NASSAU COUNTY
LONG ISLAND, NEW YORK

COUNTY OF NASSAU, NEW YORK

Financial Statements
(Together with Independent Auditors' Report)

December 31, 2019

and

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

Year Ended December 31, 2019

MARKS PANETH
ACCOUNTANTS & ADVISORS

COUNTY OF NASSAU, NEW YORK

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FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019
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FINANCIAL SECTION (CONTINUED)

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MARKS PANETH
ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Honorable Laura Curran, Nassau County Executive,
the Honorable Jack Schnirman, Nassau County Comptroller
and the Members of the Legislature of The County of Nassau, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Nassau, New York (the "County"), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

We did not audit the financial statements of certain component units of the County as disclosed in Note 1 to the financial statements, which represent approximately 15%, 11% and 23%, respectively, of the assets, net position and revenues of the government-wide financial statements, and 99.9% of the assets, net position and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for such component units, is based solely on the reports of the other auditors. The financial statements of Nassau County Healthcare Corporation were not audited in accordance with *Government Auditing Standards*.

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

Morison KSi
Independent member

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of December 31, 2019, and the respective changes in financial position, and the respective budgetary comparison 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.

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.

Other Matters

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, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedules, combining statement of net position and activities and other supplementary information, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing

In accordance with *Government Auditing Standards*, we have issued our report dated, June 30, 2020 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

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 primary 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, 2019, and the related notes to the Schedule.

Management's Responsibility for the Schedule

Management is responsible for the preparation and fair presentation of the Schedule in accordance with the reporting provisions of the Contract. 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' Responsibility

Our responsibility is to express an opinion on the Schedule based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Schedule 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Schedule.

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

Opinion

In our opinion, the Schedule referred to above 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, 2019 as determined in accordance with the reporting provisions of the Contract.

Emphasis of Matter

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.

Other Matters

The presented in Exhibit F-2, Control Period Calculation Schedule – Historical Data, for the years ended December 31, 2018, 2017 and 2016 were subjected to the auditing procedures applied in the December 31, 2018, 2017 and 2016 audits of the Schedule by other auditors, whose report stated it was fairly stated in all material respects with the audited Schedule from which it has been derived.

The information presented in Exhibit F-2, Control Period Calculation Schedule – Historical Data, for the years ended December 31, 2012 through 2015 has not been subjected to the auditing procedures applied in the audit of the Schedule and, accordingly, we do not express an opinion or provide any assurance on the information.

Restrictions on Use

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.

Marks Paneth LLP

New York, NY
June 30, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

Nassau County's (the "County") Comprehensive Annual Financial Report ("CAFR") is presented in conformity with generally accepted accounting principles ("GAAP") for governments in the United States of America as prescribed by the Governmental Accounting Standards Board ("GASB"). This section of the report, required under GASB Statement No. 34, presents Management's Discussion and Analysis ("MD&A") of the County's financial activities and performance for the fiscal years ended December 31, 2019 and 2018. This section should be read in conjunction with the letter of transmittal and the County's financial statements.

OVERSIGHT BOARD CONTROL PERIOD

Since its enactment in 2000, the Nassau County Interim Finance Authority ("NIFA"), a blended component unit of the County, provides State oversight of the County's finances. NIFA was created pursuant to the NIFA Act codified as Title I of Article 10-D of the State Public Authorities Law. Under the NIFA Act, the County is prohibited from filing any petition with any United States district court or bankruptcy court for the composition or adjustment of municipal indebtedness without the approval of NIFA and the State Comptroller and no such petition may be filed while NIFA bonds or notes remain outstanding. NIFA currently has bonds outstanding through November 15, 2025. As a result of the issuance of NIFA bonds, the State authorized the State Comptroller to remit monthly County sales tax collections directly to NIFA for it to withhold collections to pay its debt service costs required for each fiscal year, before any residual sales tax collection is transferred to the County. On January 26, 2011, NIFA declared a control period that grants the agency additional oversight authority pursuant to the NIFA Act, including that the County could not include in its results of operations, certain other financing sources reported in accordance with GAAP. For further details of NIFA's authority, see Note 2, Control Period Calculation. The NIFA Act was amended subsequent to fiscal 2019 year-end and extended NIFA's authority. See Note 22 – Subsequent Events.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of 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 in addition to the basic financial statements themselves.

Government-wide financial statements present a long-term view of the County's finances and provide information about the County, as a whole, using the *economic resources measurement focus* and the *accrual basis of accounting*. The economic resources measurement focus looks at the transactions and events that have increased or decreased the total economic resources of the government during the accounting period being reported. The accrual basis of accounting requires revenues to be recognized as soon as they are earned, regardless of the timing of related inflows of cash, and it requires expenses to be recognized as soon as liabilities are incurred, regardless of the timing of related outflows of cash. Exhibits X-1 and X-2 are government-wide financial statements.

The remaining statements in the CAFR are *fund financial statements* (*governmental fund statements and fiduciary fund statements*) that focus on individual parts of the County government, reporting on the County's operations in more detail than the government-wide statements. Funds are accounting controls that the County uses to keep track of specific sources of funding and spending on particular programs. The governmental fund financial statements employ the *current financial resources measurement focus* and are presented using the *modified-accrual basis of accounting*. The current financial resources measurement focus requires the fund financial statements to report near-term inflows and outflows of financial resources. To achieve this objective, the application of the accrual basis of accounting must be modified so that the fund financial statements report only those transactions and events that affect inflows and outflows of financial resources in the near future. The fiduciary funds employ the *economic resources measurement focus* and accrual basis of accounting. Exhibits X-3 and X-5 are examples of governmental fund financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Differences between the government-wide statements and the governmental fund results include differing measurement focuses and basis of accounting between the statements. The Statement of Activities (government-wide financial statement) reflects the net costs of each major function of operations, which differs from the presentation of expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Total Budgetary Authority and Actual (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.

FINANCIAL HIGHLIGHTS

<u>Governmental Funds</u>

The County ended the 2019 fiscal year with a total GAAP surplus of $150.7 million in all its governmental funds, both operating and non-operating, an increase of $39.2 million from the prior year. Surplus funds from 2019 may be available to be used to address financial shortfalls in 2020 resulting from the COVID-19 pandemic, hopefully, a non-recurring event. The surplus of $150.7 million was comprised of:

- $145.3 million surplus attributed to the County's operating funds defined as the General Fund ($130.4 million surplus), the Police District Fund ($23.2 million surplus) and the Sewer and Storm Water Fund ($8.3 million deficit), an improvement over 2018 by $172.8 million; and
- $5.4 million surplus attributed to the remaining funds, both major and non-major, a decline over 2018 by $133.6 million, primarily due to the Capital Fund decrease of $120.4 million.

Factors contributing to the governmental funds' GAAP surplus of $150.7 million were primarily driven by higher revenues and lower expenditures than the prior year. The factors included:

- Higher sales tax revenues and preempted sales tax in lieu of property taxes driven by a robust Long Island economy, which comprised the largest contribution to the increase in revenues over the prior year;
- Higher OTB Video Lottery Terminal (VLT) revenues of $15 million over the prior year;
- Higher Property Tax revenues;
- Higher revenues related to the Federal Bureau of Justice Assistance State Criminal Alien Assistance Program ("SCAAP");
- Lower expenditures for Suits and Damages primarily related to the judgement paid in 2018 of $43.9 million.
- Lower expenditures in Public Works, Health, Education and Corrections; and
- Lower borrowing proceeds of $92.9 million primarily due to the 2018 issuance of serial bonds for property tax refunds.

These positive variances were partially offset by:

- Fines and Forfeitures were less than the prior year due primarily to lower red light camera revenues;
- Higher expenditures in Social Services and General Administration; and
- Higher tax certiorari expenditures.

Ending GAAP fund balance for all governmental funds was $618.2 million, up from $467.4 million at 2018 fiscal year-end.

FINANCIAL HIGHLIGHTS (Continued)

Governmental Funds (Continued)

Of the 2019 year-end balance, $216.9 million is attributed to the operating funds[1], $197.4 million is attributed to the General Fund, $19.2 million to the Police District Fund, and $0.3 million to the Sewer and Storm Water Fund. The Capital Fund and the Disputed Assessment Fund's ("DAF") ending fund balances were $298.6 million and $5.8 million, respectively, and the remainder of $96.8 million is comprised of the ending fund balances in multiple nonmajor funds and NIFA funds. The total unassigned fund balance for all governmental funds was $112.2 million, an improvement of $134.2 million over the unassigned fund deficit as of year-end 2018 of $22.0 million.

Total assets for all governmental funds decreased by $84.0 million, primarily due to less cash in the Capital Fund of $138.9 million offset by $64.6 million of additional funds in the DAF and higher due from other governments and due from component units of $9.5 million and $7.9 million, respectively.

Total liabilities for the governmental funds decreased by $228.4 million, comprised primarily of decreases in Bond Anticipation Notes Payable of $118.4 million reported in the Capital Fund, and Tax Anticipation Notes Payable of $78.6 million in the General Fund, Accrued Liabilities of $47.8 million and Property Tax Refund Payable of $25.8 million offset by increases in Accounts Payable of $32.1 million.

For the three operating funds only, total assets and liabilities, including deferred inflows of resources, were $875.3 million and $658.4 million, respectively. This represents an increase in assets of $34.0 million and a decrease in liabilities and deferred inflows of resources of $111.3 million over the prior year.

Nonspendable fund balance for all governmental funds decreased by $0.7 million due primarily to lower prepaid pension expenditures. The committed fund balance increased over the prior year by $35.6 million primarily due $15.0 million received from New York State (the "State") in exchange for assuming workers' compensation liability for secondary injuries that had been recorded by the State in exchange for consideration, and an increase in committed fund balance in the Capital Fund . The restricted fund balance decreased by $11.3 million primarily due to the Grant Fund. Unassigned fund balance, which represents fund balance that is remaining after all other nonspendable and spendable balances have been applied, increased by $134.2 million over the prior year from $(22.0) million to $112.2 million primarily due to a significantly greater surplus in 2019.

The 2019 results illustrate a significant improvement of the County's fiscal health over the prior year, with an addition to 2019 year-end reserves and total governmental fund balance.

Government-Wide

The County's net deficit, on a government-wide basis in accordance with GAAP, was $7.9 billion, which represented a decrease of $146.7 million in the deficit over fiscal year 2018's balance of $8.0 billion.

[1] Defined as the General Fund, Police District Fund and Sewer and Storm Water Fund.

ANALYSIS OF GOVERNMENT-WIDE FINANCIAL STATEMENTS FOR 2019

There are two government-wide financial statements: The S*tatement of Net Position* and the *Statement of Activities*. The Statement of Net Position reports everything the County owns (its assets) and owes (its liabilities) as of the end of the year. Net position is what remains after all liabilities have been recorded; they signify the net worth of the government.

This statement is designed to display assets and liabilities in order of their basic liquidity and maturity while presenting the basic accounting relationship applicable to public sector entities: *assets + deferred outflow of resources – liabilities – deferred inflow of resources = net position*. This statement also presents all of the County's economic resources – that is, all its assets and liabilities, both financial and capital.

The Statement of Activities tracks the County's annual revenues and expenses, as well as any other transactions that increase or reduce the County's net position. It divides the County's activities into three elements: its governmental activities, its business-type activities (currently not applicable), and the activities of its component units.

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

The Statement of Net Position

The Statement of Net Position (Deficit) for the 2019 fiscal year reports a deficit balance of $7.9 billion in net deficit. Table 1 illustrates that the County's net deficit decreased by $146.8 million during 2019 when compared to the 2018 net deficit.

Total assets decreased by $73.7 million primarily due to cash on hand. Deferred outflows of resources decreased by $151.0 million mainly due to the GASB Statement No. 75 OPEB valuation as a result of a change in actuarial assumptions, including the increase in the discount rate .

Total liabilities decreased by $1.2 billion primarily due to the decrease in the OPEB liability over 2018 of approximately $1.1 billion, while other drivers of the decrease in liabilities include: a decrease of $20.2 million in accrued vacation and sick pay; a decrease of $13.2 million in the County's contractual liability due to NHCC; a decrease of the County's Due to New York State Retirement System of $15.5 million; and 2018 DAF collections held, which now include three years of collections of $187.3 million. These decreases were offset by increases in the net pension liability which increased by $121.8 million, as well as other increases in long-term liabilities, such as the estimated liability for workers' compensation ($35.1 million) and the estimated liability for litigation ($60.4 million). Deferred inflows of resources also increased by $.9 billion primarily due to the deferred inflow related to OPEB.

ANALYSIS OF GOVERNMENT-WIDE FINANCIAL STATEMENTS FOR 2019 (Continued)

The Statement of Net Position (Continued)

Table 1

Condensed Statement of Net Position
(dollars in millions)

	Total Primary Governmental Activities		
	2019	**2018**	**Change**
Current and Other Assets	$ 1,685.8	$ 1,764.8	$ (79.0)
Capital Assets	3,497.8	3,492.5	5.3
Total Assets	5,183.6	5,257.3	(73.7)
Total Deferred Outflows of Resources	881.0	1,032.0	(151.0)
Current and Other Liabilities	1,491.9	1,721.7	(229.8)
Long-Term Liabilities	11,160.7	12,154.7	(994.0)
Total Liabilities	12,652.6	13,876.4	(1,223.8)
Total Deferred Inflows of Resources	1,281.0	428.8	852.2
Net Investment in Capital Assets	2,402.9	2,437.0	(34.1)
Restricted	110.9	123.2	(12.3)
Unrestricted	(10,382.9)	(10,576.1)	193.2
Total Net Position (Deficit)	$ (7,869.1)	$ (8,015.9)	$ 146.8

The County has $2.4 billion invested in its capital assets, recorded at acquisition cost, net of accumulated depreciation and related debt. Capital assets are used by the County in the provision of services to the taxpayers; hence, this investment of County equity is allocated in the County's capital assets and is not immediately available to support future expenses.

The County's Statement of Net Position shows a deficit balance of $7.9 billion in net position at December 31, 2019 and an unrestricted net deficit of $10.4 billion. Unrestricted net position reflects all liabilities that are not related to the County's assets and are not expected to be repaid from restricted resources. Accordingly, the County will have to allocate future revenues towards the payment of these liabilities.

The County has been determined to be responsible under the County Administrative Code for paying, without chargeback, the real property tax refunds (other than those arising from correction of errors) of the three towns within the County, all but one of the 56 school districts, and approximately 200 special districts, referred to as the County Guarantee. This has resulted in the County having to refund more in property taxes than it collected and has given rise to the significant property tax liability reported in its financial statements. As of December 31, 2019, $474.3 million of property tax refunds, excluding DAF, are estimated as long-term obligations and are included in the current portion of long-term liabilities and in the estimated tax certiorari liability on the Statement of Net Position. See Note 12, Notes Payable and Long-term Obligations and Footnote 21B Contingencies and Commitments.

New York State law applicable to the Disputed Assessment Fund ("DAF") for the County's 2017 and 2018 tax rolls required class four property owners in the County to pay a charge projected to be equivalent to the amount of taxes being disputed in proceedings brought by them under Article 7 of the Real Property Tax Law. This provided an estimated funding source for the payment for such refunds by parcel and tax year for the County's 2017 and 2018 tax rolls.

ANALYSIS OF GOVERNMENT-WIDE FINANCIAL STATEMENTS FOR 2019 (Continued)

The Statement of Net Position (Continued)

For the 2017 and 2018 tax rolls, any funds that remain in the DAF following payment of a refund must be distributed pro-rata to the County and the applicable school district, town and special districts; if a taxpayer's refund is greater than the DAF charge collected from that taxpayer, the County's General Fund is required to make up the difference.

In 2018, State legislation amended the DAF law to provide that, for the County's 2019 tax levy and subsequent annual levies, the County is to levy an amount on class four property (generally in the same manner as County taxes) to fund the County's payment of class four refunds expected in such fiscal year, provided, however, that the levy may be not more than ten percent of class four levies on the County tax roll for County, town, special district and school district property taxes and other levies. As such, amounts raised for the DAF in 2019 and subsequent years are not restricted to payment of refunds by parcel and tax year. This amendment to the State's DAF law should help the County alleviate growth in its long-term tax certiorari liability.

The County began collecting the DAF charge from commercial property owners in 2017, and as of fiscal year-end 2019, has approximately $187.3 million considered deposits held for future payments in the DAF. Refund payments from the DAF commenced in 2018. Approximately $25.4 million in property tax refunds to taxpayers were paid from the DAF in 2019, resulting in a total of $46.0 million in refunds paid since inception of the charge.

The Statement of Activities

The Statement of Activities for the fiscal year that ended December 31, 2019 details the decrease in the County's net worth from 2018 to 2019. Table 2 summarizes the changes in the County's net position.
Several factors impacted the County's net worth. They include:

- An increase in Sales Tax of $47.7 million was due mainly to an improvement in the economy and the collection of enhanced internet sales tax that was enacted by State legislation beginning in June 2019.
- Revenue from Operating Grants of $499.0 million increased from the prior year by $28.7 million, primarily due to increases in Federal and State Aid in Social Services of $9.1 million, Public Works of $9.3 million primarily related to the County's transit system, and Corrections of $8.1 million, mainly due to $6.0 million funds received under SCAAP .
- Capital Grant revenue decreased by $26.0 million due to decreases in FEMA funds received for Super Storm Sandy repairs at County facilities.
- An increase in Charges for Service of $35.3 million is primarily due to:
    - increases in General Administration of $82.2 million mainly due to a reclassification of revenues previously reported in Protection of Persons, and an increase in VLT revenues.
    - Offset by decreases in Protection of Persons of $40.8 million due primarily to due to the reclassification of revenues previously reported in Protection of Persons that were reported in General Administration in the current year.

ANALYSIS OF GOVERNMENT-WIDE FINANCIAL STATEMENTS FOR 2019 (Continued)

The Statement of Activities (Continued)

- Total Expenses decreased over 2018 by $50.9 million.
    - General Administration expenses decreased by $127.5 million primarily a decrease in the expense related to the decline in the OPEB liability, including a reclassification of how the OPEB expenses are reported. In previous years, OPEB expenditures related to the long-term liability were reported in General Administration, however, beginning in 2019, the expenses all allocated to the appropriate function. This decrease was offset by an increase in expense related to other long-term liabilities, including the increase to the workers' compensation liability as a result of assuming the State's secondary injury liability, and an increase in the estimated litigation liability, and an increase in property tax refunds over the prior year.
    - Protection of Persons expenses increased by $57.8 million primarily due the allocation of expense related to the OPEB liability, an increase in the pension expense related to the increase in the net pension liability, and the change in allocated costs to the function.
    - Social Services expenses increased by $21.8 million due primarily to the allocation of expense related to the OPEB liability, an increase in the pension expense related to the increase in the net pension liability, and the change in allocated costs to the function.
    - Public Works expenses increased $13.6 million primarily due to higher depreciation expense allocations offset by lower capital spending.
    - Education expenses decreased by $14.8 million mainly due to 2018 depreciation expense reclassified in 2019.

Table 2
Condensed Statement of Activities
(dollars in millions)

	2019	2018	Change
Reve nues			
Program Revenues			
Charges for Services	$ 432.9	$ 397.6	$ 35.3
Operating Grants	499.0	470.3	28.7
Capital Grants	76.6	102.6	(26.0)
General Revenues			
Property Taxes	970.5	951.3	19.2
Sales Taxes	1,242.2	1,194.5	47.7
Other Taxes	94.5	94.6	(0.1)
Tobacco Settlement Revenues	16.9	17.8	(0.9)
Investment Income	43.8	36.2	7.6
Other General Revenues	65.0	65.5	(0.5)
Total Revenues	3,441.4	3,330.4	111.
Expe nses			
Legislative	13.1	12.4	0.7
Judicial	82.2	83.9	(1.7)
General Administration	559.6	687.1	(127.5)
Protection of Persons	907.3	849.5	57.8
Health	238.1	235.8	2.3
Public Works	386.9	373.3	13.6
Recreation and Parks	52.9	51.4	1.5
Social Services	575.9	554.1	21.8
Corrections	268.7	273.0	(4.3)
Education	14.6	29.4	(14.8)
Interest on Long Term Debt	195.3	195.6	(0.3)
Total Expenses	3,294.6	3,345.5	(50.9)
Increase (Decrease) in Net Position (Deficit)	146.8	(15.1)	161.9
Net Position (Deficit) Beginning	(8,015.9)	(8,000.8)	(15.1)
Net Position (Deficit) Ending	$ (7,869.1)	$ (8,015.9)	$ 146.

ANALYSIS OF FUND FINANCIAL STATEMENTS FOR 2019 (Continued)

The Statement of Activities (Continued)

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

For budgetary purposes, the County's general operations are financed through three primary operating funds: The General Fund; the Police District Fund, and the Sewer and Storm Water Fund, each of these have different tax bases. For reporting purposes, the General Fund includes several funds that are managed separately but reported as part of the General Fund. They are the Fire Prevention, Safety, Communication and Education 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 and the Bond Indebtedness Reserve Fund. 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, which, through State legislation, consolidated three Sewage Disposal District Maintenance Funds, as well as a Sewage Collection District Maintenance Fund for the twenty-seven sewer collection districts located throughout the County. In 2014, the County was required to diversify the Sewer and Storm Water Fund into three separate assessments: sewage collections, disposal services and sewage disposal services. The County also has a series of other non-operating funds such as Environmental Protection Fund, Grant Fund, FEMA Fund, Capital Project Fund, and the Disputed Assessment Fund.

General Fund Budget Variances

The County ended the 2019 fiscal year with a General Fund ending fund balance of $246.6 million on a budgetary basis, up from $152.3 million as of fiscal year-end 2018, an increase of $94.3 million. Surplus funds from 2019 may be available to be used to address financial shortfalls in 2020 resulting from the COVID-19 pandemic. The County's surplus is comprised of a number of variances from the originally adopted budget.

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

In its governmental funds, the County ended the 2019 fiscal year with a GAAP surplus of $130.4 million in the General Fund, up from a $14.1 million deficit as of the end of the prior fiscal year. The difference between the General Fund's budgetary surplus of $94.3 million, and the reporting surplus of $130.4 million is primarily due to:

- adjustments required to eliminate the effect of encumbrances that cross fiscal years;
- an adjustment to pension contributions to match the actual time period covered; and
- the 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).

ANALYSIS OF FUND FINANCIAL STATEMENTS FOR 2019 (Continued)

General Fund Budget Variances (Continued)

<u>Original Budget versus final amended budget</u>

The adopted budget was modified as a result of establishing a workers' compensation reserve with funding from the State, and in regard to expenses, to cover various increases over the adopted budget.

- The General Fund's original budgeted revenues of $2,705.7 million were modified by $17.8 million to $2,723.5 million. The modifications were due to increases in:
  - The workers' compensation reserve established with the funding from the State to assume the State for workers' compensation liability for secondary injuries ($15.0 million);
  - Non-FIT ($2.5 million); and
  - Human Services State Aid ($0.3 million).

The General Fund's original budgeted expenditures of $2,690.7 million were modified by $17.2 million to $2,707.9 million during the fiscal year. Decreases in Protections of Persons of $13.9 million, Recreation and Parks of $2.6 million, Social Services of $1.1 million, Public Works of $0.4 million and Judicial of $0.2 million and were used to fund increases in Health of $10.3 million, Suits and Damages and Other costs of $13.9 million, General Administration of $3.2 million, Education costs of $2.5 million, debt service expenditures of $2.0 million, Corrections of $2.7 million for additional overtime and contractual expenditures for inmate health services, and Aid to Towns and Cities of $.9 million.

- The General Fund's original budget for Other Financing Sources and Uses was modified from a net use of $101.6 million to a net use of $102.3 million, a change of $0.7 million primarily related to cover other various increases over the adopted budget.

Total Budgetary Authority to Actual on a Budgetary Basis Variances

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

General Fund Revenues

- On a budgetary basis, including the NIFA Fund, Sales Tax revenues were $10.8 million higher than the modified budget. A portion of the actual receipts appears in the NIFA Fund, since it draws County Sales Tax to pay County related debt service. Sales Tax reported in the General Fund was $132.5 million under budget (see Exhibit X-7) offset by $143.3 million reported in the NIFA Fund in the financial statements. The County experienced strong sales tax growth in the fiscal year, particularly in the second half, primarily due to the enhanced internet tax State legislation which took effect in June 2019.

- Federal Aid and State Aid revenues were over budget by $20.4 million and $8.2 million, respectively, due to Federal Aid increases for transportation and SCAAP, and State Aid increase for Social Services programs.

ANALYSIS OF FUND FINANCIAL STATEMENTS FOR 2019 (Continued)

Total Budgetary Authority to Actual on a Budgetary Basis Variances (Continued)

General Fund Revenues (Continued)

- Payments in Lieu of Taxes (PILOTS) were over budget by $6.1 million due to increases for utility properties and Industrial Development Agency ("IDA") agreements.

- Interest and Penalties on Taxes was $1.4 million over budget due to higher actual revenues recognized than projected in the budget.

- Interest Income was $1.6 million under budget due to lower than budgeted actual revenues.

- Rents and Recoveries were $14.2 million under budget. This was primarily related to lower rental collections offset by higher land sales than budgeted.

- Departmental Revenue reported was $4.4 million less than budgeted mainly due to lower: GIS tax map revenues in Assessment ($2.0 million); mortgage recording fees in the Clerk's office ($1.6 million); Public Works revenues related to NICE bus farebox ($4.4 million); and initiatives not implemented in the fiscal year, such as vendor registrations and P-card rebates ($0.6 million). These shortfalls were offset by higher Pre-School and Early Intervention Medicaid reimbursements in the Health Department of $2.4 million and $1.1 million, respectively.

- Fines and Forfeitures had revenues below budget by $14.7 million, primarily due to lower boot and tow fees of $6.9 million resulting from the discontinuance of a new initiative; lower public safety fees collected of $6.7 million; and lower red light camera revenues of approximately $1.4 million.

- Interdepartmental and Interfund revenues, representing chargebacks and other revenues between funds, were underbudget by $11.4 million primarily due to the reclassification of asset forfeiture funding is reported differently than in the adopted budget.

General Fund Expenditures

- Public Works expenditures were under budget by $27.1 million when compared to total budgetary authority. This is primarily due to lower than expected contractual expenditures and obligations of $20.3 million; lower interfund charges of $3.0 million; lower salary costs of $1.9 million; and lower general expenditures of $1.2 million.

- General Administration expenditures were under budget by $22.8 million primarily due to savings from vacant positions ($5.9 million); lower contractual obligations and general expenditures ($5.9 million and $3.1 million, respectively); lower rental expenditures ($2.9 million); lower utility costs ($2.2 million); and lower interfund expenditures ($2.2 million).

- Health expenditures were under budget by $8.9 million related primarily due to lower than budgeted Early Intervention costs, lower salaries, and lower contractual services.

- Social Services expenditures were under budget by $19.1 million primarily due to lower contractual costs in Senior Citizens Affairs and the Department of Social Services lower purchased services, lower salaries, and lower interdepartmental charges and lower emergency vendor payments.

- Judicial expenditures were under budget by $5.7 million primarily due to lower contractual obligations in the Traffic and Parking Violations Department.

ANALYSIS OF FUND FINANCIAL STATEMENTS FOR 2019 (Continued)

General Fund Expenditures (Continued)

- Corrections were under budget by $4.1 million due to lower workers' compensation costs, salaries and interfund charges than budgeted.
- Suits and Damages were underbudget by $15.0 million primarily due to $15.0 million of workers' compensation claims budgeted but not paid.
- Protection of Persons expenditures were under budget by 15.6 million primarily due to lower salary and fringe benefits than budgeted.
- Other Financing Sources - Transfers Out were $144.4 million under budget due to the required reporting of the sales tax revenues which NIFA withholds to pay debt service ("NIFA set-asides") budgeted as Other Financing Sources - Transfers Out. This variance partially offsets the negative variance in Sales Tax for the General Fund.

Fund Balance

Table 3

Summary of Change in Fund Balance
Nassau County Major Funds*
(dollars in millions)

	General Fund	Police District Fund	Sewer and Storm Water District Fund	Capital Fund	Disputed Assessment Fund	Total Nassau County Major Funds*
Fund Balance, as of December 31, 2017	$ 81.1	$ (6.0)	$ 24.1	$ 147.8	$	$ 247.0
Add: 2018 Revenues	2,492.1	405.7	139.2	118.4	2.5	3,157.9
Less: 2018 Expenditures	2,592.7	397.0	110.5	242.1		3,342.3
2018 Other financing sources/(uses), net	86.5	(6.7)	(44.2)	259.3	(0.4)	294.5
Fund Balance, as of December 31, 2018	67.0	(4.0)	8.6	283.4	2.1	357.1
Add: 2019 Revenues	2,576.0	425.0	144.2	80.7	5.3	3,231.2
Less: 2019 Expenditures	2,562.1	399.4	107.1	213.4		3,282.0
2019 Other financing sources/(uses), net	116.5	(2.4)	(45.4)	147.9	(1.6)	215.0
Fund Balance, as of December 31, 2019	$ 197.4	$ 19.2	$ 0.3	$ 298.6	$ 5.8	$ 521.3

* not including blended component units

Table 3 shows accumulated fund balance in the County's major funds (excluding the blended component units) totaled $521.3 million at the end of 2019. Of this fund balance:

- $52.3 million is categorized as nonspendable, which is primarily, the portion of the retirement bill prepaid for the beginning of the next year and a long-term advance due from a component unit;
- $16.8 million is restricted, primarily as it is earmarked for debt service, the preservation of open space in the County, and amounts to be paid for disputed assessments.
- $338.9 million is committed to capital projects, police termination pay, judgments and settlements, and technology; and
- The remaining fund balance (assigned and unassigned) surplus of $113.3 million signifies that the County has available funds as a contingency to offset any future economic changes that may impact the County's operating budget.

Total fund balance in the General Fund increased by $130.4 million from $67.0 million to $197.4 million. This increase is primarily due to higher sales tax revenue and Federal and State Aid and lower expenses in General Administration, Social Services, Protection of Persons, and Public Works. These positive variances were partially offset by lower revenues in Fines and Forfeitures.

ANALYSIS OF FUND FINANCIAL STATEMENTS FOR 2019 (Continued)

Fund Balance (Continued)

Total fund balance in the Police District Fund improved by $23.2 million, from a negative $4.0 million to $19.2 million. The improvement is primarily the result of an increase in Licenses and Permits, Property Tax, as well as no other financing use compared to last year.

Total fund balance in the Capital Fund increased $15.2 million, from $283.4 million to $298.6 million. This increase is mainly due to lower expenditures for general capital outlay offset by lower borrowing proceeds and federal and state aid.

Total fund balance in the Sewer and Storm Water District Fund declined by $8.3 million, from $8.6 million to $0.3 million. The decline is primarily the result of the budgeted use of accumulated fund balance.

Total fund balance in the Disputed Assessment Fund increased by $3.7 million, from $2.1 million to $5.8 million primarily due to investment income earned.

CAPITAL INVESTMENTS

The difference between the $213.5 million in Table 4 and the net increase to capital assets as reported in the government-wide financial statements 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 to the financial statements.

During the 2019 fiscal year, the County had the following outlays related to the County's and the college's capital projects: $81.2 million in sewer district improvements and upgrades (designated with an * in Table 4 below), $35.7 million in public safety projects, $43.2 million in roads, $14.5 million in buildings, and $7.2 million in infrastructure-related improvements (** this amount includes $0.5 million in capital outlays related to NCC). The County made capital improvements during 2019 in the following areas:

Table 4
Capital Improvements
January 1, 2019 to December 31, 2019
(dollars in millions)

Project Category	Amount
Building Consolidation Plan	$ 0.1
Buildings	14.5
Environmental Bond Act	0.3
Equipment	6.4
Infrastructure**	7.2
Parks	3.4
Public Safety	35.7
Roads	43.2
Technology	7.8
Traffic	12.7
Transportation	1.0
Collection *	6.9
Disposal *	71.9
Storm Water *	2.4
	$ 213.5

ANALYSIS OF FUND FINANCIAL STATEMENTS FOR 2019 (Continued)

DEBT

As of December 31, 2019, the par value of County's serial bond debt was $2.5 billion and $.9 billion for the blended component units, NIFA, NCSSWFA and NCTSC. The combined $3.4 billion in outstanding long-term debt (excluding accreted interest) as of December 31, 2019 decreased by approximately $49.3 million compared to the combined long-term debt outstanding as of December 31, 2018. Of the $3.4 billion debt outstanding, $3.0 billion is recourse debt to the County and the balance of $400.5 million is recourse only to NCTSC. The County provides a direct-pay guarantee of $188.0 million outstanding from the refunding and new money debt issued in October 2004 and refunded in April 2009 by NHCC. Until January 2018, the County also provided a contractual direct-pay obligation pursuant to the Support Agreement of $4.3 million outstanding from the refunding and new money debt issued in June 2005 by the OTB. In January 2018, OTB refinanced the debt associated with three Nassau County locations, thereby eliminating the County guarantee of OTB debt.

Since NHCC is a discretely presented component unit of the County, its debt is not itemized in Table 5 below.

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

	Balance January 1, 2019	Additions	Reductions	Balance December 31, 2019
General Obligation County Bonds	$ 2,346,296	$ 169,510	$ 106,280	$ 2,409,526
Sewage Purpose Bonds	865		865	
SRF Revenue Bonds	57,227	32,530	9,311	80,446
Total Serial Bonds - County	2,404,388	202,040	116,456	2,489,972
NIFA Sales Tax Secured Bonds	535,479		123,500	411,979
Sewer Financing Authority	122,895		11,370	111,525
Tobacco Settlement Asset Backed Bonds	400,537			400,537
Total Serial Bonds - Blended Component Units	1,058,911		134,870	924,041
Total Serial Bonds	3,463,299	202,040	251,326	3,414,013
Accreted interest - Tobacco Settlement Asset Backed Bonds	76,775	8,184		84,959
Total Serial Bonds and Accreted Interest	$ 3,540,074	$ 210,224	$ 251,326	$ 3,498,972

DEBT (Continued)

During 2019, the County issued a total of $202.0 million of long-term debt. Of the $202.0 million in long-term debt issued in 2019, $169.0 million was used to fund its capital program, $.5 million was used to fund various NCC capital projects, and $32.5 million was issued by the State Revolving Fund ("SRF").

The State Revolving Fund ("SRF") is administered by the New York State Environmental Facilities Corporation ("EFC"), which provides interest-subsidized loans to local governments for eligible environmental projects (e.g., sewer and storm water improvement initiatives).

Offsetting new issuances were maturities of the County's, NIFA's, NCTSC's and NCSSWFA's long-term debt of $251.3 million during 2019.

The County issued short-term debt during 2019. In December 2019, the County issued $219.4 million in Tax Anticipation Notes Series A and Series B ("TANs"), which were used to finance the cash flow of the County's operations. TANs are issued in anticipation of receipt by the County of real property taxes to be levied for the following year. The County also issued $77.1 million of Bond Anticipation Notes ("BANs"), 2019 Series A. The 2019 Series A BANs were issued to finance various sewer system improvements and other capital projects and to pay costs of issuance.

The County issued $78.7 million of Revenue Anticipation Notes ("RANs") 2019 Series A in January 2019. The Series A RANs were issued to finance cash flow needs within the County.

The EFC issued short-term financing to the County in 2015 in the form of a five-year note, which was rolled over into a new short-term financing agreement in 2018 ("2018" Note) with additional funding added. As of December 31, 2018, the County had an obligation under the 2018 Note of $20.7 million. In 2019, the County drew down an additional $2.2 million of the 2018 Note to finance specific sewer related projects. In June 2019, the short-term EFC Clean Water Facility Note 2018A was converted into two long term financings in the amounts of $13.5 million and $19.0 million. The $13.5 million bond includes $9.6 million in new money which is held by EFC. The $13.5 million bond bears interest at leveraged rates and the $19.0 million bond bears zero interest. The outstanding new money held by EFC as of December 31, 2019 was $6.9 million and is reported as Cash Held with Fiscal Agent in the County's Statement of Net Position (Deficit). Detailed information on long-term debt activity is available in the Notes to the Financial Statements Note 12.

NASSAU COUNTY'S CREDIT RATING

The County's debt ratings at December 31, 2019 were as follows: Moody's Investors Service: A2 (stable outlook); S&P Global Ratings: A+ (stable outlook); Fitch Ratings: A (stable outlook). The County's short-term debt is rated SP-1+ by S&P Global Ratings and F1+ by Fitch Ratings.

BASIC FINANCIAL STATEMENTS

EXHIBIT X-1

COUNTY OF NASSAU, NEW YORK

STATEMENT OF NET POSITION (DEFICIT)
DECEMBER 31, 2019 (Dollars in Thousands)

	Primary Government Governmental Activities	Component Units
ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents	$ 823,352	$ 95,450
Investments	2,806	2,730
Restricted Cash and Cash Equivalents	185,559	459
Restricted Certificate of Deposit	20,000	
Restricted Investments	34,742	116,344
Cash Held by Fiscal Agent	6,931	
Sales Tax Receivable	144,753	
Student Accounts and Loans Receivable		10,346
Less Allowance for Doubtful Accounts		(6,632)
Due from Primary Government		30,000
Due from Other Governments	224,278	4,622
Less Allowance for Doubtful Accounts	(16,149)	
Other Receivables		71,713
Accounts Receivable	57,657	1,054,464
Less Allowance for Doubtful Accounts		(1,021,667)
Real Property Taxes Receivable	80,022	
Less Allowance for Doubtful Accounts	(6,969)	
Disputed Assessment Fund Collections Receivable	16	
Due from Component Unit	38,335	
Inventories		8,815
Prepaids	47,461	2,497
Other Assets	491	7,874
Total Current Assets	1,643,285	377,015
NON CURRENT ASSETS:		
Restricted Cash and Cash Equivalents		2,733
Restricted Investments	22,180	6,766
Receivable - Service Concession Agreements	4,442	
Due from Component Unit	6,000	
Property Held for Sale		269
Net Pension Asset		3,421
Capital Assets Not Being Depreciated	1,414,007	27,538
Depreciable Capital Assets	4,492,804	1,072,190
Less Accumulated Depreciation	(2,409,014)	(737,139)
Deposits Held in Custody for Others		3
Tax Sale Certificates	3,591	
Tax Real Estate Held for Sale	6,257	
Other Assets		33,160
Total Non Current Assets	3,540,267	408,941
Total Assets	5,183,552	785,956
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on bond refunding	68,809	26,765
Accumulated decrease in fair value of hedging activities	12,651	376
Pensions	318,973	49,808
Other postemployment benefits	480,559	66,152
Total Deferred Outflows of Resources	$ 880,992	$ 143,101

EXHIBIT X-1

COUNTY OF NASSAU, NEW YORK

STATEMENT OF NET POSITION (DEFICIT)
DECEMBER 31, 2019 (Dollars in Thousands)

	Primary Government Governmental Activities	Component Units
LIABILITIES		
CURRENT LIABILITIES:		
Accounts Payable and Accrued Liabilities	$ 294,795	$ 199,472
Payable to Investment Broker - investment purchase	11,099	
Bond Anticipation Notes Payable	77,095	
Retainage Payable	13,962	
Tax Anticipation Notes Payable	219,380	
Unearned Revenue	78,525	14,491
Property Tax Refund Payable	27,585	
Due to Primary Government		3,347
Due to Component Units	40,131	
Due to Other Governments		2,503
Accrued Interest Payable	41,841	488
Current Portion of Long Term Liabilities	504,652	71,893
Disputed Assessment Fund Deposits Held	100,783	
Estimated Tax Certiorari Liability related to Disputed Assessment Fund	33,889	
Other Liabilities - Current	48,209	10,388
Total Current Liabilities	1,491,946	302,582
NON CURRENT LIABILITIES:		
Accounts Payable and Accrued Liabilities		5,867
Due to Primary Government		18,298
Notes Payable		6,606
Derivative Instruments - Interest Rate Swaps	12,651	18,623
Bonds Payable, Net of Deferred Bond Premium/Discount (Net of Amortization)	3,559,357	165,375
Liability to Third-Party Payors, net		34,237
Accrued Liabilities - Term Pay		4,047
Accrued Vacation and Sick Pay	435,412	120,625
Due to Other Governments		950
Due to City of Glen Cove	161	
Deferred Payroll	44,550	
Estimated Workers' Compensation Liability	213,490	
Estimated Tax Certiorari Liability	441,976	
Estimated Liability for Litigation	463,191	71,903
Capital Lease Obligations	76,143	
Deposits Held in Custody for Others		3
Insurance Reserve Liability		2,085
Contractual Liability due to Nassau Health Care Corporation	256,636	
Due to New York State Retirement System	180,510	
Net Pension Liability	269,040	96,358
Total OPEB Liability	5,207,599	1,020,249
Other Liabilities - Non Current		1,078
Total Non Current Liabilities	11,160,716	1,566,304
Total Liabilities	12,652,662	1,868,886
DEFERRED INFLOWS OF RESOURCES		
Deferred Gain on Refundings	16,207	
Property Taxes - Part County Sales Tax Offset	8,931	
Unavailable Revenue		260
Mitchel Field - Sale of Future Rental Revenue	27,396	
Pensions	90,510	26,137
Service Concession Agreements	60,780	6,514
Other postemployment benefits	1,077,199	167,576
Total Deferred Inflows of Resources	1,281,023	200,487
NET POSITION (DEFICIT)		
Net Investment in Capital Assets	2,402,898	282,851
Restricted:		
Nassau Health Care Corporation - Health Services		1,511
Nassau Community College - Scholarships and Other		3,000
Capital Projects	2,912	
Debt Service	76,892	54
Open Space	1,810	
General Administration	4,479	
Judgements and Settlements	5,837	
Health	4,772	
Public Works	10,355	
Various Purposes	1,168	438
FEMA - Public Works	2,689	
Unrestricted	(10,382,953)	(1,428,170)
Total Net Position (Deficit)	$ (7,869,141)	$ (1,140,316)

See accompanying notes to financial statements. (Concluded)

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EXHIBIT X-2

COUNTY OF NASSAU, NEW YORK

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019 (Dollars in Thousands)

		Program Revenues			Net (Expense) Revenue and Changes in Net Position	
					Primary Government	
Functions/Programs	Expenses	Charges for Services	Operating Grants	Capital Grants	Governmental Activities	Component Units
Primary Government:						
Legislative	$ 13,042	$ 1	$ 100	$	$ (12,941)	
Judicial	82,244	73,056	2,961		(6,227)	
General Administration	559,641	132,865	29,893		(396,883)	
Protection of Persons	907,323	77,876	7,547		(821,900)	
Health	238,073	15,485	143,886		(78,702)	
Public Works	386,903	70,545	88,392	76,635	(151,331)	
Recreation and Parks	52,926	26,419	22		(26,485)	
Social Services	575,877	18,005	204,825		(353,047)	
Corrections	268,729	3,466	21,383		(243,880)	
Education	14,576	15,215			639	
Interest on Long -Term Debt	195,296				(195,296)	
Total Primary Government	$ 3,294,630	$ 432,933	$ 499,009	$ 76,635	$ (2,286,053)	
Component Units	$ 936,993	$ 670,768	$ 60,027	$ 6,705		$ (199,493)
General Revenues:						
Taxes:						
Property Taxes					$ 970,442	
Sales Taxes					1,242,220	
Other Taxes					94,473	
Federal, State and Local Appropriations						107,296
Tobacco Settlement Revenue and Tobacco Receipts					16,876	
Investment Income					43,806	2,537
Other					65,028	6,715
Royalty Income						21,000
Total General Revenues					2,432,845	137,548
Change in Net Position (Deficit)					146,792	(61,945)
Net Position (Deficit) - Beginning					(8,015,933)	(1,078,371)
Net Position (Deficit) - Ending					$ (7,869,141)	$ (1,140,316)

See accompanying notes to financial statements.

EXHIBIT X-3

COUNTY OF NASSAU, NEW YORK

GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2019 (Dollars in Thousands)

ASSETS:	**General Fund**	**NIFA Fund**	**Police District Fund**	**Sewer and Storm Water District Fund**	**Capital Fund**	**Disputed Assessment Fund**	**Nonmajor Governmental Funds**	**Total Governmental Funds**
Cash and Cash Equivalents	$ 266,935	$ 619	$ 21,196	$ 29,217	$ 409,706	$	$ 95,679	$ 823,352
Investments							2,806	2,806
Cash with Fiscal Agent					6,931			6,931
Restricted Cash and Cash Equivalents	697					184,845	17	185,559
Restricted Certificate of Deposit						20,000		20,000
Restricted Investments							56,922	56,922
Sales Tax Receivable	11,242	133,511						144,753
Interest Receivable							91	91
Due from Other Governments	145,121			4,452	51,433		23,272	224,278
Less Allowance for Doubtful Accounts	(11,697)			(4,452)				(16,149)
Accounts Receivable	43,679			13,622			265	57,566
Real Property Taxes Receivable	80,022							80,022
Less Allowance for Doubtful Accounts	(6,969)							(6,969)
Disputed Assessment Fund Collections Receivable						16		16
Tax Sale Certificates	3,591							3,591
Tax Real Estate Held for Sale	6,257							6,257
Other Receivables								
Interfund Receivables	175,738	3	7,103	7,871	114		22,500	213,329
Due from Component Units	35,317							35,317
Prepaids	34,160	61	11,838	347			1,054	47,460
Other Assets	50				207		234	491
TOTAL ASSETS	$ 784,143	$ 134,194	$ 40,137	$ 51,057	$ 468,391	$ 204,861	$ 202,840	$ 1,885,623
LIABILITIES:								
Accounts Payable	$ 65,600	$	$ 350	$ 1,225	$ 43,068	$	$ 8,375	$ 118,618
Accrued Liabilities	115,461	45	8,689	6,980	19,845	10,071	8,919	170,010
Payable to Investment Broker - investment purchase							11,099	11,099
Bond Anticipation Notes Payable					77,095			77,095
Tax Anticipation Notes Payable	219,380							219,380
Unearned Revenue	8,680				10,309		59,536	78,525
Property Tax Refund Payable	27,585							27,585
Interfund Payables	6,573	133,262	9,184	29,478	14,557	1,613	18,662	213,329
Due to Component Units	35,246				4,885			40,131
Disputed Assessment Fund Deposits Held						187,340		187,340
Other Liabilities	44,990		2,733	223			257	48,203
Total Liabilities	523,515	133,307	20,956	37,906	169,759	199,024	106,848	1,191,315
DEFERRED INFLOWS OF RESOURCES:								
Unavailable Revenue - Rents & Recoveries and Other	4,042			12,832			94	16,968
Unavailable Revenue - Property Taxes	22,840							22,840
Property Taxes - Part County Sales Tax Offset	8,931							8,931
Mitchel Field - Sale of Future Rental Revenue	27,396							27,396
Total Deferred Inflows of Resources	63,209			12,832			94	76,135
FUND BALANCE (DEFICIT):								
Fund Balances (Deficit):								
Nonspendable	40,160	61	11,839	347			1,054	53,461
Spendable:								
Restricted	8,064				2,912	5,837	94,101	110,914
Committed	36,920		6,273		295,720		352	339,265
Assigned	71	826	1,069				391	2,357
Unassigned	112,204			(28)				112,176
Total Fund Balance (Deficit)	197,419	887	19,181	319	298,632	5,837	95,898	618,173
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	$ 784,143	$ 134,194	$ 40,137	$ 51,057	$ 468,391	$ 204,861	$ 202,840	$ 1,885,623

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, 2019 (Dollars in Thousands)

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

Total fund balances - governmental funds	$ 618,173
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation	3,497,797
Assets that are not available resources and, therefore, are not reported in the funds:	
Due from component unit	9,018
Receivable - service concession agreements	4,442
Deferred outflows of resources not reported in governmental funds:	
Deferred loss on refunding	68,809
Pensions	318,973
Other postemployment benefits	480,559
Other assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	39,808
Deferred inflows of resources not recorded in the governmental funds:	
Deferred gain on refunding	(16,207)
Pensions	(90,510)
Service concession agreements	(60,780)
Other postemployment benefits	(1,077,199)
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	(403,039)
Long-term liabilities are not due and payable in the current period and accordingly are not reported in the funds:	
Accrued expenses and interest payable	(61,969)
Current portion of long-term liabilities	(504,652)
Bonds payable	(3,156,318)
Due to New York State Employees' Retirement System	(180,510)
Net pension liability	(269,040)
Total OPEB Liability	(5,207,599)
Other long-term liabilities	(1,878,897)
Net position (deficit) of governmental activities	$ (7,869,141)

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, 2019 (Dollars in Thousands)

	General Fund	NIFA Fund	Police District Fund	Sewer and Storm Water District Fund	Capital Fund	Disputed Assessment Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:								
Property Taxes	$ 429,037	$	$ 398,866	$ 130,284	$	$ 1,613	$ 10,482	$ 970,282
Payments in Lieu of Taxes	34,837		16,758	8,375				59,970
Preempted Sales Tax in Lieu of Property Taxes	106,369							106,369
Interest and Penalties on Taxes	35,966							35,966
Sales Tax	992,508	143,343						1,135,851
Tobacco Settlement Revenue and Tobacco Receipts							16,876	16,876
Special Taxes	32,665						2,321	34,986
Departmental Revenue	223,917		2,848	1,422	1,092		3,651	232,930
Interest Income	5,784	1,158	236	504	5,721	3,728	3,391	20,522
Licenses and Permits	14,981		4,522	1,283				20,786
Fines and Forfeitures	102,691		1,209				2,178	106,078
Rents and Recoveries	36,106		186	2,348			240	38,880
Interdepartmental Revenues	97,466		388					97,854
Interfund Revenues	9,438						168	9,606
Other Revenues	62,894				4,252			67,146
State Aid	230,882	29			726		50,521	282,158
Federal Aid	160,419			11	68,861		57,149	286,440
Total Revenues	2,575,960	144,530	425,013	144,227	80,652	5,341	146,977	3,522,700
EXPENDITURES:								
Current:								
Legislative	13,071							13,071
Judicial	78,537						3,494	82,031
General Administration	301,260	1,769					33,766	336,795
Protection of Persons	478,747		399,413				13,155	891,315
Health	186,751						51,542	238,293
Public Works	172,533			95,686			1,746	269,965
Recreation and Parks	37,655						3,441	41,096
Social Services	557,591						18,581	576,172
Corrections	263,375						1,532	264,907
Education	15,085							15,085
Bonded Payments for Tax Certiorari	61,114							61,114
Aid to Towns and Cities	74,572							74,572
Suits and Damages	28,343							28,343
Other	54,348							54,348
Capital Outlay:								
General					132,162			132,162
Sewage Districts					80,693			80,693
Education					490			490
Debt Service:								
Principal	108,281			10,302			134,870	253,453
Interest	128,512			1,152			44,873	174,537
Bond Issuance Costs	2,291							2,291
Total Expenditures	2,562,066	1,769	399,413	107,140	213,345		307,000	3,590,733
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	13,894	142,761	25,600	37,087	(132,693)	5,341	(160,023)	(68,033)
OTHER FINANCING SOURCES (USES):								
Transfers In	106,870						159	107,029
Transfers Out	(58)		(2,396)	(28,873)	(63,542)	(1,613)	(10,547)	(107,029)
Transfers In of Investment Income	5,235			486				5,721
Transfers Out of Investment Income					(5,721)			(5,721)
Transfers In from NIFA	2,833	1,768					141,633	146,234
Transfers Out to NIFA		(144,466)					(1,768)	(146,234)
Transfers In from NCSSWFA				121,116			155,652	276,768
Transfers Out to NCSSWFA				(138,137)			(138,631)	(276,768)
Transfers In from NCTSC							100	100
Transfers Out to NCTSC							(100)	(100)
Issuance of Debt					181,382			181,382
Premium on Bonds	1,633				35,764			37,397
Total Other Financing Sources (Uses)	116,513	(142,698)	(2,396)	(45,408)	147,883	(1,613)	146,498	218,779
NET CHANGE IN FUND BALANCE (DEFICIT)	130,407	63	23,204	(8,321)	15,190	3,728	(13,525)	150,746
TOTAL FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	67,012	824	(4,023)	8,640	283,442	2,109	109,423	467,427
TOTAL FUND BALANCE AT END OF YEAR	$ 197,419	$ 887	$ 19,181	$ 319	$ 298,632	$ 5,837	$ 95,898	$ 618,173

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, 2019 (Dollars in Thousands)

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

Net change in fund balance - total governmental funds		$ 150,746
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 in the current period:		
Purchase of capital assets	202,926	
Depreciation expense	(196,023)	
Other	(1,636)	5,267
Net change in deferred outflows of resources and other assets not reported in the funds:		
Deferred outflows of resources	(149,176)	
Other assets	(133)	(149,309)
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		15,082
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	1,110,342	
Change in accrued interest payable and accrued expenses	3,613	
Deferred inflows of resources	(864,072)	
Change in other long-term liabilities	(172,266)	77,617
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 refundings, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The following amounts are net effect of these differences in the treatment of long-term debt and related items:		
Change in premiums and discounts	(14,395)	
Proceeds from sales of bonds	(212,399)	
Principal payments of bonds	274,183	47,389
Change in net position - governmental activities		$ 146,792

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, 2019 (Dollars in Thousands)

	Original Budget	Total Budgetary Authority	Actual	GAAP to Budgetary Basis Conversion (Note 15)	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Property Taxes	$ 429,632	$ 429,632	$ 429,037	$	$ 429,037	$ (595)
Payments in Lieu of Taxes	29,226	29,226	34,837	484	35,321	6,095
Preempted Sales Tax in Lieu of Property Taxes	106,369	106,369	106,369		106,369	
Interest and Penalties on Taxes	34,613	34,613	35,966		35,966	1,353
Sales Tax	1,124,969	1,124,969	992,508		992,508	(132,461)
Special Taxes	32,610	32,610	32,665		32,665	55
Departmental Revenue	229,794	229,794	223,917	1,468	225,385	(4,409)
Interest Income	7,375	7,375	5,784		5,784	(1,591)
Licenses and Permits	14,956	14,956	14,981		14,981	25
Fines and Forfeitures	117,231	117,231	102,691	(173)	102,518	(14,713)
Rents and Recoveries	34,416	49,428	36,106	(926)	35,180	(14,248)
Interdepartmental Revenues	100,439	100,439	97,466		97,466	(2,973)
Interfund Revenues	17,883	17,883	9,438		9,438	(8,445)
Other Revenues	61,698	64,208	62,894	765	63,659	(549)
State Aid	224,449	224,748	230,882	2,064	232,946	8,198
Federal Aid	140,021	140,021	160,419		160,419	20,398
Total Revenues	2,705,681	2,723,502	2,575,960	3,682	2,579,642	(143,860)
Expenditures:						
Current:						
Legislative	15,744	15,794	13,071	2,074	15,145	649
Judicial	86,684	86,446	78,537	2,199	80,736	5,710
General Administration	339,332	342,579	301,260	18,499	319,759	22,820
Protection of Persons	511,439	497,515	478,747	3,189	481,936	15,579
Health	195,389	205,657	186,751	10,031	196,782	8,875
Public Works	209,976	209,557	172,533	9,964	182,497	27,060
Recreation and Parks	42,464	39,829	37,655	1,216	38,871	958
Social Services	591,438	590,339	557,591	13,601	571,192	19,147
Corrections	281,717	284,388	263,375	16,950	280,325	4,063
Education	13,606	16,106	15,085		15,085	1,021
Bonded Payments for Tax Certiorari			61,114	(61,114)		
Aid to Towns and Cities	73,682	74,572	74,572		74,572	
Suits and Damages	30,000	43,362	28,343		28,343	15,019
Other	57,184	57,689	54,348	1,555	55,903	1,786
Total Current	2,448,655	2,463,833	2,322,982	18,164	2,341,146	122,687
Debt Service:						
Principal	106,280	108,281	108,281		108,281	
Interest	132,209	132,209	128,512		128,512	3,697
Bond Issuance Costs	3,540	3,540	2,291		2,291	1,249
Total Debt Service	242,029	244,030	239,084		239,084	4,946
Total Expenditures	2,690,684	2,707,863	2,562,066	18,164	2,580,230	127,633
Excess (Deficiency) of Revenues Over (Under) Expenditures	14,997	15,639	13,894	(14,482)	(588)	(16,227)
Other Financing Sources (Uses):						
Transfers In	42,223	37,120	106,870	(61,344)	45,526	8,406
Transfers Out	(148,901)	(144,483)	(58)		(58)	144,425
Transfers In of Investment Income	1,620	2,055	5,235		5,235	3,180
Transfer In from NIFA	1,035	600	2,833		2,833	2,233
Premium on Bonds	2,400	2,400	1,633		1,633	(767)
Total Other Financing Sources (Uses)	(101,623)	(102,308)	116,513	(61,344)	55,169	157,477
Net Change in Fund Balance	(86,626)	(86,669)	130,407	(75,826)	54,581	141,250
Fund Balance at Beginning of Year	86,626	86,669	67,012	125,042	192,054	105,385
Fund Balance at End of Year	$	$	$ 197,419	$ 49,216	$ 246,635	$ 246,635

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, 2019 (Dollars in Thousands)

	Original Budget	Total Budgetary Authority	Actual	GAAP to Budgetary Basis Conversion (Note 15)	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Property Taxes	$ 398,867	$ 398,866	$ 398,866	$	$ 398,866	$
Payments in Lieu of Taxes	16,758	16,758	16,758		16,758	
Departmental Revenue	2,731	2,731	2,848		2,848	117
Interest Income	150	150	236		236	86
Licenses and Permits	4,629	4,629	4,522		4,522	(107)
Fines and Forfeits	1,356	1,356	1,209		1,209	(147)
Rents and Recoveries			186		186	186
Interdepartmental Revenue	150	150	388		388	238
Total Revenues	424,641	424,640	425,013		425,013	373
Expenditures:						
Current:						
Protection of Persons	423,740	423,639	399,413	1,998	401,411	22,228
Total Expenditures	423,740	423,639	399,413	1,998	401,411	22,228
Excess (Deficiency) of Revenues Over (Under) Expenditures	901	1,001	25,600	(1,998)	23,602	22,601
Other Financing Sources (Uses):						
Transfers In						
Transfer Out	(2,297)	(2,398)	(2,396)		(2,396)	2
Total Other Financing Sources (Uses)	(2,297)	(2,398)	(2,396)		(2,396)	2
Net Change in Fund Balance (Deficit)	(1,396)	(1,397)	23,204	(1,998)	21,206	22,603
Fund Balance (Deficit) at Beginning of Year	1,396	1,397	(4,023)	30,101	26,078	24,681
Fund Balance (Deficit) at End of Year	$	$	$ 19,181	$ 28,103	$ 47,284	$ 47,284

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, 2019 (Dollars in Thousands)

	Original Budget	Total Budgetary Authority	Actual	GAAP to Budgetary Basis Conversion (Note 15)	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Property Taxes	$	$	$ 130,284	$	$ 130,284	$ 130,284
Payments in Lieu of Taxes			8,375	(522)	7,853	7,853
Departmental Revenue	1,282	1,282	1,422		1,422	140
Interest Income	100	100	504		504	404
Licenses and Permits	1,553	1,553	1,283	177	1,460	(93)
Rents and Recoveries	6,040	6,040	2,348	4,723	7,071	1,031
Federal Aid			11		11	11
Total Revenues	8,975	8,975	144,227	4,378	148,605	139,630
Expenditures:						
Current:						
Public Works	107,230	108,267	95,686	3,719	99,405	8,862
Debt Service:						
Principal	9,411	10,302	10,302		10,302	
Interest	3,089	1,161	1,152		1,152	9
Total Expenditures	119,730	119,730	107,140	3,719	110,859	8,871
Excess (Deficiency) of Revenues Over (Under) Expenditures	(110,755)	(110,755)	37,087	659	37,746	148,501
Other Financing Sources (Uses):						
Transfers Out	(28,657)	(28,657)	(28,873)		(28,873)	(216)
Transfers In of Investment Income	100	100	486		486	386
Transfer Out to NCSSWFA			(138,137)		(138,137)	(138,137)
Transfer In from NCSSWFA	119,747	119,747	121,116		121,116	1,369
Total Other Financing Sources (Uses)	91,190	91,190	(45,408)		(45,408)	(136,598)
Net Change in Fund Balance	(19,565)	(19,565)	(8,321)	659	(7,662)	11,903
Fund Balance at Beginning of Year	19,565	19,565	8,640	9,675	18,315	(1,250)
Fund Balance at End of Year	$	$	$ 319	$ 10,334	$ 10,653	$ 10,653

See accompanying notes to financial statements.

EXHIBIT X-10

COUNTY OF NASSAU, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY, ACTUAL, AND BUDGETARY BASIS
DISPUTED ASSESSMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019 (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	$	$ 1,613	$ 1,613	$	$ 1,613	$
Interest Income			3,728		3,728	3,728
Total Revenues		1,613	5,341		5,341	3,728
Other Financing Uses:						
Transfer Out		(1,613)	(1,613)		(1,613)	
Total Other Financing Uses		(1,613)	(1,613)		(1,613)	
Net Change in Fund Balance			3,728		3,728	3,728
Fund Balance Beginning of Year			2,109		2,109	2,109
Fund Balance End of Year	$	$	$ 5,837	$	$ 5,837	$ 5,837

See accompanying notes to financial statements.

EXHIBIT X-11

COUNTY OF NASSAU, NEW YORK

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
DECEMBER 31, 2019 (Dollars in Thousands)

Agency Fund

ASSETS:	
Cash	$ 54,328
TOTAL ASSETS	$ 54,328
LIABILITIES:	
Accounts Payable	$ 9,138
Due To Component Unit	1,093
Other Liabilities	44,097
TOTAL LIABILITIES	$ 54,328

See accompanying notes to financial statements.

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EXHIBIT X-12

COUNTY OF NASSAU, NEW YORK

STATEMENT OF NET POSITION (DEFICIT)
ALL DISCRETELY PRESENTED COMPONENT UNITS - PROPRIETARY
DECEMBER 31, 2019
(WITH THE NASSAU COMMUNITY COLLEGE AUGUST 31, 2019)
(Dollars in Thousands)

	Nassau Community College	Nassau Health Care Corporation	Nonmajor Discretely Presented Component Units	Total Discretely Presented Component Units
ASSETS				
CURRENT ASSETS:				
Cash and Cash Equivalents	$ 61,199	$ 16,631	$ 17,620	$ 95,450
Investments	2,730			2,730
Restricted Cash and Cash Equivalents			459	459
Restricted Investments		116,344		116,344
Student Accounts and Loans Receivable	10,346			10,346
Less Allowance for Doubtful Accounts	(6,632)			(6,632)
Due from Primary Government		30,000		30,000
Due from Other Governments	4,622			4,622
Other Receivables	5,915	65,590	208	71,713
Accounts Receivable		1,053,142	1,322	1,054,464
Less Allowance for Doubtful Accounts		(1,021,667)		(1,021,667)
Inventories		8,806	9	8,815
Prepaids	1,336	1,091	70	2,497
Other Assets		7,314	560	7,874
Total Current Assets	79,516	277,251	20,248	377,015
NON CURRENT ASSETS:				
Restricted Cash and Cash Equivalents			2,733	2,733
Restricted Investments		6,766		6,766
Property Held for Sale			269	269
Net Pension Asset	3,421			3,421
Capital Assets Not Being Depreciated	3,469	23,637	432	27,538
Depreciable Capital Assets	354,810	612,374	105,006	1,072,190
Less Accumulated Depreciation	(183,263)	(485,130)	(68,746)	(737,139)
Deposits Held in Custody for Others	3			3
Other Assets		33,160		33,160
Total Non Current Assets	178,440	190,807	39,694	408,941
Total Assets	257,956	468,058	59,942	785,956
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on bond refunding		26,765		26,765
Accumulated decrease in fair value of hedging activities		376		376
Pensions	18,674	28,815	2,319	49,808
Other postemployment benefits	51,567	9,849	4,736	66,152
Total Deferred Outflows of Resources	$ 70,241	$ 65,805	$ 7,055	$ 143,101

(Continued)

EXHIBIT X-12

COUNTY OF NASSAU, NEW YORK

STATEMENT OF NET POSITION (DEFICIT)
ALL DISCRETELY PRESENTED COMPONENT UNITS - PROPRIETARY
DECEMBER 31, 2019
(WITH THE NASSAU COMMUNITY COLLEGE AUGUST 31, 2019)
(Dollars in Thousands)

	Nassau Community College	Nassau Health Care Corporation	Nonmajor Discretely Presented Component Units	Total Discretely Presented Component Units
LIABILITIES				
CURRENT LIABILITIES:				
Accounts Payable and Accrued Liabilities	$ 3,132	$ 191,782	$ 4,558	$ 199,472
Unearned Revenue	14,226		265	14,491
Due To Primary Government	3,088		259	3,347
Due To Other Governments			2,503	2,503
Accrued Interest Payable		488		488
Current Portion of Long Term Liabilities	4,343	66,628	922	71,893
Other Liabilities - Current	1,859	8,023	506	10,388
Total Current Liabilities	26,648	266,921	9,013	302,582
NON CURRENT LIABILITIES:				
Accounts Payable and Accrued Liabilities			5,867	5,867
Due to Primary Government	18,298			18,298
Notes Payable	593		6,013	6,606
Derivative Instrument - Interest Rate Swaps		18,623		18,623
Bonds Payable, net		156,905	8,470	165,375
Liability to Third-Party Payors, net		34,237		34,237
Accrued Liabilities - Termination Pay	4,047			4,047
Accrued Vacation and Sick Pay	52,912	65,833	1,880	120,625
Due to Other Governments, net			950	950
Estimated Liability for Litigation	150	71,753		71,903
Deposits Held in Custody for Others	3			3
Insurance Reserve Liability	2,085			2,085
Net Pension Liability	8,522	86,007	1,829	96,358
Postemployment Retirement Benefits Liability	393,909	565,081	61,259	1,020,249
Other Long-Term Liabilities	1,078			1,078
Total Non Current Liabilities	481,597	998,439	86,268	1,566,304
Total Liabilities	508,245	1,265,360	95,281	1,868,886
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue			260	260
Pensions	7,845	17,350	942	26,137
Other postemployment benefits	97,367	61,905	8,304	167,576
Service Concession Agreements	6,514			6,514
Total Deferred Inflows of Resources	111,726	79,255	9,506	200,487
NET POSITION (DEFICIT)				
Net Investment in Capital Assets	163,110	96,326	23,415	282,851
Restricted:				
Nassau Health Care Corporation - Health Services		1,511		1,511
Nassau Community College Scholarships	3,000			3,000
Capital Projects and Acquisitions				
Grants			54	54
Student Loans	438			438
Unrestricted	(458,322)	(908,589)	(61,259)	(1,428,170)
Total Net Position (Deficit)	$ (291,774)	$ (810,752)	$ (37,790)	$ (1,140,316)

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, 2019
(WITH THE NASSAU COMMUNITY COLLEGE AUGUST 31, 2019)
(Dollars in Thousands)

	Nassau Community College	Nassau Health Care Corporation	Nonmajor Discretely Presented Component Units	Total Discretely Presented Component Units
Expenses	$ 228,994	$ 647,296	$ 60,703	$ 936,993
Program Revenues:				
Charges for Services	55,528	575,047	40,193	670,768
Operating Grants and Contributions	59,669		358	60,027
Capital Grants and Contributions		6,705		6,705
Total Program Revenues	115,197	581,752	40,551	737,500
Net Program Revenues (Expenses)	(113,797)	(65,544)	(20,152)	(199,493)
General Revenues				
Federal, State and Local Appropriations	107,296			107,296
Investment Income	600	1,759	178	2,537
Other	3,812		2,903	6,715
Royalty Income			21,000	21,000
Total General Revenues	111,708	1,759	24,081	137,548
Change in Net Position (Deficit)	(2,089)	(63,785)	3,929	(61,945)
Net Position (Deficit) - Beginning of Year	(289,685)	(746,967)	(41,719)	(1,078,371)
Net Position (Deficit) - End of Year	$ (291,774)	$ (810,752)	$ (37,790)	$ (1,140,316)

See accompanying notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The County of Nassau (the "County"), incorporated in 1899, contains three towns, two cities and 64 incorporated villages. 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 Nassau County Interim Finance Authority ("NIFA"), Nassau Community College ("NCC"), and Nassau Health Care Corporation (d/b/a NuHealth) ("NHCC") have the voting majority of their governing boards appointed by the Governor of the State of New York or local legislative appointments. These component units are considered part of the reporting entity of the County because of the fiscal dependence and the financial burden that is placed on the County.

The Nassau County Bridge Authority (the "Bridge Authority") is included as a discretely presented component unit due to the financial integration with the primary government, 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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity **(Continued)**

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

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

Major Component Units

(a) *The Nassau Community College* ("NCC") - provides educational services under New York State Education Law. It is reported as a component unit as the County appoints half of its governing body of ten members, the County approves its budget, issues debt for NCC purposes and provides approximately 25% of NCC's 2019 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, 2019.

These financial statements present NCC and its component units, the Nassau Community College Foundation, Inc., the Faculty-Student Association of Nassau Community College, Inc., and the Alumni Association of Nassau Community College. 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. The Alumni Association of Nassau Community College has a legal year end of December 31st.

(b) *Nassau Health Care Corporation* (d/b/a NuHealth) ("NHCC") is a public benefit corporation created pursuant to Public Authorities Law 3401, et seq. by NYS in 1997 for the purposes of acquiring and operating the health facilities of 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity **(Continued)**

Discretely Presented Component Units (Continued)

Major Component Units ***(Continued)***

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

The 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 ($173.0 million as of December 31, 2019) as scheduled without acceleration, as well as to the associated letter of credit banks. In addition, the County has provided a direct pay faith and credit guaranty dated October 14, 2004 to NHCC's interest rate swap counterparties. 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 and the NHCC swaps, as of December 31, 2019, may be found in Note 12 – Notes Payable and Long-Term Obligations.

NHCC is obligated under the Regulatory Agreement dated September 22, 2004, as amended, to reimburse the County for any payments it makes under the guaranties not covered by the set-off for amounts otherwise payable to NHCC for services required under the Successor Agreement between the parties dated November 1, 2007, as amended. To secure NHCC's reimbursement obligations, the County and NHCC have entered into (i) the Security and Pledge Agreement dated October 14, 2004, as amended, with respect to NHCC's personal; property and revenues and (ii) the Mortgage and Security Agreement dated October 13, 2004, as amended regarding NHCC's real property. Except for contractual obligations to NHCC for various vendor contract agreements with the County and the obligations related to the Acquisition and Successor Agreements related to a portion of the retirement and Termination benefits for employees who transferred to NHCC from the County (See Note 1), the County is not responsible for other NHCC obligations if it ceases to be a going concern.

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

NHCC 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.

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 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.

Long Island Federally Qualified Health Center ("LIFQHC") is an independent not-for-profit corporation formed on May 14, 2009 and established by New York State Department of Health ("NYSDOH") on June 15, 2010, as a co-operator of the four treatment centers and a school-based clinic, previously operated solely by NHCC. LIFQHC is not considered a component unit of NHCC and accordingly, is not included in the accompanying financial statements.

Effective September 1, 2017, NHCC entered into a 24-month contract with Nassau County to provide medical, mental health, dental, and ancillary services to inmates in the custody of Nassau County Sheriff's Department and/or incarcerated at the Nassau County Correctional Facility.

NHCC has experienced recurring operating losses, has a total negative net position of $810.8 million at December 31, 2019, and is dependent on the continuation of federal, state and local subsidies, certain of which are scheduled to end or be reduced. These matters raise substantial doubt of NHCC's ability to continue as a going concern. 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 the Delivery System Reform Incentive Program and the Value Based Payment Quality Improvement Program ("VBP QIP"). 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. In addition, in April 2019, the NHCC Board of Directors approved an agreement with Northwell Health. Under this agreement, Northwell Health will provide operational management assistance and will develop a five-year strategic plan for NUMC and AHP, as well as make recommendations for improving financial performance. A Northwell Health Senior Vice President is now the President and CEO of the NHCC.

Non-Major Component Units

(c) *The Nassau Regional Off-Track Betting Corporation* (the "OTB") was created by the New York State Legislature as a public benefit corporation. The County is its sole shareholder. It is reported as a component unit as the County Legislature appoints its governing body, which consists of a Board of Directors made up of three members. The County receives a small portion of winning wagers made at County racetracks and all net operating profits from OTB, however, the County has not received any net operating profit from OTB due to OTB's continued operating deficits. The OTB is shown as a proprietary type component unit and is presented on the accrual basis of accounting. At the close of 2019, there were twenty two operational facilities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity **(Continued)**

Discretely Presented Component Units (Continued)

Non-Major 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-free revenue bonds that provide financial assistance using only non-taxpayer dollars. It is reported as a component unit as the County appoints its governing body and may remove the NCIDA Board at will. The County has at times provided support to the NCIDA in the form of employees and facilities. Support expenditures would be included in the County's General Fund under personal services. The NCIDA has sole authority for establishing administrative and fiscal policy in the pursuit of its objectives. The County is not liable for any obligations or deficits the NCIDA may incur, nor does it share in any surpluses. The NCIDA is shown as a proprietary type component unit and is presented on the accrual basis of accounting.

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

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

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity **(Continued)**

Discretely Presented Component Units (Continued)

Non-Major 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").

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").

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity **(Continued)**

Blended Component Units (Continued)

(a) Nassau County Interim Finance Authority (Continued)

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. At present, the vice chairperson has not been designated.

NIFA has power under the Act to monitor and oversee the finances of the County, and upon declaration of a "Control Period" as defined in the Act, additional oversight authority. Although the Act currently provides that NIFA may no longer issue new bonds or notes, other than to retire or otherwise refund NIFA debt, NIFA was previously empowered to, and did issue, its bonds and notes for various County purposes, defined in the Act as "Financeable Costs." No bond of NIFA may mature later than January 31, 2036, or more than 30 years from its date of issuance. Subsequent to year-end, State modified the NIFA Statute, which provides for the NIFA'S bonds to mature no later than January 31, 2051.

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 2019, the County remains 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

***Reporting Entity* (Continued)**

Blended Component Units (Continued)

(b) *The Nassau County Tobacco Settlement Corporation* ("NCTSC") is a special purpose local development corporation, and is an instrumentality of, but separate and apart from 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, the Corporation 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 ending December 31, 2019, 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").

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, each appointed by the County Executive with confirmation by the County Legislature. Each member serves a three-year term without compensation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity ***(Continued)***

Blended Component Units (Continued)

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

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

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

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

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

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.

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
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, Suite 326
Mineola, NY 11501

Nassau County Local Economic Assistance Corporation
1 West Street, Suite 326
Mineola, NY 11501

Nassau County Bridge Authority
P.O. Box 341
Lawrence, NY 11559

Nassau County Land Bank
One West Street
Mineola, NY 11501

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. BASIS OF PRESENTATION (Continued)

Taxes and other revenues not properly included among program revenues are reported as general revenues.

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

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

The County reports the following major governmental funds:

General Fund – 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, the Technology Fund, the Open Space Fund, the Litigation Fund, the Retirement Contribution Reserve Fund, the Employee Accrued Benefit Liability Reserve Fund and the Bond Indebtedness Reserve Fund. Exhibits B-9 and B-10 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. BASIS OF PRESENTATION (Continued)

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 the collections and record the revenues and payments related to the disputed assessment charge.

Effective 2019, the County's Administrative Code was amended by New York State Legislation in 2018 that allowed Nassau County to collect DAF charges annually on all class four (commercial) property to fund the payment of refunds, cancellations, and credits of property taxes and other levies within such class for the ensuing fiscal year.

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:

Special Revenues Funds include the following:

Environmental Protection Fund - 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.

Tobacco Settlement Corporation Fund – This fund is used to segregate proceeds remaining from the 1999 securitization of certain tobacco settlement revenues.

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).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. BASIS OF PRESENTATION (Continued)

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. There is on-going activity in this fund related to FEMA project worksheets not yet closed out.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. BASIS OF PRESENTATION (Continued)

New Accounting Standards Not Yet Effective

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations* ("GASB 83"). This Statement establishes uniform accounting and financial reporting for certain asset retirement obligations ("AROs"), a legally enforceable liability associated with the retirement of a tangible capital asset. This standard presents guidance for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. The recognition occurs when the liability is both incurred and reasonably estimable. This Statement requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred and that a deferred outflow of resources associated with an ARO be measured at the amount of the corresponding liability upon initial measurement. This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. In recognition of the coronavirus pandemic, the effective date was postponed by one year. The County has not completed the process of evaluating the impact that will result from implementing this Statement and is therefore unable to determine the impact that adopting this Statement will have on its financial position and results of operation when it is adopted.

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities* ("GASB 84"). The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes, how those activities should be reported, and when liabilities to beneficiaries should be recognized. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. In recognition of the coronavirus pandemic, the effective date was postponed by one year. The County has not completed the process of evaluating the impact that will result from implementing this Statement and is therefore unable to determine the impact that adopting this Statement will have on its financial position and results of operation when it is adopted.

In June 2017, GASB issued Statement No. 87, *Leases* ("GASB 87"). The objective of this Statement is to improve accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principles that leases are financing of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. In recognition of the coronavirus pandemic, the effective date was postponed by 18 months. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. BASIS OF PRESENTATION (Continued)

New Accounting Standards Not Yet Effective **(Continued)**

In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements ("GASB 88")*. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. This Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. In recognition of the coronavirus pandemic, the effective date was postponed by one year. 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.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* ("GASB 89"). It supersedes paragraphs 5-22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. In recognition of the coronavirus pandemic, the effective date was postponed by one year. 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.

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61* ("GASB 90"). This Statement provides guidance regarding the accounting and financial reporting of a government's majority equity interest in a legally separate organization. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. In recognition of the coronavirus pandemic, the effective date was postponed by one year. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. BASIS OF PRESENTATION (Continued)

New Accounting Standards Not Yet Effective **(Continued)**

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations* ("GASB 91"). This Statement provides guidance regarding the accounting and financial reporting and establishes related standards for recognition, measurement, and disclosure for issuers. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. In recognition of the coronavirus pandemic, the effective date was postponed by one year. 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.

In January 2020, GASB issued Statement No. 92, *Omnibus 2020* ("GASB 92"). The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2020. In recognition of the coronavirus pandemic, the effective date was postponed by one year. 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.

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates* ("GASB 93"). This Statement provides guidance to governments that have entered into agreements in which an interbank offered rate (IBOR) is a benchmark for variable payments made or received. The most common IBOR, the London Interbank Offered Rate (LIBOR), is scheduled to be discontinued at the end of 2021. As a result, governments will need to amend or replace financial instruments that are tied to LIBOR. Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, previously required a government to terminate hedge accounting when it changes the reference rate of a hedging derivative's variable payment. In addition, Statement No. 87, *Leases*, previously required a government that replaced the rate on which variable payments depend in a lease contract to apply the provisions for lease modifications, including remeasurement of the lease liability or lease receivable. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR.

The requirements of this Statement are effective for reporting periods beginning after December 31, 2021 for the removal of LIBOR as an appropriate benchmark interest rate. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. In recognition of the coronavirus pandemic, the effective date was postponed by one year. 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.

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).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. BASIS OF PRESENTATION (Continued)

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.

In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* ("GASB 95"). The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic.

The requirements of this Statement are effective immediately.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:
- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*
- Implementation Guide No. 2018-1, *Implementation Guidance Update—2018*
- Implementation Guide No. 2019-1, *Implementation Guidance Update—2019*
- Implementation Guide No. 2019-2, *Fiduciary Activities.*

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF ACCOUNTING AND MEASUREMENT FOCUS (Continued)

All discretely presented component units, which are proprietary funds, 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. Proprietary funds' unbilled services receivable are recognized as revenue.

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.

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.

C. BUDGETS AND BUDGETARY ACCOUNTING

A legally appropriated budget is adopted for each fiscal year for the General Fund, and each of the Special Revenue Funds, with the exception of DAF, NIFA, NCSSWFA, NCTSC, and the Grant and FEMA Funds. NIFA funds consist of sales tax revenues collected by the State Comptroller and transferred to the fund and are not subject to appropriation by the State or County. NCSSWFA funds are not subject to appropriation as they consist of property taxes (sewer assessments) collected by the city and town receiver of taxes and the County has directed them to remit all such assessments to NCSSWFA's Trustee in accordance with the 2014 Agreement. NCTSC funds consist of Tobacco Settlement Revenues received annually as a result of a Master Settlement Agreement between the Tobacco Settlement Corporation and Tobacco Manufacturing Companies. The Grant and FEMA Funds are appropriated for the life of specific grants, not for annual fiscal periods. The DAF has no legally adopted budget as the fund was specifically established by state legislation which restricts how the fund is utilized.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BUDGETS AND BUDGETARY ACCOUNTING (Continued)

The budget amounts 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, 2019, supplemental appropriations for the General Fund and appropriation budgets for the Grant, 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	$	17,906
Appropriation Budgets:		
Grant Fund		204,635
DAF Fund		1,613
Total Supplemental Appropriations and Appropriation Budgets	$	224,154

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

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

1. The proposed budget must be presented to the County Legislature 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BUDGETS AND BUDGETARY ACCOUNTING (Continued)

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 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.

6. 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.

7. Formal budgetary integration is employed as a management control device during the year for the governmental funds. The legal level of budgetary control is exercised at the object appropriation level within a fund's departmental control center. The County Legislature must approve all transfers and supplemental appropriations at this level.

D. ENCUMBRANCES

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

E. CASH AND CASH EQUIVALENTS

Cash and cash equivalents 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. INVESTMENTS AND CERTIFICATES OF DEPOSITS

The County invests in certificates of deposits which have a maturity of six months.

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.

H. CAPITAL ASSETS

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

Equipment with a unit cost of $5,000 or more is included in the financial statements as general capital assets of the County. Electronic equipment valued at a unit cost of $500 or more and all other equipment valued at $1,000 or more is inventoried and recorded for internal control purposes. Donated capital assets, if material, are stated at their 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. All of the County's intangible capital assets have indefinite useful lives.

It is NHCC's policy to capitalize assets in excess of one hundred 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Capital lease assets are amortized over the term of the lease or the life of the asset, whichever is less.

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

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

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

J. PREPAID EXPENSES

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

K. PERIOD OF AVAILABILITY

The County's period of availability for revenue recognition is 60 days, except for Federal and State funds. Cash collected for open receivables collected within 60 days of the end of the current fiscal period remains as revenue receivables in the County's governmental funds, except for Federal and State funds, which typically have a one year availability period. Revenue receivables that are not collected within the 60 days are reclassed to Deferred Inflows of Resources.

L. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. DERIVATIVE INSTRUMENTS - INTEREST RATE SWAP/DEFERRED OUTFLOW OF RESOURCES

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

N. NET POSITION AND FUND BALANCE CLASSIFICATIONS

In the government-wide financial statements, fund balance 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, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b) Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c) Unrestricted net position -All other net position that does not meet the definition of "restricted" or "net investment in capital assets." A deficit will require future funding.

When both restricted and unrestricted resources are available for use, the County normally uses restricted resources first, and then unrestricted resources as needed, unless there are legal requirements to the contrary. The County does not have a formal policy with respect to the order in which unrestricted resources are to be used, therefore, in accordance with 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. 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 unreserved fund balance (now assigned and unassigned) of no less than four percent and no more than five percent of normal prior-year expenditures made from its internally defined General Fund and County-wide Special Revenue Funds, the 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.

O. 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.

P. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. GRANTS AND OTHER INTERGOVERNMENTAL REVENUES (Continued)

The County sustained significant damage in 2012 as a result of Super-storm Sandy ("Storm"), with repair and recovery efforts continuing into 2019. While 90% of the Storm's cost continues 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. The funding from CDBG-DR is capped at a maximum of approximately $19.6 million of which $16.9 million has been received by the County as of year-end 2019. Amounts exceeding this cap have been funded by the County and total approximately $5.0 million as of December 31, 2019.

The County's costs for emergency protective measures, debris removal and other recovery efforts through the fiscal year ended December 31, 2019 total approximately $239.7 million, with repair efforts continuing. Through 2019, the County has recorded a total of $210.4 million of FEMA aid.

Expenditures for capital projects related to the Storm's costs, including the repair efforts related to Bay Park, total approximately $640.5 million through 2019. A total of $393.6 million has been recorded as revenue from FEMA through year-end 2019.

Q. 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.

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 2019 was $4.5 billion. The constitutional tax margin was $4.1 billion or approximately 89.41% of the maximum taxing authority in 2019. See Exhibit T-10.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. REAL PROPERTY TAX (Continued)

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.

R. 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.

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 were paid for using the proceeds from borrowings, were 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.

S. 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.

T. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

U. 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.

V. CLAIMS

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

The County is responsible to indemnify NHCC for claims arising out of NHCC's delivery of healthcare services at the Jail itself, i.e. jail based service. The County is required to have insurance for negligent, fault or default for these types of claims. This insurance coverage will provide coverage for any excess of any insurance policies.

The County does not need to indemnify for gross negligence on the part of NHCC or their employees when the claim arises from jail based services. The indemnification provision will only be applicable for claims arising from jail-based care service from the commencement of the contract which began in August 2017. Pursuant to the contract, the insurance carrier is made aware of the claim in the event that the indemnity provision may need to be invoked. The County does not need to indemnify for gross negligence on the part of NUMC or their employees when the claim arises from jail based services. Any negligent claims prior to that date remain the responsibility of the prior vendor (Armor); a discussion of potential liability of disputed Armor claims is discussed in potential litigation liability section of 2019 CAFR.

The County is not required to indemnify for any claims arising out of healthcare services in the actual hospital facility. Claims of negligent treatment in the hospital are the sole responsibility of the NHCC.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

W. DUE TO NEW YORK STATE RETIREMENT SYSTEM

The County has elected to amortize a portion of the retirement bill each year. This amortization includes interest at a rate which is established annually for each year's amortization by the New York State and Local Retirement System (the "System"). The County's fiscal year differs from the System's, therefore the portion of the current year's retirement bill that is amortized is done so on a pro-rata basis. The total unpaid pension amortization liability is recorded in the government-wide financial statements. These amortization payments are paid out of current resources each year and are recorded as an expenditure in the governmental funds.

X. 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.

Y. 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 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 services 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) (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.

Z. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Z. CONTRACTUAL LIABILITY DUE TO NHCC (Continued)

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.

The contractual liability due to NHCC has been actuarially calculated and 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. This estimate will be actuarially computed on a periodic basis to ensure reasonableness of the estimate.

AA. 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 and in the current year in order to pay for a portion of these property tax refunds. These amounts have been included with serial bonds reported in the government-wide financial statements. In addition, a portion of these settlements are paid as tax certiorari expenditures in the governmental funds. The estimate of liability is a synopsis of all unpaid 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.

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 and depreciation. Actual results could differ from these estimates.

2. CONTROL PERIOD CALCULATION

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, Chapter 84 of the Laws of 2000, as supplemented by Chapter 179 of the Laws of 2000 and as amended from time to time (the "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 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 primary operating funds (defined as the General Fund, the Police Headquarters Fund, the Police District Fund, the Fire Prevention, Safety, Communication and Education Fund and the Debt Service Fund) assuming all revenues and expenditures are reported in accordance with GAAP.

2. CONTROL PERIOD CALCULATION (Continued)

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 expenditure 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

- 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 (borrowing proceeds and premiums).

Under the Control Period Calculation requirement, the budgetary basis results of the County's five primary operating funds, the General, Fire Prevention, Safety, Communication, and Education, 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, such as termination pay and property tax refunds. For the fiscal year 2019, the County reported a $76.8 million surplus under the Control Period Calculation reporting for the five primary operating funds. A reconciliation from GAAP to the required Control Period Calculation results is shown below.

2. CONTROL PERIOD CALCULATION (Continued)

The Control Period Calculation requires that certain other financing sources that result from borrowings be eliminated from the GAAP results. In Exhibit F-1, the $138.9 million 2019 GAAP surplus for the five primary operating funds of the County is further reduced by operating expenditures that were recorded in non-primary operating funds (i.e., the borrowed funds to pay property tax refunds and other operating expenditures of $61.1 million and $0.2 million, respectively), which effectively increased the GAAP results in the primary operating funds since these expenditures were recorded elsewhere, as well as adjustments for revenues that were derived from bond issuances, such as bond surplus ($0.8 million).

The table below reconciles the County's governmental GAAP results, as reported in the governmental funds of the CAFR (see Exhibit X-5) of $153.6 million to GAAP results for the five primary operating funds as defined above.

For fiscal year 2019, the County's governmental funds reported a $130.4 million surplus in the General Fund and a $23.2 million surplus in the Police District Fund (PDD), for a total surplus of $153.6 million. Included in the County's General Fund under governmental GAAP are several funds that are not treated as primary 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), and the Open Space Fund (OSF). The total 2019 governmental GAAP surplus of those funds that was included in the General Fund surplus of $130.4 million was $14.7 million.

Reconciliation of U.S. governmental fund GAAP in CAFR to Primary Operating Fund GAAP

(dollars in millions)

	2019 GAAP surplus/ (deficit) per 2019 CAFR	**2019 GAAP results of non-primary funds and reserves* included in General Fund in CAFR**							**Primary Operating Funds 2019 GAAP surplus/(deficit)**
		LIT	EBF	BIF	RCF	TCF	OSF	Total	
General Fund	$ 130.4	$ 15.2	$ 0.2	$ (0.7)	$	$	$	$ 14.7	$ 115.7
PDD Fund	23.2								23.2
	$ 153.6	$ 15.2	$ 0.2	$ (0.7)	$	$	$	$ 14.7	**$ 138.9**

For County budgetary purposes and NIFA Statutory Act, the County's "primary operating funds" are the General Fund, the Police Headquarters Fund, the Fire Prevention, Safety, Communication and Education Fund, the Debt Service Fund, and the Police District Fund.

* These non-primary operating funds and reserve funds are consolidated into the General Fund in accordance with GASB Statement No. 54; LIT= Litigation Fund, EBF=Employee Benefit Accrued Liability Reserve Fund, BIF=Bond Indebtedness Reserve Fund, RCF=Retirement Contribution Reserve Fund, TCF=Technology Fund, OSF=Open Space Fund.

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

3. DEPOSITS AND INVESTMENTS

At December 31, 2019, the County's total cash and cash equivalents, which consisted of cash in money market interest bearing bank accounts at rates averaging 1.50%, for the governmental funds and the fiduciary funds, were $1.0 billion and $54.3 million, respectively. As of December 31, 2019, the County's bank balances totalling $1.11 billion (including fiduciary funds of $105.6 million) were fully covered with FDIC and/or pledged collateral held by third party financial institutions acting as agent for the County, in the name of the County. The third-party collateral consists of U.S. Treasuries, GNMA, and other obligations of the U.S. government.

As of December 31, 2019, total investments amounted to $79.7 million. The investments consisted of U.S. Treasury Notes, Certificate of Deposits, 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 invest 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.

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

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

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

The following table summarizes the County's unrestricted and restricted cash and cash equivalents (including fiduciary funds and blended components) and investment position at December 31, 2019 (dollars in thousands):

	Cash and Cash Equivalents	Investments	Certificate of Deposit	Total
Cash and Cash Equivalents	$ 1,070,170	$	$	$ 1,070,170
Certificates of deposit			20,000	20,000
Treasury notes and investments		59,728		59,728
Totals	$ 1,070,170	$ 59,728	$ 20,000	$ 1,149,898
Governmental Funds	$ 1,015,842	$ 59,728	$ 20,000	$ 1,095,570
Fiduciary Funds	54,328			54,328
Totals	$ 1,070,170	$ 59,728	$ 20,000	$ 1,149,898

3. DEPOSITS AND INVESTMENTS (Continued)

The County maintains a consolidated disbursement account with a financial institution on behalf of the College. At August 31, 2019, the College had a cash balance of $59.1 million, of which $29.3 million was held by the County on behalf of the College, and the bank balance was $29.3 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, 2019, the carrying amount (fair value) of the College's investments was $2.7 million.

At December 31, 2019, 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. [See Note 12 for description of fair value hierarchy related to NIFA's hedging derivative instruments (Interest Rate Exchange Swap Agreements)].

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, 2019:

		(Dollars in thousands)			
			Fair Value Measurements Using:		
Investment by Fair Value Level	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	$ 37,548	$	$ 37,548	$
Total investment by fair value level		$ 37,548	$	$ 37,548	$
Hedging Derivative Instruments (See Note 12)					
Interest-rate exchange swap agreements	N/A	$ (12,651)	$	$ (12,651)	$
Total derivative instruments by fair value	N/A	$ (12,651)	$	$ (12,651)	$

NCTSC's restricted investments of $22,180 consist of shares in a money market fund which invests in short-term U.S. Treasury securities and in repurchase agreements backed by U.S. Treasury securities which are stated at amortized cost and therefore not included in the above table. 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, 2019.

4. FAIR VALUE MEASUREMENT (Continued)

The following is a summary of the total investments (including NCTSC's restricted investments of $22,180) held by the County as of December 31, 2019 (dollars in thousands):

Investments	$ 2,806
Restricted Investments	34,742
	$ 37,548

At December 31, 2019, 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 inthousands)			
		Fair Value Measurements Using:		
2019	Total	Quoted Prices in Active Market for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Cash and cash equivalents	$118,165	$ 118,165	$	$
U.S Treasury Bills	1,181		1,181	
Municipal Bonds	1,093		1,093	
	$ 120,439	$ 118,165	$ 2,274	$
Certificates of Deposit*				3,764
				$ 3,764

* These are non-negotiable certificate of deposit and as such, 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, 2019 (dollars in thousands):

Restricted investments	$ 123,110

5. DUE FROM OTHER GOVERNMENTS

Due from Other Governments at December 31, 2019 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	Federal	State/Other*	Total
General Fund	$ 55,432	$ 100,931	$ 156,363
NIFA Fund		133,511	133,511
Sewer and Storm Water District Fund		4,452	4,452
Capital Fund	50,465	968	51,433
Nonmajor Funds	19,008	4,264	23,272
Totals	$ 124,905	$ 244,126	$ 369,031

* Sales tax receivable of $144,753 (both General and NIFA funds) due from the State, is reported separately in the financial statements as sales tax receivable, however is included in the table above.

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.

8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A. Interfund Receivables, Payables and Transfers

The individual fund Interfund Receivables and Interfund Payables as of December 31, 2019 are reconciled as follows (dollars in thousands):

December 31, 2019	General Fund	NIFA Fund	Police District Fund	Sewer & Storm Water District Fund	Capital Fund	Disputed Assessment Fund	Nonmajor Governmental Funds	Total Governmental Funds
INTERFUND RECEIVABLE								
General Fund	$	$	$ 6,573	$	$	$	$	$ 6,573
NIFA Fund	110,863						22,399	133,262
Police District Fund	9,083						101	9,184
Sewer & Storm District Fund	29,478							29,478
Capital Fund	6,896			7,661				14,557
Disputed Assessment Fund	1,613							1,613
Nonmajor Funds	17,805	3	530	210	114			18,662
TOTAL RECEIVABLE	$ 175,738	$ 3	$ 7,103	$ 7,871	$ 114	$	$ 22,500	$ 213,329
INTERFUND PAYABLE								
General Fund	$	$ (110,863)	$ (9,083)	$ (29,478)	$ (6,896)	$ (1,613)	$ (17,805)	$ (175,738)
NIFA Fund							(3)	(3)
Police District Fund	(6,573)						(530)	(7,103)
Sewer & Storm District Fund					(7,661)		(210)	(7,871)
Capital Fund							(114)	(114)
Nonmajor Funds		(22,399)	(101)					(22,500)
TOTAL PAYABLE	$ (6,573)	$ (133,262)	$ (9,184)	$ (29,478)	$ (14,557)	$ (1,613)	$ (18,662)	$ (213,329)

December 31, 2019	Transfers In: General Fund	Police District Fund	Sewer & Storm Water District Fund	Capital Fund	Disputed Assessment Fund	Nonmajor Governmental Funds	Total
Transfers Out:							
General Fund	$	$	$	$	$	$ 58	$ 58
Police District Fund	2,295					101	2,396
Sewer & Storm District Fund	28,873						28,873
Capital Fund	63,542						63,542
Disputed Assessment Fund	1,613						1,613
Nonmajor Funds	10,547						10,547
TOTAL	$ 106,870	$	$	$	$	$ 159	$ 107,029

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.

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

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, 2019 do not offset each other as they include accounts of the College at the end of their fiscal year on August 31, 2019, and NHCC, which has timing differences with the County. The following reconciles the December 31, 2019 amount by carrying forward the College transactions affecting these accounts from September 1, 2019 through December 31, 2019 and the NHCC for the timing differences.

Dollars in Thousands	2019	
Due from Primary Government (Exhibit X-1), Component Units	$ 30,000	
Due to Primary Government (Exhibit X-1), Component Units	(21,645)	
Net Due from Primary Government, Component Units	$ 8,355	
Nassau Community College Transactions from September 1, to December 31:		
Increase in due from Capital Fund	$ 6,334	
Increase in due from Fiduciary Fund	72	
Decrease in due from General Fund	(153)	
Subtotals		6,253
Nassau Health Care Corporation		
Net Change in Encumbrances		(17,719)
Due to Component Units - Fiduciary per Balance Sheet: (Exhibit X-11)		(1,093)
Due From Component Units - Governmental per Balance Sheet (Exhibit X-1)		44,335
Due To Component Units - Governmental per Balance Sheet (Exhibit X-1)		(40,131)
Due to Component Units - Fiduciary and Governmental		$ (8,355)

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 accumulated decrease in the fair value of hedging activities, the deferred charges on other post-employment benefits and deferred charges on pensions.

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

NIFA's and NHCC's derivative instruments, which consist of interest rate swap agreements have been reported at fair value as of December 31, 2019. As the interest rate swap agreements qualify as hedging derivative instruments, the fair value has been recorded as a deferred outflow of resources.

9. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (Continued)

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

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenues) until that time. The County has seven items that qualify for reporting in this category; deferred gain on refundings, property taxes, property taxes - part County sales tax offset, Mitchell Field - sale of future rental revenue, other post-employment benefits, pensions and service concession agreements.

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

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

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

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

The difference between the consideration received and the liability derived from service concession arrangements is reported as a deferred inflow of resources because the revenue will be recognized over the term of the agreement. See Note 21H for further discussion of the County's service concession arrangements.

9. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (Continued)

The deferred inflow of resources related to OPEB results from differences between expected and actual experience, and changes in assumptions or other inputs.

10. CAPITAL ASSETS

The 2019 capital assets are reconciled to the 2019 amounts reported on Exhibit X-1 in the table below (dollars in thousands):

	Governmental Activities
Capital assets not being depreciated	$ 1,414,007
Depreciable capital assets	4,492,804
Accumulated depreciation	(2,409,014)
Capital assets - net	3,497,797
Outstanding related debt and liabilities	(1,094,899)
Net investment in capital assets	$ 2,402,898

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 2019, no impairment losses were recognized related to the County.

10. CAPITAL ASSETS (Continued)

Activity for capital assets, reconciled to the 2019 amount reported in Exhibit X-1, is summarized below (dollars in thousands):

Primary Government	Balance January 1, 2019	Additions	Deletions	Balance December 31, 2019
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 244,470	$	$	$ 244,470
Intangible - land development rights	8,804			8,804
Construction in progress	1,310,721	174,201	324,189	1,160,733
Total capital assets, not being depreciated	1,563,995	174,201	324,189	1,414,007
Capital assets, being depreciated:				
Land improvements	82,393	3,656		86,049
Buildings	1,350,477	32,445		1,382,922
Equipment	509,252	28,484	15,127	522,609
Infrastructure	2,212,895	288,329		2,501,224
Total capital assets, being depreciated	4,155,017	352,914	15,127	4,492,804
Total capital assets	5,719,012	527,115	339,316	5,906,811
Less accumulated depreciation:				
Land improvements	69,595	3,949		73,544
Buildings	582,102	36,275		618,377
Equipment	368,475	31,135	13,491	386,119
Infrastructure	1,206,310	124,664		1,330,974
Total accumulated depreciation	2,226,482	196,023	13,491	2,409,014
Total capital assets, being depreciated, net	1,928,535	156,891	1,636	2,083,790
Governmental activities capital assets, net	$ 3,492,530	$ 331,092	$ 325,825	$ 3,497,797

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

	County
Transfer from construction in progress	$ 324,189
Additions to capital assets:	
Land improvements	$ 3,655
Buildings	32,204
Infrastructure	288,330
	$ 324,189

10. CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions of the primary government for the fiscal year ended December 31, 2019 as follows (dollars in thousands):

	Land Improvements	Buildings	Equipment	Infrastructure	Total
Functions:					
Legislative	$	$ 6	$ 20	$	$ 26
Judicial	60	1,091	485		1,636
General administration	60	11,012	2,443		13,515
Protection of persons		2,055	11,739	2,656	16,450
Health		101	98		199
Public works	1,054	9,144	3,845	118,689	132,732
Recreation and parks	2,715	5,762	537	3,319	12,333
Social services	60	181	73		314
Corrections		4,579	738		5,317
Other Expenditures/MSBA		660	11,155		11,815
Other		1,684	2		1,686
Total depreciation expense	$ 3,949	$ 36,275	$ 31,135	$ 124,664	$ 196,023

Total capital assets of the County, as of December 31, 2019 is $5.9 billion with accumulated depreciation of $2.4 billion.

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, 2018	Additions	Deletions	Balance at August 31, 2019
Capital assets, not being depreciated:				
Land	$ 2,733	$	$	$ 2,733
Library*	800		64	736
Total capital assets, not being depreciated	3,533		64	3,469
Capital assets, being depreciated:				
Land improvements	17,704	9,870		27,574
Infrastructure	22,544	1,465		24,009
Buildings	213,536	54		213,590
Building improvements	67,422	6,785		74,207
Equipment	13,668	1,448	241	14,875
Total capital assets, being depreciated	334,874	19,622	241	354,255
Total capital assets	338,407	19,622	305	357,724
Less accumulated depreciation:				
Land improvements	5,420	1,096		6,516
Infrastructure	7,717	1,245		8,962
Buildings	117,151	1,930		119,081
Building improvements	34,278	3,083		37,361
Equipment	10,160	962	241	10,881
Total accumulated depreciation	174,726	8,316	241	182,801
Net capital assets being depreciated	160,148	11,306		171,454
Total capital assets, net	$ 163,681	$ 11,306	$ 64	$ 174,923

10. CAPITAL ASSETS (Continued)

Nassau Community College Capital Assets ***(Continued)***

Capital assets of the Faculty-Student Association, the component unit of the College as of August 31, 2019 consisted of the following (dollars in thousands):

	Balance August 31, 2019
Furniture and equipment	$ 323
Vans	232
	555
Less accumulated depreciation	(462)
Total capital assets (net)	$ 93

Total depreciable capital assets of the College and Faculty-Student Association, the component unit of the College as of August 31, 2019, was $354.8 million with accumulated depreciation of $183.3 million.

Nassau Health Care Corporation Capital Assets

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

	Balance January 1, 2019	Additions	Deletions/ Transfers	Balance December 31, 2019
Capital assets, not being depreciated:				
Land	$ 12,498	$	$	$ 12,498
Construction in progress	17,636	10,197	(16,694)	11,139
Total capital assets, not being depreciated	30,134	10,197	(16,694)	23,637
Capital assets, being depreciated:				
Land improvements	17,130			17,130
Buildings and improvements	250,451	4,676		255,127
Fixed equipment	111,656	7,925		119,581
Movable equipment	211,608	8,928		220,536
Total capital assets, being depreciated	590,845	21,529		612,374
Total capital assets	620,979	31,726	(16,694)	636,011
Less accumulated depreciation for:				
Land improvements	13,785	245		14,030
Buildings and improvements	164,896	7,477		172,373
Fixed equipment	107,548	935		108,483
Movable equipment	180,978	9,231	35	190,244
Total accumulated depreciation	467,207	17,888	35	485,130
Total capital assets, net	$ 153,772	$ 13,838	$ (16,729)	$ 150,881

Net interest capitalized for the year ended December 31, 2019 was $835.

11. LEASES

The County leases some property and equipment. Leased property having elements of ownership is recorded as a capital lease in the government-wide financial statements. The related obligations, in amounts equal to the present value of minimum lease payments payable during the remaining term of the leases, are also recorded in the government-wide financial statements. Other leased property, not having elements of ownership, are classified as operating leases. Both capital and operating lease payments are recorded as expenditures when payable in governmental funds. Total expenditures on such leases for the year ending December 31, 2019 were approximately $11.2 million.

The County has two capital leases, both for building leases. One lease is reported as a capital lease because when the lease term ends in 2025, the ownership of the building transfers to the County. The original cost of the building was $5.5 million and accumulated depreciation at December 31, 2019 is $2.5 million. The second building was added as a capital lease in 2017 because the net present value at the beginning of the lease term of the minimum lease payments, equals or exceeds ninety percent of the excess of the fair value of the lease property to the lessor at the inception of the lease. The fair value of the building is $75.5 million and accumulated depreciation at December 31, 2019 is $15.1 million.

As of December 31, 2019, the County (excluding discretely presented component units) had future minimum lease payments under capital and operating leases with a remaining term in excess of one year as follows (dollars in thousands):

Years ending December 31,	Capital Lease	Operating Leases	Total Capital & Operating Leases
2020	$ 8,253	$ 1,822	$ 10,075
2021	8,439	1,561	10,000
2022	8,629	1,120	9,749
2023	8,823	325	9,148
2024	9,022	85	9,107
2025-2029	43,843		43,843
2030-2034	48,536		48,536
2035-2036	15,644		15,644
Future minimum payments	151,189	$ 4,913	$ 156,102
Less: interest	73,656		
Present value of future minimum lease payments	$ 77,533		

11. LEASES (Continued)

The County also leases County-owned property to others and the leases are classified as operating leases. Total rental revenue on these leases for 2019 was $8.4 million.

As of December 31, 2019, the following future minimum rentals are provided for by the leases (dollars in thousands):

Years ending December 31,	Operating Leases (in Thousands)
2020	$ 7,984
2021	5,740
2022	5,689
2023	5,117
2024	4,467
2025-2029	23,367
2030-2034	26,350
2035-2039	28,642
2040-2044	33,328
2045-2049	37,914
2050-2054	13,666
	$ 192,264

These County leases are for land and buildings with the total cost and carrying amount of $4.7 million for land, and the original cost of $19.8 million, which has been fully depreciated for buildings at December 31, 2019.

In 2009, the NCC entered into an operating lease with the AG Metropolitan Endo, LLC, property owner, for the rent of one entire building known as 500 Endo Boulevard, Garden City, New York 11530. Rental expenditures reported for the year ended August 31, 2019 under this operating lease were $935 thousand representing the straight-line amortization of the lease payments over the life of the lease. The following is a summary of the future contractual minimum rental commitments under this lease:

Years ending August 31,	Operating Leases (in Thousands)
2020	$ 999
2021	999
2022	999
2023	999
2024	1,020
2025 - 2029	5,448
	$ 10,464

12. NOTES PAYABLE AND LONG-TERM OBLIGATIONS

<u>County of Nassau Notes Payable and Long-Term Obligations</u>

In May 2019, the County issued Series A General Obligation Bonds in the amount of $64.4 million. The bonds bear interest at 5.0% with maturity dates ranging from April 2020 to April 2049. The bonds maturing on or after April 1, 2030 are subject to optional redemption on April 1, 2029 or any date thereafter. The bonds were issued to pay a portion of the County's maturing 2018 Series B Bond Anticipation Notes ("BANS") and to pay costs of issuance.

The County issued Series A Revenue Anticipation Notes ("RANS") in the amount of $78.7 million. The Series A RANS bear interest of 4.0% and matured on December 10, 2019. The Series A RANS were issued to finance cash flow needs within the County.

In June 2019, the County issued Series A BANS in the amount of $77.1 million. The Series A BANS bear interest of 5.0% and mature on June 1, 2020. The Series A BANS were issued to finance various sewer system improvements and other capital projects and to pay costs of issuance.

In December 2019, the County issued Series A and B Tax Anticipation Notes ("TANS") in the amount of $119.9 million and $99.5 million respectively. The County also issued Series B General Obligation Bonds in the amount of $105.1 million. The Series A TANS bear interest of 2.0% and mature on March 16, 2020. The Series B TANS bear interest of 2.0% and mature on September 14, 2020. The Series A and B TANS were issued in anticipation of the collection by the County of real property taxes levied for County purposes for the fiscal year commencing on January 1, 2020. The Series B Bonds bear interest of 5.0% with maturity dates ranging from April 2020 to April 2049. The bonds maturing on or after April 1, 2031 are subject to optional redemption on April 1, 2030 or any date thereafter. The bonds were issued to fund various public purposes, including capital projects, to refinance the County's BANS, 2018 Series C, dated December 10, 2018 and maturing December 10, 2019, issued to refinance notes that originally financed various sewer system improvements, and to pay costs of issuance.

In June 2019, the short-term EFC Clean Water Facility Note 2018A was converted into two long-term financings in the amounts of $13.5 million and $19.0 million. The $13.5 million bond bears interest at leveraged rates with maturity dates ranging from August 2019 to August 2048. The $19.0 million bond bears zero interest with maturity dates ranging from August 2019 to August 2048.

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

	Balance January 1, 2019	Issued	Redeemed	Balance December 31, 2019
General Fund:				
Tax anticipation notes - (2.0% issued 2019, maturity dates in 2020)	$ 297,960	$ 219,380	$ 297,960	$ 219,380
Revenue anticipation notes - (4.0% issued in 2019, maturity dates in 2019)		78,725	78,725	
Total General Fund	$ 297,960	$ 298,105	$ 376,685	$ 219,380
Capital Fund:				
Bond anticipation notes - (5.0% issued 2019, maturity dates in 2020)	$ 195,465	$ 77,095	$ 195,465	$ 77,095

12. 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, 2019	Additions	Reductions	Balance December 31, 2019	Due Within One Year
General Long-Term Obligations					
Debt:					
General Obligation County Bonds - (2.0% to 6.7%, issued in 2007 through 2019, maturity dates 2019 through 2049)	$ 2,346,296	$ 169,510	$ 106,280	$ 2,409,526	$ 118,680
Sewage purpose bonds - (3.50% to 6.00%, issued in 2008 through 2009, maturity date 2019) - County	865		865		
State Water Pollution Control Revolving Fund revenue bonds - (0.263% to 6.182%, issued in 2002 through 2019, maturity dates 2020 through 2048) - County	57,227	32,530	9,311	80,446	9,664
Total Serial Bonds - County	2,404,388	202,040	116,456	2,489,972	128,344
Sales Tax Secured Bonds -NIFA, (various interest rates, issued in 2008 through 2015, maturity dates 2019 through 2025)	535,479		123,500	411,979	117,556
Nassau County Sewer and Storm Water Finance Authority System Revenue Bonds Series 2014A (5.0%, issued in 2014, maturity date 2034)	122,895		11,370	111,525	11,795
Tobacco Settlement Asset-Backed Bonds, Series 2006 (5.0% to 7.35%, issued in 2006, maturity dates 2021 through 2060)	400,537			400,537	
Total Serial Bonds - NIFA, NCSSWFA, NCTSC	1,058,911		134,870	924,041	129,351
Total Serial Bonds	3,463,299	202,040	251,326	3,414,013	257,695
Accreted interest - Tobacco Settlement Asset Backed Bonds	76,775	8,184		84,959	
Total Serial Bonds and Accreted Interest	3,540,074	210,224	251,326	3,498,972	257,695
Deferred Bond Premium/Discount (net of amortization)	319,938	37,397	23,002	334,333	16,253
Total Serial Bonds and accreted interest, net of deferred bond premium/discount	$ 3,860,012	$ 247,621	$ 274,328	$ 3,833,305	$ 273,948
Long-Term Bond Anticipation Notes					
EFC- Bond Anticipation notes - (0.0% issued in 2017, 2018), maturity date in 2019)	$ 20,682	$ 2,175	$ 22,857	$	$
Total Long-Term Bonds and accreted interest, net of deferred bond premium/discount	$ 3,880,694	$ 249,796	$ 297,185	$ 3,833,305	$ 273,948

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

<u>County of Nassau Notes Payable and Long-Term Obligations</u> **(Continued)**

<u>Long – Term Obligations</u> **(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):

	January 1, 2019	Additions	Reductions	Balance December 31, 2019	Due Within One Year
Balances carried forward	$ 3,880,694	$ 249,796	$ 297,185	$ 3,833,305	$ 273,948
Other:					
Derivative instruments - interest rate swaps	14,417		1,766	12,651	
Accrued Vacation and Sick Pay	501,607	26,533	46,731	481,409	45,997
Due to City of Glen Cove	790		315	475	314
Deferred Payroll	57,655	9,789	12,530	54,914	10,364
Estimated Liability for Workers' Compensation	209,806	65,515	30,386	244,935	31,445
Estimated Tax Certiorari Liability*	476,441	90,190	92,323	474,308	85,000
Estimated Liability for Litigation	414,759	90,560	30,119	475,200	12,009
Capital Lease Obligations	78,618		1,085	77,533	1,390
Contractual Liability due to NHCC	283,652		13,222	270,430	13,794
Due to New York State Retirement System	226,364	13,036	28,499	210,901	30,391
Net Pension Liability	147,240	454,980	333,180	269,040	
OPEB Liability	6,317,941	422,152	1,532,494	5,207,599	
Total Other	8,729,290	1,172,755	2,122,650	7,779,395	230,704
Total General Long-Term Obligations	$ 12,609,984	$ 1,422,551	$ 2,419,835	$ 11,612,700	$ 504,652

* The amount reported in this table is exclusive of the governmental funds tax certiorari liability of $86,557 included in the disputed assessment fund deposits held account (current portion of $33,889 and long-term portion of $52,668) and property tax refund payable of $27,585. The total estimated certiorari liability presented in the government-wide statements is $560,864. See note 21 (B).

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 2019, 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, 2019, total serial bonds outstanding were $3.5 billion of which $2.7 billion were utilized to pay approximately: $0.7 billion in tax certiorari claims; $0.4 billion for bonded operating expenses; $78.4 million for debt on capital assets of NCC; $134.8 million for non-capitalizable project expenditures, $9.4 million for debt on capital assets of the NHCC and its affiliates that are no longer the County’s assets, and $1.4 billion related to capitalizable assets. The remaining outstanding debt of approximately $0.8 billion is related to State Water Pollution Control Revolving Fund, Sewage Purpose, NCSSWFA, and NCTSC bonds.

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.

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

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

Long – Term Obligations **(Continued)**

The annual requirements and sources to amortize the County's General Obligation serial bonds payable as of December 31, 2019 are as follows (dollars in thousands):

	Debt Service Requirements			Sources (Unaudited)		
Years Ending December 31,	Principal	Interest	Total	General County Budgets	Sewer District Budgets	Total
2020	$ 128,344	$ 120,837	$ 249,181	$ 236,569	$ 12,612	$ 249,181
2021	133,583	115,389	248,972	237,827	11,145	248,972
2022	142,956	108,659	251,615	240,603	11,013	251,616
2023	136,012	101,999	238,011	228,602	9,408	238,010
2024	138,417	95,444	233,861	225,809	8,052	233,861
2025 - 2029	673,122	374,125	1,047,247	1,029,783	17,464	1,047,247
2030 - 2034	496,783	220,460	717,243	708,888	8,354	717,242
2035 - 2039	329,948	111,556	441,504	433,918	7,585	441,503
2040 - 2044	218,708	45,907	264,615	257,673	6,941	264,614
2045 - 2049	92,099	11,546	103,645	98,876	4,772	103,648
Total	$ 2,489,972	$ 1,305,922	$ 3,795,894	$ 3,698,548	$ 97,346	$ 3,795,894

At December 31, 2019, the County's legal debt margin was approximately $18.3 billion and total long-term obligation bonds authorized but unissued for general County and sewage district purposes were approximately $1.99 billion. As of December 31, 2019, 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.

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

The total bonds issued by the City to finance its sewer system was $5.1 million. As of December 31, 2019, the total principal outstanding related to the City's bonds issued to finance the sewer system was $453 thousand. The bonds have maturity dates through June 2023 and annual interest rates between 3.50% and 4.30%. Total estimated debt service (including interest) as of December 31, 2019, through maturity is approximately $475 thousand. For the year ended December 31, 2019, the County made payments of $315 thousand for such debt service. The County has included this contractual obligation in its long-term obligations.

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

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

Long – Term Obligations (Continued)

The annual requirements to amortize the City of Glen Cove's bond issuances for the sewer fund, including interest as of December 31, 2019, are as follows (dollars in thousands):

Years Ending December 31,	Principal	Interest	Total
2020	$ 298	$ 16	$ 314
2021	118	4	122
2022	19	1	20
2023	18	1	19
	$ 453	$ 22	$ 475

NIFA Long-Term Debt

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

	Balance January 1, 2019	Additions	Reductions	Balance December 31, 2019	Due Within One Year
Bonds payable:					
Sales tax secured bonds payable	$ 535,479	$	$ 123,500	$ 411,979	$ 117,556
Premiums	39,370		6,116	33,254	
Total bonds payable	574,849		129,616	445,233	117,556
Total OPEB Liability	2,234	807	637	2,404	
Net pension liability	38	169	130	77	
Compensated absences	255	69	49	275	53
Total long term debt	$ 577,376	$ 1,045	$ 130,432	$ 447,989	$ 117,609

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

As of December 31, 2019, NIFA had outstanding sales tax secured bonds in the amount of $412.0 million, maturing through the year 2025, of which $188.0 million are fixed rate and $223.9 million are hedged variable rate. Other than a possible refunding of its debt if market conditions permit, NIFA has no plans or authority to issue additional bonds, except to cover the costs of issuance incurred in connection with the refunding of its bonds.

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

NIFA Long-Term Debt **(Continued)**

Liabilities for compensated absences, total OPEB liability, and net pension liability will be liquidated through the NIFA Fund.

Fixed Rate Bonds - NIFA has outstanding fixed rate bonds at rates ranging between 2.322% and 5.0%. Interest on NIFA's fixed rate bonds is payable on May 15th and November 15th of each year, and interest on the variable rate bonds is payable on the first business day of each month. Principal on all bonds is payable on November 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. For the fixed rate bonds, this is essentially one-sixth of the next interest payment and one-twelfth of the next principal payment. Because of this monthly deposit requirement, the amount accrued for debt service ("debt service set aside") in NIFA's financial statements in any year will not be the same as the debt service on the bonds paid to bondholders in that year.

Variable Rate Bonds - Interest rates on the variable rate bonds are currently reset weekly by remarketing agents at the minimum rate necessary for the bonds to have a market value equal to the principal amount. Interest rates are set separately for each series of variable rate bonds. The variable rate bonds are in most circumstances subject to tender at the option of the bondholder. Payment of the purchase price of eligible Series 2008 A-B bonds are subject to optional or mandatory tender for purchase and if not remarketed by the remarketing agent, payment will be made under and pursuant to, and subject to the terms, conditions and provisions of liquidity facility agreements. The liquidity facility agreements currently in effect are slated to expire between November 15, 2021 and May 7, 2024 and are subject to extension or early termination. Bonds that are purchased by financial institutions under the liquidity facility and not remarketed, if any, must be paid over periods varying between three and five years. If this was to occur, annual NIFA debt service expense would increase substantially. A debt service account has been established under the Indenture to provide for the payment of principal of bonds outstanding under the Indenture. The Trustee makes monthly deposits to the debt service account for principal and interest debt service requirements. Additionally, the Trustee makes monthly interest payments.

The County has assumed responsibility for calculating arbitrage rebate liability on bonds or notes issued by NIFA; however, any resulting payments would be made by NIFA. At December 31, 2019, there is no arbitrage rebate liability.

The aggregate debt service to retire bonds outstanding at December 31, 2019, in the following table, reflects stated maturities of principal and interest for all bonds. As noted above, NIFA is party to liquidity facility agreements/stand by purchase agreements in connection with the variable rate bonds.

With the exception of the liquidity facility agreement expiring in May 2024, the other two agreements expire concurrently with the maturity of the underlying bond series. If the remaining liquidity facility agreement set to expire in May 2024 expired, and the related bonds were unable to be remarketed, and these agreements are not renewed or replaced, principal due would increase by $8.9 million in 2024.

12. 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 and assuming the variable rate bonds are remarketed and liquidity facility agreements are maintained over the term of the variable rate bond indentures, as of December 31, 2019, is as follows (dollars in thousands):

Years Ending December 31,	Principal	Interest*	Total
2020	$ 117,556	$ 15,640	$ 133,196
2021	90,085	11,415	101,500
2022	78,689	8,056	86,745
2023	59,719	4,868	64,587
2024	46,465	2,646	49,111
2025	19,465	831	20,296
	$ 411,979	$ 43,456	$ 455,435

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

Prior Year Defeasance of Debt

In prior years, NIFA defeased certain bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payment on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements.

At December 31, 2019, $85.0 million of defeased bonds remains outstanding.

DERIVATIVE INSTRUMENTS - INTEREST RATE EXCHANGE SWAP AGREEMENTS

Derivative instruments, which consist of interest rate swap agreements ("Swaps"), have been reported at fair value as of December 31, 2019. As the Swaps qualify as a hedging derivative instrument, the fair value has been recorded as a deferred outflow of resources.

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

Objectives of Swaps - The objectives of the Swaps are to protect against the potential of rising interest rates, to achieve a lower net cost of borrowing, to reduce exposure to changing interest rates on a related bond issue or in some cases where Federal tax law prohibits an advance refunding, and to achieve debt service savings through a synthetic fixed rate. In an effort to hedge against rising interest rates, NIFA entered into nine separate pay-fixed, receive-variable interest rate swap agreements in 2004, of which seven are active as of December 31, 2019.

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

NIFA Long-Term Debt ***(Continued)***

DERIVATIVE INSTRUMENTS - INTEREST RATE EXCHANGE SWAP AGREEMENTS (Continued)

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

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

At December 31, 2019, the swap agreements related to the 2004 Series D and G have expired as the related debt has been repaid.

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

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

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

***NIFA Long-Term Debt* (Continued)**

DERIVATIVE INSTRUMENTS - INTEREST RATE EXCHANGE SWAP AGREEMENTS (Continued)

Terms – The initial notional amount totaled $600.0 million, the principal associated with the 2004 Series B-K revenue bonds and totaled $440.0 million for the principal associated with the sales tax secured bonds outstanding at December 31, 2019. The outstanding notional amount as of December 31, 2019 is $224.0 million. Under the terms of the swaps, NIFA will pay fixed rates and receive a floating rate as follows:

2004 Revenue Bonds	Pay Fixed Rate	Receives Floating Rate
Series B, C, E, F	3.1460%	60.0% of USD-LIBOR + 0.16%
Series I, K, J	3.4320%	61.5% of USD-LIBOR + 0.2%

Fair Value - Fair value is described as an exit price that assumes a transaction takes place in an orderly transaction between market participants (buyers and sellers that are in the most advantageous market) at the measurement date. The fair values of the interest rate derivative transactions were estimated based on an independent pricing service. The valuations provided were derived from proprietary models based upon well-recognized principles and estimates about relevant future market conditions. The expected transaction cash flows are calculated using the zero-coupon discounting method which takes into consideration the prevailing benchmark interest rate environment, the specific terms and conditions of a given transaction, and assumes that the current forward rates implied by the benchmark yield curve are the markets best estimates of future spot interest rates. The income approach is then used to obtain the fair value of the transactions where future amounts (the expected transaction cash flows) are converted to a single current (discounted) amount, using a rate of return that considers the relative risk of nonperformance associated with the cash flows and time value of money. Where applicable under the income approach (which takes into consideration the risk of nonperformance) an option pricing model technique is applied such as the Black-Scholes-Merton model, the Black-Derman-Toy Model, one of the short-rate models, or other market standard models consistent with applicable practices in the market for interest rate option products. The option models would consider probabilities, volatilities, time, settlement prices, and other variables pertinent to the transactions. As the prevailing market replacement rates were lower than the contractual fixed interest rates from the effective date of the swaps, the swaps had negative fair values and have been reported on the statement of net position as derivative instruments - interest rate swaps liability.

Replacement interest rates on the Swaps, as of December 31, 2019, are reflected in the chart entitled "Derivative instruments - Interest Rate Swap Valuation" (the "Chart"). As noted in the Chart, replacement rates were lower than market interest rates on the effective date of the Swaps. Consequently, as of December 31, 2019, the remaining Swaps had negative fair values. In the event there is a positive fair value, NIFA would be exposed to the credit risk of the counterparties in the amount of the Swaps' fair value should the swap be terminated.

The fair value of each Swap, including accrued interest, is provided in the Chart. The fair value of each Swap listed represents the theoretical value/(cost) to NIFA if it terminated the Swap as of the date indicated, assuming that a termination event occurred on that date. Negative fair values may be offset by reductions in total interest payments required under the related variable interest rate bonds.

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

NIFA Long-Term Debt ***(Continued)***

DERIVATIVE INSTRUMENTS - INTEREST RATE EXCHANGE SWAP AGREEMENTS (Continued)

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

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

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

  To minimize the credit and counterparty credit risk exposure, NIFA's swap policy requires that counterparties have credit ratings from at least one nationally recognized statistical rating agency that is within the two highest investment grade categories, without distinction as to grade within the category. If after entering into an agreement the ratings of the counterparty or its guarantor or credit support party are downgraded below the described ratings by any one of the rating agencies, then the agreement is subject to termination unless the counterparty provides either a substitute guarantor or assigns the agreement, in either case, to a party meeting the rating criteria reasonably acceptable to NIFA or collateralizes its obligations in accordance with the criteria set forth in the transaction documents. The counterparties have the ratings set forth on page 106.

The table below shows the diversification, by percentage of notional amount outstanding at December 31, 2019, among the various counterparties that have entered into agreements with NIFA.

Counterparty	Dollars in Millions	Notional Percentage
GSMMDP	$ 93	41.66%
UBS AG	93	41.66%
MSCS	38	16.68%
	$ 224	100.0%

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

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

***NIFA Long-Term Debt** (Continued)*

DERIVATIVE INSTRUMENTS - INTEREST RATE EXCHANGE SWAP AGREEMENTS (Continued)

Risks Associated with the Swap Agreements (Continued)

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

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

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

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

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

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

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

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

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

***NIFA Long-Term Debt* (Continued)**

DERIVATIVE INSTRUMENTS - INTEREST RATE EXCHANGE SWAP AGREEMENTS (Continued)

Risks Associated with the Swap Agreements (Continued)

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

At December 31, 2019, the aggregate fair value of all hedging derivative instrument agreements whose terms contain such collateral provisions is negative $12.6 million. Because NIFA's credit rating is Aa1/AAA, no collateral has been required or posted.

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

- Baa1/BBB+: $4.9 million in collateral to UBS AG and $2.7 million in collateral to MSCS.
- Baa1/BBB+: $4.9 million in collateral to UBS AG and $2.7 million in collateral to MSCS.
- Baa3/BBB-: $4.9 million in collateral to GSMMDP, $4.9 million in collateral to UBS AG and $2.7 million in collateral to MSCS.

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

NIFA Long-Term Debt ***(Continued)***

DERIVATIVE INSTRUMENTS - INTEREST RATE EXCHANGE SWAP AGREEMENTS (Continued)

As of December 31, 2019 NIFA's Derivative Instrument - Interest Rate Swap Valuation is as follows:

(Dollars in Thousands)

Swap Agreements	2004 Series B	2004 Series C	2004 Series E	2004 Series F	2004 Series I	2004 Series J	2004 Series K	Total
Notional Amount								
Original Amount	$ 72,500	$ 72,500	$ 72,500	$ 72,500	$ 50,000	$ 50,000	$ 50,000	$ 440,000
At December 31, 2019	$ 27,975	$ 27,975	$ 27,975	$ 27,975	$ 37,350	$ 37,350	$ 37,350	$ 223,950
Counterparty	GSMMDP	GSMMDP	UBS	UBS	GSMMDP	UBS	MSCS	
Counterparty Rating (1)	Aa2/AA-NA	Aa2/AA-NA	Aa3/A+/AA-	Aa3/A+/AA-	Aa2/AA-NA	Aa3/A+/AA-	A3/BBB+/A	
Effective Date	April 8, 2004	April 8, 2004	April 8, 2004	April 8, 2004	December 9, 2004	December 9, 2004	December 9, 2004	
Maturity Date	November 15, 2024	November 15, 2024	November 15, 2024	November 15, 2024	November 15, 2025	November 15, 2025	November 15, 2025	
NIFA Pays	3.146%	3.146%	3.146%	3.146%	3.432%	3.432%	3.432%	
Replacement Rate	1.551%	1.154%	1.155%	1.154%	1.396%	1.396%	1.396%	
NIFA Receives	60% of LIBOR plus 16 basis points weekly (Tuesday)	60% of LIBOR plus 16 basis points weekly (Friday)	60% of LIBOR plus 16 basis points weekly (Tuesday)	60% of LIBOR plus 16 basis points weekly (Friday)	61.5% of LIBOR plus 20 basis points (Wednesday)	61.5% of LIBOR plus 20 basis points (Wednesday)	61.5% of LIBOR plus 20 basis points (Wednesday)	
Change in Fair Value	$ 439	$ 435	$ 439	$ 435	$ 6	$ 6	$ 6	$ 1,766
Net Accrued	$ (112)	$ (109)	$ (112)	$ (109)	$ (142)	$ (142)	$ (142)	$ (868)
Net Present Value	(1,047)	(1,045)	(1,047)	(1,045)	(2,533)	(2,533)	(2,533)	(11,783)
Total Fair Value of Swap	$ (1,159)	$ (1,154)	$ (1,159)	$ (1,154)	$ (2,675)	$ (2,675)	$ (2,675)	$ (12,651)

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

NIFA Long-Term Debt ***(Continued)***

DERIVATIVE INSTRUMENTS – INTEREST RATE - SWAP AGREEMENTS (Continued)

Swap Payments and Associated Debt - Using rates as of December 31, 2019, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, is shown below. As rates change over time, variable-rate bond interest payments and net swap payments will change.

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

Years Ending December 31,	Variable-Rate Bonds Principal	Interest	Interest Rate Swaps, Net	Total Payments
2020	$ 75,325	$ 42	$ 4,291	$ 79,658
2021	51,050	28	2,899	53,977
2022	28,475	19	1,925	30,419
2023	29,650	13	1,341	31,004
2024	30,600	7	733	31,340
2025	8,850	1	164	9,015
Total	$ 223,950	$ 110	$ 11,353	$ 235,413

NCSSWFA Long-Term Debt

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

	January 1, 2019	Additions	Reductions	December 31, 2019	One Year
Revenue bonds payable:					
Series 2014A	$ 122,895	$	$ 11,370	$ 111,525	$ 11,795
Premiums	20,306		1,988	18,318	
Total bonds payable	$ 143,201		$ 13,358	$ 129,843	$ 11,795

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

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

NCSSWFA Long-Term Debt **(Continued)**

Aggregate debt service to maturity as of December 31, 2019 excluding premiums, with an interest rate of 5.0%, is as follows (dollars in thousands):

Years Ending December 31,	Principal	Interest	Total
2020	$ 11,795	$ 5,576	$ 17,371
2021	12,365	4,987	17,352
2022	12,865	4,368	17,233
2023	13,445	3,725	17,170
2024	10,285	3,053	13,338
2025 - 2029	39,235	8,150	47,385
2030 - 2034	11,535	1,787	13,322
	$ 111,525	$ 31,646	$ 143,171

NCTSC Long-Term Debt

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

NCTSC used the proceeds from the Series 2006 Bonds, along with other funds, to: (i) refund all of the 1999 Bonds then-currently outstanding in the aggregate principal amount of $272.1 million; (ii) fund a Senior Liquidity Reserve for the Series 2006 Senior Bonds of $24.0 million; (iii) pay the costs of issuance of the Series 2006 Bonds; (iv) fund certain projected requirements for the Operating Account; (v) fund interest on the Series 2006 Bonds through the December 1, 2007 payment; and (vi) pay certain amounts to the NCTSC Residual Trust as registered owner of the Residual Certificate. Pursuant to the Indenture, TSRs received on or after April 1, 2008, are subject to the lien of the Indenture. Interest and principal paid on these bonds in 2019 totaled $18.0 million and $0, respectively.

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

***NCTSC Long-Term Debt* (Continued)**

Any additional revenues received above the required debt service payments are required to fund sinking fund installments and/or Turbo Redemptions. NCTSC did not receive sufficient TSRs to fund the entire required debt service payment of $18.0 million on its Series 2006 Bonds during 2018. NCTSC withdrew $1.1 million from the Senior Liquidity Reserve Account to pay a portion of the interest payment on the Bonds due December 1, 2019. In accordance with the Indenture Agreement, the Senior Liquidity Reserve Account was underfunded at its required level by $1.8 million at December 31, 2019.

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

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

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

A summary of changes in long-term liabilities for the NCTSC for the year ended December 31, 2019 is as follows (dollars in thousands):

	Balance January 1, 2019	Additions	Reductions	Balance December 31, 2019	Due within One Year
Bonds Payable	$ 400,537	$	$	$ 400,537	$
Plus: Accreted interest	76,775	8,184		84,959	
Less: Bond discount	(5,350)	282		(5,068)	
Total bonds payable	$ 471,962	$ 8,466	$	$ 480,428	$

Bonds outstanding and amounts including accretion since issuance at December 31, 2019, are as follows (dollars in thousands):

Description	Original Date Issued	Original Amount	Interest Rate	Maturity Date	Amount Outstanding	Amount Outstanding Including Acc. Interest
2006A1	4/5/2006	$ 42,645	6.83%	6/1/2021	$ 12,148	$ 12,148
2006A2	4/5/2006	37,906	5.25%	6/1/2026	37,906	44,640
2006A3(2035)	4/5/2006	97,005	5.00%	6/1/2035	97,005	97,005
2006A3(2046)	4/5/2006	194,535	5.13%	6/1/2046	194,535	194,535
2006B	4/5/2006	10,670	5.80%	6/1/2046	10,670	23,407
2006C	4/5/2006	9,867	6.00%	6/1/2046	9,867	22,232
2006D	4/5/2006	37,604	6.40%	6/1/2060	37,604	89,367
2006E	4/5/2006	802	7.35%	6/1/2060	802	2,162
					$ 400,537	485,496
				Unamortized Bond Discount		(5,068)
						$ 480,428

12. 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, 2019 (dollars in thousands):

Years Ending December 31,	Principal	Interest	Total
2020	$	$ 17,993	$ 17,993
2021	12,148	17,579	29,727
2022		17,164	17,164
2023		17,164	17,164
2024		17,164	17,164
2025 - 2029	37,906	84,350	122,256
2030 - 2034		74,101	74,101
2035 - 2039	97,005	52,275	149,280
2040 - 2044		49,849	49,849
2045 - 2049	215,072	206,382	421,454
2050 - 2054			
2055 - 2059			
2060	38,406	1,141,809	1,180,215
	$ 400,537	$ 1,695,830	$ 2,096,367

Nassau Community College Long-Term Debt

Long-term liability activity for the year ended August 31, 2019 follows (dollars in thousands):

	Balance September 1, 2018	Additions	Reductions	Balance August 31, 2019	Due within One Year	
Due to County - ERS deferral	$ 9,177	$ 602	$ 1,185	$ 8,594	$ 1,235	**
Due to County long term note	7,549		739	6,810	775	**
Deposits held in custody for others	3			3		
Accrued vacation and sick pay	54,239	233	1,560	52,912		
Accrued liabilities - termination pay	4,448	1,675	268	5,855	1,808	
Estimated liability for litigation	150			150		
Insurance reserve liability	2,048	37		2,085		
Endo note payable	678		41	637	44	
Net pension liability ERS	3,946	10,312	5,736	8,522		
Net pension liability TRS (asset)	(2,447)	5,055	6,029	(3,421)		
Other liability - long term		1,652	93	1,559	481	
Postemployment retirement benefits payable	489,822	32,535	128,448	393,909		
Total long-term notes and liabilities	$ 569,613	$ 52,101	$ 144,099	$ 477,615	$ 4,343	

** These amounts of $2,010 are included in the due to primary government reported as current liabilities in Exhibit X-12.

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

***Nassau Community College Long-Term Debt* (Continued)**

As of August 31, 2019, principal and interest payments for the Endo note payable are as follows (dollars in thousands):

Years Ending August 31,	Principal	Interest	Total
2020	$ 44	$ 49	$ 93
2021	48	46	94
2022	52	42	94
2023	56	37	93
2024	61	33	94
2025 - 2029	376	78	454
Total	$ 637	$ 285	$ 922

In fiscal years 2015 and 2016, the County borrowed $2.5 million and $7.5 million respectively to fund termination pay expenditures for the NCC's employees. The NCC has a memorandum of agreement ("MOA") to reimburse the County for a portion of the debt service related to these borrowings. As of August 31, 2019, principal and interest payments for the Due to County - long-term note associated with this MOA are as follows (dollars in thousands):

Years Ending August 31,	Principal	Interest	Total
2020	$ 775	$ 310	$ 1,085
2021	815	270	1,085
2022	860	228	1,088
2023	900	183	1,083
2024	945	136	1,081
2025 - 2027	2,515	133	2,648
Total	$ 6,810	$ 1,260	$ 8,070

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 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 revenues or assets of the 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.

12. 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 the 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.

The NCC recognized approximately $17.3 million in both State and local appropriations for contributions of capital assets in fiscal year 2019.

During fiscal year 2016, the County issued general obligation bonds of which a portion of the proceeds was used for NCC termination pay. The NCC has included a liability in the amount of $6.8 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 changes in the NHCC's long-term debt and noncurrent liabilities for 2019 is as follows (dollars in thousands):

	Balance January 1, 2019	Additions	Reductions	Balance December 31, 2019		Due within one year
Interest rate swap agreements	$ 16,111	$ 2,512		$ 18,623		$
Bonds payable, net	187,976	301	15,290	172,987		16,082
Third party liabilities	76,341		9,562	66,779		32,542
Accrued vacation and sick pay	69,261	27,902	24,015	73,148		7,315
Insurance reserve liability	95,195	6,660	19,413	82,442		10,689
Accrued pension benefits/net pension liability	65,598	51,643	31,234	86,007	**	
Postemployment retirement benefits liability	599,460		34,379	565,081		
Total noncurrent liabilities	$ 1,109,942	$ 89,018	$ 133,893	$ 1,065,067		$ 66,628

** This balance includes $36,851 for amounts Due to New York Statement Retirement System for deferrals of pension contributions. Of this amount, $5,191 is included in current liabilities and $30,851 is included as long-term liabilities.

The NHCC's long-term debt at December 31, 2019 consisted of the following (dollars in thousands):

2009 Series A (taxable) Bonds payable at varying dates through August 1, 2022; variable rate demand bonds bearing interest at taxable variable rates with an effective average of approximately 2.20 % at December 31, 2019	$ 9,730
2009 Series B, C and D Bonds payable at varying dates through August 1, 2029; variable rate demand bonds bearing interest at tax-exempt variable rates with an effective average of approximately 1.46% at December 31, 2019	162,570
Other Liabilities	687
	172,987
Current portion	16,082
Total long term debt	$ 156,905

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

***Nassau Health Care Corporation Long-Term Debt* (Continued)**

In April 2009, Series 2009 A (taxable), B, C and D bonds were issued as variable rate demand bonds ("VRDBs") secured by letters of credit ("LOCs") to redeem the 2004 Series A and 2004 Series C outstanding bank bonds. The bonds are subject to purchase on the demand of the holder at a price equal to principal plus accrued interest on seven days' notice and delivery to the NHCC's remarketing agent. The remarketing agent is authorized to use its best efforts to sell the repurchased bonds at a price equal to 100% of the principal amounts by adjusting the interest rate. Under irrevocable letters of credit issued by Bank of America the trustee or the remarketing agent is entitled to draw an amount sufficient to pay the purchase price of bonds delivered to it. If the remarketing agent is unable to resell any Series 2009A, B, C, or D bonds that are "put" on the earlier of the 91st day or the expiration date, the Corporation has reimbursement agreements with the letter of credit provider to convert the bonds to an installment loan payable over a certain period bearing an adjustable interest rate.

Significant terms of the LOCs and reimbursement agreements are below (dollars in thousands):

Provider	Expiration Date	Principal Amount Covered Under Facility	Base Interest Rate	Interest Rate of LOC Draws	Maximum Loan Period (Years)	Loan Interest Rate	Annual Fee
Bank of America - Series A	September 25, 2020	$ 9,730	Greater of Providers bank prime rate plus 1% or Federal Fund Rate plus 2%, and 7%	Days 1-90 = Base Rate Days 91-thereafter = Base Rate plus 1.00%	2	Same terms as interest rate on LOC	50 basis points
Bank of America - Series B	September 25, 2020	$ 61,780	Greater of Providers bank prime rate plus 1% or Federal Fund Rate plus 2%, and 7%	Days 1-90 = Base Rate Days 91-thereafter = Base Rate plus 1.00%	3	Same terms as interest rate on LOC	50 basis points
Bank of America - Series C	September 25, 2020	$ 53,540	Greater of Providers bank prime rate plus 1% or Federal Fund Rate plus 2%, and 7%	Days 1-90 = Base Rate Days 91-thereafter = Base Rate plus 1.00%	3	Same terms as interest rate on LOC	50 basis points
Bank of America - Series D	September 25, 2020	$ 47,250	Greater of Providers bank prime rate plus 1% or Federal Fund Rate plus 2%, and 7%	Days 1-90 = Base Rate Days 91-thereafter = Base Rate plus 1.00%	3	Same terms as interest rate on LOC	50 basis points

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

Nassau Health Care Corporation Long-Term Debt ***(Continued)***

If the reimbursement agreement were to be exercised because the entire issue of demand bonds was "put" on September 1, 2020 and not remarketed before 180 days with respect to the Series B & C bonds, or 1 year with respect to the Series A & D bonds, the NHCC would be required to pay the following estimated annual amounts (principal and interest) using the LOC banks' interest rates and terms in effect at December 31, 2019 (dollars in thousands):

Years Ending December 31,	Bank of America Series 2009 A,B,C & D
2020	$ 27,678
2021	58,116
2022	53,445
2023	35,878
	$ 175,117

The NHCC is required to pay providers an annual commitment fee for the letter of credit as stated above per annum of the outstanding facility amount. Total letter of credit fees paid in 2019 approximated $1.5 million.

The County guarantees to the Trustee and the owners of Series 2009 Bonds the full and prompt payment of the principal and interest of the Series 2009 Bonds for the entire term of these bond series. The County has not been called upon to make payments under the guaranty. The County guaranty cannot be amended without consent of the trustee (on behalf of the holders of the Bonds) and the letter of credit providers.

In connection with the issuance of the 2009 Bonds, the NHCC incurred a loss of approximately $31.5 million. The loss on refunding (the difference between the reacquisition price and the net carrying amount of the old debt) is carried as a deferred outflow of resources in the accompanying statement of net position. Amortization of the deferred loss is $1.6 million for the year ended December 31, 2019.

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

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

Nassau Health Care Corporation Long-Term Debt ***(Continued)***

Principal payments on long-term debt are due annually on August 1st. Interest payments are due monthly, on the first business day of each month. Estimated future interest payments are calculated using the assumed synthetic fixed rate of interest 3.457% for Series 2009B, C and D contemplated as part of the current interest rate swap agreements, and the initial assumed synthetic fixed rate of interest of 4.61% for Series 2009A under its prior swap agreements. Payments applicable to long-term debt for years subsequent to December 31, 2019 are as follows (dollars in thousands):

Years Ending December 31,	Principal	Estimated Interest	Total
2020	$ 16,082	$ 6,069	$ 22,151
2021	16,565	5,484	22,049
2022	17,725	4,874	22,599
2023	16,185	4,221	20,406
2024	16,595	3,661	20,256
2025 - 2029	89,320	9,413	98,733
2030	515		515
	$ 172,987	$ 33,722	$ 206,709

Interest Rate Swap Agreements

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

The NHCC derivative contract was evaluated pursuant to GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* (“GASB 53”) to determine whether it met the definition of a derivative instrument, and if so, whether it effectively hedges the expected cash flows associated with interest rate risk exposures.

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

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

***Nassau Health Care Corporation Long-Term Debt* (Continued)**

***Interest Rate Swap Agreements* (Continued)**

In April 2009, the NHCC undertook a current refunding of the 2004 Series C bonds. As part of the refunding, the three interest rate swap agreements ("Swaps") were re-assigned to the new underlying 2009 Series B, C and D bonds with essentially identical terms except for a change in interest rate mode from auction rate to weekly variable rate demand bonds. The three Swaps associated with the 2004 Series C bonds were determined to be an effective hedging relationship and, as such, the changes in fair value of the swap through the refunding date totaling $30.0 million were included in the deferred loss on refunding calculation and amortized over the life of the new bonds. The new association of the three Swaps and the 2009 Series B, C and D bonds are considered an effective hedging relationship at December 31, 2019.

All settlement payments or receipts for hedging derivative instruments are recorded as a component of interest expense in the period settled and amounted to approximately $3.1 million for the year ended December 31, 2019.

The NHCC's hedging derivative instruments at December 31, 2019 are as follows (dollars in thousands):

Swap ID	Fair Value December 31, 2019	Net Change In Fair Value	Type of Hedge	Financial Statement Classification for Changes in Fair Value
1	$ (6,302)	$ (943)	Cash Flow	Deferred Outflow
2	(6,292)	(916)	Cash Flow	Deferred Outflow
3	(6,292)	(916)	Cash Flow	Deferred Outflow
	$ (18,886)	$ (2,775)		

The terms of the NHCC's financial derivative instrument that was outstanding at December 31, 2019 are summarized in the table below:

Counterparty	Effective Date	Termination Date	NHCC Pays	NHCC Receives	Outstanding Swap Notional (000s)
JP Morgan Chase	October 14, 2004	August 1, 2029	3.4570%	62.6% of 1-Month LIBOR + .23%	$ 55,233
Merrill Lynch	October 14, 2004	August 1, 2029	3.4570%	62.6% of 1-Month LIBOR + .23%	$ 55,113
UBS AG	October 14, 2004	August 1, 2029	3.4570%	62.6% of 1-Month LIBOR + .23%	$ 55,113

The amount of outstanding debt covered by the three interest rate swap agreements total $165.5 million as of December 31, 2019 and matures on August 1, 2029.

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

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

Nassau Health Care Corporation Long-Term Debt ***(Continued)***

Interest Rate Swap Agreements ***(Continued)***

Credit Risk - This is the risk that a counterparty will not fulfill its obligations. As of December 31, 2019, the NHCC has zero credit risk because the mark-to-market of the swaps are all negative. Since changes in interest rates affect the fair value of the swap agreement, it is possible that the swap agreement with a negative fair value becomes positive which would expose the NHCC to credit risk. Should the fair value of the swap become positive, to minimize its exposure to loss related to credit risk, the NHCC has collateral posting provisions included in the Credit Support Annex to the International Swap Dealers Association Agreements. The terms require that the Counterparties post collateral for an amount by which the swap fair value exceeds collateral credit threshold levels which range from $50.0 million (A1 Moody's and A+ S&P) to $0 (Baa1 Moody's BBB+ S&P or lower).

The unsecured long-term debt credit ratings for the Counterparties at December 31, 2019 were as follows:

Counterparty	Moody's	Standard and Poors	Fitch
JP Morgan Chase	Aa2	A+	AA
Merrill Lynch (Bank of America)	A3	A-	A+
UBS AG	Aa3	A+	AA-

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

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

13. REFINANCING OF LONG-TERM OBLIGATIONS

Defeasance of Debt

Prior to December 31, 2019, 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, 2019, approximately $250.8 million of outstanding bonds (including NIFA and NCSSWFA) are considered defeased.

14. 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"). NCC also participates in the New York State Teachers' Retirement System ("TRS"). 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 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 an 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.

14. PENSION PLANS (Continued)

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.

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% of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20% of the average of the previous two years.

Tiers 3, 4, and 5

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

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

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

14. 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.

Special Plans

The 25-Year Plans allow a retirement after 25 years of service with a benefit of one-half of final average salary, and the 20-Year Plans allow a 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 incapacity. 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 and plan.

Ordinary Death Benefits

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

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: 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%.

14. PENSION PLANS (Continued)

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.

2019 Contributions based on the State fiscal year ending March 31, 2019 for ERS and PFRS members were as follows (in thousands of dollars):

	Annual Required Contribution	Credit & Miscellaneous Adjustments	Prepayment Discount	Amortization/ Deferral	2010 Past Service Credit 553B	Total Payment
ERS	$ 80,692	$ 411	$ (680)	$ 12,319	$ 69	$ 92,811
PFRS	84,213	(598)	(709)	7,421		90,327

The contractually required contributions recorded by the County, inclusive of blended component units, for the year ended December 31, 2019 were as follows (in thousands):

	Contractually Required Contribution
ERS	$ 75,099
PFRS	$ 80,983

14. PENSION PLANS (Continued)

Funding Policy **(Continued)**

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

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

This law requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years when the County opted to participate in the program. Because the County's fiscal year differs from the System's fiscal year, the County's liability for the unpaid amounts and the annual expense for the amortization of that liability will differ in the County's financial statements to the amounts reported in the previously presented tables. The total unpaid pension amortization liability reported in the Primary Government's Statement of Net Position at the end of the year attributable to Chapter 57, Laws of 2010 was $30.9 million, of which $1.6 million was attributable to NCC's ERS members as of December 31, 2019. Amortization contributions will be paid in ten equal installments, one per year, but may be prepaid at any time. The County has elected to amortize over the ten-year period. The interest rate will be established annually for each year's amortization and paid out of current resources in that year. Future principal and interest payments to maturity for the amortization installments for the County (including NCC) are as follows:

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

	Principal	Interest	Total Principal and Interest
Years ending December 31, 2020	$ 4,343	$ 379	$ 4,722
2021	4,506	216	4,722
2022	1,269	49	1,318
Totals	$ 10,118	$ 644	$ 10,762

14. PENSION PLANS (Continued)

Funding Policy **(Continued)**

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

	Principal	Interest	Total Principal and Interest
Years ending December 31, 2020	$ 6,127	$ 624	$ 6,751
2021	6,311	440	6,751
2022	6,500	251	6,751
2023	1,848	55	1,903
Totals	$ 20,786	$ 1,370	$ 22,156

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

- In the first years of participation, this Alternate Program allows employers to amortize more than the original program. Each year, the graded rate will change. The new graded rate always moves from the previous graded rate towards the new actuarial rate. The original program graded rate moves by up to 1% per year. The pace at which the rate declines is slower than it is under the original program.
- This Alternate Program first applied to the bill that was due on February 1, 2014. The graded rate will stay constant for 2015 as well.
- Under this Alternate Program, employers will pay interest on the amortized amount. The interest rate will be set annually. The interest rate on the amount amortized in a given year will be the interest rate for that year and will be fixed for the duration of that payment period. Amounts amortized in other years will be at the interest rate set for the year of the amortization. The Alternate Program interest rate is comparable to a 12-year US Treasury Bond plus 1%.
- The interest rate for repayment of the amounts amortized in New York State fiscal year ending 2014 was 3.76% over 12 years. The interest rate for repayment of amounts amortized in New York State fiscal year ending 2015 is 3.50% over 12 years. The interest rate for repayment of amounts amortized in New York State fiscal year ending 2016 is 3.31% over 12 years. The interest rate for repayment of amounts amortized in New York State fiscal years ending 2017, 2018 and 2019 are 2.63%, 3.31% and 3.99% respectively, over 12 years.

This law requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years when the County opted to participate in the program. Because the County's fiscal year differs from the System's fiscal year, the County's liability for the unpaid amounts and the annual expense for the amortization of that liability will differ in the County's financial statements to the amounts reported in the previously presented tables. The total unpaid pension amortization liability reported in the Primary Government's Statement of Net Position at the end of the fiscal year attributable to Chapter 57, Part BB, Laws of 2013 was $179.9 million, of which $7.4 million as of December 31, 2019 was attributable to NCC's ERS members. Amortization contributions will be paid in twelve equal installments, one per year but may be prepaid at any time. The County has elected to amortize over the twelve-year period. The interest rate will be established annually for each year's amortization and paid out of current resources in that year.

14. PENSION PLANS (Continued)

Funding Policy **(Continued)**

Future principal and interest payments to maturity for the amortization installments for the County (including NCC) are as follows:

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

	Principal	Interest	Total Principal and Interest
Years ending December 31, 2020	$ 5,958	$ 1,552	$ 7,510
2021	6,182	1,328	7,510
2022	6,414	1,096	7,510
2023	6,655	855	7,510
2024	6,906	604	7,510
2025-2029	9,164	419	9,583
Totals	$ 41,279	$ 5,854	$ 47,133

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

	Principal	Interest	Total Principal and Interest
Years ending December 31, 2020	$ 4,905	$ 1,396	$ 6,301
2021	5,076	1,225	6,301
2022	5,254	1,047	6,301
2023	5,438	863	6,301
2024	5,628	673	6,301
2025-2029	13,584	808	14,392
Totals	$ 39,885	$ 6,012	$ 45,897

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

	Principal	Interest	Total Principal and Interest
Years ending December 31, 2020	$ 3,215	$ 994	$ 4,209
2021	3,321	888	4,209
2022	3,431	778	4,209
2023	3,544	665	4,209
2024	3,661	548	4,209
2025-2029	12,887	939	13,826
Totals	$ 30,059	$ 4,812	$ 34,871

14. PENSION PLANS (Continued)

Funding Policy (Continued)

2017 Chapter 57, Part BB, Laws of 2013
ERS and PFRS
(in thousands of dollars)

	Principal	Interest	Total Principal and Interest
Years ending December 31, 2020	$ 2,297	$ 625	$ 2,922
2021	2,357	565	2,922
2022	2,419	503	2,922
2023	2,483	439	2,922
2024	2,548	374	2,922
2025-2029	11,674	829	12,503
Totals	$ 23,778	$ 3,335	$ 27,113

2018 Chapter 57, Part BB, Laws of 2013
ERS and PFRS
(in thousands of dollars)

	Principal	Interest	Total Principal and Interest
Years ending December 31, 2020	$ 1,805	$ 717	$ 2,522
2021	1,865	657	2,522
2022	1,927	595	2,522
2023	1,990	532	2,522
2024	2,056	466	2,522
2025-2029	11,348	1,263	12,611
2030	676	22	698
Totals	$ 21,667	$ 4,252	$ 25,919

2019 Chapter 57, Part BB, Laws of 2013
ERS and PFRS
(in thousands of dollars)

	Principal	Interest	Total Principal and Interest
Years ending December 31, 2020	$ 1,041	$ 577	$ 1,618
2021	1,082	536	1,618
2022	1,126	492	1,618
2023	1,171	447	1,618
2024	1,217	401	1,618
2025-2029	6,855	1,236	8,091
2030-2036	1,973	96	2,069
Totals	$ 14,465	$ 3,785	$ 18,250

14. PENSION PLANS (Continued)

Funding Policy *(Continued)*

2020 Chapter 57, Part BB, Laws of 2013*
ERS and PFRS
(in thousands of dollars)

	Principal	Interest	Total Principal and Interest
Years ending December 31, 2020	$ 624	$ 252	$ 876
2021	642	234	876
2022	660	216	876
2023	679	197	876
2024	698	178	876
2025-2029	3,804	574	4,378
2030-2036	1,679	72	1,751
Totals	$ 8,786	$ 1,723	$ 10,509

* The amortization shown in this table represents only the amounts due and payable as of the County's fiscal year end of December 31, 2019.

In addition to the amortizations above, the County is amortizing 2010 prior service credits for ERS members of $0.5 million over ten years, beginning in 2011 at an interest rate of 8.0%. The total unpaid liability reported in the Primary Government's Statement of Net Position at the end of the fiscal year was $79 thousand and $69 thousand (including interest) was charged to the Primary Government's governmental funds in the current fiscal year. Future principal and interest payments to maturity for the remaining installments to be paid out of current resources are as follows:

Prior Service Credits 553B
(in thousands of dollars)

	Principal	Interest	Total Principal and Interest
Years ending December 31, 2020	$ 79	$ 8	$ 87

Total ERS, PFRS and
Prior Service Credits* (in thousands of dollars)

	Principal	Interest	Total Principal and Interest
Years ending December 31, 2020	$ 30,394	$ 7,124	$ 37,518
2021	31,342	6,089	37,431
2022	29,000	5,027	34,027
2023	23,808	4,053	27,861
2024	22,714	3,244	25,958
2025-2029	69,316	6,068	75,384
2030-2036	4,328	190	4,518
Totals	$ 210,902	$ 31,795	$ 242,697

*2020 amortization only includes amounts due and payable as of December 31, 2019.

14. PENSION PLANS (Continued)

NHCC

NYSRSSL Chapter 57 of the Laws of 2010 authorized the State and local employers to amortize over ten years, at 2.85% (2018), 2.33% (2017), 3.21% (2016), 3.15% (2015), 3.67% (2014) and 3.00% (2013) interest, the portion of their annual bill that exceeded 14.9%, 15.1%, 14.5%, 13.5%, 12.5%, and 11.5% of payroll for its 2018, 2017, 2016, 2015, 2014, and 2013 pension bills, respectively. The total amount due at December 31, 2019 related to these deferred pension contributions is approximately $36.0 million, of which $5.2 million is included in current liabilities and $30.8 million is included as part of other long-term liabilities.

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

At December 31, 2019 the County (inclusive of NIFA), reported a liability of $269.1 million for its proportionate share of the net pension liability of the System. The net pension liability was measured as of March 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2018, with updated procedures to roll forward the total pension liability to March 31, 2019. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

Below is the County's (inclusive of NIFA), NCC'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		NCC		NHCC
	ERS	PFRS	ERS	Total	ERS	TRS	ERS
Measurement Date	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	June 30, 2019	March 31, 2019
Net Pension Liability (Asset)	$ 123,801	$ 145,252	$ 77	$ 269,130	$ 8,522	$ (3,421)	$ 50,342
Allocation of the System's Total Net Liability (Asset)	1.8675593%	8.6611110%	0.0010936%		0.0012000%	0.0013000%	0.7105167%

There was no significant change in the County's (inclusive of NIFA), NCC's, and NHCC's proportionate share from March 31, 2018 to March 31, 2019.

For the year ended December 31, 2019, the County, inclusive of NIFA, recognized pension expense of $86.6 million for ERS and $103.9 million for PFRS.

14. PENSION PLANS (Continued)

At December 31, 2019, 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						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	$ 24,394	$ 35,286	$ 59,680	$ 8,316	$ 15,508	$ 23,824	$ 1,678	$ 9,914	$ 572	$ 3,379
Changes of assumptions	31,138	52,774	83,912				2,142	12,654		
Net difference between projected and actual earnings on pension plan investments				31,794	29,090	60,884			2,187	12,921
Changes in proportion and differences between the Employer's contribution and proportionate share of contributions	13,708	27,537	41,245	2,028	3,774	5,802	940	6,247	139	1,050
Employer's contribution subsequent to the measurement date, net of prepaid amounts	66,242	67,894	134,136				2,085			
Total	$135,482	$183,491	$318,973	$ 42,138	$ 48,372	$ 90,510	$ 6,845	$ 28,815	$ 2,898	$ 17,350

*Amounts are reported for the year ending August 31, 2019

For the year ended August 31, 2019, NCC recognized pension expense of $1.9 million related to TRS. At August 31, 2019, 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	$ 2,319	$ 254
Changes of assumptions	6,464	1,576
Net difference between projected and actual earnings on pension plan investments		2,744
Changes in proportion and differences between the Employer's contribution and proportionate share of contributions	712	373
Employer's contributions subsequent to the measurement date	2,334	
Total	$ 11,829	$ 4,947

14. PENSION PLANS (Continued)

The County's contributions (inclusive of NIFA) made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. 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		
			NCC		NHCC
	ERS	PFRS	ERS	TRS	ERS
Year Ended December 31, 2020	$ 30,162	$ 37,838	$ 1,131	$ 1,645	$ 12,089
2021	(20,839)	1,116	848	195	(8,177)
2022	(234)	5,025	(2,718)	1,639	187
2023	18,014	19,011	(1,276)	1,046	7,366
2024		4,234		100	
Thereafter				(77)	
Totals	$ 27,103	$ 67,224	$ (2,015)	$ 4,548	$ 11,465

<u>Actuarial Assumptions – ERS and PFRS</u>

The total pension liability as of the measurement date was determined by using an actuarial valuation as of April 1, 2018, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

	ERS	PFRS
Actuarial cost method	Entry age normal	Entry age normal
Inflation	2.50%	2.50%
Salary scale	4.20%	5.00%
Investment rate of return, including inflation	7.00%	7.00%
Cost of living adjustments	1.30%	1.30%
Decrement tables	Developed from the Plan's 2015 experience study of the period April 1, 2010 through March 31, 2015	Developed from the Plan's 2015 experience study of the period April 1, 2010 through March 31, 2015
Morality Improvement	Society of Actuaries Scale MP-2014	Society of Actuaries Scale MP-2014

The long-term expected 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.

<u>Actuarial Assumptions –-NCC - TRS</u>

The net pension liability was measured as of June 30, 2019, and was determined by an actuarial valuation at June 30, 2018, with update procedures used to roll forward the total pension liability to June 30, 2019 During the measurement period, there were no changes in assumptions or benefit terms. The actuarial assumptions used in June 30, 2018 valuation were based on the actuarial experience study for the period July 1, 2009 to June 30, 2014.

14. PENSION PLANS (Continued)

Actuarial Assumptions - NCC - TRS (Continued)

The actuarial valuations used the following actuarial assumptions:

	TRS
Actuarial cost method	Aggregate Cost Method
Inflation	2.20%
Salary scale	Based on Years of Service
	5 years - 4.72%
	15 years - 3.46%
	25 years - 2.37%
	35 years - 1.9%
Investment rate of return, including inflation	7.10%
Cost of living adjustments	1.30%
Annuitant Mortality Rates	Based on plan member experience, with adjustments for mortality improvements
Morality Improvement	Society of Actuaries Scale MP2018

The long-term expected rate of return on TRS pension plan investments was determined in accordance with Actuarial Standards of Practice ("ASOP") No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment 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, 2019 are summarized below for ERS and PFRS:

Asset Class	Target Allocation	Long-term Expected Rate of Return
Domestic equity	36.00%	4.55%
International equity	14.00%	6.35%
Private equity	10.00%	7.50%
Real estate	10.00%	5.55%
Absolute return strategies*	2.00%	3.75%
Opportunistic portfolio	3.00%	5.68%
Real assets	3.00%	5.29%
Bonds and mortgages	17.00%	1.31%
Cash	1.00%	-0.25%
Inflation-indexed bonds	4.00%	1.25%
	100.00%	

*Excludes equity-oriented long-only global funds of $2.33 billion. For investment management purposes, these funds are included in domestic and international equity.

The real rate of return is net of the long-term inflation of 2.5%

14. PENSION PLANS (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, 2019 are summarized below for TRS:

Asset Class	Target Allocation	Long-term Expected Rate of Return
Domestic equity	33.00%	5.80%
International equity	16.00%	7.30%
Global equities	4.00%	6.70%
Real estate	11.00%	4.90%
Private equity	8.00%	8.90%
Domestic fixed income securities	16.00%	1.30%
Global fixed income securities	2.00%	0.90%
High-yield fixed income securities	1.00%	3.50%
Private debt	1.00%	6.80%
Mortgages	7.00%	2.80%
Cash Equivalent	1.00%	0.30%
	100.00%	

Discount Rate

The discount rate used to calculate the total pension liability was 7.0% for the System (ERS and PFRS) and 7.1% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, 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.

14. PENSION PLANS (Continued)

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

The following presents the County's (inclusive of NIFA), NCC, and NHCC's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the County's (inclusive of NIFA), NCC's, 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 (6.0%) or 1-percentage point higher (8.0%) than the current rate (in thousands of dollars):

					Major Discretely Presented Component Units			
	Primary Government				NCC		NHCC	
	ERS		PFRS		ERS		ERS	
Net Pension Liability (Asset):								
1% Decrease 6.00%	$	541,276	$	524,920	$	37,258	$	220,104
Current Assumption 7.00%	$	123,801	$	145,252	$	8,522	$	50,342
1% Increase 8.00%	$	(226,909)	$	(171,814)	$	15,619	$	(92,270)

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

The following presents the NCC's proportionate share of the net pension asset calculated using the discount rate of 7.10%, 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 (6.10%) or 1-percentage point higher (8.10%) than the current rate (in thousands of dollars):

	1% Decrease 6.10%		Current Discount 7.10%		1% Increase 8.10%	
Net Pension Liability (Asset)	$	15,444	$	(3,421)	$	(19,248)

Optional Retirement Program ("ORP"): NCC employees may also participate in an OPR under IRS Section 401(a), which is a multiple-employer, defined contribution plan administered by separate vendors - TIAA-Cref, Metropolitan Life, VALIC, an 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 contribution 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. 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, 2018, NCC recognized pension expense of approximately $6.0 million.

14. 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.

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

The following reconciles fund balances at December 31, 2019 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, 2019, Prepared in accordance with GAAP	$ 197,419	$ 19,181	$ 319	$ 298,632	$ 5,837	$ 95,898
Add:						
Funding for Tax Certiorari	61,344					
Available for Other Judgments	6,273					
Pension Benefits - Modified Accrual Basis Only	94,459	35,518	1,042			3,066
Sale of Mitchel Field Leases	27,396					
Deferred revenues	4,042		12,832			94
Revenue accrual reversal	2,782					
Debt Service Payment for Termination Pay for NCC	765					
Less:						
Encumbrances	(74,807)	(1,142)	(3,540)			
Payments for Tax Certiorari and Other Operating Costs Paid with Bonding	(61,344)	(6,273)				
Reclass Termination pay for NCC	(7,019)					
Expenditure accrual reversal	(4,675)					
Unbudgeted FEMA Fund						(2,689)
Unbudgeted Grant Fund						(24,956)
Unbudgeted NCTSC						(276)
Unbudgeted Capital Project Fund				(298,632)		
Unbudgeted NCSSWFA						(2,935)
Unbudgeted NCTSC Debt Service Fund						(22,180)
Unbudgeted NIFA Debt Service Fund						(45,670)
Fund Balances at December 31, 2019, Prepared on the Budgetary Basis of Reporting	$ 246,635	$ 47,284	$ 10,653	$	$ 5,837	$ 352

16. FUND BALANCES

Fund balance classifications for the governmental funds at December 31, 2019 were (dollars in thousands):

	General Fund	NIFA Fund	Police District Fund	Sewer & Storm Water Fund	Capital Fund	Disputed Assessment Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:								
Prepaids	$ 34,160	$ 61	$ 11,839	$ 347	$	$	$ 1,054	$ 47,461
Long-term receivable - due from component unit	6,000							6,000
Total Nonspendable	40,160	61	11,839	347			1,054	53,461
Spendable:								
Restricted for:								
Capital projects					2,912			2,912
Debt service	6,254						70,638	76,892
Open space	1,810							1,810
Judgments and settlements						5,837		5,837
Judicial							79	79
General Administration							4,479	4,479
Protection of Persons							839	839
Health							4,772	4,772
Public Works							13,044	13,044
Recreation and Parks							66	66
Social Services							122	122
Corrections							62	62
Total Restricted	8,064				2,912	5,837	94,101	110,914
Committed to:								
Capital projects					295,720			295,720
Technology	83							83
Environmental Protection							352	352
Protection of Persons	13,187							13,187
Legislative	214							214
Judgments and settlements	23,436		6,273					29,709
Total Committed	36,920		6,273		295,720		352	339,265
Assigned to:								
General Administration	52	826					391	1,269
Protection of Persons			1,069					1,069
Other	19							19
Total Assigned	71	826	1,069				391	2,357
Unassigned	112,204			(28)				112,176
Total Fund Balance	$ 197,419	$ 887	$ 19,181	$ 319	$ 298,632	$ 5,837	$ 95,898	$ 618,173

17. 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 Statues 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. Under the provisions of the NYSHIP Plan, premiums are adjusted on a prospective basis for any losses experienced by the NYSHIP Plan. The County has the option to terminate its participation in the NYSHIP Plan at any time without liability for its respective share of any previously incurred loss.

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

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 Sherriff and in Correctional Center titles) hired after August 22, 2003 are required to have 10 years of County employment. All other CSEA and IPBA employees (other than those Probation Officers, Fire Marshalls, AMTs, Deputy Sherriff and in Correctional Center titles) are eligible after 5 years of service. CSEA employees who are Probation Officers, Fire Marshalls, AMTs, Deputy Sherriff or in Correctional Center titles are eligible 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.

17. 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.

- Union employees CSEA, PBA, DAI, SOA, COBA, hired prior to April 1, 2014: No employee contribution

- IPBA employees: No employee contribution.

- Union employees (CSEA, PBA, DAI, SOA, COBA) hired on or after April 1, 2014: 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 85% of the cost of The Empire 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, 2019, the effective date of the most recent actuarial valuation is as follows:

Actives	7,679
Retirees	11,429
Terminated Vested	41
Spouses of Retirees	6,276
	25,425

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

Total OPEB Liability

The County's total OPEB liability of $5.2 billion was measured as of December 31, 2019 and was determined by an actuarial valuation as of January 1, 2019, with updated procedures used to rollforward the OPEB liability to the measurement date.

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.

17. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions and Other Inputs

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

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

The December 31, 2019 total OPEB liability is based on the results of the January 1, 2019 actuarial valuation rolled forward to the measurement date of December 31, 2019, and was determined using the following actuarial assumptions and other inputs:

Inflation: 2.3% per annum, compounded annually

Discount Rate: 3.44% per annum (Bond Buyer 20-Bond General Obligation Bond Index)

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

Fiscal Year	Prior to Medicare Eligibility	After Medicare Eligibility
2019	6.7%	5.9%
2020	5.9%	5.5%
2021	6.6%	5.1%
2022	6.2%	5.0%
2023	6.0%	5.0%
2028	5.5%	4.9%
2033	5.4%	4.7%
2038	5.4%	4.8%
2043	5.4%	4.8%
2048	5.1%	5.7%
2053	5.0%	5.4%
2078	4.0%	4.1%
2101	3.9%	4.0%

17. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions and Other Inputs (Continued)

The Society of Actuaries (SOA) Getzen Model version 2019.2 was used to develop the medical trend schedule used in projecting per capita costs and premiums for this report. The model's projections are based on an econometric analysis of historical US medical expenditures and the judgements of experts in the field. The long run baseline projection and input variables have been developed under the guidance of an SOA Project Oversight Group and have been modified slightly to reflect Milliman's expectations for long term inflation. In addition, the estimated impact of the excise tax due to healthcare reform is incorporated through an adjustment to the healthcare tend assumption and reflects changes to the Affordable Care Act enacted in December 2015.

For purposes of applying the Entry Age Normal cost method, the healthcare trend prior to the first calendar year shorn in the table above is based on the ultimate rate which is 3.9% for costs prior to 65 and 4.0% of costs at age 65 or later. A separate trend assumption of 4.5% per year was used for Medicare Part B reimbursements. 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 January 1, 2018 yield or index rate for 20-year, tax exemption general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on the April 1,2016 Actuarial Valuation of the New York State and Local Retirement System (NYSLRS) Employees' Retirement System (ERS) and the NYSLRS Police and Fire Retirement System (PFRS). The mortality projection scale has been modified from Scale MP-2014 to Scale MP-2019 (based on the actuarial judgement). As generational tables, they reflect mortality improvements both before and after the measurement dates.

The OPEB calculation includes the high-cost plan excise tax (Cadillac tax) that will be imposed. The effective date has been delayed until 2022 due to legislative changes. The tax is 40% if the value of health plan costs that exceed certain thresholds for single coverage and family coverage (as defined by law).

17. 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, 2018	$ 6,315,708	$ 2,234	$ 6,317,942	$ 489,822	$ 599,460
Changes for the year:					
Service Cost	200,800	91	200,891	19,081	28,313
Interest	220,545	79	220,624	17,271	21,350
Effect of economic/demographic gains or losses	(128,496)	638	(127,858)	(14,268)	
Effect of assumption changes or inputs	(1,190,912)	(545)	(1,191,457)	(104,241)	(69,643)
Benefit payments, including implicit rate subsidy	(212,450)	(93)	(212,543)	(13,756)	(14,399)
Net Change	(1,110,513)	170	(1,110,343)	(95,913)	(34,379)
Balance at December 31, 2019	$ 5,205,195	$ 2,404	$ 5,207,599	$ 393,909	$ 565,081

* Nassau Community College data as of fiscal year ended August 31, 2019

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's 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 (3.1%) or 1-percentage-point higher (5.1%) than the current rate (dollar in thousands).

		Major Discretely Presented Component Units	
	Primary Government	NCC	NHCC
Discount Rate:			
1% Decrease	$ 6,011,438	$ 453,279	$ 654,990
Current Assumption	$ 5,207,599	$ 393,909	$ 565,081
1% Increase	$ 4,560,009	$ 345,455	$ 492,118

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's 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).

		Major Discretely Presented Component Units	
	Primary Government	NCC	NHCC
Current Trend Rate:			
1% Decrease	$ 4,505,723	$ 339,463	$ 479,335
Current Assumption	$ 5,207,599	$ 393,909	$ 565,081
1% Increase	$ 6,094,996	$ 462,386	$ 673,742

17. OTHER POSTEMPLOYMENT BENEFITS (Continued)

For the year ended December 31, 2019, the County, inclusive of its blended component unit, recognized OPEB expense of $196.9 million. At December 31, 2019 the County reported deferred inflows of resources related to OPEB from the following sources:

	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	$ 486	$ 103,839	$	$	$ 11,606	$ 3,864
Changes of assumptions	271,251	973,360	42,772	9,849	85,761	58,041
Contributions made subsequent to measurement date	208,822		8,795			
	$ 480,559	$ 1,077,199	$ 51,567	$ 9,849	$ 97,367	$ 61,905

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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB will be recognized in OPEB expenses as follows (dollars in thousands):

			Major Discretely Presented Component Units	
		Primary Government	NCC	NHCC
Years Ending December 31,	2020	$ (224,425)	$ (12,543)	$ (10,200)
	2021	(196,052)	(11,806)	(10,200)
	2022	(265,040)	(14,788)	(10,200)
	2023	(119,945)	(15,458)	(9,815)
	2024			(11,641)
		$ (805,462)	$ (54,595)	$ (52,056)

18. 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 $481.4 million, inclusive of blended components units at December 31, 2019. At August 31, 2019, NCC's vacation leave and sick leave liability was $52.9 million. At December 31, 2019, NHCC's vacation and sick leave liability was $73.1 million.

19. DEFERRED PAYROLL

In 2009, the County entered into agreements with the CSEA, the PBA, the SOA, the DAI, and the COBA and certain Ordinance employees, to defer 10 days' pay, which shall be paid to the employee on separation of service at the salary rate then in effect. The County also entered into bargaining agreements with CSEA, PBA, SOA, DAI, and COBA that include deferrals of wages and longevity that cover various periods of time during 2007 through 2016.

The amount accrued at December 31, 2019 was $54.9 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, 2019, approximately $18.8 million represents termination pay for accumulated leave to be paid annually for three years beginning in January 2020 and is included in the County's long-term 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 contact 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, 2019 was approximately $2.4 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.

20. TAX ABATEMENT DISCLOSURE

Net tax abatements affecting Nassau County taxes totaling $22.0 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 240
Hempstead, New York 11550

Nassau County Industrial Development Agency
1550 Franklin Avenue
Mineola, New York 11501

20. 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 2019 and the Glen Cove IDA collected their own, and both are required to remit the County it's 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. This year, due to the COVID-19 emergency, NYS Executive Order No. 202.11 extended the deadline to June 30th with a possible additional thirty day extension. The Nassau IDA and Glen Cove IDA provided their reports for preparation of the data in this footnote however the Town of Hempstead IDA did not make their report available and as such sales tax abatement information cannot be reported. 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 ending December 31, 2019 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	$	$ 515	$ 397	$ 118
	Manufacturing		13	13	
	Services		429	122	307
Leases					
	Agriculture		28	6	22
	Finance, Insurance and Real Estate	1,179	6,170	2,762	4,587
	Manufacturing	727	1,261	665	1,323
	Other Categories	573	3,538	387	3,724
	Services	776	6,012	2,824	3,964
	Transportation, Communication, Electric		190	95	95
	Wholesale Trade		1,619	1,336	283
Tax exemptions					
	Manufacturing	15			15
	Total	$ 3,270	$ 19,775	$ 8,607	$ 14,438

20. 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	n/a	$ 236	$ 124	$ 112
Leases					
	Construction	n/a	406	91	315
	Continuing Care Retirement Communities	n/a	586	374	212
	Finance, Insurance and Real Estate	n/a	3,682	374	3,308
	Manufacturing	n/a	127	77	50
	Other Categories	n/a	911	447	464
	Retail Trade	n/a	6,390	3,653	2,737
	Services	n/a	1,839	727	1,112
	Transportation, Communication, Electric	n/a	116	74	42
	Total	n/a	$ 14,293	$ 5,941	$ 8,352

*NYS Executive Order No. 202.11 extended the due date for Public Authority 2019 annual reporting to June 30, 2020 due to the State's COVID-19 emergency. Additional thirty day extensions may be requested through NYS Public Authority Budget Office. Because this report is not currently available, information regarding sales tax abatement for the Town of hempstead IDA is not available and is not expected prior to issuance of this report.

Glen Cove Industrial Development Agency

Project	Program	Sales Tax Abated	County Real Property Tax Abated	PILOT Payments to County	Net Abatement
Leases					
	Construction	$ 1,156	$ 388	$ 47	$ 1,497
	Finance, Insurance and Real Estate	341	11		352
	Real Estate		18	86	(68)
	Retail Trade		14	16	(2)
	Services		16	17	(1)
	Total	$ 1,497	$ 447	$ 166	$ 1,778
Grand Total		$ 4,767	$ 34,515	$ 14,714	$ 24,568

No amounts are received from other governments or from any NCIDA. All amounts are made directly to Nassau County. The County has opted to present all abatement information in the aggregate; therefore, no qualitative thresholds apply. No information has been omitted because it is legally 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.

21. 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 21(E) for further discussion)*. The County is also specifically liable to indemnify NHCC for liability arising out of NHCC's delivery of healthcare services at the Nassau County Correctional Center as of August 29, 2017.

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 $475.2 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, 2019. Approximately $244.9 million has been recorded as a liability in the government-wide financial Statement of Net Position, at December 31, 2019, related to workers' compensation claims, as estimated by the County's third party administrator. The workers' compensation amount is a liability separate from all other non-workers' compensation claims and litigation.

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

	Workers' Compensation		Litigation	
	2019	2018	2019	2018
Unpaid claims and claim adjustment expenditures at the beginning of the year	$ 209,806	$ 227,668	$ 414,759	$ 391,534
Incurred claims and claim adjustment Expenditures:				
Provision for the estimate of risk losses and changes to the prior year estimated losses	65,515	14,177	90,560	81,590
Payments:				
Payments made on losses	30,386	32,039	30,119	58,365
Total unpaid claims, claim adjustment expenditures and claims incurred but not reported at the end of the year	$ 244,935	$ 209,806	$ 475,200	$ 414,759

21. CONTINGENCIES AND COMMITMENTS (Continued)

Utilities Litigation under RPTL Article 18

New York Telephone Company (now known as Verizon), New York Water Service Corporation (now known as American Water), Long Island Water Corporation (now known as American 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 expected to begin on May 21, 2020, however, due to the COVID-19 pandemic, the trial has been postponed to September 2020. The County has asked to postpone the trial as the parties are attempting settlement discussions. If settlement discussions fail, then parties will proceed to trial in September 2020. As the Court system has not determined how trials will be conducted with the State's restrictions due to COVID-19, we are not certain if a trial will proceed in September 2020.

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 was to order one, but the County has estimated, depending on the methodology of calculation, that such refund could be as high as $200 million. These amounts are included in the long-term liability for estimated liability for litigation.

Utilities Litigation on non-benefitted properties

Several third-party actions have been filed against the County seeking indemnification for judgments and/or claims currently pending against the Towns of Hempstead, North Hempstead and Oyster Bay, as well as garbage districts within these towns. In the underlying actions, the courts determined that special ad valorem levies may not be imposed upon mass properties of the utilities (Verizon, American Water and others) for garbage and refuse collection services because such properties do not benefit from these services and ordered the towns and garbage districts to refund the payment of the levies. The towns and garbage districts seek to have the County indemnify these judgments on the basis that the County is allegedly a guarantor for any claim for an illegal assessment for non-benefitted properties. In March 2014, the Appellate Division determined that the plaintiffs were entitled to indemnification from the County for refunds that the Towns pay in these matters.

21. CONTINGENCIES AND COMMITMENTS (Continued)

Utilities Litigation on non-benefitted properties (Continued)

The County has made motions regarding the statute of limitations and the application of the so-called County guaranty in these matters with respect to whether interest can be applied in these cases and if so, the amount of any such interest. In addition, County has made a motion contending that the application of the so-called County guaranty in these cases would be a violation of the gift and loan clause of the State Constitution. Various State Supreme Court justices have denied the County's motions regarding the gift and loan clause, the statute of limitations and/or the interest issue. In 2016, the County and the Town of Oyster Bay settled the claims of such town and its garbage districts, other than those of two such districts within that town. In 2017 the County and the Town of Hempstead settled the claims for town and special garbage districts. The estimated refunds for the remaining claims for the Town of North Hempstead garbage districts is $8 million. In February 2020, the Court of Appeals denied County's appeals of third-party judgments against the County. The County and Town of North Hempstead are presently negotiating a structured payment of the judgments. These amounts are included in the long-term liability for estimated liability for litigation.

Other Litigation

Wage Freeze Litigation

In 2013, the U.S. District Court for the Eastern District of New York issued a decision in Carver, et al. v. Nassau County Interim Finance Authority, et al. granting the plaintiffs' (law enforcement unions) motion for summary judgment seeking to nullify NIFA's imposition of a wage freeze in 2011. Although the matter was brought by plaintiffs in federal court, the court resolved the motion on exclusively State law grounds, i.e., an interpretation of State Public Authorities Law Section 3669. In 2013, the U.S. Court of Appeals for the Second Circuit vacated the decision of the U.S. District Court and remanded the matter for further proceedings, specifically, directing the U.S. District Court to dismiss the State law claim and retain jurisdiction only over the federal constitutional claim. In 2013, plaintiffs filed a State court action regarding the authority of NIFA to impose the wage freeze under State law. At that time, the U.S. District Court stayed the federal action "pending completion of the state court proceeding…without prejudice to re-opening, upon letter application, at the conclusion of the state court proceedings." In 2014, the State Supreme Court ruled in this and related lawsuits that NIFA "did not exceed its authority to impose wage freezes in 2011, 2012 and 2013." In 2014, the County and the unions respectively agreed (among other things) to settle in part this and certain related cases, and such unions respectively released the County and NIFA from liability for the parts of the lawsuits that were settled.

21. CONTINGENCIES AND COMMITMENTS (Continued)

Other Litigation *(Continued)*

Wage Freeze Litigation (Continued)

In 2016, the Appellate Division upheld the Supreme Court's decision, and later in 2016, the State Court of Appeals denied the plaintiffs' motions seeking leave to appeal the Appellate Division decision. In 2018, the U.S. District Court denied plaintiffs' motions for summary judgment and granted the County and NIFA defendants' cross-motions for summary judgment on the federal questions raised by the plaintiffs. Later in 2018, the U.S. District Court denied the plaintiffs' motion for reconsideration and affirmed its dismissal of plaintiffs' claims. The parties filed briefs and were waiting for a determination from the Second Circuit. In May 2020, the second circuit affirmed the decision to dismiss plaintiffs' claims. The plaintiffs only remedy would be to seek a writ of certiorari to the U.S. Supreme Court. If the U.S. Supreme Court denies writ of certiorari then the case is finally concluded. The County will continue to defend itself vigorously in these proceedings. It is not possible to predict the ultimate outcome of this and related cases 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 its retroactive liability for this and related cases would be approximately $101 million, including ancillary costs such as payroll taxes and pension contributions, among others. This amount is not included in the 2019-2022 Multi-Year Financial Plan.

Litigation over Alleged Longevity MOA

In 2018, the County brought five separate actions against its major unions in Nassau County Supreme Court to invalidate the provisions of purported memoranda of understanding signed by the then-Chief Deputy County Executive in 2017 and such unions, respectively, related to longevity pay and related matters. The unions are seeking to have the terms of the memoranda of understanding arbitrated, which the County is opposing. The County has also responded to charges filed by the unions with the State Public Employment Relations Board alleging the County has failed to honor the terms of the memoranda of understanding. In 2018, judgment was entered of a Nassau Supreme Court decision dismissing the County's complaint in one of the actions. The court also determined that the meaning or interpretation of longevity pay as set forth in one of the purported memoranda and the underlying collective bargaining agreement is a grievance and is arbitrable and ordered the parties to arbitrate the matter. The County has appealed the decision. As of March 16, 2020, the appeals are fully submitted and we are awaiting calendaring for oral argument, which we do not expect to happen until 2021. The County will continue to defend itself vigorously in these actions and proceedings. If the County is unsuccessful in these actions, it would result in additional longevity pay expenditures of approximately $11.8 million annually in the aggregate retroactively to 2018.

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.

21. CONTINGENCIES AND COMMITMENTS (Continued)

DAF Litigation (Continued)

The County's motions to dismiss the lawsuits are currently pending. 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 the DAF charges 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. Note, however judgment has not been settled. Should such a refund be directed, the County would be obligated to refund approximately $12 to $13 million. The Treasurer has not distributed excess DAF funds to the other taxing jurisdictions during the pendency of this litigation. The County intends to continue to defend itself vigorously against these actions and proceedings.

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 will likely proceed with 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. 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.

Annual Survey of Income and Expense "ASIE" Litigation

In 2014, plaintiffs in Boening v. Nassau County Department of Assessment and the County of Nassau brought an action to have County Local Law 8-2013 declared invalid on the grounds that the County did not have the authority to require commercial property owners to submit annual income and expense statements to the County Department of Assessment. In 2015, the State Supreme Court upheld the validity of the law while reserving a decision on the ability of the County to enforce its penalty provisions. Appellate arguments were held in 2017 on the plaintiffs' appeal of that decision. In 2015 and 2017, the court granted temporary restraining orders ("TROs") in this and similar actions preventing the County from enforcing the law's penalty provisions with respect to litigants and non-litigants pending litigation.

21. CONTINGENCIES AND COMMITMENTS (Continued)

Annual Survey of Income and Expense "ASIE" Litigation (Continued)

In 2017, the court lifted the TROs except with respect to the plaintiffs in this and similar actions (approximately 1,500) challenging enforcement of the law. The County has collected approximately $900,000 of penalties to date but has not recognized such revenue. The 2019 Budget does not include projected revenues from enforcement of the law. In 2017, the State Supreme Court ruled that the law's penalties constitute an illegal tax in view of the way the funds are utilized. As such, the County currently may not impose the penalties. The County has filed an appeal of the decision. If the decision is not reversed, the County would be required to refund any penalties collected. 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.

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. The County intends to appeal this decision. The County will continue to defend itself vigorously in these actions and proceedings. If the fee is declared illegal in its entirety, the County would forego, to some extent, annual collections that are now approximately $43 million.

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. In 2018, the court ordered mediation in one of the lawsuits which was unsuccessful.

21. CONTINGENCIES AND COMMITMENTS (Continued)

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 $80-120 million. The County accrued $30.0 million in regard to this case in the long-term liability for estimated liability for litigation.

Abamov/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 has been conducted including depositions of several witnesses and named parties. The action has been temporarily stayed due to the death of Mr. Abramov. The estate is pursuing amending the lawsuit to include wrongful death. 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. This amount is included in the long-term liability for estimated liability for litigation.

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. The parties are currently in discovery phase of the litigation. 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. This amount is included in the long-term liability for estimated liability for litigation.

Hall v. County of Nassau, Department of Assessment, et al.

In 2019, certain plaintiffs filed a federal class action in U.S. District Court seeking declaratory, monetary and limited injunctive relief on behalf of residential property owners in communities in the County described in the action as "nonwhite". The complaint alleges that since 2010 the County imposed irrational and discriminatory policies and procedures in its property tax system that allegedly shifted more than $1.7 billion in property taxes from wealthier, white communities to lower income, non-white communities.

21. CONTINGENCIES AND COMMITMENTS (Continued)

Plaintiffs are seeking as relief (i) a declaratory judgment that the real property valuation and assessment laws, policies and practices were unfairly imposed on non-white, low income residential property owners and such alleged actions violated and continue to violate the federal Fair Housing Act, the federal Equal Protection Act, the Due Process Clause of the Fourteenth Amendment of the U.S. Constitution and the County Charter; (ii) court-ordered supervised re-assessment with a permanent injunction to prevent the alleged inequities in the future and (ii) restitution. The County has moved to dismiss the complaint and the motion is currently pending before the Court. At this time, the County's ultimate potential liability cannot be determined. The County will continue to defend itself vigorously in these actions and proceedings.

Berliner v. County of Nassau and Department of Assessment

In 2019, plaintiffs/petitioners commenced this action alleging that the County’s reassessment of Class One residential properties was performed utilizing software, modeling, and algorithms, that either added excessive value or greatly reduced the assessed value of similar homes, preventing plaintiffs the ability to challenge the County’s methodology and produced results. The petition/complaint seeks to set aside the entire Assessment Roll for 2018-19. Plaintiffs claim that the 2018-19 Tax Roll is arbitrary and capricious as it treats like properties differently and, therefore, violates state and federal law. Plaintiffs seek both declaratory and injunctive relief in the form of declaring the Tax Roll to be invalid and enjoining the County from levying real property taxes based on the 2018-19 tax roll. The County will assert that the 2018-19 Assessment roll for residential properties was derived utilizing the prescribed assessing methods and consistent with both state and federal law. The court has scheduled an expedited discovery schedule. 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. The County will continue to defend itself vigorously in these actions and proceedings.

B. *Tax Certioraris*

There were 233,398 taxpayers’ claims (residential and commercial) filed against the Board of Assessors, for the incorrect determination of assessed valuation (certiorari proceedings) for the 2019 (May 1, 2020) assessment roll an increase of 17,103 over the prior year. An amount estimated for future settlements and judgments of $474.3 million has been recorded as a long-term liability in the government-wide financial Statement of Net Position at December 31, 2019, of which approximately $85.0 million has been recorded as current liabilities in the government-wide Statement of Net Position. In 2019, an additional $26.6 million was accrued as a liability for tax certioraris and is included as current liabilities in the governmental fund statements and the Statement of Net Position. The estimate of this liability is a synopsis of all unpaid refund claims as of December 31, 2019. This includes Writs, Small Claims, Assessor Petitions, Unpaid Refunds, and Projected Refunds on Settlements. Not all components have a liability every year, but most components will have a liability. Liability reporting is segregated by “new” liability - those claims that have been added for the current tax year; and “old” liability which are all unsettled claims from past years.

21. CONTINGENCIES AND COMMITMENTS (Continued)

B. *Tax Certioraris* (Continued)

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.

For the year-ended December 31, 2019, tax certiorari expenditures recorded in the governmental funds were $90.8 million, $61.1 million paid for using bond proceeds and $29.7 million paid with general operating funds, as these amounts were due and payable in 2019.

Disputed Assessment Fund

The County's DAF became operational during 2017. For fiscal 2019, the DAF's total liabilities in the governmental funds were $199.0 million representing collections of DAF charges from class four property owners. Of this amount, $33.9 million (current liabilities) and $52.7 million (non-current liabilities) have been included in the Estimated Tax Certiorari Liability balances in the government-wide Statement of Net Position. The remainder, $112.4 million, is recorded as Disputed Assessment Fund Deposits Held (current liabilities of $102.3 million) and Accrued Liabilities (current liabilities of $10.1 million) in the government-wide Statement of Net Position. Until the Article 7 cases for class four property owners are decided, the County does not know how much of the 2017 and 2018 DAF collections will be returned to commercial property owners or distributed to the County and other municipalities. The DAF also accrued as a liability, $10.1 million of tax certiorari expenditures in the governmental funds for property tax refunds due and payable in the fiscal year and which are expected to be paid in 2020. DAF charges collected in 2019 may be used to pay for any class four tax certiorari refund and is not limited to specific properties. Thus, DAF charge collected in 2019 of $40.0 million is 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.

Superstorm Sandy Assessment Relief payments

In 2014, the County Legislature approved $38.8 million of borrowing to be used to pay the refunds. Through December 31, 2019, approximately $37.5 million of Sandy tax refunds checks were issued to property owners. For the fiscal year, approximately $1.0 million was recorded as current liability in the governmental funds and the Statement of Net Position as of fiscal year-end. It is anticipated that all remaining Sandy property tax refunds will be paid in 2020.

21. CONTINGENCIES AND COMMITMENTS (Continued)

B. *Tax Certioraris* (Continued)

Summary of Tax Certiorari Liability
Statement of Net Position as of December 31, 2019
(in thousands)

Current Liabilities		
Property Tax Payable (due and payable in 2019) in Governmental Funds:		
Short-term tax certiorari liability - operating	$	26,564
Short-term tax certiorari liability Superstorm Sandy		1,021
Property Tax Payable in Governmental Funds (Exhibit X-3)	$	27,585
Current Portion of Long-Term Estimated Tax Certiorari Liability:		
Estimated Tax Certiorari Liability - DAF (Exhibit X-1)	$	33,889
Current Portion of Long-term Estimated Tax Certiorari Payable (Note 12)		85,000
Total Current Tax Certiorari Liability per Government-wide Funds	$	118,889
Non-Current Liabilities:		
Estimated Tax Certiorari Liability - DAF	$	52,668
Non-Current Portion of Long-term Estimated Tax Certiorari Payable		389,308
Total Non-Current Tax Certiorari Liability per Government-wide Funds (Exhibit X-1)	$	441,976
Total Tax Certiorari Liability	$	588,450
Less: Short-term tax certiorari liability Super Storm Sandy		(1,021)
Total Tax Certiorari Liability excluding Super Storm Sandy	$	587,429

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, 2019. 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.

21. CONTINGENCIES AND COMMITMENTS (Continued)

E. ***Nassau Health Care Corporation Insurance***

For the policy years ended September 29, 2007 to 2019, 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 $7,000 per person ($10,000 for policy years prior to 2008) 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. 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, 2019, the Captive was in compliance with its minimum capital requirement.

At December 31, 2019, the Captive was in compliance with its minimum capital requirement.

In April of 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.

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

	2019	2018
Balance at beginning of year	$ 41,295	$ 25,827
Incurred related to:		
Current year	(1,078)	19,668
Total incurred	(1,078)	19,668
Paid relating to:		
Prior year	(4,250)	(4,200)
Total paid	(4,250)	(4,200)
Balance at end of year	$ 35,967	$ 41,295

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, 2019.

21. CONTINGENCIES AND COMMITMENTS (Continued)

E. ***Nassau Health Care Corporation Insurance*** (Continued)

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, 2019, insurance expense totaled $954.0 thousand.

F. ***Capital Commitments***

At December 31, 2019, there were capital project contract commitments of $441.1 million, of which approximately $125.4 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 Note 21(G) below.

G. ***Material Encumbrances***

Material encumbrances (greater than $5 million) as of the year ended December 31, 2019 were as follows (dollars in thousands):

Capital Fund		
Construction:		
Buildings	$	28,712
Disposal		105,535
Roads		7,179
Public Safety		26,873
Traffic		16,646
Grant Fund		
Bus Services		32,317
General Fund		
Bus Services		135,318
Health Services	$	5,335

These encumbrances are included in committed and restricted fund balances of the respective funds.

H. ***Service Concession Arrangements***

The County has determined there are four service concession arrangements which are reported in the County's Statement of Net Position as of December 31, 2019; (1) Carltun on the Park LTD, (2) Christopher Morley Tennis LLC and (3) Northwell Health Ice Center at Eisenhower Park (formerly known as Twin Rinks LLC), (4) Long Island Swimming Ltd. The County has recorded receivables of $4.4 million, capital assets of $56.4 million, current liabilities of $70.0 thousand and deferred inflows of $60.8 million in the Statement of Net Position. See details below.

21. CONTINGENCIES AND COMMITMENTS (Continued)

H. *Service Concession Arrangements* *(Continued)*

Carltun on the Park LTD

The County's agreement with Carltun on the Park, LTD ("the Carltun") grants the Carltun the use of an existing Eisenhower Parks structure, which houses a restaurant and catering facility. The original agreement dates back to 1990 and the current agreement runs from January 1, 2013 through December 31, 2020 with an option to extend the term for an additional two (2) year period upon the reasonable agreement of the Licensee and the County. There were no up-front payments. The Carltun pays a minimum license fee of $371.0 thousand per year, in monthly installments, with annual increases based on the Consumer Price Index ("CPI"). The Licensee also pays a percentage of its gross revenues, calculated at 18.5% of gross receipts (13% for tax exempt entities), and an annual utility fee of $70.0 thousand, with increases based on the CPI. The Licensee is responsible for the greater of the minimum license fee payment or the percentage of gross receipts amount. The Carltun is responsible for all improvements and maintenance of the premises. The revenue received by the County is used to fund General Fund expenditures. The County has no financial contractual obligations respecting this agreement. The agreement calls for a bond or security deposit of up to $250,000 at the County's discretion. The County currently has a $250,000 bond on file which expires on January 1, 2021 and is renewable annually. The County reported in its Statement of Net Position a receivable of $.4 million, capital assets of $.3 million, a utility liability of $70.0 thousand and a deferred inflow of resources in the amount of $.7 million as of December 31, 2019, pursuant to the service concession arrangement.

Christopher Morley Tennis LLC

The County entered into an agreement with Christopher Morley Tennis, LLC ("Morley Tennis") which was approved by the County Legislature's Rules Committee in 2009. The intent of the County was to provide a place for the public to play tennis year-round at reasonable rates. The agreement has a term of twenty years with an additional five-year option upon the agreement of Morley Tennis and the County. There were no up-front payments. Morley Tennis erected a new facility in 2013. Pursuant to the agreement, Morley Tennis pays an annual flat fee of $118.5 thousand, which increases yearly pursuant to the agreement. A percentage of the gross receipts is paid to the County, beginning at 1% and rising over the term of the agreement to 4.6% in year twenty. Morley Tennis is required to pay for all utilities, capital improvements and maintenance of the premises. The County has no financial contractual obligations respecting this agreement. The facility was completed and occupancy taken by Morley Tennis in November 2013. Pursuant to the agreement, ownership of the facility becomes the County's, at the County's option, at the end of the agreement. Morley Tennis has provided a $150.0 thousand performance bond to cover the faithful performance for the life of the agreement. The bond is in effect until May 20, 2021 and is renewable yearly. The County reported in its Statement of Net Position a receivable with a carrying amount of $1.3 million, capital assets of $8.0 million and a corresponding deferred inflow of resources of $9.3 million as of December 31, 2019, pursuant to the service concession arrangement.

21. CONTINGENCIES AND COMMITMENTS (Continued)

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

The County entered into an agreement with Twin Rinks at Eisenhower LLC ("Twin Rinks"), which was approved by the Rules Committee in late 2012, to provide a local venue for the public's increasing interest in the sport of hockey. The agreement has a term of thirty (30) years with an additional two ten-year options upon the agreement of the Licensee and the County. There were no up-front payments. The Licensee constructed a new facility which was completed and occupancy taken in February 2014. Beginning in 2015, the annual base license fee was $100.0 thousand and increased to $125.0 thousand upon the commencement of operating year 5. Thereafter, it will increase by 2.5% per year until the base fee is $150.0 thousand. The increase will then be 1.5% per year until the end of the 30 year term. The County has no financial contractual obligations respecting this License. Pursuant to the agreement, ownership of the facility becomes the County's upon completion, at the County's option, or at the end of the agreement. The Licensee has provided the required $150.0 thousand performance bond which will expire on January 18, 2021 and is renewable yearly. The Licensee is required to pay for all utilities, capital improvements and maintenance of the premises. A percentage of the gross receipts are also placed into an account which serves to help maintain the premises and implement programs for the public. The account is held by the Licensee but all expenditures must be approved by the County's Parks Department. On June 8, 2015 Twin Rinks at Eisenhower Park LLC filed a voluntary petition for relief under Chapter 11of title 11 of the United States Bankruptcy code. In September 2015, Nassau County entered into an Assignment, Assumption and Consent Agreement with Twin Rinks at Eisenhower LLC and Twin Rinks Acquisition Company LLC whereby Twin Rinks Acquisition Company LLC assumed the agreement between Nassau County and Twin Rinks at Eisenhower Park LLC. In March 2016, the facility's name changed from Twin Rinks to Northwell Health Ice Center at Eisenhower Park. The County reported in the Statement of Net Position a receivable with a carrying amount of $2.0 million, capital assets of $45.0 million and a corresponding deferred inflow of resources of $47.0 million as of December 31, 2019, pursuant to the service concession arrangement.

Long Island Swimming Ltd.

The County entered into an agreement with Long Island Swimming Corp, which was approved by the Rules Committee in 2014, to both supplement the use of the Aquatic Center and provide for an Eisenhower swimming facility when the needed repairs to the Aquatic Center are performed. This auxiliary pool enables the County to increase overall usage by the public and host regional and national swimming events. The agreement has a term of twenty (20) years with two additional five year options upon the agreement of the Licensee and County. There were no up-front payments. Licensee constructed a new facility. Pursuant to the agreement, the annual base license fee will be $45.0 thousand (in equal monthly payments of $3.8 thousand), which will increase to $62.5 thousand upon the commencement of Operating year 5. Thereafter, it will increase by 2.5% per year until the base fee is $70.0 thousand. The increase will then be 1.5% per year until the end of the 20 year term. The County has no financial contractual obligations respecting this License. Pursuant to the agreement, ownership of the facility becomes the County's upon completion, at County's option. The Licensee provided $45.0 thousand to the County to cover the faithful performance of Licensee for the life of the agreement.

21. CONTINGENCIES AND COMMITMENTS (Continued)

Long Island Swimming Ltd. (Continued)

The Licensee is required to pay for all utilities, capital improvements and maintenance of the premises. A percentage of the gross receipts is also placed into an account which serves to help maintain the premises and implement programs for the public. The account is held by Licensee but all expenditures must be approved by the County's Parks Department. The County reported in the Statement of Net Position a receivable with a carrying amount of $704.2 thousand, capital assets of $3.1 million and a corresponding deferred inflow of resources of $3.8 million as of December 31, 2019, pursuant to the service concession arrangement.

Nassau Community College – Service Concession Arrangement

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 initially recorded a receivable and deferred inflow of approximately $2.1 million, 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 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. 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, 2019 was $1.1 million net of first year's amortization of $.1 million recorded as other revenue. In the event the contract is terminated prior to its ten-year term, NCC will repay CulinArt for the unamortized portion of the equipment.

NCC 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 $3.9 million, net of revenue recognized in fiscal year 2019 of $.7 million, 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 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 $.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, 2019 was approximately $.1 million net of first year's amortization of $.8 million recorded as other revenue. In the event the contract is terminated prior to its ten-year term, NCC will repay Follett for the unamortized portion of the equipment.

22. SUBSEQUENT EVENTS

Debt Issuance

In May 2020, the County issued Series A BANs of $75.4 million. The Series A Notes bear interest of 1.21% and mature on May 27, 2021. The BANS were issued to refinance the County's 2019 Series A BANs and to pay costs of issuance.

Coronavirus Disease 2019 ("COVID-19")

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the County operates.

While it is unknown how long these conditions will last and what the complete financial effect will be to the County, to date, the County is expecting to experience declining Sales Tax Revenues. As Sales Tax Revenues are the main revenue stream of the County it is reasonably possible that we are vulnerable to the risk of a near-term impact. The current economic conditions and the uncertainties behind this unprecedented phenomenon makes it extremely difficult to project the County's fiscal condition. In May 2020, the County's Office of Management and Budget issued its April 2020 Financial Report in which it estimated that the County may end fiscal year 2020 with a $384 million deficit in its five primary funds (General, Fire Commission, Police District, Police Headquarters and Debt Service Funds), before any federal or state aid related to the COVID-19 pandemic. In May 2020, the County received $102.9 million of Federal Aid from the Coronavirus Relief Fund provided under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Nassau Coliseum

In June 2020, the County was notified by Onexim Sports and Entertainment, the operator of the NYCB Live/Nassau Veteran's Memorial Coliseum, that the venue would cease operations. The County's 2020 Adopted Budget includes approximately $4.0 million annually in rent and entertainment tax and an additional $1.8 annually in utility revenue paid by Trigen, the third party service provider of the utilities at the Coliseum. At the time of this report, the collection of this forecast revenue is uncertain.

NIFA

The NIFA Act was amended on April 3, 2020 as part of New York State's 2021 budget, which was passed on April 3, 2021.Included in the legislation for New York State's budget for the 2021 Fiscal Year were modifications to the NIFA Statute that allowed it to issue up to an additional $400 million of bonds for tax certiorari refunds and an unlimited amount of bonds for other financeable costs through December 31, 2021 allowing any bonds issued by the Authority to mature no later than January 31, 2051.

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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)

	2019	2018	2017
Financial Report Date, December 31st:	2019	2018	2017
OPEB Measurement Date of December 31st:	2018	2017	2016
Total OPEB Liability			
Service Cost	$ 200,891	$ 167,002	$ 172,674
Interest	220,624	215,385	203,005
Effect of economic/demographic gains or losses	(127,858)	(8,486)	
Effect of assumptions or changes in inputs	(1,191,457)	507,107	(174,314)
Benefit payments	(212,542)	(186,464)	(181,813)
Net Change in Total OPEB Liability	(1,110,342)	694,544	19,552
Total OPEB Liability - Beginning	6,317,941	5,623,397	5,603,845
Total OPEB Liability - Ending	$ 5,207,599	$ 6,317,941	$ 5,623,397
Covered - employee payroll	895,357	920,699	890,837
Total OPEB liability as a percentage of covered payroll	581.62%	686.21%	631.25%

Note:
This schedule is intended to show information for 10 years. Since 2018 is the first year for this presentation, no other data, prior to 2017 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	4.10%	3.44%	3.78%

Mortality
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,							
	2019	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**
ERS								
Contractually required contributions	$ 75,099	$ 75,448	$ 76,263	$ 78,389	$ 83,910	$ 90,327	$ 89,306	$ 92,243
Contributions recognized by the Plan in relation to the contractually required contributions	$ 66,939	$ 65,949	$ 62,891	$ 60,079	$ 55,084	$ 53,073	$ 53,493	$ 53,657
Contribution deficiency (excess)	$ 8,160	$ 9,499	$ 13,372	$ 18,310	$ 28,826	$ 37,254	$ 35,813	$ 38,586
Covered Payroll	$ 521,914	$ 475,820	$ 466,288	$ 459,538	$ 443,847	$ 452,810	$ 441,721	$ 457,271
Contributions recognized by the Plan as a percentage of covered payroll	12.83%	13.86%	13.49%	13.07%	12.41%	11.72%	12.11%	11.73%
Note: ERS amounts include NIFA								
PFRS								
Contractually required contributions	$ 80,983	$ 84,789	$ 90,249	$ 87,729	$ 83,369	$ 91,983	$ 99,267	$ 82,813
Contributions recognized by the Plan in relation to the contractually required contributions	$ 76,751	$ 77,619	$ 78,693	$ 74,838	$ 68,290	$ 68,382	$ 69,290	$ 66,205
Contribution deficiency (excess)	$ 4,232	$ 7,170	$ 11,556	$ 12,891	$ 15,079	$ 23,601	$ 29,977	$ 16,608
Covered Payroll	$ 397,626	$ 397,626	$ 359,301	$ 369,238	$ 358,147	$ 356,016	$ 357,232	$ 368,494
Contributions recognized by the Plan as a percentage of covered payroll	19.30%	19.52%	21.90%	20.27%	19.07%	19.21%	19.40%	17.97%

Note: Information prior to the dates indicated reported in this schedule are unavailable.

This schedule is intended to present information for ten years, additional years' information will be presented as it becomes available.

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,					
	2019	**2018**	**2017**	**2016**	**2015**	**2014**
ERS						
County's proportion of the net pension liability (asset)	1.8675593%	1.8724633%	1.9324746%	1.9049625%	1.8958576%	1.8958576%
County's proportionate share of the net pension liability (asset)	$ 123,801	$ 56,464	$ 169,283	$ 284,906	$ 59,955	$ 79,862
Covered Payroll	$ 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	25.34%	11.56%	36.87%	65.93%	13.70%	18.33%
Plan fiduciary net position as a percentage of the total pension liability	96.27%	98.24%	94.70%	90.70%	97.90%	97.20%
Note: ERS amounts include NIFA.						
PFRS						
County's proportion of the net pension liability (asset)	8.661111%	8.984056%	9.215762%	9.012023%	8.564898%	8.564898%
County's proportionate share of the net pension liability (asset)	$ 145,252	$ 90,776	$ 190,995	$ 266,827	$ 23,576	$ 35,656
Covered Payroll	$ 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	36.97%	22.45%	51.52%	79.04%	6.91%	10.02%
Plan fiduciary net position as a percentage of the total pension liability	95.09%	96.93%	93.50%	90.20%	99.00%	98.50%

The amounts presented for each fiscal year were determined as of the System's measurement date, March 31st.

This schedule is intended to present information for ten years, additional years' information will be presented as it becomes available.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

EXHIBIT A-1

COUNTY OF NASSAU, NEW YORK

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2019 (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	Tobacco Settlement Corp Fund	NIFA Fund	Total Nonmajor Governmental Funds
ASSETS								
Cash and Cash Equivalents	$ 10,899	$ 244	$ 339	$ 84,067	$ 130	$	$	$ 95,679
Investments			2,806					2,806
Restricted Cash and Cash Equivalents							17	17
Restricted Investments						22,180	34,742	56,922
Interest Receivable							91	91
Due from Other Governments				14,410	8,862			23,272
Accounts Receivable				265				265
Interfund Receivables					101		22,399	22,500
Prepaids		32		1,022				1,054
Other Assets				234				234
TOTAL ASSETS	$ 10,899	$ 276	$ 3,145	$ 99,998	$ 9,093	$ 22,180	$ 57,249	$ 202,840
LIABILITIES								
Liabilities:								
Accounts Payable	$	$	$	$ 8,117	$ 258	$	$	$ 8,375
Accrued Liabilities				8,441	1		477	8,919
Payable to Broker - investment purchase							11,099	11,099
Unearned Revenues				58,515	1,021			59,536
Interfund Payables	10,547		210	2,778	5,124		3	18,662
Other Liabilities				257				257
Total Liabilities	10,547		210	78,108	6,404		11,579	106,848
DEFERRED INFLOWS OF RESOURCES:								
Unavailable Revenue - Rents & Recoveries and Other				94				94
Total Deferred Inflows of Resources				94				94
FUND BALANCE								
Nonspendable		32		1,022				1,054
Spendable:								
Restricted			2,788	20,774	2,689	22,180	45,670	94,101
Committed	352							352
Assigned		244	147					391
Total Fund Balance	352	276	2,935	21,796	2,689	22,180	45,670	95,898
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	$ 10,899	$ 276	$ 3,145	$ 99,998	$ 9,093	$ 22,180	$ 57,249	$ 202,840

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, 2019 (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	Tobacco Settlement Corp Fund	Sewer Financing Authority Fund	NIFA Fund	Total Nonmajor Governmental Funds
Revenues:									
Property Taxes	$ 10,482	$	$	$	$	$	$	$	$ 10,482
Tobacco Receipts						16,876			16,876
Special Taxes				2,321					2,321
Departmental Revenue				3,651					3,651
Interest Income	47		238	764		611		1,731	3,391
Fines and Forfeits				2,178					2,178
Rents and Recoveries				240					240
Interfund Revenue				168					168
State Aid				50,521					50,521
Federal Aid				56,164	985				57,149
Total Revenues	10,529		238	116,007	985	17,487		1,731	146,977
Expenditures:									
Current:									
Legislature									
Judicial				3,494					3,494
General Administration		104	35	33,627					33,766
Protection of Persons				13,155					13,155
Health				51,542					51,542
Public Works				642	1,104				1,746
Recreation and Parks				3,441					3,441
Social Services				18,581					18,581
Corrections				1,532					1,532
Total Current		104	35	126,014	1,104				127,257
Debt Service:									
Principal							11,370	123,500	134,870
Interest						17,993	6,145	20,735	44,873
Total Debt Service						17,993	17,515	144,235	179,743
Total Expenditures		104	35	126,014	1,104	17,993	17,515	144,235	307,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,529	(104)	203	(10,007)	(119)	(506)	(17,515)	(142,504)	(160,023)
Other Financing Sources (Uses):									
Transfers In					159				159
Transfers Out	(10,547)								(10,547)
Transfers In from NIFA								141,633	141,633
Transfers Out to NIFA								(1,768)	(1,768)
Transfers In from NCSSWFA			138,137				17,515		155,652
Transfers Out to NCSSWFA			(138,631)						(138,631)
Transfers In from NCTSC		100							100
Transfers Out to NCTSC						(100)			(100)
Total Other Financing Sources (Uses)	(10,547)	100	(494)		159	(100)	17,515	139,865	146,498
Net Change in Fund Balance	(18)	(4)	(291)	(10,007)	40	(606)		(2,639)	(13,525)
Fund Balance Beginning of Year	370	280	3,226	31,803	2,649	22,786		48,309	109,423
Fund Balance End of Year	$ 352	$ 276	$ 2,935	$ 21,796	$ 2,689	$ 22,180	$	$ 45,670	$ 95,898

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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, 2019 (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	$ 9,514	$ 4,472	$ 2,684	$ 598	$ 352	$ 17,620
Restricted Cash and Cash Equivalents		459				459
Other Receivables	208					208
Accounts Receivable		1,143	179			1,322
Less Allowance for Doubtful Accounts						
Inventories	9					9
Prepaids	38		25	1	6	70
Other Assets - Current		546	14			560
Total Current Assets	9,769	6,620	2,902	599	358	20,248
NON CURRENT ASSETS:						
Restricted Cash and Cash Equivalents	2,733					2,733
Property held for sale					269	269
Capital Assets Not Being Depreciated		432				432
Depreciable Capital Assets	64,821	40,128	57			105,006
Less Accumulated Depreciation	(35,071)	(33,624)	(51)			(68,746)
Total Non Current Assets	32,483	6,936	6		269	39,694
Total Assets	42,252	13,556	2,908	599	627	59,942
DEFERRED OUTFLOWS OF RESOURCES						
Pensions	258	1,969	92			2,319
Other postemployment benefits	1,395	3,341				4,736
Total Deferred Outflows of Resources	1,653	5,310	92			7,055
LIABILITIES						
CURRENT LIABILITIES:						
Accounts Payable and Accrued Liabilities	336	3,966	153	12	91	4,558
Unearned Revenues			60	1	204	265
Due To Primary Government		237			22	259
Due to Other Governments		2,503				2,503
Current Portion of Long Term Liabilities	330	555	37			922
Other Liabilities - Current		492		14		506
Total Current Liabilities	666	7,753	250	27	317	9,013
NON CURRENT LIABILITIES:						
Accounts Payable and Accrued Liabilities		5,867				5,867
Notes Payable		6,013				6,013
Bonds Payable	8,470					8,470
Due to Other Governments, net		950				950
Accrued Vacation and Sick Pay	511	1,307	62			1,880
Postemployment Retirement Benefits Liability	9,960	50,617	682			61,259
Net Pension Liability	443	1,274	112			1,829
Total Non Current Liabilities	19,384	66,028	856			86,268
Total Liabilities	20,050	73,781	1,106	27	317	95,281
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue	260					260
Pensions	164	718	60			942
Other postemployment benefits	1,258	7,046				8,304
Total Deferred Inflows of Resources	1,682	7,764	60			9,506
NET POSITION						
Net Investment in Capital Assets	20,950	2,459	6			23,415
Restricted:						
Grants					54	54
Unrestricted	1,223	(65,138)	1,828	572	256	(61,259)
Total Net Position (Deficit)	$ 22,173	$ (62,679)	$ 1,834	$ 572	$ 310	$ (37,790)

EXHIBIT A-4

COUNTY OF NASSAU, NEW YORK

COMBINING STATEMENT OF ACTIVITIES
NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS - PROPRIETARY
FOR THE YEAR ENDED DECEMBER 31, 2019 (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	$ 7,516	50,803	$ 2,144	$ 92	$ 148	$ 60,703
Program Revenues:						
Charges for Services	6,335	32,761	1,022	75		40,193
Operating Grants and Contributions					358	358
Total Program Revenues	6,335	32,761	1,022	75	358	40,551
Net Program Revenues (Expenses)	(1,181)	(18,042)	(1,122)	(17)	210	(20,152)
General Revenues						
Investment Income	141		34	3		178
Other	241	1,920	701		41	2,903
Royalty Income		21,000				21,000
Net General Revenues	382	22,920	735	3	41	24,081
Change in Net Position	(799)	4,878	(387)	(14)	251	3,929
Net Position (Deficit) - Beginning of Year	22,972	(67,557)	2,221	586	59	(41,719)
Net Position (Deficit) - End of Year	$ 22,173	$ (62,679)	$ 1,834	$ 572	$ 310	$ (37,790)

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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, 2019 (Dollars in Thousands)

	Original Budget	Total Budgetary Authority	Actual Revenues	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
PROPERTY TAXES	$ 429,632	$ 429,632	$ 429,037	$	$ 429,037	$ (595)
PAYMENTS IN LIEU OF TAXES	29,226	29,226	34,837	484	35,321	6,095
PREEMPTED SALES TAX IN LIEU OF PROPERTY TAXES *						
Towns and City of Glen Cove	106,369	106,369	106,369		106,369	
Total Preempted Sales Tax in Lieu of Property Taxes	106,369	106,369	106,369		106,369	
INTEREST AND PENALTIES ON TAXES	34,613	34,613	35,966		35,966	1,353
SALES TAX *	1,124,969	1,124,969	992,508		992,508	(132,461)
SPECIAL TAXES						
Admission Tax - Belmont Park	200	200	91		91	(109)
Emergency Phone Tax	7,488	7,488	7,790		7,790	302
Entertainment Tax	850	850	1,712		1,712	862
Motor Vehicle Tax	17,197	17,197	17,197		17,197	
Off-Track Betting Surtax	2,100	2,100	1,794		1,794	(306)
HM Historic Building	1,020	1,020	239		239	(781)
Hotel-Motel Room Tax	3,755	3,755	3,842		3,842	87
Total Special Taxes	32,610	32,610	32,665		32,665	55
DEPARTMENTAL REVENUE						
Assessment	42,675	42,675	41,156	(392)	40,764	(1,911)
Board of Elections	40	40	12		12	(28)
CASA	20	20	14		14	(6)
Civil Service	421	421	420		420	(1)
Correctional Center	2,300	2,300	1,882	20	1,902	(398)
County Attorney	180	180	161		161	(19)
County Clerk	54,309	54,309	52,888		52,888	(1,421)
County Comptroller	11	11	19		19	8
County Legislature			1		1	1
District Attorney	1	1	23		23	22
Fire Commission	8,301	8,301	7,827		7,827	(474)
Health						
Administration	2	2	1		1	(1)
Children's Early Intervention	1,450	1,450	2,369	143	2,512	1,062
Pre School Education	3,000	3,000	5,393		5,393	2,393
Laboratory Research	30	30	37		37	7
Personal Health	4	4	4		4	
Information Technology	2	2	1		1	(1)
Medical Examiner	25	25	16		16	(9)
Parks and Recreation						
Recreation Services	23,429	23,429	23,518	53	23,571	142
Museums			2		2	2
Police Ambulance Fees	25,697	25,697	25,091	703	25,794	97
Police Fees	346	346	317		317	(29)
Probation	1,604	1,604	1,448		1,448	(156)

EXHIBIT B-1

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL REVENUES VS. MODIFIED BUDGET
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019 (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	$ 250	$ 250	$ 454	$	$ 454	$ 204
Public Works - Administration	535	535	465	15	480	(55)
Public Works - Highway and Engineering	47,502	47,502	43,217	27	43,244	(4,258)
Purchasing	185	185	164		164	(21)
Social Services						
Administration	3,403	3,403	1,613	(79)	1,534	(1,869)
Aid to Dependent Children	3,245	3,245	3,041		3,041	(204)
Burials	2	2	2		2	
Children in Foster Homes	118	118	39		39	(79)
Home Energy Assistance Program	200	200	172		172	(28)
Children in Institutions	118	118	39		39	(79)
Education of Handicapped Children	5,796	5,796	6,842	978	7,820	2,024
Home Relief	2,650	2,650	3,185		3,185	535
Medicaid MMIS	1,002	1,002	1,255		1,255	253
Title XX	90	90	118		118	28
Treasurer	851	851	700		700	(151)
Traffic and Parking Violations			11		11	11
Total Departmental Revenue	229,794	229,794	223,917	1,468	225,385	(4,409)
INTEREST INCOME	7,375	7,375	5,784		5,784	(1,591)
LICENSES AND PERMITS						
Pistol Permit	1,134	1,134	677		677	(457)
Day Camp Permits	11	11	11		11	
Food Establishments	3,275	3,275	3,519		3,519	244
Hazardous Materials Registration Fees	1,697	1,697	2,020		2,020	323
Home Improvements	3,536	3,536	3,302		3,302	(234)
Health Club License	20	20	7		7	(13)
Manufacturing Frozen Desserts	15	15	18		18	3
Realty Subdivision Filing	102	102	40		40	(62)
Road Openings	1,300	1,300	1,193		1,193	(107)
Swimming Pools and Bathing Beaches	276	276	246		246	(30)
Temporary Residence Inspection Permit	120	120	126		126	6
Weights & Measures	1,500	1,500	1,705		1,705	205
Cross Connections	54	54	74		74	20
Water Supply Plan Review	155	155	136		136	(19)
Tattoo Parlor / Piercing	20	20	57		57	37
Impact Assessment Fee	250	250	278		278	28
Predemolition Inspection	146	146	147		147	1
Day Camp Inspections	140	140	130		130	(10)
Taxi and Limo Registration Fees	276	276	173		173	(103)
ATM Registration Fees	140	140	88		88	(52)
Maps - Sewers	14	14	18		18	4
Hauling Permits	90	90	62		62	(28)
Licensing	145	145	278		278	133
Cost of Construction Fee	500	500	676		676	176
Traffic Signal Permit	40	40				(40)
Total Licenses and Permits	14,956	14,956	14,981		14,981	25

(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, 2019 (Dollars in Thousands)

	Original Budget	Total Budgetary Authority	Actual Revenues	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
FINES AND FORFEITS	$ 117,231	$ 117,231	$ 102,691	$ (173)	$ 102,518	$ (14,713)
RENTS AND RECOVERIES						
Rental of Mitchell Field	2,456	2,456	3,655	(1,250)	2,405	(51)
Coliseum Rental	3,150	3,150	3,493		3,493	343
Coliseum Utilities	1,210	1,210	1,808		1,808	598
Marriott Lighthouse Heating and Chilling	330	330	492		492	162
Landmark Property Rental	1,562	1,562				(1,562)
Mitchel Field Veterans Housing	1,441	1,441	1,740		1,740	299
Lost and Abandoned Property	22	22				(22)
Cash Recoveries	10	10				(10)
Audit Recoveries	250	250	164		164	(86)
Police Vehicle Recovery	350	350	168		168	(182)
NHCC Reimbursement	50	50				(50)
Vendor Recoveries	200	200				(200)
Accounts Receivables Recoveries	100	100	6		6	(94)
Revenue Recovery Account	35	35	79		79	44
Settlement Reimbursement	200	200	38		38	(162)
Recovery of Damage to County Property	200	200	1,292		1,292	1,092
Recovery of Prior Year Appropriations	9,366	24,378	16,632		16,632	(7,746)
Recovery of Workers' Compensation	2,255	2,255	58		58	(2,197)
Rental of County Property	2,699	2,699	1,344	324	1,668	(1,031)
Rental of Voting Machines	150	150	178		178	28
Sale of County Property	8,030	8,030	51		51	(7,979)
Proceeds from Online Auction	350	350	189		189	(161)
Other Recoveries			4,719		4,719	4,719
Total Rents and Recoveries	34,416	49,428	36,106	(926)	35,180	(14,248)
INTERDEPARTMENTAL REVENUES						
Office of Budget and Management	56,354	56,354	57,324		57,324	970
Constituent Affairs	767	767	322		322	(445)
Correctional Center	150	150	71		71	(79)
County Attorney	406	406	373		373	(33)
District Attorney	307	307	406		406	99
Human Services	100	100				(100)
Information Technology	10,989	10,989	8,690		8,690	(2,299)
Police Department	12,728	12,728	12,718		12,718	(10)
Public Works - Administration	18,159	18,159	9,561		9,561	(8,598)
Public Works - Roads and Bridge Maintenance			7,263		7,263	7,263
Public Works - Groundwater Remediation	439	439	696		696	257
Total Interdepartmental Revenues	100,439	100,439	97,466		97,466	(2,973)

EXHIBIT B-1

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL REVENUES VS. MODIFIED BUDGET
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019 (Dollars in Thousands)

	Original Budget	Total Budgetary Authority	Actual Revenues	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
INTERFUND REVENUES						
Revenues from Indirect Cost Chargebacks	$ 6,293	$ 58	$ 1,704	$	$ 1,704	$ 1,646
Revenues from Grant Closeouts	100	100				(100)
Interfund Revenue	11,390	17,625	7,615		7,615	(10,010)
Stop DWI Grant Revenue	100	100	119		119	19
Total Interfund Revenue	17,883	17,883	9,438		9,438	(8,445)
OTHER REVENUES						
OTB Profits	20,000	20,000	18,000		18,000	(2,000)
NHCC Reimbursement on Guarantee County Debt	23,096	23,096	22,682		22,682	(414)
Miscellaneous	18,602	21,112	22,212	765	22,977	1,865
Total Other Revenues	61,698	64,208	62,894	765	63,659	(549)
STATE AID						
Budget	243	243	(3,368)		(3,368)	(3,611)
Consumer Affairs	45	45	6		6	(39)
Correctional Center	3,343	3,343	101		101	(3,242)
County Attorney	266	266				(266)
Court Facility Aid	1,023	1,023	817		817	(206)
District Attorney	77	77	77		77	
Fire Prevention, Safety, Communication and Education	180	180	123		123	(57)
Fringe Benefits	2,035	2,035				(2,035)
Health						
Administration	700	700	787		787	87
Children's Early Intervention	12,096	12,096	11,817		11,817	(279)
Pre School Education	57,650	57,650	73,699	2,760	76,459	18,809
Environmental Health	1,391	1,391	1,057	(506)	551	(840)
Laboratory Research	450	450	479	(4)	475	25
Personal Health	2,436	2,436	2,104	(191)	1,913	(523)
Housing and Intergovernmental Affairs	111	111	117		117	6
Human Services						
Administration	11,253	11,552	12,757		12,757	1,205
Information Technology	290	290	402		402	112
Legislature			100		100	100
Minority Affairs	22	22	11		11	(11)
Police Department	930	930	1,139		1,139	209
Probation	7,929	7,929	6,174		6,174	(1,755)
Public Works						
Administration	100	100	118	(4)	114	14
Highway and Bridge Maintenance	71,415	71,415	74,472	9	74,481	3,066
Social Services						
Administration	5,013	5,013	7,112		7,112	2,099
Aid to Dependent Children	3,000	3,000	34		34	(2,966)
Burials	1	1				(1)
Children in Foster Homes	575	575	380		380	(195)
Children in Institutions	2,400	2,400	1,797		1,797	(603)
Division of Services	8,305	8,305	7,187		7,187	(1,118)
Education of Handicapped Children	3,040	3,040	3,365		3,365	325
Home Relief	10,117	10,117	10,513		10,513	396
Juvenile Delinquents	700	700	492		492	(208)
Medicaid MMIS	2,500	2,500	189		189	(2,311)
Public Financial Assistance	6,953	6,953	8,307		8,307	1,354
Subsidized Adoptions	1,800	1,800	2,572		2,572	772
Title XX	6,000	6,000	5,925		5,925	(75)
Traffic Violations			20		20	20
Veterans Service Agency	60	60				(60)
Total State Aid	224,449	224,748	230,882	2,064	232,946	8,198

(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, 2019 (Dollars in Thousands)

	Original Budget	Total Budgetary Authority	Actual Revenues	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
FEDERAL AID						
Correctional Center	3,153	3,153	13,987		13,987	10,834
County Attorney	255	255	243		243	(12)
Budget	92	92	(2,388)		(2,388)	(2,480)
Debt Service	4,792	4,792	4,744		4,744	(48)
District Attorney	36	36	40		40	4
Emergency Management	480	480				(480)
Housing and Minority Affairs	371	371	384		384	13
Human Services	4,933	4,933	5,961		5,961	1,028
Police Department	725	725	377		377	(348)
Probation	29	29	110		110	81
Public Works	6,781	6,781	12,375		12,375	5,594
Social Services						
Administration	10,744	10,744	9,314		9,314	(1,430)
Aid to Dependent Children	22,000	22,000	20,738		20,738	(1,262)
Children in Foster Homes	900	900	651		651	(249)
Children in Institutions	3,200	3,200	2,618		2,618	(582)
Division of Services	10,731	10,731	18,175		18,175	7,444
Home Energy Assistance Program	200	200	124		124	(76)
Juvenile Delinquents	550	550	384		384	(166)
Medicaid MMIS	350	350	412		412	62
Public Financial Assistance	16,483	16,483	12,307		12,307	(4,176)
Subsidized Adoptions	1,900	1,900	1,101		1,101	(799)
Title XX	51,316	51,316	58,762		58,762	7,446
Total Federal Aid	140,021	140,021	160,419		160,419	20,398
Total Revenues	2,705,681	2,723,502	2,575,960	3,682	2,579,642	(143,860)
OTHER FINANCING SOURCES						
Bond Premium	2,400	2,400	1,633		1,633	(767)
Transfers In	42,223	37,120	106,870	(61,344)	45,526	8,406
Transfer in from NIFA	1,035	600	2,833		2,833	2,233
Transfers in of Investment Income	1,620	2,055	5,235		5,235	3,180
Total Other Financing Sources	47,278	42,175	116,571	(61,344)	55,227	13,052
TOTAL REVENUES AND OTHER FINANCING SOURCES	$ 2,752,959	$ 2,765,677	$ 2,692,531	$ (57,662)	$ 2,634,869	$ (130,808)

* Paid to County $70,935; paid to NIFA $1,130,540

** Total revenues and other financing sources, estimates per the 2019 County budget as adopted	$ 3,090,447
Less: Intrafund Budget Eliminations	(337,488)
Original Budget per above	2,752,959
Add: Supplemental Appropriations	17,906
Less: Appropriated Fund Balance	(43)
Less: Intrafund Modified Budget Eliminations	(5,145)
Budget Estimates, Total Revenues and Other Financing Sources	$ 2,765,677

(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, 2019 (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	$ 5,701	$ 5,744	$ 5,530	$	$ 5,530	$ 214
Fringe Benefits	2,827	2,838	2,850	(12)	2,838	
Equipment	17	17	8		8	9
General Expenses	16	16	11	1	12	4
Contractual Services	125	125	51		51	74
Legislative Central Staff						
Salaries	792	792	774		774	18
Fringe Benefits	400	397	399	(2)	397	
Equipment	48	48	43	2	45	3
General Expenses	1,769	1,769	1,576	120	1,696	73
Contractual Services	2,715	2,715	663	1,967	2,630	85
Legislative Budget Review						
Salaries	925	925	766		766	159
Fringe Benefits	394	393	395	(2)	393	
Equipment	2	2				2
General Expenses	11	11	5		5	6
Contractual Services	2	2				2
Total Legislative	15,744	15,794	13,071	2,074	15,145	649
JUDICIAL						
Court Administration						
Fringe Benefits	1,235	1,235	887		887	348
District Attorney						
Salaries	42,708	42,258	41,427		41,427	831
Fringe Benefits	18,698	18,612	18,692	(80)	18,612	
Equipment	90	90	62	4	66	24
General Expenses	1,259	1,509	1,366	107	1,473	36
Contractual Services	1,603	1,803	1,391	102	1,493	310
District Attorney Total	64,358	64,272	62,938	133	63,071	1,201
Public Administrator						
Salaries	560	560	507		507	53
Fringe Benefits	388	371	373	(2)	371	
General Expenses	3	3	2		2	1
Contractual Services	10	10	3		3	7
Public Administrator Total	961	944	885	(2)	883	61
Traffic and Parking Violations						
Salaries	3,794	3,794	3,597		3,597	197
Fringe Benefits	2,241	2,106	2,115	(9)	2,106	
Equipment	15	15	3	2	5	10
General Expenses	293	293	195	49	244	49
Contractual Services	13,787	13,787	7,917	2,026	9,943	3,844
Traffic and Parking Violations Total	20,130	19,995	13,827	2,068	15,895	4,100
Total Judicial	$ 86,684	$ 86,446	$ 78,537	$ 2,199	$ 80,736	$ 5,710

(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, 2019 (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 Affaris						
Salaries	$	$ 91	$ 40	$	$ 40	$ 51
Fringe Benefits		1	1		1	
Equipment		15		1	1	14
General Expenses		15	8		8	7
Assessment Total		122	49	1	50	72
Assessment						
Salaries	10,729	11,223	10,091		10,091	1,132
Fringe Benefits	6,806	6,465	6,493	(28)	6,465	
General Expenses	397	1,097	440	83	523	574
Contractual Services	250	1,960	618		618	1,342
Other Suits and Damages	30,000	30,000	29,814		29,814	186
Assessment Total	48,182	50,745	47,456	55	47,511	3,234
Board of Assessment Review						
Salaries	3,175	4,075	3,977		3,977	98
Fringe Benefits	1,480	1,754	1,762	(8)	1,754	
General Expenses	100	100	70	2	72	28
Contractual Services	371	371		217	217	154
Board of Assessment Review Total	5,126	6,300	5,809	211	6,020	280
Board of Elections						
Administration						
Salaries	4,326	4,326	3,815		3,815	511
Fringe Benefits	1,945	1,856	1,864	(8)	1,856	
Equipment	24	24	6	5	11	13
General Expenses	72	72	47	15	62	10
General Elections						
Salaries	10,635	11,310	10,784		10,784	526
Fringe Benefits	5,267	5,246	5,269	(23)	5,246	
Equipment	35	35	7	1	8	27
General Expenses	1,945	2,126	1,618	125	1,743	383
Contractual Services	556	616	293	142	435	181
Primary Elections						
Salaries	881	101	91		91	10
Fringe Benefits	466	44	44		44	
General Expenses	362	362	207	18	225	137
Contractual Services	253	117	8		8	109
Board of Elections Total	26,767	26,235	24,053	275	24,328	1,907
Civil Service						
Salaries	5,114	5,114	4,548		4,548	566
Fringe Benefits	2,952	2,715	2,727	(12)	2,715	
Equipment		30	12	18	30	
General Expenses	260	260	201	24	225	35
Contractual Services	50	20				20
Civil Service Total	8,376	8,139	7,488	30	7,518	621
County Attorney						
Salaries	7,695	7,795	7,658		7,658	137
Fringe Benefits	5,109	4,761	4,781	(20)	4,761	
Equipment	3	3		1	1	2
General Expenses	686	689	656	16	672	17
Contractual Services	9,051	9,051	4,069	4,028	8,097	954
Workers' Compensation Expense						
Contractual Services	9,117	7,544	7,544		7,544	
County Attorney Total	31,661	29,843	24,708	4,025	28,733	1,110
County Clerk						
Salaries	6,194	5,854	5,544		5,544	310
Fringe Benefits	4,215	4,013	4,030	(17)	4,013	
Equipment	216	216	179	22	201	15
General Expenses	383	383	189	60	249	134
Contractual Services	883	1,183	222	521	743	440
County Clerk Total	11,891	11,649	10,164	586	10,750	899
County Comptroller						
Salaries	7,660	7,660	6,763		6,763	897
Fringe Benefits	4,482	4,054	4,071	(17)	4,054	

(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, 2019 (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	$ 6	$ 6	$ 3	$	$ 3	$ 3
General Expenses	129	129	51	3	54	75
Contractual Services	1,437	1,437	463	423	886	551
County Comptroller Total	13,714	13,286	11,351	409	11,760	1,526
County Executive						
Salaries	1,815	1,815	1,560		1,560	255
Fringe Benefits	1,419	1,259	1,264	(5)	1,259	
Equipment		6	6		6	
General Expenses	73	73	49	5	54	19
Contractual Services	548	548	53	370	423	125
County Executive Total	3,855	3,701	2,932	370	3,302	399
County Treasurer						
Salaries	2,208	2,208	1,887		1,887	321
Fringe Benefits	1,556	1,371	1,377	(6)	1,371	
Equipment	2	2				2
General Expenses	364	364	302	8	310	54
Contractual Services	395	425	289	105	394	31
County Treasurer Total	4,525	4,370	3,855	107	3,962	408
Office of Constituent Affairs						
Salaries	1,393	1,393	1,312		1,312	81
Fringe Benefits	752	742	745	(3)	742	
Office of Constituent Affairs Printing & Graphics						
Salaries	1,351	1,426	1,380		1,380	46
Fringe Benefits	864	781	784	(3)	781	
General Expenses	1,109	1,609	699	133	832	777
Contractual Services	3	3		3	3	
Office of Constituent Affairs Total	5,472	5,954	4,920	130	5,050	904
Office of Emergency Management						
Salaries	994	994	964		964	30
Fringe Benefits	394	351	353	(2)	351	
General Expenses	10	20	4	7	11	9
Interdepartmental Charges		637	631		631	6
Office of Emergency Management Total	1,398	2,002	1,952	5	1,957	45
Information Technology						
Administration						
Salaries	7,437	8,287	8,090		8,090	197
Fringe Benefits	5,275	4,975	4,996	(21)	4,975	
Equipment	34	44	10		10	34
General Expenses	1,352	1,352	632	204	836	516
Contractual Services	23,008	22,158	15,227	4,685	19,912	2,246
Utilities	4,714	4,714	3,738	339	4,077	637
Information Technology Total	41,820	41,530	32,693	5,207	37,900	3,630
Housing and Intergovemmental Affairs:						
Salaries	876	1,216	1,050		1,050	166
Fringe Benefits	1,087	818	822	(4)	818	
Housing and Intergovernmental Affairs Total	1,963	2,034	1,872	(4)	1,868	166
Labor Relations						
Salaries	685	685	612		612	73
Fringe Benefits	199	228	229	(1)	228	
General Expenses	4	7	5		5	2
Contractual Services	387	384	334	39	373	11
Labor Relations Total	1,275	1,304	1,180	38	1,218	86

(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, 2019 (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)	$ (842)	$ 4,947	$ 4,947	$	$ 4,947	$
Fringe Benefits	1,413	2,083	2,064	19	2,083	
Equipment	5	5				5
General Expenses	110	110	89	2	91	19
Contractual Services	3,046	2,841	1,532	1,145	2,677	164
Management and Budgets Total	$ 3,732	$ 9,986	$ 8,632	$ 1,166	$ 9,798	$ 188
Personnel						
Salaries	807	807	718		718	89
Fringe Benefits	336	291	292	(1)	291	
General Expenses	10	11	10		10	1
Contractual Services	263	262	48		48	214
Personnel Total	1,416	1,371	1,068	(1)	1,067	304
Planning						
Contractual Services		19		19	19	
Planning Total		19		19	19	
Mass Transportation						
Pt.Lookout/Lido Beach Bus Rt.	75	75	75		75	
Metropolitan Suburban Bus Auth.	1,930	1,930	1,930		1,930	
LIRR Station Maintenance	30,604	30,604	30,459		30,459	145
MTA-LIRR Operating Assistance	11,584	11,584	11,584		11,584	
Physically Challenged Transportation	610	610	661	(51)	610	
Intermodal Center Subsidy - Transit Bus	65	65				65
Planning Total	44,868	44,868	44,709	(51)	44,658	210
Purchasing						
Salaries	952	1,137	1,130		1,130	7
Fringe Benefits	846	812	815	(3)	812	
General Expenses	23	23	13		13	10
Purchasing Total	1,821	1,972	1,958	(3)	1,955	17
Office of Real Estate Services						
Salaries	33					
Fringe Benefits		31	31		31	
Coliseum Repair	298	298		298	298	
Insurance on Buildings	2,126	1,046	91	954	1,045	1
Rent	16,311	16,311	12,521	932	13,453	2,858
Office of Real Estate Services Total	18,768	17,686	12,643	2,184	14,827	2,859
Public Utility Authority						
General Expenses	390	390		390	390	
Public Utility Authority Total	390	390		390	390	
Office of Records Management						
Salaries	1,013	1,013	703		703	310
Fringe Benefits	744	651	654	(3)	651	
Equipment	170	210	20	55	75	135
General Expenses	160	160	34	4	38	122
Contractual Services	144	144	24	98	122	22
Office of Records Management Total	2,231	2,178	1,435	154	1,589	589
Building Management						
Salaries	9,436	7,564	7,564		7,564	
Fringe Benefits	8,065	6,732	6,761	(29)	6,732	
Equipment	62	81	57	24	81	
General Expenses	1,621	1,621	1,051	476	1,527	94
Contractual Services	3,897	3,897	1,981	1,646	3,627	270
Utility Costs	24,711	24,711	22,085	1,057	23,142	1,569
Interdepartmental Charges	11,399	11,399	10,207		10,207	1,192
Building Management Total	59,191	56,005	49,706	3,174	52,880	3,125
Office of the Inspector General						
Salaries	690	690	577		577	113
Equipment	40	105	33	4	37	68
General Services	160	95	17	18	35	60
Inspector General Total	890	890	627	22	649	241
Total General Administration	339,332	342,579	301,260	18,499	319,759	22,820

(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, 2019 (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	$ 474	$ 474	$ 380	$	$ 380	$ 94
Fringe Benefits	536	446	448	(2)	446	
General Expenses	4	4	1		1	3
Contractual Services	6	6		6	6	
Commission on Human Rights Total	1,020	930	829	4	833	97
Commissioner of Accounts						
Fringe Benefits	136	109	109		109	
General Expenses	10	10				10
Contractual Services	15	15				15
Commissioner of Accounts Total	161	134	109		109	25
Consumer Affairs						
Salaries	2,219	2,219	1,879		1,879	340
Fringe Benefits	1,816	1,646	1,653	(7)	1,646	
Equipment	34	34	1		1	33
General Expenses	16	16	11	1	12	4
Contractual Services	40	40	20	20	40	
Consumer Affairs Total	4,125	3,955	3,564	14	3,578	377
Fire Commission						
Salaries	10,515	10,515	10,304		10,304	211
Fringe Benefits	6,108	6,108	6,092	(6)	6,086	22
Equipment	81	81	9	34	43	38
General Expenses	283	283	85	76	161	122
Contractual Services	5,199	5,095	4,645	95	4,740	355
Interdepartmental Charges	2,875	2,979	2,979		2,979	
Fire Commission Total	25,061	25,061	24,114	199	24,313	748
Police Headquarters						
Salaries	250,964	234,766	233,984		233,984	782
Fringe Benefits	163,794	163,794	155,859	(1,087)	154,772	9,022
Workers' Compensation	4,235	4,628	4,628		4,628	
Equipment	526	526	201	71	272	254
General Expenses	4,271	4,271	3,441	622	4,063	208
Contractual Services	14,366	14,366	8,725	2,738	11,463	2,903
Utilities	3,465	3,465	2,246	526	2,772	693
Interdepartmental Charges	24,810	28,749	28,749		28,749	
Police Headquarters Total	466,431	454,565	437,833	2,870	440,703	13,862
Medical Examiner						
Salaries	9,382	7,882	7,721		7,721	161
Fringe Benefits	4,138	3,943	3,956	(16)	3,940	3
Equipment	75	75	41	15	56	19
General Expenses	862	862	569	54	623	239
Contractual Services	83	83	3	45	48	35
Medical Examiner Total	14,540	12,845	12,290	98	12,388	457
Taxi and Limousine Commission						
Fringe Benefits	87	11	8		8	3
General Expenses	1	1		1	1	
Contractual Services	13	13		3	3	10
Taxi and Limousine Commission Total	101	25	8	4	12	13
Total Protection of Persons	511,439	497,515	478,747	3,189	481,936	15,579

(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, 2019 (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	$ 2,091	$ 1,991	$ 1,691	$	$ 1,691	$ 300
Fringe Benefits	1,516	1,387	1,393	(6)	1,387	
Equipment	21	21	18		18	3
General Expenses	97	97	68	4	72	25
Interdepartmental Charges	3,583	3,583	3,325		3,325	258
Environmental Health						
Salaries	7,323	7,222	6,778		6,778	444
Fringe Benefits	6,048	5,560	5,584	(24)	5,560	
Equipment	13	13				13
General Expenses	70	70	47	2	49	21
Contractual Services	225	238	64	105	169	69
Interdepartmental Charges	765	765	510		510	255
Laboratory Research						
Salaries	948	950	943		943	7
Fringe Benefits	853	773	776	(3)	773	
Equipment	43	43	20	1	21	22
General Expenses	555	555	366	42	408	147
Contractual Services	25	34	34	(13)	21	13
Interdepartmental Charges	261	261	255		255	6
Public Health						
Salaries	1,511	1,511	1,413		1,413	98
Fringe Benefits	1,340	1,159	1,163	(5)	1,158	1
General Expenses	111	111	51	6	57	54
Contractual Services	62	67	62	(14)	48	19
Various Direct Expenses	5,000	5,000	5,000		5,000	
Interdepartmental Charges	888	888	455		455	433
Early Intervention						
Salaries	3,455	3,455	3,219		3,219	236
Fringe Benefits	2,822	2,640	2,651	(11)	2,640	
Supplies	5	5	4		4	1
General Expenses	49	49	18		18	31
Interdepartmental Charges	226	226	224		224	2
Early Intervention Charges	27,400	24,332	24,332		24,332	
Preschool Education						
Salaries	246	246	100		100	146
Fringe Benefits	69	82	82		82	
General Expenses	5	5		2	2	3
Contractual Services	272	459	283	110	393	66
Early Intervention Charges	113,711	128,647	117,577	7,514	125,091	3,556
Health Department Total	181,609	192,445	178,506	7,710	186,216	6,229
Mental Health, Chemical Dependency and Disabled Services						
Administration						
Salaries	1,555	1,555	1,351		1,351	204
Fringe Benefits	1,672	1,374	1,380	(6)	1,374	
General Expenses	1,221	1,221	1,036		1,036	185
Contractual Services	7,434	7,184	2,657	2,403	5,060	2,124
Interdepartmental Charges	1,635	1,635	1,577		1,577	58
Contractual Services						
Contractual Services				(50)	(50)	50
Direct Services						
Salaries						
Fringe Benefits	263	243	244	(1)	243	
General Expenses						
Contractual Services				(25)	(25)	25
Mental Health, Chemical Dependency and Disabled Services	13,780	13,212	8,245	2,321	10,566	2,646
Total Health	195,389	205,657	186,751	10,031	196,782	8,875

(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, 2019 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
PUBLIC WORKS						
Administration						
Salaries	$ 3,026	$ 3,026	$ 2,815	$	$ 2,815	$ 211
Fringe Benefits	2,808	2,790	2,802	(12)	2,790	
Workers comp	2,280	2,280	1,997		1,997	283
Interdepartmental Charges	2,958	2,958				2,958
Direct Expenses	250	300	300		300	
General Expenses	421	421	206	15	221	200
Contractual Services	3,610	4,055	1,219	2,097	3,316	739
Highway and Engineering						
Salaries	5,509	5,509	4,691		4,691	818
Fringe Benefits	4,194	4,175	4,193	(18)	4,175	
Equipment	24	24		24	24	
General Expenses	61	61	39	5	44	17
Contractual Services	145,140	145,121	120,505	5,839	126,344	18,777
Utility Costs	1,261	1,274	1,088	90	1,178	96
Highway and Bridge Maintenance						
Salaries	10,711	10,711	10,121		10,121	590
Fringe Benefits	10,375	9,015	9,057	(39)	9,018	(3)
Equipment	76	76	14	42	56	20
General Expenses	3,292	3,292	2,686	555	3,241	51
Contractual Services	1,683	1,683	913	465	1,378	305
Utility Costs	90	90	7	(186)	(179)	269
Interdepartmental Charges	3	3				3
Groundwater Remediation						
Salaries	3,134	3,134	2,876		2,876	258
Fringe Benefits	2,890	2,560	2,571	(11)	2,560	
Equipment	10	10				10
General Expenses	3,861	3,861	2,036	883	2,919	942
Contractual Services	975	975	244	215	459	516
Interdepartmental Charges	1,334	2,153	2,153		2,153	
Total Public Works	209,976	209,557	172,533	9,964	182,497	27,060
RECREATION AND PARKS						
Administration						
Fringe Benefits	1,006					
Equipment	14	14				14
General Expenses	146	146	108	30	138	8
Contractual Services	376	376	82	264	346	30
Technical Service						
Fringe Benefits	2,668					
Equipment	10	10				10
General Expenses	191	191	103	31	134	57
Contractual Services	657	657	398	51	449	208
Recreation Service						
Salaries	20,579	18,566	18,566		18,566	
Fringe Benefits	3,996	9,772	9,814	(42)	9,772	
Equipment	554	616	615	1	616	
General Expenses	1,610	1,610	1,193	386	1,579	31
Contractual Services	7,075	7,075	6,520	532	7,052	23

(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, 2019 (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						
Fringe Benefits	$ 466	$	$	$	$	$
Equipment	3	3				3
General Expenses	17	17	3	3	6	11
Contractual Services	603	603	151	(58)	93	510
Golf Operations						
Fringe Benefits	2,320					
Equipment	5	5	5		5	
General Expenses	125	125	62	16	78	47
Contractual Services	43	43	35	2	37	6
Total Recreation and Parks	42,464	39,829	37,655	1,216	38,871	958
SOCIAL SERVICES						
Bar Association - Public Defender	7,686	7,692	7,638	54	7,692	
CASA						
Salaries	244	292	285		285	7
Fringe Benefits	119	114	114		114	
General Expenses	3	3	(4)		(4)	7
Contractual Services	7	7		3	3	4
CASA Total	373	416	395	3	398	18
Human Services						
Salaries	1,264	1,264	1,449		1,449	(185)
Fringe Benefits	3,829	3,664	3,680	(16)	3,664	
Equipment	15	15	1		1	14
General Expenses	71	71	63	6	69	2
Contractual Services	2,077	2,077	1,389	370	1,759	318
Interdepartmental Charges	731	731	285		285	446
Human Services Total	7,987	7,822	6,867	360	7,227	595
Legal Aid Society	7,331	7,331	7,331		7,331	
Minority Affairs						
Salaries	465	555	333		333	222
Fringe Benefits	230	207	208	(1)	207	
General Expenses	41	41	8		8	33
Contractual Services	20	20				20
Minority Affairs Total	756	823	549	(1)	548	275
Senior Citizens Affairs						
Administration						
Salaries	1,518	1,518	1,469		1,469	49
Fringe Benefits	516	418	420	(2)	418	
General Expenses	10	10	6		6	4
Contractual Services	21,615	21,878	13,652	3,723	17,375	4,503
Interdepartmental Charges	562	562	538		538	24
Community Services						
Contractual Services	54	54		54	54	
Nutrition Program						
Contractual Services	34	34		34	34	
Area Agency Title III						
Contractual Services				(23)	(23)	23
TITLE IIIE (Caregivers)						
Contractual Services				(6)	(6)	6
Senior Citizens Affairs Total	24,309	24,474	16,085	3,780	19,865	4,609
Social Services Department						
Administration						
Salaries	4,696	4,516	4,307		4,307	209
Fringe Benefits	3,323	3,018	3,032	(13)	3,019	(1)
Equipment	5	5	3		3	2
General Expenses	238	288	265	1	266	22
Contractual Services	1,811	1,811	1,320	271	1,591	220
Interdepartmental Charges	18,601	17,037	15,277		15,277	1,760
Public Financial Assistance						
Salaries	19,574	18,765	18,252		18,252	513
Fringe Benefits	14,053	12,790	12,846	(55)	12,791	(1)
Equipment	13	13	7	4	11	2
General Expenses	237	275	252	2	254	21
Contractual Services	8,857	9,132	2,964	2,955	5,919	3,213

(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, 2019 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
SOCIAL SERVICES (continued)						
Division of Services						
Salaries	$ 23,224	$ 22,024	$ 21,712	$	$ 21,712	$ 312
Fringe Benefits	16,327	15,215	15,281	(65)	15,216	(1)
General Expenses	199	199	186	7	193	6
Contractual Services	160	160	124	4	128	32
Handicapped Children Education						
Emergency Vendor Payments	17,360	22,624	21,469		21,469	1,155
Physically Challenged						
Salaries	368	368	248		248	120
Fringe Benefits	71	65	65		65	
General Expenses	3	3				3
Interdepartmental Charges	320	320	122		122	198
Aid to Dependent Children TANF						
Recipient Grants	18,500	16,000	15,670		15,670	330
Emergency Vendor Payments	6,714	7,194	6,717	373	7,090	104
Home Relief SAFETY NET						
Recipient Grants	27,000	26,000	25,839		25,839	161
Emergency Vendor Payments	10,300	13,378	13,378		13,378	
Children in Institutions						
Emergency Vendor Payments	12,397	12,168	9,619	1,459	11,078	1,090
Children in Foster Homes						
Recipient Grants	780	905	895		895	10
Purchased Services	1	1	1		1	
Emergency Vendor Payments	450	450	309		309	141
Juvenile Delinquents						
Emergency Vendor Payments	2,559	2,559	1,888	361	2,249	310
Training Schools						
Emergency Vendor Payments	2,750	4,617	4,617		4,617	
Emergency Vendor Payments	655	655	540	75	615	40
Children in Foster Homes - Title 4E						
Recipient Grants	500	375	295		295	80
Emergency Vendor Payments	375	322	322		322	
Social Service Administration						
Recipient Grants	4,950	4,950	4,919		4,919	31
Burials						
Emergency Vendor Payments	260	260	213		213	47
Medicaid						
Medicaid	242,522	243,103	243,103		243,103	
Home Energy Assistance						
Recipient Grants	400	400	307		307	93
Title-XX						
Purchased Services	72,182	69,354	64,778	2,658	67,436	1,918
Social Services Department Total	532,735	531,319	511,142	8,037	519,179	12,140
Veterans Service Agency						
Salaries	571	571	510		510	61
Fringe Benefits	408	352	354	(2)	352	
General Expenses	15	15	9		9	6
Contractual Services	4	4	2	2	4	
Veterans Service Agency Total	998	942	875		875	67

(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, 2019 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
SOCIAL SERVICES (continued)						
Youth Board						
Salaries	$ 336	$ 619	$ 375	$	$ 375	$ 244
Fringe Benefits	180	154	155	(1)	154	
Contractual Services	8,392	8,392	5,810	1,369	7,179	1,213
Interdepartmental Charges	355	355	369		369	(14)
Youth Board Total	9,263	9,520	6,709	1,368	8,077	1,443
Total Social Services	591,438	590,339	557,591	13,601	571,192	19,147
CORRECTIONAL CENTER						
Correctional Center						
Salaries	110,577	116,354	116,354		116,354	
Fringe Benefits	73,601	71,451	71,759	(307)	71,452	(1)
Workers' Compensation	8,630	8,630	7,694		7,694	936
Equipment	226	226	11	134	145	81
General Expenses	3,758	3,958	3,101	788	3,889	69
Contractual Services	33,612	35,634	19,877	15,741	35,618	16
Utility Costs	1,814	1,814	1,514	111	1,625	189
Correctional Center Total	232,218	238,067	220,310	16,467	236,777	1,290
Sheriff						
Salaries	7,485	7,485	6,990		6,990	495
Fringe Benefits	5,070	4,764	4,784	(20)	4,764	
Equipment		10	10		10	
General Expenses	34	34	16	5	21	13
Sheriff Total	12,589	12,293	11,800	(15)	11,785	508
Correctional Center and Sheriff Total	12,589	12,293	11,800	(15)	11,785	508
Probation						
Administration						
Salaries	19,863	17,520	17,358		17,358	162
Fringe Benefits	13,137	12,256	12,309	(53)	12,256	
Equipment	67	127	31	11	42	85
General Expenses	436	376	205	141	346	30
Contractual Services	801	1,143	419	398	817	326
Utility Costs	1	1		1	1	
Interfund Charges	2,605	2,605	943		943	1,662
Probation Total	36,910	34,028	31,265	498	31,763	2,265
Total Corrections	281,717	284,388	263,375	16,950	280,325	4,063
EDUCATION						
Payment to Long Beach Schools	106	106	106		106	
State School Tuition	13,500	16,000	14,979		14,979	1,021
Total Education	13,606	16,106	15,085		15,085	1,021
BONDED PAYMENTS FOR TAX CERTIORARI			61,114	(61,114)		
AID TO TOWNS AND CITIES						
Aid to Towns and Cities	73,682	74,572	74,572		74,572	
SUITS AND DAMAGES						
Suits and Damages	30,000	43,362	28,343		28,343	15,019
OTHER EXPENDITURES						
Interdepartmental Charges	4,329	5,075	5,075		5,075	-
Intergovernmental Charges	23,096	23,096	22,682		22,682	414
Lido-Point Lookout Fire District	6	6		6	6	
Reserve for Contingencies		468	468		468	
HIPPA Payments	25	25				25

(Continued)

EXHIBIT B-2

COUNTY OF NASSAU, NEW YORK

COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
VS. TOTAL BUDGETARY AUTHORITY
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019 (Dollars in Thousands)

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
OTHER EXPENDITURES (Continued)						
Miscellaneous Expense	$ 29,658	$ 28,949	$ 26,053	$ 1,549	$ 27,602	$ 1,347
NYS Association of Counties	70	70	70		70	
Total Other Expenditures	57,184	57,689	54,348	1,555	55,903	1,786
Debt Service:						
Principal	106,280	108,281	108,281		108,281	
Interest	132,209	132,209	128,512		128,512	3,697
Financing Costs	3,540	3,540	2,291		2,291	1,249
Total Debt Service	242,029	244,030	239,084		239,084	4,946
Total Expenditures	2,690,684	2,707,863	2,562,066	18,164	2,580,230	127,633
OTHER FINANCING USES						
Debt Service Fund						
Transfers Out - Other	148,901	144,483	58		58	144,425
Total Transfers Out	148,901	144,483	58		58	144,425
TOTAL EXPENDITURES AND TRANSFERS OUT	$ 2,839,585	$ 2,852,346	$ 2,562,124	$ 18,164	$ 2,580,288	$ 272,058

*Appropriations per the 2019 budget as adopted	$ 3,091,143
Intrafund Budget Elimination	(337,489)
Outstanding encumbrances, January 1, 2019	85,931
Original Budget per above	2,839,585
Add: Supplemental appropriations	17,907
Less: Intrafund Modified Budget eliminations	(5,146)
Total Budgetary Authority	$ 2,852,346

(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, 2019 (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	$ 398,867	$ 398,866	$ 398,866	$	$ 398,866	$
Payments in Lieu of Taxes	16,758	16,758	16,758		16,758	
Departmental Revenue	2,731	2,731	2,848		2,848	117
Interest Income	150	150	236		236	86
Licenses and Permits	4,629	4,629	4,522		4,522	(107)
Fines and Forfeits	1,356	1,356	1,209		1,209	(147)
Rents and Recoveries			186		186	186
Interdepartmental Revenue	150	150	388		388	238
Total Revenues	424,641	424,640	425,013		425,013	373
Expenditures:						
Protection of Persons:						
Salaries	237,769	235,038	222,525		222,525	12,513
Fringe Benefits	145,022	145,022	138,010	866	138,876	6,146
Workers' Compensation	10,700	10,700	8,346		8,346	2,354
Equipment	275	275	234	9	243	32
General Expenses	4,729	4,771	3,976	641	4,617	154
Contractual Services	1,795	1,795	413	414	827	968
Utility Costs	1,253	1,326	1,197	68	1,265	61
Interdepartmental Charges	22,197	24,712	24,712		24,712	
Total Expenditures	423,740	423,639	399,413	1,998	401,411	22,228
Excess (Deficiency) of Revenues Over (Under) Expenditures	901	1,001	25,600	(1,998)	23,602	22,601
Other Financing Sources (Uses):						
Transfers In						
Transfers Out	(2,297)	(2,398)	(2,396)		(2,396)	2
Total Other Financing Sources (Uses)	(2,297)	(2,398)	(2,396)		(2,396)	2
Net Change in Fund Equity (Deficit)	(1,396)	(1,397)	23,204	(1,998)	21,206	22,603
Fund Balance (Deficit) Beginning of Year	1,396	1,397	(4,023)	30,101	26,078	24,681
Fund Balance (Deficit) End of Year	$	$	$ 19,181	$ 28,103	$ 47,284	$ 47,284

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, 2019 (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	$	$	$ 130,284	$	$ 130,284	$ 130,284
Payments in Lieu of Taxes			8,375	(522)	7,853	7,853
Departmental Revenue	1,282	1,282	1,422		1,422	140
Interest Income	100	100	504		504	404
Licenses and Permits	1,553	1,553	1,283	177	1,460	(93)
Rents and Recoveries	6,040	6,040	2,348	4,723	7,071	1,031
Federal Aid			11		11	11
Total Revenues	8,975	8,975	144,227	4,378	148,605	139,630
Expenditures:						
Public Works:						
Salaries	10,289	10,588	10,220		10,220	368
Fringe Benefits	9,547	9,547	8,202	178	8,380	1,167
Equipment	15	15				15
General Expenses	1,764	1,764	685	917	1,602	162
Contractual Services	71,411	71,411	64,185	1,589	65,774	5,637
Utility Costs	7,774	7,774	5,907	809	6,716	1,058
Interdepartmental Charges	5,665	6,703	6,487		6,487	216
Other	765	465		226	226	239
Debt Service:						
Principal	9,411	10,302	10,302		10,302	
Interest	3,089	1,161	1,152		1,152	9
Total Expenditures	119,730	119,730	107,140	3,719	110,859	8,871
Excess (Deficiency) of Revenues Over (Under) Expenditures	(110,755)	(110,755)	37,087	659	37,746	148,501
Other Financing Sources (Uses):						
Transfer Out	(28,657)	(28,657)	(28,873)		(28,873)	(216)
Transfer In of Investment Income	100	100	486		486	386
Transfer Out to NCSSWFA			(138,137)		(138,137)	(138,137)
Transfers In to NCSSWFA	119,747	119,747	121,116		121,116	1,369
Total Other Financing Sources (Uses)	91,190	91,190	(45,408)		(45,408)	(136,598)
Net Change in Fund Balances	(19,565)	(19,565)	(8,321)	659	(7,662)	11,903
Fund Balance Beginning of Year	19,565	19,565	8,640	9,675	18,315	(1,250)
Fund Balance End of Year	$	$	$ 319	$ 10,334	$ 10,653	$ 10,653

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, 2019 (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	$	$ 1,613	$ 1,613	$	$ 1,613	$
Interest Income			3,728		3,728	3,728
Total Revenues		1,613	5,341		5,341	3,728
Other Financing Uses:						
Transfer Out		(1,613)	(1,613)		(1,613)	
Total Other Financing Uses		(1,613)	(1,613)		(1,613)	
Net Change in Fund Balance			3,728		3,728	3,728
Fund Balance Beginning of Year			2,109		2,109	2,109
Fund Balance End of Year	$	$	$ 5,837	$	$ 5,837	$ 5,837

EXHIBIT B-6

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, 2019 (Dollars in Thousands)
(INCLUDING LIFETIME ACTIVITY THROUGH DECEMBER 31, 2019)

County Departments, Offices and Boards	Budgetary Authority as of December 31, 2019	Expenditures through December 31, 2018	Available Budgetary Authority for 2019	2019 Expenditures	Remaining Budgetary Authority December 31, 2019
Affirmative Action	$ 1,240	$ 1,140	$ 100	$	$ 100
Assessment	13,000	11,363	1,637		1,637
Behavioral Health	604,174	429,363	174,811	40,472	134,339
Budget and Management	16,067	3,898	12,169	818	11,351
CASA	735	466	269		269
Consumer Affairs	250	229	21		21
Correctional Center	16,946	14,539	2,407	757	1,650
County Attorney	295	295			
County Clerk	568	390	178		178
County Comptroller	805	446	359		359
Criminal Justice Coordinating Council	64,069	58,843	5,226	638	4,588
Cultural Development	441	437	4		4
District Attorney	56,814	43,635	13,179	2,856	10,323
Drug and Alcohol	693,474	527,186	166,288		166,288
Board of Election	4,439	3,016	1,423	51	1,372
Emergency Management	54,611	36,841	17,770	6,780	10,990
Fire Commission	5,539	4,294	1,245	503	742
General Services	415	315	100		100
Health	352,501	291,002	61,499	10,753	50,746
Housing and Inter-governmental Affairs	865,687	772,444	93,243	16,267	76,976
Human Rights	1,897	1,702	195		195
Human Services	4,140	1,838	2,302	317	1,985
Information Technology	433	394	39		39
Labor	50	46	4		4
Medical Center	5,119	188	4,931		4,931
Medical Examiner	16,402	13,698	2,704	1,057	1,647
Mental Health	213,875	169,654	44,221		44,221
Miscellaneous	91,127	72,570	18,557		18,557
Planning	31,385	22,806	8,579	277	8,302
Police	178,800	131,855	46,945	10,500	36,445
Probation	48,349	41,304	7,045	775	6,270
Public Works	22,715	16,300	6,415	365	6,050
Real Estate Services	332,141	79,585	252,556	9,711	242,845
Records Management	114	113	1		1
Recreation and Parks	54,806	43,786	11,020	3,441	7,579
Senior Citizen Affairs	63,161	60,291	2,870		2,870
Sheriff	66	55	11		11
Shared Services	318	317	1		1
Social Services	208,130	158,914	49,216	18,581	30,635
Traffic Safety Board	72,854	67,802	5,052	1,095	3,957
Veterans Services	458	424	34		34
Women's Services	194	148	46		46
Youth Board	39,081	31,638	7,443		7,443
Total	$ 4,137,685	$ 3,115,570	$ 1,022,115	$ 126,014	$ 896,101

EXHIBIT B-7

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, 2019 (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	$ 10,486	$ 10,486	$ 10,483	$	$ 10,483	$ (3)
Interest Income			46		46	46
Total Revenues	10,486	10,486	10,529		10,529	43
Other Financing Uses:						
Transfer Out	(10,569)	(10,569)	(10,547)		(10,547)	22
Total Other Financing Uses	(10,569)	(10,569)	(10,547)		(10,547)	22
Net Change in Fund Balance	(83)	(83)	(18)		(18)	65
Fund Balance Beginning of Year	83	83	370		370	287
Fund Balance End of Year	$	$	$ 352	$	$ 352	$ 352

EXHIBIT B-8

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, 2019 (Dollars in Thousands)
(INCLUDING LIFETIME ACTIVITY THROUGH DECEMBER 31, 2019)

County Departments, Offices and Boards	Budgetary Authority as of December 31, 2019	Expenditures and Transfers through December 31, 2018	Available Budgetary Authority for 2019	2019 Expenditures	Remaining Budgetary Authority December 31, 2019
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	62	62			
District Attorney	100	100			
Board of Election	249	249			
Emergency Management	1,578	1,578			
Fire Commission	883	882	1		1
Health	915	914	1		1
Human Services	68	68			
Information Technology	300	299	1		1
Labor Relations	2	2			
Legislature	1	1			
Medical Examiner	4	4			
Personnel	28	28			
Police	11,578	11,575	3		3
Police Headquarters	10,974	10,967	7		7
Probation	419	419			
Public Administrator	1		1		1
Public Works	196,091	199,215	(3,124)	1,104	(4,228)
Shared Services	13	13			
Recreation and Parks	2,616	2,615	1		1
Social Services	73	73			
STEP Program	14,833	9,071	5,762		5,762
Total	$ 241,207	$ 238,554	$ 2,653	$ 1,104	$ 1,549

EXHIBIT B-9

COUNTY OF NASSAU, NEW YORK

COMBINING BALANCE SHEET
GENERAL FUND
DECEMBER 31, 2019 (Dollars in Thousands)

ASSETS:	General	Debt Service Fund	Fire Prevention, Safety, Communication and Education Fund	Police Headquarters Fund	Technology Fund	Open Space Fund
Cash and Cash Equivalents	$ 167,524	$ 37,657	$ 2,031	$ 14,863	$ 82	$ 1,829
Restricted Cash and Cash Equivalents						
Sales Tax Receivable	11,242					
Due from Other Governments	144,329			792		
Less Allowance for Doubtful Accounts	(11,697)					
Accounts Receivable	40,765			2,914		
Real Property Taxes Receivable	80,022					
Less Allowance for Doubtful Accounts	(6,969)					
Tax Sale Certificates	3,591					
Tax Real Estate Held for Sale	6,257					
Interfund Receivables	327,924	128,157		8,022		
Prepaids	19,732		455	13,973		
Due from Component Units	35,317					
Other Assets	50					
TOTAL ASSETS	$ 818,087	$ 165,814	$ 2,486	$ 40,564	$ 82	$ 1,829
LIABILITIES:						
Accounts Payable	$ 64,592	$	$ 28	$ 980	$	$
Accrued Liabilities	102,491	314	670	11,986		
Tax Anticipation Notes Payable	219,380					
Unearned Revenue	8,680					
Property Tax Refund Payable	27,585					
Interfund Payables	55,350	167,691	2,753	62,388		
Due to Component Units	35,043		67	136		
Other Liabilities	41,840		128	3,022		
Total Liabilities	554,961	168,005	3,646	78,512		
DEFERRED INFLOWS OF RESOURCES:						
Unavailable Revenue	3,339			703		
Property Taxes	22,840					
Property Taxes - Part County Sales Tax Offset	8,931					
Mitchel Field - Sale of Future Rental Revenue	27,396					
Total Deferred Inflows of Resources	62,506			703		
FUND BALANCE (DEFICIT):						
Fund Balances(Deficit):						
Nonspendable	25,732		455	13,973		
Spendable:						
Restricted	6,254					1,810
Committed					82	
Assigned						19
Unassigned	168,634	(2,191)	(1,615)	(52,624)		
Total Fund Balance (Deficit)	200,620	(2,191)	(1,160)	(38,651)	82	1,829
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	$ 818,087	$ 165,814	$ 2,486	$ 40,564	$ 82	$ 1,829

EXHIBIT B-9

COUNTY OF NASSAU, NEW YORK

COMBINING BALANCE SHEET
GENERAL FUND
DECEMBER 31, 2019 (Dollars in Thousands)

ASSETS:	Employee Benefit Accrued Liability Reserve Fund	Litigation Fund	Retirement Contribution Reserve Fund	Bond Indebtedness Reserve Fund	Intrafund Eliminations	Total General Fund
Cash and Cash Equivalents	$ 13,187	$ 29,710	$ 52	$	$	$ 266,935
Restricted Cash and Cash Equivalents				697		697
Sales Tax Receivable						11,242
Due from Other Governments						145,121
Less Allowance for Doubtful Accounts						(11,697)
Accounts Receivable						43,679
Real Property Taxes Receivable						80,022
Less Allowance for Doubtful Accounts						(6,969)
Tax Sale Certificates						3,591
Tax Real Estate Held for Sale						6,257
Interfund Receivables	214				(288,579)	175,738
Prepaids						34,160
Due from Component Units						35,317
Other Assets						50
TOTAL ASSETS	$ 13,401	$ 29,710	$ 52	$ 697	$ (288,579)	$ 784,143
LIABILITIES:						
Accounts Payable	$	$	$	$	$	$ 65,600
Accrued Liabilities						115,461
Tax Anticipation Notes Payable						219,380
Unearned Revenue						8,680
Property Tax Refund Payable						27,585
Interfund Payables		6,273		697	(288,579)	6,573
Due to Component Units						35,246
Other Liabilities						44,990
Total Liabilities		6,273		697	(288,579)	523,515
DEFERRED INFLOWS OF RESOURCES:						
Unavailable Revenue						4,042
Property Taxes						22,840
Property Taxes - Part County Sales Tax Offset						8,931
Mitchel Field - Sale of Future Rental Revenue						27,396
Total Deferred Inflows of Resources						63,209
FUND BALANCE (DEFICIT):						
Fund Balances(Deficit):						
Nonspendable						40,160
Spendable:						
Restricted						8,064
Committed	13,401	23,437				36,920
Assigned			52			71
Unassigned						112,204
Total Fund Balance (Deficit)	13,401	23,437	52			197,419
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	$ 13,401	$ 29,710	$ 52	$ 697	$ (288,579)	$ 784,143

EXHIBIT B-10

COUNTY OF NASSAU, NEW YORK

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2019 (Dollars in Thousands)

	General Fund	Debt Service Fund	Fire Prevention, Safety, Communication and Education Fund	Police Headquarters Fund	Technology Fund
REVENUES:					
Property Taxes	$ 42,383	$	$ 16,437	$ 370,217	$
Payments in Lieu of Taxes	25,494		405	8,938	
Preempted Sales Tax in Lieu of Property Taxes	106,369				
Interest and Penalties on Taxes	35,966				
Sales Tax	992,508				
Special Taxes	7,678			24,987	
Departmental Revenue	190,681		7,827	25,409	
Interest Income	5,435		19	65	1
Licenses and Permits	14,304			677	
Fines and Forfeitures	74,737			27,954	
Rents and Recoveries	20,908		35	151	
Interdepartmental Revenues	84,748			12,718	
Interfund Revenues	9,336			102	
Other Revenues	59,962	2,932			
State Aid	229,620		123	1,139	
Federal Aid	155,298	4,744		377	
Total Revenues	2,055,427	7,676	24,846	472,734	1
EXPENDITURES:					
Current:					
Legislative	13,071				
Judicial	78,537				
General Administration	301,260				
Protection of Persons	16,801		24,114	437,832	
Health	186,751				
Public Works	172,533				
Recreation and Parks	37,655				
Social Services	557,591				
Corrections	263,375				
Education	15,085				
Bonded Payments for Tax Certiorari and Other Judgments	61,114				
Aid to Towns and Cities	74,572				
Suits and Damages	28,343				
Other	54,348				
Debt Service:					
Principal		108,281			
Interest		128,512			
Bond Issuance Costs		2,291			
Total Expenditures	1,861,036	239,084	24,114	437,832	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	194,391	(231,408)	732	34,902	1
OTHER FINANCING SOURCES (USES):					
Transfers In	217,765	370,783	38		
Transfers Out	(303,252)	(141,773)	(828)	(35,395)	
Transfers In of Investment Income	5,235				
Transfers In from NIFA	2,833				
Premium on Bonds		1,633			
Total Other Financing Sources (Uses)	(77,419)	230,643	(790)	(35,395)	
NET CHANGE IN FUND BALANCE (DEFICIT)	116,972	(765)	(58)	(493)	1
TOTAL FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	83,648	(1,426)	(1,102)	(38,158)	81
TOTAL FUND BALANCE (DEFICIT) AT END OF YEAR	$ 200,620	$ (2,191)	$ (1,160)	$ (38,651)	$ 82

EXHIBIT B-10

COUNTY OF NASSAU, NEW YORK

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2019 (Dollars in Thousands)

	Open Space Fund	Employee Benefit Accrued Liability Reserve Fund	Litigation Fund	Retirement Contribution Reserve Fund	Bond Indebtedness Reserve Fund	Intrafund Eliminations	Total General Fund
REVENUES:							
Property Taxes	$	$	$	$	$	$	$ 429,037
Payments in Lieu of Taxes							34,837
Preempted Sales Tax in Lieu of Property Taxes							106,369
Interest and Penalties on Taxes							35,966
Sales Tax							992,508
Special Taxes							32,665
Departmental Revenue							223,917
Interest Income			263	1			5,784
Licenses and Permits							14,981
Fines and Forfeitures							102,691
Rents and Recoveries			15,012				36,106
Interdepartmental Revenues							97,466
Interfund Revenues							9,438
Other Revenues							62,894
State Aid							230,882
Federal Aid							160,419
Total Revenues			15,275	1			2,575,960
EXPENDITURES:							
Current:							
Legislative							13,071
Judicial							78,537
General Administration							301,260
Protection of Persons							478,747
Health							186,751
Public Works							172,533
Recreation and Parks							37,655
Social Services							557,591
Corrections							263,375
Education							15,085
Bonded Payments for Tax Certiorari and Other Judgments							61,114
Aid to Towns and Cities							74,572
Suits and Damages							28,343
Other							54,348
Debt Service:							
Principal							108,281
Interest							128,512
Bond Issuance Costs							2,291
Total Expenditures							2,562,066
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES			15,275	1			13,894
OTHER FINANCING SOURCES (USES):							
Transfers In		214				(481,930)	106,870
Transfers Out		(43)			(697)	481,930	(58)
Transfers In of Investment Income							5,235
Transfers In from NIFA							2,833
Premium on Bonds							1,633
Total Other Financing Sources (Uses)		171			(697)		116,513
NET CHANGE IN FUND BALANCE (DEFICIT)		171	15,275	1	(697)		130,407
TOTAL FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	1,829	13,230	8,162	51	697		67,012
TOTAL FUND BALANCE (DEFICIT) AT END OF YEAR	$ 1,829	$ 13,401	$ 23,437	$ 52	$	$	$ 197,419

EXHIBIT C-1

COUNTY OF NASSAU, NEW YORK

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS BY FUNCTION
DECEMBER 31, 2019 (Dollars in Thousands)

	Land*	Intangibles*	Land Improvements	Buildings	Equipment	Infrastructure	Total
Legislative	$	$	$	$ 254	$ 317	$	$ 571
Judicial	2,593		1,933	73,629	6,097		84,252
General Administration	182,490	8,804	1,899	484,912	305,068		983,173
Protection of Persons	7,711		190	82,226	122,290	42,817	255,234
Health	475			4,672	3,127		8,274
Public Works	15,013		6,883	331,825	66,861	2,384,516	2,805,098
Recreation and Parks	35,654		71,304	202,290	7,020	73,891	390,159
Social Services	534		3,840	19,967	871		25,212
Corrections				183,147	10,958		194,105
Total	244,470	8,804	86,049	1,382,922	522,609	2,501,224	4,746,078
Less: Accumulated Depreciation			73,544	618,377	386,119	1,330,974	2,409,014
	$ 244,470	$ 8,804	$ 12,505	$ 764,545	$ 136,490	$ 1,170,250	2,337,064
Construction in Progress							1,160,733
Total Net Capital Assets							$ 3,497,797

* Land and Intangible Capital Assets are not depreciated.

EXHIBIT C-2

COUNTY OF NASSAU, NEW YORK

STATEMENT OF CHANGES IN CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2019 (Dollars in Thousands)

	Capital Assets January 1, 2019	Additions*	Deletions*	Capital Assets December 31, 2019
Legislative	$ 500	$ 71	$	$ 571
Judicial	83,885	478	111	84,252
General Administration	958,601	33,019	8,447	983,173
Protection of Persons	250,730	10,334	5,830	255,234
Health	8,156	299	181	8,274
Public Works	2,510,287	295,023	212	2,805,098
Recreation and Parks	379,056	11,249	146	390,159
Social Services	25,184	160	132	25,212
Corrections	191,892	2,281	68	194,105
Construction in Progress	1,310,721	174,201	324,189	1,160,733
Total	5,719,012	527,115	339,316	5,906,811
Less: Accumulated Depreciation	2,226,482	196,023	13,491	2,409,014
Total Changes in Net Capital Assets	$ 3,492,530	$ 331,092	$ 325,825	$ 3,497,797

* Additions and deletions include land, buildings, equipment, infrastructure and intangible assets for the County and the transfer of of construction in progress.

EXHIBIT D-1

COUNTY OF NASSAU, NEW YORK

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019 (Dollars in Thousands)

	Balance January 1, 2019	Additions	Deductions	Balance December 31, 2019
Agency Fund				
ASSETS:				
Cash	$ 48,444	$ 1,470,810	$ 1,464,926	$ 54,328
TOTAL ASSETS	$ 48,444	$ 1,470,810	$ 1,464,926	$ 54,328
LIABILITIES:				
Accounts Payable	$ 5,002	$ 659,293	$ 655,157	$ 9,138
Due To Component Unit	1,189	99,385	99,481	1,093
Other Liabilities	42,253	1,446,741	1,444,897	44,097
TOTAL LIABILITIES	$ 48,444	$ 2,205,419	$ 2,199,535	$ 54,328

EXHIBIT D-2

COUNTY OF NASSAU, NEW YORK

STATEMENT OF CHANGES IN OTHER LIABILITIES
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019 (Dollars in Thousands)

	Balance January 1, 2019	Additions	Deductions	Balance December 31, 2019
Agency Fund				
Cash Bail	$ 6,603	$ 6,089	$ 6,705	$ 5,987
Contractors’ Cash Bond Escrow	1,063	31	176	918
Declining Balance Account - Staples		862	862	
Estate Suspense Account	414	1,136	683	867
Flex Benefit Plan		3,670	3,670	
Grainger Declining Balance Account		1,286	1,286	
Health Insurance		349,891	349,891	
Highway Deposits	1,311	131	93	1,349
Medical Assistance Pay In	1,119	1,216	1,136	1,199
Mortgage Taxes	8,528	57,317	55,420	10,425
MTA Commuter Transportation Mobility	712	3,382	3,373	721
Nassau County Bridge Authority	188			188
New York City Withholding Taxes		1,341	1,341	
New York State Withholding Taxes		57,100	57,100	
Payments in Lieu of Taxes	13,982	226,181	228,002	12,161
Payroll Deferred Compensation		70,188	70,188	
Real Estate Escrow	320	1		321
Retirement System	175	197,656	196,324	1,507
Social Security Taxes	112	136,186	136,298	
Social Service Trust		3,864	3,864	
TIAA/CREF Payroll Deductions	521	5,787	6,087	221
Traffic Violations Clearing Account	5,197	37,492	36,541	6,148
Triad Worker's Compensation Account		27,879	27,879	
Trust Fund Deposits	1,470	63,923	63,880	1,513
Trust Fund Deposits - short term		1,340	1,340	
All Other Liabilities	538	192,792	192,758	572
Total Other Liabilities	$ 42,253	$ 1,446,741	$ 1,444,897	$ 44,097

EXHIBIT E-1

COUNTY OF NASSAU, NEW YORK

STATEMENT OF CASH IN BANKS*
ALL FUNDS OF THE PRIMARY GOVERNMENT
DECEMBER 31, 2019 (Dollars in Thousands)

CASH BALANCES BY FUND:

General Fund	$ 267,632
NIFA Fund	619
Police District Fund	21,196
Sewer and Storm Water District Fund	29,217
Capital Fund	416,637
Disputed Assessment Fund	184,845
Nonmajor Governmental Funds	95,696
Agency Funds	54,328
Total Cash Balances By Funds	$ 1,070,170 **

CASH BALANCES BY BANK:

The Bank of New York	$ 961
Held by Fiscal Agent - EFC	6,931
Bank of America	12,595
JP Morgan Chase	265,779
Citibank	8,017
First National Bank	20,000
Hab Bank	7,500
Capital One Bank	139,192
People's United Bank	30,000
Signature Bank	176,141
Santander Bank	164,115
Sterling National Bank	134,698
TD Bank	20,000
Wells Fargo	83,309
Petty Cash	932
Total Cash Balances By Bank	$ 1,070,170

*See Exhibit X-13 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 appearing on the Statement of Net Position (Deficit) (Exhibit X-1) for the Primary Government and the Cash Balances, as of the fiscal year end, reported in the Statement of Changes in Fiduciary Assets and Liabilities (Exhibit D-1).

FINANCIAL SCHEDULES (pursuant to NIFA resolution)

EXHIBIT F-1

COUNTY OF NASSAU, NEW YORK

CONTROL PERIOD CALCULATION SCHEDULE
DECEMBER 31, 2019

		($'s millions)
Net Change in Fund Balance - GAAP (Modified Accrual Basis) Primary Operating Funds (from Note 2)		**$ 138.9**
Less: Adjustments for Revenue Included in Other Financing Sources		
Premium on bonds (net of expense of loans)		
Transfer of Revenue from Other Funds to Offset Debt Expenditures		(0.8)
	Total Other Financing Sources to Eliminate	(0.8)
Less: Adjustments for Operating Expenditures Not Included in Other Financing Uses		
Borrowed Funds to Pay Property Tax Refunds		(61.1)
Borrowed Funds to Pay Operating Expenditures		(0.2)
	Total Other Financing Uses to Include	(61.3)
	Total Other Financing Sources/Uses Adjustments	(62.1)
Results Under Control Period Calculation		**$ 76.8**

EXHIBIT F-2

COUNTY OF NASSAU, NEW YORK

CONTROL PERIOD CALCULATION SCHEDULE - HISTORICAL DATA
LAST EIGHT FISCAL YEARS (2015 and prior are unaudited)

($'s in millions)

					Unaudited			
	2019	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**
Net Change in Fund Balance - General and Police District Fund, as Adjusted to Primary Operating Funds * (from Exhibit F-1)	$ 138.9	$ (17.4)	$ (58.8)	$ 27.1	$ 28.0	$ (21.5)	$ 48.6	$ 24.0
Less: Adjustments for Resources Included in Other Financing Sources/Uses								
Premiums on Bonds (Net of Expense of Loans)		(2.0)		(43.8)	(19.0)	(4.4)	(4.0)	(3.7)
Borrowed Funds to Pay Property Tax Refunds	(61.1)	(38.5)	(0.7)	(59.3)	(96.2)	(126.4)	(75.0)	(14.7)
Borrowed Funds to Pay Other Judgments						(8.3)	(26.5)	(20.0)
Borrowed Funds to Pay Termination Pay				(2.0)	(26.1)	(20.1)	(14.0)	(33.1)
Borrowed Funds to Pay Other Operating Expenditures	(0.2)	(3.1)	(3.5)					
Transfer of Revenue From Other Funds to Offset Debt Expenditures	(0.8)	(0.2)	(0.2)	(5.1)	(12.0)	(8.5)	(2.7)	(16.6)
Total Other Financing Sources/Uses to be Eliminated	(62.1)	(43.8)	(4.4)	(110.2)	(153.3)	(167.7)	(122.2)	(88.1)
Results Under Control Period Calculation	$ 76.8	$ (61.2)	$ (63.2)	$ (83.1)	$ (125.3)	$ (189.2)	$ (73.6)	$ (64.1)

* Includes: General Fund, Police Headquarters Fund, Police District Fund, Fire Prevention, Safety, Communication and Education Fund, and Debt Service Fund.

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MARKS PANETH
ACCOUNTANTS & ADVISORS

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*

Honorable Laura Curran, County Executive
and Members of the County Legislature

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, the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Nassau, New York (the "County"), as of and for the year ended December 31, 2019, 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 30, 2020. Our report includes a reference to other auditors who audited the financial statements of Nassau Health Care Corporation (NHCC), Nassau County Industrial Development Agency (IDA), and Nassau County Local Economic Assistance Corporation, 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 nor does it include the separately issued results of testing of internal control over financial reporting or compliance and other matters of Nassau Community College. Our report contained emphasis of matter paragraphs concerning the County being under a control period as imposed by Nassau County Interim Finance Authority, NHCC, Nassau Community College, the Bridge Authority, IDA, OTB and NHCC's ability to continue as a going concern. The financial statements of NHCC were not audited in accordance with *Government Auditing Standards*.

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) to determine the 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 and therefore, material weaknesses or significant or significant deficiencies may exist that have not been identified. 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 may exist that have not been identified.

Morison KSi
Independent member

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 statement amounts. 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 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.

Marks Paneth LLP

New York, NY
June 30, 2020

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

Honorable Laura Curran, County Executive
and Members of the County Legislature

Report on Compliance for Each Major Federal Program

We have audited the County of Nassau, New York's (the "County") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") *Compliance Supplement* that could have a direct and material effect on the County's major federal programs for the year ended December 31, 2019. 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, 2019. Our audit, described below, 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, 2019. 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, 2019.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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* (the "Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the County's compliance.

MARKS PANETH
ACCOUNTANTS & ADVISORS

Opinion on Each Major Federal Program

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 other major federal programs for the year ended December 31, 2019.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2019-002. Our opinion on each major federal program is not modified with respect to these matters.

The County's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2019-001, that we consider to be a significant deficiency.

The County's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Purpose of this Report

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 requirement 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, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 30, 2020, 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, NHCC, Nassau Community College, Nassau County Bridge Authority (the Bridge Authority), Nassau County Industrial Development Agency (IDA), Nassau Regional Off-Track Betting Corporation (OTB) 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. 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 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Marks Paneth LLP

New York, NY
September 30, 2020

COUNTY OF NASSAU, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amount Provided to Subrecipients
U.S. Department of Agriculture:				
Pass-Through From: NYS Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	705962	$ 6,349	$ -
National School Lunch Program	10.555	705962	10,084	-
Summer Food Service Program for Children (SFSPC)	10.559	Not available	178,999	-
Total Child Nutrition Cluster			195,432	-
Pass-Through From: NYS Department of Health				
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	C30417GG	5,119,885	-
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	7,820,383	-
Total SNAP Cluster			7,820,383	-
Total U. S. Department of Agriculture			13,135,700	-
U.S. Department of Housing and Urban Development (HUD):				
CDBG - Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218		9,611,533	8,183,970
Total CDBG - Entitlement Grants Cluster			9,611,533	8,183,970
Emergency Solutions Grant Program	14.231		671,102	504,140
Home Investment Partnerships Program	14.239		1,462,494	1,256,443
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)				
Bay Park Phase E3	14.269	Not available	11,279,840	-
Nassau County Police Precincts-4th and 8th	14.269	Not available	700,267	-
Community Reconstruction Program	14.269	Not available	1,729,895	-
Total CDBG - Disaster Recovery Grants - Pub. L. No. 113-2 Cluster			13,710,002	
Total U.S. Department of Housing and Urban Development			25,455,131	9,944,553
U.S. Department of Justice:				
State Criminal Alien Assistance Program	16.606		9,074,738	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738		146,074	-
DNA Backlog Reduction Program	16.741		151,930	-
Equitable Sharing Program	16.922		2,659,849	-
Pass-Through From: NYS Office of Victim Services				
Crime Victim Assistance	16.575	OVS01-VOCA-2019-00272	81,785	-
Pass-Through From: NYS Division of Criminal Justice Services				
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	C662124, C662125	111,798	-
Total U.S Department of Justice			12,226,174	-

(Continued)

COUNTY OF NASSAU, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amount Provided to Subrecipients
U.S. Department of Transportation:				
Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements	20.237		$ 881,780	$ -
Federal Transit Cluster				
Federal Transit-Capital Investment Grants	20.500		311,972	-
Federal Transit-Formula Grants	20.507		18,491,616	-
Total Federal Transit Cluster			18,803,588	-
Pass-Through From: NYS Department of Transportation				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	C033468	121,457	-
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205		295,094	-
Pass-Through From: NYS Department of Transportation				
Highway Planning and Construction	20.205	C002631 Suppl Agreement 18 Pin 0229.03, C033468, D033501, D033960, D034222, D034794, D034796, D035010,D035011, D035052, D035053, D035330, D035349, D035350, D035647, D035721	14,847,144	-
Pass-Through From: NYS Office of Parks, Recreation and Historic Preservation				
Recreational Trails Program - LI Park Preserve Transportation Access	20.219	D035272	513,386	-
Total Highway Planning and Construction Cluster			15,655,624	-
Highway Safety Cluster				
Pass-Through From: NYS Division of Criminal Justice Services				
State and Community Highway Safety	20.600	Not available	77,580	-
Pass-Through From: NYS Governor's Traffic Safety Committee				
State and Community Highway Safety	20.600	C002399	147,000	-
National Priority Safety Programs	20.616	00145-030	23,569	-
Total Highway Safety Cluster			248,149	-
Total U.S. Department of Transportation			35,710,598	-
U.S. Department of Treasury:				
Equitable Sharing	21.016		1,779,502	-
Total U.S. Department of Treasury			1,779,502	-
U.S. Environmental Protection Agency:				
Pass-Through From: NYS Department of Health				
Beach-Monitoring and Notification Program Implementation Grants	66.472	C029640	55,355	-
Clean Water State Revolving Fund Cluster				
Pass-Through From: NYS Environmental Facilities Corporation Village of Cedarhurst, New York				
Capitalization Grants for Clean Water State Revolving Funds	66.458	Not available	100,090	-
Disaster Relief Appropriations (DRAA) Hurricane Sandy Capitalization Grants for Clean Water State Revolving Funds	66.482	C1-5149-48-00: Series 2019 A	6,220,626	-
Total Clean Water State Revolving Fund Cluster			6,320,716	-
Total U.S. Environmental Protection Agency			6,376,071	-
U.S. Department of Education:				
Pass-Through From: NYS Department of Health				
Special Education - Grants for Infants and Families	84.181	DOH01-31644GG-3450000	703,165	-
Total U.S. Department of Education			703,165	-
U.S. Department of Health and Human Services:				
HIV Emergency Relief Project Grants	93.914		5,757,148	4,467,637

(Continued)

COUNTY OF NASSAU, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA 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	NU38OT00172-04-02	6,479	-
Pass-Through From: NYS Department of Health				
Injury Prevention and Control Research and State and Community Based Programs	93.136	Not available	2,580	-
Immunization Cooperative Agreements	93.268	C-32528GG	60,075	-
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	C31863GG	102,900	-
Maternal and Child Health Services Block Grant to the States	93.994	C32671GG, C30903GG	169,326	-
Children's Health Insurance Program	93.767	Not available	578,887	-
Medicaid Cluster				
Medical Assistance Program	93.778	Not available	11,612,839	-
Total Medicaid Cluster			11,612,839	-
Pass-Through From: NYS Office of Temporary and Disability Assistance				
Child Support Enforcement	93.563	Not available	3,515,366	-
Low-Income Home Energy Assistance	93.568	Not available	4,082,645	-
TANF Cluster				
Temporary Assistance for Needy Families (TANF)	93.558	Not available	$ 34,125,911	$ -
Total TANF Cluster			34,125,911	-
Pass-Through From: NYS Office of Children and Family Services				
CCDF Cluster				
Child Care and Development Block Grant	93.575	Not available	18,854,842	-
Child Care Mandatory and Matching Fund of the Child Care and Development Fund	93.596	Not available	38,263,312	-
Total CCDF Cluster			57,118,154	-
Guardianship Assistance	93.090	Not available	4,340	-
Foster Care, Title IV-E	93.658	Not available	5,456,413	-
Adoption Assistance	93.659	Not available	911,746	-
Social Services Block Grant	93.667	Not available	10,881,503	-
Child Abuse and Neglect State Grants	93.669	Not available	4,762	-
Chafee Foster Care Independence Program	93.674	Not available	203,645	-
Pass-Through From: Health Research, Inc.				
Public Health Emergency Preparedness	93.069	1624-13/1624-14	676,990	-
Injury Prevention and Control Research and State and Community Based Programs	93.136	6151-01	18,515	-
Pass-Through From: NYS Office for the Aging				
Special Programs for the Aging, Title III, Pard D, Disease Prevention and Health Promotion Services	93.043	Not available	58,551	44,676
Medicare Enrollment Assistance Program	93.071	Not available	47,719	-
Aging Cluster				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	Not available	1,143,161	1,143,161
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	Not available	2,358,063	2,358,063
Nutrition Services Incentive Program	93.053	Not available	390,574	390,574
Total Aging Cluster			3,891,798	3,891,798
National Family Caregiver Support Title III, Part E	93.052	Not available	768,002	686,854
Affordable Care Act State Health Insurance Assistance Program (SHIP) and Aging and Disability Resource Center (ADRC) Options Counseling for Medicare-Medicaid Individuals in States with Approved Financial Alignment Models	93.626	Not available	47,258	-
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	Not available	52,310	-

(Continued)

COUNTY OF NASSAU, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amount Provided to Subrecipients
Pass-Through From: NYS Office of Alcoholism and Substance Abuse Services				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Not available	1,382,365	1,382,365
Pass-Through From: NYS Office of Mental Health				
Projects for Assistance in Transition from Homelessness (PATH)	93.150	Not available	29,799	29,799
Block Grants for Community Mental Health Services	93.958	Not available	2,220,847	1,034,328
Total U.S. Department of Health and Human Services			143,788,873	11,537,457
U.S. Department of Homeland Security:				
Port Security Grant Program	97.056		55,110	-
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083		228,488	-
Pass-Through From: NYS Division of Homeland Security & Emergency Services				
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	Not available	41,589,807	-
Hazard Mitigation Grant	97.039	C000823	216	-
Emergency Management Performance Grants	97.042	C971775/C884385	502,450	-
Homeland Security Grant Program	97.067	C000823, C154161, C154173, C154179, C884359, C884370, C884383, C971750, C971753, C971760, C971762, C971763, C971769, C971770, C971779, C971780, T154169, T180104, T180112	4,304,843	-
Total U.S. Department of Homeland Security			46,680,914	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 285,856,128	$ 21,482,010

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") 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, 2019. 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 other government agencies, are included on the Schedule, except for Nassau Community College and Nassau Health Care Corporation. Nassau Community College has a single audit conducted by other auditors and Nassau Health Care Corporation did not report federal expenditures in excess of the required threshold.

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.

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) CFDA #97.036, HURRICANE SANDY COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY GRANT (CDBG-DR) CFDA #14.269

In 2012, the County sustained damage from Superstorm 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 2019 according to the Federal Emergency Management Agency (FEMA) reporting guidelines totaled $41,589,807. This is comprised of $17,528 of expenditures incurred in 2012, $9,252 in 2013, $675 in 2014, $10,845 in 2015, $89,038 in 2016, $386,113 in 2017, $2,095,142 in 2018, and $38,981,214 in 2019.

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 PW's were subject to a payment of the County's local share up to $19.6 million for FEMA obligations of $196 million.

NOTE 3 – DISASTER GRANTS PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS) CFDA #97.036, HURRICANE SANDY COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY GRANT (CDBG-DR) CFDA #14.269 (Continued)

The programs noted in the SEFA under CFDA #14.269 – Hurricane Sandy Community Development Block Grant Disaster Recovery (CDBG-DR) provide additional funds for the construction of Bay Park Phase E3 project, the 4th and 8th Police Precinct Station Houses and various Community Reconstruction projects, which all meet HUD national objectives. These pass-through funds are also administered by the GOSR. The County has reported a total of $13,710,002 in CDBG-DR funding for fiscal year 2019 related to these projects.

NOTE 4 – RELATIONSHIP TO THE BASIC FINANCIAL STATEMENTS

Women, Infants and Children Nutrition Program (WIC): The Schedule includes pass-through Federal Funds. The total amount reported for the WIC program (CFDA 10.557), represents the Federal Share of non-cash assistance for WIC instruments (including Special Formula Food Instruments) redeemed for cash and the Federal share of the County's administrative costs.

The amounts presented below consist of disbursements to program recipient vendors, which were drawn directly from New York State (NYS) accounts and are not included in the County's basic financial statements.

Federal Program	CFDA Number	Direct Recipient		County		Total Federal Assistance
WIC	10.557	$ 3,449,489	(a)	$ 1,670,396	(b)	$ 5,119,885

(a) This represents non-cash assistance . The County distributed NYS Checks to the recipients.
(b) Amount represents funds passed through to the County for administrative expenditures.

NOTE 4 – RELATIONSHIP TO THE BASIC FINANCIAL STATEMENTS (Continued)

Reconciliation of Federal Expenditures Reported in the SEFA to the CAFR:

The difference between the Federal expenditures reported in the SEFA and the County's Comprehensive Annual Financial Report (CAFR) are primarily comprised of the 2019 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 FEMA/CDBG-DR reporting differences as shown in the schedule below:

Total Expenditures per Schedule of Expenditures of Federal Awards	$	285,856,128
Adjustments:		
Add: *Federal Amounts not required to be reported in the SEFA		8,258,399
Add: Accounting accruals and other adjustments		4,042,256
Less: Difference in FEMA/CDBG-DR reporting for approved project worksheets vs CAFR revenue recorded in 2018 and other FEMA/CDBG-DR prior period adjustments		(4,710,145)
Less: WIC		(3,449,489)
Less: Cash basis adjustments-Asset Forfeiture		(3,556,728)
Federal Aid revenue as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance of the CAFR	$	286,440,421

*Build America Bonds, Inmate Housing Reimbursement, Section 8 and other non-reportable Federal amounts.

Disaster Relief Appropriations Act (DRAA) Hurricane Sandy Capitalization Grants for Clean Water State Revolving Funds – CFDA #66.482:

In 2019 Nassau County's Clean Water, Short Term Loan-Storm Mitigation Loan Program ("SMLP") NOTE-2018A "the NOTE" was refinanced into two separate Clean Water EFC Bonds, 2018A and 2019A.

The federal portion of the amounts refinanced into 2018A were reported in 2018. The 2019A bond, has both a refinancing piece from 2018 and funding for new costs. The 2019A bond is also an equivalency project subject to federal reporting.

The County has reported $6,220,626 in the SEFA under 2019A. Of the total $6.2 million reported, $3,998,805 relates to 2018 expenditures of which $3,745,246 was not subject to federal reporting under the NOTE and $1,041,320 in expenditures which were not reimbursed by EFC until 2019.

State Criminal Alien Assistance Program (SCAAP) – CFDA #16.606

SCAAP is reported in the SEFA on a cash basis. In 2019, it was determined that the information provided to the United States Department of Justice ("USDOJ") by the County and used to calculate the 2018 SCAAP funding was incorrect. The County was required to repay and subsequently refunded a total of $3,135,218 in overpayment to USDOJ in 2020. The amounts recorded in the 2019 SEFA does not include the $3.14 million in repayment.

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, 2019 were as follows:

Direct/Pass Through Grantor	CFDA No.	2019 Cash Balances
U.S. Department of Justice:		
Police Department	16.922	$ 3,658,644
District Attorney	16.922	2,015,030
Correctional Center	16.922	1,305,626
Total U.S. Department of Justice-Equitable Sharing Program		6,979,300
U.S. Department of Treasury:		
Police Department	21.016	17,437,634
Total U.S. Department of Treasury-Equitable Sharing		17,437,634
Total Federal Equitable Sharing and Asset Forfeiture Funds on Hand		$ 24,416,934

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. The County has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

COUNTY OF NASSAU, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2019

Section I–Summary of Auditors' Results

Financial Statement

Type of Auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	___ Yes _X_ No
Significant deficiencies identified not considered to be material weaknesses?	___ Yes _X_ None reported
Noncompliance material to financial statements noted?	___ Yes _X_ No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	___ Yes _X_ No
Significant deficiencies identified not considered to be material weaknesses?	_X_ Yes ___ None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516a?	_X_ Yes ___ No

Identification of major programs:

U.S. Department of Homeland Security:
Homeland Security Grant Program (CFDA 97.067)

U.S. Department of Housing and Urban Development:
CDBG - Entitlement Grants Cluster
Community Development Block Grants/Entitlement Grants (CFDA 14.218)

U.S. Department of Transportation:
Highway Planning and Construction Cluster
Highway Planning and Construction (CFDA 20.205)
Recreational Trails Program (CFDA 20.219)

U.S. Department of Health and Human Services:
CCDF Cluster
Child Care and Development Block Grant (CFDA 93.575)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CFDA 93.596)

TANF Cluster
Temporary Assistance for Needy Families (CFDA 93.558)

Social Services Block Grant (CFDA 93.667)

HIV Emergency Relief Project Grants (CFDA 93.914)

Dollar threshold used to distinguish between Type A and Type B programs:	$3,000,000
Auditee qualified as low-risk auditee?	___ Yes _X_ No

Section II–Financial Statement Findings

None noted.

Section III–Federal Award Findings and Questioned Costs

A. Internal Control Findings

2019-001: Eligibility – Internal Control Eligibility - Compliance

United States Department of Justice
CFDA #16.606 – State Criminal Alien Assistance Program (SCAAP)

Criteria: In section 5 of the online application for SCAAP funding, the submitting government official must provide, by direct entry into the online application, all of the following information related to correctional officers:

- The total number of full-time "correctional officers" employed by the applicant government, during the reporting period.
- The total number (reported as FTEs) of part-time "correctional officers" employed by the applicant government, during the reporting period.
- The total number of full-time "correctional officers" providing services to the applicant government as employees of contract correctional facilities (or as contractors), during the reporting period.
- The total number (reported as FTEs) of part-time "correctional officers" providing services to the applicant government as employees of "contract correctional facilities" (or as contractors), during the reporting period.
- Actual salary expenditures for correctional officers during the reporting period.

Condition:

- The DOJ notified the County that based on their recalculations using the SCAAP data provided, they determined that the County was overpaid by $3,135,218 in 2018 and instructed the County to return the money in 2020.

Questioned Costs: $3,291,979

Effect: The amount of SCAAP funding awarded to a local government is based upon actual correctional officer salaries and total of all inmate days. Thus, a higher number of correctional officers along with higher salaries would overstate the calculation for SCAAP federal funding to be awarded.

Context: During review of prior audit findings, this was brought to the attention of the auditor. This program was not selected as a major program for the 2019 single audit.

Cause: County employees are not adhering to the policies and procedures that require management of the Sheriff's department to submit accurate data, related to eligibility of correctional officer's salaries, in the annual SCAAP Application.

Recommendation: We recommend that the Sheriff's Department employees adhere to the policies and procedures related to eligibility determination and that proper controls be implemented to ensure data submitted in the SCAAP application reflects the correct grant period and is free of error.

Views of Responsible Official and Planned Corrective Action:

The Correctional Center agrees with this finding.

Section III–Federal Award Findings and Questioned Costs (Continued)

B. Compliance Findings

2019 – 002 Eligibility - Compliance

United States Department of Justice
CFDA #16.606 – State Criminal Alien Assistance Program (SCAAP)

See 2019-001 Eligibility – Internal Control

Section IV–Summary Schedule of Prior Audit Findings

Financial Statement Findings

A. Internal Control over Financial Reporting

Finding 2018-001: Material Weakness – Internal Control over Financial Reporting

Audit Finding: Preparing financial information is a key responsibility of management. The design and effectiveness of the processes and safeguards (internal controls) management has put in place over accounting and financial reporting is a key factor in being able to prepare financial information timely.

We observed that management has designed and implemented internal controls to help ensure financial information is captured; however, these internal controls are not operating effectively as it relates to the year-end close and financial reporting process. We observed that management is unable to produce year-end close information in a timely manner nor is it able to generate reports from its financial reporting system that meet its financial reporting needs.

Status of Finding: While the finding is still outstanding, there were no material misstatements noted during the general audit during 2019. Therefore, this finding was deemed to be addressed.

Finding 2018-002: Significant Deficiency

Audit Finding: We noted that the SEFA included a significant number of expenditures relating to fiscal years prior to 2018. The details of these amounts are included in the notes to the SEFA. The SEFA balance is required to be reconciled to the basic financial statements prepared in accordance with generally accepted accounting principles in the United States (US GAAP).

- **CFDA #66.458/66.482 – Capitalization Grants for Clean Water State Revolving Funds & Disaster Relief Appropriations Act (DRAA) Hurricane Sandy Capitalization Grants for Clean Water State Revolving Funds:** For five of 13 selections tested for CFDA #66.482, approximately $5.2M of $21.2M in expenditures were recorded in the incorrect SEFA year. These expenditures related to services provided in fiscal years 2016 ($2.7M) and 2017 ($2.5M) and therefore should have been recorded in the respective prior year SEFAs.

- **CFDA #97.083 – Staffing for Adequate, Fire, and Emergency**: Included in the 2018 SEFA is approximately $493,000 of $774,000 in total expenses which relate to fiscal year 2017 and should have been recorded in the 2017 SEFA.

Status of Finding: A corrective action plan has been implemented. No similar findings noted in the current year.

Section IV–Summary Schedule of Prior Audit Findings (Continued)

Finding 2018-003: Significant Deficiency

Audit Finding: The following findings were identified:

- Auditor was unable to obtain six I-9 documents, one offer letter and 11 W-4s out of 30 active employees selected for testing. The County must obtain documentation related to their employees' identity and authorization to work.
- One CS 39 report (Report of Personnel Action) was not completed timely out of 30 employee changes selected for testing. This form is required to input, remove, or change the status of an employee in the Nassau Unified Human Resources System (NUHRS).
- The County Information Technology (IT) department sends a final transmittal of the payroll to be processed at which point all departments individually must approve their payrolls prior to release of the checks from the Treasury Department. RSM selected seven pay periods for testing and was unable to obtain 78 out of the 280 department level payroll certification emails related to those seven pay periods. Additionally, the Police Department payrolls were approved by an employee who was not documented as an authorized approver.

Status of Finding: For both Human Resources and the Police Department a corrective action plan has been implemented. No similar findings noted in the current year.

B. Compliance Findings

None

Section IV–Summary Schedule of Prior Audit Findings (Continued)

Federal Award Findings and Questioned Costs

Finding 2018-004: Allowable Cost/Cost Principles – Internal Control

United States Department of Health and Human Services
CFDA #93.658 – Foster Care – Title IV-E
CFDA #93.563 – Child Support Enforcement

Audit Finding: The Department of Social Services (DSS) Employee "INTIME" timesheet was not certified by the respective supervisor within the allotted time period.

- **CFDA #93.658 –** For one of 43 selections tested, the timesheet was not certified by the respective supervisor within the allotted time period.
- **CFDA #93.563 –** For two of 60 selections tested, the timesheet was not certified by the respective supervisor within the allotted time period.

Status of Finding: A corrective action plan has been implemented for both CFDA #93.658 and #93.563. No similar findings noted in the current year.

Finding 2018-005: Cash Management – Internal Control

United States Department of Justice
CFDA #16.922 – Equitable Sharing Program

Audit Finding: Two of 10 Equitable Sharing Request Forms were not submitted within 45 days after forfeiture.

Waiver requests were not included with these late submissions.

Status of Finding: A corrective action plan has been implemented. No similar findings noted in the current year.

Finding 2018-006/2018-014: Eligibility – Internal Control and Eligibility - Compliance

United States Department of Justice
CFDA #16.606 – State Criminal Alien Assistance Program (SCAAP)

Audit Finding: During testing of program eligibility requirements related to correctional officers (COs), it was noted:

- For five of 60 selections tested, the COs were not active during the grant period.
- For 24 of 60 selections tested, the salary amounts of the COs per the County's general ledger were overstated as compared to the salary amounts in the NUHRS Payroll System.

Status of Finding: This finding is repeated this year as finding 2019-001.

Section IV–Summary Schedule of Prior Audit Findings (Continued)

Finding 2018-007: Eligibility – Internal Control

United States Department of Health and Human Services –
CFDA #93.658 – Foster Care – Title IV-E

Audit Finding: During our testing of the program's eligibility requirements, we noted the following:

- For one of 44 selections tested, the authorization form was not signed by the respective supervisor.
- For two of 44 selections tested, the authorization form was not dated by the respective supervisor.

Status of Finding: A corrective action plan has been implemented. No similar findings noted in the current year.

Finding 2018-008/2018-012/2018-015: Equipment and Real Property Management – Internal Control; Cash Management – Compliance and Equipment; Real Property Management - Compliance

United States Department of Justice
CFDA #16.922 – Equitable Sharing Program

Audit Finding: Two of 24 equipment selections tested were unable to be located and thus were unable to be physically inspected at the Correctional Center.

Status of Finding: A corrective action plan has been implemented. No similar findings noted in the current year.

Finding 2018-009/2018-016: Reporting – Internal Control and Reporting - Compliance

United States Department of Homeland Security –
CFDA #97.083 – Staffing for Adequate, Fire, and Emergency

Audit Finding: One of two Quarterly Progress Reports and one of two SF-425 reports selected for testing were submitted later than 30 days after the reporting period.

Status of Finding: This finding is ongoing. OEM has not submitted quarterly reports as required because the FEMA GO application that the reports are to be uploaded to is not functional. FEMA has not provided a go live date. There is currently no alternative method to submit these reports to FEMA.

Finding 2018-010/2018-017: Reporting – Internal Control and Reporting - Compliance

United States Department of Housing and Urban Development
CFDA #14.239 – Home Investment Partnerships Program (HOME)

Audit Finding: The FY2017 Consolidated Annual Performance and Evaluation Report (CAPER) for the program year end 8/31/18 was submitted on 12/4/18 which falls after the 90-day deadline of 11/30/18.

Status of Finding: A corrective action plan has been implemented. No similar findings noted in the current year.

Section IV–Summary Schedule of Prior Audit Findings (Continued)

Finding 2018-011/2018-018: Special Tests and Provisions – Internal Control/Compliance

United States Department of Agriculture
CFDA #10.557 – Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

Audit Finding: During testing of two quarters of NSA Time and Effort Studies, it was noted that one quarter had employee timesheets that were missing approval. Within that quarter, a total of seven NSA timesheets for three out of the 17 participating employees were not approved.

Status of Finding: A corrective action plan has been implemented. No similar findings noted in the current year.

Finding 2018-013: Eligibility - Compliance

United States Department of Agriculture
CFDA #10.557 – Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

Audit Finding: During testing of the program's eligibility requirements, no supporting documentation was provided for one of 60 participant samples selected for testing.

Status of Finding: A corrective action plan has been implemented. No similar findings noted in the current year.