantime, the Administration will need to resort to borrowing or find new revenue sources in order to achieve annual budgetary balances. As a result, the long-term serial bond debt of the County (including component units) is expected to continue increasing from the current \$3.6 billion. Additionally, the County will need to contend with over \$900.0 million in unfunded long-term liabilities resulting from the deferment of a portion of the County's annual pension costs, deferring payments of tax certiorari liabilities and the estimated liability due to the recent utility court ruling. A further concern is the Sewer and Storm Water Fund whose fund balance may be depleted in the short-term and will require additional funding. A recent proposal by the Administration to securitize the sewer revenue stream in order (as represented by the Administration in its press release) to pay down approximately \$500.0 million in debt, fund operations and pay \$1.6 billion in capital improvements over 20 years may not be politically viable as it may require substantial fee increases.

The multi-year plans to date have not fully addressed these realities. Consequently, the County will continue to face increasing fiscal challenges. We will continue to urge the Administration, the Legislature and NIFA to recognize and to address these anticipated factors, which can potentially cause significant further deterioration in the County's fiscal fundamentals.

OFFICE OF THE COMPTROLLER

240 Old Country Road • Mineola, New York 11501

Tel: (516) 571-2386 • Fax: (516) 571-5900 • nccomptroller@nassaucountyny.gov

Awards and Acknowledgements

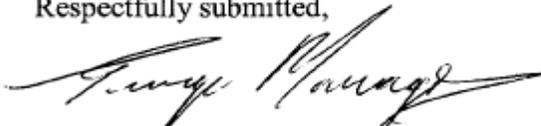
The Government Finance Officers Association of the United States and Canada (“GFOA”) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for the year ended December 31, 2014. This is the thirty-first (31th) consecutive year in which the County’s Comprehensive Annual Financial Report has been so honored. In order to be awarded the Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. Such reports must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that this current report continues to conform to the program requirements, and we plan to submit it to the GFOA to determine its eligibility for a Certificate of Achievement.

The County has also earned GFOA’s Distinguished Budget Presentation Awards for its 2015 budget submission. In order to receive this award, a governmental unit must publish a budget document that meets criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The preparation of the 2015 Comprehensive Annual Financial Report could not have been accomplished without the invaluable assistance of the professional and dedicated staff of the offices of the County Comptroller, the County Executive, the County Treasurer, and Albrecht, Viggiano, Zureck & Company, P.C. I would like to express my appreciation to all those who assisted and contributed to its preparation. I would also like to thank our independent auditors RSM US, LLP, for their guidance and advice.

Respectfully submitted,



George Maragos
Nassau County Comptroller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

County of Nassau
New York

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

COUNTY OF NASSAU, NEW YORK

PRINCIPAL OFFICIALS AS OF DECEMBER 31, 2015

Executive

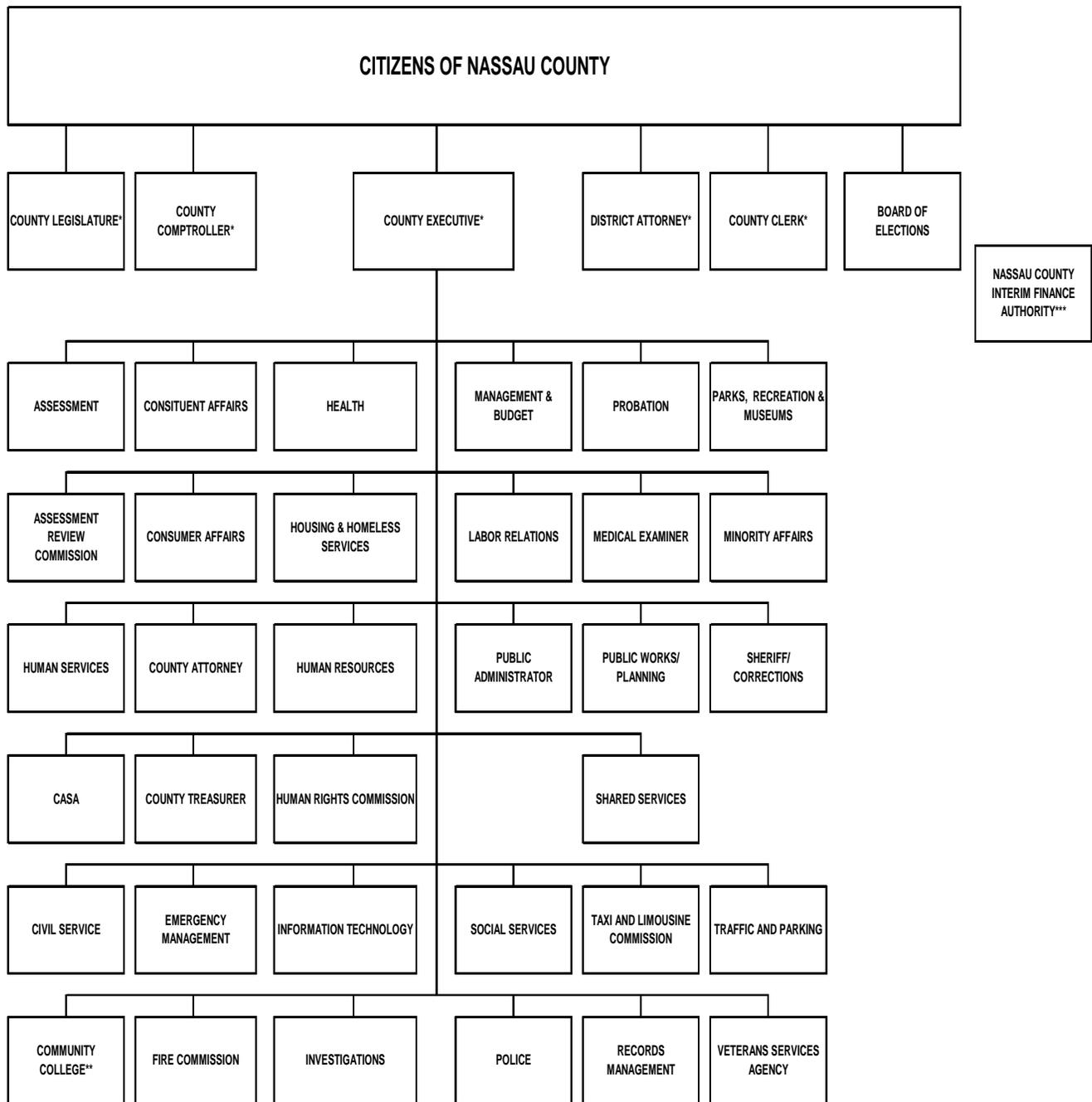
County Executive	Edward P. Mangano
County Comptroller	George Maragos
Chief Deputy County Executive	Rob Walker
Deputy County Executive for Finance	Eric C. Naughton
County Treasurer	Beaumont Jefferson
County Attorney	Carnell T. Foskey
Budget Director	Roseann D'Alleva
Acting District Attorney	Madeline Singas
County Clerk	Maureen C. O'Connell
Acting County Assessor	James E. Davis

Legislative

Norma L. Gonsalves, Presiding Officer	13th Legislative District
Richard J. Nicoletto, Deputy Presiding Officer	9th Legislative District
Howard J. Kopel, Alternate Deputy Presiding Officer	7th Legislative District
Kevan M. Abrahams, Minority Leader	1st Legislative District
Legislator Siela A. Bynoe	2nd Legislative District
Legislator Carrie Solages	3rd Legislative District
Legislator Denise Ford	4th Legislative District
Legislator Laura Curran	5th Legislative District
Legislator Francis X. Becker Jr.	6th Legislative District
Legislator Vincent T. Muscarella	8th Legislative District
Legislator Ellen W. Birnbaum	10th Legislative District
Legislator Delia DeRiggi-Whitton	11th Legislative District
Legislator James D. Kennedy	12th Legislative District
Legislator Laura Schaefer	14th Legislative District
Legislator Dennis Dunne, Sr.	15th Legislative District
Legislator Judith A. Jacobs	16th Legislative District
Legislator Rose Marie Walker	17th Legislative District
Legislator Donald N. MacKenzie	18th Legislative District
Legislator Steven D. Rhoads	19th Legislative District

COUNTY OF NASSAU, NEW YORK

COUNTY DEPARTMENTS AND OFFICES as of December 31, 2015



* Offices Elected by Voters of Nassau County

** Discretely Presented Component Unit. See Note 1 of Notes to Financial Statements

*** Blended Component Unit. See Note 1 of Notes to Financial Statements.

FINANCIAL SECTION



RSM US LLP

Independent Auditor's Report

Honorable Edward P. Mangano, County Executive
and Members of the County Legislature
County of Nassau, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Nassau, New York, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Nassau Health Care Corporation, Nassau County Bridge Authority, Nassau Regional Off-Track Betting Corporation, Nassau County Industrial Development Agency, and Nassau County Local Economic Assistance Corporation which represent 68 percent, 71 percent, and 69 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Nassau, New York, as of December 31, 2015, and the respective changes in financial position, and the respective budgetary comparison for General Fund, Police District Fund and Sewer and Storm Water District Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the County is under a control period as imposed by Nassau County Interim Finance Authority (NIFA). NIFA had determined that the County's proposed budget reflected a substantial likelihood that it would produce an operating funds deficit in excess of one percent of the aggregate result of operations of such funds. Our opinions are not modified with respect to this matter.

As discussed in Note 20 to the financial statements, certain balances of the Capital Fund, a major fund, and Governmental Activities have been restated as of January 1, 2015 to correct errors in previously issued financial statements related to payables on construction contracts. Our opinions are not modified with respect to this matter.

As discussed in Note 21 to the financial statements, the County and the discretely presented component units adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment to GASB 68*. Accordingly, the unrestricted net position (deficit) and other balances as of January 1, 2015 have been restated. Our opinions are not modified with respect to this matter.

The report of the independent auditor of Nassau Regional Off-Track Betting Corporation (OTB) contained an Emphasis of Matter paragraph concerning OTB's ability to continue as a going concern (see Note 1). Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress, schedule of contributions and schedule of proportionate share of the net pension liability on pages 13-26 and 136-138, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund statements and schedules, combining statement of net position and activities and other supplementary information as listed in the table of contents (collectively, the "supplementary information"), Introductory Section and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

RSM US LLP

New York, New York
July 13, 2016

COUNTY OF NASSAU, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

Nassau County's (the "County") Comprehensive Annual Financial Report ("CAFR") is presented in conformity with GAAP for governments in the United States of America as prescribed by the Governmental Accounting Standards Board ("GASB"). This section of the report, required under GASB 34, presents Management's Discussion and Analysis ("MD&A") of the County's financial activities and performance for the fiscal years ended December 31, 2015 and 2014. This section should be read in conjunction with the letter of transmittal and the County's financial statements.

FINANCIAL HIGHLIGHTS

The County manages its daily operations on a budgetary basis by use of its primary operating funds, which the County has defined as the General Operating Fund, Debt Service Fund, Fire Prevention Fund, Police Headquarters Fund and Police District Fund. Budgetary results communicated to the County's residents are computed under this methodology. In 2011, GASB Statement No. 54 ("GASB 54") redefined the General Fund for financial reporting purposes, by consolidating certain primary operating funds, as well as some smaller governmental funds, into the General Fund. Thus, the General Fund, as reported in these financial statements, differs from the primary operating fund known herein as the General Operating Fund. To distinguish between the two, the "General Operating Fund" refers to the County's primary operating fund on a budgetary basis, while the "General Fund" refers to the General Fund under the GASB 54 definition, reported in these financial statements.

Government-wide financial statements provide information about the County, as a whole, using the economic resources measurement focus and the accrual basis of accounting. Differences between the government-wide statements and the budgetary basis results include differing measurement focuses and basis of accounting between the statements. The Statement of Activities reflects the net costs of each major function of operations, which differs from the presentation of expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Total Budgetary Authority and Actual, which reflects the County's budgetary presentation.

The County ended the 2015 fiscal year with a budgetary surplus of \$57.1 million in its primary operating funds. This budgetary surplus includes \$15.0 million of appropriated prior year fund balance, a transfer of \$8.0 million discretionary charge to fund the pension reserve to reduce future non-police pension costs and a \$20.2 million transfer to the newly established Litigation Fund to offset the cost of future judgments and settlements. Factors contributing to the budgetary surplus were: lower debt service expenditures than budgeted resulting from delaying long-term borrowings, lower non-overtime payroll and fringe benefits due to budgeted position vacancies and employee and retiree health insurance rates that were lower than projected in the budget, lower early intervention / special education expenditures due to reduced service rates, lower Medicaid payments due to a reduction in our local share cap, higher than anticipated Federal and State aid primarily due to the Community Development Block Grant – Disaster Recovery's ("CDBG-DR") reimbursement of the County's local 10% FEMA match, other favorable variances include increases in miscellaneous revenues such as permits and licenses, interest penalties on taxes, PILOT revenues and lower social service expenditures, as well as lower volume of services. These positive variances were offset by sales tax receipts which fell short of budget estimates primarily due to the calculation of growth from a much lower 2014 year-end actual base than was previously anticipated during the 2015 budget process, this coupled with a decrease in gasoline prices, upon which sales tax is assessed. Also offsetting 2015 favorable variances were lower net school safety-zone speed camera revenue due to the County Legislature repealing the program on December 15, 2014 and no revenue from video lottery terminals due to a delay in identifying site location for the machines.

COUNTY OF NASSAU, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2015

FINANCIAL HIGHLIGHTS (Continued)

The overall surplus, including fund balance appropriated from the prior year, is primarily comprised of a surplus of \$52.9 million in the General Operating Fund, a \$5.8 million surplus in the Police District Fund offset by a deficit in the Police Headquarters Fund of \$1.7 million. These surplus funds have been added to existing accumulated budgetary fund balance, which was reduced by \$15.0 million of prior year fund balance appropriated in the 2015 fiscal year. Thus, the ending fund balance in the primary operating funds was \$163.1 million as of 2015 fiscal year end, up from \$121.0 million as of the end of fiscal year 2014, a net change of \$42.1 million. Ending fund balance of \$163.1 million was primarily comprised of \$141.3 million in the General Operating Fund, and \$21.6 million in the Police District Fund.

The County's net worth, on a government-wide basis in accordance with GAAP, decreased by \$47.4 million during 2015, inclusive of the cumulative effect of change in accounting principle of \$(8.3) million and a prior period adjustment of \$(2.7) million, to a negative \$7.4 billion. This decrease was primarily driven by an increase in health and education expenses, offset by decreases in general administration expenses and protection of persons as well as increases in capital grants and property taxes revenues.

Other factors include an increase in sales tax and operating grant revenues in addition to lower expenses for public works and social services.

As noted, these financial statements are presented in accordance with GAAP. In addition, certain financial statements present GAAP to budgetary basis conversion columns to show actual results on a budgetary basis. Fund balance in the County's operating funds as reported in the CAFR totaled \$192.7 million on a budgetary basis; \$171.1 million of the total is reported in the General Fund, which includes \$20.2 million in the newly established Litigation Fund and \$8.0 million in the Retirement Contribution Accrual Reserve Fund and \$21.6 million in the Police District Fund. The difference between the ending fund balance of \$192.7 million and the \$163.1 million disclosed above represents the ending fund balance of the operating funds included in the General Fund for reporting purposes. These funds are the Litigation Fund, the Retirement Contribution Reserve Fund, the Open Space Fund and the Technology Fund.

Prior Period Adjustment

Subsequent to the issuance of the County's 2014 financial statements, management determined that there were errors in the County's accounting for capital expenditures resulting from the omission of payables on construction contracts, which resulted in an understatement of governmental fund expenditures and governmental activities non-depreciable capital assets. These errors have been corrected and are reported as prior period adjustments in this report.

Governmental Fund Statements:

Management determined that there was an error in the recognition of liabilities related to governmental fund capital expenditures, which resulted in an understatement of expenditures of \$39.9 million for the year ended December 31, 2014. This resulted in accrued liabilities and ending fund balance, as reported in the governmental funds as of December 31, 2014, being understated and overstated, respectively, by the same amount. Consequently, the revised ending fund balance as reported in the governmental fund statements as of December 31, 2014, was reduced by \$39.9 million, to \$519.3 million.

COUNTY OF NASSAU, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2015

FINANCIAL HIGHLIGHTS (Continued)

Prior Period Adjustment (Continued)

Government-wide Statements:

The error disclosed above also impacted the government-wide non-current assets and current liabilities as a result of the omission of accrued capital expenditures and the conversion of those expenditures to construction-in-progress additions for the fiscal year ended December 31, 2014. Consequently, 2014 ending government-wide Statement of Net Position (Deficit) and the 2014 Statement of Activities were adjusted by \$(2.7) million. (See Note 20).

Change in Accounting Policy

In fiscal year 2015, the County and its component units adopted GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*", which requires the liability of employers and nonemployer contributing entities to employees for defined benefit pensions (net pension liability) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position.

As a result of this change, the primary government's long-term obligations reported on the Statement of Net Position as of December 31, 2015 increased by \$83.5 million, representing the portion of the County's share of the total New York State Retirement System's pension liability for active and inactive employees, computed on an actuarial basis. The deferred outflows of resources on the Statement of Net Position increased by \$149.9 million, representing the contributions the County made to the New York State Retirement System subsequent to the measurement date. The Statement of Activities for the year ended December 31, 2015 includes an opening adjustment of \$(8.3) million and \$74.7 million in functional expenses, allocated based on the pension invoice as of the measurement date.

COUNTY OF NASSAU, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2015

ANALYSIS OF GOVERNMENT-WIDE FINANCIAL STATEMENTS FOR 2015

GASB Statement No. 34 requires the inclusion of two types of financial statements in the CAFR: *government-wide financial statements* and *fund financial statements*.

Government-wide financial statements provide information about the County, as a whole, using the *economic resources measurement focus* and the *accrual basis of accounting*. The economic resources measurement focus looks at the transactions and events that have increased or decreased the total economic resources of the government, as a whole, during the accounting period being reported. The accrual basis of accounting requires revenues to be recognized as soon as they are earned, regardless of the timing of related inflows of cash, and it requires expenses to be recognized as soon as liabilities are incurred, regardless of the timing of related outflows of cash. These statements present a long-term view of the County's finances.

There are two government-wide financial statements: the *Statement of Net Position* and the *Statement of Activities*. The Statement of Net Position reports everything the County owns (its assets) and owes (its liabilities) as of the end of the year. Net position is what remains after all liabilities have been recorded; they signify the net worth of the government. This statement is designed to display assets and liabilities in order of their basic liquidity and maturity while presenting the basic accounting relationship applicable to public sector entities: *assets + deferred outflow of resources – liabilities – deferred inflow of resources = net position*. This statement also presents all of the County's economic resources – that is, all of its assets and liabilities, both financial and capital. The Statement of Activities tracks the County's annual revenues and expenses, as well as any other transactions that increase or reduce the County's net position. It divides the County's activities into three elements: its governmental activities, its business-type activities (currently not applicable), and the activities of its component units.

Information on separately issued component unit financial statements is shown in Note 1 to the financial statements.

The Statement of Net Position

The Statement of Net Position for the 2015 fiscal year reports a deficit balance of \$7.4 billion in net position. Table 1 illustrates that the County's net worth decreased by \$47.4 million during 2015, which is inclusive of a \$(2.7) million prior period adjustment which is reported as restated 2014 Net Position (Deficit). This was primarily due to increases in long-term liabilities offset by increases in capital assets and deferred outflows of resources. The County's long-term liability for Net Pension Liability increased by \$83.5 million as a result of the County's implementation of GASB 68, retirees' health insurance, OPEB, increased by \$148.3 million, and a net increase of \$26.0 million was added to the liability due to the New York State and Local Retirement system for pension expense deferral. The reduction in Current and Other Assets was primarily due to a reduction of \$90.1 million in Cash and Cash equivalents and \$59.7 in Due from Other Governments. Lower cash balances than the prior year in the Capital Fund of \$158.6 million and the Sewer and Storm Water Fund of \$20.8 million offset by higher cash balances in the General Fund of \$93.6 million. The reduction in Due from Other Governments was primarily due to receipts from FEMA in 2015 for Superstorm Sandy related damages. Deferred Outflows of Resources increased by \$140.1 million primarily due to the adoption of GASB Statement No. 68. Current and Other Liabilities decreased primarily due to a reduction of \$47.0 million in Bond Anticipation Notes (BANS) payable that were issued by the County for funding of Superstorm Sandy related capital repairs, in anticipation of FEMA reimbursement. As FEMA reimbursement was received, the outstanding balance of BANS was reduced. In addition, the current portion of long term liabilities decreased by \$33.8 million, Property Tax Refund Payable decreased by \$22.2 million and Unearned Revenue decreased by \$12.7 million. These decreases were offset by an increase in accounts payable and accrued liabilities of \$126.3 million.

COUNTY OF NASSAU, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2015

ANALYSIS OF GOVERNMENT-WIDE FINANCIAL STATEMENTS FOR 2015 (Continued)

The Statement of Net Position (Continued)

Table 1
Condensed Statement of Net Position
(dollars in millions)

	Total Primary Governmental Activities		
	2015	(As Restated) 2014	Change
Current and Other Assets	\$ 1,412.0	\$ 1,541.1	\$ (129.1)
Capital Assets	2,899.4	2,711.1	188.3
Total Assets	4,311.4	4,252.2	59.2
Total Deferred Outflows of Resources	261.9	121.8	140.1
Current and Other Liabilities	1,422.7	1,444.7	(22.0)
Long-Term Liabilities	10,378.9	10,106.3	272.6
Total Liabilities	11,801.6	11,551.0	250.6
Total Deferred Inflows of Resources	126.2	130.1	(3.9)
Net Position			
Net Investment in Capital Assets	1,949.3	1,718.3	231.0
Restricted	132.9	148.0	(15.1)
Unrestricted	(9,436.7)	(9,173.4)	(263.3)
Total Net Position (Deficit)	\$ (7,354.5)	\$ (7,307.1)	\$ (47.4)

The County has \$1.9 billion invested in its capital assets, recorded at acquisition cost, net of accumulated depreciation and related debt. Capital assets are used by the County in the provision of services to the taxpayers; hence, this investment of County equity is allocated in the County's capital assets and is not immediately available to support future expenses.

The County's Statement of Net Position shows a deficit balance of \$7.4 billion in net position at December 31, 2015 and an unrestricted net deficit of \$9.4 billion. Unrestricted net position reflects all liabilities that are not related to the County's assets and are not expected to be repaid from restricted resources. Accordingly, the County will have to allocate future revenues towards the payment of these liabilities.

As of December 31, 2015, the County and its blended component units had a combined \$3.6 billion in outstanding serial bond debt, excluding accreted interest payable related to the Nassau County Tobacco Settlement Corp (NCTSC). The County has historically issued long-term debt to finance judgments, settlements, and the payment of real property tax refunds resulting from successful grievances of property tax assessments. As of December 31, 2015, the County had \$939.0 million of outstanding debt related to tax certiorari settlements.

The County has been determined to be responsible under the County Administrative Code for paying, without chargeback, the real property tax refunds (other than those arising from correction of errors) of the three towns within the County, all but one of the 56 school districts, and approximately 200 special districts.

COUNTY OF NASSAU, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2015

ANALYSIS OF GOVERNMENT-WIDE FINANCIAL STATEMENTS FOR 2015 (Continued)

The Statement of Net Position (Continued)

The New York State Assembly and the New York State Senate passed assessment legislation, which the Governor signed on November 21, 2014, that will aid the County in achieving structural balance. This legislation creates a Disputed Assessment Fund that will establish a manageable and fiscally-sound process to satisfy most commercial tax certiorari refunds and end the need to borrow to pay for tax certiorari refunds, which has been the practice of the County since the 1970s. It provides for a two-step process for commercial property assessment disputes and requires that all payments towards the disputed assessment fund be administered in the same manner as County real property taxes. Any refund of real property taxes owed to a class four property owner as a result of a settlement or final decision will be paid from the disputed assessment fund. Any funds that remain thereafter shall be distributed pro rata to the County and the applicable school district, town and special districts. The structural benefits from the commercial tax certiorari reform legislation will begin to be realized in 2017. Commercial property owners are being notified in 2016 of their new property tax obligations.

The Statement of Activities

The Statement of Activities for the fiscal year that ended December 31, 2015 details the decrease in the County's net worth from 2014 to 2015. Table 2 summarizes the changes in the County's net position. Several factors impacted the County's net worth. They include:

- General Administration expenses decreased by \$140.2 million primarily due to no change in the Liability for Litigation & Malpractice Claims which resulted in a \$142.0 million decrease in the amount charged to expense from the prior year as well as a decrease of \$14.2 million which resulted from the change in the estimated OPEB liability from the prior year. In addition, there was a decrease of \$5.5 million to pension expense as a result of the adoption of GASB Statement No. 68. These decreases were offset by an increase in the liability to the New York State and Local Retirement System of \$26.0 million related to the deferral of pension expense.
- Sales Tax revenues increased \$12.1 million due to higher spending than in prior years.
- An increase in Operating Grant revenue of \$21.4 million was primarily due to grant increases for general government, public works and protection of persons.
- An increase of \$63.5 million in Capital Grants revenue primarily resulting from FEMA reimbursements for capital projects for damages from Superstorm Sandy.
- Public Works reduced expenses of \$42.3 million primarily due to approximately \$28.0 million less in contractual spending related to Superstorm Sandy as well as \$24.9 million in the purchase of Nassau Inter-County Express (NICE) buses. The purchase of these assets was recorded as Capital Assets in the Statement of Net Position.
- An increase in revenue from Property Taxes of \$29.2 million was primarily due to an adjustment in the Property Tax Levy for 2015 consistent with conforming to the New York State Property Tax Cap which resulted in the residents receiving a rebate from New York State Department of Taxation.
- Protection of Persons expenses decreased \$41.9 million as a result of the County's adoption of GASB Statement No. 68.

COUNTY OF NASSAU, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2015

ANALYSIS OF GOVERNMENT-WIDE FINANCIAL STATEMENTS FOR 2015 (Continued)

The Statement of Activities (Continued)

Table 2
Condensed Statement of Activities
(dollars in millions)

	(As Restated)		Change
	2015	2014	
Revenues			
Program Revenues			
Charges for Services	\$ 302.8	\$ 300.1	\$ 2.7
Operating Grants	487.6	466.2	21.4
Capital Grants	138.4	74.9	63.5
General Revenues			
Property Taxes	966.9	937.7	29.2
Sales Taxes	1,102.9	1,090.8	12.1
Other Taxes	47.0	43.6	3.4
Tobacco Settlement Revenues	18.6	21.7	(3.1)
Investment Income	20.6	19.4	1.2
Other General Revenues	32.7	31.0	1.7
Total Revenues	3,117.5	2,985.4	132.1
Expenses			
Legislative	11.1	10.9	0.2
Judicial	70.0	78.1	(8.1)
General Administration	711.1	851.3	(140.2)
Protection of Persons	779.5	821.4	(41.9)
Health	221.6	216.0	5.6
Public Works	357.1	399.4	(42.3)
Recreation and Parks	50.3	55.0	(4.7)
Social Services	538.9	560.4	(21.5)
Corrections	223.2	240.1	(16.9)
Education	9.2	10.8	(1.6)
Interest on Long Term Debt	184.6	180.2	4.4
Total Expenses	3,156.6	3,423.6	(267.0)
Increase (Decrease) in Net Position (Deficit)	(39.1)	(438.2)	399.1
Net Position (Deficit) Beginning, as restated (See Notes 20 and 21)	(7,315.4)	(6,868.9)	(446.5)
Net Position (Deficit) Ending	\$ (7,354.5)	\$ (7,307.1)	\$ (47.4)

COUNTY OF NASSAU, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2015

ANALYSIS OF FUND FINANCIAL STATEMENTS FOR 2015

The remaining statements in the CAFR are *fund financial statements (governmental fund statements and fiduciary fund statements)* that focus on individual parts of the County government, reporting on the County's operations in more detail than the government-wide statements. Funds are accounting controls that the County uses to keep track of specific sources of funding and spending on particular programs. The fiduciary funds employ the *economic resources measurement focus* and accrual basis of accounting. The governmental fund financial statements employ the *current financial resources measurement focus* and are presented using the *modified-accrual basis of accounting*. The current financial resources measurement focus requires the fund financial statements to report near-term inflows and outflows of financial resources. To achieve this objective, the application of the accrual basis of accounting must be modified so that the fund financial statements report only those transactions and events that affect inflows and outflows of financial resources in the near future.

The County's *governmental fund statements (balance sheet and statement of revenues, expenditures, and changes in fund balance)* tell how the general governmental services were financed in the short-term, as well as what money remains for future spending. These statements present the government's current financial resources (which include its cash and cash equivalents and those assets that are expected to be converted into cash within the next year) and the current liabilities that these assets will be used to retire.

For budgetary purposes, the County's general operations are financed through four primary operating funds: the General Operating Fund; the Fire Prevention Fund; the Police Headquarters Fund; and the Police District Fund. With the exception of the Police District Fund, the remaining primary operating funds have identical tax bases; accordingly. The County also has a Debt Service Fund into which resources are transferred to pay current and future debt service obligations. The County's sewer and storm water operations are funded through the Sewer and Storm Water Resources District Fund, which through State legislation, consolidated three sewage disposal district maintenance funds, as well as a sewage collection district maintenance fund for the twenty-seven sewer collection districts located throughout the County. In 2014, the County was required to diversify the Sewer and Storm Water fund into three separate assessments: sewage collections, disposal services and sewage disposal services. The County also has a Litigation Fund, Retirement Contribution Reserve Fund, Technology Fund, an Open Space Fund, an Environmental Bond Fund, and an Employee Accrued Benefit Liability Fund as well as a series of other non-major operating, Grant, FEMA and Capital Project Funds.

For GAAP reporting purposes, the Fire Commission Fund, the Police Headquarters Fund, the Debt Service Fund, the Litigation Fund, the Retirement Contribution Reserve Fund, the Technology Fund, the Employee Accrued Benefit Liability Fund, and the Open Space Fund have been combined with the General Fund.

General Fund Budget Variances

On a reporting basis, the County ended the 2015 fiscal year with a General Fund budgetary surplus of \$79.7 million, which was achieved by appropriating \$11.9 million of prior year fund balance. The County's surplus is comprised of a number of variances from the originally adopted budget.

The County cannot legally incur expenditures for which no appropriation has been previously provided, either at the time of initial budget adoption or through subsequent supplemental appropriation. Consequently, there can be no expenditures that are over the total appropriations. The variances discussed below are a comparison of budgetary actual to the adopted budget.

For financial reporting purposes (modified accrual basis), the County ended the 2015 fiscal year with an operating surplus of \$55.3 million in the General Fund. The difference between the General Fund's budgetary surplus of \$79.7 million and the reporting surplus of \$55.3 million is primarily due to: adjustments required to eliminate the effect of encumbrances that cross fiscal years; an adjustment to pension contributions to match the actual time period covered; and the removal of the appropriation of prior year fund balance. As seen on Exhibit X-7, the adjustments for encumbrances create a number of significant expense budget variances, which reflect the timing of encumbrance and payment of encumbered funds.

COUNTY OF NASSAU, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2015

ANALYSIS OF FUND FINANCIAL STATEMENTS FOR 2015 (Continued)

General Fund Budget Variances (Continued)

- On a budgetary basis, including the NIFA Fund, Sales Tax fell short of the \$1.1 billion original budget by \$40.4 million. A portion of the actual receipts appears on blended component unit NIFA's financial statements, since it draws County Sales Tax to pay County related debt service. Sales Tax reported in the General Fund was \$221.1 million under budget offset by \$180.7 million reported in the NIFA Fund in the financial statements primarily due to the calculation of growth from a much lower 2014 year-end actual base than was previously anticipated during the 2015 budget process, this coupled with of a decrease in gasoline prices, upon which sales tax is assessed.
- Revenue for Fines and Forfeits was \$40.7 million under the \$102.0 million original budget primarily due to repealing the School Safety Speed Zone program as well as the delayed implementation of scheduled red light camera sites. In addition, there were lower contractual expenditure savings than anticipated.
- Interfund Revenue was \$30.0 million under the original budget of \$75.2 million due to a lower debt service chargeback revenue requirement and lower debt service costs on NHCC debt. These decreases were partially offset by reimbursements from FEMA.
- General Administration expenditures were \$122.7 million below the \$382.1 million original budget is primarily due to the lower than anticipated Tax Certiorari payments of \$96.7 which were financed through long term debt and savings in contingency reserve of \$10.0 million.
- Social Services costs were \$38.8 million under the \$597.8 million original budget due to lower Medicaid payments of \$16.5 million and lower Emergency Vendor payments of \$9.2 million.
- Overall, there were lower than budgeted salary and fringe benefits due to vacancies and lower than anticipated health insurance premium increases.
- Debt service costs were lower than expected due to delayed borrowings and NIFA refunding debt savings.
- Other favorable variances include increases in miscellaneous revenues such as permits and licenses, interest penalties on taxes, and PILOT revenues.
- Other expenditures were \$31.0 million under the \$94.7 million original budget primarily due to saving from ending the Mission payment to Nassau County Healthcare Corporation of \$13.0 and \$11.3 in savings from suits and damages.

Police District Fund Budget Variances

- Revenues were \$10.8 million under the original budget primarily due to \$10.1 million lower Interdepartmental Revenue than budgeted of which \$9.2 million was from lower than anticipated chargeback revenue from Police Headquarters and \$1.1 million lower Departmental Revenue from a decline in towing fees that was offset by \$0.7 million of higher License and Permit Fees from pistol permit fees.
- Total expenditures were lower than originally budgeted by \$15.8 million, primarily due to \$8.5 million from the financing of termination payments, lower headcount and fringe benefit savings. In addition, decreases were due to use of the employee benefit reserve, lower than anticipated FICA expenses, and the decrease of other expenditures by \$5.0 million from the non-realization of contingency expenses in 2015.

COUNTY OF NASSAU, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2015

ANALYSIS OF FUND FINANCIAL STATEMENTS FOR 2015 (Continued)

Sewer and Storm Water Fund Budget Variances

- Revenues, excluding property taxes, were lower than the original budget by approximately \$18.3 million primarily due to not realizing the \$12.5 million budgeted, as departmental revenue - Sewer Assessment Fees that are still in litigation and \$3.4 million in lower Rents and Recoveries and Intergovernmental Charges.
- Total expenditures were lower than originally budgeted by approximately \$21.6 million primarily due to salary and fringe savings, as well as, lower General Expenses as a result of lower utility costs and lower Contractual Services of \$8.8 million from the contract for the operation of certain functions at the County's sewer treatment facilities.

Total Budgetary Authority to Actual on a Budgetary Basis Variances

General Fund

The variances discussed below are a comparison of modified budgetary authority to actual on a budgetary basis.

- The General Fund total revenue was under budget by approximately \$301.1 million. This variance is mainly comprised of a total sales tax variance of \$40.4 million, of which \$221.1 million was reported in the General Fund and is offset by \$180.7 in the NIFA Fund (the budget included sales tax revenue that is retained by NIFA), fines and forfeits of \$40.7 million, interfund revenues of \$30.0 million, and video lottery terminal revenues of \$9.0 million.
- Total expenditures were under budget by approximately \$301.5 million. This variance is mainly comprised of General Administration of \$127.1 million, \$29.9 million for Health, \$38.8 for Social Services, and \$32.8 million in Other.
- Debt service expenditures were under budget due to delayed and reduced borrowings.

Police District Fund

- Total Revenues on a budgetary basis versus actual on a budgetary basis difference was under budget by approximately \$10.8 million. This difference is primarily due to interdepartmental revenue.
- Total Expenditures were under budget by roughly \$15.8 million. This difference is mainly due to decreases in salaries of \$7.5 million and other expenditures of \$5.0 million.

Sewer and Storm Water District Fund

- Total revenues for the Sewer and Storm Water District Fund were \$105.0 million over budget when comparing budgetary to actual on a budgetary basis. This \$105.0 million is mainly due to the pass thru of tax collections from the Sewer Storm Water Financing Authority.
- Total Expenditures were over budget by \$21.6 million due to \$10.2 million in contractual services, \$4.9 million in general expenditures and \$1.8 million in interdepartmental charges.

COUNTY OF NASSAU, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2015

ANALYSIS OF FUND FINANCIAL STATEMENTS FOR 2015 (Continued)

Fund Equity

Table 3
Summary of Change in Fund Equity
Nassau County Major Funds*
(dollars in millions)

	General Fund	Police District Fund	Sewer and Storm Water District Fund	Capital Fund	Total Nassau County Major Funds*
Fund Equity, as of December 31, 2013	\$ 79.3	\$ (3.4)	\$ 62.5	\$ 284.6	\$ 423.0
Add: 2014 Revenues	2,158.8	370.6	121.7	37.6	2,688.7
Less: 2014 Expenditures	2,368.0	380.6	108.2	226.3	3,083.1
2014 Other financing sources, net	194.7	3.0	(23.0)	146.8	321.5
Change in application of accounting principle				4.5	4.5
Fund Equity, as of December 31, 2014 as restated	64.8	(10.4)	53.0	247.2	354.6
Add: 2015 Revenues	2,218.3	377.5	138.5	129.3	2,863.6
Less: 2015 Expenditures	2,360.8	377.5	125.1	310.6	3,174.0
2015 Other financing sources, net	197.8	1.6	(20.0)	60.9	240.3
Fund Equity, as of December 31, 2015	<u>\$ 120.1</u>	<u>\$ (8.8)</u>	<u>\$ 46.4</u>	<u>\$ 126.8</u>	<u>\$ 284.5</u>

* not including blended component units

Table 3 shows accumulated fund balance in the County's major funds (excluding the blended component units) totaled \$284.5 million at the end of 2015. Of this fund balance: \$55.7 million is categorized as non-spendable, which is, primarily, the portion of the retirement bill prepaid for the beginning of the next year; \$26.6 million is restricted, primarily as it is earmarked for debt service, judgment and claims, and the preservation of open space in the County; and \$123.9 million is committed to capital projects and \$76.0 thousand is committed to the Technology Fund. The remaining fund equity is available as a contingency to offset any future economic changes that may impact the County's operating budget.

Total fund equity in the Police District Fund improved \$1.6 million, from a negative \$10.4 million to a negative \$8.8 million. The decrease is a result of lower than anticipated personnel related expenses.

COUNTY OF NASSAU, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2015

CAPITAL INVESTMENTS

During the 2015 fiscal year, the County incurred the following expenditures related to its capital projects: \$142.3 million in sewer district improvements (designated with an * in Table 4 below) and upgrades, \$39.5 million in roads, \$29.6 million in buildings, \$26.8 million in infrastructure-related improvements and \$28.5 million in public safety projects. The County made capital improvements during 2015 in the following areas:

Table 4
Capital Improvements
January 1, 2015 to December 31, 2015
(dollars in millions)

<u>Project Category</u>	<u>Amount</u>
Building Consolidation Plan	\$ 0.8
Buildings	28.8
Environmental Bond Act	1.8
Equipment	4.3
Infrastructure	26.8
Parks	15.8
Property	1.2
Public Safety	28.5
Roads	39.5
Technology	10.9
Traffic	8.3
Transportation	2.7
Collection *	5.0
Disposal *	135.8
Storm Water *	1.5
	<u>\$ 311.7</u>

DEBT

As of December 31, 2015, the par value of County's serial bond debt was \$2.1 billion and \$1.5 billion for the blended component units, NIFA, NCSSWFA and NCTSC. The combined \$3.6 billion in outstanding long-term debt (excluding accreted interest) as of December 31, 2015, represented a net decrease of \$54.7 thousand of the combined long-term debt outstanding as of December 31, 2014. Of the \$3.6 billion debt outstanding, \$3.2 billion is recourse debt to the County and the balance of \$417.8 million is recourse only to NCTSC. The County provides a direct-pay guarantee of \$229.9 million outstanding from the refunding and new money debt issued in October 2004 and refunded in April 2009 by NHCC. The County also provides a contractual direct-pay obligation pursuant to the Support Agreement of \$7.3 million outstanding from the refunding and new money debt issued in June 2005 by the Nassau Regional Off-Track Betting Corporation ("OTB"), which is subject to appropriation. Since the two entities are discretely-presented component units of the County, their debt is not itemized in Table 5 below.

COUNTY OF NASSAU, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2015

DEBT (Continued)

Table 5
Changes in Long-Term Debt Obligations
(dollars in thousands)

	Balance January 1, 2015	Additions	Reductions	Balance December 31, 2015
General Obligation County Bonds	\$ 1,832,501	\$ 198,535	\$ 70,445	\$ 1,960,591
Sewage Purpose Bonds	48,915		5,020	43,895
SRF Revenue Bonds	89,620		8,024	81,596
Total Serial Bonds - County	<u>1,971,036</u>	<u>198,535</u>	<u>83,489</u>	<u>2,086,082</u>
NIFA Sales Tax Secured Bonds	1,087,516	116,310	282,220	921,606
Sewer Financing Authority	157,200		2,940	154,260
Tobacco Settlement Asset-Backed Bonds	418,662		859	417,803
Total Serial Bonds - Blended Component Units	1,663,378	116,310	286,019	1,493,669
Total Serial Bonds	<u>3,634,414</u>	<u>314,845</u>	<u>369,508</u>	<u>3,579,751</u>
Accreted interest - Tobacco Settlement Asset	48,646	6,394		55,040
Total Serial Bonds and Accreted Interest	<u>\$ 3,683,060</u>	<u>\$ 321,239</u>	<u>\$ 369,508</u>	<u>\$ 3,634,791</u>

During 2015, the County issued a total of \$198.5 million of long-term debt, of which \$196.0 million was used to fund its capital program, certain judgments, property tax refunds, and employee separation pay for unused accumulated time off and \$2.5 million to fund termination pay expenditures paid by the College and various College capital projects. The State Revolving Fund ("SRF") is administered by the New York State Environmental Facilities Corporation, which provides interest-subsidized loans to local governments for eligible environmental projects (e.g., sewer and storm water improvement initiatives).

In 2015, NIFA issued \$116.3 million of sales tax refunding bonds along with reoffering premium on issuance and additional NIFA funds to refund \$138.7 million of sales tax secured debt.

Also offsetting new issuances were maturities of the County's, NIFA's, NCTSC's and NCSSWFA's long-term debt of \$369.5 million during 2015, which included \$138.7 million of NIFA's refinanced debt.

The County issued short-term debt during 2015, Revenue Anticipation Notes ("RANS") and Tax Anticipation Notes ("TANS"), which were used to finance the cash flow of the County's operations. The County also issued \$25.5 million of BANS 2015 Series A, \$26.6 million of BANS 2015 Series B and \$40.8 million of BANS 2015 Series C used to refund, in part, the \$114.4 million of 2014 Series B BANs due in February 2015 which were to finance various costs related to the remediation and restoration of County facilities and infrastructure from Super-Storm Sandy related damage. RANS are issued in anticipation of receipt by the County of allocable sales tax receipts, while TANS are issued in anticipation of receipt by the County of real property taxes to be levied for the following year. The BANS were issued in advance of the issuance of long-term obligations for capital projects, to the extent not redeemed with FEMA or other grant money. The County issued \$92.9 million of BANS, \$178.5 million of RANS in 2015 and \$198.5 million of TANS.

Detailed information on long-term debt activity is available in the Notes to the Financial Statements Exhibit X-13, Note 10.

COUNTY OF NASSAU, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2015

DEBT (Continued)

The County has established a Disputed Assessment Fund that will end the need for future borrowing for commercial property tax refunds, through a self-funding liability. The fund was established to satisfy commercial cases and result in a more equitable allocation of taxes between residential and commercial property owners. It is anticipated that the County's outstanding long term debt will decrease in future years

NASSAU COUNTY'S CREDIT RATING

The County's current debt ratings are as follows: Moody's Investors Service: A2 (stable outlook); Standard & Poor's: A+ (negative outlook); Fitch Ratings: A (stable outlook). In January 2016 Standard & Poor's revised its outlook to negative from stable. The County's short-term debt is rated SP-1+ by Standard and Poor's and F1 by Fitch Ratings.

CONCLUSION

The County's net worth, on a government-wide basis, decreased by \$47.4 million during 2015, inclusive of a cumulative effect of change in accounting principle of \$(8.7) million and a prior period adjustment of \$(2.7) million, to a negative \$7.4 billion. This reduction was primarily driven by higher General Administration and Protection of Persons expenses and the largest single component of this decrease was attributable to higher OPEB liability. The negative balance in total net worth is principally driven by non current liabilities such as borrowing for property tax refunds, and other liabilities for which there are no corresponding assets. During 2015, the County ended the fiscal year with a budgetary surplus of \$57.1 million across its primary operating funds. This surplus resulted primarily from a number of budget variances, lower than budgeted debt service expenses, lower non-overtime payroll from position vacancies, employee and retiree health insurance rates that were lower than projected in the budget, lower early intervention / special education costs and the use of appropriated prior year fund balance. At the end of 2015, the fund balance in the County's primary operating funds was \$163.1 million on a budgetary basis.

BASIC FINANCIAL STATEMENTS

EXHIBIT X-1**COUNTY OF NASSAU, NEW YORK****STATEMENT OF NET POSITION (DEFICIT)
DECEMBER 31, 2015 (Dollars in Thousands)**

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>	<u>Component</u> <u>Units</u>
ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 788,044	\$ 111,888
Investments		2,331
Restricted Cash and Cash Equivalents	133	33,305
Restricted Investments	44,653	
Sales Tax Receivable	134,883	
Interest Receivable	92	
Student Accounts and Loans Receivable		8,261
Less Allowance for Doubtful Accounts		(4,915)
Due from Other Governments	181,518	1,989
Less Allowance for Doubtful Accounts	(5,566)	
Other Receivables		44,646
Accounts Receivable	63,003	337,618
Less Allowance for Doubtful Accounts		(293,979)
Real Property Taxes Receivable	75,732	
Less Allowance for Doubtful Accounts	(7,996)	
Due from Component Unit	26,249	
Inventories		7,372
Prepays	56,681	1,719
Other Assets	13,936	492
Total Current Assets	<u>1,371,362</u>	<u>250,727</u>
NON CURRENT ASSETS:		
Restricted Cash and Cash Equivalents		46,425
Restricted Investments	22,399	
Receivable - Service Concession Agreements	5,342	
Net Pension Asset		14,989
Capital Assets Not Being Depreciated	954,315	39,799
Depreciable Capital Assets	3,858,197	954,712
Less Accumulated Depreciation	(1,913,065)	(616,480)
Deposits Held in Custody for Others		3
Tax Sale Certificates	4,697	
Tax Real Estate Held for Sale	8,152	
Other Assets		24,834
Total Non Current Assets	<u>2,940,037</u>	<u>464,282</u>
Total Assets	<u>4,311,399</u>	<u>715,009</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on bond refunding	66,924	36,200
Accumulated decrease in fair value of hedging activities	45,172	9,849
Deferred charges on pensions	149,850	17,598
Total Deferred Outflows of Resources	<u>\$ 261,946</u>	<u>\$ 63,647</u>

(Continued)

EXHIBIT X-1**COUNTY OF NASSAU, NEW YORK****STATEMENT OF NET POSITION (DEFICIT)
DECEMBER 31, 2015 (Dollars in Thousands)**

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>	<u>Component</u> <u>Units</u>
LIABILITIES		
CURRENT LIABILITIES:		
Accounts Payable and Accrued Liabilities	\$ 345,405	\$ 80,534
Payable to Investment Broker - investment purchase	14,293	
Bond Anticipation Notes Payable	67,435	
Retainage Payable	14,038	
Tax Anticipation Notes Payable	198,470	
Revenue Anticipation Notes Payable	178,480	40,000
Unearned Revenue	85,020	17,144
Property Tax Refund Payable	15,721	
Due to Primary Government		14,817
Due to Component Units	11,501	
Due to Other Governments		3,560
Accrued Interest Payable	34,034	818
Notes Payable - Current		3,032
Current Portion of Long Term Liabilities	458,270	43,082
Other Liabilities - Current	70	15,432
Total Current Liabilities	1,422,737	218,419
NON CURRENT LIABILITIES:		
Due to Primary Government		9,175
Notes Payable		3,882
Derivative Instruments - Interest Rate Swaps	45,172	30,178
Bonds Payable, Net of Deferred Bond Premium/Discount (Net of Amortization)	3,595,779	231,482
Liability to Third-Party Payors, net		32,713
Accrued Liabilities - Term Pay		1,165
Accrued Vacation and Sick Pay	482,258	110,383
Due to Other Governments, net		1,470
Accrued Payroll	53,460	
Estimated Workers' Compensation Liability	202,996	
Estimated Tax Certiorari Payable	232,587	
Estimated Liability for Litigation and Malpractice	423,858	58,818
Capital Lease Obligations	4,575	
Deposits Held in Custody for Others		3
Insurance Reserve Liability		2,004
Due to New York State Retirement System	199,493	37,910
Other Long Term Debt		
Net Pension Liability	83,531	31,871
Postemployment Retirement Benefits Liability	5,032,866	737,543
Other Liabilities - Non Current	22,305	
Total Non Current Liabilities	10,378,880	1,288,597
Total Liabilities	11,801,617	1,507,016
DEFERRED INFLOWS OF RESOURCES		
Deferred Gain on Refundings	27,590	
Property Taxes - Part County Sales Tax Offset	949	
Mitchel Field - Sale of of Future Rental Revenue	32,396	
Pensions		5,342
Service Concession Agreements	65,295	
Total Deferred Inflows of Resources	126,230	5,342
NET POSITION (DEFICIT)		
Net Investment in Capital Assets	1,949,316	291,049
Restricted:		
Nassau Health Care Corporation		1,096
Nassau County Bridge Authority		11,880
Nassau Community College and Scholarships		2,628
Capital Projects	2,912	11,882
Debt Service	87,372	
Grants	20,911	
FEMA	121	
Judgments and Settlements	20,200	
Open Space	1,401	
Student Loans		542
Unrestricted	(9,436,735)	(1,052,779)
Total Net Position (Deficit)	\$ (7,354,502)	\$ (733,702)

See accompanying notes to financial statements.

(Concluded)

THIS PAGE IS INTENTIONALLY LEFT BLANK

EXHIBIT X-2**COUNTY OF NASSAU, NEW YORK****STATEMENT OF ACTIVITIES****FOR THE YEAR ENDED DECEMBER 31, 2015 (Dollars in Thousands)**

<u>Functions/Programs</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>					
	<u>Expenses</u>	<u>Program Revenues</u>			<u>Primary Governmental Activities</u>	<u>Component Units</u>
		<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Capital Grants</u>		
Primary Government:						
Legislative	\$ 11,094	\$	\$	\$	\$ (11,094)	
Judicial	69,964	59,871	4,428		(5,665)	
General Administration	711,125	41,170	45,151		(624,804)	
Protection of Persons	779,467	56,913	9,955		(712,599)	
Health	221,582	16,322	118,444		(86,816)	
Public Works	357,050	70,530	107,712	138,408	(40,400)	
Recreation and Parks	50,308	23,249	368		(26,691)	
Social Services	538,899	19,302	189,986		(329,611)	
Corrections	223,176	3,812	11,527		(207,837)	
Education	9,225	11,586			2,361	
Debt Service Interest	184,587				(184,587)	
Total Primary Government	\$ 3,156,477	\$ 302,755	\$ 487,571	\$ 138,408	(2,227,743)	
Component Units	\$ 854,261	\$ 600,234	\$ 50,381	\$ 1,081		\$ (202,565)
General Revenues:						
Taxes:						
Property Taxes					\$ 966,897	
Sales Taxes					1,102,886	
Other Taxes					46,952	
Federal, State and Local Appropriations						120,711
Tobacco Settlement Revenue and Tobacco Receipts					18,598	
Investment Income					20,643	1,143
Other					32,662	6,937
Total General Revenues					2,188,638	128,791
Change in Net Position (Deficit)					(39,105)	(73,774)
Net Position (Deficit) - Beginning, as restated (see Notes 20 and 21)					(7,315,397)	(659,928)
Net Position (Deficit) - Ending					\$ (7,354,502)	\$ (733,702)

See accompanying notes to financial statements.

EXHIBIT X-3**COUNTY OF NASSAU, NEW YORK****GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2015 (Dollars in Thousands)**

	General Fund	NIFA Fund	Police District Fund	Sewer and Storm Water District Fund	Capital Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS:							
Cash and Cash Equivalents	\$ 212,511	\$ 402	\$ 3,030	\$ 59,332	\$ 396,320	\$ 116,449	\$ 788,044
Restricted Cash and Cash Equivalents						133	133
Restricted Investments						67,052	67,052
Sales Tax Receivable	11,857	123,026					134,883
Interest Receivable						92	92
Due from Other Governments	104,103		3,286	4,501	10,661	58,967	181,518
Less Allowance for Doubtful Accounts	(5,566)						(5,566)
Accounts Receivable	56,509		61	6,088	4	341	63,003
Real Property Taxes Receivable	75,732						75,732
Less Allowance for Doubtful Accounts	(7,996)						(7,996)
Tax Sale Certificates	4,697						4,697
Tax Real Estate Held for Sale	8,152						8,152
Interfund Receivables	318,720	3	4,476	8,608	63,951	14,328	410,086
Due from Component Units	18,019						18,019
Prepays	44,561	84	10,718	466		852	56,681
Other Assets	10,003		2,895	291	207	540	13,936
TOTAL ASSETS	\$ 851,302	\$ 123,515	\$ 24,466	\$ 79,286	\$ 471,143	\$ 258,754	\$ 1,808,466
LIABILITIES:							
Accounts Payable	\$ 99,019	\$	\$ 664	\$ 5,854	\$ 35,779	\$ 10,156	\$ 151,472
Accrued Liabilities	88,062	12	11,707	2,996	59,441	25,551	187,769
Payable to Investment Broker - investment purchase						14,293	14,293
Bond Anticipation Notes Payable					67,435		67,435
Tax Anticipation Notes Payable	198,470						198,470
Revenue Anticipation Notes Payable	178,480						178,480
Unearned Revenue	8,234				28,064	48,722	85,020
Property Tax Refund Payable	15,721						15,721
Interfund Payables	66,417	108,374	20,924	24,057	142,083	48,231	410,086
Due to Component Units					11,501		11,501
Other Liabilities	22,129						22,129
Total Liabilities	676,532	108,386	33,295	32,907	344,303	146,953	1,342,376
DEFERRED INFLOWS OF RESOURCES:							
Unavailable Revenue - Property Taxes	21,322						21,322
Property Taxes - Part County Sales Tax Offset	949						949
Mitchel Field - Sale of Future Rental Revenue	32,396						32,396
Total Deferred Inflows of Resources	54,667						54,667
FUND BALANCE (DEFICIT):							
Fund Balances (Deficit):							
Nonspendable	44,561	84	10,718	466		852	56,681
Spendable:							
Restricted	23,700	14,292			2,912	91,180	132,084
Committed	76				123,928	19,469	143,473
Assigned	8,246	753		45,913		300	55,212
Unassigned	43,520		(19,547)				23,973
Total Fund Balance (Deficit)	120,103	15,129	(8,829)	46,379	126,840	111,801	411,423
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	\$ 851,302	\$ 123,515	\$ 24,466	\$ 79,286	\$ 471,143	\$ 258,754	\$ 1,808,466

See accompanying notes to financial statements.

EXHIBIT X-4

COUNTY OF NASSAU, NEW YORK

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2015 (Dollars in Thousands)**

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

Total fund balances - governmental funds	\$ 411,423
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation	2,899,447
Assets that are not available resources and, therefore, are not reported in the funds:	
Due from component unit	8,230
Receivable - Service Concession Agreements	5,342
Deferred outflows of resources not reported in governmental funds:	
Deferred outflow - deferred loss on refunding	66,924
Deferred charges on pensions	149,850
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	21,322
Deferred inflows of resources not recorded in the governmental funds:	
Deferred gain on refunding	(27,590)
Service concession agreements	(65,295)
Premiums, discounts and accredited interest on debt issued is recorded in the governmental funds as revenue and expenditures. In the Statement of Net Position these are recorded as a liability and amortized over the lives of the debt	(253,833)
Long-term liabilities are not due and payable in the current period and accordingly are not reported in the funds:	
Bonds payable	(3,341,946)
Postemployment retirement benefits liability	(5,032,866)
Due to New York State Employees' Retirement System	(199,493)
Net pension liability	(83,531)
Other long term liabilities	(1,399,980)
Current portion of long term liabilities	(458,270)
Accrued expenses and interest payable	<u>(54,236)</u>
Net position (deficit) of governmental activities	<u>\$ (7,354,502)</u>

See accompanying notes to financial statements.

EXHIBIT X-5**COUNTY OF NASSAU, NEW YORK****GOVERNMENTAL FUNDS****STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE****FOR THE YEAR ENDED DECEMBER 31, 2015 (Dollars in Thousands)**

	General Fund	NIFA Fund	Police District Fund	Sewer and Storm Water District Fund	Capital Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:							
Interest and Penalties on Taxes	\$ 32,661	\$	\$	\$	\$	\$	\$ 32,661
Licenses and Permits	12,700		4,864	1,191			18,755
Fines and Forfeits	61,337		1,301			1,572	64,210
Interest Income	453	63	20	104	702	240	1,582
Rents and Recoveries	15,816		91	12,057		62	28,026
Tobacco Receipts						18,598	18,598
Departmental Revenue	167,553		2,475	1,332	9	4,054	175,423
Interdepartmental Revenue	82,527		475				83,002
Interfund Revenue	45,170					232	45,402
Federal Aid	139,961		240	419	117,334	91,867	349,821
State Aid	211,047				11,275	43,766	266,088
Sales Tax	835,005	180,747					1,015,752
Preempted Sales Tax in Lieu of Property Taxes	87,134						87,134
Property Taxes	467,059		367,977	123,314		9,602	967,952
Payments in Lieu of Taxes	12,305						12,305
Special Taxes	33,293					1,354	34,647
Other Revenues	14,232		34	115			14,381
Total Revenues	2,218,253	180,810	377,477	138,532	129,320	171,347	3,215,739
EXPENDITURES:							
Current:							
Legislative	11,390						11,390
Judicial	66,856					3,615	70,471
General Administration	246,178	1,429				50,990	298,597
Protection of Persons	454,491		377,503			12,233	844,227
Health	172,940					50,474	223,414
Public Works	193,335			108,202		15,298	316,835
Recreation and Parks	37,659					1,830	39,489
Social Services	548,807					15,569	564,376
Corrections	224,835					1,443	226,278
Education	11,692						11,692
Bonded Payments for Tax Certiorari and Other Judgments	96,221						96,221
Aid to Towns and Cities	66,315						66,315
Other	62,973						62,973
Capital Outlay:							
General					161,955		161,955
Sewage Districts					148,236		148,236
Education					458		458
Debt Service:							
Principal	70,445			13,044		182,769	266,258
Interest	93,713			3,933		75,061	172,707
Bond Issuance Costs	2,898					559	3,457
Total Expenditures	2,360,748	1,429	377,503	125,179	310,649	409,841	3,585,349
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(142,495)	179,381	(26)	13,353	(181,329)	(238,494)	(369,610)
OTHER FINANCING SOURCES (USES):							
Transfers In	50,402		3,743	10,697		1,030	65,872
Transfers Out	(3,133)		(2,171)	(17,343)	(18,527)	(24,698)	(65,872)
Transfers In of Investment Income	667			35			702
Transfers Out of Investment Income					(702)		(702)
Transfers In from NIFA	867	852				180,327	182,046
Transfers Out to NIFA		(181,184)				(862)	(182,046)
Transfers In from SFA						132,958	132,958
Transfers Out to SFA				(13,385)		(119,573)	(132,958)
Transfers In from TSC						125	125
Transfers Out to TSC						(125)	(125)
Issuance of Bonds	124,400				74,135		198,535
Refunding Bonds Issued						116,310	116,310
Premium on Bonds	24,606				6,022	23,165	53,793
Payment to Refunded Bonds Escrow Agent						(106,881)	(106,881)
Total Other Financing Sources (Uses)	197,809	(180,332)	1,572	(19,996)	60,928	201,776	261,757
NET CHANGE IN FUND BALANCE (DEFICIT)	55,314	(951)	1,546	(6,643)	(120,401)	(36,718)	(107,853)
TOTAL FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR, AS RESTATED (SEE NOTE 20)	64,789	16,080	(10,375)	53,022	247,241	148,519	519,276
TOTAL FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 120,103	\$ 15,129	\$ (8,829)	\$ 46,379	\$ 126,840	\$ 111,801	\$ 411,423

See accompanying notes to financial statements.

EXHIBIT X-6

COUNTY OF NASSAU, NEW YORK

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015 (Dollars in Thousands)**

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

Net change in fund balance - total governmental funds		\$ (107,853)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period:		
Purchase of capital assets	\$ 312,846	
Depreciation expense	(121,285)	
Other	<u>(3,189)</u>	188,372
Deferred outflows of resources and other assets, not reported in the funds		148,731
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		(1,054)
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.		
Postemployment retirement benefits liability	(148,279)	
Accrued interest payable and accrued expenses	(21,214)	
Deferred inflows of resources	672	
Change in other long-term liabilities	<u>(153,143)</u>	(321,964)
The issuance of long-term debt (e.g., bonds and leases) 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 the net position. Also, governmental funds report the effect of gains or losses on refundings, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The following amounts are net effect of these differences in the treatment of long-term debt and related items:		
Proceeds from sales of bonds	(198,535)	
Principal payments of bonds	266,258	
Refunding Bonds Issued	(116,310)	
Payment to Refunded Bonds Escrow Agent	<u>103,250</u>	54,663
Change in net position - governmental activities		<u>\$ (39,105)</u>

See accompanying notes to financial statements.

EXHIBIT X-7**COUNTY OF NASSAU, NEW YORK**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TOTAL BUDGETARY AUTHORITY, ACTUAL, AND BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015 (Dollars in Thousands)**

	Original Budget	Total Budgetary Authority	Actual	GAAP to Budgetary Basis Conversion (Note 13)	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Interest and Penalties on Taxes	\$ 29,100	\$ 29,100	\$ 32,661		\$ 32,661	\$ 3,561
Licenses and Permits	12,146	12,146	12,700		12,700	554
Fines and Forfeits	101,998	101,998	61,337		61,337	(40,661)
Interest Income	1,856	1,856	453		453	(1,403)
Rents and Recoveries	19,287	19,287	15,816	(1,250)	14,566	(4,721)
Departmental Revenue	167,246	167,246	167,553		167,553	307
Interdepartmental Revenue	89,338	89,338	82,527		82,527	(6,811)
Interfund Revenue	75,170	75,170	45,170		45,170	(30,000)
Federal Aid	135,990	136,011	139,961		139,961	3,950
State Aid	209,932	210,434	211,047		211,047	613
Sales Tax	1,056,148	1,056,148	835,005		835,005	(221,143)
Preempted Sales Tax in Lieu of Property Taxes	90,048	90,048	87,134		87,134	(2,914)
Property Taxes	464,302	464,302	467,059		467,059	2,757
Payments in Lieu of Taxes	11,663	11,663	12,305		12,305	642
Special Taxes	32,783	32,783	33,293		33,293	510
Other Revenues	20,412	20,412	14,232	(130)	14,102	(6,310)
Total Revenues	2,517,419	2,517,942	2,218,253	(1,380)	2,216,873	(301,069)
Expenditures:						
Current:						
Legislative	12,696	12,742	11,390	929	12,319	423
Judicial	82,216	82,506	66,856	627	67,483	15,023
General Administration	382,147	386,537	246,178	13,309	259,487	127,050
Protection of Persons	449,795	447,498	454,491	(20,296)	434,195	13,303
Health	215,726	215,690	172,940	12,853	185,793	29,897
Public Works	212,238	216,364	193,335	3,640	196,975	19,389
Recreation and Parks	36,300	41,593	37,659	645	38,304	3,289
Social Services	597,807	597,796	548,807	10,203	559,010	38,786
Corrections	248,035	248,358	224,835	4,173	229,008	19,350
Education	8,818	11,692	11,692		11,692	
Bonded Payments for Tax Certiorari and Other Judgments			96,221	(96,221)		
Aid to Towns and Cities	68,502	68,502	66,315		66,315	2,187
Other	94,688	96,418	62,973	669	63,642	32,776
Total Expenditures	2,408,968	2,425,696	2,193,692	(69,469)	2,124,223	301,473
Debt Service:						
Principal	76,340	70,445	70,445		70,445	
Interest	98,130	95,284	93,713		93,713	1,571
Financing Costs	4,224	4,224	2,898		2,898	1,326
Total Debt Service	178,694	169,953	167,056		167,056	2,897
Total Expenditures	2,587,662	2,595,649	2,360,748	(69,469)	2,291,279	304,370
Excess (Deficiency) of Revenues Over (Under) Expenditures	(70,243)	(77,707)	(142,495)	68,089	(74,406)	3,301
Other Financing Sources (Uses):						
Transfers In	147,487	143,618	50,402	2	50,404	(93,214)
Transfers Out	(189,330)	(177,997)	(3,133)	2,794	(339)	177,658
Transfers In of Investment Income			667		667	667
Transfer In from NIFA			867		867	867
Issuance of Bonds			124,400	(124,400)		
Premium on Bonds	4,224	4,224	24,606		24,606	20,382
Total Other Financing Sources (Uses)	(37,619)	(30,155)	197,809	(121,604)	76,205	106,360
Net Change in Fund Balance (Deficit)	(107,862)	(107,862)	55,314	(53,515)	1,799	109,661
Fund Balance at Beginning of Year	107,862	107,862	64,789	104,526	169,315	61,453
Fund Balance at End of Year	\$	\$	\$ 120,103	\$ 51,011	\$ 171,114	\$ 171,114

See accompanying notes to financial statements.

EXHIBIT X-8**COUNTY OF NASSAU, NEW YORK**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TOTAL BUDGETARY AUTHORITY, ACTUAL, AND BUDGETARY BASIS
POLICE DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015 (Dollars in Thousands)

	Original Budget	Total Budgetary Authority	Actual	GAAP to Budgetary Basis Conversion (Note 13)	Actual on a Budgetary Basis	Variance Positive Negative
Revenues:						
Licenses and Permits	\$ 4,129	\$ 4,129	\$ 4,864	\$	\$ 4,864	\$ 735
Fines and Forfeits	1,750	1,750	1,301		1,301	(449)
Interest Income	271	271	20		20	(251)
Rents and Recoveries			91		91	91
Departmental Revenue	3,583	3,583	2,475		2,475	(1,108)
Interdepartmental Revenue	10,572	10,572	475		475	(10,097)
Federal Aid			240		240	240
Property Taxes	367,975	367,975	367,977		367,977	2
Other Revenue			34	(34)		
Total Revenues	388,280	388,280	377,477	(34)	377,443	(10,837)
Expenditures:						
Current:						
Protection of Persons	392,486	392,486	377,503	(861)	376,642	15,844
Total Expenditures	392,486	392,486	377,503	(861)	376,642	15,844
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,206)	(4,206)	(26)	827	801	5,007
Other Financing Sources (Uses):						
Transfers In			3,743	(2,796)	947	947
Transfer Out	(2,237)	(2,237)	(2,171)		(2,171)	66
Total Other Financing Sources (Uses)	(2,237)	(2,237)	1,572	(2,796)	(1,224)	1,013
Net Change in Fund Balance (Deficit)	(6,443)	(6,443)	1,546	(1,969)	(423)	6,020
Fund Balance (Deficit) at Beginning of Year	6,443	6,443	(10,375)	32,426	22,051	15,608
Fund Balance (Deficit) at End of Year	\$	\$	\$ (8,829)	\$ 30,457	\$ 21,628	\$ 21,628

See accompanying notes to financial statements.

EXHIBIT X-9**COUNTY OF NASSAU, NEW YORK**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY, ACTUAL, AND BUDGETARY BASIS
SEWER & STORM WATER DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015 (Dollars in Thousands)**

	<u>Original Budget</u>	<u>Total Budgetary Authority</u>	<u>Actual</u>	<u>GAAP to Budgetary Basis Conversion (Note 13)</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
Revenues:						
Licenses and Permits	\$ 1,100	\$ 1,100	\$ 1,191	\$	\$ 1,191	\$ 91
Interest Income	80	80	104		104	24
Rents and Recoveries	13,166	13,166	12,057		12,057	(1,109)
Departmental Revenue	14,317	14,317	1,332		1,332	(12,985)
Intergovernmental Charges	2,251	2,251				(2,251)
Interfund Revenue	2,148	2,148				(2,148)
Federal Aid			419		419	419
Property Taxes			123,314		123,314	123,314
Other Revenues	480	480	115	(4)	111	(369)
Total Revenues	33,542	33,542	138,532	(4)	138,528	104,986
Expenditures:						
Current:						
Public Works	132,208	133,664	108,202	3,963	112,165	21,499
Debt Service:						
Principal	11,673	13,044	13,044		13,044	
Interest	6,873	4,046	3,933		3,933	113
Total Expenditures	150,754	150,754	125,179	3,963	129,142	21,612
Excess (Deficiency) of Revenues Over (Under) Expenditures	(117,212)	(117,212)	13,353	(3,967)	9,386	126,598
Other Financing Sources (Uses):						
Transfers In			10,697	(4,187)	6,510	6,510
Transfers Out	(16,943)	(16,943)	(17,343)		(17,343)	(400)
Transfers In of Investment Income	30	30	35		35	5
Transfer In from SFA	110,069	110,069	(13,385)		(13,385)	(123,454)
Total Other Financing Sources (Uses)	93,156	93,156	(19,996)	(4,187)	(24,183)	(117,339)
Net Change in Fund Balance (Deficit)	(24,056)	(24,056)	(6,643)	(8,154)	(14,797)	9,259
Fund Balance at Beginning of Year	24,056	24,056	53,022	6,194	59,216	35,160
Fund Balance at End of Year	\$	\$	\$ 46,379	\$ (1,960)	\$ 44,419	\$ 44,419

See accompanying notes to financial statements.

EXHIBIT X-10

COUNTY OF NASSAU, NEW YORK

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2015 (Dollars in Thousands)**

Agency Fund

ASSETS:

Cash	\$ 115,165
Due From Component Unit	<u>1,736</u>
TOTAL ASSETS	<u>\$ 116,901</u>

LIABILITIES:

Accounts Payable	\$ 24,961
Other Liabilities	<u>91,940</u>
TOTAL LIABILITIES	<u>\$ 116,901</u>

Nassau County Tobacco Securitization Corporation Residual Trust

ASSETS:

Cash	<u>\$ 17,970</u>
------	------------------

LIABILITIES:

Other Liabilities	<u>\$ 17,970</u>
-------------------	------------------

See accompanying notes to financial statements.

EXHIBIT X-11**COUNTY OF NASSAU, NEW YORK****STATEMENT OF NET POSITION (DEFICIT)****ALL DISCRETELY PRESENTED COMPONENT UNITS - PROPRIETARY****DECEMBER 31, 2015****(WITH THE NASSAU COMMUNITY COLLEGE AUGUST 31, 2015)****(Dollars in Thousands)**

	Nassau Community College	Nassau Health Care Corporation	Nonmajor Discretely Presented Component Units	Total Discretely Presented Component Units
<u>ASSETS</u>				
CURRENT ASSETS:				
Cash and Cash Equivalents	\$ 64,104	\$ 31,716	\$ 16,068	\$ 111,888
Investments	2,331			2,331
Restricted Cash and Cash Equivalents		32,788	517	33,305
Student Accounts and Loans Receivable	8,261			8,261
Less Allowance for Doubtful Accounts	(4,915)			(4,915)
Due from Other Governments	1,989			1,989
Other Receivables	964	43,675	7	44,646
Accounts Receivable		337,095	523	337,618
Less Allowance for Doubtful Accounts		(293,979)		(293,979)
Inventories		7,355	17	7,372
Prepays	273	1,377	69	1,719
Other Assets			492	492
Total Current Assets	73,007	160,027	17,693	250,727
NON CURRENT ASSETS:				
Restricted Cash and Cash Equivalents		39,493	6,932	46,425
Net Pension Asset	14,989			14,989
Capital Assets Not Being Depreciated	3,830	35,293	676	39,799
Depreciable Capital Assets	300,858	556,313	97,541	954,712
Less Accumulated Depreciation	(148,074)	(410,328)	(58,078)	(616,480)
Deposits Held in Custody for Others	3			3
Other Assets		24,834		24,834
Total Non Current Assets	171,606	245,605	47,071	464,282
Total Assets	244,613	405,632	64,764	715,009
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred loss on bond refunding		36,200		36,200
Accumulated decrease in fair value of hedging activities		9,849		9,849
Deferred charges on pensions	7,814	7,127	2,657	17,598
Total Deferred Outflows of Resources	\$ 7,814	\$ 53,176	\$ 2,657	\$ 63,647

(Continued)

EXHIBIT X-11**COUNTY OF NASSAU, NEW YORK**

STATEMENT OF NET POSITION (DEFICIT)
ALL DISCRETELY PRESENTED COMPONENT UNITS - PROPRIETARY
DECEMBER 31, 2015
(WITH THE NASSAU COMMUNITY COLLEGE AUGUST 31, 2015)
(Dollars in Thousands)

	Nassau Community College	Nassau Health Care Corporation	Nonmajor Discretely Presented Component Units	Total Discretely Presented Component Units
<u>LIABILITIES</u>				
CURRENT LIABILITIES:				
Accounts Payable and Accrued Liabilities	\$ 11,562	\$ 53,141	\$ 15,831	\$ 80,534
Revenue Anticipation Note		40,000		40,000
Unearned Revenue	16,817		327	17,144
Due To Primary Government	6,505	8,000	312	14,817
Due To Other Governments			3,560	3,560
Accrued Interest Payable		818		818
Notes Payable - Current	32		3,000	3,032
Current Portion of Long Term Liabilities	5,330	35,935	1,817	43,082
Other Liabilities - Current	7,218	7,643	571	15,432
Total Current Liabilities	47,464	145,537	25,418	218,419
NON CURRENT LIABILITIES:				
Due to Primary Government	9,175			9,175
Notes Payable	751		3,131	3,882
Derivative Instrument		30,178		30,178
Bonds Payable, net		216,235	15,247	231,482
Liability to Third-Party Payors, net		32,713		32,713
Accrued Vacation and Sick Pay	54,364	55,315	704	110,383
Accrued Liabilities - Termination Pay	1,165			1,165
Due to Other Governments, net			1,470	1,470
Estimated Liability for Litigation	150	58,668		58,818
Deposits Held in Custody for Others	3			3
Insurance Reserve Liability	2,004			2,004
Due to New York State Retirement System		37,910		37,910
Net Pension Liability	4,343	26,166	1,362	31,871
Postemployment Retirement Benefits Liability	341,531	347,878	48,134	737,543
Total Non Current Liabilities	413,486	805,063	70,048	1,288,597
Total Liabilities	460,950	950,600	95,466	1,507,016
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Pensions	5,332		10	5,342
Total Deferred Inflows of Resources	\$ 5,332	\$	\$ 10	\$ 5,342
<u>NET POSITION (DEFICIT)</u>				
Net Investment in Capital Assets	155,838	115,215	19,996	291,049
Restricted:				
Nassau Health Care Corporation		1,096		1,096
Nassau County Bridge Authority			11,880	11,880
Nassau Community College Scholarships	2,628			2,628
Capital Projects and Acquisitions			11,882	11,882
Student Loans	542			542
Unrestricted	(372,863)	(608,103)	(71,813)	(1,052,779)
Total Net Position (Deficit)	\$ (213,855)	\$ (491,792)	\$ (28,055)	\$ (733,702)

See accompanying notes to financial statements.

(Concluded)

EXHIBIT X-12**COUNTY OF NASSAU, NEW YORK****STATEMENT OF ACTIVITIES****ALL DISCRETELY PRESENTED COMPONENT UNITS - PROPRIETARY****FOR THE YEAR ENDED DECEMBER 31, 2015****(WITH THE NASSAU COMMUNITY COLLEGE AUGUST 31, 2015)****(Dollars in Thousands)**

	Nassau Community College	Nassau Health Care Corporation	Nonmajor Discretely Presented Component Units	Total Discretely Presented Component Units
<u>Expenses</u>	\$ 232,078	\$ 568,820	\$ 53,363	\$ 854,261
<u>Program Revenues:</u>				
Charges for Services	51,437	495,886	52,911	600,234
Operating Grants and Contributions	50,381			50,381
Capital Grants and Contributions		1,081		1,081
Total Program Revenues	101,818	496,967	52,911	651,696
Net Program Revenues (Expenses)	(130,260)	(71,853)	(452)	(202,565)
<u>General Revenues</u>				
Federal, State and Local Appropriations	120,711			120,711
Investment Income	54	1,058	31	1,143
Other	5,000		1,937	6,937
Total General Revenues	125,765	1,058	1,968	128,791
Change in Net Position (Deficit)	(4,495)	(70,795)	1,516	(73,774)
Net Position (Deficit) - Beginning of Year, as restated (See Note 21)	(209,360)	(420,997)	(29,571)	(659,928)
Net Position (Deficit) - End of Year	\$ (213,855)	\$ (491,792)	\$ (28,055)	\$ (733,702)

See accompanying notes to financial statements.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The County of Nassau (the “County”), incorporated in 1899, contains three towns, two cities and 64 incorporated villages. In conformance with the *Codification Section 2100*, these financial statements present the County (the primary government) which includes all funds, elected offices, departments and agencies of the County, as well as boards and commissions, since the County is financially accountable for these; and its legally separate component units.

Component units are legally separate organizations for which the County is financially accountable or other organizations whose nature and significant relationship with the County are such that exclusion would cause the County’s financial statements to be misleading. Financial accountability can occur at the appointment of a voting majority of the component unit’s board, and (i) either the County’s ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the County. Financial accountability can also occur when the component unit is fiscally dependent on the County.

The County appoints the voting majority of the governing boards of the following component units; Nassau County Industrial Development Agency (the “NCIDA”), Nassau County Local Economic Assistance Corporation (the “NCLEAC”), Nassau County Sewer and Storm Water Finance Authority (the “NCSSWFA”), Nassau County Tobacco Settlement Corporation (the “NCTSC”) and the Nassau Regional Off-Track Betting Corporation (the “OTB”). The County has the ability to remove the appointed members of those organization’s governing boards at will and as such has the ability to impose its will on the organizations.

The Nassau County Interim Finance Authority (“NIFA”), Nassau Community College (“NCC”), and Nassau Health Care Corporation (d/b/a NuHealth) (“NHCC”) have the voting majority of their governing boards appointed by the Governor of the State of New York or local legislative appointments. These component units are considered part of the reporting entity of the County because of the fiscal dependence and the financial burden that is placed on the County.

The Nassau County Bridge Authority (the “Bridge Authority”) is included as a discretely presented component unit due to the financial integration with the primary government, because it would be misleading to exclude.

The basic financial statements include both blended and discretely presented component units. The blended component units, although legally separate entities are, in substance, part of the County’s operations and so data from these units are combined with data of the primary government. The following component units are blended with the governmental funds of the County: NIFA’s general fund as a major special revenue fund and its debt service as a non-major debt service fund, both NCSSWFA’s and NCTSC’s general and debt service funds as non-major special revenue and debt service funds, respectively. The services of the blended component units are almost exclusively for the County.

The discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the government. The services provided by the discretely presented component units are for the citizenry of the County. Combining statements for the discretely presented component units are presented in Exhibits X-11, X-12, A-3 and A-4. These component units include NCC and NHCC as major component units and OTB, NCIDA, NCLEAC and the Bridge Authority as non-major component units. The activities of these component units are accounted for in a manner similar to private business enterprises, in which the focus is on the periodic determination of revenues, expenses, and net income.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

The County continuously assesses the need to include various organizations within the County whose status as a component unit may change due to financial dependence, legislative developments or level of influence the County may exercise over such entity.

Discretely Presented Component Units - Financial data of the County's component units that are not part of the primary government is reported in the component units' column in the government-wide financial statements, to emphasize that these component units are legally separate from the County. They include the following:

Major Component Units

- (a) The Nassau Community College ("NCC") - provides educational services under New York State Education Law. It is reported as a component unit as the County appoints its governing body, the County approves its budget, issues debt for NCC purposes and provides approximately 24% of NCC's 2015 budgeted revenues through a County-wide real property tax levy. Therefore, NCC is discretely presented. NCC has authority to enter into contracts under New York State Education Law and to sue and be sued. NCC is presented in accordance with policies prescribed by GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis for Public Colleges and Universities*, and in accordance with New York State Education Law. This component unit is presented as of, and for its fiscal year ended, August 31, 2015.

These financial statements present NCC and its component units, the Nassau Community College Foundation, Inc. and the Faculty-Student Association of Nassau Community College, Inc. Component units are legally separate entities that are included in NCC's reporting entity because of the significance of their operating or financial relationships with NCC. Each of NCC's discretely presented component units has a fiscal year end of August 31st, the same as that of NCC.

- (b) Nassau Health Care Corporation (d/b/a NuHealth) ("NHCC") is a public benefit corporation created pursuant to Public Authorities Law 3401, et seq. by NYS in 1997 for the purposes of acquiring and operating the health facilities of Nassau County, State of New York. Effective September 29, 1999 (the "Transfer Date"), a transaction was executed which transferred ownership of the County health facilities to the NHCC which included Nassau University Medical Center, A. Holly Patterson Extended Care Facility, Faculty Practice Plan, Nassau Health Care Foundation ("NHCF"), and the Health Centers. Concurrent with the transaction, \$259.7 million of Nassau Health Care Corporation Health System Revenue Bonds, Series 1999 were issued. During 2004, \$303.4 million of Nassau Health Care Corporation Bonds, Series 2004 were issued to refund the NHCC's Revenue Bond Series 1999, fund certain capital projects and provide working capital. In 2009, a portion of the Series 2004 Bonds were redeemed with the issuance of the Series 2009 bonds. The bonds are insured and guaranteed by the County.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

Major Component Units (Continued)

(b) **Nassau Health Care Corporation (Continued)**

The NHCC is fiscally dependent on the County should certain NHCC debt service reserve funds fall below their requirements. The NHCC is considered to be a component unit of the County and is presented as a proprietary type component unit on the accrual basis of accounting. NHCC, Ltd., a wholly-owned subsidiary of the NHCC (the “Captive”) was incorporated as an exempted company on September 24, 1999 under laws of the Cayman Islands and operates under the terms of an unrestricted Cayman Islands Class B Insurer’s license. The license allows the Captive to conduct insurance business, other than domestic business, from the Cayman Islands. The NHCC accounts for its investment in the limited liability company using the equity method. Long Island Federally Qualified Health Center (“LIFQHC”) is an independent not-for-profit corporation formed on May 14, 2009 and established by NYSDOH on June 15, 2010, as a co-operator of the four treatment centers and a school-based clinic, previously operated solely by NHCC. LIFQHC is not considered a component unit of NHCC and accordingly, is not included in the accompanying financial statements.

In September 2004, the NHCC and the County executed a stabilization agreement (the “Stabilization Agreement”) amending the original 1999 acquisition agreement. The Stabilization Agreement intended to resolve disputed charges, clarify language in existing agreements and identify the principles to govern more comprehensive successor arrangements. A successor agreement (the “Successor Agreement”) was executed in 2007 superseding the Stabilization Agreement. The Successor Agreement clarifies the services provided by the NHCC to the County and establishes the mechanism for payments to the NHCC by the County and provides the NHCC with capital funding and such agreement is in effect until 2029.

NHCC has a governing board consisting of fifteen voting directors and three non-voting directors. Eight of the voting directors are appointed by the Governor of the State of New York on the recommendation of various State and County elected officials. Seven of the voting directors, and two of the non-voting directors, are appointed directly by the County Executive or the County Legislature. The Chief Executive Officer of NHCC is the final non-voting director.

Non-Major Component Units

(c) **The Nassau Regional Off-Track Betting Corporation** (the “OTB”) was created by the New York State Legislature as a public benefit corporation. The County is its sole shareholder. It is reported as a component unit as the County Legislature appoints its governing body, which consists of a Board of Directors made up of three members. The County receives a small portion of winning wagers made at County racetracks and all net operating profits from OTB, however, the County has not received any net operating profit from OTB due to OTB’s continued operating deficits. The OTB is shown as a proprietary type component unit, and is presented on the accrual basis of accounting. At the close of 2015, there were twenty-six operational facilities.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

Non-Major Component Units (Continued)

(c) The Nassau Regional Off-Track Betting Corporation (Continued)

The County has a support agreement with OTB, which guarantees OTB's Series 2005 Revenue Bonds. Under the support agreement with the County, OTB is obligated to deposit required debt service payments due into a capital reserve fund. As consideration for entering into this support agreement and in recognition of the benefits anticipated to be derived, OTB makes an annual payment to the County. For 2015, this payment was \$620.0 thousand. During the current year, OTB has experienced continuing mandated expenses in personnel benefits and other costs and increases in the statutory distribution requirements of New York State laws as well as operational challenges at its Fast Track operations. These factors, coupled with the uncertain conditions in the general economy and the inability to gain complete and comprehensive relief of certain statutory payments to the racing industry, create an uncertainty as to the OTB's ability to continue as a going concern.

(d) The Nassau County Industrial Development Agency (the "NCIDA") is a public benefit corporation established on August 6, 1976 by Code Section 922, which became Chapter 674 of the Laws of 1975. NCIDA's purpose is to serve as a core resource for new and existing private firms and companies within the County to support the growth, expansion, and ongoing operations of such organizations that allow the community to thrive by issuing taxable and tax-free revenue bonds that provide financial assistance using only non-taxpayer dollars. It is reported as a component unit as the County appoints its governing body and may remove the NCIDA Board at will. The County has at times provided support to the NCIDA in the form of employees and facilities. Support expenditures would be included in the County's General Fund under personal services. The NCIDA has sole authority for establishing administrative and fiscal policy in the pursuit of its objectives. The County is not liable for any obligations or deficits the NCIDA may incur, nor does it share in any surpluses. The NCIDA is shown as a proprietary type component unit and is presented on the accrual basis of accounting.

(e) The Nassau County Local Economic Assistance Corporation (the "NCLEAC") was created as a local development corporation. On September 20, 2010, the County Legislature adopted a resolution authorizing the formation of NCLEAC pursuant to Section 1411 of the New York Not-for-Profit Corporation Law. The mission of NCLEAC is to operate exclusively for the public purpose and charitable purpose of benefiting and furthering the activities of the County by serving as a conduit financing entity issuing taxable and tax-exempt revenue debt and providing other assistance to support the growth, expansion, on-going operations and continued viability of the non-profit sector in the County. NCLEAC has been determined to be a proprietary type component unit of the County and is presented on the accrual basis of accounting.

The County appoints the governing board of NCLEAC, which results in the interdependency with the County. The County is not liable for any obligations or deficits NCLEAC may incur, nor does it share in any surpluses. NCLEAC entered into a sublicense and cooperation agreement with NCIDA to use office space and storage space, as well as provide administrative services for NCLEAC as it has officers but no employees. The officers and some of the directors of NCLEAC serve in similar positions for the NCIDA. NCLEAC is charged accordingly for the rental and services provided by NCIDA.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

Non-Major Component Units (Continued)

(e) **The Nassau County Local Economic Assistance Corporation (Continued)**

NCLEAC's primary source of operating revenue is from bond issuance and straight lease fees, which are computed as a percentage of the total project. Fees are recorded when earned, at the time of closing on the sale of bonds and straight lease arrangements.

(f) **The Nassau County Bridge Authority** (the "Bridge Authority") is a Public Benefit Corporation created by the New York State Legislature pursuant to Chapter 893 of the Laws of 1945.

The Bridge Authority operates and maintains the Atlantic Beach Bridge across Reynolds Channel between the Villages of Lawrence and Atlantic Beach in Nassau County.

The Bridge Authority, pursuant to State law, is composed of a five member board which is appointed by the County Executive with approval of the County Legislature. Each board member serves a five year term without compensation. The board is presently comprised of a Chairman and four board members.

Blended Component Units

(a) **Nassau County Interim Finance Authority** ("NIFA") is included as a blended component unit of the County's primary government, because it is a financing instrumentality of the County. It acts as a temporary financial intermediary to the County and is authorized to act as an oversight authority to the County under certain circumstances. It reports using the governmental model and its funds are reported as part of the County's major funds (NIFA Fund) and as part of the County's non-major funds (NIFA Debt Service Fund).

NIFA is a corporate governmental agency and instrumentality of the State of New York (the "State") constituting a public benefit corporation created by the Nassau County Interim Finance Authority Act, Chapter 84 of the Laws of 2000, as supplemented by Chapter 179 of the Laws of 2000 and as may be amended from time to time, including, but not limited to, Chapter 528 of the Laws of 2002, and Chapters 314 and 685 of the Laws of 2003 (the "Act"). The Act became effective June 23, 2000. Although legally separate and independent of Nassau County, NIFA is a component unit of the County for County financial reporting purposes and, accordingly, is included in the County's financial statements.

NIFA is governed by seven directors, each appointed by the Governor, including one each appointed upon the recommendation of the Majority Leader of the State Senate, the Speaker of the Assembly, and the State Comptroller. The Governor also designates the chairperson and vice chairperson from among the directors. At present, the vice chairperson has not been designated.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

Blended Component Units (Continued)

(a) ***Nassau County Interim Finance Authority (Continued)***

NIFA has power under the Act to monitor and oversee the finances of the County, and upon declaration of a “Control Period” as defined in the Act, additional oversight authority. Although the Act currently provides that NIFA may no longer issue new bonds or notes, other than to retire or otherwise refund NIFA debt, NIFA was previously empowered to, and did issue, its bonds and notes for various County purposes, defined in the Act as “Financeable Costs.” No bond of NIFA may mature later than January 31, 2036, or more than 30 years from its date of issuance.

On January 26, 2011, NIFA adopted a resolution which imposed a Control Period on the County pursuant to the Act. It had determined that the County’s proposed budget for fiscal year 2011 reflected a substantial likelihood that it would produce a major operating funds deficit in excess of one percent of the aggregate result of operations of such funds. During a control period NIFA is required to withhold transitional State aid and is empowered, among other things, to approve or disapprove proposed contracts and borrowings by the County and Covered Organizations (as defined in the Act); approve, disapprove or modify the County’s Multi-Year Financial Plan; issue binding orders to the appropriate local officials; impose a wage freeze; and terminate the control period upon finding that no condition exists which would permit imposition of a Control Period.

Subsequent to the resolution imposing the Control Period, NIFA adopted a resolution on March 10, 2014, similar to those adopted on March 24, 2011, March 22, 2012 and March 14, 2013, declaring a fiscal crisis and ordered the suspension of all increases in salary or wages of employees of the County (the “wage freeze”) which were to take effect after the date of the order pursuant to collective bargaining agreements, and other analogous contracts or interest arbitrations awards then in existence or thereafter entered into. All increased payments for holiday and vacation differentials, shift differentials, salary adjustments according to plan, and step-ups and increments were also suspended. On May 3, 2014, the wage freeze was lifted for four of the five unions, effective April 1, 2014. On September 9, 2014, the wage freeze was lifted for the fifth union effective June 1, 2014. The five unions ratified new labor agreements at the time their respective wage freeze were lifted.

All Legislative actions with regard to the approval of contracts or resolutions to borrow funds require NIFA’s final authorization.

Revenues of NIFA consist of sales tax revenues, defined as net collections from sales and compensating use taxes, penalties and interest authorized by the State and imposed by the County on the sale and use of tangible personal property and services in the County, investment earnings on money and investments on deposit in various NIFA accounts and state assistance received to partially fund the control period expenditures. Sales tax revenues collected by the State Comptroller for transfer to NIFA are not subject to appropriation by the State or County. Revenues of NIFA that are not required to pay debt service, operating expenses, and other costs of NIFA are payable to the County.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

Blended Component Units (Continued)

- (b) The Nassau County Tobacco Settlement Corporation (“NCTSC”) is a special purpose local development corporation, and is an instrumentality of, but separate and apart from Nassau County (the “County”), New York, incorporated under the provisions of the New York State Not-For-Profit Corporation Law. Although legally separate from and independent of the County, the Corporation is considered an affiliated organization. Accordingly, the Corporation is being reported as a blended component unit for financial reporting purposes in the County’s financial statements.

The Board of Directors of NCTSC has three members, one of whom must meet certain requirements of independence: (i) one appointed by a majority vote of the County Legislature, (ii) one who must be the County Treasurer, *ex officio*, designated by the County Executive and (iii) one selected by (i) and (ii). For the year ending December 31, 2015, one position was vacant.

On November 23, 1999, NCTSC entered into a Purchase and Sale Agreement (“Agreement”) dated as of October 1, 1999 with the County pursuant to which NCTSC acquired from the County, among other things, all of the County’s right, title, and interest under the Master Settlement Agreement (“MSA”) and the Consent Decree, as such terms are defined in the Agreement, and which are referred to herein as TSRs. The consideration paid by NCTSC to the County for such acquisition consisted of \$247.5 million in cash (of which \$77.5 million was paid into escrow for the benefit of the County) and the sole beneficial interest in NCTSC Residual Trust (“Residual Trust”), a Delaware business trust, to which NCTSC has conveyed a residual interest in all the TSRs. The NCTSC funded such consideration from the proceeds of its Tobacco Settlement Asset-Backed Bonds, Series A, which are referred to herein as the 1999 Bonds. NCTSC’s right to receive TSRs is its primary revenue source.

On April 5, 2006, NCTSC, issued \$431.0 million of NCTSC Tobacco Settlement Asset-Backed bonds, Series 2006 (“Series 2006 Bonds”) pursuant to an Amended and Restated Indenture dated as of March 1, 2006. Proceeds were used for a number of purposes including, to refund all of NCTSC’s 1999 Bonds then currently outstanding and to fund a Senior Liquidity Reserve for Series 2006 Senior Board.

Approximately \$140.0 million of the proceeds of the Series 2006 Bonds and unpledged TSR’s were deposited into the Residual Trust, on behalf of the County as the beneficial owner of the Residual Certificate. Such proceeds are held to provide monies to the County in accordance with the tax certificates executed in connection with the Series 2006 Bonds. The original 1999 purchase price paid by the NCTSC to the County under the Agreement consisted of: (i) the net proceeds of the sale of the 1999 Bonds and (ii) a 100% beneficial ownership interest in the Trust. The Agreement was amended and restated as of March 1, 2006. Under the amended Agreement, TSRs received from April 5, 2006 to March 31, 2008, were not pledged to the holders of the Series 2006 Bonds and, therefore, all TSRs received during that time were to be transferred to the Trust on behalf of the County. TSRs received after all long-term debt has been satisfied and operating costs have been covered will be transferred to the Residual Trust.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

Blended Component Units (Continued)

- (c) The Nassau County Sewer and Storm Water Finance Authority (“NCSSWFA”) is a public benefit corporation established in 2003 by the State of New York under the Nassau County Sewer and Storm Water Finance Authority Act (the “NCSSWFA Act”), codified as Title-10-D of Article 5 of the Public Authorities Law of the State. The NCSSWFA was established for the purpose of refinancing outstanding sewer and storm water resources debt issued by or on behalf of the County and financing future County sewer and storm water resources projects. The NCSSWFA may issue debt in an amount up to \$350.0 million for such purposes (exclusive of debt issued to refund or otherwise repay the NCSSWFA debt). The NCSSWFA Act, and other legal documents of the NCSSWFA, established various financial relationships between the County and the NCSSWFA.

NCSSWFA is governed by seven board members, each appointed by the County Executive with confirmation by the County Legislature. Each member serves a three-year term without compensation. For the year ended December 31, 2015, one position was vacant.

Pursuant to a Financing and Acquisition Agreement dated as of March 1, 2004, (the “2004 Agreement”) by and between the NCSSWFA and the County, the NCSSWFA acquired all of the sewer and storm water resources facilities, buildings, equipment and related assets, other than land (the “System”), of the County.

The NCSSWFA paid for the assets acquired in installments by paying the debt service on outstanding bonds originally issued by or on behalf of the County, including bonds issued by NIFA on behalf of the County (“County Bonds”) to finance the assets acquired. In addition, as part of such purchase price, the NCSSWFA may, at the request of the County, refinance County Bonds. The County also agreed to transfer to the NCSSWFA and the NCSSWFA agreed to acquire from the County any additional System facilities, which became a part of the System (at the time the project is completed), including those facilities financed by obligations of the County or NIFA after the closing date; and, the NCSSWFA paid debt service on such new County Bonds in the same manner and time, set forth above for the payment of County Bonds. Annually, the obligation to pay for expenditures incurred by the County, for such projects, is transferred to the NCSSWFA. Additionally, the County agreed that, during the term of the 2004 Agreement, it will not sell, lease, mortgage, or otherwise give up or encumber the real property upon which the facilities are situated.

The 2004 Agreement was replaced and superseded by the 2014 Agreement (defined below).

Pursuant to a financing agreement dated October 1, 2014, by and between the NCSSWFA and the County (the “2014 Agreement”), the NCSSWFA released the System to the County, effective as of the closing date of the 2014 Authority refunding bonds. As the 2014 Agreement no longer requires the Authority to pay the County Bonds, the responsibility for making the payments on the County Bonds returned to the County at that time.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

Blended Component Units (Continued)

(c) *The Nassau County Sewer and Storm Water Finance Authority (Continued)*

Most of the NCSSWFA’s revenues are derived through the imposition, by the County, of assessments for sewer and storm water resources services. The County has directed each city and town receiver of taxes to remit all such assessments directly to the trustee for the NCSSWFA’s bonds. The NCSSWFA receives funds to service all NCSSWFA debt and pay its operating expenses. Remaining funds are remitted to the Nassau County Sewer and Storm Water District (the “Sewer District”). The Sewer District is responsible for paying debt service on County Bonds (as of the 2014 Agreement) and the operational costs of the System.

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

<p>Nassau Community College One Education Drive Garden City, NY 11530</p>	<p>Nassau County Interim Finance Authority 1305 Franklin Avenue, Suite 302 Garden City, NY 11530</p>
<p>Nassau Health Care Corporation 2201 Hempstead Turnpike East Meadow, NY 11554</p>	<p>Nassau County Tobacco Settlement Corp. One West Street Mineola, NY 11501</p>
<p>Nassau Regional Off-Track Betting Corporation 139 Liberty Avenue Mineola, NY 11501</p>	<p>Nassau County Sewer and Storm Water Finance Authority One West Street, 1st Floor Mineola, NY 11501</p>
<p>Nassau County Industrial Development Agency 1550 Franklin Avenue, Suite 235 Mineola, NY 11501</p>	<p>Nassau County Local Economic Assistance Corporation 1550 Franklin Avenue Mineola, NY 11501</p>
<p>Nassau County Bridge Authority P.O. Box 341 Lawrence, NY 11559</p>	

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Adopted Accounting Pronouncements

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions—amendment of GASB Statement No. 27* (“GASB 68”). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information supporting assessments of accountability and interperiod equity, and creating additional transparency.

This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This Statement is effective for fiscal years beginning after June 15, 2014. The implementation of this Statement resulted in reporting a restatement of County’s Statement of Net Position (see Note 20) and required additional note disclosure as well as required supplementary information.

In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date — an amendment of GASB Statement No. 68* (“GASB 71”). The primary objective of this Statement is to address an issue regarding amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government’s beginning net pension liability. The requirements of the new Statement become effective for fiscal periods beginning after June 15, 2014. The implementation of this Statement resulted in reporting a restatement of County’s Statement of Net Position (see Note 20) and required additional note disclosure as well as required supplementary information.

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the County of Nassau (the “County”) are presented in conformity with GAAP for governments in the United States of America as prescribed by the Governmental Accounting Standards Board (“GASB”).

The following is a summary of the significant accounting policies and reporting practices of the County:

Government-wide Statements: The government-wide financial statements, (i.e., the Statement of Net Position and the Statement of Activities), display information about the primary government and its component units. These statements include the financial activities of the overall government except for fiduciary activities. Eliminations of internal activity have been made in these statements. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. All of the activities of the County as primary government are governmental activities.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. BASIS OF PRESENTATION (Continued)

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (i) charges for services such as rental revenue from operating leases on buildings, lots, etc., and (ii) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other revenues not properly included among program revenues are reported as general revenues.

Fund Financial Statements: The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for the governmental and fiduciary fund categories are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The County uses funds to report on its fund balance and the changes in fund balance. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, fiduciary, and proprietary. There are no proprietary funds in the primary government. Each category, in turn, is divided into separate "fund types."

The County reports the following major governmental funds:

General Fund - The General Fund is the principal operating fund of the County through which the County provides most County-wide services. Its principal sources of revenue are sales tax, the County-wide real property tax, other local taxes and charges, departmental revenues, and Federal and State aid. In accordance with GASB No. 54, major funds that have been previously consolidated into the General Fund included the Debt Service Fund, the Police Headquarter Fund, and the Fire Prevention, Safety, Communication and Education Fund and, as of 2015, now also include the Litigation and Retirement Contribution Reserve Funds.

NIFA Fund - The NIFA Fund accounts for sales tax revenues received by NIFA and for general operating expenses, as well as transfers to Nassau County. The County considers the NIFA fund to be a major fund due to the significance of the transactions with the General Fund.

Police District Fund - This fund is used to provide police services to those areas of the County that do not maintain their own local police forces. Revenues are raised principally through a special real property tax levied only in those areas served by the County police.

Sewer and Storm Water District Fund - This special revenue fund consists of the sewage treatment and collection districts and is responsible for the operation and repair of the County sewage collection areas and maintaining and enhancing the region's water environment. Revenues are raised principally through a special property tax levied to areas served by the sewage treatment and collection districts. The County considers the Sewer and Storm Water District Fund to be a major fund due to the significance of the transactions.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. BASIS OF PRESENTATION (Continued)

Capital Fund - This fund is used to account for the expenditures for County general improvement capital construction projects. Some of the major project initiatives included in this fund are aimed at enhancements to County buildings, rehabilitation of County roadways, drainage improvements, redevelopment of park facilities and major capital equipment purchases. Funding for these projects is primarily provided by the issuance of long term debt but also may be supplemented by Federal and State aid grant awards. The Sewer and Storm Water District Construction Fund, the Sewage Disposal District Construction Funds and the Sewage Collection Districts Construction Fund have been consolidated into the Capital Fund.

Additionally, the County reports the following fund type:

Fiduciary Fund - The Fiduciary Fund is an agency fund used to account for resources received and held by the County as the agent for others. These resources include among other things, withholdings for payroll taxes and garnishments. Use of this fund facilitates the discharge of responsibilities placed upon the County by law or other authority. Individual accounts are maintained for all other escrow-type and fiduciary accounts required by law or other authority in administering such monies received by the County.

New Accounting Standards Not Yet Effective

In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application* ("GASB 72"). This statement addresses accounting and financial reporting issues related to fair value measurements and provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement become effective for fiscal periods beginning after June 15, 2015. The County has not completed the process of evaluating the impact that will result from implementing this Statement and is therefore unable to determine the impact that adopting this statement will have on its financial position and results of operation when it is adopted.

In June 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* ("GASB 73"), to complete the suite of pension standards. It establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes.

The requirements of this Statement extend the approach to accounting and financial reporting established in Statement 68 to all pensions, with modifications as necessary to reflect that for accounting and financial reporting purposes, any assets accumulated for pensions that are provided through pension plans that are not administered through trusts that meet the criteria specified in Statement 68 should not be considered pension plan assets.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. BASIS OF PRESENTATION (Continued)

New Accounting Standards Not Yet Effective (Continued)

The requirements of this statement are effective for fiscal years beginning after June 15, 2015 - except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for fiscal years beginning after June 15, 2016. The County has not completed the process of evaluating the impact that will result from implementing this Statement and is therefore unable to determine the impact that adopting this Statement will have on its financial position and results of operation when it is adopted.

In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* ("GASB74"). This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*. The requirement of this Statement establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. This Statement also includes requirements to address financial reporting for assets accumulated for purposes of providing defined benefit OPEB through OPEB plans that are *not* administered through trusts that meet the specified criteria. The requirement of this Statement is effective for financial statements for fiscal years beginning after June 15, 2016. The County has not completed the process of evaluating the impact that will result from implementing this Statement and is therefore unable to determine the impact that adopting this Statement will have on its financial position and results of operation when it is adopted.

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"). The primary objective of this Statement is to improve accounting and financial reporting for postemployment benefits other than pensions. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. It establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. This Statement also identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The requirement of this Statement is effective for financial statements for periods beginning after June 15, 2017. The County has not completed the process of evaluating the impact that will result from implementing this Statement and is therefore unable to determine the impact that adopting this Statement will have on its financial position and results of operation when it is adopted.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. BASIS OF PRESENTATION (Continued)

New Accounting Standards Not Yet Effective (Continued)

In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* ("GASB 76"). The objective of this Statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of GAAP. The hierarchy consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirement of this Statement is effective for financial statements for periods beginning after June 15, 2015. The County has not completed the process of evaluating the impact that will result from implementing this Statement and is therefore unable to determine the impact that adopting this Statement will have on its financial position and results of operation when it is adopted.

In August 2015, GASB has issued Statement No. 77, *Tax Abatement Disclosures* ("GASB 77"). The objective of this Statement is to provide additional disclosures in financial statements prepared by state and local governments in conformity with generally accepted accounting principles, and provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. The requirements of this statement are effective for reporting periods beginning after December 31, 2015. The County has not completed the process of evaluating the impact that will result from implementing this Statement and is therefore unable to determine the impact that adopting this Statement will have on its financial position and results of operation when it is adopted.

In December 2015, GASB has issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans* ("GASB 78"). The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement 68, *Accounting and Financial Reporting for Pensions*. It amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The requirements of this statement are effective for reporting periods beginning after December 31, 2015. The County has not completed the process of evaluating the impact that will result from implementing this Statement and is therefore unable to determine the impact that adopting this Statement will have on its financial position and results of operation when it is adopted.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. BASIS OF PRESENTATION (Continued)

New Accounting Standards Not Yet Effective (Continued)

In December 2015, GASB has issued Statement No. 79, *Certain External Investment Pools and Pool Participants* (“GASB 79”). This Statement establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. It also establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. Those provisions are effective for reporting periods beginning after December 15, 2015. The County has not completed the process of evaluating the impact that will result from implementing this Statement and is therefore unable to determine the impact that adopting this Statement will have on its financial position and results of operation when it is adopted.

In January 2016, GASB has issued Statement No. 80, *Blending Requirements for Certain Component Units- An Amendment of GASB Statement No. 14* (“GASB 80”). The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. The County has not completed the process of evaluating the impact that will result from implementing this Statement and is therefore unable to determine the impact that adopting this Statement will have on its financial position and results of operation when it is adopted.

In March 2016, GASB has issued Statement No. 81, *Irrevocable Split- Interest Agreement* (“GASB 81”). The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. It establishes accounting and financial reporting standards for irrevocable split-interest agreements created through trusts or other legally enforceable agreements with characteristics that are equivalent to irrevocable split-interest agreements, in which a donor irrevocably transfers its resources to an intermediary. The intermediary administers these resources for the unconditional benefit of a government and at least one other beneficiary. The requirements of this statement are effective for reporting periods beginning after December 15, 2016. The County has not completed the process of evaluating the impact that will result from implementing this Statement and is therefore unable to determine the impact that adopting this Statement will have on its financial position and results of operation when it is adopted.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. BASIS OF PRESENTATION (Continued)

New Accounting Standards Not Yet Effective (Continued)

In March 2016, GASB has issued Statement No. 82 Pension Issues – An amendment of GASB Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* (“GASB 82”). This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer’s pension liability is measured as of a date other than the employer’s most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. The County has not completed the process of evaluating the impact that will result from implementing this Statement and is therefore unable to determine the impact that adopting this Statement will have on its financial position and results of operation when it is adopted.

B. BASIS OF ACCOUNTING AND MEASUREMENT FOCUS

The basis of accounting determines when transactions are reported in the financial statements. 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 at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County either gives or receives value without directly receiving or giving equal value in exchange, include, for example sales and property taxes, grants, and donations. On an accrual basis, revenue from sales taxes is recognized when the underlying ‘exchange’ transaction takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. TSRs are recognized as they are collected due to the unpredictability of the revenues and the difficulty with which to estimate the amounts earned.

All discretely presented component units are accounted for on a flow of economic resources measurement focus. Discretely presented component units which are proprietary funds are accounted for on the accrual basis of accounting. Their revenues are recognized in the period earned and expenses are recognized in the period incurred. Proprietary funds’ unbilled services receivable are recognized as revenue.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF ACCOUNTING AND MEASUREMENT FOCUS (Continued)

Governmental funds are accounted for on the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are measurable when the amount of the revenue is subject to reasonable estimation. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues exclusive of revenue from Federal and State supported programs, to be available if they are collected within 60 days of the end of the current fiscal period. Revenue from Federal and State supported programs, are considered available if collected within one year of year-end. All other revenue items that are not measurable are recognized when cash is received by the government. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, with the following exceptions that are in conformity with GAAP: general long-term obligation principal and interest are reported only when due, vacation and sick leave when paid, judgments and claims when settled, other postemployment benefits when due, and depreciation is not recognized as an expenditure.

The fiduciary fund is accounted for on the accrual basis of accounting for the purpose of asset and liability recognition.

Transfers among funds are recognized in the accounting period in which the interfund receivable and payable arise.

Nassau Community College - The College reports as a special purpose government entity engaged only in business type activities as defined in GASB Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities*).

Nassau Health Care Corporation - In its accounting and financial reporting, the NHCC follows the pronouncements of the GASB as appropriate for special purpose entities engaging in other business-type activities.

C. BUDGETS AND BUDGETARY ACCOUNTING

An appropriated budget is legally adopted for each fiscal year for the General Fund, and each of the Special Revenue Funds, with the exception of NIFA, NCSSWFA, NCTSC, and the Grant and FEMA Funds. NIFA funds consist of sales tax revenues collected by the State Comptroller and transferred to the fund and are not subject to appropriation by the State or County. NCSSWFA funds are not subject to appropriation as they consist of property taxes (sewer assessments) collected by the city and town receiver of taxes and the County has directed them to remit all such assessments to NCSSWFA’s Trustee in accordance with the 2014 Agreement. NCTSC Funds consist of Tobacco Settlement Revenues received annually as a result of a Master Settlement Agreement between the Tobacco Settlement Corporation and Tobacco Manufacturing Companies. The Grant and FEMA Funds are appropriated for the life of specific grants, not for annual fiscal periods. Accordingly, the Grant and FEMA Funds are excluded from the Combined Statements of Revenues, Expenditures, and Changes in Fund Balances presented for budgeted special revenue funds.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BUDGETS AND BUDGETARY ACCOUNTING (Continued)

The budget amounts as reported include prior year encumbrances carried forward as well as current year authorizations. In the case of the Grant and FEMA Funds, an appropriated budget is legally adopted for the life of each grant as it is received. The County Legislature also authorizes and rescinds spending and financing authority in a Capital Budget. Each project authorized has continuing budget authority until the project is completed or rescinded. All appropriated budgets are adopted by ordinance of the County Legislature on the same modified accrual basis of accounting used to report revenues and expenditures except that appropriations are not provided for certain interfund indirect costs and encumbrances are treated as charges to appropriations when incurred. All supplemental appropriations amending appropriated budgets as originally adopted are also provided by ordinance of the County Legislature.

During the fiscal year ended December 31, 2015, supplemental appropriations for the General Fund and appropriation budgets for the Grant and FEMA Funds were adopted and are included in the Statement of Revenues, Expenditures and Changes in Fund Balances, Total Budgetary Authority, Actual and Budgetary Basis - General Fund and the Schedule of Expenditures by County Departments and Offices, Total Budgetary Authority, Actual for the Grant and FEMA Funds, respectively, as follows (dollars in thousands):

Supplemental Appropriations:	
General Fund	\$ 523
Grant Fund appropriated budgets	143,238
FEMA Fund appropriated budgets	<u>23,971</u>
Total Supplemental Appropriations and Grant Fund Appropriated Budgets	<u><u>\$ 167,732</u></u>

Appropriations, which have not been expended or encumbered by the end of the fiscal period, lapse at that time, except for the Grant, FEMA and Capital Funds, whose budgets are legally adopted for the life of the grant, or until the capital project is completed.

The County followed these procedures in establishing the budgetary data reflected in the financial statements:

1. The proposed budget must be presented to the County Legislature and NIFA not later than September 15. (For the NCC, the proposed budget is submitted on or before the second Monday in July for the fiscal year commencing the following September 1). The proposed budgets include proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain public comments.
3. Budgets must be adopted by the County Legislature no later than October 30 of the prior year. (For the NCC, the budget is legally enacted on or before the third Monday in August).

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BUDGETS AND BUDGETARY ACCOUNTING (Continued)

4. The appropriated budget can be legally amended by the County Legislature subsequent to its initial adoption. Proposed amendments can be submitted by the County Executive to the Legislature at any time during the fiscal year. These proposed amendments are then voted on by the Legislature at the next available meeting. Amendments, which are legally approved by the Legislature, are immediately reflected in the operating appropriated budget.
5. Formal budgetary integration is employed as a management control device during the year for the governmental funds. The legal level of budgetary control is exercised at the object appropriation level within a fund's departmental control center. The County Legislature must approve all transfers and supplemental appropriations at this level.

D. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Encumbrances outstanding at year-end are reported within governmental funds as restricted, committed or assigned fund balance since they do not constitute expenditures or liabilities.

E. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes amounts in demand deposits, as well as highly liquid investments, with original maturities of three months or less from the date acquired by the County or its component units, except for assets whose use has been restricted. In accordance with General Municipal Law of the State of New York, the County may invest in certificates of deposits, money market and time deposit accounts, repurchase agreements, obligations of the United States Government and obligations of the State of New York and its various municipal subdivisions.

Restricted cash and investments represent amounts held for payment of future debt service and amounts with use restricted by contractual agreements and regulations.

As required by law, all cash deposits and cash equivalents are required to be fully collateralized or insured. Bank balances are covered by Federal Depository Insurance Corporation (FDIC) insurance or by collateral consisting of obligations of the United States Government held by the County's agent in the County's name, or agents of its component units in their names.

F. INVESTMENTS

NCTSC investments consist of shares in an investment fund which invests in short-term U.S. Treasury securities and in repurchase agreements backed by U.S. Treasury securities and are stated at amortized cost, which approximates fair value.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. INVESTMENTS (Continued)

NIFA investments include government agency bonds, notes and certificates of deposit with a maturity of longer than three months. Short-term investments with maturities of three months or less, and nonmarketable securities, are recorded at cost. Marketable securities with maturities longer than three months are recorded at fair value and all investment income, including changes in fair value, is reported as revenue in the current period. Fair value is determined using quoted market values at December 31, 2015. In the Statement of Net Position and Balance Sheet, the accrual of interest on investments is reported as interest receivable, and the unrealized change in fair value of marketable securities with maturities longer than three months is reflected in the amount of the investment asset. Restricted investments represent amounts held by NIFA's Bond Trustee for the payment of future debt service payments, bond indentures, and amounts restricted by contractual agreements and regulations.

G. INVENTORIES

Inventory on hand for the County is not significant and is recorded as an expenditure in the period purchased.

NHCC inventories, which are prepaid supplies, are carried at the lower of cost or market. Cost is determined by the first-in, first-out valuation method.

H. CAPITAL ASSETS

All capital assets, which are acquired or constructed for general governmental purposes, are reported as expenditures in the fund that finances the asset acquisition and are accounted for and reported in the government-wide financial statements, as capital assets, if they meet the County's capitalization criteria. These statements also contain the County's infrastructure elements that are required to be capitalized under GAAP. Infrastructure assets include public domain assets such as roads, bridges, streets, sidewalks, curbs and gutters, drainage systems, lighting systems, and the like. Real property acquired in 1984 and prior (except for infrastructure assets) is recorded at historical cost based on an appraisal performed in 1984. Real property acquired after 1984 as well as all infrastructure assets are recorded at historical cost. Capital leases are classified as capital assets in amounts equal to the lesser of the fair market value or the present value of net minimum lease payments at the inception of the lease.

Equipment with a unit cost of \$5,000 or more is included in the financial statements as general capital assets of the County. Electronic equipment valued at a unit cost of \$500 or more and all other equipment valued at \$1,000 or more is inventoried and recorded for internal control purposes. Donated capital assets, if material, are stated at their fair market value as of the date of the donation. Intangible assets are classified as capital assets if identifiable. Intangible assets are characterized as an asset that lacks physical substance, is nonfinancial in nature, and has an initial useful life extending beyond a single reporting period. All of the County's intangible capital assets have indefinite useful lives.

It is NHCC's policy capitalize assets in excess of \$100 that have useful lives of more than one year and NCC's policy to capitalize all assets that have useful lives of more than one year.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. DEPRECIATION

Depreciation is defined by the AICPA as a method of accounting which aims to distribute the cost or value of tangible capital assets, less any salvage value, over the estimated useful life of the assets in a systematic and rational manner. GASB Statement No. 34 states that capital assets should be depreciated over their estimated useful lives, unless they are inexhaustible. Accumulated depreciation is reported for land improvements, buildings, equipment and infrastructure. (The County's land improvements consist of exhaustible capital assets such as swimming pools, parking lots, and playgrounds.) Land, which is an inexhaustible asset, and construction in progress are not depreciated. Land improvements, buildings, equipment, and infrastructure are depreciated, using straight-line method of depreciation, over their estimated useful lives of 20 years for land improvements, 40 years for buildings, 3 to 25 years for equipment and 15 to 40 years for infrastructure. Capital lease assets are amortized over the term of the lease or the life of the asset, whichever is less.

Depreciation is recorded by the major discretely presented component units, as follows:

Nassau Community College - Depreciation on buildings, land improvements and infrastructure, and equipment is calculated using the straight line method over the assets' estimated useful lives, ranging from 5 to 50 years. Library books are not depreciated.

Nassau Health Care Corporation - Depreciation is computed over the estimated useful life of each class of depreciable assets, ranging from 3 to 40 years, and is computed using the straight-line method. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring these assets.

J. PREPAID EXPENSES

Prepaid expenses represent amounts paid as of year-end, which will benefit future operations and are accounted for using the consumption method. The County's prepaid expenses primarily consist of retirement benefits.

K. ALLOWANCE FOR DOUBTFUL ACCOUNTS

The County reviews receivables (accounts receivable, property taxes receivable, loans receivable, and due from other governments) by performing an analysis of historical collectability of its receivables to determine a collectability percentage which is then applied to the current year balance. The College calculates an estimate of uncollectable student account balances according to the methodology developed based on the history of collections. All student account balances are written off if not collected after three years. Balances that are outstanding for more than two years are reserved in accordance with the College's policy. NHCC's allowance for doubtful patient accounts is based upon its management's assessment of historical and expected net collections, business and economic conditions, trends in Medicare and Medicaid health care coverage and other collection indicators.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. DERIVATIVE INSTRUMENTS – INTEREST RATE SWAP/DEFERRED OUTFLOW OF RESOURCES

NIFA and NHCC's derivative instruments, consisting of interest rate swap agreements, qualify as hedging derivative instruments and have been recorded at fair value, using the zero coupon methodology, in the Statement of Net Position as derivative instruments – interest rate swaps. The recording of the fair value of hedging derivative instruments has not affected investment income or NIFA and NHCC's net position, but has been reported as a deferral and is included in the deferred outflow of resources in NIFA and NHCC's Statement of Net Position.

M. NET POSITION AND FUND EQUITY CLASSIFICATIONS

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- a) 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, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c) Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.” A deficit will require future funding.

When both restricted and unrestricted resources are available for use, the County normally uses restricted resources first, and then unrestricted resources as needed, unless there are legal requirements to the contrary. The County does not have a formal policy with respect to the order in which unrestricted resources are to be used, therefore, in accordance with Statement No. 54, the County's unrestricted resources will be used in the following order: committed, assigned, and unassigned.

In accordance with GASB Statement No. 54, the classification of fund balance is based on the extent to which the County is obligated to abide by constraints on the specific purposes for which government funds may be spent. The fund balance classifications are as follows:

Nonspendable – includes fund balance amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The County's prepaid assets, primarily comprised of prepaid retirement expenditure that is paid in the current year for the following year's expense, are deemed to be not in spendable form, and have therefore been categorized as nonspendable.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. NET POSITION AND FUND EQUITY CLASSIFICATIONS (Continued)

Restricted – includes fund balance amounts that are restricted to specific purposes. The restrictions must be imposed by external parties, such as creditors, grantors, or other governments, constitutional provisions, or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes pursuant to formal action of the government’s highest level of authority. For the County, the highest level of authority is the County’s Legislature. An ordinance committing the funds must be enacted prior to year-end in order to commit fund balance. The funds may not be used for any other purpose unless the constraint is changed by a similar action taken by Legislature prior to year-end.

Assigned - includes fund balance amounts that are constrained by the government’s intent to be used for specific purposes, but are considered neither restricted nor committed. The County Legislature may assign fund balance, as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s budget. The County Legislature via approval of the annual budget, authorizes Department Heads who have been appointed by the County Executive and confirmed by the County Legislature, to assign amounts to be used for a specific purpose. Amounts in the assigned fund balance classification are intended to be used by the County for the specific purpose of that fund but do not meet the criteria to be classified as committed. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. 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.

Unassigned – includes the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

The County has a policy to set recommended levels of unreserved fund balance (now Assigned and Unassigned) of no less than four percent and no more than five percent of normal prior-year expenditures made from its internally defined General Fund and County-wide Special Revenue Funds. The policy stipulates that use of unreserved fund balance is restricted to: (i) non-recurring expenses that promote important policy objectives; or (ii) extraordinary operating and capital purposes that could not be anticipated and which otherwise cannot be financed with current revenues in the annual Operating Budget. At the year ended 2015, the fund balance level is 6.1% of 2014 normal, recurring expenditures. The County’s established policy on unreserved fund balance (now Assigned and Unassigned) recommends that it be no less than 4% and no more than 5% of prior year expenditures in the County-wide funds.

The County’s policy further mandates that it shall maintain combined level of financial resources in its nonspendable, restricted and committed funds of no less than four percent and not more than five percent of normal prior-year expenditures.

N. ACCUMULATED UNPAID VACATION, SICK PAY, AND OTHER EMPLOYEE BENEFITS

County employees receive vacation time, sick leave, and other benefits pursuant to the labor contract or County ordinance covering their terms of employment. The cash value of these accumulated unpaid employee benefits and the related employer costs (e.g., Social Security) has been accrued and reported with other long-term liabilities in the government-wide Statement of Net Position. The compensated absences are treated as long-term as they will not be liquidated with expendable available financial resources. The amount that is expected to be liquidated with expendable available resources is reported as expenditures and a liability in the fund that give rise to the liability.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. GRANTS AND OTHER INTERGOVERNMENTAL REVENUES

Federal and State grants and assistance awards made on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. All other Federal and State reimbursement type grants are recorded as intergovernmental receivables and revenues when the related expenditures or expenses are incurred. The County sustained significant damage in 2012 as a result of Super-storm Sandy ("Storm"), with repair and recovery efforts continuing into 2015. The County's costs for emergency protective measures, debris removal and other recovery efforts since the Storm total approximately \$222.5 million as of the year ended December 31, 2015, of which \$30.0 million was recorded in 2015 (including \$15.1 million transferred out to the operating funds to offset the local match recorded in prior years), and \$192.6 million in prior years, with repair efforts continuing. Through 2015, the County recorded a total of \$186.6 million (\$13.8 million in 2015) of anticipated aid from FEMA, which represents 90% of the costs. The County has reported the remaining 10%, totaling \$20.9 million, as expenditures to the operating funds; \$1.0 million in 2015, and \$19.9 million recorded between 2012-2014, of which \$15.1 million was transferred back to the operating funds in the current year. Currently, the 10% match for 2015 of \$1.0 million is comprised of \$0.3 million, recorded in the operating funds of the County, and \$0.7 million recorded in the Sewer and Storm Water Fund.

On July 23, 2014, Governor Andrew M. Cuomo announced funding to cover local government costs to repair and rebuild infrastructure damaged by Super-Storm Sandy including debris removal and emergency protective measures, from the state allocated Community Development Block Grant – Disaster Relief ("CDBG-DR"). The FEMA Public Assistance (PA) program covers immediate post-storm response needs like debris removal and emergency protective measures, and provides funds for the repair and rebuilding of publically owned infrastructure that was damaged including roads, school bridges, parks, hospitals, police stations, fire houses, water and waste water treatment facilities and other public facilities. As part of FEMA's public assistance program, FEMA pays for 90% of a project cost while the local governments and public entities are required to cover the remaining 10% of the costs incurred as a result of federally declared disasters.

Through the Governor's action, this allocation of CDBG-DR funds totaling \$15.1 million has been recognized as revenue in 2015 to offset the County's 10% obligation recorded in the 2012-2014 financial statements. The County was awarded CDBG-DR funding in 2015.

P. REAL PROPERTY TAX

County real property taxes are levied on or before the third Monday in December and recorded as a receivable on January 1, the first day of the succeeding fiscal year. They are collected in two semi-annual installments, payable on January 1 and July 1 by the town and city receivers of taxes together with the town and city tax levies, all of which become a lien on January 1. The town receivers of taxes likewise collect real property taxes for all towns, school districts and special districts in the County, and return to the County after June 1 any uncollected taxes receivable. Pursuant to the Nassau County Administrative Code ("Administration Code"), the County assumes the burden of such uncollected taxes, and has the responsibility for their collection from the taxpayers. In October 2010, the Legislature repealed the provisions of this section of the Administrative Code to require that the jurisdiction that received the benefit of the taxes (or other levies or assessments) bear the cost of refunds, cancellations or credits of such taxes, levies or assessments.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. REAL PROPERTY TAX (Continued)

The local law, which took effect immediately, was to be applied to assessment rolls that took effect April 2012 and thereafter, however, a number of school districts and other jurisdictions in the County that would have been affected by the local law, brought lawsuits against the County challenging the validity of the County's repealing of the Administrative Code provision. In February 2014, the County lost its challenge to the lawsuit. As a result, the County could not begin to charge the cost of property tax refunds to the towns, special districts, and school districts that appear on the County's tax rolls, as would otherwise be required by Article 7 of the New York State Real Property Tax Law, and continued to assume the burden of property tax refunds for those municipalities.

The New York State constitutional limit of real property taxation for counties is set at two percent of the average full valuation of real estate for the five years preceding the current year for general government services other than the payment of principal and interest on its long-term debt. The maximum taxing authority controlling the levy of County real property taxes for 2015 was \$4.3 billion. The constitutional tax margin was \$3.77 billion or approximately 87.2% of the maximum taxing authority in 2015 (see Exhibit T-10).

Property tax revenue is recognized in the year for which it is levied provided that it is payable and collected before the current fiscal year-end or within 60 days thereafter in order to be available to pay for liabilities of the current fiscal year. At year-end, adjustments are made for taxes that are estimated to be uncollectible, or collectible but not available soon enough in the next year to finance current period expenditures. Property tax revenue not available is presented as deferred inflow of resources for the governmental fund financial statements. Additionally, the government-wide financial statements recognize property tax revenue, which is not available to the governmental fund type in the fiscal year for which the taxes are levied.

The New York State Legislature and the New York State Governor enacted legislation in 2011 that establishes a "property tax cap" on the amount that a local government's property tax levy can increase each year. Chapter 97 of the Laws of 2011 (Part A-Property Tax Cap) establishes a tax levy limit (hereafter referred to as the "property tax cap") that affects all local governments, most school districts in New York State, except New York City, and a host of other independent taxing entities such as library, fire and water districts. The law is effective for local fiscal years beginning in 2012 and for the 2012-13 school year. Under this law, the growth in the property tax levy, the total amount to be raised through property taxes charged on the municipality's taxable assessed value of property, will be capped at 2 percent or the rate of inflation, whichever is less, with some exceptions. Local communities have the ability to override the cap.

The tax cap is a restriction on the year-to-year increase in the tax levy, while the constitutional tax limit is a restriction on the total amount of the levy in any single year. Therefore, the tax levy limit is a separate restriction imposed upon counties, cities and villages that is in addition to the threshold constraint of the constitutional tax limit. Counties, cities and villages must meet both requirements.

Q. INTERFUND TRANSACTIONS

During the course of normal operations, the County has numerous transactions among funds, including transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as interfund transfers. The General Fund provides administrative and other services to other funds. Amounts charged to the users for these services are based on the County's cost allocation plan and are treated as revenues in the General Fund and as expenditures in the user funds.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. INTERFUND TRANSACTIONS (Continued)

In addition, numerous interfund transfers are recorded to ensure proper accounting under GAAP. For example, expenditures, such as property tax refunds and termination pay, which are paid for using the proceeds from borrowings, are transferred from the County's Capital Fund to the County's General and Police District Funds to properly reflect the nature of the transaction.

R. PAYABLE TO INVESTMENT BROKER – INVESTMENT PURCHASE

Investments are recorded as assets based on the trade date (order date) of the purchase and results in a payable to investment broker until such time as funds for the purchase have been transferred to the broker on the settlement date and delivery of the investments have been received. As of December 31, 2015, there is an outstanding liability in the NIFA debt service fund for the purchase of U.S. government and agency investments which settled early in January 2016.

S. NOTES PAYABLE

Tax anticipation notes and revenue anticipation notes are generally recorded as fund liabilities in the fund receiving the proceeds. Bond anticipation notes are classified as fund liabilities in the funds receiving the proceeds unless all legal steps have been taken to refinance the notes and the intent is supported by an ability to consummate refinancing the short-term note on a long-term basis at which time they are recorded as bonds payable in the government-wide Statement of Net Position.

T. LONG-TERM OBLIGATIONS

In the fund statements, long-term obligations are not reported as liabilities. The debt proceeds are reported as other financing sources and payments of principal and interest reported as expenditures. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as debt service expenditures. For long-term liabilities, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

All long-term liabilities are reported in the government-wide Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds on a straight-line basis. Bonds payable are reported net of applicable bond premium or discount. Long-term liabilities expected to be financed from discretely presented component unit operations are accounted for in the respective component unit financial statements.

U. CLAIMS

The County is self-insured with respect to most risks including, but not limited to, property damage, personal injury, and workers' compensation. The County carries insurance on its police helicopters, selected leased facilities, a blanket fidelity bond on all County employees, and the following coverage on its summer recreation program: accident insurance, umbrella and general liability. In the fund financial statements, expenditures for judgments and claims and workers' compensation are recorded when paid or due. In the government-wide financial statements, the estimated liability for all judgments and claims is recorded as a liability. This liability includes an estimate for incurred but not reported (IBNR) claims, which are claims for insured events that have occurred but have not yet been reported to the governmental entity as of the date of the financial statements.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

V. USE OF ESTIMATES

Significant accounting estimates reflected in the County's financial statements include estimated tax certiorari liability, the allowance for doubtful accounts, allowance for property taxes, accrued liabilities, workers' compensation claims, accrued vacation and sick leave, deferred payroll, estimated malpractice liability, liability for litigation and claims, postemployment retirement benefits liability, net pension liability and depreciation. Actual results could differ from these estimates.

2. DEPOSITS AND INVESTMENTS

At December 31, 2015, the County's total cash and cash equivalents, which consisted of cash in money market interest bearing bank accounts at rates averaging 0.16%, for the governmental funds and the fiduciary funds annually, were \$788.2 million and \$133.1 million, respectively. As of December 31, 2015, the County's bank balances totaling \$961.0 million (including fiduciary funds of \$132.1 million) were fully covered with FDIC and/or pledged collateral held by third party financial institutions acting as agent for the County, in the name of the County. The third party collateral consists of U.S. Treasuries, GNMA, and other obligations of the U.S. government.

As of December 31, 2015, total investments amounted to \$67.1 million. The investments consisted of U.S. Treasury Notes and other obligations of the U.S. government, which are explicitly guaranteed by the U.S. government and therefore not considered to have credit risk, and shares of an investment fund, held by NCTSC, which invests in short-term U.S. Treasury securities paying a fixed, variable or floating interest rate and in repurchase agreements backed by U.S. Treasury securities.

Interest rate risk is the risk that the fair value of investments could be adversely affected by the change in interest rates. Duration limits are used to control the portfolios exposure to interest rate changes. Investments are limited to less than one year in duration.

Credit risk is the risk of loss of principal or loss of a financial reward stemming from a borrower's failure to repay a loan or otherwise meet a contractual obligation. Credit risk arises whenever a borrower is expecting to use future cash flows to pay a current debt. Investors are compensated for assuming credit risk by way of interest payments from the borrower or issuer of a debt obligation. Credit risk may be eliminated or minimized by purchasing certain securities, such as obligations of the U.S. government or those explicitly guaranteed by the U.S. government.

State law and NIFA policies limit investments to those authorized by the State statutes. NIFA has a written investment policy which is designed to protect deposits and investment principal by limiting permitted investments. Concentration risk disclosure is required for NIFA for positions of 5 percent or more in securities of a single issuer. NIFA has substantially all of its investments in U.S. Government guaranteed securities and U.S. Government agency securities. All investments held by NIFA's trustee bank solely as agent of NIFA. All investments mature in less than six months.

NCTSC's investments in the ICT Treasury Portfolio Institutional Shares carried a credit rating of AAAM by Standard and Poor's and Aaa-mf by Moody's as of December 31, 2015.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

2. DEPOSITS AND INVESTMENTS (Continued)

The following table summarizes the County's unrestricted and restricted cash and cash equivalents (including fiduciary funds and blended components) and investment position at December 31, 2015 (dollars in thousands):

	Cash and Cash Equivalents	Investments	Total
Cash and Cash Equivalents	\$ 921,312	\$	\$ 921,312
Treasury notes and investments		67,052	67,052
Totals	<u>\$ 921,312</u>	<u>\$ 67,052</u>	<u>\$ 988,364</u>
Governmental Funds	\$ 788,177	\$ 67,052	\$ 855,229
Fiduciary Funds	133,135		133,135
Totals	<u>\$ 921,312</u>	<u>\$ 67,052</u>	<u>\$ 988,364</u>

The County maintains a consolidated disbursement account with a financial institution on behalf of the College. At August 31, 2015, the College had a cash balance of \$64.1 million, of which \$23.5 million was held by the County on behalf of the College, and the bank balance was \$31.6 million. The bank balance is covered by Federal Depository Insurance or by collateral consisting of obligations of the United States Government held by the County's agent in the County's name.

At August 31, 2015, the carrying amount (fair value) of the College's investments was \$2.3 million.

3. DUE FROM OTHER GOVERNMENTS

Due from Other Governments at December 31, 2015 represents aid, grants, and other amounts receivable from the State and Federal governments. The following summarizes such receivables (dollars in thousands):

Fund	Federal	State/Other*	Total
General Fund	\$ 44,205	\$ 71,755	\$ 115,960
NIFA Fund		123,026	123,026
Police District Fund	3,286		3,286
Sewer and Storm Water District Fund		4,501	4,501
Capital Fund	10,500	161	10,661
Nonmajor Funds	54,517	4,450	58,967
Totals	<u>\$ 112,508</u>	<u>\$ 203,893</u>	<u>\$ 316,401</u>

* Sales tax receivable of \$134,883 (both General and NIFA funds) due from NYS, is reported separately in the financial statements as sales tax receivable.

4. TAX SALE CERTIFICATES

Tax Sale Certificates includes the amount of delinquent real property taxes, which could not be sold and which the County was required to retain. It also includes the value of tax sale certificates bought by the public, and subsequently reacquired by the County upon default of the purchaser.

Each year, the County evaluates the collectability of the real property tax receivables to determine whether the allowance for real property taxes receivable is adequate. The determination is based on the trend in collectability, as evidenced by the actual collections over the prior three years. Any adjustment to the allowance is recorded in the County's financial statements.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

5. TAX REAL ESTATE HELD FOR SALE

The account Tax Real Estate Held for Sale includes real property, which the County has acquired primarily through tax enforcement proceedings. The property is valued at the amount of the delinquent tax liens, which could not be sold and which the County was required to retain.

Real property designated as Tax Real Estate is accounted for as an asset of the General Fund inasmuch as it is not being considered for use by the County at this time, but rather is available for sale to private buyers. Since any taxes unpaid to other funds from this property were paid to those funds by the General Fund, no portion of this asset is allocable to those other funds.

Certain real property which was acquired by the County as tax real estate and subsequently designated for public use is currently not available for sale and is included as part of the capital assets in the government-wide Statement of Net Position.

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A. Interfund Receivables, Payables and Transfers

The individual fund Interfund Receivables and Interfund Payables as of December 31, 2015 are reconciled as follows (dollars in thousands):

December 31, 2015	General Fund	NIFA Fund	Police District Fund	Sewer & Storm Water District Fund	Capital Fund	Nonmajor Governmental Funds	Total Governmental Funds
INTERFUND RECEIVABLE							
General Fund	\$	\$	\$ 3,036	\$	\$ 63,381	\$	\$ 66,417
NIFA Fund	94,081					14,293	108,374
Police District Fund	20,354				570		20,924
Sewer & Storm District Fund	24,057						24,057
Capital Fund	137,791			4,257		35	142,083
Nonmajor Funds	42,437	3	1,440	4,351			48,231
TOTAL RECEIVABLE	\$ 318,720	\$ 3	\$ 4,476	\$ 8,608	\$ 63,951	\$ 14,328	\$ 410,086
INTERFUND PAYABLE							
General Fund	\$	\$ (94,081)	\$ (20,354)	\$ (24,057)	\$ (137,791)	\$ (42,437)	\$ (318,720)
NIFA Fund						(3)	(3)
Police District Fund	(3,036)					(1,440)	(4,476)
Sewer & Storm District Fund					(4,257)	(4,351)	(8,608)
Capital Fund	(63,381)		(570)				(63,951)
Nonmajor Funds		(14,293)				(35)	(14,328)
TOTAL PAYABLE	\$ (66,417)	\$ (108,374)	\$ (20,924)	\$ (24,057)	\$ (142,083)	\$ (48,231)	\$ (410,086)

Transfers In:

December 31, 2015	General Fund	Police District	Sewer & Storm District Fund	Nonmajor Funds	Total
Transfers Out:					
General Fund	\$	\$ 2,796	\$	\$ 337	\$ 3,133
Police District Fund	2,171				2,171
Sewer & Storm District Fund	16,650			693	17,343
Capital Fund	12,661		5,866		18,527
Nonmajor Funds	18,920	947	4,831		24,698
TOTAL	\$ 50,402	\$ 3,743	\$ 10,697	\$ 1,030	\$ 65,872

Interfund Receivables and Payables generally result when one fund receives cash or pays expenditures on behalf of another. The outstanding balances between funds result primarily from the time lag between the date the reimbursement is received and the date the interfund goods and services are provided.

See Note 1(Q) for additional description of interfund transactions.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (Continued)

B. Due from/Due to Primary Government and Component Units

The total amounts shown as Due to Primary Government and Due from/to Component Units (discretely presented) at December 31, 2015 do not offset each other as they include accounts of the College at the end of their fiscal year on August 31, 2015, and the NHCC, which has timing differences with the County. The following reconciles the December 31, 2015 amount by carrying forward the College transactions affecting these accounts from September 1, 2015 through December 31, 2015 and the NHCC for the timing differences.

<u>Dollars in Thousands</u>	<u>2015</u>
Due to Primary Government (Exhibit X-1), Component Units	\$ (23,992)
Net Due from Primary Government, Component Units	<u>\$ (23,992)</u>
Nassau Community College Transactions from September 1, to December 31:	
Increase in due from Capital Fund	\$ 13,005
Increase in due from Fiduciary Fund	388
Increase in due from General Fund	<u>1,490</u>
Subtotals	<u>14,883</u>
Nassau Health Care Corporation	
Net Change in Encumbrances	<u>(7,375)</u>
Due from Component Units - Fiduciary per Balance Sheet: (Exhibit X-10)	1,736
Due From Component Units - Governmental per Balance Sheet (Exhibit X-1)	26,249
Due To Component Units - Governmental per Balance Sheet (Exhibit X-1)	<u>(11,501)</u>
Due to Component Units - Fiduciary and Governmental	<u>\$ 23,992</u>

7. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position will, as necessary, report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position that is applicable to future reporting period(s) and therefore will not be recognized as an outflow of resources (expense/expenditure) until that time. The County currently has three items that qualify for reporting in this category; deferred loss on bond refunding, the accumulated decrease in the fair value of hedging activities and deferred charges on pensions.

Deferred loss on refunding is the difference between the reacquisition (refunding) price and the net carrying amount of the old debt and it is recognized as a component of interest expense over the shorter of the life of the refunded or refunding debt.

NIFA's and NHCC's derivative instruments, which consist of interest rate swap agreements have been reported at fair value as of December 31, 2015. As the interest rate swap agreements qualify as hedging derivative instruments, the fair value has been recorded as a deferred outflow of resources.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

7. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (Continued)

The deferred outflows stemming from the defined benefit pension plan, consists of changes in the components of the County's net proportional share of the pension plan's net pension liability, that is, the County's proportionate share of the changes in the pension plan's total pension liability and in the pension plan's fiduciary net position. It also includes contributions paid subsequent to the pension plan's measurement date.

In addition to liabilities, the 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 position that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenues) until that time. The County has six items that qualify for reporting in this category; deferred gain on refundings, property taxes, property taxes - part County sales tax offset, Mitchell Field – purchase of future lease revenue, pensions and service concession agreements.

A deferred gain on refunding results from the difference in the carrying value of refunded debt and its acquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Unavailable property taxes are reported in the governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government – wide statements availability is not a factor in recognizing revenue, so the inflow of resources (property tax revenue) is recognized. The property taxes - part County sales tax offset is a tax collected on hotel room occupancy and alcoholic beverages in Nassau County, outside of the City of Long Beach. The tax is used to offset General Fund property taxes in the three towns located in the County and the City of Glen Cove. Any part County sales tax in excess of budget is reclassified as a deferred inflow of resources because it is an advance of a subsequent year's property tax levy.

Mitchel Field – sale of future rental revenue is the County's sale of 30 years of future rental revenue streams from eighteen long-term ground leases of County-owned property in the Mitchel Field area of Uniondale.

The deferred inflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. The effect on the net pension asset of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expenses in a systematic and rational manner over a closed period of five years. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

The difference between the consideration received and the liability derived from service concession arrangements is reported as a deferred inflow of resources because the revenue will be recognized over the term of the agreement. See Note 18H for further discussion of the County's service concession arrangements.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

8. CAPITAL ASSETS

The 2015 capital assets are reconciled to the 2015 amounts reported on Exhibit X-1 in the table below (dollars in thousands):

	Governmental Activities
Capital assets not being depreciated	\$ 954,315
Depreciable capital assets	3,858,197
Accumulated depreciation	<u>(1,913,065)</u>
Capital assets - net	2,899,447
Outstanding related debt	<u>(950,131)</u>
Net investment in capital assets	<u><u>\$ 1,949,316</u></u>

The County evaluates capital assets for prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The County's practice is to record an impairment loss in the period when its service utility has declined significantly and unexpectedly. In 2015, no impairment losses were recognized related to the County.

Activity for capital assets, reconciled to the 2015 amount reported in Exhibit X-1, is summarized below (dollars in thousands):

Primary Government	Balance January 1, 2015 *	Additions	Deletions	Balance December 31, 2015
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 238,976	\$ 944	\$ 125	\$ 239,795
Intangible - land development rights	8,804			8,804
Construction in progress	498,852	270,800	63,936	705,716
Total capital assets, not being depreciated:	<u>746,632</u>	<u>271,744</u>	<u>64,061</u>	<u>954,315</u>
Capital assets, being depreciated:				
Land improvements	79,109	42	30	79,121
Buildings	1,180,854	17,539	275	1,198,118
Equipment	498,197	42,046	28,192	512,051
Infrastructure	2,023,496	45,411		2,068,907
Total capital assets, being depreciated	<u>3,781,656</u>	<u>105,038</u>	<u>28,497</u>	<u>3,858,197</u>
Total capital assets	<u>4,528,288</u>	<u>376,782</u>	<u>92,558</u>	<u>4,812,512</u>
Less accumulated depreciation:				
Land improvements	56,577	3,224	30	59,771
Buildings	456,531	28,531	141	484,921
Equipment	376,364	22,330	25,262	373,432
Infrastructure	927,741	67,200		994,941
Total accumulated depreciation	<u>1,817,213</u>	<u>121,285</u>	<u>25,433</u>	<u>1,913,065</u>
Total capital assets, being depreciated, net	<u>1,964,443</u>	<u>(16,247)</u>	<u>3,064</u>	<u>1,945,132</u>
Governmental activities capital assets, net	<u><u>\$ 2,711,075</u></u>	<u><u>\$ 255,497</u></u>	<u><u>\$ 67,125</u></u>	<u><u>\$ 2,899,447</u></u>

* Beginning balances were restated (See Note 20)

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

8. CAPITAL ASSETS (Continued)

The table below presents the reconciliation of the reduction of construction in progress to the additions to capital assets (dollars in thousands):

	<u>County</u>
Transfer from construction in progress	<u>\$ 63,936</u>
Additions to capital assets:	
Land improvements	\$ 42
Land	944
Buildings	17,539
Infrastructure	45,411
	<u>\$ 63,936</u>

Depreciation expense was charged to functions of the primary government for the fiscal year ended December 31, 2015 as follows (dollars in thousands):

	Land				
	<u>Improvements</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Total</u>
Functions:					
Legislative	\$	\$ 6	\$ 9	\$	\$ 15
Judicial	80	1,202	476		1,758
General administration	65	7,371	10,930		18,366
Protection of persons		1,953	5,619	2,597	10,169
Health		111	139		250
Public works	54	8,571	4,513	62,463	75,601
Recreation and parks	2,965	4,549	227	2,140	9,881
Social services	60	189	24		273
Corrections		4,579	393		4,972
Total depreciation expense	<u>\$ 3,224</u>	<u>\$ 28,531</u>	<u>\$ 22,330</u>	<u>\$ 67,200</u>	<u>\$ 121,285</u>

Total capital assets of the County, as of December 31, 2015, is \$4.8 billion with accumulated depreciation of \$1.9 billion.

Pursuant to the Sewer Consolidation Agreement between the County and the City of Glen Cove (the "City"), dated as of January 8, 2008 (the "Sewer Consolidation Agreement"), the City transferred and conveyed to the County, and the County acquired from the City all rights, title and interest of the City in and to the City's sewer system, effective on the transfer date (March 1, 2008) as provided in the Sewer Consolidation Agreement. Pursuant to Section 4.5 of the Sewer Consolidation Agreement, the County is obligated to pay or reimburse the City for the remaining debt service on City bonds issued to finance the City's sewer system. Each such payment is defined as a Purchase Payment under the Sewer Consolidation Agreement.

The total bonds issued by the City to finance its sewer system was \$5.1 million. As of December 31, 2015, the total principal outstanding related to the City's bonds issued to finance the sewer system was \$1.8 million. The bonds have maturity dates ranging from July 2016 to June 2023 and annual interest rates between 3.28% and 4.30%. Total estimated debt service (including interest) as of December 31, 2015 through maturity is approximately \$2.1 million. For the year ended December 31, 2015, the County made payments of \$474,107 for such debt service. The County has not included this contractual obligation in its long-term obligations as it will be paid from current resources as contractually obligated.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

8. CAPITAL ASSETS (Continued)

The annual requirements to amortize the City of Glen Cove's bond issuances for the sewer fund, including interest as of December 31, 2015, are as follows (dollars in thousands):

Years Ending December 31,	Principal	Interest	Total
2016	\$ 404	\$ 71	\$ 475
2017	421	54	475
2018	274	40	314
2019	287	27	314
2020	298	16	314
2021 - 2023	155	6	161
	<u>\$ 1,839</u>	<u>\$ 214</u>	<u>\$ 2,053</u>

Nassau Community College Capital Assets

The following is a summary of the College capital assets at cost, except as noted (dollars in thousands):

	Balance at August 31, 2014	Additions	Deletions	Balance at August 31, 2015
Capital assets, not being depreciated:				
Land	\$ 2,733	\$	\$	\$ 2,733
Library*	1,110		13	1,097
Total capital assets, not being depreciated	<u>3,843</u>		<u>13</u>	<u>3,830</u>
Capital assets, being depreciated:				
Land improvements	14,043	434		14,477
Infrastructure	14,363	1,314		15,677
Buildings	207,775	1,175		208,950
Building improvements	44,658	5,378		50,036
Equipment	10,186	910	22	11,074
Total capital assets, being depreciated	<u>291,025</u>	<u>9,211</u>	<u>22</u>	<u>300,214</u>
Total capital assets	<u>294,868</u>	<u>9,211</u>	<u>35</u>	<u>304,044</u>
Less accumulated depreciation:				
Land improvements	2,507	680		3,187
Infrastructure	3,778	815		4,593
Buildings	101,099	3,955		105,054
Building improvements	24,571	1,871		26,442
Equipment	7,510	755	15	8,250
Total accumulated depreciation	<u>139,465</u>	<u>8,076</u>	<u>15</u>	<u>147,526</u>
Net capital assets being depreciated	<u>151,560</u>	<u>1,135</u>	<u>7</u>	<u>152,688</u>
Total capital assets, net	<u>\$ 155,403</u>	<u>\$ 1,135</u>	<u>\$ 20</u>	<u>\$ 156,518</u>

*Library items include books and audiovisual items, all of which are assigned a nominal value of \$5 per item. Periodicals and microfilms are excluded.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

8. CAPITAL ASSETS (Continued)

Nassau Community College Capital Assets (Continued)

Capital assets of the Faculty-Student Association, the Component unit of the College as of August 31, 2015 consisted of the following (dollars in thousands):

	Balance August 31, 2015
Furniture and equipment	\$ 406
Vans	238
	<u>644</u>
Less accumulated depreciation	(548)
Total capital assets (net)	<u>\$ 96</u>

Total depreciable capital assets of the College and Faculty-Student Association, the component unit of the College as of August 31, 2015, was \$300.9 million with accumulated depreciation of \$148.1 million.

Nassau Health Care Corporation Capital Assets

The following is a summary of the NHCC's capital assets at cost, except as noted (dollars in thousands):

	Balance January 1, 2015 *	Additions	Transfers	Balance December 31, 2015
Capital assets, not being depreciated:				
Land	\$ 12,498	\$	\$	\$ 12,498
Construction in progress	<u>25,192</u>	<u>10,365</u>	<u>(12,762)</u>	<u>22,795</u>
Total capital assets, not being depreciated	<u>37,690</u>	<u>10,365</u>	<u>(12,762)</u>	<u>35,293</u>
Capital assets, being depreciated:				
Land improvements	17,033		97	17,130
Buildings and improvements	229,219	10	9,158	238,387
Fixed equipment	110,896	102		110,998
Movable equipment	<u>181,510</u>	<u>4,781</u>	<u>3,507</u>	<u>189,798</u>
Total capital assets, being depreciated	<u>538,658</u>	<u>4,893</u>	<u>12,762</u>	<u>556,313</u>
Total capital assets	<u>576,348</u>	<u>15,258</u>		<u>591,606</u>
Less accumulated depreciation for:				
Land improvements	12,548	350		12,898
Buildings and improvements	133,655	7,797		141,452
Fixed equipment	104,638	790		105,428
Movable equipment	<u>138,133</u>	<u>12,417</u>		<u>150,550</u>
Total accumulated depreciation	<u>388,974</u>	<u>21,354</u>		<u>410,328</u>
Net capital assets being depreciated	<u>149,684</u>	<u>(16,461)</u>	<u>12,762</u>	<u>145,985</u>
Total capital assets, net	<u>\$ 187,374</u>	<u>\$ (6,096)</u>	<u>\$</u>	<u>\$ 181,278</u>

* Certain reclassifications have been made to opening balances. The total ending balances did not change.

Net interest capitalized for the year ended December 31, 2015 was \$1,033.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

9. LEASES

The County leases some property and equipment. Leased property having elements of ownership is recorded as a capital lease in the government-wide financial statements. The related obligations, in amounts equal to the present value of minimum lease payments payable during the remaining term of the leases, are also recorded in the government-wide financial statements. Other leased property, not having elements of ownership, are classified as operating leases. Both capital and operating lease payments are recorded as expenditures when payable in governmental funds. Total expenditures on such leases for the year ending December 31, 2015 were approximately \$7.7 million.

The County recorded a building lease as a capital lease because when the lease term ends in 2025, the ownership of the building transfers to the County. The original cost of the building was \$5.5 million and accumulated depreciation at December 31, 2015 is \$2.1 million.

As of December 31, 2015, the County (excluding discretely presented component units) had future minimum lease payments under capital and operating leases with a remaining term in excess of one year as follows (dollars in thousands):

	<u>Years ending December 31,</u>	<u>Capital Lease</u>	<u>Operating Leases</u>	<u>Total Capital & Operating Leases</u>
Governmental Activities				
	2016	\$ 834	\$ 7,657	\$ 8,491
	2017	846	7,545	8,391
	2018	860	7,433	8,293
	2019	873	7,433	8,306
	2020	887	7,433	8,320
	2021 - 2025	4,249	6,753	11,002
		<u>8,549</u>	<u>\$ 44,254</u>	<u>\$ 52,803</u>
	Future minimum payments	8,549	\$ 44,254	\$ 52,803
	Less: interest	<u>3,752</u>		
	Present value of future minimum lease payments	<u>\$ 4,797</u>		

The County also leases County-owned property to others and the leases are classified as operating leases. Total rental revenue on these leases for 2015 was \$4.5 million.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

9. LEASES (Continued)

As of December 31, 2015, the following future minimum rentals are provided for by the leases (dollars in thousands):

<u>Years ending December 31,</u>	<u>Operating Leases (in Thousands)</u>
2016	\$ 5,131
2017	7,769
2018	7,306
2019	5,888
2020	5,226
2021 - 2025	27,164
2026 - 2030	26,917
2031 - 2035	29,255
2036 - 2040	31,296
2041 - 2045	32,201
2046 - 2050	34,733
2051	591
	<u>\$ 213,477</u>

These County leases are for land and buildings with the total cost and carrying amount of \$4.7 million for land, and the original cost of \$19.8 million, which has been fully depreciated for buildings at December 31, 2015.

In 2015, the County entered into a new lease agreement with Nassau Events Center, LLC which accounts for the increase in future operating lease revenues. The lease is for the renovation and operation of Nassau County Veterans Memorial Coliseum and terminates in year 2051.

In 2009, the College entered into an operating lease with the AG Metropolitan Endo, LLC, property owner, for the rent of one entire building known as 500 Endo Boulevard, Garden City, New York 11530. Rental expenditures reported for the year ended August 31, 2015 under this operating lease were \$871.0 thousand. The following future minimum lease payments are as follows:

<u>Years ending August 31,</u>	<u>Operating Leases (in Thousands)</u>
2016	\$ 871
2017	871
2018	871
2019	892
2020	892
2021 - 2025	5,017
2026 - 2029	4,556
	<u>\$ 13,970</u>

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS

County of Nassau Notes Payable and Long-Term Obligations

In January 2015, the County issued Series A and Series B Bond Anticipation Notes (“BANS”) in the amount of \$25.5 million and \$26.6 million, respectively. The Series A BANS bore interest of 2.0%, and matured June 15, 2015. The Series B BANS bore interest of 3.0% and mature June 15, 2016. The Series A and Series B BANS were issued to refinance, in part, the County’s Series A 2014 BANS which matured on February 2, 2015, issued to refinance notes that originally financed various costs related to the remediation and restoration of County facilities and infrastructure from Superstorm Sandy related damage, to pay additional costs related thereto and to pay costs of issuance related to the BANS.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

County of Nassau Notes Payable and Long-Term Obligations (Continued)

The County issued Series A General Obligation Bonds in January 2015 in the amount of \$29.6 million. The bonds bear interest at varying rates from 2.0% to 5.0%, with maturity dates ranging from October 2016 to October 2033. The bonds maturing on or after October 1, 2025 are subject to optional redemption on October 1, 2024 or any date thereafter. The bonds were issued to fund various capital projects and to pay costs of issuance related to the Bonds.

In May 2015, the County issued Series C BANS in the amount of \$40.8 million with an interest rate of 1.125% which mature December 15, 2016. The BANS were issued to finance various sewer system improvements and to pay costs of issuance related to the 2015 Series C BANS.

The County issued Series B General Obligation Bonds in May 2015 in the amount of \$168.9 million. The bonds bear interest rate of 5.0%, with maturity dates ranging from April 2017 to April 2035. The bonds maturing on or after April 1, 2025 are subject to optional redemption on April 1, 2024 or any date thereafter. The bonds were issued to fund various public purposes, including capital projects, employee separation payments, Superstorm Sandy assessment relief payments and tax certiorari payments, and to pay costs of issuance related to the Bonds.

In May 2015, the County issued Series A Revenue Anticipation Notes (“RANS”) in the amount of \$178.5 million to finance cash flow needs within the County. The Series A Notes bore interest at 2.0% and matured on March 15, 2016.

In December 2015, the County issued Series A Tax Anticipation Notes (“TANS”) in the amount of \$198.5 million to provide monies to meet cash flow deficit expected to occur during the period that the TANS are outstanding and to pay costs of issuance related to the TANS. The TANS were issued in anticipation of the collection by the County of real property taxes levied for County purposes for the fiscal year commencing on January 1, 2016. The TANS bear interest at 2% and mature on September 15, 2016.

County of Nassau Notes Payable

Governmental fund notes payable of the County, including the range of interest rates, issue dates, and maturity dates, are as follows (dollars in thousands):

	Balance January 1, 2015	Issued	Redeemed	Balance December 31, 2015
General Fund:				
Tax anticipation notes - (2.0% issued 2015, maturity date in 2016)	\$ 197,925	\$ 198,470	\$ 197,925	\$ 198,470
Revenue anticipation notes - (2.0% issued in 2015, maturity date in 2016)	199,900	178,480	199,900	178,480
Total General Fund	\$ 397,825	\$ 376,950	\$ 397,825	\$ 376,950
Capital Fund:				
Bond anticipation notes - (1.125% - 3.0% issued 2015, maturity dates in 2015 and 2016)				
Total Capital Fund	\$ 114,425	\$ 92,925	\$ 139,915	\$ 67,435

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

Long – Term Obligations

Long-term obligations of the County, NIFA, NCTSC and NCSSWFA are recorded in the government-wide Statement of Net Position. The debt of NCTSC is paid by NCTSC tobacco settlement revenue. The amounts including the range of interest rates, issue dates, and maturity dates, are as follows (dollars in thousands):

	(As Restated) Balance January 1, 2015	Additions	Reductions	Balance December 31, 2015	Due Within One Year
General Long-Term Obligations					
Debt:					
General Obligation County Bonds - (2.0% to 7.4%, issued in 1993 through 2015, maturity dates 2016 through 2043)	\$ 1,832,501	\$ 198,535	\$ 70,445	\$ 1,960,591	\$ 79,280
Sewage purpose bonds - (3.50% to 6.00%, issued in 1993 through 2009, maturity dates 2016 through 2039) - County	48,915		5,020	43,895	2,305
State Water Pollution Control Revolving Fund revenue bonds - (0.263% to 6.186%, issued in 2002 through 2015, maturity dates 2017 through 2043) - County	89,620		8,024	81,596	8,059
Total Serial Bonds - County	<u>1,971,036</u>	<u>198,535</u>	<u>83,489</u>	<u>2,086,082</u>	<u>89,644</u>
Sales Tax Secured Bonds -NIFA, (various interest rates, issued in 2004 through 2015, maturity dates 2016 through 2025)	1,087,516	116,310	282,220	921,606	137,956
Nassau County Sewer and Storm Water Finance Authority System Revenue Bonds, Series 2014A & Series 2014B (.70% to 5.0%, issued in 2014, maturity dates 2016 through 2034)	157,200		2,940	154,260	10,205
Tobacco Settlement Asset-Backed Bonds, Series 2006 (5.0% to 7.35%, issued in 2006, maturity dates 2021 through 2060)	418,662		859	417,803	
Total Serial Bonds - NIFA, NCSSWFA, NCTSC	<u>1,663,378</u>	<u>116,310</u>	<u>286,019</u>	<u>1,493,669</u>	<u>148,161</u>
Total Serial Bonds	<u>3,634,414</u>	<u>314,845</u>	<u>369,508</u>	<u>3,579,751</u>	<u>237,805</u>
Accreted interest - Tobacco Settlement Asset Backed Bonds	48,646	6,394		55,040	
Total Serial Bonds and Accreted Interest	<u>3,683,060</u>	<u>321,239</u>	<u>369,508</u>	<u>3,634,791</u>	<u>237,805</u>
Deferred Bond Premium/Discount (net of amortization)	183,534	53,793	32,160	205,167	6,374
Total Serial Bonds and accreted interest, net of deferred bond premium/discount	<u>\$ 3,866,594</u>	<u>\$ 375,032</u>	<u>\$ 401,668</u>	<u>\$ 3,839,958</u>	<u>\$ 244,179</u>
Other:					
Derivative instruments - interest rate swaps	\$ 52,379		\$ 7,207	\$ 45,172	\$
Accrued Vacation and Sick Pay	531,437	41,242	46,657	526,022	43,764
Accrued Payroll	57,991	40,701	12,063	86,629	33,169
Estimated Liability for Workers' Compensation	240,943	23,344	29,073	235,214	32,218
Estimated Tax Certiorari Payable	295,956	103,576	96,945	302,587	70,000
Estimated Liability for Litigation & Malpractice Claims	437,000	9,814	9,814	437,000	13,142
Capital Lease Obligations	4,981		184	4,797	222
Due to New York State Retirement System	195,099	46,731	20,761	221,069	21,576
Net Pension Liability	115,518	147,041	179,028	83,531	
Postemployment Retirement Benefits Liability	4,884,587	300,134	151,855	5,032,866	
Total Other	<u>6,815,891</u>	<u>712,583</u>	<u>553,587</u>	<u>6,974,887</u>	<u>214,091</u>
Total General Long-Term Obligations	<u>\$ 10,682,485</u>	<u>\$ 1,087,615</u>	<u>\$ 955,255</u>	<u>\$ 10,814,845</u>	<u>\$ 458,270</u>

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

Long – Term Obligations (Continued)

In 2015, the proceeds from the issuance of long-term serial bonds by the County and its blended component units are used to fund various purposes including, capital asset purchases, tax certiorari claims, termination pay disbursements, non-capitalizable project expenditures and refunded debt. As of December 31, 2015, total serial bonds outstanding were \$3.6 billion of which \$2.9 billion were utilized to pay approximately: \$0.9 billion in tax certiorari claims; \$0.4 billion for bonded operating expenses; \$59.6 million for debt on capital assets of NCC; \$1.4 billion for non-capitalizable project expenditures and \$138.4 million for debt on capital assets of the NHCC and its affiliates that are no longer the County’s assets. The remaining outstanding debt of approximately \$0.7 billion is related to capitalizable assets.

Revenues from the Special Revenue Sewer Funds will be utilized to finance the debt service for the sewer and storm water purpose bonds and a portion of the State Water Pollution Control Revolving Fund revenue bonds. County general obligation bonds issued for environmental protection are financed by the Environmental Protection Fund. All other County debt service will be financed by the General Fund. For the governmental activities, claims and judgments are generally liquidated by the General Fund. Compensated absences and other postemployment benefits are liquidated principally by the General and Police Funds. Deferred payroll, due to employees retirement system, and net pension liability are liquidated based on the assigned location of the employee in each fund.

The annual requirements and sources to amortize the County’s General Obligation serial bonds payable as of December 31, 2015 are as follows (dollars in thousands):

Years Ending December 31,	Debt Service Requirements			Sources (Unaudited)		
	Principal	Interest	Total	General County Budgets	Sewer District Budgets	Total
2016	\$ 89,642	\$ 102,991	\$ 192,633	\$ 175,941	\$ 16,692	\$ 192,633
2017	98,424	95,873	194,297	178,934	15,363	194,297
2018	100,818	97,590	198,408	183,356	15,052	198,408
2019	106,176	86,688	192,864	177,929	14,935	192,864
2020	111,115	81,518	192,633	177,819	14,814	192,633
2021 - 2025	568,035	325,158	893,193	837,724	55,469	893,193
2026 - 2030	476,500	196,405	672,905	650,062	22,843	672,905
2031 - 2035	330,113	94,905	425,018	410,965	14,053	425,018
2036 - 2040	143,250	30,235	173,485	168,704	4,781	173,485
2041 - 2043	62,009	4,150	66,159	65,736	423	66,159
Total	\$ 2,086,082	\$ 1,115,513	\$ 3,201,595	\$ 3,027,170	\$ 174,425	\$ 3,201,595

The County’s legal debt margin was approximately \$17.4 billion and total long-term obligation bonds authorized but unissued for general County and sewage district purposes were approximately \$1.5 billion at December 31, 2015. As of December 31, 2015, all authorization for long-term obligation bonds for general County purposes to finance property tax refunds was issued. Under the current NIFA control period, all unissued County borrowings require NIFA approval. In connection with this authorization for borrowing to finance property tax refunds, the County legislature must also authorize the spending of these proceeds.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

NIFA Long-Term Debt

A summary of changes in long-term debt for governmental activities is as follows (dollars in thousands):

	(As Restated)				
	Balance January 1, 2015	Additions	Reductions	Balance December 31, 2015	Due Within One Year
Bonds payable:					
Sales tax secured bonds payable	\$ 1,087,516	\$ 116,310	\$ 282,220	\$ 921,606	\$ 137,956
Premiums	53,236	23,165	18,686	57,715	
Total bonds payable	<u>1,140,752</u>	<u>139,475</u>	<u>300,906</u>	<u>979,321</u>	<u>137,956</u>
OPEB liability	1,815	337	36	2,116	
Net pension liability	77	74	94	57	
Compensated absences	<u>263</u>	<u>70</u>		<u>333</u>	
Total long term debt	<u>\$ 1,142,907</u>	<u>\$ 139,956</u>	<u>\$ 301,036</u>	<u>\$ 981,827</u>	<u>\$ 137,956</u>

Bonds of NIFA are issued pursuant to an Indenture, as supplemented and amended (the “Indenture”) between NIFA and the United States Trust Company of New York and its successor The Bank of New York Mellon (the “Trustee”), under which NIFA has pledged its right, title and interest in the revenues of NIFA to secure repayment of NIFA debt. The Act provides that NIFA’s pledge of its revenues represents a perfected first security interest on behalf of holders of its bonds. The lien of the indenture on the revenues for the security of NIFA bonds is prior to all other liens thereon. NIFA does not have any significant assets or sources of funds other than sales tax revenues and amounts on deposit pursuant to the indenture. NIFA does not have independent taxing power.

As of December 31, 2015, NIFA had outstanding sales tax secured bonds in the amount of \$921.6 million, maturing through the year 2025, of which \$429.7 million are fixed rate and \$491.9 million are hedged variable rate. Other than a possible refunding of its debt if market conditions permit, NIFA has no plans or authority to issue additional bonds, except to cover the costs of issuance incurred in connection with the refunding of its bonds.

Fixed Rate Bonds — NIFA has outstanding fixed rate bonds at rates ranging between 0.688% and 5.0%. Interest on NIFA’s fixed rate bonds is payable on May 15 and November 15 of each year, and interest on the variable rate bonds is payable on the first business day of each month. Principal on all bonds is payable on November 15. A debt service account has been established under the indenture to provide for the payment of interest and principal of bonds outstanding under the indenture. The Trustee makes monthly deposits to the debt service account in the amount of debt service accrued through the end of that month. For the fixed rate bonds, this is essentially one-sixth of the next interest payment and one-twelfth of the next principal payment. Because of this monthly deposit requirement, the amount accrued for debt service (“debt service set aside”) in NIFA’s financial statements in any year will not be the same as the debt service on the bonds paid to bondholders in that year.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

NIFA Long-Term Debt (Continued)

Variable Rate Bonds — Interest rates on the variable rate bonds are currently reset weekly by remarketing agents at the minimum rate necessary for the bonds to have a market value equal to the principal amount. Interest rates are set separately for each series of variable rate bonds. The variable rate bonds are in most circumstances subject to tender at the option of the bondholder. Payment of the purchase price of eligible Series 2008 A-E bonds are subject to optional or mandatory tender for purchase and if not remarketed by the remarketing agent, payment will be made under and pursuant to, and subject to the terms, conditions and provisions of liquidity facility agreements. With the exception of the liquidity facility agreements renewed subsequent to year end (April 2016), the remaining liquidity facility agreements currently in effect are slated to expire between May 7, 2019 and November 15, 2021 and are subject to extension or early termination. Bonds that are purchased by financial institutions under the liquidity facility and not remarketed, if any, must be paid over periods varying between three and five years. If this was to occur, annual NIFA debt service expense would increase substantially. A debt service account has been established under the indenture to provide for the payment of principal of bonds outstanding under the indenture. The Trustee makes monthly deposits to the debt service account for principal debt service requirements. Additionally, the Trustee makes monthly interest payments.

The County has assumed responsibility for calculating arbitrage rebated liability on bonds or notes issued by NIFA; however, any resulting payments would be made by NIFA. At December 31, 2015, there is no arbitrage rebate liability.

The aggregate debt service to retire bonds outstanding at December 31, 2015, in the table below, reflects stated maturities of principal and interest for all bonds. As noted above, NIFA is party to liquidity facility agreements/stand by purchase agreements in connection with the variable rate bonds. NIFA had one liquidity facility agreement scheduled to expire in April 2016. Subsequent to year end, the liquidity facility agreement was replaced and will expire in November 2019.

With the exception of the liquidity facility agreements that expire in May 2019 and November 2019 (see preceding paragraph), the other two agreements expire concurrently with the maturity of the underlying bond series. If the remaining liquidity facility agreement set to expire in 2019 expired, and the related bonds were unable to be remarketed, and these agreements are not renewed or replaced, principal due would increase by \$125.0 million in 2019.

Aggregate debt service to maturity, pursuant to the stated terms of the bond indenture agreements and assuming the variable rate bonds are remarketed and liquidity facility agreements are maintained over the term of the variable rate bond indentures, as of December 31, 2015, is as follows (dollars in thousands):

Years Ending December	31,	Principal	Interest*	Total
	2016	\$ 137,956	\$ 33,187	\$ 171,143
	2017	129,666	27,995	157,661
	2018	118,505	23,931	142,436
	2019	123,500	19,891	143,391
	2020	117,556	15,640	133,196
	2021 - 2025	294,423	27,816	322,239
		<u>\$ 921,606</u>	<u>\$ 148,460</u>	<u>\$ 1,070,066</u>

*Interest on the variable rate bonds is calculated at the fixed payer rates on the associated interest rate swaps, actual results may vary.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

NIFA Long-Term Debt (Continued)

Current and Advance Refunding Bonds

During 2015, NIFA issued \$116.3 million of sales tax secured bonds, Series 2015A with an average interest rate of 4.986% to currently refund \$35.4 million of sales tax secured Series 2005A and 2005D bonds with an average interest rate of 4.95%, and to advance refund \$103.3 million of Series 2009A sales tax secured bonds with an interest rate of 4.874%.

The net proceeds of \$139.0 million (the par amount of the bonds, including the reoffering premium of \$23.2 million, less related costs of issuance of \$.6 million) together with contributions of \$16.7 million from NIFA, were used to purchase U.S. Governmental Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds described above. As a result refunded bonds are considered defeased and the liability for those bonds have been removed from the noncurrent governmental liabilities.

NIFA current and advanced refunded \$35.4 million of Series 2005A and 2005D sales tax secured bonds and \$103.3 million of Series 2009A sales tax secured bonds, respectively, to reduce its total debt service payments by \$15.5 million and to obtain an economic gain (the difference between the present values of the debt service payments on the old and new debt) of \$12.8 million.

At December 31, 2015, \$103.3 million of defeased bonds remains outstanding.

DERIVATIVE INSTRUMENTS - SWAP AGREEMENTS

Derivative instruments, which consist of interest rate swap agreements (“Swaps”), have been reported at fair value as of December 31, 2015. As the interest rate swap agreements qualify as a hedging derivative instrument, the fair value has been recorded as a deferred outflow of resources.

Board-Adopted Guidelines — On March 25, 2004, NIFA adopted guidelines (“Interest Rate Swap Policy”) with respect to the use of swap contracts to manage the interest rate exposure of its debt. The Interest Rate Swap Policy establishes specific requirements that must be satisfied for NIFA to enter into a swap contract.

Objectives of Swaps — The objectives of the Swaps are to protect against the potential of rising interest rates, to achieve a lower net cost of borrowing, to reduce exposure to changing interest rates on a related bond issue or in some cases where Federal tax law prohibits an advance refunding, and to achieve debt service savings through a synthetic fixed rate. In an effort to hedge against rising interest rates, NIFA entered into nine separate pay-fixed, receive-variable interest rate swap agreements in 2004.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

NIFA Long-Term Debt (Continued)

DERIVATIVE INSTRUMENTS - SWAP AGREEMENTS (Continued)

Background — NIFA entered into the following six swap contracts with an effective date of April 8, 2004, in connection with the issuance of \$450.0 million in auction rate securities to provide for the refunding or restructuring of a portion of the County's outstanding bonds, refunding of certain outstanding NIFA bonds, tax certiorari judgments and settlements to which the County is a party, other legal judgments and settlements, County capital projects and to pay costs of issuance. These auction rate securities were subsequently refunded on May 16, 2008 with variable rate demand bonds and the swap agreements transferred to the 2008 Bond Series A-E. The original notional amounts are as follows:

- \$72.5 million notional amount (2004 Series B - swap agreement) with Goldman Sachs Mitsui Marine Derivative Products, L.P. ("GSMMDP")
- \$72.5 million notional amount (2004 Series C - swap agreement) with GSMMDP
- \$80.0 million notional amount (2004 Series D - swap agreement) with GSMMDP
- \$72.5 million notional amount (2004 Series E - swap agreement) with UBS AG
- \$72.5 million notional amount (2004 Series F - swap agreement) with UBS AG
- \$80.0 million notional amount (2004 Series G - swap agreement) with UBS AG

NIFA entered into the following three swap contracts with an effective date of December 9, 2004, in connection with the issuance of \$150.0 million in Auction Rate Securities to provide for the refunding of a portion of the County's outstanding bonds, tax certiorari judgments and settlements to which the County is a party, other legal judgments, and settlements and to pay costs of issuance. These auction rate securities were subsequently refunded on May 16, 2008 with variable rate demand bonds and the swap agreements transferred to the 2008 Bond Series A-E.

- \$50.0 million notional amount (2004 Series I - swap agreement) with GSMMDP
- \$50.0 million notional amount (2004 Series J - swap agreement) with UBS AG
- \$50.0 million notional amount (2004 Series K - swap agreement) with Morgan Stanley Capital Services ("MSCS")

Fair Value — Replacement interest rates on the swaps, as of December 31, 2015, are reflected in the chart entitled "Derivative instruments - Interest Rate Swap Valuation" (the "Chart"). As noted in the Chart, replacement rates were lower than market interest rates on the effective date of the swaps. Consequently, as of December 31, 2015, the remaining swaps had negative fair values. In the event there is a positive fair value, NIFA would be exposed to the credit risk of the counterparties in the amount of the swaps' fair value should the swap be terminated.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

NIFA Long-Term Debt (Continued)

DERIVATIVE INSTRUMENTS - SWAP AGREEMENTS (Continued)

The total value of each swap, including accrued interest, is provided in the chart. The total value of each swap listed represents the theoretical value/ (cost) to NIFA if it terminated the swap as of the date indicated, assuming that a termination event occurred on that date. Negative fair values may be offset by reductions in total interest payments required under the related variable interest rate bonds. The market value is calculated at the mid-market for each of the swaps. Fair values were estimated using the zero coupon methodology. This methodology calculates the future net settlement payments under the swap agreement, assuming the current forward rates implied by the yield curve correctly anticipate future spot rates. These payments are then discounted using rates derived from the same yield curve. As of December 31, 2015, the total market-to-market valuation of NIFA's swaps, including accrued interest, was negative \$45.2 million. In the event that both parties continue to perform their obligations under the swap, there is not a risk of termination and neither party is required to make a termination payment to the other. NIFA is not aware of any event that would lead to a termination event with respect to any of its swaps.

Risks Associated with the Swap Agreements — From NIFA's perspective, the following risks are generally associated with swap agreements:

- *Credit/Counterparty Risk* — The counterparty becomes insolvent or is otherwise not able to perform its financial obligations. In the event of deterioration in the credit ratings of the counterparty or NIFA, the swap agreement may require that collateral be posted to secure the party's obligations under the swap agreement.

Under the swap agreements, neither party has to collateralize its termination exposure unless its ratings, or that of the insurer, fall below certain triggers. For NIFA, there is no requirement to collateralize until NIFA is at an A3/A- level, and then only for the amount over \$50.0 million (threshold amount) of exposure. The threshold differs by counterparty and declines if NIFA falls into the BBB ratings category.

To minimize the credit and counter party credit risk exposure, NIFA's swap policy requires that counterparties have credit ratings from at least one nationally recognized statistical rating agency that is within the two highest investment grade categories, without distinction as to grade within the category. If after entering into an agreement the ratings of the counterparty or its guarantor or credit support party are downgraded below the described ratings by any one of the rating agencies, then the agreement is subject to termination unless the counterparty provides either a substitute guarantor or assigns the agreement, in either case, to a party meeting the rating criteria reasonably acceptable to NIFA or collateralizes its obligations in accordance with the criteria set forth in the transaction documents. The counterparties have the ratings set forth on page 88.

The table below shows the diversification, by percentage of notional amount outstanding at December 31, 2015, among the various counterparties that have entered into agreements with NIFA.

Counterparty	Dollars in Millions	Notional Percentage
GSMMDP	\$ 221	44.92%
UBS AG	221	44.92%
MSCS	50	10.16%
	\$ 492	100.0%

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

NIFA Long-Term Debt (Continued)

DERIVATIVE INSTRUMENTS - SWAP AGREEMENTS (Continued)

Risks Associated with the Swap Agreements (Continued)

NIFA insured its performance in connection with the swaps originally associated with the Series 2004 B-G bonds with Ambac Assurance Corporation (“Ambac”), which is rated WR/NR/NR (Moody’s/S&P/Fitch), including NIFA termination payments. NIFA’s payments to the counterparties on the swaps originally associated with the Series 2004 I-K bonds are insured with CDC IXIS Financial Guaranty North America, Inc. (“CIFG NA”), which is rated WR/NR/NR (Moody’s/S&P/Fitch); however, termination payments from NIFA are not guaranteed except on NIFA’s swap with UBS AG, where it is guaranteed up to a maximum of \$2.0 million.

- *Basis Risk* — The variable interest rate paid by the counterparty under the swap and the variable interest rate paid by NIFA on the associated variable interest rate bonds are not the same. If the counterparty’s rate under the swap is lower than the bond interest rate, then the counterparty’s payment under the swap agreement does not fully reimburse NIFA for its interest payment on the associated bonds. Conversely, if the bond interest rate is lower than the counterparty’s rate on the swap, there is a net benefit to NIFA.

NIFA is exposed to basis risk on the swaps. NIFA is paying a fixed rate of interest to the counterparties and the counterparties are paying a variable rate to NIFA represented by a percentage of the one-month London Inter-Bank Offered Rate (“LIBOR”), plus a fixed spread. The amount of the variable rate swap payments received from the counterparties does not normally equal the actual variable rate payable to the bondholders. Should the historical relationship between LIBOR and NIFA’s variable rate on its bonds move to converge, there is a cost to NIFA. Conversely, should the relationship between LIBOR and NIFA’s variable rate on its bonds move to diverge, there is a benefit to NIFA.

- *Interest Rate Risk* — The risk that changes in interest rates will adversely affect the fair value of the financial instrument or its cash flows.

NIFA is exposed to interest rate risk on its pay-fixed, receive variable interest rate swap. As LIBOR decreases, NIFA’s net payment on the swaps increase.

- *Termination Risk* — The swap agreement will be terminated and if at the time of termination the fair value of the swap is negative, NIFA will be liable to the counterparty for an amount equal to the fair value.

The swaps use International Swaps and Derivative Association (“ISDA”) documentation and use standard provisions regarding termination events with one exception: if the termination amount is over \$5.0 million for NIFA, NIFA can pay such excess amount over six months, financing the delay at LIBOR, plus 1%. However, adverse termination for credit deterioration is unlikely due to the NIFA’s current credit rating. NIFA or the counterparty may terminate any of the swaps if the other party fails to perform under the terms of the contract. In addition, NIFA may terminate the swaps at their fair market value at any time. NIFA would be exposed to variable rates if the counterparty to the swap defaults or if the swap is terminated. A termination of the swap agreement may also result in NIFA making or receiving a termination payment. NIFA is not aware of any event that would lead to a termination event with respect to any of its swaps.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

NIFA Long-Term Debt (Continued)

DERIVATIVE INSTRUMENTS - SWAP AGREEMENTS (Continued)

Risks Associated with the Swap Agreements (Continued)

- *Rollover Risk* — The notional amount under the swap agreement terminates prior to the final maturity of the associated bonds, and NIFA may be exposed to then market rates and cease to get the benefit of the synthetic fixed rate for the duration of the bond issue.

NIFA is not exposed to rollover risk, because the notional amounts under the swaps do not terminate prior to the final maturity of the associated variable interest rate bonds.

- *Market-access risk* — NIFA is not exposed to market-access risk on its hedging derivative instruments.
- *Foreign currency risk* — NIFA is not exposed to foreign currency risk on its hedging derivative instruments.
- *Contingency* — Generally, the derivative instruments require NIFA to post collateral at varying thresholds by counterparty based on NIFA's credit rating in the form of cash, U.S. Treasury securities, or specified Agency securities. If NIFA were not to post collateral when required, the counterparty may terminate the hedging derivative instrument.

At December 31, 2015, the aggregate fair value of all hedging derivative instrument agreements whose terms contain such collateral provisions is \$45.2 million. Because NIFA's credit rating is Aa1/AAA, no collateral has been required or posted.

Upon NIFA's credit ratings declining to a certain threshold (as noted below), collateral posting requirements will be triggered as follows:

- A3/A- : \$9.3 million in collateral to UBS AG.
- Baa1/BBB+: \$19.3 million in collateral to UBS AG and \$6.5 million in collateral to MSCS.
- Baa2/BBB: \$9.3 million in collateral to GSMMDP, \$19.3 million in collateral to UBS AG and \$6.5 million in collateral to MSCS.
- Baa3/BBB-: \$19.3 million collateral to GSMMDP, \$19.3 million in collateral to UBS AG, and \$6.5 million in collateral to MSCS.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

NIFA Long-Term Debt (Continued)

DERIVATIVE INSTRUMENTS - SWAP AGREEMENTS (Continued)

As of December 31, 2015, NIFA's Derivative Instrument - Interest Rate Swap Valuation is as follows:

(Dollars in Thousands)

Swap Agreements	2004 Series B	2004 Series C	2004 Series D	2004 Series E	2004 Series F	2004 Series G	2004 Series I	2004 Series J	2004 Series K	Total
Notional Amount										
Original Amount	\$ 72,500	\$ 72,500	\$ 80,000	\$ 72,500	\$ 72,500	\$ 80,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 600,000
At December 31, 2015	\$ 72,500	\$ 72,500	\$ 25,975	\$ 72,500	\$ 72,500	\$ 25,900	\$ 50,000	\$ 50,000	\$ 50,000	\$ 491,875
Counterparty	GSMMDP	GSMMDP	GSMMDP	UBS AG	UBS AG	UBS AG	GSMMDP	UBS AG	MSCS	
Counterparty Rating (1)	Aa2/AAA/NA	Aa2/AAA/NA	Aa2/AAA/NA	A2/A/A	A2/A/A	A2/A/A	Aa2/AAA/NA	Baa2/A-/A	A2/A/A	
Effective Date	April 8, 2004	April 8, 2004	April 8, 2004	April 8, 2004	April 8, 2004	April 8, 2004	December 9, 2004	December 9, 2004	December 9, 2004	
Maturity Date	November 15, 2024	November 15, 2024	November 15, 2016	November 15, 2024	November 15, 2024	November 15, 2016	November 15, 2025	November 15, 2025	November 15, 2025	
NIFA Pays	3.146%	3.146%	3.002%	3.146%	3.146%	3.003%	3.432%	3.432%	3.432%	
Replacement Rate	1.551%	1.154%	0.605%	1.155%	1.154%	0.618%	1.396%	1.396%	1.396%	
NIFA Receives	60% of LIBOR plus 16 basis points weekly (Tuesday)	60% of LIBOR plus 16 basis points weekly (Friday)	60% of LIBOR plus 26 basis points monthly (4th Monday)	60% of LIBOR plus 16 basis points weekly (Tuesday)	60% of LIBOR plus 16 basis points weekly (Friday)	60% of LIBOR plus 26 basis points monthly (5th Thursday)	61.5% of LIBOR plus 20 basis points	61.5% of LIBOR plus 20 basis points	61.5% of LIBOR plus 20 basis points	
Change in Fair Value	\$ 968	\$ 960	\$ 967	\$ 968	\$ 960	\$ 952	\$ 477	\$ 477	\$ 477	\$ 7,206
Net Accrued	\$ (289)	\$ (289)	\$ (92)	\$ (289)	\$ (289)	\$ (95)	\$ (210)	\$ (210)	\$ (210)	\$ (1,973)
Net Present Value	(5,812)	(5,823)	(557)	(5,812)	(5,823)	(556)	(6,272)	(6,272)	(6,272)	(43,199)
Total Fair Value of Swap	\$ (6,101)	\$ (6,112)	\$ (649)	\$ (6,101)	\$ (6,112)	\$ (651)	\$ (6,482)	\$ (6,482)	\$ (6,482)	\$ (45,172)

(1) Moody's/S&P/Fitch

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

NIFA Long-Term Debt (Continued)

DERIVATIVE INSTRUMENTS - SWAP AGREEMENTS (Continued)

Swap Payments and Associated Debt - Using rates as of December 31, 2015, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, is shown below. As rates change over time, variable-rate bond interest payments and net swap payments will change.

Variable Rate Debt and Swap Payments (dollars in thousands):

Years Ending December 31,	Variable-Rate Bonds		Interest Rate Swaps, Net	Total Payments
	Principal	Interest		
2016	\$ 61,275	\$ 120	\$ 13,478	\$ 74,873
2017	57,675	101	11,931	69,707
2018	58,100	84	10,345	68,529
2019	90,875	65	8,607	99,547
2020	75,325	42	3,207	78,574
2021 - 2025	148,625	68	10,019	158,712
Total	\$ 491,875	\$ 480	\$ 57,587	\$ 549,942

NCSSWFA Long-Term Debt

A summary of changes in long-term debt for governmental activities is as follows (in thousands):

	Balance 1/1/2015	Additions	Reductions	Balance 12/31/2015	Due within One Year
Revenue bonds payable:					
Series 2014A	\$ 155,765	\$	\$ 2,940	\$ 152,825	\$ 8,770
Series 2014B	1,435			1,435	1,435
Subtotal	157,200		2,940	154,260	10,205
Premiums	28,255		1,987	26,268	
Total bonds payable	\$ 185,455	\$	\$ 4,927	\$ 180,528	\$ 10,205

Based on the 2014 Agreement, the County is required to levy assessments and/or impose charges each year of no less than 200% of that fiscal year's debt service payment requirements over the life of the debt. The 2014 General Revenue Bond Resolution, dated October 1, 2014, requires that the NCSSWFA pledge those revenues to the debt service payments.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

NCSSWFA Long-Term Debt (Continued)

Aggregate debt service to maturity as of December 31, 2015, excluding premiums is as follows (dollars in thousands):

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 10,205	\$ 7,651	\$ 17,856
2017	10,345	7,203	17,548
2018	10,815	6,686	17,501
2019	11,370	6,145	17,515
2020	11,795	5,576	17,371
2021 - 2025	57,600	18,671	76,271
2026 - 2030	32,685	6,189	38,874
2030 - 2034	9,445	1,210	10,655
	<u>\$ 154,260</u>	<u>\$ 59,331</u>	<u>\$ 213,591</u>

Prior Year Defeasance of Debt – In 2014, NCSSWFA defeased certain revenue 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 County’s financial statements. At December 31, 2015, there were \$106.5 million in outstanding bonds considered defeased.

NCTSC Long-Term Debt

In 1999, the NCTSC issued \$294.5 million of the 1999 Bonds. On April 5, 2006, NCTSC issued \$431.0 million of Tobacco Settlement Asset-Backed Bonds, Series 2006 (“Series 2006 Bonds”) pursuant to an Amended and Restated Indenture dated as of March 1, 2006 (“Indenture”). The Series 2006 Bonds consisted of the Series 2006A-1 Taxable Senior Current Interest Bonds of \$42.6 million, the Series 2006A-2 Senior Convertible Bonds of \$37.9 million the Series 2006A-3 Senior Current Interest Bonds of \$291.5 million and the Series 2006B-E Subordinate CABs of \$58.9 million. Unless otherwise indicated, defined terms have the meanings ascribed to them in the Offering Circular for the Series 2006 Bonds dated March 31, 2006.

NCTSC used the proceeds from the Series 2006 Bonds, along with other funds, to: (i) refund all of the 1999 Bonds then-currently outstanding in the aggregate principal amount of \$272.1 million; (ii) fund a Senior Liquidity Reserve for the Series 2006 Senior Bonds of \$24.0 million; (iii) pay the costs of issuance of the Series 2006 Bonds; (iv) fund certain projected requirements for the Operating Account; (v) fund interest on the Series 2006 Bonds through the December 1, 2007 payment; and (vi) pay certain amounts to the NCTSC Residual Trust as registered owner of the Residual Certificate. Pursuant to the Indenture, TSRs received on or after April 1, 2008, are subject to the lien of the Indenture. Interest and principal paid on these bonds in 2015 totaled \$19.3 million and \$859 thousand, respectively.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

NCTSC Long-Term Debt (Continued)

Any additional revenues received above the required debt service payments are required to fund sinking fund installments and/or Turbo Redemptions. NCTSC did not receive sufficient TSRs to fund the entire required debt service payment of \$19.2 million on its Series 2006 Bonds during 2015. NCTSC withdrew \$1.6 million from the Senior Liquidity Reserve Account to pay a portion of the interest and principal payment on the Bonds due December 1, 2015. In accordance with the Indenture Agreement, the Senior Liquidity Reserve Account was underfunded at its required level by \$1.6 million at December 31, 2015.

Payments with respect to the Series 2006 Bonds are dependent upon the receipt of TSRs. The Series 2006 Bonds are special obligations of the NCTSC payable solely from the pledged revenues, the Senior Liquidity Reserve Account, and the other funds and accounts as provided in the Indenture. NCTSC has no other assets available for the payment of the Series 2006 Bonds.

Failure to pay when due any interest of Senior Bonds or any Serial Maturity of Turbo Term Bond Maturity for Senior Bonds, among other things will constitute an event of default.

The amount of TSRs received is dependent on many factors, including future domestic cigarette consumption, the financial capability of the Participating Manufacturers (the "PMs"), litigation affecting the MSA and related legislation, enforcement of state legislation related to the MSA and the tobacco industry. Payments by the PMs under the MSA are subject to certain adjustments, which may be material.

A summary of changes in long-term liabilities for the year ended December 31, 2015 is as follows (dollars in thousands):

	Balance			Balance	Due within
	1/1/2015	Additions	Reductions	12/31/2015	One Year
Bonds Payable	\$ 418,662	\$	\$ 859	\$ 417,803	\$
Plus: Accreted interest	48,646	6,394		55,040	
Less: Bond discount	(6,476)	282		(6,194)	
Total bonds payable	<u>\$ 460,832</u>	<u>\$ 6,676</u>	<u>\$ 859</u>	<u>\$ 466,649</u>	<u>\$ -0-</u>

Bonds outstanding and amounts including accretion since issuance at December 31, 2015, are as follows (dollars in thousands):

Description	Original Date Issued	Original Amount	Interest Rate	Maturity Date	Amount Outstanding	Amount Outstanding Including Acc. Interest
2006A1	4/5/2006	\$ 42,645	6.83%	6/1/2021	\$ 29,414	\$ 29,414
2006A2	4/5/2006	37,906	5.25%	6/1/2026	37,906	44,640
2006A3(2035)	4/5/2006	97,005	5.00%	6/1/2035	97,005	97,005
2006A3(2046)	4/5/2006	194,535	5.13%	6/1/2046	194,535	194,535
2006B	4/5/2006	10,670	5.80%	6/1/2046	10,670	18,620
2006C	4/5/2006	9,867	6.00%	6/1/2046	9,867	17,550
2006D	4/5/2006	37,604	6.40%	6/1/2060	37,604	69,459
2006E	4/5/2006	802	7.35%	6/1/2060	802	1,620
					<u>\$ 417,803</u>	<u>\$ 472,843</u>
				Unamortized Bond Discount		<u>(6,194)</u>
						<u>\$ 466,649</u>

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

NCTSC Long-Term Debt (Continued)

The following table summarizes NCTSC's minimum future debt service requirements as of December 31, 2015 (dollars in thousands):

Years Ending December 31,	Principal	Interest	Total
2016	\$	\$ 19,173	\$ 19,173
2017		19,173	19,173
2018		19,173	19,173
2019		19,173	19,173
2020		19,173	19,173
2021 - 2025	29,414	86,823	116,237
2026 - 2030	37,906	82,007	119,913
2031 - 2035	97,005	71,676	168,681
2036 - 2040		49,849	49,849
2041 - 2045		49,849	49,849
2046 - 2050	215,072	196,413	411,485
2051 - 2055			
2056 - 2060	38,406	1,141,809	1,180,215
	<u>\$ 417,803</u>	<u>\$ 1,774,291</u>	<u>\$ 2,192,094</u>

Nassau Community College Long-Term Debt

Long-term liability activity for the year ended August 31, 2015 follows (dollars in thousands):

	(As Restated)			Balance August 31, 2015	Due within One Year
	Balance September 1, 2014	Additions	Reductions		
Due to County - ERS deferral	\$ 6,094	\$ 2,771	\$ 668	\$ 8,197	\$ 946
Due to County long term note		2,099		2,099	175
Accrued vacation and sick pay	54,019	1,710	1,333	54,396	32
Accrued liabilities - termination pay	3,434	4,460	1,699	6,195	5,030
Estimated liability for litigation	150			150	
Insurance reserve liability	2,002	2		2,004	
Liability for future pension expense	534		267	267	267
Endo note payable	814		31	783	32
Net pension liability	5,810		1,467	4,343	
Postemployment retirement benefits payable	330,058	20,427	8,954	341,531	
Total long-term notes and liabilities	<u>\$ 402,915</u>	<u>\$ 31,469</u>	<u>\$ 14,419</u>	<u>\$ 419,965</u>	<u>\$ 6,482</u>

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

Nassau Community College Long-Term Debt (Continued)

As of August 31, 2015, principal and interest payments for the Endo note payable are as follows (dollars in thousands):

<u>Years Ending August 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 32	\$ 94	\$ 126
2017	35	94	129
2018	38	94	132
2019	41	94	135
2020	44	94	138
2021 - 2025	344	469	813
2026 - 2028	249	264	513
Total	<u>\$ 783</u>	<u>\$ 1,203</u>	<u>\$ 1,986</u>

Dormitory Authority - State of New York - The College has entered into financing agreements with the Dormitory Authority - State of New York (“DASNY”) for the purpose of financing the State’s one-half share of various capital construction costs. The bonds are special obligations of DASNY, payable from amounts to be appropriated each year by the State pursuant to a provision of the State Education Law, and from monies in the debt service reserve fund held by the trustee. The amounts to be appropriated annually are assigned under the agreement from the County to DASNY. DASNY has no taxing power. Accordingly, under the constitution of the State of New York, the availability of funds to make annual payments is subject to annual appropriations being made by the State Legislature. The State Education Law that allows the State to make these appropriations does not constitute a legally enforceable obligation of the State and the State is not legally required to appropriate such funds. The bonds are not a debt of the State and the State is not liable for them.

No revenues or assets of the College or the County have been pledged or will be available to pay the debt service on the bonds. The County has not pledged its full faith and credit to the payments of principal and interest on the bonds. DASNY will not have title to, a lien on, or a security interest in any of the projects being financed by the bonds or in other property of the County or College.

County of Nassau - The County has issued general obligation serial bonds for various College construction projects. This debt is the obligation of the County. No revenues or assets of the College have been pledged or will be available to pay debt service on the bonds. The County has pledged its full faith and credit to the payment of principal and interest on the bonds.

The College recognized approximately \$4.0 million in both State and local appropriations for contributions of fixed assets in fiscal year 2015.

During fiscal year 2015, the County issued general obligation bonds of which a portion of the proceeds was used for College termination pay. The College has included a liability in the amount of \$2.1 million related to these bonds in the Due to Primary Government balance in the statement of net position.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

Nassau Health Care Corporation Long-Term Debt

A schedule of changes in the NHCC's long-term debt and noncurrent liabilities for 2015 is as follows (dollars in thousands):

	Balance January 1, 2015	Additions	Reductions	Balance December 31, 2015	Due within one year
Interest rate swap agreements	\$ 32,162	\$	\$ 1,984	\$ 30,178	
Bonds payable, net	242,950		13,005	229,945	13,710
Third party liabilities	40,817		3,102	37,715	5,002
Accrued vacation and sick pay	57,541	31,305	27,386	61,460	6,145
Self-insurance liability	56,344	18,445	8,121	66,668	8,000
Accrued pension benefits/net pension liability	60,267	36,182	29,295	67,154	3,078
Postemployment health insurance	314,007	42,599	8,728	347,878	
Total noncurrent liabilities	<u>\$ 804,088</u>	<u>\$ 128,531</u>	<u>\$ 91,621</u>	<u>\$ 840,998</u>	<u>\$ 35,935</u>

The NHCC's long-term debt at December 31, 2015 consisted of the following (dollars in thousands):

2009 Series A (taxable) Bonds payable at varying dates through August 1, 2022; variable rate demand bonds bearing interest at taxable variable rates with an effective average of approximately 0.15% at December 31, 2015	\$ 19,960
2009 Series B, C and D Bonds payable at varying dates through August 1, 2029; variable rate demand bonds bearing interest at tax-exempt variable rates with an effective average of approximately 0.04% at December 31, 2015	<u>209,985</u>
Current portion	<u>(13,710)</u>
Total long term debt	<u>\$ 216,235</u>

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

Nassau Health Care Corporation Long-Term Debt (Continued)

In April 2009, Series 2009 A (taxable), B, C and D bonds were issued as variable rate demand bonds (“VRDBs”) secured by letters of credit (“LOCs”) to redeem the 2004 Series A and 2004 Series C outstanding bank bonds. The bonds are subject to purchase on demand of the holder at a price equal to principal plus accrued interest on seven days’ notice and delivery to the NHCC’s remarketing agent. The remarketing agent is authorized to use its best efforts to sell the repurchased bonds at a price equal to 100% of the principal amounts by adjusting the interest rate. Under irrevocable letters of credit issued by JP Morgan Chase Bank, N.A., Wells Fargo Bank, N.A and TD Bank, N.A. the trustee or the remarketing agent is entitled to draw an amount sufficient to pay the purchase price of bonds delivered to it. If the remarketing agent is unable to resell any bonds that are “put” after 180 days (Wells Fargo and TD Bank LOCs) or 13 months (JP Morgan LOC) of the “put” date, the NHCC has reimbursement agreements with the letter of credit providers to convert the bonds to an installment loan payable over a certain period bearing an adjustable interest rate. Significant terms of the LOCs and reimbursement agreements are below.

Provider	Expiration Date	Principial Amount Covered Under Facility	Base Interest Rate	Interest Rate of LOC Draws	Maximum Loan Period (Years)	Loan Interest Rate	Annual Fee
Wells Fargo	July 6, 2018	\$ 73,205	Greater of Providers bank prime rate plus 2% or Federal Fund Rate plus 2% or 8%	Days 1-30 = Base Rate Days 31-180 = Base Rate plus 1%	2.5	Base rate plus 2%	90 basis points
TD Bank	June 30, 2018	\$ 83,000	Greater of WSJ Prime Rate or Federal Funds Rate plus 2%	Days 1-45 = Base Rate Days 46-90 = Base Rate plus 1% Days 91-135 = Base Rate plus 1.25% Days 136-180 = Base Rate plus 1.5% However, rate may never be below 6%	5	Greater of base rate plus 2% or 6%	70 basis points
J.P. Morgan	May 15, 2017	\$ 86,745	Greater of Prime Rate or 1 - month LIBOR plus 2.5% or 7.5%	For A Series Bonds Days 1-120 = Base Days 121 - thereafter = Base Rate plus 1% For D Series Bonds: Day 1-60 = Base Rate plus 1% Day 60 - thereafter = Base Rate plus 2%	4	Same terms as interest rate on LOC draws	108 basis points

If the reimbursement agreement were to be exercised because the entire issue of demand bonds was “put” and not remarketed before 180 days with respect to the Series B & C bonds, or 13 months with respect to the Series A & D bonds, the NHCC would be required to pay the following estimated annual amounts (principal and interest) assuming the interest rates that would be in effect at December 31, 2015.

	Wells Fargo Series 2009 C	TD Bank Series 2009 B	JP Morgan Series 2009 A&D	Total
2016	\$ 27,688	\$ 21,185	\$ 12,035	\$ 60,908
2017	27,282	20,153	30,523	77,958
2018	24,960	18,996	28,205	72,161
2019		17,839	19,633	37,472
2020		16,682		16,682
	<u>\$ 79,930</u>	<u>\$ 94,855</u>	<u>\$ 90,396</u>	<u>\$ 265,181</u>

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

Nassau Health Care Corporation Long-Term Debt (Continued)

The NHCC is required to pay providers an annual commitment fee for the letter of credit as stated above per annum of the outstanding facility amount. Total letter of credit fees paid in 2015 approximated \$2.2 million.

The County guarantees to the Trustee and the owners of Series 2009 Bonds the full and prompt payment of the principal and interest of the Series 2009 Bonds for the entire term of these bond series. The County has not been called upon to make payments under the guaranty. The County guaranty may be amended without consent of the bond owners.

In connection with the issuance of the 2009 Bonds, the NHCC incurred a loss of approximately \$31.5 million. The loss on refunding (the difference between the reacquisition price and the net carrying amount of the old debt) is carried as a deferred outflow of resources in the accompanying statement of net position. Amortization of the deferred loss is \$2.1 million for the year ended December 31, 2015.

Pursuant to the Stabilization Agreement and, subsequently, the Successor Agreement, the County deposits subsidies, payable to the NHCC monthly, in an escrow account reserved for payment of the Series 2009 Bonds.

Principal payments on long-term debt are due annually on August 1st. Interest payments are due monthly, on the first business day of each month. Estimated future interest payments are calculated using the assumed synthetic fixed rate of interest (3.457%) contemplated as part of the interest swap agreements. Payments applicable to long-term debt for years subsequent to December 31, 2015 are as follows (dollars in thousands):

	<u>Principal</u>	<u>Estimated Interest</u>
2016	\$ 13,710	\$ 8,179
2017	14,115	7,685
2018	14,695	7,168
2019	15,290	6,630
2020	15,910	6,068
2021 - 2025	84,080	21,328
2026 - 2029	72,145	6,325
	<u>\$ 229,945</u>	<u>\$ 63,383</u>

In January 2015, the NHCC issued \$40.0 million of taxable 2015 Revenue Anticipation Notes that were due in January 2016 and secured by scheduled IGT payments and other New York State payments. The 2015 RANs were repaid in full in January 2016.

Interest Rate Swap Agreements

The NHCC uses derivative financial instruments to attempt to manage the cash flow impact of interest rate changes on its cash flows and net position and to mitigate its exposure to certain market risks associated with operations and does not use derivative instruments for trading or speculative purposes.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

Nassau Health Care Corporation Long-Term Debt (Continued)

Interest Rate Swap Agreements (Continued)

The NHCC applies hedge accounting for derivative instruments that are deemed effective hedges and under GASB 53 are referred to as hedging derivative instruments. Under hedge accounting, changes in the fair value of a hedging derivative instrument are reported as a deferred inflow or deferred outflow on the statement of net position until the contract is settled or terminated.

In April 2009, the NHCC undertook a current refunding of the 2004 Series C bonds. As part of the refunding, the three interest rate swap agreements (“Swaps”) were re-assigned to the new underlying 2009 Series B, C and D bonds with essential identical terms except for a change in interest rate mode from auction rate to weekly variable rate demand bonds. The three Swaps associated with the 2004 Series C bonds was determined to be an effective hedging relationship and, as such, the changes in fair value of the swap through the refunding date totaling \$30.0 million were include in the deferred loss on refunding calculation and amortized over the life of the new bonds. The new association of the three swaps and the 2009 Series B, C and D bonds are considered an effective hedging relationship at December 31, 2015.

All settlement payments or receipts for hedging derivative instruments are recorded as a component of interest expense in the period settled and amounted to approximately \$6.7 million for the year ended December 31, 2015.

The NHCC’s hedging derivative instruments at December 31, 2015 are as follows:

Swap ID	Fair Value December 31, 2015	Net Change In Fair Value	Fair Value December 31, 2014	Type of Hedge	Financial Statement Classification for Changes in Fair Value
1	\$ (10,074)	\$ 664	\$ (10,738)	Cash Flow	Deferred Outflow
2	(10,052)	660	(10,712)	Cash Flow	Deferred Outflow
3	(10,052)	660	(10,712)	Cash Flow	Deferred Outflow
	<u>\$ (30,178)</u>	<u>\$ 1,984</u>	<u>\$ (32,162)</u>		

The terms of the NHCC’s financial derivative instrument that was outstanding at December 31, 2015 are summarized in the table below:

Counterparty	Effective Date	Termination Date	NHCC Pays	NHCC Receives	Outstanding Swap Notional (000s)
JP Morgan Chase	October 14, 2004	August 1, 2029	3.4570%	62.6% of 1-Month LIBOR + .23%	\$ 70,050
Merrill Lynch	October 14, 2004	August 1, 2029	3.4570%	62.6% of 1-Month LIBOR + .23%	\$ 69,845
UBS AG	October 14, 2004	August 1, 2029	3.4570%	62.6% of 1-Month LIBOR + .23%	\$ 69,845

The amount of outstanding debt covered by the three interest rate swap agreements total \$210.0 million and mature on August 1, 2029.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

Nassau Health Care Corporation Long-Term Debt (Continued)

Interest Rate Swap Agreements (Continued)

Fair Values – The fair value of the swap is estimated using the zero-coupon method and also reflects the effect of nonperformance risk. This method calculates the future net settlement payments required by the agreements, assuming the current forward rates implied by the yield curve correctly anticipate future spot rate interest rates. These payments are then discounted using the spot rate implied by the current relevant yield curve that incorporates the risk of nonperformance of the NHCC, as applicable, on the date of each future net settlement on the agreements.

Credit Risk – As of December 31, 2015, the NHCC was not exposed to credit risk on the swaps with a \$30.2 million negative fair value. Since changes in interest rates affect the fair value of the swap agreement, it is possible that the swap agreement with a negative fair value becomes positive which would expose the NHCC to credit risk. Should the fair value of the swap become positive, to minimize its exposure to loss related to credit risk, the NHCC has collateral posting provisions included in the Credit Support Annex to the ISDA Agreements. The terms require that the Counterparties post collateral for an amount by which the swap fair value exceeds collateral credit threshold levels which range from \$50.0 million (A1 Moody’s and A+ S&P) to \$0 (Baa1 Moody’s BBB+ S&P or lower).

The unsecured long term debt credit ratings for the Counterparties at December 31, 2015 were as follows:

<u>Counterparty</u>	<u>Moody's</u>	<u>Standard and Poors</u>
JP Morgan Chase	Aa3	A+
Merrill Lynch (Bank of America)	Baa1	A
UBS AG	A2	A

Basis Risk - The NHCC is exposed to basis risk on its pay-fixed interest rate swap because the variable-rate payment received by the NHCC (a percent of LIBOR) on these hedging derivative instruments are based on indexes other than the actual interest rates the NHCC pays on its hedged variable rate debt. Should the relationship between LIBOR and the actual variable rate interest payments on the bonds converge, the expected cost savings may not materialize. The terms of the related hedging fixed rate swap transactions are summarized in the table on the preceding page.

Termination Risk – The NHCC uses the International Swap Dealers Association Master Agreement (Master Agreement), which includes standard termination events, such as failure to pay and bankruptcy. The NHCC or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. The NHCC may also terminate the swaps at its option. Further, a termination event occurs if the Counterparties credit ratings fall below Baa1 by Moody’s and BBB+ by Standard and Poor’s or the Counterparties have their ratings withdrawn or suspended. A Swap termination is also triggered if: 1) the swap insurer is rate below A3 by Moody’s or below A- by Standard and Poor’s and the County is rated below A3 by Moody’s or below A- by Standard and Poor’s or 2) the County is rated below Baa2 by Moody’s or below BBB by Standard and Poor’s. If the Swap is terminated, the variable-rate mortgage note would no longer carry a synthetic fixed interest rate and the NHCC’s interest payment will be based solely upon the rate required by the related debt as issued. When a termination event occurs, a mark-to-market (or fair market value) calculation is performed to determine whether the NHCC is owed money or must pay money to close out a swap position. A negative fair value means the NHCC would incur a loss and need to make a termination payment to settle the swap position. A positive fair value means the NHCC would realize a gain and receive a termination payment to settle the swap position.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

10. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

OTB Long-Term Debt

In June 2005, OTB issued 2005 Revenue Bonds. The proceeds were used to redeem prior notes, finance the acquisition and rehabilitation of the Race Palace, pay issuance costs, provide funds that were deposited into an acquisition fund for future capital purchases, and provide funds for deposit to a debt service reserve fund. The Series 2005 Revenue Bonds are general obligations of OTB and are secured by a pledge directly by the County pursuant to a support agreement that is described in the following paragraph. Rates on this obligation range from 3.4% to 4.0%.

Under the support agreement with the County, OTB is obligated to deposit required debt service payments due into a capital reserve fund. This transfer of funds must occur no later than 15 days prior to the due date of such payment. In addition, as consideration for entering into this support agreement and in recognition of the benefits anticipated to be derived, OTB is required to pay the County \$620,000 on each February 15th until the Series 2005 Revenue Bonds are paid in full.

Mortgages and bonds payable at December 31, 2015, consisted of the following (dollars in thousands):

Mortgage note – payable in 120 monthly installments of \$12.2 thousand including interest at 5.25% per annum with a balloon payment of \$1.1 million. A final payment is due on January 5, 2026. The mortgage is secured by the underlying real property with a net book value of \$135.7 thousand at December 31, 2015 and the cash accounts held by the financial institution.	\$ 1,800
Mortgage note – payable in 120 monthly installments of \$8.1 thousand including interest at 4.25% per annum with a balloon payment of \$1.1 million. A final payment is due on January 1, 2024. The mortgage is secured by the underlying real property with a net book value of \$2.2 million at December 31, 2015 and the cash accounts held by the financial institution.	1,415
Bond payable - due in 15 annual installments of \$1.5 million plus semi-annual interest payments ranging from 3.4% to 4.0% per annum. A final payment is due on July 1, 2020. The bonds are secured by the underlying real property with a net book value of \$7.9 million at December 31, 2015.	7,252
	\$ 10,467

Future minimum payments on the mortgage and bond payable including interest are as follows (dollars in thousands):

Years Ending	Principal	Interest
December 31,		
2016	\$ 1,539	\$ 412
2017	1,548	354
2018	1,547	291
2019	1,552	228
2020	1,557	165
2021 - 2025	1,588	509
2026	1,136	5
	\$ 10,467	\$ 1,964

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

11. REFINANCING OF LONG-TERM OBLIGATIONS

Prior to December 31, 2015, the County defeased certain general obligation bonds and combined sewer district bonds by refinancing them and placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. As of December 31, 2015, approximately \$106.5 million of outstanding bonds (including NIFA and NCSSWFA) are considered defeased.

12. PENSION PLANS

Plan Description

The County, NIFA, NCC, and NHCC participate in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS") which are collectively referred to as the New York State and Local Retirement System ("the System"). These are cost-sharing multiple-employer defined benefit retirement systems. The net position of the System is held in the New York State Common Retirement Fund (the 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. 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. The County, NIFA, NCC and NHCC also participate in the Public Employees' Group Life Insurance Plan ("GLIP"), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report may be found at www.osc.state.ny.us/retire/publication/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

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

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

12. PENSION PLANS (Continued)

Benefits Provided (Continued)

Tiers 1 and 2 (Continued)

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

Tiers 3, 4, and 5

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

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

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

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members and 62 for PFRS members.

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

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

Ordinary Disability Benefits

Generally, ordinary disability benefits, usually one-third of salary, are provided to eligible members after ten years of service; in some cases, they are provided after five years of service.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

12. PENSION PLANS (Continued)

Benefits Provided (Continued)

Accidental Disability Benefits

For all eligible Tier 1 and Tier 2 members, the accidental disability benefit is a pension of 75% of final average salary, with an offset for any workers' compensation benefits received. The benefit for eligible Tier 3, 4 and 5 members is the ordinary disability benefit with the years-of-service eligibility requirement dropped.

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: 1) all pensioners who have attained age 62 and have been retired for five years; 2) all pensioners who have attained age 55 and have been retired for ten years; 3) all disability pensioners, regardless of age, who have been retired for five years; 4) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years; and 5) 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%.

Funding Policy

The System is noncontributory except for those members who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) who generally contribute 3% of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the RSSL, the State Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. The County's actual contributions were equal to 100% of the actuarially required, using the maximum amortization allowed by law, and also included additional contributions to fund various early retirement incentives made available to County employees and prior service credits. The credits and miscellaneous adjustments represent modifications made by the ERS for prior years' contributions due to differences between estimated and actual salaries for the plan year. NCC's employees who are ERS members are included in the County's records with the RSSL. The State calculates the County's (including NCC) required annual contribution payment using these contribution rates and the projected retirement earnings of the County's (and NCC's) current employees. NCC reimburses the County annually for its share of the pension costs attributed to its employees who are ERS members.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

12. PENSION PLANS (Continued)

Funding Policy (Continued)

2015 Contributions based on the State fiscal year ending March 31, 2015 for ERS and PFRS members were as follows (in thousands of dollars):

	Annual Required Contribution	Credit & Miscellaneous Adjustments	Prepayment Discount	Amortization/ Deferral	2010 Incentive Installment	2010 Past Service Credit 553B	Total Payment
ERS	\$ 98,578	\$ 319	\$ (887)	\$ (29,262)	\$ 4,201	\$ 69	\$ 73,018
PFRS	94,209	(5,531)	(848)	(12,641)			75,189

The contractually required contributions recorded by the County, inclusive of blended component units, for the year ended December 31, 2015 were as follows (in thousands):

	Contractually Required Contribution
ERS	\$ 83,910
PFRS	83,369

Pursuant to Chapter 57 of the Laws of 2010, the New York State Legislature authorized local governments to elect to amortize a portion of their retirement bill for 10 years in accordance with the following stipulations.

- For State fiscal year 2010-11, the amount in excess of the graded rate of 9.5% of employees' covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the amortization was instituted.
- For subsequent State fiscal years, the graded rate will increase or decrease by up to 1% depending on the gap between the increase or decrease in the System's average rate and the previous graded rate.
- For subsequent State fiscal years in which the System's average rates are lower than the graded rates, the employer will be required to pay the graded rate. Any additional contributions made will first be used to pay off existing amortizations, and then any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.
- The interest rate for repayment of the amounts amortized in New York State fiscal year ending 2012 was 3.75% over 10 years. The interest rate for repayment of amounts amortized in New York State fiscal year ending 2013 is 3.00% over 10 years.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

12. PENSION PLANS (Continued)

Funding Policy (Continued)

This law requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System’s fiscal years when the County opted to participate in the program. Because the County’s fiscal year differs from the System’s fiscal year, the County’s liability for the unpaid amounts and the annual expense for the amortization of that liability will differ in the County’s financial statements to the amounts reported in the previously presented tables. The total unpaid pension amortization liability reported in the Primary Government’s Statement of Net Position at the end of the year attributable to Chapter 57, Laws of 2010 was \$69.5 million, of which \$3.1 million was attributable to NCC’s ERS members. Amortization contributions will be paid in ten equal installments, one per year, but may be prepaid at any time. The County has elected to amortize over the ten-year period. Future principal and interest payments to maturity for the amortization installments for the County (including NCC) are as follows:

2012 Chapter 57, Laws of 2010
ERS and PFRS
(in thousands of dollars)

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Years ending December 31, 2016	\$ 3,748	\$ 975	\$ 4,723
2017	3,889	834	4,723
2018	4,035	688	4,723
2019	4,187	536	4,723
2020	4,343	380	4,723
2021-2022	<u>5,775</u>	<u>264</u>	<u>6,039</u>
Totals	<u>\$ 25,977</u>	<u>\$ 3,677</u>	<u>\$ 29,654</u>

2013 Chapter 57, Laws of 2010
ERS and PFRS
(in thousands of dollars)

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Years ending December 31, 2016	\$ 5,444	\$ 1,306	\$ 6,750
2017	5,607	1,143	6,750
2018	5,775	975	6,750
2019	5,949	801	6,750
2020	6,127	623	6,750
2021-2023	<u>14,660</u>	<u>747</u>	<u>15,407</u>
Totals	<u>\$ 43,562</u>	<u>\$ 5,595</u>	<u>\$ 49,157</u>

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

12. PENSION PLANS (Continued)

Funding Policy (Continued)

Pursuant to Chapter 57, Part BB, Laws of 2013, the New York State Legislature authorized local governments to amortize a portion of their retirement bill for 12 years in accordance with the following stipulations:

- In the first years of participation, this Alternate Program allows employers to amortize more than the original program. Each year, the graded rate will change. The new graded rate always moves from the previous graded rate towards the new actuarial rate. The original program graded rate moves by up to 1% per year. The pace at which the rate declines is slower than it is under the original program.
- This Alternate Program first applied to the bill that was due on February 1, 2014. The graded rate will stay constant for the following year as well.
- Under this Alternate Program, employers will pay interest on the amortized amount. The interest rate will be set annually. The interest rate on the amount amortized in a given year will be the interest rate for that year and will be fixed for the duration of that payment period. Amounts amortized in other years will be at the interest rate set for the year of the amortization. The Alternate Program interest rate is comparable to a 12-year US Treasury Bond plus 1%.
- The interest rate for repayment of the amounts amortized in New York State fiscal year ending 2014 was 3.76% over 12 years. The interest rate for repayment of amounts amortized in New York State fiscal year ending 2015 is 3.50% over 12 years. The interest rate for repayment of amounts amortized in New York State Fiscal Year Ending 2016 is 3.31% over 12 years.

This law requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years when the County opted to participate in the program. Because the County's fiscal year differs from the System's fiscal year, the County's liability for the unpaid amounts and the annual expense for the amortization of that liability will differ in the County's financial statements to the amounts reported in the previously presented tables. The total unpaid pension amortization liability reported in the Primary Government's Statement of Net Position at the end of the fiscal year attributable to Chapter 57, Part BB, Laws of 2013 was \$150.4 million, of which \$7.0 million was attributable to NCC's ERS members. Amortization contributions will be paid in twelve equal installments, one per year, but may be prepaid at any time. The County has elected to amortize over the twelve-year period. Future principal and interest payments to maturity for the amortization installments for the County (including NCC) are as follows:

2014 Chapter 57, Part BB, Laws of 2013
ERS and PFRS
(in thousands of dollars)

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Years ending December 31, 2016	\$ 5,140	\$ 2,370	\$ 7,510
2017	5,333	2,177	7,510
2018	5,534	1,976	7,510
2019	5,742	1,768	7,510
2020	5,958	1,552	7,510
2021-2025	35,068	4,293	39,361
2026	252	10	262
Totals	<u>\$ 63,027</u>	<u>\$ 14,146</u>	<u>\$ 77,173</u>

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

12. PENSION PLANS (Continued)

Funding Policy (Continued)

2015 Chapter 57, Part BB, Laws of 2013
ERS and PFRS
(in thousands of dollars)

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Years ending December 31, 2016	\$ 4,274	\$ 2,027	\$ 6,301
2017	4,424	1,877	6,301
2018	4,579	1,722	6,301
2019	4,739	1,562	6,301
2020	4,905	1,396	6,301
2021-2025	27,221	4,282	31,503
2026-2027	7,759	332	8,091
Totals	<u>\$ 57,901</u>	<u>\$ 13,198</u>	<u>\$ 71,099</u>

2016 Chapter 57, Part BB, Laws of 2013
ERS and PFRS
(in thousands of dollars)

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Years ending December 31, 2016	\$ 2,038	\$ 974	\$ 3,012
2017	2,105	907	3,012
2018	2,175	837	3,012
2019	2,247	765	3,012
2020	2,320	692	3,012
2021-2025	15,631	2,439	18,070
2026-2027	2,914	98	3,012
Totals	<u>\$ 29,430</u>	<u>\$ 6,712</u>	<u>\$ 36,142</u>

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

12. PENSION PLANS (Continued)

Funding Policy (Continued)

Chapter 105 of the Laws of 2010 of the State of New York authorized the County to make available a retirement benefit incentive program with an estimated total cost of \$18.4 million, approximately \$16.5 million attributed to County members and \$1.9 million for NCC members. The cost of the program is billed over five years at an interest rate of 7.5% and paid by the funds incurring the costs beginning in 2012. Remaining future principal and interest payments to maturity, to be paid out of future resources, are as follows (in thousands of dollars):

2010 Chapter 105, Laws of 2010
 Early Retirement Incentive -
 includes NCC
 (in thousands of dollars)

	Principal	Interest	Total Principal and Interest
Years ending December 31, 2016	\$ 887	\$ 66	\$ 953
Total	<u>\$ 887</u>	<u>\$ 66</u>	<u>\$ 953</u>

In addition to the amortizations above, the County is amortizing 2010 prior service credits for ERS members of \$0.5 million over ten years, beginning in 2011 at an interest rate of 8.0%. The total unpaid liability reported in the Primary Government's Statement of Net Position at the end of the fiscal year was \$0.3 million, and \$69.0 thousand (including interest) was charged to the Primary Government's governmental funds in the current fiscal year. Future principal and interest payments to maturity for the remaining installments to be paid out of current resources are as follows:

Prior Service Credits 553B
 (in thousands of dollars)

	Principal	Interest	Total Principal and Interest
Years ending December 31, 2016	\$ 46	\$ 23	\$ 69
2017	50	19	69
2018	54	15	69
2019	58	11	69
2020	77	8	85
Totals	<u>\$ 285</u>	<u>\$ 76</u>	<u>\$ 361</u>

NHCC

NYSRSSL Chapter 57 of the Laws of 2010 authorized the New York State and local employers to amortize over ten years, at 3.15 percent (2015), 3.67 percent (2014), 3.00 percent (2013) and 3.75% (2012) interest, and the portion of their annual bill that exceeded 13.5 percent, 12.5 percent, 11.5 percent, and 10.5% of payroll for its 2015, 2014, 2013 and 2012 pension bills, respectively. Total amount due at December 31, 2015 related to these deferred pension contributions is approximately \$41.0 million of which \$3.1 is included in current liabilities and \$37.9 million is included as part of other long term liabilities.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

12. PENSION PLANS (Continued)

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

At December 31, 2015, the County (inclusive of NIFA), reported a liability of \$83.5 million for its proportionate share of the net pension liability of the System. The net pension liability was measured as of March 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2014, with updated procedures to roll forward the total pension liability to March 31, 2015. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

Below is the County's (inclusive of NIFA), NCC, and NHCC's proportionate share of the net pension liability of the System and its related employer allocation percentage (in thousands of dollars).

	Primary Government			Major Discretely Presented Component Units		
	ERS	PFRS	NIFA	NCC		NHCC
	March 31, 2015	March 31, 2015	March 31, 2015	ERS March 31, 2015	TRS June 30, 2014	ERS March 31, 2015
Measurement Date						
Net Pension Liability (Asset)	\$ 59,898	\$ 23,576	\$ 57	\$ 4,343	\$ (14,989)	\$ 26,166
Allocation of the System's						
Total Net Liability (Asset)	1.7655934%	8.564898%	0.00169610%	0.00130000%	0.14430900%	0.77454570%

There was no significant change in the County's (inclusive of NIFA), NCC, and NHCC's proportionate share from March 31, 2014 to March 31, 2015.

For the year ended December 31, 2015, the County, exclusive of component units, recognized pension expenditures of \$55.0 million for ERS and \$56.4 million for PFRS.

At December 31, 2015 the County (inclusive of NIFA), NCC and NHCC reported deferred outflows of resources related to pensions from the following sources (in thousands of dollars):

	Major Discretely Presented Component Units			
	Primary Government		Presented Component Units	
	ERS	PFRS	NCC*	NHCC
Differences between expected and actual experience	\$ 1,911	\$ 2,843	\$ 139	\$ 837
Net difference between projected and actual earnings on pension plan investments	10,370	7,915	755	1,745
Changes in proportion and differences between the Employer's contribution and proportionate share of contributions	3,983	8,602	289	4,545
Employer's contribution subsequent to the measurement date, net of prepaid amounts	55,759	58,467	2,458	
Total	\$ 72,023	\$ 77,827	\$ 3,641	\$ 7,127

*Amounts are reported for the year ending August 31, 2015

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

12. PENSION PLANS (Continued)

For the year ended August 31, 2015, NCC recognized pension expense of \$(606) thousand related to TRS. At June 30, 2015, NCC reported deferred outflows of resources and deferred inflows of resources related to TRS from the following sources (in thousands):

	NCC	
	Deferred Outflows of Resources	Deferred Inflows of Resources
	\$	\$ 415
Differences between expected and actual experience		
Net difference between projected and actual earnings on pension plan investments		4,738
Changes in proportion and differences between the Employer's contribution and proportionate share of contributions		178
Employer's contributions subsequent to the measurement date		4,173
Total	\$ 4,173	\$ 5,331

The County's contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands of dollars):

	Major Discretely Presented Component Units					
	Primary Government		NCC			NHCC
	ERS	PFRS	ERS	TRS	ERS	
Plan Year Ended March 31, 2016	\$ 4,066	\$ 4,268	\$ 296	\$ (1,933)	\$ 1,782	
2017	4,066	4,268	296	(1,933)	1,782	
2018	4,066	4,268	296	(1,933)	1,782	
2019	4,065	4,268	296	766	1,781	
2020		2,288		(73)		
Thereafter				(225)		
Totals	\$ 16,263	\$ 19,360	\$ 1,184	\$ (5,331)	\$ 7,127	

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

12. PENSION PLANS (Continued)

Actuarial Assumptions – ERS and PFRS

The total pension liability as of the measurement date was determined by using an actuarial valuation as of April 1, 2014, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

	ERS	PFRS
Actuarial cost method	Entry age normal	Entry age normal
Inflation	2.70%	2.70%
Salary scale	4.90%	6.00%
Investment rate of return, including inflation	7.50%	7.50%
Cost of living adjustments	1.40%	1.40%
Decrement tables	Developed from the Plan's 2010 experience study of the period April 1, 2005 through March 31, 2010	Developed from the Plan's 2010 experience study of the period April 1, 2005 through March 31, 2010
Morality Improvement	Society of Actuaries Scale MP-2014	Society of Actuaries Scale MP-2014

Actuarial Assumptions – NCC - TRS

The total pension liability as of the measurement date was determined by using an actuarial valuation as of June 30, 2014, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

	TRS
Actuarial cost method	Aggregate Cost Method
Inflation	3.00%
Salary scale	4.90%
Investment rate of return, including inflation	8.00%
Cost of living adjustments	1.63%
Annuitant Mortality Rates	Based on plan member experience
Morality Improvement	Society of Actuaries Scale AA

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

12. PENSION PLANS (Continued)

The long term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No.27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) for equities and fixed income as well as historical investment data and plan performance.

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2015 are summarized below for ERS and PFRS:

Asset Class	Target Allocation	Long-term Expected Rate of Return
Domestic equity	38.00%	7.30%
International equity	13.00%	8.55%
Private equity	10.00%	11.00%
Real estate	8.00%	8.25%
Absolute return strategies	3.00%	6.75%
Opportunistic portfolio	3.00%	8.60%
Real assets	3.00%	8.65%
Bonds and mortgages	18.00%	4.00%
Cash	2.00%	2.25%
Inflation-Indexed bonds	2.00%	4.00%
	100.00%	

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2014 are summarized below for TRS:

Asset Class	Target Allocation	Long-term Expected Rate of Return
Domestic equity	37.00%	6.50%
International equity	18.00%	7.70%
Real estate	10.00%	4.60%
Alternative investments	7.00%	9.90%
Total equities	72.00%	
Domestic fixed income securities	17.00%	2.10%
Global fixed income securities	2.00%	1.90%
Mortgages	8.00%	3.40%
Short-term	1.00%	1.20%
Total fixed income	28.00%	
	100.00%	

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

12. PENSION PLANS (Continued)

Discount Rate

The discount rate used to calculate the total pension liability was 7.5% for the System (ERS and PFRS) and 8% for TRS. 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. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption – ERS and PFRS

The following presents the County's (inclusive of NIFA), NCC, and NHCC's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the County's (inclusive of NIFA), NCC, and NHCC's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5%) or 1-percentage point higher (8.5%) than the current rate (in thousands of dollars):

	Primary Government		Major Discretely Presented Component Units	
	ERS	PFRS	NCC	NHCC
Net Pension Liability (Asset):				
1% Decrease 6.50%	397,979	313,898	28,950	174,408
Current Assumption 7.50%	59,703	23,576	4,343	26,166
1% Increase 8.50%	(225,860)	(219,732)	(16,431)	(98,987)

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

The following presents the NCC's proportionate share of the net pension asset calculated using the discount rate of 8.0%, NCC's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage point lower (7.0%) or 1-percentage point higher (9.0%) than the current rate (in thousands of dollars):

	1% Decrease	Current Discount	1% Decrease
	7.0%	8.0%	9.0%
Net Pension Liability (Asset)	1,022	(14,989)	(28,644)

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

12. PENSION PLANS (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued NYS ERS financial report. That report may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244-0001, or it may be found at <http://www.osc.state.ny.us/retire/publications/index.php>.

13. RECONCILIATION OF GAAP FUND BALANCES TO BUDGETARY BASIS (Unaudited)

The following reconciles fund balances at December 31, 2015 as prepared on a GAAP basis to the budgetary basis of reporting (dollars in thousands):

	<u>General</u>	<u>Police District Fund</u>	<u>Sewer & Storm Water District Fund</u>	<u>Capital Fund</u>	<u>Nonmajor Governmental Funds</u>
Fund Balances at December 31, 2015, Prepared in accordance with GAAP	\$ 120,103	\$ (8,829)	\$ 46,379	\$ 126,840	\$ 111,801
Add:					
Funding for Tax Certiorari and Other Judgments	96,221				
Funding for Termination Pay	25,383	2,796			
Pension Benefits - Modified Accrual Basis Only	78,089	32,155	1,399		
Sale of Mitchel Field Leases	32,396				
Less:					
Encumbrances	(57,375)	(1,698)	(3,359)		
Payments for Tax Certiorari and Other Judgments	(96,221)				
Payments for Termination Pay	(25,383)	(2,796)			
Termination Pay Recognized by NCC	(2,099)				
Unbudgeted FEMA Fund					(121)
Unbudgeted Grant Fund					(20,911)
Unbudgeted NCTSC					(219)
Unbudgeted Capital Project Fund				(126,840)	
Unbudgeted NCSSWFA					(3,834)
Unbudgeted NCTSC Debt Service Fund					(22,399)
Unbudgeted NCSSWFA Debt Service Fund					(92)
Unbudgeted NIFA Debt Service Fund					(44,756)
Fund Balances at December 31, 2015, Prepared on the Budgetary Basis of Reporting	<u>\$ 171,114</u>	<u>\$ 21,628</u>	<u>\$ 44,419</u>	<u>\$</u>	<u>\$ 19,469</u>

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

14. FUND BALANCES

Fund Balance classifications for the governmental funds at December 31, 2015 were (dollars in thousands):

	General	NIFA Fund	Police District Fund	Sewer & Storm Water Fund	Capital Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:							
Prepays and other	\$ 44,561	\$ 84	\$ 10,718	\$ 466	\$	\$ 852	\$ 56,681
Spendable:							
Restricted for:							
Capital projects					2,912		2,912
Debt service	2,099	14,292				70,981	87,372
Open space	1,401						1,401
Judgments and settlements	20,200						20,200
Judicial						360	360
General Administration						6,396	6,396
Protection of Persons						330	330
Health						6,049	6,049
Public Works						6,600	6,600
Recreation and Parks						169	169
Social Services						176	176
Corrections						119	119
Total Restricted	23,700	14,292			2,912	91,180	132,084
Committed to:							
Capital projects					123,928		123,928
Technology	76						76
Environmental Protection						19,469	19,469
Total Committed	76				123,928	19,469	143,473
Assigned to:							
General Administration	8,246	753				300	9,299
Public Works				45,913			45,913
Total Assigned	8,246	753		45,913		300	55,212
Unassigned	43,520		(19,547)				23,973
Total Fund Balance	\$ 120,103	\$ 15,129	\$ (8,829)	\$ 46,379	\$ 126,840	\$ 111,801	\$ 411,423

15. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The County provides health care benefits in accordance with New York State Health Insurance Rules and Regulations administered by the New York State Department of Civil Service (the "NYSHIP" plan). The County's several union contracts and ordinances require the County to provide all eligible enrollees with either the NYSHIP plan or other equivalent health insurance. Substantially all of the County's retirees and employees are enrolled in the NYSHIP Plan. NYSHIP is a defined benefit agent multiple-employer healthcare plan. Under the provisions of the NYSHIP Plan, premiums are adjusted on a prospective basis for any losses experienced by the NYSHIP Plan. The County has the option to terminate its participation in the NYSHIP Plan at any time without liability for its respective share of any previously incurred loss.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

15. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Funding Policy

Eligibility for health benefits upon retirement are governed by Ordinance bargaining unit, age, and years of service. Non-union employees hired after August 2008 are required to have 10 years of governmental service, 5 years of which must be with the County to be eligible for postretirement health insurance benefits. CSEA employees hired after August 2003 are required to have 10 years of County employment. All other employees are eligible after 5 years of service. The County contributes 100% of the health insurance costs for the Government Employees Health Insurance program for all police officers and County employees who retired after December 31, 1975, with the exception of Ordinance employees hired after January 1, 2002 who are required to contribute either 5% or 10% of the cost depending on coverage. For employees who retired prior to December 31, 1975, the County's contribution is reduced in accordance with the union agreement applicable to their respective retirement dates. Nassau County is not required by law to provide funding other than the pay-as-you-go amount necessary to provide current benefits to retirees and eligible beneficiaries/dependents. The County recognizes the expenditure of providing current and postretirement health care benefits in the year to which the insurance premiums apply. The total cost of providing health care benefits, exclusive of the blended component units, was \$288.9 million in 2015, of which approximately \$151.8 million was for retirees and approximately \$137.1 million was for active employees and other eligible individuals.

Annual OPEB Cost and Net OPEB Obligation

The County provides group health care benefits for retirees (and for eligible dependents and survivors of retirees). The following are the retiree contributions for non-union (Ordinance #543) employees:

- Hired prior to January 1, 2002 or earning less than \$30,000 in the year of retirement: none
- Hired on or after January 1, 2002 and earning more than \$30,000 per year in the year of retirement: 5% of premium for single coverage and 10% of the premium for family coverage
- Union employees (CSEA Local 830): none
- Public safety employees: none
- Employees who retired prior to 1976 pay contributions (varies as a percentage of the premium)

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

An actuarially determined valuation of these benefits was performed by an outside consultant to estimate the impact of changes in GASB accounting rules applicable to the retiree medical benefits for retired employees and their eligible dependents.

The County elected to record the entire amount of the Unfunded Actuarial Accrued Liability ("UAAL"), totaling approximately \$3.5 billion in the fiscal year ended December 31, 2007, and not to fund the UAAL in excess of the pay-as-you-go amounts necessary to provide current benefits to retirees and eligible beneficiaries/dependents. The UAAL, including accrued interest relating to postemployment benefits is approximately \$5.0 billion as of December 31, 2015 which included both the County and an allocation of the Nassau Health Care Corporation's cost as of December 31, 2015. The County is not required by law or contractual agreement to provide funding for postemployment retirement benefits other than the pay-as-you-go amount necessary to provide current benefits to retirees and eligible beneficiaries/dependents. During the fiscal year ended December 31, 2015, the County paid \$151.8 million on behalf of the Plan, exclusive of blended component units.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

15. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Annual OPEB Cost and Net OPEB Obligation (Continued)

The County's annual OPEB cost (expense) is calculated based on the annual required contribution ("ARC") of the employer, an amount that was actuarially determined by using the Projected Unit Credit. The portion of this Actuarial Present Value allocated to a valuation year is called the Normal Cost. The County uses a level dollar amount and an amortization period of one year on an open basis.

The following table shows the elements of the County's annual OPEB cost for the year, the amount actually paid, and changes in the County's net OPEB obligation to the plan for the year ended December 31, 2015 (dollars in thousands):

Calculation of ARC and Annual OPEB Cost

	Primary Government			Major Discretely Presented Components	
	Nassau County	Nassau County Interim Finance Authority	Total	*Nassau Community College	**Nassau Health Care Corporation
Amortization of UAAL	\$ 4,960,909	\$ 2,008	\$ 4,962,917	\$ 329,871	N/A
Service Cost at the Beginning of year	138,791	109	138,900	15,010	N/A
Interest	82,870	35	82,905	5,604	N/A
Annual Required Contribution	<u>5,182,570</u>	<u>2,152</u>	<u>5,184,722</u>	<u>350,485</u>	<u>41,876</u>
Interest on net OPEB Obligations	158,689	59	158,748	10,727	12,386
Adjustment to ARC	<u>(5,041,462)</u>	<u>(1,874)</u>	<u>(5,043,336)</u>	<u>(340,785)</u>	<u>(11,663)</u>
Total Annual OPEB cost	299,797	337	300,134	20,427	42,599
Actual Contributions	151,819	36	151,855	8,954	8,728
Increase in net OPEB obligation	147,978	301	148,279	11,473	33,871
Net OPEB Obligation 2014	<u>4,882,772</u>	<u>1,815</u>	<u>4,884,587</u>	<u>330,058</u>	<u>314,007</u>
Net OPEB Obligation 2015	<u>\$ 5,030,750</u>	<u>\$ 2,116</u>	<u>\$ 5,032,866</u>	<u>\$ 341,531</u>	<u>\$ 347,878</u>

* Nassau Community College data as of fiscal year ended August 31, 2015

** Nassau Health Care Corporation uses a 30 year basis for amortization

As of January 1, 2015, the original valuation date, the County's actuarial accrued liability was approximately \$5.0 billion and the 2015 payroll cost (i.e. covered payroll) was \$860.0 million or 576.9% of the unfunded liability amount. The County's annual OPEB cost, exclusive of blended component units, the actual annual OPEB amount contributed to the plan, and the net OPEB obligation for the fiscal years ended December 31, 2015, 2014 and 2013, were as follows (dollars in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual		
		Actual Annual OPEB Cost Paid	OPEB Cost Contributed	Net OPEB Obligation
12/31/15	\$ 299,797	\$ 151,819	50.6%	\$ 5,030,750
12/31/14	\$ 312,387	\$ 150,097	48.0%	\$ 4,882,772
12/31/13	\$ (30,617)	\$ 147,813	-482.8%	\$ 4,720,482

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

15. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Methods and Assumptions

The OPEB-specific actuarial assumptions used in the January 1, 2015, OPEB actuarial valuation (which is required at least biennially) are as follows:

Valuation date:	January 1, 2015
Actuarial cost method:	Projected Unit Credit Method
Discount rate:	3.25% per annum, 4.00% for NHCC
Inflation rate:	2.5%

Health Care Cost Trend Rate (“HCCTR”) – The Society of Actuaries (SOA) Long-Run Medical Cost Trend Model was used to develop the medical trend schedule used in projecting per capita claims costs and premiums. The model’s projections are based on an econometric analysis of US medical expenditures and the judgments of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of an SOA Project Oversight Group and have been modified slightly to reflect the actuary’s expectations for long term inflation. In addition, the estimated impact of the excise tax due to healthcare reform is incorporated through an adjustment to the healthcare trend assumption and reflects changes to the Affordable Care Act enacted in December 2015.

Medicare Part B reimbursements and dental premiums were assumed to have a separate annual trend of 5.0%. Vision benefit costs are limited by contract and no trend was applied. For medical benefits, actual 2015 Empire premiums were used. Trend increases for medical benefits start in 2016 at a 6.0% level.

Medical and pharmacy costs and premium rates are assumed to increase as shown in the following table (selected years shown):

Fiscal Year	Prior to Medicare Eligibility	After Medicare Eligibility
2016	6.0%	6.0%
2017	6.0	6.0
2018	6.0	6.0
2019	5.4	5.4
2020	5.4	5.4
2025	5.4	5.4
2030	5.6	5.4
2035	6.6	5.5
2040	6.1	5.3
2045	5.9	5.1
2050	5.7	5.4
2075	4.5	4.7
2101	4.5	4.6

NHCC used an annual health care cost trend rate of 5.46% in 2015 and grading down to an ultimate rate of 4.25%.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

15. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Methods and Assumptions (Continued)

Health insurance benefits are provided by the New York State Health Insurance Plan. This also includes a reimbursement of Medicare Part B premium. Benefits vest at five to ten years of service and are subject to continuous participation in NYSHIP.

The premium rate is used for all non-Medicare eligible retirees and dependents with basic medical coverage.

Monthly premium rates for the projected January 1, 2015 valuation are shown in the following table:

Pre-65 Non Medicare		
Single	\$	805.05
Family		1,808.86
Post-65 Medicare		
Single		401.84
Family – 1 Medprime		1,405.68
Family – 2 Medprime		1,002.46
Medicare (Part B) – per person		104.90

No retiree was assumed to have income in excess of the threshold, which would result in increasing Part B premium above 25% of Medicare Part B Costs.

Mortality: Pre-termination and post-termination healthy annuitant rates are projected on a generational basis using Scale AA. As generational tables, they reflect mortality improvements both before and after the measurement date.

Pre-termination: RP2000 Employee Mortality Table for Males and Females.

Post-termination Health Lives: RP2000 Healthy Annuitant Mortality Table for Males and Females.

Post-termination Disabled Lives: RP2000 Disabled Annuitant Mortality table for Males and Females. No provision was made for future mortality improvements for disabled lives.

It should be noted that actuarial valuations have inherent limitations, reflect a long-term perspective, and involve estimates of the value of the reported amounts and assumptions about the probability of events far into the future, and that actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and of the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal and contractual funding limitations on the pattern of costs sharing between the employer and plan members in the future. Actuarial methods and assumptions used also include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

15. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Methods and Assumptions (Continued)

The schedule of funding progress, found below and immediately following the notes to the financial statements, presents the results of the OPEB valuation as of January 1, 2015, for the fiscal year ending December 31, 2015. The schedule provides trend information about whether the actuarial values of the plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits (dollars in thousands):

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
1/1/15	\$ 0	\$ 4,960,909	\$ 4,960,909	0.0%	\$ 859,929	576.9%

16. ACCUMULATED VACATION AND SICK LEAVE ENTITLEMENTS

County employees are entitled to accumulate unused vacation leave and sick leave up to certain contractual amounts. At current salary levels, the County’s liability for the payment of these accumulations is approximately \$526.0 million inclusive of blended components units at December 31, 2015. At August 31, 2015, NCC’s vacation leave and sick leave liability was \$54.4 million. At December 31, 2015, NHCC’s vacation and sick leave liability was \$61.5 million.

17. ACCRUED PAYROLL

In 2009, the County entered into agreements with the Civil Service Employees’ Association (“CSEA”), the Police Benevolent Association, (“PBA”), Superior Officers Association, (“SOA”), Detective Association, Inc. (“DAI”), and the Sheriff’s Corrections Officers Benevolent Association (“COBA”) and certain Ordinance employees, to defer 10 days’ pay, which shall be paid to the employee on separation of service at the salary rate then in effect. The County also entered into bargaining agreements with CSEA, PBA, SOA, DAI, and COBA that include deferrals of wages and longevity that cover various periods of time during 2007 through 2016. In 2011, these deferred wages began to be paid to the employee and additional payments are scheduled to be paid through 2016 depending on the bargaining unit, or at termination at the rate earned. The amount accrued at December 31, 2015 was approximately \$43.0 million and will be paid upon employee separation from the County. The non-current component of this accrual is reported as a long-term liability in the government-wide Statement of Net Position, as certain contractual arrangements to provide for the payment of these commitments at specific dates in future fiscal periods.

NCC entered into a similar agreement in 1992 originally to be paid to eligible employees on September 1, 2002, but continues to be accrued in accordance with their current contractual agreement. The amount accrued at the College’s fiscal year close of August 31, 2015 was approximately \$0.7 million and will be paid upon employee separation from the College; this amount is included in the County’s liability reported in the government-wide Statement of Net Position.

In addition, termination pay for accumulated leave in excess of \$5,000 for CSEA and Ordinance members shall be paid by the County in three equal installments of accumulated days on the three consecutive Januarys following termination. The amount accrued at December 31, 2015 of approximately \$42.9 million represents termination pay for accumulated leave to be paid annually for three years beginning in January 2016; this amount is also reported in the government-wide Statement of Net Position.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

18. CONTINGENCIES AND COMMITMENTS

A. Claims and Litigation

The County, its officers and employees are defendants in litigation. Such litigation includes, but is not limited to, actions commenced and claims asserted against the County arising out of alleged torts, alleged breaches of contracts (which include union and employee disputes), condemnation proceedings, medical malpractice actions and other alleged violations of law. The County self-insures for everything except for: property insurance on its police helicopters and selected leased facilities; a blanket fidelity bond covering all County employees; and the following coverage for the summer recreation program: accident insurance, umbrella liability and general liability. Settlements have not exceeded insurance coverage in any of the last three years. Essentially all other risks are assumed directly by the County. All malpractice occurrences at NHCC facilities that the County owned prior to September 29, 1999 are the responsibility of the County of which there are no active cases. Subsequent malpractice occurrences arising from events in connection with NHCC are the responsibility of NHCC (*See Footnote 18E for further discussion*).

The County annually appropriates sums for the payment of judgments and settlements of claims and litigation, which appropriations may be financed, in whole or in part, pursuant to the Local Finance Law by the issuance of County debt. The County intends to defend itself vigorously against all claims and in all litigation. Estimated liabilities of approximately \$437.0 million for claims and litigation (excluding tax certiorari claims) have been recorded as a liability in the government-wide financial Statement of Net Position as of December 31, 2015. Approximately \$235.2 million has been recorded as a liability in the government-wide financial Statement of Net Position, at December 31, 2015, related to workers' compensation claims, as estimated by the County's third party administrator. The workers' compensation amount is a liability separate from all other non-workers' compensation claims and litigation.

The schedule below presents the changes in claims liabilities for the past two years for workers' compensation and litigation and malpractice liability and includes an estimate of claims that have been incurred but not yet reported (dollars in thousands).

	Workers' Compensation		Litigation and Malpractice	
	2015	2014	2015	2014
Unpaid claims and claim adjustment expenditures at the beginning of the year	\$ 240,943	\$ 250,908	\$ 437,000	\$ 295,000
Incurred claims and claim adjustment Expenditures:				
Provision for insured events of the current year and increases or decreases in provision for insured of prior years	23,344	16,623	9,814	154,371
Total incurred claims and claim adjustment expenditures	23,344	16,623	9,814	154,371
Payments:				
Claims expenditures attributable to insured events of the current and prior years	29,073	26,588	9,814	12,371
Total payments	29,073	26,588	9,814	12,371
Total unpaid claims and claim adjustment expenditures at the end of the year	\$ 235,214	\$ 240,943	\$ 437,000	\$ 437,000

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

18. CONTINGENCIES AND COMMITMENTS (Continued)

B. Tax Certioraris

In fiscal 2015, there were approximately 157,249 taxpayers' claims (residential and commercial) filed against the Board of Assessors, for the incorrect determination of assessed valuation (certiorari proceedings) for the 2015 (May 1, 2016) assessment roll. The total amount of bonds issued by the County and NIFA and still outstanding for property tax refunds was approximately \$939.0 million at December 31, 2015. This amount has been included with serial bonds reported in the government-wide financial Statement of Net Position. An amount estimated for future settlements and judgments of \$302.6 million has also been recorded as a long-term liability in the government-wide financial Statement of Net Position at December 31, 2015, of which approximately \$70.0 million have been recorded as current liabilities in the government-wide Statement of Net Position. In 2015, an additional \$13.8 million was accrued as a liability for tax certioraris and is included as current liabilities in the governmental fund statements and the Statement of Net Position. The estimate of liability is a synopsis of all unpaid refund claims as of December 31. This includes Writs, Small Claims, Assessor Petitions, Unpaid Refunds, and Projected Refunds on Settlements. Not all components have liability every year, but many do. Liability reporting is segregated by "new" liability – those claims that have been added for the current tax year; and "old" liability which are all unsettled claims from past years. The liability is estimated differently depending on the type of liability. Each year open liabilities are revalued to adjust for interest accrued and settlements.

For the year-ended December 31, 2015, tax certiorari expenditures recorded in the governmental funds were \$96.9 million, comprised of, \$3.3 million financed with operating funds, in addition to \$93.6 million paid with borrowed funds. In addition, \$12.0 million in tax certiorari payments were made in 2015 for amounts expensed and reported as accrued liabilities in the governmental funds and the Statement of Net Position in prior years.

In an order dated December 27, 2012, Nassau Supreme Court Justice Adams directed that the County shall satisfy certain property tax refund judgments in 2013 (*i.e.*, not in 2012), and prohibited such petitioners from commencing any collection proceedings prior to January 15, 2013. The total tax certiorari judgments affected by the order were estimated in 2012 to be approximately \$88.0 million and resulted in the deferral of this tax certiorari expense to 2013. In 2013, the actual amount was determined to be \$76.0 million. Of these judgments, \$70.1 million were paid in 2013, \$4.6 million were paid in 2014 and the remainder of \$1.3 million paid in 2015.

Superstorm Sandy Assessment Relief payments

In October 2013, the New York State Governor signed into law, the Superstorm Sandy Assessment Relief Act, which permits local governments to pass laws to allow retroactive downward adjustments of property tax assessments to account for losses in value due to Superstorm Sandy. In November 2013, the Nassau County Legislature passed a local law to adopt the Superstorm Sandy Assessment Relief Act. In order to fund the property tax refunds due to property owners under this law, the County Legislature approved \$38.8 million of borrowing to be used to pay the refunds. As of December 31, 2015, approximately \$36.1 million of Sandy tax refunds checks were issued to property owners and approximately \$1.5 million was recorded as current liability in the governmental funds and the Statement of Net Position as of fiscal year-end. It is anticipated that all remaining Sandy property tax refunds will be paid in 2016.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

18. CONTINGENCIES AND COMMITMENTS (Continued)

C. Contingencies under Grant Programs

The County participates in a number of Federal and State grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives.

Provisions for certain expected disallowances, where considered necessary, have been made as of December 31, 2015. In the County's opinion, any additional disallowances resulting from these audits will not be material.

D. Certain Third - Party Reimbursement Matters

Net patient service revenue of NHCC's health facilities included amounts estimated to be reimbursable by third-party payer programs. Such amounts are subject to revision based on changes in a variety of factors as set forth in the applicable regulations. It is the opinion of NHCC's management that adjustments, if any, would not have a material effect on the County's financial position.

E. Insurance

The County carries property insurance on its police helicopters, a blanket fidelity bond covering all County employees, public official bonds and the following coverage for the summer recreation program: accident insurance, umbrella liability and general liability. Essentially all other risks are assumed directly by the County.

Nassau Health Care Corporation Insurance

For the policy years ended (or ending) September 29, 2008 to 2014, the Captive issued hospital professional and employee benefits policies on a claims-made basis and commercial general policies on an occurrence basis. The Captive's liability on the hospital professional and employee benefits policies is \$7.0 million per person (\$10.0 million for policy years prior to 2008) with no aggregate limit and \$1.0 million per claim up to an aggregate of \$1.0 million, respectively. An excess buffer limit of \$3.0 million per person/\$3.0 million in the aggregate was introduced above the \$7.0 million per person primary limit on the hospital professional policy for the September 29, 2012 renewal. During 2015, the Captive entered into a commutable agreement with NHCC, initialing a \$1.0 million deductible limit on all open claims as of December 31, 2015. The liability on commercial general policies is \$1.0 million per occurrence, except for fire damages, where the limit is \$50,000 for any one fire, and medical payment, where the limit is \$5,000 for any one person, up to an aggregate of \$3.0 million.

The Captive is subject to minimum capital requirements as established by the Cayman Islands Monetary Authority (the "Monetary Authority"). The NHCC has committed to fund any shortfalls of capital relative to the minimum statutory requirements and to provide any necessary financial support to the Captive as may be deemed necessary. The Captive's ability to operate is dependent upon such support. In April 2015, the NHCC funded approximately \$6.3 million to meet the Captive's minimum capital requirements at December 31, 2015.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

18. CONTINGENCIES AND COMMITMENTS (Continued)

E. Insurance (Continued)

Nassau Health Care Corporation Insurance (Continued)

In 2006, the Captive loaned the NHCC \$10.0 million. The loan is re-payable on demand and has been renewed until December 31, 2015. The loan bears interest at a rate of 5% per annum, payable semiannually. At December 31, 2015, the full loan amount of \$10.0 million remains outstanding. Additionally, in January 2012, the Captive loaned the NHCC an additional \$10.0 million. The loan is repayable on demand and matures on December 31, 2015. The loan bears interest at a rate of 4% per annum and is payable semiannually. At December 31, 2015, the full loan amount of \$10.0 million remains outstanding.

The Captive has entered into a note agreement with the NHCC in the amount of \$5.5 million (the "Note"). The Note is partially funded at December 31, 2015, in the amount of \$2.8 million. As of March 31, 2016, the Note was paid in full. At December 31, 2015 the Captive was in compliance with its minimum capital requirement.

In April 2016, the respective boards of NHCC and NHCC, Ltd., the Captive, agreed to make certain changes to the Insurance Program as follows: NHCC would have, retain and be responsible for the first \$1.0 million of losses for all hospital professional liability claims made from 1999 to the present, and would have, retain and be responsible for the first \$1.0 million of losses for all hospital professional liability claims on a going forward basis. NHCC Ltd., would be responsible for reimbursing the NHCC under the terms and conditions of hospital's professional liability excess coverage attaching the \$1.0 million for all open claims from 1999 and forward.

The Captive's activity in the loss reserves and loss adjustment expenses is summarized as follows (in thousands):

	<u>2015</u>	<u>2014</u>
Balance at beginning of year	\$ 54,347	\$ 46,649
Incurred related to:		
Current year	10,170	9,927
Prior year	<u>(24,699)</u>	<u>1,851</u>
Total incurred	(14,529)	11,778
Paid relating to:		
Current year	(153)	(198)
Prior year	<u>(7,967)</u>	<u>(3,882)</u>
Total paid	<u>(8,120)</u>	<u>(4,080)</u>
Balance at end of year	<u>\$ 31,698</u>	<u>\$ 54,347</u>

Losses and loss adjustment expenses for incurred claims for prior years represent changes in estimates of the ultimate settlement of such losses.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

18. CONTINGENCIES AND COMMITMENTS (Continued)

E. Insurance (Continued)

Nassau Health Care Corporation Insurance (Continued)

Insurance reserves and the related insurance losses and loss adjustment expenses, recorded through the Captive, have been discounted based on an assumed interest rate of 4.0% at December 31, 2015.

NHCC maintains a revolving credit demand note with Captive. No interest is charged if principal amounts are repaid within 5 business days. No amounts are outstanding under the note at December 31, 2015.

In addition to the insurance coverage purchased from the Captive, the NHCC purchases umbrella and other coverage from commercial insurers. For the year ended December 31, 2015, insurance expense totaled \$9.5 million.

F. Capital Commitments

At December 31, 2015, there were capital project contract commitments of \$690.0 million, of which approximately \$563.1 million may require future funding. All capital project commitments are encumbered in the County's financial system.

G. Material Encumbrances

Material encumbrances (greater than \$5 million) as of the year ended December 31, 2015 were as follows (dollars in thousands):

<u>General Fund</u>		
Pre-School/Special Education contracts with the Health Department	\$	4,145
<u>Capital Fund</u>		
Construction:		
Buildings		47,384
Disposal		331,106
Protection of Persons		55,543
Roads		4,738
Traffic		5,862
<u>Component Unit - Discretely Presented</u>		
Nassau Community College Buildings		6,953

H. Service Concession Arrangements

The County has determined there are three service concession arrangements which are reported in the County's Statement of Net Position as of December 31, 2015; (1) Carlton on the Park LTD, (2) Christopher Morley Tennis LLC and (3) Northwell Health Ice Center at Eisenhower Park (formerly known as Twin Rinks LLC). The County has recorded receivables of \$5.3 million, capital assets of \$60.2 million, current liabilities of \$70,000, non-current liabilities of \$176,000 and deferred inflows of \$65.3 million in the Statement of Net Position. See details below.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

18. CONTINGENCIES AND COMMITMENTS (Continued)

H. Service Concession Arrangements (Continued)

Carlton on the Park LTD

The County's agreement with Carlton on the Park, LTD ("the Carlton") grants the Carlton the use of an existing Eisenhower Parks structure, which houses a restaurant and catering facility. The original agreement dates back to 1990 and the current agreement runs from January 1, 2013 through December 31, 2019 with an option to extend the term for an additional two (2) year period upon the reasonable agreement of the Licensee and the County. There were no up-front payments. The Carlton pays a minimum license fee of \$371.0 thousand per year, in monthly installments, with annual increases based on the Consumer Price Index ("CPI"). The Licensee also pays a percentage of its gross revenues, calculated at 18.5% of gross receipts (13% for tax exempt entities), and an annual utility fee of \$70.0 thousand, with increases based on the CPI. The Licensee is responsible for the greater of the minimum license fee payment or the percentage of gross receipts amount. The Carlton is responsible for all improvements and maintenance of the premises. The revenue received by the County is used to fund General Fund expenditures. The County has no financial contractual obligations respecting this agreement. The agreement calls for a bond or security deposit of up to \$250,000 at the County's discretion. The County currently has a \$250,000 bond on file which expires on 12/31/2016 and is renewable annually. The County reported in its Statement of Net Position a receivable of \$1.3 million, capital assets of \$1.1 million, a utility liability of \$246,000 and a deferred inflow of resources in the amount of \$2.2 million as of December 31, 2015, pursuant to the service concession arrangement.

Christopher Morley Tennis LLC

The County entered into an agreement with Christopher Morley Tennis, LLC ("Morley Tennis") which was approved by the County Legislature's Rules Committee in 2009. The intent of the County was to provide a place for the public to play tennis year-round at reasonable rates. The agreement has a term of twenty years with an additional five-year option upon the agreement of Morley Tennis and County. There were no up-front payments. Morley Tennis erected a new facility in 2013. Pursuant to the agreement, Morley Tennis currently pays an annual flat fee of \$113.0 thousand, which increases yearly pursuant to the agreement. A percentage of the gross receipts is paid to the County, beginning at 1% and rising over the term of the agreement to 4.6% in year twenty. Morley Tennis is required to pay for all utilities, capital improvements and maintenance of the premises. The County has no financial contractual obligations respecting this agreement. The facility was completed and occupancy taken by Morley Tennis in November 2013. Pursuant to the agreement, ownership of the facility becomes the County's, at the County's option, at the end of the agreement. Morley Tennis has provided a \$150 thousand performance bond to cover the faithful performance for the life of the agreement. The bond is in effect until May 20, 2017 and is renewable yearly. The County reported in its Statement of Net Position a receivable with a carrying amount of \$1.6 million, capital assets of \$8.9 million and a corresponding deferred inflow of resources of \$10.5 million as of December 31, 2015, pursuant to the service concession arrangement.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

18. CONTINGENCIES AND COMMITMENTS (Continued)

H. Service Concession Arrangements (Continued)

Northwell Health Ice Center at Eisenhower Park (formerly Twin Rinks at Eisenhower LLC)

The County entered into an agreement with Twin Rinks at Eisenhower LLC (“Twin Rinks”), which was approved by the Rules Committee in late 2012, to provide a local venue for the public’s increasing interest in the sport of hockey. The agreement has a term of thirty (30) years with an additional two ten-year options upon the agreement of the Licensee and County. There were no up-front payments. The Licensee constructed a new facility which was completed and occupancy taken in 2014. Beginning in 2015, the annual base license fee will be \$100.0 thousand, which will increase to \$125.0 thousand upon the commencement of operating year 5. Thereafter, it will increase by 2.5% per year until the base fee is \$150.0 thousand. The increase will then be 1.5% per year until the end of the 30 year term. The County has no financial contractual obligations respecting this License. Pursuant to the agreement, ownership of the facility becomes the County’s upon completion, at the County’s option, or at the end of the agreement. The Licensee has provided the required \$150.0 thousand performance bond which will expire on January 18, 2017, and is renewable yearly. The Licensee is required to pay for all utilities, capital improvements and maintenance of the premises. A percentage of the gross receipts are also placed into an account which serves to help maintain the premises and implement programs for the public. The account is held by the Licensee but all expenditures must be approved by the County’s Parks Department. On June 8, 2015 Twin Rinks at Eisenhower Park LLC filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Bankruptcy code. In September 2015, Nassau County entered into an Assignment, Assumption and Consent Agreement with Twin Rinks at Eisenhower LLC and Twin Rinks Acquisition Company LLC whereby Twin Rinks Acquisition Company LLC assumed the agreement between Nassau County and Twin Rinks at Eisenhower Park LLC. In March 2016, the facility name changed from Twin Rinks to Northwell Health Ice Center at Eisenhower Park. The County reported in the Statement of Net Position a receivable with a carrying amount of \$2.4 million, capital assets of \$50.2 million and a corresponding deferred inflow of resources of \$52.6 million as of December 31, 2015, pursuant to the service concession arrangement.

19. NASSAU HEALTH CARE CORPORATION (“NHCC”)

Effective September 29, 1999, NHCC acquired the “Health Facilities” of the County. The purchase, pursuant to the terms of an acquisition agreement between the NHCC and the County (the “Acquisition Agreement”), resulted in the transfer of all real property owned by the County on which the Nassau University Medical Center and A. Holly Patterson Extended Care are situated, as defined. Additionally, as defined in the Acquisition Agreement, the County assumed the net accounts receivable and the majority of liability balances, as defined, of the Health Facilities, which existed on September 28, 1999, as well as commitments to making annual historic mission payments, funding certain capital projects and other costs associated with NHCC.

The Successor Agreement, which commenced in November 2007 and is in effect until 2029, clarifies the services provided by NHCC to the County and establishes the mechanism for payments to the Corporation. The Successor Agreement also provided NHCC with capital funding.

20. PRIOR PERIOD ADJUSTMENT

Management has determined that there were errors in the County’s accounting for capital expenditures resulting from the omission of accrued expenditures, which resulted in an understatement of governmental fund expenditures and governmental activities non-depreciable capital assets. These errors have been corrected and are reported as prior period adjustments in this report.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

20. PRIOR PERIOD ADJUSTMENT (Continued)

Governmental Fund Statements

Management determined that there was an error in the recognition of accrued liabilities related to capital expenditures in the Capital Fund, which resulted in an understatement of expenditures of \$39.9 million for the year ended December 31, 2014. This resulted in accrued liabilities and ending fund balance, as reported in the Capital Fund as of December 31, 2014, being understated and overstated, respectively, by \$39.9 million. Accordingly, the County has restated the beginning of the year Capital Fund's fund balance in the governmental funds – Statement of Revenues, Expenditures, and Changes in Fund Balance to correct these errors.

The effect of the restatement on fund balance is as follows (in thousands):

Capital Fund	
Fund Balance, as originally reported	\$ 287,109
Adjust for the understatement of accrued liabilities	(39,868)
Fund balance beginning of year, as restated	<u>\$ 247,241</u>
Total Governmental Funds	
Fund Balance, as originally reported	\$ 559,144
Adjust for the understatement of accrued liabilities	(39,868)
Fund balance beginning of year, as restated	<u>\$ 519,276</u>

Government-wide Statements

The error disclosed above also impacted government-wide non-current assets and current liabilities as a result of the omission of accrued capital expenditures and the conversion of those expenditures to construction-in-progress additions for the fiscal year ended December 31, 2014. Consequently, the following beginning balances were restated to correct these errors in the current year government-wide Statement of Net Position (Deficit):

Government-wide Statements:

Capital Assets Not Being Depreciated, as originally reported	\$ 709,432
Prior period adjustment	37,200
Capital Assets Not Being Depreciated, as restated	<u>\$ 746,632</u>
Accounts Payable and Accrued Liabilities, as originally reported	\$ 219,097
Prior period adjustment	39,868
Accounts Payable and Accrued Liabilities, as restated	<u>\$ 258,965</u>
Total Net Position (Deficit) , as originally reported	\$ (7,304,466)
Prior period adjustment	(2,668)
Total Net Position (Deficit) at beginning of year, as restated	<u>\$ (7,307,134)</u>

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

21. EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE ON CURRENT-PERIOD FINANCIAL STATEMENTS

Government-wide Statements

During 2015, the County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – Amendment to GASB Statement No. 27 and GASB Statement No. 71, Pension Transition For Contributions Made Subsequent to the Measurement date, an amendment to GASB 68*. The implementation of GASB 68 and GASB 71 resulted in the retroactive reporting of deferred outflows of resources and a liability related to the County’s participation in the ERS, PFRS, and TRS.

As a result, the County’s January 1, 2015 governmental activities net position was decreased by \$8.3 million from a deficit of \$7,304,466 to \$7,312,729.

Government-Wide Financial Statements - Primary Government	
Net position (deficit), beginning, as restated (See Note 20)	\$ (7,307,134)
Net pension liability	(115,517)
Deferred outflows of resources for contributions	
Contributions made subsequent to the measurement date of March 31, 2014	142,881
Less prepaid portion at December 31, 2014	<u>(35,627)</u>
Net position (deficit) at beginning of year, as restated	<u><u>\$ (7,315,397)</u></u>
Government-Wide Financial Statements - Discretely Presented Component Units	
Net position (deficit), beginning, as reported	\$ (652,342)
Net pension liability	(12,477)
Net pension asset	15,463
Deferred inflows of resources	(10,618)
Deferred outflows of resources	<u>46</u>
Net position (deficit) at beginning of year, as restated	<u><u>\$ (659,928)</u></u>

Information in relation to the impact of GASB 68 on the prior year change in activities could not be determined. Prior to implementing GASB 68, employers participating in cost-sharing plans recognized the annual pension expense equal to their contractually required contribution to the plan. Pension liabilities arose from difference between contributions required and contributions made. GASB 68 requires employers to record a liability as employees earn their pension benefits. For the first time, employers participating in cost sharing plans will recognize their proportionate share of the collective pension amounts for benefits provided through the plan.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

22. SUBSEQUENT EVENTS

Debt Issuance

In January 2016, the County issued Series A Bond Anticipation Notes (“BANS”) of \$25.3 million. The Series A Notes bear interest of 1.2% and mature on December 15, 2016. The BANS were issued to finance various sewer system improvements and to pay costs of issuance related to the BANS.

In January 2016, the County issued Refunding Series A and Series B General Obligation Bonds of \$272.8 million and \$120.1 million, respectively. The Refunding Series A Bonds bear interest at varying rates from 2.5% to 5.0% with maturity dates ranging from January 2017 to January 2039. The Series B Bonds bear interest of 5.0% with maturity dates ranging from October 2017 to October 2030. The Series A Bonds were issued to refund all or a portion of certain outstanding bonds of the County, and to pay costs of issuance related to the Series A Bonds. The Series B Bonds were issued to fund various public purposes, including capital projects and employee separation payments, and to pay costs of issuance related to the Series B Bonds.

In June 2016, the County issued Series B and Series C BANS of \$5.2 million and \$35.1 million respectively. The Series B and Series C BANS have coupon rates of 3.0% and 1.1%, respectively. The 2016 Series B BANS were issued to refinance in part, the County’s 2015 Series B BANS, dated January 29, 2015 and maturing June 15, 2016, issued to refinance notes that originally financed various costs related to the remediation and restoration of County facilities and infrastructure from Superstorm Sandy related damage, and to pay costs of issuance. The 2016 Series C BANS are being issued to finance various sewer system improvements. The Series B BANS and the Series C BANS mature on June 14, 2017 and December 15, 2016, respectively.

In June 2016, the County issued Series C General Obligation Bonds in the amount of \$140.2 million. The bonds have a 5.0% interest rate. The bonds were issued to fund various public purposes, including capital projects and property tax refunds, to refinance notes that originally financed various costs related to the remediation and restoration of County facilities and infrastructure from Superstorm Sandy related damage, and to pay costs of issuance.

In June 2016, the County issued Series A Revenue Anticipation Notes in the amount of \$119.6 million to finance cash flow needs within the County. The RANS have a maturity date of December 7, 2016.

In January 2016, NHCC issued \$40.0 million of taxable 2016 Revenue Anticipation Notes (“2016 RANs”) due in January 2017. The 2016 RANs were issued in anticipation of receipt by NHCC of Federal IGT payments. NHCC has pledged certain Medicaid related program payments to be received from the State of New York and certain other funds for the payment of the principal and interest on the 2016 RANs.

Standby Bond Purchase Agreement

Subsequent to year end, NIFA replaced a Standby Bond Purchase Agreement (SBPA), which was scheduled to expire in April 2016. The new SBPA’s expiration date coincides with the maturity of the related bonds in November 2019.

Tobacco Settlement Agreement

During 2015, New York State entered into a settlement agreement with all the MSA tobacco companies regarding the Non-Participating Manufacturers (the “NPM”) adjustment dispute; the settlement resolves all past and future NPM adjustment disputes. As in the past, the funds will be disbursed to New York State, New York City and the Counties. The release of these funds occurred in April of 2016. As a result of this release and the regular annual TSR payment, NCTSC was able to replenish the Senior Liquidity Reserve Account to the required level, satisfy all 2016 debt service interest payments and make sinking fund installments and turbo payments of \$17.3 million.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

22. SUBSEQUENT EVENTS (Continued)

Utilities Litigations on non-benefitted properties

Several third-party actions have been filed against the County seeking indemnification for judgments and/or claims currently pending against the Towns of Hempstead, North Hempstead and Oyster Bay, as well as, garbage districts within these towns. In the underlying actions the courts have determined that special ad valorem levies may not be imposed upon mass properties of the utilities (Verizon, American Water and others) for garbage and refuse collection services because such properties do not benefit from these services and ordered the towns and garbage districts to refund the payment of the levies. The towns and garbage districts seek to have the County indemnify these judgments on the basis that the County is allegedly a guarantor for any claim for an illegal assessment for non-benefitted properties. In March 2014, the Appellate Division determined that the plaintiffs were entitled to indemnification from the County for refunds that the Towns pay in these matters, however the Towns are responsible to pay the utilities first before Towns' can seek reimbursement from the County. The County appealed to the Appellate Division concerning the application of the so-called County guaranty in these matters. In June 2014, the Appellate Division denied the County's appeal and in September 2014 the Court of Appeals denied the County's application for leave to appeal the Appellate Division's decision. The County has subsequently made additional motions regarding the application of the so-called County Guaranty in these matter with respect to whether interest can be applied in these cases and if so, the amount of any such interest.

In addition, the County has made a motion contending that the application of the so-called guaranty in these cases would be a violation of the Gift and Loan Clause of the State Constitution as well as a violation of the statute of limitations as set forth in the Real Property Tax Law. In May 2015, State Supreme Court Judge Marano denied the County's motions regarding the Gift and Loan Clause and the statute of limitations, reserving decision on the interest issue. Certain other State Supreme Court Judges also have denied the County's motions with regard to constitutional violations of Gift and Loan Clause and the statute of limitations application in these proceedings. In April 2016, the County and Town of Oyster Bay settled the Town's judgments/claims with regard to the non-benefitted properties litigations. As a result of this settlement the potential liability from the Town of Oyster Bay and all but two sanitation districts within Oyster Bay are no longer at issue.

The litigation with the Towns of Hempstead and North Hempstead continue to be contested. The County intends to appeal these rulings and continue to defend itself vigorously in these actions. It is not possible to predict the outcome of these actions and proceedings or their ultimate impact on the County's financial condition. As third-party claims in these non-benefitted garbage district cases continue to be filed against the County it is difficult to predict the total outstanding liability should a court determine the County is ultimately responsible to reimburse the towns and special districts; however, as of June 2016, the estimated refunds amount could be as high as \$145.0 million. This is \$40.0 million less than the \$185.0 million liability which is included as long term liabilities in the County's government-wide Statement of Net Position, due to the settlement with the Town of Oyster Bay which occurred in 2016.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

22. SUBSEQUENT EVENTS (Continued)

Restivo et al

In *Restivo v. County of Nassau, et al., Kogut v. County of Nassau, et al. and Halstead v. County of Nassau, et al.*, plaintiffs are suing on their own behalf for compensatory and punitive damages arising out of their 1985 arrests and 1986 convictions in the rape and murder of Theresa Fusco. In 2003, the Nassau County District Attorney's Office joined plaintiffs' (then defendants') counsel in a motion to vacate the judgment of conviction against them because DNA technology disclosed that John Kogut, John Restivo and Dennis Halstead were not the sources of the DNA found in the victim's body. Based upon Mr. Kogut's prior confession, he was re-tried in 2005. After a bench trial, the County Court Judge acquitted Mr. Kogut. Shortly thereafter (in 2005), the indictment against Mr. Restivo and Mr. Halstead was dismissed. In 2006, plaintiffs commenced the present federal civil rights actions. In November 2012, the jury found the County and the other defendants not liable in these actions. In July 2013, Judge Joanna Seybert denied Mr. Kogut's motion to set aside the jury verdict and granted in part Mr. Halstead's and Mr. Restivo's motions to set aside the verdict due to the possibility the jury did not understand the court's charge with respect to their claim of malicious prosecution, which the Judge nonetheless deemed "legally correct." On May 14, 2015, the U.S. Court of Appeals for the Second Circuit affirmed the denial of Mr. Kogut's motion for a new trial. The County moved for reconsideration of the decision granting Mr. Halstead and Mr. Restivo a new trial, or, in the alternative, for permission to appeal the decision. In October 2013, Judge Seybert denied the County's motion and in a re-trial that concluded in April 2014, the jury found only one defendant, a now-deceased County police officer, liable for violations of the plaintiffs' civil rights. A subsequent trial for damages was held and in April 2014 the jury set damages at \$36.0 million. In November 2014, Judge Seybert denied the County's post-verdict motion to set aside the verdict at the re-trial. The County has filed a notice of appeal of the verdict from the re-trial as well the original underlying determination to grant the re-trial after the County and the other defendants were found not liable in November 2012. The estate of the deceased County police officer has taken over the appeal in its entirety. In March 2015, plaintiffs began proceedings seeking enforcement of the \$36.0 million judgment including having the court impose the judgment against the County.

Pursuant to a stipulated agreement, the enforcement of the judgment has been stayed pending the outcome of the appeal by the estate. On November 30, 2015, Judge Seybert awarded plaintiffs approximately \$5.0 million in attorney fees and costs; the County and/or the estate will file a notice of appeal of this award. The estate is appealing the \$5.0 million award of attorneys' fees and this appeal has not yet been perfected. The appeal of the \$36.0 million judgment by the estate of the deceased County police officer was heard on April 5, 2016. In May 2016, the plaintiffs Restivo and Halstead filed a related claim for additional damages alleging that the County misrepresented the status of the County's indemnification of the estate of the police officer, among other things. The County will continue to defend itself vigorously in these proceedings. It is not possible to predict the outcome of these actions and proceedings or their ultimate impact on the County's financial condition. This amount is included as long term liabilities in the County's government-wide Statement of Net Position.

THIS PAGE IS INTENTIONALLY LEFT BLANK

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT X-14

COUNTY OF NASSAU, NEW YORK

**SCHEDULE OF FUNDING PROGRESS - NASSAU COUNTY PORTION
POSTEMPLOYMENT RETIREMENT HEALTHCARE BENEFIT PLAN
DECEMBER 31, 2015 (Dollars in Thousands)**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Accrued Percentage of Covered Payroll (b-a)/c
1/1/15	\$ 0	\$ 4,960,909	\$ 4,960,909	0.0%	\$ 859,929	576.9%
1/1/14 *	0	4,649,542	4,649,542	0.0%	843,034	551.5%
1/1/13	0	4,649,542	4,649,542	0.0%	843,034	551.5%

* These amounts are projected based on the rollforward calculation by the actuary.

EXHIBIT X-15

COUNTY OF NASSAU, NEW YORK

**SCHEDULE OF CONTRIBUTIONS
NYSLRS PENSION PLAN
DECEMBER 31, 2015 (Dollars in Thousands)**

	December 31,			
	2015	2014	2013	2012
ERS				
Contractually required contributions	\$ 83,910	\$ 90,327	\$ 89,306	\$ 92,243
Contributions recognized by the Plan in relation to the contractually required contributions	<u>83,966</u>	<u>90,299</u>	<u>89,024</u>	<u>87,715</u>
Contribution deficiency (excess)	<u>(56)</u>	<u>28</u>	<u>282</u>	<u>4,528</u>
Covered Payroll	443,847	452,810	441,721	457,271
Contributions recognized by the Plan as a percentage of employee	18.92%	19.94%	20.15%	19.18%
Note: ERS amounts include NIFA				
PFRS				
Contractually required contributions	\$ 83,369	\$ 91,983	\$ 99,267	\$ 82,813
Contributions recognized by the Plan in relation to the contractually required contributions	<u>83,369</u>	<u>91,983</u>	<u>99,267</u>	<u>82,813</u>
Contribution deficiency (excess)	<u></u>	<u></u>	<u></u>	<u></u>
Covered Payroll	358,147	356,016	357,232	368,494
Contributions recognized by the Plan as a percentage of employee	23.28%	25.84%	27.79%	22.47%

Note: Information prior to the dates indicated reported in this schedule are unavailable.

EXHIBIT X-16

COUNTY OF NASSAU, NEW YORK

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
NYSLRS PENSION PLAN
DECEMBER 31, 2015 (Dollars in Thousands)**

	<u>March 31,</u>	
	<u>2015</u>	<u>2014</u>
ERS		
County's proportion of the net pension liability (asset)	1.8941615%	1.8941615%
County's proportionate share of the net pension liability (asset)	59,955	79,862
Covered payroll	437,562	435,697
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	13.70%	18.33%
Plan fiduciary net position as a percentage of the total pension liability	97.90%	97.20%
PFRS		
County's proportion of the net pension liability (asset)	8.564898%	8.564898%
County's proportionate share of the net pension liability (asset)	23,576	35,656
Covered payroll	341,143	355,746
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	6.91%	10.02%
Plan fiduciary net position as a percentage of the total pension liability	99.00%	98.50%

* The amounts presented for each fiscal year were determined as of the System's measurement date, March 31st.

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

EXHIBIT A-1

COUNTY OF NASSAU, NEW YORK

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

DECEMBER 31, 2015 (Dollars in Thousands)

	Nonmajor Special Revenue Funds					Nonmajor Debt Service Funds			Total Nonmajor Governmental Funds
	Environmental Protection Fund	Tobacco Settlement Corp	Sewer Financing Authority	Grant Fund	FEMA Fund	Tobacco Settlement Corp	Sewer Financing Authority	NIFA	
ASSETS									
Cash and Cash Equivalents	\$ 29,064	\$ 203	\$ 3,968	\$ 82,768	\$ 354	\$	\$ 92	\$	\$ 116,449
Restricted Cash and Cash Equivalents								133	133
Restricted Investments						22,399		44,653	67,052
Interest Receivable								92	92
Due from Other Governments				20,002	38,965				58,967
Accounts Receivable				341					341
Interfund Receivables				1	35			14,292	14,328
Prepays		19		833					852
Other Assets				540					540
TOTAL ASSETS	\$ 29,064	\$ 222	\$ 3,968	\$ 104,485	\$ 39,354	\$ 22,399	\$ 92	\$ 59,170	\$ 258,754
LIABILITIES AND FUND BALANCE									
Liabilities:									
Accounts Payable	\$	\$ 3	\$	\$ 6,979	\$ 3,174	\$	\$	\$	\$ 10,156
Accrued Liabilities				23,281	2,179			91	25,551
Payable to Broker - investment purchase								14,293	14,293
Unearned Revenues				47,472	1,250				48,722
Interfund Payables	9,595		134	5,842	32,630			30	48,231
Total Liabilities	9,595	3	134	83,574	39,233			14,414	146,953
Fund Balance:									
Nonspendable		19		833					852
Spendable:									
Restricted			3,734	20,078	121	22,399	92	44,756	91,180
Committed	19,469								19,469
Assigned		200	100						300
Total Fund Balance	19,469	219	3,834	20,911	121	22,399	92	44,756	111,801
TOTAL LIABILITIES AND FUND BALANCE	\$ 29,064	\$ 222	\$ 3,968	\$ 104,485	\$ 39,354	\$ 22,399	\$ 92	\$ 59,170	\$ 258,754

EXHIBIT A-2**COUNTY OF NASSAU, NEW YORK****COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015 (Dollars in Thousands)**

	Nonmajor Special Revenue Funds					Nonmajor Debt Service Funds			Total Nonmajor Governmental Funds
	Environmental Protection Fund	Tobacco Settlement Corp	Sewer Financing Authority	Grant Fund	FEMA Fund	Tobacco Settlement Corp	Sewer Financing Authority	NIFA	
Revenues:									
Fines and Forfeits	\$	\$	\$	\$ 1,572	\$	\$	\$	\$	\$ 1,572
Interest Income	5		2	68		3		162	240
Rents and Recoveries				62					62
Tobacco Receipts						18,598			18,598
Departmental Revenue				4,054					4,054
Interfund Revenue				232					232
Federal Aid				62,895	28,972				91,867
State Aid				43,766					43,766
Property Taxes	9,602								9,602
Special Taxes				1,354					1,354
Total Revenues	9,607		2	114,003	28,972	18,601		162	171,347
Expenditures:									
Current:									
Judicial				3,615					3,615
General Administration		127	35	50,807	21				50,990
Protection of Persons				12,223	10				12,233
Health				50,474					50,474
Public Works				457	14,841				15,298
Recreation and Parks				1,830					1,830
Social Services				15,569					15,569
Corrections				1,443					1,443
Total Current		127	35	136,418	14,872				151,452
Debt Service:									
Principal						859	2,940	178,970	182,769
Interest						19,231	6,704	49,126	75,061
Bond Issuance Costs								559	559
Total Debt Service						20,090	9,644	228,655	258,389
Total Expenditures		127	35	136,418	14,872	20,090	9,644	228,655	409,841
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,607	(127)	(33)	(22,415)	14,100	(1,489)	(9,644)	(228,493)	(238,494)
Other Financing Sources (Uses):									
Transfers In					1,030				1,030
Transfers Out	(9,595)			(1)	(15,102)				(24,698)
Transfers In from NIFA								180,327	180,327
Transfers Out to NIFA								(862)	(862)
Transfers In from SFA				123,314			9,644		132,958
Transfers Out to SFA				(119,573)					(119,573)
Transfers In from TSC		125							125
Transfers Out to TSC						(125)			(125)
Refunding Bonds Issued								116,310	116,310
Premium on Bonds								23,165	23,165
Payment to Bond Escrow Agent								(106,881)	(106,881)
Total Other Financing Sources (Uses)	(9,595)	125	3,741	(1)	(14,072)	(125)	9,644	212,059	201,776
Net Change in Fund Balance	12	(2)	3,708	(22,416)	28	(1,614)		(16,434)	(36,718)
Fund Balance Beginning of Year	19,457	221	126	43,327	93	24,013	92	61,190	148,519
Fund Balance End of Year	\$ 19,469	\$ 219	\$ 3,834	\$ 20,911	\$ 121	\$ 22,399	\$ 92	\$ 44,756	\$ 111,801

THIS PAGE IS INTENTIONALLY LEFT BLANK

**COMBINING STATEMENT OF NET POSITION
AND ACTIVITIES**

EXHIBIT A-3**COUNTY OF NASSAU, NEW YORK****COMBINING STATEMENT OF NET POSITION****NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS - PROPRIETARY****DECEMBER 31, 2015 (Dollars in Thousands)**

	Nassau County Bridge Authority	Nassau Regional Off-Track Betting Corporation	Nassau County Industrial Development Agency	Nassau County Local Economic Assistance Corporation	Total Nonmajor Discretely Presented Component Units
ASSETS					
CURRENT ASSETS:					
Cash and Cash Equivalents	\$ 11,315	\$ 767	\$ 3,172	\$ 814	\$ 16,068
Restricted Cash and Cash Equivalents		517			517
Other Receivables	7				7
Accounts Receivable		457	66		523
Inventories	17				17
Prepays	31		35	3	69
Other Assets - Current		492			492
Total Current Assets	11,370	2,233	3,273	817	17,693
NON CURRENT ASSETS:					
Restricted Cash and Cash Equivalents	5,134	1,798			6,932
Capital Assets Not Being Depreciated	94	582			676
Depreciable Capital Assets	53,068	44,387	86		97,541
Less Accumulated Depreciation	(26,169)	(31,880)	(29)		(58,078)
Total Non Current Assets	32,127	14,887	57		47,071
Total Assets	43,497	17,120	3,330	817	64,764
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charges on Pension Cost	81	2,529	47		2,657
LIABILITIES					
CURRENT LIABILITIES:					
Accounts Payable and Accrued Liabilities	458	15,123	233	17	15,831
Unearned Revenues	270		57		327
Notes Payable - Current		3,000			3,000
Due To Primary Government		312			312
Due to Other Governments		3,560			3,560
Current Portion of Long Term Liabilities	278	1,539			1,817
Other Liabilities - Current		571			571
Total Current Liabilities	1,006	24,105	290	17	25,418
NON CURRENT LIABILITIES:					
Notes Payable		3,131			3,131
Bonds Payable	9,450	5,797			15,247
Due to Other Governments, net		1,470			1,470
Accrued Vacation and Sick Pay	420		284		704
Postemployment Retirement Benefits Liability	3,184	44,461	489		48,134
Net Pension Liability	320	991	51		1,362
Total Non Current Liabilities	13,374	55,850	824		70,048
Total Liabilities	14,380	79,955	1,114	17	95,466
DEFERRED INFLOWS OF RESOURCES					
Pensions			10		10
NET POSITION					
Net Investment in Capital Assets	17,318	2,621	57		19,996
Restricted:					
Nassau County Bridge Authority	11,880				11,880
Capital Projects and Acquisitions		11,882			11,882
Unrestricted		(74,809)	2,196	800	(71,813)
Total Net Position (Deficit)	\$ 29,198	\$ (60,306)	\$ 2,253	\$ 800	\$ (28,055)

EXHIBIT A-4**COUNTY OF NASSAU, NEW YORK****COMBINING STATEMENT OF ACTIVITIES****NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS - PROPRIETARY****FOR THE YEAR ENDED DECEMBER 31, 2015 (Dollars in Thousands)**

	Nassau County Bridge Authority	Nassau Regional Off-Track Betting Corporation	Nassau County Industrial Development Agency	Nassau County Local Economic Assistance Corporation	Total Nonmajor Discretely Presented Component Units
Expenses	\$ 6,486	\$ 44,777	\$ 1,927	\$ 173	\$ 53,363
Program Revenues:					
Charges for Services	6,535	43,666	2,557	153	52,911
Total Program Revenues	6,535	43,666	2,557	153	52,911
Net Program Revenues (Expenses)	49	(1,111)	630	(20)	(452)
General Revenues					
Investment Income	23		7	1	31
Other	129	1,808			1,937
Net General Revenues	152	1,808	7	1	1,968
Change in Net Position	201	697	637	(19)	1,516
Net Position - Beginning of Year, as restated (See Note 21)	28,997	(61,003)	1,616	819	(29,571)
Net Position (Deficit) - End of Year	\$ 29,198	\$ (60,306)	\$ 2,253	\$ 800	\$ (28,055)

THIS PAGE IS INTENTIONALLY LEFT BLANK

OTHER SUPPLEMENTARY INFORMATION

EXHIBIT B-1**COUNTY OF NASSAU, NEW YORK****COMPARATIVE SCHEDULE OF ACTUAL REVENUES VS. MODIFIED BUDGET
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015 (Dollars in Thousands)**

	Original Budget	Total Budgetary Authority	Actual Revenues	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
INTEREST AND PENALTIES ON TAXES	\$ 29,100	\$ 29,100	\$ 32,661	\$	\$ 32,661	\$ 3,561
LICENSES AND PERMITS						
Pistol Permit	900	900	634		634	(266)
Day Camp Permits	10	10	11		11	1
Food Establishments	3,265	3,265	3,498		3,498	233
Hazardous Materials Registration Fees	1,298	1,298	1,288		1,288	(10)
Benchmark Book	10	10	1		1	(9)
Home Improvements	3,200	3,200	2,852		2,852	(348)
Manufacturing Frozen Desserts	11	11	19		19	8
Realty Subdivision Filing	100	100	102		102	2
Dumpster Permits	10	10				(10)
Road Openings	530	530	612		612	82
Swimming Pools and Bathing Beaches	260	260	295		295	35
Temporary Residence Inspection Permit	92	92	105		105	13
Weights & Measures	1,015	1,015	1,226		1,226	211
Cross Connections	39	39	62		62	23
Water Supply Plan Review	111	111	211		211	100
Tattoo Parlor / Piercing	20	20	19		19	(1)
Predemolition Inspection	131	131	147		147	16
Day Camp Inspections	143	143	138		138	(5)
Taxi and Limo Registration Fees	250	250	303		303	53
ATM Registration Fees	100	100	96		96	(4)
Maps - Sewers	3	3	6		6	3
Hauling Permits	18	18	44		44	26
Licensing	580	580	53		53	(527)
Cost of Construction Fee			970		970	970
Traffic Signal Permit	50	50	8		8	(42)
Total Licenses and Permits	12,146	12,146	12,700		12,700	554
FINES AND FORFEITS	101,998	101,998	61,337		61,337	(40,661)
INTEREST INCOME	1,856	1,856	453		453	(1,403)
RENTS AND RECOVERIES						
Rental of Mitchell Field	2,390	2,390	3,672	(1,250)	2,422	32
Coliseum Concessions	200	200	(284)		(284)	(484)
Coliseum Rental	148	148	320		320	172
Coliseum Utilities	1,090	1,090	1,318		1,318	228
Coliseum Parking Revenue	214	214	310		310	96
Coliseum Advertising Revenue	88	88	164		164	76
Marriott Lighthouse Heating and Chilling	437	437	296		296	(141)
Landmark Property Rental	680	680				(680)
Lost and Abandoned Property			18		18	18
Cash Recoveries	40	40				(40)
Audit Recoveries	250	250				(250)
Police Vehicle Recovery	300	300	241		241	(59)
NHCC Reimbursement	138	138	51		51	(87)
Vendor Recoveries	470	470				(470)
Approvals Period Rent	265	265	390		390	125
Revenue Recovery Account	35	35	49		49	14
Settlement Reimbursement	500	500				(500)
Recovery of Damage to County Property	400	400	186		186	(214)
Recovery of Prior Year Appropriations	4,980	4,980	678		678	(4,302)
Recovery of Workers' Compensation	1,015	1,015	1,507		1,507	492
Rental of County Property	1,653	1,653	1,538		1,538	(115)
Rental of Voting Machines	120	120	107		107	(13)
Sale of County Property	3,873	3,873	3,966		3,966	93
Proceeds from Online Auction			298		298	298
Recoveries from Enterprise Funds	1	1	1		1	
Other Recoveries			990		990	990
Total Rents and Recoveries	19,287	19,287	15,816	(1,250)	14,566	(4,721)

(Continued)

EXHIBIT B-1**COUNTY OF NASSAU, NEW YORK****COMPARATIVE SCHEDULE OF ACTUAL REVENUES VS. MODIFIED BUDGET
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015 (Dollars in Thousands)**

	Original Budget	Total Budgetary Authority	Actual Revenues	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
DEPARTMENTAL REVENUE						
Assessment	\$ 3,365	\$ 3,365	\$ 8,014	\$	\$ 8,014	\$ 4,649
Board of Elections	35	35	54		54	19
CASA	19	19	30		30	11
Civil Service	335	335	363		363	28
Consumer Affairs			1		1	1
Correctional Center	2,450	2,450	2,339		2,339	(111)
County Attorney	130	130	170		170	40
County Clerk	31,528	31,528	31,275		31,275	(253)
County Comptroller	16	16	12		12	(4)
District Attorney	12	12	2		2	(10)
OMB	620	620	620		620	
Fire Commission	7,726	7,726	8,010		8,010	284
Health						
Administration	3	3	1		1	(2)
Children's Early Intervention	180	180	1,600		1,600	1,420
Pre School Education	1,219	1,219	1,631		1,631	412
Laboratory Research	10	10	18		18	8
Personal Health	2	2				(2)
Medical Examiner	25	25	26		26	1
Miscellaneous			49		49	49
Parks and Recreation						
Administration	28	28	8		8	(20)
Recreation Services	11,630	11,630	11,315		11,315	(315)
Museums	391	391	472		472	81
Golf Operations	9,089	9,089	7,644		7,644	(1,445)
Police Ambulance Fees	26,000	26,000	24,662		24,662	(1,338)
Police Fees	683	683	346		346	(337)
Probation	1,674	1,674	1,393		1,393	(281)
Public Administrator	500	500	411		411	(89)
Public Works - Administration	502	502	614		614	112
Public Works - Highway and Engineering	52,931	52,931	49,917		49,917	(3,014)
Purchasing	529	529	207		207	(322)
Social Services						
Administration	220	220	3,646		3,646	3,426
Aid to Dependent Children	3,840	3,840	3,217		3,217	(623)
Burials	13	13	4		4	(9)
Children in Foster Homes	285	285	202		202	(83)
Home Energy Assistance Program	125	125	222		222	97
Children in Institutions	250	250	129		129	(121)
Education of Handicapped Children	6,080	6,080	5,337		5,337	(743)
Home Relief	2,700	2,700	2,486		2,486	(214)
Juvenile Delinquents	1	1				(1)
Medicaid MMIS	1,275	1,275	550		550	(725)
Title XX	200	200	99		99	(101)
Treasurer	625	625	457		457	(168)
Total Departmental Revenue	167,246	167,246	167,553		167,553	307
INTERDEPARTMENTAL REVENUES						
Office of Budget and Management	48,214	48,214	46,747		46,747	(1,467)
Constituent Affairs	940	940	394		394	(546)
Correctional Center	150	150	48		48	(102)
County Attorney	502	502	488		488	(14)

(Continued)

EXHIBIT B-1**COUNTY OF NASSAU, NEW YORK****COMPARATIVE SCHEDULE OF ACTUAL REVENUES VS. MODIFIED BUDGET
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015 (Dollars in Thousands)**

	Original Budget	Total Budgetary Authority	Actual Revenues	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
INTERDEPARTMENTAL REVENUES (Continued)						
District Attorney	\$ 270	\$ 270	\$ 270	\$	\$ 270	\$
Human Services	100	100				(100)
Information Technology	6,835	6,835	6,564		6,564	(271)
Police Department	12,175	12,175	12,834		12,834	659
Public Works - Administration	11,131	11,131	8,316		8,316	(2,815)
Public Works - Roads and Bridge Maintenance	8,201	8,201	6,018		6,018	(2,183)
Public Works - Groundwater Remediation	616	616	391		391	(225)
Revenue from Capital Fund			196		196	196
Parks			73		73	73
Social Services	204	204	188		188	(16)
Total Interdepartmental Revenues	89,338	89,338	82,527		82,527	(6,811)
INTERFUND REVENUES						
Revenues from Indirect Cost Chargebacks	1,460	1,460	1,460		1,460	
Revenues from Grant Closeouts	125	125	100		100	(25)
Interfund Revenue	45,424	45,424	19,752		19,752	(25,672)
Interfund Revenue from Sewer & Stormwater Fund	100	100				(100)
NHCC Reimbursement on Guaranteed Debt	26,116	26,116	21,937		21,937	(4,179)
OTB Reimbursement	1,798	1,798	1,771		1,771	(27)
Stop DWI Grant Revenue	147	147	150		150	3
Total Interfund Revenue	75,170	75,170	45,170		45,170	(30,000)
FEDERAL AID						
Constituent Affairs			19		19	19
Correctional Center	4,909	4,909	4,651		4,651	(258)
County Attorney	300	300	212		212	(88)
Budget	92	92	92		92	
Debt Service	4,792	4,792	4,796		4,796	4
District Attorney	31	31	34		34	3
Emergency Management	726	726	511		511	(215)
Fringe Benefits			2		2	2
Housing and Minority Affairs	371	371	283		283	(88)
Human Services	5,577	5,598	4,503		4,503	(1,095)
Medical Examiner			2		2	2
Parks			1,668		1,668	1,668
Police Department	1,065	1,065	2,469		2,469	1,404
Probation	16	16	192		192	176
Public Works	6,368	6,368	9,580		9,580	3,212
Administration	10,592	10,592	10,438		10,438	(154)
Aid to Dependent Children	23,660	23,660	26,900		26,900	3,240
Children in Foster Homes	1,188	1,188	874		874	(314)
Children in Institutions	6,450	6,450	2,885		2,885	(3,565)
Division of Services	10,067	10,067	12,172		12,172	2,105
Home Energy Assistance Program	300	300	632		632	332
Juvenile Delinquents	2,350	2,350	570		570	(1,780)
Medicaid MMIS	400	400	39		39	(361)
Public Financial Assistance	18,086	18,086	14,477		14,477	(3,609)
Subsidized Adoptions	2,650	2,650	1,720		1,720	(930)
Title XX	36,000	36,000	40,240		40,240	4,240
Total Federal Aid	135,990	136,011	139,961		139,961	3,950

(Continued)

EXHIBIT B-1**COUNTY OF NASSAU, NEW YORK****COMPARATIVE SCHEDULE OF ACTUAL REVENUES VS. MODIFIED BUDGET
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015 (Dollars in Thousands)**

	Original Budget	Total Budgetary Authority	Actual Revenues	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
STATE AID						
Consumer Affairs	\$ 45	\$ 45	\$ 53	\$	\$ 53	\$ 8
Correctional Center	55	55	88		88	33
Court Facility Aid	1,487	1,487	1,141		1,141	(346)
District Attorney	69	69	77		77	8
Fire Prevention, Safety, Communication and Education	145	145	184		184	39
Health						
Administration	1,069	1,069	904		904	(165)
Children's Early Intervention	11,202	11,202	10,522		10,522	(680)
Pre School Education	56,789	56,789	55,246		55,246	(1,543)
Environmental Health	1,398	1,398	1,331		1,331	(67)
Laboratory Research	575	575	604		604	29
Personal Health	1,733	1,733	1,186		1,186	(547)
Housing and Intergovernmental Affairs	111	111	159		159	48
Human Services						
Administration	10,615	11,065	10,717		10,717	(348)
Miscellaneous General Fund Aid	232	232	289		289	57
Police Department	589	589	750		750	161
Probation	5,208	5,260	5,260		5,260	
Public Works						
Administration	120	120	381		381	261
Highway and Bridge Maintenance	63,539	63,539	68,326		68,326	4,787
Roads and Bridge Maintenance			2,000		2,000	2,000
Real Estate			(600)		(600)	(600)
Recreation			130		130	130
Social Services						
Administration	5,535	5,535	5,042		5,042	(493)
Aid to Dependent Children	3,500	3,500	4,373		4,373	873
Burials	5	5	2		2	(3)
Children in Foster Homes	653	653	562		562	(91)
Children in Institutions	3,161	3,161	3,675		3,675	514
Division of Services	7,918	7,918	8,855		8,855	937
Education of Handicapped Children	3,040	3,040	2,783		2,783	(257)
Home Relief	10,672	10,672	10,637		10,637	(35)
Juvenile Delinquents	1,019	1,019	776		776	(243)
Juvenile Detention Center			(466)		(466)	(466)
Medicaid MMIS	350	350	176		176	(174)
Public Financial Assistance	9,252	9,252	7,790		7,790	(1,462)
Subsidized Adoptions	1,813	1,813	1,741		1,741	(72)
Title XX	8,000	8,000	6,293		6,293	(1,707)
Veterans Service Agency	33	33	60		60	27
Total State Aid	209,932	210,434	211,047		211,047	613
SALES TAX *	1,056,148	1,056,148	835,005		835,005	(221,143)
PREEMPTED SALES TAX IN LIEU OF PROPERTY TAXES *						
Towns and City of Glen Cove	90,048	90,048	87,134		87,134	(2,914)
Total Preempted Sales Tax in Lieu of Property Taxes	90,048	90,048	87,134		87,134	(2,914)

(Continued)

EXHIBIT B-1**COUNTY OF NASSAU, NEW YORK****COMPARATIVE SCHEDULE OF ACTUAL REVENUES VS. MODIFIED BUDGET
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015 (Dollars in Thousands)**

	Original Budget	Total Budgetary Authority	Actual Revenues	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
PROPERTY TAXES	\$ 464,302	\$ 464,302	\$ 467,059	\$	\$ 467,059	\$ 2,757
PAYMENTS IN LIEU OF TAXES	11,663	11,663	12,305		12,305	642
SPECIAL TAXES						
Admission Tax - Belmont Park	88	88	120		120	32
Emergency Phone Tax	7,448	7,448	6,997		6,997	(451)
Entertainment Tax	2,010	2,010	1,790		1,790	(220)
Motor Vehicle Tax	16,454	16,454	17,185		17,185	731
Nassau County Events Center			25		25	25
Off-Track Betting Surtax	2,558	2,558	2,771		2,771	213
Hotel-Motel Room Tax	4,225	4,225	4,405		4,405	180
Total Special Taxes	32,783	32,783	33,293		33,293	510
OTHER REVENUES						
Miscellaneous	20,412	20,412	14,232	(130)	14,102	(6,310)
Total Other Revenues	20,412	20,412	14,232	(130)	14,102	(6,310)
Total Revenues	2,517,419	2,517,942	2,218,253	(1,380)	2,216,873	(301,069)
OTHER FINANCING SOURCES						
Bond Premium	4,224	4,224	24,606		24,606	20,382
Transfers In	147,487	143,618	50,402	2	50,404	(93,214)
Transfer in from NIFA			867		867	867
Transfers in of Investment Income			667		667	667
Proceeds from Borrowing			124,400	(124,400)		
Total Other Financing Sources	151,711	147,842	200,942	(124,398)	76,544	(71,298)
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 2,669,130	\$ 2,665,784	\$ 2,419,195	\$ (125,778)	\$ 2,293,417	\$ (372,367)

* Paid to County \$65,110; paid to NIFA \$1,038,725

** Total revenues and other financing sources, estimates per the 2015 County budget as adopted

Less: Intrafund Budget Eliminations	\$ 3,011,207
Less: Appropriated Fund Balance	(330,216)
Original Budget per above	(11,861)
Add: Supplemental Appropriations	2,669,130
Add: Intrafund Modified Budget Eliminations	523
Budget Estimates, Total Revenues and Other Financing Sources	(3,869)
	\$ 2,665,784

(Concluded)

EXHIBIT B-2**COUNTY OF NASSAU, NEW YORK****COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
VS. TOTAL BUDGETARY AUTHORITY
GENERAL FUND****FOR THE YEAR ENDED DECEMBER 31, 2015 (Dollars in Thousands)**

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
CURRENT:						
LEGISLATIVE						
Legislature						
Legislators						
Salaries	\$ 4,782	\$ 4,403	\$ 4,296	\$	\$ 4,296	\$ 107
Fringe Benefits	2,114	2,146	2,091	(39)	2,052	94
Equipment	7	1				1
General Expenses	21	19	17		17	2
Contractual Services	250	70	65		65	5
Legislative Central Staff						
Salaries	673	673	640		640	33
Fringe Benefits	336	320	312	(6)	306	14
Equipment	45	45	43		43	2
General Expenses	1,661	2,278	2,228	24	2,252	26
Contractual Services	1,603	1,553	596	957	1,553	
Legislative Budget Review						
Salaries	850	850	738		738	112
Fringe Benefits	339	369	359	(7)	352	17
Equipment	3	3				3
General Expenses	7	7	5		5	2
Contractual Services	5	5				5
Total Legislative	12,696	12,742	11,390	929	12,319	423
JUDICIAL						
Court Administration						
Fringe Benefits	1,518	1,518	1,185	(2)	1,183	335
District Attorney						
Salaries	32,136	32,136	31,664	(338)	31,326	810
Fringe Benefits	14,023	14,298	13,936	(264)	13,672	626
Equipment	92	92	16	47	63	29
General Expenses	1,049	1,299	1,140	65	1,205	94
Contractual Services	1,552	1,302	1,055	103	1,158	144
District Attorney Total	48,852	49,127	47,811	(387)	47,424	1,703
Public Administrator						
Salaries	475	475	465		465	10
Fringe Benefits	324	319	311	(6)	305	14
General Expenses	9	9	2		2	7
Contractual Services	7	7	7		7	
Public Administrator Total	815	810	785	(6)	779	31
Traffic and Parking Violations						
Salaries	4,319	4,294	3,210	-	3,210	1,084
Fringe Benefits	1,619	1,664	1,621	(30)	1,591	73
Equipment	12	12	5	3	8	4
General Expenses	219	219	150	15	165	54
Contractual Services	24,862	24,862	12,089	1,034	13,123	11,739
Traffic and Parking Violations Total	31,031	31,051	17,075	1,022	18,097	12,954
Total Judicial	82,216	82,506	66,856	627	67,483	15,023
GENERAL ADMINISTRATION						
Assessment						
Salaries	9,442	9,222	9,166	(15)	9,151	71

(Continued)

EXHIBIT B-2**COUNTY OF NASSAU, NEW YORK****COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
VS. TOTAL BUDGETARY AUTHORITY
GENERAL FUND****FOR THE YEAR ENDED DECEMBER 31, 2015 (Dollars in Thousands)**

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
GENERAL ADMINISTRATION (Continued)						
Fringe Benefits	\$ 6,044	\$ 5,845	\$ 5,698	\$ (109)	\$ 5,589	\$ 256
General Expenses	294	514	259	18	277	237
Contractual Services	70	70	17	14	31	39
Assessment Total	15,850	15,651	15,140	(92)	15,048	603
Board of Assessment Review						
Salaries	2,227	2,227	2,163		2,163	64
Fringe Benefits	1,110	1,106	1,078	(20)	1,058	48
General Expenses	38	38	31	3	34	4
Contractual Services	446	446	63	381	444	2
Board of Assessment Review Total	3,821	3,817	3,335	364	3,699	118
Board of Elections						
Administration						
Salaries	2,942	3,372	3,357		3,357	15
Fringe Benefits	1,399	1,505	1,467	(29)	1,438	67
Equipment	44	44	32	9	41	3
General Expenses	96	96	51	10	61	35
General Elections						
Salaries	10,691	10,691	9,738		9,738	953
Fringe Benefits	4,148	4,367	4,255	(80)	4,175	192
Equipment	106	106	57	35	92	14
General Expenses	1,773	1,804	1,332	473	1,805	(1)
Contractual Services	486	486	306	61	367	119
Primary Elections						
Salaries	1,234	804	903		903	(99)
Fringe Benefits	791	405	394	(7)	387	18
General Expenses	564	564	429	18	447	117
Contractual Services	141	141	99	40	139	2
Board of Elections Total	24,415	24,385	22,420	530	22,950	1,435
Civil Service						
Salaries	4,858	4,858	4,396	(34)	4,362	496
Fringe Benefits	2,356	2,228	2,172	(42)	2,130	98
General Expenses	354	274	173	14	187	87
Contractual Services		80	79		79	1
Interdepartmental Charges	10	10				10
Civil Service Total	7,578	7,450	6,820	(62)	6,758	692
County Attorney						
Salaries	7,996	7,546	7,479		7,479	67
Fringe Benefits	4,414	4,222	4,115	(78)	4,037	185
Equipment	16	16		1	1	15
General Expenses	626	726	628	35	663	63
Contractual Services	8,636	10,085	6,223	3,569	9,792	293
Workers' Compensation Expense						
Fringe Benefits	8,689	8,296	7,752		7,752	544
County Attorney Total	30,377	30,891	26,197	3,527	29,724	1,167
County Clerk						
Salaries	5,653	5,653	5,134		5,134	519
Fringe Benefits	3,614	3,475	3,388	(65)	3,323	152
Equipment	53	53	4	46	50	3
General Expenses	437	437	270	66	336	101
Contractual Services	915	915	261	338	599	316
County Clerk Total	10,672	10,533	9,057	385	9,442	1,091
County Comptroller						
Salaries	7,399	7,270	6,270	(181)	6,089	1,181
Fringe Benefits	3,683	3,618	3,527	(67)	3,460	158

(Continued)

EXHIBIT B-2**COUNTY OF NASSAU, NEW YORK****COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
VS. TOTAL BUDGETARY AUTHORITY
GENERAL FUND****FOR THE YEAR ENDED DECEMBER 31, 2015 (Dollars in Thousands)**

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
GENERAL ADMINISTRATION (Continued)						
Equipment	\$ 5	\$ 15	\$ 5	\$	\$ 5	\$ 10
General Expenses	146	146	40	9	49	97
Contractual Services	1,106	1,096	552	279	831	265
County Comptroller Total	12,339	12,145	10,394	40	10,434	1,711
County Executive						
Salaries	1,908	1,908	1,827		1,827	81
Fringe Benefits	1,088	1,052	1,026	(20)	1,006	46
General Expenses	84	84	36	10	46	38
Contractual Services	231	231	153	78	231	
County Executive Total	3,311	3,275	3,042	68	3,110	165
County Treasurer						
Salaries	2,145	2,145	2,027		2,027	118
Fringe Benefits	1,434	1,371	1,337	(26)	1,311	60
Equipment	9	9				9
General Expenses	397	397	343	5	348	49
Contractual Services	299	299	134	56	190	109
Other Suits and Damages	100,000	100,000	3,322		3,322	96,678
County Treasurer Total	104,284	104,221	7,163	35	7,198	97,023
Office of Constituent Affairs						
Salaries	770	770	653		653	117
Fringe Benefits	432	417	407	(8)	399	18
Office of Constituent Affairs Printing & Graphics						
Salaries	1,512	1,512	1,289		1,289	223
Fringe Benefits	863	824	804	(16)	788	36
General Expenses	1,617	1,651	1,517	114	1,631	20
Contractual Services	3	3		3	3	
Office of Constituent Affairs Total	5,197	5,177	4,670	93	4,763	414
Office of Emergency Management						
Salaries	1,036	981	705		705	276
Fringe Benefits	291	293	285	(5)	280	13
General Expenses	12	12	3	8	11	1
Interdepartmental Charges	700	700	394		394	306
Office of Emergency Management Total	2,039	1,986	1,387	3	1,390	596
Information Technology						
Administration						
Salaries	7,175	7,925	7,721	(171)	7,550	375
Fringe Benefits	3,725	4,143	3,703	(77)	3,626	517
General Expenses	339	348	253	95	348	
Contractual Services	13,408	14,200	11,070	2,926	13,996	204
Utilities	4,075	4,089	3,844	211	4,055	34
Information Technology Total	28,722	30,705	26,591	2,984	29,575	1,130
Housing and Intergovernmental Affairs:						
Salaries	820	1,249	1,249		1,249	
Fringe Benefits	870	864	842	(16)	826	38
General Expenses	2	2				2
Interdepartmental Charges	156	156	7		7	149
Housing and Intergovernmental Affairs Total	1,848	2,271	2,098	(16)	2,082	189
Labor Relations						
Salaries	404	404	356		356	48
Fringe Benefits	120	127	123	(2)	121	6

(Continued)

EXHIBIT B-2**COUNTY OF NASSAU, NEW YORK****COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
VS. TOTAL BUDGETARY AUTHORITY
GENERAL FUND****FOR THE YEAR ENDED DECEMBER 31, 2015 (Dollars in Thousands)**

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
GENERAL ADMINISTRATION (Continued)						
General Expenses	\$ 5	\$ 5	\$ 1	\$	\$ 1	\$ 4
Contractual Services	427	463	325	118	443	20
Labor Relations Total	956	999	805	116	921	78
Management and Budgets						
Salaries	3,829	5,097	3,777		3,777	1,320
Fringe Benefits	1,164	1,209	936	(161)	775	434
Equipment	5	5				5
General Expenses	115	115	73	1	74	41
Contractual Services	3,927	3,927	1,574	1,446	3,020	907
Contingency Reserve	10,000	6,695				6,695
Management and Budgets Total	19,040	17,048	6,360	1,286	7,646	9,402
Personnel						
Salaries	863	938	819		819	119
Fringe Benefits	281	304	297	(6)	291	13
General Expenses	19	19	6		6	13
Contractual Services	102	102				102
Personnel Total	1,265	1,363	1,122	(6)	1,116	247
Purchasing						
Salaries	948	948	819		819	129
Fringe Benefits	780	737	718	(13)	705	32
General Expenses	20	21	20	1	21	
Contractual Services	37	37	11		11	26
Purchasing Total	1,785	1,743	1,568	(12)	1,556	187
Office of Real Estate Services						
Salaries	173	173	147		147	26
Fringe Benefits	31	29	29	(1)	28	1
General Expenses	154	154	70		70	84
Contractual Services	274	274	32	108	140	134
Interdepartmental Charges	3,729	3,729				3,729
Insurance on Buildings	637	637	74	563	637	
Repairs	2,491	2,689	2,689		2,689	
Rent	15,623	15,623	12,983	298	13,281	2,342
Mass Transportation						
Pt. Lookout/Lido Beach Bus Route	150	150	75		75	75
Metropolitan Suburban Bus Authority	2,413	2,413	2,090	1	2,091	322
LIRR Station Maintenance	29,184	29,184	28,575		28,575	609
MTA-LIRR Operating Assistance	11,583	11,583	11,583		11,583	
Intermodal Center	65	65				65
Physically Challenged Transportation	762	762	660		660	102
Office of Real Estate Services Total	67,269	67,465	59,007	969	59,976	7,489
Public Utility Authority						
General Expenses	390	390		390	390	
Public Utility Authority Total	390	390		390	390	
Office of Records Management						
Salaries	889	889	713		713	176
Fringe Benefits	684	629	612	(11)	601	28
Equipment	5	5				5
General Expenses	269	269	138	119	257	12
Contractual Services	331	331	13	313	326	5
Office of Records Management Total	2,178	2,123	1,476	421	1,897	226
Building Management						
Salaries	8,272	7,022	6,272	(24)	6,248	774
Fringe Benefits		5,219	5,087	(97)	4,990	229
Equipment	36	36				36
General Expenses	844	844	750	72	822	22
Contractual Services	1,747	2,366	1,515	640	2,155	211
Utility Costs	27,412	26,912	23,902	1,695	25,597	1,315
Interdepartmental Charges	500	500				500
Building Management Total	38,811	42,899	37,526	2,286	39,812	3,087
Total General Administration	382,147	386,537	246,178	13,309	259,487	127,050

(Continued)

EXHIBIT B-2**COUNTY OF NASSAU, NEW YORK****COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
VS. TOTAL BUDGETARY AUTHORITY
GENERAL FUND****FOR THE YEAR ENDED DECEMBER 31, 2015 (Dollars in Thousands)**

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
PROTECTION OF PERSONS						
Commission on Human Rights						
Salaries	\$ 578	\$ 578	\$ 472	\$	\$ 472	\$ 106
Fringe Benefits	499	465	454	(9)	445	20
General Expenses	5	5	2		2	3
Contractual Services	16	16		6	6	10
Commission on Human Rights Total	1,098	1,064	928	(3)	925	139
Commissioner of Accounts						
Fringe Benefits	112	104	101	(2)	99	5
General Expenses	1	1				1
Contractual Services	5	5				5
Commissioner of Accounts Total	118	110	101	(2)	99	11
Consumer Affairs						
Salaries	1,704	1,704	1,673	(21)	1,652	52
Fringe Benefits	1,191	1,133	1,105	(22)	1,083	50
Equipment	2	2	2		2	
General Expenses	15	15	11		11	4
Consumer Affairs Total	2,912	2,854	2,791	(43)	2,748	106
Fire Commission						
Salaries	10,947	10,314	10,388	(75)	10,313	1
Fringe Benefits	5,150	4,988	5,156	(168)	4,988	
Equipment	30	19	11	8	19	
General Expenses	404	287	225	48	273	14
Contractual Services	5,012	4,893	4,785	105	4,890	3
Interdepartmental Charges	2,328	2,330	2,330		2,330	
Fire Commission Total	23,871	22,831	22,895	(82)	22,813	18
Police Headquarters						
Salaries	230,390	227,361	244,454	(20,504)	223,950	3,411
Fringe Benefits	132,763	132,263	129,122	(3,212)	125,910	6,353
Workers' Compensation	3,205	4,165	4,084		4,084	81
Equipment	418	418	205	107	312	106
General Expenses	4,439	4,439	3,329	426	3,755	684
Contractual Services	13,437	13,437	10,087	2,492	12,579	858
Utilities	3,857	3,857	3,230	498	3,728	129
Other Suits	250	250	96		96	154
Interdepartmental Charges	21,652	22,388	22,371		22,371	17
Police Headquarters Total	410,411	408,578	416,978	(20,193)	396,785	11,793
Medical Examiner						
Salaries	7,290	7,290	6,934	(45)	6,889	401
Fringe Benefits	3,121	3,179	3,097	(59)	3,038	141
Equipment	47	47	32		32	15
General Expenses	760	758	548	53	601	157
Contractual Services	167	168	75	77	152	16
Medical Examiner Total	11,385	11,442	10,686	26	10,712	730
Taxi and Limosine Commission						
Salaries		500	105		105	395
Fringe Benefits		7	7		7	
Equipment		2				2
General Expenses		10		1	1	9
Contractual Services		100				100
Taxi and Limosine Commission Total		619	112	1	113	506
Total Protection of Persons	449,795	447,498	454,491	(20,296)	434,195	13,303
HEALTH						
Health Department Administration						
Salaries	1,874	1,694	1,571	(25)	1,546	148

(Continued)

EXHIBIT B-2**COUNTY OF NASSAU, NEW YORK****COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
VS. TOTAL BUDGETARY AUTHORITY
GENERAL FUND****FOR THE YEAR ENDED DECEMBER 31, 2015 (Dollars in Thousands)**

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
HEALTH (Continued)						
Fringe Benefits	\$ 1,163	\$ 1,106	\$ 1,078	\$ (20)	\$ 1,058	\$ 48
Equipment		21	19		19	2
General Expenses	243	222	130	36	166	56
Interdepartmental Charges	5,600	5,600	3,609		3,609	1,991
Environmental Health						
Salaries	6,978	7,078	6,845	(108)	6,737	341
Fringe Benefits	4,980	4,821	4,700	(90)	4,610	211
Equipment	2	17	12	2	14	3
General Expenses	113	98	44	14	58	40
Contractual Services	193	193	41	142	183	10
Interdepartmental Charges	298	474	474		474	
Laboratory Research						
Salaries	859	859	843	(13)	830	29
Fringe Benefits	621	594	579	(11)	568	26
Equipment	25	25	5		5	20
General Expenses	690	690	406	69	475	215
Contractual Services	(2)	(2)		(13)	(13)	11
Interdepartmental Charges	471	471	247		247	224
Public Health						
Salaries	1,211	1,271	1,208	(19)	1,189	82
Fringe Benefits	695	851	830	(16)	814	37
General Expenses	146	146	34	9	43	103
Contractual Services	123	123	119	4	123	
Various Direct Expenses	5,000	5,000	5,000		5,000	
Interdepartmental Charges	247	350	350		350	
Early Intervention						
Salaries	3,511	3,531	3,520	(55)	3,465	66
Fringe Benefits	2,542	2,480	2,417	(46)	2,371	109
Equipment	26	26	18		18	8
General Expenses	299	299	37	2	39	260
Early Intervention Charges	27,500	27,500	25,570		25,570	1,930
Interdepartmental Charges	6	6	3		3	3
Preschool Education						
Salaries	327	327	302	(5)	297	30
Fringe Benefits	238	213	207	(4)	203	10
General Expenses	2	2				2
Contractual Services	291	291	188	87	275	16
Early Intervention Charges	135,073	135,073	100,644	11,344	111,988	23,085
Health Department Total	201,345	201,450	161,050	11,284	172,334	29,116
Mental Health, Chemical Dependency and Disabled Services						
Administration						
Salaries	2,211	2,211	2,498	(182)	2,316	(105)
Fringe Benefits	2,018	1,877	1,853	(59)	1,794	83
General Expenses	976	976	814	1	815	161
Contractual Services	250	250	1,179	98	1,277	(1,027)
Interdepartmental Charges	1,856	1,856	1,687		1,687	169
Contractual Services	7,070	7,070	3,824	1,746	5,570	1,500
Fringe Benefits and Disabled Services	14,381	14,240	11,890	(35)	13,459	781
Total Health	215,726	215,690	172,940	12,853	185,793	29,897

(Continued)

EXHIBIT B-2**COUNTY OF NASSAU, NEW YORK****COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
VS. TOTAL BUDGETARY AUTHORITY
GENERAL FUND****FOR THE YEAR ENDED DECEMBER 31, 2015 (Dollars in Thousands)**

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
<u>PUBLIC WORKS</u>						
Administration						
Salaries	\$ 2,557	\$ 2,657	\$ 2,562	\$ (10)	\$ 2,552	\$ 105
Fringe Benefits	2,096	1,968	1,918	(37)	1,881	87
Workers' Compensation	1,593	2,024	2,024		2,024	
General Expenses	362	362	249	36	285	77
Contractual Services	603	603		27	27	576
Highway and Engineering						
Salaries	7,494	7,194	6,038	(24)	6,014	1,180
Fringe Benefits	4,051	3,794	3,699	(71)	3,628	166
Equipment	18	18	14	1	15	3
General Expenses	47	47	22	9	31	16
Contractual Services	140,741	142,304	133,197	2,554	135,751	6,553
Utility Costs	2,192	2,192	879	11	890	1,302
Highway and Bridge Maintenance						
Salaries	10,244	14,994	14,832	(58)	14,774	220
Fringe Benefits	13,795	9,333	9,098	(174)	8,924	409
Equipment	49	49	39	4	43	6
General Expenses	2,303	4,503	3,801	226	4,027	476
Contractual Services	2,924	2,924	1,399	233	1,632	1,292
Utility Costs	2,175	2,175	(1,851)	(137)	(1,988)	4,163
Interdepartmental Charges	9,427	9,427	7,754		7,754	1,673
Groundwater Remediation						
Salaries	2,434	2,634	2,582	(10)	2,572	62
Fringe Benefits	1,594	1,623	1,583	(31)	1,552	71
Equipment	(6)	(6)		6	6	(12)
General Expenses	3,999	3,999	2,433	846	3,279	720
Contractual Services	575	575	220	239	459	116
Interdepartmental Charges	971	971	843		843	128
Total Public Works	212,238	216,364	193,335	3,640	196,975	19,389
<u>RECREATION AND PARKS</u>						
Administration						
Salaries	2,004	2,004	1,850	(2)	1,848	156
Fringe Benefits	830	795	775	(15)	760	35
Equipment	10	10		3	3	7
General Expenses	405	405	149	43	192	213
Contractual Services	4,392	4,392	3,793	221	4,014	378
Technical Service						
Salaries	3,665	5,265	5,032		5,032	233
Fringe Benefits	2,117	2,166	2,112	(41)	2,071	95
Equipment	299	299	174		174	125
General Expenses	780	780	592	91	683	97
Contractual Services	2,940	2,940	2,132	410	2,542	398
Interdepartmental Charges	148	148				148
Recreation Service						
Salaries	6,173	9,173	9,070	(9)	9,061	112
Fringe Benefits	3,721	3,899	3,801	(72)	3,729	170
Equipment	79	79	34		34	45
General Expenses	153	153	77	21	98	55
Contractual Services	512	512	303	63	366	146

(Continued)

EXHIBIT B-2**COUNTY OF NASSAU, NEW YORK****COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
VS. TOTAL BUDGETARY AUTHORITY
GENERAL FUND****FOR THE YEAR ENDED DECEMBER 31, 2015 (Dollars in Thousands)**

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
RECREATION AND PARKS (Continued)						
Museum						
Salaries	\$ 520	\$ 1,100	\$ 793	\$ (1)	\$ 792	\$ 308
Fringe Benefits	357	341	332	(6)	326	15
Equipment	8	8	2	5	7	1
General Expenses	63	63	39	10	49	14
Contractual Services	(297)	(297)	1	(301)	(300)	3
Golf Operations						
Salaries	4,175	4,175	3,924	(4)	3,920	255
Fringe Benefits	1,750	1,687	1,645	(32)	1,613	74
Equipment	222	222	221		221	1
General Expenses	668	668	483	123	606	62
Contractual Services	606	606	325	138	463	143
Total Recreation and Parks	36,300	41,593	37,659	645	38,304	3,289
SOCIAL SERVICES						
Bar Association - Public Defender	7,323	7,422	7,343	79	7,422	
CASA						
Salaries	265	265	255		255	10
Fringe Benefits	144	124	121	(2)	119	5
General Expenses	3	3	1		1	2
Contractual Services	13	13	4	2	6	7
CASA Total	425	405	381		381	24
Human Services						
Salaries	2,947	2,947	2,410		2,410	537
Fringe Benefits	3,914	3,819	3,665	(14)	3,651	168
Equipment	30	30	1	1	2	28
General Expenses	98	98	30	5	35	63
Contractual Services	26,950	27,422	20,868	4,422	25,290	2,132
Interdepartmental Charges	1,918	1,918	1,149		1,149	769
Human Services Total	35,857	36,234	28,123	4,414	32,537	3,697
Legal Aid Society	6,361	6,361	6,361		6,361	
Minority Affairs						
Salaries	520	520	473		473	47
Fringe Benefits	278	296	288	(5)	283	13
General Expenses	25	25	4		4	21
Contractual Services	36	36		5	5	31
Minority Affairs Total	859	877	765		765	112
Social Services Department						
Administration						
Salaries	4,464	4,464	4,307		4,307	157
Fringe Benefits	2,618	2,598	2,533	(49)	2,484	114
Equipment	30	30	16	6	22	8
General Expenses	1,443	1,443	1,248	87	1,335	108
Contractual Services	336	336	172	65	237	99
Interdepartmental Charges	18,058	18,058	14,953		14,953	3,105
Public Financial Assistance						
Salaries	20,231	20,231	19,803		19,803	428
Fringe Benefits	12,324	11,944	11,643	(222)	11,421	523
Equipment	15	15	3	11	14	1
General Expenses	324	324	294	13	307	17
Contractual Services	11,159	11,159	8,013	1,257	9,270	1,889

(Continued)

EXHIBIT B-2**COUNTY OF NASSAU, NEW YORK****COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
VS. TOTAL BUDGETARY AUTHORITY
GENERAL FUND****FOR THE YEAR ENDED DECEMBER 31, 2015 (Dollars in Thousands)**

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
<u>SOCIAL SERVICES (continued)</u>						
Division of Services						
Salaries	\$ 21,171	\$ 21,171	\$ 20,822	\$	\$ 20,822	\$ 349
Fringe Benefits	12,642	12,558	12,243	(234)	12,009	549
General Expenses	160	160	145	9	154	6
Contractual Services	174	174	129	36	165	9
Real Estate						
General Expenses	1	1				1
Handicapped Children Education						
Emergency Vendor Payments	18,040	18,040	13,760	777	14,537	3,503
Aid to Dependent Children						
Recipient Grants	21,000	20,500	20,245		20,245	255
Emergency Vendor Payments	6,571	6,321	6,235	49	6,284	37
Home Relief						
Recipient Grants	32,500	33,750	33,433		33,433	317
Emergency Vendor Payments	7,000	8,000	7,957		7,957	43
Children in Institutions						
Emergency Vendor Payments	12,044	12,044	10,475	285	10,760	1,284
Children in Foster Homes						
Recipient Grants	1,250	1,250	1,053		1,053	197
Purchased Services	1	1	1		1	
Emergency Vendor Payments	650	650	522		522	128
Juvenile Delinquents						
Emergency Vendor Payments	5,249	4,749	2,032	952	2,984	1,765
Training Schools						
Emergency Vendor Payments	5,750	5,750	3,264		3,264	2,486
Children in Institutions - Title 4E						
Emergency Vendor Payments	703	703	535	40	575	128
Children in Foster Homes - Title 4E						
Recipient Grants	500	500	480		480	20
Emergency Vendor Payments	255	255	247		247	8
Subsidized Adoptions						
Recipient Grants	5,000	5,000	4,586		4,586	414
Burials						
Emergency Vendor Payments	275	275	190		190	85
Medicaid						
Medicaid	252,256	251,256	235,725		235,725	15,531
Home Energy Assistance						
Recipient Grants	300	300	300		300	
Title-XX						
Purchased Services	71,680	71,680	67,721	2,634	70,355	1,325
Social Services Department Total	546,174	545,690	505,085	5,716	510,801	34,889
Veterans Service Agency						
Salaries	471	471	427		427	44
Fringe Benefits	320	319	313	(6)	307	12
General Expenses	16	16	9		9	7
Contractual Services	1	1	1		1	
Veterans Service Agency Total	808	807	749	(6)	743	64

(Continued)

EXHIBIT B-2**COUNTY OF NASSAU, NEW YORK****COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
VS. TOTAL BUDGETARY AUTHORITY
GENERAL FUND****FOR THE YEAR ENDED DECEMBER 31, 2015 (Dollars in Thousands)**

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
<u>SOCIAL SERVICES (continued)</u>						
Total Social Services	\$ 597,807	\$ 597,796	\$ 548,807	\$ 10,203	\$ 559,010	\$ 38,786
<u>CORRECTIONS</u>						
Correctional Center						
Salaries	111,771	109,827	101,543	(952)	100,591	9,236
Fringe Benefits	57,466	57,703	56,242	(1,064)	55,178	2,525
Workers' Compensation	5,905	7,849	7,104		7,104	745
Equipment	52	52	22	18	40	12
General Expenses	3,550	3,931	2,919	890	3,809	122
Contractual Services	24,753	24,753	16,910	5,666	22,576	2,177
Utility Costs	2,865	2,615	1,365	10	1,375	1,240
Correctional Center Total	206,362	206,730	186,105	4,568	190,673	16,057
Sheriff						
Salaries	7,111	7,111	6,405	(60)	6,345	766
Fringe Benefits	4,087	4,139	4,035	(78)	3,957	182
Equipment	2	2				2
General Expenses	32	32	15	2	17	15
Sheriff Total	11,232	11,284	10,455	(136)	10,319	965
Correctional Center and Sheriff Total	217,594	218,014	196,560	4,432	200,992	17,022
Probation						
Administration						
Salaries	17,226	17,266	16,043	(339)	15,704	1,562
Fringe Benefits	10,987	10,850	10,578	(203)	10,375	475
Equipment	38	38	17	20	37	1
General Expenses	355	355	189	85	274	81
Contractual Services	709	709	448	177	625	84
Utility Costs	1	1		1	1	
Interfund Charges	1,125	1,125	1,000		1,000	125
Probation Total	30,441	30,344	28,275	(259)	28,016	2,328
Total Corrections	248,035	248,358	224,835	4,173	229,008	19,350
<u>EDUCATION</u>						
Payment to Long Beach Schools	106	106	106		106	
State School Tuition	8,712	11,586	11,586		11,586	
Total Education	8,818	11,692	11,692		11,692	
<u>BONDED PAYMENTS FOR TAX CERTIORARI AND OTHER JUDGMENTS</u>						
			96,221	(96,221)		
<u>AID TO TOWNS AND CITIES</u>						
Aid to Towns and Cities	68,502	68,502	66,315		66,315	2,187
<u>OTHER EXPENDITURES</u>						
Nassau Health Care Corporation	13,000	13,000				13,000
Interdepartmental Charges	31,170	33,163	28,957		28,957	4,206
Lido-Point Lookout Fire District	6	6	6		6	
HIPPA Payments	25	25				25

(Continued)

EXHIBIT B-2**COUNTY OF NASSAU, NEW YORK****COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
VS. TOTAL BUDGETARY AUTHORITY
GENERAL FUND****FOR THE YEAR ENDED DECEMBER 31, 2015 (Dollars in Thousands)**

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
<u>OTHER EXPENDITURES (Continued)</u>						
Miscellaneous Expense	\$ 28,322	\$ 28,059	\$ 25,064	\$ 669	\$ 25,733	\$ 2,326
NYS Association of Counties	65	65	64		64	1
NIFA Expenditures	1,900	1,900				1,900
Suits and Damages	20,200	20,200	8,882		8,882	11,318
Total Other Expenditures	94,688	96,418	62,973	669	63,642	32,776
Debt Service:						
Principal	76,340	70,445	70,445		70,445	
Interest	98,130	95,284	93,713		93,713	1,571
Financing Costs	4,224	4,224	2,898		2,898	1,326
Total Debt Service	178,694	169,953	167,056		167,056	2,897
Total Expenditures	2,587,662	2,595,649	2,360,748	(69,469)	2,291,279	304,370
<u>TRANSFERS OUT</u>						
Debt Service Fund			2,794	(2,794)		
Other	189,330	177,997	339		339	177,658
Total Transfers Out	189,330	177,997	3,133	(2,794)	339	177,658
TOTAL EXPENDITURES AND TRANSFERS OUT	\$ 2,776,992	\$ 2,773,646	\$ 2,363,881	\$ (72,263)	\$ 2,291,618	\$ 482,028
*Appropriations per the 2015 budget as adopted						\$ 3,011,207
Intrafund Budget Elimination						(330,216)
Outstanding encumbrances, January 1, 2015						96,001
Original Budget per above						2,776,992
Add: Supplemental appropriations						523
Add: Intrafund Modified Budget eliminations						(3,869)
Total Budgetary Authority						\$ 2,773,646

(Concluded)

EXHIBIT B-3**COUNTY OF NASSAU, NEW YORK**
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY, ACTUAL, AND BUDGETARY BASIS
POLICE DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015 (Dollars in Thousands)

	Original Budget	Total Budgetary Authority	Actual	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Licenses and Permits	\$ 4,129	\$ 4,129	\$ 4,864	\$	\$ 4,864	\$ 735
Fines and Forfeits	1,750	1,750	1,301		1,301	(449)
Interest Income	271	271	20		20	(251)
Rents and Recoveries			91		91	91
Departmental Revenue	3,583	3,583	2,475		2,475	(1,108)
Interdepartmental Revenue	10,572	10,572	475		475	(10,097)
Federal Aid			240		240	240
Property Taxes	367,975	367,975	367,977		367,977	2
Other Revenue			34	(34)		
Total Revenues	388,280	388,280	377,477	(34)	377,443	(10,837)
Expenditures:						
Protection of Persons:						
Salaries	231,407	231,077	226,408	(2,796)	223,612	7,465
Fringe Benefits	117,993	117,993	116,693	237	116,930	1,063
Workers' Compensation	7,584	7,584	7,199		7,199	385
Equipment	605	605	163	44	207	398
General Expenses	6,055	6,055	4,162	1,117	5,279	776
Contractual Services	1,234	1,234	543	298	841	393
Utility Costs	1,475	1,475	955	186	1,141	334
Interdepartmental Charges	20,330	20,585	20,584		20,584	1
Other	5,803	5,878	796	53	849	5,029
Total Expenditures	392,486	392,486	377,503	(861)	376,642	15,844
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,206)	(4,206)	(26)	827	801	5,007
Other Financing Sources (Uses):						
Transfers In			3,743	(2,796)	947	947
Transfers Out	(2,237)	(2,237)	(2,171)		(2,171)	66
Total Other Financing Sources (Uses)	(2,237)	(2,237)	1,572	(2,796)	(1,224)	1,013
Net Change in Fund Equity (Deficit)	(6,443)	(6,443)	1,546	(1,969)	(423)	6,020
Fund Balance (Deficit) Beginning of Year	6,443	6,443	(10,375)	32,426	22,051	15,608
Fund Balance (Deficit) End of Year	\$	\$	\$ (8,829)	\$ 30,457	\$ 21,628	\$ 21,628

EXHIBIT B-4**COUNTY OF NASSAU, NEW YORK**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY, ACTUAL, AND BUDGETARY BASIS
SEWER & STORM WATER DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015 (Dollars in Thousands)

	<u>Original Budget</u>	<u>Total Budgetary Authority</u>	<u>Actual</u>	<u>GAAP to Budgetary Basis Conversion</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
Revenues:						
Licenses and Permits	\$ 1,100	\$ 1,100	\$ 1,191	\$	\$ 1,191	\$ 91
Interest Income	80	80	104		104	24
Rents and Recoveries	13,166	13,166	12,057		12,057	(1,109)
Departmental Revenue	14,317	14,317	1,332		1,332	(12,985)
Intergovernmental Charges	2,251	2,251				(2,251)
Interfund Revenues	2,148	2,148				(2,148)
Federal Aid			419		419	419
Property Taxes			123,314		123,314	123,314
Other Revenues	480	480	115	(4)	111	(369)
Total Revenues	<u>33,542</u>	<u>33,542</u>	<u>138,532</u>	<u>(4)</u>	<u>138,528</u>	<u>104,986</u>
Expenditures:						
Public Works:						
Salaries	15,749	15,749	14,322		14,322	1,427
Fringe Benefits	12,459	12,459	10,290	602	10,892	1,567
Equipment	209	209				209
General Expenses	5,374	5,374	437	39	476	4,898
Contractual Services	71,399	72,854	61,250	1,399	62,649	10,205
Utility Costs	8,752	8,753	6,150	1,697	7,847	906
Interdepartmental Charges	17,501	17,501	15,713		15,713	1,788
Other	765	765	40	226	266	499
Debt Service:						
Principal	11,673	13,044	13,044		13,044	
Interest	6,873	4,046	3,933		3,933	113
Total Expenditures	<u>150,754</u>	<u>150,754</u>	<u>125,179</u>	<u>3,963</u>	<u>129,142</u>	<u>21,612</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(117,212)</u>	<u>(117,212)</u>	<u>13,353</u>	<u>(3,967)</u>	<u>9,386</u>	<u>126,598</u>
Other Financing Sources (Uses):						
Transfer In			10,697	(4,187)	6,510	6,510
Transfer Out	(16,943)	(16,943)	(17,343)		(17,343)	(400)
Transfer In of Investment Income	30	30	35		35	5
Transfers In/(Out) to SFA	110,069	110,069	(13,385)		(13,385)	(123,454)
Total Other Financing Sources (Uses)	<u>93,156</u>	<u>93,156</u>	<u>(19,996)</u>	<u>(4,187)</u>	<u>(24,183)</u>	<u>(117,339)</u>
Net Change in Fund Balances	<u>(24,056)</u>	<u>(24,056)</u>	<u>(6,643)</u>	<u>(8,154)</u>	<u>(14,797)</u>	<u>9,259</u>
Fund Balance Beginning of Year	<u>24,056</u>	<u>24,056</u>	<u>53,022</u>	<u>6,194</u>	<u>59,216</u>	<u>35,160</u>
Fund Balance End of Year	<u>\$</u>	<u>\$</u>	<u>\$ 46,379</u>	<u>\$ (1,960)</u>	<u>\$ 44,419</u>	<u>\$ 44,419</u>

EXHIBIT B-5**COUNTY OF NASSAU, NEW YORK**

**SCHEDULE OF EXPENDITURES BY COUNTY DEPARTMENTS AND OFFICES
TOTAL BUDGETARY AUTHORITY AND ACTUAL
GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015 (Dollars in Thousands)
(INCLUDING LIFETIME ACTIVITY THROUGH DECEMBER 31, 2015)**

County Departments, Offices and Boards	Budgetary Authority as of December 31, 2015	Expenditures through December 31, 2014	Available Budgetary Authority for 2015	2015 Expenditures	Remaining Budgetary Authority December 31, 2015
Affirmative Action	\$ 1,240	\$ 1,140	\$ 100	\$	\$ 100
Assessment	13,000	11,363	1,637		1,637
Behavioral Health	420,988	273,628	147,360	36,765	110,595
Budget and Management	6,474	590	5,884	961	4,923
CASA	735	466	269		269
Consumer Affairs	250	229	21		21
Correctional Center	14,483	12,646	1,837	287	1,550
County Attorney	295	295			
County Clerk	396	244	152	75	77
County Comptroller	805	446	359		359
Criminal Justice Coordinating Council	61,459	56,344	5,115	605	4,510
Cultural Development	441	437	4		4
District Attorney	47,910	29,351	18,559	3,010	15,549
Drug and Alcohol	693,474	527,186	166,288		166,288
Board of Election	3,378	795	2,583		2,583
Emergency Management	36,706	21,787	14,919	3,141	11,778
Fire Commission	4,460	3,409	1,051	459	592
General Services	415	315	100		100
Health	297,559	241,474	56,085	13,326	42,759
Housing and Inter- governmental Affairs	786,686	701,088	85,598	18,433	67,165
Human Rights	1,897	1,702	195		195
Human Services	2,313	7	2,306	383	1,923
Information Technology	198	198			
Labor	50	46	4		4
Medical Center	5,119	188	4,931		4,931
Medical Examiner	12,722	9,404	3,318	1,024	2,294
Mental Health	213,875	169,654	44,221		44,221
Miscellaneous	91,127	72,570	18,557		18,557
Planning	29,918	22,282	7,636	179	7,457
Police	135,351	102,741	32,610	9,009	23,601
Probation	43,627	36,697	6,930	1,156	5,774
Public Works	21,040	14,011	7,029	278	6,751
Real Estate Services	189,587	23,231	166,356	28,012	138,344
Records Management	114	113	1		1
Recreation and Parks	39,603	33,240	6,363	1,830	4,533
Senior Citizen Affairs	63,161	60,291	2,870		2,870
Sheriff	66	55	11		11
Shared Services	318	132	186	185	1
Social Services	130,227	90,706	39,521	15,569	23,952
Traffic Safety Board	66,908	62,504	4,404	1,731	2,673
Veterans Services	458	424	34		34
Women's Services	194	148	46		46
Youth Board	39,081	31,638	7,443		7,443
Total	\$ 3,478,108	\$ 2,615,215	\$ 862,893	\$ 136,418	\$ 726,475

EXHIBIT B-6

COUNTY OF NASSAU, NEW YORK

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY, ACTUAL, AND BUDGETARY BASIS
ENVIRONMENTAL PROTECTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2015 (Dollars in Thousands)**

	<u>Original Budget</u>	<u>Total Budgetary Authority</u>	<u>Actual</u>	<u>GAAP to Budgetary Basis Conversion</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>						
Interest Income	\$	\$	\$ 5	\$	\$ 5	\$ 5
Property Taxes	9,607	9,607	9,602		9,602	(5)
Total Revenues	9,607	9,607	9,607		9,607	
<u>Other Financing Uses:</u>						
Transfer Out	(9,607)	(9,607)	(9,595)		(9,595)	12
Total Other Financing Uses	(9,607)	(9,607)	(9,595)		(9,595)	12
Net Change in Fund Balance			12		12	12
Fund Balance Beginning of Year			19,457		19,457	19,457
Fund Balance End of Year	\$	\$	\$ 19,469	\$	\$ 19,469	\$ 19,469

EXHIBIT B-7**COUNTY OF NASSAU, NEW YORK****SCHEDULE OF EXPENDITURES BY COUNTY DEPARTMENTS AND OFFICES****TOTAL BUDGETARY AUTHORITY AND ACTUAL****FEMA FUND****FOR THE YEAR ENDED DECEMBER 31, 2015 (Dollars in Thousands)****(INCLUDING LIFETIME ACTIVITY THROUGH DECEMBER 31, 2015)**

County Departments, Offices and Boards	Budgetary Authority as of December 31, 2015	Expenditures through December 31, 2014	Available Budgetary Authority for 2015	2015 Expenditures	2015 Transfers	Remaining Budgetary Authority December 31, 2015
Budget and Management	\$ 27	\$ 27	\$	\$	\$	\$
Correctional Center	233	162	71		17	54
County Attorney	24	23	1			1
County Comptroller	135	135				
Office of Constituent Affairs	85	50	35		5	30
County Executive	62	62				
District Attorney	206	100	106			106
Board of Election	251	183	68	21	16	31
Emergency Management	1,679	1,393	286		180	106
Fire Commission	883	575	308		1	307
Health	1,196	824	372		90	282
Human Services	145	18	127			127
Information Technology	307	285	22		9	13
Labor Relations	2	2				
Legislature	2	1	1			1
Medical Examiner	8	3	5			5
Personnel	28	28				
Police	11,707	10,617	1,090	10	947	133
Police Headquarters	11,000	9,995	1,005		968	37
Probation	419	388	31		31	
Public Administrator	1		1			1
Public Works	191,204	157,186	34,018	14,841	12,140	7,037
Shared Services	16	13	3			3
Recreation and Parks	2,938	2,527	411		71	340
Social Services	83	48	35			35
STEP Program	15,054	7,912	7,142		627	6,515
Total	\$ 237,695	\$ 192,557	\$ 45,138	\$ 14,872	\$ 15,102	\$ 15,164

THIS PAGE IS INTENTIONALLY LEFT BLANK

EXHIBIT B-8**COUNTY OF NASSAU, NEW YORK****COMBINING BALANCE SHEET
GENERAL FUND
DECEMBER 31, 2015 (Dollars in Thousands)**

ASSETS:	General	Debt Service Fund	Fire Commission Fund	Police Headquarters Fund	Technology Fund
Cash and Cash Equivalents	\$ 162,679	\$ 24,029	\$ 1,267	\$ 20,259	\$ 447
Sales Tax Receivable	11,857				
Due from Other Governments	103,212			891	
Less Allowance for Doubtful Accounts	(5,566)				
Accounts Receivable	51,360			5,149	
Real Property Taxes Receivable	75,732				
Less Allowance for Doubtful Accounts	(7,996)				
Tax Sale Certificates	4,697				
Tax Real Estate Held for Sale	8,152				
Interfund Receivables	409,386	180,629	91	29,384	
Prepays	16,756	15,861	402	11,542	
Due from Component Units	18,019				
Other Assets	6,501		140	3,362	
TOTAL ASSETS	\$ 854,789	\$ 220,519	\$ 1,900	\$ 70,587	\$ 447
LIABILITIES:					
Accounts Payable	\$ 96,746	\$	\$ 199	\$ 1,930	\$ 144
Accrued Liabilities	73,768	94	384	13,816	
Tax Anticipation Notes Payable	198,470				
Revenue Anticipation Notes Payable	178,480				
Unearned Revenue	8,234				
Property Tax Refund Payable	15,721				
Interfund Payables	84,425	220,425	2,182	85,945	
Other Liabilities	22,129				
Total Liabilities	677,973	220,519	2,765	101,691	144
DEFERRED INFLOWS OF RESOURCES:					
Property Taxes	21,322				
Property Taxes - Part County Sales Tax Offset	949				
Mitchel Field - Sale of Future Rental Revenue	32,396				
Total Deferred Inflows of Resources	54,667				
FUND BALANCE (DEFICIT):					
Fund Balances (Deficit):					
Nonspendable	16,756	15,861	402	11,542	
Spendable:					
Restricted	2,099				
Committed					76
Assigned					227
Unassigned	103,294	(15,861)	(1,267)	(42,646)	
Total Fund Balance (Deficit)	122,149		(865)	(31,104)	303
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	\$ 854,789	\$ 220,519	\$ 1,900	\$ 70,587	\$ 447

EXHIBIT B-8**COUNTY OF NASSAU, NEW YORK****COMBINING BALANCE SHEET
GENERAL FUND
DECEMBER 31, 2015 (Dollars in Thousands)**

ASSETS:	Open Space Fund	Employee Accrued Benefit Liability Fund	Litigation Fund	Retirement Contribution Reserve Fund	Intrafund Eliminations	Total General Fund
Cash and Cash Equivalents	\$ 1,420	\$ 2,410	\$	\$	\$	\$ 212,511
Sales Tax Receivable						11,857
Due from Other Governments						104,103
Less Allowance for Doubtful Accounts						(5,566)
Accounts Receivable						56,509
Real Property Taxes Receivable						75,732
Less Allowance for Doubtful Accounts						(7,996)
Tax Sale Certificates						4,697
Tax Real Estate Held for Sale						8,152
Interfund Receivables			20,200	8,000	(328,970)	318,720
Prepays						44,561
Due from Component Units						18,019
Other Assets						10,003
TOTAL ASSETS	\$ 1,420	\$ 2,410	\$ 20,200	\$ 8,000	\$ (328,970)	\$ 851,302
LIABILITIES:						
Accounts Payable	\$	\$	\$	\$	\$	\$ 99,019
Accrued Liabilities						88,062
Tax Anticipation Notes Payable						198,470
Revenue Anticipation Notes Payable						178,480
Unearned Revenue						8,234
Property Tax Refund Payable						15,721
Interfund Payables		2,410			(328,970)	66,417
Other Liabilities						22,129
Total Liabilities		2,410			(328,970)	676,532
DEFERRED INFLOWS OF RESOURCES:						
Property Taxes						21,322
Property Taxes - Part County Sales Tax Offset						949
Mitchel Field - Sale of Future Rental Revenue						32,396
Total Deferred Inflows of Resources						54,667
FUND BALANCE (DEFICIT):						
Fund Balances (Deficit):						
Nonspendable						44,561
Spendable:						
Restricted	1,401		20,200			23,700
Committed						76
Assigned	19			8,000		8,246
Unassigned						43,520
Total Fund Balance (Deficit)	1,420		20,200	8,000		120,103
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	\$ 1,420	\$ 2,410	\$ 20,200	\$ 8,000	\$ (328,970)	\$ 851,302

EXHIBIT B-9**COUNTY OF NASSAU, NEW YORK****COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GENERAL FUND****FOR THE YEAR ENDED DECEMBER 31, 2015 (Dollars in Thousands)**

	General Fund	Debt Service Fund	Fire Commission Fund	Police Headquarters Fund	Technology Fund
REVENUES:					
Interest and Penalties on Taxes	\$ 32,661	\$	\$	\$	\$
Licenses and Permits	12,066			634	
Fines and Forfeits	61,337				
Interest Income	436		1	12	4
Rents and Recoveries	15,729		5	82	
Departmental Revenue	134,535		8,010	25,008	
Interdepartmental Revenue	69,693			12,834	
Interfund Revenue	44,884			286	
Federal Aid	132,696	4,796		2,469	
State Aid	210,113		184	750	
Sales Tax	835,005				
Preempted Sales Tax in Lieu of Property Taxes	87,134				
Property Taxes	109,133		15,848	342,078	
Payments in Lieu of Taxes	12,305				
Special Taxes	9,110			24,183	
Other Revenues	13,977		1	46	
Total Revenues	1,780,814	4,796	24,049	408,382	4
EXPENDITURES:					
Current:					
Legislative	11,390				
Judicial	66,856				
General Administration	244,606				1,572
Protection of Persons	14,619		22,894	416,978	
Health	172,940				
Public Works	193,335				
Recreation and Parks	37,659				
Social Services	548,807				
Corrections	224,835				
Education	11,692				
Bonded Payments for Tax Certiorari and Other Judgments	96,221				
Aid to Towns and Cities	66,315				
Other	62,973				
Debt Service:					
Principal		70,445			
Interest		93,713			
Bond Issuance Costs		2,898			
Total Expenditures	1,752,248	167,056	22,894	416,978	1,572
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	28,566	(162,260)	1,155	(8,596)	(1,568)
OTHER FINANCING SOURCES (USES):					
Transfers In	288,083	337,051	75	21,472	
Transfers Out	(288,120)	(321,698)	(1,323)	(16,471)	
Transfers In of Investment Income	667				
Transfers In from NIFA	867				
Issuance of Bonds	2,099	122,301			
Premium on Bonds		24,606			
Total Other Financing Sources (Uses)	3,596	162,260	(1,248)	5,001	
NET CHANGE IN FUND BALANCE (DEFICIT)	32,162		(93)	(3,595)	(1,568)
TOTAL FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	89,987		(772)	(27,509)	1,871
TOTAL FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 122,149	\$	\$ (865)	\$ (31,104)	\$ 303

EXHIBIT B-9**COUNTY OF NASSAU, NEW YORK****COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GENERAL FUND****FOR THE YEAR ENDED DECEMBER 31, 2015 (Dollars in Thousands)**

	Open Space Fund	Employee Accrued Benefit Liability Fund	Litigation Fund	Retirement Contribution Reserve Fund	Intrafund Eliminations	Total General Fund
REVENUES:						
Interest and Penalties on Taxes	\$	\$	\$	\$	\$	\$ 32,661
Licenses and Permits						12,700
Fines and Forfeits						61,337
Interest Income						453
Rents and Recoveries						15,816
Departmental Revenue						167,553
Interdepartmental Revenue						82,527
Interfund Revenue						45,170
Federal Aid						139,961
State Aid						211,047
Sales Tax						835,005
Preempted Sales Tax in Lieu of Property Taxes						87,134
Property Taxes						467,059
Payments in Lieu of Taxes						12,305
Special Taxes						33,293
Other Revenues	208					14,232
Total Revenues	208					2,218,253
EXPENDITURES:						
Current:						
Legislative						11,390
Judicial						66,856
General Administration						246,178
Protection of Persons						454,491
Health						172,940
Public Works						193,335
Recreation and Parks						37,659
Social Services						548,807
Corrections						224,835
Education						11,692
Bonded Payments for Tax Certiorari and Other Judgments						96,221
Aid to Towns and Cities						66,315
Other						62,973
Debt Service:						
Principal						70,445
Interest						93,713
Bond Issuance Costs						2,898
Total Expenditures						2,360,748
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	208					(142,495)
OTHER FINANCING SOURCES (USES):						
Transfers In			20,200	8,000	(624,479)	50,402
Transfers Out					624,479	(3,133)
Transfers In of Investment Income						667
Transfers In from NIFA						867
Issuance of Bonds						124,400
Premium on Bonds						24,606
Total Other Financing Sources (Uses)			20,200	8,000		197,809
NET CHANGE IN FUND BALANCE (DEFICIT)	208		20,200	8,000		55,314
TOTAL FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	1,212					64,789
TOTAL FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 1,420	\$	\$ 20,200	\$ 8,000	\$	\$ 120,103

EXHIBIT C-1

COUNTY OF NASSAU, NEW YORK

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2015 (Dollars in Thousands)**

	<u>Land*</u>	<u>Intangibles*</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Total</u>
Legislative	\$	\$	\$	\$ 254	\$ 219	\$	\$ 473
Judicial	2,593		1,933	73,629	5,952		84,107
General Administration	180,965	8,804	1,898	346,270	316,363		854,300
Protection of Persons	5,254		190	78,144	90,832	42,803	217,223
Health	475			4,672	3,480		8,627
Public Works	14,310		1,508	317,446	71,806	1,978,772	2,383,842
Recreation and Parks	35,653		69,753	174,589	13,964	47,332	341,291
Social Services	545		3,839	19,967	1,295		25,646
Corrections				183,147	8,140		191,287
Total	<u>239,795</u>	<u>8,804</u>	<u>79,121</u>	<u>1,198,118</u>	<u>512,051</u>	<u>2,068,907</u>	<u>4,106,796</u>
Less: Accumulated Depreciation			<u>59,771</u>	<u>484,921</u>	<u>373,432</u>	<u>994,941</u>	<u>1,913,065</u>
	<u>\$ 239,795</u>	<u>\$ 8,804</u>	<u>\$ 19,350</u>	<u>\$ 713,197</u>	<u>\$ 138,619</u>	<u>\$ 1,073,966</u>	<u>2,193,731</u>
Construction in Progress							<u>705,716</u>
Total Net Capital Assets							<u>\$ 2,899,447 *</u>

* Land and Intangible Capital Assets are not depreciated.

EXHIBIT C-2

COUNTY OF NASSAU, NEW YORK

**STATEMENT OF CHANGES IN CAPITAL ASSETS BY FUNCTION
DECEMBER 31, 2015 (Dollars in Thousands)**

	(As Restated) Capital Assets January 1, 2015	Additions*	Deletions*	Capital Assets December 31, 2015
Legislative	\$ 430	\$ 43	\$	\$ 473
Judicial	83,399	751	43	84,107
General Administration	827,310	37,983	10,993	854,300
Protection of Persons	218,043	10,521	11,341	217,223
Health	8,606	44	23	8,627
Public Works	2,340,074	47,638	3,870	2,383,842
Recreation and Parks	333,080	8,948	737	341,291
Social Services	25,681		35	25,646
Corrections	192,813	54	1,580	191,287
Construction in Progress	498,852	270,800	63,936	705,716
Total	4,528,288	376,782	92,558	4,812,512
Less: Accumulated Depreciation	1,817,213	121,285	25,433	1,913,065
Total Changes in Net Capital Assets	\$ 2,711,075	\$ 255,497	\$ 67,125	\$ 2,899,447

* Additions and deletions include land, buildings, equipment, infrastructure and intangible assets for the County and the transfer of of construction in progress.

EXHIBIT D-1

COUNTY OF NASSAU, NEW YORK

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

FIDUCIARY FUNDS

DECEMBER 31, 2015 (Dollars in Thousands)

	<u>Balance January 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2015</u>
Agency Fund				
<u>ASSETS:</u>				
Cash	\$ 43,603	\$ 1,263,120	\$ 1,191,558	\$ 115,165
Due From Component Unit	<u>1,557</u>	<u>110,528</u>	<u>110,349</u>	<u>1,736</u>
TOTAL ASSETS	<u>\$ 45,160</u>	<u>\$ 1,373,648</u>	<u>\$ 1,301,907</u>	<u>\$ 116,901</u>
<u>LIABILITIES:</u>				
Accounts Payable	\$ 3,042	\$ 461,817	\$ 439,898	\$ 24,961
Other Liabilities	<u>42,118</u>	<u>1,244,616</u>	<u>1,194,794</u>	<u>91,940</u>
TOTAL LIABILITIES	<u>\$ 45,160</u>	<u>\$ 1,706,433</u>	<u>\$ 1,634,692</u>	<u>\$ 116,901</u>
Nassau County Tobacco Securitization Corporation Residual Trust				
<u>ASSETS:</u>				
Cash	\$ 17,955	\$ 15	\$	\$ 17,970
Interest Receivable	<u>2</u>	<u></u>	<u>2</u>	<u></u>
TOTAL ASSETS	<u>\$ 17,957</u>	<u>\$ 15</u>	<u>\$ 2</u>	<u>\$ 17,970</u>
<u>LIABILITIES:</u>				
Other Liabilities	<u>\$ 17,957</u>	<u>\$ 15</u>	<u>\$ 2</u>	<u>\$ 17,970</u>

EXHIBIT D-2**COUNTY OF NASSAU, NEW YORK****STATEMENT OF CHANGES IN OTHER LIABILITIES****FIDUCIARY FUNDS****FOR THE YEAR ENDED DECEMBER 31, 2015 (Dollars in Thousands)**

	Balance January 1, 2015	Additions	Deductions	Balance December 31, 2015
Agency Fund				
Cash Bail	\$ 7,232	\$ 6,150	\$ 6,551	\$ 6,831
Coliseum Deferred Revenue	4,684			4,684
Contractors' Cash Bond Escrow	948	30	244	734
Declining Balance Account - Staples		1,210	1,210	
Estate Suspense Account	614	725	695	644
Flex Benefit Plan		3,444	3,444	
Genuine Parts JIT Account	20	2,699	2,719	
Grainger Declining Balance Account	17	1,363	1,380	
Health Insurance		295,827	295,827	
Highway Deposits	1,439	524	423	1,540
Medical Assistance Pay In	1,025	1,060	1,047	1,038
Mortgage Taxes	6,683	46,933	45,753	7,863
Nassau County Bridge Authority	188			188
New York City Withholding Taxes	13	1,236	1,243	6
New York State Withholding Taxes	598	58,377	58,311	664
Optical Insurance	14	1,619	1,633	
Payments in Lieu of Taxes	8,141	101,252	50,557	58,836
Payroll Deferred Compensation		69,396	69,396	
Real Estate Escrow	489	8	173	324
Retirement System	463	167,779	167,547	695
Social Security Taxes		134,436	134,133	303
Social Service Trust		4,338	4,338	
TIAA/CREF Payroll Deductions	3,141	7,279	9,057	1,363
Traffic Violations Clearing Account	3,810	29,668	29,283	4,195
Triad Worker's Compensation Account	442	26,977	26,727	692
Trust Fund Deposits	844	61,297	61,239	902
Trust Fund Deposits - short term		1,306	1,306	
All Other Liabilities	1,313	219,683	220,558	438
Total Other Liabilities	\$ 42,118	\$ 1,244,616	\$ 1,194,794	\$ 91,940
Nassau County Tobacco Securitization Corporation Residual Trust				
Other Liabilities - undisbursed bond proceeds	\$ 17,957	\$ 15	\$ 2	\$ 17,970

EXHIBIT E-1

COUNTY OF NASSAU, NEW YORK

**STATEMENT OF CASH IN BANKS*
ALL FUNDS OF THE PRIMARY GOVERNMENT
DECEMBER 31, 2015 (Dollars in Thousands)**

CASH BALANCES BY FUND:

General Fund	\$ 212,511
NIFA Fund	402
Police District Fund	3,030
Sewer and Storm Water District Fund	59,332
Capital Fund	396,320
Nonmajor Governmental Funds	116,582
Agency Funds	<u>133,135</u>
Total Cash Balances By Funds	<u>\$ 921,312 **</u>

CASH BALANCES BY BANK:

The Bank of New York	\$ 4,687
Bank of America	9,515
JP Morgan Chase	327,535
Citibank	7,885
First National Bank	20,000
Capital One Bank	147,739
Signature Bank	175,356
City National Bank of New Jersey	61
HSBC	20,865
Wells Fargo	206,907
Petty Cash	<u>762</u>
Total Cash Balances By Bank	<u>\$ 921,312</u>

*See Exhibit X-13 Note 2, Deposits and Investments

**The Cash Balance reported on this Statement will equal the sum of the Cash and Cash Equivalents plus Restricted Cash and Cash Equivalents appearing on the Statement of Net Position (Deficit) (Exhibit X-1) for the Primary Government and the Cash Balances, as of the fiscal year end, reported in the Statement of Changes in Fiduciary Assets and Liabilities (Exhibit D-1).

STATISTICAL SECTION

This Section of the County of Nassau's Comprehensive Annual Financial Report presents additional information, schedules, and historical content as a context to assist financial users to provide a greater understanding of the information in the financial statements, note disclosures, and required supplementary information, and to assist in the assessment of the County's overall financial condition. It is intended to provide readers of this report with a broader and more complete understanding of the County and its financial affairs than is possible from the financial statements and schedules included in the Financial section. In some cases, statistical information comes from towns, cities, villages, school districts, and special districts which are not part of the County reporting entity. Many schedules cover several fiscal years for comparison purposes, and present certain data from outside the County's accounting records.

Contents

Financial Trends Information

These schedules contain trend information to help the reader understand how the County's financial performance and position has changed over time.

Revenue Capacity Information

These schedules contain information to assist readers in understanding the factors affecting the County's local revenue sources, namely property and sales taxes.

Debt Capacity Information

These schedules contain information to assist readers in assessing the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Economic and Demographic Information

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

Operating Information

These schedules provide contextual information about the County's operations and resources to assist readers in understanding how the information in the County's financial report relates to the services it provides and the activities it performs.

Note: Certain information prior to 2011 is presented pre-implementation of GASB 54.

Sources: The information in these schedules is derived from the Comprehensive Annual Financial Report for the applicable year, unless otherwise noted.

THIS PAGE IS INTENTIONALLY LEFT BLANK

FINANCIAL TRENDS INFORMATION

THIS PAGE IS INTENTIONALLY LEFT BLANK

EXHIBIT T-1

COUNTY OF NASSAU, NEW YORK

**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Dollars in Thousands)**

Fiscal Year	Net Investment in Capital Assets	Restricted						Unrestricted	Total Primary Government Net Position
		Statutory	Grants	FEMA	Debt Service	Judgments and Settlements	Capital Projects		
2015	\$ 1,949,316	\$ 1,401	\$ 20,911	\$ 121	\$ 87,372	\$ 20,200	\$ 2,912	\$ (9,436,735)	\$ (7,354,502)
2014*	1,718,300	1,194	43,420		100,455		2,912	(9,173,415)	(7,307,134)
2013	1,620,294	1,087	48,618		54,019		7,099	(8,553,584)	(6,822,467)
2012	1,675,710	933	12,969		55,365		7,091	(8,435,294)	(6,683,226)
2011	1,681,865	2,269	21,512		59,397		7,082	(8,151,403)	(6,379,278)
2010	1,534,318						226,915	(7,068,439)	(5,307,206)
2009	1,503,411						143,133	(6,656,450)	(5,009,906)
2008	1,356,866						56,742	(6,132,850)	(4,719,242)
2007	1,602,186							(6,029,636)	(4,427,450)
2006	1,556,170						32,719	(3,053,438)	(1,464,549)

*Adjustments have been made to the 2014 numbers to show the effects of the prior period adjustment for comparative purposes.

EXHIBIT T-2**COUNTY OF NASSAU, NEW YORK**
**CHANGES IN NET POSITION
 LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (Dollars in Thousands)**

	Fiscal Year				
	2015	2014*	2013	2012	2011
Expenses					
Primary Government:					
Legislative	\$ 11,094	\$ 10,940	\$ 11,010	\$ 10,722	\$ 10,554
Judicial	69,964	78,144	67,275	66,479	64,004
General Government	711,125	851,284	231,868	758,742	1,494,399
Postemployment Retirement Benefits					
Protection of Persons	779,467	821,444	806,103	811,733	763,528
Health	221,582	215,975	218,889	239,524	255,959
Public Works	357,050	399,406	425,228	342,764	251,139
Recreation and Parks	50,308	55,039	48,321	48,082	39,768
Social Services	538,899	560,347	567,342	562,832	576,297
Corrections	223,176	240,124	248,781	247,123	271,170
Education	9,225	10,753	11,375	5,692	9,826
Debt Service Interest	184,587	180,197	176,723	207,353	186,056
Total Primary Government Expenses	<u>3,156,477</u>	<u>3,423,653</u>	<u>2,812,915</u>	<u>3,301,046</u>	<u>3,922,700</u>
Program Revenues					
Primary Government:					
Charges for services:					
Legislative		121			
Judicial	59,871	83,316	59,908	44,374	49,008
General Government	41,170	40,856	57,149	93,752	74,097
Protection of Persons	56,913	47,200	47,199	46,824	42,060
Health	16,322	13,012	21,391	31,646	23,475
Public Works	70,530	52,563	51,436	9,910	6,119
Recreation and Parks	23,249	19,898	19,463	19,852	19,875
Social Services	19,302	25,870	20,833	17,370	19,046
Corrections	3,812	4,070	4,369	8,633	9,014
Education	11,586	13,162	19,149	3,656	
Operating Grants	487,571	466,201	534,653	563,964	463,523
Capital Grants	138,408	74,945	13,641	42,715	159,156
Total Primary Government Program Revenues	<u>928,734</u>	<u>841,214</u>	<u>849,191</u>	<u>882,696</u>	<u>865,373</u>
Net (Expenses)/Revenues	<u>(2,227,743)</u>	<u>(2,582,439)</u>	<u>(1,963,724)</u>	<u>(2,418,350)</u>	<u>(3,057,327)</u>
General Revenues					
Primary Government:					
Taxes:					
Property Taxes	966,897	937,709	928,034	943,624	922,894
Sales Taxes	1,102,886	1,090,809	1,135,245	1,066,012	1,023,128
Other Taxes	46,952	43,595	45,618	41,352	40,601
Tobacco Settlement Revenue and Tobacco Receipts	18,598	21,733	19,210	19,222	18,849
Investment Income	20,643	19,384	1,748	15,058	20,711
Other	32,662	30,978	32,810	29,134	28,165
Total Primary Government General Revenues	<u>2,188,638</u>	<u>2,144,208</u>	<u>2,162,665</u>	<u>2,114,402</u>	<u>2,054,348</u>
Change in Net Position	(39,105)	(438,231)	198,941	(303,948)	(1,002,979)
Implementation of GASB 48					
Net Position (Deficit) - Beginning, as restated (See Notes 20 and 21)	(7,315,397)	(6,868,903)	(7,021,408)	(6,379,278)	(5,376,299)
Net Position (Deficit) - Ending	<u>\$ (7,354,502)</u>	<u>\$ (7,307,134)</u>	<u>\$ (6,822,467)</u>	<u>\$ (6,683,226)</u>	<u>\$ (6,379,278)</u>

(Continued)

*Adjustments have been made to the 2014 numbers to show the effects of the prior period adjustment for comparative purpose

EXHIBIT T-2**COUNTY OF NASSAU, NEW YORK**
**CHANGES IN NET POSITION
 LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (Dollars in Thousands)**

	Fiscal Year				
	2010	2009	2008	2007	2006
Expenses					
Primary Government:					
Legislative	\$ 10,213	\$ 10,108	\$ 10,126	\$ 9,789	\$ 8,754
Judicial	65,765	51,142	52,998	49,995	45,018
General Government	739,650	752,102	759,162	529,185	587,841
Postemployment Retirement Benefits				3,354,770	
Protection of Persons	771,480	725,762	718,984	672,293	633,154
Health	243,078	268,204	259,517	254,856	248,782
Public Works	238,683	218,257	224,577	221,678	226,599
Recreation and Parks	34,035	33,369	43,125	48,833	45,687
Social Services	564,636	539,817	519,326	501,254	490,302
Corrections	231,627	253,576	212,124	225,968	225,334
Education	12,086	11,457	10,741	10,216	10,545
Debt Service Interest	171,156	164,498	159,632	157,439	160,847
Total Primary Government Expenses	<u>3,082,409</u>	<u>3,028,292</u>	<u>2,970,312</u>	<u>6,036,276</u>	<u>2,682,863</u>
Program Revenues					
Primary Government:					
Charges for services:					
Legislative	193	274	233	122	18
Judicial	33,961	19,705	17,953	18,329	20,062
General Government	61,742	45,522	43,712	70,641	71,494
Protection of Persons	36,495	37,462	33,285	35,544	36,127
Health	22,196	22,245	22,208	22,798	19,807
Public Works	6,060	9,146	7,612	5,366	5,245
Recreation and Parks	19,426	19,665	19,775	17,902	17,458
Social Services	18,497	17,903	19,227	14,558	20,364
Corrections	4,784	5,300	7,420	5,483	4,822
Education		1,011	2,579	3,668	
Operating Grants	485,243	463,438	412,965	397,531	382,954
Capital Grants	42,576	63,479	15,106	37,031	32,484
Total Primary Government Program Revenues	<u>731,173</u>	<u>705,150</u>	<u>602,075</u>	<u>628,973</u>	<u>610,835</u>
Net (Expenses)/Revenues	<u>(2,351,236)</u>	<u>(2,323,142)</u>	<u>(2,368,237)</u>	<u>(5,407,303)</u>	<u>(2,072,028)</u>
General Revenues					
Primary Government:					
Taxes:					
Property Taxes	931,585	919,653	889,519	886,691	883,637
Sales Taxes	997,175	949,710	998,733	1,010,566	989,243
Other Taxes	40,900	41,149	38,991	45,037	39,452
Tobacco Settlement Revenue and Tobacco Receipts	19,881	82,210	74,078	59,153	53,661
Investment Income	13,654	13,757	48,701	45,284	49,369
Other	26,521	25,999	26,423	21,865	22,532
Total Primary Government General Revenues	<u>2,029,716</u>	<u>2,032,478</u>	<u>2,076,445</u>	<u>2,068,596</u>	<u>2,037,894</u>
Change in Net Position	(321,520)	(290,664)	(291,792)	(3,338,707)	(34,134)
Implementation of GASB 48				375,806	
Net Position - Beginning	(4,985,686)	(4,719,242)	(4,427,450)	(1,464,549)	(1,430,415)
Net Position - Ending	<u>\$ (5,307,206)</u>	<u>\$ (5,009,906)</u>	<u>\$ (4,719,242)</u>	<u>\$ (4,427,450)</u>	<u>\$ (1,464,549)</u>

(Concluded)

EXHIBIT T-3**COUNTY OF NASSAU, NEW YORK****GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Dollars in Thousands)**

Fiscal Year	Property Taxes	Sales Tax	Preempted Sales Tax in Lieu of Property Taxes	Payments in Lieu of Taxes	Special Taxes	Total
2015	\$ 966,897	\$ 1,015,752	\$ 87,134	\$ 12,305	\$ 34,647	\$ 2,116,735
2014	937,709	1,006,373	84,436	10,006	33,589	2,072,113
2013	928,034	1,054,095	81,150	10,791	34,827	2,108,897
2012	943,624	992,706	73,305	8,583	32,768	2,050,986
2011	922,894	952,885	70,243	7,369	33,232	1,986,623
2010	931,585	939,610	57,565	6,881	34,019	1,969,660
2009	919,653	887,530	62,180	6,158	34,991	1,910,512
2008	889,519	936,304	62,429	4,154	34,837	1,927,243
2007	886,691	948,937	61,629	7,356	37,681	1,942,294
2006	883,637	929,817	59,426	4,551	34,901	1,912,332

EXHIBIT T-4**COUNTY OF NASSAU, NEW YORK**
**FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 (Dollars in Thousands)**

	Fiscal Year									
	2015	2014**	2013***	2012	2011 ¹	2010	2009	2008	2007	2006
General Fund (Includes NIFA)										
Nonspendable	\$ 44,645	\$ 42,222	\$ 41,017	\$ 37,275	\$ 33,860					
Spendable:										
Restricted:										
Committed	37,992	16,354	16,436	17,849	19,638					
Assigned	76	1,871								
Unassigned	8,999	20,422	560							
Reserved for Encumbrances	43,520		37,243	(9,535)	(9,182)					
Unreserved, Designated for Ensuing Year's Budget						\$ 86,227	\$ 68,459	\$ 72,597	\$ 73,592	\$ 56,324
Unreserved						93,498	52,784	47,928	56,271	73,342
Total General Fund	135,232	80,869	95,256	45,589	44,316	179,725	121,243	130,525	139,863	142,741
All Other Governmental Funds										
Nonspendable	12,036	12,124	12,103	11,304	11,176					
Spendable:										
Restricted:										
Committed	94,092	130,999	141,541	58,509	70,622					
Assigned	143,397	263,786	296,976	151,162	151,051					
Unassigned	46,213	52,682	69,393	81,930	88,072					
Unassigned	(19,547)	(21,184)	(13,939)	(4,420)	(13,759)					
Reserved for Retirement of Temporary Financing						8,588	8,835	4,679	7,326	25,961
Reserved for Encumbrances						342,310	339,976	339,524	241,394	266,165
Restricted - Senior Liquidity Reserve						24,009	24,009	24,009	24,009	24,009
Unreserved and Designated for Ensuing Year's Budget						35,538	52,785	59,496	53,203	
Unreserved:										
Special Revenue Fund						56,481	71,477	65,174	114,954	123,199
Capital Fund						(11,774)	(75,019)	(155,310) *		
Nonmajor Special Revenue Funds						(10,353)	(11,348)	(31,613)	(41,132)	(29,733)
Nonmajor Capital Projects Funds						(32,730)	(48,728)	(23,728)	(219,450)	(149,672)
Nonmajor Debt Service Funds						16,295	18,054	21,477	(26,424)	2,054
Total All Other Governmental Funds	276,191	438,407	506,074	298,485	307,162	428,364	380,041	303,708	153,880	261,983
Total Governmental Funds	\$ 411,423	\$ 519,276	\$ 601,330	\$ 344,074	\$ 351,478	\$ 608,089	\$ 501,284	\$ 434,233	\$ 293,743	\$ 404,724

* Beginning in 2008, the Capital Fund became a Major Fund

** Adjustments have been made to the 2014 numbers to show the effects of the prior period adjustment for comparative purposes.

*** Fund balance was restated from prior CAFR's

General Note: Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation. There was no effect on the total governmental funds fund balance.

¹ Beginning in 2011, components of fund balance were reclassified in accordance with Governmental Standards Board (GASB) Statement No. 5 *Fund Balance Reporting and Governmental Fund Type Definitions*.

EXHIBIT T-5

COUNTY OF NASSAU, NEW YORK

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(Dollars in Thousands)**

	Fiscal Year									
	2015	2014*	2013	2012	2011	2010	2009	2008	2007	2006
Revenues										
Major Governmental Funds ¹										
Interest and Penalties on Taxes	\$ 32,661	\$ 30,978	\$ 32,810	\$ 27,988	\$ 28,165	\$ 26,521	\$ 25,998	\$ 26,423	\$ 21,865	\$ 22,532
Licenses and Permits	18,755	16,077	18,149	14,338	13,429	10,119	11,529	10,176	10,580	10,525
Fines and Forfeits	62,638	85,822	61,439	44,059	52,542	37,251	24,075	22,019	22,266	23,001
Interest Income	1,342	1,546	1,897	1,808	2,864	3,031	3,374	14,539	29,597	22,733
Rents and Recoveries	27,964	16,615	21,094	31,020	31,440	21,036	23,737	30,921	25,338	43,696
Tobacco Settlement Revenue							15,166	23,000	23,600	23,000
Tobacco Receipts									14,500	10,273
Departmental Revenue	171,369	159,630	171,720	167,173	119,601	97,692	98,998	90,673	94,902	87,795
Interdepartmental Revenue	83,002	87,312	89,430	85,515	135,732	156,320	164,334	138,074	133,402	135,478
Interfund Revenue	45,170	37,321	38,298	40,223						
Intergovernmental Charges		163	2,421	2,360						
Federal Aid	257,954	159,781	131,512	189,495	200,864	228,019	176,743	116,253	123,872	115,193
State Aid	222,322	209,024	207,011	222,753	191,768	177,426	212,556	209,058	201,682	187,799
Sales Tax	1,015,752	1,006,373	1,054,095	992,706	952,885	939,610	887,530	936,304	948,937	929,817
Preempted Sales Tax in Lieu of Property Taxes	87,134	84,436	81,150	73,305	70,243	57,565	62,180	62,429	61,629	59,426
Property Taxes	958,350	925,011	924,818	932,682	915,785	807,167	804,766	882,144	882,563	884,512
Payments in Lieu of Taxes	12,305	10,006	10,791	8,583	7,369	6,881	6,158	4,154	7,356	4,551
Special Taxes	33,293	32,614	31,451	29,602	30,485	31,378	32,623	31,726	33,654	34,901
Other Revenue	14,381	13,012	20,669	10,693	20,158	31,727	13,551	13,294	49,606	25,081
Total Major Governmental Funds	3,044,392	2,875,721	2,898,755	2,874,303	2,773,330	2,631,743	2,563,318	2,611,187	2,685,349	2,620,313
Nonmajor Governmental Funds										
Fines and Forfeits	1,572	1,508	1,583	2,762	1,784	1,798	1,718	2,122	1,330	2,559
Interest Income	240	613	249	412	95	365	2,001	5,105	8,500	17,532
Rents and Recoveries	62	76	63	716	752	281	272	343	343	169
Departmental Revenue	4,054	3,689	3,254	3,239	2,998	3,146	2,782	2,815	2,586	2,470
Interdepartmental Revenue		3,432	4,660	11,789	27	102	296	352	349	710
Interfund Revenue	232	230	234	235						
Federal Aid	91,867	94,926	142,312	171,673	75,777	73,858	65,738	51,831	47,955	54,461
State Aid	43,766	38,993	66,068	18,622	29,211	39,383	35,927	48,433	43,955	55,639
Tobacco Proceeds							43,155	29,415		
Tobacco Receipts	18,598	21,733	19,210	19,222	18,849	19,881	23,889	21,663	21,053	20,388
Property Taxes	9,602	9,651	11,276	11,252	11,254	125,038	114,887	7,375	4,128	4,551
Special Taxes	1,354	975	3,376	3,166	2,747	2,641	2,368	3,111	4,027	2,447
Other Revenues				17	90	4,242	72	1,629	890	2,447
Total Nonmajor Governmental Funds	171,347	175,826	252,285	243,105	143,584	270,735	293,594	174,123	135,116	156,375
Total Revenues	3,215,739	3,051,547	3,151,040	3,117,408	2,916,914	2,902,478	2,856,912	2,785,310	2,820,465	2,776,688
Expenditures										
Major Governmental Funds										
Current:										
Legislative	11,390	10,689	10,685	10,434	10,308	10,207	10,100	10,118	9,781	8,747
Judicial	66,856	70,562	60,269	60,021	58,090	62,677	47,778	49,998	46,304	41,733
General Administration	247,607	203,134	202,542	306,533	230,251	218,252	227,498	218,324	229,056	228,451
Protection of Persons	831,994	822,351	792,598	789,271	772,530	787,104	731,109	729,558	713,778	672,021
Health	172,940	166,417	169,037	193,133	211,840	204,416	222,934	214,808	216,106	215,413
Public Works	301,537	312,821	305,142	190,872	204,370	184,260	195,203	181,108	185,981	182,580
Recreation and Parks	37,659	35,418	29,938	25,779	27,895	23,282	24,533	24,404	40,863	55,919
Social Services	548,807	562,606	567,330	565,557	585,210	585,470	541,844	518,409	516,968	505,817
Corrections	224,835	225,139	230,565	227,718	252,080	225,207	247,009	205,186	218,509	217,820
Education	11,692	10,680	15,051	4,749	10,362	10,483	9,945	8,656	7,325	6,898
Payments for Tax Certiorari	96,221	133,858	101,080	34,377	68,142	106,483	120,180	115,717	87,251	74,710
Aid to Towns and Cities	66,315									
Other	62,973	132,202	133,977	142,463	125,795	127,608	116,649	123,649	116,683	125,336
Capital Outlay:										
General	161,955	146,353	111,096	123,371	103,275	118,353	162,473	149,533	124,129	
Sewage Districts	148,236	76,500	23,224	39,932	30,629					
Education	458	3,465								
Debt Service:										
Principal	83,489	76,572	73,081	74,208	87,699	98,606	104,015	110,066	126,407	146,324
Interest	97,646	93,070	80,871	77,779	69,934	53,304	38,940	34,885	35,947	41,375
Financing Costs	2,898	2,741	5,030	4,673	3,125	7,069	12,091	4,765	994	249
Total Major Governmental Funds	3,175,508	3,084,578	2,911,516	2,870,870	2,851,535	2,822,781	2,812,301	2,709,024	2,676,082	2,523,353
Nonmajor Governmental Funds										
Current:										
Legislative					1					
Judicial	3,615	4,292	3,756	3,222	2,630	3,816	3,287	3,053	2,968	1,725
General Administration	50,990	29,216	47,297	29,846	33,332	37,116	32,809	33,015	27,125	28,360
Protection of Persons	12,233	10,665	12,632	31,448	11,806	11,009	14,999	8,935	7,951	8,497
Health	50,474	53,856	55,329	51,023	48,880	50,760	49,871	48,377	47,484	42,580
Public Works	15,298	32,246	42,828	84,111	7		5	165	208	223
Recreation and Parks	1,830	4,137	7,163	7,432	3,803	4,467	1,938	1,784	784	458
Social Services	15,569	14,761	13,889	11,941	8,672	8,481	7,131	6,424	5,802	5,258
Corrections	1,443	1,459	2,060	2,164	1,676	1,487	1,669	2,001	2,799	2,596
Other							43,155	29,415		
Capital Outlay:										
General County										125,298
Sewage Districts						26,008	30,962	27,801	18,456	8,949
Debt Service:										
Principal	182,769	167,269	158,920	152,380	127,105	112,113	99,891	96,893	83,200	94,015
Interest	75,061	71,783	79,467	108,093	100,718	92,514	111,041	119,144	113,487	118,643
Financing Costs	559	1,419		7,126		254	1,954			14,389
Total Nonmajor Governmental Funds	409,841	391,103	423,341	488,787	338,629	347,771	397,012	378,961	310,264	450,991
Total Expenditures	3,585,349	3,475,681	3,334,857	3,359,657	3,190,164	3,170,552	3,209,313	3,087,985	2,986,346	2,974,344
Excess (Deficiency) of Revenues Over (Under) Expenditures	(369,610)	(424,134)	(183,817)	(242,249)	(273,250)	(268,074)	(352,401)	(302,675)	(165,881)	(197,656)

(Continued)

EXHIBIT T-5

COUNTY OF NASSAU, NEW YORK

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(Dollars in Thousands)**

	Fiscal Year									
	2015	2014*	2013	2012	2011	2010	2009	2008	2007	2006
Other Financing Sources (Uses)										
Premium on Bonds	\$ 53,793	\$ 72,134	\$ 25,025	\$ 47,095	\$ 9,323	\$ 28,748	\$ 51,339	\$ 8,800	\$ 1,055	\$ -
EFC Subsidy			(695)			1,141			356	912
Funding of Residual Trust									(21,073)	(140,265)
Deposited with Escrow Agent for Defeasance							(389,335)	(789,735)		(248,564)
Transfers In	65,872	45,146	27,419	41,763	40,604	604,630	641,377	487,053	448,731	640,408
Transfers In of Investment Income	702	898	1,115	1,092	1,063	549	2,144	4,144	6,684	4,938
Transfers Out	(65,872)	(45,146)	(27,419)	(41,763)	(40,604)	(604,630)	(641,377)	(487,053)	(448,731)	(640,408)
Transfers Out of Investment Income	(702)	(898)	(1,115)	(1,092)	(1,063)	(549)	(2,144)	(4,144)	(6,684)	(4,938)
Transfers In from NIFA	182,046	187,163	202,047	214,004	201,429	170,044	183,911	189,852	208,350	77,841
Transfers Out to NIFA	(182,046)	(187,163)	(202,047)	(214,004)	(201,429)	(170,044)	(183,911)	(189,852)	(208,350)	(77,841)
Transfers In from SFA	132,958	199,272	159,703	164,903	167,254	49,755	148,986	268,028	330,440	426,510
Transfers Out to SFA	(132,958)	(199,272)	(159,703)	(164,903)	(167,254)	(49,755)	(148,986)	(268,028)	(330,440)	(426,510)
Transfers In from TSC	125	125	75	150						
Transfer Out to TSC	(125)	(125)	(75)	(150)						
Issuance of Notes								50,757		
Issuance of Bonds	198,535	237,756	365,492	192,147	76,409	344,990	808,205	1,173,343	74,562	431,034
Refunding Bonds Issued	116,310	157,200		317,713						
Payment to Bond Escrow Agent	(106,881)	(129,535)		(314,390)						
Debt Service - Current Refunding NIFA				(8,060)						
Redemption of Notes							(50,757)			
Other Sources			502	340						
Total Financing Sources	261,757	337,555	390,324	234,845	85,732	374,879	419,452	443,165	54,900	43,117
Net Change in Fund Balance	(107,853)	(86,579)	206,507	(7,404)	(187,518)	106,805	67,051	140,490	(110,981)	(154,539)
Total Fund Balances at Beginning of Year, as restated (See Note 20)	519,276	601,330	394,823	351,478	538,996	501,284	434,233	293,743	404,724	559,263
Change in Application of Accounting Principle		4,525								
Total Fund Balances at End of Year	\$ 411,423	\$ 519,276	\$ 601,330	\$ 344,074	\$ 351,478	\$ 608,089	\$ 501,284	\$ 434,233	\$ 293,743	\$ 404,724
Debt Service as a Percentage of Noncapital Expenditures	13.41%	12.75%	12.03%	12.87%	13.38%	13.18%	13.00%	13.91%	14.48%	14.12%

(Concluded)

¹ Beginning in 2007, Capital Projects is a Major Fund

*Adjustments have been made to the 2014 numbers to show the effects of the prior period adjustment for comparative purposes.

THIS PAGE IS INTENTIONALLY LEFT BLANK

REVENUE CAPACITY INFORMATION

EXHIBIT T-6

COUNTY OF NASSAU, NEW YORK

**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(Dollars in Thousands)**

Fiscal Year	Property Taxes	Sales Tax	Preempted Sales Tax in Lieu of Property Taxes	Payments in Lieu of Taxes	Special Taxes	Total
2015	\$ 967,952	\$ 1,015,752	\$ 87,134	\$ 12,305	\$ 34,647	\$ 2,117,790
2014	934,662	1,006,373	84,436	10,006	33,589	2,069,066
2013	936,094	1,054,095	81,150	10,791	34,827	2,116,957
2012	943,934	992,706	73,305	8,583	32,768	2,051,296
2011	927,039	952,885	70,243	7,369	33,232	1,990,768
2010	932,205	939,610	57,565	6,881	34,019	1,970,280
2009	919,653	887,530	62,180	6,158	34,991	1,910,512
2008	889,519	936,304	62,429	4,154	34,837	1,927,243
2007	886,691	948,937	61,629	7,356	37,681	1,942,294
2006	884,512	929,817	59,426	4,551	34,901	1,913,207

EXHIBIT T-7**COUNTY OF NASSAU, NEW YORK****SALES TAX, ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Dollars in Thousands)**

Fiscal Year Ended December 31	Sales Tax Revenue ¹	Sales Tax Rate	Class 1 Assessed Value	Class 2 Assessed Value	Class 3 Assessed Value	Class 4 Assessed Value	Total Taxable Assessed Value	Levied Property Taxes	Total Direct Property Tax Rate per \$100 Assessed Value	Estimated Actual Taxable Full Valuation	Assessed Value as a Percentage of Actual Taxable Full Valuation
2015	\$ 1,102,886	4.25%	\$ 385,351 ****	\$ 31,966 ****	\$ 40,799 ****	\$ 173,471 ****	631,587 ***	\$ 967,952	153.26	\$ 204,607,718	0.31%
2014	1,090,809	4.25%	395,694 ****	32,698 ****	40,520 ****	178,843 ****	647,755 ***	934,662	144.29	200,331,933	0.32%
2013	1,135,245	4.25%	408,904 ****	32,688 ****	40,378 ****	181,166 ****	663,136 ***	936,094	141.16	205,075,616	0.32%
2012	1,066,011	4.25%	443,291 ****	34,894 ****	41,287 ****	196,533 ****	716,005 ***	943,934	131.83	217,753,867	0.33%
2011	1,023,128	4.25%	467,353 ****	37,798 ****	39,629 ****	226,538 ****	771,318 ***	927,039	120.19	218,338,458	0.35%
2010	997,175	4.25%	543,233 ****	35,924 ****	38,155 ****	220,140 ****	837,452 ***	932,205	111.31	252,854,423	0.33%
2009	949,710	4.25%	542,881 ****	34,202 ****	34,660 ****	207,054 ****	818,797 ***	919,653	112.32	257,054,119	0.32%
2008	998,733	4.25%	523,214 ****	31,036 ****	30,820 ****	193,634 ****	778,704 ***	889,519	114.23	261,031,961	0.30%
2007	1,010,566	4.25%	493,266 ****	28,852 ****	28,680 ****	177,797	728,595 **	886,691	121.70	244,238,974	0.30%
2006	989,243	4.25%	833,629	27,593	24,576	177,379	1,063,177 *	884,512	83.20	212,313,816	0.50%

* In 2004 and 2005, a new Department of Assessment methodology was developed and approved by the State in deriving total taxable assessed valuation by utilizing one percent of market value applicable to each of the four property classes.

** In 2006, a new Department of Assessment methodology was developed and approved by the State in deriving total taxable assessed valuation by utilizing one half of one percent of market value for Class 1 properties and utilizing one percent of market value for the other property classes.

*** Beginning in 2007, a new Department of Assessment methodology was developed and approved by the State in deriving total taxable assessed valuation by utilizing one quarter of one percent of market value for Class 1 properties and utilizing one percent of market value for the other property classes.

****Additional Source: Nassau County Adopted Budget

¹ This includes preempted sales tax in lieu of property taxes

EXHIBIT T-8

COUNTY OF NASSAU, NEW YORK

**PROPERTY TAX LEVIES AND TAX RATES,
DIRECT AND OVERLAPPING GOVERNMENTS
FOR THE FISCAL PERIODS ENDED IN 2005 THROUGH 2014
(Dollars in Thousands)**

	(Tax Rates per \$100 of Assessed Valuation)									
	2014		2013		2012		2011		2010	
	Tax Levy	Tax Rate/Range	Tax Levy	Tax Rate/Range	Tax Levy	Tax Rate/Range	Tax Levy	Tax Rate/Range	Tax Levy	Tax Rate/Range
<u>County of Nassau *</u>										
General County Government (Net)	\$ 80,510	1.86/33.43	\$ 117,108	6.81/37.37	\$ 120,039	11.36/39.25	\$ 174,507	11.36/39.25	\$ 162,839	12.69/30.75
Police District	361,727	57.60/120.75	358,716	56.72/120.4	369,985	46.83/124.88	364,489	46.83/124.88	343,354	46.16/123.51
Police Headquarters	348,868	32.75/65.99	313,707	30.56/56.97	299,057	20.62/38.72	245,666	20.62/38.72	279,980	24.83/37.70
Fire Prevention	15,945	1.51/3.04	15,258	1.50/2.79	15,251	1.32/2.48	15,654	1.32/2.48	15,401	1.38/2.09
Community College	52,207	4.87/9.82	52,207	5.05/9.42	52,207	4.34/8.15	52,207	4.34/8.15	52,207	4.59/6.97
Sewage Disposal Districts										
Sewer & Storm Water District Fund	117,271	1.59/61.58	117,271	1.41/48.61	117,271	1.37/54.89	119,032	1.37/54.89	116,032	1.40/98.62
Parks & Recreation										
Environmental Bond	9,671	.92/1.85	11,250	1.11/2.07	11,250	.95/1.79	11,250	.95/1.79	9,000	.81/1.23
Total County of Nassau	986,199	15.73%	985,517	16.10%	985,060	16.42%	982,805	16.81%	978,813	17.01%
<u>Town and City Governments</u>										
	298,138	.82/53.93	288,718	.80/51.33	288,795	.78/44.83	268,602	.78/44.83	250,961	.61/42.69
	4.75%		4.72%		4.82%		4.59%		4.36%	
<u>Incorporated Village Governments</u>										
	451,152	.003/321.00	439,677	.003/293.08	428,901	.003/232.85	420,196	.003/232.85	406,839	.003/213.97
	7.20 %		7.18 %		7.15 %		7.19 %		7.07 %	
<u>School Districts</u>										
	3,951,434	1.76/1245.14	3,841,766	1.73/1141.66	3,746,069	1.65/880.89	3,619,714	1.65/880.89	3,575,807	1.30/809.20
	63.04%		62.77%		62.46%		61.90%		62.13%	
<u>Special Districts</u>										
Fire	113,417	4.67/186.72	111,346	4.78/183.68	108,892	3.47/137.49	106,817	3.47/137.49	104,341	3.10/650.83
Fire Protection	19,981	1.75/127.39	19,579	1.72/193.77	19,113	1.76/132.45	18,989	1.76/132.45	18,183	1.68/131.58
Garbage, Refuse and Sanitary	220,218	6.30/144.09	213,956	6.31/150.28	209,324	.86/138.60	222,634	.86/138.60	225,586	.66/141.84
Lighting	17,044	1.54/8.28	16,216	1.52/8.30	17,497	1.34/8.70	17,052	1.34/8.70	16,642	1.30/8.64
Park	92,373	2.27/293.82	90,620	2.25/329.33	86,288	1.83/237.36	87,307	1.83/237.36	78,464	1.65/213.28
Parking and Improvement	52,659	.14/231.45	50,351	.14/210.46	50,048	.11/203.23	47,406	.11/203.23	46,497	.08/310.03
Sewage – Special	18,698	.00/134.77	16,295	.00/134.86	15,649	.00/150.60	14,812	.00/150.60	14,553	.00/149.46
Water	47,102	1.61/118.88	46,363	1.68/131.47	41,837	.05/160.71	41,110	.05/160.71	38,548	.05/78.54
Total Special Districts	581,492	9.28%	564,726	9.23%	548,648	9.15%	556,127	9.51%	542,814	9.43%
Totals	\$ 6,268,415	100%	\$ 6,120,404	100%	\$ 5,997,473	100%	\$ 5,847,444	100%	\$ 5,755,234	100%

(Continued)

* Per Approved Legislative Tax Ordinances.

Note: Nassau County has elected to keep this schedule since it has been requested for both internal and external agency purposes. Fiscal Year 2014 is the most recent data available

Sources: Various County, Towns, Schools, and Special Districts

EXHIBIT T-8

COUNTY OF NASSAU, NEW YORK

**PROPERTY TAX LEVIES AND TAX RATES,
DIRECT AND OVERLAPPING GOVERNMENTS
FOR THE FISCAL PERIODS ENDED IN 2005 THROUGH 2014
(Dollars in Thousands)**

	2009		2008		2007		2006		2005	
	Tax Levy	Tax Rate/Range								
<u>County of Nassau *</u>										
General County Government (Net)	\$ 156,498	13.73/31.19	\$ 145,858	14.53/30.78	\$ 123,962	14.08/28.70	\$ 80,016	6.09/24.63	\$ 112,770	4.89/33.05
Police District	345,036	49.18/138.64	332,326	49.52/146.55	331,640	52.41/160.16	333,627	31.05/190.84	309,307	17.69/175.22
Police Headquarters	289,074	27.92/40.19	279,632	29.96/40.14	287,070	34.38/43.10	258,050	21.87/43.55	252,898	12.87/47.74
Fire Prevention	15,466	1.51/2.17	15,555	1.68/2.25	15,699	1.90/2.38	15,850	1.35/2.02	15,444	.79/2.93
Community College	52,207	4.92/7.18	50,247	5.33/7.19	48,361	5.73/7.19	46,546	3.91/7.78	44,799	2.26/8.38
<u>Sewage Disposal Districts</u>										
Sewer & Storm Water District Fund	110,032	1.40/47.93	103,932	1.03/41.09	118,932	1.03/140.70	138,932	.71/211.49	138,932	.42/205.18
Parks & Recreation							51,168	4.60/9.15	48,294	2.60/9.64
Environmental Bond	4,850	.49/0.70	7,375	.81/1.09	4,128	.52/0.65				
Total County of Nassau	973,163	17.17%	934,925	17.43%	929,792	17.96%	924,189	18.55%	922,444	19.40%
<u>Town and City Governments</u>										
	247,128	.55/41.40	231,735	.54/38.12	220,779	.53/36.56	206,090	.47/42.22	208,654	.01/39.20
	-		-		-		-		-	
	4.36%		4.32%		4.27%		4.14%		4.39%	
<u>Incorporated Village Governments</u>										
	423,741	.10/214.35	383,097	.10/214.90	367,733	.14/203.37	367,408	.11/116.09	344,668	.12/68.50
	-		-		-		-		-	
	7.48 %		7.14 %		7.11 %		7.37 %		7.25 %	
<u>School Districts</u>										
	3,480,489	1.20/893.76	3,309,803	1.18/980.37	3,167,626	1.18/1005.38	3,010,688	1.31/1106.35	2,833,955	21.62/1109.50
	-		-		-		-		-	
	61.41%		61.70%		61.20%		60.43%		59.59%	
<u>Special Districts</u>										
Fire	109,452	3.78/600.86	101,065	3.93/450.52	96,001	4.37/421.75	97,873	2.96/505.37	88,558	1.99/164.42
Fire Protection	18,291	1.68/128.10	17,524	2.38/131.56	16,882	2.88/145.37	15,853	1.16/132.98	15,292	.50/137.46
Garbage, Refuse and Sanitary	222,555	.58/156.28	207,014	.59/176.34	201,869	.51/179.01	191,776	.29/192.98	174,235	.17/220.28
Lighting	17,125	1.30/10.02	15,972	1.30/10.10	15,358	1.26/11.54	14,525	.92/12.72	14,194	.52/12.46
Park	78,164	1.74/222.96	68,345	.75/85.75	67,036	.89/78.40	64,291	.49/83.64	60,837	.25/85.97
Parking and Improvement	45,862	.09/273.43	44,294	.08/231.66	43,807	.11/268.51	42,116	.06/299.60	49,159	.04/311.80
Sewage – Special	13,602	.00/189.64	14,809	.00/218.93	13,776	.00/319.84	12,866	.00/224.17	12,015	.00/220.28
Water	38,095	.05/82.41	35,546	.00/88.52	34,975	.00/154.17	34,295	.00/143.57	31,739	.00/95.96
	-		-		-		-		-	
Total Special Districts	543,146	9.58%	504,569	9.41%	489,704	9.46%	473,595	9.51%	446,029	9.37%
Totals	\$ 5,667,667		\$ 5,364,129		\$ 5,175,634		\$ 4,981,970		\$ 4,755,750	
	100%		100%		100%		100%		100%	

(Concluded)

EXHIBIT T-9

COUNTY OF NASSAU, NEW YORK

PRINCIPAL SOURCES OF OWN SOURCE REVENUE

Principal Property Taxpayers
Current and Nine Years Ago
(Dollars in Thousands)

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Long Island Power Authority	\$ 18,979	1	3.00%	\$ 14,728	1	1.39%
KEYSPAN	15,707	2	2.46%	5,323	3	0.50%
Verizon	4,954	3	0.78%	5,778	2	0.54%
E Q K Green Acres LP	3,888	4	0.62%	3,484	4	0.33%
Retail Property Trust	2,614	5	0.41%	1,989	6	0.19%
Long Island Water Corp.	1,812	6	0.29%			
CLK-HP	1,708	7	0.27%	1,864	7	0.18%
People of the State of New York (formerly Greater NY Assoc & NYRA)	1,292	8	0.20%			
Sunrise Mall LLC	1,044	9	0.17%			
Rexcorp Plaza Spe LLC (formerly Galaxy LI Assoc LLC)	1,010	10	0.16%	1,579	8	0.15%
Reckson Association				2,141	5	0.20%
GG & A Broadway Partners LLC				1,318	9	0.12%
Northrop Grumman Corp.				1,300	10	0.12%
Totals	<u>\$ 53,008</u>		<u>8.36%</u>	<u>\$ 39,504</u>		<u>3.72%</u>

* Beginning in 2007, a new Department of Assessment methodology was developed and approved by the State in deriving total taxable assessed valuation by utilizing one quarter of one percent of market value for Class I properties and utilizing one percent of market value for class II, III and IV property classes.

Source: Department of Assessment

EXHIBIT T-9**COUNTY OF NASSAU, NEW YORK****PRINCIPAL SOURCES OF OWN SOURCE REVENUE**

Taxable Sales by Industry**
2015 Year (12/2014 - 11/2015)
(Dollars in Thousands)

Industry	2015		
	Tax Base	Rank	Percentage of Total Tax Base
Retail Trade	\$ 15,052,827	1	59.103%
Accommodation and Food Services	2,801,609	2	11.000%
Information	1,347,950	3	5.293%
Wholesale Trade	1,287,278	4	5.054%
Other Services	874,756	5	3.435%
Manufacturing	721,744	6	2.834%
Administrative Support and Waste Management and Remediation	649,577	7	2.550%
Utilities	547,371	8	2.149%
Real Estate and Rental and Leasing	497,452	9	1.953%
Professional, Scientific, and Technical	489,849	10	1.923%
Construction	449,392	11	1.764%
Arts, Entertainment, and Recreation	376,776	12	1.479%
Finance and Insurance	101,948	13	0.400%
Transportation and Warehousing	75,338	14	0.296%
Unclassified	74,156	15	0.291%
Health Care and Social Assistance	43,591	16	0.171%
Management of Companies and Enterprises	36,570	17	0.144%
Educational Services	13,069	18	0.051%
Public Administration	12,548	19	0.049%
Agriculture, Forestry, Fishing and Hunting	11,032	20	0.043%
Mining, Quarrying, and Oil and Gas Extraction	4,146	21	0.016%
Totals	\$ 25,468,979		100.00%

Taxable Sales by Industry**
2006 Year (03/2006 -02/2007)
(Dollars in Thousands)

Industry	2006		
	Tax Base	Rank	Percentage of Total Tax Base
Retail Trade	\$ 13,562,681	1	59.662%
Accommodation and Food Services	1,929,501	2	8.488%
Wholesale Trade	1,513,693	3	6.659%
Information	1,344,305	4	5.914%
Ag., Mining, Trans., FIRE, Educ., Govt.	772,241	5	3.397%
Utilities	758,548	6	3.337%
Administrative/Support Services	560,740	7	2.467%
Other Services	542,393	8	2.386%
Construction	408,260	9	1.796%
Manufacturing	375,870	10	1.653%
Arts, Entertainment, and Recreation	355,797	11	1.565%
Professional,Scientific, and Technical	304,551	12	1.340%
Unclassified by Industry	272,637	13	1.199%
Health Care	31,308	14	0.138%
Totals	\$ 22,732,525		100.00%

**Because Methodologies, NAICS Categorizations, and classifications have changed in 2014, a side by side comparison is not suitable so we have presented both 2015 and 2006 as stand alone schedules.

Source: New York State Department of Taxation and Finance

EXHIBIT T-10

COUNTY OF NASSAU, NEW YORK

CONSTITUTIONAL TAX MARGIN INFORMATION

December 31, 2015

(Dollars in Thousands)

The Constitutional tax limit is the maximum amount of real property tax that may be levied in any fiscal year. The Constitutional tax margin represents the difference between the tax levy and the tax limit.

The Constitutional limit of real property taxation is 2% of the average full valuation of real estate for the last five years.

Average Full Valuation of Real Estate
for the Last Five Years:*

2015 Full Valuation	\$	204,607,718
2014 Full Valuation		200,331,933
2013 Full Valuation		205,075,616
2012 Full Valuation		217,753,867
2011 Full Valuation		218,338,458

1,046,107,592

Average Full Valuation

209,221,518

Constitutional Tax Margin:

Constitutional Limit of Real Property Taxation, 2% of Average Full Valuation
Add: Exclusions for Debt Service

4,184,430
142,526

Maximum Taxing Authority

\$ 4,326,956

2015 Tax Levies:

General County Government
Less: Sales Tax Allocation Credit and Other Adjustments

\$ 200,785
94,404

General County Government - net
Police District
Fire Prevention, Safety, Communication and Education
Community College
Environmental Bond Fund

106,381
367,977
15,848
52,207
9,602

Total 2014 Tax Levies which are subject to the Maximum Taxing Authority

552,015

Percentage of Taxing Authority Exhausted

12.76%

Constitutional Tax Margin

\$ 3,774,941

Constitutional Tax Margin as a Percentage of Maximum Taxing Authority

87.24%

* Full valuation is determined by dividing the total taxable assessed valuation by the average State equalization rate.

EXHIBIT T-11

COUNTY OF NASSAU, NEW YORK

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Dollars in Thousands)**

Fiscal Year Beginning January 1	Total Ad Valorem or General Property Tax Levy	Amount Collected at End of Fiscal Year December 31	Percentage Collected at End of Fiscal Year December 31	Amount Collected in Subsequent Years	Amount Collected to Date as of December 31, 2015	Percentage Collected to Date at December 31
2015	\$ 1,869,692	\$ 1,847,054	98.7892%	\$	\$ 1,847,054	98.7892%
2014	1,805,047	1,782,328	98.7414%	21,662	1,803,990	99.9414%
2013	1,781,105	1,758,687	98.7413%	21,632	1,780,319	99.9559%
2012	1,764,591	1,740,789	98.6511%	22,378	1,763,167	99.9193%
2011	1,753,993	1,729,756	98.6182%	24,139	1,753,895	99.9944%
2010	1,719,446	1,696,405	98.6600%	22,921	1,719,326	99.9930%
2009	1,710,828	1,684,918	98.4855%	25,823	1,710,741	99.9949%
2008	1,620,669	1,601,364	98.8088%	19,239	1,620,603	99.9959%
2007	1,592,436	1,574,231	98.8568%	18,036	1,592,267	99.9894%
2006	1,557,392	1,538,101	98.7613%	19,235	1,557,336	99.9964%

THIS PAGE IS INTENTIONALLY LEFT BLANK

DEBT CAPACITY INFORMATION

EXHIBIT T-12**COUNTY OF NASSAU, NEW YORK****RATIOS OF OUTSTANDING DEBT BY TYPE****LAST TEN FISCAL YEARS****(Dollars in Thousands, Except Per Capita Amount)**

Fiscal Year	General Obligation Bonds (d)	Sewage Purpose Bonds	State Water Pollution Control Revolving Fund Revenue Bonds	Nassau County Sewer and Storm Water Finance Authority Notes Payable	Sales Tax Secured Bonds, NIFA	Nassau County Sewer and Storm Water Finance Authority System Revenue Bonds	Tobacco Settlement Asset- Backed Bonds, Series A
2015	\$ 2,087,969	\$ 43,895	\$ 81,596	\$	\$ 979,321	\$ 180,528	\$ 466,649
2014	1,941,020	48,915	89,620		1,140,752	185,455	460,832
2013	1,683,174	54,735	97,682		1,286,434	140,558	456,003
2012	1,347,397	61,305	102,862		1,442,439	148,656	457,106
2011	1,165,745	68,760	112,085		1,528,440	154,595	451,788
2010	1,157,574	77,755	121,169		1,648,185	161,955	446,382
2009	887,734	90,735	130,085		1,752,600	169,250	442,108
2008	539,492	79,065	138,810		1,875,075	175,795	442,389
2007	363,300	83,392	147,379	69,135	1,958,525	72,225	440,740
2006	382,036	105,176	155,814	44,435	2,038,500	75,450	434,765

(Continued)

- (a) For 2006, a new Department of Assessment methodology was developed and approved by the State in deriving total taxable assessed valuation by utilizing one half of one percent of market value applicable to Class I properties and utilizing one percent of market value for Class II, III, and IV property classes.
- (b) Beginning in 2007, a new Department of Assessment methodology was developed and approved by the State in deriving total taxable assessed valuation by utilizing one quarter of one percent of market value applicable to Class I properties and utilizing one percent of market value for Class II, III, and IV property classes.
- (c) For years prior to 2011, debt amounts do not include premiums and discounts.
- (d) Adjustments have been made to the prior year balances to include the general obligation bonds of the primary government, exclusive of amounts for the discretely presented component units.

N/A Not available

EXHIBIT T-12**COUNTY OF NASSAU, NEW YORK****RATIOS OF OUTSTANDING DEBT BY TYPE****LAST TEN FISCAL YEARS****(Dollars in Thousands, Except Per Capita Amount)**

Fiscal Year	Total Serial Bonds - NIFA, NCSSWFA, NCTSC	Capital Leases	Total Outstanding Debt	Taxable Assessed Valuation	Percentage of Debt to Taxable Assessed Valuation	Debt Per Capita	Percentage of Debt to Total Personal Income	Percentage of Debt to Estimated Total Full Valuation
2015	\$ 1,626,498	\$ 4,797	\$ 3,844,755	\$ 631,587	(b) 608.75%	2,825	N/A	1.88%
2014	1,787,039	4,981	3,871,575	647,755	(b) 597.69%	2,849	3.87%	1.93%
2013	1,882,995	5,132	3,723,718	663,136	(b) 561.53%	2,754	3.80%	1.82%
2012	2,048,201	5,254	3,565,019	716,005	(b) 497.90%	2,643	3.73%	1.64%
2011	2,134,823	5,351	3,486,764	771,318	(b) 452.05%	2,606	3.84%	1.60%
2010	2,256,522	5,426	3,618,446	(c) 837,452	(b) 432.08%	2,655	4.05%	1.43%
2009	2,363,958	5,482	3,477,994	(c) 818,797	(b) 424.77%	2,557	3.99%	1.35%
2008	2,493,259	5,522	3,256,148	(c) 778,704	(b) 418.15%	2,400	3.48%	1.25%
2007	2,471,490	5,550	3,140,246	(c) 728,595	(b) 431.00%	2,318	3.51%	1.29%
2006	2,548,715	5,567	3,241,743	(c) 1,063,177	(a) 304.91%	2,398	3.93%	1.53%

(Concluded)

EXHIBIT T-13

COUNTY OF NASSAU, NEW YORK

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	Net General Obligation Bonds (Expressed in Thousands) (a)	Percentage of Estimated Actual Full Valuation of Property	Per Capita
2015	\$ 3,006,143	1.47%	2,209
2014	3,005,422	1.50%	2,211
2013	2,938,740	1.43%	2,174
2012	2,757,815	1.27%	2,044
2011	2,694,185 (b)	1.23%	2,014
2010	2,805,759 (b)	1.11%	2,059
2009	2,640,334 (b)	1.03%	1,941
2008	2,414,567 (b)	0.93%	1,779
2007	2,321,825 (b)	0.95%	1,714
2006	2,420,536 (b)	1.14%	1,790

(a) This amount includes General Obligation Bonds of Nassau County and Sales Tax Secured Bonds of NIFA, less amounts restricted for the specific repayment of the debt service of these bonds.

(b) Information to calculate net bonded debt amount was unavailable prior to 2012.

EXHIBIT T-14

COUNTY OF NASSAU, NEW YORK

COUNTY, TOWNS AND CITIES

TAXABLE FULL VALUE CALCULATION FOR 2015*

(Dollars in Thousands)

	Taxable Assessed Valuation, Real Property	Taxable Assessed Valuation, Special Franchises	Total Taxable Assessed Valuation	State Equali- zation Rate	Estimated Actual Taxable Full Valuation**
Town of Hempstead	\$ 276,309	\$ 14,224	\$ 290,533	0.31 %	\$ 93,720,395
Town of North Hempstead	149,438	5,317	154,755	0.31 %	49,920,879
Town of Oyster Bay	151,917	6,118	158,035	0.30 %	52,678,257
City of Long Beach	15,059	613	15,672	0.36 %	4,353,318
City of Glen Cove	12,005	587	12,592	0.32 %	3,934,869
	<u>\$ 604,728</u>	<u>\$ 26,859</u>	<u>\$ 631,587</u>		<u>\$ 204,607,718</u>

* Last completed assessed valuation fixed in 2014 on which the 2015 taxes are levied.

Beginning in 2007, a new Department of Assessment methodology was developed and approved by New York State in deriving total taxable assessed valuation by utilizing one quarter of one percent of market value for Class 1 properties and utilizing one percent of market value for the other property classes.

** Final numbers for each property may not calculate exactly because of rounding

EXHIBIT T-15**COUNTY OF NASSAU, NEW YORK****LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in Thousands)**

	2015	2014	2013	2012	2011	Fiscal Year				
	2010	2009	2008	2007	2006					
Debt Limit (10% of Average Full Valuation)*	\$ 20,922,152	\$ 21,887,086	\$ 23,021,530	\$ 24,140,657	\$ 24,670,359	\$ 24,549,866	\$ 23,368,973	\$ 21,824,049	\$ 19,822,275	\$ 17,740,092
Total Net Debt Applicable to Limit	3,565,559	3,367,352	3,225,002	3,111,737	3,215,298	3,246,603	3,211,256	3,115,417	3,140,619	3,161,557
Legal Debt Margin	\$ 17,356,593	\$ 18,519,734	\$ 19,796,528	\$ 21,028,920	\$ 21,455,061	\$ 21,303,263	\$ 20,157,717	\$ 18,708,632	\$ 16,681,656	\$ 14,578,535
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	17.04%	15.39%	14.01%	12.89%	13.03%	13.22%	13.74%	14.28%	15.84%	17.82%

Legal Debt Margin Calculation for Fiscal Year 2015

Average Full Valuation	\$ 209,221,518
Debt Limit (10% of Average Full Valuation)	20,922,152
Debt Applicable to Limit:**	
General Government (Including College)***	\$ 1,960,591
NIFA Serial Bonds	921,606
Sewer District	43,895
Environmental Facilities Corporation	81,596
Notes Payable	444,385
Real Property Liabilities	9,437
Guarantees	237,205
Contract Liabilities	640,114
Total Debt Applicable to Limit	4,338,829
Less: Legal Exclusions	
Cash and Investments - Capital Funds	396,320
Tax and Revenue Anticipation Notes Payable	376,950
Less: Total Exclusions	773,270
Total Net Debt Applicable to Limit	3,565,559
Legal Debt Margin	\$ 17,356,593

Calculation of 2015 Constitutional limit of total indebtedness

(The Constitutional limit of total indebtedness is 10% of the average full valuation of real estate for the latest five years.)

Average Full Valuation of Real Estate for the Fiscal Years Ended in 2011 Through 2015.

2015 Full Valuation	\$ 204,607,718
2014 Full Valuation	200,331,933
2013 Full Valuation	205,075,616
2012 Full Valuation	217,753,867
2011 Full Valuation	218,338,458
Total Five Year Valuation	\$ 1,046,107,592

Five Year Average Full Valuation	\$ 209,221,518
-------------------------------------	----------------

Constitutional Debt Margin: Constitutional Limit of Total Indebtedness, 10% Average Full Valuation	\$ 20,922,152
---	---------------

* Full valuation is determined by dividing the total taxable assessed valuation by the average State equalization rate.

** The Tobacco Settlement and the Sewer and Storm Water Finance Authority Serial Bonds Payable are not included in the calculation of the Constitutional Debt Margin.

*** The Community College Serial Bonds Payable as of December 31, 2015 are unaudited. The last audit conducted on behalf of the Community College was for the fiscal year ended August 31, 2015.

EXHIBIT T-16**COUNTY OF NASSAU, NEW YORK****PLEDGED-REVENUE COVERAGE****LAST TEN FISCAL YEARS****(Dollars in Thousands, Except for Coverage)**

Fiscal Year	Sales Tax Paid to NIFA	NIFA Sales Tax Secured Bonds			Coverage
		Debt Service			
		Principal	Interest		
2015	\$ 1,038,725	\$ 178,970	\$ 49,126	4.55	
2014	1,026,856	140,642	45,405	5.52	
2013	1,070,922	150,965	48,123	5.38	
2012	1,007,149	144,580	81,083	4.46	
2011	967,026	119,745	73,394	5.01	
2010	950,852	104,415	64,489	5.63	
2009	896,601	87,525	84,376	5.22	
2008	944,104	88,915	96,501	5.09	
2007	952,509	79,975	90,949	5.57	
2006	932,573	48,460	94,397	6.53	

THIS PAGE IS INTENTIONALLY LEFT BLANK

DEMOGRAPHIC AND ECONOMIC INFORMATION

EXHIBIT T-17

COUNTY OF NASSAU, NEW YORK

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Year	Population (In Thousands) (a) (b)	Total Personal Income (In Thousands)	Per Capita Personal Income (c)	Unemployment Rate (d)
2015	1,361	\$ N/A	\$ N/A	4.3%
2014	1,359	100,046,862	73,618	4.8%
2013	1,352	98,086,248	72,549	5.9%
2012	1,349	95,456,589	70,761	7.1%
2011	1,338	90,684,288	67,776	6.7%
2010	1,363	89,433,245	65,615	7.1%
2009	1,360	87,208,640	64,124	6.9%
2008	1,357	93,521,726	68,918	4.7%
2007	1,355	89,340,570	65,934	3.6%
2006	1,352	82,531,488	61,044	3.7%

Sources:

(a) Census Bureau Estimates being used starting in 2012 since LIPA no longer gathers data

(b) Annual LIPA Long Island Population Survey Estimates

(c) United States Bureau of Economic Analysis

(d) NYS Department of Labor

N/A - Not Available

EXHIBIT T-18**COUNTY OF NASSAU, NEW YORK****PRINCIPAL EMPLOYMENT BY SECTOR
CURRENT YEAR AND NINE YEARS AGO**

Employment Sector	2015			2006		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Health Care and Social Assistance	119,566	1	19.30%	95,303	1	15.97%
Government*	82,721	2	13.35%	83,125	2	13.93%
Retail Trade	79,459	3	12.83%	81,232	3	13.62%
Accommodation and Food Services	48,742	4	7.87%	38,341	4	6.43%
Professional and Technical Service	38,508	5	6.22%	36,312	5	6.09%
Finance and Insurance	31,111	6	5.02%	33,959	6	5.69%
Administrative and Support and W:	30,686	7	4.95%	32,243	7	5.40%
Construction	29,764	8	4.80%	28,970	9	4.86%
Other Services	29,419	9	4.75%	25,865	11	4.34%
Wholesale Trade	27,574	10	4.45%	29,869	8	5.01%
Educational Services	20,652	11	3.33%	19,216	12	3.22%
Manufacturing	17,640	12	2.85%	26,139	10	4.38%
Transportation and Warehousing	15,267	13	2.46%	14,166	14	2.37%
Arts, Entertainment, and Recreation	12,680	14	2.05%	11,801	15	1.98%
Information	11,075	15	1.79%	14,894	13	2.50%
Real Estate and Rental and Leasing	10,361	16	1.67%	10,603	16	1.78%
Management of Companies and En	6,659	17	1.07%	7,552	17	1.27%
Total	<u>611,884</u>		<u>98.77%</u>	<u>589,590</u>		<u>98.84%</u>

* 2015 Government consists of 74,330 Local Govt, 5,247 Federal, and 3,144 State Employees

2006 Government consists of 71,491 Local Govt, 7,862 Federal, and 3,772 State Employees

Data Source: Quarterly Census of Employment and Wages, developed through a cooperative program between the State of New York and the U. S. Bureau of Labor Statistics.

EXHIBIT T-19

COUNTY OF NASSAU, NEW YORK

**ANNUAL AVERAGE EMPLOYMENT BY INDUSTRY
LAST TEN FISCAL YEARS**

Industry Title	Fiscal Year									
	2015(P)	2014(P)	2013	2012	2011	2010	2009	2008	2007	2006
Total, All Industries	619,456	611,487	596,302	580,868	586,117	582,504	581,562	600,942	634,040	596,623
Total, All Private	536,735	528,800	519,169	514,920	504,888	499,252	497,996	517,164	551,644	513,498
Agriculture, Forestry, Fishing & Hunting	164	171	173	229	207	209	217	256	243	247
Crop Production	22	21	24	65	65	67	74	74	76	81
Animal Production	67	66	59	63	60	59	54	52	52	49
Fishing, Hunting and Trapping	4	9	6	9	8	6	8	11	11	11
Agriculture & Forestry Support Activity	71	75	84	92	74	77	81	119	104	106
Mining	0	2	3	4	8	6	7	3	4	4
Mining	0	2	3	4	8	6	7	3	4	4
Utilities	3,730	3,601	2,465	2,485	2,546	2,631	2,654	2,692	2,688	2,815
Utilities	3,730	3,601	2,465	2,485	2,546	2,631	2,654	2,692	2,688	2,815
Construction	29,764	28,815	27,360	25,730	24,614	25,309	27,650	30,844	30,134	28,970
Construction of Buildings	7,276	6,911	6,831	6,220	6,218	6,865	7,512	8,438	7,816	7,470
Heavy and Civil Engineering Construction	2,318	1,953	1,828	1,879	1,699	1,729	1,830	1,677	1,807	1,719
Specialty Trade Contractors	20,170	19,951	18,701	17,631	16,697	16,715	18,308	20,729	20,511	19,781
Manufacturing	17,640	17,830	18,684	19,003	19,002	19,497	21,001	23,417	24,649	26,139
Food Manufacturing	2,911	2,775	2,784	2,627	2,627	2,560	2,539	2,543	2,425	2,064
Beverage & Tobacco Product Manufacturing	95	80	84	90	65	51	28	41	43	57
Textile Mills	40	48	69	80	96	109	116	120	114	123
Textile Product Mills	223	190	183	190	182	190	254	280	294	309
Apparel Manufacturing	264	255	251	293	326	313	338	375	350	381
Leather and Allied Product Manufacturing				44	43	34	34			133
Wood Product Manufacturing	196	168	236	205	233	254	294	337	371	337
Paper Manufacturing	179	196	188	210	210	215	302	404	446	468
Printing and Related Support Activities	1,079	1,107	1,196	1,166	1,228	1,456	1,870	2,102	2,245	2,430
Petroleum & Coal Products Manufacturing				15	29	30	32	31	32	27
Chemical Manufacturing	1,001	1,038	1,179	1,256	891	922	1,091	1,239	1,341	1,341
Plastics & Rubber Products Manufacturing	863	854	886	804	831	954	1,028	996	1,155	1,350
Nonmetallic Mineral Product Mfg	466	433	372	394	262	291	306	319	322	329
Primary Metal Manufacturing	113	100	116	92	92	99	100	164	175	172
Fabricated Metal Product Manufacturing	2,147	2,094	2,100	2,162	2,205	2,326	2,349	2,518	2,720	2,749
Machinery Manufacturing	2,199	2,194	2,435	2,489	2,843	2,778	2,954	3,334	3,316	3,349
Computer and Electronic Product Mfg	2,186	2,186	2,231	2,289	2,279	2,257	2,231	2,626	3,174	3,925
Electrical Equipment and Appliances	449	354	366	360	357	361	440	593	478	496
Transportation Equipment Manufacturing	1,177	1,746	1,981	2,118	2,233	2,201	2,372	2,407	2,475	2,817
Furniture and Related Product Mfg	811	765	788	722	692	738	812	958	1,024	1,066
Miscellaneous Manufacturing	1,241	1,247	1,239	1,249	1,278	1,358	1,511	2,030	2,149	2,216
Wholesale Trade	27,574	27,275	27,484	26,937	26,874	26,707	26,965	29,102	29,797	29,869
Merchant Wholesalers, Durable Goods	14,019	13,707	13,781	13,194	13,387	13,649	13,832	15,025	15,470	15,508
Merchant Wholesalers, Nondurable Goods	10,968	10,856	10,748	10,754	10,578	10,252	10,256	10,987	10,856	10,882
Electronic Markets and Agents/Brokers	2,587	2,712	2,955	2,989	2,909	2,806	2,877	3,090	3,471	3,479
Retail Trade	79,459	78,953	78,730	77,149	76,742	75,890	75,801	81,075	81,504	81,232
Motor Vehicle and Parts Dealers	7,104	6,992	6,732	6,635	6,354	6,121	6,060	6,887	7,322	7,603
Furniture and Home Furnishings Stores	3,010	2,994	3,040	3,419	3,280	3,226	3,412	4,175	4,004	3,871
Electronics and Appliance Stores	3,515	3,273	3,230	3,301	3,474	3,295	3,148	3,372	2,988	3,327
Building Material & Garden Supply Stores	5,670	5,770	5,486	4,708	4,718	4,716	4,725	5,218	5,427	5,514
Food and Beverage Stores	18,164	17,599	16,954	17,057	16,676	16,181	16,071	15,899	15,990	16,332
Health and Personal Care Stores	6,666	6,730	6,965	6,851	6,638	7,021	7,069	7,358	7,167	7,162
Gasoline Stations	1,512	1,465	1,456	1,570	1,493	1,488	1,473	1,488	1,526	1,636
Clothing and Clothing Accessories Stores	9,714	9,678	10,099	10,085	9,974	10,836	10,701	13,635	13,642	12,838
Sporting Goods/Hobby/Book/Music Stores	3,582	3,453	3,394	3,299	3,294	3,393	3,283	3,522	3,556	3,565
General Merchandise Stores	13,478	14,075	14,450	13,321	14,009	12,746	12,745	11,986	12,031	11,658
Miscellaneous Store Retailers	3,584	3,654	3,572	4,064	3,673	3,704	3,976	4,286	4,542	4,396
Nonstore Retailers	3,460	3,270	3,352	2,839	3,092	3,158	3,123	3,264	3,309	3,330
Transportation and Warehousing	15,267	15,233	15,515	14,526	14,763	14,839	14,856	15,146	15,405	14,166
Air Transportation	397	445	460	488	504	496	415	432	450	428
Water Transportation	457	493	485	622	642	693	604	662	648	597
Truck Transportation	2,231	2,208	2,225	2,115	1,944	1,907	1,867	2,161	2,268	2,306
Transit and Ground Passenger Transport	5,247	5,456	5,636	4,755	4,502	4,670	4,736	4,827	4,612	3,606
Pipeline Transportation				3						
Scenic and Sightseeing Transportation	70	75	48	95	48	33	58	64	69	78
Support Activities for Transportation	3,575	3,455	3,379	3,309	3,247	2,974	2,995	3,366	3,366	3,326
Postal Service Contractors	4	8		49						
Couriers and Messengers	2,523	2,425	2,587	2,488	3,307	3,414	3,526	2,769	3,000	2,952
Warehousing and Storage	763	668	695	602	569	652	655	865	992	873
Information	11,075	12,257	13,424	13,558	13,663	14,164	13,908	14,319	14,641	14,894
Publishing Industries	1,526	1,935	2,083	2,249	2,327	2,442	2,522	2,522	2,763	2,990
Motion Picture & Sound Recording Ind	810	877	1,593	1,886	1,784	1,824	1,664	1,689	1,769	1,829
Broadcasting (except Internet)	619	644	4,500	4,775	4,595	4,769	4,821	4,654	4,613	4,500
Internet Publishing and Broadcasting			384	2,879	3,203	3,296	3,242	3,539	3,812	113
Telecommunications	6,490	7,039	3,001	1,104	1,067	1,104	1,275	1,328	1,148	3,737
ISPs, Search Portals, & Data Processing	1,022	1,013	1,112	665	687	729	644	587	536	1,268
Other Information Services	608	749	751							457
Finance and Insurance	31,111	31,241	31,070	31,094	30,451	30,103	31,383	33,603	65,803	33,959
Credit Intermediation & Related Activity	10,540	10,783	10,801	10,792	10,377	9,711	10,077	11,495	13,292	14,671
Financial Investment & Related Activity	3,594	3,440	3,458	3,667	3,910	4,086	4,141	4,359	4,359	4,127
Insurance Carriers & Related Activities	16,866	16,977	16,765	16,092	15,628	15,771	16,624	17,260	47,638	14,674
Funds, Trusts & Other Financial Vehicles	111	41	46	543	536	535	541	489	514	487

(Continued)

EXHIBIT T-19

COUNTY OF NASSAU, NEW YORK

**ANNUAL AVERAGE EMPLOYMENT BY INDUSTRY
LAST TEN FISCAL YEARS**

Industry Title	Fiscal Year									
	2015(P)	2014(P)	2013	2012	2011	2010	2009	2008	2007	2006
Real Estate and Rental and Leasing	10,361	10,252	9,747	9,953	9,627	9,489	9,748	10,224	10,425	10,603
Real Estate	8,971	8,554	8,258	8,465	8,317	8,171	8,387	8,640	8,790	8,784
Rental and Leasing Services	1,339	1,566	1,362	1,352	1,191	1,211	1,255	1,470	1,524	1,703
Lessors, Nonfinancial Intangible Assets	51	132	127	136	119	107	106	114	111	116
Professional and Technical Services	38,508	37,716	36,605	35,128	34,173	34,098	34,757	36,513	37,426	36,312
Professional and Technical Services	38,508	37,716	36,605	35,128	34,173	34,098	34,757	36,513	37,426	36,312
Management of Companies and Enterprises	6,659	6,635	6,462	6,976	6,501	6,776	6,891	7,059	6,938	7,552
Management of Companies and Enterprises	6,659	6,635	6,462	6,976	6,501	6,776	6,891	7,059	6,938	7,552
Administrative and Waste Services	30,686	30,357	29,443	29,897	28,819	27,421	29,300	31,691	32,510	32,243
Administrative and Support Services	29,249	28,994	28,126	28,604	27,538	26,109	28,240	30,650	31,502	31,042
Waste Management and Remediation Service	1,437	1,363	1,317	1,293	1,281	1,312	1,060	1,041	1,008	1,201
Educational Services	20,652	20,315	19,900	18,722	19,678	19,651	19,437	19,411	19,107	19,216
Educational Services	20,652	20,315	19,900	18,722	19,678	19,651	19,437	19,411	19,107	19,216
Health Care and Social Assistance	119,566	115,047	114,014	113,640	114,455	111,494	104,276	101,880	99,628	95,303
Ambulatory Health Care Services	46,373	44,642	43,828	43,192	42,156	41,984	40,866	39,830	38,866	38,139
Hospitals	38,544	36,459	37,333	37,888	38,761	36,727	31,716	30,394	29,314	26,906
Nursing and Residential Care Facilities	13,406	13,496	13,435	14,450	14,706	14,854	14,746	14,962	15,395	14,867
Social Assistance	21,243	20,450	19,418	18,110	18,832	17,929	16,948	16,694	16,053	15,391
Arts, Entertainment, and Recreation	12,680	12,491	11,842	13,462	11,199	11,357	11,616	12,077	11,846	11,801
Performing Arts and Spectator Sports	4,076	4,206	4,070	4,233	3,910	4,057	3,959	4,239	4,075	4,159
Museums, Parks and Historical Sites	327	317	326	331	317	309	426	425	369	324
Amusement, Gambling & Recreation Ind	8,277	7,968	7,446	8,898	6,972	6,991	7,231	7,413	7,402	7,318
Accommodation and Food Services	48,742	48,243	45,983	45,677	41,661	40,231	38,591	38,946	39,635	38,341
Accommodation	2,336	2,395	2,472	2,693	2,340	2,341	2,176	2,272	2,400	2,204
Food Services and Drinking Places	46,406	45,848	43,511	42,984	39,321	37,890	36,415	36,674	37,235	36,137
Other Services	29,419	29,292	27,984	27,535	27,460	27,169	26,761	27,061	26,633	25,865
Repair and Maintenance	6,681	6,645	6,398	6,400	6,581	6,610	6,229	6,287	6,295	6,124
Personal and Laundry Services	12,285	11,963	11,186	10,998	10,812	10,566	10,408	10,317	10,092	9,888
Membership Organizations & Associations	8,647	8,820	8,596	8,200	8,224	8,197	8,334	8,590	8,136	7,803
Private Households	1,806	1,864	1,804	1,937	1,843	1,796	1,790	1,867	2,110	2,050
Total, All Government	82,721	82,687	77,133	65,948	81,229	83,252	83,566	83,778	82,396	83,125
Federal Government	5,247	5,153	5,218	5,224	5,468	6,174	6,122	6,256	6,352	7,862
State Government	3,144	3,161	2,220	3,550	3,644	3,770	3,825	3,802	3,777	3,772
Local Government	74,330	74,373	69,695	57,174	72,117	73,308	73,619	73,720	72,267	71,491
Unclassified	3,678	3,074	2,281	3,215	2,445	2,211	2,177	1,845	2,628	3,971

(Concluded)

(P) Data for 2015 is Preliminary 2nd Quarter Data and subject to revision.
(P) Data for 2014 is Preliminary Full Year Data and subject to revision.

Data Source: Quarterly Census of Employment and Wages, developed through a cooperative program between the State of New York and the U. S. Bureau of Labor Statistics.

THIS PAGE IS INTENTIONALLY LEFT BLANK

OPERATING INFORMATION

EXHIBIT T-20

COUNTY OF NASSAU, NEW YORK

COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year														
	2015			2014			2013			2012			2011		
	F/T	P/T	SEAS	F/T	P/T	SEAS	F/T	P/T	SEAS	F/T	P/T	SEAS	F/T	P/T	SEAS
Legislative															
Legislature	84	6	21	87	3	38	86	1	31	88	2	35	84	3	22
Judicial															
District Attorney	363	8		374	5		379	4		373	2		375	3	
Public Administrator	6			6			6			6			7		
Traffic Violations Bureau	46	36		47	40		43	28		43	28		46	33	
General Administration															
Assessment	136	2		147	1		154			157			168		
Assessment Review Commission	30	1		29	1		29	1		29			30	3	
Board of Elections	157	42	37	166	45	33	160	51	37	148	58	38	146	81	40
Civil Service	53	38	1	53	38	1	53	36	1	54	36	1	56	35	1
County Attorney	92	3		92	2		102	2		106	2		112	2	
County Clerk / Records Management	81	32	8	92	36	2	96	36	2	96	39	6	111	44	16
County Comptroller	75	4		76	5		72	4		74	2		72	3	
County Executive	15	2	1	16	2		18	1	1	20	1	1	20	1	
County Treasurer	27	2		26	2		30	2		29	1		32	1	
Office of Constituent Affairs	35	3		36	2		37	3		38	5		42	3	
Office of Emergency Management	9			10			8	1		10			7		
Information Technology	77	1		80	1		76	1		80	1		78		
Housing and Intergovernmental Affairs	63			68			68			68	1		82	1	
Labor Relations	5			4	1		4			4			4		
Office of Management and Budget	26	1		24	5		22	4		22	4	1	27	3	1
Personnel / Human Resources	9	2		9	2		9	2		9	1		9	1	1
Planning													20	11	
Real Estate Services													8		
Shared Services (formerly Purchasing Department)	10	1		10			10	1		11			16		
Taxi and Limousine Commission	2														
Protection of Persons															
Police															
Uniformed Personnel / Officers	2,507	413		2,386	419		2,336	416		2,386	406		2,526	426	
Administrative / Support	606	40		590	40		627	38	4	627	38		655	40	1
Fire Commission															
Fire Commissioners / Inspectors	87	3		82	3		84	3		77	27		79	3	
Administrative / Support	7	32		7	33		7	32		18	3		18	27	
Probation Department															
Uniformed Personnel / Officers	154	5		160	5		163	5		169	5		193	7	
Administrative / Support	32	7		33	8		33	9		32	11		20	2	
Parks Department - Security	7			8											
Human Rights Commission							8			8	1		8	2	
Dept of Investigations															
Medical Examiner	67	11		68	10		69	10		67	6		58	9	
Traffic Safety Board															
Consumer Affairs	25			25			26			27	1		31	1	
Health															
Behavioral Health***													88	2	
Drug and Alcohol															
Mental Health															
Health Department	231	17	8	241	16	8	241	20	9	243	20	9	284	22	7
Social Services															
CASA	4			4			4			5			5		
Criminal Justice Coordinating Council	2	1		1	1		1	1		1	2		2		
Human Services*****	105	12		105	11		111	10		113	8				
Minority Affairs	5	1	1	5	2		6	2		5	2		6	2	
Senior Citizens Affairs*****													27	5	
Social Services	744	60	5	765	59	5	784	65	5	790	72	5	868	86	
Office for the Physically Challenged*****													5		
Veterans Services	7			6			7			5			3		
Youth Board*****													4		
Public Works															
Maintenance / Engineering	598	23	27	668	24	28	704	25	25	680	27	12	727	36	14
Recreation and Parks															
Parks Department	157	129	612	157	137	665	161	145	534	164	154	472	177	201	512
Corrections															
Corrections / Sheriff															
Uniformed Personnel / Officers	900			942			957			1,011			1,069		
Administrative / Support	99	6		116	6		118	9		122	10		128	10	
Total	7,745	944	721	7,821	965	780	7,909	968	649	8,015	976	580	8,533	1,109	615

** Full-Time, Part-Time and Seasonal Employee numbers are shown at 12/31 of each year.

(Continued)

F/T = Full Time, P/T = Part Time, SEAS = Seasonal

*** Starting in 2007 Drug and Alcohol and Mental Health were combined into Behavioral Health

**** Starting in 2012 Traffic Safety Board, Planning and Real Estate Services became part of Public Works

***** Starting in 2012 Behavioral Health, Office for the Physically Challenged, Youth Board, and Senior Citizens Affairs were combined into Human Services

EXHIBIT T-20

COUNTY OF NASSAU, NEW YORK

COUNTY GOVERNMENT EMPLOYEES BY FUNCTION**

LAST TEN FISCAL YEARS

Function	Fiscal Year														
	2010			2009			2008			2007			2006		
	F/T	P/T	SEAS	F/T	P/T	SEAS	F/T	P/T	SEAS	F/T	P/T	SEAS	F/T	P/T	SEAS
Legislative															
Legislature	86	3	30	87	2	36	89	1	21	88	1	59	87	1	17
Judicial															
District Attorney	371	3		378	1		384	1		387	1		368		
Public Administrator	7			7			7			7			7		
Traffic Violations Bureau	45	31		43	35		38	33		37	30		36	30	
General Administration															
Assessment	212	1		224	1		244	2		252	3		258	4	
Assessment Review Commission	43	3		46	6		46	6		45	6		45	7	
Board of Elections	130	76	38	119	85	34	114	70	36	108	58	8	106	40	8
Civil Service	55	36	1	58	35	1	63	36	1	62	36		62	32	
County Attorney	123	2		154	1		161	1		157	1		153	1	
County Clerk / Records Management	114	48	1	108	52	2	112	52	3	105	54	5	108	49	
County Comptroller	76	3		80	2		92	3		95	3		89	3	
County Executive	20	2	2	30	2		34	2		36	2		48	3	
County Treasurer	35	1		40	1		41	1		41			45		
Office of Constituent Affairs	41	4		46	5		50	4		52	4		56	7	
Office of Emergency Management	8			5			6			7			5		
Information Technology	116	5		133	6	1	139	6	1	99	1		100	4	1
Housing and Intergovernmental Affairs	110	1	2	102		4	83			75	1		71	1	
Labor Relations	5			3			7			6			5		
Office of Management and Budget	27	3	1	31	3	1	39	3		41	3	1	33	1	
Personnel / Human Resources	9	1	1	15	1		17	1	1	15	1	1	12	1	2
Planning	22	11		26	11		27	10		27	11		27	10	
Real Estate Services	7			9		1	9	1		8	1		10		
Purchasing Department	16			20			23			22			23		
Protection of Persons															
Police															
Uniformed Personnel / Officers	2,586	427		2,715	442		2,868	446		2,818	469		2,764	458	
Administrative / Support	630	44	1	576	43	1	654	30	1	675	26	1	685	15	1
Fire Commission															
Fire Commissioners / Inspectors	80	3		89	2		93			91			93		
Administrative / Support	9	27		12	26		16	24		13	26		17	24	
Probation Department															
Uniformed Personnel / Officers	190	7		195	8		213	8		208	9		232	2	
Administrative / Support	19	4		24	4		26	5		29	3		36	1	
Parks Department - Security															
Human Rights Commission	9	2		8	2	1	9	2	1	10	2	1	10	1	2
Dept of Investigations															
Medical Examiner	47	9		49	8		52	5		55	6		52	6	
Traffic Safety Board															
Consumer Affairs	32	1		36	2	1	38	3		43	3		41	3	
Health															
Behavioral Health***	103	4		111	4		119	4		124	5				
Drug and Alcohol													100	2	
Mental Health													21	1	
Health Department	282	26	10	302	27	11	330	22	9	314	26	11	333	27	5
Social Services															
CASA	4			7	1		8	1		8	1		7	2	
Criminal Justice Coordinating Council	2			2			1	1		1	1		1	1	
Human Services*****															
Minority Affairs	6	2		6			8			9			10	1	
Senior Citizens Affairs*****	30	6		33	6		36	8		38	8		35	7	
Social Services	862	99		889	102		904	101		912	130		919	127	
Office for the Physically Challenged*****	4			3			7	1		7	1		7		
Veterans Services	7			8			8			9			9		
Youth Board*****	4			5			6			7			5		
Public Works															
Maintenance / Engineering	749	55	24	869	46	20	773	32	39	790	31	66	806	30	26
Recreation and Parks															
Parks Department	149	184	247	153	175	246	258	174	357	265	214	299	277	222	225
Corrections															
Corrections / Sheriff															
Uniformed Personnel / Officers	1,078			1,130			1,124			1,089			1,120		
Administrative / Support	116	11		119	13		125	14		132	14		133	9	
Total	8,676	1,145	358	9,106	1,158	360	9,502	1,114	470	9,423	1,192	452	9,474	1,133	287

(Concluded)

EXHIBIT T-21**COUNTY OF NASSAU, NEW YORK****CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Public Safety										
Police:										
Precincts	6	6	6	6 (6)	9	9	9	9	9	9
Community Centers	3	3	3	3 (6)						
Patrol Units	205	205	205	205	205	205	205	205	205	205
Highways, Streets, Bridges										
Streets (lane miles)	1,856	1,856	1,856	1,963	1,963	1,963	1,963	1,963	1,969	1,969
Streetlights	581	581	581	581	581	581	581	581	581	581
Miscellaneous Street Light Devices	22	22	22	22	22	22	22	22	22	22
Miscellaneous Traffic Control Devices	303	291	284	279	278	280	275	275	260	260
Traffic Signals	1,576	1,576	1,576	1,564	1,561	1,557	1,554	1,548	1,542	1,540
Bridges (Vehicle)	80 (3)	80 (3)	80 (3)	80 (3)	80 (3)	80 (3)	80 (3)	80 (3)	81 (2)	84 (1)
Bridges (Pedestrian)	26	26	26	26	26	26	26	27	27	27
Culture and Recreation										
Parks Acreage	5,187	5,187	5,187	5,187	5,187	5,187	5,187	5,187	5,810	6,116
Parks	68	68	68	68	68	68	68	68	70	80
Swimming Pools	5	5	5	5	5	5	5	5	5	7
Tennis Courts	75	75	75	70	70	70	70	70	70	72
Sewer and Drainage										
Bay Park Service Area Sanitary Sewers (miles)	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Cedar Creek Service Area Sanitary Sewers (miles)	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550
Glen Cove Service Area Sanitary Sewers (miles)	69	69	69	69	69 (4)					
Cedarhurst Service Area Sanitary Sewers (miles)	23	23	23	23 (5)						
Lawrence Service Area Sanitary Sewers (miles)	21	21	21	21 (5)						
Bay Park Plant Design Flow (MGD)	70	70	70	70	70	70	70	70	70	70
Cedar Creek Plant Design Flow (MGD)	72	72	72	72	72	72	72	72	72	72
Glen Cove Plant Design Flow (MGD)	6	6	6	6	5.5 (4)					
Cedarhurst Plant Design Flow (MGD)	1 (7)	1	1	1 (5)						
Lawrence Plant Design Flow (MGD)	2 (8)	2	2	2 (5)						
Storm Sewers (lane miles)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Storm Water Basins	559	559	559	559	560	560	560	560	559	559
Storm Water Pump Stations	6	6	6	6	6	6	6	6	6	6
Drainage Stream Corridors (miles)	60	60	60	60	60	60	60	60	60	60

MGD - Millions of Gallons per Day

(1) 41 Bridges solely owned by County and 43 co-owned with other Municipalities

(2) 40 Bridges solely owned by County and 41 co-owned with other Municipalities

(3) 39 Bridges solely owned by County and 41 co-owned with other Municipalities

(4) Nassau assumed responsibility of Glen Cove Sewer System in 2011

(5) Nassau assumed responsibility of Cedarhurst and Lawrence Sewer System in 2012

(6) There was a reduction of Precincts due to Precinct consolidation that took place

in 2012. The closed Precincts remain open as Community Centers and offer Police

assistance to the public.

(7) As of October 22, 2015, all flow to the Cedarhurst WPCP was diverted to the Bay Park STP

(8) As of October 21, 2015, all flow to the Lawrence STP was diverted to the Bay Park STP

Sources: Various Nassau County Departments

THIS PAGE IS INTENTIONALLY LEFT BLANK

EXHIBIT T-22

COUNTY OF NASSAU, NEW YORK

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Judicial										
District Attorney										
Felony Conviction Rate ⁽¹⁾	89.2%	88.7%	91.2%	93.5%	89.6%	90.1%	90.2%	90.0%	91.2%	91.7%
Total Number of Cases Handled	28,648	33,953	34,550	35,430	34,687	32,463	32,824	34,460	36,399	38,397
Number of Indicted Cases	1,015	858	890	986	994	963	1,003	1,032	900	688
General Administration										
Assessment										
Number of Building Permits Issued	33,006	31,914	34,724	26,059	21,101	21,527	21,352	20,704	29,915	24,008
Number of Building Inspections Performed	23,618	25,202	20,723	26,327	26,254	26,641	36,022	23,641	22,373	47,169
Number of Basic STAR Exemptions	243,334 ⁽²⁾	268,008 ⁽²⁾	272,178 ⁽²⁾	267,096 ⁽²⁾	275,824 ⁽²⁾	275,888 ⁽²⁾	276,063 ⁽²⁾	264,653 ⁽²⁾	251,746 ⁽²⁾	265,098 ⁽²⁾
Number of Enhanced STAR Exemptions	37,989 ⁽²⁾	36,126 ⁽²⁾	37,972 ⁽²⁾	36,199 ⁽²⁾	35,578 ⁽²⁾	35,282 ⁽²⁾	35,567 ⁽²⁾	49,865 ⁽²⁾	49,238 ⁽²⁾	50,276 ⁽²⁾
Number of Veterans Exemptions	49,087 ⁽²⁾	49,920 ⁽²⁾	47,340 ⁽²⁾	52,125 ⁽²⁾	55,007 ⁽²⁾	56,224 ⁽²⁾	55,007 ⁽²⁾	47,286 ⁽²⁾	59,526 ⁽²⁾	58,758 ⁽²⁾
Number of Solar Energy Exemptions	15 ⁽²⁾	16 ⁽²⁾	14 ⁽²⁾	19 ⁽²⁾	24 ⁽²⁾	29 ⁽²⁾	29 ⁽²⁾	37 ⁽²⁾	37 ⁽²⁾	37 ⁽²⁾
Assessment Review Commission										
Number of Residential Appeal Applications Reviewed	148,710 ⁽³⁾	136,523 ⁽³⁾	129,946 ⁽³⁾	111,133 ⁽³⁾	111,019 ⁽³⁾	107,547 ⁽³⁾	107,287 ⁽³⁾	110,379 ⁽³⁾	114,808 ⁽³⁾	122,027 ⁽³⁾
Number of Commercial Appeal Applications Reviewed	20,963 ⁽³⁾	20,726 ⁽³⁾	20,449 ⁽³⁾	19,868 ⁽³⁾	18,940 ⁽³⁾	19,076 ⁽³⁾	19,077 ⁽³⁾	18,391 ⁽³⁾	18,181 ⁽³⁾	18,370 ⁽³⁾
Shared Services - Formerly Purchasing Department										
Number of Purchase Orders Processed	6,257	6,722	6,819	7,357	9,015 ⁽¹⁷⁾	10,687	10,954	10,232	11,983	11,581
County Comptroller										
Number of Claims Processed	102,334	94,194	71,661	68,910	83,935 ⁽¹⁹⁾	85,137	86,705	91,117	93,033	97,500
County Treasurer										
Investment Portfolio Return	0.16%	0.22%	0.30%	0.35%	0.45%	0.63%	0.97%	2.77%	5.28%	5.15%
Total number of Tax Liens Sold ⁽⁴⁾	4,461	4,480	4,108	4,680	4,155	4,335	4,513	5,330	4,520	3,748
County Clerk										
Land Records Recorded	138,027	111,642	147,164	152,954	129,098	127,954	129,984	123,471	191,121	211,790
Court Records Recorded	264,516	280,478	279,755	273,933	281,733	363,728	347,316	322,025	346,879	309,755
Miscellaneous Records Recorded	107,981	101,279	98,836	99,083	108,381	102,059	97,168	89,702	105,455	100,597
Certified Copies Issued	37,050	33,478	41,510	30,322	28,770	28,953	30,702	30,598	21,529	28,522
Board of Elections										
Voting Precincts	1,196	1,196	1,196	1,165	1,160	1,160	1,160	1,160	1,160	1,160
Polling Places	373	376	389	389	389	389	389	389	388	388
Voters	984,956	947,698	945,611	937,121	913,215	903,102	898,064	906,064	866,978	853,651
Poll Workers	5,042	5,166	5,634	5,684	5,618	5,618	4,749	6,210	5,394	4,560
Civil Service										
Number of Position Classification Reviews	3,131	2,811	2,832	2,455	2,659	3,298	2,911	3,513	3,601	3,222
Number of Performance Tests Conducted	482	753	3,332	301	585	3,015	1,675	2,008	2,270	753
Number of Psychological Tests Conducted	962	912	727	77	189	439	390	747	822	896
Planning Department										
Number of New Zoning Applications Received	2,306	2,153	2,186	2,178	2,585	2,314	2,852	2,938	2,924	2,989
Number of Subdivision Waiver Applications Approved	55	64	63	32	38	43	45	72	102	129
Number of Bus Shelters	349	346	344	319	322	342	340	340	340	340
Number of Maintenance Checks Performed	180	185	188	188	493	185	173	203	210	280
Protection of Persons										
Police										
Physical Arrests	14,538	21,976	22,076	16,548	15,858	15,866	17,298	16,778	16,436	16,860
Parking Violations	81,024	72,114	78,866	70,383	76,151	92,043	99,857	108,975	113,203	118,855
Moving Violations	175,684	150,771	154,956	149,456	157,403	201,688	206,769	200,886	203,180	202,009
Fire Commission										
Emergency Light Tests	2,421	2,342	2,445	2,586	2,601	2,485	2,448	2,413	2,405	2,009
General Fire Marshal Inspections	4,415	5,345	5,072	6,206	6,513	6,304	6,722	4,473	4,823	3,931
Plans Reviewed ⁽¹²⁾	3,002	2,752	3,212	2,689	2,701	2,649	2,923	3,035	2,891	2,943
Fire & Ambulance Calls Dispatched	74,642	70,102	64,616	77,996	70,924	73,489	67,658	64,357	63,106	62,396
Medical Examiner										
Number of Cases Reported to ME Office	5,962	5,714	5,676	5,504	5,431	5,124	5,214	6,302	4,966	4,825
Number of Cases Accepted and Certified by ME Office	1,325	1,297	1,303	1,261	1,223	1,275	1,326	1,352	1,289	1,353
Number of Autopsies Performed	730	727	772	778	702	772	779	830	830	859
Number of Cremation Investigations (Date reported)	2,284	2,054	2,052	1,950	1,791	1,642	1,663	1,560	1,458	1,410
Number of ME Scenes Visited	698	673	646	571	632	631	585	638	753	737
Toxicology Analysis Total Avg Days	69	53	60	71	56	65	63	47	23	27
Total Number of DNA Cases Received	654	619	599	579	611	593	583	617	654	482
Total Number of Items Received from DNA cases	5,209	4,416	4,450							
Average Number of Days to complete Forensic DNA Cases	52	66	64	115	108	118	153 ⁽¹³⁾	65	63	60
Total Number of Latent Print Cases Received	974	806	819							
Total Number of Latent Print Items Received	6,150	5,723	1,687							
Average Number of Days to complete Latent Print Cases	98	176	112							
Probation Department										
Supervision Caseload (Criminal & Family)	6,098	6,481	7,022	7,417	8,040	8,643	8,796	8,453	8,418	8,245
Adult Intake: Number of Cases Assigned							4,657 ⁽¹⁴⁾	3,928	3,562	3,778
Juvenile Intake: Number of Cases Assigned	416	363	420	567	645	753	782 ⁽⁹⁾	969 ⁽⁸⁾	1,874	1,948
Pre-trial Cases Interviewed	1,806	2,022	2,622	2,777	2,827	2,377	2,232	2,616	2,573	3,464
Pre-trial Supervision Caseload (Criminal & Family)	1,570	1,525	1,144	799	875	895	1,217	1,235	813	627
Investigations Assigned (Criminal & Family)	2,977	3,400	3,713	3,979	4,395	5,395	6,387	6,532	6,274	6,274

(Continued)

EXHIBIT T-22

COUNTY OF NASSAU, NEW YORK

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Protection of Persons (Continued)										
Consumers Affairs										
Number of Weights and Measures Inspections	3,982	4,082	4,353	4,479	4,425	4,101	4,402	4,512	4,439	NA
Number of Weights and Measures Devices Inspected	15,947	15,684	16,803	16,891	16,881	16,650	16,228	16,135	16,185	16,898
Total Number of Stores Participating in Item Price Exemption	252	216	216	210	189	190	185	190	158	160
Number of Home Improvement License Applications Issued	5,496	4,368	6,016	4,462	5,462	4,216	5,605	4,038	5,846	4,169
Total Number of Violations Issued	1,281	1,176	1,490	1,424	1,576	1,579	2,144	1,667	1,566	1,445
Health										
Behavioral Health (Drug & Alcohol)										
Caseload Referred by DSS Screening						4,293 ⁽¹⁵⁾	7,673	6,687	6,778	6,262
Assessments, Consultations, Support Services						2,288 ⁽¹⁵⁾	4,307	4,459	3,136	3,693
Referrals to Treatment						1,286 ⁽¹⁵⁾	2,397	2,648	2,539	2,510
TIPS Treatment Placement Number of Unique Clients Served						158 ⁽¹⁶⁾	582 ⁽¹⁰⁾	154 ⁽¹⁰⁾	976	1,194
EAP Number of Training and Management Consultation Attendees	1,089	1,408	1,105	2,312	4,140	2,552	1,372	1,376	930	519
Methadone Maintenance Treatment Clinic Number of Clients Served	665	691	744	747	714	747	735	689	725	717
Behavioral Health (Mental Health)										
Average Monthly Assisted Outpatient Treatment (AOT) Caseload	252	213	175	157	151	149	140	132	111	108
Average Monthly AOT Cases Under Court Order	218	183	146	133	124	117	108	104	84	76
Average Monthly AOT Voluntary Cases	9	8	10	12	11	16	19	15	12	23
Average Monthly AOT Cases under Investigation	25	22	19	12	16	17	13	14	14	9
Significant AOT Event Episodes	596	542	572	478	434	403	307	186	309	338
Family Court Number of Individuals Remanded	26	24	22	32	44	50	71	110	91	109
Family Court Number of Diversions	20	18	25	29	36	36	24	50	42	63
Number of Forensic Evaluations	160	202	152	122	127	179	242	358	255	319
Number of Individuals Seen	160	201	152	116	113	163	227	308	223	283
Health Department										
Total Number of Communicable Diseases Reports Received	23,501	23,054	20,191	19,406	25,281	25,518	27,786	22,743	21,403	20,983
Total Number of Communicable Diseases Reports Confirmed	4,171	4,716	4,275	3,042	3,667	1,488	8,453	4,162	3,480	3,811
Number of Immediate Response Investigations	37	69	36	30	28	71	54	89	21	52
Number of 72 Hour Response Investigations	1,517	1,206	1,113	1,221	1,161	1,074	3,394	1,337	1,025	1,390
Number of 1 Week Response Investigations	2,617	3,452	3,123	1,791	2,471	1,416	5,037	2,704	2,103	2,369
Monthly Environmental Nuisances All Cases	NA	NA	NA	NA	NA	NA	3,168	3,674	3,730	3,880
Community Sanitation Inspections	2,464	2,599	2,872	2,002	2,354	2,925	2,915	3,395	3,098	3,100
Food Protection Inspections	13,000	12,604	12,314	15,934	18,410	13,462	17,059	14,734	16,426	14,811
Social Services										
Senior Citizens Affairs										
Number of Congregate Meals Served at Centers	186,333	193,213	202,358	201,409	207,469	219,986	211,888	237,855	247,179	251,675
Number of Seniors Served Meals	4,470	6,741	6,604	4,651	4,690	4,902	4,600	5,634	6,426	6,596
Number of Home Meals Served	416,188	423,731	404,506	412,226	451,941	469,418	387,019	500,203	535,882	506,508
Total Number of Funded Senior Center Trips	136,245	139,075	140,205	148,932	158,255	165,509	152,967	185,953	187,725	208,508
Number of Senior Passengers Transported	1,573	1,595	1,605	1,736	1,719	1,860	1,557	1,722	2,066	1,964
Social Services⁽⁶⁾										
Medicaid Total Medical Assistance Cases Only	102,183	112,107	117,179	102,687	93,777	86,436	75,552	63,908	67,970	75,959
Medicaid Applications Pending	1,132	1,122	2,070	4,257	2,526	2,442	4,233	7,538	4,893	3,393
Percentage of Applications Processed over 30 Days	13%	10%	6%	28%	16%	18%	33%	54%	49%	37%
Child Protective Investigative Unit Caseload / Per Caseworker	14	18	16	18	17	22	16	19	17	16
Child Protective Family Assessment Unit Caseload / Per Caseworker	11	NA	NA	NA	NA	NA	NA	NA	NA	NA
Child Protective On-going Unit Caseload / Per Caseworker	9	NA	NA	NA	NA	NA	NA	NA	NA	NA
Child Protection Total Caseload / Per Caseworker	(24)	15	14	15	15	19	17	18	15	14
Child Protective Services Primary Open Investigations	761	808	1,142	1,046	1,086	1,253	1,076	1,189	854	826
Child Protective Services Primary Open Investigations / Per Caseworker	10	13	14	15	14	16	14	15	14	13
Active Public Assistance Cases	6,408	7,463	6,989	7,608	8,302	8,538	6,932	5,695	4,865	4,754
Number of Public Assistance Applications Pending Over 30 Days	15	34	72	243	419	840	1,556	1,001	825	621
HEAP Individuals (Clients, HEAP-Only)	4,319	4,731	5,034	6,378	7,265	7,658	7,081	5,885	4,948	5,822
Social Service Applications Disposed	5,976	5,807	8,062	7,920	7,530	8,581	7,684	6,408	4,793	4,060
Emergency Shelter Individuals (Clients, Homeless)	905	719	564	628	574	805	515	509	380	433
Food Stamp Individuals (Clients, Total)	62,463	66,130	67,317	68,409	66,039	59,510	45,338	34,143	28,288	27,027
Services Cases	5,779	5,419	5,559	5,855	5,803	5,654	5,111	4,762	4,675	4,885
Number of Summer Lunches Served ⁽¹¹⁾	64,581	70,784	62,094	67,000	61,000	71,488	79,000	71,127		
Office for Physically Challenged										
Number of Parking Permits Issued	20,658	24,895	27,328	14,891	17,103	14,945	17,087	11,201	13,806	15,511
Number of Inquiries Responded To	19,252	20,250	19,424	19,500	18,250	17,250	18,500	11,201	18,000	17,550
Number of Institutional Outreach Contacts	3,500	4,050	5,882	2,498	2,145	1,400	1,200	1,885 ⁽⁵⁾	285	280
Veterans Services										
Number of Clients Helped	19,757	18,000	17,126	19,104	10,025	15,079	10,844	12,476	14,383	11,506
Number of Services Provided	87,415	146,466	81,161	98,988	22,519	31,908	27,100	28,784	29,971	19,365
Number of Claims Opened	2,047	1,182	839	724	1,537	2,206	1,904	1,474	1,502	773
Veterans Population ⁽⁷⁾	55,000	65,000	70,000	85,000	79,000	90,000	90,000	79,146	85,794	87,721

(Continued)

EXHIBIT T-22

COUNTY OF NASSAU, NEW YORK

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Social Services (continued)										
Youth Board										
Number of Contacts for Contract Management and Assessment	628	475	320	320	446	562	851	783	860	1,379
Learning Programs	0	0	0 ⁽²⁰⁾	20	47	66	68	70	54	30
Number of Grant Applications Written by Department	0	0	0	0	18	18	10	12	4	7
Number of Youths Served Through Various Programs	81,036 ⁽²²⁾	20,395	33,651 ⁽²¹⁾	17,441	23,284	22,000	25,078	24,390	25,000	22,000
Number of Referrals to Other Departments and Other Organizations	NA	NA	NA ⁽²²⁾	270	341	400	415	425	430	422
Number of Professional Development Trainings	0	2	0	7	15	22	12	21	16	15
Number of Staff Members Attending Training	3	3	3	545	946	880	625	1,365	1,159	1,000
Number of Summer Lunches Served ⁽³⁾									67,000	72,000
Public Works										
Maintenance / Engineering										
Lane Miles Resurfaced	106	114	52	130	85	85.5	83	127.26	120.95	111.11
Street Sweeping (lane miles)	7,401	12,500	10,000	11,395	13,499	8,886	7,313	11,611	25,628	34,172
Bridge Maintenance (man hours/year)	936	389		448	1594	119	52	145	35	97
Average Number of Potholes Filled (per month)	3,245	3,515	2,171	212	138	1,674	1,607	1,188	1,685	2,653
Snow Plowing (man hours/year)	33,880	29,257	7,120	254.5	2,244	1,576	3,270	5,903	2,750	2,277
Average Flow - Bay Sewage Treatment Plant (MGD)	50	52	48	50	51	49	49	60.1	60.3	59.4
Average Flow - Cedar Creek Water Pollution Control Plant (MGD)	53	53	52	53	55.9	59.3	55.4	55.3	55.4	57.3
Average Flow - Glen Cove Wastewater Treatment Plant (MGD)	3	3	3	3	3.0 ⁽¹⁸⁾					
Average Flow - Cedarhurst Water Pollution Control Plant (MGD)	1	1	1	1	1 ⁽¹⁹⁾					
Average Flow - Lawrence Sewage Treatment Plant (MGD)	1	1	1	1	1 ⁽¹⁹⁾					
Recreation and Parks										
Parks Department										
Athletic Field Use Permits Issued	NA	NA	NA	NA	NA	NA	NA	440	653	442
Field/Court Reservations	10,083	10,816	11,783	9,994	9,008	9,476	8,057	8,258	8,943	8,734
Museum Admissions	NA	NA	1,032,658	764,550	757,631	821,416	921,983	941,608	899,065	909,928
Pool Admissions	501,636	429,553	426,518	393,273	412,584	427,148	374,728	418,842	446,800	447,050
Golf Admissions (rounds played)	231,230	237,902	238,761	269,940	257,723	277,035	295,463	273,540	271,641	254,632
Corrections										
Corrections / Sheriff										
Number of Inmates Transported To Court	22,206	23,805	25,757	28,737	31,999	33,573	34,121	34,306	34,278	22,409
Average Monthly Number of Inmates	1,188	1,234	1,294	1,502	1,577	1,637	1,576	1,607	1,717	1,633
Number of Summonses Issued	5,381	2,742	2,432	2,438	2,671	2,827	7,000	5,674	5,939	8,645
Number of Court Orders Enforced	22,957	23,263	25,692	27,081	31,343	20,217	27,841	27,894	26,969	26,015

NA - data not available

(Concluded)

MGD - Millions of Gallons per Day

(1) Source : Dept of Criminal Justice Services (DCJS)

(2) Exemptions processed in 2006 are for Tax Year 2007/2008, Exemptions processed in 2007 are for Tax Year 2008/2009, Exemptions processed in 2008 are for Tax Year 2009/2010, Exemptions processed in 2009 are for Tax Year 2010/2011, Exemptions processed in 2010 are for Tax Year 2011/2012, Exemptions Processed in 2011 are for Tax Year 2012/2013, Exemptions processed in 2012 are for Tax Year 2013/2014, Exemptions processed in 2013 are for Tax Year 2014/2015, Exemptions processed in 2014 are for Tax Year 2015/2016, and Exemptions processed in 2015 are for Tax Year 2016/2017.

(3) Appeals for correction of assessments are filed yearly between January 1 and March 1 with the Assessment Review Commission. The appeals filed in 2015 were for the 2016/17 tax year; ARC reviews the applications and reduces the assessment roll where appropriate. The review process is completed on or around March 10th of the following year. The number of appeals represents the number of parcels appealed, multiple filings on a parcel is not included.

(4) Includes liens sold to Nassau County by Default

(5) In 2008, Staff Members were increased to 4 that are doing Institutional Outreach

(6) Data Sources: NYS WST-002, NYS WINR-1240, OCI Summary Report, CCRS/Connections, NCDSS Homeless Report

(7) Based on 2000 census - does not include Gulf War Veterans

(8) As of Jan 31, 2008, DSS took over all PINS (Persons in Need of Supervision) diversion cases at the Intake level.

(9) As of January 1, 2010, Adult Intake Family Offenses will be handled by Family Court Personnel.

(10) TIPS Unit lost 3 Staff Personnel during 2008, TIPS had only 1 Staff Person in 2009

(11) Summer Lunch Program transferred to Department of Social Services in 2008

(12) Includes Sprinkler Systems, Fire Alarm Systems, Automatic Extinguishing Systems, Hood & Duct Systems, Flammable Liquid Storage Tank Installations, Site Plans, Flammable Finish Spray Booths, etc.

(13) Methodology of Tracking Case Turnaround was changed in 2009 along with an increase in DNA analysis requests as a result of increased amounts of evidence collected at crime scenes are reasons for the increase in the average number of days to complete DNA Cases

(14) As of January 1, 2010, Adult Intake Family Offenses will be handled by Family Court Personnel.

(15) Data from January through July 2010. Unit was transferred to Department of Social Services

(16) TIPS date for January through March 2010. Program Closed.

(17) As of August 31, 2010, Nassau Community College is processing their own Purchase orders and Claims.

(18) Nassau Assumed Operations of Glen Cove Sewer System during 2011

(19) Nassau Assumed Operations of Cedarhurst and Lawrence Plants during 2012

(20) Community Service Projects cut in 2012

(21) Total Served through Countywide funding and funding to Localities.

(22) Referrals not Tracked in 2013

(23) Youths served now include the Towns of Hempstead, North Hempstead, and Oyster Bay and Cities of Long Beach and Glen Cove.

(24) The Child Protective category is now broken down into two categories, Family Assessments and On-Going Unit

Sources: Various County of Nassau Departments, Office of Management and Budget

For more information about County Departments and Services please visit our website - www.nassaucountyny.gov