

# NASSAU COUNTY NEW YORK



## POPULAR ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2023

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**ELAINE PHILLIPS**

**Nassau County Comptroller**





**Shopping & Dining**  
 Nassau County offers a wide variety of excellent shopping and dining options for residents and visitors.

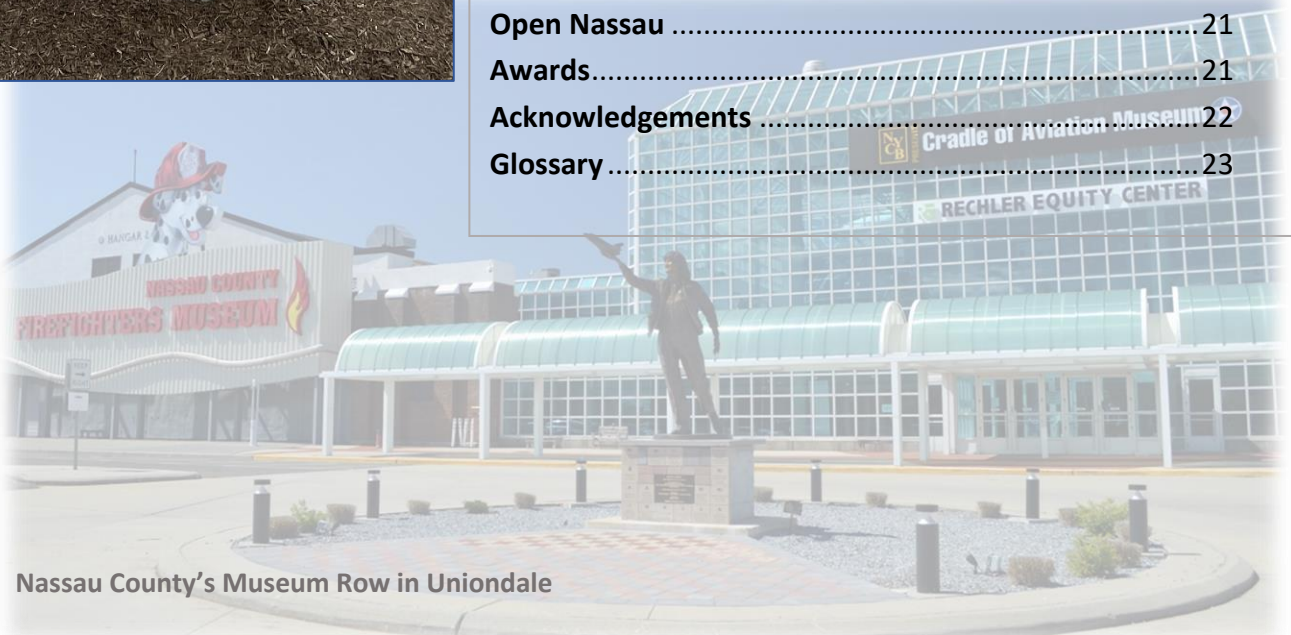


Nassau County has abundant resources for enjoying nature. Pictured here are the tidal marshes of Reynolds Channel on the south shore.

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Nassau County's Museum Row in Uniondale





**Hon. Elaine Phillips**  
*Nassau County Comptroller*

**June 28, 2024**

**A Message from the Nassau County Comptroller:**

I am pleased to present the Nassau County Popular Annual Financial Report (PAFR) for the year ending December 31, 2023, the sixth PAFR from Nassau County and the third of my administration. The financial information presented in this PAFR is derived from the County's Annual Comprehensive Financial Report (ACFR) and is presented here in summarized form. This report is intended to provide a "user-friendly" review of the County's finances, operations, and economic activities. It is an important component of Nassau County's commitment to transparency and accountability to our taxpayers and residents, as it describes the financial condition of the County and how our resources are being used to serve the taxpayers and residents.

Nassau County is in a very strong financial position. In 2023, the County's administration paid down more than \$400 million in major liabilities and ended the year with a surplus of \$19.6 million (on a GAAP basis)<sup>1</sup> in the five major funds<sup>2</sup> that comprise the County's 2023 Budget. The County's bond ratings are higher than they have been in more than 30 years (see page 19), reflecting objective, expert assessments of our fiscal strength.

For readers who are interested in greater detail about the County's financial activities, the ACFR is available online at <https://www.nassaucountyny.gov/4517/Financial-Reports>. It provides in-depth reports on the County's financial position and operating activities for fiscal year 2023. The ACFR was prepared in conformance with Generally Accepted Accounting Principles (GAAP), audited by the County's independent audit firm, Mayer Hoffman McCann CPAs, and received an unmodified (clean) opinion. An unmodified opinion is given when the financial statements present the financial position of an entity fairly in all material respects. The PAFR is unaudited and the financial data contained here is presented in accordance with GAAP unless specified.

I hope that you will find this report both useful and informative.

Sincerely,

A handwritten signature in cursive script that reads "Elaine Phillips".

Elaine Phillips  
Nassau County Comptroller

**Nassau County Profile, Government and Local Economy**

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<sup>1</sup> Generally Accepted Accounting Principles (GAAP) for governments, as promulgated by the Governmental Accounting Standards Board (GASB).

<sup>2</sup> See page 11 for more information on the five major funds.

## **COUNTY PROFILE**

Nassau County was formed in 1899 by the division of Queens County, after the western portion of Queens had become a borough of New York City in 1898. The County is the site of some of New York State's earliest colonial settlements, many of which date to the 1640s.

With a diverse population of 1.38 million people, the County occupies 285 square miles. The County is bordered by New York City (Queens) to the west, Suffolk County to the east, the Long Island Sound to the north and the Atlantic Ocean to the south, with nearly 188 miles of scenic coastline. The County contains three townships

(Hempstead, North Hempstead, and Oyster Bay), two cities (Glen Cove and Long Beach), 64 incorporated villages, 56 school districts and approximately 200 special taxing districts that provide fire protection, water supply, and other services. Mineola is the County Seat. Land uses within the County are predominantly single-family residential, commercial, and industrial. People of virtually all races, religions and many cultures live and work in Nassau County.



## **GOVERNMENT STRUCTURE AND SERVICES**



Since 1938, the County has operated under the County Charter. The County Executive heads the executive branch of County government. The County Comptroller has the authority to audit records of the County departments, townships, and special districts, to examine and approve all payment vouchers including payroll. The Comptroller's Office ascertains that funds to be paid are both appropriated and available, and reports the financial status of the County to the County Legislature. The legislative power of the County is vested in the 19-member County Legislature, which superseded the Board of Supervisors in 1996.

The County Executive, County Comptroller, District Attorney, and County Clerk are each elected for four-year terms. The members of the County Legislature are elected for two-year terms.

Nassau County government funds a wide range of municipal services, which include, but are not limited to, public safety, education and social services, public works (including highways, parks, water and sewer), recreational facilities, general administration and planning, and health services.

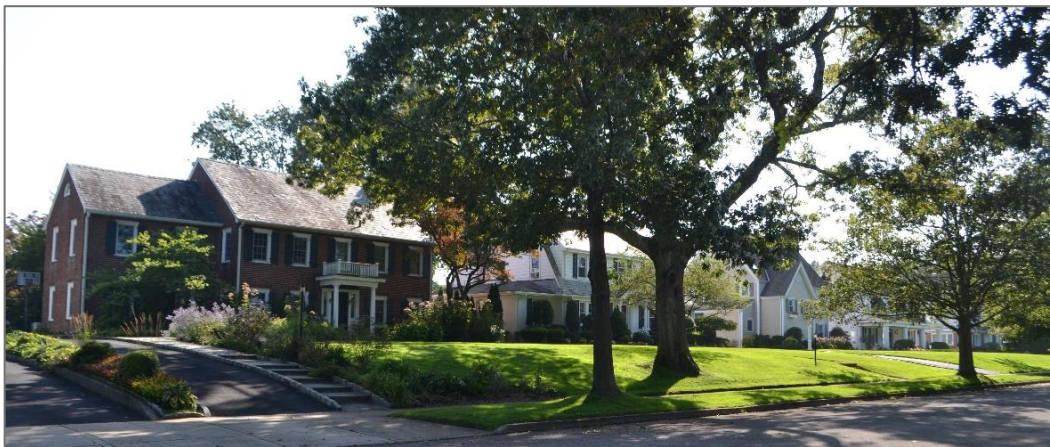
**ECONOMY**

The County is considered an affluent suburban area. The County’s estimated median household income for 2023 was \$137,709, up from \$136,984 in 2022, and remains significantly higher than that of the State (\$81,386) and the United States (\$75,149).<sup>3</sup> The County’s median household income in 2023 was ranked 8<sup>th</sup> highest out of 3,143 counties in the U.S.<sup>4</sup>

Category	County	State	U.S
Median Household Income (2023)	\$137,709	\$81,386	\$75,149
Unemployment Rate (2023)	3.10%	4.60%	3.90%
Families Below Poverty Level (2023)	5.36%	14.30%	11.50%

Moreover, the County continues to have a significantly smaller percentage of families below the poverty level (5.36%) than the State (14.3%) and the U.S. (11.5%).<sup>5</sup>

The average unemployment rate in Nassau County in 2023 was 3.1%. The County’s unemployment rate continues to be below that of New York State (4.6%), and the U.S. (3.9%).<sup>6</sup>



<sup>3</sup> <https://data.census.gov/table/ACSST1Y2022.S1903?q=median%20household%20income&g=050XX00US36059>

<sup>4</sup> Ibid.

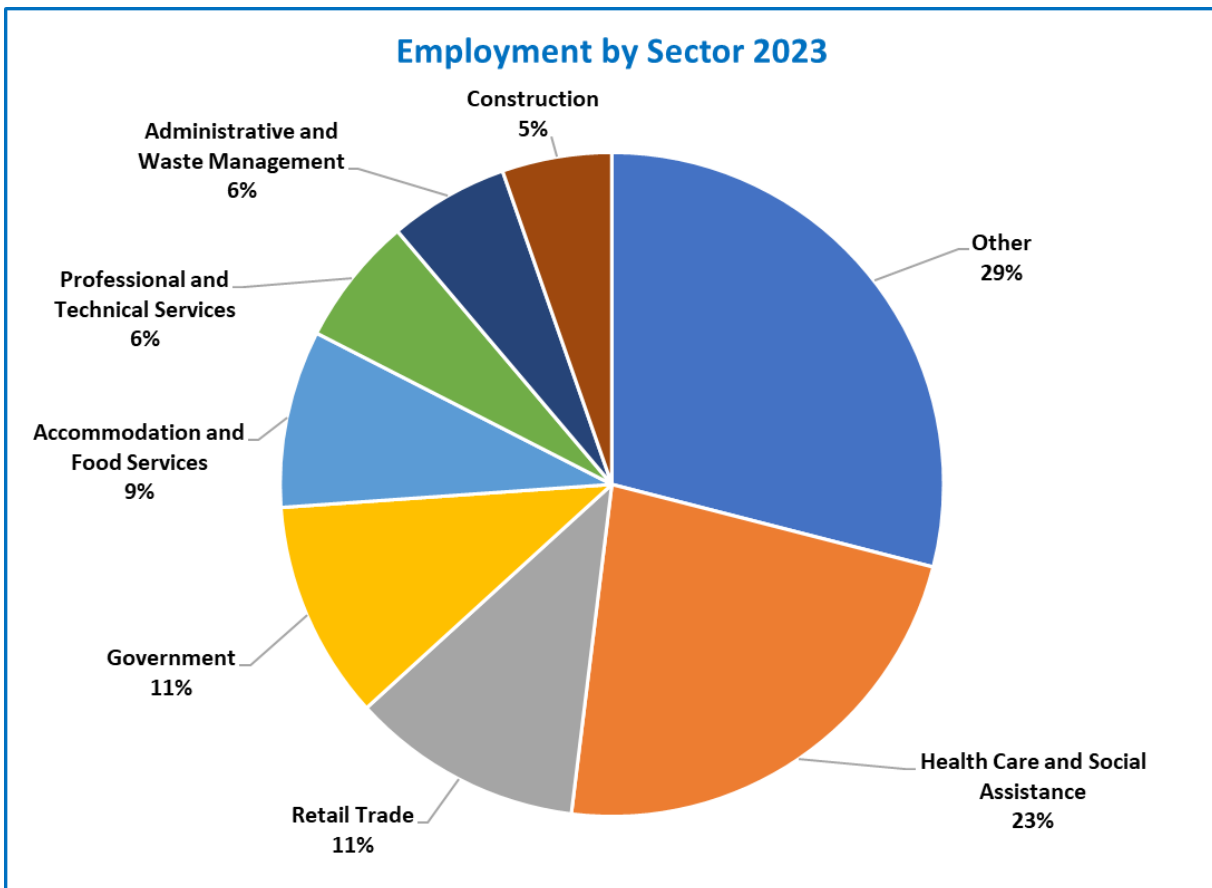
<sup>5</sup> U.S. Census, 2021 - 2023 American Community Survey, 1-Year Estimates

<sup>6</sup> Compiled by the County from: New York State Department of Labor, “Labor Force and Unemployment Data,” <https://dol.ny.gov/local-area-unemployment-statistics>; U.S. Department of Labor, Bureau of Labor Statistics, “A-1. Employment status of the civilian noninstitutional population 16 years and over, 1987 to date,” <https://www.bls.gov/web/empsit/cpseea01.htm>. These sources may revise the employment data later. The table above reflects the figures as of the date of original publication.

## **EMPLOYMENT INDUSTRIES<sup>7</sup>**

Employment in Nassau County falls into 18 broad categories. The pie chart below reflects the top seven employment industry sectors by number of employees, each of which account for 5% or more of total County employment. The remaining 11 sectors are smaller and are grouped in “Other,” which cumulatively accounts for 29% of total County employment.

The Health Care and Social Assistance Sector represented the largest source of employment with 141,540 employees in 2023 (23% of the County’s employment). The second largest sector of employment was Retail Trade with 69,635 employees. Government employment represented the third largest source of employment. The County, three towns, two cities and 64 villages accounted for 56,762 local government employees, plus 5,360 federal employees and 3,511 state employees for a total of 65,633 government employees.



<sup>7</sup> Quarterly Census of Employment and Wages, developed through a cooperative program between the State of New York and the U.S. Bureau of Labor Statistics.



The health care industry has been the top sector of employment in Nassau County for more than a decade. The County has a reputation for high quality, accessible healthcare, with 12 hospitals, many of them highly ranked.

<b>Hospitals in Nassau County</b>			
	<b>Healthcare System</b>	<b>Location</b>	<b>Number of Beds*</b>
Long Island Jewish Medical Center & Steven and Alexandra Cohen Children’s Medical Center	Northwell Health	New Hyde Park	800 200
North Shore University Hospital	Northwell Health	Manhasset	756
NYU Langone – Long Island	NYU Langone	Mineola	591
Nassau University Medical Center	Government	East Meadow	530
Mount Sinai South Nassau	Mount Sinai	Oceanside	455
Mercy Hospital	Catholic Health Services	Rockville Centre	375
St. Francis Hospital & Heart Center	Catholic Health Services	Roslyn	364
Long Island Jewish Valley Stream	Northwell Health	Valley Stream	284
Glen Cove Hospital	Northwell Health	Glen Cove	204
Plainview Hospital	Northwell Health	Plainview	204
St. Joseph Hospital	Catholic Health Services	Bethpage	203
Syosset Hospital	Northwell Health	Syosset	103
*Certified beds per NYS Department of Health <a href="https://profiles.health.ny.gov/hospital/">https://profiles.health.ny.gov/hospital/</a>			

## **Overview of Financial Statements**

Nassau County’s Annual Comprehensive Financial Report (ACFR) reports the County’s audited basic financial statements in accordance with GAAP, and includes the Government-wide financial statements which are reported on an accrual basis, the Governmental Funds, which are reported on a modified accrual basis, and the notes to the financial statements.

### **COMPONENT UNITS**

The County and its component units together comprise the financial reporting entity. Component units are legally separate organizations for which the County is either financially accountable or whose nature and significant relationships with the County are such that exclusions would cause the

County's financial statements to be misleading.<sup>8</sup> The presentation of component units is dependent on whether or not the component unit is blended or discretely presented.



Nassau County is home to dozens of villages and downtown shopping and dining districts. Pictured above is Freeport's Nautical Mile.

## 2023 Financial Results

The following tables and graphs are condensed from the information in the ACFR. For more detailed information, refer to the ACFR: <https://www.nassaucountyny.gov/4517/Financial-Reports>

In 2023, Nassau County's Administration improved the financial health of Nassau County with several important accomplishments. The County used reserves to pay down several major liabilities including:

- \$137 million in tax certiorari liabilities,
- \$70 million in general litigation and
- \$97 million to pay outstanding bonds.

In addition, the Administration paid off the remaining balance of \$30 million in deferred pension contributions after years of payment deferrals by previous administrations. This brought the County's pension obligations current for the first time in over a decade.

Also in 2023, the County successfully negotiated new collective bargaining agreements with three employee unions, all of which had expired in 2017. As a result, \$33.6 million in retroactive pay was disbursed to Police Benevolent Association (PBA) members in 2023, and \$66 million was

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<sup>8</sup> 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 a 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.

allocated for retroactive compensation for members of the Civil Service Employees Association (CSEA) and Correction Officers Benevolent Association (COBA) in 2024.

**FIVE MAJOR FUNDS AND THREE OPERATING FUNDS**

The County uses two different groupings of funds: the Five Major Funds for management of budgets and the Three Primary Operating Funds for financial reporting in accordance with GAAP.

This use of the term “major funds” is not to be confused with the GASB definition of major funds. GASB defines major funds as those meeting the following criteria: The total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total (assets, liabilities, etc.) for all funds in that category (governmental funds) or of that type (enterprise funds).

Each of the County’s five major funds (listed in the left column below) has a different tax base with activity that represents the daily operations of the County.

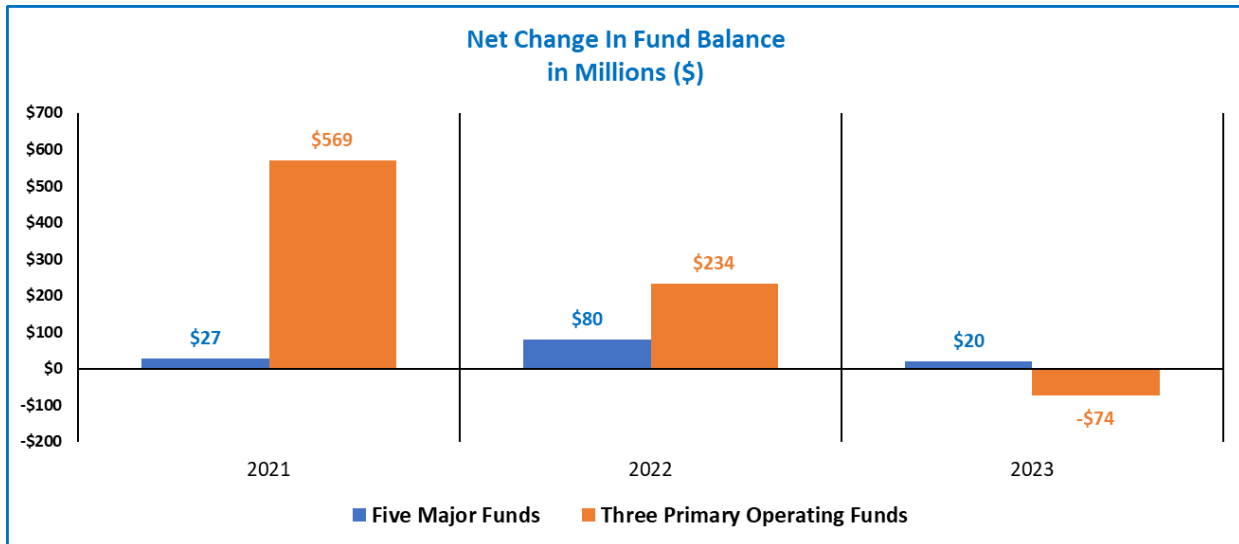
<b>Funds Included in the Five Major Funds and the Three Primary Operating Funds</b>	
<b>FIVE MAJOR FUNDS</b>	<b>THREE PRIMARY OPERATING FUNDS</b>
<b>1. Unconsolidated General Fund<sup>9</sup></b>	<b>1. Consolidated General Fund</b>
<b>2. Police Headquarters</b>	- Police Headquarters
<b>3. Police District Fund</b>	- Debt Service
<b>4. Debt Service</b>	- Fire Commission
<b>5. Fire Commission</b>	- Nine additional funds
	<b>2. Police District</b>
	<b>3. Sewer and Storm Water Resource District</b>

Reporting results for the five major funds includes the Unconsolidated General Fund<sup>9</sup> and is based on budgetary results. The three primary operating funds include the Consolidated General Fund which is in accordance with GASB Statement 54 and GAAP.

At year-end 2023, the five major funds reported a surplus of \$19.6 million, while the three primary operating funds reported a deficit of \$74 million. The deficit in the three primary funds was the result of payments to reduce significant liabilities, which were paid from the consolidated general fund.

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<sup>9</sup> The unconsolidated General Fund is used by management for budgeting and management purposes. The County adopted GASB Statement 54 in 2011 which resulted in several separate budgetary funds being consolidated into the General Fund for financial reporting purposes to comply with GAAP..



## **GOVERNMENTAL FUNDS**

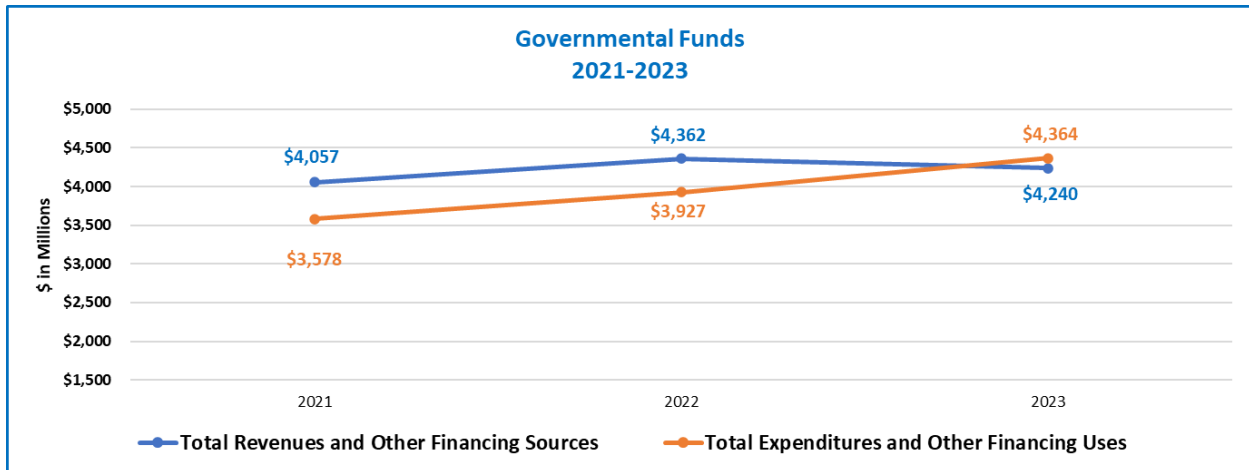
The Governmental Funds (see Exhibit X-12 of the ACFR) report on basic services of government, typically financed with taxes, fees and grants. These services and revenues make up most of the governmental activities. The Governmental Funds present the short-term view of the financial results of the County, thus do not include the long-term liabilities. The Governmental Funds include the Three Primary Operating Funds and all other governmental funds.

Blended component units are reported in the Governmental Funds as separate funds of the County and consolidated with the County as the Primary Government in the Government-wide financial statements. The Blended Component Units include:

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

In 2023, the total GAAP ending fund balance for the governmental funds, both operating and non-operating, decreased by \$123.3 million to \$1,425.5 million. The decrease was due to the County's efforts to reduce certain long-term liabilities and increase necessary reserves.<sup>10</sup>

<sup>10</sup> See page 35 of the MD&A in the ACFR for more information.



For more detail, see Exhibit X-5 of the ACFR. Due to rounding, some totals may not correspond with the sum of the separate figures.

As seen in the Governmental Funds graph above, revenues and other financing sources exceeded expenditures in 2021 and 2022 by about 13 percent and 11 percent, respectively. In 2023, due to the Administration’s use of prior years’ surpluses to reduce liabilities (as described on page 10), there was a decrease in governmental funds of \$123.3 million.



Nassau County is home to some of the nation’s finest golf courses. Pictured here is one of three courses in Eisenhower Park in East Meadow.

## **GOVERNMENT-WIDE**

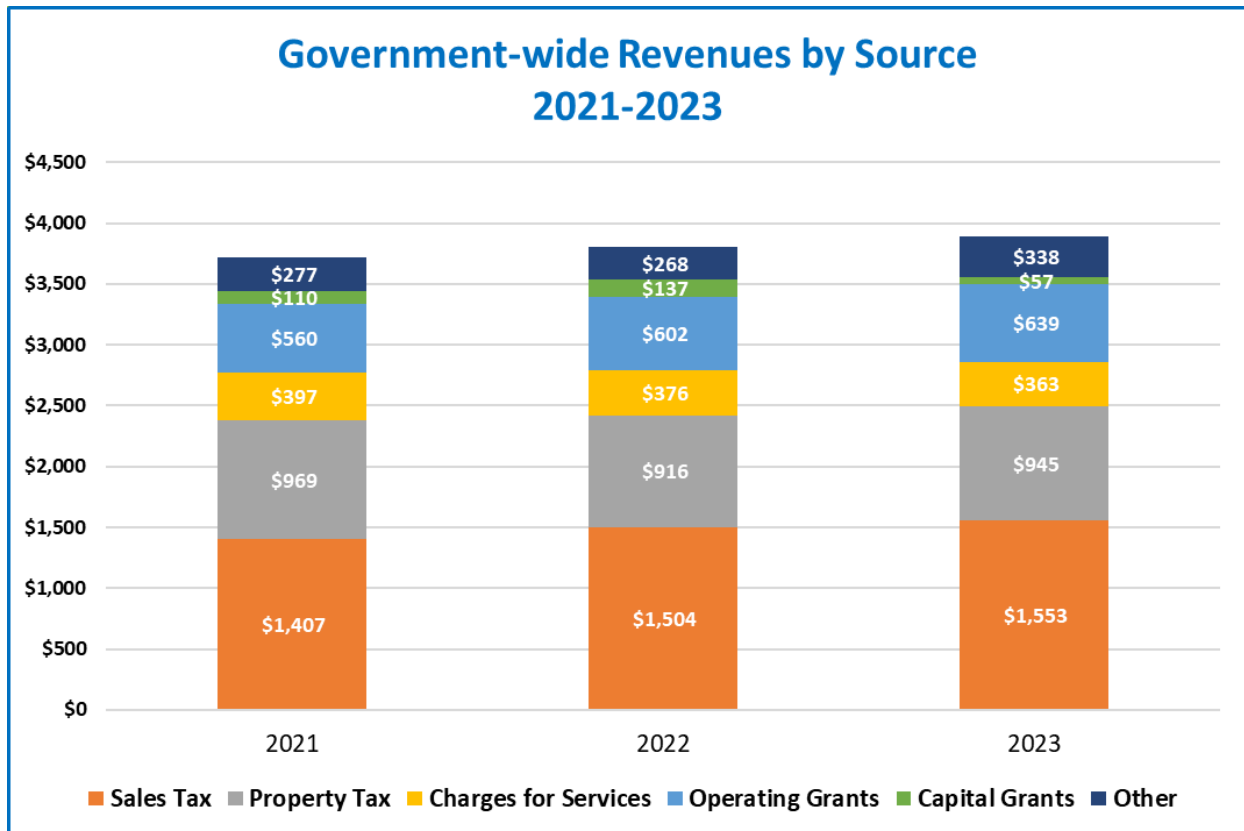
Government-wide financial statements present a broad, long-term overview of the County's finances including governmental funds and discretely presented component units (listed below) and assets and liabilities in full accrual.

Discretely presented component units are not included in the Governmental Fund financial statements but are presented in the Government-wide financial statements separately from the Primary Government. The Discretely Presented Component Units include:

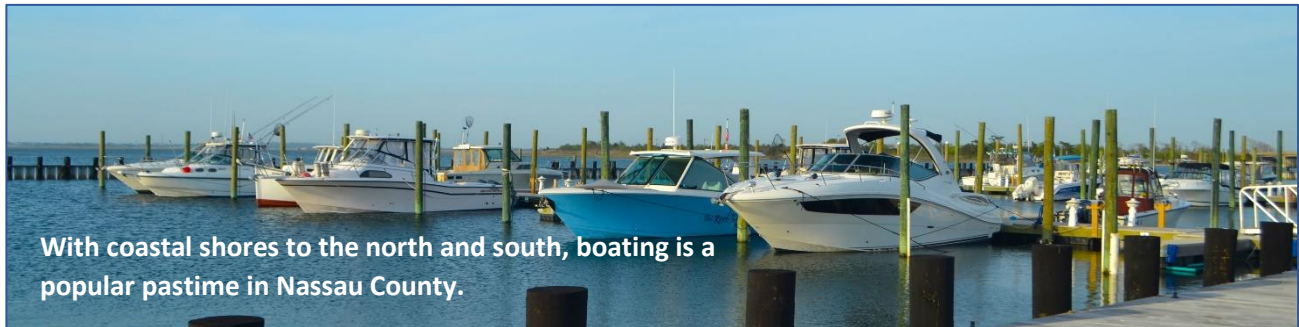
- the Nassau Health Care Corporation (NHCC)
- the Nassau Community College (NCC)
- the Nassau Regional Off-Track Betting Corporation (OTB)
- the Nassau County Industrial Development Agency (NCIDA)
- the Nassau County Local Economic Assistance Corporation (NCLEAC)
- the Nassau County Bridge Authority (the Bridge Authority) and
- the Nassau Land Bank Corporation (NC Land Bank)

## **REVENUES BY SOURCE**

The bar chart below illustrates Nassau County's revenues by source, as reported in Exhibit X-2, Statement of Activities, in the ACFR.

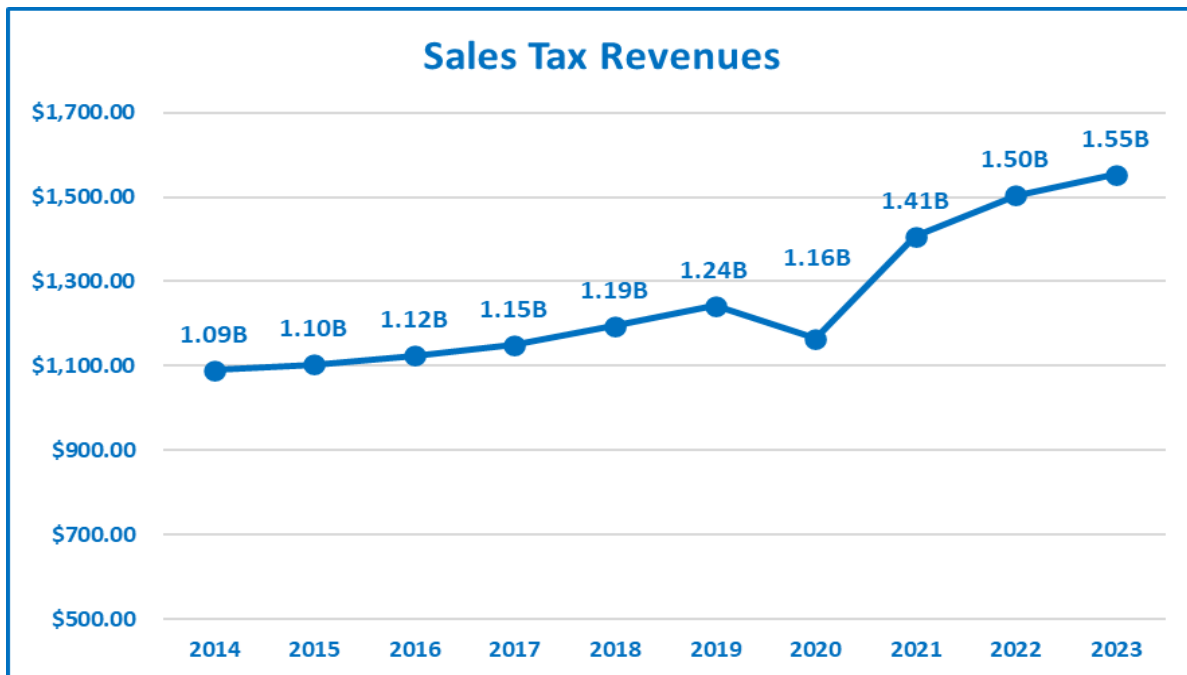


The major components of revenues for the County in 2023 were Sales Tax (40%) and Property Taxes (24%), followed by Operating Grants (16%) and Charges for Services (9%), as shown in the chart on the previous page.



**SALES TAX**

County sales tax revenues<sup>11</sup> grew 3.2% in 2023. The chart below illustrates the growth in sales tax over the past 10 years, with the exception of 2020, when sales tax declined due to the constrained consumer activity during the first year of the COVID-19 pandemic. This growth in sales tax has increased since New York State enacted the “Enhanced Internet Sales Tax,” which requires online customers to pay sales tax in their respective state of residence regardless of whether the seller has a physical presence in that state.



**PROPERTY TAXES**

<sup>11</sup> The chart depicts the total of Sales Tax excluding deferred preempted sales tax in lieu of property taxes. Preempted sales tax is explained in Note 1 of the *Summary of Significant Accounting Policies*, and MD&A page 106, which provides more details of preempted sales and Part County Sales Tax.

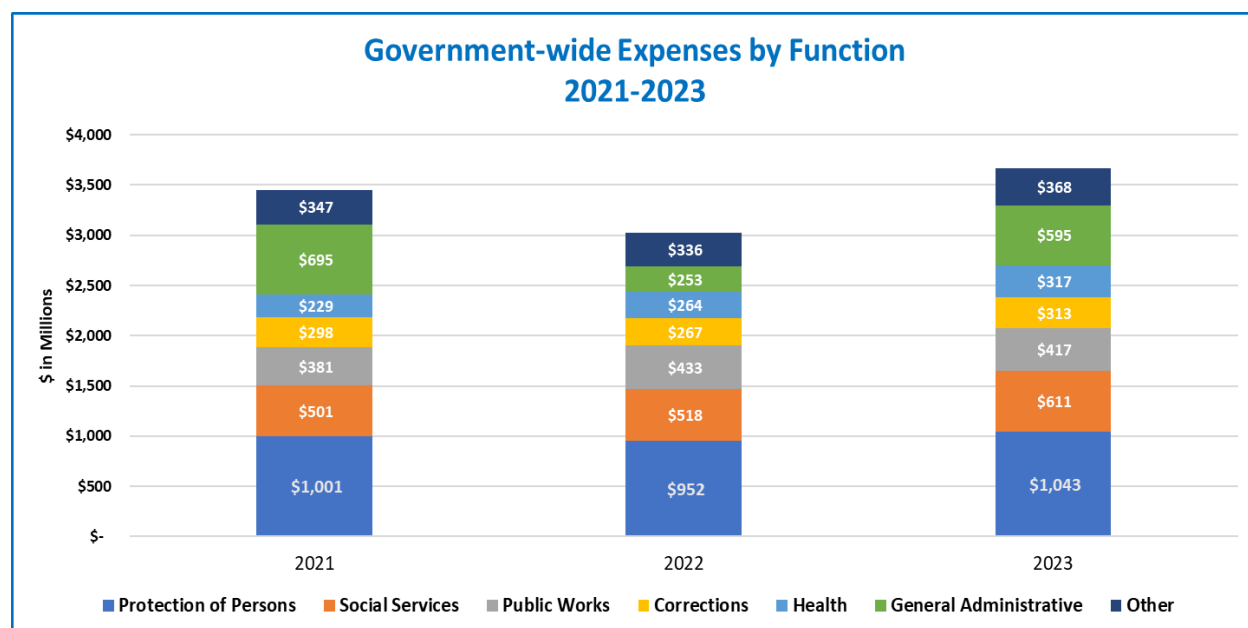
Nassau County has approximately 386,000 residential properties and 37,000 commercial properties. These 423,000 properties are valued at approximately \$264 billion. Property taxes<sup>12</sup> comprised 23% of the County’s revenue in 2023.<sup>13</sup>

Top 10 Nassau County Property Taxpayers	
1. <b>Keyspan</b> – Utility: fifth largest distributor of natural gas in the U.S.	6. <b>Long Island Power Authority</b> – Utility company, provider of electricity
2. <b>Retail Property Trust</b> – Simon Property Group/Roosevelt Field Mall	7. <b>Sunrise Mall LLC</b> – Massapequa mall, owned by Urban Edge Properties
3. <b>Verizon NY</b> – Technology and communications service company	8. <b>New York Water</b> – Now part of Liberty Utilities
4. <b>Long Island Water Corp</b> – Now part of Liberty Utilities	9. <b>Reckson Association</b> – Owner and manager of commercial properties
5. <b>Empire State Development &amp; People Of The State Of New York</b> (formerly Greater NY Assoc & NYRA)	10. <b>Rexcorp Plaza Spe LLC</b> – Landmark office buildings in Uniondale

Source: Exhibit T-9 on page 262 of Nassau County’s 2023 ACFR

### GOVERNMENT-WIDE EXPENSES BY FUNCTION

On a government-wide basis, expenses increased by \$641 million, driven primarily by the increased expenses for pension and other long term liabilities.



The bar chart above illustrates Nassau County’s expenses by function, as reported in Exhibit X-2, the Statement of Activities, in the ACFR.

### GOVERNMENT-WIDE NET POSITION

<sup>12</sup> For more information about property taxes in Nassau County, see Exhibit X-5 in the ACFR.

<sup>13</sup> Nassau County Department of Assessment



The County's Net Position (Deficit) for the primary government has improved from (\$7,174) million at the end of fiscal year 2022 to (\$6,944) at the end of fiscal year 2023, an improvement of \$230 million.

<b>Government-Wide Statement of Net Position(Deficit)</b>			
<b>Primary Government Only - Not Including Component Units</b>			
<b>(\$ Millions)</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Total Assets</b>	\$6,162	\$7,102	\$6,996
<b>Deferred Outflow of Resources</b>	\$1,683	\$1,312	\$1,124
<b>Total Liabilities</b>	\$14,267	\$14,210	\$14,201
<b>Deferred Inflows of Resources</b>	\$1,552	\$1,378	\$863
<b>Net Position (Deficit)</b>	(\$7,974)	(\$7,174)	(\$6,944)
For more details see Exhibit X-1 in the ACFR			

The trend in the Net Position (Deficit) over time may serve as a useful indicator of a government's financial position. Deficits are generally due to governments' long-term liabilities that are funded on a pay-as-you-go basis, making payments each year as they come due, rather than accumulating assets in advance.

### **LONG-TERM LIABILITIES**

Other Post Employment Benefits (OPEB) are the largest obligation contributing to the negative position at fiscal year-end 2023, when the County's OPEB balance was (\$5,899) million. OPEB is an actuarially computed estimate of liability for the cost of future health benefits (insurance premiums) for employees who are entitled to health benefits upon retirement. The amount is an example of a pay-as-you-go liability. New York State does not permit local governments except New York City to establish reserves for OPEB.

The County's total long-term bonds and accreted interest, excluding deferred bond premium/discount, was \$3,683 million on December 31, 2023. Of this, accreted interest accounted for \$122 million. Debt of the Nassau Interim Finance Authority (NIFA), which is secured by a first lien on County sales tax, represented \$1,080 million of the debt. \$504 million in debt was issued by the Nassau County Tobacco Settlement Corporation and is secured by payments from the Tobacco Settlement Revenue. The \$61 million of debt of the Nassau County Sewer and Storm Water Finance Authority is secured by assessments or charges for the system, which are collected by each city and town. The \$2,039 million balance of the debt is secured by the general obligation pledge of the County.

NHCC, a discretely presented component unit of the County,<sup>14</sup> had \$100 million of bonds outstanding as of December 31, 2023. This debt is paid by NHCC and guaranteed for repayment

<sup>14</sup> The independent auditors for the County's hospital, Nassau Health Care Corporation (NHCC), reported substantial doubt about its ability to continue as a going concern. NHCC has experienced recurring operating losses for several years.

by Nassau County. The County has not been called upon to make any payments under the guaranty. The NHCC bonds will be fully retired by August 1, 2029.

**UNRESTRICTED BUDGETARY FUND BALANCE**

The Government Finance Officers Association (GFOA) recommends, at a minimum, that general-purpose governments maintain an unrestricted budgetary fund balance<sup>15</sup> in their general fund of no less than two months of regular General Fund operating revenues or expenditures. In 2023, the unrestricted budgetary fund balance of the General Fund declined due to the payments that reduced liabilities and the large accruals to pay retroactive compensation due to new collective bargaining agreements, as described on page 10.

As of December 31, 2023, the unrestricted fund balance remained at slightly more than two months of 2023 budgeted expenses, which continues to meet and exceed the GFOA recommendation.

	2021	2022	2023
<b>Unrestricted Fund Balance (\$Million)</b>	\$ 630	\$ 627	\$ 552
<b>Equivalent Number of Months of Budget Expenses</b>	3.2	2.8	2.2



Many Nassau County residents commute to New York City and its outer boroughs for employment, cultural events and healthcare. Pictured here is the Long Island Railroad (LIRR) station in Locust Valley.

<sup>15</sup> The “Fund Balance Guidelines for the General Fund” published by the Government Finance Officers Association (GFOA) defines unrestricted fund balance as the sum of the committed fund balance, the assigned fund balance and the unassigned fund balance because the only constraint on spending, if any, is imposed by the government itself.

## Rating Agencies – General Obligation Debt Ratings Upgraded

Bond ratings are a measure of the credit quality of a bond, and the likelihood of repayment to bond investors. Bonds with higher ratings are considered safer investments than bonds with lower ratings. Higher bond ratings should result in lower interest rates for the County, which save taxpayer dollars.

Nassau’s bond ratings are at their highest levels in more than 30 years. In May 2024, S&P affirmed the County’s AA– rating and upgraded Nassau’s outlook to positive. Fitch raised its rating of Nassau from A+ to AA with a positive outlook, and Moody’s upgraded the County’s rating to Aa2 with a stable outlook.

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

Nassau County has dozens of parks, playgrounds and ball fields for the enjoyment of our residents.

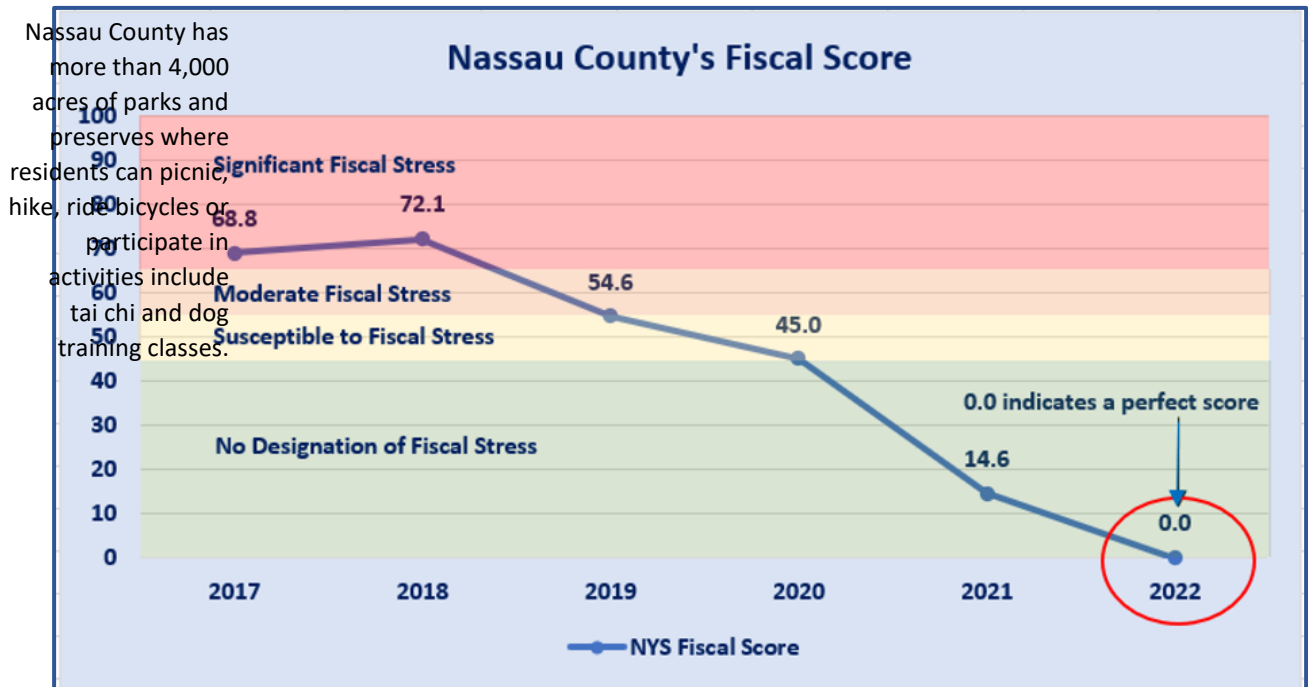


## New York State – Fiscal Stress Monitoring

The New Office of the York State Comptroller developed a fiscal stress monitoring system to identify local governments and school districts that are in fiscal stress, as well as those showing susceptibility to fiscal stress. Based on the fiscal score, the system assigns an entity to one of four categories with a lower score being better than a higher score:

1. Significant Fiscal Stress - a score of 65 to 100.
2. Moderate Fiscal Stress - a score of 55 to 64.9.
3. Susceptible to Fiscal Stress - a score of 45 to 54.9.
4. No Designation - a score of 44.9 to 0.

Since 2021, Nassau has scored in the No Designation of Fiscal Stress category, and in 2022 we achieved a score of zero, which indicates no susceptibility to fiscal stress (see chart below). The Fiscal Stress score for 2023 is expected to be issued by the Office of the New York State Comptroller in September 2024.



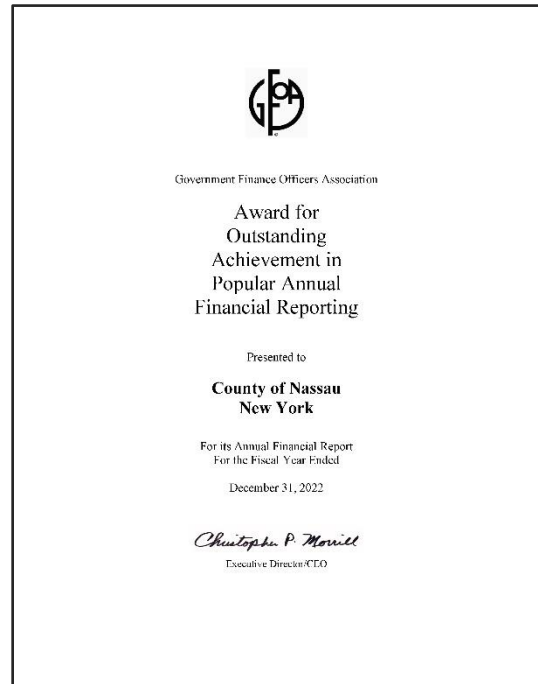
## Open Nassau

Through the Open Nassau portal located at <https://opennassau.nassaucountyny.gov/>, Nassau County provides public access to comprehensive information about how tax dollars are being used. The County’s “Open Checkbook” provides details on revenue and spending; Open Payroll provides insight to compensation to the County’s 8,000 employees; and Open Budget offers detailed information about the County’s annual budgets.

## Awards

Nassau County was awarded the Government Finance Officers Association (GFOA) **Award for Outstanding Achievement in Popular Annual Financial Reporting** (PAFR Award) for the fiscal year ended December 31, 2022. Reports for fiscal year 2022 are produced in 2023; GFOA announced the winners in 2024.

To be eligible for the PAFR Award, a government must also submit its annual comprehensive financial report (ACFR) to GFOA’s Certificate of Achievement for Excellence in Financial Reporting Program and receive the Certificate for the current fiscal year. Each eligible report is reviewed by judges who evaluate the report based on the following categories: reader appeal, understandability, distribution methods, creativity, and other elements. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA to determine its eligibility for another Award.



In addition to receiving the Award for Outstanding Achievement for its PAFR, Nassau County’s ACFR for the Fiscal Year ended December 31, 2022, was awarded the **Certificate of Achievement for Excellence in Financial Reporting** by the GFOA for the 39<sup>th</sup> consecutive year. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting and its attainment represents a significant accomplishment by a government and its management. We believe our ACFR continues to conform to the Certificate of Achievement program requirements, and we are submitting the 2023 ACFR to the GFOA to determine its eligibility for another certificate.

The ACFR and PAFR are available at <https://www.nassaucountyny.gov/4517/Financial-Reports>.

Additionally, the County has earned GFOA’s **Distinguished Budget Presentation Award** for its 2022 and 2023 budget submission. A governmental unit must publish a budget document that

meets criteria as a policy document, an operations guide, a financial plan, and a communications device to receive this award. The Nassau County Budget is available at <https://www.nassaucountyny.gov/2526/Budget-Documents>.

These awards locked in the County's continued standing as a **GFOA Triple Crown** winner with Certificates of Achievement for Excellence in Financial Reporting, Popular Annual Financial Reporting Award, and the Distinguished Budget Presentation Award. Nassau County has been a GFOA Triple Crown award winner every year since the inception of the award in 2019. In 2022, Nassau County was the only local government in New York State to earn the Triple Crown Award.

## Acknowledgements

Significant efforts were made by the Accounting Division in the Office of the Comptroller and throughout the County to prepare the County's Fiscal Year 2023 Annual Comprehensive Financial Report, from which much of the content of this report was adopted. The Comptroller's Communications team created this Popular Annual Financial Report.

## Comments or Suggestions

This financial report is designed to provide a general overview of the Nassau County, NY government's finances for all who are interested. For questions concerning any of the information provided in this report or requests for additional financial information, see the website of the Office of the Nassau County Comptroller at <https://www.nassaucountyny.gov/1590/County-Comptroller> and/or for comments or suggestions on how we can improve the PAFR, please contact the Comptroller's office at [NCComptroller@nassaucountyny.gov](mailto:NCComptroller@nassaucountyny.gov) or 516-571-2386.



Nassau County is well known for its excellent schools and educational resources.

Pictured is South Side Middle School in Rockville Centre.

## Glossary

**Accrual** – The recognition of revenue or expenses that have not yet been recorded or paid.

**ACFR** – The Annual Comprehensive Financial Report (ACFR) is the name assigned by the Governmental Accounting Standards Board (GASB) to the extensive annual financial report prepared by state and local governments in the U.S. following Generally Accepted Accounting Principles (GAAP), which are required to contain basic financial statements (including notes to financial statements) and required supplementary information (such as management’s discussion and analysis).

**Bay Park Conveyance Project** – A partnership between the New York State Department of Environmental Conservation (NYSDEC) and the Nassau County Department of Public Works (NCDPW) to improve water quality and storm resiliency in Long Island’s southwestern bays by upgrading and redirecting its existing wastewater management infrastructure.

**Bonds (Long-term Serial Bond Debt/Serial Bonds)** – Serial bonds mature gradually over a period of years and are used to finance projects or other expenses. The debt is issued to raise capital and each year a total number of bonds are paid off to reduce the amount of debt.

**Bonds (Municipal)** – A type of debt instrument issued by local, county, and state governments often to raise capital for capital projects. Municipal bonds act like loans, with bondholders becoming creditors.

**Capital Project** – A project to construct new facilities or make significant, long-term renewal improvements to existing facilities; expected to have long-term value.

**CBA** – Collective Bargaining Agreement, a contract between an employee union and employer.

**Component Units** – Legally separate organizations for which the County is financially accountable or other organizations whose nature and significant relationships with the County are such that exclusions would cause the County’s financial statements to be misleading.

**County Charter** – Established in 1938, the charter articulates the legal foundation of the Nassau County government. Similar to a state or federal constitution, it defines the powers and functions of elected officials as well as the organization and procedures of local government.

**County Executive** – Elected countywide official who serves as the chief administrator of county government. The County Executive is responsible for law enforcement, planning, consumer protection, roads, parks and recreational facilities, all other services provided by the county, and preparation of the county budget. Elected on a four-year term.

**County Legislature** – Formed in 1996, the legislature is comprised of 19 members, one from each of the county’s 19 districts. It is the legislature’s duty to draft and approve local laws that affect the county and its residents. Elected on a two-year term.

**Deferred Inflows of Resources** – Reported in the Statement of Net Position for the Government-wide financial reports, as defined by GASB, it represents revenue of a governmental fund that is not recognized because it is not yet considered to be available or earned.

Nassau County is home to people of all faiths and cultures.

**Glossary, continued**



**Deferred Outflows of Resources** – Reported in the Statement of Net Position for the Government-wide financial reports, as defined by GASB, it represents a consumption of net assets by the government that is applicable to a future reporting period, such as deferred charges.



**Expenditures** – A payment with either cash or credit to purchase goods or services. It is recorded at a single point in time (the time of purchase).

**GAAP** – Generally Accepted Accounting Principles as promulgated by the Governmental Accounting Standards Board (GASB) in the United States.



**GASB** – The Governmental Accounting Standards Board is the source of generally accepted accounting principles (GAAP) used by state and local governments in the United States; a private, non-governmental organization.

**General Administration** – Group of government branches that run the day-to-day operations of the County. County Executive, District Attorney's Office, County Comptroller's Office, County Clerk's Office, and many other departments make up the Nassau County General Administration.



**General Fund** – The consolidated General Fund is comprised of several funds including the standalone General Fund that are managed separately for budgetary purposes but reported on a GAAP basis, as part of the General Fund, in accordance with GASB Statement 54. The unconsolidated General Fund is not in conformance with GASB Statement 54.

**General Obligation Bonds** – A general obligation bond (GO bond) is a municipal bond backed solely by the credit and taxing power of the issuing jurisdiction rather than the revenue from a given project. General obligation bonds are issued with the belief that a municipality will be able to repay its debt obligation through taxation or revenue from projects.



**GFOA** – Government Finance Officers Association of the United States and Canada, a membership organization for public finance officials throughout the U.S. and Canada; GFOA's mission is to advance excellence in public finance.



**Governmental Funds** – Reports on basic services of government, typically financed with taxes, fees and grants; makes up most of governmental activities. Governmental Funds present the short-term view of the financial results of the County, thus does not include the long-term liabilities.

**Government-Wide** – Provides a broad, long-term, overview of the County's finances in a manner similar to a private-sector business.

Includes all activities of the government (except fiduciary), including governmental activities (governmental funds), and component units that are operationally codependent upon the primary government (blended component). If the County had business-type activities (enterprise funds), those funds would be included in Government-Wide Statements.

**Grants** – Funds from the Federal or state governments that are not expected to be repaid, unless not spent for the intended purpose. Capital grants are restricted to funding major long-term projects; operating grants may fund day-to-day operations or an organization of program.

**Health/Social Services** – County department responsible for providing financial assistance and services while promoting and protecting the health of all who live in Nassau County.

**Longevity Payments** – Additional wages, salary, or another form of compensation given to an employee or worker based on the length of their prior service.

**Management’s Discussion and Analysis (MD&A)** – As required by GASB Statement #34, the MD&A provides a narrative overview and analysis of the government’s financial activities, decisions, or conditions that provide further details of the reported financial information. The MD&A includes comparisons of the current year to the prior year based on the government-wide information, an analysis of the government’s overall financial position and results of operations, an analysis of significant changes that occur in funds and significant General Fund budget variances, and conclude, with a description of currently known facts, decisions, or conditions that are expected to have a significant effect on financial position or results of operations.

**Net Change in Fund Balance** – The difference between the beginning and ending balances for the fiscal year for each governmental fund.

**Net Position (Deficit)** – Net position (deficit) is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources

**New York State Environmental Facilities Corporation - Revolving Fund Bonds** – The New York State Environmental Facilities Corporation (EFC) is a public benefit corporation of New York State which administers and finances two State Revolving Funds (SRFs), pursuant to the Federal Water Quality Act and the Federal Safe Drinking Water Act which provide interest-subsidized loans to local governments for wastewater projects and drinking water projects, respectively.

**OPEB** – Other Post Employment Benefits, benefits that are due to employees who are entitled to health benefits upon retirement, primarily health insurance benefits.

**Open Nassau** – Nassau County’s fiscal transparency portal located at <https://opennassau.nassaucountyny.gov/>, Nassau County provides public access to comprehensive information about how tax dollars are being used.

**Property Tax** – A tax levied directly on property.

**Protection of Persons** – Includes the following Nassau County entities: Police Headquarters, Fire Commission, Commission on Human Rights, Commissioner of Accounts, Consumer Affairs, Medical Examiner and Office of Crime Victims Advocate

**Public Works** – In Nassau County, this refers to highway and bridge maintenance, engineering, and groundwater remediation

**Rating Agency** – A company that assigns credit ratings, which rate a debtor's ability to pay back debt by making timely principal and interest payments and the likelihood of default. An agency may rate the creditworthiness of issuers of debt obligations.

**Retroactive Payments** – A payment or payments made to an employee for work done in the past.

**Revenue** – Money generated from normal government operations, grants, income.

**Sales Tax** – A consumption tax paid by consumers at the point of sale.

**Sewer Financing Authority** – A public benefit organization established for the limited objectives 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.

**State Revolving Fund Bonds** – See New York State Environmental Facilities Corporation - Revolving Fund Bonds

**Statement of Net Position (Deficit)** – The government-wide statement of net position reports the difference between assets, plus deferred outflows of resources, and liabilities, plus deferred inflows of resources, which is the net position, using the accrual basis of accounting.

**Tax Certiorari** – A legal process by which a property owner can challenge the real estate tax assessment on a given property in an attempt to reduce the property's overall assessment.

**Three Primary Operating Funds** – Consist of the Consolidated General Fund, the Police District Fund and the Sewer and Storm Resource District Fund, which each have different tax bases.

**Tobacco Settlement Revenue** – Annual payments to the Nassau County Tobacco Settlement Corporation (NCTSC) that come from participating cigarette manufacturers under the Mastre Settlement Agreement established in 1998. The settlement payments are pledged to repayments of the bonds of the NCTSC.

**Unmodified (Clean) Opinion** – Indicates that an external auditor has judged financial statements to be a fair representation, in all material respects, of the financial position of an entity.

**Variance** – A budget variance is an accounting term that describes instances where actual revenues, expenditures, other financing sources/uses and net changes in fund balance are either higher or lower than the budgeted amounts.



### Nassau County's 125<sup>th</sup> Anniversary

Nassau County was first occupied by Native Americans, who gave names to many of our towns including:

- Manhasset derives its name from the Native American word for "the island neighborhood,"
- Massapequa is derived from the Native American "Marspeag" which means great waterland,
- The village of Matinecock is named for the Matinecock Nation, which inhabited much of the area and translates to "the Hill Country."
- Merrick comes from the Algonquin word Meroke, which means "peace".
- Mineola was named Miniolagamika, "Pleasant Village" by an Algonquin Indian Chief and was shortened to its current name;
- Wantagh was named for a chief of the Montauk Indians;

In the early 1600s, the Dutch began to settle in what is now Nassau County, which was reflected in regional names including "Heemstede," and Nassau.

In 1683, Long Island was divided into three counties: Kings, Suffolk, and Queens. In 1898, the western-most towns in Queens County became part of New York City; the Towns of Hempstead, North Hempstead and Oyster Bay were excluded from the New York metropolitan area but remained part of Queens County. Later that year, the residents of the three Towns waged a successful battle in Albany for permission to secede from Queens and **on January 1, 1899, Nassau County was created.**

