



NASSAU COUNTY
LONG ISLAND, NEW YORK

COUNTY OF NASSAU, NEW YORK

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

December 31, 2022

and

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

Year Ended December 31, 2022

COUNTY OF NASSAU, NEW YORK

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION AND SINGLE AUDIT REPORTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

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COUNTY OF NASSAU, NEW YORK

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the 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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the 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, 2022, and the respective changes in financial position, and the respective budgetary comparisons for the General Fund, Police District Fund, and Sewer and Storm Water District Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Basis for Opinions

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

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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.

Adoption of New Accounting Standard

As discussed in Note 1A, the County has adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases*. The other auditors' reports for the Nassau Community College, NHCC, NIFA, and Nassau Regional Off-Track Betting Corporation, also referred to the adoption of GASB Statement 87, *Leases*, as discussed in Note 1A. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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



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

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

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

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

Supplementary Information

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



Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2023 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 County's internal control over financial reporting and compliance.

Report on the Control Period Calculation Schedule

Opinion

We have audited the accompanying Control Period Calculation Schedule (the "Schedule") of the County, which comprises the Control Period Calculation results of the County's five major budgetary operating funds in accordance with the reporting provisions of the agreement between the County and NIFA dated December 8, 2017 (the "Contract") for the year ended December 31, 2022, and the related notes to the Schedule.

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, 2022, as determined in accordance with the reporting provisions of the Contract.

Basis for Opinion

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

Basis of Accounting

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

Responsibilities of Management for the Schedule

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

Auditors' Responsibilities for the Schedule

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



In performing an audit in accordance with GAAS, we:

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

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

Other Matters

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

The information presented in Exhibit E-2, Control Period Calculation Schedule – Historical Data, for the year ended December 31, 2015 was not 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 – Report on Control Period Calculation

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

New York, NY
June 22, 2023



MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management Discussion and Analysis (MD&A) provides a narrative overview and analysis of the financial activities of Nassau County for the fiscal year ended December 31, 2022. This section should be read in conjunction with the Letter of Transmittal and the County's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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



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

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

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

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

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

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

COUNTY OF NASSAU, NEW YORK
MANAGEMENT'S DISCUSSIONS AND ANALYSIS
YEAR ENDED DECEMBER 31, 2022



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

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

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

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

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

The basic governmental fund financial statements can be found on pages 57-60 of this report. Exhibits X-3 and X-5 are governmental fund financial statements and Exhibits X-10 and X-11 are examples of fiduciary fund financial statements.

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

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

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



FINANCIAL REPORTING ENTITY

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

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

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

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

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

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

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



FINANCIAL HIGHLIGHTS

Governmental Funds

As shown in Exhibit X-5, the County ended the 2022 fiscal year with a net change to GAAP fund balance of \$435.2 million in all its governmental funds, both operating and non-operating, a decrease of \$44.3 million from the prior year. The surplus of \$435.2 million was comprised of:

- \$234.2 million surplus attributed to the County's three operating funds³, a decrease from 2021 by \$334.2 million:
 - the General Fund surplus of \$223.2 million;
 - the Police District Fund surplus of \$2.9 million; and
 - the Sewer and Storm Water District Fund (Sewer and Storm Water Fund) surplus of \$8.1 million; and
- \$201.0 million surplus attributed to the remaining funds, both major and non-major, an improvement over 2021 of \$289.9 million, primarily due to:
 - the Capital Fund surplus of \$176.9 million; and
 - a surplus in the debt service fund of the blended component unit NIFA of \$22.6 million.

As shown in Exhibit X-5, factors contributing to the governmental funds' GAAP net change in fund balance of \$435.2 million were primarily driven by strong sales tax revenues. County-wide sales tax revenues (excluding Preempted Sales Tax in Lieu of Property Taxes⁴) increased by \$90.2 million over 2021. Debt service was higher than the prior year (\$24.1 million) due primarily to two factors, the first of which was debt service costs in the Capital Fund related to the Environmental Facilities Corporation long-term bonds for the Bay Park Conveyance Project that were converted from notes (\$48.2 million). The other factor affecting the increase in debt service was the 2022 adoption of the Governmental Accounting Standards Board Statement No. 87, *Leases*, (GASB Statement No. 87) which resulted in additional debt service costs of \$10.8 million related to the recognition of lease principal and interest costs on the liability established for leases where the County is the lessee. GASB Statement No. 87 also established a lease receivable, lease liability and deferred inflow of resources. GASB Statement No. 87 requires the County as the lessee to recognize a lease liability and an intangible right-to-use lease asset (a capital asset here in after referred to as the lease asset), and a lease receivable and deferred inflow of resources as the lessor. See Note 11, *Leases*, and Note 23, *Change in Accounting Principles*, for further information.

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

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

COUNTY OF NASSAU, NEW YORK

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The increases in debt service were offset by lower debt service on County and NIFA bonds resulting from NIFA's refinancing of both County and NIFA debt in 2021 (\$28.0 million). In February 2021, NIFA refinanced \$856.8 million and \$331.2 million of outstanding County and NIFA debt, respectively, as well as a reduction in debt service related to NCTSC bonds due to a higher principal payment in 2021.

Total revenues, net other financing sources, and total expenditures increased by \$86.8 million, \$218.0 million and \$349.2 million, respectively, over 2021. The contributing factors affecting the increase in revenues and net other financing sources included:

- Strong Sales Tax revenues of \$1.4 billion, primarily driven by higher consumer spending and the impact of inflation, increasing Sales Tax revenue by \$90.2 million and Preempted Sales Tax in Lieu of Property Taxes by \$6.8 million;
- Additional funds received from the settlement of opioid litigations in 2022 of \$20.5 million, which are earmarked for treatment and prevention of opioid addiction, and familial support. In 2017, the County commenced an action against manufacturers, distributors and pharmacies that were involved in the marketing, selling and/or distribution of opioids in Nassau County for their role in the creation of the deadly opioid epidemic. Several of these actions were settled and the County received the first settlement funds in 2021.
- Departmental Revenue decreased over the prior year by \$34.8 million primarily driven by lower real estate fees resulting from the slowdown of home sales. Mortgage and deed recording fees (\$43.1 million) were down \$17.5 million from the prior year. GIS Tax Map fees (\$38.4 million) were down \$19.0 million from a high of \$57.5 million in 2021. Higher bus farebox revenues of \$3.3 million (\$27.5 million) due to an increase in the budgeted amount remitted by the bus system operator to the County;
- Higher than originally budgeted State Operating Assistance (STOA) funding received for the County's bus service (\$11.7 million);
- A reduction of property taxes of \$51.2 million primarily due to lower assessed taxes for 2022;
- Higher Interest income (\$22.5 million) resulting from higher interest rates on larger cash balances held during the year, and the adoption of GASB 87, which added interest income imputed from leases held by the County as a lessor; and
- An increase in the net Other Financing Sources was primarily the result of a higher bond proceeds in 2022 (\$444.6 million) versus 2021 (\$155.1 million), offset by lower bond principal in 2022 related to the 2021 refinancing, and lower volume of short-term obligations issued in 2022.

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

- Debt service costs increased \$24.1 million over 2021 due primarily to the principal paydown of an EFC Note that matured in 2022 and the adoption of GASB Statement No. 87, *Leases*, which resulted in the recognition of principal and interest costs related to County lessee leases;
- Higher Local Government Assistance expenditures than budgeted paid to the Towns and Cities within the County of \$6.1 million due to higher sales tax collections that are distributed to the municipalities in accordance with State law;
- Higher Claims and Judgments costs, primarily the result of net property tax refund expenditures in 2022 of \$112.2 million, \$110.8 million accounted for in the reserve, which includes a net accrual of \$24.6 million. In 2022, funds that were earned in 2021 from sales tax were reserved in 2022 for property tax refunds, litigation, and employee longevity costs. An additional distribution of \$87.4 million was made from the DAF Fund, however, the DAF Fund payments are not expenditures of the County as they represent the return of disputed assessment charges collected; and

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- Higher expenditures than 2021 in Protections of Persons, Health, Public Works, Social Services and Corrections, totaling \$235.6 million primarily in higher salaries and fringe benefits costs related to the payment of retroactive and 2022 longevity resulting from the agreement with the County's unions and the prepayment of the deferred pension liability due to New York State.

The ending GAAP fund balance for all governmental funds was \$1,548.8 million, up from \$1,113.6 million at 2021 fiscal year-end. Of the 2022 ending fund balance:

- \$1,147.7 million is attributed to the three operating funds⁵;
 - \$1,003.1 million is attributed to the General Fund;
 - \$95.2 million to the Police District Fund; and
 - \$49.4 million to the Sewer and Storm Water Fund.

The Capital Fund and the Disputed Assessment Fund's (DAF) ending fund balances were \$320.7 million and \$8.8 million, respectively, and the remainder of \$71.6 million is comprised of the ending fund balances in multiple nonmajor funds and the NIFA fund.

Total assets for all governmental funds as of December 31, 2022, increased by \$599.3 million over the prior fiscal year, primarily due to an increase in cash, restricted cash, restricted investments and certificates of deposit in the General Fund of \$96.7 million, in the Capital Fund of \$165.1 million and ARPA (American Rescue Plan Act) Fund of \$162.4 million, and offset by decreases in the Police District Fund of \$43.9 million and the DAF Fund of \$47.0 million. The increased cash in the General Fund was primarily driven by higher sales tax revenues and the cash received from opioid settlements. The increase due to the ARPA fund primarily represents cash not yet distributed under the various County ARPA programs. The County received the second tranche of ARPA funding, \$192.5 million in 2022, for a total award of \$385.0 million.

Total Deferred Outflows of Resources as of December 31, 2022, increased by \$3.6 million in 2022 representing costs associated with grant awards that were not recognized due to timing.

Total liabilities for the governmental funds as of December 31, 2022, increased by \$9.5 million, primarily due to increases in Accounts Payable, Property Tax Refunds Payable, and Advances Payable of \$17.3 million, \$24.6 million, and \$17.8 million, respectively, an increase in Unearned Revenue of \$163.4 million, primarily comprised of an increase in unspent ARPA funding of \$159.5 million over the prior year, and increases over 2021 in Interfund Payables and Due to Component Units of \$16.3 million and \$28.7 million, respectively. These increases were offset by decreases from the prior year's balances in Accrued Liabilities of \$175.6 million, and Revenue Anticipation Notes (RANs) Payable of \$39.3 million, and a decrease from 2021 in other liabilities of \$43.7 million primarily due to a decrease in the Disputed Assessment Fund Deposits Held of \$50.9 million.

Total Deferred Inflows of Resources as of December 31, 2022, increased over the prior year by approximately \$158.3 million, primarily driven by the adoption of GASB Statement No. 87, which resulted in the recording of a Deferred Inflow of Resources of \$132.8 million related to the County's properties that it leases to third parties, and an increase in the deferred Part County Sales Tax of \$27.3 million, which resulted from the higher Preempted Sales Tax in Lieu of Property Taxes collected in 2022. See Sales Tax section in this MD&A. See Note 1, *Summary of Significant Accounting Policies* for more details of Part County Sales Tax and Note 23, *Change in Accounting Principles*, for more details about the effect on the County's financial operations as a result of the adoption of GASB Statement No. 87.

⁵ Defined as the General Fund as noted in footnote 3.

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For the three operating funds only⁶, total assets, liabilities, and deferred inflows of resources, were \$1,868.4 million, \$467.6 million, and \$253.1 million, respectively. This represents increases in assets and deferred inflows of resources of \$288.6 million and \$158.1 million, respectively, offset by a decrease in liabilities of \$103.7 million over the prior year.

The 2022 results demonstrate that the County continued to successfully navigate the fiscal challenges presented by the COVID-19 pandemic and post-pandemic, with strong sales tax revenues, and additional ARPA funding in 2022, without having to utilize fund balance, and ended the year with an increase to the overall fund balance.

ANALYSIS OF GOVERNMENT-WIDE FINANCIAL STATEMENTS FOR 2022

The County's accumulated net deficit, on a government-wide basis in accordance with GAAP, was \$7,174.0 million, which represented an improvement of \$799.7 million in the net deficit over fiscal year 2021's balance of \$7,973.7 million. The opening net deficit for 2022 was restated as a result of the adoption of GASB Statement No. 87 to \$7,954.7 million. See Note 23, *Change in Accounting Principles*, for more information.

The Statement of Net Position (Deficit)

The Statement of Net Position (Deficit) for the 2022 fiscal year reports a deficit balance of \$7,174.0 million in net position. The effects of unfunded long-term obligations, such as OPEB⁷, and the estimated liabilities for tax certiorari and litigation, as well as infrastructure spending, are significant factors in creating a deficit balance. As noted earlier, the net position over time may serve as a useful indicator of a government's financial position. Table 1 illustrates that the County's net deficit improved by \$799.7 million during 2022 when compared to the 2021 net deficit.

⁶Ibid.

⁷ New York State Law does not permit municipalities to reserve for OPEB. Even if it were permitted by State law, any such fund or entity would need to adhere to GASB standards.



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

	Total Primary Governmental Activities		Change
	2022	2021	
Current and Other Assets	\$ 2,990.4	\$ 2,297.9	\$ 692.5
Capital Assets	4,111.5	\$ 3,863.9	247.6
Total Assets	7,101.9	6,161.8	940.1
Total Deferred Outflows of Resources	1,311.5	1,683.4	(371.9)
Current and Other Liabilities	1,545.9	\$ 1,348.6	197.3
Long-Term Liabilities	12,664.0	\$ 12,918.0	(254.0)
Total Liabilities	14,209.9	14,266.6	(56.7)
Total Deferred Inflows of Resources	1,377.6	1,552.3	(174.7)
Net Investment in Capital Assets	2,509.2	\$ 2,590.5	(81.3)
Restricted	364.0	217.0	147.0
Unrestricted	(10,047.2)	(10,781.2)	734.0
Total Net Position (Deficit)	\$ (7,174.0)	\$ (7,973.7)	\$ 799.7

Total assets increased by \$940.1 million primarily due to: an increase in cash, restricted cash, and cash held by the fiscal agent of \$204.2 million resulting from higher sales tax collections, higher cash held by EFC related to its bonds, and the opioid settlements; and an increase in restricted investments and restricted certificates of deposit of \$148.2 million related primarily to invested excess cash of the DAF and ARPA Funds. Prepaid assets increased by \$67.9 million as a result of the prepayment of the 2023 pension invoice s. The adoption of GASB Statement No. 87 resulted in the reporting of lease receivables of \$135.9 million for the primary government as of fiscal year-end. Due to the actuarial valuation of the County's long-term pension obligation to New York State (NYS), the County recorded a pension asset in accordance with GASB Statement No. 68. The remaining increase in assets of \$247.6 million is attributable to capital assets which now includes a right to use lease asset of \$134.5 million, net of amortization due to the adoption of GASB Statement No. 87.



MANAGEMENT'S DISCUSSIONS AND ANALYSIS
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Deferred outflows of resources decreased by \$371.9 million mainly due to a reduction attributed to OPEB and the pension liability of \$232.1 million and \$137.2 million, respectively. The OPEB and net pension liabilities are actuarially valued in accordance with GASB Statement No. 75 and GASB Statement No. 68, respectively.

Total liabilities decreased by \$56.7 million primarily due to:

- An increase in the current portion of long-term obligations of \$169.9 million due to the increase of the current portion of serial bonds payable resulting from the prior year's refinancing of County and NIFA debt;
- Decreases in Accounts Payable and Accrued Liabilities of \$158.3 million primarily due to a decline in Accrued Liabilities of \$175.6 million. Because the County did not prepay the 2022 pension invoice bill, the portion of the expenditures that were attributable to County fiscal year 2022 were reported as accrued liabilities in fiscal year 2021. The County prepaid its 2023 pension invoice in December 2022.
- An increase in unearned grant revenue of \$163.4 million primarily resulting from deferring ARPA funds received but not yet spent;
- Decreases in bond anticipation notes payable and revenue anticipation notes payable as less short-term financing was needed in 2022 due to higher cash on-hand and County bond issuances than the prior year (\$63.3 million);
- Increase in Property Tax Payable of \$24.6 million represents amounts due to the three Towns and City of Glen Cove for Preempted Sales Tax in Lieu of Property Taxes that resulted from the higher than budgeted sales tax on certain sales taxes collected by restaurants, hotels, and other retail establishments;
- An increase in Due to Component Units of \$28.7 million is primarily the increase in the amount due to the hospital for services rendered to various departments within the County. This amount offsets the Due from Component Units for the reimbursement of debt service costs paid by the County on behalf of the hospital. Significant swings among different components of non-current liabilities, resulted in a net decrease in total non-current liabilities by \$230.0 million.
 - Decreases in non-current liabilities were comprised of the following:
 - The tax certiorari liability decreased by \$348.8 million primarily due to the settlement and payment of the Long Island Power Authority/National Grid property tax lawsuit; the writ was valued at \$259.8 in the Estimated Long-Term Tax Certiorari Liability reported in the 2021 ACFR. The remainder represents the net of the addition of new tax certiorari liabilities and the revaluation of existing balances, offset by higher payments of property tax refunds in 2022;
 - A \$111.2 million decline in the liability due to the New York State Retirement System for the pension expenses deferred since 2011 that resulted from the prepayment of the major portion of the liability that was outstanding as of February 2022;
 - A reduction in the estimated liability for litigation of \$69.8 million primarily due to settlements during 2022;
 - A \$95.7 million decline in the long-term portion of the net pension liability. The net pension liability is actuarially determined by the State and provided to the County because the County participates in the State's retirement system.



- Offsetting increases in non-current liabilities were comprised of:
 - Serial bonds payable increased by \$217.2 million due to higher County bond issuances, including State Water Pollution Control Revolving Fund revenue bonds to fund capital projects;
 - The OPEB liability increased by \$196.3 million primarily due to the decrease in discount rate as well as the effect of actual versus expected plan experience, which is affected by the biennial valuations. The OPEB liability is actuarially computed, with full valuations performed biennially. See Footnote 17, *Other Postemployment Benefits*, for more information; and
 - A net increase of \$56.0 million in non-current liabilities related to leases; Capital Lease payable of \$72.3 million was eliminated, and a Lease Liability of \$128.3 million was recorded due to the adoption of GASB Statement No. 87.

Deferred inflows of resources decreased by \$174.7 million primarily due to the deferred inflow related to OPEB, which decreased by \$307.4 million. This was offset by an increase in deferred inflow of resources of \$132.8 million related to the adoption of GASB No. 87.

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

The County has \$2.5 billion invested in its capital assets, recorded at acquisition cost, net of accumulated depreciation and amortization, and related debt, liabilities, and deferred inflows and outflows of resources. Capital assets are used by the County in the provision of services to the taxpayers. This investment of County equity is allocated in the County's capital assets, which are not liquid assets, and are not immediately available to support future expenses.

The County's Statement of Net Position (Deficit) shows a deficit balance of \$7.2 billion in net position as of December 31, 2022, and an unrestricted net deficit of \$10.0 billion. Unrestricted net position reflects all liabilities that are not related to the County's assets and are not expected to be repaid from restricted resources. Accordingly, the County will have to allocate future revenues towards the payment of these liabilities.

Tax Certiorari: The County is responsible under applicable laws 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, which was enacted into law in 1948. This inability to chargeback the refunds has resulted in the County having to refund more in property taxes than it has collected and has given rise to the significant total tax certiorari liability, which includes liabilities that are funded with disputed assessment charges; the liability decreased by \$323.9 million to \$383.4 million at fiscal year-end 2022. The primary cause for the decline was due to the settlement of tax certiorari litigation with the Long Island Power Authority (LIPA) and National Grid over assessments of the EF Barrett Power Plant in the Town of Hempstead and the Glenwood Landing plant in Glenwood Landing. LIPA and National Grid accepted 46.5 percent reductions in actual tax payments over a five-year period and agreed to forgo receiving tax certiorari refunds for the assessment years challenged. This resulted in the reduction of the estimated long-term tax certiorari liability by approximately \$260 million. See Note 21B *Contingencies and Commitments - Tax Certioraris* for the details of what comprises the total tax certiorari liability balance.

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The Disputed Assessment Fund (DAF) is funded by a disputed assessment charge on commercial properties and the funds are restricted to paying only commercial property refunds. As such, any liability related to the DAF identified as part of the total tax certiorari liability as of fiscal year-end is excluded from the calculation of the long-term liability for tax certiorari because the refund is already funded. The DAF fund paid out approximately \$90.2 million of property tax refunds to commercial property owners in fiscal year 2022. These payouts did not impact the County's finances for the fiscal year as they represented a return of the DAF charges collected. See Note 21B *Contingencies and Commitments - Tax Certioraris* for the details of what comprises the total tax certiorari liability balance.

As of December 31, 2022, \$328.6 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 (Deficit). See Note 12, *Notes Payable and Long-term Obligations* and Note 21B *Contingencies and Commitments - Tax Certioraris*.

The Statement of Activities

The Statement of Activities for the fiscal year that ended December 31, 2022, details the improvement in the County's Government-wide net worth from 2021 to 2022. Table 2 summarizes the changes in the County's net position (deficit).

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	2022	2021	Change
Revenues			
Program Revenues			
Charges for Services	\$ 376.0	\$ 396.6	\$ (20.6)
Operating Grants	602.2	560.1	42.1
Capital Grants	136.5	109.6	26.9
General Revenues			
Property Taxes	915.9	969.3	(53.4)
Sales Taxes	1,504.3	1,407.3	97.0
Other Taxes	95.3	94.5	0.8
Tobacco Settlement Revenues	21.5	20.9	0.6
Investment Income	55.1	28.2	26.9
Opioid Litigation Settlement revenue	20.5	55.9	(35.4)
Other General Revenues	76.6	77.9	(1.3)
Total Revenues	3,803.9	3,720.3	83.6
Expenses			
Legislative	13.1	13.7	(0.6)
Judicial	81.5	88.8	(7.3)
General Administration	252.7	694.5	(441.8)
Protection of Persons	952.2	1,001.0	(48.8)
Health	264.0	229.0	35.0
Public Works	433.4	380.6	52.8
Recreation and Parks	55.3	52.7	2.6
Social Services	518.3	501.4	16.9
Corrections	266.9	298.3	(31.4)
Education	28.8	27.8	1.0
Interest on Long Term Debt	157.0	163.9	(6.9)
Total Expenses	3,023.2	3,451.7	(428.5)
Increase (Decrease) in Net Position (Deficit)	780.7	268.6	512.1
Net Position (Deficit) Beginning	(7,973.7)	(8,242.3)	268.6
Effect of Change in Accounting Principle	19.0	-	19.0
Net Position (Deficit) Beginning Restated *	(7,954.7)	(8,242.3)	287.6
Net Position (Deficit) Ending	\$ (7,174.0)	\$ (7,973.7)	\$ 799.7

* Restated for the adoption of GASB Statement No. 87

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

- An increase in Sales Tax (Countywide), due to strong consumer spending early in 2022, and opioid litigation settlement funds received of \$20.5 million, which was a decrease from the \$55.9 million reported in the prior year.
- Property Taxes decreased by \$53.4 million due to a reduction of \$70 million offset by collections of prior year uncollected taxes.
- Investment Income improved by \$26.9 million resulting from higher interest rates.



- Program Revenues attributed to Charges for Services declined by \$20.6 million primarily due to lower Departmental Revenues related to slowing in real estate transactions, offset by higher Fines and Forfeitures and higher Rents and Recoveries.
- Operating Grants increased over the prior year by \$42.1 million representing an increase in funding for the County's bus service, State and Federal reimbursements for pre-school and social services programs.
- Capital Grants improved over 2021 by \$26.9 million primarily due to grant funding received for the Bay Park Conveyance capital project which will divert effluent from the Bay Park Sewage Facility to the Cedar Creek Sewage Facility, which is partially funded by the State Revolving Fund.
- Total Expenses decreased over 2021 by \$428.5 million. All functions had reductions in expenses due to lower pension expense (\$115.3 million) resulting from the actuarially valued liability/asset offset by the prepayment of the majority outstanding pension expense deferral, which reduced the Due to Employees' Retirement System liability by \$135.9 million. However, higher OPEB expense was recognized in 2022 over the prior year (\$150.8 million) due to the actuarial valuation. In addition to these effects:
 - The remainder of the variance in General Administration expenses is related to a decrease of \$303.6 million in the estimated tax certiorari liability due to the settlement of an outstanding grievance related to utilities, a \$74.4 million decrease in the capital lease obligation due to the adoption of GASB Statement No. 87, a decrease in the estimated liability for litigation which decreased \$54.3 million due to settlement of outstanding liabilities, and a decrease of \$46.8 million in the actuarially computed Contractual Liability Due to NHCC, which represents the estimated liability due to the hospital for the County's proportionate share of health benefits costs to hospital employees and retirees who had worked for the hospital prior to its separation from the County.
 - In addition to the net effects related to OPEB and pension costs, Social Services Costs related to Recipient Grants⁸ and Purchased Services⁹ increased. Recipient Grants had caseload increases over 2021, which was still experiencing lower cases due to the pandemic effects. Purchased Services costs increased due to day care expenditures rising as a result of market rates increasing as promulgated by the NYS Office of Children and Family Services, which took effect June 2022. In addition, NYS expanded the eligibility requirement to increase the availability and quality of childcare programs effective August 2022.
 - The increase in Public Works of \$52.8 million was primarily driven by an increase of \$38 million in depreciation expense related to previous construction in progress projects that were fully capitalized in 2022.

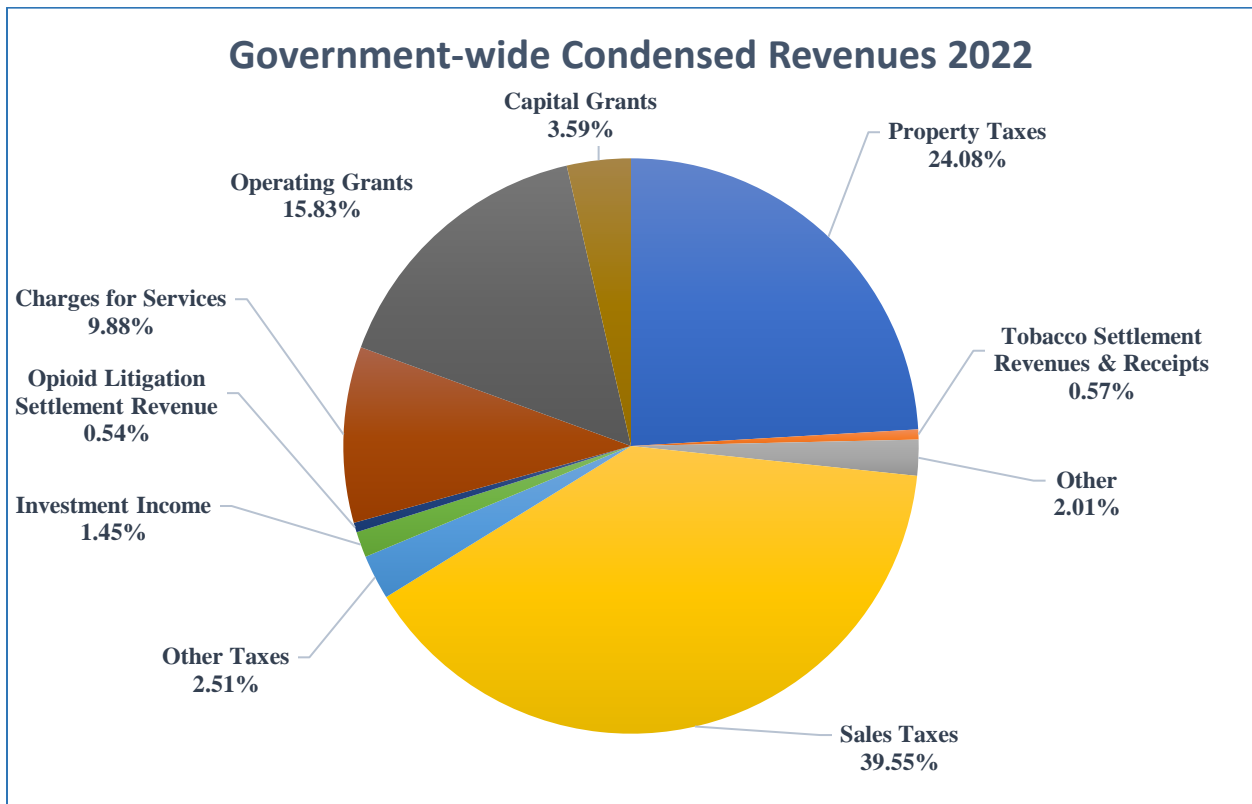
⁸ Recipient Grants are payments made directly to clients of the Department of Social Services (DSS) for programs such as Temporary Assistance for Needy Families (TANF), Safety Net Assistance (SNA), Adoption Subsidy, Foster Care, and the Home Energy Assistance Program (HEAP).

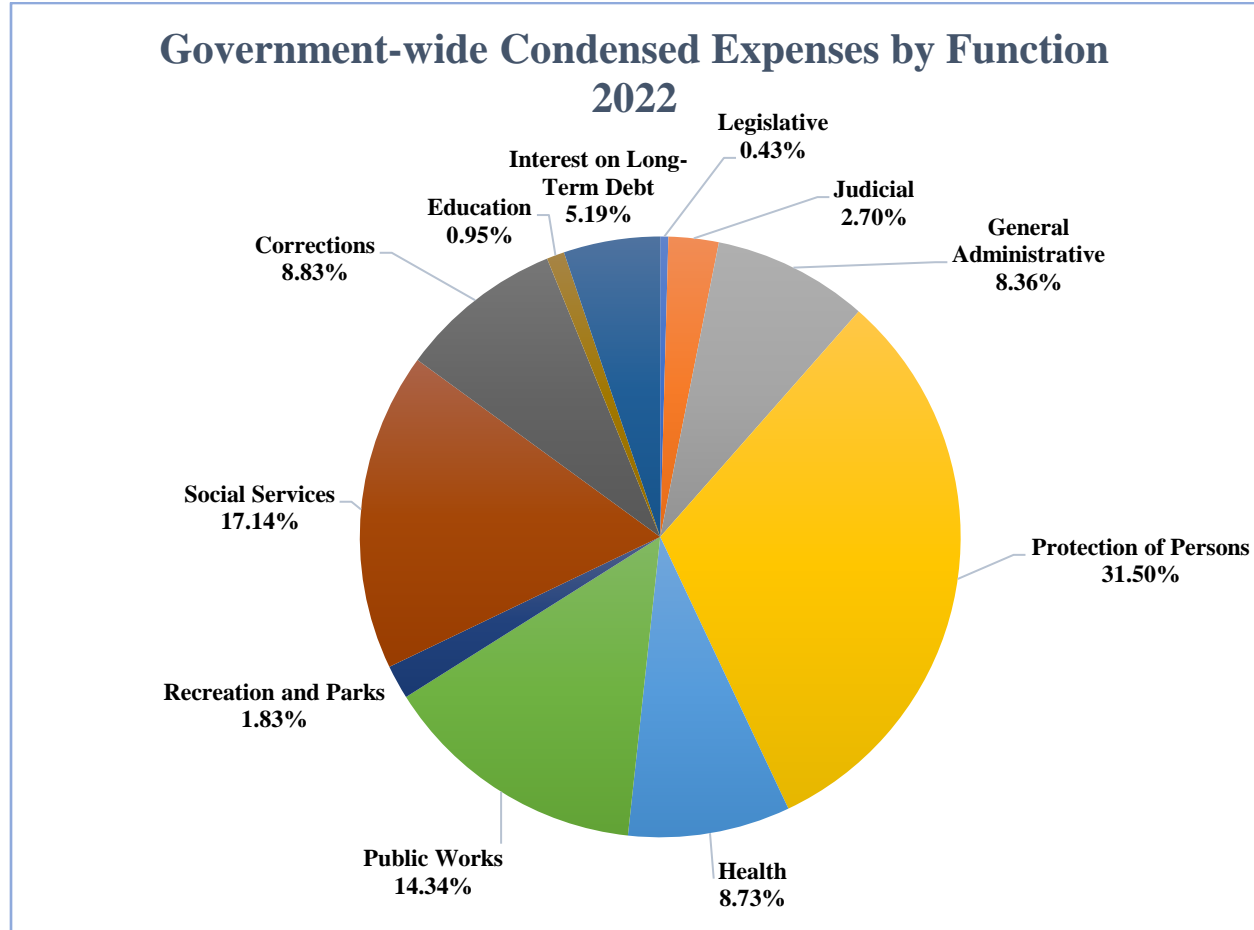
⁹ Purchased Services are payments made to agencies that operate independently of Nassau County for Social Service programs such as Day Care, Preventive Services, Child Protective Services, and Adult Protective Services. The County also provides Domestic Violence, Adoption, Independent Living, and Homemaking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



- The reduction in Corrections expenditures was the result of the effects of the net pension liability and OPEB, offset by the repayment of the deferred pension liability.

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





Governmental Fund Financial Statements

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

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

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

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

- the Fire Prevention and Safety Fund;
- the Police Headquarters Fund;
- the Debt Service Fund;

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- the Litigation Fund;
- the Retirement Contribution Reserve Fund;
- the Technology Fund;
- the Open Space Fund;
- the Employee Benefit Accrued Liability Reserve Fund;
- the Bond Indebtedness Reserve Fund;
- the Excess Sales Tax Fund; and
- the Opioid Litigation Settlement 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. NCSFA, a blended component unit of the County, which collects sewer assessment fees from County taxpayers and provides those funds to the Sewer and Storm Water District to fund its operations. The County contracts with an outside vendor to manage the operations of the sewer system.

The financial activities of the County's police precincts are funded through the Police District Fund. Taxpayers residing in villages and cities with their own police force do not contribute to the tax base of the Police District Fund. Funds transferred from the Excess Sales Tax Fund to the Litigation Fund, both components of the General Fund for reporting purposes, were set aside to pay for Police District longevity costs. See Longevity Settlement below.

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

Longevity Settlement

In 2022, funds from the Excess Sales Tax Fund were transferred to the Litigation Fund to pay for retroactive and current longevity costs as a result of a Memorandum of Agreement and Stipulation of Settlement (MOA) between the County and the five unions of the County. The MOA settled to pay an agreed upon amount to current and former employees who were eligible for longevity payments from January 1, 2018 to December 31, 2021 and to replace the then existing contractual longevity schedule with a new one effective January 1, 2022. As part of the agreement, \$100 million were transferred to the Litigation Fund (a component of the General Fund for reporting purposes) and set aside to pay longevity costs for all unions and all County funds.

Sales Tax

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

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



GENERAL FUND BUDGET VARIANCES

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

The County ended the 2022 fiscal year with a General Fund ending fund balance of \$1,007 million on a budgetary basis, up from \$834.8 million as of fiscal year-end 2021, an increase of \$172.2 million. The County's budgetary surplus is comprised of a number of variances from the modified budget.

In its governmental funds, the County ended the 2022 fiscal year with a net change in GAAP fund balance of \$223.2 million in the General Fund, a decrease from \$542.5 million as of the end of the prior fiscal year. The difference between the General Fund's budgetary surplus of \$172.2 million (excluding appropriated fund balance of \$15 million), and the reporting surplus of \$223.2 million is primarily due to:

- adjustments required to eliminate the effect of encumbrances that cross fiscal years;
- the recognition of expenditures incurred but not paid in the fiscal year;
- adjustments to defer revenues recognized on a budgetary basis that require amortization;
- an adjustment to pension contributions to match the actual time period covered; 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).

Original Budget versus Total Budgetary Authority

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

- The General Fund's original budgeted revenues of \$2,788.7 million were modified by \$166.5 million to \$2,955.2 million. The modifications were needed to accommodate necessary increases in appropriations (see below) that were effected via higher Sales Tax revenues (\$116 million) received than budgeted, higher Federal and State Aid (totaling \$29 million) received for the operation of the County's bus system and opioid litigation settlement funds of \$14.3 million.
- The General Fund's original budget's current expenditures of \$2,800.0 million were modified up by \$285.6 million to \$3,085.6 million during the fiscal year. Several departments and expenditures were affected by the reallocation of appropriations, including reductions to Medicaid, salaries, and fringe benefits. These reductions were offset by increases to cover higher than budgeted bus operations costs, higher than budgeted Aid to Towns and Cities payments resulting from the higher sales tax collections in the fiscal year, higher early intervention costs than budgeted, higher police headquarters salary, fringe and workers' compensation costs, overtime in the Correctional Center, and higher than budgeted property tax refunds due to the availability of funding from reserves, suits and damages, and higher longevity costs due to settlement with the County's unions. The modification of the budgeted opioid litigation settlement revenues was due to appropriating the additional revenues to use for opioid abuse programs.



- The General Fund's original budget for Other Financing Uses was modified from \$58.2 million to \$58.7 million, a change of \$0.5 million, primarily related to necessary transfers to the COVID Fund to cover ineligible costs.

Variations of Total Budgetary Authority to Actual on a Budgetary Basis

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

General Fund Revenues

Except for Sales Tax, Video Lottery Terminal revenues, Interest Income, and Federal and State Aid, most County recurring revenue streams were negatively affected in 2022, with actual revenue not meeting total budgetary authority levels. The primary factors affecting General Fund revenues are set forth below:

- *Sales Tax:*
 - Countywide Sales Tax revenues (which exclude Preempted Sales Tax in Lieu of Property Taxes) and including the NIFA Fund, were \$13.3 million higher than the modified budget. Sales tax collections continue to grow, although at a slower pace than in early 2021. The impacts of inflation both help and hurt the sales tax collections; help with inflated prices and thus higher collections and hurt consumer confidence.
 - A portion of the actual receipts appear in the NIFA Fund since it draws County Sales Tax to pay County related debt service. Countywide Sales Tax reported in the General Fund was \$44.9 million under budget (see Exhibit X-7) offset by \$58.2 million reported in the NIFA Fund in the financial statements (see Exhibit X-5).
- *Opioid Litigation Settlement:* The County received \$20.5 million related to several opioid litigation settlements. The County Legislature has authorized the use of the settlement funds for treatment and prevention of opioid addiction and to support existing County programs that assist with drug addiction. The revenue received of \$20.5 million exceeded the budgeted amount of \$14.3 million.
- *Federal Aid:* Revenues exceeded total budgetary authority by \$12.2 million primarily due to a net increase in Federal Aid reimbursements in various Social Services programs. Increases in Public Financial Assistance and Title XX (Social Services Block Grant) were offset by lower than budgeted reimbursements in Aid to Dependent Children assistance. The remaining variance is comprised of multiple departments.
- *State Aid:* Revenues surpassed budget by \$12.3 million, primarily due to higher State Operating Assistance (STOA), which was used to fund the County's bus system.

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

- *Departmental Revenue:* Reported revenue was \$38.4 million lower than budgeted primarily due to the slowing of the real estate market in Nassau and the related real estate fees, such as mortgage and deed recording, and GIS tax map. The volume of mortgage and deed recording transactions decreased 32.5% and 7.7%, respectively, over the prior year. Bus Fare revenues were \$3.8 million below budget.
- *Fines and Forfeitures:* Revenues were below budget by \$23.8 million, primarily due lower traffic violation and public safety fee revenues than anticipated, the delay in reimplementing the Boot and Tow and the School Bus Cameras programs.



- *Rents and Recoveries* were \$18.9 million under budget primarily related to higher budgeted recoveries of prior year appropriations.
- *Interdepartmental and Interfund revenues* were reported \$2.7 million under budget due to a lower shared services revenue between departments than budgeted.

General Fund Expenditures

All governmental functions within the General Fund were under budget. The primary factors were:

- *Protection of Persons* expenditures were under budget by \$47.7 million primarily due to lower salaries and lower fringe benefits costs than budgeted attributed mainly to budgeted costs for retroactive and 2022 longevity costs resulting from a settlement with the County's unions, and lower fringe benefits than budgeted in the Police Headquarters Fund.
- *General Administration* expenditures were under budget by \$17.2 million primarily due to lower salaries (\$5.8 million); lower contractual services costs (\$5.5 million); lower rent costs (\$1.5 million) and lower utility costs \$2.1 million) than budgeted. Costs related to retroactive, and 2022 longevity payments were budgeted higher than actual payments. Contractual services costs were lower than budgeted primarily in Information Technology primarily due to open carryover encumbrances.
- *Social Services* expenditures were under budget by \$39.2 million primarily due to lower contractual services expenditures (\$21.2 million) than budgeted. This is mainly comprised of opioid litigation settlement funds that were budgeted but not spent (\$15.0 million) and various other contractual savings among different programs.
- *Corrections* expenditures were under budget by \$15.9 million primarily due to lower salaries and fringe costs (\$5.5 million) related to retroactive and 2022 longevity costs that came in under budget, and contractual services expenditures (\$9.3 million) related primarily to open carryover encumbrances.
- *Public Works* expenditures were under budget by \$11.0 million when compared to total budgetary authority. This is primarily due to lower-than-expected contractual expenditures and obligations (\$5.8 million) in Highway and Engineering and savings in interdepartmental expenditures related to shared services like information technology, printing and telecommunications. These savings are offset by lower than budgeted interdepartmental revenues.
- *Health* expenditures were under budget by \$12.7 million primarily due to lower than budgeted expenditures in children's early intervention services and pre-school education programs due to pandemic restrictions in providing services for these programs.
- *Judicial* expenditures were under budget by \$8.4 million due primarily to lower than budgeted expenditures related to contractual obligations for Traffic and Parking Violations department that are dependent upon collection of revenues. Collections were lower than budgeted in most categories of fines including two programs not yet implemented, Boot and Tow and School Bus Cameras.
- *Debt Service* expenditures were under budget by \$21.7 million primarily due to lower interest costs on bonds than budgeted.

Other Financing Sources and Uses

- Transfers In were flat to budget.



- Transfers Out were \$58.2 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 Countywide Sales Tax for the General Fund.

Fund Balance of the Major Governmental Funds

	General Fund	NIFA Fund	Police District Fund	Sewer and Storm Water District Fund	Capital Fund	Disputed Assessment Fund	ARPA Fund	Total Nassau County Major Funds
Fund Equity, as of December 31, 2020	\$ 237.4	\$ 1.2	\$ 82.4	\$ 25.2	\$ 181.3	\$ 6.9	\$ -	\$ 534.4
Add: 2021 Revenues	2,833.1	35.7	416.7	166.2	116.8	1.5	29.7	3,599.7
Less: 2021 Expenditures	2,374.2	1.8	419.6	105.7	385.1	-	29.7	3,316.1
2021 Other financing sources, net	83.6	(33.8)	12.8	(44.5)	230.8	(1.3)	-	247.6
Fund Equity, as of December 31, 2021	779.9	1.3	92.3	41.2	143.8	7.1	-	1,065.6
Add: 2022 Revenues	2,877.7	59.2	434.2	166.0	140.5	2.3	33.1	3,713.0
Less: 2022 Expenditures	2,702.0	3.4	430.9	112.4	430.3	-	33.1	3,712.1
2022 Other financing sources, net	47.5	(56.0)	(0.4)	(45.4)	466.7	(0.6)	-	411.8
Fund Equity, as of December 31, 2022	\$ 1,003.1	\$ 1.1	\$ 95.2	\$ 49.4	\$ 320.7	\$ 8.8	\$ -	\$ 1,478.3

Table 3 shows accumulated fund balance in the County’s major governmental funds totaled \$1,478.3 million at the end of 2022. Major funds are governmental funds whose revenues, expenditures, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental funds and at least 5 percent of the aggregate amount for all governmental funds. The County must include all funds that meet these criteria in its Governmental Funds Balance Sheet (Exhibit X-3) and its Statement of Revenues, Expenditures and Changes in Fund Balances (Exhibit X-5), however, the County may also include other funds that do not meet the criteria but whose exclusion may mislead a user of the report. The NIFA Fund, which represents NIFA’s general fund, has been included as a major fund primarily because of the interrelationship between it and the County for reporting the effects of sales tax, the County’s largest revenue source. For the fiscal year ended December 31, 2022, the Sewer and Storm Water Fund did not meet the criteria of a major fund, however, because it is one of the three operating funds of the County, it was included as a major fund for the fiscal year. For the fiscal year ended December 31, 2022, the DAF Fund did not meet the criteria of a major fund, however, due to its purpose of funding Class 4 commercial property tax certiorari refunds and the collection of the disputed assessment charge from Class 4 commercial property owners, it was included as a major fund for the fiscal year.



The primary changes were as follows:

Total fund balance in the General Fund increased by \$223.2 million from \$779.9 million to \$1,003.1 million.

- This increase is due primarily to these factors: strong sales tax revenues resulting from strong consumer spending in the first half of the fiscal year, settlement monies received from opioid litigation, lower debt service costs and bond proceeds resulting from the issuance of debt.

Total fund balance in the Police District Fund improved by \$2.9 million, from \$92.3 million to \$95.2 million.

- The improvement is primarily due to retroactive and 2022 longevity that was paid from the General Fund, thereby reducing costs.

Total fund balance in the Capital Fund increased \$176.9 million, from \$143.8 million to \$320.7 million.

- The increase is primarily the net result of higher Federal Aid primarily related to the Bay Park Conveyance Project and bond proceeds due to the issuance of bonds, offset by higher capital outlay activities for the fiscal year, primarily the result of the Bay Park Conveyance Project.

Total fund balance in the Sewer and Storm Water Fund increased by \$8.2 million, from \$41.2 million to \$49.4 million.

- While fund balance increased in the fiscal year, the addition to fund balance was considerably lower than the prior year primarily due to higher expenditures related to the prepayment of the deferred pension liability and higher debt service chargebacks.

Total fund balance in the Disputed Assessment Fund increased by \$1.7 million, from \$7.1 million to \$8.8 million.

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

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

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

Total fund balance in the NIFA Fund decreased by \$0.2 million, from \$1.3 million to \$1.1 million.

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

CAPITAL INVESTMENTS

The difference between the \$382.1 million detailed in Table 4, Capital Improvements, 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, *Capital Assets*, to the financial statements.



During the 2022 fiscal year, the County had the following outlays related to the County’s capital projects: \$200.6 million in sewer district improvements and upgrades (designated with an * in Table 4 below), \$ 19.2 million in public safety projects, \$48.0 million in roads, \$48.6 million in buildings, \$32.9 million in infrastructure-related improvements (this amount does not include any capital outlays related to Nassau Community College), and the \$32.8 million remainder in various project categories. The County made capital improvements during 2022 in the following areas:

Table 4 Capital Improvements January 1, 2022 to December 31, 2022 (dollars in millions)	
<u>Project Category</u>	<u>Amount</u>
Buildings	\$ 48.6
Environmental Bond Act	0.2
Equipment	3.8
Infrastructure	32.9
Parks	4.8
Public Safety	19.2
Roads	48.0
Technology	4.9
Traffic	16.6
Transportation	2.5
Collection *	17.6
Disposal *	176.2
Storm Water *	6.8
	<u><u>\$ 382.1</u></u>
<i>*Total \$200.6 million in sewer district improvements and upgrades</i>	

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



DEBT

As of December 31, 2022, the par value of the County's serial bond debt outstanding was \$2.0 billion and \$1.6 billion for the blended component units, NIFA, the NCSSWFA and NCTSC. The combined \$3.6 billion in outstanding long-term debt (excluding accreted interest) as of December 31, 2022, increased by approximately \$393.6 million compared to the combined long-term debt outstanding as of December 31, 2021, due primarily to the issuance of County bonds of \$268.4 million and \$176.1 million of bonds funded by the New York State Environmental Facilities Corporation (EFC)¹⁰, through its Clean Water State Revolving Fund¹¹, offset by scheduled maturities.

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

The County provides a direct-pay guarantee of \$115.1 million outstanding from the refunding and new money debt issued in October 2004 and refunded in April 2009 by NHCC. NHCC's debt was remarketed and the swaps eliminated in 2021. See Note 12, *Notes Payable and Long-Term Obligations*, in the accompanying financial statements.

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

¹⁰ The Environmental Facilities Corporation is a public benefit corporation of New York State which administers and finances the State Revolving Fund pursuant to the Federal Water Quality Act and the Federal Safe Drinking Water Act.

¹¹ 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).



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

	Balance			Balance December 31, 2022
	January 1, 2022	Additions	Reductions	
General Obligation County Bonds	\$ 1,545,916	\$ 268,425	\$ 24,910	\$ 1,789,431
NYS EFC Revolving Fund Bonds	64,879	176,129	9,119	231,889
Total Serial Bonds - County	1,610,795	444,554	34,029	2,021,320
NIFA Sales Tax Secured Bonds	1,148,194	-	460	1,147,734
Sewer Financing Authority	87,365	-	12,865	74,500
Tobacco Settlement Asset Backed Bonds	388,390	-	3,643	384,747
Total Serial Bonds - Blended Component Units	1,623,949	-	16,968	1,606,981
Total Serial Bonds	3,234,744	444,554	50,997	3,628,301
Accreted interest - Tobacco Settlement Asset Backed Bonds	102,919	9,846	647	112,118
Total Serial Bonds and Accreted Interest	\$ 3,337,663	\$ 454,400	\$ 51,644	\$ 3,740,419

During 2022, the County issued a total of \$268.4 million of serial bonds and \$176.1 million of EFC Bonds. Of the \$268.4 million in long-term debt issued by the County, \$259.4 million was used to fund its capital program, and \$9.0 million was used to fund various Nassau Community College (NCC) projects.

Offsetting new issuances were maturities of the County, NIFA, NCTSC and NCSSWFA in 2022 of \$51.0 million combined, a decrease of \$1,212.6 million from the prior year primarily due to the NIFA refunding of County and NIFA debt.

The County did not issue short-term debt during 2022.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of the average full valuation of taxable real estate of the County for the most recent five-year period. The current debt limitation for the County is \$22.8 billion, which is significantly in excess of the County's outstanding general obligation debt.¹² The County has \$1.9 billion in bonds authorized, but unissued.

In 2022, the EFC Clean Water Facility Note 2021A and 2021B were converted into long-term bonds of \$26.8 million (EFC Series 2022A) and \$149.3 million (EFC Series 2022B), respectively. The EFC Series 2022B bond included \$83.1 million in new money held by EFC. All new money held by EFC is reported by the County as Cash Held with Fiscal Agent. The County reported \$76.1 million in Cash Held with Fiscal Agent in the County's Statement of Net Position (Deficit), after distributions of \$13.1 million during 2022. The \$76.1 million balance is made up of \$71.5 million from the EFC Series 2022B bond and \$4.6 million from the EFC Series 2019A bond. In 2022, the County withdrew a total of \$69.0 million from EFC Clean Water Facility Notes; \$23.0 million from the EFC Clean Water Facility Note – 2022A dated October 13, 2022 (with a maturity of October 13, 2027) and \$46.0 million from the EFC Clean Water Facility Note – 2021B, which was subsequently converted to a long-term bond, as noted above.

¹² See Schedule T-15 for additional information.



THE COUNTY'S CREDIT RATING

The County's long-term debt ratings at December 31, 2022 were as follows:

- Moody's Investors Service: *A1 (positive outlook)*;
- S&P Global Ratings: *AA- (stable outlook)*; and
- Fitch Ratings: *A (stable outlook)*.

The County's long-term debt ratings were upgraded by Moody's and Fitch, and confirmed by Standard and Poor's in 2023:

- Moody's Investors Service: *Aa3 (positive outlook)* on April 14, 2023
- S&P Global Ratings: *AA- (stable outlook)* on April 11, 2023; and
- Fitch Ratings: *A+ (positive outlook)* on April 25, 2023.

As of December 31, 2022, NIFA's long-term debt, secured by County sales tax, were unchanged for Standard & Poor's and Fitch and ratings were withdrawn by Moody's:

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

NHCC ONGOING CONCERN

NHCC has experienced recurring operating losses, a working capital deficit and has a total negative net position of \$1,151.0 million and \$1,057.1 million at December 31, 2022 and 2021, respectively, and is dependent on the continuation of federal, state and local subsidies, certain of which have or are scheduled to end or be reduced. These matters raise substantial doubt about NHCC's ability to continue as a going concern. This is the second consecutive year that substantial doubt about the hospital's ability to continue as a going concern has been noted by its independent auditors. Prior to fiscal year 2021, the hospital's independent auditors noted three consecutive years of a going concern uncertainty.

Additionally, the COVID-19 health crisis has added further uncertainty regarding the operations of NHCC, as well as the health care system in general. NHCC is continuously striving to improve its operating results by continuing to progress with collecting on patient accounts, through cash flows provided by government subsidies for the funding of capital projects and by participating in certain other value-based payment programs. NHCC has also undertaken a number of initiatives, including the renegotiation of commercial managed care contracts, changes to medical management practices, improved supply chain, inventory management, rightsizing of personnel and further cost reductions. Nassau County Interim Finance Authority (NIFA) currently has oversight of the operations of NHCC and in that capacity, reviews certain operational aspects of the hospital.

As noted earlier, the County guarantees the outstanding serial bonds of NHCC.



SUBSEQUENT EVENTS

In February 2023, the County paid down the remaining \$29.9 million of its Due to the Retirement System liability, which represented the outstanding deferred pension expense.

In February 2023, the County and its police union, Nassau County Police Benevolent Association, negotiated a successor to its collective bargaining agreement. The agreement set terms and conditions for the employees in that negotiating unit whose contract expired on December 31, 2017. The agreement covers the period from January 1, 2018, through June 30, 2026, and raises wages by 15% over the 8 ½ year period and all members are required to contribute to their health insurance premiums.

In April 2022, the County issued Series A General Improvement Bonds in the amount of \$153.5 million and Refunding Series B General Improvement Bonds in the amount of \$114.4 million. The bonds bear interest rates between 4% and 5% with maturity dates ranging from April 2025 to April 2047. The bonds were issued to fund various public purposes, including capital projects, and to pay costs of issuance.

In May 2023, the New York State Environmental Facilities Corporation Series 2013B bonds were refunded. The refunded bonds bear interest between 4.4% and 4.6% with maturities ranging from July 2023 to July 2029.

In May 2022, the County signed an agreement with Sands Resorts to acquire the lease to property owned by the County in Uniondale, including the Nassau Memorial Coliseum, with the intent to apply for a casino license from New York State in hopes of establishing a casino at that location. The contract grants Sands Resorts a 99-year ground lease. The County received \$54 million from Sands Resorts upon approval of the contract by the County Legislature. While the cash is available, the revenue will be recognized over the life of the lease in accordance with GASB Statement No. 87.

See Note 22, *Subsequent Events*, of the accompanying financial statements for further details of these transactions.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

EXHIBIT X-1**COUNTY OF NASSAU, NEW YORK****STATEMENT OF NET POSITION (DEFICIT)
DECEMBER 31, 2022 (Dollars in Thousands)**

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>	<u>Component</u> <u>Units</u>
ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 1,297,622	\$ 178,663
Investments	15	
Restricted Cash and Cash Equivalents	435,746	1,539
Restricted Certificate of Deposit	155,000	
Restricted Investments	18,752	45,633
Cash Held by Fiscal Agent	76,069	
Sales Tax Receivable	177,279	
Interest Receivable		
Student Accounts and Loans Receivable		9,640
Less Allowance for Doubtful Accounts		(6,603)
Due from Primary Government		27,359
Due from Other Governments	256,858	2,400
Less Allowance for Doubtful Accounts	(15,123)	
Other Receivables		42,611
Accounts Receivable	52,031	1,068,890
Less Allowance for Doubtful Accounts		(1,044,289)
Real Property Taxes Receivable	79,733	
Less Allowance for Doubtful Accounts	(7,410)	
Lease Receivable	3,846	1,696
Disputed Assessment Fund Collections Receivable	32	
Due from Component Unit	87,100	
Inventories		10,835
Prepays	71,638	5,429
Other Assets	5,938	4,115
Total Current Assets	<u>2,695,126</u>	<u>347,918</u>
NON CURRENT ASSETS:		
Restricted Cash and Cash Equivalents		2,739
Restricted Investments	14,986	8,202
Receivable - Service Concession Agreements	3,375	
Property Held for Sale		706
Net Pension Asset	135,249	70,543
Capital Assets Not Being Depreciated	1,649,647	62,168
Depreciable Capital Assets	5,214,279	1,132,714
Less Accumulated Depreciation and Amortization	(2,752,433)	(831,657)
Lease Receivable	132,032	12,789
Deposits Held in Custody for Others		3
Tax Sale Certificates	3,269	
Tax Real Estate Held for Sale	6,388	
Other Assets		42,742
Total Non Current Assets	<u>4,406,792</u>	<u>500,949</u>
Total Assets	<u>7,101,918</u>	<u>848,867</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on bond refunding	30,915	19,412
Deferred charges	3,624	
Pensions	608,104	149,670
Other postemployment benefits	668,886	194,898
Total Deferred Outflows of Resources	<u>\$ 1,311,529</u>	<u>\$ 363,980</u>

(Continued)

EXHIBIT X-1**COUNTY OF NASSAU, NEW YORK****STATEMENT OF NET POSITION (DEFICIT)
DECEMBER 31, 2022 (Dollars in Thousands)**

	<u>Primary Government Governmental Activities</u>	<u>Component Units</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES:		
Accounts Payable and Accrued Liabilities	369,931	\$ 377,515
Retainage Payable	26,724	50
Unearned Revenue	435,133	13,412
Property Tax Refund Payable	34,044	
Due to Primary Government		5,129
Due to Component Units	84,917	
Due to Other Governments		3,847
Accrued Interest Payable	35,654	2,363
Current Portion of Long Term Liabilities	434,642	75,006
Disputed Assessment Fund Deposits Held	73,913	
Estimated Tax Certiorari Liability related to Disputed Assessment Fund	10,198	
Other Liabilities - Current	40,728	37,027
Total Current Liabilities	1,545,884	514,349
NON CURRENT LIABILITIES:		
Accounts Payable and Accrued Liabilities		617
Due to Primary Government		8,147
Bond Anticipation Notes Payable	23,011	
Notes Payable		5,056
Bonds Payable, Net of Deferred Bond Premium/Discount (Net of Amortization)	3,912,831	126,177
Liability to Third-Party Payors, net		37,545
Accrued Liabilities - Term Pay		4,808
Accrued Vacation and Sick Pay	415,019	135,197
Due to Other Governments		191
Due to City of Glen Cove	1	
Lease Liability	128,337	7,824
Deferred Payroll	42,550	
Estimated Workers' Compensation Liability	287,035	
Estimated Tax Certiorari Liability	272,132	
Estimated Liability for Litigation	542,526	61,101
Pollution Remediation Liability	5,990	
Deposits Held in Custody for Others		3
Contractual Liability due to Nassau Health Care Corporation	183,427	
Due to New York State Retirement System	24,282	
Net Pension Liability	49,644	2,377
Total OPEB Liability	6,777,227	1,442,883
Derivative Instruments		
Other Liabilities - Non Current		41,267
Total Non Current Liabilities	12,664,012	1,873,193
Total Liabilities	14,209,896	2,387,542
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Gain on Refundings	8,148	
Property Taxes - Part County Sales Tax Offset	48,564	
Mitchel Field - Sale of Future Rental Revenue	23,646	
Lease Related	132,825	13,817
Pensions	901,565	243,892
Service Concession Agreements	54,618	4,429
Other postemployment benefits	208,235	58,069
Total Deferred Inflows of Resources	1,377,601	320,207
<u>NET POSITION (DEFICIT)</u>		
Net Investment in Capital Assets	2,509,153	290,616
Restricted:		
Nassau Health Care Corporation - Health Services		1,513
Nassau Community College - Scholarships and Other		4,177
Nassau Community College - Student Loans		415
Capital Projects	2,912	
Debt Service	214,250	
Open Space	2,001	
General Administration	73,167	
Judgements and Settlements	8,808	
Health	37,433	
Public Works	2,735	
Property Rehabilitation		15
Capital Acquisition Fund		(3,911)
Various Purposes	13,582	
FEMA - Public Works	9,117	
Unrestricted	(10,047,208)	(1,787,727)
Total Net Position (Deficit)	\$ (7,174,050)	\$ (1,494,902)

See accompanying notes to financial statements.

(Concluded)

EXHIBIT X-2**COUNTY OF NASSAU, NEW YORK****STATEMENT OF ACTIVITIES****FOR THE YEAR ENDED DECEMBER 31, 2022 (Dollars in Thousands)**

Functions/Programs					Net (Expense) Revenue and Changes in Net Position	
	Expenses	Program Revenues			Primary Governmental Activities	Component Units
		Charges for Services	Operating Grants	Capital Grants		
Primary Government:						
Legislative	\$ 13,120	\$	\$	\$	\$ (13,120)	
Judicial	81,536	56,618	5,002		(19,916)	
General Administration	252,650	124,140	72,727		(55,783)	
Protection of Persons	952,204	64,909	12,086		(875,209)	
Health	264,017	19,527	144,747		(99,743)	
Public Works	433,455	47,381	138,935	136,542	(110,597)	
Recreation and Parks	55,253	25,516	162		(29,575)	
Social Services	518,281	21,375	214,718		(282,188)	
Corrections	266,897	4,174	13,855		(248,868)	
Education	28,806	12,349			(16,457)	
Interest on Long-Term Debt	157,030				(157,030)	
Total Primary Government	\$ 3,023,249	\$ 375,989	\$ 602,232	\$ 136,542	\$ (1,908,486)	
Component Units	\$ 1,013,687	\$ 624,090	\$ 80,557	\$		\$ (309,040)
General Revenues:						
Taxes:						
Property Taxes					\$ 915,938	
Sales Taxes					1,504,275	
Other Taxes					95,279	
Federal, State and Local Appropriations						174,809
Tobacco Settlement Revenue and Tobacco Receipts					21,474	
Investment Income					55,064	2,242
Other					76,579	7,281
Opioid Litigation Settlement Revenue					20,461	
Royalty Income						28,723
Total General Revenues					2,689,070	213,055
Change in Net Position (Deficit)					780,584	(95,985)
Net Position (Deficit) - Beginning					(7,973,672)	(1,400,253)
Cumulative Effect of Change in Accounting Principle (See Note 23)					19,038	1,336
Net Position (Deficit) - Beginning, as restated (See Note 23)					(7,954,634)	(1,398,917)
Net Position (Deficit) - Ending					\$ (7,174,050)	\$ (1,494,902)

See accompanying notes to financial statements.

EXHIBIT X-3

COUNTY OF NASSAU, NEW YORK

GOVERNMENTAL FUNDS

BALANCE SHEET

DECEMBER 31, 2022 (Dollars in Thousands)

	General Fund	NIFA Fund	Police District Fund	Sewer and Storm Water District Fund	Capital Fund	Disputed Assessment Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS:									
Cash and Cash Equivalents	\$ 641,132	\$ 892	\$ 106,326	\$ 65,420	\$ 368,264	\$	\$	\$ 115,588	\$ 1,297,622
Investments								15	15
Cash with Fiscal Agent					76,069				76,069
Restricted Cash and Cash Equivalents	137,276					100,531	197,937	2	435,746
Restricted Certificate of Deposit						25,000	130,000		155,000
Restricted Investments								33,738	33,738
Sales Tax Receivable	13,983	163,296							177,279
Due from Other Governments	157,253		515	7,511	46,984			44,595	256,858
Less Allowance for Doubtful Accounts	(8,409)			(6,714)					(15,123)
Accounts Receivable	33,427			17,997				378	51,802
Lease Receivable	135,878								135,878
Interest Receivable		229							229
Real Property Taxes Receivable	79,733								79,733
Less Allowance for Doubtful Accounts	(7,410)								(7,410)
Disputed Assessment Fund Collections Receivable						32			32
Tax Sale Certificates	3,269								3,269
Tax Real Estate Held for Sale	6,388								6,388
Interfund Receivables	239,542		19,721	183	183			16,841	276,470
Advances Receivable	42,132			22,532					64,664
Due from Component Units	87,075							25	87,100
Prepays	47,738	63	20,092	609				3,136	71,638
Other Assets	4,872		306	67	207			487	5,939
TOTAL ASSETS	\$ 1,613,879	\$ 164,480	\$ 146,960	\$ 107,605	\$ 491,707	\$ 125,563	\$ 327,937	\$ 214,805	\$ 3,192,936
DEFERRED OUTFLOWS OF RESOURCES									
Deferred Charges								3,624	3,624
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	1,613,879	164,480	146,960	107,605	491,707	125,563	327,937	218,429	3,196,560
LIABILITIES:									
Accounts Payable	\$ 72,314	\$	\$ 622	\$ 35	\$ 12,768	\$	\$ 430	\$ 14,566	\$ 100,735
Accrued Liabilities	124,240	106	19,369	2,893	73,628	21,496	5,099	16,200	263,031
Unearned Revenue	9,702				13,203		322,298	89,930	435,133
Property Tax Refund Payable	34,044								34,044
Interfund Payables	19,523	163,276	26,897	36,739	2,660	625	110	26,640	276,470
Due to Component Units	80,822				4,095				84,917
Disputed Assessment Fund Deposits Held						94,634			94,634
Advances Payable					64,663				64,663
Other Liabilities	35,256		4,848	282				415	40,801
Total Liabilities	375,901	163,382	51,736	39,949	171,017	116,755	327,937	147,751	1,394,428
DEFERRED INFLOWS OF RESOURCES:									
Unavailable Revenue - Period of Availability	6,017			18,276				212	24,505
Unavailable Revenue - Property Taxes	23,821								23,821
Leases	132,825								132,825
Property Taxes - Part County Sales Tax Offset	48,564								48,564
Mitchel Field - Sale of Future Rental Revenue	23,646								23,646
Total Deferred Inflows of Resources	234,873			18,276				212	253,361
FUND BALANCE (DEFICIT):									
Fund Balances (Deficit):									
Nonspendable	103,480	63	20,193	668				3,328	127,732
Spendable:									
Restricted	272,832		13,229		2,912	8,808		66,224	364,005
Committed	321,579		6,273		317,778			627	646,257
Assigned	262,971	1,035	55,529	48,712				439	368,686
Unassigned	42,243							(152)	42,091
Total Fund Balance (Deficit)	1,003,105	1,098	95,224	49,380	320,690	8,808		70,466	1,548,771
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 1,613,879	\$ 164,480	\$ 146,960	\$ 107,605	\$ 491,707	\$ 125,563	\$ 327,937	\$ 218,429	\$ 3,196,560

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, 2022 (Dollars in Thousands)**

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

Total fund balances - governmental funds	\$ 1,548,771
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation	4,111,493
Net pension asset not reported in governmental funds	135,249
Assets that are not available resources and, therefore, are not reported in the funds:	
Receivable - service concession agreements	3,375
Deferred outflows of resources not reported in governmental funds:	
Deferred loss on refunding	30,915
Pensions	608,104
Other postemployment benefits	668,886
Other assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	48,326
Deferred inflows of resources not recorded in the governmental funds:	
Deferred gain on refunding	(8,148)
Pensions	(901,565)
Service concession agreements	(54,618)
Other postemployment benefits	(208,235)
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	(493,160)
Long-term liabilities are not due and payable in the current period and accordingly are not reported in the funds:	
Accrued liabilities, retainage payable, and interest payable	(68,543)
Current portion of long-term liabilities	(434,642)
Bonds payable	(3,419,671)
Lease liability	(128,337)
Due to New York State Employees' Retirement System	(24,282)
Net pension liability	(49,644)
Total OPEB Liability	(6,777,227)
Other long-term liabilities	<u>(1,761,097)</u>
Net position (deficit) of governmental activities	<u>\$ (7,174,050)</u>

See accompanying notes to financial statements.

EXHIBIT X-5**COUNTY OF NASSAU, NEW YORK****GOVERNMENTAL FUNDS****STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES****FOR THE YEAR ENDED DECEMBER 31, 2022 (Dollars in Thousands)**

	General Fund	NIFA Fund	Police District Fund	Sewer and Storm Water District Fund	Capital Fund	Disputed Assessment Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:									
Property Taxes	\$ 345,522	\$	\$ 409,795	\$ 154,559	\$	\$ 625	\$	\$ 9,575	\$ 920,076
Payments in Lieu of Taxes	36,400		16,758	7,853					61,011
Preempted Sales Tax in Lieu of Property Taxes	94,821								94,821
Interest and Penalties on Taxes	45,042								45,042
Sales Tax	1,351,292	58,162							1,409,454
Tobacco Settlement Revenue and Tobacco Receipts								21,474	21,474
Special Taxes	31,873							2,395	34,268
Departmental Revenue	205,411		2,463	1,507	4			5,076	214,461
Interest Income	16,323	1,004	180	735	3,594	1,690		912	24,438
Licenses and Permits	13,925		3,317	1,033					18,275
Fines and Forfeitures	81,212		744					903	82,859
Rents and Recoveries	23,999		60	216				499	24,774
Interdepartmental Revenues	105,832		373						106,205
Interfund Revenues	8,001							216	8,217
Other Revenues	61,862	12						60	61,934
Opioid Litigation Settlement Revenue	20,461								20,461
State Aid	261,744		32	7	19,134			67,667	348,584
Federal Aid	174,007		522	83	117,764		33,069	65,109	390,554
Total Revenues	2,877,727	59,178	434,244	165,993	140,496	2,315	33,069	173,886	3,886,908
EXPENDITURES:									
Current:									
Legislative	15,161								15,161
Judicial	86,752							3,484	90,236
General Administration	300,788	2,240					23,668	53,933	380,629
Protection of Persons	594,284		430,929				500	10,626	1,036,339
Health	219,541						2,719	50,034	272,294
Public Works	204,694			102,592			2,681	1,831	311,798
Recreation and Parks	37,996							2,993	40,989
Social Services	530,062						3,501	18,008	551,571
Corrections	298,516							1,584	300,100
Education	12,455								12,455
Payments for Tax Certiorari	112,169								112,169
Aid to Towns and Cities	91,732								91,732
Suits and Damages	34,699								34,699
Other	48,350								48,350
Capital Outlay:									
General	811	1,005			172,383				174,199
Sewage Districts					200,638				200,638
Education					9,034				9,034
Debt Service:									
Principal	32,937	113		9,119	47,019			18,044	107,232
Interest	78,011	3		581				54,353	132,948
Bond Issuance Costs	3,019			111	1,217				4,347
Total Expenditures	2,701,977	3,361	430,929	112,403	430,291		33,069	214,890	3,926,920
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	175,750	55,817	3,315	53,590	(289,795)	2,315		(41,004)	(40,012)
OTHER FINANCING SOURCES (USES):									
Transfers In	39,817							553	40,370
Transfers Out	(553)		(392)	(29,124)		(625)		(9,676)	(40,370)
Transfers In of Investment Income	3,191			403					3,594
Transfers Out of Investment Income					(3,594)				(3,594)
Transfers In from NIFA	1,224	126						56,012	57,362
Transfers Out to NIFA		(57,146)						(216)	(57,362)
Transfers In from NCSSWFA				145,685				179,645	325,330
Transfers Out to NCSSWFA				(162,412)	(111)			(162,807)	(325,330)
Transfers In from NCTSC								140	140
Transfers Out to NCTSC								(140)	(140)
Issuance of Debt	811	1,005			467,565				469,381
Premium on Bonds	2,956				2,828				5,784
Total Other Financing Sources (Uses)	47,446	(56,015)	(392)	(45,448)	466,688	(625)		63,511	475,165
NET CHANGE IN FUND BALANCE (DEFICIT)	223,196	(198)	2,923	8,142	176,893	1,690		22,507	435,153
TOTAL FUND BALANCE AT BEGINNING OF YEAR	779,909	1,296	92,301	41,238	143,797	7,118		47,959	1,113,618
TOTAL FUND BALANCE AT END OF YEAR	\$ 1,003,105	\$ 1,098	\$ 95,224	\$ 49,380	\$ 320,690	\$ 8,808	\$	\$ 70,466	\$ 1,548,771

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, 2022 (Dollars in Thousands)**

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

Net change in fund balance - total governmental funds		\$	435,153
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period:			
Purchase of capital assets	384,589		
Depreciation and amortization expense	(217,323)		
Other	(8,391)		158,875
<hr/>			
Net change in deferred outflows of resources and other assets not reported in the funds:			
Deferred outflows of resources	(375,521)		
Other assets	(7,981)		(383,502)
<hr/>			
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.			(567)
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	(196,327)		
Net pension liability/asset	230,927		
Change in accrued interest payable and accrued expenses	(13,865)		
Deferred inflows of resources	333,597		
Change in other long-term liabilities	570,481		924,813
<hr/>			
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on the net position. Also, governmental funds report the effect of gains or losses on refunding's, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The following amounts are net effect of these differences in the treatment of long-term debt and related items:			
Change in premiums and discounts	24,560		
Change in accreted interest	(9,846)		
Proceeds from sales of bonds	(467,565)		
Principal payments of bonds	98,663		(354,188)
<hr/>			
Change in net position - governmental activities		\$	<u>780,584</u>

See accompanying notes to financial statements.

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TOTAL BUDGETARY AUTHORITY, ACTUAL, AND BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022 (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	\$ 345,468	\$ 345,468	\$ 345,522	\$	\$ 345,522	\$ 54
Payments in Lieu of Taxes	38,409	38,409	36,400	(3)	36,397	(2,012)
Preempted Sales Tax in Lieu of Property Taxes	94,821	94,821	94,821		94,821	
Interest and Penalties on Taxes	34,825	39,825	45,042	(1)	45,041	5,216
Sales Tax	1,280,179	1,396,179	1,351,292		1,351,292	(44,887)
Special Taxes	29,823	29,823	31,873		31,873	2,050
Departmental Revenue	243,011	243,743	205,411	(46)	205,365	(38,378)
Interest Income	1,015	1,015	16,323	(2,316)	14,007	12,992
Licenses and Permits	13,753	13,753	13,925		13,925	172
Fines and Forfeitures	104,998	104,998	81,212		81,212	(23,786)
Rents and Recoveries	41,360	41,360	23,999	(1,569)	22,430	(18,930)
Interdepartmental Revenues	107,859	107,859	105,832		105,832	(2,027)
Interfund Revenues	8,639	8,639	8,001		8,001	(638)
Other Revenues	62,719	63,719	61,862	1,023	62,885	(834)
Opioid Litigation Settlement Revenue		14,303	20,461		20,461	6,158
State Aid	225,053	249,453	261,744		261,744	12,291
Federal Aid	156,785	161,785	174,007		174,007	12,222
Total Revenues	2,788,717	2,955,152	2,877,727	(2,912)	2,874,815	(80,337)
Expenditures:						
Current:						
Legislative	18,191	17,444	15,161	1,743	16,904	540
Judicial	114,830	103,868	86,752	8,701	95,453	8,415
General Administration	370,208	355,604	300,788	37,582	338,370	17,234
Protection of Persons	579,135	662,885	594,284	20,908	615,192	47,693
Health	226,890	243,676	219,541	11,432	230,973	12,703
Public Works	240,006	237,428	204,694	21,764	226,458	10,970
Recreation and Parks	46,557	44,486	37,996	4,476	42,472	2,014
Social Services	638,506	608,917	530,062	39,636	569,698	39,219
Corrections	334,848	331,850	298,516	17,417	315,933	15,917
Education	16,856	12,455	12,455		12,455	
Payments for Tax Certiorari	30,000	210,039	112,169		112,169	97,870
Aid to Towns and Cities	84,756	91,732	91,732		91,732	
Suits and Damages	45,000	115,364	34,699		34,699	80,665
Other	54,226	49,908	49,161	(326)	48,835	1,073
Total Current	2,800,009	3,085,656	2,588,010	163,333	2,751,343	334,313
Debt Service:						
Principal	32,470	32,470	32,937	(8,027)	24,910	7,560
Interest	91,421	89,898	78,011	(2,215)	75,796	14,102
Bond Issuance Costs	1,500	3,023	3,019		3,019	4
Total Debt Service	125,391	125,391	113,967	(10,242)	103,725	21,666
Total Expenditures	2,925,400	3,211,047	2,701,977	153,091	2,855,068	355,979
Excess (Deficiency) of Revenues Over (Under) Expenditures	(136,683)	(255,895)	175,750	(156,003)	19,747	275,642
Other Financing Sources (Uses):						
Transfers In	44,451	44,451	39,817		39,817	(4,634)
Transfers Out	(58,190)	(58,737)	(553)		(553)	58,184
Transfers In of Investment Income	520	520	3,191		3,191	2,671
Transfer In from NIFA	750	750	1,224		1,224	474
Transfers Out to NIFA						
Issuance of Capital Leases			811	(811)		
Premium on Bonds	1,500	1,500	2,956		2,956	1,456
Total Other Financing Sources (Uses)	(10,969)	(11,516)	47,446	(811)	46,635	58,151
Net Change in Fund Balance	(147,652)	(267,411)	223,196	(156,814)	66,382	333,793
Fund Balance at Beginning of Year	147,652	267,411	779,909	160,759	940,668	673,257
Fund Balance at End of Year	\$	\$	\$ 1,003,105	\$ 3,945	\$ 1,007,050	\$ 1,007,050

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, 2022 (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	\$ 409,795	\$ 409,795	\$ 409,795	\$	\$ 409,795	\$
Payments in Lieu of Taxes	16,758	16,758	16,758		16,758	
Departmental Revenue	2,297	2,297	2,463		2,463	166
Interest Income	30	30	180	(145)	35	5
Licenses and Permits	4,625	4,625	3,317		3,317	(1,308)
Fines and Forfeits	1,485	1,485	744		744	(741)
Rents and Recoveries			60	150	210	210
Interdepartmental Revenue			373		373	373
State Aid			32		32	32
Federal Aid			522		522	522
Total Revenues	434,990	434,990	434,244	5	434,249	(741)
Expenditures:						
Current:						
Protection of Persons	436,579	436,578	430,929	4,094	435,023	1,555
Total Expenditures	436,579	436,578	430,929	4,094	435,023	1,555
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,589)	(1,588)	3,315	(4,089)	(774)	814
Other Financing Sources (Uses):						
Transfers In						
Transfers Out	(392)	(392)	(392)		(392)	
Total Other Financing Sources (Uses)	(392)	(392)	(392)		(392)	
Net Change in Fund Balance (Deficit)	(1,981)	(1,980)	2,923	(4,089)	(1,166)	814
Fund Balance (Deficit) at Beginning of Year	1,981	1,980	92,301	24,721	117,022	115,042
Fund Balance (Deficit) at End of Year	\$	\$	\$ 95,224	\$ 20,632	\$ 115,856	\$ 115,856

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, 2022 (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	\$	\$	\$ 154,559	\$	\$ 154,559	\$ 154,559
Payments in Lieu of Taxes			7,853		7,853	7,853
Departmental Revenue	1,253	1,253	1,507	9	1,516	263
Interest Income	50	50	735		735	685
Licenses and Permits	750	750	1,033	(22)	1,011	261
Rents and Recoveries	3,000	3,000	216	3,613	3,829	829
State Aid			7		7	7
Federal Aid			83		83	83
Total Revenues	5,053	5,053	165,993	3,600	169,593	164,540
Expenditures:						
Current:						
Public Works	117,687	117,940	102,592	3,226	105,818	12,122
Debt Service:						
Principal	10,443	10,443	9,119		9,119	1,324
Interest	3,557	3,557	581		581	2,976
Bond Issuance Costs		111	111		111	
Total Expenditures	131,687	132,051	112,403	3,226	115,629	16,422
Excess (Deficiency) of Revenues Over (Under) Expenditures	(126,634)	(126,998)	53,590	374	53,964	180,962
Other Financing Sources (Uses):						
Transfers In						
Transfers Out	(33,683)	(33,318)	(29,124)		(29,124)	4,194
Transfers In of Investment Income	30	30	403		403	373
Transfer Out to NCSSWFA			(162,412)		(162,412)	(162,412)
Transfer In from NCSSWFA	144,880	144,880	145,685		145,685	805
Total Other Financing Sources (Uses)	111,227	111,592	(45,448)		(45,448)	(157,040)
Net Change in Fund Balance	(15,407)	(15,406)	8,142	374	8,516	23,922
Fund Balance at Beginning of Year	15,407	15,406	41,238	15,772	57,010	41,604
Fund Balance at End of Year	\$	\$	\$ 49,380	\$ 16,146	\$ 65,526	\$ 65,526

See accompanying notes to financial statements.

EXHIBIT X-10

COUNTY OF NASSAU, NEW YORK

**STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2022 (Dollars in Thousands)**

Custodial Fund

ASSETS:

Cash	\$ 58,817
Other Assets	<u>57</u>
TOTAL ASSETS	<u>58,874</u>

LIABILITIES:

Accounts Payable	8,004
Due To Component Unit	3,887
Due To Local Governments	12,621
Taxes Due To Other Governments	9,747
Due to Others	<u>24,615</u>
TOTAL LIABILITIES	<u>58,874</u>

FIDUCIARY NET POSITION

\$

See accompanying notes to financial statements.

EXHIBIT X-11

COUNTY OF NASSAU, NEW YORK

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022 (Dollars in Thousands)**

Custodial Fund

ADDITIONS

Collections:

Funds Held for Others	\$ 69,687
Funds Held for Other Governments	210,007
Taxes Collected and Due To Other Governments	<u>113,628</u>

Total Collections 393,322

Investment Earnings:

Interest Income	<u>65</u>
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Total Additions 393,387

DEDUCTIONS

Payments and Distributions:

Funds Held for Others	58,689
Funds Held for Other Governments	215,837
Taxes Collected and Due To Other Governments	<u>118,861</u>

Total Payments and Distributions 393,387

Total Deductions 393,387

CHANGE IN NET POSITION

NET POSITION - BEGINNING

NET POSITION - ENDING

\$

See accompanying notes to financial statements.

EXHIBIT X-12**COUNTY OF NASSAU, NEW YORK**

STATEMENT OF NET POSITION (DEFICIT)
ALL DISCRETELY PRESENTED COMPONENT UNITS - PROPRIETARY
DECEMBER 31, 2022
(WITH THE NASSAU COMMUNITY COLLEGE AUGUST 31, 2022)
(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	\$ 67,293	\$ 83,221	\$ 28,149	\$ 178,663
Restricted Cash and Cash Equivalents			1,539	1,539
Restricted Investments		45,633		45,633
Student Accounts and Loans Receivable	9,640			9,640
Less Allowance for Doubtful Accounts	(6,603)			(6,603)
Due from Primary Government	4,888	22,471		27,359
Due from Other Governments	2,400			2,400
Other Receivables	4,501	38,107	3	42,611
Lease Receivable	13	1,683		1,696
Accounts Receivable		1,067,862	1,028	1,068,890
Less Allowance for Doubtful Accounts		(1,044,289)		(1,044,289)
Inventories			10,815	10,835
Prepays	1,201	4,135	93	5,429
Other Assets		3,331	784	4,115
Total Current Assets	83,333	232,969	31,616	347,918
NON CURRENT ASSETS:				
Restricted Cash and Cash Equivalents			2,739	2,739
Restricted Investments	1,827	6,375		8,202
Property Held for Sale			706	706
Net Pension Asset	8,538	60,534	1,471	70,543
Lease Receivable	1,544	11,245		12,789
Capital Assets Not Being Depreciated	31,159	21,787	477	53,423
Depreciable Capital Assets	378,254	647,853	106,607	1,132,714
Less Accumulated Depreciation	(217,338)	(534,703)	(79,616)	(831,657)
Right to use asset, net of accumulated amortization	7,290	1,455		8,745
Deposits Held in Custody for Others	3			3
Other Assets		42,742		42,742
Total Non Current Assets	211,277	257,288	32,384	500,949
Total Assets	294,610	490,257	64,000	848,867
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on bond refunding		19,412		19,412
Pensions	31,232	114,274	4,164	149,670
Other postemployment benefits	45,701	143,388	5,809	194,898
Total Deferred Outflows of Resources	\$ 76,933	\$ 277,074	\$ 9,973	\$ 363,980

(Continued)

EXHIBIT X-12**COUNTY OF NASSAU, NEW YORK**

STATEMENT OF NET POSITION (DEFICIT)
ALL DISCRETELY PRESENTED COMPONENT UNITS - PROPRIETARY
DECEMBER 31, 2022
(WITH THE NASSAU COMMUNITY COLLEGE AUGUST 31, 2022)
(Dollars in Thousands)

	Nassau Community College	Nassau Health Care Corporation	Nonmajor Discretely Presented Component Units	Total Discretely Presented Component Units
<u>LIABILITIES</u>				
CURRENT LIABILITIES:				
Accounts Payable and Accrued Liabilities	\$ 828	\$ 372,474	\$ 4,213	\$ 377,515
Retainage Payable			50	50
Unearned Revenue	12,951		461	13,412
Due To Primary Government	4,816		313	5,129
Due To Other Governments			3,847	3,847
Accrued Interest Payable		2,363		2,363
Current Portion of Long Term Liabilities	4,613	67,676	924	73,213
Current Portion of Lease Liabilities	920	709	164	1,793
Other Liabilities - Current	1,806	34,750	471	37,027
Total Current Liabilities	25,934	477,972	10,443	514,349
NON CURRENT LIABILITIES:				
Accounts Payable and Accrued Liabilities			617	617
Due to Primary Government	8,147			8,147
Notes Payable			5,056	5,056
Bonds Payable, net		118,552	7,625	126,177
Lease Liability	6,521	785	518	7,824
Liability to Third-Party Payors, net		37,545		37,545
Accrued Liabilities - Termination Pay	4,808			4,808
Accrued Vacation and Sick Pay	52,940	80,313	1,944	135,197
Due to Other Governments, net			191	191
Estimated Liability for Litigation	150	60,951		61,101
Deposits Held in Custody for Others	3			3
Net Pension Liability	2,377			2,377
Postemployment Retirement Benefits Liability	517,405	858,434	67,044	1,442,883
Other Long-Term Liabilities	684	40,583		41,267
Total Non Current Liabilities	593,035	1,197,163	82,995	1,873,193
Total Liabilities	618,969	1,675,135	93,438	2,387,542
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Pensions	31,703	206,493	5,696	243,892
Other postemployment benefits	27,008	24,421	6,640	58,069
Lease Related	1,522	12,295		13,817
Service Concession Agreements	4,429			4,429
Total Deferred Inflows of Resources	64,662	243,209	12,336	320,207
<u>NET POSITION (DEFICIT)</u>				
Net Investment in Capital Assets	191,923	80,626	18,067	290,616
Restricted:				
Nassau Health Care Corporation - Health Services		1,513		1,513
Nassau Community College - Scholarships and Other	4,177			4,177
Student Loans	415			415
Property Rehabilitation			15	15
Capital Acquisition Fund			(3,911)	(3,911)
Unrestricted	(508,603)	(1,233,152)	(45,972)	(1,787,727)
Total Net Position (Deficit)	\$ (312,088)	\$ (1,151,013)	\$ (31,801)	\$ (1,494,902)

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, 2022****(WITH THE NASSAU COMMUNITY COLLEGE AUGUST 31, 2022)****(Dollars in Thousands)**

	Nassau Community College	Nassau Health Care Corporation	Nonmajor Discretely Presented Component Units	Total Discretely Presented Component Units
Expenses	\$ 229,727	\$ 717,617	\$ 66,343	\$ 1,013,687
Program Revenues:				
Charges for Services	44,966	545,755	33,369	624,090
Operating Grants and Contributions	79,866		691	80,557
Capital Grants and Contributions				
Total Program Revenues	124,832	545,755	34,060	704,647
Net Program Revenues (Expenses)	(104,895)	(171,862)	(32,283)	(309,040)
General Revenues				
Federal, State and Local Appropriations	99,118	75,691		174,809
Investment Income	(58)	2,212	88	2,242
Gain on Sale of Real Property				
Other	3,110		4,171	7,281
Royalty Income			28,723	28,723
Total General Revenues	102,170	77,903	32,982	213,055
Change in Net Position (Deficit)	(2,725)	(93,959)	699	(95,985)
Net Position (Deficit) - Beginning of Year	(310,699)	(1,057,054)	(32,500)	(1,400,253)
Cumulative effect of Change in Accounting Principle (See Note 23)	1,336			1,336
Net Position (Deficit) - Beginning of Year, as restated	(309,363)	(1,057,054)	(32,500)	(1,398,917)
Net Position (Deficit) - End of Year	\$ (312,088)	\$ (1,151,013)	\$ (31,801)	\$ (1,494,902)

See accompanying notes to financial statements.

COUNTY OF NASSAU, NEW YORK

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The County of Nassau (the County), incorporated in 1899, contains three towns, two cities and sixty-four incorporated villages. These financial statements present the County (the primary government) which includes all funds, elected offices, departments and agencies of the County, as well as boards and commissions, since the County is financially accountable for these; and its legally separate component units.

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

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

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

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

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

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

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.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

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 27% of NCC's 2022 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, 2022.

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

- (b) ***Nassau Health Care Corporation*** (d/b/a NuHealth) (NHCC) is a public benefit corporation created pursuant to NYS Public Authorities Law Section 3401, et seq. in 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.

COUNTY OF NASSAU, NEW YORK

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

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 (\$115.1 million as of December 31, 2022) as scheduled without acceleration, as well as to the associated letter of credit banks. The County's obligations under the guaranties are independent of NHCC's ability to remain a going concern. A schedule of the remaining debt service for the Series 2009 A-D bonds as of December 31, 2022, may be found in Note 12 – Notes Payable and Long-Term Obligations.

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

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

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.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

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 August 1, 2021, NHCC entered into a five-year 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. Award of the contract was made subsequent to a Request for Proposals, issued by the County in November 2020. To ensure continuity of services, the contract contained provisions to pay NHCC for services rendered during the period of March 1, 2021 and July 31, 2021, as the previous contract between the parties had expired on February 28, 2021.

NHCC has experienced recurring operating losses, has a total negative net position of \$1.2 billion at December 31, 2022, and is dependent on the continuation of federal, state and local subsidies, certain of which have or are scheduled to end or be reduced. These matters raise substantial doubt about NHCC's ability to continue as a going concern. Additionally, the COVID-19 health crisis has added further uncertainty regarding the operations of NHCC, as well as the health care system in general. NHCC is continuously striving to improve its operating results by continuing to progress with collecting on patient accounts, through cash flows provided by government subsidies for the funding of capital projects and by participating in certain other value-based payment programs. NHCC has also undertaken a number of initiatives, including the renegotiation of commercial managed care contracts, changes to medical management practices, improved supply chain, inventory management, rightsizing of personnel and further cost reductions. The Nassau County Interim Finance Authority currently has oversight of the operations of NHCC and in that capacity, reviews certain operational aspects of the Corporation.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Reporting Entity (Continued)*****Discretely Presented Component Units (Continued)*****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 2022, there were nineteen operational facilities. OTB remits video lottery terminal revenue to the County under a separate agreement.
- (d) The Nassau County Industrial Development Agency (the NCIDA) is a public benefit corporation established on August 6, 1976 by Code Section 922, which became Chapter 674 of the Laws of 1975. NCIDA's purpose is to serve as a core resource for new and existing private firms and companies within the County to support the growth, expansion, and ongoing operations of such organizations that allow the community to thrive by issuing taxable and tax-exempt revenue bonds that provide financial assistance using only non-taxpayer dollars. It is reported as a component unit as the County appoints its governing body and may remove the NCIDA Board at will. The County has at times provided support to the NCIDA in the form of employees and facilities. Support expenditures would be included in the County's General Fund under personal services. The NCIDA has sole authority for establishing administrative and fiscal policy in the pursuit of its objectives. The County is not liable for any obligations or deficits the NCIDA may incur, nor does it share in any surpluses. The NCIDA is shown as a proprietary type component unit and is presented on the accrual basis of accounting.
- (e) The Nassau County Local Economic Assistance Corporation (the NCLEAC) was created as a local development corporation. On September 20, 2010, the County Legislature adopted a resolution authorizing the formation of NCLEAC pursuant to Section 1411 of the New York Not-for-Profit Corporation Law. The mission of NCLEAC is to serve as a core resource for new and existing philanthropic and charitable organizations within the County to support growth, expansion and ongoing operations of non-profit organizations that allow the community to thrive by serving as a conduit financing entity issuing taxable and tax-exempt revenue debt and providing other assistance to the non-profit sector in the County. NCLEAC has been determined to be a proprietary type component unit of the County and is presented on the accrual basis of accounting.

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

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

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2022

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).

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

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.

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

In February 2021, NIFA refinanced \$331 million of its outstanding debt and \$857 million of outstanding County debt and issued \$1.1 billion of new NIFA debt, expiring in 2035. See Note 12, *Notes Payable and Long-Term Obligations* for further details.

COUNTY OF NASSAU, NEW YORK

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

Blended Component Units (Continued)

(a) Nassau County Interim Finance Authority (Continued)

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 2022, the County remained in a Control Period. See Note 2 for more information on the NIFA Control Period and its effect on the County.

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

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

(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, 2022, 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).

COUNTY OF NASSAU, NEW YORK

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

Blended Component Units (Continued)

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

The consideration paid by NCTSC to the County for such acquisition consisted of \$247.5 million in cash (of which \$77.5 million was paid into escrow for the benefit of the County) and the sole beneficial interest in NCTSC Residual Trust (Residual Trust), a Delaware business trust, to which NCTSC has conveyed a residual interest in all the TSRs. The NCTSC funded such consideration from the proceeds of its Tobacco Settlement Asset-Backed Bonds, Series A, which are referred to herein as the 1999 Bonds. NCTSC's right to receive TSRs is its primary revenue source.

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

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

NCSSWFA is governed by seven board members, two seats are currently vacant, each appointed by the County Executive with confirmation by the County Legislature. Each member serves a three-year term without compensation.

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.

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2022

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)*

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.

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

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

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

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

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

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

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (i) charges for services such as rental revenue from operating leases on buildings, lots, etc., and (ii) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program.

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

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

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

The County reports the following major governmental funds:

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

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

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

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

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

Sewer and Storm Water District (SSW) Fund – This fund consists of the sewage treatment and collection districts and is responsible for the operation and repair of the County sewage collection areas and maintaining and enhancing the region’s water environment. Revenues are raised principally through a special real property tax levied to areas served by the sewage treatment and collection districts. The County reports the Sewer and Storm Water District Fund as a major fund because management believes it is important for users for public interest purposes.

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

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

Capital Fund - This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets. This fund is used to account for the expenditures for County general improvement capital construction projects. Some of the major project initiatives included in this fund are aimed at enhancements to County buildings, rehabilitation of County roadways, drainage improvements, redevelopment of park facilities and major capital equipment purchases. Funding for these projects is primarily provided by the issuance of long-term debt but also may be supplemented by Federal and State aid grant awards.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

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

The County has the following nonmajor funds:

Special Revenues Funds include the following:

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

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

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

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

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

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

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.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

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

Additionally, the County reports the following fund type:

Fiduciary Fund – The Fiduciary Fund holds resources that are not for the County's benefit. The County acts in a custodial capacity. Balances reported in the Fiduciary Fund are held in custody for beneficiaries and require no further action or demand from beneficiaries to release the assets.

Recently Adopted Accounting Standards

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. However, in recognition of the coronavirus pandemic, in 2020, the GASB issued GASB Statement No. 95, which postponed the effective date by 18 months. The County adopted GASB Statement No. 87 effective with its December 31, 2022, financial statements. The County has lessor and lessee leases. This resulted in the County reporting intangible right-to-use-asset (capital asset) and a lease liability for lessee leases and a lease receivable and deferred inflows of resources. The County also had to remove the effects of capital leases with the adoption of GASB 87. The effects on the County's financial position and results of operations is disclosed in Footnote 11 Leases and Footnote 23 Change in Accounting Principle.

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, in 2020, the GASB issued GASB Statement No. 95, which postponed the effective date by one year. The County has determined that there is no impact to the County's financial position or results of operations due to the adoption of this Statement.

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, in 2020, the GASB issued GASB Statement No. 95, which postponed the effective date by one year. The County has determined that there is no impact to the County's financial position or results of operations due to the adoption of this statement.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

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

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), was 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, in 2020, the GASB issued GASB Statement No. 95, which postponed the effective date by one year. The County has determined that there is no impact to the County's financial position or results of operations due to the adoption of this Statement.

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32* (GASB 97). The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. The County has a defined benefit pension and therefore, part of GASB 97 is not applicable. The County has determined that there is no impact to the County's financial position or results of operations due to the adoption of this Statement.

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

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

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94). The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs), including those outside the scope of GASB's existing literature in Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, and Statement No. 87, *Leases*. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). It is also designed to make certain improvements to the guidance previously included in Statement 60. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The County 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 May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The County has not completed the process of evaluating the impact that will result from implementing this Statement and is therefore unable to determine the impact that adopting this Statement will have on its financial position and results of operations when it is adopted.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

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

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

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

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

The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The County has not completed the process of evaluating the impact that will result from implementing this Statement and is therefore unable to determine the impact that adopting this Statement will have on its financial position and results of operations when it is adopted.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

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

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

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

The statement also addresses display of accounting changes and error corrections in the financial statements, disclosures in the notes to the financial statements, and presentation in required supplementary information and supplementary information. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The County has not completed the process of evaluating the impact that will result from implementing this Statement and is therefore unable to determine the impact that adopting this Statement will have on its financial position and results of operations when it is adopted.

In June 16 2022, GASB issued *Statement No. 101, Compensated Absences* (GASB 101). The Statement 101 replaces Statement No. 16, *Accounting for Compensated Absences*, to align recognition and measurement guidance for all types of compensated absences under a unified model, resulting in greater consistency and improved comparability. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The County has not completed the process of evaluating the impact that will result from implementing this Statement and is therefore unable to determine the impact that adopting this Statement will have on its financial position and results of operations when it is adopted.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

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

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

All discretely presented component units are reported using the economic resources measurement focus and the accrual basis of accounting. Their revenues are recognized in the period earned and expenses are recognized in the period incurred. Their unbilled services receivable are recognized as revenue.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are measurable when the amount of the revenue is subject to reasonable estimation. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues exclusive of revenue from Federal and State supported programs, to be available if they are collected within 60 days of the end of the current fiscal period. Revenue from Federal and State supported programs, are considered available if collected within one year of year-end. All other revenue items that are not measurable are recognized when cash is received by the government. Revenue receivables that are not collected within the 60 days are reclassified to Deferred Inflows of Resources.

Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, with the following exceptions that are in conformity with GAAP: general long-term obligation principal and interest are reported only when due, vacation and sick leave when paid, judgments and claims when settled and due, other postemployment benefits when due, pension expenditures when due and depreciation is not recognized as an expenditure.

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

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

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

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

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BUDGETS AND BUDGETARY ACCOUNTING

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

The budget as reported include prior year fund encumbrances carried forward as well as current year authorizations. In the case of the Grant Fund, an appropriated budget is legally adopted for the life of each grant as it is received. The FEMA Fund’s appropriated budget was legally adopted for the life of the FEMA project worksheets submitted to FEMA for reimbursement of expenditures incurred beginning in 2012 during Superstorm Sandy. The County Legislature also authorizes and rescinds spending and financing authority in a Capital Budget. Each project authorized has continuing budget authority until the project is completed or rescinded. All appropriated budgets are adopted by ordinance of the County Legislature on the same modified accrual basis of accounting used to report revenues and expenditures, and encumbrances are treated as charges to appropriations when recorded. All supplemental appropriations amending appropriated budgets as originally adopted are also provided by ordinance of the County Legislature. While the County remains under NIFA control period, NIFA must approve the budget legally adopted by the County Legislature.

During the fiscal year ended December 31, 2022, supplemental appropriations for the General Fund and appropriation budgets for the Grant, ARP, COVID, and DAF Funds were adopted and are included in the Statement of Revenues, Expenditures and Changes in Fund Balances, Total Budgetary Authority, Actual and Budgetary Basis for the General Fund and DAF Fund and the Schedule of Expenditures by County Departments and Offices, Total Budgetary Authority and Actual for the Grant Fund, respectively, as follows (dollars in thousands):

Supplemental Appropriations:	
General Fund	\$ 962,106
Appropriation Budgets:	
Grant Fund	125,698
ARPA Fund	186,600
COVID Fund	116,799
DAF Fund	<u>625</u>
 Total Supplemental Appropriations and Appropriation Budgets	 <u>\$ 1,391,828</u>

COUNTY OF NASSAU, NEW YORK

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BUDGETS AND BUDGETARY ACCOUNTING (Continued)

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

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

1. The proposed budget must be presented to the County Legislature not later than September 15th. (For the NCC, the proposed budget is submitted on or before the second Monday in July for the fiscal year commencing the following September 1st). The proposed budgets include proposed expenditures and the means of financing them.
2. Each year during a control period (as described under the Reporting Entity), the NIFA Act requires the County to submit the proposed budget to NIFA no later than September 15th, which must be consistent with the accompanying multi-year financial plan that the County must submit for NIFA's approval.
3. Public hearings are conducted to obtain public comments.
4. Budgets must be adopted by the County Legislature no later than October 30th of the prior year. (For the NCC, the budget is legally enacted on or before the third Monday in August).
5. The legally appropriated budget approved by the County Legislature must be approved by NIFA pursuant to its statutory authority during a control period. Should NIFA disapprove the budget, the Legislature and County Executive are required to modify the budget to meet NIFA's expectations and are consistent with the County's Multi-Year Financial Plan approved by NIFA.
6. The County Executive has the power to veto revisions to the proposed budget made by the Legislature. The Legislature may override a vetoed item within 7 days by an affirmative veto of at least 13 of the 19 members.
7. The appropriated budget can be legally amended by the County Legislature subsequent to its initial adoption. Proposed amendments can be submitted by the County Executive to the Legislature at any time during the fiscal year. These proposed amendments are then voted on by the Legislature at the next available meeting. Amendments, which are legally approved by the Legislature, are immediately reflected in the operating appropriated budget.
8. Formal budgetary integration is employed as a management control device during the year for the governmental funds. The legal level of budgetary control is exercised at the object appropriation level within a fund's departmental control center. The County Legislature must approve all transfers and supplemental appropriations at this level.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**D. ENCUMBRANCES**

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

E. CASH AND CASH EQUIVALENTS

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

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

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

F. INVESTMENTS AND CERTIFICATES OF DEPOSIT

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

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

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

G. INVENTORIES

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

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**H. CAPITAL ASSETS**

All capital assets, which are acquired or constructed for general governmental purposes, are reported as expenditures in the fund that finances the asset acquisition and are accounted for and reported in the government-wide financial statements, as capital assets, if they meet the County's capitalization criteria. These statements also contain the County's infrastructure elements that are required to be capitalized under GAAP. Infrastructure assets include public domain assets such as roads, bridges, streets, sidewalks, curbs and gutters, drainage systems, lighting systems, and the like. Real property acquired in 1984 and prior (except for infrastructure assets) is recorded at historical cost based on an appraisal performed in 1984. Real property acquired after 1984 as well as all infrastructure assets are recorded at historical cost. In accordance with GASB 87, the County has recorded as a capital asset, right of use assets for leases where the County is the lessee. Where the County is the lessor, the underlying assets continue to be reported as capital assets.

Equipment with a unit cost of \$5,000 or more is included in the financial statements as general capital assets of the County. Electronic equipment valued at a unit cost of \$500 or more and all other equipment valued at \$1,000 or more is inventoried and recorded for internal control purposes. Donated capital assets, if material, are stated at their acquisition value as of the date of the donation. Intangible assets are classified as capital assets if identifiable. Intangible assets are characterized as an asset that lacks physical substance, is nonfinancial in nature, and has an initial useful life extending beyond a single reporting period. The County has software categorized as intangible capital assets which are amortized based on the applicable useful lives as determined by management using factors in accordance with GASB 51.

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

I. DEPRECIATION

Depreciation is defined by the American Institute of Certified Public Accountants (AICPA) as a method of accounting which aims to distribute the cost or value of tangible capital assets, less any salvage value, over the estimated useful life of the assets in a systematic and rational manner. Capital assets should be depreciated over their estimated useful lives unless they are inexhaustible. Accumulated depreciation is reported for land improvements, buildings, equipment and infrastructure. (The County's land improvements consist of exhaustible capital assets such as swimming pools, parking lots, and playgrounds.) Land, which is an inexhaustible asset, and construction in progress are not depreciated. Land improvements, buildings, equipment, and infrastructure are depreciated, using straight-line method of depreciation, over their estimated useful lives of 20 years for land improvements, 40 years for buildings, 3 to 25 years for equipment and 15 to 40 years for infrastructure. Right to use assets are amortized in accordance with GASB 87, on a straight-line basis over the lease term. Intangible assets are amortized in accordance with their individual useful lives. Currently, the County has two intangible assets that are amortized over useful lives of 15 and 20 years.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

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

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

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

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

J. PREPAIDS

Prepays represent amounts paid as of year-end, which will benefit future operations and are accounted for using the consumption method. Typically, the County's prepaids primarily consist of retirement benefits. In December 2022, the County prepaid its pension invoices that were due February 2023.

K. ALLOWANCE FOR DOUBTFUL ACCOUNTS

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

NCC calculates an estimate of uncollectable student accounts and loans receivable balances according to the methodology developed based on the history of collections. All student accounts and loan receivable balances are written off if not collected after three years. Balances that are outstanding for more than two years are reserved in accordance with the NCC's policy. NHCC's allowance for doubtful patient accounts is based upon its management's assessment of historical and expected net collections, business and economic conditions, trends in Medicare and Medicaid health care coverage and other collection indicators.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

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

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

- a) Net investment in capital assets - Consists of capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances of any bonds (including related premiums, discounts, and related deferred inflows and outflows of resources), notes, payables, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c) Unrestricted net position -All other net position that does not meet the definition of “restricted” or “net investment in capital assets.” A deficit will require future funding.

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

The classification of fund balance is based on the extent to which the County is obligated to abide by constraints on the specific purposes for which government funds may be spent. The fund balance classifications are as follows:

Nonspendable - includes fund balance amounts that cannot be spent because they are either not in spendable form, will not convert to cash within the current period, or are legally or contractually required to be maintained intact.

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

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

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

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

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

The County has a policy to set recommended levels of fund balance (assigned and unassigned) of no less than four percent and no more than five percent of normal prior-year expenditures made from its internally defined General Fund and County-wide Special Revenue Funds, the Police District Fund, and the Reserve Funds (Employee Accrued Benefit Liability Fund, Retirement Contribution Reserve Fund, and the Bond Indebtedness Fund) which are included in the General Fund. The policy stipulates that use of unreserved fund balance is restricted to: (i) non-recurring expenses that promote important policy objectives; or (ii) extraordinary operating and capital purposes that could not be anticipated and which otherwise cannot be financed with current revenues in the annual operating budget.

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

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

N. GRANTS AND OTHER INTERGOVERNMENTAL REVENUES

Federal and State grants and assistance awards made on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. All other Federal and State reimbursement type grants are recorded as intergovernmental receivables and revenues when the related expenditures or expenses are incurred.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**N. 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 2023. While 90% of the Storm's costs continue to be reimbursed through FEMA's public assistance program, as of 2014 Governor Cuomo announced funding from the state allocated Community Development Block Grant-Disaster Relief (CDBG-DR) to cover the remaining 10% of storm related costs incurred by local governments as a result of federally declared disasters. To date, the County has received \$20.6 million of funding from CDBG-DR. As of December 31, 2022, the County has funded approximately \$5.0 million of expenditures that exceed the amounts obligated by the CDBG-DR program.

The County's costs for emergency protective measures, debris removal and other recovery efforts through the fiscal year ended December 31, 2022 total approximately \$240.2 million, with repair efforts continuing. Through 2022, the County has recorded a total of \$217.3 million of FEMA aid related to this recovery effort.

Expenditures for capital projects related to the Storm's costs, including the repair efforts related to Bay Park, total approximately \$754.7 million through 2022. A total of \$400.5 million has been recorded as revenue from FEMA through year-end 2022.

In 2021 and 2022, the County received \$385.0 million of cash under the American Rescue Plan Act (ARPA). The funds may only be used for costs incurred within a specific time period, beginning March 3, 2021, with all funds obligated by December 31, 2024 and all funds spent by December 31, 2026. As of year-end December 31, 2022, the County spent \$32.1 million of the money received in various programs aimed at assisting local residents, taxpayers and businesses, and has appropriated \$186.6 million. See Note 22, *Subsequent Events* for more information.

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

P. REAL PROPERTY TAX

County real property taxes are levied on or before the third Monday in December and recorded as a receivable on January 1, the first day of the succeeding fiscal year. They are collected in two semi-annual installments, payable on January 1 and July 1 by the town and city receivers of taxes together with the town and city tax levies, all of which become a lien on January 1. The town receivers of taxes likewise collect real property taxes for all towns, school districts and special districts in the County, and return to the County after June 1st for school taxes and September 1st for general taxes, any uncollected taxes receivable. Pursuant to the Nassau County Administrative Code (Administration Code), the County assumes the burden of such uncollected taxes, and has the responsibility for their collection from the taxpayers.

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.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**P. REAL PROPERTY TAX (Continued)**

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 2022 was \$4.9 billion. The constitutional tax margin was \$4.5 billion or approximately 91.66% of the maximum taxing authority in 2022. See Exhibit T-10.

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

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

Q. INTERFUND TRANSACTIONS

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

In addition, numerous interfund transfers are recorded to ensure proper accounting under GAAP. For example, expenditures, such as property tax refunds, a portion of which may be paid for using the proceeds from borrowings, would be transferred from the County's Capital Fund to the County's General Fund to properly reflect the nature of the transaction. Interfund revenues are offset by an equal amount of interfund expenditures. The County reports the revenues and expenditures rather than netting the two in order to properly reflect the transactions by departments, primarily in the general and administrative line, for users of the financial statements.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**R. PAYABLE TO BROKER**

Investments are recorded as an asset based on the trade date (order date) of the purchase and results in a payable to investment broker until such time as funds for the purchase have been transferred to the broker on the settlement date and delivery of the investments have been received.

S. NOTES PAYABLE

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

T. LONG-TERM OBLIGATIONS

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

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

Examples of long-term obligations reported by the County include serial bonds issued, accrued vacation and sick pay, the County's proportionate share of the net pension liability, tax certiorari liability, and other postemployment benefits. Descriptions of those obligations may be found in this Note. See Note 12, *Notes Payable and Long-Term Obligations* for the reporting of these obligations.

U. CLAIMS

The County self-insures for most risks, with certain exceptions. In the fund financial statements, expenditures for judgments and claims and workers' compensation are recorded when paid or due. In the government-wide financial statements, the estimated liability for all judgments and claims is recorded as a liability. This liability includes an estimate for incurred but not reported (IBNR) claims, which are claims for events that have occurred but have not yet been reported to the governmental entity as of the date of the financial statements.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

U. CLAIMS (Continued)

In 2021, the County entered into an agreement to extend the contractual obligation to reimburse NHCC for the cost of certain insurance coverage, and to indemnify NHCC for liability and related costs not covered by insurance, in connection with NHCC’s provision of health care services at the Correctional Center. The County was not required under the agreement to indemnify NHCC for claims arising out of non-jail-based healthcare services. Claims related to treatment at NUMC are the responsibility of NHCC, subject to the insurance coverage described above. A discussion of potential liability arising from disputed claims with prior vendor Armor Correctional Health Services Inc. is discussed in potential litigation liability section of this 2022 Annual Comprehensive Financial Report.

Most other risks are assumed directly by the County.

V. DUE TO NEW YORK STATE RETIREMENT SYSTEM

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

These amortization payments are paid out of current resources each year and are recorded as an expenditure in the governmental funds. The total unpaid pension amortization liability is recorded in the government-wide financial statements. Subsequent to the fiscal year-end, in February 2023, the County repaid the remaining pension amortization liability of \$29.9 million to the System. The County did not elect to amortize the invoices for the 2022 fiscal year. The County is current with its pension expenditures.

W. NET PENSION LIABILITY – PROPORTIONATE SHARE

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

X. OTHER POSTEMPLOYMENT BENEFITS (OPEB) HEALTHCARE COSTS

In addition to providing pension benefits, the County provides health insurance coverage and survivor benefits for retired employees and their survivors. County employees become eligible for these benefits when an employee completes 10 years of services, depending upon position, with the County and can retire. Generally, a non-uniformed employee who has 20 years of service with the County, has reached the age of 62, and can retire is eligible for individual benefits. Uniformed employees need only 20 years of service with no minimum age requirement. The County also provides, upon retirement, vision benefits to all employees except ordinance employees and elected officials.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

X. OTHER POSTEMPLOYMENT BENEFITS (OPEB) HEALTHCARE COSTS (Continued)

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

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

Y. CONTRACTUAL LIABILITY DUE TO NHCC

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

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

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

NHCC’s OPEB liability as of 12/31/2022 was calculated based upon the actuary’s 2020 Valuation report. The liability will be revalued every three years. It represents an estimate of the County’s future liability under the Acquisition Agreement for retirees who had been employed by the County at the time that the NHCC became a PBC.

Z. ESTIMATED TAX CERTIORARI PAYABLE

The County has claims that have been filed against the Board of Assessors, for the correct determination of the assessed valuation (certiorari proceedings) assessment roll. The County has issued bonds in prior years in order to pay for a portion of these property tax refunds. No tax certiorari payments were made in 2022 with bond proceeds. A portion of these settlements are paid as tax certiorari expenditures in the governmental funds. The estimated liability is a synopsis of all unpaid 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.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

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

Tax certiorari payments for commercial properties may be made using funds accumulated in the DAF Fund. See Note 21B, *Contingencies and Commitments* for further details.

AA. ADVANCES RECEIVABLE AND PAYABLE

The County's General Fund, and Sewer and Storm Water District Fund make cash advances to the Capital Fund when funding is required to continue an existing capital project prior to the issuance of bonds or bond anticipation notes. As of December 31, 2022, \$42.1 million in advances was due back to the General Fund, and \$22.5 million was due to the Sewer and Storm Water District Fund. Upon the issuance of bonds or bond anticipation notes, the proceeds from those issuances are used to repay the outstanding advances. Generally, the County repays the advances shortly after the fiscal year-end and thus, the advances are usually reported as part of the interfund receivables and payables. However, the County issued bonds on April 25th and 27th, 2023, to repay the outstanding advances and fund capital projects.

BB. USE OF ESTIMATES

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

2. CONTROL PERIOD CALCULATION

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

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

During a control period, NIFA has the authority to withhold transitional State Aid and is empowered, among other things, to approve or disapprove proposed contracts and borrowings by the County and covered organizations; approve, disapprove or modify the County's financial plan; issue binding orders to the appropriate local officials; impose a wage freeze; and terminate the control period upon finding that no condition exists which would permit imposition of a control period.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

2. CONTROL PERIOD CALCULATION (Continued)

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

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

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

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

Under the Control Period Calculation requirement, the budgetary basis results of the County's five major budgetary operating funds, the General (not consolidated), Fire Prevention, Police Headquarters, Police District and Debt Service Funds, are converted to GAAP results (modified accrual basis) then adjustments are made to remove the effect of other financing sources that are derived from the issuance of bonds (i.e., bond proceeds and premiums) and are used to pay for operational expenditures, such as termination pay and property tax refunds. For the fiscal year 2022, the County reported a \$79.7 million surplus under the Control Period Calculation reporting for the five funds listed above. A reconciliation from GAAP to the required Control Period Calculation results is shown below.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

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. Exhibit E-1 shows the Control Period Calculation; for fiscal year 2022, there were no adjustments to the GAAP net change in fund balance of \$79.7 million for the five funds of the County.

For fiscal year 2022, the County’s governmental funds reported a \$223.2 million surplus in the General Fund and a \$2.9 million surplus in the Police District Fund (PDD), for a total surplus of \$226.1 million. Included in the County’s General Fund under governmental GAAP are several reserve funds that are not treated as operating funds for County budgetary basis reporting purposes. Those funds are the Litigation Fund (LIT), the Employee Benefit Accrued Liability Reserve Fund (EBF), the Bond Indebtedness Reserve Fund (BIF), the Retirement Contribution Reserve Fund (RCF), the Technology Fund (TCF), the Open Space Fund (OSF), the Excess Sales Tax Fund (EST) and the Opioid Litigation Settlement Fund (OLS). The total 2022 governmental GAAP surplus of those funds that was included in the General Fund surplus of \$223.2 million was \$146.4 million.

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

(dollars in millions)

	change in fund balance per 2022 Annual Comprehensive Financial Report	LIT	EBF	BIF	RCF	TCF	OSF	EST	OLS	Total	2022 GAAP net change in fund balance
General Fund	\$ 223.2	\$ 341.7	\$ 0.1	\$ 105.0	\$ 40.3	\$ -	\$ 0.2	\$ (362.2)	\$ 21.3	\$ 146.4	\$ 76.8
PDD Fund	2.9										2.9
	<u>\$ 226.1</u>	<u>\$ 341.7</u>	<u>\$ 0.1</u>	<u>\$ 105.0</u>	<u>\$ 40.3</u>	<u>\$ -</u>	<u>\$ 0.2</u>	<u>\$ (362.2)</u>	<u>\$ 21.3</u>	<u>\$ 146.4</u>	<u>\$ 79.7</u>

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

* These 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, EST = SRF Excess Sales Tax Fund, OLS = Opioid Litigation Settlement Fund.

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

3. DEPOSITS AND INVESTMENTS

At December 31, 2022, the County’s total cash and cash equivalents, which consisted of cash in money market interest bearing bank accounts at rates averaging 3.50%, and two three-month certificates of deposit, for the governmental funds and the fiduciary funds, were \$1.8 billion and \$58.8 million, respectively. As of December 31, 2022, the County’s bank balances totaling \$2.08 billion (including fiduciary funds of \$79.6 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, 2022, total investments amounted to \$188.8 million. The investments consisted of U.S. Treasury Notes, a Certificate of Deposit, and other obligations of the U.S. government, which are explicitly guaranteed by the U.S. government and therefore not considered to have credit risk. NCTSC also invests in shares of a money market fund, which invests in short-term U.S. Treasury securities paying a fixed, variable or floating interest rate and in repurchase agreements backed by U.S. Treasury securities.

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 are held by NIFA’s trustee bank solely as agent of NIFA. All investments mature in less than six months.

The following table summarizes the County’s unrestricted and restricted cash and cash equivalents (including fiduciary funds and blended component units) and the investment position on December 31, 2022 (dollars in thousands):

	Cash and Cash Equivalents	Investments	Certificate of Deposit	Total
Cash and Cash Equivalents	\$ 1,868,254	\$	\$	\$ 1,868,254
Certificates of deposit			155,000	155,000
Treasury notes and investments		33,753		33,753
Totals	\$ 1,868,254	\$ 33,753	\$ 155,000	\$ 2,057,007
Governmental Funds	\$ 1,809,437	\$ 33,753	\$ 155,000	\$ 1,998,190
Fiduciary Funds	58,817			58,817
Totals	\$ 1,868,254	\$ 33,753	\$ 155,000	\$ 2,057,007

COUNTY OF NASSAU, NEW YORK

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

3. DEPOSITS AND INVESTMENTS (Continued)

The County maintains a consolidated disbursement account with a financial institution on behalf of the College. At August 31, 2022, the College had a cash balance of \$67.3 million, of which \$41.5 million was held by the County on behalf of the College, and the bank balance was \$36.6 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, 2022, the carrying amount (fair value) of the College's investments was \$1.8 million.

At December 31, 2022, all of NHCC's cash and cash equivalents are insured through FDIC or collateralized held by NHCC's third-party trustee or the pledging financial institution's trust department in the name of NHCC, to the full extent of the deposits.

4. FAIR VALUE MEASUREMENT

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

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

The following is a summary of the fair value hierarchy of the fair value of the County's (which include NIFA and NCSSWFA) investments as of December 31, 2022:

		(Dollars in thousands)				
		Fair Value Measurements Using:				
		Quoted Prices in Active Market for Identical Assets		Significant Other Observable Inputs		Significant Unobservable Inputs
<u>Investment by Fair Value Level</u>	Credit Quality Rating	Total	Level 1	Level 2	Level 3	
Debt Securities						
U.S. Government securities	N/A	\$ 25,319	\$	\$ 25,319	\$	
Federal Agency securities	N/A	8,434	-	8,434	-	
Total investment by fair value level		<u>\$ 33,753</u>	<u>\$ -</u>	<u>\$ 33,753</u>	<u>\$ -</u>	

NCTSC's restricted investments of \$15.0 million consist of shares in a money market fund which invests in short-term U.S. Treasury securities paying fixed or variable interest rates and in repurchase agreements backed by U.S. Treasury securities which are stated at amortized cost, which approximates fair value 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, 2022.

COUNTY OF NASSAU, NEW YORK

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

4. FAIR VALUE MEASUREMENT (Continued)

The following is a summary of the total investments (including NCTSC’s restricted investments of \$15 million, but excluding the DAF Fund’s restricted certificate of deposit) held by the County as of December 31, 2022 (dollars in thousands):

Investments	\$ 15
Restricted Investments	<u>33,738</u>
	<u>\$ 33,753</u>

At December 31, 2022, the County’s major discretely presented component units’ financial instruments are measured at fair value were categorized between Levels 1, 2, and 3 as follows (dollars in thousands):

	(Dollars in thousands)			
	2022	Fair Value Measurements Using:		
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	\$ 47,386	\$ 47,386	\$	\$
Certificates of deposit	2,154		2,154	
Equity securities	43	43		
Mutual funds	537	537		
Municipal bonds	757		757	
U.S Treasury Bills	-		-	
	<u>\$ 50,877</u>	<u>\$ 47,966</u>	<u>\$ 2,911</u>	
Certificates of Deposit*				<u>2,958</u>
				<u>\$ 2,958</u>

* 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, 2022 (dollars in thousands):

Restricted investments	<u>\$ 53,835</u>
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**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

5. DUE FROM OTHER GOVERNMENTS

Due from Other Governments at December 31, 2022 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	2022		
	Federal	State/Other*	Total
General Fund	\$ 52,572	\$ 118,664	\$ 171,236
NIFA Fund		163,296	163,296
Police District Fund	515		515
Sewer & Storm Water District Fund	63	7,448	7,511
Capital Fund	44,266	2,718	46,984
Nonmajor Governmental Funds	24,304	20,291	44,595
TOTAL RECEIVABLE	\$ 121,720	\$ 312,417	\$ 434,137

* Sales tax receivable of \$177,279 (both General and NIFA funds) due from NYS, is reported separately in the financial statements as sales tax receivable.

6. TAX SALE CERTIFICATES

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

7. TAX REAL ESTATE HELD FOR SALE

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

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

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A. Interfund Receivables, Payables and Transfers

The individual fund Interfund Receivables and Interfund Payables as of December 31, 2022 are reconciled as follows (dollars in thousands):

December 31, 2022	General Fund	NIFA Fund	Police District Fund	Sewer & Storm Water District Fund	Capital Fund	Disputed Assessment Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
INTERFUND RECEIVABLE									
General Fund	\$	\$	\$ 19,517	\$	\$	\$	\$	\$ 6	\$ 19,523
NIFA Fund	146,473							16,803	163,276
Police District Fund	26,897								26,897
Sewer & Storm Water District Fund	36,739								36,739
Capital Fund	2,477			183					2,660
Disputed Assessment Fund	625								625
American Rescue Plan Fund	78								78
Nonmajor Governmental Funds	26,253		204		183			32	26,672
TOTAL RECEIVABLE	\$ 239,542	\$	\$ 19,721	\$ 183	\$ 183	\$	\$	\$ 16,841	\$ 276,470
INTERFUND PAYABLE									
General Fund	\$	\$ (146,473)	\$ (26,897)	\$ (36,739)	\$ (2,477)	\$ (625)	\$ (78)	\$ (26,253)	\$ (239,542)
NIFA Fund									
Police District Fund	(19,517)							(204)	(19,721)
Sewer & Storm Water District Fund					(183)				(183)
Capital Fund								(183)	(183)
Disputed Assessment Fund									
American Rescue Plan Fund									
Nonmajor Governmental Funds	(6)	(16,803)					(32)		(16,841)
TOTAL PAYABLE	\$ (19,523)	\$ (163,276)	\$ (26,897)	\$ (36,739)	\$ (2,660)	\$ (625)	\$ (110)	\$ (26,640)	\$ (276,470)
Transfers In:									
December 31, 2022	General Fund	Police District Fund	Sewer & Storm Water District Fund	Capital Fund	Disputed Assessment Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Total	
Transfers Out:									
General Fund	\$	\$	\$	\$	\$	\$	\$ 553	\$ 553	
Police District Fund	392							392	
Sewer & Storm Water District Fund	29,124							29,124	
Capital Fund									
Disputed Assessment Fund	625							625	
American Rescue Plan Fund									
Nonmajor Governmental Funds	9,676							9,676	
TOTAL	\$ 39,817	\$	\$	\$	\$	\$	\$ 553	\$ 40,370	

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (Continued)

A. Interfund Receivables, Payables and Transfers (Continued)

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(Q) for additional description of interfund transactions.

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, 2022 do not offset each other as they include accounts of the College at the end of their fiscal year on August 31, 2022, and NHCC, which has timing differences with the County. The following reconciles the December 31, 2022 amount by carrying forward the College transactions affecting these accounts from September 1, 2021 through December 31, 2022 and the NHCC for the timing differences.

<u>Dollars in Thousands</u>	<u>2022</u>
Due from Primary Government (Exhibit X-1), Component Units	\$ 27,359
Due to Primary Government (Exhibit X-1), Component Units	<u>(13,276)</u>
Net Due from Primary Government, Component Units	<u>\$ 14,083</u>
Nassau Community College Transactions from September 1, to December 31:	
Increase in due from Capital Fund	\$ 106
Increase in due from Fiduciary Fund	4,137
Decrease in due to General Fund	(1,213)
Decrease in due to Other Funds	<u>(25)</u>
Subtotals	<u>3,005</u>
Nassau Health Care Corporation	
Net Change in Encumbrances	<u>(10,384)</u>
Due to Component Units - Fiduciary per Balance Sheet: (Exhibit X-10)	(3,887)
Due From Component Units - Governmental per Balance Sheet (Exhibit X-3)	87,100
Due To Component Units - Governmental per Balance Sheet (Exhibit X-3)	(84,917)
Pass-through revenues from OTB	<u>(5,000)</u>
Due to Component Units - Fiduciary and Governmental	<u>\$ (14,083)</u>

COUNTY OF NASSAU, NEW YORK

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

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 assets that is applicable to future reporting period(s) and therefore will not be recognized as an outflow of resources (expense/expenditure) until that time. The County currently has four items that qualify for reporting in this category; deferred loss on bond refunding, the deferred charges in unrecognized grant costs, the deferred charges on other post-employment benefits and deferred charges on pensions.

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

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

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

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

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

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

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.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

9. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (Continued)

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, *Contingencies and Commitments, Service Concession Arrangements*, for further discussion of the County’s service concession arrangements.

The deferred inflow of resources related to leases, represents the deferred portion of the rental income. Upon commencement of a lease, where the County is the lessor, the present value of lease payments expected to be received during the lease term is used to measure the deferred inflow of resources. The subsequent lease payments received by the County will reduce the deferred inflow of resources. The deferred inflow of resources will be recognized as revenue over the lease term.

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

10. CAPITAL ASSETS

The 2022 capital assets inclusive of the blended component unit, NIFA, are reconciled to the 2022 amounts reported on Exhibit X-1 in the table below (dollars in thousands):

	Governmental Activities
Capital assets not being depreciated	\$ 1,649,647
Depreciable and amortizable capital assets	5,214,279
Accumulated depreciation and amortization	<u>(2,752,433)</u>
Capital assets - net	4,111,493
Outstanding related debt, liabilities, and deferred outflows/inflows of resources	<u>(1,602,340)</u>
Net investment in capital assets	<u>\$ 2,509,153</u>

The County evaluates capital assets for prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The County’s practice is to record an impairment loss in the period when its service utility has declined significantly and unexpectedly. In 2022, no impairment losses were recognized related to the County.

COUNTY OF NASSAU, NEW YORK

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

10. CAPITAL ASSETS (Continued)

Activity for capital assets, inclusive of the blended component unit, NIFA, reconciled to the 2022 amount reported in Exhibit X-1, is summarized below (dollars in thousands):

Primary Government	(as restated) * Balance January 1, 2022	Additions	Reductions	Balance December 31, 2022
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 257,980	\$ 1,416	\$ 3,329	\$ 256,067
Intangible - Land Dev Rights	8,804			8,804
Construction in progress	1,409,388	347,752	372,364	1,384,776
Total capital assets, not being depreciated:	<u>1,676,172</u>	<u>349,168</u>	<u>375,693</u>	<u>1,649,647</u>
Capital assets, being depreciated and amortized:				
Intangible	63,740			63,740
Land Improvements	100,520	12,948		113,468
Buildings	1,313,341	79,713		1,393,054
Equipment	597,123	36,935	161,109	472,949
Infrastructure	2,745,447	279,702		3,025,149
Total capital assets, being depreciated	<u>4,820,171</u>	<u>409,298</u>	<u>161,109</u>	<u>5,068,360</u>
Total capital assets	6,496,343	758,466	536,802	6,718,007
Less accumulated depreciation and amortization:				
Intangible	14,482	3,394		17,876
Land Improvements	78,543	7,902		86,445
Buildings	661,225	41,822		703,047
Equipment	430,293	34,310	152,718	311,885
Infrastructure	1,503,285	118,437		1,621,722
Total accumulated depreciation and amortization	<u>2,687,828</u>	<u>205,865</u>	<u>152,718</u>	<u>2,740,975</u>
Total capital assets, being depreciated and amortized, net	<u>2,132,343</u>	<u>203,433</u>	<u>8,391</u>	<u>2,327,385</u>
Lease Assets, being amortized:				
Buildings	144,103	1,816		145,919
Total lease assets, being amortized	<u>144,103</u>	<u>1,816</u>		<u>145,919</u>
Less accumulated lease amortization:				
Buildings		11,458		11,458
Total accumulated lease amortization		<u>11,458</u>		<u>11,458</u>
Total lease assets, net	<u>144,103</u>	<u>(9,642)</u>		<u>134,461</u>
Governmental activities capital assets, net	<u>\$ 3,952,618</u>	<u>\$ 542,959</u>	<u>\$ 384,084</u>	<u>\$ 4,111,493</u>

* Restated for cumulative effect of change in Accounting Principles, adoption of GASB Statement No. 87

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

10. CAPITAL ASSETS (Continued)

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

	<u>County</u>
Transfer from construction in progress	<u>\$ 372,364</u>
Additions to capital assets:	
Land improvements	\$ 12,948
Buildings	79,713
Infrastructure	<u>279,703</u>
	<u>\$ 372,364</u>

Depreciation and amortization expense was charged to functions of the primary government for the fiscal year ended December 31, 2022 as follows (dollars in thousands):

	Land					Total
	Intangible	Improvements	Buildings	Equipment	Infrastructure	
Functions:						
Legislative	\$	\$	\$ 6	\$ 40	\$	\$ 46
Judicial		60	1,092	472		1,624
General Administration	3,394	60	18,639	3,935		26,028
Protection of Persons			2,500	10,085	2,657	15,242
Health			101	155		256
Public Works		6,859	9,328	3,845	112,066	132,098
Recreation and Parks		863	10,988	651	3,714	16,216
Social Services		60	181	58		299
Corrections			8,103	1,060		9,163
Other Expenditures/MSBA			660	14,008		14,668
Metropolitan Transportation Authority						
Other			<u>1,682</u>	<u>1</u>		<u>1,683</u>
Total depreciation expense	<u>\$ 3,394</u>	<u>\$ 7,902</u>	<u>\$ 53,280</u>	<u>\$ 34,310</u>	<u>\$ 118,437</u>	<u>\$ 217,323</u>

Total capital assets of the County, as of December 31, 2022 is \$6.9 billion with accumulated depreciation and amortization of \$2.8 billion.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

10. CAPITAL ASSETS (Continued)

Nassau Community College Capital Assets

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

	Balance at September 1, 2022 (restated)	Additions	Reductions	Balance at August 31, 2022
Capital assets, not being depreciated:				
Land	\$ 2,733	\$	\$	\$ 2,733
Construction in Progress	21,197	6,533		27,730
Library	621	75	-	696
Total capital assets, not being depreciated	<u>24,551</u>	<u>6,608</u>	<u>-</u>	<u>31,159</u>
Capital assets, being depreciated:				
Land improvements	31,303	730		32,033
Infrastructure	30,520	576		31,096
Buildings	213,616	109		213,725
Building improvements	79,036	5,663		84,699
Equipment	15,565	553	-	16,118
Total capital assets, being depreciated	<u>370,040</u>	<u>7,631</u>	<u>-</u>	<u>377,671</u>
Total capital assets	<u>394,591</u>	<u>14,239</u>	<u>-</u>	<u>408,830</u>
Less accumulated depreciation:				
Land improvements	9,920	1,533		11,453
Infrastructure	11,992	1,667		13,659
Buildings	127,210	4,066		131,276
Building improvements	43,842	3,538		47,380
Equipment	12,269	765	-	13,034
Total accumulated depreciation	<u>205,233</u>	<u>11,569</u>	<u>-</u>	<u>216,802</u>
Net capital assets being depreciated	<u>164,807</u>	<u>(3,938)</u>		<u>160,869</u>
Lease assets, being amortized:				
Buildings	8,357	-	-	8,357
Less accumulated amortization:				
Buildings	-	1,067		1,067
Total Lease Assets, net	<u>8,357</u>	<u>(1,067)</u>	<u>-</u>	<u>7,290</u>
Total capital assets, net	<u>\$ 197,715</u>	<u>\$ 1,603</u>	<u>\$ -</u>	<u>\$ 199,318</u>

Capital assets of the Faculty-Student Association, a component unit of the College as of August 31, 2022 consisted of the following (dollars in thousands):

	Balance August 31, 2022
Furniture and equipment	\$ 351
Vans	232
	583
Less accumulated depreciation	(536)
Total capital assets (net)	<u>\$ 47</u>

Total depreciable capital assets of the College and Faculty-Student Association, a component unit of the College, as of August 31, 2022, were \$386.6 million with accumulated depreciation of \$218.4 million.

COUNTY OF NASSAU, NEW YORK

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

10. CAPITAL ASSETS (Continued)

Nassau Health Care Corporation Capital Assets

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

	Balance January 1, 2022	Additions	Reductions	Balance December 31, 2022
Capital assets, not being depreciated:				
Land	\$ 12,498	\$	\$	\$ 12,498
Construction in progress	7,025	2,264		9,289
Total capital assets, not being depreciated	19,523	2,264		21,787
Capital assets, being depreciated:				
Land improvements	17,130			17,130
Buildings and improvements	247,518	1,456		248,974
Fixed equipment	122,096	1,198		123,294
Movable equipment	248,587	10,001	133	258,455
Total capital assets, being depreciated	635,331	12,655	133	647,853
Total capital assets	654,854	14,919	133	669,640
Less accumulated depreciation for:				
Land improvements	14,509	234		14,743
Buildings and improvements	180,569	6,944		187,513
Fixed equipment	109,646	1,042		110,688
Movable equipment	210,238	11,654	133	221,759
Total accumulated depreciation	514,962	19,874	133	534,703
Net capital assets being depreciated	120,369	(7,219)		113,150
Lease Assets, being amortized:				
Equipment	2,169			2,169
Total lease assets being amortized	2,169			2,169
Less accumulated amortization:				
Equipment		714		714
Total accumulated lease amortization		714		714
Total lease assets, net	2,169	(714)		1,455
Total capital assets, net	\$ 142,061	\$ (5,669)	\$	\$ 136,392

COUNTY OF NASSAU, NEW YORK

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

11. LEASES

Lessor Leases

The County, NCC and NHCC lease owned land and properties to others. As the lessor, lease receivable and deferred inflow of resources are recognized in the Statement of Net Position. All lease receivables are recognized and based on individual contract stipulations.

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

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

Lease Receivable and Deferred Inflow of Resources

During the current fiscal year, the County had contractual leasing agreements for land, properties and equipment ranging from 2 to 44 years in length.

Initial lease receivable and deferred inflow of resources recognized for the fiscal year ending December 31, 2022 (NCC August 31, 2022), are as follows (dollars in thousands):

	Primary government		NCC		NHCC	
	Lease Receivable Recognized	Deferred Inflow of Resources Recognized	Lease Receivable Recognized	Deferred Inflow of Resources Recognized	Lease Receivable Recognized	Deferred Inflow of Resources Recognized
Land	\$ 3,386	\$ 3,386	\$	\$	\$ 10,915	\$ 10,915
Property Leases	135,487	135,487	1,572	1,572	2,330	2,330
	<u>\$ 138,873</u>	<u>\$ 138,873</u>	<u>\$ 1,572</u>	<u>\$ 1,572</u>	<u>\$ 13,245</u>	<u>\$ 13,245</u>

The County, NCC and NHCC recorded the following at December 31, 2022 (NCC August 31, 2022)

(dollars in thousands):

	Primary Government	NCC	NHCC
Lease Revenue	\$ 6,048	\$ 50	\$ 950
Deferred Inflow of Resources	132,825	1,522	12,295
Lease Receivable	\$ 135,878	\$ 1,557	\$ 12,295
Interest Revenue	\$ 2,461	\$ 32	\$ 657
Accrued Interest Receivable	\$ 205	\$	\$

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

11. LEASES (Continued)

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

Scheduled lease receipts for the years ending December 31 beginning in fiscal year 2023 (NCC August 31, 2023), are as follows (dollars in thousands):

	Primary government			NCC			NHCC		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 3,846	\$ 2,408	\$ 6,254	\$ 13	\$ 32	\$ 45	\$ 1,026	\$ 636	\$ 1,662
2024	3,913	2,343	6,256	15	32	47	887	614	1,501
2025	3,796	2,278	6,074	17	31	48	663	600	1,263
2026	3,863	2,212	6,075	19	31	50	533	589	1,122
2027	3,931	2,144	6,075	20	31	51	486	588	1,074
2028-2032	20,522	9,646	30,168	134	145	279	1,935	2,933	4,868
2033-2037	24,584	7,643	32,227	195	129	324	1,467	2,940	4,407
2038-2042	27,614	5,266	32,880	270	105	375	1,257	2,936	4,193
2043-2047	32,540	2,568	35,108	362	72	434	1,074	2,836	3,910
2048-2052	11,093	186	11,279	475	30	505	923	2,612	3,535
2053-2057	54	14	68	37	2	39	792	2,220	3,012
2058-2062	68	8	76				680	1,601	2,281
2063-2067	54	2	56				572	685	1,257
	<u>\$ 135,878</u>	<u>\$ 36,718</u>	<u>\$ 172,596</u>	<u>\$ 1,557</u>	<u>\$ 640</u>	<u>\$ 2,197</u>	<u>\$ 12,295</u>	<u>\$ 21,790</u>	<u>\$ 34,085</u>

Lessee Leases

The County and its component units also lease various properties and equipment. The lessees recognize a lease liability and intangible right-to-use lease asset in the statement of net position and recognize all lease liabilities based on individual contract stipulations.

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

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

11. LEASES (Continued)

Right to Use Lease Asset and Lease Liability

During the current fiscal year, the County had contractual agreements for various leases of real properties and equipment ranging from 2 – 21 years in length based on the non-cancelable portion of the contractual agreements as the lessee.

Initial Right to Use Asset and Lease Liability recognized by the County and its component units, for the fiscal year ending December 31, 2022 (NCC August 31, 2022), are as follows (dollars in thousands):

	Primary Government		NCC		NHCC	
	Right to Use Asset Recognized	Lease Liability Recognized	Right to Use Asset Recognized	Lease Liability Recognized	Right to Use Asset Recognized	Lease Liability Recognized
Property Leases	\$ 143,964	\$ 143,964	\$ 8,357	\$ 8,357	\$	\$
Equipment Leases	138	138			2,169	2,169
	<u>\$ 144,103</u>	<u>\$ 144,103</u>	<u>\$ 8,357</u>	<u>\$ 8,357</u>	<u>\$ 2,169</u>	<u>\$ 2,169</u>

The County and its component units recorded the following at December 31, 2022 (NCC August 31, 2022) (dollars in thousands):

	Primary Government	NCC	NHCC
Right to Use Assets	\$ 145,919	\$ 8,357	\$ 2,169
Accumulated Amortization	(11,458)	(1,067)	(714)
Net Right to Use Assets	134,461	7,290	1,455
Lease Liability	\$ 137,350	\$ 7,441	\$ 1,494
Accrued Interest Liability	\$ 65	\$	\$

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

Scheduled lease payments for the years ending December 31 (NCC August 31) beginning in fiscal year 2023 are as follows (dollars in thousands):

	Primary Government			NCC			NHCC		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 9,013	\$ 2,267	\$ 11,280	\$ 921	\$ 172	\$ 1,093	\$ 709	\$ 59	\$ 768
2024	9,227	2,106	11,333	965	150	1,115	413	27	440
2025	8,610	1,948	10,558	1,096	125	1,221	275	12	287
2026	8,160	1,811	9,971	1,123	98	1,221	97	1	98
2027	8,483	1,671	10,154	1,151	70	1,221			
2028-2032	47,505	6,056	53,561	2,185	53	2,238			
2033-2037	40,369	1,845	42,214						
2038-2042	5,671	299	5,970						
2043	312	1	313						
	<u>\$ 137,350</u>	<u>\$ 18,004</u>	<u>\$ 155,354</u>	<u>\$ 7,441</u>	<u>\$ 668</u>	<u>\$ 8,109</u>	<u>\$ 1,494</u>	<u>\$ 99</u>	<u>\$ 1,593</u>

COUNTY OF NASSAU, NEW YORK

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

12. NOTES PAYABLE AND LONG-TERM OBLIGATIONS

County of Nassau Notes Payable and Long-Term Obligations

In June 2022, the County issued Series A General Obligation Bonds in the amount of \$268.4 million. The bonds bear interest at 4.0% and 5.0% with maturity dates ranging from April 2024 to April 2042. The bonds maturing on or after April 1, 2033 are subject to optional redemption on April 1, 2032 or any date thereafter. The bonds were issued to fund various public purposes, including capital projects, and to pay costs of issuance.

In December 2022, the EFC Clean Water Facility Note 2021A was converted into a long-term bond in the amount of \$26.8 million. The bond bears zero interest with maturity dates ranging from June 2023 to June 2052.

In December 2022, the EFC Clean Water Facility Note 2021B was converted into a long term bond in the amount of \$149.3 million. The bond bears interest ranging from 3.047% to 4.886% with maturity dates ranging from March 2023 to March 2052.

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

	<u>Balance January 1, 2022</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance December 31, 2022</u>
General Fund:				
Revenue anticipation notes - (2% issued in 2021, maturity date in 2022)	\$ 39,330	\$ -	\$ 39,330	\$
Total General Fund	<u>\$ 39,330</u>	<u>\$</u>	<u>\$ 39,330</u>	<u>\$</u>

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2022

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, 2022	Additions	Reductions	Balance December 31, 2022	Due Within One Year
General Long-Term Obligations					
Debt:					
General Obligation County Bonds - (4.00% to 5.00%, issued in 2009 through 2022, maturity dates 2025 through 2052)	\$ 1,545,916	\$ 268,425	\$ 24,910	\$ 1,789,431	\$ 114,110
NYS EFC Revolving Fund bonds - (0.263% to 6.182%, issued in 2002 through 2022, maturity dates 2023 through 2052) - County	64,879	176,129	9,119	231,889	13,161
Total Serial Bonds - County	<u>1,610,795</u>	<u>444,554</u>	<u>34,029</u>	<u>2,021,320</u>	<u>127,271</u>
Sales Tax Secured Bonds -NIFA, (various interest rates, issued in 2021 maturity dates 2022 through 2035)	1,148,194		460	1,147,734	67,914
Nassau County Sewer and Storm Water Finance Authority System Revenue Bonds Series 2014A (5.0%, issued in 2014, maturity date 2034)	87,365		12,865	74,500	13,445
Tobacco Settlement Asset-Backed Bonds, Series 2006 (5.0% to 7.35%, issued in 2006, maturity dates 2026 through 2060)	388,390		3,643	384,747	
Total Serial Bonds - NIFA, NCSSWFA, NCTSC	<u>1,623,949</u>	<u>-</u>	<u>16,968</u>	<u>1,606,981</u>	<u>81,359</u>
Total Serial Bonds	<u>3,234,744</u>	<u>444,554</u>	<u>50,997</u>	<u>3,628,301</u>	<u>208,630</u>
Accreted interest - Tobacco Settlement Asset Backed Bonds	102,919	9,846	647	112,118	
Total Serial Bonds and Accreted Interest	<u>3,337,663</u>	<u>454,400</u>	<u>51,644</u>	<u>3,740,419</u>	<u>208,630</u>
Deferred Bond Premium/Discount (net of amortization)	417,058	5,784	30,344	392,498	11,456
Total Serial Bonds and accreted interest, net of deferred bond premium/discount	<u>\$ 3,754,721</u>	<u>\$ 460,184</u>	<u>\$ 81,988</u>	<u>\$ 4,132,917</u>	<u>\$ 220,086</u>
Long-Term Bond Anticipation Notes					
EFC- Bond Anticipation notes - (0.0% and 2.48% issued in 2022, maturity date in 2027)	\$ 47,019	\$ 23,011	\$ 47,019	\$ 23,011	\$
Total Long-Term Bonds and accreted interest, net of deferred bond premium/discount and Long Term Bond Anticipation Notes	<u>\$ 3,801,740</u>	<u>\$ 483,195</u>	<u>\$ 129,007</u>	<u>\$ 4,155,928</u>	<u>\$ 220,086</u>

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2022

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

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

Long – Term Obligations (Continued)

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

	Balance January 1, 2022	Additions	Reductions	Balance December 31, 2022	Due Within One Year
Balances carried forward	\$ 3,801,740	\$ 483,195	\$ 129,007	\$ 4,155,928	\$ 220,086
Other:					
Accrued Vacation and Sick Pay	463,517	37,188	40,282	460,423	45,404
Due to City of Glen Cove	38		19	19	18
Deferred Payroll	57,310	15,169	17,392	55,087	12,537
Estimated Liability for Workers' Compensation	344,628	14,859	36,785	322,702	35,667
Estimated Tax Certiorari Liability*	632,247	66,984	370,622	328,609	67,000
Estimated Liability for Litigation	623,121	47,001	101,323	568,799	26,273
Lease Liability	144,103	1,816	8,569	137,350	9,013
Pollution Remediation	1,750	4,240		5,990	
Contractual Liability due to NHCC	243,197		46,768	196,429	13,002
Due to New York State Retirement System**	165,829		135,905	29,924	5,642
Net Pension Liability - Employee Retirement System (ERS)	1,617	25,767	27,384		
Net Pension Liability - Police and Fire Retirement System (PFRS)	143,705	61,660	155,721	49,644	
OPEB Liability	6,580,900	415,517	219,190	6,777,227	
Total Other	9,401,962	690,201	1,159,960	8,932,203	214,556
Total General Long-Term Obligations	<u>\$ 13,203,702</u>	<u>\$ 1,173,396</u>	<u>\$ 1,288,967</u>	<u>\$ 13,088,131</u>	<u>\$ 434,642</u>

* The amount reported in this table is exclusive of the governmental funds tax certiorari liability of \$20,721 (current portion of \$10,198 and long-term portion of \$10,523) and property tax refund payable of \$34,044. The total estimated certiorari liability presented in the government-wide statements is \$383,374. See note 21 (b).

** In February 2023, the County elected to make a payment of \$29.9 million to pay down the balance of the deferred pension amortization due to Retirement System. This is not reflected in the due within one year amount of \$5,642 reported above, which agrees to the pension amortization schedules in Note 14, Pensions. See Note 22, Subsequent Events for more details.

COUNTY OF NASSAU, NEW YORK

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

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

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

Long – Term Obligations (Continued)

Pension costs for employees are paid by the General Fund, Police District Fund, and 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 2022, 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, 2022, total serial bonds outstanding were \$3.7 billion of which \$2.9 billion were utilized to pay approximately: \$0.6 billion in tax certiorari claims; \$0.4 billion for bonded operating expenses; \$94.3 million for debt on capital assets of NCC; \$130.0 million for non-capitalizable project expenditures, \$8.6 million for debt on capital assets of the NHCC and its affiliates that are no longer the County’s assets, and \$1.7 billion related to capitalizable assets. The remaining outstanding debt of approximately \$0.8 billion is related to the NYS EFC Revolving Fund, 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 NYS EFC Revolving Fund bonds. County general obligation bonds issued for environmental protection are financed by the Environmental Protection Fund. All other County debt service will be financed by the General Fund. For the governmental activities, claims and judgments are generally liquidated by the General Fund and compensated absences are liquidated principally by the General and Police Funds. Deferred payroll, due to employees’ retirement system, and net pension liability are liquidated based on the assigned location of the employee in each fund.

The annual requirements and sources to amortize the County’s General Obligation serial bonds payable as of December 31, 2022 are as follows (dollars in thousands):

Years Ending December 31,	Debt Service Requirements					
	Principal		Interest		Total	
	General County Budgets	Sewer District Budgets	General County Budgets	Sewer District Budgets	General County Budgets	Sewer District Budgets
2023	\$ 114,110	\$ 13,161	\$ 87,674	\$ 6,344	\$ 201,784	\$ 19,505
2024	124,910	11,354	78,842	7,259	203,752	18,613
2025	88,740	9,323	73,134	6,794	161,874	16,117
2026	91,610	7,130	68,606	6,531	160,216	13,661
2027	99,175	7,261	64,438	6,332	163,613	13,593
2028-2032	284,215	33,397	265,759	28,782	549,974	62,179
2033-2037	303,755	33,819	198,794	24,253	502,549	58,072
2038-2042	333,630	36,866	118,082	18,613	451,712	55,479
2043-2047	211,536	40,059	53,458	11,835	264,994	51,894
2048-2052	137,750	39,519	12,540	4,103	150,290	43,622
Total	\$ 1,789,431	\$ 231,889	\$ 1,021,327	\$ 120,846	\$ 2,810,758	\$ 352,735

COUNTY OF NASSAU, NEW YORK

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

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

Long-Term Obligations (Continued)

At December 31, 2022, the County's legal debt margin was approximately \$19.2 billion and total long-term obligation bonds authorized but unissued for general County and sewage district purposes were approximately \$1.9 billion. As of December 31, 2022, 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 of Glen Cove to finance its sewer system was \$5.1 million. As of December 31, 2022, the total principal outstanding related to the City's bonds issued to finance the sewer system was \$18.0 thousand. The bonds have maturity dates through June 2023 and annual interest rates between 4.125% and 4.25%. Total estimated debt service (including interest) as of December 31, 2022, through maturity is approximately \$19.0 thousand. For the year ended December 31, 2022, the County made payments of \$19 thousand for such debt service. The County has included this contractual obligation in its long-term obligations.

The annual requirements to amortize the City of Glen Cove's bond issuances for the sewer fund, including interest as of December 31, 2022, are as follows (dollars in thousands):

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 18	\$ 1	\$ 19
	<u>\$ 18</u>	<u>\$ 1</u>	<u>\$ 19</u>

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

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

NIFA Long-Term Debt

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

	(As restated)*			Balance	Due Within
	Balance			December	One Year
	January 1, 2022	Additions	Reductions	31, 2022	One Year
Bonds payable:					
Sales tax secured bonds payable	\$ 1,148,194	\$	\$ 460	\$ 1,147,734	\$ 67,914
Premiums	190,706		15,114	175,592	
Total bonds payable	<u>1,338,900</u>		<u>15,574</u>	<u>1,323,326</u>	<u>67,914</u>
Lease payable*	182	1,005	113	1,074	41
Total OPEB Liability	2,852	155		3,007	
Net pension liability	1		1		
Compensated absences	<u>350</u>	<u>130</u>	<u>75</u>	<u>405</u>	<u>81</u>
Total long term debt	<u>\$ 1,342,285</u>	<u>\$ 1,290</u>	<u>\$ 15,763</u>	<u>\$ 1,327,812</u>	<u>\$ 68,036</u>

* Restated for cumulative effect of change in accounting principle, adoption of GASB Statement No. 87

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

Bonds of NIFA are issued pursuant to an Indenture, as supplemented and amended (the Indenture) between NIFA and the United States Trust Company of New York and its successor The Bank of New York Mellon (the Trustee), under which NIFA has pledged its right, title and interest in 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, 2022, NIFA had outstanding sales tax secured bonds in the amount of \$1,147.7 million, maturing through the year 2035. The Series 2021A bonds maturing on or after November 15, 2031, are subject to optional redemption or mandatory tender prior to their stated maturity dates, in whole or part, on any date on or after May 15, 2031, at 100% of principal amount plus accrued interest at date of redemption. The 2021B bonds are subject to optional redemption or mandatory tender prior to their stated maturity dates, in whole or part on any date, at 100% of the principal amounts or at the present value of the remaining scheduled principal and interest discounted to the redemption date plus 5 basis points for those bonds maturing in 2023 through and including 2025, 2027 and 2029 or plus 10 basis points for bonds that mature in 2026, 2028 and 2030.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

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

NIFA Long-Term Debt (Continued)

Fixed Rate Bonds - NIFA has outstanding fixed rate bonds at rates ranging between 0.263% 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.

Aggregate debt service to maturity, pursuant to the stated terms of the bond indenture agreements as of December 31, 2022, is as follows (dollars in thousands):

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 67,914	\$ 32,901	\$ 100,815
2024	57,850	32,173	90,023
2025	98,815	31,306	130,121
2026	82,985	30,253	113,238
2027	81,195	29,565	110,760
2028-2032	438,900	118,699	557,599
2033-2035	320,075	24,249	344,324
	<u>\$ 1,147,734</u>	<u>\$ 299,146</u>	<u>\$ 1,446,880</u>

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2022

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

NCSSWFA Long-Term Debt

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

	<u>Balance</u> <u>January 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>December 31, 2022</u>	<u>Due within</u> <u>One Year</u>
Revenue bonds payable:					
Series 2014A	\$ 87,365	\$	\$ 12,865	\$ 74,500	\$ 13,445
Premiums	14,344		1,988	12,356	
Total bonds payable	<u>\$ 101,709</u>	<u>\$</u>	<u>\$ 14,853</u>	<u>\$ 86,856</u>	<u>\$ 13,445</u>

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

Aggregate debt service to maturity as of December 31, 2022 excluding premiums, with an interest rate of 5.0%, is as follows (dollars in thousands):

<u>Years Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 13,445	\$ 3,725	\$ 17,170
2024	10,285	3,053	13,338
2025	8,640	2,539	11,179
2026	9,075	2,106	11,181
2027	9,530	1,653	11,183
2028-2032	18,570	3,264	21,834
2033-2034	4,955	375	5,330
	<u>\$ 74,500</u>	<u>\$ 16,715</u>	<u>\$ 91,215</u>

COUNTY OF NASSAU, NEW YORK

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

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

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 2022 totaled \$17.1 million and \$4.3 million, respectively.

Any additional revenues received above the required debt service payments are required to fund sinking fund installments and/or Turbo Redemptions. NCTSC received TSRs that were sufficient to meet the required debt service payment of \$17.1 million and \$4.3 million respectively on its Series 2006 Bonds during 2022. As a result, NCTSC made turbo payments in the amount of \$4.3 million. In accordance with the Indenture Agreement, the Senior Liquidity Reserve Account was underfunded at its required level by \$9.1 million at December 31, 2022.

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 on Bonds, will constitute an event of default.

The amount of TSRs received is dependent on many factors, including, but not limited to, future domestic cigarette consumption, the financial capability of the Participating Manufacturers (the PMs), litigation affecting the 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.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

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

NCTSC Long-Term Debt (Continued)

A summary of changes in long-term liabilities for the NCTSC for the year ended December 31, 2022 is as follows (dollars in thousands):

	Balance January 1, 2022	Additions	Reductions	Balance December 31, 2022	Due within One Year
Bonds Payable	\$ 388,390	\$	\$ 3,643	\$ 384,747	\$
Plus: Accreted interest	102,919	9,846	647	112,118	
Less: Bond discount	(4,504)	282		(4,222)	
Total bonds payable	<u>\$ 486,805</u>	<u>\$ 10,128</u>	<u>\$ 4,290</u>	<u>\$ 492,643</u>	<u>\$</u>

Bonds outstanding and amounts including accretion since issuance at December 31, 2022, are as follows (dollars in thousands):

Description	Original Date Issued	Original Amount	Interest Rate	Maturity Date	Amount Outstanding	Amount Outstanding Including Acc. Interest
2006A2	4/5/2006	37,906	5.25%	6/1/2026	\$ 34,263	\$ 40,350
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	27,787
2006C	4/5/2006	9,868	6.00%	6/1/2046	9,867	26,546
2006D	4/5/2006	37,604	6.40%	6/1/2060	37,604	107,958
2006E	4/5/2006	802	7.35%	6/1/2060	802	2,684
					<u>\$ 384,746</u>	496,865
					Unamortized Bond Discount	(4,222)
						<u>\$ 492,643</u>

The following table summarizes NCTSC's minimum future debt service requirements as of December 31, 2022 (dollars in thousands):

Years Ending December 31,	Principal	Interest	Total
2023	\$	\$ 16,939	\$ 16,939
2024		16,939	16,939
2025		16,939	16,939
2026	34,263	21,967	56,230
2027		14,820	14,820
2028-2032		74,101	74,101
2033-2037	97,005	61,975	158,980
2038-2042		49,849	49,849
2043-2047	215,072	226,322	441,394
2048-2052			
2053-2057			
2058-2060	38,406	1,141,808	1,180,214
	<u>\$ 384,746</u>	<u>\$ 1,641,659</u>	<u>\$ 2,026,405</u>

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

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

Nassau Community College Long-Term Debt

Long-term liability activity for the year ended August 31, 2022, follows (dollars in thousands):

	(restated) Balance			Balance	Due within
	September 1, 2021	Additions	Reductions	August 31, 2022	One Year
Due to County - ERS deferral	\$ 7,165	\$ -	\$ 1,324	\$ 5,841	\$ 1,153 *
Due to County long term note	5,219		860	4,359	900 *
Deposits held in custody for others	3			3	
Accrued vacation and sick pay	55,225		2,285	52,940	
Accrued liabilities -					
termination pay	9,826	2,404	2,883	9,347	4,539
Estimated liability for litigation	150			150	
Net pension liability (asset) TRS	(21,524)	23,901		2,377	
Net pension liability ERS	108	-	8,645	(8,537)	
Other liability - long term	915		157	758	74
Lease liability	8,357		916	7,441	920
Postemployment retirement					
benefits payable	499,116	18,289	-	517,405	
Total long-term notes and liabilities	<u>\$ 564,560</u>	<u>\$ 44,594</u>	<u>\$ 17,070</u>	<u>\$ 592,084</u>	<u>\$ 7,586</u>

*These amounts of \$2,053 are included in the due to primary government reported as current liabilities in Exhibit X-12.

As of August 31, 2022, principal, and interest payments for the Due to County - long-term note are as follows (dollars in thousands):

Years Ending August 31,	Principal	Interest	Total
2023	\$ 900	\$ 183	\$ 1,083
2024	945	136	1,081
2025	989	87	1,076
2026	745	42	787
2027	780	3	783
Total	<u>\$ 4,359</u>	<u>\$ 451</u>	<u>\$ 4,810</u>

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

12. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)***Nassau Community College Long-Term Debt (Continued)***

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.

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 \$13.6 million in both State and local appropriations for contributions of capital assets in fiscal year 2022.

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 \$4.4 million related to these bonds in the Due to Primary Government balance in the Statement of Net Position.

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2022

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

Nassau Health Care Corporation Long-Term Debt

A schedule of changes in the NHCC’s long-term debt and noncurrent liabilities for 2022 is as follows (dollars in thousands):

	Balance January 1, 2022	Additions	Reductions	Balance December 31, 2022	Due within one year
Bonds payable, net	\$ 155,508	\$ 1,999	\$ 20,229	\$ 137,278	\$ 18,726
Third party liabilities	47,556		6,187	41,369	3,824
Accrued vacation and sick pay	84,085	32,448	27,296	89,237	8,924
Insurance reserve liability	75,176		1,391	73,785	12,834
Accrued pension benefits/net pension liability	726		726	-	
Postemployment retirement benefits liability	778,512	103,290		881,802	23,368
Lease liability	-	2,169	675	1,494	709
Other	19,929	25,245		45,174	4,591
Total noncurrent liabilities	<u>\$ 1,161,492</u>	<u>\$ 165,151</u>	<u>\$ 56,504</u>	<u>\$ 1,270,139</u>	<u>\$ 72,976</u>

The NHCC’s bonds payable at December 31, 2022 consisted of the following (dollars in thousands):

Series 2009 Tax Exempt Bonds bearing fixed rate interest at 5% per annum. Interest is payable semi-annually on August 1 and February 1 of each year through Bond maturity on August 1, 2029. Bond principal is payable annually on August 1 of each year through Bond maturity on August 1, 2029.	\$ 115,125
Bond Premium, net of amortization of \$4,625.	20,298
Other	1,855
	<u>137,278</u>
Current portion	<u>18,726</u>
Total long term debt	<u>\$ 118,552</u>

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

12. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)***Nassau Health Care Corporation Long-Term Debt (Continued)***

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

Prior to the July 1, 2021, remarketing of the bonds, total principal outstanding was \$156.4 million. Pursuant to the remarketing of the bonds, bonds proceeds totaled approximately \$150.1 million. Additionally, the bonds were priced with a premium resulting in additional proceeds of approximately \$24.9 million. The premium was used to: terminate the SWAPs under the prior VRDB structure at a cost of approximately \$17.7 million; downsize the outstanding principal balance by approximately \$6.3 million; and pay the underwriters discount and costs of issuance totaling \$0.9 million.

The primary purpose of the remarketing of the bonds was to eliminate market risks associated with the VRDB's, as well as the requirements of letters of credit and swap agreements that were in place in conjunction with the VRDB structure. No significant economic gain or loss nor change in cash flow resulted from the remarketing.

The bonds are secured by payments made to NHCC by the County under a guaranty issued by the County pursuant to an ordinance adopted by the County dated March 1, 2009.

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 any payments under the guaranty. The guaranty cannot be amended without the consent of the trustee (on behalf of the holders of the Bonds).

In connection with the issuance of the April 2009 Bonds, NHCC incurred a loss of approximately \$31.5 million. The loss on refunding (the difference between the reacquisition price and the net carrying amount of the old debt) is classified as a deferred outflow of resources. Amortization of the deferred loss was approximately \$1.4 million for the year ended December 31, 2022, and accumulated amortization as of December 31, 2022 was \$12.1 million.

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

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2022

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 semi-annually, payable on February 1 and August 1. Payments applicable to long-term debt for years subsequent to December 31, 2022 are as follows (dollars in thousands):

Years Ending December 31,	Principal	Estimated Interest	Total
2023	\$ 15,125	\$ 5,756	\$ 20,881
2024	15,545	5,000	20,545
2025	15,980	4,223	20,203
2026	16,420	3,424	19,844
2027	16,890	2,603	19,493
2028-2029	35,165	2,649	37,814
	\$ 115,125	\$ 23,655	\$ 138,780

13. REFINANCING OF LONG-TERM OBLIGATIONS

Defeasance of Debt

Prior to December 31, 2022, 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, 2022, approximately \$351.1 million of outstanding bonds (including NIFA and NCSSWFA) are considered defeased.

In prior years and the current year, 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, 2022, \$266.1 million of defeased bonds remains outstanding.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

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). These are cost-sharing multiple-employer defined benefit retirement systems. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. NYS implemented a new Voluntary Defined Contribution Program (VDC). County employees may also elect to participate in the VDC, a defined contribution retirement program, established under Chapter 18 of the Laws of 2012 which amended portions of the RSSL. Beginning July 1, 2013, the VDC plan option was made available to all unrepresented employees hired on or after July 1, 2013 and earning a full-time rate of \$75,000 or more on annual basis. Employees receiving pension benefits from a public retirement system in NYS are not eligible to join or continue active participation in the VDC. An employer contribution of 8% of salary will be made for the duration of employment based on annual wages in a given calendar year. Employee contributions, also required for the duration of employment, range from 3-6% based upon estimated gross annual wages in a given calendar year. Benefits are determined by the amount contributed each year and the success of the investments.

The County, NIFA, NCC and NHCC also participate in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

14. PENSION PLANS (Continued)**Benefits Provided**

The System provides retirement benefits as well as death and disability benefits.

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2.0% of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

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

Tiers 3, 4, and 5

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

Benefit calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2% of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5% of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with ten or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members, age 55 or older with 30 or more years of service can retire with no reduction in benefits.

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

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

Disability Retirement Benefits

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

Ordinary Death Benefits

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

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%.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

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.

2022 Contributions based on the State fiscal year ending March 31, 2022 for ERS and PFRS members were as follows (in thousands of dollars):

	Annual Required Contribution	Credit & Miscellaneous Adjustments	Prepayment Discount	Amortization/ Deferral	Total Payment
ERS	\$ 90,755	\$ 23	\$	\$ 24,588	\$ 115,366
PFRS	95,887	138		14,794	110,819

The contractually required contributions recorded by the County, inclusive of blended component units, for the year ended December 31, 2022 were as follows (in thousands):

	Contractually Required Contribution
ERS	\$ 71,016
PFRS	\$ 96,735

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2022

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 2013 was 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 fiscal year attributable to Chapter 57, Laws of 2010 was \$0.3 million, which no longer includes an amount attributable to NCC’s ERS members. Amortization contributions will be paid in ten equal installments, one per year, but may be prepaid at any time. The County has elected to amortize over the ten-year period. 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:

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

	Principal	Interest	Total Principal and Interest
Year-ending December 31, 2023	\$ 304	\$ 9	\$ 313
Totals	\$ 304	\$ 9	\$ 313

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

14. PENSION PLANS (Continued)**Funding Policy (Continued)**

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

- In the first years of participation, this Alternate Program allows employers to amortize more than the original program. Each year, the graded rate will change. The new graded rate always moves from the previous graded rate towards the new actuarial rate. The original program graded rate moves by up to 1% per year. The pace at which the rate declines is slower than it is under the original program.
- This Alternate Program first applied to the bill that was due on February 1, 2014. The graded rate will stay constant for the following year as well.
- Under this Alternate Program, employers will pay interest on the amortized amount. The interest rate will be set annually. The interest rate on the amount amortized in a given year will be the interest rate for that year and will be fixed for the duration of that payment period. Amounts amortized in other years will be at the interest rate set for the year of the amortization. The Alternate Program interest rate is comparable to a 12-year US Treasury Bond plus 1%.
- The interest rate for repayment of the amounts amortized over 12 years in New York State for each fiscal year was as follows: 2014 = 3.76%, 2015 = 3.50%, 2016 = 3.31%, 2017 = 2.63%, 2018 = 3.31%, 2019 = 3.99%, 2020 = 2.87% and 2021 = 1.60%. No amortization was elected by the County for 2022.

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 \$29.6 million, which no longer includes an amount 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.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

14. PENSION PLANS (Continued)

Funding Policy (Continued)

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

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Years ending December 31, 2023	\$ 1,981	\$ 228	\$ 2,209
2024	2,050	159	2,209
2025	2,121	88	2,209
2026	496	18	514
Totals	<u>\$ 6,648</u>	<u>\$ 493</u>	<u>\$ 7,141</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Years ending December 31, 2023	\$ 1,079	\$ 165	\$ 1,244
2024	1,117	127	1,244
2025	1,156	88	1,244
2026	1,196	48	1,244
2027	302	10	312
Totals	<u>\$ 4,850</u>	<u>\$ 438</u>	<u>\$ 5,288</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Years ending December 31, 2023	\$ 660	\$ 128	\$ 788
2024	688	100	788
2025	710	78	788
2026	734	54	788
2027	758	30	788
2028-2032	191	1	192
Totals	<u>\$ 3,741</u>	<u>\$ 391</u>	<u>\$ 4,132</u>

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2022

14. PENSION PLANS (Continued)

Funding Policy (Continued)

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

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Years ending December 31, 2023	\$ 581	\$ 100	\$ 681
2024	596	85	681
2025	611	70	681
2026	627	54	681
2027	644	37	681
2028-2032	827	24	851
Totals	<u>\$ 3,886</u>	<u>\$ 370</u>	<u>\$ 4,256</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Years ending December 31, 2023	\$ 505	\$ 132	\$ 637
2024	521	116	637
2025	539	98	637
2026	556	81	637
2027	575	62	637
2028-2032	1,362	70	1,432
Totals	<u>\$ 4,058</u>	<u>\$ 559</u>	<u>\$ 4,617</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Years ending December 31, 2023	\$ 249	\$ 92	\$ 341
2024	259	82	341
2025	269	72	341
2026	280	61	341
2027	291	50	341
2028-2032	1,028	81	1,109
Totals	<u>\$ 2,376</u>	<u>\$ 438</u>	<u>\$ 2,814</u>

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2022

14. PENSION PLANS (Continued)

Funding Policy (Continued)

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

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Years ending December 31, 2023	\$ 157	\$ 46	\$ 203
2024	162	41	203
2025	166	37	203
2026	171	32	203
2027	176	27	203
2028-2032	<u>805</u>	<u>58</u>	<u>863</u>
Totals	<u>\$ 1,637</u>	<u>\$ 241</u>	<u>\$ 1,878</u>

2021 Chapter 57, Part BB, Laws of 2013
 ERS and PFRS
 (in thousands of dollars)

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Years ending December 31, 2023	\$ 219	\$ 39	\$ 258
2024	223	35	258
2025	226	32	258
2026	230	28	258
2027	234	24	258
2028-2032	1,225	65	1,290
2033-2039	<u>64</u>	<u>1</u>	<u>65</u>
Totals	<u>\$ 2,421</u>	<u>\$ 224</u>	<u>\$ 2,645</u>

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

14. PENSION PLANS (Continued)

Funding Policy (Continued)

Total ERS and PFRS
(in thousands of dollars)

	Principal	Interest	Total Principal and Interest
Years ending December 31, 2023	\$ 5,735	\$ 939	\$ 6,674
2024	5,616	745	6,361
2025	5,798	563	6,361
2026	4,290	376	4,666
2027	2,980	240	3,220
2028-2032	5,438	299	5,737
2033-2039	64	1	65
Totals	<u>\$ 29,921</u>	<u>\$ 3,163</u>	<u>\$ 33,084</u>

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) and 3.67% (2014) 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 and 2014 pension bills, respectively. There was no deferral of pension contributions subsequent to 2018. The total amount due at December 31, 2022 related to these deferred pension contributions is approximately \$19.9 million, of which \$4.6 million is included in current liabilities and \$15.3 million is included as part of other long-term liabilities.

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

At December 31, 2022 the County (inclusive of NIFA), reported an asset of \$85.5 million for its proportionate share of the net pension liabilities/(assets) of the System. The net pension liability/(asset) was measured as of March 31, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of April 1, 2021, with updated procedures to roll forward the total pension liability to March 31, 2022. The County’s proportion of the net pension liability/(asset) was based on a projection of the County’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

14. PENSION PLANS (Continued)

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

	Primary Government				Major Discretely Presented Component Units		
	County		NIFA	Total	NCC		NHCC
	ERS	PFRS	ERS		ERS	TRS	ERS
Measurement Date	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	June 30, 2022	March 31, 2022
Net Pension Liability (Asset)	\$ (135,172)	\$ 49,644	\$ (77)	\$ (85,605)	\$ (8,538)	\$ 2,377	\$ (60,534)
Allocation of the System's							
Total Net Liability (Asset)	1.6529321%	8.7471749%	0.0009470%		0.1100000%	0.1200000%	0.7410000%

There was no significant change in the County’s (inclusive of NIFA), NCC’s, and NHCC’s proportionate share from March 31, 2021 to March 31, 2022.

For the year ended December 31, 2022, the County, exclusive of component units, recognized pension expense of \$34.4 million for ERS and \$69.4 million for PFRS.

At December 31, 2022, 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	\$ 10,239	\$ 26,787	\$ 37,026	\$ 13,281	\$	\$ 13,281	\$ 646	\$ 4,584	\$ 839	\$ 5,946
Changes of assumptions	225,630	297,393	523,023	3,807		3,807	14,250	101,024	240	1,705
Net difference between projected and actual earnings on pension plan investments				442,716	417,508	860,224			27,960	198,222
Changes in proportion and differences between the Employer's contribution and proportionate share of contributions	29,101	18,915	48,016	18,390	5,863	24,253	1,835	8,666	1,161	620
Employer's contribution subsequent to the measurement date, net of prepaid amounts	39		39				1,522			
Total	\$265,009	\$343,095	\$608,104	\$478,194	\$423,371	\$901,565	\$ 18,253	\$114,274	\$ 30,200	\$206,493

*Amounts are reported for the year ending August 31, 2022

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

14. PENSION PLANS (Continued)

For the year ended August 31, 2022, NCC recognized pension expense of \$3.1 million related to TRS. At August 31, 2022, 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	\$ 2,491	\$ 48
Changes of assumptions	4,612	957
Net difference between projected and actual earnings on pension plan investments	3,072	
Changes in proportion and differences between the Employer's contribution and proportionate share of contributions	653	498
Employer's contributions subsequent to the measurement date	2,151	
Total	<u>\$ 12,979</u>	<u>\$ 1,503</u>

Contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in fiscal year 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands of dollars):

	Major Discretely Presented Component Units					
	Primary Government		NCC			NHCC
	ERS	PFRS	ERS	TRS	ERS	
Year Ended December 31, 2023	\$ (29,988)	\$ (15,290)	\$ (1,895)	\$ 1,807	\$ (12,358)	
2024	(47,111)	(30,197)	(2,976)	914	(20,008)	
2025	(113,678)	(95,288)	(7,180)	(341)	(49,761)	
2026	(22,446)	57,532	(1,418)	6,062	(10,092)	
2027		2,939		846		
Thereafter				37		
Totals	<u>\$ (213,223)</u>	<u>\$ (80,304)</u>	<u>\$ (13,469)</u>	<u>\$ 9,325</u>	<u>\$ (92,219)</u>	

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

14. PENSION PLANS (Continued)

Actuarial Assumptions – ERS and PFRS

The net pension liability(asset) as of March 31, 2022 was determined by using an actuarial valuation as of April 1, 2021, with updated procedures used to roll forward the total pension liability to March 31,2022. The actuarial valuations used the following actuarial assumptions:

	ERS	PFRS
Actuarial cost method	Entry age normal	Entry age normal
Inflation	2.70%	2.70%
Salary scale	4.40%	6.20%
Investment rate of return, including inflation	5.90%	5.90%
Cost of living adjustments	1.40%	1.40%
Decrement tables	Developed from the Plan's 2020 experience study of the period April 1, 2015 through March 31, 2020	Developed from the Plan's 2020 experience study of the period April 1, 2015 through March 31, 2020
Morality Improvement	Society of Actuaries Scale MP-2020	Society of Actuaries Scale MP-2020

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

Actuarial Assumptions – NCC - TRS

The net pension liability was measured as of June 30, 2022, and was determined by an actuarial valuation at June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. The actuarial assumptions used in June 30, 2022 valuation were based on the actuarial experience study for the period July 1, 2015 to June 30, 2020.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

14. PENSION PLANS (Continued)

Actuarial Assumptions – NCC – TRS (Continued)

The actuarial valuations used the following actuarial assumptions:

	TRS
Actuarial cost method	Entry age normal
Inflation	2.40%
Salary scale	Based on Years of Service
	5 years - 5.18%
	15 years - 3.64%
	25 years - 2.50%
	35 years - 1.95%
Investment rate of return, including inflation	6.95%
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 MP2021

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

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2022 are summarized below for ERS and PFRS:

Asset Class	Target Allocation	Long-term Expected Rate of Return
Domestic equity	32.00%	3.30%
International equity	15.00%	5.99%
Private equity	10.00%	6.50%
Real estate	9.00%	5.00%
Opportunistic/Absolute return strategies*	3.00%	4.10%
Credit	4.00%	3.78%
Real assets	3.00%	5.80%
Fixed income	23.00%	0.00%
Cash	1.00%	(-1.00%)
	100.00%	

The real rate of return is net of the long-term inflation assumption of 2.5% in 2022.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

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, 2022 are summarized below for TRS:

Asset Class	Target Allocation	Long-term Expected Rate of Return*
Domestic equity	33.00%	6.50%
International equity	16.00%	7.20%
Global equities	4.00%	6.90%
Real estate	11.00%	6.20%
Private equity	8.00%	9.90%
Domestic fixed income securities	16.00%	1.10%
Global fixed income securities	2.00%	60.00%
High-yield fixed income securities	2.00%	5.30%
Private debt	6.00%	2.40%
Mortgages	1.00%	3.30%
Cash Equivalent	1.00%	-30.00%
	<u>100.00%</u>	

Real rates of return are net of the long-term inflation assumption of 2.4% for 2022.

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% for the System (ERS and PFRS) and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at actuarially determined statutorily required rates, actuarially determined. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

COUNTY OF NASSAU, NEW YORK

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

14. PENSION PLANS (Continued)

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

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

	Major Discretely Presented Component Units			
	Primary Government		NCC	NHCC
	ERS	PFRS	ERS	ERS
Net Pension Liability (Asset):				
1% Decrease 4.90%	\$ 347,997	\$ 552,701	\$ 21,978	\$ 155,813
Current Assumption 5.9%	\$ (135,249)	\$ 49,644	\$ (8,538)	\$ (60,534)
1% Increase 6.90%	\$ (539,368)	\$ (366,673)	\$ (34,064)	\$ 241,498

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

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

	Current		
	1% Decrease	Discount	1% Increase
	5.95%	6.95%	7.95%
Net Pension Liability (Asset)	\$ 21,922	\$ 2,378	\$ (14,059)

Optional Retirement Program (ORP): NCC employees may also participate in an ORP under IRS Section 401(a), which is a multiple-employer, defined contribution plan administered by separate vendors - TIAACref, Metropolitan Life, VALIC, and AETNA. ORP employer and employee contributions are dictated by State law. The ORP provides benefits through annuity contracts and provides retirement and death benefits to those employees who elected to participate in an ORP. Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits generally vest after the completion of one year of service if the employee is retained thereafter. Employer contributions are not remitted to an ORP plan until an employee is fully vested. As such there are no forfeitures reported by these plans if an employee is terminated prior to vesting. Employees who joined an ORP after July 27, 1976 and have less than ten years of service or membership are required to contribute 3% of their salary. Those joining on or after April 1, 2012 are required to 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, 2022, NCC recognized pension expense of approximately \$4.4 million.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

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, 2022 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, 2022, Prepared in accordance with GAAP	\$ 1,003,105	\$ 95,224	\$ 49,380	\$ 320,690	\$ 8,808	\$ 70,466
Add:						
Available for Other Judgments	6,273					
Pension Benefits - Modified Accrual Basis Only	78,003	42,341	602			1,944
Sale of Mitchel Field Leases	23,646					
Deferred revenues	6,017		18,276			212
Payment from NCC for Termination Pay	890					
Reclass EBF interest income	145					
Transfer of Reserve on GAAP Basis	13,084					
Less:						
Encumbrances	(116,172)	(2,207)	(2,732)			
Reserve for PDD Litigation		(6,273)				
Land Bank Receivable	(144)					
Reclass Termination pay for NCC	(4,604)					
Reclass EBF interest income		(145)				
Transfer of Reserve on GAAP Basis		(13,084)				
Accrual for lease interest payments and receivables	(140)					
Net lease receivable	(3,053)					
Unbudgeted FEMA Fund						(9,118)
Unbudgeted COVID Fund						152
Unbudgeted Grant Fund						(12,103)
Unbudgeted NCTSC						(331)
Unbudgeted Capital Project Fund				(320,690)		
Unbudgeted NCSSWFA						(2,005)
Unbudgeted NCTSC Debt Service Fund						(14,986)
Unbudgeted NIFA Debt Service Fund						(33,604)
Fund Balances at December 31, 2022, Prepared on the Budgetary Basis of Reporting	\$ 1,007,050	\$ 115,856	\$ 65,526	\$	\$ 8,808	\$ 627

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2022

16. FUND BALANCES

Fund balance classifications for the governmental funds at December 31, 2022 were (dollars in thousands):

	General Fund	NIFA Fund	Police District Fund	Sewer & Storm Water District Fund	Capital Fund	Disputed Assessment Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:									
Prepays	\$ 103,480	\$ 63	\$ 20,193	\$ 668	\$	\$	\$	\$ 3,328	\$ 127,732
Total Nonspendable	103,480	63	20,193	668				3,328	127,732
Spendable:									
Restricted for:									
Capital projects					2,912				2,912
Debt service	163,797							50,453	214,250
Open space	2,001								2,001
Judgments and settlements						8,808			8,808
Judicial								42	42
General Administration	71,173							1,994	73,167
Protection of Persons			13,229					230	13,459
Health	35,861							1,572	37,433
Public Works								11,852	11,852
Recreation and Parks								21	21
Social Services								35	35
Corrections								25	25
Total Restricted	272,832		13,229		2,912	8,808		66,224	364,005
Committed to:									
Capital projects					317,778				317,778
Technology	84								84
General Administration	111,623								111,623
Environmental Protection								627	627
Protection of Persons	71,331								71,331
Health	41,390								41,390
Judgments and settlements	97,151		6,273						103,424
Total Committed	321,579		6,273		317,778			627	646,257
Assigned to:									
Legislative	926								926
Judicial	6,651								6,651
General Administration	75,241	1,035						439	76,715
Protection of Persons	11,175		55,529						66,704
Health	13,323								13,323
Public Works	25,387			48,712					74,099
Recreation and Parks	3,505								3,505
Social Services	35,276								35,276
Corrections	6,487								6,487
Judgments and Settlements	85,000								85,000
Total Assigned	262,971	1,035	55,529	48,712				439	368,686
Unassigned	42,243							(152)	42,091
Total Fund Balance	\$ 1,003,105	\$ 1,098	\$ 95,224	\$ 49,380	\$ 320,690	\$ 8,808	\$	\$ 70,466	\$ 1,548,771

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

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 Statutes 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.

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2022

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 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, 2021, the valuation date of the most recent actuarial valuation is as follows:

Actives	7,582
Retirees	11,555
Spouses of Retirees	<u>6,422</u>
	<u>25,559</u>

Valuation reflects a change in the discount rate from 2.12% to 2.06%. The impact of this change increased the total OPEB liability by \$63.4 million as of December 31, 2021.

Total OPEB Liability

The County’s total OPEB liability of \$6.8 billion was measured as of December 31, 2021 and was determined by an actuarial valuation as of January 1, 2021, with updated procedures used to roll forward 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.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

17. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions and Other Inputs

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

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

The December 31, 2022 total OPEB liability is based on the results of the January 1, 2021 actuarial valuation rolled forward to the measurement date of December 31, 2021, and was determined using the following actuarial assumptions and other inputs:

Inflation: 2.2% per annum, compounded annually

Discount Rate: 2.06% per annum

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

<u>Fiscal Year</u>	<u>Prior to Medicare Eligibility</u>	<u>After Medicare Eligibility</u>	<u>Medicare Part B Reimbursements</u>
2021	5.3%	4.9%	6.2%
2022	4.6%	4.6%	5.7%
2023	4.5%	4.5%	5.9%
2024	4.4%	4.4%	6.1%
2025	4.3%	4.3%	5.7%
2030	4.1%	4.1%	5.0%
2035	4.1%	4.1%	5.0%
2040	4.2%	4.2%	4.0%
2045	4.2%	4.2%	4.0%
2050	4.2%	4.2%	3.8%
2055	4.1%	4.1%	3.8%
2080	3.3%	3.3%	3.8%
2101	3.3%	3.3%	3.8%

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

17. OTHER POSTEMPLOYMENT BENEFITS (Continued)**Actuarial Assumptions and Other Inputs (Continued)**

The Society of Actuaries (SOA) Getzen Model version 2020.2 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.

For purposes of applying the Entry Age Normal cost method, the healthcare trend prior to the first calendar year shown in the table above is based on the ultimate rate which is 3.3% for costs prior to 65 and 3.3% of costs at age 65 or later.

No trend was applied to the vision payment.

Medicare Eligibility: Age 65.

Actuarial Cost Method: Entry Age Normal Cost Method

The discount rate was based on the December 31, 2021 yield or index rate for 20-year, tax exemption general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates and mortality improvement rates are from the August 2020 Annual Report to the Comptroller of the New York State and Local Retirement System (NYSLRS) Employees' Retirement System (ERS) and the NYSLRS Police and Fire Retirement System (PFRS). Separate tables for healthy annuitant (Clerks version is used for non-police), disabled annuitant and employees are used. The mortality projection scale applied to the annuitant mortality tables used is SOA Scale in effect on measurement date (MP-2020). As generational tables, they reflect mortality improvements both before and after the measurement date.

The H.R. 1865 Further Consolidated Appropriations Act, 2020 became law on December 20, 2019. This law repeals the Cadillac tax completely.

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2022

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, 2021	\$ 6,578,048	\$ 2,852	\$ 6,580,900	\$ 499,116
Changes for the year:					
Service Cost	210,097	99	210,196	17,194	37,462
Interest	141,879	62	141,941	10,799	17,111
Effect on plan changes		88	88		
Effect of economic/demographic gains or losses	(26,706)	(5)	(26,711)	(323)	(379)
Effect of assumption changes or inputs	63,386	10	63,396	4,521	66,879
Benefit payments, including implicit rate subsidy	(192,484)	(99)	(192,583)	(13,902)	(17,783)
Net Change	196,172	155	196,327	18,289	103,290
Balance at December 31, 2022	\$ 6,774,220	\$ 3,007	\$ 6,777,227	\$ 517,405	\$ 881,802

* Nassau Community College data as of fiscal year ended August 31, 2022

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 (1.06%) or 1-percentage-point higher (3.06%) than the current rate (dollar in thousands).

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2022

17. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

	Primary Government	Major Discretely Presented Component Units	
		NCC	NHCC
Discount Rate:			
1% Decrease	\$ 7,980,755	\$ 601,908	\$ 1,028,273
Current Assumption	\$ 6,777,227	\$ 517,405	\$ 881,802
1% Increase	\$ 5,827,580	\$ 448,941	\$ 763,757

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).

	Primary Government	Major Discretely Presented Component Units	
		NCC	NHCC
Current Trend Rate:			
1% Decrease	\$ 5,698,938	\$ 436,903	\$ 749,739
Current Assumption	\$ 6,777,227	\$ 517,405	\$ 881,802
1% Increase	\$ 8,178,608	\$ 620,242	\$ 1,050,039

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

17. OTHER POSTEMPLOYMENT BENEFITS (Continued)

For the year ended December 31, 2022, the County, inclusive of its blended component unit, recognized OPEB expense of \$319.1 million. At December 31, 2022 the County reported deferred inflows of resources related to OPEB from the following sources (dollars in thousands):

	<u>Primary Government</u>		<u>Major Discretely Presented Component Units</u>			
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
			<u>NCC</u>	<u>NHCC</u>	<u>NCC</u>	<u>NHCC</u>
Differences between expected and actual experience	\$ 108,845	\$ 34,621	\$ 8,095	\$ 35,670	\$ 2,153	\$ 1,180
Changes of assumptions	361,491	173,614	28,104	107,718	24,855	23,241
Contributions made subsequent to measurement date	198,550		9,502			
	<u>\$ 668,886</u>	<u>\$ 208,235</u>	<u>\$45,701</u>	<u>\$143,388</u>	<u>\$27,008</u>	<u>\$24,421</u>

The County’s contribution (inclusive of NIFA) made subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB liability will be recognized in OPEB expenses as follows (dollars in thousands):

	<u>Primary Government</u>	<u>Major Discretely Presented Component Units</u>	
		<u>NCC</u>	<u>NHCC</u>
Years Ending December 31, 2023	\$ 112,268	\$ 633	\$ 25,522
2024	128,898	7,886	23,696
2025	16,859	472	35,906
2026	4,076	200	22,529
2027			11,314
	<u>\$ 262,101</u>	<u>\$ 9,191</u>	<u>\$ 118,967</u>

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 \$460.4 million, inclusive of blended components units at December 31, 2022. At August 31, 2022, NCC’s vacation leave and sick leave liability was \$52.9 million. At December 31, 2022, NHCC’s vacation and sick leave liability was \$89.2 million.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

19. DEFERRED PAYROLL

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

The amount accrued at December 31, 2022 was \$55.1 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, 2022, approximately \$25.2 million represents termination pay for accumulated leave to be paid annually for three years beginning in January 2023 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 contract year, NCC entered into an agreement with Nassau Community College Federation of Teachers (NCCFT) to defer a portion of wages, which shall be paid to the members at separation or retirement. The total amounts accrued at the NCC’s fiscal year close of August 31, 2022, was approximately \$1.8 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 \$44.4 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
1 West Street, 4th Floor
Mineola, New York 11501

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

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 2022 and the Glen Cove IDA collected their own, and both are required to remit the County its share of each PILOT. If the provisions for recapture in each PILOT agreement are not met, recapture payments are made directly to the IDA and then remitted to the County. The IDAs are authorized and deemed eligible to enter into PILOT agreements per Real Property Tax Law, Section 412-a and General Municipal Law, Section 874.

The IDAs are required to submit an Annual Report to the State of New York Authorities Budget Office (Authority) by April 1st of each year. The annual reports provide information for all fiscal year activity for agreement entered into by each IDA. The reports have been submitted to the Authority but are unaudited and were not yet approved by the Authority at the time of the County’s receipt. Information relevant to the disclosure of these programs for the fiscal year ending December 31, 2022 is shown below.

<u>Nassau County Industrial Development Agency</u>		Dollars in Thousands			
		Sales Tax Abated	County Real Property Tax Abated	PILOT Payments to County	Net Abatement
Bonds/Notes Issuance					
	Finance, Insurance and Real Estate	\$ 32	\$ 496	\$ 453	\$ 43
	Other Categories		42	13	61
	Services		334	149	185
Leases					
	Agriculture		27	6	21
	Finance, Insurance and Real Estate	269	7,238	2,784	4,723
	Manufacturing	29	1,845	708	1,166
	Other Categories	2,304	4,548	1,315	5,537
	Services	362	10,463	3,134	7,691
	Wholesale Trade	3	691	469	225
	Total	\$ 2,999	\$ 25,684	\$ 9,031	\$ 19,652

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

20. TAX ABATEMENT DISCLOSURE (Continued)

Town of Hempstead Industrial Development

Project	Program	County Real		PILOT	Net
		Sales Tax Abated	Property Tax Abated	Payments to County	
Bonds/Notes Issuance					
	Finance, Insurance and Real Estate	\$ 170	\$ 276	\$ 120	\$ 326
Leases					
	Construction	335	1,273	181	1,427
	Continuing Care Retirement Communities		916	454	462
	Finance, Insurance and Real Estate	465	2,076	404	2,137
	Manufacturing	2	211	82	131
	Other Categories	131	2,259	657	1,733
	Retail Trade	110	19,384	2,959	16,535
	Services		1,722	455	1,267
	Transportation, Communication, Electric	43	202	85	160
	Wholesale Trade		79	39	40
Total		\$ 1,256	\$ 28,398	\$ 5,436	\$ 24,218

Glen Cove Industrial Development Agency

Project	Program	County Real		PILOT	Net
		Sales Tax Abated	Property Tax Abated	Payments to County	
Leases					
	Construction	\$ 281	\$ 152	\$ 101	\$ 332
	Finance, Insurance and Real Estate		107	62	45
	Real Estate		41	16	25
	Retail Trade		25	7	18
	Services		29	17	12
Sales Tax Exemption					
	Construction	68			68
Total		\$ 349	\$ 354	\$ 203	\$ 500
Grand Total		\$ 4,604	\$ 54,436	\$ 14,670	\$ 44,370

No amounts are received from other governments or from any Industrial Development Agency. All payments are made directly to Nassau County. The County has opted to present all abatement information in the aggregate; therefore, no quantitative 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.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

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 remains liable to indemnify NHCC for liability arising out of NHCC’s delivery of healthcare services at the Nassau County Correctional Center for the period of September 1, 2017, through February 28, 2021. However, commencement of such claims within this period will be precluded with the expiration of relevant statutes of limitations.

The County annually appropriates sums for the payment of judgments and settlements of claims and litigation, which appropriations may be financed, in whole or in part, pursuant to the Local Finance Law by the issuance of County debt. The County intends to defend itself vigorously against all claims and in all litigation. Estimated liabilities of approximately \$568.8 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, 2022. Approximately \$322.7 million has been recorded as a liability in the government-wide financial Statement of Net Position, at December 31, 2022, related to workers’ compensation claims, as estimated by a third party actuary. The workers’ compensation amount is a liability separate from all other non-workers’ compensation claims and litigation.

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).

	<u>Workers'</u> <u>Compensation</u>		<u>Litigation</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Unpaid claims and claim adjustment expenditures at the beginning of the year	\$ 344,628	\$ 349,578	\$ 623,121	\$ 591,199
Incurred claims and claim adjustment Expenditures:				
Provision for the estimate of risk losses and changes to the prior year estimated losses	14,859	30,248	47,001	68,858
Payments:				
Payments made on losses	36,785	35,198	101,323	36,936
Total unpaid claims, claim adjustment expenditures and claims incurred but not reported at the end of the year	<u>\$ 322,702</u>	<u>\$ 344,628</u>	<u>\$ 568,799</u>	<u>\$ 623,121</u>

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

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

New York Telephone Company (now known as Verizon), New York Water Service Corporation (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 scheduled for July 20, 2021; however, the County settled with KeySpan. The County agreed to a \$62 million structured settlement to be paid over a four-year period. Equal installment payments of \$15.5 million per year commenced in December 2021, and the structured payment period ends December 2024. The remaining litigations with the two remaining utilities, Verizon and American Water will continue to trial to set damages. The County intends to continue to defend itself vigorously in these actions and proceedings. It is not possible to predict the outcome of these actions and proceedings or their ultimate impact on the County’s financial condition. The County cannot state with certainty the amount of a refund if the court were to order one, but has estimated, depending on the methodology of calculation, that such refund could be as high as \$168.5 million.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

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

In 2018, the County was served with two summonses and complaints challenging the manner in which the County calculated current base proportions (CBPs), adjusted base proportions (ABPs) and special district annual adjustments beginning in 2014 under Article 18 of the RPTL as a result of certain demolition of a power plant in Glenwood Landing, New York between 2012 and 2015. In one action, National Grid Generation LLC and Keyspan Gas East Corporation d/b/a National Grid allege that in 2014 the County calculated the CBPs, ABPs and special district annual adjustments in a manner that failed to reflect the demolition of the plant and thereby caused the plaintiffs’ class three utility property to pay an excessive amount of taxes and a disproportionate share of the tax burden as compared to class one, class two and class four properties. The complaint further alleges that based on the purported 2014 error, all calculations for subsequent tax years were made in error. In the second action, New York American Water Company Inc. makes substantially similar allegations. In each action, plaintiffs seek, among other forms of relief, tax refunds in the amount of the alleged overpayment of taxes. Neither complaint specifies the amount of the tax refunds or damages sought. The County’s motions to dismiss the actions have been denied. The parties have concluded with discovery and the parties have fully submitted their cross-motions for summary judgment. Both plaintiffs have filed suit for subsequent tax years. These actions have been held in abeyance while the 2018 cases are litigated. At this time the County’s ultimate potential liability cannot be determined and the County is in the process of evaluating different scenarios with respect to the recalculation of the APBs. The County will continue to defend itself vigorously in these actions and proceedings.

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

21. CONTINGENCIES AND COMMITMENTS (Continued)**A. Claims and Litigation** (Continued)**Other Litigation****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 2021 two of the FLSA litigations were resolved. However, in 2022 two additional FLSA class actions were commenced arising from similar fact patterns. The County will continue to defend itself vigorously in these actions and proceedings. The County cannot state with certainty the amount of such potential damages and attorneys’ fees, but has estimated, depending on the size of the classes and the methodology of calculation, that they could total approximately \$80 million.

Abamov/Comuniello v. County of Nassau

(iii) In 2017, plaintiff David Abramov filed a lawsuit against the County alleging serious injuries resulting from a motor vehicle accident involving a County Police Department vehicle and another car driven by Donna Comuniello. Ms. Comuniello also filed a lawsuit against the County for alleged injuries sustained in the accident. The two cases have been joined in State Supreme Court. Substantial discovery was conducted including depositions of several witnesses and named parties. Following the death of Mr. Abramov, his estate amended the lawsuit to include wrongful death. The County moved for summary judgment based on the reckless disregard standard which applies to the conduct of the operation of a police vehicle involved in emergency operations. The court found issues of fact and the County has perfected its appeal and oral argument took place on April 4, 2023. 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.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

21. CONTINGENCIES AND COMMITMENTS (Continued)**A. Claims and Litigation** (Continued)**Disputed Assessment (DAF) Litigation**

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

Joseph Jackson v. County of Nassau, et al.

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

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. 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 (iii) restitution. The County moved to dismiss the complaint and the motion was granted. The court determined that the plaintiffs could not substantiate their claims for federal relief. In addition to dismissing all federal claims for relief, the court also dismissed the state claims as well on the basis that petitioner can challenge their taxes in state court and were successful in doing so. therefore, no additional state claim for relief was warranted.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

21. CONTINGENCIES AND COMMITMENTS (Continued)**A. Claims and Litigation** (Continued)**Orleana/Dutch Broadway**

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

Armor Litigations

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

Gimanian v. County of Nassau and Stillwell Preserve

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

Civil Service Employees Association (CSEA) COVID-19 Time Pay Grievance

In July 2020 Civil Service Employees' Association (CSEA) filed a grievance alleging that the County failed to apply absence pay to certain employees when those employees were asked not to report to work during the early days of the COVID 19 pandemic. Although the CSEA employees were fully compensated when they were not reporting to work, CSEA alleges that the contract requires the County to provide equivalent compensatory time off at straight time hour for hour. The County disputes the interpretation of the absence pay clause and its application to COVID-19 pandemic response by the County. The County is working on a possible settlement with the union with a monetary payout that could be as high as \$28 million to \$34 million.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

21. CONTINGENCIES AND COMMITMENTS (Continued)**A. Claims and Litigation** (Continued)**Pollution Remediation**

The County has identified and recorded in its financial statements an estimated cost for pollution remediation as of year-end 2022, for a few sites owned and/or previously operated by the County. Historic uses have contributed to various forms of environmental pollution to these properties. The County continues to monitor the sites in accordance with the New York State Department of Environmental Conservation (NYSDEC) requirements.

An estimated cost of \$6.0 million has been recorded as a liability in the County's government-wide financial statement of Net Position as of December 31, 2022. The costs are estimated obligated costs which may be used to address cleanup costs in the event the County is required to decommission or demolish the sites. The liability was developed by taking into consideration construction costs for demolition projects, including engineering, construction management and contractor costs.

B. Tax Certioraris

There were 241,858 taxpayers' claims (residential and commercial) filed against the Department of Assessment, for the incorrect determination of assessed valuation (certiorari proceedings) for the 2022 (May 1, 2023) assessment roll a decrease of 6,325 over the prior year. An amount estimated for future settlements and judgments of \$328.6 million has been recorded as a long-term liability in the government-wide financial Statement of Net Position as of December 31, 2022, of which approximately \$67.0 million have been recorded as current liabilities in the government-wide Statement of Net Position. In 2022, an additional \$34.0 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, 2022. This includes Writs, Small Claims, Assessor Petitions, Unpaid Refunds, and Projected Refunds on Settlements. Not all components have liability every year, but most components will have a liability. Liability reporting is segregated by "new" liability – those claims that have been added for the current tax year; and "old" liability which are all unsettled claims from past years.

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

Disputed Assessment Fund

The County's DAF became operational during 2017. For fiscal 2022, the DAF's total liabilities in the governmental funds were \$116.8 million representing collections of DAF charges from class four property owners. Of this amount, \$0.9 million (current liabilities) and \$10.5 million (non-current liabilities) have been included in the Estimated Tax Certiorari Payable balances in the government-wide Statement of Net Position.

The remainder, \$105.4 million, is recorded as Disputed Assessment Fund Deposits Held (current liabilities of \$83.9 million) and Accrued Liabilities (current liabilities of \$21.5 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, \$21.5 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 2023. DAF charges collected in 2022 may be used to pay for any class four tax certiorari refund and is not limited to specific properties. Thus, DAF charge collected in 2022 of \$0.9 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.

NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2022

21. CONTINGENCIES AND COMMITMENTS (Continued)

B. Tax Certioraris (Continued)

Summary of Tax Certiorari Liability

Statement of Net Position as of December 31, 2022

(in thousands)

Current Liabilities

Property Tax Refund Payable (due and payable in 2022) in Governmental Funds:

Short-term tax certiorari liability - operating \$ 34,044

Property Tax Refund Payable in Governmental Funds (Exhibit X-3) \$ 34,044

Current Portion of Long-Term Estimated Tax Certiorari Liability:

Estimated Tax Certiorari Liability - DAF \$ 10,198

Current Portion of Long-term Estimated Tax Certiorari 67,000

Total Current Tax Certiorari Liability per Government-wide Funds (Exhibit X-1) \$ 111,242

Non-Current Liabilities:

Estimated Tax Certiorari Liability - DAF \$ 10,523

Non-Current Portion of Long-term Estimated Tax Certiorari Liability 261,609

Total Non-Current Tax Certiorari Liability per Government-wide Funds (Exhibit X-1) \$ 272,132

Total Tax Certiorari Liability \$ 383,374

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, 2022. 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.

COUNTY OF NASSAU, NEW YORK

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

21. CONTINGENCIES AND COMMITMENTS (Continued)

E. Nassau Health Care Corporation Insurance

For the policy years ended September 29, 2007, to 2022, 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 and for 2021 and \$12,500 in 2022) with no aggregate limit and \$1,000 per claim up to an aggregate of \$1,000, respectively. An excess buffer limit of \$3,000 per person/\$3,000 in the aggregate was introduced above the \$7,000 per person primary limit on the hospital professional policy for the September 29, 2012, renewal and amended to \$5,000 per person/\$5,000 in the aggregate as of January 1, 2021, and \$7,500 per person/\$7,500 in the aggregate as of January 1, 2022. 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, 2022, the Captive was in compliance with its minimum capital requirement.

In April 2016, the respective boards of NHCC and NHCC, Ltd., the Captive, agreed to make certain changes to the Insurance Program as follows: NHCC would have, retain and be responsible for the first \$1,000 of losses for all hospital professional liability claims made from 1999 to the present, and would have, retain and be responsible for the first \$1,000 of losses for all hospital professional liability claims on a going forward basis. NHCC, Ltd., would be responsible for reimbursing NHCC under the terms and conditions of hospital's professional liability excess coverage attaching at \$1,000 for all open claims from 1999 and forward.

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

	<u>2022</u>	<u>2021</u>
Balance at beginning of year	\$ 17,276	\$ 36,029
Incurred related to:		
Current year	<u>709</u>	<u>46</u>
Total incurred	709	46
Paid relating to:		
Prior year	<u>-</u>	<u>(18,799)</u>
Total paid	-	(18,799)
Balance at end of year	<u>\$ 17,985</u>	<u>\$ 17,276</u>

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

Insurance reserves and the related insurance losses and loss adjustment expenses, recorded through the Captive, are recorded on an undiscounted basis at December 31, 2022.

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, 2022, this insurance expense totaled \$1,033.

COUNTY OF NASSAU, NEW YORK

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

21. CONTINGENCIES AND COMMITMENTS (Continued)

F. Capital Commitments

At December 31, 2022, there were capital project contract commitments of \$680.2 million, of which approximately \$407.3 million may require future funding. All capital project commitments are encumbered in the County's financial system. Some of these capital project commitments are included in the material encumbrances table in Footnote 21 G. below.

G. Material Encumbrances

Material encumbrances (greater than \$5 million) as of the year ended December 31, 2022 were as follows (dollars in thousands):

<u>Capital Fund</u>	
Construction:	
Bridge Rehab	\$ 9,003
Buildings	34,353
Disposal	251,876
Roads	14,923
Public Safety	14,758
<u>Grant Fund</u>	
Bus Services	51,569
<u>General Fund</u>	
Bus Services	7,984
Day Care Contracts with Social Services	10,264
<u>ARPA Fund</u>	
Community Development Programs	10,000

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

21. CONTINGENCIES AND COMMITMENTS (Continued)**H. Service Concession Arrangements**

The County has determined there are three service concession arrangements which are reported in the County's Statement of Net Position as of December 31, 2022; (1) Christopher Morley Tennis LLC (2) Northwell Health Ice Center at Eisenhower Park (formerly known as Twin Rinks LLC) and (3) Long Island Swimming Ltd. The County has recorded receivables of \$3.4 million, capital assets of \$51.2million, and deferred inflows of \$54.6 million in the Statement of Net Position. See details below.

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, 2024 and is renewable yearly. The County reported in its Statement of Net Position a receivable with a carrying amount of \$1.0 million, capital assets of \$7.3 million and a corresponding deferred inflow of resources of \$8.3 million as of December 31, 2022, pursuant to the service concession arrangement.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

21. CONTINGENCIES AND COMMITMENTS (Continued)**H. Service Concession Arrangements (Continued)****Northwell Health Ice Center at Eisenhower Park (formerly Twin Rinks at Eisenhower LLC)**

The County entered into an agreement with Twin Rinks at Eisenhower LLC (Twin Rinks), which was approved by the Rules Committee in late 2012, to provide a local venue for the public's increasing interest in the sport of hockey. The agreement has a term of thirty (30) years with an additional two ten-year options upon the agreement of the Licensee and 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, 2024, and is renewable yearly. The Licensee is required to pay for all utilities, capital improvements and maintenance of the premises. A percentage of the gross receipts are also placed into an account which serves to help maintain the premises and implement programs for the public. The account is held by the Licensee but all expenditures must be approved by the County's Parks Department. On June 8, 2015 Twin Rinks at Eisenhower Park LLC filed a voluntary petition for relief under Chapter 11 of title 11 of the United States Bankruptcy code. In September 2015, Nassau County entered into an Assignment, Assumption and Consent Agreement with Twin Rinks at Eisenhower LLC and Twin Rinks Acquisition Company LLC whereby Twin Rinks Acquisition Company LLC assumed the agreement between Nassau County and Twin Rinks at Eisenhower Park LLC. In March 2016, the facility'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 \$1.8 million, capital assets of \$41.1 million and a corresponding deferred inflow of resources of \$42.9 million as of December 31, 2022, 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. 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 \$580.0 thousand, capital assets of \$2.8 million and a corresponding deferred inflow of resources of \$3.4 million as of December 31, 2022, pursuant to the service concession arrangement.

COUNTY OF NASSAU, NEW YORK

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

21. CONTINGENCIES AND COMMITMENTS (Continued)

H. Service Concession Arrangements (Continued)

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 \$1.1 and \$2.2 million, respectively, net of revenue recognized of \$151 thousand.

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 section of the statement of net position. NCC has also recorded a deferred inflow for the purchase, net of the related contractual liability, to be amortized on a straight-line basis over the contract period. The amount of deferred inflow at August 31, 2022, is approximately \$70,000 net of amortization. In the event the contract is terminated prior to its ten-year term, NCC will repay CulinArt for the unamortized portion of the equipment. On June 1, 2021, CulinArt transferred and assigned all rights, title and interest to the Compass Group USA. Compass Group USA assumes all the obligations of CulinArt under the contract noted above, which may be enforceable by NCC.

The yearly license fees are \$0 2023; \$770,000 2024; \$205,000 2025; \$(535,553) 2026.

NCC has also entered into a ten-year service concession arrangement with Follett Higher Education (Follett) for the operations of 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 approximately \$2,200,000 and \$3,200,000, net of revenue recognized in fiscal year 2022 of \$61,000, 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 \$900,000, 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, 2022, is approximately \$530,000 net of amortization of approximately \$100,000 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 April 2023, the County issued Series A General Improvement Bonds in the amount of \$153.5 million and Refunding Series B General Improvement Bonds in the amount of \$114.4 million. The Series A bonds bear interest rates between 4% and 5% with maturity dates ranging from April 2025 to April 2047. The Series B bonds bears an interest rate of 5% with maturity dates ranging from April 2033 to April 2043. The Series A Bonds were issued to fund various public purposes, including capital projects, and to pay costs of issuance. The Series B Bonds were issued to refund all or a portion of certain outstanding bonds of the County, and to pay costs of issuance.

COUNTY OF NASSAU, NEW YORK

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

22. SUBSEQUENT EVENTS (Continued)

Tax Map Verification Fee Litigation

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

Nassau County Police Benevolent Association (NCPBA) Collective Bargaining Agreement

In February 2023, the Nassau County Legislature approved the successor collective bargaining agreement - Memorandum of Understanding between Nassau County and the NCPBA. The Memorandum of Understanding sets the terms and conditions of employment for employees in the negotiating unit which expired on December 31, 2017. The agreement covers the period January 1, 2018 through June 30, 2026. The agreement raises wages by 15% over a period of 8 ½ years, requires all members to contribute towards their health insurance, resolves pending grievances and sets the terms of other matters.

County Lease Agreement of the Nassau Coliseum with LVS NY HOLD CO 2, LLC- "SANDS"

In April 2023, Nassau County signed a lease with LVS NY HOLD CO 2, LLC, for the redevelopment of the Nassau County Coliseum and nearby land as a world -class entertainment facility, tourist destination and integrated resort through sustainable development practices, with a casino, luxury accommodations, award-winning dining options, and state-of-the-art entertainment, and conference facilities. The lease covers a period of 99 years. The County received a payment of \$54 million upon approval of the contract by the County Legislature in May 2023 and annual rent of \$5 million. The County's annual rent will increase to \$10 million if Sands secures a casino gaming license from New York State.

COUNTY OF NASSAU, NEW YORK

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

22. SUBSEQUENT EVENTS (Continued)

Coronavirus State and Local Fiscal Recovery Funds

In June 2023, the Nassau County Legislature approved the County's request to transfer and utilize a total of \$269.5 million in available and unobligated Coronavirus State and Local Fiscal Recovery funds in the County's General and SSW Funds; \$250 million and \$19.5 million, respectively. The revenue will be used to cover and reimburse a portion of the County's 2020 and 2021 COVID-19 pandemic lost revenues. It is the County's position that the transfer is within the American Rescue Plan guidelines.

Pension Amortization Deferral Voluntary Payments

In February 2023, the County made a voluntary payment of \$29.9 million to the New York State and Local Retirement System (ERS and PFRS) to pay its deferred pension balance. As of December 31, 2022, the balance of this liability was \$29.9 million.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

23. CHANGE IN ACCOUNTING PRINCIPLES

The County adopted GASB Statement No. 87, *Leases*, during the year ended December 31, 2022. GASB Statement No. 87 establishes a single leasing model for accounting and reporting purposes to enhance the accountability, consistency and comparability of the lease activities reported by governments. It establishes requirements for lease accounting based upon the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize the lease liability and a corresponding intangible right-to-use lease asset for the present value of all future lease payments at the commencement of the lease. These changes were incorporated into the County's financial statements and had no effect on the beginning balance of net position of the County because the net book value of the intangible right-to-use lease asset equaled the amount of the lease liability, and the deferred inflow of resources equaled the amount of the receivable recorded for future lease payments. The County's Net Position was impacted from the removal of the Capital Lease Obligation and correlating Capital Assets.

(dollars in thousands)	<u>Net Position</u>
Net Position (Deficit) at December 31, 2021, as previously reported:	\$ (7,973,672)
Adjustments:	
Increase in Lease receivable	138,873
Increase in Deferred inflow of resources - Leases	(138,873)
Increase in Right to use asset	144,103
Increase in Lease liability	(144,103)
Decrease in Capital Assets	(55,374)
Decrease in Capital Lease Obligation	<u>74,412</u>
Total Prior Period Adjustment	19,038
Net Position (Deficit) at January 1, 2022, as restated	<u>\$ (7,954,634)</u>

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT X-15

COUNTY OF NASSAU, NEW YORK

**SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OTHER
POSTEMPLOYMENT BENEFIT LIABILITY AND RELATED RATIOS
(Dollars in Thousands)**

Financial Report Date, December 31st:	2022	2021	2020	2019	2018	2017
OPEB Measurement Date of December 31st:	2021	2020	2019	2018	2017	2016
Total OPEB Liability						
Service Cost	\$ 210,196	\$ 215,597	\$ 157,787	\$ 200,891	\$ 167,002	\$ 172,674
Interest	141,941	176,111	215,912	220,624	215,385	203,005
Effect on plan changes	88					
Effect of economic/demographic gains or losses	(26,711)	195,881	(6,455)	(127,858)	(8,486)	
Effect of assumptions or changes in inputs	63,396	(117,672)	936,922	(1,191,457)	507,107	(174,314)
Benefit payments	(192,583)	(200,301)	(200,481)	(212,542)	(186,464)	(181,813)
Net Change in Total OPEB Liability	196,327	269,616	1,103,685	(1,110,342)	694,544	19,552
Total OPEB Liability - Beginning	6,580,900	6,311,284	5,207,599	6,317,941	5,623,397	5,603,845
Total OPEB Liability - Ending	\$ 6,777,227	\$ 6,580,900	\$ 6,311,284	\$ 5,207,599	\$ 6,317,941	\$ 5,623,397
Covered - employee payroll	903,896	903,062	899,858	895,357	920,699	890,837
Total OPEB liability as a percentage of covered payroll	749.78%	728.73%	701.36%	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	2.06%	2.12%	2.74%	4.10%	3.44%	3.78%
Mortality						
2020 Measurement date - August 2020 Annual Report to the Comptroller on Actuarial Assumptions SOA MP-2020						
2018 Measurement date - April 1, 2016 Actuarial Valuation of the New York State and Local Retirement System, modified to use Scale MP-2019						
2017 Measurement date - April 1, 2016 Actuarial Valuation of the New York State and Local Retirement System, modified to use Scale MP-2018						
2016 Measurement date - RP-2000, Scale AA						

These amounts are inclusive of NIFA.

EXHIBIT X-16**COUNTY OF NASSAU, NEW YORK****SCHEDULE OF CONTRIBUTIONS****NYSLRS PENSION PLAN****(Dollars in Thousands)**

	December 31,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
ERS										
Contractually required contributions	\$ 71,016	\$ 83,312	\$ 76,412	\$ 75,099	\$ 75,448	\$ 76,263	\$ 78,389	\$ 83,910	\$ 90,327	\$ 89,306
Contributions recognized by the Plan in relation to the contractually required contributions	<u>\$ 71,219</u>	<u>\$ 81,209</u>	<u>\$ 68,460</u>	<u>\$ 66,939</u>	<u>\$ 65,949</u>	<u>\$ 62,891</u>	<u>\$ 60,079</u>	<u>\$ 55,084</u>	<u>\$ 53,073</u>	<u>\$ 53,493</u>
Contribution deficiency (excess)	<u>\$ (202)</u>	<u>\$ 2,104</u>	<u>\$ 7,952</u>	<u>\$ 8,160</u>	<u>\$ 9,499</u>	<u>\$ 13,372</u>	<u>\$ 18,310</u>	<u>\$ 28,826</u>	<u>\$ 37,254</u>	<u>\$ 35,813</u>
Covered Payroll	\$ 512,360	\$ 507,537	\$ 507,833	\$ 521,914	\$ 475,820	\$ 466,288	\$ 459,538	\$ 443,847	\$ 452,810	\$ 441,721
Contributions recognized by the Plan as a percentage of covered payroll	13.90%	16.00%	13.48%	12.83%	13.86%	13.49%	13.07%	12.41%	11.72%	12.11%
Note: ERS amounts include NIFA										
PFRS										
Contractually required contributions	\$ 96,735	\$ 92,815	\$ 82,473	\$ 80,983	\$ 84,789	\$ 90,249	\$ 87,729	\$ 83,369	\$ 91,983	\$ 99,267
Contributions recognized by the Plan in relation to the contractually required contributions	<u>\$ 97,188</u>	<u>\$ 91,499</u>	<u>\$ 77,602</u>	<u>\$ 76,751</u>	<u>\$ 77,619</u>	<u>\$ 78,693</u>	<u>\$ 74,838</u>	<u>\$ 68,290</u>	<u>\$ 68,382</u>	<u>\$ 69,290</u>
Contribution deficiency (excess)	<u>\$ (453)</u>	<u>\$ 1,316</u>	<u>\$ 4,871</u>	<u>\$ 4,232</u>	<u>\$ 7,170</u>	<u>\$ 11,556</u>	<u>\$ 12,891</u>	<u>\$ 15,079</u>	<u>\$ 23,601</u>	<u>\$ 29,977</u>
Covered Payroll	\$ 421,056	\$ 386,231	\$ 344,531	\$ 397,626	\$ 397,626	\$ 359,301	\$ 369,238	\$ 358,147	\$ 356,016	\$ 357,232
Contributions recognized by the Plan as a percentage of covered payroll	23.08%	23.69%	22.52%	19.30%	19.52%	21.90%	20.27%	19.07%	19.21%	19.40%

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,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
ERS									
County's proportion of the net pension liability (asset)	1.6529321%	1.6748782%	1.8639277%	1.8675593%	1.8724633%	1.9324746%	1.9049625%	1.8958576%	1.8958576%
County's proportionate share of the net pension liability (asset)	\$ (135,249)	\$ 1,617	\$ 462,707	\$ 123,801	\$ 56,464	\$ 169,283	\$ 284,906	\$ 59,955	\$ 79,862
Covered Payroll	\$ 508,752	\$ 507,765	\$ 518,383	\$ 488,597	\$ 488,594	\$ 459,179	\$ 432,163	\$ 437,562	\$ 435,697
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-26.58%	0.32%	89.26%	25.34%	11.56%	36.87%	65.93%	13.70%	18.33%
Plan fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	86.39%	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)	8.7471749%	8.2791796%	8.5238853%	8.661111%	8.984056%	9.215762%	9.012023%	8.564898%	8.564898%
County's proportionate share of the net pension liability (asset)	\$ 49,644	\$ 143,705	\$ 455,552	\$ 145,252	\$ 90,776	\$ 190,995	\$ 266,827	\$ 23,576	\$ 35,656
Covered Payroll	\$ 394,938	\$ 354,956	\$ 370,047	\$ 392,858	\$ 404,320	\$ 370,711	\$ 337,599	\$ 341,143	\$ 355,746
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	12.57%	40.49%	123.11%	36.97%	22.45%	51.52%	79.04%	6.91%	10.02%
Plan fiduciary net position as a percentage of the total pension liability	98.66%	95.79%	84.86%	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, 2022 (Dollars in Thousands)**

	Nonmajor Special Revenue Funds						Nonmajor Debt Service Funds		Total Nonmajor Governmental Funds
	Environmental Protection Fund	Tobacco Settlement Corp Fund	Sewer Financing Authority Fund	Grant Fund	FEMA Fund	COVID Fund	Tobacco Settlement Corp Fund	NIFA Fund	
ASSETS									
Cash and Cash Equivalents	\$ 10,303	\$ 297	\$ 127	\$ 98,216	\$ 6,621	\$ 24	\$	\$	\$ 115,588
Investments			15						15
Restricted Cash and Cash Equivalents								2	2
Restricted Investments			1,863				14,986	16,889	33,738
Due from Other Governments				41,077	3,511	7			44,595
Due From Component Units				25					25
Accounts Receivable				378					378
Interfund Receivables					6	32		16,803	16,841
Prepays		34		3,102					3,136
Other Assets				487					487
Total Assets	10,303	331	2,005	143,285	10,138	63	14,986	33,694	214,805
DEFERRED OUTFLOWS OF RESOURCES									
Deferred Charges				3,624					3,624
Total Deferred Outflows of Resources				3,624					3,624
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 10,303	\$ 331	\$ 2,005	\$ 146,909	\$ 10,138	\$ 63	\$ 14,986	\$ 33,694	\$ 218,429
LIABILITIES									
Accounts Payable	\$	\$	\$	14,561	\$	\$ 5	\$	\$	\$ 14,566
Accrued Liabilities				16,015		185			16,200
Unearned Revenues				88,910	1,020				89,930
Interfund Payables	9,676			16,849		25		90	26,640
Estimated Tax Certiorari Payable - Disputed Assessment Fund									
Other Liabilities				415					415
Total Liabilities	9,676			136,750	1,020	215		90	147,751
DEFERRED INFLOWS OF RESOURCES:									
Unavailable Revenue - Rents & Recoveries and Other				212					212
Total Deferred Inflows of Resources				212					212
FUND BALANCE									
Nonspendable		34		3,294					3,328
Spendable:									
Restricted			1,863	6,653	9,118		14,986	33,604	66,224
Committed	627								627
Assigned		297	142						439
Unassigned						(152)			(152)
Total Fund Balance	627	331	2,005	9,947	9,118	(152)	14,986	33,604	70,466
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 10,303	\$ 331	\$ 2,005	\$ 146,909	\$ 10,138	\$ 63	\$ 14,986	\$ 33,694	\$ 218,429

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, 2022 (Dollars in Thousands)**

	Nonmajor Special Revenue Funds						Nonmajor Debt Service Funds			Total Nonmajor Governmental Funds
	Environmental Protection Fund	Tobacco Settlement Corp Fund	Sewer Financing Authority Fund	Grant Fund	FEMA Fund	COVID Fund	Tobacco Settlement Corp Fund	Sewer Financing Authority Fund	NIFA Fund	
Revenues:										
Property Taxes	\$ 9,575									\$ 9,575
Tobacco Receipts							21,474			21,474
Special Taxes				2,395						2,395
Departmental Revenue				5,076						5,076
Interest Income	22	1	132	252			302		203	912
Fines and Forfeits				903						903
Rents and Recoveries				484	15					499
Interfund Revenue				216						216
Other Revenues				60						60
State Aid				67,667						67,667
Federal Aid				62,975	2,134					65,109
Total Revenues	9,597	1	132	140,028	2,149		21,776		203	173,886
Expenditures:										
Current:										
Legislature										
Judicial				3,484						3,484
General Administration		118	36	53,559		220				53,933
Protection of Persons				10,626						10,626
Health				50,034						50,034
Public Works				1,831						1,831
Recreation and Parks				2,993						2,993
Social Services				18,008						18,008
Corrections				1,584						1,584
Total Current		118	36	142,119		220				142,493
Debt Service:										
Principal				429			4,290	12,865	460	18,044
Interest				6			17,051	4,368	32,928	54,353
Bond Issuance Costs										
Total Debt Service				435			21,341	17,233	33,388	72,397
Total Expenditures		118	36	142,554		220	21,341	17,233	33,388	214,890
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,597	(117)	96	(2,526)	2,149	(220)	435	(17,233)	(33,185)	(41,004)
Other Financing Sources (Uses):										
Transfers In				72	6	475				553
Transfers Out	(9,676)									(9,676)
Transfers In of Investment Income										
Transfers Out of Investment Income										
Transfers In from NIFA									56,012	56,012
Transfers Out to NIFA									(216)	(216)
Transfers In from NCSSWFA				162,412				17,233		179,645
Transfers Out to NCSSWFA				(162,807)						(162,807)
Transfers In from NCTSC		140								140
Transfers Out to NCTSC							(140)			(140)
Issuance of Bonds										
Refunding Bonds Issued										
Premium on Bonds										
Payment to Bond Escrow Agent										
Total Other Financing Sources (Uses)	(9,676)	140	(395)	72	6	475	(140)	17,233	55,796	63,511
Net Change in Fund Balance	(79)	23	(299)	(2,454)	2,155	255	295		22,611	22,507
Fund Balance Beginning of Year	706	308	2,304	12,401	6,963	(407)	14,691		10,993	47,959
Fund Balance End of Year	\$ 627	\$ 331	\$ 2,005	\$ 9,947	\$ 9,118	\$ (152)	\$ 14,986	\$	\$ 33,604	\$ 70,466

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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, 2022 (Dollars in Thousands)**

	Nassau County Bridge Authority	Nassau Regional Off-Track Betting Corporation	Nassau County Industrial Development Agency	Nassau County Local Economic Assistance Corporation	Nassau County Land Bank	Total Nonmajor Discretely Presented Component Units
ASSETS						
CURRENT ASSETS:						
Cash and Cash Equivalents	\$ 12,183	\$ 8,541	\$ 5,948	\$ 1,051	\$ 426	\$ 28,149
Restricted Cash and Cash Equivalents		1,524			15	1,539
Other Receivables	3					3
Accounts Receivable		875	87	3	63	1,028
Less Allowance for Doubtful Accounts						
Inventories	20					20
Prepays	44		47	1	1	93
Other Assets - Current		784				784
Total Current Assets	12,250	11,724	6,082	1,055	505	31,616
NON CURRENT ASSETS:						
Restricted Cash and Cash Equivalents	2,739					2,739
Property Held for Sale					706	706
Net Pension Asset	493	749	229			1,471
Capital Assets Not Being Depreciated	25	432		20		477
Depreciable Capital Assets	65,287	41,181	139			106,607
Less Accumulated Depreciation	(42,410)	(37,124)	(82)			(79,616)
Total Non Current Assets	26,134	5,238	286	20	706	32,384
Total Assets	38,384	16,962	6,368	1,075	1,211	64,000
DEFERRED OUTFLOWS OF RESOURCES						
Pensions	958	2,620	586			4,164
Other Postemployment Benefits	1,181	4,628				5,809
Total Deferred Outflows of Resources	2,139	7,248	586			9,973
LIABILITIES						
CURRENT LIABILITIES:						
Accounts Payable and Accrued Liabilities	249	3,756	169	20	19	4,213
Retainage Payable					50	50
Unearned Revenues	364		89	8		461
Due To Primary Government		153			160	313
Due to Other Governments		1,381	2,466			3,847
Current Portion of Long Term Liabilities	352	559	13			924
Current Portion of Lease Liabilities		164				164
Other Liabilities - Current		462			9	471
Total Current Liabilities	965	6,475	2,737	28	238	10,443
NON CURRENT LIABILITIES:						
Accounts Payable and Accrued Liabilities		617				617
Notes Payable		5,056				5,056
Bonds Payable	7,625					7,625
Lease Liability		518				518
Due to Other Governments, net		191				191
Accrued Vacation and Sick Pay	556	1,272	116			1,944
Postemployment Retirement Benefits Liability	8,601	57,474	969			67,044
Net Pension Liability						
Total Non Current Liabilities	16,782	65,128	1,085			82,995
Total Liabilities	17,747	71,603	3,822	28	238	93,438
DEFERRED INFLOWS OF RESOURCES						
Pensions	1,699	3,180	817			5,696
Other Postemployment Benefits	3,327	3,313				6,640
Total Deferred Inflows of Resources	5,026	6,493	817			12,336
NET POSITION						
Net Investment in Capital Assets	14,982	3,008	57	20		18,067
Restricted:						
Grants					15	15
Capital Acquisition Fund		(3,911)				(3,911)
Unrestricted	2,768	(52,983)	2,258	1,027	958	(45,972)
Total Net Position (Deficit)	\$ 17,750	\$ (53,886)	\$ 2,315	\$ 1,047	\$ 973	\$ (31,801)

EXHIBIT A-4**COUNTY OF NASSAU, NEW YORK****COMBINING STATEMENT OF ACTIVITIES
NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS - PROPRIETARY
FOR THE YEAR ENDED DECEMBER 31, 2022 (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	\$ 7,021	\$ 57,345	\$ 1,652	\$ 160	\$ 165	\$ 66,343
Program Revenues:						
Charges for Services	6,269	25,296	1,304	500		33,369
Operating Grants and Contributions					691	691
Total Program Revenues	6,269	25,296	1,304	500	691	34,060
Net Program Revenues (Expenses)	(752)	(32,049)	(348)	340	526	(32,283)
General Revenues						
Federal, State and Local Appropriations						
Investment Income	34	10	36	8		88
Gain on Sale of Real Property						
Other	20	4,129	22			4,171
Royalty Income		28,723				28,723
Net General Revenues	54	32,862	58	8		32,982
Change in Net Position	(698)	813	(290)	348	526	699
Net Position (Deficit) - Beginning of Year	18,448	(54,699)	2,605	699	447	(32,500)
Net Position (Deficit) - End of Year	\$ 17,750	\$ (53,886)	\$ 2,315	\$ 1,047	\$ 973	\$ (31,801)

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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, 2022 (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	\$ 345,468	\$ 345,468	\$ 345,522	\$	\$ 345,522	\$ 54
PAYMENTS IN LIEU OF TAXES	38,409	38,409	36,400	(3)	36,397	(2,012)
PREEMPTED SALES TAX IN LIEU OF PROPERTY TAXES						
Towns and City of Glen Cove	94,821	94,821	94,821		94,821	
Total Preempted Sales Tax in Lieu of Property Taxes	94,821	94,821	94,821		94,821	
INTEREST AND PENALTIES ON TAXES	34,825	39,825	45,042	(1)	45,041	5,216
SALES TAX *	1,280,179	1,396,179	1,351,292		1,351,292	(44,887)
SPECIAL TAXES						
Admission Tax - Belmont Park			44		44	44
Emergency Phone Tax	6,682	6,682	6,164		6,164	(518)
Entertainment Tax	800	800	2,666		2,666	1,866
Motor Vehicle Tax	17,056	17,056	17,523		17,523	467
Off-Track Betting Surtax	1,710	1,710	1,297		1,297	(413)
HM Historic Building	170	170	170		170	
Hotel-Motel Room Tax	3,405	3,405	4,009		4,009	604
Total Special Taxes	29,823	29,823	31,873		31,873	2,050
DEPARTMENTAL REVENUE						
Assessment	55,145	55,145	38,556		38,556	(16,589)
Board of Elections	40	40	4		4	(36)
CASA						
Civil Service	3,220	3,220	500		500	(2,720)
Correctional Center	2,300	2,300	1,409	3	1,412	(888)
County Attorney	205	205	41		41	(164)
County Clerk	61,475	61,475	55,030		55,030	(6,445)
County Comptroller	11	11	12		12	1
District Attorney	1	1	3		3	2
Fire Commission	7,200	7,932	7,961		7,961	29
Health						
Administration	2	2	1		1	(1)
Children's Early Intervention	2,165	2,165	1,187	6	1,193	(972)
Pre School Education	4,460	4,460	7,415		7,415	2,955
Laboratory Research	30	30	55		55	25
Personal Health	4	4	4		4	
Human Services						
Administration			15		15	15
Information Technology	2	2	92	2	94	92
Medical Examiner	25	25	37		37	12
Recreation and Parks						
Recreation Services	23,985	23,985	21,686	91	21,777	(2,208)
Police Ambulance Fees	24,752	24,752	20,394		20,394	(4,358)
Police Fees	269	269	477	(290)	187	(82)
Probation	1,067	1,067	1,789		1,789	722

(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, 2022 (Dollars in Thousands)**

	Original Budget	Total Budgetary Authority	Actual Revenues	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive Negative
DEPARTMENTAL REVENUE						
Public Administrator	\$ 450	\$ 450	\$ 621	\$	\$ 621	\$ 171
Miscellaneous						
Public Works - Administration	185	185	132	26	158	(27)
Public Works - Highway and Engineering	33,699	33,699	29,840	25	29,865	(3,834)
Purchasing	60	60	190		190	130
Social Services						
Administration	2,003	2,003	1,381	(5)	1,376	(627)
Aid to Dependent Children	3,150	3,150	2,648		2,648	(502)
Burials	2	2	4		4	2
Children in Foster Homes	60	60	24		24	(36)
Subsidized Adoptions			2		2	2
Home Energy Assistance Program	200	200	207		207	7
Children in Institutions	50	50	72		72	22
Education of Handicapped Children	12,197	12,197	9,627	97	9,724	(2,473)
Home Relief	3,350	3,350	2,131		2,131	(1,219)
Medicaid MMIS	660	660	1,141		1,141	481
Title XX	80	80	58		58	(22)
Treasurer	507	507	665	(1)	664	157
Total Departmental Revenue	243,011	243,743	205,411	(46)	205,365	(38,378)
INTEREST INCOME						
	1,015	1,015	16,323	(2,316)	14,007	12,992
LICENSES AND PERMITS						
Pistol Permit	1,133	1,133	1,309		1,309	176
Day Camp Permits	151	151	146		146	(5)
Food Establishments	3,415	3,415	3,271		3,271	(144)
Hazardous Materials Registration Fees	1,800	1,800	2,189		2,189	389
Home Improvements	2,600	2,600	2,447		2,447	(153)
Health Club License	20	20	7		7	(13)
Realty Subdivision Filing	102	102	35		35	(67)
Road Openings	1,117	1,117	1,162		1,162	45
Swimming Pools and Bathing Beaches	276	276	262		262	(14)
Temporary Residence Inspection Permit	120	120	112		112	(8)
Weights & Measures	1,500	1,500	1,397		1,397	(103)
Cross Connections	60	60	73		73	13
Water Supply Plan Review	155	155	344		344	189
Tattoo Parlor / Piercing	20	20	59		59	39
Impact Assessment Fee	200	200	68		68	(132)
Predemolition Inspection	146	146	146		146	
Taxi and Limo Registration Fees	175	175	153		153	(22)
ATM Registration Fees	140	140	71		71	(69)
Maps - Sewers	20	20	12		12	(8)
Hauling Permits	67	67	88		88	21
Licensing	15	15	102		102	87
Cost of Construction Fee	470	470	472		472	2
Traffic Signal Permit	51	51				(51)
Total Licenses and Permits	13,753	13,753	13,925		13,925	172

(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, 2022 (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	\$ 104,998	\$ 104,998	\$ 81,212	\$	\$ 81,212	\$ (23,786)
RENTS AND RECOVERIES						
Rental of Mitchel Field	2,541	2,541	2,406	156	2,562	21
Coliseum Rental	3,600	3,600		3,622	3,622	22
Coliseum Utilities	1,781	1,781	1,336	10	1,346	(435)
Marriott Lighthouse Heating and Chilling	447	447	613	(7)	606	159
Landmark Property Rental	844	844	1,018		1,018	174
Mitchel Field Veterans Housing	1,341	1,341	16	(16)		(1,341)
Lost and Abandoned Property	22	22	230		230	208
Cash Recoveries	10,811	10,811	108		108	(10,703)
Audit Recoveries	300	300	(142)		(142)	(442)
Police Vehicle Recovery	500	500	476		476	(24)
Vendor Recoveries	250	250	779		779	529
Accounts Receivables Recoveries	100	100	21	(21)		(100)
Revenue Recovery Account	35	35	2		2	(33)
Settlement Reimbursement	300	300				(300)
Recovery of Damage to County Property	970	970	177		177	(793)
Recovery of Prior Year Appropriations	9,716	9,716	1,715	561	2,276	(7,440)
Recovery of Workers' Compensation	55	55	420		420	365
Rental of County Property	1,737	1,737	1,832	174	2,006	269
Rental of Voting Machines	150	150	147		147	(3)
Sale of County Property	5,660	5,660	3,747		3,747	(1,913)
Proceeds from Online Auction	200	200	669		669	469
Prior Year Grant Fund Recoveries			2,381		2,381	2,381
Lessor Base Rent			6,048	(6,048)		
Total Rents and Recoveries	41,360	41,360	23,999	(1,569)	22,430	(18,930)
INTERDEPARTMENTAL REVENUES						
Office of Budget and Management	58,807	58,807	55,279		55,279	(3,528)
Correctional Center	150	150	160		160	10
County Attorney	328	328	663		663	335
District Attorney	432	432	432		432	
Human Services	100	100	99		99	(1)
Information Technology	14,761	14,761	14,830		14,830	69
Police Department	14,150	14,150	13,368		13,368	(782)
Public Works - Administration	18,593	18,593	20,335		20,335	1,742
Public Works - Groundwater Remediation	494	494	625		625	131
Social Services	44	44	41		41	(3)
Total Interdepartmental Revenues	107,859	107,859	105,832		105,832	(2,027)
INTERFUND REVENUES						
Revenues from Indirect Cost Chargebacks	58	58	37		37	(21)
Revenues from Grant Closeouts						
Interfund Revenue	8,511	8,511	7,711		7,711	(800)
Stop DWI Grant Revenue	70	70	253		253	183
Total Interfund Revenue	8,639	8,639	8,001		8,001	(638)
OTHER REVENUES						
OTB Profits	20,000	20,000	20,000		20,000	
Intergovernmental Transfers	22,201	23,201	26,303	890	27,193	3,992
Miscellaneous	20,518	20,518	15,559	133	15,692	(4,826)
Total Other Revenues	62,719	63,719	61,862	1,023	62,885	(834)

(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, 2022 (Dollars in Thousands)**

	Original Budget	Total Budgetary Authority	Actual Revenues	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
OPIOD LITIGATION SETTLEMENT REVENUE	\$	\$ 14,303	\$ 20,461	\$	\$ 20,461	\$ 6,158
STATE AID						
Budget	337	337	575		575	238
Consumer Affairs	45	45	61		61	16
Correctional Center	343	343	185		185	(158)
Court Facility Aid	785	785	498		498	(287)
District Attorney	77	77	911		911	834
Fire Prevention, Safety, Communication and Education	155	155	100		100	(55)
Health						
Administration	645	645	1,021		1,021	376
Children's Early Intervention	11,630	11,630	12,690		12,690	1,060
Pre School Education	65,948	65,948	76,560		76,560	10,612
Environmental Health	1,032	1,032	1,885		1,885	853
Laboratory Research	387	387	278		278	(109)
Personal Health	2,094	2,094	2,110		2,110	16
Housing and Intergovernmental Affairs	111	111	113		113	2
Human Services						
Administration	10,807	10,807	11,568		11,568	761
Debt Service Fund	310	310	465		465	155
Police Department	750	750	1,179		1,179	429
Emergency Management			13		13	13
Medical Examiner			64		64	64
Probation	9,921	9,921	6,044		6,044	(3,877)
Public Works						
Administration			86		86	86
Highway and Bridge Maintenance	78,009	102,409	103,399		103,399	990
Tropical Storm - Isaias			102		102	102
Fleet Management			1		1	1
State Aid Reimburse- Trop Storm Isaias			2		2	2
Recreation and Parks						
Recreation Service			7		7	7
Social Services						
Administration	5,221	5,221	5,226		5,226	5
Aid to Dependent Children	100	100	215		215	115
Burials	1	1	2		2	1
Children in Foster Homes	375	375	385		385	10
Children in Institutions	1,720	1,720	1,670		1,670	(50)
Division of Services	6,606	6,606	6,552		6,552	(54)
Education of Handicapped Children	25	25	98		98	73
Home Relief	10,761	10,761	10,868		10,868	107
Juvenile Delinquents	590	590	602		602	12
Medicaid MMIS	2,150	2,150	613		613	(1,537)
Public Financial Assistance	7,112	7,112	8,030		8,030	918
Subsidized Adoptions	1,935	1,935	2,429		2,429	494
Title XX	5,000	5,000	4,976		4,976	(24)
Veterans Service Agency	71	71	161		161	90
Total State Aid	225,053	249,453	261,744		261,744	12,291
FEDERAL AID						
Correctional Center	3,695	3,695	4,842		4,842	1,147
County Attorney	255	255	251		251	(4)
Debt Service	773	773	907		907	134
District Attorney	58	58	97		97	39
Emergency Management	480	480	39		39	(441)
Fringe Benefits			(32)		(32)	(32)
Housing	371	371	569		569	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, 2022 (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 (Continued)						
Human Services	\$ 4,921	\$ 4,921	\$ 5,935	\$	\$ 5,935	\$ 1,014
Medical Examiner			34		34	34
Parks			143		143	143
Police Department	75	75	34		34	(41)
Probation	39	39	140		140	101
Public Works	24,074	29,074	30,479		30,479	1,405
Social Services						
Administration	9,763	9,763	8,109		8,109	(1,654)
Aid to Dependent Children	21,000	21,000	16,812		16,812	(4,188)
Children in Foster Homes	700	700	1,253		1,253	553
Children in Institutions	3,000	3,000	3,736		3,736	736
Division of Services	13,778	13,778	12,951		12,951	(827)
Home Energy Assistance Program	200	200	404		404	204
Juvenile Delinquents	500	500	940		940	440
Medicaid MMIS	250	250	910		910	660
Public Financial Assistance	14,403	14,403	21,109		21,109	6,706
Subsidized Adoptions	1,450	1,450	1,815		1,815	365
Title XX	57,000	57,000	62,530		62,530	5,530
Total Federal Aid	156,785	161,785	174,007		174,007	12,222
Total Revenues	2,788,717	2,955,152	2,877,727	(2,912)	2,874,815	(80,337)
OTHER FINANCING SOURCES						
Bond Premium	1,500	1,500	2,956		2,956	1,456
Issuance of Capital Leases			811	(811)		
Transfers In	44,451	44,451	39,817		39,817	(4,634)
Transfer in from NIFA	750	750	1,224		1,224	474
Transfers in of Investment Income	520	520	3,191		3,191	2,671
Total Other Financing Sources	47,221	47,221	47,999	(811)	47,188	(33)
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 2,835,938	\$ 3,002,373	\$ 2,925,726	\$ (3,723)	\$ 2,922,003	\$ (80,370)

* Paid to County \$91,142; paid to NIFA \$1,260,150

** Total revenues and other financing sources, estimates per the 2022 County budget as adopted	\$ 3,081,266
Less: Intrafund Budget Eliminations	(245,328)
Less: Appropriated Fund Balance	
Original Budget per above	2,835,938
Add: Supplemental Appropriations	962,106
Less: Appropriated Fund Balance	(415,909)
Less: Intrafund Modified Budget Eliminations	(379,762)
Budget Estimates, Total Revenues and Other Financing Sources	\$ 3,002,373

(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, 2022 (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	\$ 5,994	\$ 5,497	\$ 5,385	\$ (1)	\$ 5,384	113
Fringe Benefits	4,802	4,470	4,119	350	4,469	1
Equipment	10	1				1
General Expenses	19	8	6		6	2
Contractual Services	80	80	65	15	80	
Legislative Central Staff						
Salaries	894	1,057	869	2	871	186
Fringe Benefits	603	721	664	57	721	
Equipment	102	152	66	57	123	29
General Expenses	1,773	2,193	2,000	186	2,186	7
Contractual Services	2,284	1,660	594	1,027	1,621	39
Legislative Budget Review						
Salaries	942	938	786	(1)	785	153
Fringe Benefits	673	652	601	51	652	
Equipment	2	2				2
General Expenses	11	11	6		6	5
Contractual Services	2	2				2
Total Legislative	18,191	17,444	15,161	1,743	16,904	540
JUDICIAL						
Court Administration						
Fringe Benefits	850	524	525		525	(1)
District Attorney						
Salaries	49,521	43,367	42,438		42,438	929
Fringe Benefits	29,593	27,710	25,332	2,149	27,481	229
Equipment	826	704	295	403	698	6
General Expenses	2,366	1,607	1,222	361	1,583	24
Contractual Services	3,956	3,259	1,981	955	2,936	323
District Attorney Total	86,262	76,647	71,268	3,868	75,136	1,511
Public Administrator						
Salaries	650	572	409		409	163
Fringe Benefits	505	449	408	34	442	7
General Expenses	3	2	1		1	1
Contractual Services	10	20	20		20	
Public Administrator Total	1,168	1,043	838	34	872	171
Traffic and Parking Violations						
Salaries	3,821	3,344	3,194		3,194	150
Fringe Benefits	3,095	2,746	2,484	210	2,694	52
Equipment	9	9				9
General Expenses	264	195	59	18	77	118
Contractual Services	19,361	19,360	8,384	4,571	12,955	6,405
Traffic and Parking Violations Total	26,550	25,654	14,121	4,799	18,920	6,734
Total Judicial	114,830	103,868	86,752	8,701	95,453	8,415

(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, 2022 (Dollars in Thousands)**

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
GENERAL ADMINISTRATION						
Asian American Affairs						
Salaries	\$ 505	\$ 505	\$ 230	\$	\$ 230	275
Fringe Benefits	170	155	143	12	155	
Equipment	6	6		1	1	5
General Expenses	36	36	6	2	8	28
Asian American Affairs Total	717	702	379	15	394	308
Assessment						
Salaries	12,820	11,178	10,714		10,714	464
Fringe Benefits	11,007	9,976	9,041	765	9,806	170
Equipment						
General Expenses	1,266	1,266	1,118	104	1,222	44
Contractual Services	2,833	1,302	1,141	41	1,182	120
Assessment Total	27,926	23,722	22,014	910	22,924	798
Board of Assessment Review						
Salaries	5,895	6,115	5,055		5,055	1,060
Fringe Benefits	3,334	3,197	2,919	248	3,167	30
General Expenses	258	75	68	6	74	1
Contractual Services						
Board of Assessment Review Total	9,487	9,387	8,042	254	8,296	1,091
Board of Elections						
Administration						
Salaries	4,775	4,199	4,109		4,109	90
Fringe Benefits	2,793	2,252	2,048	173	2,221	31
Equipment	29	29	19	6	25	4
General Expenses	144	144	79	39	118	26
General Elections						
Salaries	14,563	11,750	11,484		11,484	266
Fringe Benefits	7,809	6,291	5,715	484	6,199	92
Equipment	62	51	30	14	44	7
General Expenses	3,108	3,582	3,075	493	3,568	14
Contractual Services	494	420	393	(166)	227	193
Primary Elections						
Salaries	2,844	2,147	2,141		2,141	6
Fringe Benefits	68	1,178	1,086	92	1,178	
General Expenses	668	1,243	1,189	54	1,243	
Contractual Services	260	511	500	(193)	307	204
Board of Elections Total	37,617	33,797	31,868	996	32,864	933
Civil Service						
Salaries	5,234	4,414	4,241		4,241	173
Fringe Benefits	4,011	3,556	3,223	273	3,496	60
Equipment	5	5	5		5	
General Expenses	380	258	233	23	256	2
Contractual Services	20	20				20
Civil Service Total	9,650	8,253	7,702	296	7,998	255
County Attorney						
Salaries	8,896	8,309	8,167		8,167	142
Fringe Benefits	7,663	6,988	6,396	543	6,939	49
Equipment	20	20	17	3	20	
General Expenses	823	622	605	15	620	2
Contractual Services	8,414	9,628	4,050	5,024	9,074	554
Workers' Compensation	8,202	6,994	6,994		6,994	
County Attorney Total	34,018	32,561	26,229	5,585	31,814	747
County Clerk						
Salaries	6,816	5,648	5,431		5,431	217
Fringe Benefits	6,080	5,265	4,785	405	5,190	75
Equipment	119	277	163	113	276	1
General Expenses	288	288	237	24	261	27
Contractual Services	1,807	1,727	614	823	1,437	290
County Clerk Total	15,110	13,205	11,230	1,365	12,595	610
County Comptroller						
Salaries	7,772	7,981	7,036		7,036	945
Fringe Benefits	6,457	5,882	5,376	456	5,832	50

(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, 2022 (Dollars in Thousands)**

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
GENERAL ADMINISTRATION (Continued)						
Equipment	\$ 5	\$ 5	\$ 5	\$	\$ 5	
General Expenses	102	102	93	5	98	4
Contractual Services	1,805	1,696	1,004	680	1,684	12
County Comptroller Total	16,141	15,666	13,514	1,141	14,655	1,011
County Executive						
Salaries	1,671	1,673	1,186		1,186	487
Fringe Benefits	1,711	1,441	1,328	113	1,441	
Equipment	2	2				2
General Expenses	58	58	40	5	45	13
Contractual Services	108	8				8
County Executive Total	3,550	3,182	2,554	118	2,672	510
County Treasurer						
Salaries	2,076	2,215	1,828		1,828	387
Fringe Benefits	2,006	1,766	1,597	135	1,732	34
Equipment	2	2				2
General Expenses	719	394	373	21	394	
Contractual Services	685	645	147	394	541	104
County Treasurer Total	5,488	5,022	3,945	550	4,495	527
Office of Constituent Affairs						
Salaries	1,643	1,174	1,165		1,165	9
Fringe Benefits	1,284	1,054	969	82	1,051	3
Office of Constituent Affairs Printing & Graphics						
General Expenses	127	127		127	127	
Contractual Services	3	3		3	3	
Office of Constituent Affairs Total	3,057	2,358	2,134	212	2,346	12
Office of Emergency Management						
Salaries	1,173	788	755		755	33
Fringe Benefits	573	668	605	51	656	12
Equipment						
General Expenses	823	823	579	234	813	10
Interdepartmental	104	104				104
Office of Emergency Management Total	2,673	2,383	1,939	285	2,224	159
Information Technology						
Administration						
Salaries	10,917	10,396	10,079		10,079	317
Fringe Benefits	9,122	7,801	7,089	602	7,691	110
Equipment		2	2		2	
General Expenses	3,890	3,013	2,442	515	2,957	56
Contractual Services	27,491	27,068	18,328	6,401	24,729	2,339
Utilities	3,920	3,626	2,996	555	3,551	75
Information Technology Total	55,340	51,906	40,936	8,073	49,009	2,897
Housing and Intergovernmental Affairs:						
Salaries	1,111	986	985		985	1
Fringe Benefits	1,389	1,219	1,124	95	1,219	
Equipment	1	1				1
General Expenses	4	4	1		1	3
Interdepartmental Charges	200	200				200
Housing and Intergovernmental Affairs Total	2,705	2,410	2,110	95	2,205	205
Labor Relations						
Salaries	566	567	533		533	34
Fringe Benefits	450	445	409	36	445	
General Expenses	8	8	2		2	6
Contractual Services	350	350	306		306	44
Labor Relations Total	1,374	1,370	1,250	36	1,286	84

(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, 2022 (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)	\$ (2,806)	\$ 4,318	\$ 4,318	\$	\$ 4,318	
Fringe Benefits	4,971	4,106	3,784	322	4,106	
Equipment	3	3				3
General Expenses	143	143	77	7	84	59
Contractual Services	3,062	3,062	1,245	841	2,086	976
Management and Budgets Total	<u>5,373</u>	<u>11,632</u>	<u>9,424</u>	<u>1,170</u>	<u>10,594</u>	<u>1,038</u>
Personnel						
Salaries	948	948	838		838	110
Fringe Benefits	520	446	411	35	446	
General Expenses	33	33	16	3	19	14
Contractual Services	182	60	10	15	25	35
Personnel Total	<u>1,683</u>	<u>1,487</u>	<u>1,275</u>	<u>53</u>	<u>1,328</u>	<u>159</u>
Planning						
Salaries		51	25		25	26
Fringe Benefits		11	2		2	9
Planning Total		<u>62</u>	<u>27</u>		<u>27</u>	<u>35</u>
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	32,592	33,803	33,803		33,803	
MTA-LIRR Operating Assistance	11,584	11,584	11,584		11,584	
Physically Challenged Transportation	610	610	610		610	
Intermodal Center Subsidy - Transit Bus	65	7				7
Mass Transportation Total	<u>46,856</u>	<u>48,009</u>	<u>48,002</u>		<u>48,002</u>	<u>7</u>
Purchasing						
Salaries	1,255	1,297	1,073		1,073	224
Fringe Benefits	1,290	1,069	979	83	1,062	7
Equipment		1	1		1	
General Expenses	16	16	11	2	13	3
Contractual Services	204	117	70	47	117	
Purchasing Total	<u>2,765</u>	<u>2,500</u>	<u>2,134</u>	<u>132</u>	<u>2,266</u>	<u>234</u>
Office of Real Estate Services						
Salaries						
Fringe Benefits	35	24	24		24	
Coliseum Repair	298	298				298
Insurance on Buildings	2,039	1,237	554	472	1,026	211
Rent	15,946	15,864	4,124	10,259	14,383	1,481
Office of Real Estate Services Total	<u>18,318</u>	<u>17,423</u>	<u>4,702</u>	<u>10,731</u>	<u>15,433</u>	<u>1,990</u>
Public Utility Authority						
General Expenses	390	390		390	390	
Public Utility Authority Total	<u>390</u>	<u>390</u>		<u>390</u>	<u>390</u>	
Office of Records Management						
Salaries	1,041	615	582		582	33
Fringe Benefits	826	666	604	51	655	11
Equipment	355	555		456	456	99
General Expenses	118	65	57	6	63	2
Contractual Services	271	209	33	175	208	1
Office of Records Management Total	<u>2,611</u>	<u>2,110</u>	<u>1,276</u>	<u>688</u>	<u>1,964</u>	<u>146</u>
Building Management						
Salaries	9,602	8,621	8,192		8,192	429
Fringe Benefits	10,019	9,187	8,333	706	9,039	148
Equipment	77	82	52	24	76	6
General Expenses	2,661	2,518	1,696	690	2,386	132
Contractual Services	6,560	6,560	3,734	2,246	5,980	580
Utility Costs	27,102	27,533	24,659	802	25,461	2,072
Interdepartmental Charges	10,221	10,449	10,449		10,449	
Building Management Total	<u>66,242</u>	<u>64,950</u>	<u>57,115</u>	<u>4,468</u>	<u>61,583</u>	<u>3,367</u>
Office of the Inspector General						
Salaries	1,058	1,058	963	(1)	962	96
Equipment	4	4				4
General Services	55	55	24	20	44	11
Office of the Inspector General Total	<u>1,117</u>	<u>1,117</u>	<u>987</u>	<u>19</u>	<u>1,006</u>	<u>111</u>
Total General Administration	<u>370,208</u>	<u>355,604</u>	<u>300,788</u>	<u>37,582</u>	<u>338,370</u>	<u>17,234</u>

(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, 2022 (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	\$ 505	\$ 525	\$ 394	\$	\$ 394	131
Fringe Benefits	633	444	406	34	440	4
Equipment	5	5		-		5
General Expenses	35	35	2		2	33
Contractual Services	6	6		6	6	
Commission on Human Rights Total	1,184	1,015	802	40	842	173
Commissioner of Accounts						
Fringe Benefits	111	72	66	6	72	
General Expenses						
Contractual Services						
Commissioner of Accounts Total	111	72	66	6	72	
Consumer Affairs						
Salaries	2,064	2,235	1,559		1,559	676
Fringe Benefits	1,912	1,581	1,430	121	1,551	30
Equipment	5	5	2	-	2	3
General Expenses	163	53	39	14	53	
Contractual Services	172	172	101	26	127	45
Consumer Affairs Total	4,316	4,046	3,131	161	3,292	754
Fire Commission						
Salaries	11,874	11,526	11,229		11,229	297
Fringe Benefits	9,270	8,931	8,019	809	8,828	103
Equipment	209	88	69	16	85	3
General Expenses	294	172	85	76	161	11
Contractual Services	5,158	5,166	4,755	261	5,016	150
Interdepartmental Charges	3,218	5,009	5,009		5,009	
Fire Commission Total	30,023	30,892	29,166	1,162	30,328	564
Police Headquarters						
Salaries	242,127	310,061	281,396		281,396	28,665
Fringe Benefits	213,173	229,998	205,091	10,064	215,155	14,843
Workers' Compensation	6,300	6,800	6,075		6,075	725
Equipment	2,996	2,817	1,506	1,241	2,747	70
General Expenses	8,060	8,529	5,329	2,755	8,084	445
Contractual Services	19,451	17,367	12,345	4,197	16,542	825
Utilities	3,242	2,684	1,958	676	2,634	50
Interdepartmental Charges	29,141	31,276	31,276		31,276	
Police Headquarters Total	524,490	609,532	544,976	18,933	563,909	45,623
Medical Examiner						
Salaries	10,368	9,267	9,080		9,080	187
Fringe Benefits	6,414	6,275	5,724	486	6,210	65
Equipment	170	131	123		123	8
General Expenses	1,006	820	682	82	764	56
Contractual Services	69	69	34	18	52	17
Medical Examiner Total	18,027	16,562	15,643	586	16,229	333
Office of Crime Victims Advocate						
Salaries	576	577	334		334	243
Fringe Benefits	135	170	157	13	170	
General Expenses	173	19	9	7	16	3
Contractual Services	100					
Office of Crime Victims Advocate Total	984	766	500	20	520	246
Total Protection of Persons	579,135	662,885	594,284	20,908	615,192	47,693

(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, 2022 (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	\$ 2,231	\$ 2,078	\$ 2,024	\$ -	\$ 2,024	54
Fringe Benefits	2,258	2,338	2,138	181	2,319	19
Equipment	14	8	8	-	8	-
General Expenses	97	94	65	14	79	15
Interdepartmental Charges	3,567	3,405	2,989	-	2,989	416
Environmental Health						
Salaries	7,922	6,804	6,486	-	6,486	318
Fringe Benefits	8,074	7,393	6,714	569	7,283	110
Equipment	22	18	7	3	10	8
General Expenses	56	55	50	5	55	-
Contractual Services	149	148	73	72	145	3
Interdepartmental Charges	568	668	668	-	668	-
Laboratory Research						
Salaries	895	838	786	-	786	52
Fringe Benefits	1,007	887	801	68	869	18
Equipment	24	10	(1)	10	9	1
General Expenses	651	633	405	117	522	111
Contractual Services	127	71	54	4	58	13
Interdepartmental Charges	296	334	334	-	334	-
Public Health						
Salaries	2,088	1,991	1,770	-	1,770	221
Fringe Benefits	2,359	1,925	1,705	144	1,849	76
Equipment						
General Expenses	108	68	59	8	67	1
Contractual Services	65	65	59	(14)	45	20
Various Direct Expenses	5,000	5,000	5,000	-	5,000	-
Interdepartmental Charges	942	942	442	-	442	500
Early Intervention						
Salaries	3,574	2,934	2,755	-	2,755	179
Fringe Benefits	3,747	3,109	2,809	238	3,047	62
Supplies	14	11	4	1	5	6
General Expenses	50	22	19	3	22	-
Interdepartmental Charges	395	417	417	-	417	-
Early Intervention Charges	24,800	26,789	26,789	-	26,789	-
Preschool Education						
Salaries	86	43	34	-	34	9
Fringe Benefits	32	34	29	2	31	3
General Expenses	4	2	2	-	2	-
Contractual Services	574	614	385	149	534	80
Early Intervention Charges	138,071	154,449	139,101	6,165	145,266	9,183
Health Department Total	<u>209,867</u>	<u>224,197</u>	<u>204,980</u>	<u>7,739</u>	<u>212,719</u>	<u>11,478</u>
Mental Health, Chemical Dependency and Disabled Services						
Administration						
Salaries	938	1,421	1,528	-	1,528	(107)
Fringe Benefits	2,553	2,280	2,023	171	2,194	86
General Expenses	1,921	4,172	4,176	-	4,176	(4)
Contractual Services	9,877	9,877	5,307	3,597	8,904	973
Interdepartmental Charges	1,703	1,703	1,501	-	1,501	202
Contractual Services						
Contractual Services				(50)	(50)	50
Direct Services						
Salaries						
Fringe Benefits	31	26	26	-	26	-
General Expenses						
Contractual Services				(25)	(25)	25
Mental Health, Chemical Dependency and Disabled Services	<u>17,023</u>	<u>19,479</u>	<u>14,561</u>	<u>3,693</u>	<u>18,254</u>	<u>1,225</u>
Total Health	<u>226,890</u>	<u>243,676</u>	<u>219,541</u>	<u>11,432</u>	<u>230,973</u>	<u>12,703</u>

(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, 2022 (Dollars in Thousands)**

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
<u>PUBLIC WORKS</u>						
Administration						
Salaries	\$ 4,003	\$ 3,564	\$ 3,420	\$	\$ 3,420	144
Fringe Benefits	4,501	4,072	3,708	314	4,022	50
Workers comp	2,430	1,975	1,797		1,797	178
Equipment		1	1		1	
Interdepartmental Charges	3,025	2,541				2,541
Direct Expenses	250	300	300		300	
General Expenses	307	126	112	15	127	(1)
Contractual Services	4,781	4,358	1,522	2,067	3,589	769
Highway and Engineering						
Salaries	6,856	5,172	4,871		4,871	301
Fringe Benefits	6,048	5,431	4,912	416	5,328	103
Equipment	49	49	3	14	17	32
General Expenses	77	119	119		119	
Contractual Services	161,121	168,777	149,544	14,560	164,104	4,673
Utility Costs	1,344	1,460	1,360	(2)	1,358	102
Highway and Bridge Maintenance						
Salaries	12,070	9,385	8,812		8,812	573
Fringe Benefits	11,678	9,807	8,859	750	9,609	198
Equipment	161	161	67	63	130	31
General Expenses	3,651	3,654	2,685	758	3,443	211
Contractual Services	4,180	3,076	1,724	1,211	2,935	141
Utility Costs	13	13		(189)	(189)	202
Interdepartmental Charges	9	9				9
Groundwater Remediation						
Salaries	3,166	2,581	2,446		2,446	135
Fringe Benefits	3,337	2,738	2,481	210	2,691	47
Equipment	12	12		12	12	
General Expenses	4,122	4,976	3,296	1,268	4,564	412
Contractual Services	662	662	246	297	543	119
Interdepartmental Charges	2,153	2,409	2,409		2,409	
Total Public Works	240,006	237,428	204,694	21,764	226,458	10,970
<u>RECREATION AND PARKS</u>						
Administration						
General Expenses						
Contractual Services	223	223		223	223	
Technical Service						
General Expenses	3	3	1	2	3	
Contractual Services	15	15	3	12	15	
Recreation Service						
Salaries	19,556	18,962	18,285		18,285	677
Fringe Benefits	14,204	12,842	11,625	984	12,609	233
Equipment	528	281	198	83	281	
General Expenses	1,758	1,718	1,357	329	1,686	32
Contractual Services	10,014	10,186	6,527	2,896	9,423	763

(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, 2022 (Dollars in Thousands)**

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
RECREATION AND PARKS (Continued)						
Museum						
General Expenses	\$ 1	\$ 1	\$	\$ 1	\$ 1	
Contractual Services	251	251		(58)	(58)	309
Golf Operations						
General Expenses	4	4		4	4	
Contractual Services						
Total Recreation and Parks	46,557	44,486	37,996	4,476	42,472	2,014
SOCIAL SERVICES						
Bar Association - Public Defender	7,931	7,351	7,224	127	7,351	
Hispanic Affairs (CASA)						
Salaries	505	227	227		227	
Fringe Benefits	146	106	97	9	106	
Equipment	5	5				5
General Expenses	35	35	4		4	31
Hispanic Affairs (CASA) Total	691	373	328	9	337	36
Human Services						
Salaries	2,076	1,614	1,477		1,477	137
Fringe Benefits	2,027	1,903	1,711	145	1,856	47
Equipment	35	5	3	1	4	1
General Expenses	75	75	58	10	68	7
Contractual Services	1,005	16,005	325	1,257	1,582	14,423
Interdepartmental Charges	765	765	490		490	275
Human Services Total	5,983	20,367	4,064	1,413	5,477	14,890
Legal Aid Society	9,233	9,233	8,678	555	9,233	
Minority Affairs						
Salaries	1,057	1,057	706		706	351
Fringe Benefits	424	403	370	33	403	
Equipment	25	25				25
General Expenses	62	11	10	2	12	(1)
Contractual Services	5	5				5
Minority Affairs Total	1,573	1,501	1,086	35	1,121	380
Senior Citizens Affairs						
Administration						
Salaries	1,626	1,592	1,206		1,206	386
Fringe Benefits	2,386	1,992	1,836	156	1,992	
General Expenses	80	80	11	70	81	(1)
Contractual Services	27,862	27,401	14,466	9,388	23,854	3,547
Interdepartmental Charges	560	560	657		657	(97)
Area Agency Title III						
Contractual Services				(23)	(23)	23
TITLE IIIE (Caregivers)						
Contractual Services				(6)	(6)	6
Senior Citizens Affairs Total	32,514	31,625	18,176	9,585	27,761	3,864
Social Services Department						
Administration						
Salaries	5,014	5,180	4,443		4,443	737
Fringe Benefits	4,523	3,923	3,385	283	3,668	255
Equipment	3	3	2		2	1
General Expenses	288	288	263	14	277	11
Contractual Services	2,484	2,484	992	1,164	2,156	328
Interdepartmental Charges	20,272	20,272	16,301		16,301	3,971
Public Financial Assistance						
Salaries	19,812	18,260	17,356		17,356	904
Fringe Benefits	18,089	16,291	14,730	1,247	15,977	314
Equipment	15	15	13		13	2
General Expenses	272	302	265	20	285	17
Contractual Services	8,171	7,650	4,663	1,478	6,141	1,509

(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, 2022 (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	\$ 24,163	\$ 21,348	\$ 20,364	\$	\$ 20,364	984
Fringe Benefits	22,105	19,151	17,342	1,468	18,810	341
Equipment		50	40	3	43	7
General Expenses	235	245	196	4	200	45
Contractual Services	153	153	25	105	130	23
Handicapped Children Education						
Emergency Vendor Payments	25,883	25,883	19,366	2,709	22,075	3,808
Physically Challenged						
Salaries	229	229	256		256	(27)
Fringe Benefits	475	411	379	32	411	
General Expenses	2	2				2
Interdepartmental Charges	341	359	716		716	(357)
Aid to Dependent Children TANF						
Recipient Grants	16,500	9,818	9,818		9,818	
Emergency Vendor Payments	8,522	8,761	7,901	778	8,679	82
Home Relief SAFETY NET						
Recipient Grants	27,300	26,083	26,083		26,083	
Emergency Vendor Payments	13,500	14,827	14,827		14,827	
Children in Institutions						
Emergency Vendor Payments	12,267	12,267	10,752	(7)	10,745	1,522
Emergency Vendor Payments	1,172	1,172	550	51	601	571
Children in Foster Homes						
Recipient Grants	1,125	1,168	1,168		1,168	
Purchased Services	4	4	4		4	
Emergency Vendor Payments	325	444	444		444	
Juvenile Delinquents						
Emergency Vendor Payments	3,066	3,148	1,852	709	2,561	587
Training Schools						
Emergency Vendor Payments	3,825	2,803	2,159		2,159	644
Children in Foster Homes - Title 4E						
Recipient Grants	300	301	301		301	
Emergency Vendor Payments	300	299	285		285	14
Social Service Administration						
Recipient Grants	5,225	5,947	5,947		5,947	
Burials						
Emergency Vendor Payments	300	331	331		331	
Medicaid						
Medicaid	236,534	204,562	204,562		204,562	
Home Energy Assistance						
Recipient Grants	400	350	305		305	45
Title-XX						
Purchased Services	84,035	90,535	73,887	14,370	88,257	2,278
Social Services Department Total	567,229	525,319	482,273	24,428	506,701	18,618
Veterans Service Agency						
Salaries	658	681	563		563	118
Fringe Benefits	529	469	429	36	465	4
General Expenses	16	16	9	1	10	6
Contractual Services	49	6	1	5	6	
Veterans Service Agency Total	1,252	1,172	1,002	42	1,044	128

(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, 2022 (Dollars in Thousands)**

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
<u>SOCIAL SERVICES (continued)</u>						
Youth Board						
Salaries	\$ 348	\$ 348	\$ 352	\$	\$ 352	(4)
Fringe Benefits	750	625	576	49	625	
Contractual Services	10,611	10,612	5,889	3,393	9,282	1,330
Interdepartmental Charges	391	391	414		414	(23)
Youth Board Total	12,100	11,976	7,231	3,442	10,673	1,303
Total Social Services	638,506	608,917	530,062	39,636	569,698	39,219
<u>CORRECTIONAL CENTER</u>						
Correctional Center						
Salaries	112,333	117,098	113,952		113,952	3,146
Fringe Benefits	108,810	103,611	94,511	8,017	102,528	1,083
Workers' Compensation	8,680	10,052	10,052		10,052	
Equipment	265	227	139	83	222	5
General Expenses	4,811	5,055	3,501	1,062	4,563	492
Contractual Services	40,085	39,699	24,760	5,781	30,541	9,158
Utility Costs	1,674	1,779	1,659	4	1,663	116
Correctional Center Total	276,658	277,521	248,574	14,947	263,521	14,000
Sheriff						
Salaries	7,232	7,606	7,417		7,417	189
Fringe Benefits	6,536	6,751	6,163	523	6,686	65
General Expenses	34	34	14	1	15	19
Sheriff Total	13,802	14,391	13,594	524	14,118	273
Correctional Center and Sheriff Total	290,460	291,912	262,168	15,471	277,639	14,273
Probation						
Administration						
Salaries	21,711	18,077	17,321		17,321	756
Fringe Benefits	18,871	18,414	16,735	1,418	18,153	261
Equipment	52	149	116	21	137	12
General Expenses	418	357	245	100	345	12
Contractual Services	1,767	1,372	811	407	1,218	154
Interfund Charges	1,569	1,569	1,120		1,120	449
Probation Total	44,388	39,938	36,348	1,946	38,294	1,644
Total Corrections	334,848	331,850	298,516	17,417	315,933	15,917
<u>EDUCATION</u>						
Payment to Long Beach Schools	106	106	106		106	
State School Tuition	16,750	12,349	12,349		12,349	
Total Education	16,856	12,455	12,455		12,455	
<u>AID TO TOWNS AND CITIES</u>						
Aid to Towns and Cities	84,756	91,732	91,732		91,732	
<u>SUITS AND DAMAGES</u>						
Suits and Damages	45,000	115,364	34,699		34,699	80,665
<u>PAYMENTS OF TAX CERTIORARI</u>						
Tax Certiorari	30,000	210,039	112,169		112,169	97,870
<u>OTHER EXPENDITURES</u>						
Capital Outlay - Leases			811	(811)	-	
Interdepartmental Charges					-	
Intergovernmental Charges	22,728	23,728	23,631		23,631	97
Lido-Point Lookout Fire District	6	6	6		6	
Reserve for Contingencies		98	98		98	
Miscellaneous Expense	5,806	5,790	4,813		4,813	977
Fringe Benefits	25,612	20,212	19,728	485	20,213	(1)
NYS Association of Counties	74	74	74		74	
Total Other Expenditures	54,226	49,908	49,161	(326)	48,835	1,073

(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, 2022 (Dollars in Thousands)**

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
Debt Service:						
Principal	\$ 32,470	\$ 32,470	\$ 24,910	\$	\$ 24,910	7,560
Interest	91,421	89,898	75,796		75,796	14,102
Financing Costs	1,500	3,023	3,019		3,019	4
Principal on Leases			8,027	(8,027)		
Interest on Leases			2,215	(2,215)		
Total Debt Service	125,391	125,391	113,967	(10,242)	103,725	21,666
Total Expenditures	2,925,400	3,211,047	2,701,977	153,091	2,855,068	355,979
OTHER FINANCING USES						
Transfers Out	58,190	58,737	553		553	58,184
TOTAL EXPENDITURES AND TRANSFERS OUT	\$ 2,983,590	\$ 3,269,784	\$ 2,702,530	\$ 153,091	\$ 2,855,621	414,163
*Appropriations per the 2022 budget as adopted						3,081,266
Intrafund Budget Elimination						(245,328)
Outstanding encumbrances, January 1, 2022						147,652
Original Budget per above						2,983,590
Add: Supplemental appropriations						962,106
Less: Intrafund Modified Budget eliminations						(675,912)
Total Budgetary Authority						3,269,784

Note - Budgetary authority in the General Fund is not controlled at all department levels, but by Control Center, which may comprise several departments, thus overspending on appropriations in one department is covered by surplus in another.

(Concluded)

EXHIBIT B-3**COUNTY OF NASSAU, NEW YORK**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY, ACTUAL AND BUDGETARY BASIS
POLICE DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022 (Dollars in Thousands)

	<u>Original Budget</u>	<u>Total Budgetary Authority</u>	<u>Actual</u>	<u>GAAP to Budgetary Basis Conversion</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
Revenues:						
Property Taxes	\$ 409,795	\$ 409,795	\$ 409,795	\$	\$ 409,795	\$
Payments in Lieu of Taxes	16,758	16,758	16,758		16,758	
Departmental Revenue	2,297	2,297	2,463		2,463	166
Interest Income	30	30	180	(145)	35	5
Licenses and Permits	4,625	4,625	3,317		3,317	(1,308)
Fines and Forfeits	1,485	1,485	744		744	(741)
Rents and Recoveries			60	150	210	210
Interdepartmental Revenue			373		373	373
State Aid			32		32	32
Federal Aid			522		522	522
Total Revenues	434,990	434,990	434,244	5	434,249	(741)
Expenditures:						
Protection of Persons:						
Salaries	245,032	237,432	237,432		237,432	
Fringe Benefits	149,007	151,575	148,639	1,765	150,404	1,171
Workers' Compensation	9,200	11,761	11,761		11,761	
Equipment	867	683	261	410	671	12
General Expenses	5,911	6,894	5,024	1,582	6,606	288
Contractual Services	1,683	476	143	310	453	23
Utility Costs	1,962	1,639	1,551	27	1,578	61
Interdepartmental Charges	22,917	26,118	26,118		26,118	
Total Expenditures	436,579	436,578	430,929	4,094	435,023	1,555
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,589)	(1,588)	3,315	(4,089)	(774)	814
Other Financing Sources (Uses):						
Transfers In						
Transfers Out	(392)	(392)	(392)		(392)	
Total Other Financing Sources (Uses)	(392)	(392)	(392)		(392)	
Net Change in Fund Equity (Deficit)	(1,981)	(1,980)	2,923	(4,089)	(1,166)	814
Fund Balance (Deficit) Beginning of Year	1,981	1,980	92,301	24,721	117,022	115,042
Fund Balance (Deficit) End of Year	\$	\$	\$ 95,224	\$ 20,632	\$ 115,856	\$ 115,856

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, 2022 (Dollars in Thousands)**

	<u>Original Budget</u>	<u>Total Budgetary Authority</u>	<u>Actual</u>	<u>GAAP to Budgetary Basis Conversion</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
Revenues:						
Property Taxes	\$	\$	\$ 154,559	\$	\$ 154,559	\$ 154,559
Payments in Lieu of Taxes			7,853		7,853	7,853
Departmental Revenue	1,253	1,253	1,507	9	1,516	263
Interest Income	50	50	735		735	685
Licenses and Permits	750	750	1,033	(22)	1,011	261
Rents and Recoveries	3,000	3,000	216	3,613	3,829	829
State Aid			7		7	7
Federal Aid			83		83	83
Total Revenues	<u>5,053</u>	<u>5,053</u>	<u>165,993</u>	<u>3,600</u>	<u>169,593</u>	<u>164,540</u>
Expenditures:						
Public Works:						
Salaries	8,260	8,260	7,315		7,315	945
Fringe Benefits	12,190	12,190	9,548	495	10,043	2,147
Equipment	10	10				10
General Expenses	1,836	2,211	393	519	912	1,299
Contractual Services	74,614	72,458	68,395	1,337	69,732	2,726
Utility Costs	8,817	10,861	10,201	649	10,850	11
Interdepartmental Charges	6,375	6,740	6,740		6,740	
Other	5,585	5,210		226	226	4,984
Debt Service:						
Principal	10,443	10,443	9,119		9,119	1,324
Interest	3,557	3,557	581		581	2,976
Bond Issuance Costs		111	111		111	
Total Expenditures	<u>131,687</u>	<u>132,051</u>	<u>112,403</u>	<u>3,226</u>	<u>115,629</u>	<u>16,422</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(126,634)</u>	<u>(126,998)</u>	<u>53,590</u>	<u>374</u>	<u>53,964</u>	<u>180,962</u>
Other Financing Sources (Uses):						
Transfer In						
Transfer Out	(33,683)	(33,318)	(29,124)		(29,124)	4,194
Transfer In of Investment Income	30	30	403		403	373
Transfer Out to NCSSWFA			(162,412)		(162,412)	(162,412)
Transfers In from NCSSWFA	144,880	144,880	145,685		145,685	805
Total Other Financing Sources (Uses)	<u>111,227</u>	<u>111,592</u>	<u>(45,448)</u>		<u>(45,448)</u>	<u>(157,040)</u>
Net Change in Fund Balances	(15,407)	(15,406)	8,142	374	8,516	23,922
Fund Balance Beginning of Year	15,407	15,406	41,238	15,772	57,010	41,604
Fund Balance End of Year	\$	\$	\$ 49,380	\$ 16,146	\$ 65,526	\$ 65,526

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, 2022 (Dollars in Thousands)**

	<u>Original Budget</u>	<u>Total Budgetary Authority</u>	<u>Actual</u>	<u>GAAP to Budgetary Basis Conversion</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>						
Property Taxes	\$	\$ 625	\$ 625	\$	\$ 625	\$
Interest Income			1,690		1,690	1,690
Total Revenues		625	2,315		2,315	1,690
<u>Other Financing Uses:</u>						
Transfer Out		(625)	(625)		(625)	
Total Other Financing Uses		(625)	(625)		(625)	
Net Change in Fund Balance			1,690		1,690	1,690
Fund Balance Beginning of Year			7,118		7,118	7,118
Fund Balance End of Year	\$	\$	\$ 8,808	\$	\$ 8,808	\$ 8,808

EXHIBIT B-6**COUNTY OF NASSAU, NEW YORK**

**SCHEDULE OF EXPENDITURES BY COUNTY ARPA PROGRAMS
TOTAL BUDGETARY AUTHORITY AND ACTUAL
AMERICAN RESCUE PLAN FUND
FOR THE YEAR ENDED DECEMBER 31, 2022 (Dollars in Thousands)
(INCLUDING LIFETIME ACTIVITY THROUGH DECEMBER 31, 2022)**

County ARPA Programs	Budgetary Authority as of December 31, 2022	Expenditures and Transfers through December 31, 2021	Available Budgetary Authority for 2022	2022 Expenditures	Remaining Budgetary Authority December 31, 2022
Household Assistance Program	\$ 79,410	\$ 17,873	\$ 61,537	\$ 10,395	\$ 51,142
Boost Main St Small Business Grt Program	30,000	9,970	20,030	10,030	10,000
Boost Nassau Small Business Loan Program	10,000		10,000		10,000
Boost NC Technical Assist Partner & Grts	1,500		1,500		1,500
Boost NC Resource Ctr Staff, Supp, Ad Buy	1,000	152	848	365	483
Boost NC Tourism Program	2,000		2,000	704	1,296
Workforce Development	10,000		10,000		10,000
Septic Grant Program	5,000	81	4,919	538	4,381
Groundwater Conservation Program	6,000		6,000		6,000
Veterans Support Programs	2,000		2,000	723	1,277
Behavioral Health Support	5,600		5,600	1,680	3,920
Expansion of Youth Services	1,900		1,900	1,231	669
Expansion of Office of the Aging Programs	2,750		2,750	1,546	1,204
Health & Social Services Grant Programs	10,000		10,000	961	9,039
Assistance to School Districts	2,500		2,500		2,500
Additional Consulting Assistance	6,500	1,660	4,840	2,158	2,682
Public Safety Aid - Veeb	2,000		2,000	500	1,500
COVID-19 Disinfecting	4,500		4,500	2,143	2,357
COVID-19 Summer Internship Program	250		250	17	233
Office of Health Equity	655		655	78	577
Div of Diversity Equity & Inclusion	585		585		585
Broadband	1,000		1,000		1,000
Non-Public Schools	1,000		1,000		1,000
Fire Comm Cad Enhancement	450		450		450
Total	\$ 186,600	\$ 29,736	\$ 156,864	\$ 33,069	\$ 123,795

Note: Budgetary Authority in the ARPA Fund is not restricted by program, only Control Center and Object Class, thus remaining budgetary authority may be reclassified

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

**SCHEDULE OF EXPENDITURES BY COUNTY DEPARTMENTS AND OFFICES
TOTAL BUDGETARY AUTHORITY AND ACTUAL
GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022 (Dollars in Thousands)
(INCLUDING LIFETIME ACTIVITY THROUGH DECEMBER 31, 2022)**

County Departments, Offices and Boards	Budgetary Authority as of December 31, 2022	Expenditures through December 31, 2021	Available Budgetary Authority for 2022	2022 Expenditures	Remaining Budgetary Authority December 31, 2022
Affirmative Action	\$ 1,240	\$ 1,140	\$ 100	\$	\$ 100
Assessment	13,000	11,363	1,637		1,637
Behavioral Health	695,755	536,980	158,775	36,433	122,342
Budget and Management	33,868	9,847	24,021	5,491	18,530
CASA	735	466	269		269
Consumer Affairs	250	229	21		21
Correctional Center	18,262	16,275	1,987	943	1,044
County Attorney	295	295			
County Clerk	574	444	130	52	78
County Comptroller	805	446	359		359
Criminal Justice Coordinating Council	66,459	60,749	5,710	607	5,103
Cultural Development	441	437	4		4
District Attorney	65,245	51,761	13,484	2,877	10,607
Drug and Alcohol	693,474	527,186	166,288		166,288
Board of Election	11,870	6,921	4,949	882	4,067
Emergency Management	71,800	52,644	19,156	2,930	16,226
Fire Commission	6,275	5,096	1,179	92	1,087
General Services	415	315	100		100
Health	412,851	325,706	87,145	11,179	75,966
Housing and Inter- governmental Affairs	969,989	828,866	141,123	26,477	114,646
Human Rights	1,897	1,702	195		195
Human Services	15,619	3,287	12,332	2,417	9,915
Information Technology	433	394	39		39
Labor	50	46	4		4
Medical Center	5,119	188	4,931		4,931
Medical Examiner	19,965	16,707	3,258	1,399	1,859
Mental Health	213,875	169,654	44,221		44,221
Miscellaneous	91,127	72,570	18,557		18,557
Planning	32,490	23,482	9,008	303	8,705
Police	202,180	160,214	41,966	8,106	33,860
Probation	51,708	43,861	7,847	641	7,206
Public Works	25,395	18,108	7,287	1,528	5,759
Real Estate Services	420,487	143,785	276,702	17,734	258,968
Records Management	114	113	1		1
Recreation and Parks	63,006	52,820	10,186	2,993	7,193
Senior Citizen Affairs	63,162	60,291	2,871		2,871
Sheriff	66	55	11		11
Shared Services	650	642	8		8
Social Services	274,259	212,634	61,625	18,008	43,617
Traffic Safety Board	76,693	70,822	5,871	1,027	4,844
Veterans Services	458	424	34		34
Women's Services	194	148	46		46
Youth Board	39,081	31,638	7,443		7,443
Total	4,661,631	3,520,751	1,140,880	142,119	998,761
Debt Service - Leases (GASB 87)			435	435	
Total	\$ 4,661,631	\$ 3,520,751	\$ 1,141,315	\$ 142,554	\$ 998,761

EXHIBIT B-8

COUNTY OF NASSAU, NEW YORK

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY, ACTUAL, AND BUDGETARY BASIS
ENVIRONMENTAL PROTECTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2022 (Dollars in Thousands)**

	<u>Original Budget</u>	<u>Total Budgetary Authority</u>	<u>Actual</u>	<u>GAAP to Budgetary Basis Conversion</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>						
Property Taxes	\$ 9,579	\$ 9,579	\$ 9,575	\$	\$ 9,575	\$ (4)
Interest Income			22		22	22
Total Revenues	<u>9,579</u>	<u>9,579</u>	<u>9,597</u>		<u>9,597</u>	<u>18</u>
<u>Other Financing Sources (Uses):</u>						
Transfers Out	<u>(9,676)</u>	<u>(9,676)</u>	<u>(9,676)</u>		<u>(9,676)</u>	
Total Other Financing Sources (Uses)	<u>(9,676)</u>	<u>(9,676)</u>	<u>(9,676)</u>		<u>(9,676)</u>	
Net Change in Fund Balance	(97)	(97)	(79)		(79)	18
Fund Balance Beginning of Year	<u>97</u>	<u>97</u>	<u>706</u>		<u>706</u>	<u>609</u>
Fund Balance End of Year	<u>\$</u>	<u>\$</u>	<u>\$ 627</u>	<u>\$</u>	<u>\$ 627</u>	<u>\$ 627</u>

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

**SCHEDULE OF EXPENDITURES BY COUNTY DEPARTMENTS AND OFFICES
TOTAL BUDGETARY AUTHORITY AND ACTUAL
FEMA FUND
FOR THE YEAR ENDED DECEMBER 31, 2022 (Dollars in Thousands)
(INCLUDING LIFETIME ACTIVITY THROUGH DECEMBER 31, 2022)**

County Departments, Offices and Boards	Budgetary Authority as of December 31, 2022	Expenditures and Transfers through December 31, 2021	Available Budgetary Authority for 2022	2022 Expenditures	Remaining Budgetary Authority December 31, 2022
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	1,576	1,578	(2)		(2)
Fire Commission	883	882	1		1
Health	914	914			
Human Services	68	68			
Information Technology	300	300			
Labor Relations	2	2			
Legislature	1	1			
Medical Examiner	4	4			
Personnel	28	28			
Police	11,577	11,576	1		1
Police Headquarters	10,974	10,968	6		6
Probation	419	419			
Public Administrator					
Public Works	196,093	200,880	(4,787)		(4,787)
Shared Services	13	13			
Recreation and Parks	2,616	2,616			
Social Services	73	73			
STEP Program	14,833	9,071	5,762		5,762
Total	\$ 241,204	\$ 240,223	\$ 981	\$ -	\$ 981

Note - Budgetary authority in the FEMA fund is not restricted by department only Control Center and Object Class, thus remaining budgetary may be reclassified.

EXHIBIT B-10**COUNTY OF NASSAU, NEW YORK**

**SCHEDULE OF EXPENDITURES BY COUNTY DEPARTMENTS AND OFFICES
TOTAL BUDGETARY AUTHORITY AND ACTUAL
COVID FUND
FOR THE YEAR ENDED DECEMBER 31, 2022 (Dollars in Thousands)
(INCLUDING LIFETIME ACTIVITY THROUGH DECEMBER 31, 2022)**

County Departments, Offices and Boards	Budgetary Authority as of December 31, 2022	Expenditures and Transfers through December 31, 2021	Available Budgetary Authority for 2022	2022 Expenditures	2022 Transfers (*)	Remaining Budgetary Authority December 31, 2022
Budget and Management	\$ 10,475	\$ 338	\$ 10,137	\$ 13	\$ 209	\$ 9,915
Consumer Affairs	174	174				
Correctional Center	2,298	2,298				
District Attorney	81	82	(1)		(1)	
Office of Constituent Affairs	283	283				
Emergency Management	1,285	1,284	1	207	(207)	1
Fire Commission	4,304	4,304				
Health	2,633	2,633				
Housing and Inter- governmental Affairs	304	304				
Human Services	578	577	1			1
Information Technology	2,365	2,365				
Labor Relations	172	172				
Legislature	11	11				
Medical Examiner	903	904	(1)		(1)	
Minority Affairs	171	171				
Parks and Recreation	2	2				
Police	83,522	83,522				
Probation	207	207				
Public Works	254	254				
Public Works - Facilities Management	4,648	4,500	148			148
Public Works - Sewers	33	33				
Sheriff	1,233	1,233				
Social Services	795	795				
Veterans Services	68	68				
Total	\$ 116,799	\$ 106,514	\$ 10,285	\$ 220	\$ -	\$ 10,065

* Note - Budgetary Authority in the COVID Fund is not restricted by department, only Control Center and Object Class, thus remaining budgetary authority may be reclassified.

EXHIBIT B-11**COUNTY OF NASSAU, NEW YORK****COMBINING BALANCE SHEET
GENERAL FUND
DECEMBER 31, 2022 (Dollars in Thousands)**

ASSETS:	General	Debt Service Fund	Fire Prevention, Safety, Communication and Education Fund	Police Headquarters Fund	Technology Fund	Open Space Fund	Employee Benefit Accrued Liability Reserve Fund
Cash and Cash Equivalents	\$ 234,712	\$ 26,247	\$ 3,401	\$ 23,349	\$ 84	\$	\$
Restricted Cash and Cash Equivalents	35,083					1,992	13,993
Sales Tax Receivable	13,983						
Due from Other Governments	154,843			2,410			
Less Allowance for Doubtful Accounts	(8,409)						
Accounts Receivable	31,460	130		1,828		9	
Real Property Taxes Receivable	79,733						
Less Allowance for Doubtful Accounts	(7,410)						
Tax Sale Certificates	3,269						
Tax Real Estate Held for Sale	6,388						
Interfund Receivables	335,573	50,889	1	9,518			62
Advances Receivable	42,132						
Lease Receivables	135,878						
Prepays	26,482		636	20,620			
Due from Component Units	87,075						
Other Assets	3,961		116	795			
TOTAL ASSETS	\$ 1,174,753	\$ 77,266	\$ 4,154	\$ 58,520	\$ 84	\$ 2,001	\$ 14,055
LIABILITIES:							
Accounts Payable	\$ 68,487	\$	\$ 400	\$ 2,974	\$	\$	\$
Accrued Liabilities	110,759	1	288	12,422			
Revenue Anticipation Notes Payable							
Unearned Revenue	9,702						
Property Tax Refund Payable	9,481						
Interfund Payables	300,348	81,996	3,921	70,472			13,229
Due to Component Units	80,780		41	1			
Other Liabilities	29,941		216	5,099			
Total Liabilities	609,498	81,997	4,866	90,968			13,229
DEFERRED INFLOWS OF RESOURCES:							
Unavailable Revenue - Period of Availability	6,017						
Leases	132,825						
Unavailable Revenue - Property Taxes	23,821						
Property Taxes - Part County Sales Tax Offset	48,564						
Mitchel Field - Sale of Future Rental Revenue	23,646						
Total Deferred Inflows of Resources	234,873						
FUND BALANCE (DEFICIT):							
Fund Balances (Deficit):							
Nonspendable	81,542		740	21,198			
Spendable:							
Restricted	38,797					2,001	826
Committed					84		
Assigned	107,971						
Unassigned	102,072	(4,731)	(1,452)	(53,646)			
Total Fund Balance (Deficit)	330,382	(4,731)	(712)	(32,448)	84	2,001	826
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	\$ 1,174,753	\$ 77,266	\$ 4,154	\$ 58,520	\$ 84	\$ 2,001	\$ 14,055

EXHIBIT B-11**COUNTY OF NASSAU, NEW YORK****COMBINING BALANCE SHEET
GENERAL FUND****DECEMBER 31, 2022 (Dollars in Thousands)**

	Litigation Fund	Bond Indebtedness Fund	SRF Excess Sales Tax Fund	Opioid Litigation Settlement Fund	Retirement Contribution Reserve Fund	Intrafund Eliminations	Total General Fund
ASSETS:							
Cash and Cash Equivalents	\$ 311,949	\$	\$	\$ 41,390	\$ 30,347	\$	\$ 641,132
Restricted Cash and Cash Equivalents		20,000		35,861			137,276
Sales Tax Receivable							13,983
Due from Other Governments							157,253
Less Allowance for Doubtful Accounts							(8,409)
Accounts Receivable							33,427
Real Property Taxes Receivable							79,733
Less Allowance for Doubtful Accounts							(7,410)
Tax Sale Certificates							3,269
Tax Real Estate Held for Sale							6,388
Interfund Receivables	155,280	105,000			40,000	(456,781)	239,542
Advances Receivable							42,132
Lease Receivables							135,878
Prepays							47,738
Due from Component Units							87,075
Other Assets							4,872
TOTAL ASSETS	\$ 467,229	\$ 125,000	\$	\$ 77,251	\$ 70,347	\$ (456,781)	\$ 1,613,879
LIABILITIES:							
Accounts Payable	\$ 453	\$	\$	\$	\$	\$	\$ 72,314
Accrued Liabilities	770						124,240
Revenue Anticipation Notes Payable							9,702
Unearned Revenue							34,044
Property Tax Refund Payable	24,563						19,523
Interfund Payables	6,338					(456,781)	80,822
Due to Component Units							35,256
Other Liabilities							
Total Liabilities	32,124					(456,781)	375,901
DEFERRED INFLOWS OF RESOURCES:							
Unavailable Revenue - Period of Availability							6,017
Leases							132,825
Unavailable Revenue - Property Taxes							23,821
Property Taxes - Part County Sales Tax Offset							48,564
Mitchel Field - Sale of Future Rental Revenue							23,646
Total Deferred Inflows of Resources							234,873
FUND BALANCE (DEFICIT):							
Fund Balances (Deficit):							
Nonspendable							103,480
Spendable:							
Restricted		125,000		35,861	70,347		272,832
Committed	280,105			41,390			321,579
Assigned	155,000						262,971
Unassigned							42,243
Total Fund Balance (Deficit)	435,105	125,000		77,251	70,347		1,003,105
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	\$ 467,229	\$ 125,000	\$	\$ 77,251	\$ 70,347	\$ (456,781)	\$ 1,613,879

EXHIBIT B-12**COUNTY OF NASSAU, NEW YORK****COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022 (Dollars in Thousands)**

	General Fund	Debt Service Fund	Fire Prevention, Safety, Communication and Education Fund	Police Headquarters Fund	Technology Fund	Open Space Fund	Employee Benefit Accrued Liability Reserve Fund
REVENUES:							
Property Taxes	\$ 2,058	\$	\$ 22,252	\$ 321,212	\$	\$	\$
Payments in Lieu of Taxes	27,057		405	8,938			
Preempted Sales Tax in Lieu of Property Taxes	94,821						
Interest and Penalties on Taxes	45,042						
Sales Tax	1,351,292						
Special Taxes	8,186			23,687			
Departmental Revenue	176,579		7,961	20,871			
Interest Income	10,700		28	85	1		8
Licenses and Permits	12,616			1,309			
Fines and Forfeitures	55,933			25,279			
Rents and Recoveries	23,681			122		196	
Interdepartmental Revenues	92,464			13,368			
Interfund Revenues	7,802			199			
Other Revenues	61,638	224					
Opioid Litigation Settlement Revenue							
State Aid	260,000	465	100	1,179			
Federal Aid	173,066	907		34			
Total Revenues	2,402,935	1,596	30,746	416,283	1	196	8
EXPENDITURES:							
Current:							
Legislative	15,159						
Judicial	85,904						
General Administration	298,160						
Protection of Persons	19,851		28,863	515,838			
Health	218,439						
Public Works	203,518						
Recreation and Parks	37,308						
Social Services	527,237						
Corrections	294,351						
Education	12,455						
Aid to Towns and Cities	91,732						
Suits and Damages	8,201						
Payments for Tax Certiorari	2,039						
Other	48,350						
Capital Outlay:							
General	811						
Debt Service:							
Principal	8,027	24,910					
Interest	2,215	75,796					
Bond Issuance Costs		3,019					
Total Expenditures	1,873,757	103,725	28,863	515,838			
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	529,178	(102,129)	1,883	(99,555)	1	196	8
OTHER FINANCING SOURCES (USES):							
Transfers In	57,101	154,147		125,540			111
Transfers Out	(529,461)	(55,864)	(945)	(11,316)			(49)
Transfers In of Investment Income	3,191						
Transfers In from NIFA	1,224						
Issuance of Capital Leases	811						
Premium on Bonds		2,956					
Total Other Financing Sources (Uses)	(467,134)	101,239	(945)	114,224			62
NET CHANGE IN FUND BALANCE (DEFICIT)	62,044	(890)	938	14,669	1	196	70
TOTAL FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	268,338	(3,841)	(1,650)	(47,117)	83	1,805	756
TOTAL FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 330,382	\$ (4,731)	\$ (712)	\$ (32,448)	\$ 84	\$ 2,001	\$ 826

EXHIBIT B-12**COUNTY OF NASSAU, NEW YORK****COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES****GENERAL FUND****FOR THE YEAR ENDED DECEMBER 31, 2022 (Dollars in Thousands)**

	Litigation Fund	Bond Indebtedness Fund	SRF Excess Sales Tax Fund	Opioid Litigation Settlement Fund	Retirement Contribution Reserve Fund	Intrafund Eliminations	Total General Fund
REVENUES:							
Property Taxes	\$	\$	\$	\$	\$	\$	\$ 345,522
Payments in Lieu of Taxes							36,400
Preempted Sales Tax in Lieu of Property Taxes							94,821
Interest and Penalties on Taxes							45,042
Sales Tax							1,351,292
Special Taxes							31,873
Departmental Revenue							205,411
Interest Income	4,344			862	295		16,323
Licenses and Permits							13,925
Fines and Forfeitures							81,212
Rents and Recoveries							23,999
Interdepartmental Revenues							105,832
Interfund Revenues							8,001
Other Revenues							61,862
Opioid Litigation Settlement Revenue				20,461			20,461
State Aid							261,744
Federal Aid							174,007
Total Revenues	4,344			21,323	295		2,877,727
EXPENDITURES:							
Current:							
Legislative		2					15,161
Judicial		848					86,752
General Administration		2,628					300,788
Protection of Persons		29,732					594,284
Health		1,102					219,541
Public Works		1,176					204,694
Recreation and Parks		688					37,996
Social Services		2,825					530,062
Corrections		4,165					298,516
Education							12,455
Aid to Towns and Cities							91,732
Suits and Damages	26,498						34,699
Payments for Tax Certiorari	110,130						112,169
Other							48,350
Capital Outlay:							
General							811
Debt Service:							
Principal							32,937
Interest							78,011
Bond Issuance Costs							3,019
Total Expenditures	179,794						2,701,977
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(175,450)			21,323	295		175,750
OTHER FINANCING SOURCES (USES):							
Transfers In	517,163	105,000			40,000	(959,245)	39,817
Transfers Out			(362,163)			959,245	(553)
Transfers In of Investment Income							3,191
Transfers In from NIFA							1,224
Issuance of Bonds							811
Premium on Bonds							2,956
Total Other Financing Sources (Uses)	517,163	105,000	(362,163)		40,000		47,446
NET CHANGE IN FUND BALANCE (DEFICIT)	341,713	105,000	(362,163)	21,323	40,295		223,196
TOTAL FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	93,392	20,000	362,163	55,928	30,052		779,909
TOTAL FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 435,105	\$ 125,000	\$	\$ 77,251	\$ 70,347	\$	\$ 1,003,105

EXHIBIT C-1**COUNTY OF NASSAU, NEW YORK****CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS BY FUNCTION
DECEMBER 31, 2022 (Dollars in Thousands)**

	Land*	Intangibles	Land Improvements	Buildings	Equipment	Infrastructure	Total
Legislative	\$	\$	\$	\$ 254	\$ 328	\$	\$ 582
Judicial	2,593		1,933	73,629	6,493		84,648
General Administration	176,882	72,544	1,898	436,704	217,008		905,036
Protection of Persons	7,711		190	113,551	154,010	42,817	318,279
Health	475			4,672	3,349		8,496
Public Works	32,218		33,471	333,849	71,647	2,901,731	3,372,916
Recreation and Parks	35,653		72,136	222,629	7,649	80,583	418,650
Social Services	535		3,840	19,966	811		25,152
Corrections				187,800	11,654	18	199,472
Total	256,067	72,544	113,468	1,393,054	472,949	3,025,149	5,333,231
Less: Accumulated Depreciation and Amortization		17,876	86,445	703,047	311,885	1,621,722	2,740,975
Lease Assets				145,919			145,919
Less: Accumulated Depreciation and Amortization				11,458			11,458
	\$ 256,067	\$ 54,668	\$ 27,023	\$ 824,468	\$ 161,064	\$ 1,403,427	\$ 2,726,717
Construction in Progress							1,384,776
Total Net Capital Assets							\$ 4,111,493

* Land is not depreciated.

EXHIBIT C-2**COUNTY OF NASSAU, NEW YORK****STATEMENT OF CHANGES IN CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2022 (Dollars in Thousands)**

	(As restated) Capital Assets January 1, 2022	Additions*	Reductions*	Capital Assets December 31, 2022
Legislative	\$ 548	\$ 34	\$	\$ 582
Judicial	84,785	246	383	84,648
General Administration	1,018,011	42,040	155,015	905,036
Protection of Persons	279,604	43,565	4,890	318,279
Health	8,474	30	8	8,496
Public Works	3,080,988	294,801	2,873	3,372,916
Recreation and Parks	394,713	24,632	695	418,650
Social Services	25,176	8	32	25,152
Corrections	194,656	5,358	542	199,472
Construction in Progress	1,409,388	347,752	372,364	1,384,776
Total	6,496,343	758,466	536,802	6,718,007
Less: Accumulated Depreciation and Amortization	2,687,828	205,865	152,718	2,740,975
Lease Assets	144,103	1,816		145,919
Less: Accumulated Amortization	-	11,458	-	11,458
Total Changes in Net Capital Assets	\$ 3,952,618	\$ 542,959	\$ 384,084	\$ 4,111,493

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

EXHIBIT D-1

COUNTY OF NASSAU, NEW YORK

**STATEMENT OF CASH IN BANKS*
ALL FUNDS OF THE PRIMARY GOVERNMENT
DECEMBER 31, 2022 (Dollars in Thousands)**

CASH BALANCES BY FUND:

General Fund	\$ 778,408
NIFA Fund	892
Police District Fund	106,326
Sewer and Storm Water District Fund	65,420
Capital Fund	444,333
Disputed Assessment Fund	100,531
American Rescue Plan Fund	197,937
Nonmajor Governmental Funds	115,590
Custodial Fund	58,817
	<hr/>
Total Cash Balances By Funds	\$ 1,868,254 **

CASH BALANCES BY BANK:

The Bank of New York	\$ 1,021
Held by Fiscal Agent - EFC	76,071
Bank of America	19,300
JP Morgan Chase	443,535
Capital One Bank	95,480
NYCLASS LG Investment Pool	694,362
Signature Bank ***	96,622
Santander Bank	206,546
Sterling National Bank	163,156
TD Bank	5,179
Wells Fargo	66,193
Petty Cash	789
	<hr/>
Total Cash Balances By Bank	\$ 1,868,254

*See Exhibit X-14 Note 3, Deposits and Investments

**The Cash Balance reported on this Statement will equal the sum of the Cash and Cash Equivalents plus Restricted Cash and Cash Equivalents and Cash Held by Fiscal Agent appearing on the Statement of Net Position (Deficit) (Exhibit X-1) for the Primary Government and the Cash Balances, as of the fiscal year end, reported in the Statement of Fiduciary Net Position (Exhibit X-10).

*** Signature Bank was purchased by New York Community Bank (NYCB) in March 2023. The County no longer has funds, or any business transactions, with NYCB or its subsidiary, Flagstar Bank.

FINANCIAL SCHEDULES (pursuant to NIFA resolution)

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EXHIBIT E-1

COUNTY OF NASSAU, NEW YORK

**CONTROL PERIOD CALCULATION SCHEDULE
DECEMBER 31, 2022**

	<u>(\$'s millions)</u>
Net Change in Fund Balance - GAAP (Modified Accrual Basis) Primary Operating Funds (from Note 2)	\$ 79.7
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	
Total Other Financing Sources to Eliminate	<u>\$ 0</u>
Less: Adjustments for Operating Expenditures Not Included in Other Financing Uses	
Borrowed Funds to Pay Property Tax Refunds	
Borrowed Funds to Pay Operating Expenditures	
Total Other Financing Uses to Include	<u>\$ 0</u>
Total Other Financing Sources/Uses Adjustments	<u>\$ 0</u>
Results Under Control Period Calculation	<u><u>\$ 79.7</u></u>

EXHIBIT E-2

COUNTY OF NASSAU, NEW YORK

**CONTROL PERIOD CALCULATION SCHEDULE - HISTORICAL DATA
LAST EIGHT FISCAL YEARS (2015 is unaudited)**

	(\$'s in millions)							
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>Unaudited</u> <u>2015</u>
Net Change in Fund Balance - General and Police District Fund, as Adjusted to Primary Operating Funds * (from Exhibit E-1)	\$ 79.7	\$ 27.2	\$ 103.1	\$ 138.9	\$ (17.4)	\$ (58.8)	\$ 27.1	\$ 28.0
Less: Adjustments for Resources Included in Other Financing Sources/Uses								
Premiums on Bonds (Net of Expense of Loans)					(2.0)		(43.8)	(19.0)
Borrowed Funds to Pay Property Tax Refunds				(61.1)	(38.5)	(0.7)	(59.3)	(96.2)
Borrowed Funds to Pay Other Judgments							(2.0)	(26.1)
Borrowed Funds to Pay Termination Pay								
Borrowed Funds to Pay Other Operating Expenditures				(0.2)	(3.1)	(3.5)		
Transfer of Revenue From Other Funds to Offset Debt Expenditures			(12.5)	(0.8)	(0.2)	(0.2)	(5.1)	(12.0)
Total Other Financing Sources/Uses to be Eliminated	<u>0</u>	<u>0</u>	<u>(12.5)</u>	<u>(62.1)</u>	<u>(43.8)</u>	<u>(4.4)</u>	<u>(110.2)</u>	<u>(153.3)</u>
Results Under Control Period Calculation	<u>\$ 79.7</u>	<u>\$ 27.2</u>	<u>\$ 90.6</u>	<u>\$ 76.8</u>	<u>\$ (61.2)</u>	<u>\$ (63.2)</u>	<u>\$ (83.1)</u>	<u>\$ (125.3)</u>

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



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Nassau, New York (the "County"), as of and for the year ended December 31, 2022, 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 22, 2023. Our report includes a reference to other auditors who audited the financial statements of Nassau Community College, Nassau Regional Off-Track Betting Corporation, Nassau Health Care Corporation ("NHCC"), Nassau County Industrial Development Agency ("IDA"), and Nassau County Local Economic Assistance Corporation, Nassau County Bridge Authority, and Nassau County Interim Finance Authority, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors 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 the Nassau County Interim Finance Authority and NHCC's ability to continue as a going concern. The financial statements of NHCC were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

New York, NY
June 22, 2023



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

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

Report on Compliance for Each Major Federal Program

Opinion of Each Major Federal Program

We have audited the County of Nassau, New York's (the "County") compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget ("OMB") *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2022. 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, 2022. Our audit, described in the first paragraph, did not include the operations of Nassau Community College because a separate audit was performed of Nassau Community College in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance") as of its year-end of August 31, 2022. 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, 2022.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis of Opinion on Major Federal Programs

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditors' Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether to do with fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of the major federal programs as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.



Our consideration of internal control over compliance was for the limited purpose described in the *Auditors' Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 22, 2023, 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 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.

New York, NY
September 29, 2023

COUNTY OF NASSAU, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing 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	\$ 10,040	\$ -
National School Lunch Program	10.555	705962	17,179	-
Summer Food Service Program for Children (SFSPC)	10.559	Not available	86,036	-
Total Child Nutrition Cluster			<u>113,255</u>	<u>-</u>
COVID-19 - Pandemic EBT Administrative Costs	10.649	LEA 280401951000	628	-
Pass-Through From: NYS Department of Health				
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	C35507GG-3450000	6,185,165	-
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	7,232,783	-
Total U.S. Department of Agriculture			<u>13,531,831</u>	<u>-</u>
U.S. Department of Housing and Urban Development (HUD):				
CDBG - Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218		11,377,295	9,541,068
COVID-19 - Community Development Block Grants/Entitlement Grants	14.218		3,434,486	3,371,149
Total CDBG - Entitlement Grants Cluster			<u>14,811,781</u>	<u>12,912,217</u>
Emergency Solutions Grant Program	14.231		546,341	473,802
COVID-19 - Emergency Solutions Grant Program	14.231		3,184,224	3,024,573
Total Emergency Solutions Grant Program			<u>3,730,565</u>	<u>3,498,375</u>
Home Investment Partnerships Program	14.239		1,820,023	210,615
Pass-Through From: Housing Trust Fund Corporation/Governor's Office of Storm Recovery (GOSR)				
CDBG - Disaster Recovery Grants - Pub. L. No. 113-2 Cluster				
Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR) Community Reconstruction Program	14.269	Not available	12,537,167	-
Total U.S. Department of Housing and Urban Development			<u>32,899,536</u>	<u>16,621,207</u>
U.S. Department of Justice:				
State Criminal Alien Assistance Program	16.606		3,204,494	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738		16,347	-
DNA Backlog Reduction Program	16.741		477,870	-
Smart Prosecution Initiative	16.825		251,403	-
Equitable Sharing Program	16.922		1,186,181	-
Pass-Through From: NYS Office of Victim Services				
Crime Victim Assistance	16.575	C11002GG	1,202,396	-
Pass-Through From: County of Suffolk				
Project Safe Neighborhoods	16.609	21-PO-101	143,930	-
Pass-Through From: NYS Division of Criminal Justice Services				
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	DCJ01-C00464GG-1090000, DCJ01-C00626GG-1090000, DCJ01-C00465GG-1090000	114,700	-
Total U.S. Department of Justice			<u>6,597,321</u>	<u>-</u>

(Continued)

COUNTY OF NASSAU, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amount Provided to Subrecipients
U.S. Department of Transportation:				
FMCSA Cluster				
High Priority Grant Program	20.237		\$ 610,244	\$ -
Federal Transit Cluster				
Federal Transit-Capital Investment Grants	20.500		107,261	-
Federal Transit-Formula Grants	20.507		12,400,643	-
COVID-19 - Federal Transit-Formula Grants	20.507		27,278,695	-
Total Federal Transit Cluster			39,786,599	-
Pass-Through From: New York Metropolitan Transportation Council				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	C033468	65,445	-
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205		110,000	-
Pass-Through From: NYS Department of Transportation				
Highway Planning and Construction	20.205	C033468, D033960, D035721, D035350, D040152, D035717, D035921, D040012, D035647, D035330, D036043, D035928, D040281, D035053, D035052	15,838,748	-
Total Highway Planning and Construction Cluster			15,948,748	-
Highway Safety Cluster				
Pass-Through From: NYS Division of Criminal Justice Services				
State and Community Highway Safety	20.600	Not available	90,857	-
Pass-Through From: NYS Governor's Traffic Safety Committee				
State and Community Highway Safety	20.600	C002559	157,236	-
National Priority Safety Programs	20.616	T008782, T006778, T006921	83,847	-
Total Highway Safety Cluster			331,940	-
Total U.S. Department of Transportation			56,742,976	-
U.S. Department of Treasury:				
Equitable Sharing	21.016		1,277,333	-
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		34,891,901	11,044,000
Local Assistance and Tribal Consistency Fund	21.032		50,000	-
Total U.S. Department of Treasury			36,219,234	11,044,000
U.S. Environmental Protection Agency:				
Pass-Through From: NYS Department of Health				
Beach-Monitoring and Notification Program Implementation Grants	66.472	C37060GG	58,350	-
Total U.S. Environmental Protection Agency			58,350	-
U.S. Department of Education:				
Pass-Through From: NYS Department of Health				
Special Education - Grants for Infants and Families	84.181	DOH01-31644GG-3450000	544,928	-
Total U.S. Department of Education			544,928	-
U.S. Department of Health and Human Services:				
HIV Emergency Relief Project Grants	93.914		5,807,196	4,705,442
Health Center Program Cluster				
COVID-19 - Health Center Program	93.224		1,396,610	-

(Continued)

COUNTY OF NASSAU, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amount Provided to Subrecipients
Pass-Through From: Nassau Association of County and City Health Officials				
Non-ACA/PPHF-Building Capacity of the Public Health System to Improve Population Health Through National	93.424	NU38OT00172-04-02	\$ 118	\$ -
Pass-Through From: NYS Department of Health				
Injury Prevention and Control Research and State and Community Based Programs	93.136	6228-03, 6228-04	76,310	-
Immunization Cooperative Agreements	93.268	C-32528GG	77,593	-
COVID-19 - Immunization Cooperative Agreements	93.268	C36942GG	148,951	-
Total Assistance Listing Number 93.268			226,544	-
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	C31863GG	156,800	-
Maternal and Child Health Services Block Grant to the States	93.994	DOH01-C35727GG-3450000, C30903GG	197,598	-
Children's Health Insurance Program	93.767	Not available	604,555	-
Medicaid Cluster Medical Assistance Program	93.778	Not available	10,426,725	-
Pass-Through From: NYS Office of Temporary and Disability Assistance				
Child Support Enforcement	93.563	Not available	2,932,543	-
Low-Income Home Energy Assistance	93.568	Not available	7,437,329	-
COVID-19 - Low-Income Home Energy Assistance	93.568	Not available	138,089	-
Total Assistance Listing Number 93.568			7,575,418	-
Temporary Assistance for Needy Families (TANF)	93.558	Not available	43,918,594	-
Pass-Through From: NYS Office of Children and Family Services				
CCDF Cluster				
Child Care and Development Block Grant	93.575	Not available	22,176,718	-
Child Care Mandatory and Matching Fund of the Child Care and Development Fund	93.596	Not available	38,324,862	-
Total CCDF Cluster			60,501,580	-
Guardianship Assistance	93.090	Not available	62,274	-
Promoting Safe and Stable Families	93.556	Not available	614,383	-
Child Welfare Services Program	93.645	Not available	325,592	-
Foster Care, Title IV-E	93.658	Not available	4,447,754	-
Adoption Assistance	93.659	Not available	1,713,483	-
Social Services Block Grant	93.667	Not available	5,472,063	-
Chafee Foster Care Independence Program	93.674	Not available	191,037	-
Pass-Through From: Health Research, Inc.				
Public Health Emergency Preparedness	93.069	1624-16 / 1624-17	632,822	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	C33947GG	23,017	-
COVID-19 - Epidemiology Lab Capacity	93.323	6842-01, 6427-01	4,171,921	-
Pass-Through From: NYS Office for the Aging				
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	Not available	83,283	73,382
Medicare Enrollment Assistance Program	93.071	Not available	69,725	28,738
Aging Cluster				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	Not available	1,168,607	924,792
COVID-19 - Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	Not available	137,212	116,688
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	Not available	2,690,112	2,655,276
COVID-19 - Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	Not available	1,291,496	1,285,219
Total Aging Cluster			5,287,427	4,981,975
National Family Caregiver Support Title III, Part E	93.052	Not available	780,941	366,271
COVID-19 - National Family Caregiver Support Title III, Part E	93.052	Not available	151,925	151,925
Total Assistance Listing Number 93.052			932,866	518,196
Elder Abuse Prevention Interventions Program	93.747	Not available	6,126	-
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	Not available	56,228	56,228

(Continued)

COUNTY OF NASSAU, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amount Provided to Subrecipients
Pass-Through From: NYS Office of Mental Health				
Projects for Assistance in Transition from Homelessness (PATH)	93.150	Not available	\$ 19,047	\$ 19,047
Block Grants for Community Mental Health Services	93.958	Not available	1,854,266	1,175,515
Total U.S. Department of Health and Human Services			159,783,905	11,558,523
U.S. Department of Homeland Security:				
Port Security Grant Program	97.056		1,207,811	-
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083		384,548	-
Pass-Through From: NYS Division of Homeland Security & Emergency Services				
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	Not available	37,790,439	-
COVID-19 - Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	Not available	51,207	-
Isaias - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Not available	2,045,367	-
Ida - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Not available	129,654	-
Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)			40,016,667	-
Hazard Mitigation Grant	97.039	C000863	67,282,079	-
Emergency Management Performance Grants	97.042	C971775, C834195, C834105, C834115	5,144	-
		C154173, C154193, C971170, C971790, C971760, C971753, C884383, C154113, T884380, T834184, T154194, T160111, C971770, C154173, C971780, C884383, C971790, C971700, C884310, C154193, C971700, C971703, C154113, C971779, C154173, C834179, C834189, C834198, C154113, T180185, T180195, C971762, T180210, C175027, C884370, C154173, C884383, C154193, C971770		
Homeland Security Grant Program	97.067		3,328,237	-
Total U.S. Department of Homeland Security			112,224,486	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 418,602,567	\$ 39,223,730

COUNTY OF NASSAU, NEW YORK
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2022

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule” or “SEFA”) includes the federal award activity of the County of Nassau, New York (the “County”) under programs of the federal government for the year ended December 31, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the “Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

The County’s reporting entity is defined in Note 1 of the County’s basic financial statements. All federal awards received directly from federal agencies, as well as passed through from other government agencies, are included on the Schedule, except for Nassau Community College and Nassau Health Care Corporation. Nassau Community College and Nassau Health Care Corporation have a single audit conducted by other auditors.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures are reported on the modified accrual basis of accounting for grants which are accounted for in the governmental fund types, except for expenditures of U.S. Department of Agriculture (School Breakfast Program, National School Lunch Program), U.S. Department of Justice (Equitable Sharing Program, State Criminal Alien Assistance Program (SCAAP)), and U.S. Department of Treasury (Equitable Sharing Program) which are reported on a cash basis.

Expenditures are reported following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* for grant awards prior to December 26, 2014 and *Cost Principles for State, Local, and Indian Tribal Governments*, 2 CFR Subpart E for grant awards after December 26, 2014, wherein certain types of expenditures/expenses are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

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

Hurricane Sandy

In 2012, the County sustained damage from 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 2022 according to the Federal Emergency Management Agency (“FEMA”) reporting guidelines totaled \$37,790,439. This is comprised of incurred expenditures of \$326,939 between 2013-2020, \$1,173,071 in 2021, and \$36,290,429 in 2022.

Tropical Storm Isaias

On August 4, 2020, Isaias which was downgraded from a hurricane to a tropical storm, produced widespread tropical-storm-force winds, flooding, and occasional gusts to hurricane force across the southeastern portion of New York State, including Long Island and New York City. The County incurred substantial damage and has reported a total of \$2,045,367 of expenditures in Financial Year 2022.

CDBG-DR

In 2014, Governor Andrew Cuomo announced that the State of New York would provide the 10% local match for entities that are in the Superstorm Sandy FEMA Public Assistance (“PA”) program. The funds come from the United States Department of Housing and Urban Development (“HUD”) Community Development Block Grant Disaster Recovery (“CDBG-DR”) program. These pass-through funds are administered by the Governor’s Office of Storm Recovery (“GOSR”). GOSR committed to paying the County’s local match related to Bay Park’s restoration for all expenditures obligated under Project Worksheet (“PW”) #3714. All other PWs were subject to a payment of the County’s local share up to \$19.6 million for FEMA obligations of \$196 million.

**COUNTY OF NASSAU, NEW YORK
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2022**

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

The programs noted in the SEFA under Assistance Listing Number #14.269 – Hurricane Sandy CDBG-DR provide additional funds for various Community Reconstruction projects, which all met HUD national objectives. These pass-through funds are also administered by the GOSR. The County has reported a total of \$12,537,167 in CDBG-DR funding for Financial Year 2022 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 (Assistance Listing Number 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	Assistance Listing Number	Direct Recipient	County	Total Federal Assistance
WIC	10.557	\$ 4,851,085	(a) \$ 1,334,080	(b) \$ 6,185,165

- (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.

**COUNTY OF NASSAU, NEW YORK
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2022**

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

Reconciliation of Federal Expenditures Reported in the SEFA to the Annual Comprehensive Financial Report:

The differences between the Federal expenditures reported in the SEFA and the County's Annual Comprehensive Financial Report are primarily comprised of the 2022 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	\$ 418,602,567
Adjustments:	
Add: Federal Amounts not required to be reported in the SEFA	4,126,219 *
Add: On Top Adjustments	2,516,844
Less: Reversals of Public Works and Office of Community Development Prior Year Unapplied Cash Receipts	(17,975,353)
Less: Other accounting accruals and prior period adjustments	(4,465,242)
Less: Disaster Grant - Adjustments	(6,738,658)
Less: WIC	(4,851,085)
Less: Cash basis adjustments - Asset Forfeiture	(662,292)
Federal Aid revenue as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Annual Comprehensive Financial Report	\$ 390,553,000

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

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, 2022 were as follows:

Direct/Pass Through Grantor	Assistance Listing Number	2022 Cash Balances
U.S. Department of Justice:		
Police Department	16.922	\$ 4,969,755
District Attorney	16.922	2,977,024
Correctional Center	16.922	800,241
Total U.S. Department of Justice - Equitable Sharing Program		8,747,020
U.S. Department of Treasury:		
Police Department	21.016	11,423,289
Total U.S. Department of Treasury-Equitable Sharing Program		11,423,289
Total Federal Equitable Sharing and Asset Forfeiture Funds on Hand		\$ 20,170,309

COUNTY OF NASSAU, NEW YORK
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2022

NOTE 6 – INDIRECT COST RATES

Indirect costs are included in the reported expenditures to the extent they are included in the federal financial reports used as the source for the data presented. Indirect costs are charged at different rates according to the County's indirect cost rate study and may not be charged based upon the agreement with a grantor. The County has elected not to use the 10 percent de minimis indirect cost rate allowed under Uniform Guidance.

**COUNTY OF NASSAU, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2022**

Section I—Summary of Independent Auditors' Results

Financial Statement

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

Federal Awards

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

Identification of major programs:

- U.S. Department of Housing and Urban Development:
 - CDBG - Entitlement Grants Cluster:
 - Community Development Block Grants/Entitlement Grant
 - COVID-19 - Community Development Block Grants/Entitlement Grants (Assistance Listing Number 14.218)
 - Emergency Solutions Grant Program (Assistance Listing Number 14.231)
 - COVID-19 - Emergency Solutions Grant Program (Assistance Listing Number 14.231)
 - CDBG - Disaster Recovery Grants - Pub. L. No. 113-2 Cluster:
 - Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR) (Assistance Listing Number 14.269)

U.S. Department of Justice:
State Criminal Alien Assistance Program (SCAAP) (Assistance Listing Number 16.606)

U.S. Department of Transportation:
Federal Transit Cluster:
Federal Transit - Capital Investment Grants (Assistance Listing Number 20.500)
Federal Transit - Formula Grants (Assistance Listing Number 20.507)
COVID-19 - Federal Transit - Formula Grants (Assistance Listing Number 20.507)

Highway Planning and Construction Cluster:
Highway Planning and Construction (Assistance Listing Number 20.205)

U.S. Department of Treasury:
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (Assistance Listing Number 21.027)

U.S. Department of Health and Human Services:
HIV Emergency Relief Project Grants (Assistance Listing Number 93.914)
Temporary Assistance for Needy Families (Assistance Listing Number 93.558)
CCDF Cluster:
Child Care and Development Block Grant (Assistance Listing Number 93.575)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (Assistance Listing Number 93.596)
Social Services Block Grant (Assistance Listing Number 93.667)
COVID-19 Epidemiology Lab Capacity (Assistance Listing Number 93.323)

U.S. Department of Homeland Security:
Hazard Mitigation Grant (Assistance Listing Number 97.039)
Homeland Security Grant Program (Assistance Listing Number 97.067)

Dollar threshold used to distinguish between Type A and Type B programs:		<u>\$3,000,000</u>	
Auditee qualified as low-risk auditee?	<u> X </u> Yes	<u> </u> No	

**COUNTY OF NASSAU, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2022**

Section II—Financial Statement Findings

**2022-001 – Depreciating Capital Assets When Placed in Service
(Significant Deficiency)**

Criteria: Generally accepted accounting principles require that depreciation be reported for capital assets when they are placed in service, thereby ensuring that the cost of capital assets, whose useful life is greater than one year, is incurred over time as the assets are utilized.

Condition: The County did not report depreciation from certain capital assets related to County capital projects placed in service prior to January 1, 2022.

Cause: The County's controls did not properly identify the point in time when capital assets were reclassified from construction in progress and placed in service resulting in the assets being left off of the depreciation schedules inadvertently.

Effect: The reported amount of the prior years' depreciation and accumulated depreciation was understated by approximately \$47 million, and the related net position was overstated by the same approximate amount.

Context: See "condition" above.

Recommendation: We recommend the County revise and strengthen its review procedures for determining when construction in progress has been substantially completed and therefore, depreciation of the capital assets should begin.

Views of Responsible Officials: The Comptroller's Office annually requests from the County's Department of Public Works, a list of capital projects that were completed in the fiscal year in order to accurately capitalize construction-in-progress (CIP) projects. The Comptroller's Office requested an all-inclusive list of all completed CIP projects to ensure that all completed projects had been capitalized in the fiscal year completed. When we compared the all-inclusive completed project list to the CIP projects, we identified projects that should have been capitalized in prior years. We have developed a corrective action plan to address the finding and the corrective action plan will be implemented prior to the next fiscal year close.

**COUNTY OF NASSAU, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2022**

Section III—Federal Award Findings and Questioned Costs

A. Internal Control Findings

There were no matters to report.

B. Compliance Findings

There were no matters to report.

**COUNTY OF NASSAU, NEW YORK
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2022**

Section IV–Summary Schedule of Prior Audit Findings

A. Financial Statement Findings

2021-001 – Preparation of Schedule of Expenditures of Federal Awards (“SEFA”) – Internal Control (Significant Deficiency)

Criteria: Section 200.510(b) of the Uniform Guidance requires that the auditee prepare a SEFA for the period covered by the auditee’s financial statements which includes the total amount of federal awards expended as determined in accordance with Section 200.502 *Basis for Determining Federal Awards Expended*.

Condition: The County did not properly review amounts at year-end cut-off when reporting amounts provided to subrecipients. The amounts on the SEFA are required to be reconciled to the basic financial statements prepared in accordance with generally accepted accounting principles in the United States (U.S. GAAP). The notes to the SEFA contained a reconciling item because two departments did not apply a significant amount of cash receipts against prior year open receivables.

Status of Finding: This has been fully addressed.