



NASSAU COUNTY
LONG ISLAND, NEW YORK

COUNTY OF NASSAU, NEW YORK

**Financial Statements
And Supplementary Information
(Together with Independent Auditors' Report)**

December 31, 2023

and

**Single Audit Reports and Schedule as Required by the
Office of Management and Budget
Uniform Guidance**

Year Ended December 31, 2023

COUNTY OF NASSAU, NEW YORK

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION AND SINGLE AUDIT REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Honorable Bruce A. Blakeman, Nassau County Executive,
the Honorable Elaine Phillips, Nassau County Comptroller
and the Members of the Legislature of the County of Nassau, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the 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 (the "County"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of December 31, 2023, and the respective changes in financial position, and the respective budgetary comparisons for the 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.

We did not audit the financial statements of Nassau Community College, Nassau Health Care Corporation, Nassau Regional Off-Track Betting Corporation, Nassau County Industrial Development Agency, Nassau County Local Economic Assistance Corporation, Nassau County Bridge Authority, Nassau County Interim Finance Authority, (collectively "component units") which represent approximately 2%, 18% and 3%, respectively, of the assets, net position, and revenues of the governmental activities, and approximately 99%, 99%, 95%, 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 opinions, insofar as they relate to the amounts included for such component units, are based solely on the reports of the other auditors.

Basis for Opinions

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

Emphasis of Matters

Control Period

As discussed in Notes 1 and 2 to the financial statements, the County is under a control period as imposed by the Nassau County Interim Finance Authority ("NIFA"). Our opinions are not modified with respect to this matter.

Uncertainty Regarding Going Concern

The report of the independent auditor of Nassau Health Care Corporation ("NHCC"), a discretely presented component unit of the County, contained an emphasis of matter paragraph concerning NHCC's ability to continue as a going concern. Our opinions are not modified with respect to this matter.

Restatement

The report of the independent auditor of Nassau Community College ("NCC"), a discretely presented component unit of the County, contained an emphasis of matter paragraph, which is further discussed in Note 26 to the financial statements, regarding errors in prior years related to the accounts payable balance that were discovered during their current year audit. Accordingly, the net position balance has been restated as of September 1, 2022. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules included under required supplementary information in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We, and other auditors, have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and individual fund financial statements and schedules, combining statement of net position and activities and other supplementary information (as indicated in the table of contents), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS by us and other auditors. In our opinion, based on

our audit and the reports of the other auditors, the combining and individual nonmajor fund financial statements and schedules, combining statement of net position and activities and other supplementary information (as indicated in the table of contents) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2024 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Report on the Control Period Calculation Schedule

Opinion

We have audited the accompanying Control Period Calculation Schedule (the "Schedule") of the County, which comprises the Control Period Calculation results of the County's five major budgetary operating funds in accordance with the reporting provisions of the agreement between the County and NIFA dated December 8, 2017 (the "Contract") for the year ended December 31, 2023, and the related notes to the Schedule.

In our opinion, the accompanying Schedule presents fairly, in all material respects, the Control Period Calculation results of the County's five primary operating funds for the year ended December 31, 2023, as determined in accordance with the reporting provisions of the Contract as described in Note 2.

Basis for Opinion

We conducted our audit in accordance with GAAS. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Schedule section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

We draw attention to Note 2 to the basic financial statements, which describes the basis of accounting. The Schedule is prepared by the County on the basis of the reporting provisions of the Contract, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Schedule

Management is responsible for the preparation and fair presentation of the Schedule in accordance with the reporting provisions of the Contract and for determining that the contractual basis of accounting is an acceptable basis for the presentation of the schedule in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedule that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audits of the Schedule

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the Schedule, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining on a test basis, evidence regarding the amounts and disclosures of the Schedule.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedule.

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

Other Matters

The information presented in Exhibit E-2, Control Period Calculation Schedule – Historical Data, for the years ended December 31, 2016 through December 31, 2020 was subjected to the auditing procedures applied in the respective year-end audits of the Schedule by other auditors, whose reports stated it was fairly stated in all material respects with the audited Schedule from which it has been derived.

Restrictions on Use – Report on Control Period Calculation

Our report is intended solely for the information and use of the County and NIFA and is not intended to be and should not be used by anyone other than these specified parties.

CBIZ CPAs P.C.¹

New York, NY
June 27, 2024



MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management Discussion and Analysis (MD&A) provides a narrative overview and analysis of the financial activities of Nassau County for the fiscal year ended December 31, 2023. This section should be read in conjunction with the Letter of Transmittal and the County's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The MD&A is intended to serve as an introduction to the County's basic financial statements, which include the following components:

- 1) government-wide financial statements,
- 2) fund financial statements and
- 3) notes to the basic financial statements.

This report also contains supplementary information that is intended to furnish additional detail to support the basic financial statements.

Government-wide financial statements. The government-wide financial statements present a long-term view of the County's finances and provide information about the County, including its component units, 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 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 they are incurred, regardless of the timing of related outflows of cash. There are two government-wide financial statements: The *Statement of Net Position (Deficit)* and the *Statement of Activities*.

The government-wide financial statements report the activity and balances for the County and its blended component units (known as the primary government), as well as its discretely presented component units (presented separately), all of which are identified in Note 1 of the financial statements, titled, *Summary of Significant Accounting Policies* of the financial statements. Financial information for discretely presented component units is reported separately from the financial information presented for the primary government itself. Exhibits X-1 and X-2 are government-wide financial statements.

The *Statement of Net Position (Deficit)* presents information on all the County's assets, liabilities, and deferred outflows and inflows of resources. Net position (deficit) is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. It should be noted that unrestricted net position deficits may be created because many governments have long-term liabilities that are funded on a pay-as-you-go basis, appropriating resources each year as payments come due, rather than accumulating assets in advance. Common examples include litigation, accrued vacation and sick pay, and other postemployment benefits.



The *Statement of Activities* divides a government's activities into three elements: its governmental activities, its business-type activities (currently not applicable to the County), and the activities of its component units.

Both government-wide financial statements distinguish functions of the County that are principally supported by taxes, charges for services, operating and capital grants. The governmental activities of the County include general administration, public safety, social services, recreation, health, education, and public works.

Fund financial statements. The remaining statements in the Annual Financial Report 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. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds fall into three categories: governmental funds, proprietary funds, and fiduciary funds. The County has governmental and fiduciary funds but not proprietary funds.

Differences between the government-wide statements and the governmental fund statements results include differing measurement focuses and basis of accounting between the statements. The Statement of Activities (government-wide financial statements) reflects the net costs of each major function of operations, which differs from the presentation of revenues and expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Total Budgetary Authority, Actual and Budgetary Basis (governmental fund financial statement), which reflects the County's modified accrual and budgetary presentation. Exhibits X-4 and X-6 reconcile the differences between the fund level and government-wide statements.

Governmental Funds. Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements generally focus on short-term (one year or less) inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements. 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 short-term inflows and outflows of financial resources.

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

COUNTY OF NASSAU, NEW YORK

MANAGEMENT'S DISCUSSIONS AND ANALYSIS YEAR ENDED DECEMBER 31, 2023



The County maintains ten governmental funds and six blended component unit governmental funds. Information is presented separately in the Governmental Funds - Balance Sheet (Exhibit X-3) and in the Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit X-5) for funds which are considered to be the major funds and in aggregate for the funds which are considered to be nonmajor funds. The major governmental funds are:

- the General Fund;
- the NIFA Fund (the general fund of a blended component unit);
- the Police District Fund;
- the Sewer and Storm Water District Fund;
- the Capital Fund;
- the Disputed Assessment Fund; and
- the American Rescue Plan (ARPA) Fund.

Data from the other nine nonmajor governmental funds (four are managed by the County and five are blended component unit funds) are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the Combining and Individual Fund Statements and Schedules section of this report.

The County adopts an annual appropriated budget for components of its General Fund, Police District Fund, Sewer and Storm Water District Fund, and Environmental Protection Fund¹. The County carries over unexpended encumbrances and the corresponding budget. A budgetary comparison statement, including carryovers, has been provided to demonstrate compliance with its budget.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The fiduciary funds employ the *economic resources measurement focus* and *accrual basis of accounting*, similar to the government-wide statements. The County reports one type of fiduciary fund which presents balances and activity related to resources held for others.

The basic governmental fund financial statements can be found on pages 42-45 of this report. Exhibits X-3 and X-5 are governmental fund financial statements and Exhibits X-10 and X-11 are examples of fiduciary fund financial statements.

Notes to the financial statements. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in Exhibit X-14 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents *Required Supplementary Information* (RSI) of the County's progress in funding its obligations to provide pension and other postemployment benefits (OPEB) to its employees. Required supplementary information can be found immediately after the notes to the financial statements. *Other Supplemental Information* that includes Combining and Individual Fund Statements and Schedules on non-major funds and major funds, may be found immediately following the RSI, beginning with Exhibit A-1 of this report.

¹ This fund is used to purchase and preserve open space and for other purposes in accordance with the County's environmental programs, established by Local Law No. 14 of 2004 and Local Law No. 10 of 2006.



FINANCIAL REPORTING ENTITY

The financial reporting entity consists of the County government and its component units, both blended and discretely presented, which are legally separate organizations that meet the criteria for reporting as a component unit, either because the entity has a financial dependence on the County or the County appoints a voting majority of that organization's governing body, and the County is able to either impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on the County. The County's component units are comprised of the following:

Blended Component Units, which are included in both the government-wide and governmental fund statements, represent:

- Nassau County Interim Finance Authority² (NIFA);
- Nassau County Sewer and Storm Water Finance Authority (NCSSWFA); and
- Nassau County Tobacco Settlement Corporation (NCTSC).

Discretely Presented Component Units, two major and five non-major, which are included in only the government-wide statements, represent:

- The major discretely presented component units are:
 - Nassau Health Care Corporation (NHCC); and
 - Nassau Community College (NCC)
- The non-major discretely presented component units are:
 - Nassau Regional Off-Track Betting Corporation (OTB);
 - Nassau County Industrial Development Agency (NCIDA);
 - Nassau County Local Economic Assistance Corporation (NCLEAC);
 - Nassau County Bridge Authority (NCBA); and
 - Nassau County Land Bank (NCLB).

See Note 1, *Summary of Significant Accounting Policies* of the financial statements for further explanations of the component units.

² The Nassau County Interim Finance Authority (NIFA) is a blended component unit of the County, which provides State oversight of the County's finances. Refer to the description of NIFA in the Letter of Transmittal, Note 1 *Summary of Significant Accounting Policies*, Blended Component Units (a), and Note 2, *Control Period Calculation*, of the accompanying financial statements for more information about NIFA.



FINANCIAL HIGHLIGHTS

Governmental Funds

As shown in Exhibit X-5, the County ended the 2023 fiscal year with a net change to GAAP fund balance of (\$123.3) million in all its governmental funds, both operating and non-operating, a decrease of \$558.5 million from the prior year. The shortfall of \$123.3 million was comprised of:

- \$74.0 million shortfall attributed to the County's three operating funds³, a decrease from 2022 by \$308.3 million:
 - the General Fund shortfall of \$113.4 million attributed to several factors, the key to which was the cash defeasement of \$91.3 million of outstanding bonds and the payment of other long-term obligations;
 - the Police District Fund surplus of \$22.2 million primarily the result of reallocation of the property tax levy to this fund from the General Fund; and
 - the Sewer and Storm Water District Fund (Sewer and Storm Water Fund) surplus of \$17.2 million mainly the result of Rents and Recoveries collected from the third-party operator of the sewer facilities; and
- \$49.3 million shortfall attributed to the remaining funds, both major and non-major, a decrease over 2022 of \$250.2 million, primarily due to:
 - the Capital Fund deficit of \$46.7 million mainly due to lower Federal Aid received and less bond proceeds due to lower borrowing levels offset by lower capital outlays;
 - a surplus in the Disputed Assessment Fund of \$5.5 million attributed to interest revenue earned on the cash balances in that fund;
 - a shortfall in the Grant Fund of \$4.8 million primarily due to the timing of recognizing revenue reimbursements on program expenditures;
 - a deficit in the debt service fund of the blended component unit NIFA of \$ 4.4 million due to the timing of debt service payments; and
 - a net surplus in all other non-major funds and the NIFA Fund totaling \$1.1 million.

³ Defined as the General Fund, the Police District Fund and the Sewer and Storm Water District Fund (Sewer and Storm Water Fund). These funds represent the daily activity of governmental functions and are primarily funded by sales tax and other recurring revenue streams and property taxes. Monitoring the fiscal activities of these funds is key to ensuring our policy makers and management have the relevant information needed to make sound decisions that ultimately have positive long-term impacts on the County's fiscal trajectory.



As shown in Exhibit X-5, factors contributing to the governmental funds' GAAP net change in fund balance of (\$123.3) million were driven by several factors. Higher revenues of \$99.9 million were offset by higher expenditures and debt service costs totaling \$436.7 million. Interest income was the primary driver of the increase in revenues, the result of large cash balances maintained by the County in a high-interest rate environment. Decreases in Departmental Revenues and Federal Aid were mainly offset by increases in State Aid, county-wide sales tax revenues and Preempted Sales Tax in Lieu of Property Taxes⁴. Expenditures increased over 2022 by \$190.5 million, primarily due to higher payments for property tax refunds (tax certiorari), higher judgments and settlements paid and higher costs for protection of persons and social services. Debt service was higher than the prior year (\$246.2 million) due primarily to two factors, the first of which was the cash defeasance of \$91.3 million of County serial bonds and \$6.5 million of related interest and cost of issuance. The other factor for the increase was due to the increase in scheduled debt service on principal. Principal payments on outstanding County serial bond debt increased approximately \$89 million due to the required maturity of serial bonds. NIFA principal payments increased \$67.5 million primarily the result of the 2021 refinancing which significantly reduced principal payments in 2022.

Total revenues and total expenditures (including debt service) increased by \$99.9 million and \$436.7 million, respectively, over 2022. Net other financing sources decreased by \$221.7 million over 2022.

The contributing factors affecting the increase in revenues and expenditures, and decrease in net other financing sources included:

- Sales Tax revenues of \$1.4 billion surpassed the prior year by \$28 million; Preempted Sales Tax in Lieu of Property Taxes revenues increased by \$20.8 million over the prior year, however the growth in collections slowed from earlier in the fiscal year;
- Interest Income of \$98.8 million increased over the prior year by \$74.4 million. The County's cash balances during the fiscal year coupled with the high-rate environment on large cash balances held during the year resulted in this gain.
- Departmental Revenue of \$182.0 million declined over the prior year by \$32.4 million primarily driven by lower mortgage and deed recording fees (\$27.1 million), which were down \$16.0 million from the prior year. GIS Tax Map fees (\$21.8 million) were down \$16.6 million from the prior year. Real estate fees were adversely affected by the high mortgage rate environment coupled with the low inventory of homes for sale in Nassau County during the fiscal year.
- State Aid revenue of \$381.0 million increased over the prior year by \$32.5 million primarily the result of an increase in State Operating Assistance (STOA) funding received for the County's bus service (\$8.8 million) and for pre-school education services (\$16.5 million);
- Due to the reclassification of \$21.3 million deferred preempted sales tax in lieu of property taxes, property tax revenue increased by \$24.7 million.

⁴ Preempted Sales Tax in Lieu of Property Taxes is also known as "Part County Sales Tax". New York State Tax Law §1262(d), provides cities and towns a share of certain sales taxes related to hotel occupancy, restaurants, and other retail establishments. This law gives cities a choice to receive their share of sales tax revenues directly or to receive them as a credit to their county property tax levies. The towns may only receive the revenues via a credit to the property tax levies. The City of Glen Cove elected to receive their share of sales taxes as a credit to their property tax levies, while the City of Long Beach receives a direct distribution of these sales taxes from New York State. All three towns (Hempstead, North Hempstead and Oyster Bay) receive the revenues via a credit to their property tax levies.



- Federal Aid revenue decreased over prior year by \$67.6 million primarily due to Environmental Facilities Corporation (EFC) pass-through grant received in 2022 related to the Bay Park outflow diversion project reported in the Capital Fund.
- A decrease in the net Other Financing Sources was primarily the result of lower bond proceeds realized in 2023 (\$368.6 million), which included refinanced debt, versus 2022 (\$444.6 million), and no short-term borrowing proceeds received in 2023 versus \$23.0 million in 2022. The refinancing of debt by the County in 2023 factored into the decrease in net Other Financing Sources. See the *Debt* section in the MDA for further discussion.

The contributing factors affecting the increase in expenditures were as follows:

- Debt service costs increased \$246.2 million over 2022 driven by the cash defeasance of serial bonds (principal of \$91.3 million and interest and cost of issuance of \$6.5 million) and an increase in the debt service due on County and NIFA serial bonds in accordance with amortization tables. In addition, due to the adoption of GASB Statement No. 87, *Leases* in 2022, which resulted in the recognition of principal and interest costs related to County lessee leases, and the 2023 adoption of GASB Statement Nos. 94 and 96, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, and *Subscription Based Information Technology Arrangements*, respectively, debt service costs now include the recognition of principal and interest costs related to the underlying assets. The debt service related to the GASBs is offset by the revenue reported by the County;
- Local Government Assistance expenditures paid to the Towns and Cities within the County were higher than the adopted budget by \$2.2 million due to higher sales tax collections. Local Government Assistance represents a share of sales tax collections that are distributed to the municipalities in accordance with State law;
- Payments for Tax Certiorari increased to \$137.6 million in 2023, \$25.4 million more than the \$112.2 million reported in 2022. The increase was due to the County's efforts to pay down the backlog of property tax refunds and reduce the long-term liability. Of the \$137.6 million reported, \$134.2 million was recorded in the reserve. An additional distribution of \$47.5 million was made from the DAF Fund, however, the DAF Fund payments are not expenditures of the County as they represent the return of disputed assessment charges collected.
- 2023 costs for Suits and Damages of \$70.0 million increased over the prior year by \$35.3 million. These costs, which do not include payments for tax certiorari, include structured settlements for the utility litigations. Of the \$70.0 million recognized, \$69.8 million was reported in the Litigation Fund, a reserve component of the General Fund; and
- 2023 expenditures increased over 2022 by a total of \$197.6 million in the following functions: Protections of Persons, Health, Public Works, Social Services. The increase is primarily due to the salaries and fringe benefits costs in the Police District Fund (\$59.8 million of the \$62.4 million increase) as a new collective bargaining agreement was signed in 2023, which included payment of retroactive increases, and the prepayment of the deferred pension liability due to New York State for the New York State Local Police and Fire Retirement System (PFRS) for the remaining liability of \$29.9 million. Health costs (\$47.9 million) were primarily due to higher pre-school early intervention costs (\$25 million), and Social Services costs (\$72.5 million) were primarily due to



higher expenditures for Purchased Services (\$26.8 million), the County's share of Medicaid costs (\$15.9 million), and Recipient Grants (\$11.8 million). In addition, the results of the COVID -19 compensatory time arbitration with the Civil Service Employees Association (CSEA), resulted in a payment to members of approximately \$24.5 million. See additional information on page 39 of the MD&A.

The ending GAAP fund balance for all governmental funds was \$1,425.5 million, down from \$1,548.8 million at 2022 fiscal year-end. Of the 2023 ending fund balance:

- \$1,073.7 million is attributed to the three operating funds;
 - \$889.7 million is attributed to the General Fund⁵;
 - \$117.5 million to the Police District Fund; and
 - \$66.5 million to the Sewer and Storm Water Fund.

The Capital Fund and the Disputed Assessment Fund's (DAF) ending fund balances were \$273.9 million and \$14.4 million, respectively, and the remainder of \$63.5 million is comprised of the ending fund balances in multiple nonmajor funds and the NIFA fund.

Total assets for all governmental funds as of December 31, 2023 decreased by \$151.6 million over the prior fiscal year, primarily due to the \$123.8 million reduction of the GASB Statement No. 87 lease receivable as a result of the termination of the Nassau County Coliseum lease with Nassau Live, and a \$22.4 million decrease to Prepaid Assets in the General Fund and the Police District Fund primarily related to \$28.4 million health insurance premium for January 2023 that was prepaid in 2022 offset by an increase in the prepaid portion of the pension invoices paid in December 2023. The decrease in cash and cash equivalents of \$71.3 million was offset by increases in restricted cash and restricted investments totaling \$109.0 million. As of fiscal year-end 2023, the County adopted GASB Statement No. 94, *Public-Private and Public-Public Partnerships (PPP) and Availability Payment Arrangements (APA)*, which resulted in the establishment of a PPP receivable of \$11.6 million. See Note 13, *Public-Private Partnerships (PPP)* for further information.

Total Deferred Outflows of Resources as of December 31, 2023, decreased by \$3.5 million in 2023 representing a reduction of costs in 2023 associated with grant awards that were not recognized due to timing.

Total liabilities for the governmental funds as of December 31, 2023, increased by \$101.7 million, primarily due to increases in Accounts Payable of \$37.9 million and Accrued Liabilities of \$25.0 million. Unearned Revenue increased over the prior year by \$15.5 million due to grant funding received in advance that could not be recognized until expended and Other Liabilities of \$54.7 million, which was primarily attributed to unrecognized collections from Sands, related to payments made to the County in 2023 that could not be recognized due to ongoing litigation. These increases were offset by reductions in Property Tax Refunds Payable of \$16.4 million, and Interfunds Payable of \$16.2 million.

⁵ As defined in Note 3 of the MD&A.



Total Deferred Inflows of Resources as of December 31, 2023, decreased over the prior year by approximately \$133.6 million, primarily driven by termination of the Nassau County Coliseum lease with Nassau Live under GASB Statement No. 87, which resulted in the reduction of Deferred Inflow of Resources of \$120.9 million. Additional decreases in Deferred Inflows of Resources were related to Preempted Sales Tax in Lieu of Property Taxes (a/k/a Part County Sales Tax) of \$10.9 million and the deferral of \$11.6 million of revenue receivables that have not been collected prior to the County's period of availability. Because Part County Sales Tax represents preempted sales tax in lieu of property taxes, any excess collected in a fiscal year over the budgeted amount is deferred and is applied as a reduction to property taxes due from the County's three towns and the City of Glen Cove. In 2023, the growth in sales tax collections over the prior year were not as strong as the 2022 growth over 2021, thus the excess that was deferred was lower than the deferred amount for 2022. These reductions were offset by an increase in Deferred Inflows of Resources related to the adoption of GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which resulted in the initial recording of an asset (PPP Receivable) and an offsetting Deferred Inflow of Resources. See Sales Tax section in this MD&A. See Note 1, *Summary of Significant Accounting Policies* for more details of Part County Sales Tax and Note 25, *Change in Accounting Principles*, for more details about the effect on the County's financial operations as a result of the adoption of GASB Statement No. 94.

For the three operating funds only⁶, total assets, liabilities, and deferred inflows of resources, were \$1,785.8 million, \$592.6 million, and \$119.5 million, respectively. This represents decreases in assets and deferred inflows of resources of \$82.7 million and \$133.6 million, respectively, offset by an increase in liabilities of \$125.0 million over the prior year.

The 2023 results allowed the County to reserve funds for future long-term debt management, even while the growth in sales tax revenues slowed as the fiscal year progressed and after paying down long-term debt with previously reserved funds.

KEY FACTORS AFFECTING FISCAL YEAR 2023

As discussed in the letter of transmittal, there were several key factors affecting the results for fiscal year 2023. These are outlined below.

Collective Bargaining Agreements and Arbitration

In 2023, the County and three of its collective bargaining units, the Nassau County Police Benevolent Association (PBA), the Civil Service Employees Association (CSEA), and the Correction Officers Benevolent Association (COBA), entered into Memorandum of Understanding (MOU) agreements. The MOUs set terms and conditions for the employees in each respective negotiating unit whose contracts expired on December 31, 2017. The MOUs included retroactive salary payments that had been budgeted for in previous fiscal years. There were additional concessions and awards made in each agreement.

In February 2023, the County and its police union, PBA, negotiated a successor to its collective bargaining agreement and entered into an MOU agreement. The agreement covers the period from January 1, 2018, through June 30, 2026, raises wages by 15% over the 8 ½ year period, and all members are required to

⁶Ibid.



contribute to their health insurance premiums or elect a non-contributory health insurance under a high deductible plan. The agreement granted retroactive wages for the period beginning January 1, 2021; wage increases granted to members for the prior years of the contract (2018-2020) were only applied to arrive at the correct salaries on January 1, 2021. The retroactive payment for salaries, which included salaries for 2023 to the date of payment, was \$33.6 million for this unit and was paid in 2023.

In September 2023, the County entered into an MOU agreement with the CSEA and its members covering the period from January 1, 2018, through December 31, 2030. The agreement grants contractual wage increases of 2%-3% each year beginning in 2020 through 2030 and, after June 26, 2026, requires employees to have met 20 years of County employment to be eligible for health benefits in retirement. The agreement also revised the health insurance plan for active and retired members from the Empire Plan to the Excelsior Plan. The retired CSEA members subsequently filed a lawsuit against the County for the change in health insurance; this litigation is pending. See Note 23, *Contingencies and Commitments* for further information on the CSEA retiree litigation.

In October 2023, the County entered into an MOU agreement with COBA and its members. The agreement covers the period from January 1, 2018 through June 30, 2026 and grants contractual wage increases of 2%-3% annually, totaling 11% over the period beginning in 2020 through the end of the contract. All members are required to contribute to their health insurance premiums. Effective on and after June 30, 2026, only members who retire with at least ten years of County service shall be eligible to continue health benefits in retirement.

The County and the CSEA bargaining unit had arbitrated the COVID-19 compensatory time related to essential employees who worked both on-site and remotely during the pandemic. In 2023, the arbitrator determined that CSEA employees were entitled to the compensation and, in December 2023, the County paid out approximately \$24.5 million in COVID-19 compensatory time and related fringes to its CSEA members. The County also paid longevity and related fringe benefits payments of \$4.7 million and \$9.0 million for police district employees and other County employees, respectively. The COVID-19 award, the longevity, and the related fringe benefits on those payments, were paid from the County's Litigation Fund, a component of the General Fund. As of December 31, 2023, the Litigation Fund had reserves of \$62.2 million for future general and police district longevity costs.

At year-end 2023, the County accrued for retroactive salary payments that were due to members of the CSEA and COBA collective bargaining units in accordance with the MOUs approved by the County Legislature and NIFA. The amounts accrued were approximately \$50 million and \$16 million, respectively. These accruals are reported as expenditures in the funds in which the employees are assigned.

Debt Transactions

In May 2023, the New York State Environmental Facilities Corporation refunded its Series 2013B bonds. The refunded bonds bear interest between 4.4% and 4.6% with maturities ranging from July 2023 to July 2029. See the Debt section of the MD&A for further information.

In December 2023, the County defeased \$91.3 million of County serial bonds using cash in its Bond Indebtedness Reserve Fund, a component of the General Fund. Interest and related cost of issuance was an additional cost totaling \$6.5 million.



MANAGEMENT'S DISCUSSIONS AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023

In April 2023, the County issued Series A General Improvement Bonds and Series B Refunding Bonds in the amounts of \$153.5 million and \$114.4 million, respectively, for various public purposes, including to fund capital projects and pay costs of issuance. See Note 14, *Notes Payable and Long-Term Obligations* for further information.

Significant Transactions

In May 2023, the County entered into an agreement with Sands Resorts (Sands) to lease the area surrounding, and including, the Nassau County Coliseum for 99 years. The County's previous lease of the Coliseum with Nassau Live Center, LLC was terminated on June 2, 2023, and, therefore, the County recorded a reduction in the Lease Receivable and Deferred Inflow of Resources, as well as a loss on the termination in the amount of \$3.9 million reported as an Other Financing Use in its General Fund, in accordance with GASB Statement No. 87, *Leases*, reporting requirements. The agreement with Sands was protested in court, and as a result of that litigation, the Sands agreement was nullified by the courts and, subsequently, the County recorded the payments collected from Sands for fiscal year 2023 as a \$57.4 million liability. The County continues to appeal the court decision. See Note 23, *Contingencies and Commitments* for further information.

Long-Term Liability Reductions

In February 2023, the County repaid its outstanding deferred pension expense liability of \$29.9 million to the New York State pension systems, resulting in the County being current on its pension expenses for the first time in over ten years.

In fiscal years 2021 and 2022, the County transferred surpluses of \$485.5 million and \$425.7 million, respectively, from the General Fund to the various reserves, which are components of the General Fund for reporting purposes. In 2023, the County's General Fund transferred \$207.2 million to the various reserves and the Police District Fund transferred \$18 million to the Litigation Fund and Employee Accrued Benefit Liability Reserve Fund. Moneys transferred to the reserve funds have been, and will be used to pay various costs, including tax certiorari payments, litigation, longevity, debt service, police termination costs, workers' compensation, and pension costs. During the fiscal year, the County paid tax certiorari and litigation costs utilizing reserve balances transferred in previous years. This resulted in current year expenditures and a reduction in long-term liabilities. Tax certiorari payments and litigation payments for suits and damages and union arbitration made in 2023 from reserved funds were \$137.6 million and \$70.0 million, respectively. While the payments were one factor in the General Fund's operating shortfall for the fiscal year, the reduction of long-term liabilities related to tax certiorari and litigation provides the County with future relief related to these obligations.

GASB Statement Adoptions

In 2023, the County adopted GASB Statement No. 94, *Public-Private and Public-Public Partnerships (PPP) and Availability Payment Arrangements (APA)* and GASB Statement No. 96, *Subscription Based Information Technology Arrangements (SBITA)* in compliance with GASB requirements.

A PPP is an arrangement in which the County (transferor) contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction. A transferor must always be a government, but the operator may or may not be a government. Service Concession Arrangements (SCA) are PPPs under the guidance. See Note 13, *Public - Private Partnerships (PPP)* of the financial statements for further information on County PPP/SCAs.



An APA is an arrangement in which a government pays an operator for activities that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time, in an exchange or exchange-like transaction. Payments are based entirely on the underlying asset's availability for use (i.e., project milestones), rather than on tolls, fees or similar revenues. The County did not report any APAs in 2023. The County has three APAs related to the operation and maintenance of the County's transit bus system, sewer system, and energy system. See Note 1 AD, *Summary of Significant Accounting Policies*, for more information on APAs.

A SBITA is a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The Long-term Liability related to SBITA was \$1.9 million at year-end. See Note 12, *Subscription-Based Information Technology Arrangements (SBITAs)* of the financial statements for further information on County SBITAs.

ANALYSIS OF GOVERNMENT-WIDE FINANCIAL STATEMENTS FOR 2023

The County's accumulated net deficit, on a government-wide basis in accordance with GAAP, was \$6,943.8 million, which represented an improvement of \$230.2 million in the net deficit over fiscal year 2022's balance of \$7,174.0 million.

The Statement of Net Position (Deficit)

The Statement of Net Position (Deficit) for the 2023 fiscal year reports a deficit balance of \$6,943.8 million in net position. The effects of unfunded long-term obligations, such as OPEB⁷, and the estimated liabilities for tax certiorari and litigation, as well as infrastructure spending, are significant factors in creating a deficit balance. As noted earlier, the net position over time may serve as a useful indicator of a government's financial position. Table 1 illustrates that the County's net deficit improved by \$230.2 million during 2023 when compared to the 2022 net deficit.

⁷ New York State Law does not permit municipalities other than New York City to reserve for OPEB.



Table 1
Condensed Statement of Net Position (Deficit)
(dollars in thousands)

	Total Primary Government Activities		
	2023	2022	Change
Current and Other Assets	\$ 2,716,271	\$ 2,990,425	\$ (274,154)
Capital Assets	4,279,852	4,111,492	168,360
Total Assets	6,996,123	7,101,917	(105,794)
Total Deferred Outflows of Resources	1,124,300	1,311,528	(187,228)
Current and Other Liabilities	1,923,098	1,545,885	377,213
Noncurrent Liabilities	12,278,309	12,664,009	(385,700)
Total Liabilities	14,201,407	14,209,894	(8,487)
Total Deferred Inflows of Resources	862,848	1,377,601	(514,753)
Net Investment in Capital Assets	2,623,118	2,509,153	113,965
Restricted	350,410	364,004	(13,594)
Unrestricted	(9,917,360)	(10,047,207)	129,847
Total Net Position (Deficit)	\$ (6,943,832)	\$ (7,174,050)	\$ 230,218

Total assets decreased by \$105.8 million. As previously disclosed, decreases in Lease Receivable (\$123.8 million) and Prepaid Assets (\$22.4 million) contributed to this decline. In addition, due to the actuarial valuation of the County's long-term pension obligation to New York State (NYS), the County recorded a pension liability in 2023 (there had been a pension asset reported in 2022) in accordance with GASB Statement No. 68. Offsetting these declines was a net increase in capital assets of \$168.4 million, a net increase in unrestricted and restricted cash and cash equivalents, restricted investments, and cash held by fiscal agent (net increase of \$21.7 million).

Deferred outflows of resources decreased by \$187.2 million mainly due to a reduction attributed to the OPEB liability of \$232.7 million offset by an increase of \$53.3 million attributed to the pension liability. The OPEB and net pension liabilities are actuarially valued in accordance with GASB Statement No. 75 and GASB Statement No. 68, respectively.



Total liabilities decreased by \$8.5 million, which represented the net of an increase in current liabilities of \$377.2 million and a decrease in noncurrent liabilities of \$385.7 million. The increase in current liabilities is primarily due to:

- An increase in the current portion of long-term liabilities (\$253.4 million) primarily the result of recording a current portion for the County's OPEB liability (\$248.6 million);
- Increases in Accounts Payable and Accrued Liabilities of \$62.9 million due primarily to the accrual of the retroactive salary payment due to employee members of the CSEA (\$50 million) and COBA (\$16 million) collective bargaining units resulting from the approval of new agreements with those units.
- An increase in unearned grant revenue of \$15.5 million resulting from the deferral of grant awards received but not yet spent;
- No new short-term financing was needed in 2023 due to higher cash on-hand thus there were no short-term notes payable as of fiscal year-end 2023;
- A decrease in Property Tax Refund Payable of \$16.4 million representing the due but unpaid tax certiorari refunds that were payable as of the end of the fiscal year.

Significant swings among different components of non-current liabilities resulted in a net decrease in total non-current liabilities by \$385.7 million.

- Decreases in non-current liabilities were comprised of the following:
 - The tax certiorari liability decreased by \$111.0 million primarily due to continued tax certiorari payments from the moneys the County had reserved for this purpose. As previously discussed in the governmental funds section, the County recorded \$134.2 million of costs in the Litigation Fund reserve (a component of the General Fund);
 - A \$24.3 million decline in the noncurrent liability due to the New York State Retirement System for the pension expenses deferred since 2011 resulting from the February 2023 prepayment of the remainder of the liability (\$29.9 million including current portion) that was outstanding as of December 31, 2022;
 - A reduction in the estimated liability for litigation of \$96.4 million primarily due to litigation settlements during 2023;
 - The OPEB liability decreased by \$877.8 million from the long-term liability of \$6,777.2 million reported in 2022 primarily due to two factors: (a) in 2023, the County reported a current portion of the OPEB liability of \$248.6 million and a noncurrent liability of \$5,899.4 million; no current portion was reported in the prior year; and (b) the increase in the discount rate as well as the effect of actual versus expected plan experience, which is affected by the biennial valuations. The OPEB liability is actuarially computed, with full valuations performed biennially. See Note 19 *Other Postemployment Benefits*, for more information; and
 - Serial Bonds payable (net of deferred bond premium and discount) decreased by \$70.8 million primarily the net result of the \$91.3 million cash defeasance of County bonds and refunding of \$127.9 million bonds that occurred in 2023 offset by increases in County and State Water Pollution bonds issued by the New York State Environmental Facilities Corporation (EFC) in the fiscal year. The EFC bond anticipation notes of \$23.0 million outstanding as of the prior year-end were converted to long-term bonds in 2023.



- Offsetting increases in non-current liabilities were comprised of:
 - A \$777.0 million increase in the net pension liability. The net pension liability is actuarially determined by the State and provided to the County because the County participates in the State's retirement system.
 - Accrued vacation and sick pay due to employees increased by \$41.9 million over the prior year primarily the result of collective bargaining agreements that were approved in 2023 and the application of new salary charts to the balances accrued;
 - The noncurrent portion of the long-term liability due to the County's component unit, NHCC, increased by \$32.3 million, to \$215.8 million. This is a contractual liability to the hospital to reimburse the entity for the County's proportionate share of employee benefits attributed to employees who had been County employees prior to the creation of the hospital public benefit corporation in 1999. This amount was actuarially computed.

Deferred inflows of resources decreased by \$514.8 million mainly due to a reduction of \$867.2 million attributed to the pension liability, and as previously disclosed in the governmental fund section, the deferred inflow of resources related to the lessor leases of \$120.9 million and the reduction in the deferred Part County Sales Tax resulting from lower part county sales tax collections over the prior year. This decrease was offset by increases in the deferred inflow of resources attributed to the OPEB liability (\$474.8 million) and the deferred inflow of resources resulting from the adoption of GASB Statement No. 94 (\$13.2 million). The OPEB and net pension liabilities are actuarially valued in accordance with GASB Statement No. 75 and GASB Statement No. 68, respectively.

See Exhibit X-1 for the full Statement of Position.

The County has \$2.6 billion invested in its capital assets, recorded at acquisition cost, net of accumulated depreciation and amortization, and related debt, liabilities, and deferred inflows and outflows of resources. Capital assets are used by the County in the provision of services to the taxpayers. This investment of County equity is allocated in the County's capital assets, which are not liquid assets, and are not immediately available to support future expenses.

The County's Statement of Net Position (Deficit) shows a deficit balance of \$6.9 billion in net position as of December 31, 2023, and an unrestricted net deficit of \$9.9 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.

Tax Certiorari: Under New York State Real Property Tax Law (RPTL)[1] Article 18, Nassau County is a Special Assessing Unit (SAU) responsible for determining assessments for most taxing jurisdictions in the County. By virtue of the law, the County is also responsible for the entire liability associated with property tax refunds on behalf of the towns, special districts, and all but one of the 56 school districts and approximately 200 other taxing jurisdictions located within the County, and for refunding any excess taxes paid when property owners' assessment grievances are not settled before taxes are calculated. The County is not permitted to charge these refunds back to the taxing jurisdictions. This results in the County paying refunds to property owners even after funds have been allocated to the respective taxing jurisdictions, resulting in a net loss for the County. This has resulted in extraordinary tax certiorari liability for the County.



Nassau's tax certiorari liability decreased by \$113.8 million to \$269.6 million at fiscal year-end 2023, driven primarily by tax certiorari payments made in 2023 from the reserve. See Note 23B *Contingencies and Commitments – Tax Certioraris* for the details of what comprises the total tax certiorari liability balance.

The Disputed Assessment Fund (DAF) is funded by a disputed assessment charge on commercial properties and the funds are restricted to paying only commercial property refunds. As such, any liability related to the DAF identified as part of the total tax certiorari liability as of fiscal year-end is excluded from the calculation of the long-term liability for tax certiorari because the refund is already funded. The DAF fund paid out approximately \$47.5 million of property tax refunds to commercial property owners in fiscal year 2023. These payouts did not impact the County's finances for the fiscal year as they represented a return of the DAF charges collected. See Note 23B *Contingencies and Commitments – Tax Certioraris* for the details of what comprises the total tax certiorari liability balance.

As of December 31, 2023, the estimated tax certiorari liability of \$238.4 million as reported in Note 14 *Notes Payable and Long-term Obligations* and on the Statement of Net Position (Deficit), excludes liabilities for commercial property tax certiorari that are reported in the DAF. See Note 14, *Notes Payable and Long-term Obligations* and Note 23B *Contingencies and Commitments – Tax Certioraris* for further information.



The Statement of Activities

The Statement of Activities for the fiscal year ended December 31, 2023, details the improvement in the County's Government-wide net worth from 2022 to 2023. Table 2 summarizes the changes in the County's net position (deficit).

Table 2				
Condensed Statement of Activities				
(dollars in thousands)				
	2023	2022	Change	
Revenues				
Program Revenues				
Charges for Services	\$ 363,066	\$ 375,988	\$ (12,922)	
Operating Grants	638,787	602,232	36,555	
Capital Grants	57,093	136,542	(79,449)	
General Revenues				
Property Taxes	944,587	915,937	28,650	
Sales Taxes	1,553,027	1,504,274	48,753	
Other Taxes	96,895	95,279	1,616	
Tobacco Settlement Revenues	20,292	21,474	(1,182)	
Investment Income	147,052	55,064	91,988	
Opioid Litigation Settlement revenue	11,419	20,461	(9,042)	
Other General Revenues	62,437	76,582	(14,145)	
Total Revenues	<u>3,894,655</u>	<u>3,803,833</u>	<u>90,822</u>	
Expenses				
Legislative	14,467	13,121	1,346	
Judicial	94,448	81,536	12,912	
General Administration	595,439	252,650	342,789	
Protection of Persons	1,042,538	952,204	90,334	
Health	316,925	264,017	52,908	
Public Works	417,310	433,455	(16,145)	
Recreation and Parks	60,458	55,252	5,206	
Social Services	611,224	518,281	92,943	
Corrections	312,711	266,897	45,814	
Education	30,099	28,806	1,293	
Interest on Long Term Debt	168,818	157,030	11,788	
Total Expenses	<u>3,664,437</u>	<u>3,023,249</u>	<u>641,188</u>	
Increase (Decrease) in Net Position (Deficit)	<u>230,218</u>	<u>780,584</u>	<u>(550,366)</u>	
Net Position (Deficit) Beginning	<u>(7,174,050)</u>	<u>(7,973,672)</u>	<u>799,622</u>	
Effect of Change in Accounting Principle	<u>-</u>	<u>19,038</u>	<u>(19,038)</u>	
Net Position (Deficit) Ending	<u>\$ (6,943,832)</u>	<u>\$ (7,174,050)</u>	<u>\$ 230,218</u>	



Several factors set forth below impacted the County's net worth.

- An increase in Sales Tax of \$48.8 million, due to strong consumer spending early in 2023 but flattening as the fiscal year progressed, offset by lower opioid litigation settlement funds received of \$11.4 million, which was a decrease of \$9.0 million from the \$20.5 million reported in the prior year.
- Property Taxes increased by \$28.7 million due to the recognition of the deferred Preempted Sales Tax in Lieu of Property Taxes (Part County Sales Tax).
- Investment Income improved by \$92.0 million resulting from higher interest rates on the County's large cash balances.
- Program Revenues attributed to Charges for Services declined by \$12.9 million primarily due to lower Departmental Revenues related to slowing in real estate transactions, offset by higher Fines and Forfeitures and higher Rents and Recoveries.
- Operating Grants increased over the prior year by \$36.6 million representing an increase in funding for the County's bus service, State and Federal reimbursements for pre-school and social services programs.
- Capital Grants declined over 2022 by \$79.4 million primarily due to lower grant funding received for the Bay Park Conveyance capital project which will divert effluent from the Bay Park Sewage Facility to the Cedar Creek Sewage Facility, which is partially funded by the State Revolving Fund.
- Total Expenses increased over 2022 by \$641.2 million. Almost all functions had increases in expenses due to higher pension expense of \$107.2 million over the prior year resulting from the actuarially valued liability. The County had a significant reduction in its pension expense in the prior year as a result of the prepayment of the deferred expense owed to New York State, as well as the actuarially valued pension asset. This was offset by \$42.6 million lower OPEB expense recognized in 2023 over the prior year due to the actuarial valuation which was the result of a higher discount rate. In addition to these factors:
 - The remainder of the variance in General Administration expenses is primarily comprised of the increase in tax certiorari payments and litigation costs in 2023 over the prior year, as these costs are a component of the General Administration function, and a lower decrease in the tax certiorari liability over the prior year. In addition, an increase in expenditures related to GASB Statement No. 87, and an increase of \$80.6 million in the actuarially computed Contractual Liability Due to NHCC, which represents the estimated liability due to the hospital for the County's proportionate share of health benefits costs to hospital employees and retirees who had worked for the hospital prior to its separation from the County, added to the increase in General Administration expenses over 2022. In addition, a portion of the increase is attributed to the retroactive salary accrual resulting from the approval of the Civil Service Employees Association's (CSEA) collective bargaining agreement.



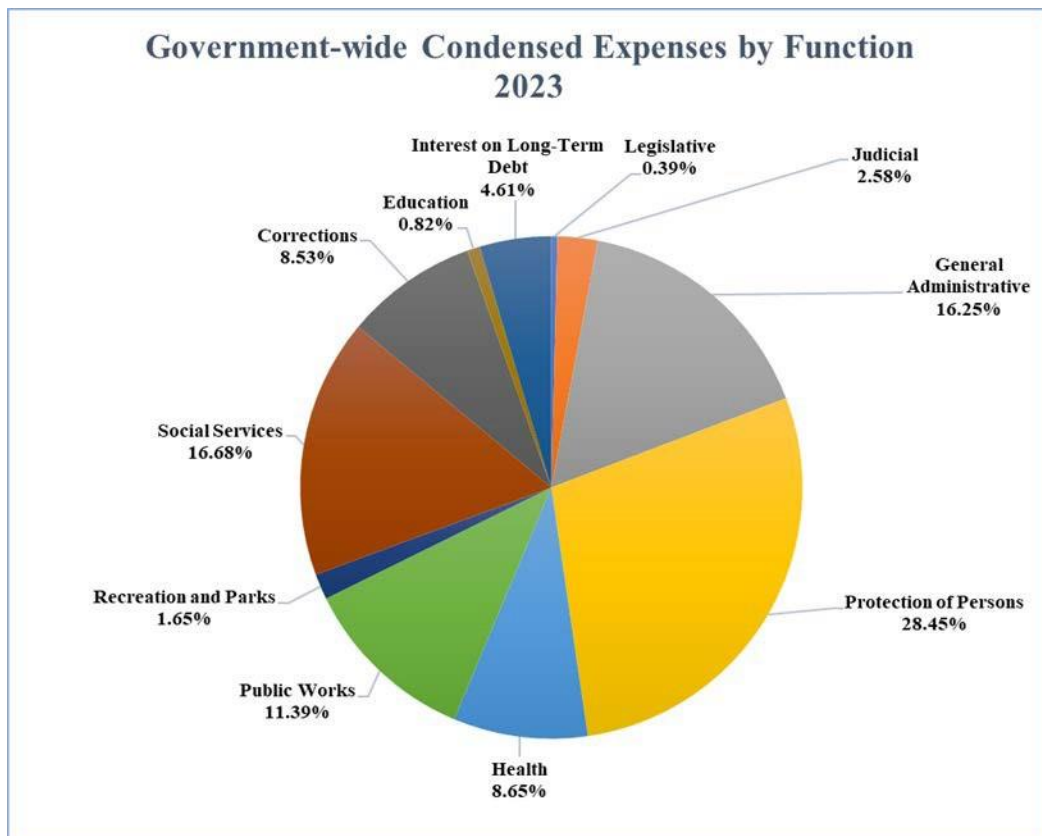
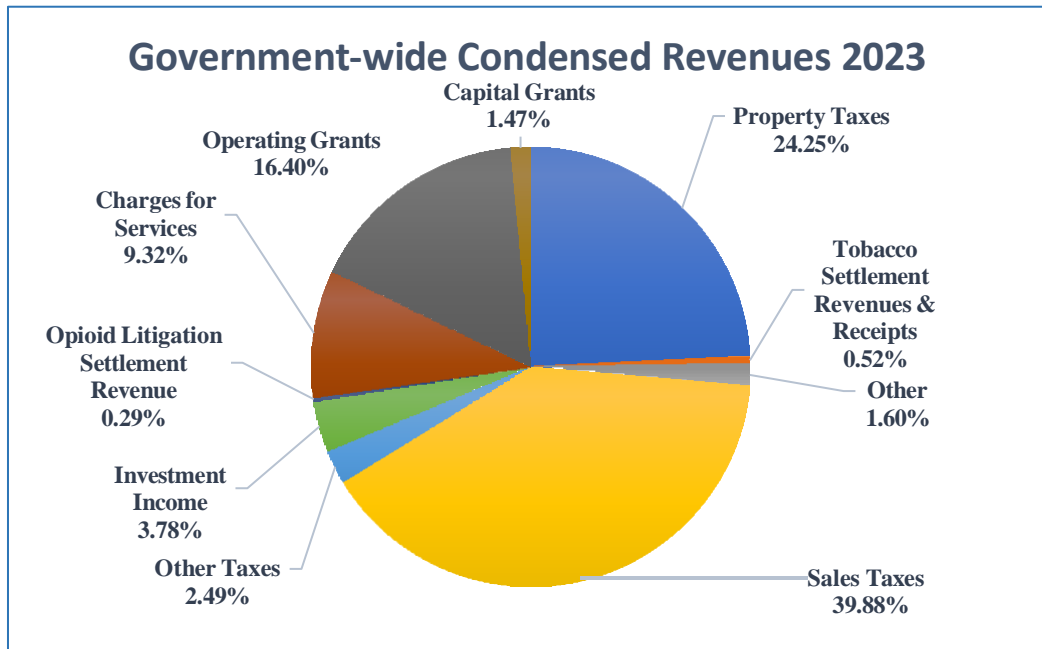
- Protection of Persons expenses increased over the prior year by \$90.3 million, with pension costs of \$37.2 million being the primary driver of the increase. These costs are actuarially computed by New York State. The increase in salaries and the payment of retroactive raises, primarily the result of the 2023 approval of the County's MOU with the PBA, was also a factor in the increase in expenses over the prior year, as well as an increase in the accrued leave liability.
- In addition to the net effects related to OPEB and pension costs, as discussed previously, Social Services Costs related to Medicaid, Recipient Grants⁸ and Purchased Services⁹ increased. Medicaid costs increased due to an increase in the required County Medicaid weekly share payments to New York State. Recipient Grants had a 9% caseload increase over 2022, which was still below the pre-pandemic levels. Purchased Services costs increased by 31.2% due to day care expenditures rising as a result of market rates increasing as promulgated by the NYS Office of Children and Family Services, which took effect June 2022. In addition, NYS expanded the eligibility requirement to increase the availability and quality of childcare programs effective August 2022.
- The decrease in Public Works expenses of \$16.1 million was primarily driven by a reduction of \$4.2 million in the pollution remediation liability and lower retainage expenses of \$5.0 million, offset by the increase in pension expenses, expenses related to the accrual of retroactive salaries per the CSEA agreement, and the accrued leave liability.
- The increase in Corrections expenditures of \$45.8 million was the result of the effects of the net pension liability and OPEB, the accrued leave liability, and the \$16.0 million accrual of the retroactive salary due members of COBA that resulted from the approval of the unit's MOU with the County in 2023.

⁸ Recipient Grants are payments made directly to clients of the Department of Social Services (DSS) for programs such as Temporary Assistance for Needy Families (TANF), Safety Net Assistance (SNA), Adoption Subsidy, Foster Care, and the Home Energy Assistance Program (HEAP).

⁹ Purchased Services are payments made to agencies that operate independently of Nassau County for Social Service programs such as Day Care, Preventive Services, Child Protective Services, and Adult Protective Services. The County also provides Domestic Violence, Adoption, Independent Living, and Homemaking Services.



See Exhibit X-2 for the full Statement of Activity.





Governmental Fund Financial Statements

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 reporting purposes, the County's general operations are financed through three primary operating funds, which have different tax bases:

- the General Fund;
- the Police District Fund; and
- the Sewer and Storm Water Fund.

The General Fund includes several funds¹⁰ that are managed separately but reported on a GAAP basis, as part of the General Fund:

- the Fire Prevention and Safety Fund;
- the Police Headquarters Fund;
- the Debt Service Fund;
- the Litigation Fund;
- the Retirement Contribution Reserve Fund;
- the Technology Fund;
- the Open Space Fund;
- the Employee Benefit Accrued Liability Reserve Fund;
- the Bond Indebtedness Reserve Fund;
- the Excess Sales Tax Fund;
- the Opioid Litigation Settlement Fund; and
- the Operating Reserve Fund, which was established in 2023.

Resources are transferred to the County's Debt Service Fund to pay current debt service obligations.

The County's sewer and storm water operations are funded through the Sewer and Storm Water District Fund. NCSSWFA, a blended component unit of the County, collects sewer assessment fees from County taxpayers and provides those funds to the Sewer and Storm Water District to fund its operations. The County contracts with an outside vendor to manage the operations of the sewer system.

The financial activities of the County's police precincts are funded through the Police District Fund. Taxpayers residing in villages and cities with their own police force do not contribute to the tax base of the Police District Fund. In the prior year, funds transferred from the Excess Sales Tax Fund to the Litigation Fund, both components of the General Fund for reporting purposes, were set aside to pay for Police District longevity costs. Outstanding litigation related to longevity was settled in 2022 as a result of a Memorandum of Agreement and Stipulation of Settlement (MOA) between the County and the five unions of the County. As such, the County has been reporting longevity costs in the Litigation Fund, a component of the General Fund.

¹⁰ The following funds were established in accordance with New York State General Municipal Law: The Retirement Contribution Reserve Fund; Employee Benefit Accrued Liability Reserve Fund; and the Bond Indebtedness Reserve Fund.



The County also has a series of other non-operating funds such as the Environmental Protection Fund, the Grant Fund, the Federal Emergency Management Agency (FEMA) Fund, the Capital Project Fund, the Disputed Assessment Fund (DAF), the COVID-19 Fund (COV), which was established in 2020, and the American Rescue Plan Act (ARP) Fund, which was established in 2021. The latter two funds were established to manage and track the stimulus funds received from the Federal government for the COVID-19 pandemic and the corresponding expenditures. The activity in these funds, excluding the Environmental Protection Fund, are not funded with County property taxes.

Sales Tax

Sales Tax is the major revenue source for the County, followed by Property Tax, State and Federal Aid, and Departmental Revenues. These categories have remained relatively constant as a percentage in relation to total revenues in recent years.

Sales Tax secures NIFA's bonds, which are outstanding through November 15, 2035. The State Comptroller remits monthly County sales tax collections directly to NIFA to pay its debt service costs required for each fiscal year before any residual sales tax is transferred to the County. See Note 1, *Summary of Significant Accounting Policies*, in the financial statements.

GENERAL FUND BUDGET VARIANCES

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 actuals on a budgetary basis to the originally adopted budget.

The County ended the 2023 fiscal year with a General Fund ending fund balance of \$922.3 million on a budgetary basis, down from \$1,007.1 million as of fiscal year-end 2022, a decrease of \$84.8 million. The County's budgetary surplus is comprised of a number of variances from the modified budget.

In its governmental funds, the County ended the 2023 fiscal year with a net change in GAAP fund balance of \$ (113.4) million in the General Fund, a decrease of \$336.6 million from \$223.2 million as of the end of the prior fiscal year. The difference between the General Fund's budgetary shortfall of \$84.8 million, and the reporting shortfall of \$336.6 million is primarily due to:

- adjustments required to eliminate the effect of encumbrances that cross fiscal years;
- the recognition of expenditures incurred but not paid in the fiscal year;
- adjustments to defer revenues recognized on a budgetary basis that require amortization;
- an adjustment to pension contributions to match the actual time period covered;
- the adjustment for revenue receivables that have not been collected within the County's period of availability (see Note 1 for explanation of the County's period of availability); and
- the effect of GASB pronouncements that impact GAAP reporting but not budgetary.



Original Budget versus Total Budgetary Authority

The General Fund's original budget (adopted budget) was modified for revenues, total expenditures, and other financing uses. There was a need for amendments to reallocate appropriations among departments when it became clear which departments would have shortages at fiscal year-end and to facilitate the transfer of surpluses to reserves:

- The General Fund's original budgeted revenues of \$2,878.1 million were modified by \$108.3 million to \$2,986.4 million. The modifications were needed to accommodate necessary increases in appropriations (see below) that were affected via higher Sales Tax revenues (\$47 million) received than budgeted and higher Federal and State Aid (totaling \$59.3 million) received for pre-school education and the Social Services Block Grant.
- The General Fund's original budget's current expenditures of \$2,794.2 million were modified up by \$361.6 million to \$3,155.8 million during the fiscal year. Most departments and expenditures were affected by the reallocation of appropriations to cover budget shortages for Protection of Persons salaries and fringe benefits, payments for tax certiorari, suits and damages, utility costs, Social Services programs, Preschool and Early Intervention, and to provide appropriations to transfer operating surpluses to reserve funds. Reductions in appropriations in Medicare, non-police salaries, fringe benefits, and budgeted funds for contingencies, offset the increases noted above.
- The General Fund's original budget for Other Financing Uses was modified from \$99.3 million to \$4.0 million, a change of \$95.3 million which resulted from eliminations in transfers between two components of the General Fund.

Variances of Total Budgetary Authority to Actual on a Budgetary Basis

The variances discussed below are a comparison of total budgetary authority to actual on a budgetary basis as shown on Exhibit X-7.

General Fund Revenues

Recurring revenue streams for Departmental Revenues, Fines and Forfeitures, Rents and Recoveries and Payments in Lieu of Taxes (PILOTs), were negatively affected in 2023, with actual revenue not meeting total budgetary authority levels. The primary factors affecting General Fund revenues are set forth below:

- *Sales Tax:*
 - Countywide Sales Tax revenues (which exclude Preempted Sales Tax in Lieu of Property Taxes) and including the NIFA Fund, were flat compared to the modified budget. Sales tax collections were strong in the early part of 2023 but slowed as the year progressed. The impact of inflation both helps and hurts the sales tax collections; helps with inflated prices and thus higher collections and hurts consumer confidence.
 - A portion of the actual receipts appear in the NIFA Fund since it draws County Sales Tax to pay County related debt service. Countywide Sales Tax reported in the General Fund was \$99.8 million under budget (see Exhibit X-7) offset by \$99.8 million reported in the NIFA Fund in the financial statements (see Exhibit X-5).



- *Federal Aid:* Revenues exceeded total budgetary authority by \$7.6 million primarily due to a net increase in Federal Aid reimbursements in various Social Services programs including programs such as Public Financial Assistance and the Social Services Block Grant. There are also increases in Correctional Center Federal aid reimbursements for SCAAP (State Criminal Alien Assistance program). These increases were offset by lower Federal Aid in Public Works from the Federal Transportation Authority than budgeted. The remaining variance is comprised of multiple departments.
- *State Aid:* Revenues surpassed the budget by \$5.9 million, primarily due to higher State Operating Assistance (STOA), which was used to fund the County's bus system.
- *Other Revenue and Opioid Litigation Settlement Revenue:* exceeded the budget by \$9.6 million, primarily due to opioid litigation settlement moneys of \$11.4 million received in 2023 that was unbudgeted. The County Legislature has authorized the use of the settlement funds for treatment and prevention of opioid addiction and to support existing County programs that assist with drug addiction. This was offset by lower than budgeted State University of New York-Fashion Institute of Technology (FIT) Reimbursement (\$3.3 million).
- *Interdepartmental and Interfund revenues:* exceeded the budget by \$14.2 million due to higher shared services revenue between departments than budgeted.

The primary factors that contributed to the decrease in revenues are set forth below:

- *Departmental Revenue:* Reported revenue was \$44.2 million lower than budgeted primarily due to the slowing of the real estate market in Nassau and the related real estate fees, such as mortgage and deed recording, and GIS tax map. The volume of mortgage and deed recording transactions decreased 42% and 20%, respectively, over the prior year, with revenues \$11.9 million less than budgeted. GIS tax map fees were \$23.3 million less than budgeted. Departmental Revenues related to commercial property owner's income and expense reporting was budgeted at \$5 million but not realized.
- *Fines and Forfeitures:* Revenues were below budget by \$10.7 million, primarily due to lower traffic violations, such as Red Light Camera and School Bus Stop Cameras, and the delay in reimplementing the Boot and Tow program budgeted at \$3.0 million.
- *Rents and Recoveries* were \$18.4 million under budget due primarily to higher budgeted sales of County property than realized, lower cash recoveries than budgeted, and the termination of the Nassau Coliseum lease with Nassau Live which occurred mid-year. In addition, rental revenues for Mitchel Field veteran's housing were not recognized due to a lead abatement project that concluded in 2023.

General Fund Expenditures

All governmental functions within the General Fund were under budget primarily due to increases from the adopted budgeted amounts to cover projected shortfalls that did not meet the new projected levels. The primary factors were:

- *Protection of Persons* expenditures were under budget by \$48.6 million primarily due to lower than budgeted salaries (\$39.3 million), fringe benefits costs (\$5.2 million) and contractual services (\$2.4 million) mainly in the Police Headquarters Fund and the Fire Commission Fund. This is attributed mainly to higher budgeted costs for vacancies, overtime and health insurance costs, and longevity costs, which were paid from reserves.



- *General Administration* expenditures were under budget by \$52.5 million primarily due to lower salaries (\$32.2 million), lower contractual services costs (\$4.5 million), lower utility costs (\$2.6 million) and lower general expenditures (\$2.2 million) than budgeted. Contractual services costs were lower than budgeted primarily in Information Technology primarily due to open carryover encumbrances. In addition, an insurance reserve fund established in the ORF fund, a component of the General Fund, for excess loss on property and casualty, public entity liability and other insurance policies, was \$10.0 million better than budgeted as no costs were incurred.
- *Social Services* expenditures were under budget by \$24.7 million primarily due to lower contractual services expenditures (\$7.5 million) than budgeted and lower than budgeted costs in social services programs, including Purchased Services (\$7.2 million) and Emergency Vendor Payments (\$4.4 million), as well as lower than budgeted salaries and fringe benefits (\$5.6 million).
- *Corrections* expenditures were under budget by \$8.8 million primarily due to lower salaries and fringe costs (\$6.6 million) related to vacant positions costs, and general and contractual services expenditures (\$2.2 million) related primarily to open carryover encumbrances.
- *Public Works* expenditures were under budget by \$16.1 million when compared to total budgetary authority. This is primarily due to lower-than-expected contractual expenditures and obligations (\$9.8 million) in Highway and Engineering, as well as lower than budgeted salaries and fringe benefit costs (\$5.8 million).
- *Health* expenditures were under budget by \$27.3 million primarily due to lower than budgeted expenditures in children's early intervention services and pre-school education programs (\$14.2 million) and contractual expenditures that were budgeted but not spent (\$10.2 million), the majority (\$15.0 million) of which was for opioid assistance, prevention and education programs that are funded with opioid litigation settlement funds, as well as lower than budgeted salaries (\$4.4 million).
- *Judicial* expenditures were under budget by \$5.1 million due primarily to lower than budgeted expenditures related to contractual obligations for Traffic and Parking Violations department that are dependent upon collection of revenues (\$3.7 million). Collections were lower than budgeted in most categories of fines including the not yet implemented, Boot and Tow program, and less than budgeted revenues for School Bus Cameras.
- *Recreation and Parks* expenditures were under budget by \$4.7 million primarily in salaries and fringe benefits due to vacant positions (\$2.8 million) and lower contractual expenditures of \$1.7 million due primarily to unspent budgets for Cornell Cooperative and Long Island Tourism.
- *Payments for Tax Certiorari* were \$12.8 million lower than the total budgetary authority, which had been increased from the original adopted budget to pay property taxes refunds and suits and damages in the fiscal year.
- *Suits and Damages* also referred to claims and judgments, were \$62.9 million lower than the total budgetary authority, which had been increased from the original adopted budget. These costs include structured settlements paid by the County. Most expenditures were reported in the Litigation Fund, a component of the General Fund. The actual payments were lower than what the County had appropriated for these costs.
- *Debt Service* expenditures were flat to the total budget authority, which had been increased from the original budget to pay for additional debt service related to the cash defeasement of County bonds.



Other Financing Sources and Uses

- Net Other Financing Sources and Uses were \$29.0 million better than budgeted primarily due to higher interest earned from NIFA (\$5.4 million) and on capital fund balances (\$5.6 million), and on transfers in and transfers out of \$17.6 million mainly due to transfers in from the Police District Fund for employee termination and litigation reserves.

Fund Balance of the Major Governmental Funds

	General Fund	NIFA Fund	Police District Fund	Sewer and Storm Water District Fund	Capital Fund	Disputed Assessment Fund	ARPA Fund	Total Nassau County Major Funds
Fund Equity, as of December 31, 2021	\$ 779,909	\$ 1,296	\$ 92,301	\$ 41,238	\$ 143,797	\$ 7,118	\$	\$ 1,065,659
Add: 2022 Revenues	2,877,727	59,178	434,244	165,993	140,496	2,315	33,069	3,713,022
Less: 2022 Expenditures	2,701,977	3,361	430,929	112,403	430,291		33,069	3,712,030
2022 Other financing sources, net	47,446	(56,015)	(392)	(45,448)	466,688	(625)		411,654
Fund Equity, as of December 31, 2022	1,003,105	1,098	95,224	49,380	320,690	8,808		1,478,305
Add: 2023 Revenues	2,906,568	102,924	516,717	192,188	75,020	5,987	20,033	3,819,437
Less: 2023 Expenditures	3,074,810	2,805	493,359	126,792	367,607		20,033	4,085,406
2023 Other financing sources, net	54,816	(100,323)	(1,128)	(48,242)	245,843	(444)		150,522
Fund Equity, as of December 31, 2023	\$ 889,679	\$ 894	\$ 117,454	\$ 66,534	\$ 273,946	\$ 14,351	\$	\$ 1,362,858

Table 3 shows accumulated fund balance in the County's major governmental funds totaled \$1,362.9 million at the end of 2023. Major funds are those in which the fund's total assets and deferred outflows of resources, total liabilities and deferred inflows of resources, revenues, or expenditures are greater than 10% of the corresponding element(s) total of each type of governmental fund and greater than 5% of the corresponding element(s) total of the combined governmental funds. In governmental funds, other financing sources and uses, transfers in and out, and gains or losses from extraordinary items are excluded when computing whether a fund meets the 5% threshold. The County must include all funds that meet these criteria in its Governmental Funds Balance Sheet (Exhibit X-3) and its Statement of Revenues, Expenditures and Changes in Fund Balances (Exhibit X-5), however, the County may also include other funds that do not meet the 10% or 5% criteria but whose exclusion may mislead a user of the report. The NIFA Fund, which represents NIFA's general fund, has been included as a major fund primarily because of the interrelationship between it and the County for reporting the effects of sales tax, the County's largest revenue source. For the fiscal year ended December 31, 2023, the Sewer and Storm Water Fund did not meet the criteria of a major fund, however, because it is one of the three operating funds of the County, it was included as a major fund for the fiscal year. For the fiscal year ended December 31, 2023, the DAF Fund did not meet the criteria of a major fund, however, due to its purpose of funding Class 4 commercial property tax certiorari refunds and the collection of the disputed assessment charge from Class 4 commercial property owners, it was included as a major fund for the fiscal year.

COUNTY OF NASSAU, NEW YORK

MANAGEMENT'S DISCUSSIONS AND ANALYSIS YEAR ENDED DECEMBER 31, 2023



The primary changes were as follows:

Total fund balance in the General Fund decreased by \$113.4 million, from \$1,003.1 million to \$889.7 million.

- This decrease is due primarily to these factors: lower property taxes allocated to the general fund in 2023; higher interest income earned on cash held in the General Fund and its related reserves; bond defeasance which took place in 2023, reducing cash and serial bonds outstanding; higher property tax refunds, and judgments and settlement claims paid from reserved balances; and higher debt service costs related to amortization of outstanding debt.

Total fund balance in the Police District Fund improved by \$ 22.2 million, from \$95.2 million to \$117.5 million.

- The improvement is primarily due to higher property taxes allocated to this fund; higher interest income; and 2023 longevity that was paid from the General Fund, thereby reducing costs.

Total fund balance in the Capital Fund decreased \$46.7 million, from \$320.7 million to \$273.9 million.

- The decrease is primarily the net result of lower Federal Aid and capital outlays, primarily related to the Bay Park Conveyance Project, and less in bond proceeds from to the issuance of bonds.

Total fund balance in the Sewer and Storm Water Fund increased by \$17.2 million, from \$49.4 million to \$66.5 million.

- The increase in fund balance is primarily the result of recoveries received from the operator of the sewer facilities.

Total fund balance in the Disputed Assessment Fund increased by \$5.5 million, from \$8.8 million to \$14.4 million.

- The increase is the result of investment earnings on the balances held in the fund.

The ARPA Fund was established in 2021 to report ARPA funding received and program expenditures incurred.

- Any funding that was not spent was deferred until such time as the expenditures are incurred, thus there was no impact to fund balance.

Total fund balance in the NIFA Fund decreased by \$0.2 million, from \$1.1 million to \$0.9 million.

- The decrease is the result of a timing difference between the sales tax revenues withheld by NIFA for debt service payments and the actual debt service payments.

CAPITAL INVESTMENTS

The County's Capital Assets, net of Depreciation/Amortization, at December 31, 2023 was \$4,279.9 million, an increase over the prior year of \$168.4 million. See Table 1, Condensed Statement of Net Position/(Deficit).



During the 2023 fiscal year, the County had the following outlays related to the County's capital projects: \$160.8 million in sewer district improvements and upgrades (designated with an * in Table 4 below), \$24.2 million in public safety projects, \$43.2 million in roads, \$45.7 million in buildings, \$30.6 million in infrastructure-related improvements (this amount does not include any capital outlays related to Nassau Community College), and the \$39.2 million remainder in various project categories. The County made capital improvements during 2023 in the following areas:

The difference between the \$343.7 million detailed in Table 4, Capital Improvements, and the net increase to capital assets as reported in the government-wide financial statements of \$168.4 million represents the adjustments necessary to report capital assets on a full accrual basis, including expenditures that are related to retainage withheld on construction-in-progress. Additional information on the County's capital assets activity can be found in Note 10, *Capital Assets*, to the financial statements.

Table 4
Capital Improvements
January 1, 2023 to December 31, 2023
(dollars in thousands)

<u>Project Category</u>	<u>Amount</u>
Buildings	\$ 45,689
Equipment	6,176
Infrastructure	30,631
Parks	14,524
Public Safety	24,156
Roads	43,247
Technology	2,650
Traffic	14,576
Transportation	1,290
Collection *	8,039
Disposal *	146,342
Storm Water *	6,394
Total	<u>\$ 343,714</u>

**Total \$160,775 thousand in sewer district improvements and upgrades*



The County, in partnership with the State Department of Environmental Conservation (DEC), has undertaken the Bay Park Conveyance Project to improve water quality and storm resiliency in Long Island's Western Bays by upgrading its existing wastewater management infrastructure. The project officially began in March 2021 with a Notice to Proceed issued to the design-build contractor, Western Bays Constructors. When completed, this project is expected to convey treated water from Bay Park, which currently discharges an average of 50 million gallons per day (mgd) of treated water into Reynolds Channel, to the Cedar Creek Water Pollution Control Plant's (Cedar Creek) ocean outfall. The project includes construction of a 2-mile-long force main from the Bay Park facility to an existing aqueduct under Sunrise Highway to convey treated water, rehabilitation of a 7.3-mile stretch of the aqueduct, and construction of a 1.6-mile-long force main to connect the rehabilitated aqueduct to the existing Cedar Creek outfall, which discharges and diffuses treated water three miles offshore in the Atlantic Ocean.

DEBT

As of December 31, 2023, the par value of the County's serial bond debt outstanding was \$2.0 billion. The par value of the outstanding serial bonds for the County's blended component units, NIFA, NCSSWFA, NCTSC, was \$1.5 billion as of fiscal year-end. The combined \$3.5 billion in outstanding long-term debt for the County and its blended component units (excluding accreted interest) as of December 31, 2023, decreased by approximately \$67.0 million compared to the combined long-term debt outstanding as of December 31, 2022. This decrease was due primarily to the cash defeasance of County bonds of \$91.3 million and scheduled maturities, offset by the issuance of County bonds of \$153.5 million and \$95.9 million of bonds funded by the New York State Environmental Facilities Corporation (EFC)¹¹ through its Clean Water State Revolving Fund¹².

Of the total debt outstanding, \$3.2 billion is recourse debt to the County and the balance is recourse only to NCTSC, secured by the tobacco settlement revenue.

The County provides a direct-pay guarantee on \$100.0 million of outstanding bonds from the refunding and new money debt issued in October 2004 and refunded in April 2009 by NHCC. NHCC's debt was subsequently remarketed, and the swaps eliminated in 2021. See Note 14, *Notes Payable and Long-Term Obligations*, in the accompanying financial statements.

¹¹ The New York State Environmental Facilities Corporation (EFC) is a public benefit corporation of New York State which administers and finances two State Revolving Funds (SRFs), pursuant to the Federal Water Quality Act and the Federal Safe Drinking Water Act. The Clean Water SRF provides financings for wastewater projects and the Drinking Water SRF provides financings for drinking water projects.

¹² The Clean Water SRF provides interest-subsidized loans to local governments for eligible environmental projects such as sewer and storm water improvement initiatives.



During 2023, the County issued a total of \$267.9 million of serial bonds and \$100.7 million of EFC Bonds. Of the \$267.9 million in long-term debt issued by the County, \$254.2 million was used to fund its capital program, and \$13.7 million was used to fund various Nassau Community College (NCC) projects. Offsetting new issuances were maturities of the County, NIFA, NCTSC and NCSSWFA in 2023 of \$435.6 million combined, an increase in payments of debt service of \$384.6 million from the prior year primarily due to the defeasance of \$91.3 million of County debt, \$127.9 million of refunding County debt and \$4.8 million of refunding EFC bonds.

The County did not issue short-term debt notes during 2023.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of the average full valuation of taxable real estate of the County for the most recent five -year period. The current debt limitation for the County is \$20.4 billion, which is significantly in excess of the County's outstanding general obligation debt.¹³ The County has \$2.1 billion in bonds authorized, but unissued.

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

	Balance January 1, 2023	Additions	Reductions	Balance December 31, 2023
General Obligation County Bonds	\$ 1,789,431	\$ 267,920	\$ 333,325	\$ 1,724,026
State Revolving Fund Bonds	231,889	100,705	17,990	314,604
Total Serial Bonds - County	2,021,320	368,625	351,315	2,038,630
NIFA Sales Tax Secured Bonds	1,147,734		67,914	1,079,820
Sewer Financing Authority	74,500		13,445	61,055
Tobacco Settlement Asset Backed Bonds	384,747		2,942	381,805
Total Serial Bonds - Blended Component Units	1,606,981		84,301	1,522,680
Total Serial Bonds	3,628,301	368,625	435,616	3,561,310
Accreted interest - Tobacco Settlement Asset Backed Bonds	112,118	10,475	523	122,070
Total Serial Bonds and Accreted Interest	\$ 3,740,419	\$ 379,100	\$ 436,139	\$ 3,683,380

¹³ See Schedule T-15 for additional information



In 2023, the EFC Clean Water Facility Note 2022 was converted into a long-term bond of \$95.9 million (EFC Series 2023C). The EFC Series 2023C bond included \$46.5 million in new money held by EFC. All new money held by EFC is reported by the County as Cash Held with Fiscal Agent. The County reported \$60.0 million in Cash Held with Fiscal Agent in the County's Statement of Net Position (Deficit), after distributions of \$62.6 million during 2023. The \$60.0 million balance is made up of \$46.5 million from EFC Series 2023C bond, \$8.9 million from the EFC Series 2022B bond and \$4.6 million from the EFC Series 2019A bond. In 2023, the County withdrew a total of \$26.3 million from the EFC Clean Water Facility Note – 2022A which was subsequently converted to a long-term bond, as noted above.

THE COUNTY'S CREDIT RATING

The County's long-term debt ratings at December 31, 2023, were as follows:

- Moody's Investors Service: *Aa3 (positive outlook)*;
- S&P Global Ratings: *AA- (stable outlook)*; and
- Fitch Ratings: *A+ (positive outlook)*.

This represented an improvement over the prior fiscal year.

The County's Bond Ratings						
	2022-Dec		2023-May		2024-May	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
Moody's Investors Services	A1	Positive	Aa3	Positive	Aa2	Stable
S&P Global Ratings	AA-	Stable	AA-	Stable	AA-	Positive
Fitch Ratings	A	Stable	A+	Positive	AA	Stable

Subsequent to fiscal year-end 2023, the County's long-term bond ratings and/or outlooks were raised or revised as noted in the chart above.

As of December 31, 2023, NIFA's long-term debt, secured by County sales tax, were unchanged for Standard & Poor's and Fitch and ratings were withdrawn by Moody's:

- Standard & Poor's (*AAA, negative outlook*)
- Fitch (*AAA, stable outlook*)

NHCC GOING CONCERN

NHCC has experienced recurring operating losses, a working capital deficit and has a total negative net position of \$1,227.1 million and \$1,151.0 million at December 31, 2023, and 2022, respectively, and is dependent on the continuation of federal, state and local subsidies, certain of which have or are scheduled to end or be reduced. These matters raise substantial doubt about NHCC's ability to continue as a going concern. This is the third consecutive year that substantial doubt about the hospital's ability to continue as a going concern has been noted by its independent auditor. Prior to fiscal year 2021, the hospital's independent auditor noted three consecutive years of a going concern uncertainty.



CURRENTLY KNOWN FACTS, CONDITION, OR DECISIONS

In May 2024, the County entered into a Memorandum of Understanding (MOU) agreement with the Nassau County Investigators Police Benevolent Association (IPBA) and its members. The term of the agreement is January 1, 2018 through June 30, 2026 and requires each member to contribute to health insurance premiums. The MOU with the IPBA unit was approved by the County Legislature and NIFA. The agreement included retroactive payments for salary increases and signing bonuses.

In May 2024, the County issued Series A General Improvement Bonds in the amount of \$253.8 million. The Series A bonds bear interest rates between 4% and 5% with maturity dates ranging from April 2026 to April 2054.

See Note 24, *Subsequent Events*, of the accompanying financial statements for further details related to these transactions.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be emailed to NCComptroller@nassaucountyny.gov.

BASIC FINANCIAL STATEMENTS

EXHIBIT X-1
COUNTY OF NASSAU, NEW YORK
STATEMENT OF NET POSITION (DEFICIT)
DECEMBER 31, 2023 (Dollars in Thousands)

	Primary Government Governmental Activities	Component Units
ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 1,226,368	\$ 140,599
Investments	16	
Restricted Cash and Cash Equivalents	500,972	1,475
Restricted Certificate of Deposit	200,000	
Restricted Investments	16,616	37,352
Cash Held by Fiscal Agent	60,024	
Sales Tax Receivable	168,857	
Student Accounts and Loans Receivable		10,640
Less Allowance for Doubtful Accounts		(8,949)
Due from Primary Government		24,064
Due from Other Governments	255,084	3,235
Less Allowance for Doubtful Accounts	(14,461)	
Other Receivables		61,134
Accounts Receivable	47,506	48,892
Real Property Taxes Receivable	72,110	
Less Allowance for Doubtful Accounts	(7,772)	
Lease Receivable	1,234	2,384
PPP Receivable	211	
Disputed Assessment Fund Collections Receivable	10	
Due from Component Unit	84,662	
Inventories		12,624
Prepays	49,269	7,122
Property Held for Sale		927
Other Assets	6,567	4,597
Total Current Assets	2,667,273	346,096
NON CURRENT ASSETS:		
Restricted Cash and Cash Equivalents	15,910	2,615
Restricted Investments		8,666
Deferred Financing Costs		184
PPP Receivable	11,376	
Capital Assets Not Being Depreciated	1,780,371	55,618
Depreciable Capital Assets	5,402,026	1,177,788
Less Accumulated Depreciation and Amortization	(2,902,545)	(855,216)
Deposits Held in Custody for Others		3
Lease Receivable	10,854	12,067
Tax Sale Certificates	4,471	
Tax Real Estate Held for Sale	6,387	
Other Assets		47,845
Total Non Current Assets	4,328,850	449,570
Total Assets	6,996,123	795,666
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on bond refunding	26,666	15,731
Deferred charges	102	
Pensions	661,377	128,492
Other postemployment benefits	436,155	135,167
Total Deferred Outflows of Resources	\$ 1,124,300	\$ 279,390

(Continued)

See accompanying notes to financial statements.

EXHIBIT X-1
COUNTY OF NASSAU, NEW YORK
STATEMENT OF NET POSITION (DEFICIT)
DECEMBER 31, 2023 (Dollars in Thousands)

	Primary Government	
	Governmental	Component
	Activities	Units
LIABILITIES		
CURRENT LIABILITIES:		
Accounts Payable and Accrued Liabilities	\$ 432,767	\$ 441,530
Retainage Payable	29,520	36
Unearned Revenue	450,670	15,561
Property Tax Refund Payable	17,654	
Due to Primary Government		4,317
Due to Component Units	85,996	
Due to Other Governments		1,157
Accrued Interest Payable	35,027	2,083
Current Portion of Long Term Liabilities	688,053	77,618
Disputed Assessment Fund Deposits Held	70,968	
Estimated Tax Certiorari Liability related to Disputed Assessment Fund	6,886	
Other Liabilities – Current	105,557	8,908
Total Current Liabilities	1,923,098	551,210
NON CURRENT LIABILITIES:		
Accounts Payable and Accrued Liabilities		639
Due to Primary Government		8,869
Notes Payable		4,704
Bonds Payable, Net of Deferred Bond Premium/Discount (Net of Amortization)	3,842,003	109,735
Liability to Third-Party Payors, net		46,462
Accrued Liabilities - Term Pay		1,839
Accrued Vacation and Sick Pay	456,941	130,938
Due to Other Governments		53
Lease Liability	119,056	6,436
Subscription Liability	1,618	3,331
Deferred Payroll	37,347	
Estimated Workers' Compensation Liability	270,494	
Estimated Tax Certiorari Liability	161,084	
Estimated Liability for Litigation	446,102	65,326
Pollution Remediation Liability	1,785	
Deposits Held in Custody for Others		3
Contractual Liability due to Nassau Health Care Corporation	215,765	
Net Pension Liability	826,683	181,141
OPEB Liability	5,899,431	1,225,180
Original Issue Premium		647
Other Liabilities - Non Current		29,246
Total Non Current Liabilities	12,278,309	1,814,549
Total Liabilities	14,201,407	2,365,759
DEFERRED INFLOWS OF RESOURCES		
Deferred Gain on Refundings	5,668	
Property Taxes - Part County Sales Tax Offset	37,637	
Mitchel Field - Sale of Future Rental Revenue	22,396	
Lease Related	11,876	13,141
Pensions	34,391	10,550
PPP	67,814	4,429
Other postemployment benefits	683,066	242,212
Total Deferred Inflows of Resources	862,848	270,332
NET POSITION (DEFICIT)		
Net Investment in Capital Assets	2,623,118	302,126
Restricted:		
Nassau Community College - Scholarships and Other		4,069
Nassau Community College - Student Loans		274
Capital Projects	2,912	
Debt Service	139,713	
Open Space	2,016	
General Administration	93,477	1,628
Judgements and Settlements	14,351	
Health	62,806	
Public Works	829	
Property Rehabilitation		15
Various Purposes	25,006	
FEMA - Public Works	9,300	
Unrestricted	(9,917,360)	(1,869,147)
Total Net Position (Deficit)	\$ (6,943,832)	\$ (1,561,035)
		(Concluded)

See accompanying notes to financial statements.

EXHIBIT X-2**COUNTY OF NASSAU, NEW YORK****STATEMENT OF ACTIVITIES****FOR THE YEAR ENDED DECEMBER 31, 2023 (Dollars in Thousands)**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position				
	Expenses	Program Revenues			Component Units
		Charges for Services	Operating Grants	Capital Grants	
				Governmental Activities	
Primary Government:					
Legislative	\$14,467	\$1			\$(14,466)
Judicial	94,448	67,185	5,102		(22,161)
General Administration	595,439	90,244	58,297		(446,898)
Protection of Persons	1,042,538	66,153	8,973		(967,412)
Health	316,925	21,071	161,684		(134,170)
Public Works	417,310	49,131	128,405	57,093	(182,681)
Recreation and Parks	60,458	28,970	71		(31,417)
Social Services	611,224	23,191	255,054		(332,979)
Corrections	312,711	3,707	21,201		(287,803)
Education	30,099	13,413			(16,686)
Interest on SBITAS and Leases	2,298				(2,298)
Interest on Long-Term Debt	166,520				(166,520)
Total Primary Government	\$3,664,437	\$363,066	\$638,787	\$57,093	\$(2,605,491)
Component Units	\$1,027,240	\$691,633	\$47,442	\$19,818	\$(268,347)
General Revenues:					
Taxes:					
Property Taxes				\$944,587	
Sales Taxes				1,553,027	
Other Taxes				96,895	
Health Insurance Relief					60,000
Funding					100,293
State and Local Appropriations					
Tobacco Settlement Revenue and Tobacco Receipts				20,292	
Investment Income				147,052	5,358
Other				62,437	15,811
Opioid Litigation Settlement Revenue				11,419	
Royalty Income					29,538
Total General Revenues				2,835,709	211,000
Change in Net Position (Deficit)				230,218	(57,347)
Net Position (Deficit) - Beginning, as reported				(7,174,050)	(1,494,902)
Prior Period Adjustment (See Note 26)					(8,786)
Net Position (Deficit) - Beginning, as restated (See Note 26)				(7,174,050)	(1,503,688)
Net Position (Deficit) - Ending				\$(6,943,832)	\$(1,561,035)

See accompanying notes to financial statements.

EXHIBIT X-3**COUNTY OF NASSAU, NEW YORK****GOVERNMENTAL FUNDS****BALANCE SHEET****DECEMBER 31, 2023 (Dollars in Thousands)**

	General Fund	NIFA Fund	Police District Fund	Sewer and Storm Water District Fund	Capital Fund	Disputed Assessment Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS:									
Cash and Cash Equivalents	\$ 549,201	\$ 902	\$ 119,009	\$ 91,004	\$ 362,162	\$	\$	\$ 104,090	\$ 1,226,368
Investments								16	16
Cash with Fiscal Agent					60,024				60,024
Restricted Cash and Cash Equivalents	269,576					98,012	133,381	15,913	516,882
Restricted Certificate of Deposit						25,000	175,000		200,000
Restricted Investments								16,616	16,616
Sales Tax Receivable	13,421	155,436							168,857
Due from Other Governments	168,324			4	42,677			44,079	255,084
Less Allowance for Doubtful									
Accounts	(8,409)			(6,052)					(14,461)
Accounts Receivable	37,213		136	9,435				411	47,195
Lease Receivable	12,088								12,088
PPP Receivable	11,587								11,587
Interest Receivable		311							311
Real Property Taxes Receivable	72,110								72,110
Less Allowance for Doubtful									
Accounts	(7,772)								(7,772)
Disputed Assessment Fund Collections, Receivable						10			10
Tax Sale Certificates	4,471								4,471
Tax Real Estate Held for Sale	6,387								6,387
Interfund Receivables	219,837		21,962	867	2,298		4	15,350	260,318
Advances Receivable	42,136			22,568					64,704
Due from Component Units	84,662								84,662
Prepays	32,388	177	13,518	209			13	2,964	49,269
Other Assets	5,461		346	70	210			480	6,567
TOTAL ASSETS	\$ 1,512,681	\$ 156,826	\$ 154,971	\$ 118,105	\$ 467,371	\$ 123,022	\$ 308,398	\$ 199,919	\$ 3,041,293
DEFERRED OUTFLOWS OF RESOURCES									
Deferred Charges								102	102
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	1,512,681	156,826	154,971	118,105	467,371	123,022	308,398	200,021	3,041,395
LIABILITIES:									
Accounts Payable	\$ 92,790	\$	\$ 357	\$ 1,109	\$ 36,295	\$	\$ 1,244	\$ 6,860	\$ 138,655
Accrued Liabilities	173,683	435	7,387	7,316	56,305	23,642	4,798	14,454	288,020
Unearned Revenue	15,250				29,670		302,268	103,482	450,670
Property Tax Refund Payable	17,654								17,654
Interfund Payables	25,244	155,497	25,178	42,483		444	88	11,384	260,318
Due to Component Units	78,888				6,451			657	85,996
Advances Payable					64,704				64,704
Other Liabilities	100,385		4,595	260		84,585		315	190,140
Total Liabilities	503,894	155,932	37,517	51,168	193,425	108,671	308,398	137,152	1,496,157
DEFERRED INFLOWS OF RESOURCES:									
Unavailable Revenue - Period of Availability	12,191			403				265	12,859
Unavailable Revenue - Property Taxes	23,662								23,662
Leases	11,876								11,876
PPPs	11,346								11,346
Property Taxes - Part County Sales									
Tax Offset	37,637								37,637
Mitchel Field - Sale of Future Rental Revenue	22,396								22,396
Total Deferred Inflows of Resources	119,108			403				265	119,776
FUND BALANCE (DEFICIT):									
Fund Balances (Deficit):									
Nonspendable	86,063	177	13,624	271				3,155	103,290
Spendable:									
Restricted	251,379		23,845		2,912	14,351		57,923	350,410
Committed	276,520		7,888		271,034			1,145	556,587
Assigned	213,812	717	72,097	66,263				476	353,365
Unassigned	61,905							(95)	61,810
Total Fund Balance (Deficit)	889,679	894	117,454	66,534	273,946	14,351		62,604	1,425,462
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 1,512,681	\$ 156,826	\$ 154,971	\$ 118,105	\$ 467,371	\$ 123,022	\$ 308,398	\$ 200,021	\$ 3,041,395

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, 2023 (Dollars in Thousands)**

Amounts reported for governmental activities in the Statement of Net Position are different because:	
Total fund balances - governmental funds	\$ 1,425,462
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation	4,279,852
Deferred outflows of resources not reported in governmental funds:	
Deferred loss on refunding	26,666
Pensions	661,377
Other postemployment benefits	436,155
Other assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	36,521
Deferred inflows of resources not recorded in the governmental funds:	
Deferred gain on refunding	(5,668)
Pensions	(34,391)
Public-Private Partnerships	(56,468)
Other postemployment benefits	(683,066)
Premiums, discounts and accreted 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	(479,462)
Long-term liabilities are not due and payable in the current period and accordingly are not reported in the funds:	
Accrued liabilities, retainage payable, and interest payable	(70,640)
Current portion of long-term liabilities	(688,053)
Bonds payable	(3,362,541)
Lease liability	(119,056)
Net pension liability	(826,683)
Subscription Liability	(1,618)
OPEB Liability	(5,899,431)
Other long-term liabilities	(1,582,788)
Net position (deficit) of governmental activities	<u><u>\$ (6,943,832)</u></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 BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2023 (Dollars in Thousands)**

	General Fund	NIFA Fund	Police District Fund	Sewer and Storm Water District Fund	Capital Fund	Disputed Assessment Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:									
Property Taxes	\$ 295,373	\$	\$ 485,620	\$ 155,041	\$	\$ 444	\$	\$ 8,268	\$ 944,746
Payments in Lieu of Taxes	35,559		16,758	7,853					60,170
Preempted Sales Tax in Lieu of Property Taxes	115,579								115,579
Interest and Penalties on Taxes	37,971								37,971
Sales Tax	1,337,630	99,818							1,437,448
Tobacco Settlement Revenue and Tobacco Receipts								20,292	20,292
Special Taxes	34,026							2,699	36,725
Departmental Revenue	173,865		2,438	1,140	4			4,580	182,027
Interest Income	63,639	3,106	6,896	4,027	9,703	5,535		5,915	98,821
Licenses and Permits	14,979		3,498	939					19,416
Fines and Forfeitures	93,891		811					1,216	95,918
Rents and Recoveries	15,312		229	23,182		8		459	39,190
Interdepartmental Revenues	112,670		417						113,087
Interfund Revenues	8,872							204	9,076
Other Revenues	60,473		49		96			300	60,918
Opioid Litigation Settlement Revenue	11,419								11,419
State Aid	301,014				29,651			50,379	381,044
Federal Aid	194,296		1	6	35,566		20,033	73,056	322,958
Total Revenues	2,906,568	102,924	516,717	192,188	75,020	5,987	20,033	167,368	3,986,805
Expenditures:									
Current:									
Legislative	14,016								14,016
Judicial	87,071							3,960	91,031
General Administration	318,974	2,736					10,175	39,612	371,497
Protection of Persons	586,986		493,359				446	11,023	1,091,814
Health	260,947						4,035	55,241	320,223
Public Works	217,989			110,690			3,964	874	333,517
Recreation and Parks	43,416							4,787	48,203
Social Services	603,264						1,413	19,405	624,082
Corrections	289,097							3,660	292,757
Education	13,520								13,520
Payments for Tax Certiorari	137,631								137,631
Aid to Towns and Cities	93,920								93,920
Suits and Damages	69,956								69,956
Other	27,044								27,044
Capital Outlay:									
General					170,777				170,777
Sewage Districts					160,088				160,088
Education					12,855				12,855
Debt Service:									
Principal	205,450			13,161	23,011			84,824	326,446
Interest	92,644			2,881				53,474	148,999
Bond Issuance Costs	1,772			60	876			896	3,604
Principal – Leases	8,529	42						443	9,014
Interest – Leases	2,236	27						3	2,266
Principal – SBITA	316								316
Interest – SBITA	32								32
Total Expenditures	3,074,810	2,805	493,359	126,792	367,607		20,033	278,202	4,363,608
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(168,242)	100,119	23,358	65,396	(292,587)	5,987		(110,834)	(376,803)
Other Financing Sources (Uses):									
Transfers In	62,346		18,000					25	80,371
Transfers Out	(18,025)		(19,128)	(34,602)		(444)		(8,172)	(80,371)
Transfers In from Investment Income	7,065			2,638					9,703
Transfers Out of Investment Income					(9,703)				(9,703)
Transfers In from NIFA	5,482	4,231						99,024	108,737
Transfers Out to NIFA		(104,554)						(4,183)	(108,737)
Transfers In from NCTSC								140	140
Transfers Out to NCTSC								(140)	(140)
Transfers In from NCSSWFA				146,615				180,063	326,678
Transfers Out from NCSSWFA				(162,893)				(163,785)	(326,678)
Refunding Bonds Issued	114,420				4,829				119,249
Payment to Refunded Bonds Escrow Agent	(129,894)				(4,829)				(134,723)
Other Financing Use- Loss on Termination of Lease	(3,891)								(3,891)
Issuance of Debt	316				249,060				249,376
Premium on Bonds	16,997				6,486				23,483
Total Other Financing Sources (Uses)	54,816	(100,323)	(1,128)	(48,242)	245,843	(444)		102,972	253,494
NET CHANGE IN FUND BALANCE (DEFICIT)	(113,426)	(204)	22,230	17,154	(46,744)	5,543		(7,862)	(123,309)
TOTAL FUND BALANCE AT BEGINNING OF YEAR	1,003,105	1,098	95,224	49,380	320,690	8,808		70,466	1,548,771
TOTAL FUND BALANCE AT END OF YEAR	\$ 889,679	\$ 894	\$ 117,454	\$ 66,534	\$ 273,946	\$ 14,351	\$	\$ 62,604	\$ 1,425,462

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, 2023 (Dollars in Thousands)**

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

Net change in fund balance - total governmental funds		\$ (123,309)
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 capital outlays exceeded depreciation and amortization in the current period:		
Purchase of capital assets	348,375	
Depreciation and amortization expense	(179,891)	
Other	(2,358)	166,126
	<hr/>	
Net change in deferred outflows of resources and other assets not reported in the funds:		
Deferred outflows of resources	(183,707)	
Other assets	(3,375)	(187,082)
	<hr/>	
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		(11,805)
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.		
Total OPEB liability	629,157	
Net pension liability/asset	(912,288)	
Change in accrued interest payable and accrued expenses	(2,169)	
Deferred inflows of resources	392,973	
Change in other long-term liabilities	174,100	281,773
	<hr/>	
The issuance of long-term debt (e.g., bonds) 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 refunding's, 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:		
Change in premiums and discounts	24,466	
Change in accreted interest	(9,952)	
Proceeds from sales of bonds	(249,376)	
Principal payments of bonds	325,922	
Refunding Bonds Issued	(119,249)	
Payment to Escrow Agent Refunded Debt	132,704	104,515
	<hr/>	
Change in net position - governmental activities		<u><u>\$ 230,218</u></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, 2023 (Dollars in Thousands)**

	Original Budget	Total Budgetary Authority	Actual	GAAP to Budgetary Basis Conversion (Note 17)	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Property Taxes	\$298,597	\$298,597	\$295,373		\$295,373	\$(3,224)
Payments in Lieu of Taxes	36,626	36,627	35,559		35,559	(1,068)
Preempted Sales Tax in Lieu of Property Taxes	115,579	115,579	115,579		115,579	
Interest and Penalties on Taxes	34,813	34,813	37,971		37,971	3,158
Sales Tax	1,390,427	1,437,446	1,337,630		1,337,630	(99,816)
Special Taxes	31,435	31,435	34,026		34,026	2,591
Departmental Revenue	219,832	221,832	173,865	3,785	177,650	(44,182)
Interest Income	4,515	4,515	63,639	40	63,679	59,164
Licenses and Permits	13,954	13,954	14,979		14,979	1,025
Fines and Forfeitures	104,630	104,630	93,891		93,891	(10,739)
Rents and Recoveries	33,871	33,871	15,312	144	15,456	(18,415)
Interdepartmental Revenues	101,099	101,099	112,670		112,670	11,571
Interfund Revenues	6,270	6,270	8,872		8,872	2,602
Other Revenues	63,894	63,894	60,473	1,562	62,035	(1,859)
Opioid Litigation Settlement Revenue			11,419		11,419	11,419
State Aid	261,451	295,145	301,014		301,014	5,869
Federal Aid	161,148	186,710	194,296		194,296	7,586
Total Revenues	2,878,141	2,986,417	2,906,568	5,531	2,912,099	(74,318)
Expenditures:						
Current:						
Legislative	17,198	15,681	14,016	1,550	15,566	115
Judicial	109,047	97,060	87,071	4,847	91,918	5,142
General Administration	365,724	409,519	318,974	38,073	357,047	52,472
Protection of Persons	574,288	640,574	586,986	5,023	592,009	48,565
Health	264,509	302,703	260,947	14,363	275,310	27,393
Public Works	254,243	253,410	217,989	19,336	237,325	16,085
Recreation and Parks	45,606	50,695	43,416	2,580	45,996	4,699
Social Services	632,117	658,626	603,264	30,700	633,964	24,662
Corrections	299,351	306,226	289,097	8,282	297,379	8,847
Education	41,856	16,856	13,520		13,520	3,336
Payments for Tax Certiorari	30,000	150,421	137,631		137,631	12,790
Aid to Towns and Cities	91,130	93,920	93,920		93,920	
Suits and Damages	45,000	132,875	69,956		69,956	62,919
Other	24,177	27,231	27,044	(303)	26,741	490
Total Current	2,794,246	3,155,797	2,763,831	124,451	2,888,282	267,515
Debt Service:						
Principal	117,695	205,450	205,450		205,450	
Interest	97,249	92,644	92,644		92,644	
Bond Issuance Costs	1,080	1,772	1,772		1,772	
Principal - Leases			8,529	(8,529)		
Interest - Leases			2,236	(2,236)		
Principal - SBITA			316	(316)		
Interest - SBITA			32	(32)		
Total Debt Service	216,024	299,866	310,979	(11,113)	299,866	
Total Expenditures	3,010,270	3,455,663	3,074,810	113,338	3,188,148	267,515
Excess (Deficiency) of Revenues Over (Under) Expenditures	(132,129)	(469,246)	(168,242)	(107,807)	(276,049)	193,197
Other Financing Sources (Uses):						
OFU - refunding agent			(129,894)	129,894		
Transfers In	47,346	47,346	62,346		62,346	15,000
Transfers Out	(99,293)	(3,952)	(18,025)	16,662	(1,363)	2,589
Transfers In of Investment Income	1,500	1,500	7,065		7,065	5,565
Transfers In from NIFA	75	75	5,482		5,482	5,407
Transfers Out to NIFA						
Other Financing Use- Loss on Termination of Lease			(3,891)	3,891		
Issuance of Debt			316	(316)		
Issuance of Bond Refunding			114,420	(114,420)		
Premium on Bonds	1,080	1,080	16,997	(15,474)	1,523	443
Total Other Financing Sources (Uses)	(49,292)	46,049	54,816	20,237	75,053	29,004
Net Change in Fund Balance	(181,421)	(423,197)	(113,426)	(87,570)	(200,996)	222,201
Fund Balance at Beginning of Year	181,421	423,197	1,003,105	120,181	1,123,286	700,089
Fund Balance at End of Year	\$	\$	\$889,679	\$32,611	\$922,290	\$922,290

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, 2023 (Dollars in Thousands)

	Original Budget	Total Budgetary Authority	Actual	GAAP to Budgetary Basis Conversion (Note 17)	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Property Taxes	\$ 477,954	\$ 482,944	\$ 485,620		\$ 485,620	\$ 2,676
Payments in Lieu of Taxes	16,758	16,758	16,758		16,758	
Departmental Revenue	2,297	2,297	2,438		2,438	141
Interest Income	50	5,550	6,896	(1,284)	5,612	62
Licenses and Permits	4,478	4,478	3,498		3,498	(980)
Fines and Forfeits	1,490	1,490	811		811	(679)
Rents and Recoveries			229		229	229
Interdepartmental Revenue			417		417	417
Federal Aid			1		1	1
Other			49		49	49
Total Revenues	503,027	513,517	516,717	(1,284)	515,433	1,916
Expenditures:						
Current:						
Protection of Persons	504,350	496,841	493,359	3,001	496,360	481
Total Expenditures	504,350	496,841	493,359	3,001	496,360	481
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,323)	16,676	23,358	(4,285)	19,073	2,397
Other Financing Sources (Uses):						
Transfers In			18,000	(18,000)		
Transfers Out	(1,128)	(19,128)	(19,128)		(19,128)	
Total Other Financing Sources (Uses)	(1,128)	(19,128)	(1,128)	(18,000)	(19,128)	
Net Change in Fund Balance (Deficit)	(2,451)	(2,452)	22,230	(22,285)	(55)	2,397
Fund Balance (Deficit) at Beginning of Year	2,451	2,452	95,224	22,839	118,063	115,611
Fund Balance (Deficit) at End of Year			\$ 117,454	\$ 554	\$ 118,008	\$ 118,008

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 AND STORM WATER DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023 (Dollars in Thousands)

	Original Budget	Total Budgetary Authority	Actual	GAAP to Budgetary Basis Conversion (Note 17)	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Property Taxes			\$155,041		\$155,041	\$155,041
Payments in Lieu of Taxes			7,853		7,853	7,853
Departmental Revenue	1,253	1,253	1,140	(331)	809	(444)
Interest Income	75	75	4,027		4,027	3,952
Licenses and Permits	750	750	939	(38)	901	151
Rents and Recoveries	3,000	3,000	23,182	(17,504)	5,678	2,678
Federal Aid			6		6	6
Total Revenues	5,078	5,078	192,188	(17,873)	174,315	169,237
Expenditures:						
Current:						
Public Works	111,629	114,504	110,690	(524)	110,166	4,338
Debt Service:						
Principal	10,650	13,521	13,161		13,161	360
Interest	7,527	4,591	2,881		2,881	1,710
Bond Issuance Costs		60	60		60	
Total Expenditures	129,806	132,676	126,792	(524)	126,268	6,408
Excess (Deficiency) of Revenues Over (Under) Expenditures	(124,728)	(127,598)	65,396	(17,349)	48,047	175,645
Other Financing Sources (Uses):						
Transfers Out	(37,307)	(34,436)	(34,602)		(34,602)	(166)
Transfers In of Investment Income	30	30	2,638		2,638	2,608
Transfer Out to NCSSWFA			(162,893)		(162,893)	(162,893)
Transfer In from NCSSWFA	144,947	144,947	146,615		146,615	1,668
Total Other Financing Sources (Uses)	107,670	110,541	(48,242)		(48,242)	(158,783)
Net Change in Fund Balance	(17,058)	(17,057)	17,154	(17,349)	(195)	16,862
Fund Balance at Beginning of Year	17,058	17,057	49,380	18,878	68,258	51,201
Fund Balance at End of Year			\$66,534	\$1,529	\$68,063	\$68,063

See accompanying notes to financial statements.

EXHIBIT X-10**COUNTY OF NASSAU, NEW YORK****STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2023 (Dollars in Thousands)****Custodial Fund****ASSETS:**

Cash	\$ 63,585
Other Assets	57

TOTAL ASSETS	63,642
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LIABILITIES:

Accounts Payable	2,885
Due To Component Unit	3,186
Due To Local Governments	16,525
Taxes Due To Other Governments	6,895
Due to Others	34,151

TOTAL LIABILITIES	\$ 63,642
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FIDUCIARY NET POSITION	\$
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See accompanying notes to financial statements.

EXHIBIT X-11**COUNTY OF NASSAU, NEW YORK****STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023 (Dollars in Thousands)****Custodial Fund****ADDITIONS**

Collections:

Funds Held for Others	\$	77,505
Funds Held for Other Governments		218,720
Taxes Collected and Due To Other Governments		<u>76,254</u>

Total Collections 372,479

Investment Earnings:

Interest Income 314

Total Additions 372,793

DEDUCTIONS

Payments and Distributions:

Funds Held for Others	79,005
Funds Held for Other Governments	214,815
Taxes Collected and Due To Other Governments	<u>78,973</u>

Total Payments and Distributions 372,793

Total Deductions 372,793

CHANGE IN NET POSITION

\$

NET POSITION – BEGINNING

\$

NET POSITION – ENDING

\$

See accompanying notes to financial statements.

EXHIBIT X-12**COUNTY OF NASSAU, NEW YORK****STATEMENT OF NET POSITION (DEFICIT)****ALL DISCRETELY PRESENTED COMPONENT UNITS - PROPRIETARY****DECEMBER 31, 2023****(WITH THE NASSAU COMMUNITY COLLEGE AUGUST 31, 2023)****(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	\$ 69,892	\$ 39,717	\$ 30,990	\$ 140,599
Restricted Cash and Cash Equivalents			1,475	1,475
Restricted Investments		37,352		37,352
Student Accounts and Loans Receivable	10,640			10,640
Less Allowance for Doubtful Accounts	(8,949)			(8,949)
Property Held for Sale			927	927
Due from Primary Government	2,919	21,145		24,064
Due from Other Governments	3,235			3,235
Other Receivables	4,841	56,238	55	61,134
Lease Receivable	39	2,345		2,384
Accounts Receivable, Net		48,113	779	48,892
Inventories		12,592	32	12,624
Prepays Expenses	1,382	5,658	82	7,122
Other Assets - Current		3,573	1,024	4,597
Total Current Assets	83,999	226,733	35,364	346,096
NON CURRENT ASSETS:				
Restricted Cash and Cash Equivalents			2,615	2,615
Deferred Bond Issuance Costs			184	184
Restricted Investments	2,737	5,929		8,666
Right to use SBITA assets - net	260	6,048		6,308
Lease Receivable	1,529	10,538		12,067
Capital Assets Not Being Depreciated	31,144	24,027	447	55,618
Depreciable Capital Assets	399,126	664,658	100,664	1,164,448
Less Accumulated Depreciation	(229,395)	(554,459)	(71,362)	(855,216)
Right to use asset, net of accumulated amortization	6,263	769		7,032
Deposits Held in Custody for Others	3			3
Other Assets		47,845		47,845
Total Non Current Assets	211,667	205,355	32,548	449,570
Total Assets	295,666	432,088	67,912	795,666
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred loss on bond refunding		15,731		15,731
Pensions	25,191	99,192	4,109	128,492
Other postemployment benefits	25,785	105,341	4,041	135,167
Total Deferred Outflows of Resources	\$ 50,976	\$ 220,264	\$ 8,150	\$ 279,390

(Continued)

See accompanying notes to financial statements.

EXHIBIT X-12**COUNTY OF NASSAU, NEW YORK****STATEMENT OF NET POSITION (DEFICIT)****ALL DISCRETELY PRESENTED COMPONENT UNITS - PROPRIETARY****DECEMBER 31, 2023****(WITH THE NASSAU COMMUNITY COLLEGE AUGUST 31, 2023)****(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	\$ 14,934	\$ 421,886	\$ 4,710	\$ 441,530
Retainage Payable			36	36
Unearned Revenue	15,509		52	15,561
Due To Primary Government	4,004		313	4,317
Due To Other Governments			1,157	1,157
Accrued Interest Payable		2,083		2,083
Current portion of SBITA Liability	69	3,225	852	4,146
Current portion of Postemployment Retirement Benefits Liability			2,205	2,205
Current Portion of Long Term Liabilities	7,031	61,915	830	69,776
Current Portion of Lease Liabilities	974	454	63	1,491
Other Liabilities - Current	2,383	6,079	446	8,908
Total Current Liabilities	44,904	495,642	10,664	551,210
NON CURRENT LIABILITIES:				
Accounts Payable and Accrued Liabilities			639	639
Notes Payable			4,704	4,704
Bonds Payable, net		102,940	6,795	109,735
Lease Liability	5,585	396	455	6,436
Liability to Third-Party Payors, net		46,462		46,462
Accrued Liabilities - Termination Pay	1,839			1,839
Accrued Vacation and Sick Pay	47,744	81,186	2,008	130,938
Estimated Liability for Litigation	150	65,176		65,326
Deposits Held in Custody for Others	3			3
Due to Nassau County long term	8,869			8,869
Due to Other Governments, net			53	53
Liability for Future Pension Expense	21,851	154,910	4,380	181,141
SBITA Liability	184	3,147		3,331
Postemployment Retirement Benefits Liability	458,069	712,516	54,595	1,225,180
Original Issue Premium			647	647
Other Long-Term Liabilities	684	28,562		29,246
Total Non Current Liabilities	544,978	1,195,295	74,276	1,814,549
Total Liabilities	589,882	1,690,937	84,940	2,365,759
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Pensions	2,771	7,124	655	10,550
Other postemployment benefits	60,794	169,678	11,740	242,212
Lease Related	1,471	11,670		13,141
Service Concession Agreements	4,429			4,429
Total Deferred Inflows of Resources	69,465	188,472	12,395	270,332
<u>NET POSITION (DEFICIT)</u>				
Net Investment in Capital Assets	200,586	79,915	21,625	302,126
Restricted:				
Nassau Health Care Corporation – Health Services		1,628		1,628
Nassau Community College - Scholarships and Other	4,069			4,069
Student Loans	274			274
Property Rehabilitation			15	15
Unrestricted	(517,634)	(1,308,600)	(42,913)	(1,869,147)
Total Net Position (Deficit)	\$ (312,705)	\$ (1,227,057)	\$ (21,273)	\$ (1,561,035)

See accompanying notes to financial statements.

(Concluded)

EXHIBIT X-13**COUNTY OF NASSAU, NEW YORK****STATEMENT OF ACTIVITIES****ALL DISCRETELY PRESENTED COMPONENT UNITS - PROPRIETARY****FOR THE YEAR ENDED DECEMBER 31, 2023****(WITH THE NASSAU COMMUNITY COLLEGE AUGUST 31, 2023)****(Dollars in Thousands)**

	Nassau Community College	Nassau Health Care Corporation	Nonmajor Discretely Presented Component Units	Total Discretely Presented Component Units
Expenses	<u>\$ 203,367</u>	<u>\$ 764,002</u>	<u>\$ 59,871</u>	<u>\$ 1,027,240</u>
Program Revenues:				
Charges for Services	40,580	614,973	36,080	691,633
Operating Grants and Contributions	47,198		244	47,442
Capital Grants and Contributions	19,818			19,818
Total Program Revenues	<u>107,596</u>	<u>614,973</u>	<u>36,324</u>	<u>758,893</u>
Net Program Revenues (Expenses)	<u>(95,771)</u>	<u>(149,029)</u>	<u>(23,547)</u>	<u>(268,347)</u>
General Revenues				
Health Insurance Relief Funding		60,000		60,000
State and Local Appropriations	100,293			100,293
Investment Income	956	3,671	731	5,358
Other	2,692	9,314	3,805	15,811
Royalty Income			29,538	29,538
Total General Revenues	<u>103,941</u>	<u>72,985</u>	<u>34,074</u>	<u>211,000</u>
Change in Net Position (Deficit)	<u>8,170</u>	<u>(76,044)</u>	<u>10,527</u>	<u>(57,347)</u>
Net Position (Deficit) - Beginning of Year, as restated (Note 26)	<u>(320,875)</u>	<u>(1,151,013)</u>	<u>(31,800)</u>	<u>(1,503,688)</u>
Net Position (Deficit) - End of Year	<u><u>\$ (312,705)</u></u>	<u><u>\$ (1,227,057)</u></u>	<u><u>\$ (21,273)</u></u>	<u><u>\$ (1,561,035)</u></u>

See accompanying notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The County of Nassau (the County), incorporated in 1899, contains three towns, two cities and sixty-four incorporated villages. 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), Nassau Regional Off-Track Betting Corporation (the OTB) and the Nassau County Land Bank Corporation (the NC Land Bank). The County has the ability to remove the appointed members of those organizations' governing boards at will and as such has the ability to impose its will on the organizations.

The County appoints half of the voting members of the governing board of the Nassau Community College, (NCC).

The Nassau County Interim Finance Authority (NIFA), 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, as 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, and 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.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

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-12, X-13, A-3 and A-4. These component units include NCC and NHCC as major component units and the Bridge Authority, OTB, NCIDA, NCLEAC, and NC Land Bank 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.

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 half of its governing body of ten members, the County approves its budget, issues debt for NCC purposes and provides approximately 29% of NCC's 2023 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, 2023.

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. The Nassau Community College Foundation, Inc. and the Faculty-Student Association of Nassau Community College, Inc. have fiscal year ends of August 31st, the same as that of NCC.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Reporting Entity (Continued)****Discretely Presented Component Units (Continued)****Major Component Units (Continued)**

- (b) Nassau Health Care Corporation (d/b/a NuHealth) (NHCC) is a public benefit corporation created pursuant to NYS Public Authorities Law Section 3401, et seq. in 1996 for the purposes of acquiring and operating the health facilities of the County. 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 (NUMC), A. Holly Patterson Extended Care Facility (AHP), 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.

The County has provided two direct pay faith and credit guaranties, each dated March 1, 2009, to bondholders of the payment of principal, interest, and redemption payments on NHCC's outstanding Series 2009 A-D bonds (\$100.0 million as of December 31, 2023) as scheduled without acceleration, as well as to the associated letter of credit banks. The County's obligations under the guaranties are independent of NHCC's ability to remain a going concern. A schedule of the remaining debt service for the Series 2009 A-D bonds as of December 31, 2023, may be found in Note 14 – Notes Payable and Long-Term Obligations.

On July 1, 2021, fixed rate interest Series 2009 Bonds were issued pursuant to a remarketing of the prior Series 2009A (Federally taxable), Series 2009 B, C and D (non-taxable) variable rate demand bonds (VRDB) which had been in place since April 2009. The July 1, 2021 remarketing of the bonds resulted in the newly designated Series 2009 non-taxable fixed rate instruments and eliminated the requirements for swap agreements and letters of credit that had been in place in conjunction with the variable rate demand bond (VRDB) structure of the prior bonds.

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.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

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)**

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.

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.

NHCC has experienced recurring operating losses, has a total negative net position of \$1.2 billion at December 31, 2023, and is dependent on the continuation of federal, state and local subsidies, certain of which have or are scheduled to end or be reduced. These matters raise substantial doubt about NHCC's ability to continue as a going concern. Additionally, the COVID-19 health crisis has added further uncertainty regarding the operations of NHCC, as well as the health care system in general. NHCC is continuously striving to improve its operating results by continuing to progress with collecting on patient accounts, through cash flows provided by government subsidies for the funding of capital projects and by participating in certain other value-based payment programs. NHCC has also undertaken a number of initiatives, including the renegotiation of commercial managed care contracts, changes to medical management practices, improved supply chain, inventory management, rightsizing of personnel and further cost reductions. The Nassau County Interim Finance Authority currently has oversight of the operations of NHCC and in that capacity, reviews certain operational aspects of NHCC.

Nonmajor 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 2023, there were sixteen operational facilities. OTB remits video lottery terminal revenue to the County under a separate agreement.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Reporting Entity (Continued)****Discretely Presented Component Units (Continued)****Nonmajor Component Units (Continued)**

- (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-exempt 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 serve as a core resource for new and existing philanthropic and charitable organizations within the County to support growth, expansion and ongoing operations of non-profit organizations that allow the community to thrive by serving as a conduit financing entity issuing taxable and tax-exempt revenue debt and providing other assistance to 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.

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.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

Nonmajor Component Units (Continued)

- (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 New York 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.

- (g) The Nassau County Land Bank the (NC Land Bank) is a not-for-profit corporation and a New York State Public Authority, organized pursuant to the New York State Land Bank Act (Article 16 of the Not-for-Profit Corporation Law). The NC Land Bank was organized on June 20, 2016. The NC Land Bank was authorized by the County, its sponsoring government, by Ordinance 87-2015, enacted by the Nassau County Legislature by unanimous affirmative vote on July 13, 2015, and approved on July 14, 2015, by the Nassau County Executive.

The NC Land Bank's mission is to direct its funding and efforts to decrease the number of vacant, abandoned and tax distressed properties within the County, having the effect of restoring such properties to productive use and revitalizing, improving, and creating value in the communities in which they are located.

The NC Land Bank is managed by a Board of Directors consisting of seven members appointed in the manner pursuant to the Certificate of Incorporation and Nassau County Ordinance No. 87-2015. Five members are appointed by the County Executive, four of whom are recommended by the Legislative Majority and Minority leaders, the other two members are the County Attorney and the Director of Housing and Community Development, or their designees.

The NC Land Bank meets the criteria of being categorized as a component unit of the County because it is a separate legal entity, and County management appoints a voting majority of the board members. The NC Land Bank was established to address the still lingering effects of the foreclosure crisis affecting the County. The County is able to impose its will on the NC Land Bank through its voting majority members.

Bonds or any other obligation of the NC Land Bank are not considered debt of the County or of the State of New York (the State).

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Reporting Entity (Continued)****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 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.

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, provide additional oversight authority. Under the Act, NIFA may at times issue bonds to refund bonds previously issued by NIFA and its initial ability to issue bonds, other than refunding bonds, expired in 2007. However, in April 2020, New York State enacted legislation to renew NIFA's ability to issue bonds through December 31, 2021 for various Nassau County purposes as defined in the Act, to help the County close budget gaps created by the coronavirus pandemic. The legislation allows for NIFA to issues bonds and notes without limit to finance capital projects, finance cash flow needs of the county, as well as any County deficit including costs resulting from tax certiorari judgments or settlements of the County for proceedings commenced on or after June 1, 2000, in an amount not to exceed \$800 million. No bond of NIFA may mature later than January 31, 2051, or more than 30 years from its date of issuance.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

Blended Component Units (Continued)

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

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. 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 expenditures, and other costs of NIFA are payable to the County.

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 fund 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. For fiscal year 2023, the County remained in a Control Period. See Note 2 for more information on the NIFA Control Period and its effect on the County.

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

- (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 the County, incorporated under the provisions of the New York State Not-For-Profit Corporation Law. Although legally separate from and independent of the County, NCTSC is considered an affiliated organization. Accordingly, the NCTSC 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 ended December 31, 2023, 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 Tobacco Settlement Revenues (TSRs).

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

Blended Component Units (Continued)

(b) **The Nassau County Tobacco Settlement Corporation (Continued)**

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 Bonds.

(c) **The Nassau County Sewer and Storm Water Finance Authority (NCSSWFA)** is a public benefit corporation established in 2003 by the State 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, one seat is currently vacant, each appointed by the County Executive with confirmation by the County Legislature. Each member serves a three-year term without compensation.

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 expenditures. 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 Sewer Bonds (as of the 2014 Agreement) and the operational costs of the System.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

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

Nassau Community College One Education Drive Garden City, NY 11530	Nassau County Interim Finance Authority 1305 Franklin Avenue, Suite 302 Garden City, NY 11530
Nassau Health Care Corporation 2201 Hempstead Turnpike East Meadow, NY 11554	Nassau County Tobacco Settlement Corp. One West Street, 1st Floor Mineola, NY 11501
Nassau Regional Off-Track Betting Corporation 139 Liberty Avenue Mineola, NY 11501	Nassau County Sewer and Storm Water Finance Authority One West Street, 1st Floor Mineola, NY 11501
Nassau County Industrial Development Agency 1 West Street, 4th Floor Mineola, NY 11501	Nassau County Local Economic Assistance Corporation 1 West Street, 4th Floor Mineola, NY 11501
Nassau County Bridge Authority 160 Beach 2nd Street Lawrence, NY 11559	Nassau County Land Bank 40 Main Street, Suite C Hempstead, NY 11550

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**A. BASIS OF PRESENTATION**

The accompanying basic financial statements of the County of Nassau (the County) are presented in conformity with Generally Accepted Accounting Principles (GAAP) for governments in the United States of America as prescribed by the 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.

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."

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. BASIS OF PRESENTATION (Continued)

The County reports the following major governmental funds:

General Fund – This fund is the principal operating fund of the County through which the County provides most County-wide services. This fund is used to account for and report all financial resources not accounted for and reported in another fund. 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 Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), certain County budgetary funds were consolidated into the General Fund for reporting purposes. The budgetary funds included in the General Fund are the Debt Service Fund, the Police Headquarters Fund, the Fire Prevention, Safety, Communication, and Education Fund (Fire Prevention), the Technology Fund, the Open Space Fund, the Litigation Fund, the Retirement Contribution Reserve Fund, the Employee Accrued Benefit Liability Reserve Fund, the Bond Indebtedness Reserve Fund, the Excess Sales Tax Fund, Opioid Litigation Settlement Fund and Operating Reserve Fund. Exhibits B-11 and B-12 provide details of the current fiscal year for each of the funds comprising the County's General Fund.

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

NIFA Fund – This fund accounts for sales tax revenues received by NIFA and for general administration expenditures, as well as transfers to Nassau County. The County reports the NIFA Fund as a major fund because management believes it is important for users for public interest purposes.

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 (SSW) Fund – This 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 real property tax levied to areas served by the sewage treatment and collection districts. The County reports the Sewer and Storm Water District Fund as a major fund because management believes it is important for users for public interest purposes.

Disputed Assessment Fund - the Disputed Assessment Fund (DAF) became operational in 2017. The County's Administrative Code was amended by New York State Legislation in relation to the levy and extension of real property taxes on class four properties (i.e., commercial properties) and established a disputed assessment charge. The DAF was created as a mechanism to maintain collections and record distributions of the disputed assessment charges to commercial property owners who are due tax certiorari refunds.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**A. BASIS OF PRESENTATION (Continued)**

American Rescue Plan (ARPA) Fund - the ARPA Fund (ARP) was established in the 2021 fiscal year to account for Federal American Rescue Plan Act (ARPA) funding received by the County and the uses of those funds. The ARP Fund does not have an annually adopted budget. Revenues and expenditures are recorded in each of the programs established by the County's Administration and approved by the County's Legislature. In accordance with Federal guidelines on the use of ARPA funding, the County must appropriate the ARPA funds by December 31, 2024, and spend the funds no later than December 31, 2026.

Capital Fund - This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets. 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 County has the following nonmajor funds:

Nonmajor Special Revenues Funds

Environmental Protection Fund - This fund was used to purchase and preserve open space and for other purposes in accordance with the County's environmental programs, established by Local Law No. 14 of 2004 and Local Law No. 10 of 2006.

Tobacco Settlement Corporation Fund - This fund was used to segregate proceeds remaining from the 1999 securitization of certain tobacco settlement revenues and reports all activity for the Tobacco Settlement Corporation other than debt service.

Sewer Financing Authority Fund - This fund accounts for sewer and storm water assessments and other revenues received by NCSSWFA for its general administration expenditures, transfers to the NCSSWFA Debt Service Fund to pay NCSSWFA debt service as it comes due, and distributions to the County (on behalf of the Sewer and Storm Water District Fund).

Grant Fund - This fund accounts for outside funding the County receives, primarily from New York State and Federal government agencies that reimburse the cost of certain programs. This fund is used to enhance existing services, provide new services, act as seed money for new service programs, and partially or fully cover the costs of services mandated by the State or Federal government, and pay overtime for special public safety programs among other things.

Federal Emergency Management Assistance (FEMA) Fund - This fund accounts for the funding that the County received from the Federal government that reimbursed cost of disaster recovery programs related to Superstorm Sandy and other FEMA supported disasters. There is on-going activity in this fund related to FEMA project worksheets not yet closed out.

COVID Fund - The COVID Fund was established in fiscal year 2020 for the purpose of accounting for Federal Coronavirus Relief funding received from the Federal government and related eligible expenditures. The COVID Fund also accounts for eligible pandemic-related expenditures that are expected to qualify for Federal Emergency Management Agency (FEMA) reimbursement.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**A. BASIS OF PRESENTATION (Continued)**

Debt Service Funds – are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest and for financial resources that are being accumulated for principal and interest in future years.

Tobacco Settlement Corporation Debt Service Fund – This fund is used to account for and report financial resources that are for NCTSC principal and interest payments, and also includes the Senior Liquidity Reserve Account.

Sewer Financing Authority Debt Service Fund – This fund is used to account for and report financial resources that are for NCSSWFA principal and interest payments, and for future resources that are being accumulated for principal and interest in future years.

NIFA Debt Service Fund – This fund is used to account for and report resources that are restricted or assigned to expenditures for principal and interest, and for financial resources that are being accumulated for principal and interest in future years. This fund accounts for debt service costs for serial bonds issued by NIFA to fund the County's long-term financing needs.

Additionally, the County reports the following fund type:

Fiduciary Fund – The Fiduciary Fund holds resources that are not for the County's benefit. The County acts in a custodial capacity. Balances reported in the Fiduciary Fund are held in custody for beneficiaries and require no further action or demand from beneficiaries to release the assets. Assets held by the County in a custodial capacity include balances Held for Other Governments for (a) traffic and parking violations fines and payments in lieu of taxes collected by the County but belonging to other local governments. Funds Held for Others include custodial balances related to (a) the County's discretely presented component unit, the Nassau Community College; (b) New York State Court and Trust funds which represent monies paid to the courts for legal matters and deposits and withdrawals may only be made through court orders; and (c) cash bail held for inmates that are either returned to inmates or forfeited to the courts. Taxes Collected and Due to Other governments include custodial balances related to (a) mortgage taxes collected by the County on behalf of the State and Metropolitan Transit Authority (MTA) and other local municipalities; and (b) payroll taxes withheld for the Nassau Community College as the County acts as payroll processor for the component unit.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**A. BASIS OF PRESENTATION (Continued)****Recently Adopted Accounting Standards**

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94). The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs), including those outside the scope of GASB's existing literature in Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, and Statement No. 87, *Leases*. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). It is also designed to make certain improvements to the guidance previously included in Statement 60. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The County adopted the Statement effective with its December 31, 2023 financial statements. The effects on the County's financial position and results of operations is disclosed in Note 13 *Public-Private Partnerships* and Note 25 *Change in Accounting Principle*.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The County adopted the Statement effective with its December 31, 2023 financial statements. The County is the licensee for various non-cancellable SBITAs which resulted in the County reporting an intangible right-to-use subscription asset (capital asset) and a subscription liability. The effects on the County's financial position and results of operations is disclosed in Note 12 *Subscription-Based Information Technology Arrangements (SBITAs)*, Note 14 *Notes Payable and Long-Term Obligations* and Note 25 *Change in Accounting Principle*.

In October 2021, GASB issued Statement No. 99, *Omnibus 2022* (GASB 99). This Statement addresses numerous accounting and financial reporting issues identified during the implementation and application of certain GASB pronouncements or during the due process on other pronouncements.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. BASIS OF PRESENTATION (Continued)

Recently Adopted Accounting Standards (Continued)

The issues covered by GASB Statement No. 99, *Omnibus 2022*, include:

- Accounting and financial reporting for exchange or exchange-like financial guarantees;
- Certain derivative instruments that are neither hedging derivative instruments nor investment derivative instruments;
- Clarification of certain provisions of:
- Statement No. 34, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments*;
- Statement No. 87, *Leases*;
- Statement No. 94, *Public-Private and Public-Public Partnership and Availability Payment Arrangements*; and
- Statement No. 96, *Subscription-Based Information Technology Arrangements*.
- Replacing the original deadline for using the London Interbank Offered Rate (LIBOR) as a benchmark interest rate for hedges of interest rate risk of taxable debt, with a deadline of when LIBOR ceases to be determined by the ICE Benchmark Administration using the methodology in place as of Dec. 31, 2021.
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP).
- Disclosures related to nonmonetary transactions.
- Pledges of future revenues when resources are not received by the pledging government.
- Updating certain terminology for consistency with existing authoritative standards.

The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The County has determined that there is no impact to the County's financial position or results of operations due to the adoption of this Statement.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. BASIS OF PRESENTATION (Continued)

New Accounting Standards Not Yet Effective

In October 2021, GASB issued Statement No. 99, *Omnibus 2022* (GASB 99). This Statement addresses numerous accounting and financial reporting issues identified during the implementation and application of certain GASB pronouncements or during the due process on other pronouncements.

The issues covered by GASB Statement No. 99, *Omnibus 2022*, include:

- Accounting and financial reporting for exchange or exchange-like financial guarantees;
- Certain derivative instruments that are neither hedging derivative instruments nor investment derivative instruments;
- Clarification of certain provisions of:
- Statement No. 34, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments*;
- Statement No. 87, *Leases*;
- Statement No. 94, *Public-Private and Public-Public Partnership and Availability Payment Arrangements*; and
- Statement No. 96, *Subscription-Based Information Technology Arrangements*.
- Replacing the original deadline for using the London Interbank Offered Rate (LIBOR) as a benchmark interest rate for hedges of interest rate risk of taxable debt, with a deadline of when LIBOR ceases to be determined by the ICE Benchmark Administration using the methodology in place as of Dec. 31, 2021.
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP).
- Disclosures related to nonmonetary transactions.
- Pledges of future revenues when resources are not received by the pledging government.
- Updating certain terminology for consistency with existing authoritative standards.

The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. 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 operations when it is adopted.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**A. BASIS OF PRESENTATION (Continued)****New Accounting Standards Not Yet Effective (Continued)**

On June 13, 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100). Statement No. 100 amends Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, to address diversity in applying existing standards in practice. The new standard defines four categories of accounting changes and error corrections and related accounting and financial reporting requirements:

1. Changes in accounting principle must be reported retroactively by restating prior periods.
2. Changes in accounting estimate must be reported prospectively by recognizing the change in the current period.
3. Changes to and within the financial reporting entity must be reported by adjusting beginning balances of the current period.
4. Error corrections result from mathematical mistakes, misuse of information, or misapplication of accounting principle and should be reported retroactively by restating prior periods.

The statement also addresses display of accounting changes and error corrections in the financial statements, disclosures in the notes to the financial statements, and presentation in required supplementary information and supplementary information. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. 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 operations when it is adopted.

On June 16, 2022, GASB issued *Statement No. 101, Compensated Absences* (GASB 101). Statement No. 101 replaces Statement No. 16, *Accounting for Compensated Absences*, to align recognition and measurement guidance for all types of compensated absences under a unified model, resulting in greater consistency and improved comparability. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. 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 operations when it is adopted.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**A. BASIS OF PRESENTATION (Continued)****New Accounting Standards Not Yet Effective (Continued)**

On January 8, 2024, the GASB issued *Statement No. 102, Certain Risk Disclosures* (GASB 102). GASB 102 requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. 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 operations when it is adopted.

On May 28, 2024, the GASB issued *Statement No. 103, Financial Reporting Model Improvements* (GASB 103). GASB 103 seeks to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. 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 operations 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 are 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 reported using the economic resources measurement focus and the accrual basis of accounting. Their revenues are recognized in the period earned and expenses are recognized in the period incurred. Their unbilled services receivable are recognized as revenue.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**B. BASIS OF ACCOUNTING AND MEASUREMENT FOCUS (Continued)**

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are 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. Revenue receivables that are not collected within the 60 days are reclassified to Deferred Inflows of Resources.

Expenditures are recognized in the accounting period in which the 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 and due, other postemployment benefits when due, pension expenditures 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 – NCC 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.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BUDGETS AND BUDGETARY ACCOUNTING

A legally appropriated budget is adopted for each fiscal year for the General Fund, and some of its components; the Police Headquarters, the Debt Service and the Fire Prevention Funds, and each of the Special Revenue Funds, with the exception of ARP, DAF, NIFA, NCSSWFA, NCTSC, COVID, Grant and FEMA Funds. The remainder of the funds that are consolidated into the General Fund for reporting purposes may not have annually adopted budgets. The NIFA fund 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, ARP, COVID, and FEMA Funds are appropriated for the life of specific grants, not for annual fiscal periods. The DAF has no legally adopted budget as the fund was specifically established by State legislation which restricts how the fund is utilized.

The budget as reported include prior year fund encumbrances carried forward as well as current year authorizations. In the case of the Grant Fund, an appropriated budget is legally adopted for the life of each grant as it is received. The FEMA Fund's appropriated budget was legally adopted for the life of the FEMA project worksheets submitted to FEMA for reimbursement of expenditures incurred beginning in 2012 during Superstorm Sandy. 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, and encumbrances are treated as charges to appropriations when recorded. All supplemental appropriations amending appropriated budgets as originally adopted are also provided by ordinance of the County Legislature. While the County remains under NIFA control period, NIFA must approve the budget legally adopted by the County Legislature.

During the fiscal year ended December 31, 2023, supplemental appropriations for the General Fund and appropriation budgets for the Grant, ARP, COVID, and DAF Funds were adopted and are included in the Statement of Revenues, Expenditures and Changes in Fund Balances, Total Budgetary Authority, Actual and Budgetary Basis for the General Fund and DAF Fund and the Schedule of Expenditures by County Departments and Offices, Total Budgetary Authority and Actual for the Grant Fund, respectively, as follows (dollars in thousands):

Supplemental Appropriations:	
General Fund	\$ 801,018
Appropriation Budgets:	
Grant Fund	257,015
ARPA Fund	385,003
COVID Fund	116,799
DAF Fund	444
Total Supplemental Appropriations and Appropriation Budgets	<u>\$ 1,560,279</u>

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**C. BUDGETS AND BUDGETARY ACCOUNTING (Continued)**

Appropriations, which have not been expended or encumbered by the end of the fiscal period, lapse at that time, except for the Grant, FEMA, ARPA, COVID 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 not later than September 15th. (For the NCC, the proposed budget is submitted on or before the second Monday in July for the fiscal year commencing the following September 1st). The proposed budgets include proposed expenditures and the means of financing them.
2. Each year during a control period (as described under the Reporting Entity), the NIFA Act requires the County to submit the proposed budget to NIFA no later than September 15th, which must be consistent with the accompanying multi-year financial plan that the County must submit for NIFA's approval.
3. Public hearings are conducted to obtain public comments.
4. Budgets must be adopted by the County Legislature no later than October 30th of the prior year. (For the NCC, the budget is legally enacted on or before the third Monday in August).
5. The legally appropriated budget approved by the County Legislature must be approved by NIFA pursuant to its statutory authority during a control period. Should NIFA disapprove the budget, the Legislature and County Executive are required to modify the budget to meet NIFA's expectations and are consistent with the County's Multi-Year Financial Plan approved by NIFA.
6. The County Executive has the power to veto revisions to the proposed budget made by the Legislature. The Legislature may override a vetoed item within 7 days by an affirmative veto of at least 13 of the 19 members.
7. 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.
8. 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.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**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 include 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, 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 and its various municipal subdivisions.

Restricted cash and investments represent amounts held for payment of future debt service and amounts with use restricted by 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 AND CERTIFICATES OF DEPOSIT

The County invests in certificates of deposit which have a maturity of three to six months. Due to the liquidity of the certificates of deposit, those with three-month maturities are reported as cash and cash equivalents and those with six-month maturities are reported as investments.

NIFA investments, except for highly liquid market investments with maturities of three months or less at the time of purchase, are reported at fair value. Investment income, including changes in fair value of investments, is reported in operations. Restricted investments represent amounts held by NIFA's Bond Trustee for the payment of future debt service payments, as well as amounts restricted by contractual agreements and regulations for NCTSC.

NCSSWFA investments, except for highly liquid market investments with maturities of three months or less at the time of purchase, are reported at fair value, which includes accrued interest receivable.

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.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**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. In accordance with GASB 87, the County has recorded as a capital asset, right of use assets for leases where the County is the lessee. Where the County is the lessor, the underlying assets continue to be reported as capital assets. In accordance with GASB 96, the County records an intangible right to use asset (Subscription IT Asset) at the present value of future subscription payments over the subscription term.

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 acquisition 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. The County has software categorized as intangible capital assets which are amortized based on the applicable useful lives as determined by management using factors in accordance with GASB 51.

It is NHCC's policy to capitalize assets in excess of \$1,000 dollars that have useful lives of more than one year and NCC's policy to capitalize all assets that have useful lives of more than five years.

I. DEPRECIATION

Depreciation is defined by the American Institute of Certified Public Accountants (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. 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. Right to use assets are amortized in accordance with GASB 87, on a straight-line basis over the lease term. Intangible assets are amortized in accordance with their individual useful lives. Currently, the County has two intangible assets that are amortized over useful lives of 15 and 20 years. The intangible right to use asset (Subscription IT Asset), are amortized in accordance with GASB 96, on a straight-line basis over its useful life or the non-cancellable subscription term, whichever is shorter.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**I. DEPRECIATION (Continued)**

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. PREPAIDS

Prepays represent amounts paid as of year-end, which will benefit future operations and are accounted for using the consumption method. Typically, the County's prepaids primarily consist of retirement benefits. In December 2023, the County prepaid its pension invoices that were due February 2024.

K. ALLOWANCE FOR DOUBTFUL ACCOUNTS

The County reviews real property taxes receivables by performing an analysis of historical collectability of its property taxes to determine a reasonable collectability percentage which is then applied to the current year balance to arrive at the allowance for doubtful property taxes. All other receivables (accounts receivable and due from other governments) are reviewed, including communicating with the various County departments to determine if factors have changed that would warrant changes to the receivable or the allowance.

NCC calculates an estimate of uncollectable student accounts and loans receivable balances according to the methodology developed based on the history of collections. All student accounts and loan receivable 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 NCC'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.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**L. NET POSITION AND FUND BALANCE 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, net of accumulated depreciation/amortization and reduced by the outstanding balances of any bonds (including related premiums, discounts, and related deferred inflows and outflows of resources), notes, payables, 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 GASB Statement No. 54, the County’s unrestricted resources will be used in the following order: committed, assigned, and unassigned.

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, will not convert to cash within the current period, or are legally or contractually required to be maintained intact.

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 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 the County Legislature prior to year-end.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**L. NET POSITION AND FUND BALANCE CLASSIFICATIONS (Continued)**

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 fund balance (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 Police District Fund, and the Reserve Funds (Employee Accrued Benefit Liability Fund, Retirement Contribution Reserve Fund, and the Bond Indebtedness Fund) which are included in the General Fund. 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.

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

County employees receive vacation time, sick leave, and other benefits pursuant to their respective labor agreement or County ordinance covering their terms of employment. Under the terms of the County's multiple labor agreements, County employees accumulate earned but unused vacation, sick pay and other leave benefits. 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 liability for vested or accumulated vacation, sick leave or other benefits is recorded as current and non-current obligations in the government-wide statements. The compensated absences are treated as long-term as they will not be liquidated with expendable available financial resources. The current portion of this debt is estimated based on historical trends. Compensated absence liabilities and expenditures are reported in the governmental funds only if they have matured, for example, as a result of employee resignations, terminations or retirements. The amount that is expected to be liquidated with expendable available resources is reported as expenditures and a liability in the fund that gave rise to the liability.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. 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 2024. While 90% of the Storm's costs continue to be reimbursed through FEMA's public assistance program, as of 2014 Governor Cuomo announced funding from the state allocated Community Development Block Grant-Disaster Relief (CDBG-DR) to cover the remaining 10% of storm related costs incurred by local governments as a result of federally declared disasters. To date, the County has received \$20.7 million of funding from CDBG-DR. As of December 31, 2023, the County has funded approximately \$5.0 million of expenditures that exceed the amounts obligated by the CDBG-DR program.

The County's costs for emergency protective measures, debris removal and other recovery efforts through the fiscal year ended December 31, 2023 total approximately \$240.3 million, with repair efforts continuing. Through 2023, the County has recorded a total of \$217.6 million of FEMA aid related to this recovery effort.

Expenditures for capital projects related to the Storm's costs, including the repair efforts related to Bay Park, total approximately \$808.6 million through 2023. A total of \$400.8 million has been recorded as revenue from FEMA through year-end 2023.

In 2021 and 2022, the County received \$385.0 million of cash under the American Rescue Plan Act (ARPA). The funds may only be used for costs incurred within a specific time period, beginning March 3, 2021, with all funds obligated by December 31, 2024 and all funds spent by December 31, 2026. As of year-end December 31, 2023, the County spent \$82.8 million of the money received in various programs aimed at assisting local residents, taxpayers and businesses, and has appropriated \$385.0 million.

O. SALES TAX AND PREEMPTED SALES TAX IN LIEU OF PROPERTY TAXES

Sales Tax is the major revenue source for the County. The County is unique in that upon the creation of NIFA in 2000 by the State, the State authorized the State Comptroller to remit monthly County sales tax collections directly to NIFA for it to withhold and pay its debt service costs required for each fiscal year before any residual sales tax is transferred to the County. The County reports the total collection, including the portion withheld by NIFA, as County sales tax and reports the portion retained by NIFA as an Other Financing Use. NIFA currently has bonds outstanding through November 15, 2035.

Preempted Sales Tax in Lieu of Property Taxes (also referred to as Part County Sales Tax) is a component of sales tax as reported in the government-wide statements. Preempted Sales Tax in Lieu of Property Taxes is reported separately in the governmental funds statements (see Exhibit X-5). New York State Tax Law §1262(d), provides cities and towns a share of certain sales taxes related to hotel occupancy, restaurants and other retail establishments. This law gives cities a choice to receive their share of sales tax revenues directly or to receive them as a credit to their County property tax levies. The towns may only receive the revenues via a credit to the property tax levies.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. SALES TAX AND PREEMPTED SALES TAX IN LIEU OF PROPERTY TAXES
(Continued)

The County contains two cities and three towns. The City of Glen Cove elected to receive their share of sales taxes as a credit to their property tax levies, while the City of Long Beach receives a direct distribution of these sales taxes from the State. All three towns (Hempstead, North Hempstead and Oyster Bay) receive the revenues via a credit to their property tax levies.

The portion of sales tax revenues that the three towns and the City of Glen Cove are entitled to, are budgeted and recorded separately from other sales taxes and are referred to as Preempted Sales Tax in Lieu of Property Taxes, or “Part County” sales tax. This segregation ensures that the property tax bills for the three towns and the City of Glen Cove properly reflect an equal reduction in what otherwise would have been County property taxes owed.

As Part County sales taxes offset the current fiscal year’s payment of County property taxes by the three towns and the City of Glen Cove, actual collections may only be recognized up to the amount budgeted each year.

- Variances of actual sales tax received as compared to what is included in the annual adopted budget must be either credited or collected in a subsequent year. Because of the timing of when the operating budget is adopted and when the County’s books are closed, any variance to budget for Part County Sales Tax is delayed for two years.
 - If the actual amount of sales tax collected is greater than budgeted, the County effectively collected too much in property taxes from the City and towns. The County defers this revenue and applies a credit to the municipalities’ property tax invoices due with the County’s next full fiscal year.
 - If the actual amount of sales tax collected is less than budgeted, the County effectively collected too little in property taxes from the City and towns. The County must collect this difference in the property tax invoices that will be billed to the municipalities in the County’s next full fiscal year and reports a due from other governments in its financial statements.
- The amount of the deferral or due from other governments varies each year based on the year- end results of sales tax collections.

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 1st for school taxes and September 1st for general taxes, 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.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. REAL PROPERTY TAX (Continued)

Property tax revenue in governmental funds 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 reported as deferred inflow of resources for the governmental fund financial statements. For government-wide reporting, property tax revenue is recognized in the year when levied, net of allowance for uncollectible amounts.

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 years. Any adjustment to the allowance is recorded in the County's financial statements.

When budgeting, property taxes are used to fund the difference between appropriations and estimated non-property tax revenues. The New York State Constitution places a legal limit on the authority to impose real property taxes for counties 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. If taxes are levied in excess of this limit, the NYS Comptroller has the ability to withhold certain local assistance. The maximum taxing authority controlling the levy of County real property taxes for 2023 was \$5.0 billion. The constitutional tax margin was \$4.7 billion or approximately 93.26% of the maximum taxing authority in 2023. See Exhibit T-10.

In addition to the legal tax limit, 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 the State, except New York City, and a host of other independent taxing entities such as library, fire and water districts. The law was 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 property 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 property tax cap is a separate restriction imposed upon counties, cities, towns and villages that is in addition to the threshold constraint of the constitutional tax limit. Counties, cities, towns, 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. These amounts charged are eliminated in the government-wide financial statements.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

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, a portion of which may be paid for using the proceeds from borrowings, would be transferred from the County's Capital Fund to the County's General Fund to properly reflect the nature of the transaction. Interfund revenues are offset by an equal amount of interfund expenditures. The County reports the revenues and expenditures rather than netting the two in order to properly reflect the transactions by departments, primarily in the general and administrative line, for users of the financial statements.

R. PAYABLE TO BROKER

Investments are recorded as an asset 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.

S. NOTES PAYABLE

Tax anticipation notes (TANs) and revenue anticipation notes (RANs) are generally recorded as fund liabilities in the fund receiving the proceeds. Bond anticipation notes (BANs) 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 other financing sources in the fund financial statements and 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 and due in the fiscal year 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 as reported include applicable bond premiums and discounts. Long-term liabilities expected to be financed from discretely presented component unit operations are accounted for in the respective component unit financial statements.

Examples of long-term obligations reported by the County include serial bonds issued, accrued vacation and sick pay, the County's proportionate share of the net pension liability, tax certiorari liability, and other postemployment benefits. Descriptions of those obligations may be found in this Note. See Note 14, *Notes Payable and Long-Term Obligations* for the reporting of these obligations.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**U. CLAIMS**

The County self-insures for most risks, with certain exceptions. 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 events that have occurred but have not yet been reported to the governmental entity as of the date of the financial statements.

In 2021, the County entered into an agreement to extend the contractual obligation to reimburse NHCC for the cost of certain insurance coverage, and to indemnify NHCC for liability and related costs not covered by insurance, in connection with NHCC's provision of health care services at the Correctional Center. The County was not required under the agreement to indemnify NHCC for claims arising out of non-jail-based healthcare services. Claims related to treatment at NUMC are the responsibility of NHCC, subject to the insurance coverage described above. A discussion of potential liability arising from disputed claims with prior vendor Armor Correctional Health Services Inc. is discussed in potential litigation liability section of this 2023 Annual Comprehensive Financial Report.

Most other risks are assumed directly by the County.

V. DUE TO NEW YORK STATE RETIREMENT SYSTEM

For the fiscal years 2011-2019, the County elected to amortize a portion of the retirement bill each year. This amortization included interest at a rate which is established annually for each year's amortization by the New York State and Local Retirement System (the System). Because the County's fiscal year differs from the System's, the portion of each year's retirement bill that was amortized was done so on a pro-rata basis.

These amortization payments are paid out of current resources each year and are recorded as an expenditure in the governmental funds. The total unpaid pension amortization liability is recorded in the government-wide financial statements. In February 2023, the County repaid the remaining pension amortization liability of \$29.9 million to the System. The County is current with its pension expenditures.

W. NET PENSION LIABILITY – PROPORTIONATE SHARE

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

X. OTHER POSTEMPLOYMENT BENEFITS (OPEB) HEALTHCARE COSTS

In addition to providing pension benefits, the County provides health insurance coverage and survivor benefits for retired employees and their survivors. County employees become eligible for these benefits when an employee completes 10 years of services, depending upon position, with the

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**X. OTHER POSTEMPLOYMENT BENEFITS (OPEB) HEALTHCARE COSTS (Continued)**

County and can retire. Generally, a non-uniformed employee who has 20 years of service with the County, has reached the age of 62, and can retire is eligible for individual benefits. Uniformed employees need only 20 years of service with no minimum age requirement. The County also provides, upon retirement, vision benefits to all employees except ordinance employees and elected officials.

Health care benefits are primarily provided by the New York State Health Insurance Program (NYSHIP” or “Empire Plan) whose premiums are based on the benefits paid throughout the State during the year. In addition, the County offers retirees alternative plans at an additional cost paid by the retiree.

The County recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the governmental funds in the year paid. The liability for postemployment benefits healthcare costs is recorded as a non-current liability in the government-wide statements. The County retains an actuary to estimate the liability each year.

Y. CONTRACTUAL LIABILITY DUE TO NHCC

The County is currently responsible for a pro-rata share of costs related to termination pay, health insurance premiums and Medicare reimbursement for certain retirees in accordance with Section 1.03(h) of the Acquisition Agreement between the County and NHCC that resulted from the establishment of NHCC as a public-benefit corporation (PBC).

The agreement specified that the cost of employees’ pre-PBC vacation and sick leave liabilities (termination pay), and other postemployment benefits in the form of health insurance and Medicare reimbursement, be reimbursed to NHCC by the County based on the employees’ dates of service of with the County. The amounts reimbursed for termination pay are paid upon the employees’ severance from the hospital. The County’s pro-rata share of NHCC retirees’ health insurance, and Medicare reimbursement are reimbursed to NHCC as invoiced, typically monthly.

The costs related to termination pay has been included in the long-term obligation schedule in Accrued Vacation and Sick Pay for termination pay, and contractual obligations to NHCC for the reimbursement of some retirement benefits for health insurance and Medicare reimbursement is included in the Contractual Liability Due to NHCC.

NHCC’s OPEB liability as of December 31, 2023 was calculated based upon the actuary’s January 1, 2023 Valuation report. The liability will be revalued every three years. It represents an estimate of the County’s future liability under the Acquisition Agreement for retirees who had been employed by the County at the time that the NHCC became a PBC.

Z. ESTIMATED TAX CERTIORARI PAYABLE

The County has claims that have been filed against the Board of Assessors, for the correct determination of the assessed valuation (certiorari proceedings) assessment roll. The County has issued bonds in prior years in order to pay for a portion of these property tax refunds. No tax certiorari payments were made in 2023 with bond proceeds. A portion of these settlements are paid as tax certiorari expenditures in the governmental funds. The estimated liability is a synopsis of all unpaid

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Z. ESTIMATED TAX CERTIORARI PAYABLE (Continued)**

claims as of December 31st. This includes Writs (all classes), Small Claims, Assessor Petitions, Unpaid Refunds, and Projected Refunds on Settlements, and includes interest accrued from the date of the filing to the present year. Not all components have liability every year, but many do. Valuation by appraisers and county attorneys, as well as, the historical value of the settlements, are used to calculate assessment reductions and ultimately determine refunds owed.

Tax certiorari payments for commercial properties may be made using funds accumulated in the DAF Fund. See Note 23B, *Contingencies and Commitments* for further details.

AA. ADVANCES RECEIVABLE AND PAYABLE

The County's General Fund, and Sewer and Storm Water District Fund make cash advances to the Capital Fund when funding is required to continue an existing capital project prior to the issuance of bonds or bond anticipation notes. As of December 31, 2023, \$42.1 million in advances was due back to the General Fund, and \$22.6 million was due to the Sewer and Storm Water District Fund. Upon the issuance of bonds or bond anticipation notes, the proceeds from those issuances are used to repay the outstanding advances. Generally, the County repays the advances shortly after the fiscal year-end and thus, the advances are usually reported as part of the interfund receivables and payables. However, the County issued bonds on May 29, 2024, to repay the outstanding advances and fund capital projects.

AB. 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, workers' compensation claims, accrued vacation and sick leave, deferred payroll, estimated liability for litigation claims, postemployment retirement benefits liability, net pension liability, pollution remediation liability and depreciation. Actual results could differ from these estimates.

AC. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

GASB 96 defines a SBITA as a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The subscription term includes the period during which the County has a noncancellable right to use the underlying IT assets. The subscription term will also include periods covered by an option to extend (when it is reasonably certain the County or SBITA vendor will exercise that option) or to terminate (when it is reasonably certain that the County or SBITA vendor will not exercise that option).

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**AC. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)
(Continued)**

At the commencement of the SBITA term, the County initially measures the subscription liability at the present value of payments expected to be made during the SBITA term (less any SBITA incentives). Subsequently, the subscription liability is reduced by the principal portion of license payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for payments made at or before the software contract commencement date, such as a prepaid license fee, and any capitalizable initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life or the non-cancellable subscription term, whichever is shorter. The County's Subscription Assets are presented as part of Depreciable/Amortizable Capital Assets in the Statement of Net Position and as Subscription IT Assets, being amortized, in Note 10, *Capital Assets*.

As part of the evaluation process for adopting GASB 96, the County analyzed its SBITAs and instituted a policy to establish a materiality threshold excluding any SBITAs that result, at initial recognition, in a subscription asset under \$100,000. As of fiscal year ended December 31, 2023, the County has reported all SBITA commitments.

GASB 96 requires that future subscription payments should be discounted using either (a) the interest rate the SBITA vendor charges the government, which may be implicit, or (b) the government's incremental borrowing rate if the interest rate is not readily determinable. The County utilized its incremental borrowing rate as provided by its financial advisor.

Nassau Health Care Corporation - NHCC adopted the new standard on January 1, 2023, applying the guidance to active SBITA arrangements as of January 1, 2023, and recorded a SBITA asset and liability of \$9,440 thousand, representing the present value of the future cash flows of one subscription-based technology arrangement. Prior year financial statements were not restated to reflect the adoption as the amounts were deemed to be not material.

**AD. PUBLIC-PRIVATE PARTNERSHIPS (PPPs) AND AVAILABILITY PAYMENT
ARRANGEMENTS (APAs)**

As of December 31, 2023, the County is the transferor in five PPPs, four of which meet the definition of a service concession arrangement (SCA). See Note 13 *Public-Private Partnerships (PPP) and Availability Payment Arrangements (APAs)* for more information on these PPPs.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**AD. PUBLIC-PRIVATE PARTNERSHIPS (PPPs) AND AVAILABILITY PAYMENT
ARRANGEMENTS (APAs) (Continued)**

GASB 94 defines a PPP as an arrangement in which a government (the transferor) contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction. Some PPPs are considered SCAs if it meets all of the following criteria: 1) The transferor conveys to the operator the right and related obligation to provide public services through the use and operation of an underlying PPP asset in exchange for significant consideration, such as an up-front payment, installment payments, a new facility, or improvements to an existing facility. 2) The operator collects and is compensated by fees from third parties. 3) The transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services. 4) The transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

The County (the transferor) recognized a receivable for installment payments and a deferred inflow of resources to account for PPPs in its governmental funds using the current financial resources measurement focus. The deferred inflow of resources were measured at the initial value of the receivable for installment payments, plus the amount of any payments received at or before the commencement of the PPP term (e.g., an up-front payment associated with a PPP). The County will subsequently recognize the deferred inflow of resources as inflows of resources (revenue), in a systematic and rational manner over the PPP term.

The PPP term is defined as the period during which an operator has a noncancellable right to use an underlying PPP asset, plus, if applicable, certain periods if it is reasonably certain, based on all relevant factors, that the transferor or the operator either will exercise an option to extend the PPP or will not exercise an option to terminate the PPP.

The County discounted the sum of all future installment payments using incremental borrowing rates (IBR) ranging from 3.4% to 3.57%, which were received from its financial advisor.

The County also has three availability payment arrangements (APA) related to the operation and maintenance of the County's transit bus system, sewer system, and energy system.

GASB 94 defines an APA as an arrangement in which a government compensates an operator for activities that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The payments by the government are based entirely on the asset's availability for use rather than on tolls, fees, or similar revenues or other measures of demand. Availability for use may be based on specified criteria such as the physical condition of the asset, construction milestones, or the achievement of certain availability measures. In an APA, a government procures a capital asset or service, rather than receiving compensation to allow another entity to provide public services. An APA may be similar to a PPP that includes a variable payment provision; however, in contrast to a PPP, the other party to an APA is receiving compensation from the government based entirely on availability to perform and not the actual performance of a public service.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

AD. PUBLIC-PRIVATE PARTNERSHIPS (PPPs) AND AVAILABILITY PAYMENT ARRANGEMENTS (APAs) (Continued)

The components of an APA that are related to providing services for the operation or maintenance of a nonfinancial asset is accounted for as outflows of resources by the government in the period to which the payments relate.

2. CONTROL PERIOD CALCULATION

The Nassau County Interim Finance Authority (NIFA) is a corporate governmental agency and instrumentality of the State of New York constituting a public benefit corporation created by the Nassau County Interim Finance Authority Act. NIFA is a blended component unit of the County.

NIFA has certain powers under the Act to monitor and oversee the County's finances, including covered organizations, and upon the declaration of a "control period," additional oversight authority as disclosed in Note 1(A). On January 26, 2011, NIFA adopted a resolution which imposed a control period on the County pursuant to the Act as it determined that the County's proposed fiscal 2011 budget reflected a substantial likelihood that the budget would produce a deficit in excess of one percent of the aggregate result of operations in the funds (specified in the Act as the General Fund, the Police Headquarters Fund, the Police District Fund, the Fire Prevention and Safety Fund and the Debt Service Fund) assuming all revenues and expenditures are reported in accordance with generally accepted accounting principles.

During a control period, NIFA has the authority 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; approve, disapprove or modify the County's 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.

The County reports its financial statements in accordance with GAAP for governments. The County's Administration manages and reports the County's annual fiscal surplus or deficit under the budgetary basis, accounting for variances between actual revenues and expenditures against total budgetary authority.

On December 22, 2011, the County executed the "Nassau County Interim Finance Authority and the County of Nassau Side Agreement re: the Sale of the Mitchel Field Revenue Stream Agreement" (the Side Letter), whereby the County agreed, in consideration for recognizing on a budgetary basis the entire \$37 million purchase price proceeds from the sale of the Mitchel Field revenue streams as revenues in fiscal 2011, to implement an additional reporting methodology consistent with NIFA's requirement that acknowledged:

- The County could use all of the purchase price proceeds from the Mitchel Field Revenue Stream Agreement as a cash infusion in accordance with the second bullet (below) with the understanding that such proceeds would not contribute substantially to GAAP revenues in any subsequent year due to the accounting treatment prescribed by GAAP (which requires ratable recognition over time consistent with the underlying lease timeframe);
- Consistent with borrowing/financing transactions (such as those for tax certiorari refunds or termination payments) the proceeds may be considered as contributing to "budgetary balance" inasmuch as that measure is considered on a "budgetary basis"; however, neither that term nor that kind of "balance" is relevant to NIFA's consideration of GAAP revenues; and

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

2. CONTROL PERIOD CALCULATION (Continued)

- Any discussion of or presentation on the County's budgetary and financial results must give equal or greater prominence to the GAAP measurement of performance in those official presentation and releases in a manner acceptable to NIFA.

As a result of the executed Side Letter agreement, beginning with the County's 2011 fiscal year results, the County has been required to report its fiscal results of its operating funds using the Control Period Calculation, which is based on GAAP reporting, adjusted to exclude certain other financing sources (such as, unspent bond proceeds and operational costs paid with bond proceeds).

Under the Control Period Calculation requirement, the budgetary basis results of the County's five major budgetary operating funds, the General (not consolidated), Fire Prevention, Police Headquarters, Police District, and Debt Service Funds, are converted to GAAP results (modified accrual basis) then adjustments are made to remove the effect of other financing sources that are derived from the issuance of bonds (i.e., bond proceeds and premiums) and are used to pay for operational expenditures. For the fiscal year 2023, the County reported a \$19.3 million surplus under the Control Period Calculation reporting for the five funds listed above. A reconciliation from GAAP to the required Control Period Calculation results is shown below.

The Control Period Calculation requires that certain other financing sources that are sourced from bond proceeds be eliminated from the GAAP results. Exhibit E-1 shows the Control Period Calculation for fiscal year 2023; the \$19.6 million 2023 GAAP surplus for the five funds of the County is reduced by bond proceeds of \$0.3 million of borrowed funds to pay for other operating expenditures.

The table below reconciles the County's governmental GAAP results, as reported in the governmental funds of the Annual Comprehensive Financial Report (see Exhibit X-5) of \$(91.2) million to GAAP results for the five funds as defined above.

For fiscal year 2023, the County's governmental funds reported a \$113.4 million shortfall in the General Fund and a \$22.2 million surplus in the Police District Fund (PDD), for a total shortfall of \$91.2 million. Included in the County's General Fund under governmental GAAP are several reserve funds that are not treated as operating funds for County budgetary basis reporting purposes. Those funds are the Litigation Fund (LIT), the Employee Benefit Accrued Liability Reserve Fund (EBF), the Bond Indebtedness Reserve Fund (BIF), the Retirement Contribution Reserve Fund (RCF), the Technology Fund (TCF), the Open Space Fund (OSF), the Excess Sales Tax Fund (EST), the Opioid Litigation Settlement Fund (OLS), and the Operating Reserve Fund (ORF). The total 2023 governmental GAAP results of those funds that were included in the General Fund shortfall of \$(113.4) million, was \$(110.8) million.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

2. CONTROL PERIOD CALCULATION (Continued)

Reconciliation of U.S. governmental fund GAAP in Annual Comprehensive Financial Report to "Five Major Funds" GAAP

(Dollars in Thousands)

	Change in fund balance per Exhibit X-5	LIT	EBF	BIF	RCF	TCF	OSF	EST	OLS	ORF	Total	2023 GAAP net change in fund balance
General Fund \$	\$ (113,426)	\$ (180,626)	\$ 20,228	\$ (61,974)	\$ 2,525	\$ 4	\$ 15		\$ 14,998	\$94,034	\$ (110,796)	\$ (2,630)
PDD Fund \$	\$ 22,230											\$ 22,230
	<u>\$ (91,196)</u>	<u>\$ (180,626)</u>	<u>\$ 20,228</u>	<u>\$ (61,974)</u>	<u>\$ 2,525</u>	<u>\$ 4</u>	<u>\$ 15</u>		<u>\$ 14,998</u>	<u>\$ 94,034</u>	<u>\$ (110,796)</u>	<u>\$ 19,600</u>

For County budgetary purposes and NIFA Statutory Act, the County's "5 major funds" are the General Fund, the Police Headquarters Fund, the Fire Prevention Fund, the Debt Service Fund, and the Police District Fund.

Exhibits E-1 and E-2 present the Control Period Calculation Schedule and the Control Period Calculation Schedule Historical Data.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

3. DEPOSITS AND INVESTMENTS

As of December 31, 2023, the County's total cash and cash equivalents, which consisted of cash in money market interest bearing bank accounts at rates averaging 4.97%, for the governmental funds and the fiduciary funds, were \$1.8 billion and \$63.6 million, respectively. As of December 31, 2023, the County's bank balances totaling \$2.04 billion (including fiduciary funds of \$115.9 million) were fully covered with FDIC except and two Local Government Investment Pools (LGIP) 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, 2023, total investments amounted to \$216.6 million. The investments consisted of U.S. Treasury Notes, a Certificate of Deposit, 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. NCTSC also invests in shares of a money market fund, 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.

The County participates in the Cooperative Liquid Assets Securities System ("CLASS"), a cooperative investment pool, established pursuant to Articles 3A and 5G of General Municipal Law of the State of New York. CLASS has designated Public Trust Advisors, LLC as its registered investment advisor. Public Trust Advisors, LLC is registered with the Securities and Exchange Commission ("SEC") and is subject to all the rules and regulations of an investment advisor handling public funds. As such, the SEC provides regulatory oversight of CLASS.

The pool is authorized to invest in various securities issued by the United States and its agencies, obligations of the State of New York and repurchase agreements. These investments are reported at fair value. CLASS issues separately available audited financial statements with a year end of June 30th. The County's position in the pool, \$201,402,166 is equal to the value of the pool shares. The maximum maturity for any specific investment in the portfolio is 397 days. CLASS is rated AAAM by Standard & Poor's Financial Services. Local government investment cooperatives in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principle. The cooperative invests in a high-quality portfolio of investments legally permissible for municipalities and school districts in the State. Due to the highly liquid nature of this pool, it is included in the Cash and Cash equivalents.

The County also participates in NY MuniTrust® Local Government Investment Pool ("LGIP" or "Pool"). The Pool is an intermunicipal agreement (IMA) created through a municipal cooperation agreement (Municipal Cooperation Agreement) made pursuant to New York General Municipal Law, Articles 3-A and 5-G (collectively, the Act), dated as of February 1, 2022 by and among Orange County (Lead Participant) and each district and municipal corporation, as defined in the Act, that enters into the Municipal Cooperation Agreement hereof (collectively, together with the County of Orange, the Participants). The pool is authorized to invest in various securities issued by the United States and its agencies. The amount reported represents the amortized cost of the cooperative shares and is considered to approximate fair value. The County's position in the cooperative as of December 31, 2023 is \$50,000,000 and is equal to the value of the pool shares. Due to the highly liquid nature of this pool, it is included in the Cash and Cash equivalents.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

3. DEPOSITS AND INVESTMENTS (Continued)

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 its investments in U.S. Government guaranteed securities and U.S. Government agency securities. All investments are held by NIFA's trustee bank solely as agent of NIFA. All investments mature in less than six months.

The following table summarizes the County's unrestricted and restricted cash and cash equivalents (including fiduciary funds and blended component units) and the investment position on December 31, 2023 (dollars in thousands):

	Cash and Cash Equivalents	Investments	Certificate of Deposit	Total
Cash and Cash Equivalents	\$1,866,859			\$1,866,859
Certificates of Deposit			200,000	200,000
Treasury Notes and Investments		16,632		16,632
Totals	<u>\$1,866,859</u>	<u>\$ 16,632</u>	<u>\$ 200,000</u>	<u>\$2,083,491</u>
Governmental Funds	\$1,803,274	\$ 16,632	\$ 200,000	\$2,019,906
Fiduciary Funds	63,585			63,585
Totals	<u>\$1,866,859</u>	<u>\$ 16,632</u>	<u>\$ 200,000</u>	<u>\$2,083,491</u>

NCTSC's restricted cash equivalents of \$15.9 million consist of shares in a money market fund which invests in short-term U.S. Treasury securities paying fixed or variable interest rates and in repurchase agreements backed by U.S. Treasury securities which are stated at amortized cost, which approximates fair value. This fund carried a credit rating of AAAm by S&P Global Ratings and Aaa-mf by Moody's Investors Service, Inc. as of December 31, 2023.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

3. DEPOSITS AND INVESTMENTS (Continued)

The County maintains a consolidated disbursement account with a financial institution on behalf of the College. At August 31, 2023, the College had a cash balance of \$69.9 million, of which \$26.8 million was held by the County on behalf of the College, and the bank balance was \$23.9 million. The bank balance is covered by FDIC and by eligible collateral held by the County's agent in the County's name.

At August 31, 2023, the carrying amount (fair value) of the College's investments was \$2.7 million.

At December 31, 2023, all of NHCC's cash and cash equivalents are insured through FDIC or collateralized held by NHCC's third-party trustee or the pledging financial institution's trust department in the name of NHCC, to the full extent of the deposits.

4. FAIR VALUE MEASUREMENT

NIFA and NCSSWA categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation of inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Debt securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique provided by third party custodians. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The following is a summary of the fair value hierarchy of the fair value of the County's (which include NIFA and NCSSWFA) investments as of December 31, 2023:

			(Dollars in thousands)		
			Fair Value Measurements Using:		
<u>Investment by Fair Value Level</u>	Credit Quality Rating	Total	Quoted Prices in Active Market for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Debt Securities					
U.S. Government securities	N/A	\$ 9,861	1,542	\$ 8,319	
Federal Agency securities	AA+	6,771		6,771	
Total investment by fair value level		\$ 16,632	1,542	\$ 15,090	

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
4. FAIR VALUE MEASUREMENT (Continued)

The following is a summary of the total investments held by the County as of December 31, 2023 (dollars in thousands):

Investments	\$ 16
Restricted Investments	<u>16,616</u>
	<u>\$ 16,632</u>

At December 31, 2023, the County's major discretely presented component units' financial instruments are measured at fair value were categorized between Levels 1, 2, and 3 as follows (dollars in thousands):

(Dollars in thousands)				
		Fair Value Measurements Using:		
		Quoted Prices	Significant	Significant
		in Active	Other	Unobservable
		Market for	Observable	Inputs
		Identical Assets	Inputs	Inputs
		Level 1	Level 2	Level 3
2023	Total			
Cash and cash equivalents	\$ 39,562	\$ 39,562		
Certificates of deposit	1,339		1,339	
Equity securities	41	41		
Mutual funds	713	713		
Municipal bonds	645		645	
U.S Treasury Bills	<u>1,642</u>		<u>1,642</u>	
	<u>\$ 43,942</u>	<u>\$ 40,316</u>	<u>\$ 3,626</u>	
Certificates of Deposit*				<u>2,076</u>
				<u>\$ 2,076</u>

* Non-negotiable certificates of deposit that are not required to be leveled.

The following is a summary of the total investments held by the County's major discretely presented component units as of December 31, 2023 (dollars in thousands):

Restricted Investments	<u>\$ 46,018</u>
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NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

5. DUE FROM OTHER GOVERNMENTS

Due from Other Governments at December 31, 2023 represents aid, grants, and other amounts receivable from the State and Federal governments. The following summarizes such receivables (dollars in thousands), exclusive of the allowance for doubtful accounts, which is shown on the governmental funds statement (Exhibit X-3):

Fund	2023		
	Federal	State/Other*	Total
General Fund	\$62,700	\$119,045	\$181,745
NIFA Fund		155,436	155,436
Sewer & Storm Water District Fund	4		4
Capital Fund	37,515	5,162	42,677
Nonmajor Governmental Funds	20,033	24,046	44,079
TOTAL RECEIVABLE	\$120,252	\$303,689	\$423,941

* Sales tax receivable of \$168,857 (both General and NIFA funds) due from NYS, is reported separately in the financial statements as sales tax receivable.

6. 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.

7. TAX REAL ESTATE HELD FOR SALE

Tax Real Estate Held for Sale ("Tax Real Estate") 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.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A. Interfund Receivables, Payables and Transfers

Interfund Receivables and Payables generally result when one fund receives cash or pays expenditures on behalf of another or as a result of recording interfund revenues and expenditures. 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. An interfund receivable and payable would be the result of a transfer between funds in the County's audit period (month 13), where the interfund transfers are recorded in the County's fiscal period but because the cash cannot move in "month 13", one fund would have an interfund receivable as of year-end while the other fund would report an interfund payable. Until the interfund receivable and payable are settled with cash moving between the two funds by the Treasurer, the balance sheet asset and liability will remain. The largest of the interfund transactions in the table below is the result of cash due the County from NIFA for Sales Tax revenues accrued as a Due from NIFA. See Note 1, Summary of Significant Accounting Policies, Reporting Entity, Blended Component Units (a), for information on NIFA and its relationship to the County. Transactions between the General Fund and the Sewer and Storm Water District Fund, Police District Fund and the Environmental Protection Fund (nonmajor) are to account for debt service chargebacks in the proper fund. Other interfund transactions include those between the blended component units' debt service and general funds to account for debt service costs.

See Note 1Q, Summary of Significant Accounting Policies, Interfund Transactions, for additional description of interfund transactions reported by the County.

The individual fund Interfund Receivables and Interfund Payables as of December 31, 2023 are reconciled as follows (dollars in thousands):

December 31, 2023	General Fund	NIFA Fund	Police District Fund	Sewer & Storm Water District Fund	Capital Fund	Disputed Assessment Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
INTERFUND RECEIVABLE									
General Fund	\$	\$	\$21,733	\$867	\$2,298	\$	\$	\$346	\$25,244
NIFA Fund	140,493							15,004	155,497
Police District Fund	25,178								25,178
Sewer & Storm Water District Fund	42,483								42,483
Disputed Assessment Fund	444								444
American Rescue Plan Fund	88								88
Nonmajor Governmental Funds	11,151		229				4		11,384
TOTAL RECEIVABLE	\$219,837		\$21,962	\$867	\$2,298		\$4	\$15,350	\$260,318
INTERFUND PAYABLE									
General Fund	\$	\$(140,493)	\$(25,178)	\$(42,483)	\$	\$(444)	\$(88)	\$(11,151)	\$(219,837)
Police District Fund	(21,733)							(229)	(21,962)
Sewer & Storm Water District Fund	(867)								(867)
Capital Fund	(2,298)								(2,298)
American Rescue Plan Fund								(4)	(4)
Nonmajor Governmental Funds	(346)	(15,004)							(15,350)
TOTAL PAYABLE	\$(25,244)	\$(155,497)	\$(25,178)	\$(42,483)	\$	\$(444)	\$(88)	\$(11,384)	\$(260,318)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (Continued)

A. Interfund Receivables, Payables and Transfers (Continued)

The Transfers illustrated below are primarily balances that account for year-end transactions to report the governmental funds in accordance with GAAP. Transfers between the General Fund and the Police District Fund represent year-end budgetary transfers of surpluses to reserve funds (\$19,128) and the (\$18,000) offset to reflect the accurate GAAP reporting. The transactions are reported gross to illustrate the correct interfund receivables and interfund payables. The transactions between the General Fund and the Sewer and Storm Water District Fund account for the debt service chargebacks described in the paragraph above.

December 31, 2023	Transfers In:							Total
	General Fund	Police District Fund	Sewer & Storm Water District Fund	Capital Fund	Disputed Assessment Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	
Transfers Out:								
General Fund	\$	\$ 18,000	\$	\$	\$	\$	\$ 25	\$ 18,025
Police District Fund	19,128							19,128
Sewer & Storm Water District Fund	34,602							34,602
Disputed Assessment Fund	444							444
Nonmajor Governmental Funds	8,172							8,172
TOTAL	<u>\$ 62,346</u>	<u>\$ 18,000</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 25</u>	<u>\$ 80,371</u>

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

8. 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, 2023 do not offset each other as they include accounts of the College at the end of their fiscal year on August 31, 2023, and the NHCC, which has timing differences with the County. The following reconciles the December 31, 2023 amount by carrying forward the College transactions affecting these accounts from September 1, 2022 through December 31, 2023 and the NHCC for the timing differences.

Dollars in Thousands

	<u>2023</u>
Due from Primary Government (Exhibit X-1), Component Units	\$ 24,064
Due to Primary Government (Exhibit X-1), Component Units	<u>(13,186)</u>
Net Due from Primary Government, Component Units	<u>\$ 10,878</u>
Nassau Community College Transactions from September 1, to December 31:	
Increase in due from Capital Fund	\$ 6,751
Increase in due from Fiduciary Fund	3,437
Decrease in due to General Fund	(3,003)
Increase in due from Other Funds	<u>657</u>
Subtotals	<u>7,842</u>
Nassau Health Care Corporation	
Net Change in Encumbrances	<u>(9,200)</u>
Due to Component Units - Fiduciary per Balance Sheet: (Exhibit X-10)	(3,186)
Due From Component Units - Governmental per Balance Sheet (Exhibit X-3)	84,662
Due To Component Units - Governmental per Balance Sheet (Exhibit X-3)	(85,996)
Pass-through revenues from OTB	<u>(5,000)</u>
Due to Component Units - Fiduciary and Governmental	<u>\$ (10,878)</u>

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

9. 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 four items that qualify for reporting in this category; deferred loss on bond refunding, the deferred charges in unrecognized grant costs, the deferred charges on other post-employment benefits and deferred charges on pensions.

Deferred loss on bond 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.

The deferred charges in unrecognized grant costs represent costs that have not been recognized by the grant due to conditions not being fulfilled.

The deferred outflows OPEB is the portion of changes in the Net OPEB liability that is not immediately recognized in OPEB expense. These changes include differences between actual and expected experiences, changes in assumptions and difference between expected and actual earnings on plan investments. It also includes contributions paid subsequent to the measurement date.

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 may include contributions paid subsequent to the pension plan's measurement date if applicable.

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 seven items that qualify for reporting in this category; deferred gain on refundings, property taxes - part County sales tax offset, Mitchell Field – sale of future rental revenue, pensions, public-private partnerships, leases in which the County is a lessor, and other-post employment benefits.

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.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

9. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (Continued)

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 liability 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 the public-private partnerships is reported as a deferred inflow of resources because the revenue will be recognized over the term of the agreement. See Note 13 for further discussion of the County's public-private partnership.

The deferred inflow of resources related to leases in which the County is the lessor represents the present value of lease payments expected to be received during the lease term. The subsequent lease payments received by the County will reduce the deferred inflow of resources. The deferred inflow of resources will be recognized as revenue over the lease term.

The deferred inflows OPEB is the portion of changes in the Net OPEB liability that is not immediately recognized in OPEB expense. These changes include differences between actual and expected experiences, changes in assumptions and difference between expected and actual earnings on plan investments.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

10. CAPITAL ASSETS

The 2023 capital assets inclusive of the blended component unit, NIFA, are reconciled to the 2023 amounts reported on Exhibit X-1 in the table below (dollars in thousands):

	Governmental Activities
Capital assets not being depreciated	\$ 1,780,371
Depreciable and amortizable capital assets	5,402,026
Accumulated depreciation and amortization	<u>(2,902,545)</u>
Capital assets - net	4,279,852
Outstanding related debt, liabilities, and deferred outflows/inflows of resources	<u>(1,656,734)</u>
Net investment in capital assets	<u><u>\$ 2,623,118</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 2023, no impairment losses were recognized related to the County.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
10. CAPITAL ASSETS (Continued)

Activity for capital assets, inclusive of the blended component unit, NIFA, reconciled to the 2023 amount reported in Exhibit X-1, is summarized below (dollars in thousands):

Primary Government	(As restated) * Balance January 1, 2023	Additions	Reductions	Balance December 31, 2023
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 256,067			\$ 256,067
Intangible - Land Dev Rights	8,804			8,804
Construction in progress	1,384,776	302,235	171,511	1,515,500
Total capital assets, not being depreciated	1,649,647	302,235	171,511	1,780,371
Capital assets, being depreciated and amortized:				
Intangible	63,740			63,740
Land Improvements	113,468	5,322		118,790
Buildings	1,393,054	17,572		1,410,626
Equipment	472,949	39,202	32,138	480,013
Infrastructure	3,025,149	155,555		3,180,704
Total capital assets, being depreciated	5,068,360	217,651	32,138	5,253,873
Total capital assets	6,718,007	519,886	203,649	7,034,244
Less accumulated depreciation and amortization:				
Intangible	17,875	3,138		21,013
Land Improvements	86,445	2,464		88,909
Buildings	704,935	32,873		737,808
Equipment	311,886	36,252	29,780	318,358
Infrastructure	1,621,722	93,264		1,714,986
Total accumulated depreciation and amortization	2,742,863	167,991	29,780	2,881,074
Total capital assets, being depreciated and amortized, net	2,325,497	49,660	2,358	2,372,799
Lease Assets, being amortized:				
Buildings	145,918			145,918
Total lease assets, being amortized	145,918			145,918
Less accumulated lease amortization:				
Buildings	9,571	11,606		21,177
Total accumulated lease amortization	9,571	11,606		21,177
Total lease assets, net	136,347	(11,606)		124,741
Subscription Assets, being amortized:				
Intangible	2,235			2,235
Total subscription assets, being amortized	2,235			2,235
Less accumulated subscription amortization:				
Intangible		294		294
Total accumulated subscription amortization		294		294
Total subscription assets, net	2,235	(294)		1,941
Governmental activities capital assets, net	\$ 4,113,726	\$ 339,995	\$ 173,869	\$ 4,279,852

* Restated for cumulative effect of change in Accounting Principles, adoption of GASB Statement No. 96.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
10. 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>\$ 171,511</u>
Additions to capital assets:	
Land improvements	\$ 5,322
Buildings	10,634
Infrastructure	<u>155,555</u>
	<u>\$ 171,511</u>

Depreciation and amortization expense was charged to functions of the primary government for the fiscal year ended December 31, 2023 as follows (dollars in thousands):

	<u>Intangible</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Total</u>
Functions:						
Legislative	\$	\$	\$ 6	\$ 52	\$	\$ 58
Judicial		60	1,088	476		1,624
General Administration	3,137	60	18,632	4,221		26,050
Protection of Persons	295		2,842	11,151	2,656	16,944
Health			101	149		250
Public Works		1,661	8,821	4,141	86,874	101,497
Recreation and Parks		623	5,480	793	3,734	10,630
Social Services		60	181	103		344
Corrections			4,986	1,161		6,147
Other			660	14,005		14,665
Expenditures/MSBA						
Other			1,682			1,682
Total depreciation expense	<u>\$ 3,432</u>	<u>\$ 2,464</u>	<u>\$ 44,479</u>	<u>\$ 36,252</u>	<u>\$ 93,264</u>	<u>\$ 179,891</u>

Total capital assets of the County, as of December 31, 2023 is \$7.2 billion with accumulated depreciation and amortization of \$2.9 billion.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

10. CAPITAL ASSETS (Continued)

Nassau Community College Capital Assets

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

	Balance at September 1, 2022	Additions	Reductions	Balance at August 31, 2023
Capital assets, not being depreciated:				
Land	\$ 2,733	\$	\$	\$ 2,733
Construction in Progress	27,729	31		27,760
Library	696		45	651
Total capital assets, not being depreciated	31,158	31	45	31,144
Capital assets, being depreciated:				
Land improvements	32,033	106		32,139
Infrastructure	31,097	4,624		35,721
Buildings	213,725	2,018		215,743
Building improvements	84,699	13,148		97,847
Equipment	16,118	977		17,095
Total capital assets, being depreciated	377,672	20,873		398,545
Total capital assets	408,830	20,904	45	429,689
Less accumulated depreciation:				
Land improvements	11,453	1,547		13,000
Infrastructure	13,659	1,844		15,503
Buildings	131,276	4,115		135,391
Building improvements	47,380	3,742		51,122
Equipment	13,034	786		13,820
Total accumulated depreciation	216,802	12,034		228,836
Net capital assets being depreciated	160,870	8,839		169,709
Lease and subscription assets, being amortized:				
Buildings	8,357	56		8,413
SBITA		330		330
Total lease and subscription assets being amortized	8,357	386		8,743
Less accumulated amortization:				
Buildings	1,067	1,083		2,150
SBITA		70		70
Total accumulated amortization	1,067	1,153		2,220
Total lease and subscription assets, net	7,290	(767)		6,523
Total capital assets, net	\$ 199,318	\$ 8,103	\$ 45	\$ 207,376

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

10. CAPITAL ASSETS (Continued)

Nassau Community College Capital Assets (Continued)

Capital assets of the Faculty-Student Association, a component unit of the College as of August 31, 2023, consisted of the following (dollars in thousands)

	Balance
	<u>August 31, 2023</u>
Furniture and equipment	\$ 350
Vans	<u>232</u>
	582
Less accumulated depreciation	<u>(559)</u>
Total capital assets (net)	<u><u>\$ 23</u></u>

Total depreciable capital assets of NCC and Faculty-Student Association, a component unit of NCC, as of August 31, 2023, were \$407.9 million with accumulated depreciation of \$231.6 million.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
10. CAPITAL ASSETS (Continued)
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, 2023	Additions	Reductions	Balance December 31, 2023
Capital assets, not being depreciated:				
Land	\$12,498	\$	\$	\$12,498
Construction in progress	9,289	2,240		11,529
Total capital assets, not being depreciated	21,787	2,240		24,027
Capital assets, being depreciated:				
Land improvements	17,130			17,130
Buildings and improvements	248,974	32		249,006
Fixed equipment	123,294	3,079		126,373
Movable equipment	258,455	13,800	106	272,149
Total capital assets, being depreciated	647,853	16,911	106	664,658
Total capital assets	669,640	19,151	106	688,685
Less accumulated depreciation for:				
Land improvements	14,743	230		14,973
Buildings and improvements	187,513	6,930		194,443
Fixed equipment	110,688	1,087		111,775
Movable equipment	221,759	11,615	106	233,268
Total accumulated depreciation	534,703	19,862	106	554,459
Net capital assets being depreciated	113,150	(2,951)		110,199
Lease and subscription assets, being amortized:				
Equipment	2,169	67		2,236
SBITA's	9,440			9,440
Total lease and subscription assets being amortized	11,609	67		11,676
Less accumulated amortization:				
Equipment	714	753		1,467
SBITA's		3,392		3,392
Total accumulated amortization	714	4,145		4,859
Total lease and subscription assets, net	10,895	(4,078)		6,817
Total capital assets, net	<u>\$145,832</u>	<u>\$(4,789)</u>	<u>\$</u>	<u>\$141,043</u>

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

11. LEASES**Lessee Leases**

Nassau County (inclusive of blended component unit NIFA), leases various properties and equipment. As the lessee, Nassau County (the County) recognizes a lease liability and intangible right-to-use lease asset in the Statement of Net Position. The County recognizes all lease liabilities based on individual contract stipulations.

At the commencement of the lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, such as prepaid rent. Subsequently, the lease asset is amortized on a straight-line basis over its useful life or the non-cancellable lease term, whichever is shorter.

As part of the evaluation process for adopting GASB 87, the County analyzed its existing lessee leases and instituted a policy to establish a materiality threshold excluding any lessee leases that result in a lease liability of under \$100,000.

Right to Use Lease Asset and Lease Liability

During the current fiscal year, the County continues to maintain contractual agreements for various leases of real properties and equipment ranging from 2 – 20 years in length based on the non-cancelable portion of the contractual agreements as the lessee.

The County recorded the following at December 31, 2023 (dollars in thousands):

Right to Use Assets	\$145,918
Accumulated Amortization	(21,177)
Net Right to Use Assets	<u>124,741</u>
Lease Liability	<u>\$128,336</u>

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

11. LEASES (Continued)**Right to Use Lease Asset and Lease Liability (Continued)**

The County is required to make payments throughout the year for both principal and interest. The leases have interest rates ranging from 0.65% - 1.82% utilizing the County's estimated incremental borrowing rate as obtained from its financial advisor.

Scheduled lease payments for the years ending December 31 beginning in fiscal year 2024 are as follows (dollars in thousands):

Fiscal Year Ending December 31,	Principal	Interest	Total
2024	\$9,280	\$2,105	\$11,385
2025	8,558	1,948	10,506
2026	8,160	1,811	9,971
2027	8,482	1,672	10,154
2028	8,724	1,526	10,250
2029-2033	49,457	5,234	54,691
2034-2038	30,739	1,241	31,980
2039-2043	4,936	200	5,136
Total	\$128,336	\$15,737	\$144,073

Lessor Leases

The County also leases County-owned land and properties to others. As the lessor, the County recognizes a lease receivable and deferred inflow of resources in the Statement of Net Position. The County recognizes all lease receivables based on individual contract stipulations.

At the commencement of the lease, the County initially measures the lease receivable at the present value of lease payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources will be recognized as revenue over the lease term using the straight-line method.

As part of the evaluation process for adopting GASB 87, the County analyzed its existing lessor leases and instituted a policy to establish a materiality threshold excluding any lessor leases that result in a lease receivable of under \$100,000.

Lease Receivable and Deferred Inflow of Resources

During the current fiscal year, the County continues to maintain contractual leasing agreements for land and properties ranging from 2 to 43 years in length. Nassau County recorded the following at December 31, 2023 (dollars in thousands):

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

11. LEASES (Continued)**Lease Receivable and Deferred Inflow of Resources (Continued)**

Lease Revenue	\$3,428
Deferred Inflow of Resources	<u>11,876</u>
Total Inflow of Resources	<u>15,304</u>
Lease Receivable	<u>\$12,088</u>

During financial year 2023, the Restated Coliseum Lease was terminated as of May 31, 2023. As a result, the County recognized a loss of \$3.89 million.

The County is expected to receive lease payments throughout the year for both principal and interest. The leases have interest rates ranging from 0.65% - 1.82% utilizing Nassau County's estimated incremental borrowing rate as obtained from its financial advisor.

Scheduled lease receipts for the years ending December 31 beginning in fiscal year 2024, are as follows (dollars in thousands):

Fiscal Year Ending December 31,	Principal	Interest	Total
2024	\$1,234	\$183	\$1,417
2025	1,067	166	1,233
2026	1,084	150	1,234
2027	1,101	134	1,235
2028	987	117	1,104
2029-2033	2,958	428	3,386
2034-2038	3,007	181	3,188
2039-2043	404	26	430
2044-2048	33	21	54
2049-2053	44	17	61
2054-2058	57	13	70
2059-2063	74	7	81
2064-2066	38	1	39
Total	<u>\$12,088</u>	<u>\$1,444</u>	<u>\$13,532</u>

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

11. LEASES (Continued)

Component Units Lease Agreements

Nassau Community College

Lessee Leases

NCC has one lease agreement that contains two separate payment arrangements. One is for the building itself and one for the improvements made on the building. There was remaining term of 94 months at the adoption of GASB 87. There is one 5-year term option to extend, however the NCC does not believe, at this time, that it is reasonably certain that the NCC will extend the agreement. Additionally, the NCC has a lease agreement with the Nassau County Department of Parks and Recreation with a remaining term of 81 months at the adoption of GASB 87.

NCC recorded the following at August 31, 2023 (dollar in thousands):

Right-to-Use Assets	\$8,413
Accumulated Amortization	(2,150)
Net Right-to-Use Assets	<u>\$6,263</u>
Lease Liability	<u>\$6,559</u>

NCC is required to make payments throughout the year for both principal and interest. The leases have interest rates ranging from 2.06% - 8% utilizing the NCC's estimated incremental borrowing rate as obtained from its financial advisor.

Scheduled lease payments for the years ending August 31 beginning in fiscal year 2024 are as follows (dollars in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$973	\$151	\$1,124
2025	1,106	125	1,231
2026	1,133	98	1,231
2027	1,161	70	1,231
2028	1,180	41	1,221
2029-2033	1,006	12	1,018
Total	<u>\$6,559</u>	<u>\$497</u>	<u>\$7,056</u>

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

11. LEASES (Continued)

Nassau Community College (Continued)

Lessor Leases

NCC leases building space for a wireless tower at a rate of 2.06% with a term of 376 months. Over the term of the lease, the College will receive \$1,571.7 thousand of lease revenue. During the year, NCC recognized \$50.2 thousand of lease revenue and \$1,471.4 thousand as deferred inflow of resources.

Activity of the lease inflows for the year ended August 31, 2023, is summarized as follows (dollars in thousands):

Lease Revenue	\$50
Deferred Inflow of Resources	<u>1,471</u>
Total Inflow of Resources	<u>\$1,521</u>
Lease Receivable	\$1,568
Interest Revenue	<u>\$32</u>

NCC is expected to receive lease payments throughout the year for both principal and interest. Scheduled lease receipts for the years ending August 31 beginning in fiscal year 2024 are as follows (dollars in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$39	\$32	\$71
2025	17	31	48
2026	19	31	50
2027	20	31	51
2028	22	30	52
2029-2033	145	143	288
2034-2038	209	124	333
2039-2043	288	99	387
2044-2048	383	65	448
2049-2053	426	20	446
Total	<u>\$1,568</u>	<u>\$606</u>	<u>\$2,174</u>

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

11. LEASES (Continued)

Nassau Health Care Corporation

Lessee Leases

Right to use lease asset activity for the year ended December 31, 2023 was as follows (dollars in thousands):

Right-to-Use Assets	\$2,236
Accumulated Amortization	(1,467)
Net Right-to-Use Assets	<u>769</u>
Lease Liability	<u>\$850</u>

NHCC has entered into certain lease agreements that are collateralized by the underlying assets and bear interest at rates of approximately 5%.

The following is the activity of right to use lease liabilities for the year ended December 31, 2023 (dollars in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$454	\$30	\$484
2025	297	14	311
2026	<u>99</u>	<u>2</u>	<u>101</u>
Total	<u>\$850</u>	<u>\$46</u>	<u>\$896</u>

Lessor Leases

NHCC leases to independent third parties. The rental income under these lease agreements was approximately \$1,168 thousand in 2023. As of December 31, 2023, NHCC has lease receivables of approximately \$12,883 thousand and deferred inflows of resources of approximately \$11,670 thousand associated with these leases.

Activity of the lease inflows for the year ended December 31, 2023, is summarized as follows (dollars in thousands):

Lease Revenue	\$ 1,168
Deferred Inflow of Resources	<u>11,670</u>
Total Inflow of Resources	<u>\$12,838</u>
Lease Receivable	\$12,883

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

12. SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

Subscription Asset and Subscription Liability

During the current fiscal year, the County had one material contractual agreement for an information technology software license, with a subscription term of 7 years starting from the County's adoption date of January 1, 2023. The initial subscription asset and subscription liability recognized by the County for the fiscal year starting January 1, 2023, were \$2.2 million and \$2.2 million, respectively.

The County is required to make payments throughout the year for both principal and interest. The SBITA was measured using an interest rate of 2.44%, utilizing the County's estimated incremental borrowing rate obtained from the County's financial advisor.

NHCC adopted the new standard on January 1, 2023, applying the guidance to active SBITA arrangements as of January 1, 2023, and recorded a SBITA asset and liability of \$9.4 million, representing the present value of the future cash flows of one subscription-based technology arrangement. NHCC has entered into the SBITA agreement which is collateralized by the underlying asset and bears interest at a rate of approximately 5.00%.

NCC's SBITA liability is measured at the discounted present value of the expected future payments. The discount rate utilized was 3.72%.

The County, NHCC, and NCC recorded the following at fiscal year end (dollars in thousands):

	Primary Government	Major Discretely Presented Component Units	
		NCC (August 31, 2023)	NHCC
Subscription IT Assets	\$ 2,235	\$ 330	\$ 9,440
Accumulated Amortization	(294)	(70)	(3,392)
Subscription IT Assets, net	\$ 1,941	\$ 260	\$ 6,048
Subscription Liability	\$ 1,919	\$ 253	\$ 6,372

Additionally, the County identified three (3) software contracts that contain variable payments that are applicable under GASB 96. The variable payments are based upon the number of users on the platform, amount of storage used by the County and/or number of analytic products that the platform provides in the service period. For the year ended December 31, 2023, the County had outflows of resources of \$ 3.1 million in variable payments. The County did not incur expenses such as termination penalties or losses due to impairment related to its SBITA activities.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

12. SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS
(SBITAs) (Continued)

Subscription Asset and Subscription Liability (Continued)

Scheduled license payments for the years ending December 31 (NCC August 31) beginning in fiscal year 2024 are as follows (dollars in thousands):

	Major Discretely Presented Component Units								
	Primary			NCC			NHCC		
	Government			August 31, 2023					
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 301	\$ 47	\$ 348	\$ 69	\$ 9	\$ 78	\$ 3,225	\$ 245	\$ 3,470
2025	308	40	348	59	7	66	3,147	80	3,227
2026	316	32	348	61	5	66			
2027	323	25	348	64	2	66			
2028	331	17	348						
2029-2030	340	8	348						
	<u>\$ 1,919</u>	<u>\$ 169</u>	<u>\$ 2,088</u>	<u>\$ 253</u>	<u>\$ 23</u>	<u>\$ 276</u>	<u>\$ 6,372</u>	<u>\$ 325</u>	<u>\$ 6,697</u>

13. PUBLIC-PRIVATE PARTNERSHIPS (PPP)

The County adopted GASB 94, Public-Private Partnerships and Availability Payment Arrangements effective January 1, 2023. As of December 31, 2023, the County is the transferor in five PPPs, four of which meet the definition of an Service Concession Arrangement (SCA), that are required to be reported under GASB 94.

Dover License Permit Agreement (PPP)

In June of 2022, the County, acting by, and through the Department of Parks, Recreation & Museums, entered into a public-private partnership arrangement with Dover Gourmet Corporation (Dover), under which Dover would operate and manage food services of the Nickerson Beach Park Facilities. The arrangement has an original term of 10 years with an optional renewal period of 2 years. The applicable term of the arrangement under GASB 94 is 138 months, starting from the County's GASB 94 adoption date of January 1, 2023.

During FY23, Dover was required to complete capital improvements of \$270,000. However, \$1.8 million in capital improvements were made, which resulted in the County reporting an asset for capital improvements as well as a corresponding deferred inflow of resources of the above amount.

The County will begin receiving a fixed monthly installment payment, as well as 10% of gross receipts generated at the facility, starting June 2024 (FY24). As of January 1, 2023, the County recorded a Receivable for Installment Payments of \$373,083, which was the net present value of all future installment payments, valued using the County's IBR of 3.40%. A corresponding deferred inflow of resources was recorded with the same amount. The variable component of payments, the 10% of gross receipts, will not be included in the measurement due to the expected amounts varying from month to month and being difficult to predict. Instead the variable payments will be reported as revenue during the fiscal year it is received.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

13. PUBLIC-PRIVATE PARTNERSHIPS (PPP) (Continued)**EGB Hospitality License Permit Agreement (SCA)**

In October of 2022, the County, acting by, and through the Department of Parks, Recreation & Museums, entered into a service concession arrangement with EGB Hospitality LLC (EGB) under which EGB would develop, facilitate, improve, and enhance the public use and enjoyment of the premises comprising of a restaurant, catering hall, cigar bar, and the golf course and other concessions, located at Eisenhower Park in East Meadow, NY. EGB would also operate a food service concession on the premises defined in the arrangement. The arrangement has an original term of 15 years that would start after the preliminary term of 15 months, with an optional renewal period of 5 years.

During the preliminary term, EGB was required to carry out significant capital improvements on the existing restaurants on the premises. The restaurants were open to the public on September 26, 2023. The County reported an asset for capital improvements, as well as a corresponding deferred inflow of resources of \$5 million.

The arrangement includes a fixed fee of \$504,000 per year, payable in monthly installments of \$42,000, as well as variable fee of 20% for catering, restaurant, and facility services, and 15% for other concession services. Furthermore, the variable fee shall replace the fixed fee for the balance of the calendar year once the variable fee exceeds an annualized payment of \$504,000.

As of September 2023, the County recorded a receivable for installment payments of \$6.9 million, which was the net present value of all future installment payments, valued using the County's IBR of 3.57%. A corresponding deferred inflow of resources was recorded with the same amount. The variable fee will not be included in the measurement due to the fact that the expected amounts vary from month to month and are difficult to predict, however, they will be reported as revenue during the fiscal year received.

Currently, there is a pending amendment to the arrangement.

Long Island Swimming Agreement (SCA)

In 2014, the County, acting by and through the Department of Parks, Recreation & Museums, entered into a service concession arrangement with Long Island Swimming LTD (LI Swimming) under which LI Swimming would construct, develop, operate and maintain an adjacent first class indoor/outdoor auxiliary pool on a portion of the land in Eisenhower Park adjacent to the Aquatic Center, accommodating a wide range of sports, recreation, exhibition, wellness, public interests and community events. The arrangement has an original term of 20 years that would start after the preliminary term. The applicable term of the arrangement under GASB 94 is 144 months, starting from the County's GASB 94 adoption date of January 1, 2023.

During the remaining terms of the SCA, the County will receive a flat fee payment each year payable in equally monthly installment payment ranging from \$62,089 to \$70,000 defined in the payment schedule in the arrangement. The County will also receive a fee from a percentage of gross receipts derived from LI Swimming's activities.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

13. PUBLIC-PRIVATE PARTNERSHIPS (PPP) (Continued)**Long Island Swimming Agreement (SCA) (Continued)**

As of January 1, 2023, the County recorded a Receivable for Installment Payments of \$662,208, which was the net present value of all future installment payments, valued using the County's IBR of 3.40%. A corresponding deferred inflow of resources was recorded with the same amount. For the year ended December 31, 2023, the County had no material fee revenue related to variable gross receipts.

Morley Tennis Agreement (SCA)

In 2009, the County, acting by, and through the Department of Parks, Recreation & Museums, entered into a service concession arrangement with Christopher Morley Tennis LLC (Morley) under which Morley would renovate, operate, and manage a tennis professional facility and pro-shop concession for the accommodation, enjoyment and convenience of the public located at Christopher Morley Park in Roslyn-North Hills, NY. The arrangement has an original term of 20 years, with an optional renewable period, that continues through the end of April 2035. The applicable term of the arrangement under GASB 94 is 148 months, starting from the County's GASB 94 adoption date of January 1, 2023.

During the remaining terms of the SCA, the County will receive a flat fee payment each year payable in equally monthly installment payment ranging from \$129,000 to \$133,333 defined in the payment schedule in the arrangement. The County will also receive a fee from a percentage of gross receipts derived from Morley's activities.

As of January 1, 2023, the County recorded a receivable for installment payments of \$1.4 million, which was the net present value of all future installment payments, valued using the County's IBR of 3.40%. A corresponding deferred inflow of resources was recorded with the same amount. For the year ended December 31, 2023, the County had no material fee revenue related to variable gross receipts.

Twin Rinks Agreement (SCA)

In 2014, the County, acting by, and through the Department of Parks, Recreation & Museums, entered into a service concession arrangement with Twin Rinks at Eisenhower, LLC (Twin Rinks) under which Twin Rinks would develop, facilitate, improve, and enhance an indoor public recreation indoor ice rink facility for the accommodation, enjoyment and convenience of the public located on a portion of the land in Eisenhower Park. The arrangement has an original term of 30 years. The applicable term of the arrangement under GASB 94 is 264 months, starting from the County's GASB 94 adoption date of January 1, 2023.

During the remaining terms of the SCA, the County will receive a flat fee payment each year payable in equally monthly installment payment ranging from \$138,000 to \$180,000 defined in the payment schedule in the arrangement. The County will also receive a fee from a percentage of gross receipts derived from Twin Rinks' activities.

As of January 1, 2023, the County recorded a receivable for installment payments of \$2.5 million, which was the net present value of all future installment payments, valued using the County's IBR of 3.57%. A corresponding deferred inflow of resources was recorded with the same amount. For the year ended December 31, 2023, the County had no material fee revenue related to variable gross receipts.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

13. PUBLIC-PRIVATE PARTNERSHIPS (PPP) (Continued)

NCC- Service Concession Arrangements

NCC has entered into a ten-year service concession arrangement with CulinArt Group (CulinArt) for the operations of food service and purchase and maintenance of related equipment. The arrangement incorporates a yearly license fee paid by CulinArt. The yearly payments are paid monthly over a ten-month period. NCC recorded a receivable and deferred inflow of \$1.1 million and \$1.2 million, respectively.

The installation of the purchased equipment was completed, and it was put into service on September 1, 2016. NCC will retain the equipment purchased by CulinArt at the end of the contract period. NCC has included the equipment purchase and related installation costs totaling \$1.8 million, net of depreciation, as part of equipment in the capital assets section of the statement of net position. NCC has also recorded a deferred inflow for the purchase, net of the related contractual liability, to be amortized on a straight-line basis over the contract period. The amount of deferred inflow at August 31, 2023, is \$70,279. In the event the contract is terminated prior to its ten-year term, NCC will repay CulinArt for the unamortized portion of the equipment. On June 1, 2021, CulinArt transferred and assigned all rights, title and interest to the Compass Group USA. Compass Group USA assumes all the obligations of Culinart under the contract noted above, which may be enforceable by NCC.

The yearly license fees are as follows (in thousands):

Year Ending August 31,	Amount
2024	\$ 682
2025	227
2026	171
Total	<u>\$ 1,080</u>

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

13. PUBLIC-PRIVATE PARTNERSHIPS (PPP) (Continued)

NCC- Service Concession Arrangements (Continued)

NCC has also entered into a ten-year service concession arrangement with Follett Higher Education (Follett) for the operations of the NCC bookstore. The arrangement incorporates yearly guaranteed commissions paid by Follett. The yearly payments are paid quarterly. NCC has recorded a receivable and deferred inflow of \$2.2 million and \$2.7 million, respectively for the present value of the total payments to be received over the term of the arrangement.

The installation of the purchased equipment was completed, and it was put into service on September 1, 2018. NCC will retain the equipment purchased by Follett at the end of the contract period. NCC has included the equipment purchase and related installation costs totaling \$0.9 million, net of depreciation, as part of equipment in the capital assets section of the statement of net position. NCC has also recorded a deferred inflow for the purchase, to be amortized on a straight-line basis over the contract period. The amount of deferred inflow at August 31, 2023, is approximately \$0.5 million. In the event the contract is terminated prior to its ten-year term NCC will repay Follett for the unamortized portion of the equipment.

The yearly license fees are as follows (in thousands):

Year Ending August 31,	Amount
2024	\$ 849
2025	564
2026	539
2027	514
2028	284
Total	<u>\$ 2,750</u>

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

14. NOTES PAYABLE AND LONG-TERM OBLIGATIONS**County of Nassau Notes Payable and Long-Term Obligations**

In April 2023, the County issued Series A General Obligation Bonds and Series B Refunding Bonds in the amounts of \$153.5 million and \$114.4 million respectively. The Series A bonds bear interest at 4% and 5% with maturity dates ranging from April 2025 to April 2047. The Series B refunding bonds bear interest at 5% with maturity dates ranging from April 2033 to April 2043. The Series A bonds and the Series B refunding bonds maturing on or after April 1, 2034 are subject to optional redemption on April 1, 2033 or any date thereafter. The Series A bonds were issued to fund various public purposes, including capital projects, and to pay costs of issuance. The Series B refunding bonds were issued to refund all or a portion of certain outstanding bonds of the County, and to pay costs of issuance.

In May 2023, two Series 2023A Refunding Bonds were issued to the County through NYS EFC in the amount of \$2.5 million and \$2.3 million respectively. The first Series 2023A refunding bonds bear interest ranging from 4.37% to 4.61% with maturity dates ranging from July 2023 to July 2029. The second Series 2023A refunding bonds bear interest ranging from 3.42% to 4.75% with maturity dates ranging from May 2024 to May 2043. The bonds were issued by EFC as a refinancing initiative on behalf of the County and other municipalities that previously financed projects through the State Clean Water and Drinking Water Revolving Fund Series 2013B.

In December 2023, the EFC Clean Water Facility Note 2022 was converted into a long-term State Revolving Fund Series 2023C bond in the amount of \$95.9 million. The bond bears interest ranging from 3.55% to 4.97% with maturity dates ranging from March 2024 to March 2053.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

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

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

Long – Term Obligations

General long-term obligations and long-term BANS 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):

	Balance January 1, 2023	Additions	Reductions	Balance December 31, 2023	Due Within One Year
General Long-Term Obligations					
Debt:					
General Obligation County Bonds - (2.00% to 5.375%, issued in 2009 through 2023, maturity dates 2024 through 2053)	\$1,789,431	\$267,920	\$333,325	\$1,724,026	\$116,305
State Revolving Fund bonds - (0.836% to 6.259%, issued in 2011 through 2023, maturity dates 2024 through 2053) - County	231,889	100,705	17,990	314,604	14,329
Total Serial Bonds - County	2,021,320	368,625	351,315	2,038,630	130,634
Sales Tax Secured Bonds -NIFA, (.434% to 5%, issued in 2015 through 2021, maturity dates 2024 through 2035)	1,147,734		67,914	1,079,820	57,850
Nassau County Sewer and Storm Water Finance Authority System Revenue Bonds Series 2014A (5.0%, issued in 2014, maturity dates 2024 through 2034)	74,500		13,445	61,055	10,285
Tobacco Settlement Asset-Backed Bonds, Series 2006 (5.0% to 7.35%, issued in 2006, maturity dates 2026 through 2060)	384,747		2,942	381,805	
Total Serial Bonds - NIFA, NCSSWFA, NCTSC	1,606,981		84,301	1,522,680	68,135
Total Serial Bonds	3,628,301	368,625	435,616	3,561,310	198,769
Accreted interest - Tobacco Settlement Asset Backed Bonds	112,118	10,475	523	122,070	
Total Serial Bonds and Accreted Interest	3,740,419	379,100	436,139	3,683,380	198,769
Deferred Bond Premium/Discount (net of amortization)	392,498	23,483	47,949	368,032	10,640
Total Serial Bonds and accreted interest, net of deferred bond premium/discount	\$4,132,917	\$402,583	\$484,088	\$4,051,412	\$209,409
Long-Term Bond Anticipation Notes					
EFC- Bond Anticipation notes - (0.0% and 2.48% issued in 2022, maturity date in 2027)	\$23,011	\$25,445	\$48,456		
Total Long-Term Bonds and accreted interest, net of deferred bond premium/discount and Long Term Bond Anticipation Notes	\$4,155,928	\$428,028	\$532,544	\$4,051,412	\$209,409

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

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

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

Long – Term Obligations (Continued)

Other long-term obligations of the County and NIFA, are recorded in the government-wide Statement of Net Position. The amounts are as follows (dollars in thousands):

	Balance January 1, 2023	Additions	Reductions	Balance December 31, 2023	Due Within One Year
Balances carried forward	\$4,155,928	\$428,028	\$532,544	\$4,051,412	\$209,409
Other:					
Accrued Vacation and Sick Pay	460,423	79,900	41,619	498,704	41,763
Due to City of Glen Cove	19		19		
Deferred Payroll	55,087	10,323	15,526	49,884	12,537
Estimated Liability for Workers' Compensation	322,702	20,601	34,612	308,691	38,197
Estimated Tax Certiorari Liability*	328,609	62,176	152,433	238,352	84,000
Estimated Liability for Litigation	568,799		93,274	475,525	29,423
Lease Liability	137,350		9,014	128,336	9,280
Subscription-Based IT Arrangements (SBITA) Liability Pollution Remediation	2,235		316	1,919	301
Contractual Liability due to NHCC	5,990		4,205	1,785	
Due to New York State Retirement System**	196,429	33,840		230,269	14,504
Net Pension Liability - Employee Retirement System (ERS)	29,924		29,924		
Net Pension Liability - Police and Fire Retirement System (PFRS)		574,313	228,598	345,715	
OPEB Liability	49,644	574,506	143,182	480,968	
	6,777,227	377,438	1,006,595	6,148,070	248,639
Total Other	8,934,438	1,733,097	1,759,317	8,908,218	478,644
Total General Long-Term Obligations	\$13,090,366	\$2,161,125	\$2,291,861	\$12,959,630	\$688,053

*The amount reported in this table is exclusive of the governmental funds tax certiorari payable of \$13,618 (current portion of \$6,886 and long-term portion of \$6,732) and property tax refund payable of \$17,654. The total estimated certiorari payable presented in the government-wide statements is \$269,624. See note 23 (b).

**In February 2023, the County made a voluntary payment to the New York State and Local Retirement System (ERS and PFRS) to pay its deferred pension balance. As of December 31, 2023, the balance of this liability was \$0.

Pension Costs for employees are paid by the General fund, Police District Fund, Sewer and Storm Water District Fund, depending on where the employee is assigned to work, while OPEB costs are paid by the final fund the employee was assigned and worked, before severing from the County. Where permissible by grantors the Grant fund may be charged pension costs for employees who are assigned to the program and are eligible for reimbursement under the program.

In 2023, 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 and non-capitalizable project expenditures. As of December 31, 2023, total serial bonds outstanding were \$3.7 billion of which \$2.8 billion were utilized to pay approximately: \$0.6 billion in tax certiorari claims; \$0.3 billion for bonded operating expenses; \$97.3 million for debt on capital assets of NCC; 125.4 million for non-capitalizable project expenditures, \$8.2 million for debt on capital assets of the NHCC and its affiliates that are no longer the County's assets, and \$1.7 billion related to capitalizable assets. The remaining outstanding debt of approximately \$0.9 billion is related to State Water Pollution Control Revolving Fund, Sewage Purpose, NCSSWFA, and NCTSC bonds.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

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

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

Long – Term Obligations (Continued)

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 and compensated absences 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, 2023 are as follows (dollars in thousands):

Years Ending December 31,	Debt Service Requirements					
	Principal		Interest		Total	
	General County Budgets	Sewer District Budgets	General County Budgets	Sewer District Budgets	General County Budgets	Sewer District Budgets
2024	\$116,305	\$14,329	\$82,878	\$10,358	\$199,183	\$24,687
2025	75,180	11,578	74,979	10,909	150,159	22,487
2026	80,520	9,461	71,131	10,561	151,651	20,022
2027	87,320	9,646	67,525	10,277	154,845	19,923
2028	51,225	9,827	63,223	9,985	114,448	19,812
2029-2033	262,290	45,537	275,860	45,811	538,150	91,348
2034-2038	340,980	48,762	204,331	38,482	545,311	87,244
2039-2043	344,350	53,863	120,321	29,163	464,671	83,026
2044-2048	226,020	59,316	56,365	17,979	282,385	77,295
2049-2050	139,836	52,285	11,542	5,334	151,378	57,619
Total	<u>\$1,724,026</u>	<u>\$ 314,604</u>	<u>\$1,028,155</u>	<u>\$ 188,859</u>	<u>\$2,752,181</u>	<u>\$503,463</u>

At December 31, 2023, the County's legal debt margin was approximately \$20.4 billion and total long-term obligation bonds authorized but unissued for general County and sewage district purposes were approximately \$2.1 billion. As of December 31, 2023, 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.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

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

Long-Term Obligations (Continued)

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 of Glen Cove to finance its sewer system was \$5.1 million. For the year ended December 31, 2023, the County made payments of \$19 thousand for such debt service. As of December 31, 2023, the bonds have matured and are fully paid.

NIFA Long-Term Debt

A summary of changes in long-term debt for the blended component unit is as follows (dollars in thousands):

	<u>Balance January 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2023</u>	<u>Due Within One Year</u>
Bonds payable:					
Sales tax secured bonds payable	\$1,147,734		\$67,914	\$1,079,820	\$57,850
Premiums	<u>175,592</u>		<u>14,767</u>	<u>160,825</u>	
Total bonds payable	<u>1,323,326</u>		<u>82,681</u>	<u>1,240,645</u>	<u>57,850</u>
Lease payable	1,074		42	1,032	52
Total OPEB Liability	3,007	167	436	2,738	120
Net pension liability		325	130	195	
Compensated absences	<u>405</u>	<u>172</u>	<u>81</u>	<u>496</u>	<u>152</u>
Total long term debt	<u>\$1,327,812</u>	<u>\$664</u>	<u>\$83,370</u>	<u>\$1,245,106</u>	<u>\$58,174</u>

The lease payable, compensated absences liability, net pension liability and total OPEB liability will be liquidated through the NIFA Fund.

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 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.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

14. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)**NIFA Long-Term Debt (Continued)**

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 revenue and amounts on deposit pursuant to the Indentures. NIFA does not have independent taxing power.

Pursuant to the Act, as amended no bond of NIFA may mature later than January 31, 2051.

As of December 31, 2023, NIFA had outstanding fixed rate sales tax secured bonds in the amount of \$1,079.8 million maturing at various dates through the year 2035. The Series 2021A bonds maturing on or after November 15, 2031, are subject to optional redemption or mandatory tender prior to their stated maturity dates, in whole or part, on any date on or after May 15, 2031, at 100% of the principal amounts plus accrued interest at date of redemption.

The 2021B bonds are subject to optional redemption or mandatory tender prior to their stated maturity dates, in whole or part on any date, at 100% of the principal amounts or at the present value of the remaining scheduled principal and interest discounted to the redemption date plus 5 basis points for those bonds maturing in 2023 through and including 2025, 2027, and 2029 or plus 10 basis points for bonds that mature in 2026, 2028, and 2030.

Fixed Rate Bonds - NIFA's outstanding bonds bear interest at rates ranging between 0.434% and 5.0%. Interest on NIFA bonds is payable on May 15th and November 15th of each year. Principal on all bonds is payable on November 15th. 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. This monthly deposit 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.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
14. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)
NIFA Long-Term Debt (Continued)

Aggregate debt service to maturity, pursuant to the stated terms of the bond indenture agreements, as of December 31, 2023, is as follows (dollars in thousands)

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 57,850	\$ 32,173	\$ 90,023
2025	98,815	31,306	130,121
2026	82,985	30,253	113,238
2027	81,195	29,565	110,760
2028	103,700	28,649	132,349
2029-2033	477,150	102,341	579,491
2034-2036	178,125	11,958	190,083
	<u>\$ 1,079,820</u>	<u>\$ 266,245</u>	<u>\$ 1,346,065</u>

NCSSWFA Long-Term Debt

A summary of changes in long-term debt for the blended component unit are as follows (dollars in thousands):

	<u>Balance January 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2023</u>	<u>Due within One Year</u>
Revenue bonds payable:					
Series 2014A	\$74,500		\$13,445	\$61,055	\$10,285
Premiums	<u>12,356</u>		<u>1,987</u>	<u>10,369</u>	
Total bonds payable	<u>\$86,856</u>		<u>\$15,432</u>	<u>\$71,424</u>	<u>\$10,285</u>

According to the 2014 Financing Agreement, the County is required to levy assessments and/or impose charges each year of no less than 200% of NCSSWFA's fiscal year's debt service payment requirements over the life of the debt. Pursuant to the 2014 General Revenue Bond Resolution, dated as of October 1, 2014, requires that NCSSWFA pledged those revenues to the trustee as security for the debt service payments. The 2014 System Revenue Bonds proceeds were used to refinance outstanding NCSSWFA bonds previously issued for capital improvements to the sewer and storm water system, to fund additional capital improvements thereto, and to pay costs of issuance.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

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

NCSSWFA Long-Term Debt (Continued)

The bonds bear interest at a rate of 5%. Aggregate debt service to maturity for NCSSWFA bonds as of December 31, 2023, excluding premiums, are as follows (dollars in thousands):

Years Ending December 31,	Principal	Interest	Total
2024	\$10,285	\$3,053	\$13,338
2025	8,640	2,539	11,179
2026	9,075	2,106	11,181
2027	9,530	1,653	11,183
2028	10,000	1,176	11,176
2029-2033	10,985	2,336	13,321
2034	2,540	127	2,667
	<u>\$61,055</u>	<u>\$12,990</u>	<u>\$74,045</u>

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 Capital Appreciation Bonds (CAB) 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 Indentures, TSRs received on or after April 1, 2008, are subject to the lien of the Indenture. Interest and principal paid on these bonds in 2023 totaled \$16.8 million and \$3.5 million respectively.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

14. 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 received TSRs that were sufficient to meet the minimum debt service interest of \$16.8 million on its Series 2006 Bonds during 2023 as well as a turbo payment in the amount of \$3.5 million. In accordance with the Indenture Agreement, the Senior Liquidity Reserve Account was underfunded at its required level by \$8.4 million on December 31, 2023.

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

Failure to pay when due any interest or principal on Bonds, will constitute an event of default.

The amount of TSRs received is dependent on many factors, including, but not limited to, future domestic cigarette consumption, the financial capability of the Participating Manufacturers (the PMs), litigation affecting the Master Settlement Agreement (MSA) and related legislation and 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 the changes in long-term liabilities for the NCTSC for the year ended December 31, 2023, are as follows (dollars in thousands):

	Balance January 1, 2023	Additions	Reductions	Balance December 31, 2023	Due within One Year
Bonds Payable	\$384,746		\$2,942	\$381,804	
Plus: Accreted interest	112,120	10,475	523	122,072	
Less: Bond discount	(4,223)	281		(3,942)	
Total bonds payable	<u>\$492,643</u>	<u>\$10,756</u>	<u>\$3,465</u>	<u>\$499,934</u>	

Bonds outstanding and amounts including accretion since issuance at December 31, 2023, are as follows (dollars in thousands):

Description	Original Date Issued	Original Amount	Interest Rate	Maturity Date	Amount Outstanding	Amount Outstanding Including Acc. Interest
2006A2	4/5/2006	37,906	5,250%	6/1/2026	\$31,321	\$36,885
2006A3(2035)	4/5/2006	97,005	5,000%	6/1/2035	97,005	97,005
2006A3(2046)	4/5/2006	194,535	5,125%	6/1/2046	194,535	194,535
2006B	4/5/2006	10,670	5,800%	6/1/2046	10,670	29,421
2006C	4/5/2006	9,867	6,000%	6/1/2046	9,867	28,163
2006D	4/5/2006	37,604	6,400%	6/1/2060	37,604	114,980
2006E	4/5/2006	802	7,350%	6/1/2060	802	2,887
					<u>\$381,804</u>	<u>503,876</u>
				Unamortized Bond Discount		(3,942)
						<u>\$499,934</u>

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

14. 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, 2023 (dollars in thousands):

Years Ending December 31,	Principal	Interest	Total
2024		\$16,757	\$16,757
2025		16,757	16,757
2026	31,322	21,353	52,675
2027		14,820	14,820
2028		14,820	14,820
2029-2033		74,101	74,101
2034-2038	97,005	57,125	154,130
2039-2043		49,850	49,850
2044-2048	215,072	216,352	431,424
2049-2053			
2054-2058			
2059-2060	38,406	1,141,808	1,180,214
	<u>\$381,805</u>	<u>\$1,623,743</u>	<u>\$2,005,548</u>

Nassau Community College Long-Term Debt

Long-term liability activity for the year ended August 31, 2023 are as follows (dollars in thousands):

	Balance September 1, 2022	Additions	Reductions	Balance August 31, 2023	Due within One Year
Due to County - ERS deferral	\$5,841	\$514		\$6,355	
Due to County long term note	4,359		900	3,459	945 *
Deposits held in custody for others	3			3	
Accrued vacation and sick pay	52,940	362	5,557	47,745	
Accrued liabilities - termination pay	9,347	2,953	3,504	8,796	6,956
Estimated liability for litigation	150			150	
Net pension liability TRS	2,377		1,049	1,328	
Net pension liability (asset) ERS	(8,537)	29,060		20,523	
Other liability - long term	758			758	75
Subscription based information					
Technology Arrangements		329	76	253	69
Lease liability	7,441	47	930	6,559	974
Postemployment retirement benefits payable	517,405		59,336	458,069	
Total long-term notes and liabilities	<u>\$592,084</u>	<u>\$33,265</u>	<u>\$71,352</u>	<u>\$553,997</u>	<u>\$9,019</u>

* This amount is included in the due to primary government reported as current liabilities in Exhibit X-12

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

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

Nassau Community College Long-Term Debt (Continued)

As of August 31, 2023, principal and interest payments for the Due to County – long-term note are as follows (dollars in thousands):

<u>Years Ending August 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$945	\$136	\$1,081
2025	989	88	1,077
2026	745	42	787
2027	<u>780</u>	<u>3</u>	<u>783</u>
Total	<u>\$3,459</u>	<u>\$269</u>	<u>\$3,728</u>

Dormitory Authority – State of New York - NCC 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 the 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, 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 revenue or assets of NCC 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 NCC.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

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

Nassau Community College Long-Term Debt (Continued)

County of Nassau – The County has issued general obligation serial bonds for various NCC construction projects. This debt is the obligation of the County. No revenues or assets of NCC 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.

NCC recognized \$19.8 million in capital contributions for contributions of fixed assets in the fiscal year ended August 31, 2023.

During fiscal year 2016, the County issued general obligation bonds of which a portion of the proceeds was used for NCC termination pay. NCC has included a liability in the amount of \$3.5 million related to these bonds in the Due to Primary Government balance in the Statement of Net Position.

Nassau Health Care Corporation Long-Term Debt

A schedule of the changes in the NHCC's long-term debt and noncurrent liabilities for 2023 are as follows (dollars in thousands):

	Balance January 1, 2023	Additions	Reductions	Balance December 31, 2023	Due within one year
Long-term debt	\$137,278		\$18,793	\$118,485	\$15,545
Third party liabilities	41,369	29,505	20,587	50,287	3,825
Accrued vacation and sick leave	89,237	29,587	28,618	90,206	9,020
Self insurance liability	73,785	14,151	8,630	79,306	14,130
Accrued pension benefits		154,910		154,910	
Postemployment health insurance	881,802	58,751	208,642	731,911	19,395
Lease and SBITA liabilities	1,494	9,507	3,779	7,222	3,679
Other	45,174	27,101	38,318	33,957	5,395
Total noncurrent liabilities	<u>\$1,270,139</u>	<u>\$323,512</u>	<u>\$327,367</u>	<u>\$1,266,284</u>	<u>\$70,989</u>

The NHCC's bonds payable at December 31, 2023 consisted of the following (dollars in thousands):

Series 2009 Tax Exempt Bonds bearing fixed rate interest at 5% per annum.

Interest is payable semi-annually on August 1 and February 1 of each year through Bond maturity on August 1, 2029. Bond principal is payable annually on August 1 of each year through Bond maturity on August 1, 2029.

Bond Premium, net of amortization of \$7,708.

Other

	\$	100,000
		17,215
		<u>1,270</u>
		118,485
Current portion		<u>15,545</u>
Total long term debt	\$	<u>102,940</u>

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

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

Nassau Health Care Corporation Long-Term Debt (Continued)

NHCC is the primary obligor for its bond issues. In addition, Nassau County guarantees, absolutely, irrevocable and unconditionally to the Bond Trustee and all the bond owners, the full and prompt payment of scheduled principal and interest of the bonds, under a guaranty issued by the County pursuant to an ordinance adopted by the County dated March 1, 2009. The guaranty cannot be amended without the consent of the trustee (on behalf of the holders of the Bonds). The County has not been called upon to make any payments under the guaranty.

Pursuant to the Stabilization Agreement and, subsequently, the Successor Agreement, the County deposits amounts owed to NHCC, in an escrow account reserved for payment of the Bonds. The Amendment directs the County to first apply amounts due NHCC to bond debt service by deposit of such payments with the bond trustee. Any funds in excess of the debt service requirements should be paid directly to NHCC.

In April 2009 NHCC issued multi-modal Variable Rate Demand Bonds (VRDB), Refunding Bonds. As a result, 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 classified as a deferred outflow of resources. Amortization of the deferred loss was \$3.7 million for the year ended December 31, 2023, and accumulated amortization as of December 31, 2023 was \$15.8 million.

The outstanding Series 2009 bonds were subsequently re-issued on July 1, 2021, pursuant to a remarketing of the prior Series 2009A (Federally taxable), Series 2009 B, C and D (non-taxable) VRDB which had been in place since April 2009. The July 1, 2021, remarketing of the bonds resulted in the newly designated Series 2009 non-taxable, fixed rate instruments and eliminated the requirements for swap agreements and letters of credit that had been in place in conjunction with the VRDB structure of the prior bonds.

The primary purpose of the remarketing of the bonds in 2021 was to eliminate market risks associated with the VRDB's as well as the requirements of letters of credit and swap agreements that were in place in conjunction with the VRDB structure. Pursuant to the remarketing of the bonds, bond proceeds and the premium were used to: terminate the SWAPS's under the prior VRDB structure; downsize the outstanding principal balance; and pay the costs of issuance. No significant economic gain or loss nor change in cash flow resulted from the remarketing.

Principal payments on the Series 2009 Bonds are due annually on August 1. Interest payments are due semi-annually, payable on February 1 and August 1. Payments applicable to long-term debt for years subsequent to December 31, 2023, are as follows (dollars in thousands):

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Estimated Interest</u>	<u>Total</u>
2024	\$15,545	\$5,000	\$20,545
2025	15,980	4,223	20,203
2026	16,420	3,424	19,844
2027	16,890	2,603	19,493
2028	17,340	1,758	19,098
2029-2030	17,825	891	18,716
	<u>\$100,000</u>	<u>\$17,899</u>	<u>\$117,899</u>

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

15. REFINANCING OF LONG-TERM OBLIGATIONS

Defeasance of Debt

In April 2023 the County issued \$114.4 million in Public Improvement Refunding Bonds with a 5% interest rate and annual maturities through April 2043.

The net proceeds of \$129.9 million (the par amount of the bonds plus a premium, net of additional proceeds of \$16.2 million less underwriter's fees, insurance and other issuance costs of \$0.8 million) were used to advance refund the following general improvement bonds:

(dollars in thousands) Bond	Amount	Average Interest Rate
2010 Series B	\$ 13,925	6.7000%
2013 Series A	6,555	4.0000%
2013 Series B	52,920	5.0000%
2013 Series C	39,745	5.0000%
2016 Series A	14,730	5.0000%
	<u>\$ 127,875</u>	

The proceeds of the refunding bonds were used to purchase U.S. Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. A deferred loss on bond refunding of \$2.0 million was recognized in relation to this refinancing, as deferred outflows of resources in the Statement of Net Position.

As a result, the refundable bonds are considered to be defeased, and the related liability for the bonds has been removed from the non-current governmental liabilities portion of the Statement of Net Position.

The current refunding was done in order to reduce debt payments. The refunding decreased total debt service payments by \$23.5 million. The overall transaction resulted in an economic gain (the difference between the present values of the debt service payments on the refunded bonds and the refunding bonds) of \$14.9 million for the County.

Prior to December 31, 2023, 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, 2023, approximately \$336.7 million of outstanding bonds (including NIFA and NCSSWFA) are considered defeased.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

16. 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 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. NYS implemented a new Voluntary Defined Contribution Program (VDC). County employees may also elect to participate in the VDC, a defined contribution retirement program, established under Chapter 18 of the Laws of 2012 which amended portions of the RSSL. Beginning July 1, 2013, the VDC plan option was made available to all unrepresented employees hired on or after July 1, 2013 and earning a full-time rate of \$75,000 or more on annual basis. Employees receiving pension benefits from a public retirement system in NYS are not eligible to join or continue active participation in the VDC. An employer contribution of 8% of salary will be made for the duration of employment based on annual wages in a given calendar year. Employee contributions, also required for the duration of employment, range from 3-6% based upon estimated gross annual wages in a given calendar year. Benefits are determined by the amount contributed each year and the success of the investments.

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/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

16. PENSION PLANS (Continued)**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.

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 percent 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% 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.

See Note 24, *Subsequent Events* for information on recent updates to NYSLRS Tier 5 member benefits.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

16. PENSION PLANS (Continued)**Benefits Provided (Continued)**Tier 6

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

See Note 24, *Subsequent Events* for information on recent updates to NYSLRS Tier 6 member benefits.

Special Plans

The 25-Year Plans allow retirement after 25 years of service with a benefit of one-half of final average salary, and the 20-Year Plans allows retirement after 20 years of service with a benefit of one-half of final average salary. These plans are available to certain PFRS members, sheriffs, and correction officers.

Disability Retirement Benefits

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

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, for 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.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

16. PENSION PLANS (Continued)**Benefits Provided (Continued)****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 NYSRSSL, 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 amounts for the plan year ended March 31, 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 NYSERS 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 NYSRSSL. 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.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

16. PENSION PLANS (Continued)

Benefits Provided (Continued)

2023 Contributions based on the State fiscal year ending March 31, 2023 for ERS and PFRS members were as follows (in thousands of dollars):

	<u>Annual Required Contribution</u>	<u>Credit & Miscellaneous Adjustments</u>	<u>Prepayment Discount</u>	<u>Amortization/ Deferral</u>	<u>Total Payment</u>
ERS	\$65,130	\$4,971		\$462	\$70,563
PFRS	95,902	377		5,488	101,767

The contractually required contributions recorded by the County, inclusive of blended component units, for the year ended December 31, 2023 were as follows (in thousands):

	<u>Contractually Required Contribution</u>
ERS	\$ 70,097
PFRS	\$ 104,275

NHCC: NYSRSSL Chapter 57 of the Laws of 2010 authorized the New York State and local employers to amortize over 10 years at 2.85% (2018), 2.33% (2017), 3.21% (2016), 3.15% (2015) and 3.67% (2014) interest, the portion of their annual bill that exceeded 14.9%, 15.1%, 14.5%, 13.5% and 12.5% of payroll for its 2018, 2017, 2016, 2015 and 2014 pension bills, respectively. There was no deferral of pension contributions subsequent to 2018. Total amount due at December 31, 2023 related to these deferred pension contributions is approximately \$34.0 million, of which \$5.4 million is included in current liabilities and \$28.6 million included as part of other long-term liabilities.

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

At December 31, 2023 the County (inclusive of NIFA), reported a liability of \$826.7 million for its proportionate share of the net pension liabilities/(assets) of the System. The net pension liability/(asset) was measured as of March 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2022, with updated procedures to roll forward the total pension liability to March 31, 2023. The County's proportion of the net pension liability/(asset) 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.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
16. PENSION PLANS (Continued)

Below is the County's (inclusive of NIFA), NCC's, 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		
	County		NIFA	Total	NCC		NHCC
	ERS	PFRS	ERS		ERS	TRS	ERS
	March 31, 2023	March 31, 2023	March 31, 2023		March 31, 2023	June 30, 2023	March 31, 2023
Measurement Date							
Net Pension Liability (Asset)	\$ 345,520	\$ 480,968	\$ 195	\$ 826,683	\$ 20,523	\$ 1,328	\$ 154,910
Allocation of the System's							
Total Net Liability (Asset)	1.61 %	8.73 %	0.00 %		0.11 %	0.12 %	0.722 %

There was no significant change in the County's (inclusive of NIFA), NCC's, and NHCC's proportionate share from March 31, 2022 to March 31, 2023.

For the year ended December 31, 2023, the County, exclusive of component units, recognized pension expense of \$293.0 million (\$131.9 million for ERS and \$161.1 million for PFRS).

At December 31, 2023, the County (inclusive of NIFA), NCC and NHCC reported deferred outflows and inflows of resources related to ERS and PFRS pensions from the following sources (in thousands of dollars):

	Primary Government						Major Discretely Presented Component Units			
	Deferred Outflows of Resources			Deferred Inflows of Resources			Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	PFRS	Total	ERS	PFRS	Total	NCC*	NHCC	NCC*	NHCC
Differences between expected and actual experience	\$ 36,827	\$ 47,014	\$ 83,841	\$ 9,711		\$ 9,711	\$ 2,186	\$ 16,499	\$ 576	\$ 4,351
Charges of assumptions	167,927	234,396	402,323	1,856		1,856	9,967	7,459	110	832
Net difference between projected and actual earnings on pension plan investments		850	850	2,031		2,031			121	910
Changes in proportion and differences between the Employer's contribution and proportionate share of contributions	28,070	13,688	41,758	16,802	3,991	20,793	1,641	75,234	997	1,031
Employer's contribution subsequent to the measurement date, net of prepaid amounts	52,573	80,032	132,605				1,614			
Total	\$ 285,397	\$ 375,980	\$ 661,377	\$ 30,400	\$ 3,991	\$ 34,391	\$ 15,408	\$ 99,192	\$ 1,804	\$ 7,124

*Amounts are reported for the year ending August 31, 2023

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
16. PENSION PLANS (Continued)

For the year ended August 31, 2023, NCC recognized pension expense of \$1.7 million related to TRS. At August 31, 2023, NCC reported deferred outflows of resources and deferred inflows of resources related to TRS from the following sources (in thousands):

	NCC TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,220	\$ 8
Changes of assumptions	2,859	623
Net difference between projected and actual earnings on pension plan investments	678	-
Changes in proportion and differences between the Employer's contribution and proportionate share of contributions	819	336
Employer's contributions subsequent to the measurement date	2,207	-
Total	<u>\$ 9,783</u>	<u>\$ 967</u>

Contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in fiscal year 2024. 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):

	Primary Government		Major Discretely Presented Component Units		
	ERS	PFRS	NCC		NHCC
			ERS	TRS	ERS
Year Ended December 31, 2024	\$49,375	\$56,861	\$2,922	\$598	\$23,003
2025	(15,559)	(8,097)	(932)	(576)	(6,033)
2026	73,383	144,404	4,348	5,423	32,634
2027	95,226	89,926	5,652	538	42,464
2028		8,980		383	
Thereafter				243	
Totals	<u>\$ 202,425</u>	<u>\$292,074</u>	<u>\$11,990</u>	<u>6,609</u>	<u>\$92,068</u>

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

16. PENSION PLANS (Continued)
Actuarial Assumptions – ERS and PFRS

The net pension liability(asset) as of March 31, 2023 was determined by using an actuarial valuation as of April 1, 2022, with updated procedures used to roll forward the total pension liability to March 31,2023. The actuarial valuations used the following actuarial assumptions:

	ERS	PFRS
Actuarial cost method	Entry age normal	Entry age normal
Inflation	2.9 %	2.9 %
Salary scale	4.4 %	6.2 %
Investment rate of return, including inflation	5.9 %	5.9 %
Cost of living adjustments	1.5 %	1.5 %
Decrement tables	Developed from the Plan's 2020 experience study of the period April 1, 2015 through March 31, 2020	Developed from the Plan's 2020 experience study of the period April 1, 2015 through March 31, 2020
Mortality Improvement	Society of Actuaries Scale MP-2021	Society of Actuaries Scale MP-2021

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

Actuarial Assumptions – NCC - TRS

The net pension liability was measured as of June 30, 2023, and was determined by an actuarial valuation at June 30, 2022, with update procedures used to roll forward the total pension liability to June 30, 2023. The actuarial assumptions used in June 30, 2023 valuation were based on the actuarial experience study for the period July 1, 2015 to June 30, 2020.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

16. PENSION PLANS (Continued)Actuarial Assumptions – NCC – TRS (Continued)

The actuarial valuations used the following actuarial assumptions:

	TRS
Actuarial cost method	Aggregate Cost Method
Inflation	2.4 %
Salary scale	Based on Years of Service
	5 years - 5.18%
	35 years - 1.95%
Investment rate of return, including inflation	1.3 %
Cost of living adjustments	6.95 %
Mortality Improvement	Society of Actuaries Scale MP2021

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 the expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class, 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, 2023 are summarized below for ERS and PFRS:

Asset Class	Target Allocation	Long-term Expected Rate of Return*
Domestic equity	32.00%	4.30%
International equity	15.00%	6.85%
Private equity	10.00%	7.50%
Real estate	9.00%	4.60%
Opportunistic/Absolute return strategies*	3.00%	5.38%
Credit	4.00%	5.43%
Real assets	3.00%	5.84%
Fixed income	23.00%	1.50%
Cash	1.00%	0.00%
	100.00%	

*The real rate of return is net of the long-term inflation assumption of 2.5% in 2023.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

16. PENSION PLANS (Continued)

Actuarial Assumptions – NCC – TRS (Continued)

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2023 are summarized below for TRS:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Rate of Return*</u>
Domestic equity	33.00%	6.80%
International equity	15.00%	7.60%
Global equities	4.00%	7.20%
Real estate	11.00%	6.30%
Private equity	9.00%	10.10%
Domestic fixed income securities	16.00%	2.20%
Global fixed income securities	2.00%	1.60%
High-yield fixed income securities	1.00%	4.40%
Private debt	2.00%	6.00%
Mortgages	6.00%	3.20%
Cash Equivalents	1.00%	0.30%
	<u>100.00%</u>	

*Real rates of return are net of pension plan investment expenses and long-term inflation expectations.

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% for the System (ERS and PFRS). The discount rate used to measure the total pension liability was 6.95% 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 actuarially determined statutorily required rates, actuarially determined. 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.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
16. PENSION PLANS (Continued)
Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) 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 (asset) calculated using the discount rate of 5.9%, as well as what the County's (inclusive of NIFA), NCC, and NHCC's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (4.9%) or 1-percentage point higher (6.9%) than the current rate (in thousands of dollars):

	Primary Government		Major Discretely Presented Component Units	
			NCC	NHCC
	ERS	PFRS	ERS	ERS
Net Pension Liability (Asset):				
1% Decrease 4.90%	\$835,571	\$1,002,691	\$49,595	\$374,352
Current Assumption 5.9%	\$345,715	\$480,968	\$20,523	\$154,910
1% Increase 6.90%	\$(63,521)	\$49,030	\$(3,770)	\$(28,459)

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

The following presents the NCC's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.95%, NCC's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (5.95%) or 1-percentage point higher (7.95%) than the current rate (in thousands of dollars):

	1% Decrease 5.95%	Current Discount 6.95%	1% Increase 7.95%
Net Pension Liability (Asset)	\$20,224	\$1,328	\$(14,564)

College employees may also participate in an ORP under Internal Revenue Service Section 401(a), which is a multiple-employer defined contribution plan administered by separate vendors: TIAA-CREF, Metropolitan Life, VALIC, and AETNA. ORP employer and employee contributions are dictated by state law. The ORP provides benefits through annuity contracts and provides retirement and death benefits to those employees who elected to participate in an ORP. Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits generally vest after the completion of one year of service if the employee is retained thereafter. Employer contributions are not remitted to an ORP plan until an employee is fully vested. As such there are no forfeitures reported by these plans if an employee is terminated prior to vesting. Employees who joined an ORP after July 27, 1976, and have less than ten years of service or membership, are required to contribute 3% of their salary. Those joining on or after April 1, 2012, are required to contribute between 3% and 6%, dependent upon their salary for their entire working career. Employer contributions range from 8% to 15% depending upon when the employee was hired. For ORP, the employer contributions are equal to 100% of the required contributions deducted from their salaries and remitted on a current basis to the respective ORP. For the year ended August 31, 2023, the College recognized pension expense of approximately \$5.3 million.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

16. 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>.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

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

The following reconciles fund balances at December 31, 2023 as prepared on a GAAP basis to the budgetary basis of reporting (dollars in thousands):

	General	Police District Fund	Sewer & Storm Water District Fund	Capital Fund	Disputed Assessment Fund	Nonmajor Governmental Funds
Fund Balances at December 31, 2023, prepared in accordance with GAAP	\$889,679	\$117,454	\$66,534	\$273,946	\$14,351	\$62,604
Add:						
Funding for Tax Certiorari	316					
Available for Other Judgements	14,941					
Funding for Termination Pay	23,845					
Pension Benefits - Modified Accrual Basis Only	89,145	40,555	628			2,197
Sale of Mitchel Field Leases	22,396					
Deferred revenues	12,191		402			265
Net Accrual reversal	3,295	820				
Payment from NCC for Termination Pay	930					
Less:						
Encumbrances	(128,554)	(2,035)	499			
Payments for Tax Certiorari and Other Operating	(316)					
Available for Employee Terminations		(23,846)				
Available for Other Judgments		(14,940)				
Reclass Termination pay for NCC	(3,714)					
Due from Component Unit	(144)					
Expenditure accrual reversal	(820)			(961)		
Net effect of GASB 87/94/96	(900)					
Unbudgeted FEMA Fund						(9,301)
Unbudgeted COVID Fund						95
Unbudgeted Grant Fund						(7,599)
Unbudgeted NCTSC						(366)
Unbudgeted Capital Project Fund				(272,985)		
Unbudgeted NCSSWFA						(1,671)
Unbudgeted NCTSC Debt Service Fund						(15,910)
Unbudgeted NIFA Debt Service Fund						(29,169)
Fund Balances at December 31, 2023 , prepared on the Budgetary Basis of Reporting	<u>\$922,290</u>	<u>\$118,008</u>	<u>\$68,063</u>	<u>\$</u>	<u>\$14,351</u>	<u>\$1,145</u>

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

18. FUND BALANCES

Fund balance classifications for the governmental funds at December 31, 2023 were (dollars in thousands):

	General Fund	NIFA Fund	Police District Fund	Sewer & Storm Water District Fund	Capital Fund	Disputed Assessment Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:									
Prepays	\$32,388	\$177	\$13,518	\$209				\$2,963	\$49,255
Advances to capital fund	42,136								42,136
GASB 87 & 94	769								769
Graded pension payment	4,416		106	62				192	4,776
Long-term Receivable due from component unit	6,354								6,354
Total Nonspendable	<u>86,063</u>	<u>177</u>	<u>13,624</u>	<u>271</u>				<u>3,155</u>	<u>103,290</u>
Spendable:									
Restricted for:									
Capital projects					2,912				2,912
Debt service	93,108							46,605	139,713
Open space	2,016								2,016
Legislative	1,054								1,054
Judgements and settlements						14,351			14,351
Judicial								13	13
General Administration	92,872							605	93,477
Protection of Persons			23,845					70	23,915
Health	62,329							477	62,806
Public Works								10,129	10,129
Recreation and Parks								6	6
Social Services								11	11
Corrections								7	7
Total Restricted	<u>251,379</u>		<u>23,845</u>		<u>2,912</u>	<u>14,351</u>		<u>57,923</u>	<u>350,410</u>
Committed to:									
Capital projects					271,034				271,034
Technology	88								88
General Administration	192,160								192,160
Environmental Protection								1,145	1,145
Protection of Persons	41,395		7,888						49,283
Health	29,919								29,919
Judgements and settlements	12,958								12,958
Total Committed	<u>276,520</u>		<u>7,888</u>		<u>271,034</u>			<u>1,145</u>	<u>556,587</u>
Assigned to:									
Legislative	1,348								1,348
Technology									
Judicial	4,708								4,708
General Administration	57,839	717						476	59,032
Protection of Persons	194		72,097						72,291
Health	5,169								5,169
Public Works	30,770			66,263					97,033
Recreation and Parks	2,787								2,787
Social Services	37,309								37,309
Corrections	8,688								8,688
Judgements and Settlements	65,000								65,000
Total Assigned	<u>213,812</u>	<u>717</u>	<u>72,097</u>	<u>66,263</u>				<u>476</u>	<u>353,365</u>
Unassigned	61,905							(95)	61,810
Total Fund Balance	<u>\$ 889,679</u>	<u>\$ 894</u>	<u>\$ 117,454</u>	<u>\$ 66,534</u>	<u>\$ 273,946</u>	<u>\$ 14,351</u>		<u>\$ 62,604</u>	<u>\$ 1,425,462</u>

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

19. OTHER POSTEMPLOYMENT BENEFITS**Plan Description**

The County established and administers' a single-employer defined benefit OPEB plan for its employees. Article 11 of the State Compiled Statute grants the authority to establish and amend the benefit terms and financial requirements to the County Executive and the County Legislature. No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75.

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.

Eligibility for health benefits upon retirement are governed by Ordinance, bargaining unit, age, and years of service. In general, all Nassau County employees must reach age 55 to be eligible for post-retirement health insurance benefits, unless otherwise indicated below.

Non-union employees hired after 2008 are required to have 10 years of governmental service, 5 years of which must be with the County. Civil Service Employees Association Local 830 (CSEA) and Nassau County Investigators Police Benevolent Association (IPBA) employees (other than those Probation Officers, Fire Marshalls, AMTs, Deputy Sheriff and in Correctional Center titles) hired after August 22, 2003 are required to have 10 years of County employment. Effective June 30, 2026, all CSEA members regardless of hire date (other than those Probation Officers, Fire Marshalls, AMTs, Deputy Sheriff and in Correctional Center titles) will be required to have 20 years of County employment. CSEA employees who are Probation Officers, Fire Marshalls, AMTs, Deputy Sheriff or in Correctional Center job titles are eligible for early retirement after 25 years of service, regardless of age. Nassau County Police Benevolent Association (PBA), Nassau County Superior Officers Association (SOA), and Nassau County Detectives Association (DAI) employees are eligible after 20 years of service, regardless of age. Nassau County Sheriff's Correction Officers Benevolent Association (COBA) employees are eligible after 25 years of service, regardless of age.

Employee Contributions

The County provides group health care benefits for retirees (and for eligible dependents and survivors of retirees). Some retirees are required to contribute towards the cost of their health insurance premiums. The following are the retiree contributions towards the cost of said premiums for County employees:

- Non-union (Ordinance #543) employees earning a salary of less than \$30,000 in the year of retirement: No employee contribution.
- Non-union (Ordinance #543) employees hired on or after January 1, 2002 and earning a salary of greater than \$30,000 per year, in the year of retirement: Contribute 5% of premium for single coverage and 10% of the premium for family coverage.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

19. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Employee Contributions (Continued)

- Non-union (Ordinance #543) employees hired on or after July 1, 2014 and earning a salary greater than \$30,000 per year, in the year of retirement: Contribute 15% of premium for single or family coverage if enrolled in The Empire Plan. If enrolled in an alternative plan then the County shall pay, towards the cost of the premium in either the single or family plan, all amounts up to the monetary equivalent of 85% of the cost of The Empire Plan. To the extent the annual premium of said alternative plan exceeds the 85% of the cost of The Empire Plan, the employee shall pay the difference.
- CSEA employee: No employee contribution.
- IPBA employees: No employee contribution.
- Union employees (PBA, DAI, SOA, COBA) hired on or after April 1, 2014: Contribute 15% of premium for single or family coverage if enrolled in The NYSHIP Plan. If enrolled in an alternative plan then the County shall pay, towards the cost of the premium in either the single or family plan, all amounts up to the monetary equivalent of 85% of the cost of The NYSHIP Plan. To the extent the annual premium of said alternative plan exceeds 85% of the cost of The NYSHIP Plan, the employee shall pay the difference.
- Employees who retired prior to 1976 pay contributions (varies as a percentage of the premium).

Employees Covered by Benefit Terms

The number of participants as of January 1, 2023, the valuation date of the most recent actuarial valuation is as follows:

Actives	7,475
Retirees	11,695
Spouses of Retirees	<u>6,285</u>
	<u>25,455</u>

This valuation reflects updates to healthcare-related assumptions increasing plan liabilities by \$785 million. In addition, it also reflects an update to the assumed age of spouses, the mortality projection scale from MP-2020 to MP-2021, and the vestee coverage assumption to conform to the most recent report for Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 75 Valuation, which together increased plan liabilities by \$116 million. Also reflected in this valuation is a change in the discount rate from 2.06% to 3.72% resulting in a decrease in plan liabilities of \$1,709 million. The net effect of all assumption changes is a decrease of \$808 million.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

19. OTHER POSTEMPLOYMENT BENEFITS (Continued)**Employees Covered by Benefit Terms (Continued)**

In addition, this valuation reflects a decrease in the vesting eligibility requirement for Tier 5 and 6 Corrections and Police officers from 10 years of service to 5 years of service due to passage of Chapter 52 Laws of 2022 decreasing the vesting requirement from the New York State retirement systems. While this change increased the total present value of benefits by \$5.6 million, it resulted in a decrease of the actuarial accrued liability by \$178,000 due to the interaction of the Entry Age Normal cost method which is intended to produce level costs based on the rate of inflation, discount rate of 2.06% and inflation rate of 2.3%.

Total OPEB Liability

The County's total OPEB liability of \$6.1 billion was measured as of December 31, 2022 and was determined by an actuarial valuation as of January 1, 2023, with updated procedures used to roll forward the OPEB liability to the measurement date. Of the total liability, approximately \$248 million represents the current portion and is reported in current liabilities on the government-wide Statement of Net Position.

Funding Policy

Nassau County pays for OPEB benefits on a pay-as-you-go basis. Since the County is not pre-funding these benefits, no actuarially determined contribution is determined.

Actuarial Assumptions and Other Inputs

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

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

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

19. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions and Other Inputs (Continued)

The December 31, 2023 total OPEB liability is based on the results of the January 1, 2023 actuarial valuation rolled forward to the measurement date of December 31, 2022, and was determined using the following actuarial assumptions and other inputs:

Inflation: 2.3% per annum, compounded annually

Discount Rate: 3.72% per annum

The health cost trend assumptions are as follows:

Fiscal Year	Prior to Medicare Eligibility	After Medicare Eligibility	Medicare Part B Reimbursements
2023	6.7%	5.9%	7.0%
2024	7.0%	6.6%	7.3%
2025	6.4%	6.4%	7.2%
2026	5.8%	5.8%	7.7%
2027	5.1%	5.1%	6.5%
2028	4.9%	4.9%	7.0%
2029	4.7%	4.7%	5.5%
2030	4.5%	4.5%	6.1%
2031	4.3%	4.3%	6.2%
2032 - 2039	4.1%	4.1%	5.6%
2040 - 2049	4.1%	4.1%	4.2%
2050	4.1%	4.1%	3.8%
2051 - 2064	4.2%	4.2%	3.8%
2065 - 2066	4.1%	4.1%	3.8%
2067 - 2068	4.0%	4.0%	3.8%
2069 - 2070	3.9%	3.9%	3.8%
2071 - 2073	3.8%	3.8%	3.8%
2074 - 2089	3.7%	3.7%	3.8%
2090+	3.7%	3.7%	3.6%

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

19. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions and Other Inputs (Continued)

The Society of Actuaries (SOA) developed and regularly updates a long-term medical trend model based on detailed research performed by a committee of economists and actuaries, which include a representative from Milliman. Milliman uses this model as the foundation for the trend assumption with certain adjustments for age-related morbidity and to incorporate assumed administrative cost trend. Ultimate rates were determined considering historic and projected rates of real growth, long-term inflation and additional growth attributable to technology, and medical costs as a component of gross domestic product (GDP). Trend rates also reflect the expected impact of short-term inflation.

The Medicare Part B inflation rates were based on recent history and expected changes for the near future.

For purposes of applying the Entry Age Normal cost method, the healthcare trend prior to the first calendar year shown in the table above is based on the ultimate rates as described in the above table.

No trend was applied to the vision payment.

Medicare Eligibility: Age 65.

Actuarial Cost Method: Entry Age Normal Cost Method

The discount rate was based on the December 31, 2022 yield or index rate for 20-year, tax exemption general obligation municipal bonds with an average rating of AA/Aa or higher and the individual entry age actuarial cost method is used.

Mortality rates and mortality improvement rates are from the August 2023 Annual Report to the Comptroller of the New York State and Local Retirement System (NYSLRS) Employees' Retirement System (ERS) and the NYSLRS Police and Fire Retirement System (PFRS). Separate tables for healthy annuitant (Clerks version is used for non-police), disabled annuitant and employees are used. The mortality projection scale applied to the annuitant mortality tables used is SOA Scale in effect on measurement date (MP-2021). As generational tables, they reflect mortality improvements both before and after the measurement date.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

19. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability (dollars in thousands):

	Primary Government			Major Discretely Presented Components	
	Nassau County	Nassau County Interim Finance Authority	Total	*Nassau Community College	Nassau Health Care Corporation
Balance at December 31, 2022	\$ 6,774,220	\$ 3,007	\$ 6,777,227	\$ 517,405	\$ 881,802
Changes for the year:					
Service Cost	218,164	102	218,266	17,835	39,960
Interest	142,010	63	142,073	10,875	18,791
Effect on plan changes	(179)		(179)		
Effect on economic/demographic gains or losses	17,097	(3)	17,094	(9,808)	
Effect on assumption changes or inputs	(807,575)	(319)	(807,894)	(63,535)	(189,383)
Benefit payments, including implicit rate subsidy	<u>(198,405)</u>	<u>(112)</u>	<u>(198,517)</u>	<u>(14,703)</u>	<u>(19,259)</u>
Net Change	<u>(628,888)</u>	<u>(269)</u>	<u>(629,157)</u>	<u>(59,336)</u>	<u>(149,891)</u>
Balance at December 31, 2023	<u>\$ 6,145,332</u>	<u>\$ 2,738</u>	<u>\$ 6,148,070</u>	<u>\$ 458,069</u>	<u>\$ 731,911</u>

*Nassau Community College data as of fiscal year ended August 31, 2023

Sensitivity of the Total OPEB Liability to Changes in the Discount rate

The following presents the total OPEB liability of the County (inclusive of NIFA), NCC and NHCC as well as what the County's and the major discretely presented component unit's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.72%) or 1-percentage-point higher (4.72%) than the current rate (dollar in thousands).

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

19. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount rate (Continued)

	<u>Primary Government</u>	<u>Major Discretely Presented Component Units</u>	
		<u>NCC</u>	<u>NHCC</u>
Discount Rate:			
1% Decrease	\$ 7,099,800	\$ 522,931	\$ 838,079
Current Assumption	\$ 6,148,070	\$ 458,069	\$ 731,911
1% Increase	\$ 5,381,543	\$ 404,541	\$ 645,033

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability of the County (inclusive of NIFA), NCC and NHCC as well as what the County's and the major discretely presented component unit's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (1.0%) or 1-percentage-point higher (1.0%) than the current rate (dollar in thousands).

	<u>Primary Government</u>	<u>Major Discretely Presented Component Units</u>	
		<u>NCC</u>	<u>NHCC</u>
Current Trend Rate:			
1% Decrease	\$ 5,324,668	\$ 399,529	\$ 628,462
Current Assumption	\$ 6,148,070	\$ 458,069	\$ 731,911
1% Increase	\$ 7,189,717	\$ 530,423	\$ 861,926

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
19. OTHER POSTEMPLOYMENT BENEFITS (Continued)

For the year ended December 31, 2023, the County, inclusive of its blended component unit, recognized OPEB expense of \$296.6 million. At December 31, 2023 the County reported deferred inflows of resources related to OPEB from the following sources (dollars in thousands):

	Primary Government		Major Discretely Presented Component Units			
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources		Deferred Inflows of Resources	
			NCC	NHCC	NCC	NHCC
Differences between expected and actual experience	\$ 78,605	\$ 15,559	\$ 4,722	\$ 23,870	\$ 7,411	\$ 254
Changes of assumptions	139,269	667,507	10,588	81,471	53,383	169,424
Contributions made subsequent to measurement date	218,281		10,475			
	<u>\$ 436,155</u>	<u>\$ 683,066</u>	<u>\$ 25,785</u>	<u>\$ 105,341</u>	<u>\$ 60,794</u>	<u>\$ 169,678</u>

The County's contribution (inclusive of NIFA) made subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB liability will be recognized in OPEB expenses as follows (dollars in thousands):

	Major Discretely Presented Component Units		
	Primary Government	NCC	NHCC
Years Ending December 31, 2024	\$ (46,878)	\$ (11,415)	\$ (7,904)
2025	(158,896)	(18,828)	4,306
2026	(171,586)	(15,241)	(9,071)
2027	(87,831)		(20,285)
2028			(31,383)
	<u>\$ (465,191)</u>	<u>\$ (45,484)</u>	<u>\$ (64,337)</u>

20. 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 \$498.7 million, inclusive of blended components units at December 31, 2023. At August 31, 2023, NCC's vacation leave and sick leave liability was \$47.7 million. At December 31, 2023, NHCC's vacation and sick leave liability was \$90.2 million.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

21. DEFERRED PAYROLL

In 2009, the County entered into agreements with the CSEA, the PBA, the SOA, the DAI, and the COBA unions, 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.

The amount accrued at December 31, 2023 was \$49.9 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.

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. Of the amount accrued at December 31, 2023, approximately \$18.6 million represents termination pay for accumulated leave to be paid annually for three years beginning in January 2024 and is included in the County's liability reported in the government-wide Statement of Net Position.

NCC entered into a similar deferral 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. Subsequently, in the 2015/2016 contract year, NCC entered into an agreement with Nassau Community College Federation of Teachers (NCCFT) to defer a portion of wages, which shall be paid to the members at separation or retirement. The total amounts accrued at the NCC's fiscal year close of August 31, 2023, was approximately \$1.6 million and will be paid upon employee separation from the NCC; this amount is included in the County's liability reported in the government-wide Statement of Net Position.

22. TAX ABATEMENT DISCLOSURE

Net Tax abatements affecting Nassau County taxes totaling \$39.6 million are issued by three Industrial Developmental Agencies (IDAs) as established by Article 18-A of General Municipal Law, of New York State. These agencies are:

Glen Cove Industrial Development Agency
9 Glen Street
Glen Cove, New York 11542

Town of Hempstead Industrial Development Agency
350 Front Street, Room 234-A
Hempstead, New York 11550

Nassau County Industrial Development Agency
1 West Street, 4th Floor
Mineola, New York 11501

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

22. TAX ABATEMENT DISCLOSURE (Continued)

Tax abatements are issued to provide opportunities to actively promote, attract, encourage and develop economically sound commerce and industry. Real estate tax exemptions and sales tax exemptions can be granted through a PILOT (Payment in Lieu of Taxes) program. When companies enter into PILOT agreements with one of the three IDAs, 100% of the real estate property tax associated with the property in the agreement is abated and is offset by a PILOT payment as stated in the agreement. Sales tax abatements allow for companies to pay no sales tax on construction or equipment purchases that occur during the construction phase of the project. PILOT payments due to Nassau County from the Nassau County IDA are paid directly to the County Treasurer. The Town of Hempstead collected the PILOTs for the Town of Hempstead IDA in 2023 and the Glen Cove IDA collected their own, and both are required to remit to the County its share of each PILOT. If the provisions for recapture in each PILOT agreement are not met, recapture payments are made directly to the IDA and then remitted to the County. The IDAs are authorized and deemed eligible to enter into PILOT agreements per Real Property Tax Law, Section 412-a and General Municipal Law, Section 874.

The IDAs are required to submit an Annual Report to the State of New York Authorities Budget Office (Authority) by April 1st of each year. The annual reports provide information for all fiscal year activity for agreement entered into by each IDA. The reports have been submitted to the Authority but are unaudited and were not yet approved by the Authority at the time of the County's receipt. Information relevant to the disclosure of these programs for the fiscal year ended December 31, 2023 is shown below.

Nassau County Industrial Development Agency

		Dollars in Thousands			
Project	Program	Sales Tax Abated	County Real Property Tax Abated	PILOT Payments to County	Net Abatement
Bonds/Notes Issuance					
	Finance, Insurance and Real Estate	\$	\$	438	\$ 429 \$ 9
	Other Categories			15	5 10
	Services			247	138 109
Leases					
	Agriculture			24	6 18
	Finance, Insurance and Real Estate	905	6,413	2,667	4,651
	Manufacturing	96	1,756	859	993
	Other Categories	2,342	4,285	1,627	5,000
	Services	13	6,004	3,218	2,799
	Wholesale Trade	59	619	443	235
Sales Tax Exemption					
	Other categories		206		206
Total		\$ 3,621	\$ 19,801	\$ 9,392	\$ 14,030

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

22. TAX ABATEMENT DISCLOSURE (Continued)

Town of Hempstead Industrial Development

Project	Program	Sales Tax Abated	County Real Property Tax Abated	PILOT Payments to County	Net Abatement
Bonds/Notes Issuance					
	Finance, Insurance and Real Estate	\$ 47	\$ 186	\$ 65	\$ 168
Leases					
	Construction	99	1,612	175	1,536
	Continuing Care Retirement Communities		878	426	452
	Finance, Insurance and Real Estate	210	2,172	428	1,954
	Manufacturing		121	47	74
	Other Categories		2,370	615	1,755
	Retail Trade		20,218	2,624	17,594
	Services		1,677	427	1,250
	Transportation, Communication, Electric		230	96	134
	Wholesale Trade		86	42	44
Total		\$ 356	\$ 29,550	\$ 4,945	\$ 24,961

Glen Cove Industrial Development Agency

Project	Program	Sales Tax Abated	County Real Property Tax Abated	PILOT Payments to County	Net Abatement
Leases					
	Construction	\$ 259	\$ 470	\$ 154	\$ 575
	Finance, Insurance and Real Estate		94	56	38
	Real Estate		45	20	25
	Retail Trade		28	11	17
Total		\$ 259	\$ 637	\$ 241	\$ 655
Grand Total		\$ 4,236	\$ 49,988	\$ 14,578	\$ 39,646

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

22. TAX ABATEMENT DISCLOSURE (Continued)

No amounts are received from other governments or from any Industrial Development Agency. All payments are made directly to Nassau County. The County has opted to present all abatement information in the prohibited from being disclosed.

Nassau County has entered directly into a PILOT agreement with the Long Island Power Authority (LIPA). This does not represent an abatement agreement as its purpose was not to abate property tax but to comply with a property tax cap requirement.

23. 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, 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; public official bonds 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 23(E) for further discussion). The County remains liable to indemnify NHCC for liability arising out of NHCC's delivery of healthcare services at the Nassau County Correctional Center for the period of September 1, 2017, through February 28, 2021. However, commencement of such claims within this period will be precluded with the expiration of relevant statutes of limitations.

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 \$475.5 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, 2023. Approximately \$308.7 million has been recorded as a liability in the government-wide financial Statement of Net Position, at December 31, 2023, related to workers' compensation claims, as estimated by a third party actuary. The workers' compensation amount is a liability separate from all other non-workers' compensation claims and litigation.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

23. CONTINGENCIES AND COMMITMENTS (Continued)

A. Claims and Litigation (Continued)

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	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Unpaid claims and claim adjustment expenditures at the beginning of the year	<u>\$ 322,702</u>	<u>\$ 344,628</u>	<u>\$ 568,799</u>	<u>\$ 623,121</u>
Incurred claims and claim adjustment Expenditures:				
Increase (decrease) in provision for the estimate of risk losses and changes to the prior year estimated losses	<u>20,601</u>	<u>14,859</u>	<u>(39,000)</u>	<u>47,001</u>
Payments:				
Payments made on losses	<u>34,612</u>	<u>36,785</u>	<u>54,274</u>	<u>101,323</u>
Total unpaid claims, claim adjustment expenditures and claims incurred but not reported at the end of the year	<u>\$ 308,691</u>	<u>\$ 322,702</u>	<u>\$ 475,525</u>	<u>\$ 568,799</u>

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

23. CONTINGENCIES AND COMMITMENTS (Continued)**A. Claims and Litigation (Continued)****Utilities Litigation under RPTL Article 18**

New York Telephone Company (now known as Verizon), New York Water Service Corporation (a/k/a American Water and Liberty Water), Long Island Water Corporation (a/k/a American Water and Liberty Water) and KeySpan (collectively, the Utilities) have each filed actions and proceedings challenging the determination of their taxes in 1997, 1998, 1999, and 2000 in the non-County-wide special districts such as police, fire, water and library districts. The Utilities allege that the County erroneously placed all parcels in classes in calculating their assessed values for the payment of special district taxes. The Supreme Court, Nassau County declared that the assessments violated the RPTL and constitutional requirements of equal protection. The court directed that discovery be conducted and a trial held to determine the amount of tax refunds, if any, to be awarded to the Utilities. In 2002, the Appellate Division, Second Department, determined that the County violated the RPTL, but granted the County summary judgment dismissing the complaints on the grounds that no refunds should be awarded because of the fiscal impact on the special districts. In 2004, the Court of Appeals remitted the case to the Supreme Court, Nassau County for a trial on both the amount of the refunds due and whether those damages would have such an adverse impact on the County that no refunds should be ordered. In the KeySpan litigation, the Supreme Court, Nassau County denied the County's motion to dismiss the complaint and ordered discovery to proceed in the matter and the related Utilities cases. The court then stayed discovery pending the County's appeal to the Appellate Division concerning the application of the so-called County guaranty in these matters. In 2014, the Appellate Division denied the County's appeal and the Court of Appeals denied the County's application for leave to appeal the Appellate Division's decision. The court lifted the stay of discovery, and the County has appealed the court's denial of its motion to dismiss on the grounds that the relief sought could only be granted by the exclusive remedy of an RPTL Article 7 challenge. Plaintiffs have appealed the court's denial of their motion for re-argument based on the court's ruling that evidence of financial hardship could be a mitigating factor in determining damages. A trial on damages was scheduled for July 20, 2021; however, the County settled with KeySpan. The County agreed to a \$62.0 million structured settlement to be paid over a four-year period. Equal installment payments of \$15.5 million per year commenced in December 2021, and the structured payment period ends December 2024. The remaining litigations with the two remaining utilities, Verizon and American Water will continue to trial to set damages. The County intends to continue to defend itself vigorously in these actions and proceedings. It is not possible to predict the outcome of these actions and proceedings or their ultimate impact on the County's financial condition. The County cannot state with certainty the amount of a refund if the court were to order one, but has estimated, depending on the methodology of calculation, that such refund could be as high as \$153.0 million.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

23. CONTINGENCIES AND COMMITMENTS (Continued)**A. Claims and Litigation (Continued)****Adjusted Base Proportion “ABP” Litigation**

In 2018, the County was served with two summonses and complaints challenging the manner in which the County calculated current base proportions (CBPs), adjusted base proportions (ABPs) and special district annual adjustments beginning in 2014 under Article 18 of the RPTL as a result of certain demolition of a power plant in Glenwood Landing, New York between 2012 and 2015. In one action, National Grid Generation LLC and Keyspan Gas East Corporation d/b/a National Grid allege that in 2014 the County calculated the CBPs, ABPs and special district annual adjustments in a manner that failed to reflect the demolition of the plant and thereby caused the plaintiffs’ class three utility property to pay an excessive amount of taxes and a disproportionate share of the tax burden as compared to class one, class two and class four properties. The complaint further alleges that based on the purported 2014 error, all calculations for subsequent tax years were made in error. In the second action, New York American Water Company Inc. makes substantially similar allegations. In each action, plaintiffs seek, among other forms of relief, tax refunds in the amount of the alleged overpayment of taxes. Neither complaint specifies the amount of the tax refunds or damages sought. The County’s motions to dismiss the actions have been denied. The parties have concluded with discovery and the parties have fully submitted their cross-motions for summary judgment. Both plaintiffs have filed suit for subsequent tax years. These actions have been held in abeyance while the 2018 cases are litigated. In October 2022, County’s summary judgment motion to dismiss 2017 tax year was granted. Plaintiffs filed an appeal of this decision. Appellate briefs are pending; no date for oral argument has been set. At this time the County’s ultimate potential liability cannot be determined and the County is in the process of evaluating different scenarios with respect to the recalculation of the APBs. The County will continue to defend itself vigorously in these actions and proceedings.

On June 2, 2022, National Grid filed a summons and complaint with similar allegations that the County’s calculation of the CBPs and ABPs were incorrect under Article 18 of the RPTL as a result of the County’s failure to remove and exempt from the tax rolls properties owned by Long Island Power Authority (LIPA) and to enter into Payments in Lieu of Taxes (PILOT) agreements with LIPA pursuant to Public Authorities Law (PAL) regulating LIPA. National Grid alleges that by failing to remove and exempt the LIPA properties, LIPA paid taxes instead of making PILOT payments; in addition, plaintiffs further allege that certain LIPA properties should have been subject to the 2% cap pursuant to PAL. The failure to exempt LIPA properties and enter into proper PILOT agreements caused the plaintiffs’ class three utility property to pay an excessive amount of taxes and a disproportionate share of the tax burden as compared to class one, class two and class four properties. At this time the County’s ultimate potential liability cannot be determined and the County is in the process of evaluating different scenarios with respect to the recalculation of the CBPS and APBs. The County will continue to defend itself vigorously in these actions and proceedings.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

23. CONTINGENCIES AND COMMITMENTS (Continued)**A. Claims and Litigation (Continued)****Other Litigation****Tax Map Verification Fee Litigation**

In 2017, plaintiff Jeffrey Falk, on behalf of himself and others similarly situated, brought a lawsuit in State Supreme Court challenging the County's tax map verification fee, alleging that the fee is excessive of costs and constitutes an illegal tax enacted for general revenue purposes. The fee is charged for the verification of a tax map of real property that must accompany the recordings of mortgages, satisfactions, and other real property transactions. The plaintiff sought an injunction of the fee, a declaration that the fee is unlawful and money damages. The court granted the County's motion to dismiss the request for injunctive relief, conversion and money damages. The court, however, did not dismiss the plaintiff's claim for declaratory judgment on the legality of the fee. Plaintiff's appeal of the dismissal of the monetary causes of action was denied by the Second Department. In 2020, the trial court granted plaintiff's summary judgment motion and declared the tax map verification fee unconstitutional. The court determined that the fee charged was not proportionate to the service provided and as such, the fee is an ad valorem tax. The trial court did not direct the County to return the fees collected to date or to order the County to stop collecting the fee. On April 19, 2023, the Appellate Division affirmed that the fee is excessive because it is not proportionate to the service provided; however, the Appellate Division upheld that the County is not required to return the fees collected to date. However, the County will be precluded from collecting the current tax map verification fee prospectively. On April 24, 2023, the County Legislature approved a reduction in the fee. With this Appellate Division ruling and the County Legislature reduction in the fee, the County will forego a portion of annual collections of the fee that were estimated at approximately \$45 million in each of fiscal years 2023 through 2026.

Fair Labor Standards Act "FLSA" Litigations

In 2015, 2016, and 2017, certain members of County collective bargaining units respectively filed five lawsuits in federal court challenging the County's calculation of overtime under the federal Fair Labor Standards Act (FLSA). Among plaintiffs' allegations are that the County did not calculate their overtime correctly because longevity pay, shift differential payments and hazardous duty payments were not included in their regular rate of pay, and that the County systemically failed to pay overtime timely within the pay period earned. The court has certified or is expected to certify respective classes of County employees that allegedly may have been affected by an improper calculation and payment of overtime and has consolidated certain lawsuits for efficiency. In one of the lawsuits, the County successfully defended plaintiff's challenge to the County's designation of certain employees as FLSA exempt. If plaintiffs are successful in establishing that the County's calculations of overtime are not consistent with FLSA, the County would be responsible for liquidated damages for the classes. Since 2021, three of the FLSA litigations were resolved. However, in 2022 two additional FLSA class actions were commenced arising from similar fact patterns. The County will continue to defend itself vigorously in these actions and proceedings. The County cannot state with certainty the amount of such potential damages and attorneys' fees, but has estimated, depending on the size of the classes and the methodology of calculation, that they could total approximately \$50 million.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

23. CONTINGENCIES AND COMMITMENTS (Continued)**A. Claims and Litigation (Continued)****Abramov/Comuniello v. County of Nassau**

In 2017, plaintiff David Abramov filed a lawsuit against the County alleging serious injuries resulting from a motor vehicle accident involving a County Police Department vehicle and another car driven by Donna Comuniello. Ms. Comuniello also filed a lawsuit against the County for alleged injuries sustained in the accident. The two cases have been joined in State Supreme Court. Substantial discovery was conducted including depositions of several witnesses and named parties. Following the death of Mr. Abramov, his estate amended the lawsuit to include wrongful death. The County moved for summary judgment based on the reckless disregard standard which applies to the conduct of the operation of a police vehicle involved in emergency operations. The court found issues of fact and the County has perfected its appeal and oral argument took place on May 28, 2024. The County will continue to defend itself vigorously in these actions and proceedings. It is not possible to predict the outcome of these actions and proceedings or their ultimate impact on the County's financial condition; however, the County estimates that, in the event of a final adverse decision, the amount of damages for which the County may be liable could be in excess of \$30 million.

Disputed Assessment (DAF) Litigation

In 2018, certain taxpayers filed two lawsuits against the County and others alleging that the enactment of the DAF by the State (prior to the 2018 amendments to the DAF law) and its implementation by the County violated various provisions of the State constitution, the RPTL and the County Administrative Code. In 2019, certain taxpayers filed an action seeking to compel the refund of certain DAF charges on the 2017 and 2018 tax rolls. The County moved to dismiss this petition based on the failure to name necessary parties. This application was granted in part; but the action was still permitted to proceed. In 2020, the trial court decision granted plaintiff summary judgment on the causes of action finding that the DAF law is an unconstitutional delegation of authority to the Nassau County Assessor because the law does not provide the assessor sufficient guidelines to determine DAF charge in excess of 10%. The remaining causes of action were dismissed. The trial court did not direct that 2017 and 2018 DAF charges be refunded to commercial property owners, finding that they are not entitled to a refund as they would otherwise have been required to pay the amount withheld in taxes in a prior decision, but the judgment has not been settled. Should such a refund be directed, the County would be obligated to refund approximately \$12 million to \$13 million. The County Treasurer has not distributed excess DAF funds to the other taxing jurisdictions during the pendency of this litigation. The County has perfected the appeal from the judgment of the trial court and intends to continue to defend itself vigorously against these actions and proceedings.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

23. CONTINGENCIES AND COMMITMENTS (Continued)**A. Claims and Litigation (Continued)****Joseph Jackson v. County of Nassau, et al.**

In 2018, plaintiff Joseph Jackson filed an action against the County and various County police officers alleging claims of false arrest and wrongful imprisonment under 42 U.S.C. §1983. After serving twenty-three years in prison, plaintiff's conviction was vacated after an investigation by the County District Attorney's Office determined that a police officer failed to turn over certain exculpatory evidence to plaintiff when he was the defendant in a criminal case. Plaintiff also alleges that his confession was the product of coercion. Discovery has closed and the County has filed a motion for summary judgment. The County will continue to defend itself vigorously in these actions and proceedings. It is not possible to predict the outcome of these actions and proceedings or their ultimate impact on the County's financial condition; however, the County estimates that, in the event of a final adverse decision, the amount of damages for which the County may be liable could be in excess of \$30 million.

Orleana/Dutch Broadway

In 2018, an individual driving a vehicle on Dutch Broadway struck several children walking on the sidewalk of Dutch Broadway. As a result of this incident, three complaints have been filed against the County alleging that the defective design of Dutch Broadway and Elmont Road caused serious injuries to the children. The County will continue to defend itself vigorously in these actions and proceedings. It is not possible to predict the outcome of these actions and proceedings or their ultimate impact on the County's financial condition; however, the County estimates that, in the event of a final adverse decision(s), the amount of damages for which the County may be liable could be in excess of \$30 million.

Armor Litigations

Between 2012 and 2017, multiple claims were filed against the County and Armor Correctional Health Services Inc. (Armor) alleging medical malpractice and/or tortious conduct in connection with the provision of health care services to inmates at the Nassau County Correctional Center. Pursuant to agreement, Armor is required to indemnify the County for its losses resulting from Armor's acts or omissions in performing such services and to include the County as an additional insured on its applicable insurance policy or policies. In 2019, issues as to the extent of the indemnification and additional insured coverage have been raised between the County and Armor. If Armor and/or its insurance carrier(s) successfully disclaim any financial obligation to indemnify the County for the multiple claims, then the County could be solely responsible for any liability determined by a court. The County will continue to defend itself vigorously in these actions and proceedings. It is not possible to predict the outcome of these actions and proceedings or their ultimate impact on the County's financial condition; however, the County estimates that, in the event of a final adverse decision(s), the amount of damages for which the County may be liable could be in excess of \$30 million.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

23. CONTINGENCIES AND COMMITMENTS (Continued)**A. Claims and Litigation (Continued)****Giminian v. County of Nassau and Stillwell Preserve**

In May 2021, plaintiff Luis Giminian filed a complaint against the County alleging that the dangerous condition of a trail in a County preserve caused the fall of his bicycle which resulted in severe and serious personal injuries. The matter is currently in the discovery phase and the County is investigating the claim and alleged injuries. The County will continue to defend itself vigorously in these proceedings.

Pollution Remediation

The County has identified and recorded in its financial statements for the fiscal year ended December 31, 2023, an estimated cost for pollution remediation related to a few sites owned and/or previously operated by the County. Historic uses have contributed to various forms of environmental pollution to these properties. The County continues to monitor the sites in accordance with the New York State Department of Environmental Conservation (NYSDEC) requirements.

An estimated cost of \$1.8 million has been recorded as a liability in the County's government-wide Statement of Net Position as of December 31, 2023. The costs are estimated obligated costs which may be used to address cleanup costs in the event the County is required to decommission or demolish the sites. The liability was developed by taking into consideration construction costs for monitoring, demolition projects, including engineering, construction management and contractor costs.

B. Tax Certioraris

There were 239,154 taxpayers' claims (residential and commercial) filed against the Department of Assessment, for the incorrect determination of assessed valuation (certiorari proceedings) for the 2023 (May 1, 2024) assessment roll, a decrease of 2,704 over the prior year. An amount estimated for future settlements and judgments of \$238.4 million has been recorded as a long-term liability in the government-wide Statement of Net Position as of December 31, 2023, of which approximately \$84.0 million has been recorded as a current liability in the government-wide Statement of Net Position. In 2023, an additional \$17.7 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 County's Assessment Review Commission (ARC) revalues the year-end tax certiorari liability each year. The estimate of this liability is a synopsis of all unpaid refund claims as of December 31, 2023. This includes Writs, Small Claims, Assessor Petitions, Unpaid Refunds, and Projected Refunds on Settlements. Not all components have liability every year, but most components will have a liability. ARC segregates the liability 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 for the purpose of computing the total obligation.

The liability is estimated differently depending on the type of liability. Each year open liabilities are revalued to adjust for interest accrued and settlements. Estimates are based on historical trends, assessed valuations, as well as other factors.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

23. CONTINGENCIES AND COMMITMENTS (Continued)**B. Tax Certioraris (Continued)*****Disputed Assessment Fund***

Disputed assessment charges on class four, commercial properties, were enacted by New York State Real Property Tax Law effective with the County's 2016-2017 tax roll. A subsequent change was made to the law and the County's Administrative Code, which allowed the disputed assessment charge to be levied on all class four properties instead of only on those properties where the property assessment was being grieved. Thus, balances held in the DAF are accounted for separately to segregate the collections under the original law (2017 and 2018 collections) and the revised law (post 2018 collections).

For fiscal 2023, the DAF's total liabilities in the governmental funds were \$108.7 million. The liabilities are comprised of the following: \$0.4 million in Interfund Payables due to the General Fund for the County's share of DAF charges related to class 4 assessments; \$23.6 million of DAF charges due to the three Towns and County school districts, reported as Accrued Liabilities; and the remainder of \$84.6 million representing the remaining disputed assessment charges held by the fund to pay for future class four tax certiorari refunds or distribute to the Towns, school districts and County, as applicable.

In the government-wide Statement of Net Position for fiscal year ended December 31, 2023, the County reported \$23.6 million in Accrued Liabilities, \$6.9 million of tax certiorari liabilities as Estimated Tax Certiorari Liability related to Disputed Assessment Fund (current liability) and \$6.7 million reported as part of the Estimated Tax Certiorari Liability (noncurrent liability). The remaining liability of \$71.0 million, is recorded as Disputed Assessment Fund Deposits Held (current liabilities). The difference between the \$84.6 million reported in the governmental fund statements and the \$71.0 million reported in the government-wide statements represents the \$6.9 million of current and \$6.7 million noncurrent liabilities that have been recognized on a full accrual basis in the government-wide financial statements.

Until the Article 7 cases for class four property owners are decided, the County cannot determine how much of the 2017 and 2018 DAF collections will be returned to commercial property owners or distributed to the County and other municipalities. DAF charges collected in 2019-2023 may be used to pay for any class four tax certiorari refund and is not limited to specific properties. Thus, DAF charges collected in 2023 are available to pay for class four tax certiorari liabilities and reduced the long-term liability reported in the government-wide Statement of Net Position by this amount.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

23. CONTINGENCIES AND COMMITMENTS (Continued)

B. Tax Certioraris (Continued)

Summary of Tax Certiorari Liability
Statement of Net Position as of December 31, 2023
(in thousands)

Current Liabilities

Property Tax Refund Payable (due and payable in 2023) in Governmental Funds:	\$	17,654
Short-term tax certiorari liability - operating		
Property Tax Refund Payable in Governmental Funds (Exhibit X-3)	\$	17,654
Current Portion of Long-Term Estimated Tax Certiorari Liability:		
Estimated Tax Certiorari Liability - DAF	\$	6,886
Current Portion of Long-term Estimated Tax Certiorari		84,000
Total Current Tax Certiorari Liability per Government-wide Funds (Exhibit X-1)	\$	108,540

Non-Current Liabilities:

Estimated Tax Certiorari Liability - DAF	\$	6,732
Non-Current Portion of Long-term Estimated Tax Certiorari Liability		154,352
Total Non-Current Tax Certiorari Liability per Government-wide Funds (Exhibit X-1)	\$	161,084

Total Tax Certiorari Liability	\$	269,624
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**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

23. 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, 2023. 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. Nassau Health Care Corporation Insurance

For the policy years ended September 29, 2007, to 2023, the Captive issued hospital professional and employee benefits policies on a claims-made basis and commercial general liability policies on an occurrence basis. The Captive's liability on the hospital professional and employee benefits policies is \$12,500 per person (\$10,000 for policy years prior to 2008 and for 2021, \$7,000 for policy years 2008 to 2020, and \$12,500 for 2022) with no aggregate limit and \$1,000 per claim up to an aggregate of \$1,000, respectively. An excess buffer limit of \$3,000 per person/\$3,000 in the aggregate was introduced above the \$7,000 per person primary limit on the hospital professional policy for the September 29, 2012, renewal and amended to \$5,000 per person/\$5,000 in the aggregate as of January 1, 2022, and \$7,500 per person/\$7,500 in the aggregate as of January 1, 2023. During 2015, the Captive entered into a commutable agreement with the Corporation, initiating a \$1,000 deductible limit on all open claims as of December 31, 2015. The liability on commercial general policies is \$1,000 per occurrence, except for fire damages, where the limit is \$50 for any one fire, and medical payment, where the limit is \$5 for any one person, up to an aggregate of \$3,000.

At December 31, 2023, 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 \$1,000 of losses for all hospital professional liability claims made from 1999 to the present, and would have, retain and be responsible for the first \$1,000 of losses for all hospital professional liability claims on a going forward basis. NHCC, Ltd., would be responsible for reimbursing NHCC under the terms and conditions of hospital's professional liability excess coverage attaching at \$1,000 for all open claims from 1999 and forward.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

23. CONTINGENCIES AND COMMITMENTS (Continued)

E. Nassau Health Care Corporation Insurance (Continued)

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

	<u>2023</u>	<u>2022</u>
Balance at beginning of year	\$17,985	\$17,276
Incurred related to:		
Current year	(112)	709
Total incurred	(112)	709
Balance at end of year	<u>\$17,873</u>	<u>\$17,985</u>

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

Insurance reserves and the related insurance losses and loss adjustment expenses, recorded through the Captive, are recorded on an undiscounted basis at December 31, 2023.

In addition to the insurance coverage purchased from the Captive, the Corporation purchases umbrella and other coverage from commercial insurers. For the year ended December 31, 2023, this insurance expense totaled \$2,328.

F. Capital Commitments

At December 31, 2023, there were capital project contract commitments of \$699.5 million, of which approximately \$425.5 million may require future funding. All capital project commitments are encumbered in the County's financial system. Some of these capital project commitments are included in the material encumbrances table in Footnote 23G *Material Encumbrances* below.

G. Material Encumbrances

Material encumbrances (greater than \$5 million) as of the year ended December 31, 2023 were as follows (dollars in thousands):

<u>Capital Fund</u>	
Construction:	
Infrastructure	\$36,236
Buildings	20,775
Disposal	148,899
Roads	22,368
Public Safety	46,957
Collection	129,559
<u>Grant Fund</u>	
Bus Services	50,191
<u>General Fund</u>	
Support Services	2,240
Bus Services	7,984
Day Care Contracts with Social Services	4,988
<u>ARPA Fund</u>	
Community Development Programs	3,166

These encumbrances are included in restricted, committed and assigned fund balances of the respective funds.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

24. SUBSEQUENT EVENTS**Debt Issuance**

On May 29, 2024, the County issued Series A General Improvement Bonds in the amount of \$253.8 million. The Series A bonds bear interest rates between 4% and 5% with maturity dates ranging from April 2026 to April 2054. The Series A Bonds were issued to fund various public purposes, including capital projects, and to pay costs of issuance.

Investigators Police Benevolent Association (IPBA)

In March 2024, The IPBA entered into a new collective bargaining agreement through a Memorandum of Understanding with Nassau County. IPBA represents investigators employed by the County District Attorney's Office. The Memorandum of Understanding sets the terms and conditions of employment for employees in the negotiating unit which expired on December 31, 2017. The agreement covers the period between January 1, 2018, and June 30, 2026. The agreement raises wages by 15% over a period of 8 ½ years, requires all members to contribute towards their health insurance and sets the terms of other matters. In May 2024, the agreement was approved by the County Legislature and NIFA.

Coronavirus State and Local Fiscal Recovery Funds

In March 2024, the County transferred a total of \$247.3 million in available Coronavirus State and Local Fiscal Recovery funds to the County's General and SSW Funds; \$222.3 million and \$25.0 million, respectively. The revenue will be used to cover and reimburse a portion of the County's 2020 and 2021 COVID-19 pandemic lost revenues.

County Lease Agreement of the Nassau Coliseum with LVS NY HOLD CO 2, LLC- "SANDS"

In April 2023, the County signed a lease with LVS NY HOLD CO 2, LLC, (LVS) also known as SANDS, for the redevelopment of the Nassau County Coliseum and the nearby land, as a world -class entertainment facility, tourist destination and integrated resort, with a casino, luxury accommodations, award-winning dining options, and state-of-the-art entertainment, and conference facilities. The lease covered a period of 99 years. In May 2023, the County received a payment of \$54 million upon approval of the contract by the County legislature and began receiving monthly rent in accordance with the contract.

The lease agreement with LVS was protested in court. In February 2024, a New York State Judge ruled that the agreement with LVS was annulled and void from the start. The Nassau Coliseum lease with the prior lessee was terminated on June 2, 2024, and upheld by the courts. The County expects to resubmit plans to the Nassau County Planning Commission and the County Legislature to lease the property to LVS after it holds public hearings and performs an environmental review. As a result of the nullification of the contract by the courts, the County recorded \$62.4 million in payments collected from LVS as a liability in its governmental fund statements.

New York State and Local Retirement System (NYSLRS)

During 2024, NYSLRS passed new legislation which updated the vesting of pension benefits for Tiers 5 and 6 from ten years of service to five years of service. This new law also improves pension benefits for Tier 6 members by calculating final average earnings on the average of the member's three highest consecutive years of earnings, the same as NYSLRS members in Tiers 3, 4 and 5. This measure will be effective April 1, 2024 for New York State and Local Police and Fire Retirement System (PFRS) Tier 6 members and April 20, 2024 for New York State and Local Employees' Retirement System (ERS) Tier 6 members.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

25. CHANGE IN ACCOUNTING PRINCIPLES

The County adopted GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* during the year ended December 31, 2023. Prior to the adoption of GASB Statement No. 94, the County accounted for three SCA's under GASB Statement No. 60 *Accounting and Financial Reporting for Service Concession Arrangements*. The changes from the adoption of GASB Statement No. 94 were incorporated into the County's financial statements and had no effect on the beginning balance of net position of the County because the net book value of the PPP Receivable of \$4.9 million, Capital Asset of \$1.8 million, and Deferred Inflows – PPP of \$6.7 million net to zero.

The County adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* during the year ended December 31, 2023. These changes were incorporated into the County's financial statements and had no effect on the beginning balance of net position of the County because the net book value of the Subscription Asset of \$2.2 million equaled the amount of the Subscription Liability of \$2.2 million.

Nassau Community College

During the year ended August 31, 2023, NCC implemented GASB Statement No. 96, *Subscription-based Information Technology Agreements*. These changes were incorporated in the NCC's financial statements and had an immaterial effect on the beginning net position. NCC recorded a right-to-use SBITA asset of \$329.5 thousand and a corresponding SBITA liability of \$329.5 thousand.

Nassau Health Care Corporation Insurance

The NHCC adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* during the year ended December 31, 2023. The NHCC adopted the new standard on January 1, 2023 and recorded a SBITA asset and liability of \$9.4 million. Prior year financial statements were not restated to reflect the adoption as the amounts were deemed to be not material.

26. RESTATEMENT AND PRIOR PERIOD ADJUSTMENT**Nassau Community College**

As a result of an internal and external review of the NCC's accounts payable during 2023, it was discovered that accounts payable had been understated. Corrective and preventive actions have been taken, and NCC is taking steps to ensure future errors are prevented. The misstatement resulted in material errors that occurred in 2022 and prior, primarily from an understatement of accounts payable during those periods. Accordingly, NCC restated its financial statements for the year ended August 31, 2022. The effect of the restatement was to decrease NCC's beginning net position, as reported and increase accounts payable. The change in beginning net position, as reported amounted to approximately \$8.8 million.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT X-15**COUNTY OF NASSAU, NEW YORK****SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OTHER
POSTEMPLOYMENT BENEFIT LIABILITY AND RELATED RATIOS
(Dollars in Thousands)**

Financial Report Date, December 31st:	2023	2022	2021	2020	2019	2018	2017
OPEB Measurement Date of December 31st:	2022	2021	2020	2019	2018	2017	2016
Total OPEB Liability							
Service Cost	\$ 218,266	\$ 210,196	\$ 215,597	\$ 157,787	\$ 200,891	\$ 167,002	\$ 172,674
Interest	142,073	141,941	176,111	215,912	220,624	215,385	203,005
Effect on plan changes	(179)	88					
Effect of economic/demographic gains or losses	17,094	(26,711)	195,881	(6,455)	(127,858)	(8,486)	
Effect of assumptions or changes in inputs	(807,894)	63,396	(117,672)	936,922	(1,191,457)	507,107	(174,314)
Benefit payments, including implicit rate subsidy	(198,517)	(192,583)	(200,301)	(200,481)	(212,542)	(186,464)	(181,813)
Net Change in Total OPEB Liability	(629,157)	196,327	269,616	1,103,685	(1,110,342)	694,544	19,552
Total OPEB Liability - Beginning	6,777,227	6,580,900	6,311,284	5,207,599	6,317,941	5,623,397	5,603,845
Total OPEB Liability - Ending	\$ 6,148,070	\$ 6,777,227	\$ 6,580,900	\$ 6,311,284	\$ 5,207,599	\$ 6,317,941	\$ 5,623,397
Covered-employee payroll	941,431	903,896	903,062	899,858	895,357	920,699	890,837
Total OPEB liability as a percentage of covered-employee payroll	653.06%	749.78 %	728.73 %	701.36 %	581.62 %	686.21 %	631.25 %

Note:

This schedule is intended to show information for 10 years. Since 2017 is the first year for this presentation. No other data prior to 2016 was available. However, additional years will be included as they become available.

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4, to pay other postemployment benefits (OPEB).

The County currently contributed enough money to the plan to satisfy current obligations on a pay-as-you-go basis.

Changes in Benefit Terms

None

Changes of Assumptions

Discount rate	3.72%	2.06%	2.12%	2.74%	4.10%	3.44%	3.78%
Mortality							
2022 Measurement date – August 2020 Annual Report to the Comptroller on Actuarial Assumptions SOA MP- 2021							
2020 Measurement date - August 2020 Annual Report to the Comptroller on Actuarial Assumptions SOA MP-2020							
2018 Measurement date - April 1, 2016 Actuarial Valuation of the New York State and Local Retirement System, modified to use Scale MP-2019							
2017 Measurement date - April 1, 2016 Actuarial Valuation of the New York State and Local Retirement System, modified to use Scale MP-2018							
2016 Measurement date - RP-2000, Scale AA							

These amounts are inclusive of NIFA.

EXHIBIT X-16**COUNTY OF NASSAU, NEW YORK****SCHEDULE OF CONTRIBUTIONS****NYSLRS PENSION PLAN****(Dollars in Thousands)**

	December 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
ERS										
Contractually required contributions	\$ 70,097	\$ 71,017	\$ 83,313	\$ 76,413	\$ 75,099	\$ 75,447	\$ 76,262	\$ 78,390	\$ 83,909	\$ 90,327
Contributions recognized by the Plan in relation to the contractually required contributions	<u>\$ 70,097</u>	<u>\$ 71,017</u>	<u>\$ 81,209</u>	<u>\$ 68,460</u>	<u>\$ 66,939</u>	<u>\$ 65,949</u>	<u>\$ 62,891</u>	<u>\$ 60,079</u>	<u>\$ 55,084</u>	<u>\$ 53,073</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$ 2,104</u>	<u>\$ 7,953</u>	<u>\$ 8,160</u>	<u>\$ 9,498</u>	<u>\$ 13,371</u>	<u>\$ 18,311</u>	<u>\$ 28,825</u>	<u>\$ 37,254</u>
Covered Payroll	\$ 514,660	\$ 512,360	\$ 507,537	\$ 507,833	\$ 521,914	\$ 475,820	\$ 466,288	\$ 459,538	\$ 443,847	\$ 452,810
Contributions recognized by the Plan as a percentage of covered payroll	13.62%	13.86%	16.00 %	13.48 %	12.83 %	13.86 %	13.49%	13.07 %	12.41 %	11.72 %
Note: ERS amounts include NIFA										
PFRS										
Contractually required contributions	\$ 104,275	\$ 96,736	\$ 92,815	\$ 82,473	\$ 80,983	\$ 84,789	\$ 90,249	\$ 87,729	\$ 83,369	\$ 91,983
Contributions recognized by the Plan in relation to the contractually required contributions	<u>\$ 104,275</u>	<u>\$ 96,736</u>	<u>\$ 91,499</u>	<u>\$ 77,602</u>	<u>\$ 76,751</u>	<u>\$ 77,619</u>	<u>\$ 78,693</u>	<u>\$ 74,838</u>	<u>\$ 68,290</u>	<u>\$ 68,382</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$ 1,316</u>	<u>\$ 4,871</u>	<u>\$ 4,232</u>	<u>\$ 7,170</u>	<u>\$ 11,556</u>	<u>\$ 12,891</u>	<u>\$ 15,079</u>	<u>\$ 23,601</u>
Covered Payroll	\$ 470,814	\$ 421,056	\$ 386,231	\$ 344,531	\$ 397,626	\$ 397,626	\$ 359,301	\$ 369,238	\$ 358,147	\$ 356,016
Contributions recognized by Plan as a percentage of covered payroll	22.15 %	25.05 %	23.69 %	22.52 %	19.30 %	19.52%	21.90 %	20.27 %	19.07 %	19.21%

EXHIBIT X-17**COUNTY OF NASSAU, NEW YORK****SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
NYSLRS PENSION PLAN****(Dollars in Thousands)**

	March 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
ERS										
County's proportion of the net pension liability (asset)	1.6124152%	1.6529321 %	1.6748782%	1.8639277%	1.8675593%	1.8724633%	1.9311317%	1.9032212%	1.8941615%	1.8958576%
County's proportionate share of the net pension liability (asset)	\$ 345,715	\$ (135,249)	\$ 1,617	\$ 462,707	\$ 123,801	\$ 56,464	\$ 169,283	\$ 284,906	\$ 59,955	\$ 79,862
Covered Payroll	\$ 513,089	\$ 508,752	\$ 507,765	\$ 518,383	\$ 488,597	\$ 488,594	\$ 459,179	\$ 432,163	\$ 437,562	\$ 435,697
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	67.38%	-26.58%	0.32%	89.26%	25.34%	11.56%	36.87%	65.93%	13.70%	18.33%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.7%	90.7%	97.9%	97.2%
Note: ERS amounts include NIFA.										
PFRS										
County's proportion of the net pension liability (asset)	8.7290462%	8.7471749 %	8.2791796%	8.5238853%	8.6611111%	8.9840456%	9.2157622%	9.0120228%	8.564898%	8.564898%
County's proportionate share of the net pension liability (asset)	\$ 480,968	\$ 49,644	\$ 143,705	\$ 455,552	\$ 145,252	\$ 90,776	\$ 190,995	\$ 266,827	\$ 23,576	\$ 35,656
Covered Payroll	\$ 433,496	\$ 394,938	\$ 354,956	\$ 370,047	\$ 392,858	\$ 404,320	\$ 370,711	\$ 337,599	\$ 341,143	\$ 355,746
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	110.95%	12.57%	40.49%	123.11%	36.97%	22.45%	51.52%	79.04%	6.91%	10.02%
Plan fiduciary net position as a percentage of the total pension liability	87.43%	98.66%	95.79%	84.86%	95.09%	96.93%	93.5%	90.2%	99%	98.5%

The amounts presented for each fiscal year were determined as of the System's measurement date, March 31st.

Sources:

(a) Amount per the allocation schedule provided by NYSLRS

(b) Amount of net pension liability provided by NYSLRS

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

EXHIBIT A-1**COUNTY OF NASSAU, NEW YORK****COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023 (Dollars in Thousands)**

	Nonmajor Special Revenue Funds						Nonmajor Debt Service Funds		
	Environmental Protection Fund	Tobacco Settlement Corp Fund	Sewer Financing Authority Fund	Grant Fund	FEMA Fund	COVID Fund	Tobacco Settlement Corp Fund	NIFA Fund	Total Nonmajor Governmental Funds
ASSETS									
Cash and Cash Equivalents	\$ 9,317	\$ 335	\$ 129	\$ 86,878	\$ 7,357	\$ 74	\$	\$	\$ 104,090
Investments			16						16
Restricted Cash and Cash Equivalents							15,910	3	15,913
Restricted Investments			1,526					15,090	16,616
Due from Other Governments				41,064	3,008	7			44,079
Accounts Receivable				411					411
Interfund Receivables				335	11			15,004	15,350
Prepays		35		2,929					2,964
Other Assets				480					480
Total Assets	\$ 9,317	\$ 370	\$ 1,671	\$ 132,097	\$ 10,376	\$ 81	\$ 15,910	\$ 30,097	\$ 199,919
DEFERRED OUTFLOWS OF RESOURCES									
Deferred Charges				102					102
Total Deferred Outflows of Resources				102					102
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 9,317	\$ 370	\$ 1,671	\$ 132,199	\$ 10,376	\$ 81	\$ 15,910	\$ 30,097	\$ 200,021
LIABILITIES									
Accounts Payable	\$	\$	\$	6,809	\$ 46	\$ 5	\$	\$	6,860
Accrued Liabilities		4		13,384	9	171		886	14,454
Unearned Revenues				102,462	1,020				103,482
Interfund Payables	8,172			3,170				42	11,384
Due to component unit				657					657
Other Liabilities				315					315
Total Liabilities	8,172	4		126,797	1,075	176		928	137,152
DEFERRED INFLOWS OF RESOURCES:									
Unavailable Revenue - Rents & Recoveries and Other				265					265
Total Deferred Inflows of Resources				265					265
FUND BALANCE									
Nonspendable		35		3,120					3,155
Spendable:									
Restricted			1,526	2,017	9,301		15,910	29,169	57,923
Committed	1,145								1,145
Assigned		331	145						476
Unassigned						(95)			(95)
Total Fund Balance	1,145	366	1,671	5,137	9,301	(95)	15,910	29,169	62,604
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 9,317	\$ 370	\$ 1,671	\$ 132,199	\$ 10,376	\$ 81	\$ 15,910	\$ 30,097	\$ 200,021

Note: Sewer Financing Authority Debt Service Fund reported no balances in its balance sheet as of December 31, 2023.

EXHIBIT A-2**COUNTY OF NASSAU, NEW YORK****COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES****NONMAJOR GOVERNMENTAL FUNDS****FOR THE YEAR ENDED DECEMBER 31, 2023 (Dollars in Thousands)**

	Nonmajor Special Revenue Funds						Nonmajor Debt Service Funds			Total Nonmajor Governmental Funds
	Environmental Protection Fund	Tobacco Settlement Corp Fund	Sewer Financing Authority Fund	Grant Fund	FEMA Fund	COVID Fund	Tobacco Settlement Corp Fund	Sewer Financing Authority Fund	NIFA Fund	
Revenues:										
Property Taxes	\$ 8,268	\$	\$	\$	\$	\$	\$	\$	\$	\$ 8,268
Tobacco Receipts							20,292			20,292
Special Taxes				2,699						2,699
Departmental Revenue				4,580						4,580
Interest Income	422	5	599	1,367		2	1,085		2,435	5,915
Fines and Forfeits				1,216						1,216
Rents and Recoveries				459						459
Interfund Revenue				204						204
Other Revenues				300						300
State Aid				50,379						50,379
Federal Aid				72,517	295	244				73,056
Total Revenues	8,690	5	599	133,721	295	246	21,377		2,435	167,368
Expenditures:										
Current:										
Judicial				3,960						3,960
General Administration		110	41	39,273		188				39,612
Protection of Persons				11,023						11,023
Health				55,241						55,241
Public Works				751	123					874
Recreation and Parks				4,787						4,787
Social Services				19,404		1				19,405
Corrections				3,660						3,660
Total Current		110	41	138,099	123	189				138,562
Debt Service:										
Principal							3,465	13,445	67,914	84,824
Interest							16,848	3,725	32,901	53,474
Bond Issuance Costs									896	896
Principal - Leases				443						443
Interest - Leases				3						3
Total Debt Service				446			20,313	17,170	101,711	139,640
Total Expenditures		110	41	138,545	123	189	20,313	17,170	101,711	278,202
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,690	(105)	558	(4,824)	172	57	1,064	(17,170)	(99,276)	(110,834)
Other Financing Sources (Uses):										
Transfers In				14	11					25
Transfers Out	(8,172)									(8,172)
Transfers In of Investment Income										
Transfers Out of Investment Income										
Transfers In from NIFA									99,024	99,024
Transfers Out to NIFA									(4,183)	(4,183)
Transfers In from NCSSWFA			162,893					17,170		180,063
Transfers Out to NCSSWFA			(163,785)							(163,785)
Transfers In from NCTSC		140								140
Transfers Out to NCTSC							(140)			(140)
Issuance of Bonds										
Refunding Bonds Issued										
Premium on Bonds										
Payment to Bond Escrow Agent										
Total Other Financing Sources (Uses)	(8,172)	140	(892)	14	11		(140)	17,170	94,841	102,972
Net Change in Fund Balance	518	35	(334)	(4,810)	183	57	924		(4,435)	(7,862)
Fund Balance Beginning of Year	627	331	2,005	9,947	9,118	(152)	14,986		33,604	70,466
Fund Balance End of Year	\$ 1,145	\$ 366	\$ 1,671	\$ 5,137	\$ 9,301	\$ (95)	\$ 15,910	\$	\$ 29,169	\$ 62,604

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**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, 2023 (Dollars in Thousands)**

	Nassau County Bridge Authority	Nassau Regional Off-Track Betting Corporation	Nassau County Industrial Development Agency	Nassau County Local Economic Assistance Corporation	Nassau County Land Bank	Total Nonmajor Discretely Presented Component Units
ASSETS						
CURRENT ASSETS:						
Cash and Cash Equivalents	\$ 12,440	\$ 13,557	\$ 3,440	\$ 1,268	\$ 285	\$ 30,990
Restricted Cash and Cash Equivalents		1,460			15	1,475
Property Held for Sale					927	927
Other Receivables	11				44	55
Accounts Receivable		747	32			779
Less Allowance for Doubtful Accounts						
Inventories	32					32
Prepays	41		40	1		82
Other Assets - Current		1,024				1,024
Total Current Assets	12,524	16,788	3,512	1,269	1,271	35,364
NON CURRENT ASSETS:						
Restricted Cash and Cash Equivalents	2,615					2,615
Net Pension Asset						
Capital Assets Not Being Depreciated		432		15		447
Depreciable Capital Assets	70,591	29,937	136			100,664
Less Accumulated Depreciation	(45,000)	(26,272)	(90)			(71,362)
Deferred Bond Issuance Costs	184					184
Total Non Current Assets	28,390	4,097	46	15		32,548
Total Assets	40,914	20,885	3,558	1,284	1,271	67,912
DEFERRED OUTFLOWS OF RESOURCES						
Pensions	883	2,782	444			4,109
Other Postemployment Benefits	1,637	2,404				4,041
Total Deferred Outflows of Resources	2,520	5,186	444			8,150
LIABILITIES						
CURRENT LIABILITIES:						
Accounts Payable and Accrued Liabilities	1,630	2,960	95	2	23	4,710
Current portion of Postemployment Retirement Benefits		2,205				2,205
Retainage Payable					36	36
Unearned Revenues			47	5		52
Due To Primary Government		158			155	313
Due to Other Governments		1,157				1,157
Current Portion of Long Term Liabilities	340	490				830
Current Portion of Lease Liabilities		63				63
Current Portion of SBITA Liability		852				852
Other Liabilities - Current		429			17	446
Total Current Liabilities	1,970	8,314	142	7	231	10,664
NON CURRENT LIABILITIES:						
Accounts Payable and Accrued Liabilities		639				639
Notes Payable		4,704				4,704
Bonds Payable	6,795					6,795
Lease Liability		455				455
Due to Other Governments, net		53				53
Accrued Vacation and Sick Pay	500	1,342	166			2,008
Postemployment Retirement Benefits Liability	10,419	42,964	1,212			54,595
Net Pension Liability	1,325	2,543	512			4,380
Original Issue Premium	647					647
Total Non Current Liabilities	19,686	52,700	1,890			74,276
Total Liabilities	21,656	61,014	2,032	7	231	84,940
DEFERRED INFLOWS OF RESOURCES						
Pensions	65	532	58			655
Other Postemployment Benefits	2,225	9,515				11,740
Total Deferred Inflows of Resources	2,290	10,047	58			12,395
NET POSITION						
Net Investment in Capital Assets	17,966	3,597	47	15		21,625
Restricted:						
Property Rehabilitation					15	15
Capital Acquisition Fund						
Unrestricted	1,522	(48,587)	1,865	1,262	1,025	(42,913)
Total Net Position (Deficit)	\$ 19,488	\$ (44,990)	\$ 1,912	\$ 1,277	\$ 1,040	\$ (21,273)

EXHIBIT A-4**COUNTY OF NASSAU, NEW YORK****COMBINING STATEMENT OF ACTIVITIES****NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS - PROPRIETARY
FOR THE YEAR ENDED DECEMBER 31, 2023 (Dollars in Thousands)**

	Nassau County Bridge Authority	Nassau Regional Off-Track Betting Corporation	Nassau County Industrial Development Agency	Nassau County Local Economic Assistance Corporation	Nassau County Land Bank	Total Nonmajor Discretely Presented Component Units
Expenses	\$ 9,051	\$ 47,837	\$ 2,647	\$ 159	\$ 177	\$ 59,871
Program Revenues:						
Charges for Services	10,574	23,066	2,099	341		36,080
Operating Grants and Contributions					244	244
Total Program Revenues	10,574	23,066	2,099	341	244	36,324
Net Program Revenues (Expenses)	1,523	(24,771)	(548)	182	67	(23,547)
General Revenues						
Federal, State and Local Appropriations						
Investment Income	172	366	145	48		731
Other	43	3,762				3,805
Royalty Income		29,538				29,538
Net General Revenues	215	33,666	145	48		34,074
Change in Net Position	1,738	8,895	(403)	230	67	10,527
Net Position (Deficit) - Beginning of Year	17,750	(53,885)	2,315	1,047	973	(31,800)
Net Position (Deficit) - End of Year	\$ 19,488	\$ (44,990)	\$ 1,912	\$ 1,277	\$ 1,040	\$ (21,273)

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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, 2023 (Dollars in Thousands)**

	<u>Original Budget</u>	<u>Total Budgetary Authority</u>	<u>Actual Revenues</u>	<u>GAAP to Budgetary Basis Conversion</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
<u>PROPERTY TAXES</u>	<u>\$ 298,597</u>	<u>\$ 298,597</u>	<u>\$ 295,373</u>	<u>\$</u>	<u>\$ 295,373</u>	<u>\$ (3,224)</u>
<u>PAYMENTS IN LIEU OF TAXES</u>	<u>36,626</u>	<u>36,627</u>	<u>35,559</u>		<u>35,559</u>	<u>(1,068)</u>
<u>PREEMPTED SALES TAX IN LIEU OF PROPERTY TAXES</u>						
Towns and City of Glen Cove	<u>115,579</u>	<u>115,579</u>	<u>115,579</u>		<u>115,579</u>	
Total Preempted Sales Tax in Lieu of Property Taxes	<u>115,579</u>	<u>115,579</u>	<u>115,579</u>		<u>115,579</u>	
<u>INTEREST AND PENALTIES ON TAXES</u>	<u>34,813</u>	<u>34,813</u>	<u>37,971</u>		<u>37,971</u>	<u>3,158</u>
<u>SALES TAX *</u>	<u>1,390,427</u>	<u>1,437,446</u>	<u>1,337,630</u>		<u>1,337,630</u>	<u>(99,816)</u>
<u>SPECIAL TAXES</u>						
Admission Tax - Belmont Park	120	120	38		38	(82)
Emergency Phone Tax	6,485	6,485	7,242		7,242	757
Entertainment Tax	2,165	2,165	2,411		2,411	246
Motor Vehicle Tax	17,100	17,100	18,608		18,608	1,508
Off-Track Betting Surtax	1,640	1,640	1,146		1,146	(494)
HM Historic Building	170	170	269		269	99
Hotel-Motel Room Tax	<u>3,755</u>	<u>3,755</u>	<u>4,312</u>		<u>4,312</u>	<u>557</u>
Total Special Taxes	<u>31,435</u>	<u>31,435</u>	<u>34,026</u>		<u>34,026</u>	<u>2,591</u>
<u>DEPARTMENTAL REVENUE</u>						
Assessment	50,145	50,145	21,814		21,814	(28,331)
Board of Elections	40	40	8		8	(32)
CASA						
Civil Service	2,523	2,523	2,325		2,325	(198)
Correctional Center	1,700	1,700	1,521	18	1,539	(161)
County Attorney	206	206	99		99	(107)
County Clerk	50,102	50,102	39,082		39,082	(11,020)
County Comptroller	11	11	10		10	(1)
District Attorney	1	1	12		12	11
Fire Commission	6,800	6,800	7,848		7,848	1,048
Health						
Administration	2	2	238		238	236
Children's Early Intervention	975	975	592	381	973	(2)
Pre School Education	3,690	5,690	8,887		8,887	3,197
Laboratory Research	30	30	51		51	21
Personal Health	4	4	4		4	
Human Services						
Administration			13		13	13
Information Technology	2	2	24	(2)	22	20
Legislature			1		1	1
Medical Examiner	25	25	32		32	7
Recreation and Parks						
Recreation Services	22,437	22,437	22,031	1,282	23,313	876
Museum			1		1	1
Golf Operations			1		1	1
Police Ambulance Fees	23,975	24,075	19,507		19,507	(4,568)
Police Fees	367	267	224		224	(43)
Probation	1,570	1,570	1,363		1,363	(207)

(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, 2023 (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						
Public Administrator	\$ 450	\$ 450	\$ 496		\$ 496	\$ 46
Public Works - Administration	20	20	228	46	274	254
Public Works - Highway and Engineering	32,227	32,227	30,659	173	30,832	(1,395)
Purchasing	60	60	63		63	3
Social Services						
Administration	1,942	1,942	1,616	493	2,109	167
Aid to Dependent Children	3,400	3,400	2,294		2,294	(1,106)
Burials	2	2	2		2	
Children in Foster Homes	60	60	19		19	(41)
Subsidized Adoptions			3		3	3
Home Energy Assistance Program	200	200	243		243	43
Children in Institutions	50	50	51		51	1
Education of Handicapped Children	12,221	12,221	9,524	1,394	10,918	(1,303)
Home Relief	3,150	3,150	2,518		2,518	(632)
Medicaid MMIS	660	660	(22)		(22)	(682)
Title XX	60	60	55		55	(5)
Treasurer	725	725	428		428	(297)
Total Departmental Revenue	219,832	221,832	173,865	3,785	177,650	(44,182)
INTEREST INCOME	4,515	4,515	63,639	40	63,679	59,164
LICENSES AND PERMITS						
Pistol Permit	1,133	1,133	1,741		1,741	608
Day Camp Permits	151	151	137		137	(14)
Food Establishments	3,415	3,415	3,392		3,392	(23)
Hazardous Materials Registration Fees	1,800	1,800	1,996		1,996	196
Home Improvements	2,800	2,800	2,842		2,842	42
Health Club License	20	20	4		4	(16)
Realty Subdivision Filing	102	102	37		37	(65)
Road Openings	1,117	1,117	986		986	(131)
Swimming Pools and Bathing Beaches	276	276	276		276	
Temporary Residence Inspection Permit	120	120	114		114	(6)
Weights & Measures	1,500	1,500	1,524		1,524	24
Cross Connections	60	60	187		187	127
Water Supply Plan Review	155	155	210		210	55
Tattoo Parlor / Piercing	20	20	55		55	35
Impact Assessment Fee	200	200	298		298	98
Pre-demolition Inspection	146	146	126		126	(20)
Taxi and Limo Registration Fees	174	174	115		115	(59)
ATM Registration Fees	140	140	34		34	(106)
Maps - Sewers	20	20	9		9	(11)
Hauling Permits	67	67	56		56	(11)
Licensing	15	15	100		100	85
Cost of Construction Fee	470	470	740		740	270
Traffic Signal Permit	53	53				(53)
Total Licenses and Permits	13,954	13,954	14,979		14,979	1,025

(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, 2023 (Dollars in Thousands)**

	Original Budget	Total Budgetary Authority	Actual Revenues	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
<u>FINES AND FORFEITS</u>	\$ 104,630	\$ 104,630	\$ 93,891	\$	\$ 93,891	\$ (10,739)
<u>RENTS AND RECOVERIES</u>						
Rental of Mitchel Field	2,562	2,562	338	1,455	1,793	(769)
Coliseum Rental	3,600	3,600	10	1,596	1,606	(1,994)
Coliseum Utilities	1,781	1,781	253	283	536	(1,245)
Marriott Lighthouse Heating and Chilling	448	448	63	(6)	57	(391)
Landmark Property Rental	1,100	1,100	943		943	(157)
LIPA Rebate			9		9	9
Mitchel Field Veterans Housing	1,341	1,341				(1,341)
Lost and Abandoned Property	21	21	499		499	478
Cash Recoveries	5,710	5,710	448		448	(5,262)
Audit Recoveries	45	45				(45)
Police Vehicle Recovery	100	100	423		423	323
Vendor Recoveries	400	400	388		388	(12)
Accounts Receivables Recoveries	100	100	4		4	(96)
Revenue Recovery Account	35	35	3		3	(32)
Settlement Reimbursement	150	150				(150)
Recovery of Damage to County Property	750	750	100		100	(650)
Recovery of Prior Year Appropriations	8,238	8,238	3,576		3,576	(4,662)
Recovery of Workers' Compensation	1,300	1,300	882		882	(418)
Rental of County Property	2,270	2,270	1,977	244	2,221	(49)
Rental of Voting Machines	150	150	145		145	(5)
Sale of County Property	3,520	3,520	320		320	(3,200)
Proceeds from Online Auction	250	250	614		614	364
Prior Year Grant Fund Recoveries			889		889	889
Lessor Base Rent			3,428	(3,428)		
Total Rents and Recoveries	33,871	33,871	15,312	144	15,456	(18,415)
<u>INTERDEPARTMENTAL REVENUES</u>						
Office of Budget and Management	54,431	54,431	69,796		69,796	15,365
Correctional Center	150	150	250		250	100
County Attorney	550	550	832		832	282
District Attorney	500	500	442		442	(58)
Human Services	100	100				(100)
Information Technology	10,799	10,799	9,640		9,640	(1,159)
Police Department	13,313	13,313	14,139		14,139	826
Public Works - Administration	20,589	20,589	16,996		16,996	(3,593)
Public Works - Groundwater Remediation	623	623	534		534	(89)
Social Services	44	44	41		41	(3)
Total Interdepartmental Revenues	101,099	101,099	112,670		112,670	11,571
<u>INTERFUND REVENUES</u>						
Revenues from Indirect Cost Chargebacks	58	58	45		45	(13)
Revenues from Grant Closeouts						
Interfund Revenue	6,135	6,135	8,624		8,624	2,489
Stop DWI Grant Revenue	77	77	203		203	126
Total Interfund Revenue	6,270	6,270	8,872		8,872	2,602
<u>OTHER REVENUES</u>						
OTB Profits	20,000	20,000	20,000		20,000	
Intergovernmental Transfers	43,894	43,894	40,048	1,987	42,035	(1,859)
PPP Revenue			425	(425)		
Total Other Revenues	\$ 63,894	\$ 63,894	\$ 60,473	\$ 1,562	\$ 62,035	\$ (1,859)

(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, 2023 (Dollars in Thousands)**

	Original Budget	Total Budgetary Authority	Actual Revenues	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
OPIOID LITIGATION SETTLEMENT REVENUE	\$	\$	\$ 11,419	\$	\$ 11,419	\$ 11,419
STATE AID						
Budget	520	3,020	2,181		2,181	(839)
Consumer Affairs	45	45	81		81	36
Correctional Center	343	343	1,673		1,673	1,330
Court Facility Aid	780	780	468		468	(312)
District Attorney	77	77	355		355	278
Fire Prevention, Safety, Communication and Education	155	154	39		39	(115)
Health						
Administration	1,388	1,388	1,641		1,641	253
Children's Early Intervention	11,180	11,180	12,682		12,682	1,502
Pre School Education	70,518	93,048	93,048		93,048	
Environmental Health	2,300	2,300	664		664	(1,636)
Laboratory Research	713	713	1,043		1,043	330
Personal Health	3,257	3,257	5,221		5,221	1,964
Housing and Intergovernmental Affairs	111	111	98		98	(13)
Human Services						
Administration	10,842	11,776	13,864		13,864	2,088
Debt Service Fund	470	470	470		470	
Police Department	750	750	872		872	122
Medical Examiner			21		21	21
Probation	9,921	9,921	7,600		7,600	(2,321)
Public Works						
Administration			131		131	131
Highway and Bridge Maintenance	104,097	107,961	112,199		112,199	4,238
Fleet Management						
Recreation and Parks			3		3	3
Recreation Service						
Social Services						
Administration	5,529	5,529	4,844		4,844	(685)
Aid to Dependent Children	100	100	229		229	129
Burials	1	1	2		2	1
Children in Foster Homes	375	375	260		260	(115)
Children in Institutions	1,720	1,720	1,451		1,451	(269)
Division of Services	7,854	7,854	6,011		6,011	(1,843)
Education of Handicapped Children	25	25	3		3	(22)
Home Relief	10,616	14,212	16,281		16,281	2,069
Juvenile Delinquents	597	597	727		727	130
Medicaid MMIS	2,150	2,150	439		439	(1,711)
Public Financial Assistance	7,992	7,992	5,951		5,951	(2,041)
Subsidized Adoptions	1,935	2,206	2,781		2,781	575
Title XX	5,000	5,000	7,591		7,591	2,591
Veterans Service Agency	90	90	90		90	
Total State Aid	261,451	295,145	301,014		301,014	5,869
FEDERAL AID						
Correctional Center	3,250	3,250	10,195		10,195	6,945
County Attorney	255	255	297		297	42
Debt Service	773	773	678		678	(95)
Behavioral Health			1		1	1
District Attorney	112	112	92		92	(20)
Emergency Management	480	480				(480)
Human Rights		50	51		51	1
Housing	371	371	565		565	194

(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, 2023 (Dollars in Thousands)**

	<u>Original Budget</u>	<u>Total Budgetary Authority</u>	<u>Actual Revenues</u>	<u>GAAP to Budgetary Basis Conversion</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
<u>FEDERAL AID (Continued)</u>						
Human Services	\$ 4,894	\$ 5,285	\$ 5,782	\$	\$ 5,782	\$ 497
Medical Examiner			63		63	63
Parks			403		403	328
Police Department	75	75				
Probation	64	64	55		55	(9)
Public Works	24,502	25,502	10,398		10,398	(15,104)
Social Services						
Administration	10,680	10,680	11,506		11,506	826
Aid to Dependent Children	20,278	20,278	20,074		20,074	(204)
Children in Foster Homes	800	800	1,312		1,312	512
Children in Institutions	3,100	3,100	3,575		3,575	475
Division of Services	15,254	15,254	13,676		13,676	(1,578)
Home Energy Assistance Program	200	200	92		92	(108)
Juvenile Delinquents	500	500	804		804	304
Medicaid MMIS	250	250	(426)		(426)	(676)
Public Financial Assistance	16,860	16,860	21,485		21,485	4,625
Subsidized Adoptions	1,450	1,721	2,156		2,156	435
Title XX	57,000	80,850	91,462		91,462	10,612
Total Federal Aid	161,148	186,710	194,296		194,296	7,586
Total Revenues	2,878,141	2,986,417	2,906,568	5,531	2,912,099	(74,318)
<u>OTHER FINANCING SOURCES</u>						
Bond Premium	1,080	1,080	16,997	(15,474)	1,523	443
Transfers In	47,346	47,346	62,346		62,346	15,000
Transfer in from NIFA	75	75	5,482		5,482	5,407
Transfers in of Investment Income	1,500	1,500	7,065		7,065	5,565
Proceeds from Bonds			316	(316)		
Issuance of Bond Refunding			114,420	(114,420)		
Total Other Financing Sources	50,001	50,001	206,626	(130,210)	76,416	26,415
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 2,928,142</u>	<u>\$ 3,036,418</u>	<u>\$ 3,113,194</u>	<u>\$ (124,679)</u>	<u>\$ 2,988,515</u>	<u>\$ (47,903)</u>

* Paid to County \$ 92,189; paid to NIFA \$1,245,441

**Total revenues and other financing sources, estimates per the 2023 County budget as adopted	\$ 3,394,296
Less: Intrafund Budget Eliminations	(451,154)
Less: Appropriated Fund Balance	(15,000)
Original Budget per above	2,928,142
Add: Supplemental Appropriations	801,018
Less: Appropriated Fund Balance	(539,000)
Less: Intrafund Modified Budget Eliminations	(153,742)
Budget Estimates, Total Revenues and Other Financing Sources	<u>\$ 3,036,418</u>

(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, 2023 (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	\$6,238	\$5,596	\$5,575	\$	\$5,575	\$21
Fringe Benefits	3,570	3,047	3,084	(58)	3,026	21
Equipment	9	2	1		1	1
General Expenses	18	10	4	1	5	5
Contractual Services	80	80	65	15	80	
Legislative Central Staff						
Salaries	901	894	894		894	
Fringe Benefits	574	490	495	(9)	486	4
Equipment	103	84	64	19	83	1
General Expenses	1,972	2,370	2,030	317	2,347	23
Contractual Services	2,204	1,816	506	1,274	1,780	36
Legislative Budget Review						
Salaries	981	831	831		831	
Fringe Benefits	533	455	461	(9)	452	3
Equipment	2					
General Expenses	11	6	6		6	
Contractual Services	2					
Total Legislative	17,198	15,681	14,016	1,550	15,566	115
JUDICIAL						
Court Administration						
Fringe Benefits	833	490	490		490	
District Attorney						
Salaries	52,015	47,391	46,585		46,585	806
Fringe Benefits	21,959	19,685	19,873	(376)	19,497	188
Equipment	1,284	1,181	991	68	1,059	122
General Expenses	2,282	1,481	1,172	298	1,470	11
Contractual Services	3,605	2,911	1,538	738	2,276	635
District Attorney Total	81,145	72,649	70,159	728	70,887	1,762
Public Administrator						
Salaries	639	515	499		499	16
Fringe Benefits	352	313	315	(6)	309	4
General Expenses	3	3	2		2	1
Contractual Services	10					
Public Administrator Total	1,004	831	816	(6)	810	21
Traffic and Parking Violations						
Salaries	4,206	4,306	4,010		4,010	296
Fringe Benefits	2,148	2,099	2,100	(39)	2,061	38
Equipment	9	1	1		1	
General Expenses	146	98	64	31	95	3
Contractual Services	19,556	16,586	9,431	4,133	13,564	3,022
Traffic and Parking Violations Total	26,065	23,090	15,606	4,125	19,731	3,359
Total Judicial	\$109,047	\$97,060	\$87,071	\$4,847	\$91,918	\$5,142

(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, 2023 (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						
Asian American Affairs						
Salaries	\$ 538	\$ 250	\$ 250	\$	\$ 250	\$ 1
Fringe Benefits	124	129	130	(2)	128	
Equipment	11	1		1	1	
General Expenses	67	6	4	2	6	
Asian American Affairs Total	740	386	384	1	385	1
Assessment						
Salaries	13,169	13,099	12,272		12,272	827
Fringe Benefits	7,820	7,277	7,301	(137)	7,164	113
Equipment						
General Expenses	1,189	731	612	117	729	2
Contractual Services	1,717	981	480	325	805	176
Assessment Total	23,895	22,088	20,665	305	20,970	1,118
Board of Assessment Review						
Salaries	6,203	6,572	6,301		6,301	271
Fringe Benefits	2,530	2,383	2,390	(45)	2,345	38
General Expenses	257	81	75	6	81	
Contractual Services						
Board of Assessment Review Total	8,990	9,036	8,766	(39)	8,727	309
Board of Elections						
Administration						
Salaries	5,100	5,403	5,119		5,119	284
Fringe Benefits	2,161	2,096	2,088	(39)	2,049	47
Equipment	32	21	10	1	11	10
General Expenses	194	171	70	40	110	61
General Elections						
Salaries	15,287	14,331	13,259		13,259	1,072
Fringe Benefits	5,479	5,295	5,288	(99)	5,189	106
Equipment	79	79	35	13	48	31
General Expenses	3,899	3,171	1,768	257	2,025	1,146
Contractual Services	543	517	188	64	252	265
Primary Elections						
Salaries	2,817	48	48		48	
Fringe Benefits	21	20	20		20	
Equipment		1	1		1	
General Expenses	1,307	926	490	147	637	289
Contractual Services	332	258	(198)	246	48	210
Board of Elections Total	37,251	32,337	28,186	630	28,816	3,521
Civil Service						
Salaries	5,617	5,347	5,154		5,154	193
Fringe Benefits	2,788	2,754	2,774	(52)	2,722	32
Equipment	50	50	50		50	
General Expenses	384	264	241	23	264	
Contractual Services	20					
Civil Service Total	8,859	8,415	8,219	(29)	8,190	225
County Attorney						
Salaries	9,497	9,683	9,505		9,505	178
Fringe Benefits	5,546	5,325	5,379	(102)	5,277	48
Equipment	13	15	14		15	
General Expenses	823	543	531	9	540	3
Contractual Services	10,959	15,139	9,793	4,057	13,850	1,289
Workers' Compensation	8,266	6,217	6,217		6,217	
County Attorney Total	35,104	36,922	31,439	3,965	35,404	1,518
County Clerk						
Salaries	7,076	7,536	6,696		6,696	840
Fringe Benefits	4,142	4,237	4,223	(79)	4,144	93
Equipment	246	243	158	70	228	15
General Expenses	271	233	191	24	215	18
Contractual Services	1,693	1,572	446	948	1,394	178
County Clerk Total	13,428	13,821	11,714	963	12,677	1,144
County Comptroller						
Salaries	9,038	9,549	9,112		9,112	437
Fringe Benefits	4,660	4,599	4,624	(87)	4,537	62

(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, 2023 (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	\$ 4	\$ 3	\$	\$ 3	\$ 1
General Expenses	68	69	62	3	65	4
Contractual Services	1,745	1,379	802	453	1,255	124
County Comptroller Total	15,516	15,600	14,603	369	14,972	628
County Executive						
Salaries	1,651	1,314	1,314		1,314	
Fringe Benefits	1,154	1,025	1,035	(20)	1,015	10
Equipment	2					
General Expenses	88	71	55	15	70	1
Contractual Services	70					
County Executive Total	2,965	2,410	2,404	(5)	2,399	11
County Treasurer						
Salaries	2,154	2,310	2,111		2,111	199
Fringe Benefits	1,380	1,219	1,219	(23)	1,196	23
Equipment	2	2				2
General Expenses	536	381	343	34	377	4
Contractual Services	817	473	91	371	462	11
County Treasurer Total	4,889	4,385	3,764	382	4,146	239
Office of Constituent Affairs						
Salaries	1,460	1,368	1,368		1,368	
Fringe Benefits	841	718	727	(14)	713	5
Office of Constituent Affairs Printing & Graphics						
General Expenses	127	127		127	127	
Contractual Services	3	3		3	3	
Office of Constituent Affairs Total	2,431	2,216	2,095	116	2,211	5
Office of Emergency Management						
Salaries	1,121	1,170	1,112		1,112	58
Fringe Benefits	524	397	400	(8)	392	5
Equipment						
General Expenses	815	790	105	132	237	553
Interdepartmental Charges	399					
Office of Emergency Management Total	2,859	2,357	1,617	124	1,741	616
Information Technology						
Administration						
Salaries	11,795	12,844	11,892		11,892	952
Fringe Benefits	6,138	5,990	5,991	(112)	5,879	111
Equipment		7	7		7	
General Expenses	4,346	2,694	1,958	637	2,595	99
Contractual Services	30,998	31,127	19,410	9,869	29,279	1,848
Utilities	4,272	4,408	3,947	210	4,157	251
Information Technology Total	57,549	57,070	43,205	10,604	53,809	3,261
Housing and Intergovernmental Affairs:						
Salaries	1,281	1,063	1,055		1,055	8
Fringe Benefits	976	782	791	(15)	776	6
General Expenses	5					
Housing and Intergovernmental Affairs Total	2,262	1,845	1,846	(15)	1,831	14
Labor Relations						
Salaries	637	596	596		596	
Fringe Benefits	356	309	313	(6)	307	2
General Expenses	8	2	2		2	
Contractual Services	451	223	185	37	222	1
Labor Relations Total	1,452	1,130	1,096	31	1,127	3

(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, 2023 (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)						
Management and Budgets						
Salaries (net of offsets)	\$ (3,390)	\$ 29,021	\$ 4,021	\$	\$ 4,021	\$ 25,000
Fringe Benefits	5,387	3,517	2,864	644	3,508	9
Equipment	28					
General Expenses	185	73	54	3	57	16
Contractual Services	3,150	3,011	1,884	929	2,813	198
Management and Budgets Total	5,360	35,622	8,823	1,576	10,399	25,223
Personnel						
Salaries	924	714	714		714	
Fringe Benefits	357	284	287	(5)	282	2
General Expenses	34	16	11	4	15	1
Contractual Services	109	71	38	25	63	8
Personnel Total	1,424	1,085	1,050	24	1,074	11
Mass Transportation						
Pt Lookout/Lido Beach Bus Rt.	138	150	162	(12)	150	
Metropolitan Suburban Bus Auth.	1,930	1,930	1,930		1,930	
LIRR Station Maintenance	36,710	35,142	35,142		35,142	
MTA-LIRR Operating Assistance	11,584	11,584	11,584		11,584	
Physically Challenged Transportation	610	610	610		610	
Intermodal Center Subsidy - Transit Bus	65					
Mass Transportation Total	51,037	49,416	49,428	(12)	49,416	
Purchasing						
Salaries	1,397	1,432	1,327		1,327	105
Fringe Benefits	849	886	890	(17)	873	13
General Expenses	19	14	12	1	13	1
Contractual Services	257	239	127	112	239	
Purchasing Total	2,522	2,571	2,356	96	2,452	119
Office of Real Estate Services						
Salaries						
Fringe Benefits	19	31	32	(1)	31	
Insurance on Buildings	1,792	11,792	484	1,309	1,793	9,999
Rent	15,981	15,394	6,034	9,360	15,394	
Office of Real Estate Services Total	17,792	27,217	6,550	10,668	17,218	9,999
Public Utility Authority						
General Expenses	390	390		390	390	
Public Utility Authority Total	390	390		390	390	
Office of Records Management						
Salaries	1,005	718	650		650	68
Fringe Benefits	523	484	485	(9)	476	8
Equipment	731	731	286	445	731	
General Expenses	117	110	98	9	107	3
Contractual Services	316	176		41	41	135
Office of Records Management Total	2,692	2,219	1,519	486	2,005	214
Building Management						
Salaries	9,936	12,025	10,340		10,340	1,685
Fringe Benefits	6,476	6,720	6,676	(125)	6,551	169
Equipment	72	44	25	19	44	
General Expenses	2,958	2,935	1,845	1,073	2,918	17
Contractual Services	5,229	7,212	4,689	2,420	7,109	103
Utility Costs	30,023	34,257	27,908	4,032	31,940	2,317
Interdepartmental Charges	10,463	16,785	16,785		16,785	
Building Management Total	65,157	79,978	68,268	7,419	75,687	4,291
Office of the Inspector General						
Salaries	1,091	959	959		959	
Equipment	2					
General Services	67	44	18	24	42	2
Office of the Inspector General Total	1,160	1,003	977	24	1,001	2
Total General Administration	365,724	409,519	318,974	38,073	357,047	52,472

(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, 2023 (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	\$ 561	\$ 585	\$ 566	\$	\$ 566	\$ 19
Fringe Benefits	351	429	432	(8)	424	5
Equipment	5					
General Expenses	47	3	3		3	
Contractual Services	6	6		6	6	
Commission on Human Rights Total	970	1,023	1,001	(2)	999	24
Commissioner of Accounts						
Fringe Benefits	58	62	63	(1)	62	
Commissioner of Accounts Total	58	62	63	(1)	62	
Consumer Affairs						
Salaries	2,235	2,217	1,944		1,944	273
Fringe Benefits	1,236	1,384	1,381	(26)	1,355	29
Equipment	5	1	1		1	
General Expenses	162	33	19	13	32	1
Contractual Services	207	108	102		102	6
Consumer Affairs Total	3,845	3,743	3,447	(13)	3,434	309
Fire Commission						
Salaries	12,501	19,363	15,397		15,397	3,966
Fringe Benefits	7,286	7,658	6,820	(184)	6,636	1,022
Equipment	155	155	32	24	56	99
General Expenses	338	338	134	80	214	124
Contractual Services	5,305	5,305	4,952	160	5,112	193
Interdepartmental Charges	3,838	3,838	3,494		3,494	344
Fire Commission Total	29,423	36,657	30,829	80	30,909	5,748
Police Headquarters						
Salaries	264,226	326,876	292,019		292,019	34,857
Fringe Benefits	178,716	176,218	178,398	(6,170)	172,228	3,990
Workers' Compensation	6,900	6,900	6,639		6,639	261
Equipment	4,289	2,375	1,674	544	2,218	157
General Expenses	9,728	9,159	6,179	2,445	8,624	535
Contractual Services	25,806	22,421	12,718	7,514	20,232	2,189
Utilities	2,500	2,661	2,113	548	2,661	
Interdepartmental Charges	29,356	33,057	33,057		33,057	
Police Headquarters Total	521,521	579,667	532,797	4,881	537,678	41,989
Medical Examiner						
Salaries	11,540	13,173	12,948		12,948	225
Fringe Benefits	4,960	4,675	4,618	(86)	4,532	143
Equipment	213	125	27	7	34	91
General Expenses	944	883	731	119	850	33
Contractual Services	69	62	26	35	61	1
Medical Examiner Total	17,726	18,918	18,350	75	18,425	493
Office of Crime Victims Advocate						
Salaries	402	344	344		344	
Fringe Benefits	136	147	148	(3)	145	2
Equipment	1					
General Expenses	96	13	7	6	13	
Contractual Services	110					
Office of Crime Victims Advocate Total	745	504	499	3	502	2
Total	745	504	499	3	502	2
Total Protection of Persons	574,288	640,574	586,986	5,023	592,009	48,565

(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, 2023 (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						
Health Department Administration						
Salaries	\$ 3,369	\$ 3,149	\$ 1,584	\$	\$ 1,584	\$ 1,565
Fringe Benefits	1,995	1,910	1,909	(36)	1,873	37
Equipment	14	5	5		5	
General Expenses	94	82	65	15	80	2
Interdepartmental Charges	3,342	4,414	4,414		4,414	
Environmental Health						
Salaries	8,445	9,691	8,669		8,669	1,022
Fringe Benefits	5,815	5,572	5,566	(104)	5,462	110
Equipment	16	15	15		15	
General Expenses	88	88	80	2	82	6
Contractual Services	147	147	71	13	84	63
Interdepartmental Charges	487	125	125		125	
Laboratory Research						
Salaries	903	1,203	1,024		1,024	179
Fringe Benefits	657	637	632	(12)	620	17
Equipment	34	10				10
General Expenses	598	566	362	130	492	74
Contractual Services	142	127	125	(13)	112	15
Interdepartmental Charges	306	141	141		141	
Public Health						
Salaries	2,115	3,423	2,649		2,649	774
Fringe Benefits	1,536	1,548	1,502	(28)	1,474	74
Equipment						
General Expenses	116	59	39	2	41	18
Contractual Services	80	80	56	(14)	42	38
Various Direct Expenses	5,000	5,000	5,000		5,000	
Interdepartmental Charges	732	390	390		390	
Early Intervention						
Salaries	3,602	4,187	3,549		3,549	638
Fringe Benefits	2,264	2,201	2,181	(41)	2,140	61
Supplies	9	1	1		1	
General Expenses	50	17	14	1	15	2
Interdepartmental Charges	449	284	284		284	
Early Intervention Charges	24,800	26,036	26,036		26,036	
Preschool Education						
Salaries	64	24	18		18	6
Fringe Benefits	10	10	10		10	
General Expenses	4	4	3		3	1
Contractual Services	426	401	205	(34)	171	230
Early Intervention Charges	143,982	179,711	164,066	1,425	165,491	14,220
Health department Total	211,691	251,258	230,790	1,306	232,096	19,162
Mental Health, Chemical Dependency and Disabled Services						
Administration						
Salaries	1,162	1,408	1,519		1,519	(111)
Fringe Benefits	1,574	1,502	1,518	(29)	1,489	13
General Expenses	3,021	1,697	1,696		1,696	1
Contractual Services	11,250	11,061	2,797	6,472	9,269	1,792
Interdepartmental Charges	1,484	1,436	1,436		1,436	
Opioid Prevention and Education	15,000	15,000	274	6,640	6,914	8,086
Direct Services						
Fringe Benefits	21	34	35	(1)	34	
Contractual Services				(25)	(25)	25
Mental Health, Chemical Dependency and Disabled Services Total	33,512	32,138	9,275	13,057	22,332	9,806
Pre-PBC Costs						
Pre-PBC retiree fringe benefits	19,306	19,307	20,882		20,882	(1,575)
Pre-PBC Costs Total	19,306	19,307	20,882		20,882	(1,575)
Total Health	264,509	302,703	260,947	14,363	275,310	27,393

(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, 2023 (Dollars in Thousands)**

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
PU BLIC WORKS						
Administration						
Salaries	\$ 4,219	\$ 4,429	\$ 4,105	\$	\$ 4,105	\$ 324
Fringe Benefits	2,927	3,022	3,037	(57)	2,980	42
Workers compensation	2,430	1,626	1,626		1,626	
Interdepartmental Charges	298					
Direct Expenses	350	125	125		125	
General Expenses	299	140	118	15	133	7
Contractual Services	4,632	4,084	2,574	1,509	4,083	1
Highway and Engineering						
Salaries	7,319	8,376	7,596		7,596	780
Fringe Benefits	4,990	5,110	5,116	(96)	5,020	90
Equipment	51	14		14	14	
General Expenses	95	16	15		15	1
Contractual Services	181,930	180,970	155,741	15,555	171,296	9,674
Utility Costs	2,213	1,470	1,375	(2)	1,373	97
Highway and Bridge Maintenance						
Salaries	11,415	15,395	13,177		13,177	2,218
Fringe Benefits	8,201	8,534	8,466	(158)	8,308	226
Equipment	359	304	120	185	305	(1)
General Expenses	3,851	3,707	1,613	1,972	3,585	122
Contractual Services	5,182	3,693	2,176	1,389	3,565	128
Utility Costs	13			(189)	(189)	189
Interdepartmental Charges	9					
Groundwater Remediation						
Salaries	3,261	6,089	4,125		4,125	1,964
Fringe Benefits	1,879	2,156	2,026	(36)	1,990	166
Equipment	37	37	1,865	(1,828)	37	
General Expenses	4,986	3,688	2,690	962	3,652	36
Contractual Services	888	783	661	101	762	21
Interdepartmental Charges	2,409	(358)	(358)		(358)	
Total Public Works	254,243	253,410	217,989	19,336	237,325	16,085
RECREATION AND PARKS						
Administration						
Contractual Services	223	223		223	223	
Technical Service						
General Expenses	2	2		1	1	1
Contractual Services	12	12	2	8	10	2
Recreation Service						
Salaries	20,365	25,250	22,676		22,676	2,574
Fringe Benefits	10,053	10,268	10,196	(190)	10,006	262
Equipment	576	507	401	16	417	90
General Expenses	1,910	1,870	1,518	253	1,771	99
Contractual Services	12,209	12,307	8,623	2,326	10,949	1,358

(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, 2023 (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						
General Expenses	\$ 1	\$ 1	\$	\$ 1	\$ 1	\$
Contractual Services	251	251		(58)	(58)	309
Golf Operations						
General Expenses	4	4				4
Total Recreation and Parks	<u>45,606</u>	<u>50,695</u>	<u>43,416</u>	<u>2,580</u>	<u>45,996</u>	<u>4,699</u>
SOCIAL SERVICES						
Bar Association - Public Defender	<u>8,203</u>	<u>14,629</u>	<u>14,446</u>	<u>183</u>	<u>14,629</u>	
Hispanic Affairs (CASA)						
Salaries	538	277	277		277	
Fringe Benefits	85	86	87	(2)	85	1
Equipment	10					
General Expenses	40	7	5	2	7	
Contractual Services	25					
Hispanic Affairs (CASA) Total	<u>698</u>	<u>370</u>	<u>369</u>		<u>369</u>	<u>1</u>
Human Services						
Salaries	2,318	2,528	2,350		2,350	178
Fringe Benefits	1,941	1,728	1,721	(32)	1,689	39
Equipment	35	7	2	5	7	
General Expenses	85	73	56	7	63	10
Contractual Services	2,170	1,884	(577)	2,371	1,794	90
Interdepartmental Charges	507	488	467		467	21
Human Services Total	<u>7,056</u>	<u>6,708</u>	<u>4,019</u>	<u>2,351</u>	<u>6,370</u>	<u>338</u>
Legal Aid Society	<u>9,460</u>	<u>9,475</u>	<u>8,909</u>	<u>556</u>	<u>9,465</u>	<u>10</u>
Minority Affairs						
Salaries	1,133	968	968		968	
Fringe Benefits	323	435	440	(8)	432	3
Equipment	25					
General Expenses	62	9	7	2	9	
Minority Affairs Total	<u>1,543</u>	<u>1,412</u>	<u>1,415</u>	<u>(6)</u>	<u>1,409</u>	<u>3</u>
Senior Citizens Affairs						
Administration						
Salaries	1,405	1,457	1,192		1,192	265
Fringe Benefits	1,306	1,225	1,241	(24)	1,217	8
General Expenses	82	82	15	1	16	66
Contractual Services	28,463	28,534	17,359	7,515	24,874	3,660
Interdepartmental Charges	635	635	656		656	(21)
Area Agency Title III						
Contractual Services				(23)	(23)	23
TITLE IIIE (Caregivers)						
Contractual Services				(6)	(6)	6
Senior Citizens Affairs Total	<u>31,891</u>	<u>31,933</u>	<u>20,463</u>	<u>7,463</u>	<u>27,926</u>	<u>4,007</u>
Social Services Department						
Administration						
Salaries	5,101	4,734	4,371		4,371	363
Fringe Benefits	2,629	2,548	2,543	(48)	2,495	53
Equipment	5	5	2		2	3
General Expenses	277	277	254	15	269	8
Contractual Services	3,064	3,003	1,348	1,200	2,548	455
Interdepartmental Charges	17,547	15,542	15,542		15,542	
Public Financial Assistance						
Salaries	21,227	23,193	21,196	198	21,394	1,799
Fringe Benefits	12,835	12,380	12,391	(233)	12,158	222
Equipment	13	13	8	1	9	4
General Expenses	292	392	365	10	375	17
Contractual Services	8,431	8,055	4,653	1,579	6,232	1,823

(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, 2023 (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	\$ 25,604	\$ 27,315	\$ 24,607	\$ 622	\$ 25,229	\$ 2,086
Fringe Benefits	15,162	14,613	14,633	(275)	14,358	255
Equipment	22	22	3		3	19
General Expenses	273	270	261	9	270	
Contractual Services	229	205	145	57	202	3
Handicapped Children Education						
Emergency Vendor Payments	26,392	25,392	18,234	4,973	23,207	2,185
Physically Challenged						
Salaries	283	288	277		277	11
Fringe Benefits	294	279	282	(5)	277	2
General Expenses	2	2				2
Interdepartmental Charges	754	633	633		633	
Aid to Dependent Children TANF						
Recipient Grants	15,000	12,568	12,568		12,568	
Emergency Vendor Payments	8,617	9,312	8,369	563	8,932	380
Home Relief SAFETY NET						
Recipient Grants	25,300	37,839	37,839		37,839	
Emergency Vendor Payments	14,500	16,122	16,122		16,122	
Children in Institutions						
Emergency Vendor Payments	12,698	13,625	11,963	28	11,991	1,634
Emergency Vendor Payments	673	673	548	52	600	73
Children in Foster Homes						
Recipient Grants	1,159	1,821	1,821		1,821	
Purchased Services	4	4	4		4	
Emergency Vendor Payments	360	524	524		524	
Juvenile Delinquents						
Emergency Vendor Payments	2,796	2,576	1,683	727	2,410	166
Training Schools						
Emergency Vendor Payments	3,825	2,232	2,232		2,232	
Children in Foster Homes - Title 4E						
Recipient Grants	5,225	6,379	6,379		6,379	
Emergency Vendor Payments	300	272	272		272	
Social Service Administration						
Recipient Grants	300	337	337		337	
Burials						
Emergency Vendor Payments	300	261	261		261	
Medicaid						
Medicaid	240,112	220,462	220,462		220,462	
Home Energy Assistance						
Recipient Grants	400	290	290		290	
Title-XX						
Purchased Services	87,338	116,134	100,677	8,259	108,936	7,198
Social Services Department Total	559,343	580,592	544,099	17,732	561,831	18,761
Veterans Service Agency						
Salaries	755	789	719		719	70
Fringe Benefits	371	355	355	(7)	348	7
General Expenses	23	10	9		9	1
Contractual Services	51	5	1	1	2	3
Veterans Service Agency Total	1,200	1,159	1,084	(6)	1,078	81

(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, 2023 (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>						
Youth Board						
Salaries	\$ 481	\$ 519	\$ 481	\$	\$ 481	\$ 38
Fringe Benefits	529	494	500	(9)	491	3
Contractual Services	11,247	10,933	7,077	2,436	9,513	1,420
Interdepartmental Charges	466	402	402		402	
Youth Board Total	12,723	12,348	8,460	2,427	10,887	1,461
Total Social Services	632,117	658,626	603,264	30,700	633,964	24,662
<u>CORRECTIONS</u>						
Correctional Center						
Salaries	112,005	127,438	125,148		125,148	2,290
Fringe Benefits	81,389	70,685	71,440	(1,352)	70,088	597
Workers' Compensation	8,732	8,186	8,186		8,186	
Equipment	297	243	97	122	219	24
General Expenses	4,929	5,470	3,790	1,317	5,107	363
Contractual Services	33,455	32,368	22,984	7,676	30,660	1,708
Utility Costs	2,193	2,148	2,035	7	2,042	106
Correctional Center Total	243,000	246,538	233,680	7,770	241,450	5,088
Sheriff						
Salaries	8,508	10,639	9,633		9,633	1,006
Fringe Benefits	5,839	5,192	5,178	(97)	5,081	111
General Expenses	33	33	25	3	28	5
Sheriff Total	14,380	15,864	14,836	(94)	14,742	1,122
Correctional Center and Sheriff Total	257,380	262,402	248,516	7,676	256,192	6,210
Probation						
Administration						
Salaries	23,908	26,732	24,458		24,458	2,274
Fringe Benefits	14,486	13,623	13,616	(255)	13,361	262
Equipment	74	74	57	15	72	2
General Expenses	463	402	268	105	373	29
Contractual Services	1,868	1,565	754	741	1,495	70
Interfund Charges	1,172	1,428	1,428		1,428	
Probation Total	41,971	43,824	40,581	606	41,187	2,637
Total Corrections	299,351	306,226	289,097	8,282	297,379	8,847
<u>EDUCATION</u>						
Payment to Long Beach Schools	106	106	106		106	
State School Tuition	16,750	16,750	13,414		13,414	3,336
Public Library Services	25,000					
Total Education	41,856	16,856	13,520		13,520	3,336
<u>AID TO TOWNS AND CITIES</u>						
Aid to Towns and Cities	91,130	93,920	93,920		93,920	
<u>SUITS AND DAMAGES</u>						
Suits and Damages	45,000	132,875	69,956		69,956	62,919
<u>PAYMENTS OF TAX CERTIORARI</u>						
Tax Certiorari	30,000	150,421	137,631		137,631	12,790
<u>OTHER EXPENDITURES</u>						
Intergovernmental Charges	21,213	21,213	21,121		21,121	92
Lido-Point Lookout Fire District	6	6	6		6	
Reserve for Contingencies			(469)		(469)	469
Other expenses			316	(316)		
Miscellaneous Expense	2,095	5,081	5,162		5,162	(81)
Fringe Benefits	786	854	832	13	845	9
NYS Association of Counties	77	77	76		76	1
Total Other Expenditures	24,177	27,231	27,044	(303)	26,741	490

(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, 2023 (Dollars in Thousands)**

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
DEBT SERVICE:						
Principal	\$ 117,695	\$ 205,450	\$ 205,450	\$	\$ 205,450	\$
Interest	97,249	92,644	92,644		92,644	
Financing Costs	1,080	1,772	1,772		1,772	
Principal on Leases			8,529	(8,529)		
Interest on Leases			2,236	(2,236)		
Principal on SBITA			316	(316)		
Interest on SBITA			32	(32)		
Total Debt Service	<u>216,024</u>	<u>299,866</u>	<u>310,979</u>	<u>(11,113)</u>	<u>299,866</u>	
Total Expenditures	<u>3,010,270</u>	<u>3,455,663</u>	<u>3,074,810</u>	<u>113,338</u>	<u>3,188,148</u>	<u>267,515</u>
OTHER FINANCING USES						
Refunding Agent			129,894	(129,894)		
Loss on Termination of Lease			3,891	(3,891)		
Transfers Out	<u>99,293</u>	<u>3,952</u>	<u>18,025</u>	<u>(16,662)</u>	<u>1,363</u>	<u>2,589</u>
TOTAL OTHER FINANCING USES	<u>99,293</u>	<u>3,952</u>	<u>151,810</u>	<u>(150,447)</u>	<u>1,363</u>	<u>2,589</u>
TOTAL EXPENDITURES AND TRANSFERS OUT	<u>\$ 3,109,563</u>	<u>\$ 3,459,615</u>	<u>\$ 3,226,620</u>	<u>\$ (37,109)</u>	<u>\$ 3,189,511</u>	<u>\$ 270,104</u>
*Appropriations per the 2023 budget as adopted						\$ 3,394,296
Intrafund Budget Elimination						(451,154)
Outstanding encumbrances, January 1, 2023						166,421
Original Budget per above						3,109,563
Add: Supplemental appropriations						801,018
Less: Intrafund Modified Budget eliminations						(450,966)
Total Budgetary Authority						<u>\$ 3,459,615</u>

Note - Budgetary authority in the General Fund is not controlled at all department levels, but by Control Center, which may comprise several departments, thus overspending on appropriations in one department is covered by surplus in another.

(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, 2023 (Dollars in Thousands)**

	Original Budget	Total Budgetary Authority	Actual	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Property Taxes	\$ 477,954	\$ 482,944	\$ 485,620	\$	\$ 485,620	\$ 2,676
Payments in Lieu of Taxes	16,758	16,758	16,758		16,758	
Departmental Revenue	2,297	2,297	2,438		2,438	141
Interest Income	50	5,550	6,896	(1,284)	5,612	62
Licenses and Permits	4,478	4,478	3,498		3,498	(980)
Fines and Forfeits	1,490	1,490	811		811	(679)
Rents and Recoveries			229		229	229
Interdepartmental Revenue			417		417	417
Federal Aid			1		1	1
Other			49		49	49
Total Revenues	<u>503,027</u>	<u>513,517</u>	<u>516,717</u>	<u>(1,284)</u>	<u>515,433</u>	<u>1,916</u>
Expenditures:						
Protection of Persons:						
Salaries	258,527	256,900	257,720	(820)	256,900	
Fringe Benefits	197,731	189,985	188,199	1,786	189,985	
Workers' Compensation	10,900	11,223	11,223		11,223	
Equipment	1,432	610	442	101	543	67
General Expenses	7,225	6,500	4,733	1,434	6,167	333
Contractual Services	1,979	1,054	575	474	1,049	5
Utility Costs	1,805	1,635	1,533	26	1,559	76
Interdepartmental Charges	<u>24,751</u>	<u>28,934</u>	<u>28,934</u>		<u>28,934</u>	
Total Expenditures	<u>504,350</u>	<u>496,841</u>	<u>493,359</u>	<u>3,001</u>	<u>496,360</u>	<u>481</u>
Excess (Deficiency) of Revenues Over (Under)						
Expenditures	<u>(1,323)</u>	<u>16,676</u>	<u>23,358</u>	<u>(4,285)</u>	<u>19,073</u>	<u>2,397</u>
Other Financing Sources (Uses):						
Transfers In			18,000	(18,000)		
Transfers Out	<u>(1,128)</u>	<u>(19,128)</u>	<u>(19,128)</u>		<u>(19,128)</u>	
Total Other Financing Sources (Uses)	<u>(1,128)</u>	<u>(19,128)</u>	<u>(1,128)</u>	<u>(18,000)</u>	<u>(19,128)</u>	
Net Change in Fund Equity (Deficit)	<u>(2,451)</u>	<u>(2,452)</u>	<u>22,230</u>	<u>(22,285)</u>	<u>(55)</u>	<u>2,397</u>
Fund Balance (Deficit) Beginning of Year	<u>2,451</u>	<u>2,452</u>	<u>95,224</u>	<u>22,839</u>	<u>118,063</u>	<u>115,611</u>
Fund Balance (Deficit) End of Year	<u>\$</u>	<u>\$</u>	<u>\$ 117,454</u>	<u>\$ 554</u>	<u>\$ 118,008</u>	<u>\$ 118,008</u>

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 AND STORM WATER DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023 (Dollars in Thousands)

	Original Budget	Total Budgetary Authority	Actual	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Property Taxes	\$	\$	\$ 155,041	\$	\$ 155,041	\$ 155,041
Payments in Lieu of Taxes			7,853		7,853	7,853
Departmental Revenue	1,253	1,253	1,140	(331)	809	(444)
Interest Income	75	75	4,027		4,027	3,952
Licenses and Permits	750	750	939	(38)	901	151
Rents and Recoveries	3,000	3,000	23,182	(17,504)	5,678	2,678
Federal Aid			6		6	6
Total Revenues	<u>5,078</u>	<u>5,078</u>	<u>192,188</u>	<u>(17,873)</u>	<u>174,315</u>	<u>169,237</u>
Expenditures:						
Public Works:						
Salaries	8,425	9,525	8,571		8,571	954
Fringe Benefits	7,539	7,139	6,789	(26)	6,763	376
Equipment	10	10	4		4	6
General Expenses	2,245	2,245	236	641	877	1,368
Contractual Services	76,534	77,308	78,814	(1,651)	77,163	145
Utility Costs	9,916	9,916	8,666	286	8,952	964
Interdepartmental Charges	6,375	7,776	7,610		7,610	166
Other	585	585		226	226	359
Debt Service:						
Principal	10,650	13,521	13,161		13,161	360
Interest	7,527	4,591	2,881		2,881	1,710
Bond Issuance Costs		60	60		60	
Total Expenditures	<u>129,806</u>	<u>132,676</u>	<u>126,792</u>	<u>(524)</u>	<u>126,268</u>	<u>6,408</u>
Excess (Deficiency) of Revenues Over (Under)						
Expenditures	<u>(124,728)</u>	<u>(127,598)</u>	<u>65,396</u>	<u>(17,349)</u>	<u>48,047</u>	<u>175,645</u>
Other Financing Sources (Uses):						
Transfer In						
Transfer Out	(37,307)	(34,436)	(34,602)		(34,602)	(166)
Transfer In of Investment Income	30	30	2,638		2,638	2,608
Transfer Out to NCSSWFA			(162,893)		(162,893)	(162,893)
Transfers In from NCSSWFA	144,947	144,947	146,615		146,615	1,668
Total Other Financing Sources (Uses)	<u>107,670</u>	<u>110,541</u>	<u>(48,242)</u>	<u>(17,349)</u>	<u>(48,242)</u>	<u>(158,783)</u>
Net Change in Fund Balances	<u>(17,058)</u>	<u>(17,057)</u>	<u>17,154</u>	<u>18,878</u>	<u>(195)</u>	<u>16,862</u>
Fund Balance Beginning of Year	<u>17,058</u>	<u>17,057</u>	<u>49,380</u>		<u>68,258</u>	<u>51,201</u>
Fund Balance End of Year	<u>\$</u>	<u>\$</u>	<u>\$ 66,534</u>	<u>\$ 1,529</u>	<u>\$ 68,063</u>	<u>\$ 68,063</u>

EXHIBIT B-5**COUNTY OF NASSAU, NEW YORK****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE****TOTAL BUDGETARY AUTHORITY, ACTUAL AND BUDGETARY BASIS****DISPUTED ASSESSMENT FUND****FOR THE YEAR ENDED DECEMBER 31, 2023 (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>						
Property Taxes	\$	\$ 444	\$ 444	\$	\$ 444	\$
Interest Income			5,535		5,535	5,535
Rents and Recoveries			8		8	8
Total Revenues		444	5,987		5,987	5,543
<u>Other Financing Uses:</u>						
Transfer Out		(444)	(444)		(444)	
Total Other Financing Uses		(444)	(444)		(444)	
Net Change in Fund Balance			5,543		5,543	5,543
Fund Balance Beginning of Year			8,808		8,808	8,808
Fund Balance End of Year	\$	\$	\$ 14,351	\$	\$ 14,351	\$ 14,351

EXHIBIT B-6**COUNTY OF NASSAU, NEW YORK**

SCHEDULE OF EXPENDITURES BY COUNTY ARPA PROGRAMS
TOTAL BUDGETARY AUTHORITY AND ACTUAL
AMERICAN RESCUE PLAN FUND
FOR THE YEAR ENDED DECEMBER 31, 2023 (Dollars in Thousands)
(INCLUDING LIFETIME ACTIVITY THROUGH DECEMBER 31, 2023)

<u>County ARPA Programs</u>	<u>Budgetary Authority as of December 31, 2023</u>	<u>Expenditures and Transfers through December 31, 2022</u>	<u>Available Budgetary Authority for 2023</u>	<u>2023 Expenditures</u>	<u>Remaining Budgetary Authority December 31, 2023</u>
American Rescue Plan	\$ 188,403	\$	\$188,403	\$	\$ 188,403
Household Assistance Program	79,410	28,269	51,141		51,141
Boost Main St Small Business Grt Program	30,000	20,000	10,000	6,834	3,166
Boost Nassau Small Business Loan Program	10,000		10,000		10,000
Boost NC Technical Assist Partner & Grts	1,500		1,500	300	1,200
Boost NC Resource Ctr Staff, Supp, Ad Buy	1,000	517	483	319	164
Boost NC Tourism Program	12,000	704	11,296	1,151	10,145
Workforce Development	10,000		10,000		10,000
Septic Grant Program	5,000	618	4,382	822	3,560
Groundwater Conservation Program	6,000		6,000	1,617	4,383
Veterans Support Programs	2,000	723	1,277	231	1,046
Behavioral Health Support	5,600	1,680	3,920	1,078	2,842
Expansion of Youth Services	1,900	1,231	669	561	108
Expansion of Office of the Aging Programs	2,750	1,546	1,204	621	583
Health & Social Services Grant Programs	10,000	961	9,039	2,769	6,270
Assistance to School Districts	2,500		2,500		2,500
Additional Consulting Assistance	6,500	3,818	2,682	1,462	1,220
Public Safety Aid - Veeb	2,000	500	1,500		1,500
COVID-19 Disinfecting	4,500	2,143	2,357	1,525	832
COVID-19 Summer Internship Program	250	17	233	109	124
Office of Health Equity	655	78	577	188	389
Div of Diversity Equity & Inclusion	585		585		585
Broadband	1,000		1,000		1,000
Non-Public Schools	1,000		1,000		1,000
Fire Comm Cad Enhancement	450		450	446	4
Total	<u>\$ 385,003</u>	<u>\$ 62,805</u>	<u>\$ 322,198</u>	<u>\$ 20,033</u>	<u>\$ 302,165</u>

Note: Budgetary Authority in the ARPA Fund is not restricted by program, only Control Center and Object Class, thus remaining budgetary authority may be reclassified.

EXHIBIT B-7

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, 2023 (Dollars in Thousands)
(INCLUDING LIFETIME ACTIVITY THROUGH DECEMBER 31, 2023)

County Departments, Offices and Boards	Budgetary Authority as of December 31, 2023	Expenditures through December 31, 2022	Available Budgetary Authority for 2023	2023 Expenditures	Remaining Budgetary Authority December 31, 2023
Affirmative Action	\$ 1,240	\$ 1,140	\$ 100	\$	\$ 100
Assessment	13,000	11,363	1,637		1,637
Behavioral Health	796,451	573,413	223,038	32,852	190,186
Budget and Management	40,588	15,338	25,250	3,634	21,616
CASA	735	466	269		269
Consumer Affairs	250	229	21		21
Correctional Center	18,800	17,218	1,582	528	1,054
County Attorney	295	295			
County Clerk	649	496	153		153
County Comptroller	805	446	359		359
Crime Victim Advocate	505		505	62	443
Criminal Justice Coordinating Council	69,146	61,356	7,790	1,874	5,916
Cultural Development	441	437	4		4
District Attorney	68,404	54,638	13,766	2,086	11,680
Drug and Alcohol	693,474	527,186	166,288		166,288
Board of Election	13,297	7,803	5,494	2,031	3,463
Emergency Management	75,039	55,574	19,465	4,800	14,665
Fire Commission	6,441	5,188	1,253	318	935
General Services	415	315	100		100
Health	425,285	336,885	88,400	19,898	68,502
Housing and Inter- Governmental Affairs	987,404	855,343	132,061	23,520	108,541
Human Rights	1,897	1,702	195		195
Human Services	16,469	5,704	10,765	2,491	8,274
Information Technology	433	394	39		39
Labor	50	46	4		4
Medical Center	5,119	188	4,931		4,931
Medical Examiner	21,085	18,106	2,979	977	2,002
Mental Health	213,875	169,654	44,221		44,221
Miscellaneous	91,127	72,570	18,557		18,557
Planning	33,905	23,785	10,120	(7)	10,127
Police	216,833	168,320	48,513	8,797	39,716
Probation	56,240	44,502	11,738	3,132	8,606
Public Works	27,610	19,636	7,974	758	7,216
Real Estate Services	466,176	161,516	304,660	5,288	299,372
Records Management	114	113	1		1
Recreation and Parks	67,727	55,813	11,914	4,787	7,127
Senior Citizen Affairs	63,162	60,291	2,871		2,871
Sheriff	66	55	11		11
Shared Services	650	642	8		8
Social Services	305,880	230,642	75,238	19,404	55,834
Traffic Safety Board	77,822	71,851	5,971	869	5,102
Veterans Services	458	424	34		34
Women's Services	194	148	46		46
Youth Board	39,081	31,638	7,443		7,443
Total	4,918,637	3,662,869	1,255,768	138,099	1,117,669
Debt Service - Leases (GASB 87)			446	446	
Total	\$ 4,918,637	\$ 3,662,869	\$ 1,256,214	\$ 138,545	\$ 1,117,669

EXHIBIT B-8**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, 2023 (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>						
Property Taxes	\$ 8,211	\$ 8,211	\$ 8,268	\$	\$ 8,268	\$ 57
Interest Income			422		422	422
Total Revenues	8,211	8,211	8,690		8,690	479
<u>Other Financing Sources (Uses):</u>						
Transfers Out	(8,211)	(8,211)	(8,172)		(8,172)	39
Total Other Financing Sources (Uses)	(8,211)	(8,211)	(8,172)		(8,172)	39
Net Change in Fund Balance			518		518	518
Fund Balance Beginning of Year			627		627	627
Fund Balance End of Year	\$	\$	\$ 1,145	\$	\$ 1,145	\$ 1,145

EXHIBIT B-9**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, 2023 (Dollars in Thousands)****(INCLUDING LIFETIME ACTIVITY THROUGH DECEMBER 31, 2023)**

County Departments, Offices and Boards	Budgetary Authority as of December 31, 2023	Expenditures and Transfers through December 31, 2022	Available Budgetary Authority for 2023	2023 Expenditures	Remaining Budgetary Authority December 31, 2023
Budget and Management	\$ 27	\$ 27	\$	\$	\$
Correctional Center	179	179			
County Attorney	23	23			
County Comptroller	135	135			
Office of Constituent Affairs	55	55			
County Executive	61	62	(1)		(1)
District Attorney	100	100			
Board of Election	249	249			
Emergency Management	1,576	1,578	(2)		(2)
Fire Commission	883	882	1		1
Health	914	914			
Human Services	68	68			
Information Technology	300	300			
Labor Relations	2	2			
Legislature	1	1			
Medical Examiner	4	4			
Personnel	28	28			
Police	11,577	11,576	1		1
Police Headquarters	10,974	10,968	6		6
Probation	419	419			
Public Works	196,093	200,880	(4,787)	123	(4,910)
Shared Services	13	13			
Recreation and Parks	2,616	2,616			
Social Services	73	73			
STEP Program	14,832	9,071	5,761		5,761
Total	\$ 241,202	\$ 240,223	\$ 979	\$ 123	\$ 856

Note - Budgetary authority in the FEMA fund is not restricted by department only Control Center and Object Class, thus remaining budgetary authority may be reclassified.

EXHIBIT B-10**COUNTY OF NASSAU, NEW YORK****SCHEDULE OF EXPENDITURES BY COUNTY DEPARTMENTS AND OFFICES****TOTAL BUDGETARY AUTHORITY AND ACTUAL****COVID FUND****FOR THE YEAR ENDED DECEMBER 31, 2023 (Dollars in Thousands)****(INCLUDING LIFETIME ACTIVITY THROUGH DECEMBER 31, 2023)**

County Departments, Offices and Boards	Budgetary Authority as of December 31, 2023	Expenditures and Transfers through December 31, 2022	Available Budgetary Authority for 2023	2023 Expenditures	2023 Transfers ^(*)	Remaining Budgetary Authority December 31, 2023
Budget and Management	\$ 10,475	\$ 560	\$ 9,915		\$ 187	\$ 9,728
Consumer Affairs	174	174				
Correctional Center	2,298	2,298				
District Attorney	81	81				
Office of Constituent Affairs	283	283				
Legislature	11	11				
Emergency Management	1,285	1,284	1	189	(188)	
Fire Commission	4,304	4,304				
Health	2,633	2,633				
Housing and Inter- governmental Affairs	304	304				
Human Services	578	577	1		1	
Information Technology	2,365	2,365				
Labor Relations	172	172				
Medical Examiner	903	903				
Minority Affairs	171	171				
Parks and Recreation	2	2				
Police	83,522	83,522				
Probation	207	207				
Public Works	254	254				
Public Works - Facilities Management	4,648	4,500	148			148
Public Works - Sewers	33	33				
Sheriff	1,233	1,233				
Social Services	795	795				
Veterans Services	68	68				
Total	\$ 116,799	\$ 106,734	\$ 10,065	\$ 189	\$	\$ 9,876

*Note: Budgetary authority in the COVID Fund is not restricted by Department, only by Control Center and Object Class, thus remaining budgetary authority may be reclassified.

EXHIBIT B-11**COUNTY OF NASSAU, NEW YORK****COMBINING BALANCE SHEET****GENERAL FUND****DECEMBER 31, 2023 (Dollars in Thousands)**

			Fire Prevention, Safety, Communication and Education Fund	Police Headquarters Fund	Technology Fund	Open Space Fund	Employee Benefit Accrued Liability Reserve Fund
ASSETS	General	Debt Service Fund					
Cash and Cash Equivalents	\$ 239,591	\$ 26,761	\$ 4,047	\$ 21,752	\$ 88	\$ 2,016	\$ 14,707
Restricted Cash and Cash Equivalents	92,524						
Sales Tax Receivable	13,421						
Due from Other Governments	167,708			616			
Less Allowance for Doubtful Accounts	(8,409)						
Accounts Receivable	33,437	3,028		748			
Real Property Taxes Receivable	72,110						
Less Allowance for Doubtful Accounts	(7,772)						
Tax Sale Certificates	4,471						
Tax Real Estate Held for Sale	6,387						
Interfund Receivables	310,809	68,950	853	9,798			20,192
Advances Receivable	42,136						
Lease Receivables	12,088						
PPP Receivable	11,587						
Prepays	16,177		417	15,794			
Due from Component Units	84,662						
Other Assets	4,493		124	844			
TOTAL ASSETS	\$ 1,095,420	\$ 98,739	\$ 5,441	\$ 49,552	\$ 88	\$ 2,016	\$ 34,899
LIABILITIES:							
Accounts Payable	80,440		15	1,535			
Accrued Liabilities	154,271	3	1,806	16,985			
Unearned Revenue	15,250						
Property Tax Refund Payable	9,481						
Interfund Payables	209,468	104,397	4,357	62,901			13,845
Due to Component Units	78,842		46				
Other Liabilities	95,371		203	4,811			
TOTAL LIABILITIES	643,123	104,400	6,427	86,232			13,845
DEFERRED INFLOWS OF RESOURCES:							
Unavailable Revenue - Period of Availability	12,191						
Leases	11,876						
Deferred Inflows (GASB 94 PPPs)	11,346						
Unavailable Revenue - Property Taxes	23,662						
Property Taxes - Part County Sales Tax Offset	37,637						
Mitchel Field - Sale of Future Rental Revenue	22,396						
Total Deferred Inflows of Resources	119,108						
FUND BALANCE (DEFICIT):							
Fund Balances (Deficit):							
Nonspendable	69,137		527	16,399			
Spendable:							
Restricted	30,082					2,016	21,054
Committed	111,812				88		
Assigned	122,158	(5,661)	(1,513)	(53,079)			
Unassigned							
Total Fund Balance (Deficit)	333,189	(5,661)	(986)	(36,680)	88	2,016	21,054
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	\$ 1,095,420	\$ 98,739	\$ 5,441	\$ 49,552	\$ 88	\$ 2,016	\$ 34,899

(Continued)

EXHIBIT B-11**COUNTY OF NASSAU, NEW YORK**
COMBINING BALANCE SHEET
GENERAL FUND
DECEMBER 31, 2023 (Dollars in Thousands)

	Litigation Fund	Bond Indebtedness Fund	Opioid Litigation Settlement Fund	Retirement Contribution Reserve Fund	Operating Reserve Fund	Intrafund Eliminations	Total General Fund
ASSETS:							
Cash and Cash Equivalents	\$ 182,929				\$ 44,034		\$ 549,201
Restricted Cash and Cash Equivalents		25,128	29,999	72,872			269,576
Sales Tax Receivable			62,329				13,421
Due from Other Governments							168,324
Less Allowance for Doubtful Accounts							(8,409)
Accounts Receivable							37,213
Real Property Taxes Receivable							72,110
Less Allowance for Doubtful Accounts							(7,772)
Tax Sale Certificates							4,471
Tax Real Estate Held for Sale							6,387
Interfund Receivables	101,965	37,898			50,000	(380,628)	219,837
Advances Receivable							42,136
Lease Receivables							12,088
PPP Receivable							11,587
Prepays							32,388
Due from Component Units							84,662
Other Assets							5,461
TOTAL ASSETS	\$ 284,894	\$ 63,026	\$ 92,328	\$ 72,872	\$ 94,034	\$ (380,628)	\$ 1,512,681
LIABILITIES:							
Accounts Payable	10,792		8				\$92,790
Accrued Liabilities	546		72				173,683
Unearned Revenue							15,250
Property Tax Refund Payable	8,173						17,654
Interfund Payables	10,904					(380,628)	25,244
Due to Component Units							78,888
Other Liabilities							100,385
TOTAL LIABILITIES	30,415		80			(380,628)	503,894
DEFERRED INFLOWS OF RESOURCES:							
Unavailable Revenue - Period of Availability							12,191
Leases							11,876
Deferred Inflows (GASB 94 PPPs)							11,346
Unavailable Revenue - Property Taxes							23,662
Property Taxes - Part County Sales Tax Offset							37,637
Mitchel Field - Sale of Future Rental Revenue							22,396
Total Deferred Inflows of Resources							119,108
FUND BALANCE (DEFICIT):							
Fund Balances (Deficit):							
Nonspendable							86,063
Spendable:							
Restricted		63,026	62,329	72,872			251,379
Committed	152,479		29,919		94,034		276,520
Assigned	102,000						213,812
Unassigned							61,905
Total Fund Balance (Deficit)	254,479	63,026	92,248	72,872	94,034		889,679
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	\$ 284,894	\$ 63,026	\$ 92,328	\$ 72,872	\$ 94,034	\$ (380,628)	\$ 1,512,681

(Concluded)

EXHIBIT B-12**COUNTY OF NASSAU, NEW YORK****COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND****FOR THE YEAR ENDED DECEMBER 31, 2023 (Dollars in Thousands)**

	General Fund	Debt Service Fund	Fire Prevention Fund	Police Headquarters Fund	Technology Fund	Open Space Fund	Employee Benefit Accrued Liability Reserve Fund
REVENUES:							
Property Taxes	\$ 18,404	\$	\$ 340	\$ 276,629	\$	\$	\$
Payments in Lieu of Taxes	26,216		405	8,938			
Preempted Sales Tax in Lieu of Property Taxes	115,579						
Interest and Penalties on Taxes	37,971						
Sales Tax	1,337,630						
Special Taxes	8,176			25,850			
Departmental Revenue	146,286		7,848	19,731			
Interest Income	41,060		141	439	4		36
Licenses and Permits	13,238			1,741			
Fines and Forfeitures	67,360			26,531			
Rents and Recoveries	15,159		1	120		15	
Interdepartmental Revenues	98,531			14,139			
Interfund Revenues	8,699			173			
Other Revenues	60,293	180					
Opioid Litigation Settlement Revenue							
State Aid	299,633	470	39	872			
Federal Aid	193,215	678		403			
Total Revenues	2,487,450	1,328	8,774	375,566	4	15	36
EXPENDITURES:							
Current:							
Legislative	14,000						
Judicial	85,942						
General Administration	312,469						
Protection of Persons	21,822		28,367	512,393			
Health	258,129						
Public Works	213,484						
Recreation and Parks	41,223						
Social Services	598,981						
Corrections	284,517						
Education	13,520						
Aid to Towns and Cities	93,920						
Suits and Damages	135						
Payments for Tax Certiorari	3,421						
Other	27,044						
Capital Outlay:							
Debt Service:							
Principal		205,450					
Interest		92,644					
Principal – Leases	8,529						
Principal – SBITA				316			
Interest – Leases	2,236						
Interest – SBITA				32			
Bond Issuance Costs		1,772					
Total Expenditures	1,979,372	299,866	28,367	512,741			
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	508,078	(298,538)	(19,593)	(137,175)	4	15	36
OTHER FINANCING SOURCES (USES):							
Transfers In	97,662	396,201	20,236	157,079			30,192
Transfers Out	(611,906)	(100,116)	(917)	(24,136)			(10,000)
Transfers In of Investment Income	7,065						
Transfers In from NIFA	5,482						
Issuance of Debt	316						
Issuance of Refunding Bonds		114,420					
Other Financing Use – Loss on Termination of Leases	(3,891)						
Premium on Bonds		16,997					
Payment to Refunded Bonds Escrow Agent		(129,894)					
Total Other Financing Sources (Uses)	(505,272)	297,608	19,319	132,943			20,192
NET CHANGE IN FUND BALANCE (DEFICIT)	2,806	(930)	(274)	(4,232)	4	15	20,228
TOTAL FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	330,383	(4,731)	(712)	(32,448)	84	2,001	826
TOTAL FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 333,189	\$ (5,661)	\$ (986)	\$ (36,680)	\$ 88	\$ 2,016	\$ 21,054

(Continued)

EXHIBIT B-12**COUNTY OF NASSAU, NEW YORK**
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023 (Dollars in Thousands)**

	Litigation Fund	Bond Indebtedness Fund	Opioid Litigation Settlement Fund	Retirement Contribution Reserve Fund	Operating Reserve Fund	Intrafund Eliminations	Total General Fund
REVENUES:							
Property Taxes	\$	\$	\$	\$	\$	\$	\$ 295,373
Payments in Lieu of Taxes							35,559
Preempted Sales Tax in Lieu of Property Taxes							115,579
Interest and Penalties on Taxes							37,971
Sales Tax							1,337,630
Special Taxes							34,026
Departmental Revenue							173,865
Interest Income	15,496		3,853	2,525	85		63,639
Licenses and Permits							14,979
Fines and Forfeitures							93,891
Rents and Recoveries	17						15,312
Interdepartmental Revenues							112,670
Interfund Revenues							8,872
Other Revenues							60,473
Opioid Litigation Settlement Revenue			11,419				11,419
State Aid							301,014
Federal Aid							194,296
Total Revenues	15,513		15,272	2,525	85		2,906,568
EXPENDITURES:							
Current:							
Legislative	16						14,016
Judicial	491				638		87,071
General Administration	4,129				2,376		318,974
Protection of Persons	21,194				3,210		586,986
Health	1,962		274		582		260,947
Public Works	3,415				1,090		217,989
Recreation and Parks	1,660				533		43,416
Social Services	2,682				1,601		603,264
Corrections	3,559				1,021		289,097
Education							13,520
Aid to Towns and Cities							93,920
Suits and Damages	69,821						69,956
Payments for Tax Certiorari	134,210						137,631
Other							27,044
Capital Outlay:							
Debt Service:							
Principal							205,450
Interest							92,644
Principal – Leases							8,529
Principal – SBITA							316
Interest – Leases							2,236
Interest – SBITA							32
Bond Issuance Costs							1,772
Total Expenditures	243,139		274		11,051		3,074,810
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(227,626)		14,998	2,525	(10,966)		(168,242)
OTHER FINANCING SOURCES (USES):							
Transfers In	110,000	37,898			105,000	(891,922)	62,346
Transfers Out	(63,000)	(99,872)				891,922	(18,025)
Transfers In of Investment Income							7,065
Transfers In from NIFA							5,482
Issuance of Debt							316
Issuance of Refunding Bonds							114,420
Other Financing Use – Loss on Termination of Lease							(3,891)
Premium on Bonds							16,997
Payment to Refunded Bonds Escrow Agent							(129,894)
Total Other Financing Sources (Uses)	47,000	(61,974)			105,000		54,816
NET CHANGE IN FUND BALANCE (DEFICIT)	(180,626)	(61,974)	14,998	2,525	94,034		(113,426)
TOTAL FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	435,105	125,000	77,250	70,347			1,003,105
TOTAL FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 254,479	\$ 63,026	\$ 92,248	\$ 72,872	\$ 94,034	\$	\$ 889,679

(Concluded)

EXHIBIT C-1**COUNTY OF NASSAU, NEW YORK****CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS BY FUNCTION
DECEMBER 31, 2023 (Dollars in Thousands)**

	<u>Land*</u>	<u>Intangible Assets</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Total</u>
Legislative	\$	\$	\$	\$ 254	\$ 385	\$	\$ 639
Judicial	2,594		1,933	73,629	6,744		84,900
General Administration	120,585	72,544	1,197	286,026	41,290		521,642
Protection of Persons	7,711		190	113,869	169,673	42,817	334,260
Health	475			4,672	3,265		8,412
Public Works	32,218		33,816	333,848	77,938	3,044,082	3,521,902
Recreation and Parks	35,653		77,112	229,854	8,993	93,787	445,399
Social Services	534		3,840	19,967	892		25,233
Corrections				187,800	12,808	18	200,626
Other Expenditures/MSBA				26,409	157,975		184,384
Metropolitan Transportation Authority					40		40
Misc. Unclassified	56,297		702	134,298	10		191,307
Total	256,067	72,544	118,790	1,410,626	480,013	3,180,704	5,518,744
Less: Accumulated Depreciation and Amortization		21,013	88,909	737,808	318,358	1,714,986	2,881,074
Lease Assets				145,918			145,918
Less: Accumulated Amortization				21,177			21,177
Subscription Assets		2,235					2,235
Less: Accumulated Amortization		294					294
	<u>\$ 256,067</u>	<u>\$ 53,472</u>	<u>\$ 29,881</u>	<u>\$ 797,559</u>	<u>\$ 161,655</u>	<u>\$ 1,465,718</u>	\$2,764,352
Construction in Progress							<u>1,515,500</u>
Total Net Capital Assets							<u>\$ 4,279,852</u>

* Land is not depreciated.

EXHIBIT C-2**COUNTY OF NASSAU, NEW YORK****STATEMENT OF CHANGES IN CAPITAL ASSETS BY FUNCTION****FOR THE YEAR ENDED DECEMBER 31, 2023 (Dollars in Thousands)**

	(As restated)** Capital Assets January 1, 2023	Additions*	Reductions*	Capital Assets December 31, 2023
Legislative	\$582	\$ 57	\$	\$ 639
Judicial	84,648	626	374	84,900
General Administration	508,675	12,999	32	521,642
Protection of Persons	318,279	19,561	3,580	334,260
Health	8,496	39	123	8,412
Public Works	3,372,916	149,651	665	3,521,902
Recreation and Parks	418,650	26,852	103	445,399
Social Services	25,152	124	43	25,233
Corrections	199,472	2,068	914	200,626
Other Expenditures/MSBA	205,014	5,674	26,304	184,384
Metropolitan Transportation Authority	40			40
Misc. Unclassified	191,307			191,307
Construction in Progress	1,384,776	302,235	171,511	1,515,500
Total	6,718,007	519,886	203,649	7,034,244
Less: Accumulated Depreciation and Amortization	2,742,863	167,991	29,780	2,881,074
Lease Assets	145,918			145,918
Less: Accumulated Amortization	9,571	11,606		21,177
Subscription Asset	2,235			2,235
Less: Accumulated Amortization		294		294
Total Changes in Net Capital Assets	\$ 4,113,726	\$ 339,995	\$ 173,869	\$ 4,279,852

* Additions and reductions include land, buildings, equipment, infrastructure and intangible assets for the County and the transfer of construction in progress.

** January 1, 2023 balances were restated for the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Refer to Note 10.

EXHIBIT D-1**COUNTY OF NASSAU, NEW YORK****STATEMENT OF CASH IN BANKS*
ALL FUNDS OF THE PRIMARY GOVERNMENT
DECEMBER 31, 2023 (Dollars in Thousands)**

CASH BALANCES BY FUND:

General Fund	\$ 818,777	
NIFA Fund	902	
Police District Fund	119,009	
Sewer and Storm Water District Fund	91,004	
Capital Fund	422,186	
Disputed Assessment Fund	98,012	
American Rescue Plan Fund	133,381	
Nonmajor Governmental Funds	120,003	
Agency Fund	63,585	
Total Cash Balances By Funds	<u>\$ 1,866,859</u>	<u>**</u>

CASH BALANCES BY BANK:

The Bank of New York	\$ 1,034	
Held by Fiscal Agent - EFC	60,024	
Bank of America	116,094	
JP Morgan Chase	770,435	
Capital One Bank	71,092	
Hanover Bank	10,000	
NY MuniTrust ***	50,000	
NYCLASS LG Investment Pool***	201,402	
Santander Bank	231,355	
Sterling National Bank	57,585	
TD Bank	96,646	
Wells Fargo	184,593	
Deutsche Bank ****	15,910	
Petty Cash	689	
Total Cash Balances By Bank	<u>\$ 1,866,859</u>	<u></u>

*See Exhibit X-14 Note 3, 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 and Cash Held by Fiscal Agent 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 Fiduciary Net Position (Exhibit X-10).

*** The two Investment pools are not FDIC insured

**** Represents Tobacco Settlement Corporation (TSC) restricted cash equivalents.

FINANCIAL SCHEDULES (pursuant to NIFA resolution)

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EXHIBIT E-1

COUNTY OF NASSAU, NEW YORK

CONTROL PERIOD CALCULATION SCHEDULE

DECEMBER 31, 2023

	<u>(\$'s thousands)</u>
Net Change in Fund Balance - GAAP (Modified Accrual Basis) Primary Operating Funds (from Note 2)	\$ 19,600
Less: Adjustments for Revenue Included in Other Financing Sources	
Less: Adjustments for Operating Expenditures Not Included in Other Financing Uses Borrowed funds to pay operating expenditures	 (316)
Results Under Control Period Calculation	<u><u>\$ 19,284</u></u>

EXHIBIT E-2**COUNTY OF NASSAU, NEW YORK****CONTROL PERIOD CALCULATION SCHEDULE - HISTORICAL DATA*
LAST EIGHT FISCAL YEARS**

	(\$'s in millions)							
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net Change in Fund Balance - General and Police District Fund, as Adjusted to Primary Operating Funds * (from Exhibit E-1)	<u>\$ 19.6</u>	<u>\$ 79.7</u>	<u>\$ 27.2</u>	<u>\$ 103.1</u>	<u>\$ 138.9</u>	<u>\$ (17.4)</u>	<u>\$ (58.8)</u>	<u>\$ 27.1</u>
Less: Adjustments for Resources Included in Other Financing Sources/Uses								
Premiums on Bonds (Net of Expense of Loans)						(2.0)		(43.8)
Borrowed Funds to Pay Property Tax Refunds					(61.1)	(38.5)	(0.7)	(59.3)
Borrowed Funds to Pay Termination Pay						(0.2)		(2.0)
Borrowed Funds to Pay Other Operating Expenditures	(0.3)				(0.2)	(3.1)	(3.5)	
Transfer of Revenue From Other Funds to Offset Debt Expenditures				(12.5)	(0.8)	(0.2)	(0.2)	(5.1)
Total Other Financing Sources/Uses to be Eliminated	<u>(0.3)</u>			<u>(12.5)</u>	<u>(62.1)</u>	<u>(43.8)</u>	<u>(4.4)</u>	<u>(110.2)</u>
Results Under Control Period Calculation	<u>\$ 19.3</u>	<u>\$ 79.7</u>	<u>\$ 27.2</u>	<u>\$ 90.6</u>	<u>\$ 76.8</u>	<u>\$ (61.2)</u>	<u>\$ (63.2)</u>	<u>\$ (83.1)</u>

* Includes: General Fund, Police Headquarters Fund, Police District Fund, Fire Prevention, Safety, Communication and Education Fund, and Debt Service Fund.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Bruce A. Blakeman, Nassau County Executive,
the Honorable Elaine Phillips, Nassau County Comptroller
and the Members of the Legislature of the County of Nassau, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the 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 (the "County"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated June 27, 2024. Our report includes a reference to other auditors who audited the financial statements of Nassau Community College, Nassau Regional Off-Track Betting Corporation, Nassau Health Care Corporation ("NHCC"), Nassau County Industrial Development Agency ("IDA"), and Nassau County Local Economic Assistance Corporation, Nassau County Bridge Authority, and Nassau County Interim Finance Authority, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. Our report contained emphasis of matter paragraphs concerning the County being under a control period as imposed by the Nassau County Interim Finance Authority, Nassau Community College net position balance restatement as of September 1, 2022 and NHCC's ability to continue as a going concern. The financial statements of NHCC were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CBIZ CPAs P.C.¹

New York, NY
June 27, 2024

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;
AND REPORT ON SCHEDULE OF EXPENDITURES OF EXPENDITURES
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Bruce A. Blakeman, Nassau County Executive,
the Honorable Elaine Phillips, Nassau County Comptroller
and Members of the Legislature of the County of Nassau, New York

Report on Compliance for Each Major Federal Program

Opinion of Each Major Federal Program

We have audited the County of Nassau, New York's (the "County") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2023. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of Nassau Community College and Nassau Health Care Corporation ("NHCC") which received federal awards which are not included in the schedule of expenditures of federal awards for the year ended December 31, 2023. Our audit, described in the first paragraph, did not include the operations of Nassau Community College because a separate audit was performed of Nassau Community College in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance") as of its year-end of August 31, 2023. Our audit, described below, also did not include the operations of Nassau Health Care Corporation because they engage other auditors to perform an audit in accordance with Uniform Guidance as of its year-end December 31, 2023.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis of Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditors' Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.



Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.



Our consideration of internal control over compliance was for the limited purpose described in the *Auditors' Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 27, 2024, which contained unmodified opinions on those financial statements, and included emphasis of matter paragraphs concerning the County being under a control period as imposed by Nassau County Interim Finance Authority, Nassau Community College net position balance restatement as of September 1, 2022 and NHCC's ability to continue as a going concern. Our report also included a reference to other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

CBIZ CPAs P.C.¹

New York, NY
September 20, 2024

**COUNTY OF NASSAU, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amount Provided to Subrecipients
<u>U.S. Department of Agriculture:</u>				
Pass-Through From: NYS Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	280401951000	\$ 12,372	\$ -
National School Lunch Program	10.555	280401951000	16,210	-
Summer Food Service Program for Children (SFSPC)	10.559	Not available	123,362	-
Total Child Nutrition Cluster			151,944	-
Pass-Through From: NYS Department of Health				
WIC Special Supplemental Nutrition Program for Women, Infants, and Children - Administrative Expenditures	10.557	C38224GG-3450000	1,194,567	-
WIC Special Supplemental Nutrition Program for Women, Infants, and Children - Non-cash Assistance	10.557	C38224GG-3450000	4,403,428	-
Total WIC Special Supplemental Nutrition Program for Women, Infants, and Children			5,597,995	-
Pass-Through From: NYS Office of Temporary and Disability Assistance				
SNAP Cluster				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Not available	9,215,221	-
Total U.S. Department of Agriculture			14,965,160	-
<u>U.S. Department of Housing and Urban Development (HUD):</u>				
CDBG - Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218		15,703,925	7,086,643
COVID-19 - Community Development Block Grants/Entitlement Grants	14.218		2,136,483	867,371
Total CDBG - Entitlement Grants Cluster			17,840,408	7,954,014
Emergency Solutions Grant Program	14.231		1,052,192	879,600
COVID-19 - Emergency Solutions Grant Program	14.231		2,635,788	2,557,493
Total Emergency Solutions Grant Program			3,687,980	3,437,093
Home Investment Partnerships Program	14.239		2,057,117	1,681,225
Pass-Through From: Housing Trust Fund Corporation/Governor's Office of Storm Recovery (GOSR)				
CDBG - Disaster Recovery Grants - Pub. L. No. 113-2 Cluster				
Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR)				
Community Reconstruction Program	14.269	Not available	1,495,340	-
Total U.S. Department of Housing and Urban Development			25,080,845	13,072,332
<u>U.S. Department of Justice:</u>				
Comprehensive Forensic DNA Analysis Grant Program	16.036		29,284	-
National Criminal History Improvement Program (NCHIP)	16.554		38,671	-
State Criminal Alien Assistance Program (SCAAP)	16.606		8,991,349	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738		61,750	-
DNA Backlog Reduction Program	16.741		375,082	-
Equitable Sharing Program	16.922		522,541	-
Pass-Through From: NYS Office of Victim Services				
Crime Victim Assistance	16.575	OVS01-C11311GG-1080200, C11312GG	1,132,750	-
Pass-Through From: County of Suffolk				
Project Safe Neighborhoods	16.609	003-POL-3645-4770	491,050	-
Pass-Through From: NYS Division of Criminal Justice Services				
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	DCJ01-C00626GG-1090000 (MEPC 23), FS23662431 (MEPC 24), DCJ01-C00627GG- 1090000	61,924	-
Total U.S. Department of Justice			11,704,401	-

(Continued)

**COUNTY OF NASSAU, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amount Provided to Subrecipients
<u>U.S. Department of Transportation:</u>				
FMCSA Cluster				
High Priority Grant Program	20.237		\$ 894,990	\$ -
Total FMCSA Cluster			894,990	-
Federal Transit Cluster				
Federal Transit-Capital Investment Grants	20.500		524,758	-
Federal Transit-Formula Grants	20.507		4,700,163	-
COVID-19 - Federal Transit-Formula Grants	20.507		9,639,152	-
Total Federal Transit Cluster			14,864,073	-
Pass-Through From: New York Metropolitan Transportation Council				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	C033468	69,730	-
Highway Planning and Construction	20.205	C033468	244,368	-
Pass-Through From: NYS Department of Transportation				
Highway Planning and Construction	20.205	D035349, D040398, D035330, D036043, D035010, D035928, D035053-GPI,D035052- Welsbach, D040281, D040398	5,310,400	-
Total Highway Planning Construction			5,554,768	-
Highway Safety Cluster				
Pass-Through From: NYS Division of Criminal Justice Services				
State and Community Highway Safety	20.600	Not available	97,484	-
Pass-Through From: NYS Governor's Traffic Safety Committee				
State and Community Highway Safety	20.600	C002635	218,684	-
National Priority Safety Programs	20.616	T006921, T006973	90,101	-
Total Highway Safety Cluster			406,269	-
Total U.S. Department of Transportation			21,789,830	-
<u>U.S. Department of Treasury:</u>				
Equitable Sharing	21.016		2,180,251	-
COVID-19 - Emergency Rental Assistance Program	21.023		131,509	-
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		15,095,908	4,245,000
Local Assistance and Tribal Consistency Fund	21.032		50,000	-
Total U.S. Department of Treasury			17,457,668	4,245,000
<u>U.S. Environmental Protection Agency:</u>				
Pass-Through From: NYS Department of Health				
Beach-Monitoring and Notification Program Implementation Grants	66.472	C37060GG	58,350	-
Total U.S. Environmental Protection Agency			58,350	-
<u>U.S. Department of Education:</u>				
Pass-Through From: NYS Department of Health				
Special Education - Grants for Infants and Families	84.181	DOH01-C36416GG-3450000	568,634	-
Total U.S. Department of Education			568,634	-
<u>U.S. Department of Health and Human Services:</u>				
HIV Emergency Relief Project Grants	93.914		6,107,848	5,743,703

(Continued)

**COUNTY OF NASSAU, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amount Provided to Subrecipients
Pass-Through From: Nassau Association of County and City Health Officials				
Non-ACA/PPHF-Building Capacity of the Public Health System to Improve Population Health Through National Nonprofit Organizations	93.424	Not available	\$ 308	\$ -
Pass-Through From: NYS Department of Health				
Injury Prevention and Control Research and State and Community Based Programs	93.136	6228-04	50,081	-
Immunization Cooperative Agreements	93.268	C32528GG	91,021	-
COVID-19 - Immunization Cooperative Agreements	93.268	C36942GG	377,249	-
Total Immunization Cooperative Agreements			468,270	-
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	C37237GG	156,081	-
Maternal and Child Health Services Block Grant to the States	93.994	DOHO1-C35727GG-3450000, C30903GG, C36998GG	193,265	-
Children's Health Insurance Program	93.767	Not available	568,699	-
Medicaid Cluster				
Medical Assistance Program	93.778	Not available	13,204,903	-
Total Medicaid Cluster			13,204,903	-
Pass-Through From: NYS Office of Temporary and Disability Assistance				
Child Support Enforcement	93.563	Not available	2,788,127	-
Low-Income Home Energy Assistance	93.568	Not available	6,275,445	-
Temporary Assistance for Needy Families (TANF)	93.558	Not available	46,271,558	-
Pass-Through From: NYS Office of Children and Family Services				
CCDF Cluster				
Child Care and Development Block Grant	93.575	Not available	39,495,433	-
Child Care Mandatory and Matching Fund of the Child Care and Development Fund	93.596	Not available	50,742,233	-
Total CCDF Cluster			90,237,666	-
Guardianship Assistance	93.090	Not available	50,944	-
Promoting Safe and Stable Families	93.556	Not available	526,514	-
Child Welfare Services Program	93.645	Not available	308,767	-
Foster Care, Title IV-E	93.658	Not available	4,673,533	-
Adoption Assistance	93.659	Not available	1,872,031	-
Social Services Block Grant	93.667	Not available	5,340,694	-
Chafee Foster Care Independence Program	93.674	Not available	212,071	-
Pass-Through From: Health Research, Inc.				
Public Health Emergency Preparedness	93.069	1624-16, 1624-17, 1624-18	671,575	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	C33947GG	125,673	-
COVID-19 - Epidemiology Lab Capacity for Infectious Disease	93.323	6842-01, 6427-01	4,391,570	-
Pass-Through From: NYS Office for the Aging				
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	Not available	90,597	31,743
Aging Cluster				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	Not available	1,217,770	1,217,770
COVID-19 - Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	Not available	240,965	237,607
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	Not available	2,912,508	2,912,508
COVID-19 - Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	Not available	1,399,195	1,388,562
Nutrition Services Incentive Program	93.053	Not available	401,535	401,535
Total Aging Cluster			6,171,973	6,157,982
COVID-19 - Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	Not available	7,703	-
National Family Caregiver Support Title III, Part E	93.052	Not available	780,311	780,311
COVID-19 - National Family Caregiver Support Title III, Part E	93.052	Not available	205,974	205,974
Total National Family Caregiver Support Title, Part E			986,285	986,285
Elder Abuse Prevention Interventions Program	93.747	Not available	30,404	-
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	Not available	61,241	61,241

(Continued)

COUNTY OF NASSAU, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amount Provided to Subrecipients
Pass-Through From: NYS Office of Alcohol and Substance Abuse Services				
COVID-19 Block Grants for Prevention and Treatment of Substance Abuse	93.959	Not available	\$ 4,963	\$ -
Pass-Through From: NYS Office of Mental Health				
Block Grants for Community Mental Health Services	93.958	Not available	1,256,161	695,904
Total U.S. Department of Health and Human Services			193,104,950	13,676,858
<u>U.S. Department of Homeland Security:</u>				
Assistance to Firefighters Grant	97.044		33,734	-
Port Security Grant Program	97.056		1,190,896	-
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083		430,901	-
Pass-Through From: NYS Division of Homeland Security & Emergency Services				
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	Not available	16,713,027	-
COVID-19 - Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	Not available	451,668	-
Isaias - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Not available	12,029	-
Ida - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Not available	2,184,538	-
Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)			19,361,262	-
Hazard Mitigation Grant	97.039	C000863	9,618,225	-
Emergency Management Performance Grants	97.042	C834105, C834115	6,761	-
		C154173, C884383, C154193, C971703,C154113, C190197, C971760, C971780, C884310, C971753, C154113, C190197, T154194, C971770, C971780, C884383, C971790, C154193, C971700, C971703, C884310, C154113, C971779, C834188, C154199, C834189, C884383, C154193, C971703, C190197, C971780, C971700, T180237, T180256, C971792, C971702, C190146, C175027, C151880, C971763, C151890, C160083, C154173,C154193, C971780		
Homeland Security Grant Program	97.067		4,189,513	-
Total U.S. Department of Homeland Security			34,831,292	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 319,561,130	\$ 30,994,190

COUNTY OF NASSAU, NEW YORK
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2023

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule" or "SEFA") includes the federal award activity of the County of Nassau, New York (the "County") under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

The County's reporting entity is defined in Note 1 of the County's basic financial statements. All federal awards received directly from federal agencies, as well as passed through from other government agencies, are included on the Schedule, except for Nassau Community College and Nassau Health Care Corporation. Nassau Community College and Nassau Health Care Corporation have a single audit conducted by other auditors.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures are reported on the modified accrual basis of accounting for grants which are accounted for in the governmental fund types, except for expenditures of U.S. Department of Agriculture (School Breakfast Program, National School Lunch Program), U.S. Department of Justice (Equitable Sharing Program, State Criminal Alien Assistance Program (SCAAP)), and U.S. Department of Treasury (Equitable Sharing Program) which are reported on a cash basis.

Federal Emergency Management Agency ("FEMA") expenditures are reported on the SEFA when: (1) FEMA has approved the County's Project, and (2) the County has incurred eligible expenditures. FEMA federal awards expended in years subsequent to the fiscal year in which the Project is approved are reported in the County's SEFA in those subsequent years.

Expenditures are reported following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* for grant awards prior to December 26, 2014 and *Cost Principles for State, Local, and Indian Tribal Governments*, 2 CFR Subpart E for grant awards after December 26, 2014, wherein certain types of expenditures/expenses are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3 – DISASTER GRANTS PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS)
ASSISTANCE LISTING NUMBER #97.036, HURRICANE SANDY COMMUNITY DEVELOPMENT BLOCK
GRANT DISASTER RECOVERY GRANT (CDBG-DR) ASSISTANCE LISTING NUMBER #14.269

Hurricane Sandy

In 2012, the County sustained damage from Hurricane Sandy (the "Storm"), mainly from downed trees and floodwaters. The County's costs for emergency protective measures, debris removal and other recovery efforts reported in the SEFA for 2023 according to the FEMA reporting guidelines totaled \$16,713,027. This is comprised of incurred expenditures of \$760,368 between 2012-2022 and \$15,952,659 in Financial Year 2023.

Tropical Storm Isaias

On August 4, 2020, Isaias which was downgraded from a hurricane to a tropical storm, produced widespread tropical-storm-force winds, flooding, and occasional gusts to hurricane force across the southeastern portion of New York State, including Long Island and New York City. The County incurred substantial damage and has reported a total of \$12,029 of expenditures in Financial Year 2023.

Hurricane Ida

The remnants of Hurricane Ida reached the New York City metro area and Long Island on September 1, 2021, with heavy rainfall and flooding, power outages, and a mudslide. The County incurred damages and has reported a total of \$2,184,538 of expenditures in Financial Year 2023.

COUNTY OF NASSAU, NEW YORK
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2023

NOTE 3 – DISASTER GRANTS PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS)
ASSISTANCE LISTING NUMBER #97.036, HURRICANE SANDY COMMUNITY DEVELOPMENT BLOCK
GRANT DISASTER RECOVERY GRANT (CDBG-DR) ASSISTANCE LISTING NUMBER #14.269
(Continued)

CDBG-DR

In 2014, Governor Andrew Cuomo announced that the State of New York would provide the 10% local match for entities that are in the Superstorm Sandy FEMA Public Assistance (“PA”) program. The funds come from the United States Department of Housing and Urban Development (“HUD”) Community Development Block Grant Disaster Recovery (“CDBG-DR”) program. These pass-through funds are administered by the Governor’s Office of Storm Recovery (“GOSR”). GOSR committed to paying the County’s local match related to Bay Park’s restoration for all expenditures obligated under Project Worksheet (“PW”) #3714. All other PWs were subject to a payment of the County’s local share up to \$19.6 million for FEMA obligations of \$196 million.

The programs noted in the SEFA under Assistance Listing Number #14.269 – Hurricane Sandy CDBG-DR provide additional funds for various Community Reconstruction projects, which all met HUD national objectives. These pass-through funds are also administered by the GOSR. The County has reported a total of \$1,495,340 in CDBG-DR funding for Financial Year 2023 related to these projects.

NOTE 4 – RELATIONSHIP TO THE BASIC FINANCIAL STATEMENTS

Reconciliation of Federal Expenditures Reported in the SEFA to the Annual Comprehensive Financial Report:

The differences between the Federal expenditures reported in the SEFA and the County’s Annual Comprehensive Financial Report are primarily comprised of the 2023 Women, Infants and Children Program (“WIC”), of which disbursements to the program recipients or vendors, were drawn directly from NYS accounts, and are not included in the County’s basic financial statements, cash reporting for some programs, accounting accrual and other reporting differences for some programs, federal revenue not required to be reported in the SEFA and Disaster Grants reporting differences as shown in the schedule below:

Total Expenditures per Schedule of Expenditures of Federal Awards	\$ 319,561,130
Adjustments:	
Add: Federal Amounts not required to be reported in the SEFA	930,986
Add: Other accounting accruals and prior period adjustments	2,106,261
Add: Disaster Grant - Adjustments	8,451,304
Less: On Top Adjustments	(1,847,456)
Less: WIC	(4,403,427)
Less: Cash basis adjustments - Asset Forfeiture	<u>(1,840,798)</u>
Federal Aid revenue as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Annual Comprehensive Financial Report	<u>\$ 322,958,000</u>

*Build America Bonds, Inmate Housing Reimbursement, Section 8 and other non-reportable Federal amounts.

COUNTY OF NASSAU, NEW YORK
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2023

NOTE 5 – FEDERAL ASSET FORFEITURES-UNEXPENDED CASH BALANCES

The County receives funds under Federal Asset Forfeiture Programs administered by the U.S. Department of Justice and the U.S. Department of the Treasury, respectively. Unexpended cash balances on-hand relating to these programs at December 31, 2023 were as follows:

Direct/Pass Through Grantor	Assistance Listing Number	2023 Cash Balances
U.S. Department of Justice:		
Police Department	16.922	\$ 5,447,419
District Attorney	16.922	3,210,837
Correctional Center	16.922	743,916
Total U.S. Department of Justice - Equitable Sharing Program		<u>9,402,172</u>
U.S. Department of Treasury:		
Police Department	21.016	9,669,953
Total U.S. Department of Treasury-Equitable Sharing Program		<u>9,669,953</u>
Total Federal Equitable Sharing and Asset Forfeiture		
Funds on Hand		<u>\$ 19,072,125</u>

NOTE 6 – INDIRECT COST RATES

Indirect costs are included in the reported expenditures to the extent they are included in the federal financial reports used as the source for the data presented. Indirect costs are charged at different rates according to the County's indirect cost rate study and may not be charged based upon the agreement with a grantor. The County has elected not to use the 10 percent de minimis indirect cost rate allowed under Uniform Guidance.

COUNTY OF NASSAU, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2023

Section I—Summary of Independent Auditors' Results

Financial Statement

Type of Auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weaknesses identified?	_____ Yes <u> X </u> No
Significant deficiencies identified not considered to be material weaknesses?	_____ Yes <u> X </u> None reported
Noncompliance material to financial statements noted?	_____ Yes <u> X </u> No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	_____ Yes <u> X </u> No
Significant deficiencies identified not considered to be material weaknesses?	_____ Yes <u> X </u> None reported

Type of auditors' report issued on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516a?	_____ Yes <u> X </u> No

Identification of major programs:

U.S. Department of Agriculture:

 SNAP Cluster:

 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
 (Assistance Listing Number 10.561)

U.S. Department of Transportation:

 Federal Transit Cluster:

 Federal Transit - Capital Investment Grants (Assistance Listing Number 20.500)
 Federal Transit - Formula Grants (Assistance Listing Number 20.507)
 COVID-19 - Federal Transit - Formula Grants (Assistance Listing Number 20.507)

U.S. Department of Treasury:

 COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (Assistance Listing Number 21.027)

U.S. Department of Health and Human Services:

 Low-Income Home Energy Assistance (Assistance Listing Number 93.568)

 Aging Cluster:

 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers
 (Assistance Listing Number 93.044)
 COVID-19 - Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers
 (Assistance Listing Number 93.044)
 Special Programs for the Aging, Title III, Part C, Nutrition Services (Assistance Listing Number 93.045)
 COVID-19 – Special Programs for the Aging, Title III, Part C, Nutrition Services (Assistance Listing Number 93.045)
 Nutrition Services Incentive Program (Assistance Listing Number 93.053)

 Medicaid Cluster:

 Medical Assistance Program (Assistance Listing Number 93.778)

Dollar threshold used to distinguish between

 Type A and Type B programs:

\$3,000,000

Auditee qualified as low-risk auditee?

_____ X Yes _____ No

**COUNTY OF NASSAU, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2023**

Section II—Financial Statement Findings

There were no matters to report.

Section III—Federal Award Findings and Questioned Costs

A. Internal Control Findings

There were no matters to report.

B. Compliance Findings

There were no matters to report.

**COUNTY OF NASSAU, NEW YORK
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2023**

Section IV–Summary Schedule of Prior Audit Findings

A. Financial Statement Findings

**2022-001 – Depreciating Capital Assets When Placed in Service
(Significant Deficiency)**

Criteria: Generally accepted accounting principles require that depreciation be reported for capital assets when they are placed in service, thereby ensuring that the cost of capital assets, whose useful life is greater than one year, is incurred over time as the assets are utilized.

Condition: The County did not report depreciation from certain capital assets related to County capital projects placed in service prior to January 1, 2022.

Status of Finding: This has been fully addressed.