

NASSAU COUNTY
NEW YORK



COMPREHENSIVE
ANNUAL FINANCIAL
REPORT
OF THE
COMPTROLLER

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2017

JACK SCHNIRMAN
COMPTROLLER

NASSAU COUNTY
NEW YORK



COMPREHENSIVE
ANNUAL FINANCIAL
REPORT
OF THE
COMPTROLLER

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2017

JACK SCHNIRMAN
COMPTROLLER

SHARI R. JAMES
CHIEF DEPUTY COMPTROLLER

LISA S. TSIKOURAS, CPA
COUNTY DIRECTOR OF ACCOUNTING

COUNTY OF NASSAU, NEW YORK

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INTRODUCTORY SECTION

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Hon. Jack Schnirman
Nassau County Comptroller



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June 29, 2018

TO THE PEOPLE OF NASSAU COUNTY

I respectfully submit the Comprehensive Annual Financial Report (“the report”) for the year ended December 31, 2017, as required by New York State County Law 577[1] (j)-(k). I am proud to report that our audited financial statements and Comprehensive Annual Financial Report are presented timely for the first time in the past seven years. This letter of transmittal is designed to complement Management’s Discussion and Analysis (“MD&A”), and should be read in conjunction with it.

Based on the best available information presented to the Office of the Nassau County Comptroller, the data, as presented, is accurate in all material aspects and presents the financial and operational condition of the County fairly, as measured by the financial activity of the governmental entity, its various funds and component units, and includes all necessary disclosures. County management is responsible for the contents of the report.

Our Office has instituted a number of improvements to how we discuss and present the County’s financial performance—both operating and financial condition. These improvements will ensure that all stakeholders have a comprehensive, clear, and accurate view of the County’s fiscal health. These improvements are discussed below.

Defining “Primary Operating” Funds

Under prior administrations, management’s reporting and discussion of the County’s primary operating results excluded various funds. The funds that were excluded are key to ensuring our policy makers and management have the relevant information needed to make sound decisions that ultimately have long-term impacts for our fiscal trajectory.

This year we have expanded the definition of “primary operating funds” to include the total General Fund, Police District Fund, and Sewer & Storm Water Fund and focus the discussion on the GAAP financial results. Prior to the 2017 fiscal year, various funds required to be included in the General Fund under GAAP reporting were excluded in the discussion of the primary operating funds.

2017 Primary Operating Fund Comparison

Primary Operating Funds (000's)	Previous Basis	Current Basis	
General Fund	(\$56,316)	(\$56,316)	
Debt Service Fund	(\$835)	(\$835)	
Fire Commission Fund	\$43	\$43	
Police Headquarters Fund	(\$727)	(\$727)	
All other funds consolidated into Total General Fund *	n/a	(\$45,492)	→
Police District Fund	(\$960)	(\$960)	
Sewer and Storm Water Fund	n/a	(\$18,135)	
TOTAL	(\$58,795)	(\$122,422)	

*Total General Fund under GAAP includes General Fund, Debt Service Fund, Fire Commission Fund, Police Headquarters Fund, Litigation Fund, Technology Fund, Open Space Fund, Retirement Contribution Reserve Fund, Employee Accrued Benefit Liability Reserve

Financial Recognition Basis

In an effort to increase transparency and avoid ambiguity in discussions surrounding the financial condition of the County, improvements have been made to the County’s prior financial reporting practices. Previously, the County discussed financial performance under three different reporting bases, which resulted in varying financial results for the same fiscal year. The three reporting bases were as follows:

- **Budgetary Basis:** As appropriated each year, including carryover of encumbrances and other items not permitted under GAAP reporting;
- **Generally Accepted Accounting Principles Basis:** Generally Accepted Accounting Principles, as prescribed by the Governmental Accounting Standards Board and other accounting standards;
- **Control Period Calculation:** Excludes certain other financing sources, in accordance with the Nassau County Interim Finance Authority’s (“NIFA”) requirement.

This year and going forward, our discussion of the financial performance will be under the Generally Accepted Accounting Principles basis, which is known as the “GAAP basis.” The County is required to report its financial statements in accordance with GAAP, therefore discussion of the County’s financial results on a GAAP basis provides the readers of the financial statements the ability to better understand the County’s fiscal standing. We have removed discussion of budgetary basis of reporting in our Comprehensive Annual Financial Report, except as required for reporting purposes, and are pleased to have the support of the County Executive’s Office in making this change. *Note:* The County continues to be in a control period as defined in the NIFA Act and therefore is required to report the Control Period Calculation. The Control Period Calculation is reported in Note 2 and Exhibit F-1.

Guide to Understanding Comprehensive Annual Financial Report

As part of our transparency initiative, our office has developed an online guide to assist readers in understanding the information presented in this report. This guide can be found on our website www.nassaucountyny.gov/Comptroller.

2017 Financial Results

The County ended fiscal year 2017 with a \$122.4 million deficit in its three primary operating funds (as newly defined) under GAAP as compared to a \$63.9 million surplus in 2016 (under GAAP for the three newly defined primary operating funds). This deficit is primarily attributed to the use of fund balance to cover operational expenditures, namely tax certioraris payments, and judgments and settlements. In turn, the financial condition of the County has eroded as evidenced by a negative unassigned fund balance (which is also sometimes referred to as the “rainy-day fund”) and an increase in long-term liabilities in its primary operating funds. That unassigned fund balance decreased from \$46.8 million at fiscal year-end 2016 to a ***negative \$68.8 million at the end of 2017***. A negative unassigned fund balance represents an overspending of the fund balance and that a municipality’s assets and deferred outflows of resources are insufficient to fund all purposes to which a government is bound to honor.

In addition, long-term liabilities increased year over year, namely the outstanding liability for litigation liabilities increased by \$24.2 million to \$391.5 million, Other Post Employment Benefits (“OPEB”) liability increased by \$1.2 billion to \$6.4 billion and the County’s liability to the New York State (“NYS”) Retirement Systems totaled \$235.0 million at fiscal year-end 2017. The County’s total property tax certiorari liability, including the liabilities reported in the governmental funds, increased by \$228.8 million to \$569.3 million. More detail on each of these liabilities may be found in the Notes to the Financial Statements.

As mentioned above, the Management’s Discussion and Analysis (“MD&A”) immediately following this section provides a full narrative, overview, and analysis of the 2017 financial statements.

Nassau County Interim Finance Authority - Control Period

Since its enactment in 2000, the Nassau County Interim Finance Authority (“NIFA”) provides State oversight of the County’s finances. NIFA was created pursuant to the NIFA Act codified as Title I of Article 10-D of the State Public Authorities Law. Under the NIFA Act, the County is prohibited from filing any petition with any United States district court or bankruptcy court for the composition or adjustment of municipal indebtedness without the approval of NIFA and the State Comptroller and no such petition may be filed while NIFA bonds or notes remain outstanding. NIFA currently has bonds outstanding through November 15, 2025. On January 26, 2011, NIFA declared a control period that grants the agency additional oversight authority pursuant to the NIFA Act, including that the County could not include in its results of operations certain other financing sources reported in accordance with GAAP. The NIFA control period continues through today. For further details of NIFA’s authority, see Note 2, Control Period Calculation.

Financial Statements & Internal Controls

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

The independent accounting firm of RSM US, LLP performed an audit of the County's financial statements as of, and for the year ended, December 31, 2017. Their audit opinion on the basic financial statements, and combining and individual fund statements and schedules, is located on pages 14 through 16 of this report.

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

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

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

Profile of the Government

Nassau County funds a wide range of municipal services, which include but are not limited to: public safety, health, highways, water and sewer, college education, sanitation, public improvements, parks, recreational facilities, and cultural events, as well as planning and general administrative services. Incorporated in 1899, the County contains three towns, two cities, 64 incorporated villages, 56 school districts, and approximately 200 special taxing districts that provide services in specific areas, such as garbage collection and water supply. With a population of more than 1.3 million people, it occupies 287 square miles located approximately 15 miles east of Manhattan.

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

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

The level of budgetary control at which expenditures cannot exceed the appropriated amount is exercised by object appropriation level within a department control center. The County also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Appropriations, which have not been expended or encumbered, lapse at the end of the year.

Local Economy

Nassau County is considered an affluent community and is a diversified economic engine with extensive access to the New York City and the metropolitan area. Major industries located within the County boundaries include a mix of large utilities, corporate facilities, hospitals and retail. As of December 2017, per the Bureau of Labor Statistics, its unemployment rate of 4.0% continues to be lower than that of the State of 4.4% and is right in line with the nation at 3.9%. In addition, sales tax collections have grown by 3.75% year over year and continue to show strong collections in fiscal year 2018.

Median household incomes in Nassau County are significantly above the national average and the State as a whole. According to the 2016 American Community Survey, Nassau County's median family income totals \$102,044, as compared to the State and national median family income of \$60,741 and 57,617, respectively.

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Although Nassau County is considered developed with limited vacant parcels, on-going transit-oriented housing development, which continues to attract young professionals, adds great value to the existing traditional housing stock.

Lastly, it is important to note that the federal tax-reform, in particular the cap on State and Local Taxes “SALT deductions”, may pose a risk to the County’s economy and housing activity in the coming year.

Long-term Financial Planning and Major Challenges

In accordance with NIFA, the County’s Oversight Board, the County Executive is required to submit a multi-year plan which addresses the anticipated fiscal challenges. Included in Nassau County’s multi-year financial plan are initiatives designed to improve the County’s fiscal integrity, increase the County’s resilience to volatile economic conditions, and lessen its reliance on borrowing to cover operating expenditures. The most recent multi-year financial plan covered fiscal years 2018-2021. As concluded by NIFA in its report dated November 9, 2017, the plan contains an unacceptable level of risk and projected deficits. Current County management will have to grapple with those risks as they attempt to advance the process of developing a sound multi-year financial plan. The discussion below further illustrates a few key major factors that the County will have to contend with going forward.

County Guaranty – Tax Certiorari Payments

The County is responsible for paying, without chargeback, the real property tax refunds of the three towns within the County, all but one of the 56 school districts, and approximately 200 special districts. This 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 has increased by \$228.8 million to \$569.3 million at fiscal year-end 2017. The County Executive is currently in the process of reassessing property values and creating a new tax roll which will assist in curbing the future growth of this liability. In recognition of the County’s current tax certiorari problem, the County in 2016 also established the Disputed Assessment Fund (“DAF”), and in 2017, the County began collecting the DAF charges from commercial property owners and payouts have commenced in 2018.

Financial Condition

The financial condition of the County has eroded as evidenced by a negative unassigned fund balance in its primary operating funds to a ***negative \$68.8 million at the end of 2017*** from \$46.8 million at fiscal year-end 2016. In addition, the County’s net cash position has weakened year over year coupled with increased cash flow borrowings in 2017.

The County’s total debt of \$3,508.7 million inclusive of accreted interest, of which \$1,286.0 million was issued for property tax refunds, other judgments and termination pay, has remained relatively level with approximately a 1.5 percent growth over year-end 2009 (\$3,456.8 million). This is primarily due to refinancing of long-term debt by the County and its blended component units, rapid amortization, as well as a slow-down in bond issuances.

Other Post-Employment Benefits “OPEB” Liability & Deferred NYS Pension Payments

A further concern is the increasing cost of health insurance and pension contributions, including the growth in the County’s OPEB liability. Given changes in actuary standards, the County’s OPEB liability, increased by \$1.2 billion to \$6.4 billion at fiscal year-end 2017. Although currently there is no funding mechanism in New York State, the County needs to develop a plan to address this unfunded liability.

Since 2011, the County has elected to participate in the State sponsored Contribution Stabilization Program and the Alternate Contribution Stabilization Program to defer pension costs and amortize the maximum allowed. At fiscal year-end 2017 this liability totaled \$235.0 million and the County must repay this amount in full by 2029. The County elected the deferral with the most recent pension invoice due and payable in February 2018, which was prepaid in December 2017.

Nassau Integrated Financial System “NIFS”

The County’s current financial system cannot efficiently produce GAAP compliant financial statements and the current process is manually-driven. Modernizing the County’s financial system must be a top priority to ensure continued compliance with governmental accounting standards and timely financial statements. In addition, an upgraded financial system will increase operational and reporting efficiencies and save taxpayers’ dollars.

Decentralization

The County’s current organization is heavily decentralized for many functions. Our Office is committed to spearheading the streamlining of processes, working smarter, and centralizing functions for efficiency and transparency. makes economic sense, the County can strive for cost efficiencies that may help its finances in the long-run.

The County must restructure, reform, and modernize to avoid further deterioration in the County’s overall viability. A plan that will improve the structure of the County government, its current operations model and how it uses both financial and performance data to track and inform decision making, will help to avoid structural challenges and future risks.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (“GFOA”) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its CAFR for the year ended December 31, 2016. To be awarded the Certificate of Achievement a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards, including transparency and full disclosure. Such reports must satisfy both GAAP and applicable legal requirements. This is the 33rd consecutive year the County has received this award. For the County to continue being honored with this award it must maintain its high standards in financial reporting on a timely basis. The County recognizes the importance of updating its financial reporting system to continue its ability to submit a timely CAFR for this award.

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

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The County has also earned GFOA's Distinguished Budget Presentation Awards for its 2017 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 preparation of the 2017 Comprehensive Annual Financial Report could not have been accomplished without the invaluable assistance of the professional and dedicated staff of the offices of the County Comptroller; the County Executive; the County Treasurer; and Albrecht, Viggiano, Zureck & Company, P.C. I would like to express my appreciation to all those who assisted and contributed to its preparation.

Respectfully submitted,



Jack Schnirman
Nassau County Comptroller



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**County of Nassau
New York**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO

COUNTY OF NASSAU, NEW YORK

**PRINCIPAL OFFICIALS
AS OF DECEMBER 31, 2017**

Executive

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

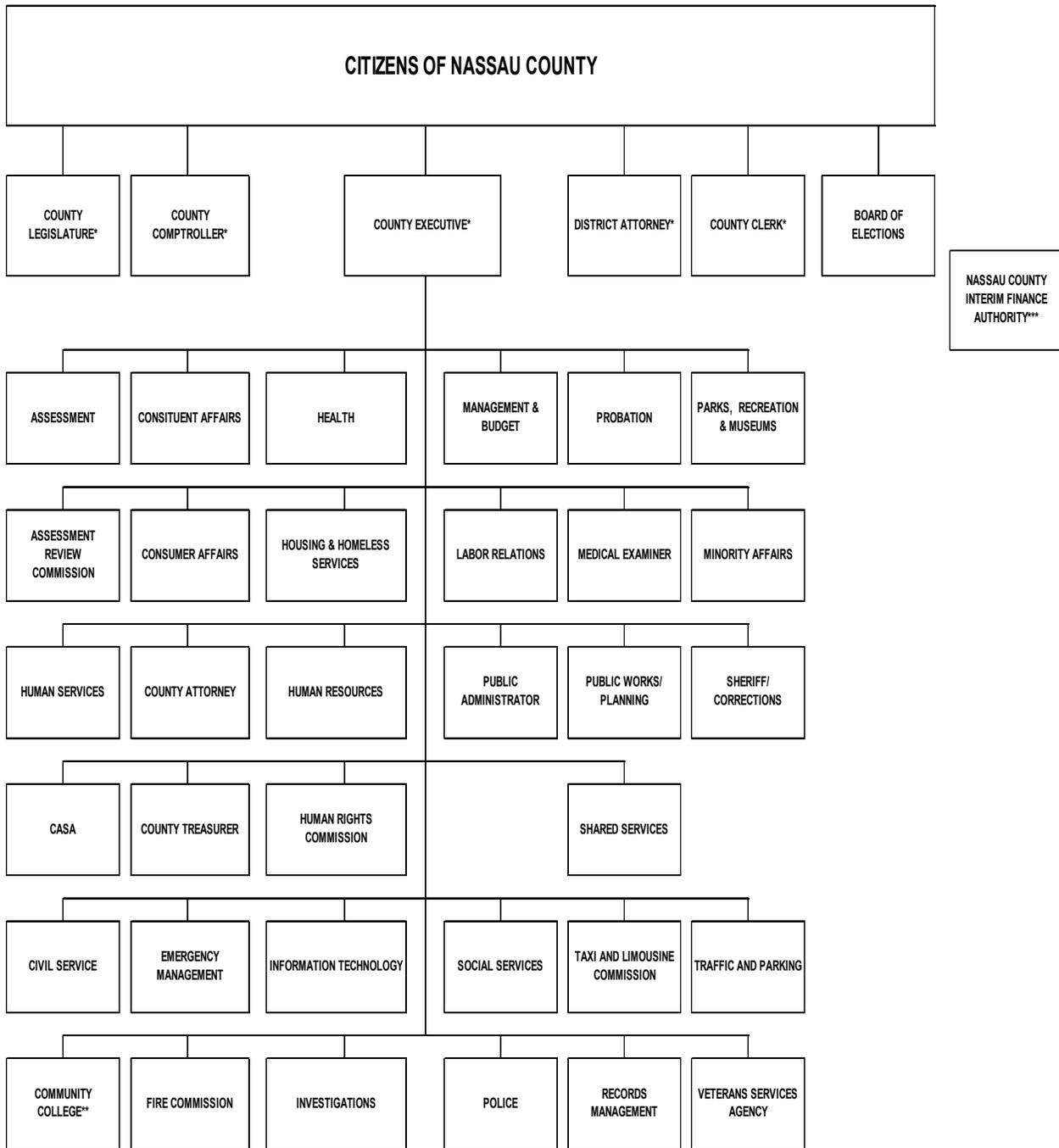
Legislative

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

* Effective January 1, 2018, these elected or appointed positions were held by a new official.

COUNTY OF NASSAU, NEW YORK

COUNTY DEPARTMENTS AND OFFICES as of December 31, 2017



* Offices Elected by Voters of Nassau County

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

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

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FINANCIAL SECTION

Independent Auditor's Report

Honorable Laura Curran, County Executive
and Members of the County Legislature
County of Nassau, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Nassau, New York (the County), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Nassau Health Care Corporation, Nassau County Bridge Authority, Nassau Regional Off-Track Betting Corporation, Nassau County Industrial Development Agency, and Nassau County Local Economic Assistance Corporation which represent 68 percent, 68 percent, and 74 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2017, and the respective changes in financial position, and the respective budgetary comparison for General Fund, Police District Fund and Sewer and Storm Water District Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress, schedule of contributions and schedule of proportionate share of the net pension liability on pages 17-30 and 156-158, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Report on Control Period Calculation Schedule

We have audited the accompanying Control Period Calculation Schedule (the Schedule) of the County, which comprises the Control Period Calculation results of the County's five primary operating funds in accordance with the reporting provisions of the agreement between the County and NIFA dated

December 8, 2017 (the Contract) for the year ended December 31, 2017, and the related notes to the Schedule.

Management's Responsibility for the Schedule

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the Schedule referred to above presents fairly, in all material respects, the Control Period Calculation results of the County's five primary operating funds for the year ended December 31, 2017 as determined in accordance with the reporting provisions of the Contract.

Emphasis of Matters

Basis of Accounting

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

Other Matters

We have previously audited the County's 2016 Schedule, and we expressed an unmodified opinion on the Schedule in our report dated December 28, 2017. In our opinion, the summarized comparative information presented in Exhibit F-2, Control Period Schedule – Historical Data as of December 31, 2016, is consistent, in all material respects, with the audited Schedule from which it has been derived.

The information presented in Exhibit F-2, Control Period Schedule – Historical Data, as of December 31, 2010 through 2015 has not been subjected to the auditing procedures applied in the audit of the Schedule, and accordingly, we do not express an opinion or provide any assurance on the information.

Restrictions on Use

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

RSM US LLP

New York, New York
June 29, 2018

COUNTY OF NASSAU, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

Nassau County's (the "County") Comprehensive Annual Financial Report ("CAFR") is presented in conformity with generally accepted accounting principles ("GAAP") for governments in the United States of America as prescribed by the Governmental Accounting Standards Board ("GASB"). This section of the report, required under GASB Statement No. 34, presents Management's Discussion and Analysis ("MD&A") of the County's financial activities and performance for the fiscal years ended December 31, 2017 and 2016. This section should be read in conjunction with the letter of transmittal and the County's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of the following components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the basic financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

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

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

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

COUNTY OF NASSAU, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2017

FINANCIAL HIGHLIGHTS

Governmental Funds

The County ended the 2017 fiscal year with a total GAAP deficit of \$115.8 million in all governmental funds, both operating and non-operating, a decrease of \$176.1 million from the prior year. The deficit of \$115.8 million was comprised of:

- \$122.4 million deficit attributed to the County's operating funds defined as the General Fund (\$103.3 million), the Police District Fund (\$1.0 million) and the Sewer and Storm Water Fund (\$18.1 million), a decrease from 2016 of \$186.4 million; and
- \$6.6 million surplus attributed to the remaining funds, both major and non-major.

Factors contributing to the GAAP deficit of \$115.8 million were:

- payment of most tax certiorari expenditures and other settlements with operating funds as no bonds were issued for these expenditures in the fiscal year;
- less than expected revenue from Nassau Regional Off-Track Betting Corporation ("OTB") and the Federal Transit Authority related to video lottery terminals and the County's NICE bus operations, respectively;
- higher police termination pay than budgeted;
- a shortfall in departmental revenues predominately due to a temporary restraining order imposed on the income and expense law;
- a shortfall in PILOTS revenue and;
- lower contractual reimbursements for personnel services in the Sewer and Storm Water Fund (the "Sewer Fund").

These negative variances were partially offset by:

- the implementation of the public safety fee;
- higher departmental revenues in the Clerk's office;
- lower non-overtime payroll and fringe benefits due to budgeted position vacancies, and;
- higher than projected growth in sales tax receipts.

Other favorable variances include higher investment income due to rising interest rates, and favorable State reimbursements for social services and health programs.

Ending GAAP fund balance for all governmental funds was \$355.9 million, down from \$471.7 million at 2016 fiscal year-end. Of the 2017 year-end balance, \$99.2 million is attributed to the operating funds¹, \$81.1 million is attributed to the General Fund, \$(6.0) million to the Police District Fund, \$24.1 million to the Sewer and Storm Water Fund. The Capital Fund's ending fund balance was \$147.8 million and the remainder of \$108.9 million is comprised of the ending fund balances in multiple non-major and blended component unit funds. The total unassigned fund balance for all governmental funds was a negative \$68.8 million.

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

COUNTY OF NASSAU, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2017

FINANCIAL HIGHLIGHTS (Continued)

Governmental Funds (Continued)

Total assets for all governmental funds increased slightly by \$14.6 million, primarily due to the \$96.7 million of collections held by the newly established Disputed Assessment Fund ("DAF"). This was offset by decreases in the Police District Fund (\$11.0 million) primarily related to the 2016 transfer to the Employee Accrued Benefit Liability Reserve Fund (included in the General Fund) which occurred after the close of the 2016 calendar year; Sewer and Storm Water Fund (\$17.2 million) comprised of a reduction in cash of \$12.2 million and the establishment of an accounts receivable allowance of \$4.5 million; the Capital Fund (\$18.0 million) due to the reduction of interfund receivables of \$36.2 million offset by an increase in due from other governments of \$23.7 million; and a decrease in due from other governments in the General Fund of \$10.8 million; and a decrease in restricted investments of \$17.2 million and \$13.4 in due from other governments in the non-major governmental funds.

Total liabilities for the governmental funds increased by \$116.8 million, \$95.5 million in the DAF which was primarily due to the DAF deposits held (\$52.6 million), estimated tax certiorari payable – disputed assessment fund (\$42.9 million) and an increase in tax anticipation notes of \$119.4 million offset by decreases in the Capital Fund (\$47.0 million) due to lower unearned revenue and interfund payables, the Police District Fund (\$10.1 million) due to lower interfund payables, and the NIFA Debt Service Fund (\$12.9 million) related to a 2016 year-end due to broker liability that was paid in 2017.

For the three operating funds only, total assets and liabilities, including deferred inflows of resources, were \$885.7 million and \$786.6 million, respectively. This represents a decrease in assets of \$26.4 million and an increase in liabilities and deferred inflows of resources of \$96.0 million over the prior year.

The committed fund balance for all governmental funds increased over the prior year by \$38.8 million and assigned fund balance decreased by \$45.2 million, primarily due to the reclassification of funds reserved for Police District termination pay and the payment of judgments and settlements. While the restricted fund balance overall remained relatively flat to 2016, the composition of the restricted balances changes. 2016 fund balance restricted to pay judgments and settlements was used in 2017 and cash was restricted in 2017 for payment of a future litigation. The use of \$8.0 million assigned for pension expense further reduced the assigned fund balance in the General Fund. Unassigned fund balance, which represents fund balance that is remaining after all other non-spendable and spendable balances have been applied, decreased significantly by \$115.6 million over the prior year from \$46.8 million to (\$68.8) million due to the 2017 deficit.

The 2017 results illustrate a deterioration in the County's fiscal health over the prior year, with a depletion of 2016 year-end reserves and fund balance.

Government-Wide

The County's net position, on a government-wide basis in accordance with GAAP, decreased by \$1.3 billion during 2017, to a \$8.5 billion deficit. The decrease in net position is primarily the result of an increase in the OPEB liability of \$1.2 billion. The increase in OPEB liability is due to changes in actuarial assumptions required by actuarial standards; the assumptions now assume higher premiums for retirees rather than using average rates which are lower as a result of the inclusion of active employees.

COUNTY OF NASSAU, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2017

ANALYSIS OF GOVERNMENT-WIDE FINANCIAL STATEMENTS FOR 2017

There are two government-wide financial statements: The *Statement of Net Position* and the *Statement of Activities*. The Statement of Net Position reports everything the County owns (its assets) and owes (its liabilities) as of the end of the year. Net position is what remains after all liabilities have been recorded; they signify the net worth of the government. This statement is designed to display assets and liabilities in order of their basic liquidity and maturity while presenting the basic accounting relationship applicable to public sector entities: *assets + deferred outflow of resources – liabilities – deferred inflow of resources = net position*. This statement also presents all of the County's economic resources – that is, all its assets and liabilities, both financial and capital.

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

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

The Statement of Net Position

The Statement of Net Position for the 2017 fiscal year reports a deficit balance of \$8.5 billion in net position. Table 1 illustrates that the County's net position decreased by \$1.3 billion during 2017. Although total assets increased by \$396.8 million primarily due to increases in capital assets, this was offset by a decrease in deferred outflows of resources of \$259.8 million. Total liabilities increased significantly by \$1.4 billion primarily due to the increase of \$1.2 billion in the OPEB liability. The County's Net Pension Liability decreased by \$191.5 million, however, this was offset by a \$193.5 million increase in the long-term portion of the property tax liability which was the result of the reassessment of certain commercial properties and the revaluation of all open writs.

COUNTY OF NASSAU, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2017

ANALYSIS OF GOVERNMENT-WIDE FINANCIAL STATEMENTS FOR 2017 (Continued)

The Statement of Net Position (Continued)

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

	Total Primary Governmental Activities		
	2017	2016	Change
Current and Other Assets	\$ 1,568.2	\$ 1,457.3	\$ 110.9
Capital Assets	3,410.7	3,124.7	286.0
Total Assets	4,978.9	4,582.0	396.9
Total Deferred Outflows of Resources	520.2	780.0	(259.8)
Current and Other Liabilities	1,644.1	1,424.7	219.4
Long-Term Liabilities	12,150.0	10,975.0	1,175.0
Total Liabilities	13,794.1	12,399.7	1,394.4
Total Deferred Inflows of Resources	193.6	200.1	(6.5)
Net Investment in Capital Assets	2,362.4	2,160.4	202.0
Restricted	167.0	168.1	(1.1)
Unrestricted	(11,018.0)	(9,566.3)	(1,451.7)
Total Net Position (Deficit)	\$ (8,488.6)	\$ (7,237.8)	\$ (1,250.8)

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

The County's Statement of Net Position shows a deficit balance of \$8.5 billion in net position at December 31, 2017 and an unrestricted net deficit of \$ 11.0 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. The primary reason for the decline is a 11% increase in total liabilities, driven by the increase in the OPEB liability and the property tax refund liability.

County Guarantee: The County has been determined to be responsible under the County Administrative Code for paying, without chargeback, the real property tax refunds (other than those arising from correction of errors) of the three towns within the County, all but one of the 56 school districts, and approximately 200 special districts. This has resulted in the County having to refund more in property taxes than it collected and has given rise to the significant property tax liability reported in its financial statements. For fiscal year end 2017, the long-term portion of this liability was estimated at \$496.3 million. See Note 12, Notes Payable and Long-term Obligations and Footnote 21B Contingencies and Commitments.

COUNTY OF NASSAU, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2017

ANALYSIS OF GOVERNMENT-WIDE FINANCIAL STATEMENTS FOR 2017 (Continued)

The Statement of Net Position (Continued)

The New York Legislature passed assessment legislation signed by the Governor in 2014, that established a Disputed Assessment Fund (“DAF”) that created a manageable and fiscally-sound process to satisfy most commercial tax certiorari refunds and end the need to borrow to pay for commercial tax certiorari refunds, which has been the practice of the County since the 1970s. It provides for a two-step process for commercial property assessment disputes and requires that all payments towards the DAF be administered in the same manner as County real property taxes. Commercial property owners who have filed an Article 7 petition in court are required to pay a DAF charge based on a percentage of the properties’ assessed values that are determined by the Department of Assessment. Any refund of real property taxes owed to a class four property owner as a result of a settlement or final decision will be paid from the DAF. Any funds that remain thereafter shall be distributed pro rata to the County and the applicable school district, town and special districts. In the case where the taxpayer’s grievance resulted in a refund of more than the DAF charge, the County’s General Fund would make up the difference. The County began collecting the DAF charge from commercial property owners in 2017 and collected \$95.5 million during the fiscal year of which \$52.6 million are considered deposits held for future payments and \$42.9 million as estimated tax certiorari payable in the DAF. No DAF payments were made in 2017 but an accrual of \$1.1 million was recorded in the DAF as of year-end to recognize the refunds that were payable in the fiscal year. As of December 31, 2017, the obligations estimated as held in the DAF were \$42.9 million which is included with the long-term liability portion in the estimated tax certiorari payable on the Statement of Net Position. Refund payments from the DAF commenced in 2018.

The Statement of Activities

The Statement of Activities for the fiscal year that ended December 31, 2017 details the decrease in the County’s net worth from 2016 to 2017. Table 2 summarizes the changes in the County’s net position. Several factors impacted the County’s net worth. They include:

- An increase in Sales Tax of \$27.3 million was due mainly to an improvement in the economy.
- Revenue from Operating Grants of \$456.0 million declined from the prior year by \$62.1 million. The major components of this change were attributed to a decrease in Federal Funding related to the County’s transit system (\$38.1 million) due to fixed route procurements that occurred in 2016, less FEMA reimbursements in 2017 of \$14.5 million and \$3.4 million of lower state aid attributed to Health services’ prior year receivables that were not realized.
- Capital Grant revenue increased by \$52.4 million due to increases in FEMA funds received for Super Storm Sandy repairs at County facilities.
- Tobacco Settlement Revenues (“TSRs”) decreased by \$39.1 million over the prior year due to the recognition of \$18.0 million of revenues from the Trust which did not recur in 2017 and a decrease of \$21.0 million in TSRs received by the Nassau County Tobacco Settlement Corporation from 2016.
- General Administration expenses increased significantly by \$1.3 billion primarily due to the increase in the County’s OPEB liability of \$1.2 billion. The remainder is comprised of increases to long-term obligations, such as the property tax refund liability and the litigation liability offset by a decrease in accrued leave pay, net pension liability and the estimated liability for workers’ compensation. The liability to the New York State Local Retirement System of \$235.0 million remained relatively flat to the prior year as repayments to the State now exceed the annual amount deferred.
- Protection of Persons expenses increased \$50.5 million primarily due to higher than anticipated personnel related costs and unbudgeted police termination pay expenditures of \$30.0 million.

COUNTY OF NASSAU, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2017

ANALYSIS OF GOVERNMENT-WIDE FINANCIAL STATEMENTS FOR 2017 (Continued)

The Statement of Activities (Continued)

Table 2
Condensed Statement of Activities
(dollars in millions)

	<u>2017</u>	<u>2016</u>	<u>Change</u>
Revenues			
Program Revenues			
Charges for Services	\$ 391.8	\$ 375.1	\$ 16.7
Operating Grants	456.0	518.1	(62.1)
Capital Grants	214.1	161.7	52.4
General Revenues			
Property Taxes	933.2	925.8	7.4
Sales Taxes	1,151.4	1,124.1	27.3
Other Taxes	83.8	80.8	3.0
Tobacco Settlement Revenues	16.4	55.5	(39.1)
Investment Income	29.2	35.0	(5.8)
Other General Revenues	62.4	57.6	4.8
Total Revenues	<u>3,338.3</u>	<u>3,333.7</u>	<u>4.6</u>
Expenses			
Legislative	11.5	11.1	0.4
Judicial	82.4	76.0	6.4
General Administration	1,928.3	640.3	1,288.0
Protection of Persons	902.5	852.0	50.5
Health	230.1	232.7	(2.6)
Public Works	334.1	338.2	(4.1)
Recreation and Parks	55.9	53.3	2.6
Social Services	562.7	551.0	11.7
Corrections	267.3	250.1	17.2
Education	27.0	24.7	2.3
Interest on Long Term Debt	187.3	187.6	(0.3)
Total Expenses	<u>4,589.1</u>	<u>3,217.0</u>	<u>1,372.1</u>
Increase (Decrease) in Net Position (Deficit)	(1,250.8)	116.7	(1,367.5)
Net Position (Deficit) Beginning	<u>(7,237.8)</u>	<u>(7,354.5)</u>	<u>116.7</u>
Net Position (Deficit) Ending	<u>\$ (8,488.6)</u>	<u>\$ (7,237.8)</u>	<u>\$ (1,250.8)</u>

Certain reclassifications have been made to the prior year numbers to conform with the current year presentation.

COUNTY OF NASSAU, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2017

ANALYSIS OF FUND FINANCIAL STATEMENTS FOR 2017

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

For budgetary purposes, the County's general operations are financed through three primary operating funds: The General Fund; the Police District Fund, and the Sewer and Storm Water Fund, each of these have different tax bases. For reporting purposes, the General Fund includes several funds that are managed separately but reported as part of the General Fund. They are the Fire Commission Fund; the Police Headquarters Fund; the Debt Service Fund, the Litigation Fund, the Retirement Contribution Reserve Fund, the Technology Fund, the Open Space Fund, the Environmental Bond Fund, the Employee Accrued Benefit Liability Reserve Fund and the Bond Indebtedness Reserve Fund. Resources are transferred to the County's Debt Service Fund to pay current debt service obligations. The County's sewer and storm water operations are funded through the Sewer and Storm Water District Fund, which through State legislation, consolidated three sewage disposal district maintenance funds, as well as a sewage collection district maintenance fund for the twenty-seven sewer collection districts located throughout the County. In 2014, the County was required to diversify the Sewer and Storm Water Fund into three separate assessments: sewage collections, disposal services and sewage disposal services. The County also has a series of other non-operating funds such as Environmental Protection Fund, Grant Fund, FEMA Fund, Capital Project Fund, and the Disputed Assessment Fund which became operational during the current fiscal year.

General Fund Budget Variances

The County ended the 2017 fiscal year with a General Fund budgetary deficit of \$101.7 million. The County's deficit is comprised of a number of variances from the originally adopted budget.

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

In its governmental funds, the County ended the 2017 fiscal year with a GAAP deficit of \$103.3 million in the General Fund. The difference between the General Fund's budgetary deficit of \$101.7 million, and the reporting deficit of \$103.3 million is primarily due to:

- adjustments required to eliminate the effect of encumbrances that cross fiscal years;
- an adjustment to pension contributions to match the actual time period covered;
- 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);
- the removal of the appropriation of prior year fund balance. As seen on Exhibit X-7, the adjustments for encumbrances create a number of significant expenditure budget variances, which reflect the timing of encumbrance and payment of encumbered funds.

COUNTY OF NASSAU, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2017

ANALYSIS OF FUND FINANCIAL STATEMENTS FOR 2017 (Continued)

General Fund Budget Variances (Continued)

Original Budget versus final amended budget

- The General Fund's original budgeted revenues of \$2,548.2 million were modified by \$7.0 million to \$2,555.2 million. The modifications were due to an increase in Rents and Recoveries of \$4.8 million related to the disencumbrance of the contract for medical services at the County jail, and State Aid of \$2.1 million reflecting additional State funding for the County's bus services.
- The General Fund's original budgeted expenditures of \$2,399.3 million were modified by \$12.0 million to \$2,411.3 million during the fiscal year. Increases in Protections of Persons of \$19.5 million to fund police terminations and increases in Corrections of \$16.0 million for additional overtime and contractual expenditures for inmate health services which were partially offset by decreases in General Administration of \$11.2 million mainly due to lower interdepartmental charges and utility costs, and Social Services expenditures of \$12.3 million due primarily to lower caseload expenditures than originally budgeted.

Total Budgetary Authority to Actual on a Budgetary Basis Variances

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

General Fund Revenues

- On a budgetary basis, including the NIFA Fund, Sales Tax exceeded the \$1.1 billion budget by \$8.9 million. A portion of the actual receipts appears on blended component unit NIFA's financial statements, since it draws County Sales Tax to pay County related debt service. Sales Tax reported in the General Fund was \$146.4 million under budget (see Exhibit X-7) offset by \$155.3 million reported in the NIFA Fund in the financial statements. The surplus is primarily due to growth that was higher than the projected amount in the 2017 budget because of the improving economy.
- Rents and recoveries was \$9.9 million under budget. This was primarily related to land sales that did not take place and revenue receivables that were not collected within the County's period of availability.
- Interfund Revenue was under budget by approximately \$6.0 million primarily due to lower grant chargebacks.
- Departmental Revenues were under budget by \$5.9 million lower than budgeted fees associated with the filing of Income and Expense documents relating to commercial property taxpayers challenging their property tax assessments.
- Interdepartmental Revenues were over budget by \$4.8 million primarily due to higher than budgeted indirect costs reimbursements to Police Headquarters Fund (General Fund) from the Police District fund and higher information technology indirect costs reimbursements to the General Fund.
- Other Revenues were under budget by \$5.2 million primarily due to reporting requirements whereby college termination pay reimbursement was budgeted as interfund revenue and lower than budgeted debt service reimbursements from the Nassau Health Care Center ("NHCC"). The lower debt service reimbursements is equally offset by lower payments made for NHCC debt service.

COUNTY OF NASSAU, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2017

ANALYSIS OF FUND FINANCIAL STATEMENTS FOR 2017 (Continued)

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

General Fund Expenditures

- Health expenditures were under budget by \$12.6 million related to lower than budgeted Early Intervention costs and lower contractual expenditures.
- Public Works expenditures were under budget by \$10.1 million when compared to total budgetary authority. This is due to higher budgeted contractual services of \$9.6 million than actual for road and bridge maintenance.
- Social Services expenditures were under budget by \$13.1 million primarily due to lower than projected caseloads in public assistance programs.
- Expenditures for Corrections were under budget by \$7.4 million due to lower contractual services than budgeted.
- Other Expenditures were underbudget by \$7.1 million due to lower than budgeted payments of debt service on behalf of NHCC of \$3.3 million (which has an equal negative offset in Other Revenues), \$1.5 million due to reporting requirements related to NIFA expenditures and the remainder primarily due to lower than anticipated miscellaneous fringe benefits.
- Other Financing Sources - Transfers In were lower than budgeted due primarily to budgeted bond proceeds of \$60.0 million to pay for property tax refunds. The County decided not to bond for these operational costs, thereby creating an immediate deficit.
- Other Financing Sources - Transfers Out were \$161.8 million under budget mainly 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 offsets the negative variance in Sales Tax for the General Fund.

COUNTY OF NASSAU, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2017

ANALYSIS OF FUND FINANCIAL STATEMENTS FOR 2017 (Continued)

Fund Equity

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

	General Fund	Police District Fund	Sewer and Storm Water District Fund	Capital Fund	Total Nassau County Major Funds*
Fund Equity, as of December 31, 2015	\$ 120.1	\$ (8.8)	\$ 46.4	\$ 126.8	\$ 284.5
Add: 2016 Revenues	2,323.3	400.6	144.0	157.5	3,025.4
Less: 2016 Expenditures	2,426.1	381.5	112.3	358.1	3,278.0
2016 Other financing sources, net	167.1	(15.3)	(35.9)	192.6	308.5
Fund Equity, as of December 31, 2016	184.4	(5.0)	42.2	118.8	340.4
Add: 2017 Revenues	2,372.8	410.1	129.0	203.8	3,115.7
Less: 2017 Expenditures	2,515.6	408.6	111.4	338.4	3,374.0
2017 Other financing sources, net	39.5	(2.5)	(35.7)	163.6	164.9
Fund Equity, as of December 31, 2017	<u>\$ 81.1</u>	<u>\$ (6.0)</u>	<u>\$ 24.1</u>	<u>\$ 147.8</u>	<u>\$ 247.0</u>

* not including blended component units

Table 3 shows accumulated fund balance in the County's major funds (excluding the blended component units) totaled \$247.0 million at the end of 2017. Of this fund balance:

- \$67.0 million is categorized as non-spendable, which is, primarily, the portion of the retirement bill prepaid for the beginning of the next year;
- \$61.2 million is restricted, primarily as it is earmarked for grants, debt service, judgments and claims, and the preservation of open space in the County. Included in this balance is \$45.0 million that was restricted in accordance with a court order judgment that was being appealed by the County as of year-end; and
- \$163.9 million is committed to capital projects, police termination pay, police district judgments and settlements, and technology;
- the remaining fund balance (assigned and unassigned) deficit of \$45.2 million signifies that there is no available cushion as a contingency to offset any future economic changes that may impact the County's operating budget.

Total fund equity in the General Fund declined by \$103.3 million from \$184.4 million to \$81.1 million. This decrease is primarily due to the payment of the majority of tax certiorari expenditures and other settlements with operating funds as no bonds were issued as planned for these expenditures in the fiscal year, less than expected revenue from Nassau Regional Off-Track Betting Corporation ("OTB") related to video lottery terminals, and the delay of Federal Transit Authority reimbursements related to the County's NICE bus operations. Other contributing variances include a shortfall in departmental revenues predominately due to a temporary restraining order imposed on the income and expense law, a shortfall in PILOTS revenue, and GAAP adjustments for the budgeted use of fund balance and prior year recoveries.

COUNTY OF NASSAU, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2017

ANALYSIS OF FUND FINANCIAL STATEMENTS FOR 2017 (Continued)

Fund Equity (Continued)

Total fund equity in the Police District Fund declined \$1.0 million, from a negative \$5.0 million to a negative \$6.0 million. The decrease is a primarily the result of the write-off of a receivable related to Superstorm Sandy offset by lower general expenditures in the fund.

Total fund equity in the Capital Fund increased \$29.0 million, from \$118.8 million to \$147.8 million. This increase is mainly due to lower expenditures for general capital outlay primarily due to less capital borrowing.

CAPITAL INVESTMENTS

During the 2017 fiscal year, the County had the following cash outlays related to County and NCC capital projects: \$182.4 million in sewer district improvements (designated with an * in Table 4 below) and upgrades, \$51.6 million in public safety projects, \$30.5 million in roads, \$30.4 million in buildings, and \$26.9 million in infrastructure-related improvements (** this amount includes \$5.8 million in capital outlays related to NCC). The County made capital improvements during 2017 in the following areas:

Table 4
Capital Improvements
January 1, 2017 to December 31, 2017
(dollars in millions)

<u>Project Category</u>	<u>Amount</u>
Building Consolidation Plan	\$ 0.2
Buildings	30.4
Environmental Bond Act	3.8
Equipment	4.0
Infrastructure**	26.9
Parks	9.8
Property	6.0
Public Safety	51.6
Roads	30.5
Technology	7.4
Traffic	10.1
Transportation	2.7
Collection *	30.8
Disposal *	149.3
Storm Water *	2.3
	<u>\$ 365.8</u>

Additional information on the County's capital assets activity can be found in Note 10 to the financial statements.

COUNTY OF NASSAU, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2017

DEBT

As of December 31, 2017, the par value of County's serial bond debt was \$2.2 billion and \$1.2 billion for the blended component units, NIFA, NCSSWFA and NCTSC. The combined \$3.4 billion in outstanding long-term debt (excluding accreted interest) as of December 31, 2017 decreased by approximately \$132.8 million compared to the combined long-term debt outstanding as of December 31, 2016. Of the \$3.4 billion debt outstanding, \$3.0 billion is recourse debt to the County and the balance of \$400.5 million is recourse only to NCTSC. The County provides a direct-pay guarantee of \$202.3 million outstanding from the refunding and new money debt issued in October 2004 and refunded in April 2009 by NHCC. The County also provides a contractual direct-pay obligation pursuant to the Support Agreement of \$4.3 million outstanding from the refunding and new money debt issued in June 2005 by the Nassau Regional Off-Track Betting Corporation ("OTB"), which is subject to appropriation. In January 2018, OTB refinanced the debt associated with three Nassau County locations, thereby eliminating the County guarantee of OTB debt. Since the two entities are discretely presented component units of the County, their debt is not itemized in Table 5 below.

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

	Balance			Balance
	January 1, 2017	Additions	Reductions	December 31, 2017
General Obligation County Bonds	\$ 2,129,111	\$ 473,395	\$ 418,890	\$ 2,183,616
Sewage Purpose Bonds	41,590		39,230	2,360
SRF Revenue Bonds	73,539		8,094	65,445
Total Serial Bonds - County	2,244,240	473,395	466,214	2,251,421
NIFA Sales Tax Secured Bonds	783,650		129,666	653,984
Sewer Financing Authority	144,055		10,345	133,710
Tobacco Settlement Asset Backed Bonds	400,537			400,537
Total Serial Bonds - Blended Component Units	1,328,242		140,011	1,188,231
Total Serial Bonds	3,572,482	473,395	606,225	3,439,652
Accreted interest - Tobacco Settlement Asset Backed Bonds	61,844	7,236		69,080
Total Serial Bonds and Accreted Interest	<u>\$ 3,634,326</u>	<u>\$ 480,631</u>	<u>\$ 606,225</u>	<u>\$ 3,508,732</u>

During 2017, the County issued a total of \$473.4 million of long-term debt, of which \$338.2 million was refunded debt. Of the remaining \$135.2 million in long-term debt issued in 2017, \$132.8 million was used to fund its capital program and \$2.4 million to fund various Nassau Community College capital projects. The State Revolving Fund ("SRF") is administered by the New York State Environmental Facilities Corporation, which provides interest-subsidized loans to local governments for eligible environmental projects (e.g., sewer and storm water improvement initiatives).

In 2017, the County issued \$338.2 million of refunding bonds to refund \$362.5 million of debt.

COUNTY OF NASSAU, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2017

DEBT (Continued)

Offsetting new issuances were maturities of the County's, NIFA's, NCTSC's and NCSSWFA's long-term debt of \$606.2 million during 2017, which included the \$362.5 million of the County's refinanced debt.

The County issued short-term debt during 2017. \$377.3 million in Tax Anticipation Notes ("TANs"), which were used to finance the cash flow of the County's operations. TANs are issued in anticipation of receipt by the County of real property taxes to be levied for the following year. The County also issued a total of \$139.3 million of Bond Anticipation Notes ("BANs"), \$44.1 million of BANs 2017 Series A (Federally Taxable) and \$95.2 million of BANs 2017 Series B. The 2017 Series A BANs were issued to finance various sewer system improvements. The 2017 Series B BANs were issued to refinance in part, the County's BANs, 2016 Series D (Federally Taxable), dated December 14, 2016 and matured December 15, 2017, which were issued to refinance notes that originally financed various sewer system improvements, and to pay costs of issuance. The County did not issue any Revenue Anticipation Notes ("RANs") in 2017.

In addition, the Environmental Facilities Corporation ("EFC") issued short-term financing to the County in 2015, which the County drew down upon in 2017 in the form of a five year note (BAN). The County received \$6.3 million to finance specific sewer related projects. The Note bears no interest and matures on September 24, 2020. At this time, the County expects to roll over the Note to long-term financing upon maturity.

Detailed information on long-term debt activity is available in the Notes to the Financial Statements Note 12.

NASSAU COUNTY'S CREDIT RATING

The County's debt ratings at December 31, 2017 were as follows: Moody's Investors Service: A2 (stable outlook); S&P Global Ratings: A+ (stable outlook); Fitch Ratings: A (stable outlook). The County's short-term debt is rated SP-1+ by S&P Global Ratings and F1 by Fitch Ratings.

OVERSIGHT BOARD CONTROL PERIOD

Since its enactment in 2000, the Nassau County Interim Finance Authority ("NIFA") provides State oversight of the County's finances. NIFA was created pursuant to the NIFA Act codified as Title I of Article 10-D of the State Public Authorities Law. Under the NIFA Act, the County is prohibited from filing any petition with any United States district court or bankruptcy court for the composition or adjustment of municipal indebtedness without the approval of NIFA and the State Comptroller and no such petition may be filed while NIFA bonds or notes remain outstanding. NIFA currently has bonds outstanding through November 15, 2025. On January 26, 2011, NIFA declared a control period that grants the agency additional oversight authority pursuant to the NIFA Act, including that the County could not include in its results of operations, certain other financing sources reported in accordance with GAAP. For further details of NIFA's authority, see Note 2, Control Period Calculation.

BASIC FINANCIAL STATEMENTS

EXHIBIT X-1**COUNTY OF NASSAU, NEW YORK****STATEMENT OF NET POSITION (DEFICIT)
DECEMBER 31, 2017 (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	\$ 797,262	\$ 96,717
Investments	3,352	2,110
Restricted Cash and Cash Equivalents	144,293	573
Restricted Investments	25,060	38,550
Sales Tax Receivable	136,969	
Interest Receivable	111	
Student Accounts and Loans Receivable		10,514
Less Allowance for Doubtful Accounts		(6,383)
Due from Primary Government		22,081
Due from Other Governments	205,444	2,559
Less Allowance for Doubtful Accounts	(10,057)	
Other Receivables		69,193
Accounts Receivable	50,246	340,505
Less Allowance for Doubtful Accounts		(302,901)
Real Property Taxes Receivable	78,033	
Less Allowance for Doubtful Accounts	(6,963)	
Disputed Assessment Fund Collections Receivable	1,203	
Due from Component Unit	37,446	
Inventories		8,144
Prepays	62,029	2,261
Other Assets	1,058	620
Total Current Assets	<u>1,525,486</u>	<u>284,543</u>
NON CURRENT ASSETS:		
Restricted Cash and Cash Equivalents		4,387
Restricted Investments	22,601	42,386
Receivable - Service Concession Agreements	5,121	
Due from Component Unit	6,000	
Property Held for Sale		2
Net Pension Asset		987
Capital Assets Not Being Depreciated	1,407,627	40,596
Depreciable Capital Assets	4,103,422	997,906
Less Accumulated Depreciation	(2,100,397)	(676,806)
Deposits Held in Custody for Others		3
Tax Sale Certificates	4,468	
Tax Real Estate Held for Sale	4,551	
Other Assets		31,100
Total Non Current Assets	<u>3,453,393</u>	<u>440,561</u>
Total Assets	<u>4,978,879</u>	<u>725,104</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on bond refunding	89,490	29,282
Accumulated decrease in fair value of hedging activities	22,557	3,746
Deferred charges on pensions	408,199	70,307
Total Deferred Outflows of Resources	<u>\$ 520,246</u>	<u>\$ 103,335</u>

(Continued)

EXHIBIT X-1**COUNTY OF NASSAU, NEW YORK****STATEMENT OF NET POSITION (DEFICIT)
DECEMBER 31, 2017 (Dollars in Thousands)**

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>	<u>Component</u> <u>Units</u>
LIABILITIES		
CURRENT LIABILITIES:		
Accounts Payable and Accrued Liabilities	\$ 306,956	\$ 128,938
Bond Anticipation Notes Payable	139,300	
Retainage Payable	20,740	
Tax Anticipation Notes Payable	377,265	
Revenue Anticipation Notes Payable		2,121
Unearned Revenue	109,839	15,774
Property Tax Refund Payable	31,073	
Due to Primary Government		2,245
Due to Component Units	37,514	
Due to Other Governments		3,738
Accrued Interest Payable	34,820	959
Current Portion of Long Term Liabilities	520,831	93,044
Disputed Assessment Fund Deposits Held	52,621	
Estimated Tax Certiorari Payable related to DAF	10,654	
Other Liabilities - Current	2,461	8,392
Total Current Liabilities	1,644,074	255,211
NON CURRENT LIABILITIES:		
Accounts Payable and Accrued Liabilities		9,245
Due to Primary Government		15,846
Bond Anticipation Notes Payable	6,268	
Notes Payable		2,398
Derivative Instruments - Interest Rate Swaps	22,557	21,081
Bonds Payable, Net of Deferred Bond Premium/Discount (Net of Amortization)	3,567,244	199,909
Liability to Third-Party Payors, net		19,736
Accrued Liabilities - Term Pay		1,107
Accrued Vacation and Sick Pay	471,845	117,102
Due to Other Governments, net		874
Deferred Payroll	54,035	
Estimated Workers' Compensation Liability	192,508	
Estimated Tax Certiorari Payable	439,581	
Estimated Liability for Litigation	341,424	57,612
Capital Lease Obligations	78,618	
Deposits Held in Custody for Others		3
Insurance Reserve Liability		2,027
Due to New York State Retirement System	208,561	
Net Pension Liability	360,278	102,578
Postemployment Retirement Benefits Liability	6,372,791	882,527
Other Liabilities - Non Current	34,345	
Total Non Current Liabilities	12,150,055	1,432,045
Total Liabilities	13,794,129	1,687,256
DEFERRED INFLOWS OF RESOURCES		
Deferred Gain on Refundings	21,898	
Property Taxes - Part County Sales Tax Offset	17,986	
Mitchel Field - Sale of Future Rental Revenue	29,896	
Pensions	58,726	16,654
Service Concession Agreements	65,089	3,079
Total Deferred Inflows of Resources	193,595	19,733
NET POSITION (DEFICIT)		
Net Investment in Capital Assets	2,362,402	300,175
Restricted:		
Nassau Health Care Corporation - Health Services		1,433
Nassau Community College - Scholarships and Other		2,942
Capital Projects	2,912	15,326
Debt Service	86,137	54
General Administration	7,311	
Health	8,973	
Public Works	11,798	
Various Purposes	2,496	
FEMA - Public Works	525	
Judgments and Settlements	45,062	
Open Space	1,810	
Student Loans		467
Unrestricted	(11,018,026)	(1,198,947)
Total Net Position (Deficit)	\$ (8,488,600)	\$ (878,550)
See accompanying notes to financial statements.		(Concluded)

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EXHIBIT X-2**COUNTY OF NASSAU, NEW YORK****STATEMENT OF ACTIVITIES****FOR THE YEAR ENDED DECEMBER 31, 2017 (Dollars in Thousands)**

Functions/Programs						Net (Expense) Revenue and Changes in Net Position	
	Expenses	Program Revenues			Capital Grants	Primary Government Governmental Activities	Component Units
		Charges for Services	Operating Grants				
Primary Government:							
Legislative	\$ 11,509	\$	\$	\$	\$	(11,509)	
Judicial	82,389	68,146	3,178			(11,065)	
General Administration	1,928,273	76,735	31,539			(1,819,999)	
Protection of Persons	902,481	115,015	8,343			(779,123)	
Health	230,060	11,645	125,073			(93,342)	
Public Works	334,088	56,310	76,412	214,058		12,692	
Recreation and Parks	55,899	26,038				(29,861)	
Social Services	562,660	18,394	200,420			(343,846)	
Corrections	267,307	6,090	11,034			(250,183)	
Education	27,081	13,409				(13,672)	
Interest on Long -Term Debt	187,302					(187,302)	
Total Primary Government	\$ 4,589,049	\$ 391,782	\$ 455,999	\$ 214,058		(3,527,210)	
Component Units	\$ 975,827	\$ 688,329	\$ 46,862	\$ -0-			\$ (240,636)
General Revenues:							
Taxes:							
Property Taxes					\$ 933,203		
Sales Taxes					1,151,393		
Other Taxes					83,760		
Federal, State and Local Appropriations						\$ 117,057	
Tobacco Settlement Revenue and Tobacco Receipts					16,449		
Investment Income					29,248		578
Other					62,328		13,105
Total General Revenues					2,276,381		130,740
Change in Net Position (Deficit)					(1,250,829)		(109,896)
Net Position (Deficit) - Beginning					(7,237,771)		(768,654)
Net Position (Deficit) - Ending					\$ (8,488,600)		\$ (878,550)

See accompanying notes to financial statements.

EXHIBIT X-3**COUNTY OF NASSAU, NEW YORK****GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2017 (Dollars in Thousands)**

	General Fund	NIFA Fund	Police District Fund	Sewer and Storm Water District Fund	Capital Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS:							
Cash and Cash Equivalents	\$ 272,961	\$ 678	\$ 534	\$ 25,326	\$ 399,520	\$ 98,243	\$ 797,262
Investments						3,352	3,352
Restricted Cash and Cash Equivalents	48,609					95,684	144,293
Restricted Investments						47,661	47,661
Sales Tax Receivable	10,549	126,420					136,969
Interest Receivable						111	111
Due from Other Governments	98,110			4,452	67,116	35,766	205,444
Less Allowance for Doubtful Accounts	(5,605)			(4,452)			(10,057)
Accounts Receivable	42,872		27	6,761	181	405	50,246
Real Property Taxes Receivable	78,033						78,033
Less Allowance for Doubtful Accounts	(6,963)						(6,963)
Disputed Assessment Fund Collections Receivable						1,203	1,203
Tax Sale Certificates	4,468						4,468
Tax Real Estate Held for Sale	4,551						4,551
Interfund Receivables	180,329	3	5,971	24,328		23,767	234,398
Due from Component Units	33,797						33,797
Prepays	47,999	56	12,604	446		924	62,029
Other Assets	36				207	815	1,058
TOTAL ASSETS	\$ 809,746	\$ 127,157	\$ 19,136	\$ 56,861	\$ 467,024	\$ 307,931	\$ 1,787,855
LIABILITIES:							
Accounts Payable	\$ 75,512	\$	\$ 843	\$ 6,654	\$ 54,700	\$ 6,655	\$ 144,364
Accrued Liabilities	98,207	3	12,811	983	34,558	9,865	156,427
Bond Anticipation Notes Payable					139,300		139,300
Tax Anticipation Notes Payable	377,265						377,265
Unearned Revenue	14,811			5,208	31,421	58,399	109,839
Property Tax Refund Payable	29,941					1,132	31,073
Interfund Payables	5,773	126,419	9,302	19,727	46,043	27,134	234,398
Due to Component Units	23,499				13,157	858	37,514
Disputed Assessment Fund Deposits Held						52,621	52,621
Estimated Tax Certiorari Payable - Disputed Assessment Fund						42,896	42,896
Other Liabilities	34,094		2,186	204		199	36,683
Total Liabilities	659,102	126,422	25,142	32,776	319,179	199,759	1,362,380
DEFERRED INFLOWS OF RESOURCES:							
Unavailable Revenue - Property Taxes	21,670						21,670
Property Taxes - Part County Sales Tax Offset	17,986						17,986
Mitchel Field - Sale of Future Rental Revenue	29,896						29,896
Total Deferred Inflows of Resources	69,552						69,552
FUND BALANCE (DEFICIT):							
Fund Balances (Deficit):							
Nonspendable	53,999	56	12,604	446		924	68,029
Spendable:							
Restricted	58,308				2,912	104,892	166,112
Committed	13,217		5,773		144,933	1,973	165,896
Assigned		679		23,639		383	24,701
Unassigned	(44,432)		(24,383)				(68,815)
Total Fund Balance (Deficit)	81,092	735	(6,006)	24,085	147,845	108,172	355,923
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	\$ 809,746	\$ 127,157	\$ 19,136	\$ 56,861	\$ 467,024	\$ 307,931	\$ 1,787,855

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, 2017 (Dollars in Thousands)**

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

Total fund balances - governmental funds	\$ 355,923
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation	3,410,652
Assets that are not available resources and, therefore, are not reported in the funds:	
Due from component unit	9,649
Receivable - Service Concession Agreements	5,121
Deferred outflows of resources not reported in governmental funds:	
Deferred loss on refunding	89,490
Deferred charges on pensions	408,199
Other assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	21,670
Deferred inflows of resources not recorded in the governmental funds:	
Deferred gain on refunding	(21,898)
Pensions	(58,726)
Service concession agreements	(65,089)
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	(363,795)
Long-term liabilities are not due and payable in the current period and accordingly are not reported in the funds:	
Accrued expenses and interest payable	(61,725)
Current portion of long-term liabilities	(520,831)
Bonds payable	(3,203,449)
Due to New York State Employees' Retirement System	(208,561)
Net pension liability	(360,278)
Postemployment retirement benefits liability	(6,372,791)
Other long-term liabilities	(1,552,161)
Net position (deficit) of governmental activities	<u>\$ (8,488,600)</u>

See accompanying notes to financial statements.

EXHIBIT X-5**COUNTY OF NASSAU, NEW YORK****GOVERNMENTAL FUNDS****STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2017 (Dollars in Thousands)**

	General Fund	NIFA Fund	Police District Fund	Sewer and Storm Water District Fund	Capital Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:							
Interest and Penalties on Taxes	\$ 33,212	\$	\$	\$	\$	\$	\$ 33,212
Licenses and Permits	15,070		4,634	1,809			21,513
Fines and Forfeits	91,525		1,164			1,968	94,657
Interest Income	1,634	434	36	169	1,505	1,318	5,096
Rents and Recoveries	18,280		186	3,415	44	111	22,036
Tobacco Settlement Revenue and Tobacco Receipts						16,449	16,449
Departmental Revenue	231,582		2,731	656	354	4,060	239,383
Interdepartmental Revenue	93,847		437				94,284
Interfund Revenue	12,868					235	13,103
Federal Aid	136,348			72	173,434	59,745	369,599
State Aid	213,769	28			25,548	41,794	281,139
Sales Tax	907,960	155,336					1,063,296
Preempted Sales Tax in Lieu of Property Taxes	88,097						88,097
Property Taxes	429,584		384,144	115,010		1,133	929,871
Payments in Lieu of Taxes	24,646		16,758	7,853			49,257
Special Taxes	32,162					2,341	34,503
Other Revenues	42,244	373			2,913		45,530
Total Revenues	2,372,828	156,171	410,090	128,984	203,798	129,154	3,401,025
EXPENDITURES:							
Current:							
Legislative	11,268						11,268
Judicial	75,574					5,343	80,917
General Administration	334,652	1,736				24,901	361,289
Protection of Persons	501,957		408,582			6,486	917,025
Health	185,716					51,265	236,981
Public Works	185,646			98,443		1,817	285,906
Recreation and Parks	38,920					3,082	42,002
Social Services	541,941					17,636	559,577
Corrections	253,438					1,871	255,309
Education	13,896						13,896
Bonded Payments for Tax Certiorari	709						709
Aid to Towns and Cities	68,332						68,332
Other	93,022					1,132	94,154
Capital Outlay:							
General					165,760		165,760
Sewage Districts					169,971		169,971
Education					2,629		2,629
Debt Service:							
Principal	94,230			9,529		140,011	243,770
Interest	112,845			3,412		54,779	171,036
Bond Issuance Costs	3,450						3,450
Total Expenditures	2,515,596	1,736	408,582	111,384	338,360	308,323	3,683,981
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(142,768)	154,435	1,508	17,600	(134,562)	(179,169)	(282,956)
OTHER FINANCING SOURCES (USES):							
Transfers In	34,612				5,245	154	40,011
Transfers Out	(1,131)		(2,468)	(18,725)	(4,229)	(13,458)	(40,011)
Transfers In of Investment Income	1,657			281			1,938
Transfers Out of Investment Income		(434)			(1,504)		(1,938)
Transfers In from NIFA	1,206	893				154,263	156,362
Transfers Out to NIFA		(155,342)				(1,020)	(156,362)
Transfers In from SFA				105,572		140,411	245,983
Transfers Out to SFA				(122,863)		(123,120)	(245,983)
Transfers In from TSC						125	125
Transfers Out to TSC						(125)	(125)
Issuance of Debt					141,458		141,458
Refunding Bonds Issued	338,205						338,205
Premium on Bonds	58,959				22,619		81,578
Payment to Refunded Bonds Escrow Agent	(394,067)						(394,067)
Total Other Financing Sources (Uses)	39,441	(154,883)	(2,468)	(35,735)	163,589	157,230	167,174
NET CHANGE IN FUND BALANCE (DEFICIT)	(103,327)	(448)	(960)	(18,135)	29,027	(21,939)	(115,782)
TOTAL FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	184,419	1,183	(5,046)	42,220	118,818	130,111	471,705
TOTAL FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 81,092	\$ 735	\$ (6,006)	\$ 24,085	\$ 147,845	\$ 108,172	\$ 355,923

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, 2017 (Dollars in Thousands)**

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

Net change in fund balance - total governmental funds \$ (115,782)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Purchase of capital assets	\$ 430,602	
Depreciation expense	(140,759)	
Other	<u>(3,938)</u>	285,905

Net change in deferred outflows of resources and other assets not reported in the funds:

Deferred outflows of resources	(249,163)	
Other assets	<u>544</u>	(248,619)

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.

3,332

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Postemployment retirement benefits liability	(1,194,823)	
Change in accrued interest payable and accrued expenses	296	
Deferred inflows of resources	16,835	
Change in other long-term liabilities	<u>(82,985)</u>	(1,260,677)

The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on the net position. Also, governmental funds report the effect of gains or losses on refundings, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The following amounts are net effect of these differences in the treatment of long-term debt and related items:

Change in premiums and discounts	(47,818)	
Proceeds from sales of bonds	(135,190)	
Principal payments of bonds	243,770	
Refunding Bonds Issued	(338,205)	
Payment to Escrow Agent Refunded Debt	<u>362,455</u>	<u>85,012</u>

Change in net position - governmental activities \$ (1,250,829)

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, 2017 (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:						
Interest and Penalties on Taxes	\$ 35,200	\$ 35,200	\$ 33,212	\$	\$ 33,212	\$ (1,988)
Licenses and Permits	15,404	15,404	15,070		15,070	(334)
Fines and Forfeits	94,894	94,894	91,525	27	91,552	(3,342)
Interest Income	337	337	1,634		1,634	1,297
Rents and Recoveries	23,734	28,572	18,280	370	18,650	(9,922)
Departmental Revenue	239,179	239,179	231,582	1,693	233,275	(5,904)
Interdepartmental Revenue	89,074	89,074	93,847		93,847	4,773
Interfund Revenue	18,863	18,863	12,868		12,868	(5,995)
Federal Aid	137,083	137,083	136,348		136,348	(735)
State Aid	211,986	214,106	213,769		213,769	(337)
Sales Tax	1,054,394	1,054,394	907,960		907,960	(146,434)
Preempted Sales Tax in Lieu of Property Taxes	88,097	88,097	88,097		88,097	
Property Taxes	432,851	432,851	429,584		429,584	(3,267)
Payments in Lieu of Taxes	25,589	25,589	24,646	685	25,331	(258)
Special Taxes	32,151	32,151	32,162		32,162	11
Other Revenues	49,379	49,379	42,244	1,906	44,150	(5,229)
Total Revenues	2,548,215	2,555,173	2,372,828	4,681	2,377,509	(177,664)
Expenditures:						
Current:						
Legislative	13,719	12,999	11,268	1,650	12,918	81
Judicial	74,281	76,347	75,574	(103)	75,471	876
General Administration	359,166	347,984	334,652	10,379	345,031	2,953
Protection of Persons	487,712	507,244	501,957	3,480	505,437	1,807
Health	208,276	207,145	185,716	8,803	194,519	12,626
Public Works	207,120	203,070	185,646	7,344	192,990	10,080
Recreation and Parks	41,448	40,963	38,920	965	39,885	1,078
Social Services	577,414	565,105	541,941	10,102	552,043	13,062
Corrections	251,575	267,545	253,438	6,679	260,117	7,428
Education	11,806	13,515	13,896	(381)	13,515	
Bonded Payments for Tax Certiorari			709	(709)		
Aid to Towns and Cities	67,150	68,332	68,332		68,332	
Other	99,650	101,011	93,022	927	93,949	7,062
Total Expenditures	2,399,317	2,411,260	2,305,071	49,136	2,354,207	57,053
Debt Service:						
Principal	94,230	94,230	94,230		94,230	
Interest	116,813	116,813	112,845		112,845	3,968
Financing Costs	3,450	3,450	3,450		3,450	
Total Debt Service	214,493	214,493	210,525		210,525	3,968
Total Expenditures	2,613,810	2,625,753	2,515,596	49,136	2,564,732	61,021
Excess (Deficiency) of Revenues Over (Under) Expenditures	(65,595)	(70,580)	(142,768)	(44,455)	(187,223)	(116,643)
Other Financing Sources (Uses):						
Transfers In	93,351	99,328	34,612	(4,456)	30,156	(69,172)
Transfers Out	(161,898)	(162,890)	(1,131)		(1,131)	161,759
Transfers In of Investment Income	622	622	1,657		1,657	1,035
Transfer In from NIFA			1,206		1,206	1,206
Refunding Bonds Issued			338,205	(338,205)		
Premium on Bonds	1,466	1,466	58,959	(55,862)	3,097	1,631
Payment to Refunded Bonds Escrow Agent			(394,067)	394,067		
Total Other Financing Sources (Uses)	(66,459)	(61,474)	39,441	(4,456)	34,985	96,459
Net Change in Fund Balance (Deficit)	(132,054)	(132,054)	(103,327)	(48,911)	(152,238)	(20,184)
Fund Balance at Beginning of Year	132,054	132,054	184,419	113,983	298,402	166,348
Fund Balance at End of Year	\$	\$	\$ 81,092	\$ 65,072	\$ 146,164	\$ 146,164

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, 2017 (Dollars in Thousands)

	Original Budget	Total Budgetary Authority	Actual	GAAP to Budgetary Basis Conversion (Note 15)	Actual on a Budgetary Basis	Variance Positive (Negative)
<u>Revenues:</u>						
Licenses and Permits	\$ 4,820	\$ 4,820	\$ 4,634	\$	\$ 4,634	\$ (186)
Fines and Forfeits	1,300	1,300	1,164		1,164	(136)
Interest Income	20	20	36		36	16
Rents and Recoveries			186		186	186
Departmental Revenue	3,450	3,450	2,731		2,731	(719)
Interdepartmental Revenue	1,820	1,820	437		437	(1,383)
Property Taxes	384,143	384,143	384,144		384,144	1
Payments in Lieu of Taxes	16,758	16,758	16,758		16,758	
Total Revenues	412,311	412,311	410,090		410,090	(2,221)
<u>Expenditures:</u>						
Current:						
Protection of Persons	411,661	411,661	408,582	(1,229)	407,353	4,308
Total Expenditures	411,661	411,661	408,582	(1,229)	407,353	4,308
Excess (Deficiency) of Revenues Over (Under) Expenditures	650	650	1,508	1,229	2,737	2,087
<u>Other Financing Sources (Uses):</u>						
Transfer Out	(2,241)	(2,241)	(2,468)	227	(2,241)	
Total Other Financing Sources (Uses)	(2,241)	(2,241)	(2,468)	227	(2,241)	
Net Change in Fund Balance (Deficit)	(1,591)	(1,591)	(960)	1,456	496	2,087
Fund Balance (Deficit) at Beginning of Year	1,591	1,591	(5,046)	29,379	24,333	22,742
Fund Balance (Deficit) at End of Year	\$	\$	\$ (6,006)	\$ 30,835	\$ 24,829	\$ 24,829

See accompanying notes to financial statements.

EXHIBIT X-9**COUNTY OF NASSAU, NEW YORK**
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY, ACTUAL, AND BUDGETARY BASIS
SEWER & STORM WATER DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017 (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:						
Licenses and Permits	\$ 1,500	\$ 1,500	\$ 1,809	\$ 45	\$ 1,854	\$ 354
Interest Income			169		169	169
Rents and Recoveries	10,060	10,060	3,415	4,538	7,953	(2,107)
Departmental Revenue	1,482	1,482	656	624	1,280	(202)
Federal Aid			72		72	72
Property Taxes			115,010		115,010	115,010
Payments in Lieu of Taxes			7,853		7,853	7,853
Other Revenues	300	300				(300)
Total Revenues	13,342	13,342	128,984	5,207	134,191	120,849
Expenditures:						
Current:						
Public Works	112,449	112,448	98,443	1,967	100,410	12,038
Debt Service:						
Principal	9,529	9,529	9,529		9,529	
Interest	5,833	5,833	3,412		3,412	2,421
Total Expenditures	127,811	127,810	111,384	1,967	113,351	14,459
Excess (Deficiency) of Revenues Over (Under) Expenditures	(114,469)	(114,468)	17,600	3,240	20,840	135,308
Other Financing Sources (Uses):						
Transfers Out	(21,924)	(21,924)	(18,725)		(18,725)	3,199
Transfers In of Investment Income	100	100	281		281	181
Transfer Out to SFA			(122,863)		(122,863)	(122,863)
Transfer In from SFA	104,432	104,432	105,572		105,572	1,140
Total Other Financing Sources (Uses)	82,608	82,608	(35,735)		(35,735)	(118,343)
Net Change in Fund Balance (Deficit)	(31,861)	(31,860)	(18,135)	3,240	(14,895)	16,965
Fund Balance at Beginning of Year	31,861	31,860	42,220	1,225	43,445	11,585
Fund Balance at End of Year	\$	\$	\$ 24,085	\$ 4,465	\$ 28,550	\$ 28,550

See accompanying notes to financial statements.

EXHIBIT X-10

COUNTY OF NASSAU, NEW YORK

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2017 (Dollars in Thousands)**

Agency Fund

ASSETS:

Cash	\$ 46,910
TOTAL ASSETS	<u>\$ 46,910</u>

LIABILITIES:

Accounts Payable	\$ 3,824
Due To Component Unit	5,432
Other Liabilities	<u>37,654</u>
TOTAL LIABILITIES	<u>\$ 46,910</u>

See accompanying notes to financial statements.

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

STATEMENT OF NET POSITION (DEFICIT)
ALL DISCRETELY PRESENTED COMPONENT UNITS - PROPRIETARY
DECEMBER 31, 2017
(WITH THE NASSAU COMMUNITY COLLEGE AUGUST 31, 2017)
(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	\$ 60,947	\$ 21,101	\$ 14,669	\$ 96,717
Investments	2,110			2,110
Restricted Cash and Cash Equivalents			573	573
Restricted Investments		38,550		38,550
Student Accounts and Loans Receivable	10,514			10,514
Less Allowance for Doubtful Accounts	(6,383)			(6,383)
Due from Primary Government	3,319	18,762		22,081
Due from Other Governments	2,484		75	2,559
Other Receivables	2,701	66,489	3	69,193
Accounts Receivable		339,970	535	340,505
Less Allowance for Doubtful Accounts		(302,901)		(302,901)
Inventories		8,132	12	8,144
Prepays	428	1,741	92	2,261
Other Assets			620	620
Total Current Assets	76,120	191,844	16,579	284,543
NON CURRENT ASSETS:				
Restricted Cash and Cash Equivalents			4,387	4,387
Restricted Investments		42,386		42,386
Property Held for Sale			2	2
Net Pension Asset	987			987
Capital Assets Not Being Depreciated	3,795	25,831	10,970	40,596
Depreciable Capital Assets	327,391	576,443	94,072	997,906
Less Accumulated Depreciation	(166,021)	(449,536)	(61,249)	(676,806)
Deposits Held in Custody for Others	3			3
Other Assets		31,100		31,100
Total Non Current Assets	166,155	226,224	48,182	440,561
Total Assets	242,275	418,068	64,761	725,104
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on bond refunding		29,282		29,282
Accumulated decrease in fair value of hedging activities		3,746		3,746
Deferred charges on pensions	23,936	42,744	3,627	70,307
Total Deferred Outflows of Resources	\$ 23,936	\$ 75,772	\$ 3,627	\$ 103,335

(Continued)

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

STATEMENT OF NET POSITION (DEFICIT)
ALL DISCRETELY PRESENTED COMPONENT UNITS - PROPRIETARY
DECEMBER 31, 2017
(WITH THE NASSAU COMMUNITY COLLEGE AUGUST 31, 2017)
(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	\$ 4,559	\$ 115,334	\$ 9,045	\$ 128,938
Revenue Anticipation Note		2,121		2,121
Unearned Revenue	14,842		932	15,774
Due To Primary Government	2,006		239	2,245
Due To Other Governments			3,738	3,738
Accrued Interest Payable		959		959
Current Portion of Long Term Liabilities	826	90,294	1,924	93,044
Other Liabilities - Current	7,872		520	8,392
Total Current Liabilities	<u>30,105</u>	<u>208,708</u>	<u>16,398</u>	<u>255,211</u>
NON CURRENT LIABILITIES:				
Accounts Payable and Accrued Liabilities			9,245	9,245
Due to Primary Government	15,846			15,846
Notes Payable	678		1,720	2,398
Derivative Instrument - Interest Rate Swaps		21,081		21,081
Bonds Payable, net		188,037	11,872	199,909
Liability to Third-Party Payors, net		19,736		19,736
Accrued Liabilities - Termination Pay	1,107			1,107
Accrued Vacation and Sick Pay	55,252	61,115	735	117,102
Due to Other Governments, net			874	874
Estimated Liability for Litigation	150	57,462		57,612
Deposits Held in Custody for Others	3			3
Insurance Reserve Liability	2,027			2,027
Net Pension Liability	12,266	87,274	3,038	102,578
Postemployment Retirement Benefits Liability	420,925	400,914	60,688	882,527
Total Non Current Liabilities	<u>508,254</u>	<u>835,619</u>	<u>88,172</u>	<u>1,432,045</u>
Total Liabilities	<u>538,359</u>	<u>1,044,327</u>	<u>104,570</u>	<u>1,687,256</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Pensions	4,707	11,295	652	16,654
Service Concession Agreements	3,079			3,079
Total Deferred Inflows of Resources	<u>7,786</u>	<u>11,295</u>	<u>652</u>	<u>19,733</u>
<u>NET POSITION (DEFICIT)</u>				
Net Investment in Capital Assets	164,449	93,747	41,979	300,175
Restricted:				
Nassau Health Care Corporation		1,433		1,433
Nassau Community College Scholarships	2,942			2,942
Capital Projects and Acquisitions			15,326	15,326
Grants			54	54
Student Loans	467			467
Unrestricted	<u>(447,792)</u>	<u>(656,962)</u>	<u>(94,193)</u>	<u>(1,198,947)</u>
Total Net Position (Deficit)	<u>\$ (279,934)</u>	<u>\$ (561,782)</u>	<u>\$ (36,834)</u>	<u>\$ (878,550)</u>

See accompanying notes to financial statements.

(Concluded)

EXHIBIT X-12**COUNTY OF NASSAU, NEW YORK****STATEMENT OF ACTIVITIES****ALL DISCRETELY PRESENTED COMPONENT UNITS - PROPRIETARY****FOR THE YEAR ENDED DECEMBER 31, 2017****(WITH THE NASSAU COMMUNITY COLLEGE AUGUST 31, 2017)****(Dollars in Thousands)**

	Nassau Community College	Nassau Health Care Corporation	Nonmajor Discretely Presented Component Units	Total Discretely Presented Component Units
Expenses	\$ 288,214	\$ 624,632	\$ 62,981	\$ 975,827
Program Revenues:				
Charges for Services	57,425	585,332	45,572	688,329
Operating Grants and Contributions	46,797		65	46,862
Total Program Revenues	104,222	585,332	45,637	735,191
Net Program Revenues (Expenses)	(183,992)	(39,300)	(17,344)	(240,636)
General Revenues				
Federal, State and Local Appropriations	117,057			117,057
Investment Income	138	392	48	578
Other	4,618		8,487	13,105
Total General Revenues	121,813	392	8,535	130,740
Change in Net Position (Deficit)	(62,179)	(38,908)	(8,809)	(109,896)
Net Position (Deficit) - Beginning of Year	(217,755)	(522,874)	(28,025)	(768,654)
Net Position (Deficit) - End of Year	\$ (279,934)	\$ (561,782)	\$ (36,834)	\$ (878,550)

See accompanying notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

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

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

Major Component Units

- (a) The Nassau Community College ("NCC") - provides educational services under New York State Education Law. It is reported as a component unit as the County appoints half of its governing body of ten members, the County approves its budget, issues debt for NCC purposes and provides approximately 25% of NCC's 2017 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, 2017.

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

Major Component Units (Continued)

(b) Nassau Health Care Corporation (Continued)

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

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

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

Non-Major Component Units

(c) The Nassau Regional Off-Track Betting Corporation (the “OTB”) was created by the New York State Legislature as a public benefit corporation. The County is its sole shareholder. It is reported as a component unit as the County Legislature appoints its governing body, which consists of a Board of Directors made up of three members. The County receives a small portion of winning wagers made at County racetracks and all net operating profits from OTB, however, the County has not received any net operating profit from OTB due to OTB’s continued operating deficits. The OTB is shown as a proprietary type component unit, and is presented on the accrual basis of accounting. At the close of 2017, there were twenty operational facilities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

Non-Major Component Units (Continued)

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

The County has a support agreement with OTB, which guarantees OTB's Series 2005 Revenue Bonds. Under the support agreement with the County, OTB is obligated to deposit required debt service payments due into a capital reserve fund. As consideration for entering into this support agreement and in recognition of the benefits anticipated to be derived, OTB makes an annual payment to the County. For 2017, this payment was \$620.0 thousand.

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

Non-Major Component Units (Continued)

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

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

The Bridge Authority, pursuant to 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 Corporation was organized on June 20, 2016. The Corporation 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 (“Corporation”), 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 Corporation 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.

Blended Component Units

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

Blended Component Units (Continued)

(a) Nassau County Interim Finance Authority (continued)

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

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

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

On January 26, 2011, NIFA adopted a resolution which imposed a Control Period on the County pursuant to the Act. It had determined that the County’s proposed budget for fiscal year 2011 reflected a substantial likelihood that it would produce a major operating 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 2017, the County remains in a Control Period. See Note 2 for more information on the NIFA Control Period and its effect on the County.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

Blended Component Units (Continued)

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

The Board of Directors of NCTSC has three members, one of whom must meet certain requirements of independence: (i) one appointed by a majority vote of the County Legislature, (ii) one who must be the County Treasurer, *ex officio*, designated by the County Executive and (iii) one selected by (i) and (ii). For the year ending December 31, 2017, one position was vacant.

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

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

Approximately \$140.0 million of the proceeds of the Series 2006 Bonds and unpledged TSR’s were deposited into the Residual Trust, on behalf of the County as the beneficial owner of the Residual Certificate. Such proceeds are held to provide monies to the County in accordance with the tax certificates executed in connection with the Series 2006 Bonds. The original 1999 purchase price paid by the NCTSC to the County under the Agreement consisted of: (i) the net proceeds of the sale of the 1999 Bonds and (ii) a 100% beneficial ownership interest in the Trust. The Agreement was amended and restated as of March 1, 2006. Under the amended Agreement, TSRs received from April 5, 2006 to March 31, 2008, were not pledged to the holders of the Series 2006 Bonds and, therefore, all TSRs received during that time were to be transferred to the Trust on behalf of the County. TSRs received after all long-term debt has been satisfied and operating costs have been covered will be transferred to the Residual Trust. NCTSC did not receive sufficient TSRs to fund the entire required debt service payment on its Series 2006 Bonds during 2017 therefore no transfers were made to the trust in 2017 and the balance is \$0 at December 31, 2017.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

Blended Component Units (Continued)

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

Blended Component Units (Continued)

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

Most of the NCSSWFA's revenues are derived through the imposition, by the County, of assessments for sewer and storm water resources services. The County has directed each city and town receiver of taxes to remit all such assessments directly to the trustee for the NCSSWFA's bonds. The NCSSWFA receives funds to service all NCSSWFA debt and pay its operating 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 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 Mineola, NY 11501
Nassau Regional Off-Track Betting Corporation 139 Liberty Avenue Mineola, NY 11501	Nassau County Sewer and Storm Water Finance Authority One West Street, 1st Floor Mineola, NY 11501
Nassau County Industrial Development Agency 1 West Street, Suite 326 Mineola, NY 11501	Nassau County Local Economic Assistance Corporation 1 West Street, Suite 326 Mineola, NY 11501
Nassau County Bridge Authority P.O. Box 341 Lawrence, NY 11559	Nassau Land Bank 1 West Street Mineola, NY 11501

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Adopted Accounting Pronouncements

In January 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units- an Amendment of GASB Statement No. 14* (“GASB 80”). The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. The adoption of this Statement had no effect on the County’s financial statements.

In March 2016, GASB issued Statement No. 81, *Irrevocable Split- Interest Agreement* (“GASB 81”). The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. It establishes accounting and financial reporting standards for irrevocable split-interest agreements created through trusts or other legally enforceable agreements with characteristics that are equivalent to irrevocable split-interest agreements, in which a donor irrevocably transfers its resources to an intermediary. The intermediary administers these resources for the unconditional benefit of a government and at least one other beneficiary. The requirements of this statement are effective for reporting periods beginning after December 15, 2016. The implementation of this Statement had no impact on the County’s financial statements.

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

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 Governmental Accounting Standards Board (“GASB”).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. **BASIS OF PRESENTATION** (Continued)

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*, 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 Headquarter Fund, the Fire Commission Fund, the Technology Fund, the Open Space Fund, the Litigation Fund, the Retirement Contribution Reserve Fund, the Employee Accrued Benefit Liability Reserve Fund and the Bond Indebtedness Reserve Fund. Exhibits B-9 and B-10 provide details of the current fiscal year for each of the funds comprising the County's General Fund.

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 or committed 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 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.

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

The County has the following nonmajor funds:

Special Revenues Funds include the following:

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. BASIS OF PRESENTATION (Continued)

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

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

Disputed Assessment Fund - the Disputed Assessment Fund (“DAF”) became operational in 2017. The County’s Administrative Code was amended by New York State Legislation in relation to the levy and extension of real property taxes on class four properties (i.e., commercial properties) and established a disputed assessment charge. The DAF was created as a mechanism to maintain the collections and record the revenues and payments related to the disputed assessment charge.

Debt Service Fund – is 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 NCSFA 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 short-term and long-term financing needs.

Additionally, the County reports the following fund type:

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. BASIS OF PRESENTATION (Continued)

New Accounting Standards Not Yet Effective

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. BASIS OF PRESENTATION (Continued)

New Accounting Standards Not Yet Effective (Continued)

In March 2017, GASB issued Statement No. 85, *Omnibus 2017* (“GASB 85”). The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The County has not completed the process of evaluating the impact that will result from implementing this Statement and is therefore unable to determine the impact that adopting this Statement will have on its financial position and results of operation when it is adopted.

In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues* (“GASB 86”) the objective of which is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources are placed in an irrevocable trust for the sole purpose of extinguishing debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The County has not completed the process of evaluating the impact that will result from implementing this Statement and is therefore unable to determine the impact that adopting this Statement will have on its financial position and results of operation when it is adopted.

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. The County has not completed the process of evaluating the impact that will result from implementing this Statement and is therefore unable to determine the impact that adopting this Statement will have on its financial position and results of operations when it is adopted.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. BASIS OF PRESENTATION (Continued)

New Accounting Standards Not Yet Effective (Continued)

In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements* (“GASB 88”). This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. This Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The County has not completed the process of evaluating the impact that will result from implementing this Statement and is therefore unable to determine the impact that adopting this Statement will have on its financial position and results of operations when it is adopted.

B. BASIS OF ACCOUNTING AND MEASUREMENT FOCUS

The basis of accounting determines when transactions are reported in the financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County either gives or receives value without directly receiving or giving equal value in exchange, include, for example sales and property taxes, grants, and donations. On an accrual basis, revenue from sales taxes is recognized when the underlying ‘exchange’ transaction takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Tobacco Settlement Revenues (“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, which are proprietary funds, are reported using the economic resources measurement focus and the accrual basis of accounting. Their revenues are recognized in the period earned and expenses are recognized in the period incurred. Proprietary funds’ unbilled services receivable are recognized as revenue.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF ACCOUNTING AND MEASUREMENT FOCUS (Continued)

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, other postemployment benefits when due, pension expenses when due and depreciation is not recognized as an expenditure.

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

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

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

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

C. BUDGETS AND BUDGETARY ACCOUNTING

A legally appropriated budget is adopted for each fiscal year for the General Fund, and each of the Special Revenue Funds, with the exception of NIFA, NCSSWFA, NCTSC, DAF, and the Grant and FEMA Funds. NIFA funds consist of sales tax revenues collected by the State Comptroller and transferred to the fund and are not subject to appropriation by the State or County. NCSSWFA funds are not subject to appropriation as they consist of property taxes (sewer assessments) collected by the city and town receiver of taxes and the County has directed them to remit all such assessments to NCSSWFA’s Trustee in accordance with the 2014 Agreement. NCTSC funds consist of Tobacco Settlement Revenues received annually as a result of a Master Settlement Agreement between the Tobacco Settlement Corporation and Tobacco Manufacturing Companies. The Grant and FEMA Funds are appropriated for the life of specific grants, not for annual fiscal periods. The DAF had no legally adopted budget for 2017, although a supplemental appropriation was approved by the County Legislature as of fiscal year end because the fund was not yet operational at the time that the 2017 Budget was adopted by the County Legislature and until the end of the fiscal year, estimated expenditures were not measurable.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BUDGETS AND BUDGETARY ACCOUNTING (Continued)

The budget amounts as reported include prior 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 except that appropriations are not provided for certain interfund indirect costs 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 Legislative.

During the fiscal year ended December 31, 2017, supplemental appropriations for the General Fund and appropriation budgets for the Grant and DAF 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 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	\$ 33,391
Appropriation Budgets:	
Grant Fund	144,753
DAF	<u>1,132</u>
 Total Supplemental Appropriations and Appropriation Budgets	 <u>\$ 179,276</u>

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BUDGETS AND BUDGETARY ACCOUNTING (Continued)

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 appropriated budget can be legally amended by the County Legislature subsequent to its initial adoption. Proposed amendments can be submitted by the County Executive to the Legislature at any time during the fiscal year. These proposed amendments are then voted on by the Legislature at the next available meeting. Amendments, which are legally approved by the Legislature, are immediately reflected in the operating appropriated budget.
6. The legally appropriated budget approved by the County Legislature must be approved by NIFA pursuant to its statutory authority during a control period. Should NIFA disapprove the budget, the Legislature and County Executive are required to modify the budget to meet NIFA's expectations and are consistent with the County's Multi-Year Financial Plan approved by NIFA.
7. Formal budgetary integration is employed as a management control device during the year for the governmental funds. The legal level of budgetary control is exercised at the object appropriation level within a fund's departmental control center. The County Legislature must approve all transfers and supplemental appropriations at this level.

D. ENCUMBRANCES

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

E. CASH AND CASH EQUIVALENTS

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. CASH AND CASH EQUIVALENTS (Continued)

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

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, bond indentures, and amounts restricted by contractual agreements and regulations.

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

G. INVENTORIES

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

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

H. CAPITAL ASSETS

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

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

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

H. **CAPITAL ASSETS (Continued)**

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

I. **DEPRECIATION**

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

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

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

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

J. **PREPAID EXPENSES**

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

K. **ALLOWANCE FOR DOUBTFUL ACCOUNTS**

The County reviews 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. The College 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 College's policy. NHCC's allowance for doubtful patient accounts is based upon its management's assessment of historical and expected net collections, business and economic conditions, trends in Medicare and Medicaid health care coverage and other collection indicators.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

M. NET POSITION AND FUND EQUITY CLASSIFICATIONS

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. NET POSITION AND FUND EQUITY CLASSIFICATIONS (Continued)

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

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

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

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

N. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. GRANTS AND OTHER INTERGOVERNMENTAL REVENUES

Federal and State grants and assistance awards made on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. All other Federal and State reimbursement type grants are recorded as intergovernmental receivables and revenues when the related expenditures or expenses are incurred. The County sustained significant damage in 2012 as a result of Super-storm Sandy ("Storm"), with repair and recovery efforts continuing into 2017. While 90% of the Storms' cost continues to be reimbursed through FEMA's public assistance program, as of 2014 Governor Cuomo announced funding from the state allocated Community Development Block Grant- Disaster Relief ("CDBG-DR") to cover the remaining 10% of storm related costs incurred by local governments as a result of federally declared disasters.

The County's costs for emergency protective measures, debris removal and other recovery efforts for the fiscal year ended December 31, 2017 total \$1.1 million, with repair efforts continuing. In 2017, the County recorded a total of \$1.4 million of anticipated aid from FEMA, which represents 90% of the costs. The County has reported the remaining 10% County match, totaling \$0.1 million for 2017, as expenditures to the operating funds (comprised of \$0.1 million recorded in the operating funds of the County, and \$15.0 thousand recorded in the Sewer and Storm Water Fund).

Expenditures for capital projects related to the Storms' cost, including the repair efforts related to Bay Park, total approximately \$163.7 million as of the year ending 2017 and a total of \$102.5 million has been recorded as anticipating reimbursement from FEMA.

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. REAL PROPERTY TAX (Continued)

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 2017 was \$4.3 billion. [The constitutional tax margin was \$3.82 billion or approximately 88.73% of the maximum taxing authority in 2017 (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 New York 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 tax cap is a restriction on the year-to-year increase in the tax levy, while the constitutional tax limit is a restriction on the total amount of the levy in any single year. Therefore, the tax cap is a separate restriction imposed upon counties, cities and villages that is in addition to the threshold constraint of the constitutional tax limit. Counties, cities and villages must meet both requirements.

Q. INTERFUND TRANSACTIONS

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. NOTES PAYABLE

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

S. 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.

T. CLAIMS

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

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

The County does not need to indemnify for gross negligence on the part of NHCC or their employees when the claim arises from jail based services. The indemnification provision will only be applicable for claims arising from jail-based care service from the commencement of the contract which began in August 2017. Any negligent claims prior to that date remain the responsibility of the prior vendor (Armor).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. CLAIMS (Continued)

The County is not required to indemnify for any claims arising out of healthcare services in the actual hospital facility. Claims of negligent treatment in the hospital are the sole responsibility of the NHCC. No claims have been filed as of December 31, 2017.

U. DUE TO NEW YORK STATE RETIREMENT SYSTEM

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

V. 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.

W. OTHER POSTEMPLOYMENT BENEFITS (OPEB) HEALTHCARE COSTS

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

Health care benefits are currently provided by the New York State Health Insurance Program (NYSHIP) (Empire Plan) whose premiums are based on the benefits paid throughout the State during the year. In addition, the County offers retirees Health Insurance Plan of New York (HIP) Prime HMO and Island 65 for those retirees over 65.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

X. ESTIMATED TAX CERTIORI 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 order to pay these property tax refunds. These amounts have been included with serial bonds reported in the government-wide financial statements. In addition, a portion of these settlements are paid as tax certiorari expenditures in the governmental funds. The estimate of liability is a synopsis of all unpaid claims as of December 31st. This includes Writs (all classes), Small Claims, Assessor Petitions, Unpaid Refunds, and Projected Refunds on Settlements, and includes interest accrued from the date of the filing to the present year. Not all components have liability every year, but many do. Valuation by appraisers and county attorneys, as well as, the historical value of the settlements, are used to calculate assessment reductions and ultimately determine refunds owed.

In October 2010, the Legislature repealed the provisions of the section of the Administrative Code which addresses the County's guarantee whereby the County must absorb uncollected property taxes for all County Towns, Schools and Special Districts, to require that the jurisdiction that received the benefit of the taxes (or other levies or assessments) bear the cost of refunds, cancellations or credits of such taxes, levies or assessments.

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

Y. USE OF ESTIMATES

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

2. CONTROL PERIOD CALCULATION

Nassau County Interim Finance Authority ("NIFA") is a corporate governmental agency and instrumentality of the State of New York constituting a public benefit corporation created by the Nassau County Interim Finance Authority Act, Chapter 84 of the Laws of 2000, as supplemented by Chapter 179 of the Laws of 2000 and as amended from time to time (the "Act"). NIFA is a blended component unit of the County.

2. CONTROL PERIOD CALCULATION (Continued)

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

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

The County reports its financial statements in accordance with U.S. generally accepted accounting principles ("GAAP") for governments. The County's Administration manages and reports the County's annual fiscal surplus or deficit under the budgetary basis, accounting for variances between actual revenues and expenditure against total budgetary authority.

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

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

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

2. CONTROL PERIOD CALCULATION (Continued)

Under the Control Period Calculation requirement, the budgetary basis results of the County’s five primary operating funds, the General, 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 2017, the County reported a \$63.2 million deficit under the Control Period Calculation reporting for the five primary operating funds. A reconciliation from GAAP to the required Control Period Calculation results is shown below.

The Control Period Calculation requires that certain other financing sources that result from borrowings be eliminated from the GAAP results. In Exhibit F-1, the \$58.8 million 2017 GAAP deficit for the five primary operating funds of the County is further reduced by operating expenditures that were recorded in non-primary operating funds (i.e., the borrowed funds to pay property tax refunds and other operating expenditures of \$0.7 million and \$3.5 million, respectively), which effectively increased the GAAP results in the primary operating funds since these expenditures were recorded elsewhere.

The table below reconciles the County’s governmental GAAP results, as reported in the governmental funds of the CAFR (see Exhibit X-5) of \$104.3 million to GAAP results for the five primary operating funds defined above. For fiscal year 2017, the County’s governmental funds reported \$103.3 million of deficit in the General Fund and \$1.0 million of deficit in the Police District Fund (PDD), totaling a deficit of \$104.3 million. Included in the County’s General Fund under governmental GAAP are several funds that are not treated as primary operating funds for County budgetary basis reporting purposes. Those funds are the Litigation Fund (LIT), the Employee Accrued Liability Benefit Reserve Fund (EBF), the Bond Indebtedness Reserve Fund (BIF), the Retirement Contribution Liability Fund (RCF), the Technology Fund (TCF), and the Open Space Fund (OSF). The total 2017 governmental GAAP deficit of those funds that was included in the General Fund deficit of \$103.3 million was \$45.5 million.

Reconciliation of General and Police District Funds to Primary Operating Funds GAAP Results

(dollars in millions)

Net Change in Fund Balance	Less: GAAP Changes in Fund Balance of Non-Primary Funds and Reserves* Included in General Fund							Primary Operating Funds	
	LIT	EBF	BIF	RCF	TCF	OSF	Total	Net Change in Fund Balance	
General Fund	\$ (103.3)	\$ (37.6)	\$	\$	\$ (8.0)	\$	\$ 0.1	\$ (45.5)	\$ (57.8)
PDD Fund	(1.0)								(1.0)
	<u>\$ (104.3)</u>	<u>\$ (37.6)</u>	<u>\$</u>	<u>\$</u>	<u>\$ (8.0)</u>	<u>\$</u>	<u>\$ 0.1</u>	<u>\$ (45.5)</u>	<u>\$ (58.8)</u>

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

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

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

3. DEPOSITS AND INVESTMENTS

At December 31, 2017, the County's book balance of total cash and cash equivalents, which consisted of cash in money market interest bearing bank accounts at rates averaging 0.56%, for the governmental funds and the fiduciary funds, were \$941.6 million and \$46.9 million, respectively. As of December 31, 2017, the County's bank balances totaling \$1.07 billion (including fiduciary funds of \$83.9 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, 2017, total investments amounted to \$51.0 million. The investments consisted of U.S. Treasury Notes and other obligations of the U.S. government, which are explicitly guaranteed by the U.S. government and therefore not considered to have credit risk, and shares of an investment fund, held by NCTSC, which invests in short-term U.S. Treasury securities paying a fixed, variable or floating interest rate and in repurchase agreements backed by U.S. Treasury securities.

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

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

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

The following table summarizes the County's unrestricted and restricted cash and cash equivalents (including fiduciary funds and blended components) and investment position at December 31, 2017 (dollars in thousands):

	Cash and Cash Equivalents	Investments	Total
Cash and Cash Equivalents	\$ 988,465	\$	\$ 988,465
Treasury notes and investments		51,013	51,013
Totals	\$ 988,465	\$ 51,013	\$ 1,039,478
Governmental Funds	\$ 941,555	\$ 51,013	\$ 992,568
Fiduciary Funds	46,910		46,910
Totals	\$ 988,465	\$ 51,013	\$ 1,039,478

3. DEPOSITS AND INVESTMENTS (Continued)

The County maintains a consolidated disbursement account with a financial institution on behalf of the College. At August 31, 2017, the College had a cash balance of \$61.0 million, of which \$26.3 million was held by the County on behalf of the College, and the bank balance was \$26.1 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, 2017, the carrying amount (fair value) of the College's investments was \$2.1 million.

At December 31, 2017, all of NHCC's cash and cash equivalents are insured through FDIC or collateral held by NHCC's third-party trustee or the pledging financial institution's trust department in the name of the NHCC, to the full extent of the deposits.

4. FAIR VALUE MEASUREMENT

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

Debt securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique provided by third party custodians. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. (See Note 12 for description of fair value hierarchy related to NIFA's hedging derivative instruments (Interest Rate Swap Agreements)).

The following is a summary of the fair value hierarchy of the fair value of the County's (which include NIFA and NCSSWFA) investments as of December 31, 2017:

		(Dollars in thousands)			
		Fair Value Measurements Using:			
<u>Investment by Fair Value Level</u>	Credit Quality Rating	Total	Quoted Prices in Active Market for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Debt Securities					
U.S. Government securities	N/A	\$ 28,412	\$	\$ 28,412	\$
Total investment by fair value level		<u>\$ 28,412</u>	<u>\$ -</u>	<u>\$ 28,412</u>	<u>\$ -</u>
Hedging Derivative Instruments (See Note 12)					
Interest-rate exchange swap agreements	N/A	\$ (22,557)	\$	\$ (22,557)	\$
Total derivative instruments by fair value	N/A	<u>\$ (22,557)</u>	<u>\$ -</u>	<u>\$ (22,557)</u>	<u>\$ -</u>

NCTSC's restricted investments of \$22,601 consist of shares in an investment fund which invests in short-term U.S. Treasury securities and in repurchase agreements based by U.S. Treasury securities which are stated at amortized cost and therefore not included in the above table.

4. FAIR VALUE MEASUREMENT (Continued)

The following is a summary of the total investments (including NCTSC's restricted investments of \$22,601) held by the County as of December 31, 2017:

Investments	\$ 3,352
Restricted Investments	47,661
	<u>\$ 51,013</u>

At December 31, 2017, the County's discretely presented component units' financial instruments are measured at fair value were categorized between Levels 1, 2, and 3 as follows:

	(Dollars in thousands)			
	Total	Fair Value Measurements Using:		
		Quoted Prices in Active Market for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
		Level 1	Level 2	Level 3
<u>2017</u>	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 72,383	\$ 72,383	\$	\$
Mutual Funds	1,494	605	889	
Equity Securities	38	38		
Certificates of Deposit	4,813		4,813	
U.S Treasury Bills	3,174		3,174	
Municipal Bonds	1,144		1,144	
	<u>\$ 83,046</u>	<u>\$ 73,026</u>	<u>\$ 10,020</u>	<u>\$</u>

The following is a summary of the total investments held by the County's major discretely presented component units as of December 31, 2017:

Investments	\$ 2,110
Restricted Investments	80,936
	<u>\$ 83,046</u>

5. DUE FROM OTHER GOVERNMENTS

Due from Other Governments at December 31, 2017 represents aid, grants, and other amounts receivable from the State and Federal governments. The following summarizes such receivables (dollars in thousands), exclusive of the allowance for doubtful accounts, which is shown on the governmental funds statement (Exhibit X-3):

Fund	Federal	State/Other*	Total
General Fund	\$ 31,686	\$ 76,973	\$ 108,659
NIFA Fund		126,420	126,420
Sewer and Storm Water District Fund		4,452	4,452
Capital Fund	56,444	10,672	67,116
Nonmajor Funds	30,696	5,070	35,766
Totals	\$ 118,826	\$ 223,587	\$ 342,413

* Sales tax receivable of \$136,969 (both General and NIFA funds) due from NYS, is reported separately in the financial statements as sales tax receivable, however is included in the table above.

6. TAX SALE CERTIFICATES

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

7. TAX REAL ESTATE HELD FOR SALE

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

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

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

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

EXHIBIT X-13

8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A. Interfund Receivables, Payables and Transfers

The individual fund Interfund Receivables and Interfund Payables as of December 31, 2017 are reconciled as follows (dollars in thousands):

<u>December 31, 2017</u>	<u>General Fund</u>	<u>NIFA Fund</u>	<u>Police District Fund</u>	<u>Sewer & Storm Water District Fund</u>	<u>Capital Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
INTERFUND RECEIVABLE							
General Fund	\$	\$	\$ 5,773	\$	\$	\$	\$ 5,773
NIFA Fund	102,680					23,739	126,419
Police District Fund	9,302						9,302
Sewer & Storm District Fund	19,713					14	19,727
Capital Fund	21,701			24,328		14	46,043
Nonmajor Funds	26,933	3	198				27,134
TOTAL RECEIVABLE	\$ 180,329	\$ 3	\$ 5,971	\$ 24,328	\$	\$ 23,767	\$ 234,398
INTERFUND PAYABLE							
General Fund	\$	\$ (102,680)	\$ (9,302)	\$ (19,713)	\$ (21,701)	\$ (26,933)	\$ (180,329)
NIFA Fund						(3)	(3)
Police District Fund	(5,773)					(198)	(5,971)
Sewer & Storm District Fund					(24,328)		(24,328)
Nonmajor Funds		(23,739)		(14)	(14)		(23,767)
TOTAL PAYABLE	\$ (5,773)	\$ (126,419)	\$ (9,302)	\$ (19,727)	\$ (46,043)	\$ (27,134)	\$ (234,398)

<u>Transfers In:</u>						
<u>December 31, 2017</u>	<u>General Fund</u>	<u>Police District</u>	<u>Sewer & Storm District Fund</u>	<u>Capital Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Transfers Out:						
General Fund	\$	\$	\$	992	\$ 139	\$ 1,131
Police District Fund	2,468					2,468
Sewer & Storm District Fund	18,710				15	18,725
Capital Fund	4,229					4,229
Nonmajor Funds	9,205			4,253		13,458
TOTAL	\$ 34,612	\$	\$	\$ 5,245	\$ 154	\$ 40,011

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.

8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (Continued)

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

The total amounts shown as Due to Primary Government and Due from/to Component Units (discretely presented) at December 31, 2017 do not offset each other as they include accounts of the College at the end of their fiscal year on August 31, 2017, OTB and the NHCC, which has timing differences with the County. The following reconciles the December 31, 2017 amount by carrying forward the College transactions affecting these accounts from September 1, 2017 through December 31, 2017 and the NHCC for the timing differences.

<u>Dollars in Thousands</u>	<u>2017</u>
Due from Primary Government (Exhibit X-1), Component Units	\$ 22,081
Due to Primary Government (Exhibit X-1), Component Units	<u>(18,091)</u>
Net Due from Primary Government, Component Units	<u>\$ 3,990</u>
Nassau Community College Transactions from September 1, to December 31:	
Increase in due from Capital Fund	\$ 15,142
Increase in due from Fiduciary Fund	444
Decrease in due from General Fund	(2,375)
Increase in other due from	<u>858</u>
Subtotals	<u>14,069</u>
Nassau Health Care Corporation	
Net Change in Encumbrances	<u>(18,559)</u>
Due to Component Units - Fiduciary per Balance Sheet: (Exhibit X-10)	(5,432)
Due From Component Units - Governmental per Balance Sheet (Exhibit X-1)	43,446
Due To Component Units - Governmental per Balance Sheet (Exhibit X-1)	<u>(37,514)</u>
Due to Component Units - Fiduciary and Governmental	<u>\$ (3,990)</u>

9. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

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

NIFA's and NHCC's derivative instruments, which consist of interest rate swap agreements have been reported at fair value as of December 31, 2017. As the interest rate swap agreements qualify as hedging derivative instruments, the fair value has been recorded as a deferred outflow of resources.

9. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (Continued)

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

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

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

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

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

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

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

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

EXHIBIT X-13

10. CAPITAL ASSETS

The 2017 capital assets are reconciled to the 2017 amounts reported on Exhibit X-1 in the table below (dollars in thousands):

	Governmental Activities
Capital assets not being depreciated	\$ 1,407,627
Depreciable capital assets	4,103,422
Accumulated depreciation	<u>(2,100,397)</u>
Capital assets - net	3,410,652
Outstanding related debt and liabilities	<u>(1,048,250)</u>
Net investment in capital assets	<u><u>\$ 2,362,402</u></u>

The County evaluates capital assets for prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The County's practice is to record an impairment loss in the period when its service utility has declined significantly and unexpectedly. In 2017, no impairment losses were recognized related to the County.

Activity for capital assets, reconciled to the 2017 amount reported in Exhibit X-1, is summarized below (dollars in thousands):

Primary Government	Balance January 1, 2017	Additions	Deletions	Balance December 31, 2017
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 239,665	\$ 6,311	\$ 50	\$ 245,926
Intangible - land development rights	8,804			8,804
Construction in progress	<u>926,918</u>	<u>298,873</u>	<u>72,894</u>	<u>1,152,897</u>
Total capital assets, not being depreciated:	<u>1,175,387</u>	<u>305,184</u>	<u>72,944</u>	<u>1,407,627</u>
Capital assets, being depreciated:				
Land improvements	82,347	13		82,360
Buildings	1,216,088	105,558		1,321,646
Equipment	514,580	42,812	50,855	506,537
Infrastructure	<u>2,142,950</u>	<u>49,929</u>		<u>2,192,879</u>
Total capital assets, being depreciated	<u>3,955,965</u>	<u>198,312</u>	<u>50,855</u>	<u>4,103,422</u>
Total capital assets	<u>5,131,352</u>	<u>503,496</u>	<u>123,799</u>	<u>5,511,049</u>
Less accumulated depreciation:				
Land improvements	63,032	3,330		66,362
Buildings	514,462	36,399		550,861
Equipment	365,548	30,398	46,967	348,979
Infrastructure	<u>1,063,563</u>	<u>70,632</u>		<u>1,134,195</u>
Total accumulated depreciation	<u>2,006,605</u>	<u>140,759</u>	<u>46,967</u>	<u>2,100,397</u>
Total capital assets, being depreciated, net	<u>1,949,360</u>	<u>57,553</u>	<u>3,888</u>	<u>2,003,025</u>
Governmental activities capital assets, net	<u><u>\$ 3,124,747</u></u>	<u><u>\$ 362,737</u></u>	<u><u>\$ 76,832</u></u>	<u><u>\$ 3,410,652</u></u>

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>\$ 72,894</u>
Additions to capital assets:	
Land improvements	\$ 13
Buildings	22,952
Infrastructure	49,929
	<u>\$ 72,894</u>

Depreciation expense was charged to functions of the primary government for the fiscal year ended December 31, 2017 as follows (dollars in thousands):

	Land				
	Improvements	Buildings	Equipment	Infrastructure	Total
Functions:					
Legislative	\$	\$ 7	\$ 13	\$	\$ 20
Judicial	70	1,092	490		1,652
General administration	63	14,789	12,352		27,204
Protection of persons		2,004	11,599	2,655	16,258
Health		100	109		209
Public works	140	8,626	4,873	65,246	78,885
Recreation and parks	2,997	5,021	434	2,731	11,183
Social services	60	181	56		297
Corrections		4,579	472		5,051
Total depreciation expense	<u>\$ 3,330</u>	<u>\$ 36,399</u>	<u>\$ 30,398</u>	<u>\$ 70,632</u>	<u>\$ 140,759</u>

Total capital assets of the County, as of December 31, 2017, is \$5.5 billion with accumulated depreciation of \$2.1 billion.

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

The total bonds issued by the City to finance its sewer system was \$5.1 million. As of December 31, 2017, the total principal outstanding related to the City's bonds issued to finance the sewer system was \$1.0 million. The bonds have maturity dates ranging from July 2018 to June 2023 and annual interest rates between 3.28% and 4.30%. Total estimated debt service (including interest) as of December 31, 2017, through maturity is approximately \$1.1 million. For the year ended December 31, 2017, the County made payments of \$474.6 thousand for such debt service. The County has not included this contractual obligation in its long-term obligations as it will be paid from current resources as contractually obligated.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

EXHIBIT X-13

10. CAPITAL ASSETS (Continued)

The annual requirements to amortize the City of Glen Cove's bond issuances for the sewer fund, including interest as of December 31, 2017, are as follows (dollars in thousands):

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 274	\$ 40	\$ 314
2019	287	28	315
2020	298	16	314
2021	118	4	122
2022	19	1	20
2023	18	1	19
	<u>\$ 1,014</u>	<u>\$ 90</u>	<u>\$ 1,104</u>

Nassau Community College Capital Assets

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

	<u>Balance at September 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at August 31, 2017</u>
Capital assets, not being depreciated:				
Land	\$ 2,733	\$	\$	\$ 2,733
Library*	1,076		14	1,062
Total capital assets, not being depreciated	<u>3,809</u>		<u>14</u>	<u>3,795</u>
Capital assets, being depreciated:				
Land improvements	14,938	771		15,709
Infrastructure	18,443	1,771		20,214
Buildings	212,268	768		213,036
Building improvements	61,434	2,936		64,370
Equipment	11,744	1,694	66	13,372
Total capital assets, being depreciated	<u>318,827</u>	<u>7,940</u>	<u>66</u>	<u>326,701</u>
Total capital assets	<u>322,636</u>	<u>7,940</u>	<u>80</u>	<u>330,496</u>
Less accumulated depreciation:				
Land improvements	3,888	732		4,620
Infrastructure	5,518	1,048		6,566
Buildings	109,053	4,043		113,096
Building improvements	28,694	2,733		31,427
Equipment	8,878	896	66	9,708
Total accumulated depreciation	<u>156,031</u>	<u>9,452</u>	<u>66</u>	<u>165,417</u>
Net capital assets being depreciated	<u>162,796</u>	<u>(1,512)</u>		<u>161,284</u>
Total capital assets, net	<u>\$ 166,605</u>	<u>\$ (1,512)</u>	<u>\$ 14</u>	<u>\$ 165,079</u>

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

EXHIBIT X-13

10. CAPITAL ASSETS (Continued)

Nassau Community College Capital Assets (Continued)

Capital assets of the Faculty-Student Association, the Component unit of the College as of August 31, 2017 consisted of the following (dollars in thousands):

	Balance August 31, 2017
Furniture and equipment	\$ 430
Vans	260
	<u>690</u>
Less accumulated depreciation	<u>(604)</u>
Total capital assets (net)	<u>\$ 86</u>

Total depreciable capital assets of the College and Faculty-Student Association, the component unit of the College as of August 31, 2017, was \$327.4 million with accumulated depreciation of \$166.0 million.

Nassau Health Care Corporation Capital Assets

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

	Balance January 1, 2017	Additions	Deletions/ Transfers	Balance December 31, 2017
Capital assets, not being depreciated:				
Land	\$ 12,498	\$	\$	\$ 12,498
Construction in progress	<u>25,847</u>	<u>5,492</u>	<u>(18,006)</u>	<u>13,333</u>
Total capital assets, not being depreciated	<u>38,345</u>	<u>5,492</u>	<u>(18,006)</u>	<u>25,831</u>
Capital assets, being depreciated:				
Land improvements	17,130			17,130
Buildings and improvements	238,421	12,030		250,451
Fixed equipment	111,067	153		111,220
Movable equipment	<u>194,820</u>	<u>3,171</u>	<u>(349)</u>	<u>197,642</u>
Total capital assets, being depreciated	<u>561,438</u>	<u>15,354</u>	<u>(349)</u>	<u>576,443</u>
Total capital assets	<u>599,783</u>	<u>20,846</u>	<u>(18,355)</u>	<u>602,274</u>
Less accumulated depreciation for:				
Land improvements	13,245	293		13,538
Buildings and improvements	149,349	7,754		157,103
Fixed equipment	106,160	713		106,873
Movable equipment	<u>161,600</u>	<u>10,774</u>	<u>(352)</u>	<u>172,022</u>
Total accumulated depreciation	<u>430,354</u>	<u>19,534</u>	<u>(352)</u>	<u>449,536</u>
Total capital assets, net	<u>\$ 169,429</u>	<u>\$ 1,312</u>	<u>\$ (18,003)</u>	<u>\$ 152,738</u>

Net interest capitalized for the year ended December 31, 2017 was \$985.

11. LEASES

The County leases some property and equipment. Leased property having elements of ownership is recorded as a capital lease in the government-wide financial statements. The related obligations, in amounts equal to the present value of minimum lease payments payable during the remaining term of the leases, are also recorded in the government-wide financial statements. Other leased property, not having elements of ownership, are classified as operating leases. Both capital and operating lease payments are recorded as expenditures when payable in governmental funds. Total expenditures on such leases for the year ending December 31, 2017 were approximately \$4.3 million.

The County has two capital leases, both for building leases. One lease is reported as a capital lease because when the lease term ends in 2025, the ownership of the building transfers to the County. The original cost of the building was \$5.5 million and accumulated depreciation at December 31, 2017 is \$2.4 million. The second building was added as a capital lease in 2017 because the net present value at the beginning of the lease term of the minimum lease payments, equals or exceeds ninety percent of the excess of the fair value of the lease property to the lessor at the inception of the lease. The fair value of the building is \$75.5 million and accumulated depreciation at December 31, 2017 is \$7.6 million.

As of December 31, 2017, the County (excluding discretely presented component units) had future minimum lease payments under capital and operating leases with a remaining term in excess of one year as follows (dollars in thousands):

Years ending December 31,	Capital Lease	Operating Leases	Total Capital & Operating Leases
2018	\$ 7,894	\$ 1,026	\$ 8,920
2019	8,071	902	8,973
2020	8,253	666	8,919
2021	8,439	478	8,917
2022	8,629	419	9,048
2023-2027	43,777	70	43,847
2028-2032	46,365		46,365
2033-2036	35,727		35,727
Future minimum payments	167,155	<u>\$ 3,561</u>	<u>\$ 170,716</u>
Less: interest	<u>87,726</u>		
Present value of future minimum lease payments	<u>\$ 79,429</u>		

11. LEASES (Continued)

The County also leases County-owned property to others and the leases are classified as operating leases. Total rental revenue on these leases for 2017 was \$7.7 million.

As of December 31, 2017, the following future minimum rentals are provided for by the leases (dollars in thousands):

Years ending December 31,	Operating Leases (in Thousands)
2018	\$ 7,252
2019	5,856
2020	5,504
2021	5,492
2022	4,838
2023 - 2027	23,479
2028 - 2032	24,256
2033 - 2037	26,577
2038 - 2042	28,986
2043 - 2047	34,207
2048 - 2051	25,670
	<u>\$ 192,117</u>

These County leases are for land and buildings with the total cost and carrying amount of \$4.7 million for land, and the original cost of \$19.8 million, which has been fully depreciated for buildings at December 31, 2017.

In 2009, the College entered into an operating lease with the AG Metropolitan Endo, LLC, property owner, for the rent of one entire building known as 500 Endo Boulevard, Garden City, New York 11530. Rental expenditures reported for the year ended August 31, 2017 under this operating lease were \$935 thousand representing the straight-line amortization of the lease payments over the life of the lease. The following future minimum lease payments are as follows:

Years ending August 31,	Operating Leases (in Thousands)
2018	\$ 871
2019	892
2020	999
2021	999
2022	999
2023 - 2027	5,401
2028 - 2029	2,067
	<u>\$ 12,228</u>

12. NOTES PAYABLE AND LONG-TERM OBLIGATIONS

County of Nassau Notes Payable and Long-Term Obligations

In January 2017, the County issued Series A General Obligation Bonds in the amount of \$45.1 million. The bonds bear interest at varying rates from 3.0% to 5.0% with maturity dates ranging from January 2018 to January 2031. The bonds maturing on or after January 15, 2028 are subject to optional redemption on January 15, 2027 or any date thereafter. The bonds were issued to fund various capital projects and to pay costs of issuance related to the Series A Bonds.

In June 2017, the County issued Series B General Obligation Bonds and Series A (Federally Taxable) Bond Anticipation Notes (“BANS”) in the amount of \$90.1 million and \$44.1 million respectively. The bonds bear interest at varying rates from 3.0% to 5.0% with maturity dates ranging from April 2018 to April 2037. The bonds maturing on or after April 1, 2028 are subject to optional redemption on April 1, 2027 or any date thereafter. The bonds were issued to fund various capital projects, to pay a portion of the County’s maturing 2016 Series B BANS, and to pay costs of issuance. The Series A BANS bear interest of 1.56% and mature on December 14, 2018. The Series A BANS were issued to finance various sewer system improvements.

The County issued Series C Refunding Bonds in December 2017 in the amount of \$338.2 million. The Series C Refunding Bonds bear interest at varying rates from 2.0% to 5.0% with maturity dates ranging from October 2018 to October 2039. The bonds maturing on or after October 1, 2028 are subject to optional redemption on October 1, 2027 or any date thereafter. The bonds were issued to refund all or a portion of certain outstanding bonds of the County, and to pay costs of issuance related to the Series C bonds.

In December 2017, the County issued Series A and B Tax Anticipation Notes (“TANS”) in the amounts of \$79.9 million and \$297.4 million respectively. The TANS were issued to provide monies to meet cash flow deficit expected to occur during the period that the TANS are outstanding and to pay costs of issuance related to the TANS. The TANS were issued in anticipation of the collection by the County of real property taxes levied for County purposes for the fiscal year commencing on January 1, 2018. The Series A TANS bear interest at 2.5% and mature on March 15, 2018. The Series B TANS bear interest at 3.0% and mature on September 18, 2018.

The County issued Series B BANS in December 2017 in the amount of \$95.2 million. The Series B BANS bear interest of 5.0% and mature on December 14, 2018. The BANS were issued to refinance in part, the County’s BANS, 2016 Series D (Federally Taxable), dated December 14, 2016 and matured December 15, 2017, issued to refinance notes that originally financed various sewer system improvements, and to pay costs of issuance.

In 2017, the Environmental Facilities Corporation (“EFC”) issued a 2015A long term BAN to the County for \$6.3 million to finance specific sewer related projects. The note bears no interest and matures on September 24, 2020. It is reported as a long-term liability in the statement of net position.

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

	Balance January 1, 2017	Issued	Redeemed	Balance December 31, 2017
General Fund:				
Tax anticipation notes - (2.5% - 3.0% issued 2017, maturity date in 2018)	\$ 257,820	\$ 377,265	\$ 257,820	\$ 377,265
Capital Fund:				
Bond anticipation notes - (1.56% - 5.0% issued 2017, maturity dates in 2018)	\$ 104,065	\$ 139,300	\$ 104,065	\$ 139,300

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

EXHIBIT X-13

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 bond anticipation notes 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):

	<u>Balance January 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2017</u>	<u>Due Within One Year</u>
General Long-Term Obligations					
Debt:					
General Obligation County Bonds - (2.0% to 7.4%, issued in 1993 through 2017, maturity dates 2018 through 2043)	\$ 2,129,111	\$ 473,395	\$ 418,890	\$ 2,183,616	\$ 97,170
Sewage purpose bonds - (3.50% to 6.00%, issued in 1993 through 2009, maturity dates 2018 through 2039) - County	41,590		39,230	2,360	1,495
State Water Pollution Control Revolving Fund revenue bonds - (0.263% to 6.186%, issued in 2002 through 2015, maturity dates 2018 through 2043) - County	73,539		8,094	65,445	8,218
Total Serial Bonds - County	2,244,240	473,395	466,214	2,251,421	106,883
Sales Tax Secured Bonds -NIFA, (various interest rates, issued in 2004 through 2015, maturity dates 2018 through 2025)	783,650		129,666	653,984	118,505
Nassau County Sewer and Storm Water Finance Authority System Revenue Bonds, Series 2014A & Series 2014B (2.0% to 5.0%, issued in 2014, maturity dates 2018 through 2034)	144,055		10,345	133,710	10,815
Tobacco Settlement Asset-Backed Bonds, Series 2006 (5.0% to 7.35%, issued in 2006, maturity dates 2021 through 2060)	400,537			400,537	
Total Serial Bonds - NIFA, NCSSWFA, NCTSC	1,328,242		140,011	1,188,231	129,320
Total Serial Bonds	3,572,482	473,395	606,225	3,439,652	236,203
Accreted interest - Tobacco Settlement Asset Backed Bonds	61,844	7,236		69,080	
Total Serial Bonds and Accreted Interest	3,634,326	480,631	606,225	3,508,732	236,203
Deferred Bond Premium/Discount (net of amortization)	268,585	81,578	40,996	309,167	14,452
Total Serial Bonds and accreted interest, net of deferred bond premium/discount	\$ 3,902,911	\$ 562,209	\$ 647,221	\$ 3,817,899	\$ 250,655
Long-Term Bond Anticipation Notes					
EFC - Bond anticipation notes - (0.0% issued in 2017, maturity date in 2020)	\$	6,268		\$ 6,268	\$
Total Long-Term Bonds and accreted interest, net of deferred bond premium/discount and Long-Term Bond Anticipation Notes	\$ 3,902,911	\$ 568,477	\$ 647,221	\$ 3,824,167	\$ 250,655

12. 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):

	<u>Balance January 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2017</u>	<u>Due Within One Year</u>
Balances carried forward	\$ 3,902,911	\$ 568,477	\$ 647,221	\$ 3,824,167	\$ 250,655
Other:					
Derivative instruments - interest rate swaps	33,144		10,587	22,557	
Accrued Vacation and Sick Pay	548,843	35,804	69,636	515,011	43,166
Deferred Payroll	64,314	30,741	15,528	79,527	25,492
Estimated Liability for Workers' Compensation	235,745	23,348	31,425	227,668	35,160
Estimated Tax Certiorari Payable*	302,861	274,435	80,957	496,339	89,000
Estimated Liability for Litigation	367,300	64,058	39,824	391,534	50,110
Capital Lease Obligations	4,575	75,500	646	79,429	811
Due to New York State Retirement System	232,635	26,123	23,760	234,998	26,437
Net Pension Liability	551,733	233,782	425,237	360,278	
Postemployment Retirement Benefits Liability	5,177,968	1,363,782	168,959	6,372,791	
Total Other	7,519,118	2,127,573	866,559	8,780,132	270,176
Total General Long-Term Obligations	<u>\$ 11,422,029</u>	<u>\$ 2,696,050</u>	<u>\$ 1,513,780</u>	<u>\$ 12,604,299</u>	<u>\$ 520,831</u>

* The amount reported in this table is exclusive of the governmental funds tax certiorari payable of \$42,896 (current portion of \$10,654 and long-term portion of \$32,242) and property tax refund payable of \$31,073. The total estimated certiorari payable presented in the government-wide statements is \$569,305. See note 21 (B).

In 2017, the proceeds from the issuance of long-term serial bonds by the County and its blended component units are used to fund various purposes including, capital asset purchases, tax certiorari claims, termination pay disbursements and non-capitalizable project expenditures. In 2017, there were no new issuances of long-term serial bonds by the County to fund tax certiorari claims or termination pay disbursements. As of December 31, 2017, total serial bonds outstanding were \$3.4 billion of which \$2.9 billion were utilized to pay approximately: \$0.8 billion in tax certiorari claims; \$0.4 billion for bonded operating expenses; \$72.4 million for debt on capital assets of NCC; \$137.2 million for non-capitalizable project expenditures and \$6.0 million for debt on capital assets of the NHCC and its affiliates that are no longer the County's assets, and \$1.5 billion related to capitalizable assets. The remaining outstanding debt of approximately \$0.6 billion is related to State Water Pollution Control Revolving Fund, Sewage Purpose, NCSSWFA, and NCTSC bonds.

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

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

Long – Term Obligations (Continued)

The annual requirements and sources to amortize the County’s General Obligation serial bonds payable as of December 31, 2017 are as follows (dollars in thousands):

Years Ending December 31,	Debt Service Requirements			Sources (Unaudited)		
	Principal	Interest	Total	General County Budgets	Sewer District Budgets	Total
2018	\$ 106,883	\$ 112,098	\$ 218,981	\$ 205,677	\$ 13,304	\$ 218,981
2019	115,691	102,223	217,914	205,414	12,500	217,914
2020	121,220	96,475	217,695	206,211	11,484	217,695
2021	126,283	90,508	216,791	206,766	10,025	216,791
2022	135,335	84,295	219,630	209,734	9,896	219,630
2023 - 2027	634,420	332,202	966,622	944,308	22,314	966,622
2028 - 2032	503,628	186,731	690,359	686,949	3,410	690,359
2033 - 2037	328,346	80,406	408,752	407,777	975	408,752
2038 - 2042	157,715	23,304	181,019	180,265	754	181,019
2043	21,900	503	22,403	22,265	138	22,403
Total	<u>\$ 2,251,421</u>	<u>\$ 1,108,745</u>	<u>\$ 3,360,166</u>	<u>\$ 3,275,366</u>	<u>\$ 84,800</u>	<u>\$ 3,360,166</u>

The County’s legal debt margin was approximately \$17.2 billion and total long-term obligation bonds authorized but unissued for general County and sewage district purposes were approximately \$1.3 billion at December 31, 2017. As of December 31, 2017, 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.

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):

	Balance January 1, 2017	Additions	Reductions	Balance December 31, 2017	Due Within One Year
Bonds payable:					
Sales tax secured bonds payable	\$ 783,650	\$	\$ 129,666	\$ 653,984	\$ 118,505
Premiums	51,600		6,115	45,485	
Total bonds payable	<u>835,250</u>		<u>135,781</u>	<u>699,469</u>	<u>118,505</u>
Postemployment retirement benefits liability	2,245		120	2,125	
Net pension liability	279		153	126	
Compensated absences	201	41		242	
Total long term debt	<u>\$ 837,975</u>	<u>\$ 41</u>	<u>\$ 136,054</u>	<u>\$ 701,962</u>	<u>\$ 118,505</u>

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

As of December 31, 2017, NIFA had outstanding sales tax secured bonds in the amount of \$654.0 million, maturing through the year 2025, of which \$281.1 million are fixed rate and \$372.9 million are hedged variable rate. Other than a possible refunding of its debt if market conditions permit, NIFA has no plans or authority to issue additional bonds, except to cover the costs of issuance incurred in connection with the refunding of its bonds.

Liabilities for compensated absences, other postemployment benefits liability, and net pension liability will be liquidated through the NIFA Fund.

Fixed Rate Bonds — NIFA has outstanding fixed rate bonds at rates ranging between 1.776% 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.

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

NIFA Long-Term Debt (Continued)

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

The County has assumed responsibility for calculating arbitrage rebated liability on bonds or notes issued by NIFA; however, any resulting payments would be made by NIFA. At December 31, 2017, there is no arbitrage rebate liability.

The aggregate debt service to retire bonds outstanding at December 31, 2017, in the table below, reflects stated maturities of principal and interest for all bonds. As noted above, NIFA is party to liquidity facility agreements/stand by purchase agreements in connection with the variable rate bonds.

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

Aggregate debt service to maturity, pursuant to the stated terms of the bond indenture agreements and assuming the variable rate bonds are remarketed and liquidity facility agreements are maintained over the term of the variable rate bond indentures, as of December 31, 2017, is as follows (dollars in thousands):

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest*</u>	<u>Total</u>
2018	\$ 118,505	\$ 23,931	\$ 142,436
2019	123,500	19,891	143,391
2020	117,556	15,640	133,196
2021	90,085	11,415	101,500
2022	78,689	8,056	86,745
2023 - 2025	125,649	8,345	133,994
	<u>\$ 653,984</u>	<u>\$ 87,278</u>	<u>\$ 741,262</u>

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

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

NIFA Long-Term Debt (Continued)

Prior Year Defeasance of Debt

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

At December 31, 2017, \$103.3 million of defeased bonds remains outstanding.

DERIVATIVE INSTRUMENTS – INTEREST RATE EXCHANGE SWAP AGREEMENTS

Derivative instruments, which consist of interest rate swap agreements (“Swaps”), have been reported at fair value as of December 31, 2017. As the interest rate swap agreements qualify as a hedging derivative instrument, the fair value has been recorded as a deferred outflow of resources.

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

Objectives of Swaps — The objectives of the Swaps are to protect against the potential of rising interest rates, to achieve a lower net cost of borrowing, to reduce exposure to changing interest rates on a related bond issue or in some cases where Federal tax law prohibits an advance refunding, and to achieve debt service savings through a synthetic fixed rate. In an effort to hedge against rising interest rates, NIFA entered into nine separate pay-fixed, receive-variable interest rate swap agreements in 2004, of which seven are active as of December 31, 2017.

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

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

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

NIFA Long-Term Debt (Continued)

DERIVATIVE INSTRUMENTS - INTEREST RATE EXCHANGE SWAP AGREEMENTS (Continued)

At December 31, 2017, the swap agreements related to the 2004 Series D and G have expired as the related debt has been repaid.

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

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

Terms – The initial notional amount totaled \$600.0 million, the principal associated with the 2004 Series B-K revenue bonds and totaled \$440.0 million for the principal associated with the sales tax secured bonds outstanding at December 31, 2017. The outstanding notional amount as of December 31, 2017 is \$372.9 million. Under the terms of the swaps, NIFA will pay fixed rates and receive a floating rate as follows:

2004 Revenue Bonds	Pay Fixed Rate	Receives Floating Rate
Series B,C,E,F	3.1460%	60% of USD-LIBOR + 0.16%
Series I, K, J	3.4320%	61.5% of USD-LIBOR + 0.2%

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

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

NIFA Long-Term Debt (Continued)

**DERIVATIVE INSTRUMENTS - INTEREST RATE EXCHANGE SWAP AGREEMENTS
(Continued)**

Replacement interest rates on the swaps, as of December 31, 2017, are reflected in the chart entitled “Derivative instruments - Interest Rate Swap Valuation” (the “Chart”). As noted in the Chart, replacement rates were lower than market interest rates on the effective date of the swaps. Consequently, as of December 31, 2017, the remaining swaps had negative fair values. In the event there is a positive fair value, NIFA would be exposed to the credit risk of the counterparties in the amount of the swaps’ fair value should the swap be terminated.

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

NIFA has determined the interest rate swaps (derivative instrument) to be a Level 2 measurement under the fair value hierarchy disclosure standards. As of December 31, 2017, the fair value of NIFA’s swaps, including accrued interest was (\$22.6 million).

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

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

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

To minimize the credit and counterparty credit risk exposure, NIFA’s swap policy requires that counterparties have credit ratings from at least one nationally recognized statistical rating agency that is within the two highest investment grade categories, without distinction as to grade within the category. If after entering into an agreement the ratings of the counterparty or its guarantor or credit support party are downgraded below the described ratings by any one of the rating agencies, then the agreement is subject to termination unless the counterparty provides either a substitute guarantor or assigns the agreement, in either case, to a party meeting the rating criteria reasonably acceptable to NIFA or collateralizes its obligations in accordance with the criteria set forth in the transaction documents. The counterparties have the ratings set forth on page 101.

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

NIFA Long-Term Debt (Continued)

**DERIVATIVE INSTRUMENTS - INTEREST RATE EXCHANGE SWAP AGREEMENTS
 (Continued)**

Risks Associated with the Swap Agreements (Continued)

The table below shows the diversification, by percentage of notional amount outstanding at December 31, 2017, among the various counterparties that have entered into agreements with NIFA.

<u>Counterparty</u>	<u>Dollars in Millions</u>	<u>Notional Percentage</u>
GSMMDP	\$ 162	43.43%
UBS AG	162	43.43%
MSCS	49	13.14%
	<u>\$ 373</u>	<u>100.0%</u>

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

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

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

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

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

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

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

NIFA Long-Term Debt (Continued)

**DERIVATIVE INSTRUMENTS - INTEREST RATE EXCHANGE SWAP AGREEMENTS
(Continued)**

Risks Associated with the Swap Agreements (Continued)

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

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

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

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

At December 31, 2017, the aggregate fair value of all hedging derivative instrument agreements whose terms contain such collateral provisions is negative \$22.6 million. Because NIFA’s credit rating is Aa1/AAA, no collateral has been required or posted.

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

- Baa1/BBB+: \$9.5 million in collateral to UBS AG and \$3.9 million in collateral to MSCS.
- Baa2/BBB+: \$9.5 million in collateral to UBS AG and \$3.9 million in collateral to MSCS.
- Baa2/BBB: \$9.5 million in collateral to GSMMDP, \$9.5 million in collateral to UBS AG and \$3.9 million in collateral to MSCS.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

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

NIFA Long-Term Debt (Continued)

DERIVATIVE INSTRUMENTS - INTEREST RATE EXCHANGE SWAP AGREEMENTS (Continued)

As of December 31, 2017, NIFA's Derivative Instrument - Interest Rate Swap Valuation is as follows:

(Dollars in Thousands)

Swap Agreements	2004 Series B	2004 Series C	2004 Series E	2004 Series F	2004 Series I	2004 Series J	2004 Series K	Total
Notional Amount								
Original Amount	\$ 72,500	\$ 72,500	\$ 72,500	\$ 72,500	\$ 50,000	\$ 50,000	\$ 50,000	\$ 440,000
At December 31, 2017	\$ 56,200	\$ 56,200	\$ 56,200	\$ 56,200	\$ 49,375	\$ 49,375	\$ 49,375	\$ 372,925
Counterparty	GSMMDP	GSMMDP	UBS	UBS	GSMMDP	UBS	MSCS	
Counterparty Rating (1)	Aa2/AA-/NA	Aa2/AA-/NA	A1/A/A	A1/A/A	Aa2/AAA/NA	A3/BBB+/A	A1/A/A	
Effective Date	April 8, 2004	April 8, 2004	April 8, 2004	April 8, 2004	December 9, 2004	December 9, 2004	December 9, 2004	
Maturity Date	November 15, 2024	November 15, 2024	November 15, 2024	November 15, 2024	November 15, 2025	November 15, 2025	November 15, 2025	
NIFA Pays	3.146%	3.146%	3.146%	3.146%	3.432%	3.432%	3.432%	
Replacement Rate	1.551%	1.154%	1.155%	1.154%	1.396%	1.396%	1.396%	
NIFA Receives	60% of LIBOR plus 16 basis points weekly (Tuesday)	60% of LIBOR plus 16 basis points weekly (Friday)	60% of LIBOR plus 16 basis points weekly (Tuesday)	60% of LIBOR plus 16 basis points weekly (Friday)	61.5% of LIBOR plus 20 basis points (Wednesday)	61.5% of LIBOR plus 20 basis points (Wednesday)	61.5% of LIBOR plus 20 basis points (Wednesday)	
Change in Fair Value	\$ 1,696	\$ 1,695	\$ 1,696	\$ 1,695	\$ 1,268	\$ 1,268	\$ 1,268	\$ 10,586
Net Accrued	\$ (211)	\$ (216)	\$ (211)	\$ (216)	\$ (185)	\$ (185)	\$ (185)	\$ (1,409)
Net Present Value	(2,517)	(2,519)	(2,517)	(2,519)	(3,692)	(3,692)	(3,692)	(21,148)
Total Fair Value of Swap	\$ (2,728)	\$ (2,735)	\$ (2,728)	\$ (2,735)	\$ (3,877)	\$ (3,877)	\$ (3,877)	\$ (22,557)

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

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

NIFA Long-Term Debt (Continued)

DERIVATIVE INSTRUMENTS - SWAP AGREEMENTS (Continued)

Swap Payments and Associated Debt - Using rates as of December 31, 2017, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, is shown below. As rates change over time, variable-rate bond interest payments and net swap payments will change.

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

Years Ending December 31,	Variable-Rate Bonds		Interest Rate Swaps, Net	Total Payments
	Principal	Interest		
2018	\$ 58,100	\$ 84	\$ 7,754	\$ 65,938
2019	90,875	65	6,456	97,396
2020	75,325	42	4,599	79,966
2021	51,050	28	3,103	54,181
2022	28,475	18	2,060	30,553
2023 - 2025	69,100	20	2,394	71,514
Total	\$ 372,925	\$ 257	\$ 26,366	\$ 399,548

NCSSWFA Long-Term Debt

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

	Balance January 1, 2017	Additions	Reductions	Balance December 31, 2017	Due within One Year
Revenue bonds payable:					
Series 2014A	\$ 144,055	\$	\$ 10,345	\$ 133,710	\$ 10,815
Premiums	24,280		1,987	22,293	
Total bonds payable	\$ 168,335	\$	\$ 12,332	\$ 156,003	\$ 10,815

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

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

NCSSWFA Long-Term Debt (Continued)

Aggregate debt service to maturity as of December 31, 2017, excluding premiums is as follows (dollars in thousands):

Years Ending December 31,	Principal	Interest	Total
2018	\$ 10,815	\$ 6,686	\$ 17,501
2019	11,370	6,145	17,515
2020	11,795	5,576	17,371
2021	12,365	4,987	17,352
2022	12,865	4,368	17,233
2023 - 2027	50,975	13,076	64,051
2028 - 2032	18,570	3,264	21,834
2033 - 2034	4,955	375	5,330
	<u>\$ 133,710</u>	<u>\$ 44,477</u>	<u>\$ 178,187</u>

Prior Year Defeasance of Debt – In 2014, NCSSWFA defeased certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payment on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County’s financial statements. At December 31, 2017, there were \$91.1 million in outstanding bonds considered defeased.

NCTSC Long-Term Debt

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

NCTSC used the proceeds from the Series 2006 Bonds, along with other funds, to: (i) refund all of the 1999 Bonds then-currently outstanding in the aggregate principal amount of \$272.1 million; (ii) fund a Senior Liquidity Reserve for the Series 2006 Senior Bonds of \$24.0 million; (iii) pay the costs of issuance of the Series 2006 Bonds; (iv) fund certain projected requirements for the Operating Account; (v) fund interest on the Series 2006 Bonds through the December 1, 2007 payment; and (vi) pay certain amounts to the NCTSC Residual Trust as registered owner of the Residual Certificate. Pursuant to the Indenture, TSRs received on or after April 1, 2008, are subject to the lien of the Indenture. Interest and principal paid on these bonds in 2017 totaled \$18.0 million and \$0, respectively.

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

NCTSC Long-Term Debt (Continued)

Any additional revenues received above the required debt service payments are required to fund sinking fund installments and/or Turbo Redemptions. NCTSC did not receive sufficient TSRs to fund the entire required debt service payment of \$18.0 million on its Series 2006 Bonds during 2017. NCTSC withdrew \$1.4 million from the Senior Liquidity Reserve Account to pay a portion of the interest payment on the Bonds due December 1, 2017. In accordance with the Indenture Agreement, the Senior Liquidity Reserve Account was underfunded at its required level by \$1.4 million at December 31, 2017.

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

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

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

A summary of changes in long-term liabilities for the blended component unit for the year ended December 31, 2017 is as follows (dollars in thousands):

	Balance			Balance		Due within
	January 1, 2017	Additions	Reductions	December 31, 2017	One Year	
Bonds Payable	\$ 400,537	\$	\$	\$ 400,537	\$	
Plus: Accreted interest	61,844	7,236		69,080		
Less: Bond discount	(5,912)	280		(5,632)		
Total bonds payable	<u>\$ 456,469</u>	<u>\$ 7,516</u>	<u>\$</u>	<u>\$ 463,985</u>	<u>\$</u>	<u>-0-</u>

Bonds outstanding and amounts including accretion since issuance at December 31, 2017, are as follows (dollars in thousands):

Description	Original Date Issued	Original Amount	Interest Rate	Maturity Date	Amount Outstanding	Amount Outstanding Including Acc. Interest
2006A1	4/5/2006	\$ 42,645	6.83%	6/1/2021	\$ 12,148	\$ 12,148
2006A2	4/5/2006	37,906	5.25%	6/1/2026	37,906	44,640
2006A3(2035)	4/5/2006	97,005	5.00%	6/1/2035	97,005	97,005
2006A3(2046)	4/5/2006	194,535	5.13%	6/1/2046	194,535	194,535
2006B	4/5/2006	10,670	5.80%	6/1/2046	10,670	20,877
2006C	4/5/2006	9,867	6.00%	6/1/2046	9,867	19,753
2006D	4/5/2006	37,604	6.40%	6/1/2060	37,604	78,787
2006E	4/5/2006	802	7.35%	6/1/2060	802	1,872
					<u>\$ 400,537</u>	<u>\$ 469,617</u>
					Unamortized Bond Discount	<u>(5,632)</u>
						<u>\$ 463,985</u>

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

EXHIBIT X-13

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

NCTSC Long-Term Debt (Continued)

The following table summarizes NCTSC's minimum future debt service requirements as of December 31, 2017 (dollars in thousands):

Years Ending December 31,	Principal	Interest	Total
2018	\$	\$ 17,993	\$ 17,993
2019		17,993	17,993
2020		17,993	17,993
2021	12,148	17,579	29,727
2022		17,164	17,164
2023 - 2027	37,906	89,038	126,944
2028 - 2032		74,101	74,101
2033 - 2037	97,005	61,975	158,980
2038 - 2042		49,850	49,850
2043 - 2047	215,072	226,322	441,394
2048 - 2052			
2053 - 2057			
2058 - 2060	38,406	1,141,809	1,180,215
	<u>\$ 400,537</u>	<u>\$ 1,731,817</u>	<u>\$ 2,132,354</u>

Nassau Community College Long-Term Debt

Long-term liability activity for the year ended August 31, 2017 follows (dollars in thousands):

	Balance			Balance		Due within
	September 1, 2016*	Additions	Reductions	August 31, 2017	One Year	
Due to County - ERS deferral	\$ 9,272	\$ 1,151	\$ 1,015	\$ 9,408	\$ 1,111	
Due to County long term note	8,919		475	8,444	895	
Accrued vacation and sick pay	52,384	2,920	52	55,252		
Accrued liabilities -						
termination pay	1,670	1,785	1,560	1,895	788	
Estimated liability for litigation	150			150		
Insurance reserve liability	2,012	15		2,027		
Endo note payable	751		35	716	38	
Net pension liability ERS	20,845		8,579	12,266		
Net pension liability TRS (asset)	1,437	(986)	1,438	(987)		
Postemployment retirement						
benefits payable	357,950	73,719	10,744	420,925		
Total long-term notes and liabilities	<u>\$ 455,390</u>	<u>\$ 78,604</u>	<u>\$ 23,898</u>	<u>\$ 510,096</u>	<u>\$ 2,832</u>	

* Certain reclassifications have been made to the prior year numbers to conform with the current year presentation.

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

Nassau Community College Long-Term Debt (Continued)

As of August 31, 2017, principal and interest payments for the Endo note payable are as follows (dollars in thousands):

Years Ending	Principal	Interest	Total
August 31,			
2018	\$ 38	\$ 56	\$ 94
2019	41	53	94
2020	44	49	93
2021	48	46	94
2022	52	42	94
2023 - 2027	333	136	469
2028 - 2029	160	13	173
Total	\$ 716	\$ 395	\$ 1,111

In fiscal years 2015 and 2016, the County borrowed \$2.5 million and \$7.5 million respectively to fund termination pay expenditures for the College’s employees. The College has a memorandum of agreement (“MOA”) to reimburse the County for a portion of the debt service related to these borrowings. As of August 31, 2017, principal and interest payments for the Due to County – long-term note associated with this MOA are as follows (dollars in thousands):

Years Ending	Principal	Interest	Total
August 31,			
2018	\$ 895	\$ 381	\$ 1,276
2019	740	349	1,089
2020	775	310	1,085
2021	815	270	1,085
2022	860	228	1,088
2023 - 2026	4,359	452	4,811
Total	\$ 8,444	\$ 1,990	\$ 10,434

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

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

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

Nassau Community College Long-Term Debt (Continued)

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

The College recognized approximately \$2.9 million in both State and local appropriations for contributions of capital assets in fiscal year 2017.

During fiscal year 2016, the County issued general obligation bonds of which a portion of the proceeds was used for College termination pay. The College has included a liability in the amount of \$6.3 million related to these bonds in the Due to Primary Government balance in the Statement of Net Position.

Nassau Health Care Corporation Long-Term Debt

A schedule of changes in the NHCC's long-term debt and noncurrent liabilities for 2017 is as follows (dollars in thousands):

	Balance			Balance	
	January 1, 2017	Additions	Reductions	December 31, 2017	Due within one year
Interest rate swap agreements	\$ 25,101	\$	\$ 4,020	\$ 21,081	\$
Bonds payable, net	216,400	603	14,115	202,888	14,851
Third party liabilities	34,525	1,472		35,997	16,261
Accrued vacation and sick pay	64,642	29,138	25,874	67,906	6,791
Insurance reserve liability	79,286	15,148	19,807	74,627	17,165
Accrued pension benefits/net pension liability	158,767	37,024	84,204	111,587	24,313
Postemployment retirement benefits liability	380,516	45,918	14,607	411,827	10,913
Total noncurrent liabilities	\$ 959,237	\$ 129,303	\$ 162,627	\$ 925,913	\$ 90,294

The NHCC's long-term debt at December 31, 2017 consisted of the following (dollars in thousands):

2009 Series A (taxable) Bonds payable at varying dates through August 1, 2022; variable rate demand bonds bearing interest at taxable variable rates with an effective average of approximately 1.06 % at December 31, 2017	\$ 15,195
2009 Series B, C and D Bonds payable at varying dates through August 1, 2029; variable rate demand bonds bearing interest at tax-exempt variable rates with an effective average of approximately 0.84% at December 31, 2017	187,090
Other Liabilities	603
	<u>202,888</u>
Current portion	<u>14,851</u>
Total long term debt	\$ <u>188,037</u>

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

Nassau Health Care Corporation Long-Term Debt (Continued)

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

Provider	Expiration Date	Principal Amount Covered Under Facility	Base Interest Rate	Interest Rate of LOC Draws	Maximum Loan Period (Years)	Loan Interest Rate	Annual Fee
Wells Fargo - Series C	July 6, 2018	\$ 61,860	Greater of Providers bank prime rate plus 2% or Federal Fund Rate plus 3% or 8%	Days 1-30 = Base Rate Days 31-180 = Base Rate plus 1%	3.5	Base rate plus 2%	90 basis points
TD Bank - Series B	June 30, 2018	\$ 71,105	Greater of WSJ Prime Rate or Federal Funds Rate plus 2%	Days 1-45 = Base Rate Days 46-90 = Base Rate plus 1% Days 91-135 = Base Rate plus 1.25% Days 136-180 = Base Rate plus 1.5% However, rate may never be below 6%	5.5	Greater of base rate plus 2% or 6%	70 basis points
J.P. Morgan - Series D	May 15, 2019	\$ 54,125	Greater of Prime Rate or 1 - month LIBOR plus 2.5% or 7.5%	Days 1-60 = Base Rate plus 1% Days 61-thereafter = Base Rate plus 2%	4	Same terms as interest rate on LOC draws	95 basis points
J.P. Morgan - Series A	May 15, 2019	\$ 15,195	Greater of Prime Rate plus 2% or Federal Funds Rate plus 3% or 7.5%	Days 1-60 = Base Rate plus 1% Days 61-thereafter = Base Rate plus 2%	3.25	Same terms as interest rate on LOC draws	95 basis points

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

Nassau Health Care Corporation Long-Term Debt (Continued)

If the reimbursement agreement were to be exercised because the entire issue of demand bonds was “put” on September 1, 2018 and not remarketed before 180 days with respect to the Series B & C bonds, or 13 months with respect to the Series A & D bonds, respectfully, the NHCC would be required to pay the following estimated annual amounts (principal and interest) assuming the interest rates that would be in effect at December 31, 2017.

Years Ending December 31,	Wells Fargo Series 2009 C	TD Bank Series 2009 B	JP Morgan Series 2009 A&D	Total
2018	\$ 1,252	\$ 998	\$ 1,356	\$ 3,606
2019	20,305	16,736	10,359	47,400
2020	20,220	15,985	25,761	61,966
2021	18,569	15,129	23,799	57,497
2022	8,666	14,274	16,561	39,501
2023 - 2024		16,640		16,640
	<u>\$ 69,012</u>	<u>\$ 79,762</u>	<u>\$ 77,836</u>	<u>\$ 226,610</u>

The NHCC is required to pay providers an annual commitment fee for the letter of credit as stated above per annum of the outstanding facility amount. Total letter of credit fees paid in 2017 approximated \$2.0 million.

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

In connection with the issuance of the 2009 Bonds, the NHCC incurred a loss of approximately \$31.5 million. The loss on refunding (the difference between the reacquisition price and the net carrying amount of the old debt) is carried as a deferred outflow of resources in the accompanying statement of net position. Amortization of the deferred loss is \$2.0 million for the year ended December 31, 2017.

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

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

Nassau Health Care Corporation Long-Term Debt (Continued)

Principal payments on long-term debt are due annually on August 1st. Interest payments are due monthly, on the first business day of each month. Estimated future interest payments are calculated using the assumed synthetic fixed rate of interest 3.457% for Series 2009B, C and D contemplated as part of the current interest rate swap agreements, and the initial assumed synthetic fixed rate of interest of 4.61% for Series 2009A under its prior swap agreements. Payments applicable to long-term debt for years subsequent to December 31, 2017 are as follows (dollars in thousands):

Years Ending December 31,	Principal	Estimated Interest	Total
2018	\$ 14,695	\$ 7,168	\$ 21,863
2019	15,290	6,630	21,920
2020	15,910	6,069	21,979
2021	16,565	5,484	22,049
2022	17,725	4,874	22,599
2023 - 2027	85,075	15,367	100,442
2028 - 2029	37,025	1,928	38,953
	<u>\$ 202,285</u>	<u>\$ 47,520</u>	<u>\$ 249,805</u>

In January 2017, the NHCC issued \$42.0 million of taxable 2017 Revenue Anticipation Notes with an interest rate of 2.75% that were due in January 2018 and secured by scheduled IGT payments and other New York State payments. The 2017 RANs were repaid in 2017.

Interest Rate Swap Agreements

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

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

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

GASB 72 addresses the accounting and financial reporting issues related to fair value measurements. GASB 72 defines fair value as the prices that would be received to sell an asset or paid to transfer a liability in an orderly transaction between swap counterparties at measurement date, which includes the nonperformance risk (the mark-to-market value excludes the risk of nonperformance).

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

Nassau Health Care Corporation Long-Term Debt (Continued)

Interest Rate Swap Agreements (Continued)

In April 2009, the NHCC undertook a current refunding of the 2004 Series C bonds. As part of the refunding, the three interest rate swap agreements (“Swaps”) were re-assigned to the new underlying 2009 Series B, C and D bonds with essentially identical terms except for a change in interest rate mode from auction rate to weekly variable rate demand bonds. The three Swaps associated with the 2004 Series C bonds were determined to be an effective hedging relationship and, as such, the changes in fair value of the swap through the refunding date totaling \$30.0 million were included in the deferred loss on refunding calculation and amortized over the life of the new bonds. The new association of the three swaps and the 2009 Series B, C and D bonds are considered an effective hedging relationship at December 31, 2017.

All settlement payments or receipts for hedging derivative instruments are recorded as a component of interest expense in the period settled and amounted to approximately \$5.1 million for the year ended December 31, 2017.

The NHCC’s hedging derivative instruments at December 31, 2017 are as follows:

Swap ID	Fair Value December 31, 2017	Net Change In Fair Value	Fair Value December 31, 2016	Type of Hedge	Financial Statement Classification for Changes in Fair Value
1	\$ (7,035)	\$ 1,344	\$ (8,379)	Cash Flow	Deferred Outflow
2	(7,023)	1,338	(8,361)	Cash Flow	Deferred Outflow
3	(7,023)	1,338	(8,361)	Cash Flow	Deferred Outflow
	<u>\$ (21,081)</u>	<u>\$ 4,020</u>	<u>\$ (25,101)</u>		

The terms of the NHCC’s financial derivative instrument that was outstanding at December 31, 2017 are summarized in the table below:

Counterparty	Effective Date	Termination Date	NHCC Pays	NHCC Receives	Outstanding Swap Notional (000s)
JP Morgan Chase	October 14, 2004	August 1, 2029	3.4570%	62.6% of 1-Month LIBOR + .23%	\$ 62,977
Merrill Lynch	October 14, 2004	August 1, 2029	3.4570%	62.6% of 1-Month LIBOR + .23%	\$ 62,812
UBS AG	October 14, 2004	August 1, 2029	3.4570%	62.6% of 1-Month LIBOR + .23%	\$ 62,812

The amount of outstanding debt covered by the three interest rate swap agreements total \$187.1 million and mature on August 1, 2029.

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

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

Nassau Health Care Corporation Long-Term Debt (Continued)

Interest Rate Swap Agreements (Continued)

Credit Risk – This is the risk that a counterparty will not fulfill its obligations. As of December 31, 2017, the NHCC has zero credit risk because the mark-to-market of the swaps are all negative. Since changes in interest rates affect the fair value of the swap agreement, it is possible that the swap agreement with a negative fair value becomes positive which would expose the NHCC to credit risk. Should the fair value of the swap become positive, to minimize its exposure to loss related to credit risk, the NHCC has collateral posting provisions included in the Credit Support Annex to the International Swap Dealers Association Agreements. The terms require that the Counterparties post collateral for an amount by which the swap fair value exceeds collateral credit threshold levels which range from \$50.0 million (A1 Moody’s and A+ S&P) to \$0 (Baa1 Moody’s BBB+ S&P or lower).

The unsecured long-term debt credit ratings for the Counterparties at December 31, 2017 were as follows:

Counterparty	Moody's	Standard and Poors	Fitch
JP Morgan Chase	Aa3	A+	AA-
Merrill Lynch (Bank of America)	A3	A-	A
UBS AG	A1	A+	AA-

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

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

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

OTB Long-Term Debt

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

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

Mortgages and bonds payable at December 31, 2017, consisted of the following (dollars in thousands):

Mortgage note – payable in 120 monthly installments of \$12.2 thousand including interest at 5.25% per annum. The mortgage is secured by the cash held by the financial institution	\$ 474
Mortgage note – payable in 120 monthly installments of \$8.1 thousand including interest at 4.25% per annum with a balloon payment of \$1.1 million. A final payment is due on January 1, 2024. The mortgage is secured by the underlying real property with a net book value of \$2.1 million at December 31, 2017 and the cash accounts held by the financial institution.	1,340
Bond payable - due in 15 annual installments of \$1.5 million plus semi-annual interest payments ranging from 3.4% to 4.0% per annum. A final payment is due on July 1, 2020. The bonds are secured by the underlying real property with a net book value of \$6.1 million at December 31, 2017.	4,342
	<u>\$ 6,156</u>

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

Years Ending December 31,	Principal	Interest	Total
2018	\$ 1,544	\$ 294	\$ 1,838
2019	1,549	231	1,780
2020	1,546	168	1,714
2021	109	134	243
2022	115	129	244
2023 - 2025	1,293	320	1,613
	<u>\$ 6,156</u>	<u>\$ 1,276</u>	<u>\$ 7,432</u>

13. REFINANCING OF LONG-TERM OBLIGATIONS

In December 2017, the County issued \$338.2 million in Public Improvement Refunding Bonds with interest rates ranging from 2.0% to 5.0% and annual maturities through October 2039.

The net proceeds of \$394.1 million (the par amount of the bonds plus a premium, net of additional proceeds of \$57.9 million less underwriter's fees, insurance and other issuance costs of \$2.0 million) were used to advance refund the following general improvement and sewer bonds:

(dollars in thousands)		
Bond	Amount	Average Interest Rate
2007 Series A	\$ 8,295	4.500%
2007 Series B	11,870	4.625%
2008 Series A	1,865	4.100%
2008 Series B	14,385	4.175%
2008 Series C	4,695	4.682%
2009 Series A	245	4.5%
2009 Series B	11,170	4.6%
2009 Series C	3,785	5.3%
2009 Series D	12,240	5.3%
2009 Series F	33,880	4.5%
2009 Series H	23,950	4.0%
2010 Series C	40,330	4.0%
2010 Series E	14,375	4.0%
2011 Series A	56,675	4.1%
2012 Series A	42,705	4.3%
2013 Series A	8,965	5.0%
2013 Series B	24,730	5.0%
2013 Series C	17,145	5.0%
2014 Series A	20,350	5.0%
2015 Series A	1,735	5.0%
2015 Series B	9,065	5.0%
	<u>\$ 362,455</u>	

The net proceeds were used to purchase U.S. Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. A deferred loss on bond refunding of \$13.9 million was recognized in relation to this refinancing, as deferred outflows of resources in the Statement of Net Position.

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

The advance refunding was done in order to reduce debt payments in the short-term. The refunding decreased total debt service payments by \$16.1 million. The overall transaction resulted in an economic gain (the difference between the present values of the debt service payments on the older and new debt) of \$17.5 million for the County.

13. REFINANCING OF LONG-TERM OBLIGATIONS (continued)

Defeasance of Debt

Prior to December 31, 2017, 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, 2017, approximately \$885.6 million of outstanding bonds (including NIFA and NCSSWFA) are considered defeased.

14. PENSION PLANS

Plan Description

The County, NIFA, NCC, and NHCC participate in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS") which are collectively referred to as the New York State and Local Retirement System ("the System"). These are cost-sharing multiple-employer defined benefit retirement systems. The net position of the System is held in the New York State Common Retirement Fund (the "Fund"), which was established to hold all assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law ("RSSL"). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The County, NIFA, NCC and NHCC also participate in the Public Employees' Group Life Insurance Plan ("GLIP"), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Benefits Provided

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

Tiers 1 and 2

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

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

14. PENSION PLANS (Continued)

Benefits Provided (Continued)

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

Tiers 3, 4, and 5

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

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

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

Tier 6

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

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

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

Disability Retirement Benefits

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

14. PENSION PLANS (Continued)

Benefits Provided (Continued)

Ordinary Death Benefits

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

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: 1) all pensioners who have attained age 62 and have been retired for five years; 2) all pensioners who have attained age 55 and have been retired for ten years; 3) all disability pensioners, regardless of age, who have been retired for five years; 4) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years; and 5) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50% of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1% or exceed 3%.

Funding Policy

The System is noncontributory except for those members who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) who generally contribute 3% of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service.

Under the authority of the 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.

14. PENSION PLANS (Continued)

Funding Policy (Continued)

2017 Contributions based on the State fiscal year ending March 31, 2017 for ERS and PFRS members were as follows (in thousands of dollars):

	<u>Annual Required Contribution</u>	<u>Credit & Miscellaneous Adjustments</u>	<u>Prepayment Discount</u>	<u>Amortization/ Deferral</u>	<u>2010 Past Service Credit 553B</u>	<u>Total Payment</u>
ERS	\$ 83,466	\$ 142	\$ (703)	\$ 1,603	\$ 69	\$ 84,577
PFRS	90,439		(761)	(1,849)		87,829

The contractually required contributions recorded by the County, inclusive of blended component units, for the year ended December 31, 2017 were as follows (in thousands):

	<u>Contractually Required Contribution</u>
ERS	\$ 76,263
PFRS	90,249

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

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

14. PENSION PLANS (Continued)

Funding Policy (Continued)

This law requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years when the County opted to participate in the program. Because the County's fiscal year differs from the System's fiscal year, the County's liability for the unpaid amounts and the annual expense for the amortization of that liability will differ in the County's financial statements to the amounts reported in the previously presented tables. The total unpaid pension amortization liability reported in the Primary Government's Statement of Net Position at the end of the year attributable to Chapter 57, Laws of 2010 was \$50.9 million, of which \$4.0 million was attributable to NCC's ERS members as of December 31, 2017. Amortization contributions will be paid in ten equal installments, one per year, but may be prepaid at any time. The County has elected to amortize over the ten-year period. The interest rate will be established annually for each year's amortization and paid out of current resources in that year. Future principal and interest payments to maturity for the amortization installments for the County (including NCC) are as follows:

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

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Years ending December 31, 2018	\$ 4,035	\$ 687	\$ 4,722
2019	4,186	536	4,722
2020	4,343	379	4,722
2021	5,600	258	5,858
2022	175	7	182
Totals	<u>\$ 18,339</u>	<u>\$ 1,867</u>	<u>\$ 20,206</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Years ending December 31, 2018	\$ 5,775	\$ 976	\$ 6,751
2019	5,949	802	6,751
2020	6,127	624	6,751
2021	6,311	440	6,751
2022	8,069	298	8,367
2023	280	8	288
Totals	<u>\$ 32,511</u>	<u>\$ 3,148</u>	<u>\$ 35,659</u>

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 in New York State fiscal year ending 2014 was 3.76% over 12 years. The interest rate for repayment of amounts amortized in New York State fiscal year ending 2015 is 3.50% over 12 years. The interest rate for repayment of amounts amortized in New York State Fiscal Year Ending 2016 is 3.31% over 12 years. The interest rate for repayment of amounts amortized in New York State Fiscal Year Ending 2017 is 2.63% over 12 years. The interest rate for repayment of amounts amortized in New York State Fiscal Year Ending 2018 is 3.31% over 12 years.

This law requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years when the County opted to participate in the program. Because the County's fiscal year differs from the System's fiscal year, the County's liability for the unpaid amounts and the annual expense for the amortization of that liability will differ in the County's financial statements to the amounts reported in the previously presented tables. The total unpaid pension amortization liability reported in the Primary Government's Statement of Net Position at the end of the fiscal year attributable to Chapter 57, Part BB, Laws of 2013 was \$184.0 million, of which \$9.2 million as of December 31, 2017 was attributable to NCC's ERS members. Amortization contributions will be paid in twelve equal installments, one per year but may be prepaid at any time. The County has elected to amortize over the twelve-year period. The interest rate will be established annually for each year's amortization and paid out of current resources in that year.

14. PENSION PLANS (Continued)

Funding Policy (Continued)

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

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

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Years ending December 31, 2018	\$ 5,534	\$ 1,976	\$ 7,510
2019	5,742	1,768	7,510
2020	5,958	1,552	7,510
2021	6,182	1,328	7,510
2022	6,414	1,096	7,510
2023-2026	22,725	1,878	24,603
Totals	<u>\$ 52,555</u>	<u>\$ 9,598</u>	<u>\$ 62,153</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, 2018	\$ 4,579	\$ 1,722	\$ 6,301
2019	4,739	1,562	6,301
2020	4,905	1,396	6,301
2021	5,076	1,225	6,301
2022	5,254	1,047	6,301
2023-2027	24,650	2,343	26,993
Totals	<u>\$ 49,203</u>	<u>\$ 9,295</u>	<u>\$ 58,498</u>

14. PENSION PLANS (Continued)

Funding Policy (Continued)

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, 2018	\$ 3,012	\$ 1,174	\$ 4,186
2019	3,111	1,075	4,186
2020	3,214	972	4,186
2021	3,321	865	4,186
2022	3,431	755	4,186
2023-2027	19,905	1,967	21,872
2028	187	6	193
Totals	<u>\$ 36,181</u>	<u>\$ 6,814</u>	<u>\$ 42,995</u>

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, 2018	\$ 2,180	\$ 728	\$ 2,908
2019	2,238	670	2,908
2020	2,297	611	2,908
2021	2,357	551	2,908
2022	2,419	489	2,908
2023-2027	13,083	1,445	14,528
2028-2029	3,619	83	3,702
Totals	<u>\$ 28,193</u>	<u>\$ 4,577</u>	<u>\$ 32,770</u>

14. PENSION PLANS (Continued)

Funding Policy (Continued)

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, 2018	\$ 1,268	\$ 506	\$ 1,774
2019	1,304	470	1,774
2020	1,341	433	1,774
2021	1,379	395	1,774
2022	1,418	356	1,774
2023-2027	7,716	1,153	8,869
2028-2030	3,400	148	3,548
Totals	<u>\$ 17,826</u>	<u>\$ 3,461</u>	<u>\$ 21,287</u>

* The amortization shown in this table represents only the amounts due and payable as of the County's fiscal year end of December 31, 2017

In addition to the amortizations above, the County is amortizing 2010 prior service credits for ERS members of \$0.5 million over ten years, beginning in 2011 at an interest rate of 8.0%. The total unpaid liability reported in the Primary Government's Statement of Net Position at the end of the fiscal year was \$0.2 million, and \$69 thousand (including interest) was charged to the Primary Government's governmental funds in the current fiscal year. Future principal and interest payments to maturity for the remaining installments to be paid out of current resources are as follows:

Prior Service Credits 553B
(in thousands of dollars)

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Years ending December 31, 2018	\$ 54	\$ 15	\$ 69
2019	58	11	69
2020	78	8	86
Totals	<u>\$ 190</u>	<u>\$ 34</u>	<u>\$ 224</u>

14. PENSION PLANS (Continued)

Funding Policy (Continued)

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

		<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Years ending December 31,	2018	\$ 26,437	\$ 7,784	\$ 34,221
	2019	27,327	6,894	34,221
	2020	28,263	5,975	34,238
	2021	30,226	5,062	35,288
	2022	27,180	4,048	31,228
	2023-2027	88,359	8,794	97,153
	2028-2030	7,206	237	7,443
	Totals	<u>\$ 234,998</u>	<u>\$ 38,794</u> *	<u>\$ 273,792</u>

*2018 amortization only includes amounts due and payable as of December 31, 2017

NHCC

NYSRSSL Chapter 57 of the Laws of 2010 authorized the New York State and local employers to amortize over ten years, at 2.63% (2017), 3.21% (2016), 3.15% (2015), 3.67% (2014) and 3.00% (2013) interest, the portion of their annual bill that exceeded 16.2%, 14.5%, 13.5%, 12.5%, and 11.5% of payroll for its 2017, 2016, 2015, 2014, and 2013 pension bills, respectively. The total amount due at December 31, 2017 related to these deferred pension contributions is approximately \$42.9 million of which \$4.7 million is included in current liabilities and \$38.1 million is included as part of other long-term liabilities.

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

At December 31, 2017, the County (inclusive of NIFA), reported a liability of \$360.3 million for its proportionate share of the net pension liability of the System. The net pension liability was measured as of March 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2016, with updated procedures to roll forward the total pension liability to March 31, 2017. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

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

	Primary Government		Major Discretely Presented Component Units			
	<u>County</u>		<u>NIFA</u>	<u>NCC</u>		<u>NHCC</u>
	<u>ERS</u>	<u>PFRS</u>	<u>ERS</u>	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>
Measurement Date	March 31, 2017	March 31, 2017	March 31, 2017	March 31, 2017	June 30, 2017	March 31, 2017
Net Pension Liability (Asset)	\$ 169,157	\$ 190,995	\$ 126	\$ 12,266	\$ (987)	\$ 68,606
Allocation of the System's						
Total Net Liability (Asset)	1.9324746%	9.215762%	0.00134290%	0.00130000%	0.00129804%	0.73014160%

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
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EXHIBIT X-13

14. PENSION PLANS (Continued)

There was no significant change in the County's (inclusive of NIFA), NCC's, and NHCC's proportionate share from March 31, 2016 to March 31, 2017.

For the year ended December 31, 2017, the County, exclusive of component units, recognized pension expense of \$75.9 million for ERS and \$68.5 million for PFRS.

At December 31, 2017, the County (inclusive of NIFA), NCC and NHCC reported deferred outflows and inflows of resources related to ERS and PFRS pensions from the following sources (in thousands of dollars):

	Primary Government				Major Discretely Presented Component Units			
	Deferred Outflows of Resources		Deferred Inflows of Resources		Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	PFRS	ERS	PFRS	NCC*	NHCC	NCC*	NHCC
Differences between expected and actual experience	\$ 4,243	\$ 25,057	\$ 25,711	\$ 33,002	\$ 307	\$ 1,719	\$ 1,863	\$ 10,418
Changes of assumptions	57,843	94,103			4,191	23,439		
Net difference between projected and actual earnings on pension plan investments	33,818	28,527			2,450	13,703		
Changes in proportion and differences between the Employer's contribution and proportionate share of contributions	10,524	23,753	13		759	3,883		877
Employer's contribution subsequent to the measurement date, net of prepaid amounts	61,791	68,540			2,202			
Total	\$ 168,219	\$ 239,980	\$ 25,724	\$ 33,002	\$ 9,909	\$ 42,744	\$ 1,863	\$ 11,295

*Amounts are reported for the year ending August 31, 2017

For the year ended August 31, 2017, NCC recognized pension expense of \$2.6 million related to TRS. At June 30, 2017, 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	\$ 812	\$ 385
Changes of assumptions	10,039	
Net difference between projected and actual earnings on pension plan investments		2,324
Changes in proportion and differences between the Employer's contribution and proportionate share of contributions	765	135
Employer's contributions subsequent to the measurement date	2,411	
Total	\$ 14,027	\$ 2,844

14. PENSION PLANS (Continued)

The County's contributions (inclusive of NIFA) made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands of dollars):

	Primary Government		Major Discretely Presented Component Units		
			NCC		NHCC
	ERS	PFRS	ERS	TRS	ERS
Year Ended December 31, 2018	\$ 35,372	\$ 43,695	\$ 2,562	\$ 352	\$ 13,922
2019	35,372	43,695	2,561	2,780	13,922
2020	31,246	41,566	2,263	2,024	12,217
2021	(21,286)	2,602	(1,542)	595	(8,612)
2022		6,880		2,019	
Thereafter				1,002	
Totals	<u>\$ 80,704</u>	<u>\$ 138,438</u>	<u>\$ 5,844</u>	<u>\$ 8,772</u>	<u>\$ 31,449</u>

Actuarial Assumptions – ERS and PFRS

The total pension liability as of the measurement date was determined by using an actuarial valuation as of April 1, 2016, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

	ERS	PFRS
Actuarial cost method	Entry age normal	Entry age normal
Inflation	2.50%	2.50%
Salary scale	3.80%	4.50%
Investment rate of return, including inflation	7.00%	7.00%
Cost of living adjustments	1.30%	1.30%
Decrement tables	Developed from the Plan's 2015 experience study of the period April 1, 2010 through March 31, 2015	Developed from the Plan's 2015 experience study of the period April 1, 2010 through March 31, 2015
Mortality Improvement	Society of Actuaries Scale MP-2014	Society of Actuaries Scale MP-2014

14. PENSION PLANS (Continued)

Actuarial Assumptions – NCC - TRS

The net pension liability was measured as of June 30, 2017, and was determined by an actuarial valuation at June 30, 2016, with update procedures used to roll forward the total pension liability to June 30, 2017. During the measurement period, there were no changes in assumptions or benefit terms. The actuarial assumptions used in June 30, 2016 valuation were based on the actuarial experience study for the period July 1, 2009 to June 30, 2014. The actuarial valuations used the following actuarial assumptions:

	<u>TRS</u>
Actuarial cost method	Aggregate Cost Method
Inflation	2.50%
Salary scale	Based on Years of Service
	5 years - 4.72%
	15 years - 3.46%
	25 years - 2.37%
	35 years - 1.9%
Investment rate of return, including inflation	7.50%
Cost of living adjustments	1.50%
Annuitant Mortality Rates	Based on plan member experience
Morality Improvement	Society of Actuaries Scale MP2014

The long-term expected rate of return on 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.

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 March 31, 2017 are summarized below for ERS and PFRS:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Rate of Return</u>
Domestic equity	36.00%	4.55%
International equity	14.00%	6.35%
Private equity	10.00%	7.75%
Real estate	10.00%	5.80%
Absolute return strategies	2.00%	4.00%
Opportunistic portfolio	3.00%	5.89%
Real assets	3.00%	5.54%
Bonds and mortgages	17.00%	1.31%
Cash	1.00%	-0.25%
Inflation-indexed bonds	4.00%	1.50%
	<u>100.00%</u>	

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2017 are summarized below for TRS:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Rate of Return</u>
Domestic equity	35.00%	5.90%
International equity	18.00%	7.40%
Real estate	11.00%	4.30%
Alternative investments	8.00%	9.00%
Total equities	<u>72.00%</u>	
Domestic fixed income securities	16.00%	1.60%
Global fixed income securities	3.00%	1.30%
Mortgages	8.00%	2.80%
Cash Equivalent	1.00%	0.60%
Total fixed income	<u>28.00%</u>	
	<u>100.00%</u>	

14. PENSION PLANS (Continued)

Discount Rate

The discount rate used to calculate the total pension liability was 7.0% for the System (ERS and PFRS) and 7.5% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	Primary Government		Major Discretely Presented Component Units	
			NCC	NHCC
	ERS	PFRS	ERS	ERS
Net Pension Liability (Asset):				
1% Decrease 6.00%	540,753	541,504	39,176	219,113
Current Assumption 7.00%	169,283	190,995	12,266	68,606
1% Increase 8.00%	(144,738)	(102,968)	(10,486)	(58,648)

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

The following presents the NCC's proportionate share of the net pension asset calculated using the discount rate of 7.25%, NCC's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%) than the current rate (in thousands of dollars):

	1% Decrease	Current	1% Increase
	6.25%	Discount	8.25%
		7.25%	
Net Pension Liability (Asset)	16,997	(987)	(16,047)

14. PENSION PLANS (Continued)

ORP: NCC employees may also participate in an Optional Retirement Program (ORP) under IRS Section 401(a), which is a multiple-employer, defined contribution plan administered by separate vendors – TIAA-Cref, Metropolitan Life, VALIC, an AETNA. ORP employer and employee contributions are dictated by State law. The ORP provides benefits through annuity contracts and provides retirement and death benefits to those employees who elected to participate in an ORP. Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits generally vest after the completion of one year of service if the employee is retained thereafter. Employer contributions are not remitted to an ORP plan until an employee is fully vested. As such there are no forfeitures reported by these plans if an employee is terminated prior to vesting. Employees who joined an ORP after July 27, 1976, and have less than ten years of service or membership are required to contribute 3% of their salary. Those joining on or after April 1, 2012 are required to contribute between 3% and 6%, dependent upon their salary for their entire working career. Employee contributions range from 8% to 15% depending upon when the employee was hired. Employee contributions are deducted from their salaries and remitted on a current basis to the respective ORP. For the year ended August 31, 2017, NCC recognized pension expense of approximately \$5.7 million.

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>.

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

EXHIBIT X-13

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

The following reconciles fund balances at December 31, 2017 as prepared on a GAAP basis to the budgetary basis of reporting (dollars in thousands):

	<u>General</u>	<u>Police District Fund</u>	<u>Sewer & Storm Water District</u>	<u>Capital Fund</u>	<u>Nonmajor Governmental Funds</u>
Fund Balances at December 31, 2017, Prepared in accordance with GAAP	\$ 81,092	\$ (6,006)	\$ 24,085	\$ 147,845	\$ 108,172
Add:					
Funding for Tax Certiorari and Other Judgments	709				
Pension Benefits - Modified Accrual Basis Only	88,396	37,811	1,337		
Sale of Mitchel Field Leases	29,896				
Deferred revenues	5,093		5,207		
Reclass bond proceeds and capital expenditures	3,521				
Debt Service Payment for Termination Pay for NCC	475				
Less:					
Encumbrances	(56,388)	(1,203)	(2,079)		
Payments for Tax Certiorari and Other Judgments	(1,939)	(5,773)			
Reclass bond proceeds and capital expenditures	(3,521)				
Debt Service Payment for Termination Pay for NCC	(475)				
Reimbursement of Interest	(695)				
Unbudgeted FEMA Fund					(525)
Unbudgeted Grant Fund					(30,578)
Unbudgeted NCTSC					(259)
Unbudgeted Capital Project Fund				(147,845)	
Unbudgeted NCSSWFA					(3,479)
Unbudgeted NCTSC Debt Service Fund					(22,601)
Unbudgeted NIFA Debt Service Fund					(48,695)
Fund Balances at December 31, 2017, Prepared on the Budgetary Basis of Reporting	<u>\$ 146,164</u>	<u>\$ 24,829</u>	<u>\$ 28,550</u>	<u>\$</u>	<u>\$ 2,035</u>

COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

EXHIBIT X-13

16. FUND BALANCES

Fund balance classifications for the governmental funds at December 31, 2017 were (dollars in thousands):

	General	NIFA Fund	Police District Fund	Sewer & Storm Water Fund	Capital Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:							
Prepays and other	\$ 47,999	\$ 56	\$ 12,604	\$ 446	\$	\$ 924	\$ 62,029
Long-term receivable - due from component unit	6,000						6,000
Total Nonspendable	53,999	56	12,604	446		924	68,029
Spendable:							
Restricted for:							
Capital projects					2,912		2,912
Debt service	11,498					74,639	86,137
Open space	1,810						1,810
Judgments and settlements	45,000					62	45,062
Judicial						807	807
General Administration						7,836	7,836
Protection of Persons						247	247
Health						8,974	8,974
Public Works						11,798	11,798
Recreation and Parks						163	163
Social Services						265	265
Corrections						101	101
Total Restricted	58,308				2,912	104,892	166,112
Committed to:							
Capital projects					144,933		144,933
Technology	79						79
General Administration	54						54
Environmental Protection						1,973	1,973
Protection of Persons	13,084						13,084
Judgments and settlements			5,773				5,773
Total Committed	13,217		5,773		144,933	1,973	165,896
Assigned to:							
General Administration		679				383	1,062
Public Works				23,639			23,639
Total Assigned		679		23,639		383	24,701
Unassigned	(44,432)		(24,383)				(68,815)
Total Fund Balance	\$ 81,092	\$ 735	\$ (6,006)	\$ 24,085	\$ 147,845	\$ 108,172	\$ 355,923

17. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

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

Funding Policy

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. CSEA and 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. PBA, SOA, and DAI employees are eligible after 20 years of service, regardless of age. COBA employees are eligible after 25 years of service, regardless of age.

The County contributes 100% of the health insurance costs for the Governmental Employees Health Insurance Program for all County employees earning a salary of less than \$30,000, for all County employees who retired between December 31, 1975 and January 1, 2002, as well as all IPBA employees.

Non-union (“Ordinance”) employees hired on or after January 1, 2002 are required to contribute either 5% or 10% of the premium cost depending on type of coverage. CSEA, PBA, DAI, SOA, COBA and Ordinance employees hired on or after July 1, 2014 are required to contribute 15% of the premium cost if enrolled in The Empire Plan. If enrolled in an alternative plan then the County shall pay, towards the cost of the premium, all amounts up to the monetary equivalent of 85% of the cost of The Empire Plan. To the extent the annual premium of said alternative plan exceeds the 85% of the cost of The Empire Plan, the employee shall pay the difference. For employees who retired after December 31, 1975, the County’s contribution is reduced in accordance with the union agreement applicable to their respective retirement dates.

Nassau County is not required by law to provide funding other than the pay-as-you-go amount necessary to provide current benefits to retirees and eligible beneficiaries/dependents. The County recognizes the expenditure of providing current and post-retirement health care benefits in the year to which the insurance premiums apply. The total cost of providing health care benefits, exclusive of the blended component units, was \$318.0 million in 2017, of which approximately \$168.9 million was for retirees and approximately \$149.1 million was for active employees and other eligible individuals.

17. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Annual OPEB Cost and Net OPEB Obligation

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.
- Non-union (Ordinance #543) employees hired on or after July 1, 2014 and earning a salary greater than \$30,000 per year, in the year of retirement: Contribute 15% of premium for single or family coverage if enrolled in The Empire Plan. If enrolled in an alternative plan then the County shall pay, towards the cost of the premium in either the single or family plan, all amounts up to the monetary equivalent of 85% of the cost of The Empire Plan. To the extent the annual premium of said alternative plan exceeds the 85% of the cost of The Empire Plan, the employee shall pay the difference.
- Union employees (Civil Service Employees Association Local 830 (“CSEA”), Nassau County Police Benevolent Association (“PBA”), Nassau County Detectives Association (“DAI”), Nassau County Superior Officers Association (“SOA”), Nassau County Sheriff’s Correction Officers Benevolent Association (“COBA”), hired prior to April 1, 2014: No employee contribution
- Nassau County Investigators Police Benevolent Association (“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).

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

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

17. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Annual OPEB Cost and Net OPEB Obligation (Continued)

The County elected to record the entire amount of the Unfunded Actuarial Accrued Liability (“UAAL”), totaling approximately \$3.5 billion in the fiscal year ended December 31, 2007, and not to fund the UAAL in excess of the pay-as-you-go amounts necessary to provide current benefits to retirees and eligible beneficiaries/dependents. The UAAL, including accrued interest relating to postemployment benefits is approximately \$6.2 billion as of December 31, 2017 which included both the County and an allocation of the Nassau Health Care Corporation’s cost as of December 31, 2017. The County is not required by law or contractual agreement to provide funding for postemployment retirement benefits other than the pay-as-you-go amount necessary to provide current benefits to retirees and eligible beneficiaries/dependents.

During the fiscal year ended December 31, 2017, the County paid \$168.9 million on behalf of the Plan, exclusive of blended component units.

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

The following table shows the elements of the County’s annual OPEB cost for the year, the amount actually paid, and changes in the County’s net OPEB obligation to the plan for the year ended December 31, 2017 (dollars in thousands):

Calculation of ARC and Annual OPEB Cost

	Primary Government			Major Discretely Presented Components	
	Nassau County	Nassau County Interim Finance Authority	Total	*Nassau Community College	**Nassau Health Care Corporation
Amortization of UAAL	\$ 188,647	\$ 88	\$ 188,735	\$ 16,461	N/A
Service Cost at the Beginning of year	6,246,340	2,071	6,248,411	408,306	N/A
Interest	104,569	35	104,604	6,902	N/A
Annual Required Contribution	6,539,556	2,194	6,541,750	431,669	44,832
Interest on net OPEB Obligations	168,211	73	168,284	11,633	15,220
Adjustment to ARC	(5,343,934)	(2,318)	(5,346,252)	(369,583)	(14,134)
Total Annual OPEB cost	1,363,833	(51)	1,363,782	73,719	45,918
Actual Contributions	168,889	70	168,959	10,744	14,607
Increase in net OPEB obligation	1,194,944	(121)	1,194,823	62,975	31,311
Net OPEB Obligation 2016	5,175,723	2,245	5,177,968	357,950	380,516
Net OPEB Obligation 2017	\$ 6,370,667	\$ 2,124	\$ 6,372,791	\$ 420,925	\$ 411,827

* Nassau Community College data as of fiscal year ended August 31, 2017

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

17. OTHER POSTEMPLOYMENT BENEFITS (continued)

Annual OPEB Cost and Net OPEB Obligation (continued)

As of January 1, 2017, the original valuation date, the County’s actuarial accrued liability was approximately \$6.2 billion. The County’s annual OPEB cost, the actual annual OPEB amount contributed to the plan, and the net OPEB obligation, exclusive of blended component units, for the fiscal years ended December 31, 2017, 2016 and 2015, were as follows (dollars in thousands):

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Actual Annual OPEB Cost Paid</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/17	\$ 1,363,833	\$ 168,889	12.4%	\$ 6,370,667
12/31/16	\$ 309,820	\$ 164,847	53.2%	\$ 5,175,723
12/31/15	\$ 299,797	\$ 151,819	50.6%	\$ 5,030,750

Actuarial Methods and Assumptions

The OPEB-specific actuarial assumptions used in the January 1, 2017, OPEB actuarial valuation (which is required at least biennially) are as follows:

Valuation date:	January 1, 2017
Actuarial cost method:	Projected Unit Credit Method
Discount rate:	3.25% per annum, 4.00% for NHCC
Inflation rate:	2.5%

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

Medicare Part B reimbursements and dental premiums were assumed to have a separate annual trend of 4.5% and 4.0%, respectively. Vision benefit costs are limited by contract and no trend was applied. For medical benefits, actual 2017 Empire premiums were used. Trend increases for medical benefits start in 2017 at a 8.4% level prior to Medicare eligibility and a 7.7% level after Medicare eligibility.

17. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Methods and Assumptions (Continued)

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

Fiscal Year	Prior to Medicare Eligibility	After Medicare Eligibility
2017	8.4%	7.7%
2018	6.2	6.0
2019	6.4	5.5
2020	5.3	5.1
2021	5.8	5.1
2026	5.7	4.9
2031	5.7	4.9
2036	5.6	5.0
2041	5.6	5.0
2046	5.3	5.7
2051	5.1	5.5
2076	4.1	4.2
2101	4.0	4.1

NHCC used an annual health care cost trend rate of 8.6% in 2017 and grading down to an ultimate rate of 3.5%.

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

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

Monthly premium rates for the projected January 1, 2017 valuation are shown in the following table:

Pre-65 Non- Medicare	
Single	\$ 944.39
Family	2,160.64
Post-65 Medicare	
Single	421.40
Family – 1 Medprime	1,114.63
Family – 2 Medprime	1,637.63
Medicare (Part B) – per person	104.90

Medicare Part B reimbursements were assumed to equal \$109 per month during 2017.

17. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Methods and Assumptions (Continued)

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

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

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

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

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

The schedule of funding progress, found below and immediately following the notes to the financial statements, presents the results of the OPEB valuation as of January 1, 2017, for the fiscal year ending December 31, 2017 (inclusive of NIFA). The schedule provides trend information about whether the actuarial values of the plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits (dollars in thousands):

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
1/1/17	\$ 0	\$ 6,248,411	\$ 6,248,411	0.0%	\$ 825,953	756.5%

The significant increase in the AAL and UAAL was due to the changes in assumptions. The actuarial assumptions on withdrawal, retirement, and disability were changed from the previous valuation to conform to the changes by the ERS and PFRS. The healthcare and dental trend rates have been modified to reflect anticipated experience. The per capital claims cost assumption has been updated to reflect differences by age in accordance with Actuarial Standard of Practice No. 6.

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 \$515.0 million inclusive of blended components units at December 31, 2017. At August 31, 2017, NCC's vacation leave and sick leave liability was \$55.3 million. At December 31, 2017, NHCC's vacation and sick leave liability was \$67.9 million.

19. DEFERRED PAYROLL

In 2009, the County entered into agreements with the Civil Service Employees' Association ("CSEA"), the Police Benevolent Association, ("PBA"), Superior Officers Association, ("SOA"), Detective Association, Inc. ("DAI"), and the Sheriff's Corrections Officers Benevolent Association ("COBA") and certain Ordinance employees, to defer 10 days' pay, which shall be paid to the employee on separation of service at the salary rate then in effect. The County also entered into bargaining agreements with CSEA, PBA, SOA, DAI, and COBA that include deferrals of wages and longevity that cover various periods of time during 2007 through 2016. The amount accrued at December 31, 2017 was approximately \$39.6 million and will be paid upon employee separation from the County. 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. The amount accrued at December 31, 2017 of approximately \$22.8 million represents termination pay for accumulated leave to be paid annually for three years beginning in January 2018, and is included in the County's long-term liability reported in the government-wide Statement of Net Position.

In 2017 the County amended a 2009 ordinance, and extended the option for certain officers and employees, to elect to have their termination pay, paid in a single installment. The amount accrued at December 31, 2017 was approximately \$14.6 million and was paid out in a lump sum to the separated employees in January 2018.

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 College's fiscal year close of August 31, 2017 was approximately \$2.5 million and will be paid upon employee separation from the College; this amount is included in the County's liability reported in the government-wide Statement of Net Position.

20. TAX ABATEMENT DISCLOSURE

Net tax abatements affecting Nassau County taxes totaling \$24.0 million are issued by three Industrial Developmental Agencies ("IDAs") as established by Article 18-A of General Municipal Law, of New York State. These agencies are:

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

Town of Hempstead Industrial Development Agency
350 Front Street, Room 240
Hempstead, New York 11550

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

20. TAX ABATEMENT DISCLOSURE (Continued)

Tax abatements are issued to provide opportunities to actively promote, attract, encourage and develop economically sound commerce and industry. Real estate tax exemptions and sales tax exemptions can be granted through a Payment in Lieu of Taxes (“PILOT”) 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 collects the PILOTs for the Town of Hempstead IDA, and the Glen Cove IDA collects its own. Both are required to remit to the County its share of each PILOT. If the provisions for recapture in each PILOT agreement are not met, recapture payments are made directly to the IDA and then remitted to the County. The IDAs are authorized and deemed eligible to enter into PILOT agreements per Real Property Tax Law, Section 412-a and General Municipal Law, Section 874.

The IDAs are required to submit an Annual Report to the State of New York Authorities Budget Office (Authority) by April 1st of each year. The annual reports provide information for all fiscal year activity for agreements entered into by each IDA. These reports were used to prepare the data presented in this footnote. 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, 2017 is shown below. PILOT payments due to the County for the Town of Hempstead IDA PILOTs are estimated to be \$5.2 million based on a confirmation received from the Town of Hempstead Comptroller.

Nassau County Industrial Development Agency

Project	Program	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	\$	\$	1,275	\$ 391	\$ 884
	Manufacturing			12	15	(3)
	Services			814	445	369
Leases						
	Agriculture			24	5	19
	Finance, Insurance and Real Estate	2,121	8,431	1,831		8,721
	Manufacturing	22	1,049	612		459
	Other Categories				212	(212)
	Services	600	4,903	2,316		3,187
	Transportation, Communication, Electric, Gas and Sanitary Services			165	157	8
	Wholesale Trade			52	1,305	833
	Total	\$ 2,795	\$ 17,978	\$ 6,817	\$	13,956

**COUNTY OF NASSAU, NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017**

EXHIBIT X-13

20. TAX ABATEMENT DISCLOSURE (Continued)

Town of Hempstead Industrial Development

Project	Program	Sales Tax Abated	County Real Property Tax Abated	PILOT Payments to County	Net Abatement
Bonds/Notes Issuance					
	Finance, Insurance and Real Estate	\$	\$ 239	\$ 154	\$ 85
	Services		85		85
Leases					
	Construction	553	224	49	728
	Continuing Care Retirement Communities		500	473	27
	Finance, Insurance and Real Estate	464	865	501	828
	Manufacturing	3	125	111	17
	Other Categories	174	622	545	251
	Retail Trade	227	5,044	1,262	4,009
	Services		1,870	1,461	409
	Transportation, Communication, Electric, Gas and Sanitary Services		4,242	654	3,588
	Wholesale Trade		27	37	(10)
Total		\$ 1,421	\$ 13,843	\$ 5,247	\$ 10,017

Glen Cove Industrial Development Agency

Project	Program	Sales Tax Abated	County Real Property Tax Abated	PILOT Payments to County	Net Abatement
Bonds/Notes Issuance					
	Construction	\$	\$ 43	\$ 40	\$ 3
Leases					
	Construction		351	322	29
	Real Estate		23	60	(37)
	Retail Trade		28	7	21
	Services		23	14	9
Total		\$	\$ 468	\$ 443	\$ 25
Grand Total		\$ 4,216	\$ 32,289	\$ 12,507	\$ 23,998

No amounts are received from other governments or from any Industrial Development Agency. The County has opted to present all abatement information in the aggregate; therefore, no qualitative thresholds apply.

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 taxes but to comply with the tax cap requirement.

21. CONTINGENCIES AND COMMITMENTS

A. Claims and Litigation

The County, its officers and employees are defendants in litigation. Such litigation includes, but is not limited to, actions commenced and claims asserted against the County arising out of alleged torts, alleged breaches of contracts (which include union and employee disputes), condemnation proceedings, and other alleged violations of law. The County self-insures for everything except for: property insurance on its police helicopters and selected leased facilities; a blanket fidelity bond covering all County employees; public official bonds and the following coverage for the summer recreation program: accident insurance, umbrella liability and general liability. Settlements have not exceeded insurance coverage in any of the last three years. Essentially all other risks are assumed directly by the County. All malpractice occurrences at NHCC facilities that the County owned prior to September 29, 1999 are the responsibility of the County of which there are no active cases. Subsequent malpractice occurrences arising from events in connection with NHCC are the responsibility of NHCC (*See Note 21(E) for further discussion*). The County is also specifically liable to indemnify NHCC for liability arising out of NHCC's delivery of healthcare services at the Nassau County Correctional Center as of August 29, 2017.

The County annually appropriates sums for the payment of judgments and settlements of claims and litigation, which appropriations may be financed, in whole or in part, pursuant to the Local Finance Law by the issuance of County debt. The County intends to defend itself vigorously against all claims and in all litigation. Estimated liabilities of approximately \$391.5 million for claims and litigation (excluding tax certiorari claims) have been recorded as a liability in the government-wide financial Statement of Net Position as of December 31, 2017. Approximately \$227.7 million has been recorded as a liability in the government-wide financial Statement of Net Position, at December 31, 2017, related to workers' compensation claims, as estimated by the County's third-party administrator. The workers' compensation amount is a liability separate from all other non-workers' compensation claims and litigation.

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

	Workers' Compensation		Litigation	
	2017	2016	2017	2016
Unpaid claims and claim adjustment expenditures at the beginning of the year	\$ 235,745	\$ 235,214	\$ 367,300	\$ 437,000
Incurred claims and claim adjustment Expenditures:				
Provision for the estimate of risk losses and changes to the prior year estimated losses	23,348	32,120	64,058	
Payments:				
Payments made on losses	31,425	31,589	39,824	69,700
Total unpaid claims, claim adjustment expenditures and claims incurred by not reported at the end of the year	\$ 227,668	\$ 235,745	\$ 391,534	\$ 367,300

21. CONTINGENCIES AND COMMITMENTS (Continued)

A. Claims and Litigation (Continued)

Utilities Litigations under Real Property Tax Law (“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 pursuant to the RPTL 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 and those described in succeeding paragraph (ii). In June 2014, the Appellate Division denied the County’s appeal and in September 2014, the Court of Appeals denied the County’s application for leave to appeal the Appellate Division’s decision. The Court has lifted the stay of discovery in these cases and discovery is scheduled to be completed in 2018. The Court has permitted the County to present certain defenses at trial to which has extended discovery. The trial date will be determined after discovery has closed.

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 \$200 million. These amounts are included in the long-term liability for estimated liability for litigation.

Utilities Litigation on non-benefited properties

Several third-party actions have been filed against the County seeking indemnification for judgments and/or claims currently pending against the Towns of Hempstead, North Hempstead and Oyster Bay, as well as garbage districts within these towns. In the underlying actions, the courts determined that special ad valorem levies may not be imposed upon mass properties of the utilities (Verizon, American Water and others) for garbage and refuse collection services because such properties do not benefit from these services and ordered the towns and garbage districts to refund the payment of the levies.

21. CONTINGENCIES AND COMMITMENTS (Continued)

A. Claims and Litigation (Continued)

Utilities Litigation on non-benefited properties (Continued)

The towns and garbage districts seek to have the County indemnify these judgments on the basis that the County is allegedly a guarantor for any claim for an illegal assessment for non-benefitted properties. In March 2014, the Appellate Division determined that the plaintiffs were entitled to indemnification from the County for refunds that the Towns pay in these matters. The County appealed to the Appellate Division concerning the application of the so-called County guaranty in these matters and those described in preceding paragraph. In June 2014, the Appellate Division denied the County's appeal, and in September 2014, the Court of Appeals denied the County's application for leave to appeal the Appellate Division's decision. The County has subsequently made additional motions regarding the statute of limitations and the application of the so-called County guaranty in these matters with respect to whether interest can be applied in these cases and if so, the amount of any such interest.

In addition, the County has made a motion contending that the application of the so-called County guaranty in these cases would be a violation of the gift and loan clause of the State Constitution. Various State Supreme Court justices have denied the County's motions regarding the gift and loan clause, the statute of limitations and/or the interest issue. In April 2016, the County and the Town of Oyster Bay settled the claims of such town and its garbage districts, other than those of two such districts within that town. In January 2017, the County and the Town of Hempstead settled the claims for town and special garbage districts. The estimated refunds for the remaining claims for the Town of North Hempstead and the two above-referenced garbage districts is \$13 million. The County has also estimated an additional \$49.8 million related to utilities garbage district litigation. The County has filed appeals of the denials of its motions and intends to continue to defend itself vigorously in the remaining actions. The County has conservatively included the liability in the County's long-term litigation liability.

Restivo et al

In *Restivo v. County of Nassau, et al., Kogut v. County of Nassau, et al. and Halstead v. County of Nassau, et al.*, plaintiffs are suing in their own behalf for compensatory and punitive damages arising out of their 1985 arrests and 1986 convictions in the rape and murder of Theresa Fusco. In 2003, the Nassau County District Attorney's Office joined plaintiffs' (then defendants') counsel in a motion to vacate the judgment of conviction against them because DNA technology disclosed that John Kogut, John Restivo and Dennis Halstead were not the sources of the DNA found in the victim's body. Based upon Mr. Kogut's prior confession, he was re-tried in 2005. After a bench trial, the County Court Judge acquitted Mr. Kogut. Shortly thereafter (in 2005), the indictment against Mr. Restivo and Mr. Halstead was dismissed. In 2006, plaintiffs commenced the present federal civil rights actions. In November 2012, the jury found the County and the other defendants not liable in these actions.

21. CONTINGENCIES AND COMMITMENTS (Continued)

A. Claims and Litigation (Continued)

Restivo et al (Continued)

In July 2013, Judge Joanna Seybert denied Mr. Kogut's motion to set aside the jury verdict and granted in part Mr. Halstead's and Mr. Restivo's motions to set aside the verdict due to the possibility the jury did not understand the court's charge with respect to their claim of malicious prosecution, which the Judge nonetheless deemed "legally correct." In May 2015, the U.S. Court of Appeals for the Second Circuit affirmed the denial of Mr. Kogut's motion for a new trial. The County moved for reconsideration of the decision granting Mr. Halstead and Mr. Restivo a new trial, or, in the alternative, for permission to appeal the decision.

In October 2013, Judge Seybert denied the County's motion and in a re-trial, that concluded in April 2014, the jury found only one defendant, a now-deceased County police officer, liable for violations of the plaintiffs' civil rights. A subsequent trial for damages was held and in April 2014 the jury set damages at \$36.0 million. In November 2014, Judge Seybert denied the County's post-verdict motion to set aside the verdict at the re-trial. The County filed a notice of appeal of the verdict from the re-trial as well the original underlying determination to grant the re-trial after the County and the other defendants were found not liable in November 2012. The estate of the deceased County police officer (which the County is indemnifying) has taken over the appeal in its entirety, which was heard in April 2016. In March 2015, plaintiffs began proceedings seeking enforcement of the \$36.0 million judgment, including having the court impose the judgment against the County. Pursuant to a stipulated agreement, the enforcement of the judgment has been stayed pending the outcome of the appeal by the estate. In November 2015, Judge Seybert awarded plaintiffs approximately \$5.0 million in attorney fees and costs, which the estate is appealing.

In May 2016, plaintiffs Restivo and Halstead filed a related claim for additional damages alleging that the County misrepresented the status of the County's indemnification of the estate of the police officer, among other things. In August 2016, plaintiffs moved to lift the stay of enforcement of the \$36.0 million judgment. In addition, plaintiffs sought a stay of their misrepresentation action against the County. Judge Seybert ordered a stay of enforcement of judgment while the estate appealed Second Circuit decision. In April 2017 Second Circuit upheld the second trial verdict for \$36.0 million plus attorneys' fees of approximately \$5.0 million. The estate made leave for an *en banc* hearing for reconsideration before the Second Circuit. The *en banc* panel denied the application for re-consideration. The estate will be filing an appeal with the U.S. Supreme Court. The Supreme Court of the United States denied certiorari on January 8, 2018. The County paid the judgment in the amount of \$43.8 million to plaintiffs in February 2018. However, as of December 31, 2017, the County included \$45.0 million in the government wide statement of net position as a current portion of the estimated long-term liability.

Iacone v. Passanisi, County of Nassau, et al.

In 2009, plaintiff Nicolette Iacone filed a lawsuit against the County and others including Salvatore Passanisi for injuries she sustained when her vehicle was struck by a vehicle driven by Mr. Passanisi in Oceanside, New York in 2007. In 2008, Mr. Passanisi plead guilty to driving while intoxicated and vehicular assault. Plaintiff Iacone claimed certain shrubbery obscured Mr. Passanisi's vision of the intersection where the accident occurred, and that despite curve and speed warning signs, this design defect by the County was a cause of the accident. In December 2017, the jury found the County 86% liable and Mr. Passanisi 14% liable. The County is appealing the liability verdict. The parties met for a court conference in May 2018. The parties are discussing possibility of settlement.

21. CONTINGENCIES AND COMMITMENTS (Continued)

A. Claims and Litigation (Continued)

Iacone v. Passanisi, County of Nassau, et al. (Continued)

The County will continue to defend itself vigorously in these proceedings. The parties must report back to the Court in August 2018. 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 as high as \$75.0 million. In an effort to estimate conservatively, the County has included this liability in its estimated long-term liability for litigation.

B. Tax Certioraris

There were 183,116 taxpayers' claims (residential and commercial) filed against the Board of Assessors, for the incorrect determination of assessed valuation (certiorari proceedings) for the 2017 (May 1, 2018) assessment roll an increase of 13,523 over the prior year. An amount estimated for future settlements and judgments of \$496.3 million has been recorded as a long-term liability in the government-wide financial Statement of Net Position at December 31, 2017, of which approximately \$89.0 million have been recorded as current liabilities in the government-wide Statement of Net Position. In 2017, an additional \$28.9 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, 2017. 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.

For the year-ended December 31, 2017, tax certiorari expenditures recorded in the governmental funds were \$81.0 million, financed with operating funds, and \$0.7 million with capital funds related to Superstorm Sandy property tax refunds as these amounts were due and payable in 2017.

Disputed Assessment Fund

The County's DAF became operational during 2017. For fiscal 2017, the DAF's total liabilities in the governmental funds was \$96.7 million representing collections of DAF charges from class four property owners. Of this amount, \$42.9 million has been included in the Estimated Tax Certiorari Payable balances, \$32.2 million in non-current liabilities and \$10.7 million in current liabilities in the government-wide Statement of Net Position. The remainder, \$52.6 million, is recorded as Disputed Assessment Fund Deposits Held in current liabilities 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 DAF collections will be returned to commercial property owners or distributed to the County and other municipalities.

21. CONTINGENCIES AND COMMITMENTS (Continued)

B. Tax Certioraris (Continued)

Disputed Assessment Fund (Continued)

For the year ended December 31, 2017, the DAF accrued as a liability, \$1.1 million of tax certiorari expenditures in the governmental funds for property tax refunds due and payable in the fiscal year end and which are expected to be paid in 2018.

Superstorm Sandy Assessment Relief payments

In 2014, the County Legislature approved \$38.8 million of borrowing to be used to pay the refunds. Through December 31, 2017, approximately \$36.5 million of Sandy tax refunds checks were issued to property owners. For the fiscal year, approximately \$1.0 million was recorded as a current liability in the governmental funds and the Statement of Net Position as of fiscal year-end. It is anticipated that all remaining Sandy property tax refunds will be paid in 2018.

The table below summarizes the total estimated tax certiorari payable reported in the County's financial statements as of December 31, 2017:

Summary of Tax Certiorari Liability

Statement of Net Position as of December 31, 2017

(in thousands)

Current Liabilities

Property Tax Payable (due and payable in 2017) in Governmental Funds:

Short-term tax certiorari liability - operating	\$ 28,938
Short-term tax certiorari liability Superstorm Sandy	1,003
Short-term DAF tax certiorari liability	<u>1,132</u>
Property Tax Payable in Governmental Funds (Exhibit X-3)	<u>\$ 31,073</u>

Current Portion of Long-Term Estimated Tax Certiorari Liability:

Estimated Tax Certiorari Liability - DAF (Exhibit X-1)	\$ 10,654
Current Portion of Long-term Estimated Tax Certiorai Payable (Note 12)	<u>89,000</u>
Total Current Tax Certiorari Liability per Government-wide Funds	<u>\$ 130,727</u>

Non-Current Liabilities:

Estimated Tax Certiorari Liability - DAF	\$ 32,242
Non-Current Portion of Long-term Estimated Tax Certiorai Payable	<u>407,339</u>
Total Non-Current Tax Certiorari Liability per Government-wide Funds (Exhibit X-1)	<u>\$ 439,581</u>

Total Tax Certiorari Liability	\$ 570,308
Less: Short-term tax certiorari liability Super Storm Sandy	<u>(1,003)</u>
Total Tax Certiorari Liability excluding Super Storm Sandy	<u>\$ 569,305</u>

21. CONTINGENCIES AND COMMITMENTS (Continued)

C. Contingencies under Grant Programs

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

Provisions for certain expected disallowances, where considered necessary, have been made as of December 31, 2017. In the County's opinion, any additional disallowances resulting from these audits will not be material.

D. Certain Third - Party Reimbursement Matters

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

E. Nassau Health Care Corporation Insurance

For the policy years ended September 29, 2007 to 2017, 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 \$7.0 million per person (\$10.0 million for policy years prior to 2008) with no aggregate limit and \$1.0 million per claim up to an aggregate of \$1.0 million, respectively. An excess buffer limit of \$3.0 million per person/\$3.0 million in the aggregate was introduced above the \$7.0 million per person primary limit on the hospital professional policy for the September 29, 2012 renewal. During 2015, the Captive entered into a commutable agreement with the NHCC, initiating a \$1.0 million deductible limit on all open claims as of December 31, 2015. The liability on commercial general policies is \$1.0 million per occurrence, except for fire damages, where the limit is \$50,000 for any one fire, and medical payment, where the limit is \$5,000 for any one person, up to an aggregate of \$3. million.

In January 2018, the Cayman Islands Monetary Authority approved the return of capital of \$20.0 million to NHCC. Although no amounts have been repaid, the outstanding loans were netted against this return of capital.

Additionally, the NHCC maintains a revolving credit demand note (the "Revolving Credit Note") with the Captive. Under the terms of the Revolving Credit Note, the Captive may lend principal of up to 100% of its cash balance to the NHCC. No interest is earned under the Revolving Credit Note if principal amounts are repaid within five business days. As at December 31, 2017, no amounts were outstanding under the Revolving Credit Note. No interest was earned under the terms of the Revolving Credit Note in 2017.

The Captive entered into a promissory note agreement with the NHCC in the amount of \$5.5 million, amended effective December 31, 2006 ("Promissory Note"). During the year ended December 31, 2015, the NHCC contributed \$2.75 million to additional paid-in-capital and reduced the promissory note to \$2.75 million as of December 31, 2016. The Promissory Note is unsecured, non-interest bearing and has no specific terms of repayment. The Captive may cancel the Promissory Note at any time. As of December 31, 2016, the promissory note was fully repaid by the NHCC.

21. CONTINGENCIES AND COMMITMENTS (Continued)

E. Nassau Health Care Corporation Insurance (Continued)

At December 31, 2017, the Captive was in compliance with its minimum capital requirement.

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

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

	<u>2017</u>	<u>2016</u>
Balance at beginning of year	\$ 29,700	\$ 31,698
Incurred related to:		
Current year	877	
Prior year		<u>752</u>
Total incurred	877	752
Paid relating to:		
Prior year	<u>(4,750)</u>	<u>(2,750)</u>
Total paid	<u>(4,750)</u>	<u>(2,750)</u>
Balance at end of year	<u>\$ 25,827</u>	<u>\$ 29,700</u>

Losses and loss adjustment expenses for incurred claims for prior years represent 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, have been discounted based on an assumed interest rate of 4.0% at December 31, 2017.

In addition to the insurance coverage purchased from the Captive, the NHCC purchases umbrella and other coverage from commercial insurers. For the years ended December 31, 2017, insurance expense totaled \$1.0 million.

F. Capital Commitments

At December 31, 2017, there were capital project contract commitments of \$463.9 million, of which approximately \$280.7 million may require future funding. All capital project commitments are encumbered in the County's financial system. Some of these capital project commitments are included in the material encumbrances table in Note 21(G) below.

21. CONTINGENCIES AND COMMITMENTS (Continued)

G. Material Encumbrances

Material encumbrances (greater than \$5 million) as of the year ended December 31, 2017 were as follows (dollars in thousands):

<u>Capital Fund</u>	
Construction:	
Buildings	\$ 28,515
Collection	19,717
Disposal	129,863
Infrastructure	8,913
<u>Grant Fund</u>	
Bus Services	38,084

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

H. Service Concession Arrangements

The County has determined there are four service concession arrangements which are reported in the County’s Statement of Net Position as of December 31, 2017; (1) Carlton on the Park LTD, (2) Christopher Morley Tennis LLC, (3) Northwell Health Ice Center at Eisenhower Park (formerly known as Twin Rinks LLC) and (4) Long Island Swimming Ltd. The County has recorded receivables of \$5.1 million, capital assets of \$59.9 million, current liabilities of \$70,000, non-current liabilities of \$53,000 and deferred inflows of \$65.1 million in the Statement of Net Position. See details below.

Carlton on the Park LTD

The County’s agreement with Carlton on the Park, LTD (“the Carlton”) grants the Carlton the use of an existing Eisenhower Parks structure, which houses a restaurant and catering facility. The original agreement dates back to 1990 and the current agreement runs from January 1, 2013 through December 31, 2019 with an option to extend the term for an additional two (2) year period upon the reasonable agreement of the Licensee and the County. There were no up-front payments. The Carlton pays a minimum license fee of \$371.0 thousand per year, in monthly installments, with annual increases based on the Consumer Price Index (“CPI”). The Licensee also pays a percentage of its gross revenues, calculated at 18.5% of gross receipts (13% for tax exempt entities), and an annual utility fee of \$70.0 thousand, with increases based on the CPI. The Licensee is responsible for the greater of the minimum license fee payment or the percentage of gross receipts amount. The Carlton is responsible for all improvements and maintenance of the premises. The revenue received by the County is used to fund General Fund expenditures. The County has no financial contractual obligations respecting this agreement. The agreement calls for a bond or security deposit of up to \$250,000 at the County’s discretion. The County currently has a \$250,000 bond on file which expires on January 1, 2019 and is renewable annually. The County reported in its Statement of Net Position a receivable of \$0.7 million, capital assets of \$0.9 million, a utility liability of \$123.0 thousand and a deferred inflow of resources in the amount of \$1.5 million as of December 31, 2017, pursuant to the service concession arrangement.

21. CONTINGENCIES AND COMMITMENTS (Continued)

H. Service Concession Arrangements (Continued)

Christopher Morley Tennis LLC

The County entered into an agreement with Christopher Morley Tennis, LLC (“Morley Tennis”) which was approved by the County Legislature’s Rules Committee in 2009. The intent of the County was to provide a place for the public to play tennis year-round at reasonable rates. The agreement has a term of twenty years with an additional five-year option upon the agreement of Morley Tennis and County. There were no up-front payments. Morley Tennis erected a new facility in 2013. Pursuant to the agreement, Morley Tennis currently pays an annual flat fee of \$115.0 thousand, which increases yearly pursuant to the agreement. A percentage of the gross receipts is paid to the County, beginning at 1% and rising over the term of the agreement to 4.6% in year twenty. Morley Tennis is required to pay for all utilities, capital improvements and maintenance of the premises. The County has no financial contractual obligations respecting this agreement. The facility was completed and occupancy taken by Morley Tennis in November 2013. Pursuant to the agreement, ownership of the facility becomes the County’s, at the County’s option, at the end of the agreement. Morley Tennis has provided a \$150 thousand performance bond to cover the faithful performance for the life of the agreement. The bond is in effect until May 20, 2019 and is renewable yearly. The County reported in its Statement of Net Position a receivable with a carrying amount of \$1.4 million, capital assets of \$8.4 million and a corresponding deferred inflow of resources of \$9.9 million as of December 31, 2017, pursuant to the service concession arrangement.

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

The County entered into an agreement with Twin Rinks at Eisenhower LLC (“Twin Rinks”), which was approved by the Rules Committee in late 2012, to provide a local venue for the public’s increasing interest in the sport of hockey. The agreement has a term of thirty (30) years with an additional two ten-year options upon the agreement of the Licensee and County. There were no up-front payments. The Licensee constructed a new facility which was completed and occupancy taken in February 2014. Beginning in 2015, the annual base license fee was \$100.0 thousand, which will increase to \$125.0 thousand upon the commencement of operating year 5. Thereafter, it will increase by 2.5% per year until the base fee is \$150.0 thousand. The increase will then be 1.5% per year until the end of the 30-year term. The County has no financial contractual obligations respecting this License. Pursuant to the agreement, ownership of the facility becomes the County’s upon completion, at the County’s option, or at the end of the agreement. The Licensee has provided the required \$150.0 thousand performance bond which will expire on January 18, 2019, and is renewable yearly. The Licensee is required to pay for all utilities, capital improvements and maintenance of the premises. A percentage of the gross receipts are also placed into an account which serves to help maintain the premises and implement programs for the public. The account is held by the Licensee but all expenditures must be approved by the County’s Parks Department. On June 8, 2015 Twin Rinks at Eisenhower Park LLC filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Bankruptcy code. In September 2015, Nassau County entered into an Assignment, Assumption and Consent Agreement with Twin Rinks at Eisenhower LLC and Twin Rinks Acquisition Company LLC whereby Twin Rinks Acquisition Company LLC assumed the agreement between Nassau County and Twin Rinks at Eisenhower Park LLC. In March 2016, the facility name changed from Twin Rinks to Northwell Health Ice Center at Eisenhower Park. The County reported in the Statement of Net Position a receivable with a carrying amount of \$2.2 million, capital assets of \$47.6 million and a corresponding deferred inflow of resources of \$49.9 million as of December 31, 2017, pursuant to the service concession arrangement.

21. CONTINGENCIES AND COMMITMENTS (Continued)

H. Service Concession Arrangements (Continued)

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 \$56.3 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 \$90.0 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 \$787.0 thousand, capital assets of \$3.0 million and a corresponding deferred inflow of resources of \$3.8 million as of December 31, 2017, pursuant to the service concession arrangement.

Nassau Community College – Service Concession Arrangement

NCC has entered into a ten-year service concession arrangement with Culinart Group (“Culinart”) for the operations of food service and purchase and maintenance of related equipment. The arrangement incorporates a yearly license fee paid by Culinart. The yearly payments are paid monthly over a ten-month period. NCC has recorded a receivable and deferred inflow of \$1.9 million, net of revenue recognized in fiscal year 2017 of \$220.8 thousand, for the present value of the total payments to be received over the term of the arrangement.

The installation of the purchased equipment was completed and put into service on September 1, 2016. NCC will retain the equipment purchased by Culinart at the end of the contract period. NCC has included the equipment purchase and related installation costs totaling \$1.2 million, net of depreciation, as part of equipment in the capital assets. NCC has also recorded a deferred inflow for the purchase, to be amortized on a straight-line basis over the contact period. The amount of deferred inflow at August 31, 2017 was \$1.1 million net of first year's amortization of \$121.3 thousand recorded as other revenue. In the event the contract is terminated prior to its ten-year term, NCC will repay Culinart for the unamortized portion of the equipment.

22. SUBSEQUENT EVENTS

Debt Issuance

In May 2018, the County issued Series A Bond Anticipation Notes (“BANS”) of \$59.6 million. The Series A Notes bear interest of 2.50% and mature on December 14, 2018. The BANS were issued to finance various sewer system improvements and to pay the costs of issuance.

22. SUBSEQUENT EVENTS (Continued)

Debt Issuance (Continued)

In May 2018, the County issued Series A General Obligation Bonds in the amount of \$90.8 million. The bonds bear interest at 5.0% with maturity dates ranging from April 2020 to April 2043. The bonds were issued to fund sewer and College projects and to pay costs of issuance related to the bonds.

In May 2018, the County refinanced its 2015A Note with EFC Clean Water Facility Note 2018A (BAN) increasing the maximum advance amount from \$19.1 million to \$25.8 million to provide additional funds for sewer related projects. The maturity date of the 2018A Note remains the same as the 2015A Note and matures on September 24, 2020 with principal payments to be repaid at interest rates of 0.00% on the first \$19.1 million and, at 0.00% and 1.83% for the additional financing added of \$6.6 million, with half being at 0.00%. Through June 2018, the County drew down a total of \$3.6 million and \$4.8 million from the 2015A and 2018A Note respectively. These BANs will be refinanced into an EFC Bond upon maturity.

Wage Freeze Litigation

In February 2013, the U.S. District Court for the Eastern District of New York issued a decision in Carver, et al. v. Nassau County Interim Finance Authority, et al. granting the plaintiffs' (law enforcement unions) motion for summary judgment seeking to nullify NIFA's imposition of a wage freeze in 2011. Although the matter was brought by plaintiffs in federal court, the court resolved the motion on exclusively New York State law grounds, i.e., an interpretation of N.Y. Public Authorities Law Section 3669. In September 2013, the U.S. Court of Appeals for the Second Circuit vacated the decision of the U.S. District Court and remanded the matter for further proceedings, specifically, directing the U.S. District Court to dismiss the State law claim and retain jurisdiction only over the federal constitutional claim. In October 2013, plaintiffs notified the U.S. District Court that they intended to file a State court action regarding the authority of NIFA to impose the wage freeze under State law. At that time, the U.S. District Court stayed the federal action "pending completion of the state court proceeding...without prejudice to re-opening, upon letter application, at the conclusion of the state court proceedings."

In March 2014, the State Supreme Court ruled in this and related lawsuits that NIFA "did not exceed its authority to impose wage freezes in 2011, 2012 and 2013." In August 2016, the Appellate Division upheld the Supreme Court's decision, and in December 2016, the State Court of Appeals denied the plaintiffs' motions seeking leave to appeal the Appellate Division decision. In 2018, the Appellate court ruled that a trial should proceed to determine if federal questions raised by plaintiffs existed. Prior to the commencement of that trial the defendants' moved for summary judgment, and on April 26, 2018, the Court granted defendants motion and dismissed all plaintiffs' claims. At this time, the County does not know if plaintiffs' will appeal this recent ruling.

The County and the unions respectively have agreed (among other things) to settle in part this and certain related cases, and such unions respectively have released the County and NIFA from liability for the parts of the lawsuits that were settled. The County will continue to defend itself vigorously in these proceedings. The County estimates that, in the event of a final adverse decision, the amount of its retroactive liability for this and related cases would be approximately \$101.0 million, including ancillary costs such as payroll taxes and pension contributions, among others. This amount is not included in the 2018-2021 Multi-Year Financial Plan. The matters described in this paragraph were considered when estimating liabilities for claims and litigation (excluding tax certiorari claims) that were recorded as a liability in the County's government-wide financial statement of net position as of December 31, 2017 as described earlier in this section, however the County does not consider this to be a probable loss.

22. SUBSEQUENT EVENTS (Continued)

Enforcement Actions in Tax Assessment Litigations

In 2018 various taxpayers have brought actions to convert offers of settlement made by the Assessment Review Commission (“ARC”) to final determinations. The County’s position is that certain conditions must be satisfied before the offers of settlement are final determinations. While intending to continue to defend itself vigorously in these enforcement actions, the County nevertheless expects to pay the remaining underlying judgments and/or settlements of \$134.1 million by the end of 2019. This liability is included in the County’s Estimated Tax Certiorari Liability as of December 31, 2017.

OTB

In January 2018, the Off-Track Betting Corporation refinanced mortgage notes with a financial institution in the amount of \$7.70 million with monthly principal payments in the amount of \$50.0 thousand plus accrued interest at 4.25%, commencing on March 1, 2018 through February 1, 2023. The new loan is secured by the cash held by the financial institution.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT X-14

COUNTY OF NASSAU, NEW YORK

**SCHEDULE OF FUNDING PROGRESS - NASSAU COUNTY PORTION
POSTEMPLOYMENT RETIREMENT HEALTHCARE BENEFIT PLAN
DECEMBER 31, 2017 (Dollars in Thousands)**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b) **	Unfunded AAL (UAAL) (b-a) **	Funded Ratio (a/b)	Covered Payroll (c)**	Accrued Percentage of Covered Payroll (b-a)/c
1/1/17	\$ 0	\$ 6,248,411	\$ 6,248,411	0.0%	\$ 825,953	756.5%
1/1/16 *	0	4,962,917	4,962,917	0.0%	860,759	576.6%
1/1/15	0	4,962,917	4,962,917	0.0%	860,759	576.6%
1/1/14 *	0	4,649,542	4,649,542	0.0%	843,749	551.1%
1/1/13	0	4,649,542	4,649,542	0.0%	843,749	551.1%

* These amounts were based on the 1/1/15 and 1/1/13 valuations, respectively.

** These amounts are inclusive of NIFA.

The significant changes to the AAL and UAAL from 1/1/16 to 1/1/17 are due to the following:

- The actuarial assumptions on withdrawals and retirement were changed from previous valuation to conform to the changes adopted by ERS and PFRS.
- The healthcare trend rates have been modified to reflect anticipated experience.
- The per capita claims cost assumption has been updated to reflect differences by age in accordance with Actuarial Standard of Practice No. 6.

EXHIBIT X-15

COUNTY OF NASSAU, NEW YORK

SCHEDULE OF CONTRIBUTIONS

NYSLRS PENSION PLAN

DECEMBER 31, 2017 (Dollars in Thousands)

	December 31,					
	2017	2016	2015	2014	2013	2012
ERS						
Contractually required contributions	\$ 76,263	\$ 78,389	\$ 83,910	\$ 90,327	\$ 89,306	\$ 92,243
Contributions recognized by the Plan in relation to the contractually required contributions	<u>62,891</u>	<u>60,079</u>	<u>55,084</u>	<u>53,073</u>	<u>53,493</u>	<u>53,657</u>
Contribution deficiency (excess)	<u>13,372</u>	<u>18,310</u>	<u>28,826</u>	<u>37,254</u>	<u>35,813</u>	<u>38,586</u>
Covered Payroll	466,288	459,538	443,847	452,810	441,721	457,271
Contributions recognized by the Plan as a percentage of covered payroll	13.49%	13.07%	12.41%	11.72%	12.11%	11.73%
Note: ERS amounts include NIFA						
PFRS						
Contractually required contributions	\$ 90,249	\$ 87,729	\$ 83,369	\$ 91,983	\$ 99,267	\$ 82,813
Contributions recognized by the Plan in relation to the contractually required contributions	<u>78,693</u>	<u>74,838</u>	<u>68,290</u>	<u>68,382</u>	<u>69,290</u>	<u>66,205</u>
Contribution deficiency (excess)	<u>11,556</u>	<u>12,891</u>	<u>15,079</u>	<u>23,601</u>	<u>29,977</u>	<u>16,608</u>
Covered Payroll	359,301	369,238	358,147	356,016	357,232	368,494
Contributions recognized by the Plan as a percentage of covered payroll	21.90%	20.27%	19.07%	19.21%	19.40%	17.97%

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

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

EXHIBIT X-16

COUNTY OF NASSAU, NEW YORK

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
NYSLRS PENSION PLAN
DECEMBER 31, 2017 (Dollars in Thousands)**

	March 31,			
	2017	2016	2015	2014
ERS				
County's proportion of the net pension liability (asset)	1.9324746%	1.9049625%	1.8958576%	1.8958576%
County's proportionate share of the net pension liability (asset)	169,283	284,906	59,955	79,862
Covered payroll	466,268	432,163	437,562	435,697
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	36.31%	65.93%	13.70%	18.33%
Plan fiduciary net position as a percentage of the total pension liability	94.70%	90.70%	97.90%	97.20%
Note: ERS amounts include NIFA.				
PFRS				
County's proportion of the net pension liability (asset)	9.215762%	9.012023%	8.564898%	8.564898%
County's proportionate share of the net pension liability (asset)	190,995	266,827	23,576	35,656
Covered payroll	359,301	337,599	341,143	355,746
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	53.16%	79.04%	6.91%	10.02%
Plan fiduciary net position as a percentage of the total pension liability	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, 2017 (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	Disputed Assessment Fund	Tobacco Settlement Corp Fund	NIFA Fund	
ASSETS									
Cash and Cash Equivalents	\$ 11,149	\$ 250	\$ 127	\$ 86,551	\$ 166	\$	\$	\$	\$ 98,243
Investments			3,352						3,352
Restricted Cash and Cash Equivalents						95,508		176	95,684
Restricted Investments							22,601	25,060	47,661
Interest Receivable								111	111
Due from Other Governments				19,148	16,618				35,766
Accounts Receivable				405					405
Disputed Assessment Fund Collections Receivable						1,203			1,203
Interfund Receivables				13	15			23,739	23,767
Prepays		12		912					924
Other Assets				815					815
TOTAL ASSETS	\$ 11,149	\$ 262	\$ 3,479	\$ 107,844	\$ 16,799	\$ 96,711	\$ 22,601	\$ 49,086	\$ 307,931
LIABILITIES AND FUND BALANCE									
Liabilities:									
Accounts Payable	\$	\$ 3	\$	\$ 6,416	\$ 236	\$	\$	\$	\$ 6,655
Accrued Liabilities				9,512	92			261	9,865
Unearned Revenues				57,644	755				58,399
Property Tax Refund Payable						1,132			1,132
Interfund Payables	9,176			2,637	15,191			130	27,134
Due to Component Unit				858					858
Disputed Assessment Fund Deposits Held						52,621			52,621
Estimated Tax Certiorari Payable - Disputed Assessment Fund						42,896			42,896
Other Liabilities				199					199
Total Liabilities	9,176	3		77,266	16,274	96,649		391	199,759
Fund Balance:									
Nonspendable		12		912					924
Spendable:									
Restricted			3,343	29,666	525	62	22,601	48,695	104,892
Committed	1,973								1,973
Assigned		247	136						383
Total Fund Balance	1,973	259	3,479	30,578	525	62	22,601	48,695	108,172
TOTAL LIABILITIES AND FUND BALANCE	\$ 11,149	\$ 262	\$ 3,479	\$ 107,844	\$ 16,799	\$ 96,711	\$ 22,601	\$ 49,086	\$ 307,931

EXHIBIT A-2**COUNTY OF NASSAU, NEW YORK****COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017 (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	Disputed Assessment Fund	Tobacco Settlement Corp Fund	Sewer Financing Authority Fund		NIFA Fund
Revenues:										
Fines and Forfeits	\$	\$	\$	\$ 1,968	\$	\$	\$	\$	\$	\$ 1,968
Interest Income	59		20	116		61	212		850	1,318
Rents and Recoveries				111						111
Tobacco Receipts							16,449			16,449
Departmental Revenue				4,060						4,060
Interfund Revenue				235						235
Federal Aid				58,312	1,433					59,745
State Aid				41,794						41,794
Property Taxes						1,133				1,133
Special Taxes				2,341						2,341
Total Revenues	59		20	108,937	1,433	1,194	16,661		850	129,154
Expenditures:										
Current:										
Judicial				5,343						5,343
General Administration		108	29	24,764						24,901
Protection of Persons				6,486						6,486
Health				51,236	29					51,265
Public Works				720	1,097					1,817
Recreation and Parks				3,082						3,082
Social Services				17,636						17,636
Corrections				1,871						1,871
Other						1,132				1,132
Total Current		108	29	111,138	1,126	1,132				113,533
Debt Service:										
Principal								10,345	129,666	140,011
Interest							17,993	7,203	29,583	54,779
Total Debt Service							17,993	17,548	159,249	194,790
Total Expenditures		108	29	111,138	1,126	1,132	17,993	17,548	159,249	308,323
Excess (Deficiency) of Revenues Over (Under) Expenditures	59	(108)	(9)	(2,201)	307	62	(1,332)	(17,548)	(158,399)	(179,169)
Other Financing Sources (Uses):										
Transfers In					154					154
Transfers Out	(9,176)			(4,253)	(29)					(13,458)
Transfers In from NIFA								154,263		154,263
Transfers Out to NIFA								(1,020)		(1,020)
Transfers In from SFA				122,863				17,548		140,411
Transfers Out to SFA				(123,120)						(123,120)
Transfers In from TSC		125								125
Transfers Out to TSC							(125)			(125)
Total Other Financing Sources (Uses)	(9,176)	125	(257)	(4,253)	125		(125)	17,548	153,243	157,230
Net Change in Fund Balance	(9,117)	17	(266)	(6,454)	432	62	(1,457)		(5,156)	(21,939)
Fund Balance Beginning of Year	11,090	242	3,745	37,032	93		24,058		53,851	130,111
Fund Balance End of Year	\$ 1,973	\$ 259	\$ 3,479	\$ 30,578	\$ 525	\$ 62	\$ 22,601	\$	\$ 48,695	\$ 108,172

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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, 2017 (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	\$ 7,674	\$ 3,430	\$ 2,608	\$ 664	\$ 293	\$ 14,669
Restricted Cash and Cash Equivalents		519			54	573
Due from Other Governments					75	75
Other Receivables	3					3
Accounts Receivable		282	253			535
Inventories	12					12
Prepays	49		38	4	1	92
Other Assets - Current		620				620
Total Current Assets	7,738	4,851	2,899	668	423	16,579
NON CURRENT ASSETS:						
Restricted Cash and Cash Equivalents	2,700	1,687				4,387
Property held for sale					2	2
Capital Assets Not Being Depreciated	10,970					10,970
Depreciable Capital Assets	53,599	40,377	96			94,072
Less Accumulated Depreciation	(30,212)	(30,980)	(57)			(61,249)
Total Non Current Assets	37,057	11,084	39		2	48,182
Total Assets	44,795	15,935	2,938	668	425	64,761
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Charges on Pension Cost	332	3,159	136			3,627
LIABILITIES						
CURRENT LIABILITIES:						
Accounts Payable and Accrued Liabilities	1,940	6,849	254	2		9,045
Unearned Revenues	237		326		369	932
Due To Primary Government		239				239
Due to Other Governments		3,738				3,738
Current Portion of Long Term Liabilities	320	1,544	60			1,924
Other Liabilities - Current		520				520
Total Current Liabilities	2,497	12,890	640	2	369	16,398
NON CURRENT LIABILITIES:						
Accounts Payable and Accrued Liabilities		9,245				9,245
Notes Payable		1,720				1,720
Bonds Payable	8,980	2,892				11,872
Due to Other Governments, net		874				874
Accrued Vacation and Sick Pay	446		289			735
Postemployment Retirement Benefits Liability	3,918	56,086	684			60,688
Net Pension Liability	575	2,312	151			3,038
Total Non Current Liabilities	13,919	73,129	1,124			88,172
Total Liabilities	16,416	86,019	1,764	2	369	104,570
DEFERRED INFLOWS OF RESOURCES						
Pensions	128	478	46			652
NET POSITION						
Net Investment in Capital Assets	34,357	7,583	39			41,979
Restricted:						
Capital Projects and Acquisitions		15,326				15,326
Grants					54	54
Unrestricted	(5,774)	(90,312)	1,225	666	2	(94,193)
Total Net Position (Deficit)	\$ 28,583	\$ (67,403)	\$ 1,264	\$ 666	\$ 56	\$ (36,834)

EXHIBIT A-4**COUNTY OF NASSAU, NEW YORK****COMBINING STATEMENT OF ACTIVITIES
NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS - PROPRIETARY
FOR THE YEAR ENDED DECEMBER 31, 2017 (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	\$ 7,040	\$ 54,082	\$ 1,739	\$ 111	\$ 9	\$ 62,981
Program Revenues:						
Charges for Services	6,447	37,462	1,653	10		45,572
Operating Grants and Contributions					65	65
Total Program Revenues	6,447	37,462	1,653	10	65	45,637
Net Program Revenues (Expenses)	(593)	(16,620)	(86)	(101)	56	(17,344)
General Revenues						
Investment Income	35		11	2		48
Other	49	8,438				8,487
Net General Revenues	84	8,438	11	2		8,535
Change in Net Position	(509)	(8,182)	(75)	(99)	56	(8,809)
Net Position (Deficit) - Beginning of Year	29,092	(59,221)	1,339	765		(28,025)
Net Position (Deficit) - End of Year	\$ 28,583	\$ (67,403)	\$ 1,264	\$ 666	\$ 56	\$ (36,834)

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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, 2017 (Dollars in Thousands)**

	Original Budget	Total Budgetary Authority	Actual Revenues	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
INTEREST AND PENALTIES ON TAXES	\$ 35,200	\$ 35,200	\$ 33,212	\$	\$ 33,212	\$ (1,988)
LICENSES AND PERMITS						
Pistol Permit	880	880	1,125		1,125	245
Day Camp Permits	11	11	11		11	
Food Establishments	3,203	3,203	3,399		3,399	196
Hazardous Materials Registration Fees	1,697	1,697	1,853		1,853	156
Home Improvements	3,380	3,380	3,201		3,201	(179)
Health Club License	200	200	18		18	(182)
Manufacturing Frozen Desserts	19	19	15		15	(4)
Realty Subdivision Filing	101	101	118		118	17
Road Openings	1,200	1,200	1,263		1,263	63
Swimming Pools and Bathing Beaches	276	276	252		252	(24)
Temporary Residence Inspection Permit	102	102	106		106	4
Weights & Measures	1,379	1,379	1,566		1,566	187
Cross Connections	52	52	68		68	16
Water Supply Plan Review	169	169	158		158	(11)
Tattoo Parlor / Piercing	26	26	24		24	(2)
Impact Assessment Fee	500	500	56		56	(444)
Predemolition Inspection	146	146	156		156	10
Day Camp Inspections	138	138	136		136	(2)
Taxi and Limo Registration Fees	376	376	213		213	(163)
ATM Registration Fees	220	220	155		155	(65)
Maps - Sewers	13	13	15		15	2
Hauling Permits	80	80	80		80	
Licensing	246	246	321		321	75
Cost of Construction Fee	990	990	726		726	(264)
Traffic Signal Permit			35		35	35
Total Licenses and Permits	15,404	15,404	15,070		15,070	(334)
FINES AND FORFEITS	94,894	94,894	91,525	27	91,552	(3,342)
INTEREST INCOME	337	337	1,634		1,634	1,297
RENTS AND RECOVERIES						
Rental of Mitchell Field	3,018	3,018	3,973	(1,250)	2,723	(295)
Coliseum Rental	3,420	3,420	2,648		2,648	(772)
Coliseum Utilities			2,443		2,443	2,443
Coliseum Concessions			343		343	343
Marriott Lighthouse Heating and Chilling			358		358	358
Landmark Property Rental	1,253	1,253				(1,253)
Mitchel Field Veterans Housing	1,390	1,390	1,456		1,456	66
Lost and Abandoned Property	41	41	9		9	(32)
Cash Recoveries	20	20				(20)
Audit Recoveries	250	250	80		80	(170)
Police Vehicle Recovery	300	300	355		355	55
NHCC Reimbursement	106	106	50		50	(56)
Vendor Recoveries	200	200				(200)
Construction Period Rent			330		330	330
Revenue Recovery Account	35	35	52		52	17
Settlement Reimbursement	220	220				(220)
Recovery of Damage to County Property	200	200	143		143	(57)
Recovery of Prior Year Appropriations	4,866	9,704	1,072		1,072	(8,632)
Recovery of Workers' Compensation	1,505	1,505	1,365		1,365	(140)
Rental of County Property	1,439	1,439	1,651		1,651	212
Rental of Voting Machines	120	120	182		182	62
Sale of County Property	5,050	5,050	1,200		1,200	(3,850)
Proceeds from Online Auction	300	300	360		360	60
Recoveries from Enterprise Funds	1	1				(1)
Other Recoveries			210	1,620	1,830	1,830
Total Rents and Recoveries	23,734	28,572	18,280	370	18,650	(9,922)

(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, 2017 (Dollars in Thousands)**

	<u>Original Budget</u>	<u>Total Budgetary Authority</u>	<u>Actual Revenues</u>	<u>GAAP to Budgetary Basis Conversion</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
DEPARTMENTAL REVENUE						
Assessment	\$ 42,674	\$ 42,674	\$ 43,479	\$	\$ 43,479	\$ 805
Board of Elections	70	70	32		32	(38)
CASA	25	25	27		27	2
Civil Service	1,592	1,592	2,016		2,016	424
Correctional Center	2,250	2,250	2,484		2,484	234
County Attorney	10,200	10,200	58		58	(10,142)
County Clerk	51,332	51,332	57,542		57,542	6,210
County Comptroller	12	12	13		13	1
District Attorney	2	2	2		2	
OMB	620	620	620		620	
Fire Commission	8,901	8,901	7,846		7,846	(1,055)
Health						
Administration	3	3	2		2	(1)
Children's Early Intervention	1,100	1,100	1,157	363	1,520	420
Pre School Education	1,900	1,900	3,638		3,638	1,738
Laboratory Research	30	30	41		41	11
Personal Health	7	7	3		3	(4)
Medical Examiner	25	25	28		28	3
Miscellaneous			2		2	2
Parks and Recreation						
Administration	20	20	1		1	(19)
Recreation Services	13,242	13,242	13,484	15	13,499	257
Museums	560	560	845		845	285
Golf Operations	9,107	9,107	7,506		7,506	(1,601)
Police Ambulance Fees	24,700	24,700	23,395		23,395	(1,305)
Police Fees	483	483	323		323	(160)
Probation	1,534	1,534	1,338		1,338	(196)
Public Administrator	250	250	600		600	350
Public Works - Administration	520	520	2,212	48	2,260	1,740
Public Works - Highway and Engineering	49,364	49,364	47,519	193	47,712	(1,652)
Purchasing	252	252	164		164	(88)
Social Services						
Administration	3,403	3,403	2,743		2,743	(660)
Aid to Dependent Children	3,215	3,215	3,312		3,312	97
Burials	5	5	1		1	(4)
Children in Foster Homes	230	230	65		65	(165)
Home Energy Assistance Program	200	200	264		264	64
Children in Institutions	130	130	55		55	(75)
Education of Handicapped Children	5,896	5,896	4,297	1,074	5,371	(525)
Home Relief	2,350	2,350	3,356		3,356	1,006
Medicaid MMIS	1,055	1,055	440		440	(615)
Title XX	100	100	86		86	(14)
Treasurer	1,820	1,820	583		583	(1,237)
Traffic and Parking Violations			3		3	3
Total Departmental Revenue	239,179	239,179	231,582	1,693	233,275	(5,904)
INTERDEPARTMENTAL REVENUES						
Office of Budget and Management	51,600	51,600	56,037		56,037	4,437
Constituent Affairs	539	539	282		282	(257)
Correctional Center	150	150	67		67	(83)
County Attorney	906	906	670		670	(236)

(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, 2017 (Dollars in Thousands)**

	Original Budget	Total Budgetary Authority	Actual Revenues	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive Negative
INTERDEPARTMENTAL REVENUES (Continued)						
District Attorney	\$ 270	\$ 270	\$ 269	\$	\$ 269	\$ (1)
Human Services	100	100				(100)
Information Technology	8,654	8,654	6,059		6,059	(2,595)
Police Department	12,116	12,116	14,503		14,503	2,387
Public Works - Administration	6,941	6,941	5,766		5,766	(1,175)
Public Works - Roads and Bridge Maintenance	7,114	7,114	9,140		9,140	2,026
Public Works - Groundwater Remediation	481	481	681		681	200
Parks			77		77	77
Social Services	203	203	296		296	93
Total Interdepartmental Revenues	89,074	89,074	93,847		93,847	4,773
INTERFUND REVENUES						
Revenues from Indirect Cost Chargebacks	1,658	1,658	1,937		1,937	279
Revenues from Grant Closeouts	130	130	100		100	(30)
Interfund Revenue	16,235	16,235	10,016		10,016	(6,219)
County Transfer From CAP Match	700	700	700		700	
Stop DWI Grant Revenue	140	140	115		115	(25)
Total Interfund Revenue	18,863	18,863	12,868		12,868	(5,995)
FEDERAL AID						
Correctional Center	4,358	4,358	2,653		2,653	(1,705)
County Attorney	215	215	116		116	(99)
Budget	92	92	46		46	(46)
Debt Service	4,812	4,812	4,807		4,807	(5)
District Attorney	35	35	36		36	1
Emergency Management	503	503				(503)
Housing and Minority Affairs	371	371	730		730	359
Human Services	5,071	5,071	5,619		5,619	548
Police Department	1,065	1,065	724		724	(341)
Probation	30	30	105		105	75
Public Works	6,879	6,879	1,608		1,608	(5,271)
Social Services						
Administration	10,043	10,043	10,092		10,092	49
Aid to Dependent Children	24,285	24,285	22,728		22,728	(1,557)
Children in Foster Homes	988	988	961		961	(27)
Children in Institutions	5,150	5,150	3,330		3,330	(1,820)
Division of Services	11,483	11,483	10,361		10,361	(1,122)
Home Energy Assistance Program	400	400	96		96	(304)
Juvenile Delinquents	1,500	1,500	534		534	(966)
Medicaid MMIS	300	300	330		330	30
Public Financial Assistance	16,603	16,603	17,301		17,301	698
Subsidized Adoptions	1,900	1,900	1,802		1,802	(98)
Title XX	41,000	41,000	52,369		52,369	11,369
Total Federal Aid	137,083	137,083	136,348		136,348	(735)

(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, 2017 (Dollars in Thousands)**

	<u>Original Budget</u>	<u>Total Budgetary Authority</u>	<u>Actual Revenues</u>	<u>GAAP to Budgetary Basis Conversion</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
STATE AID						
Consumer Affairs	\$ 45	\$ 45	\$ 39	\$	\$ 39	\$ (6)
Correctional Center	55	55	82		82	27
Court Facility Aid	1,095	1,095	1,023		1,023	(72)
District Attorney	69	69	77		77	8
Fire Prevention, Safety, Communication and Education	180	180	151		151	(29)
Health						
Administration	700	700	766		766	66
Children's Early Intervention	11,170	11,170	12,425		12,425	1,255
Pre School Education	55,988	55,988	57,205		57,205	1,217
Environmental Health	1,300	1,300	1,589		1,589	289
Laboratory Research	400	400	475		475	75
Personal Health	2,300	2,300	2,641		2,641	341
Housing and Intergovernmental Affairs	111	111	60		60	(51)
Human Services						
Administration	9,910	10,483	10,051		10,051	(432)
Information Technology		220	275		275	55
Miscellaneous General Fund Aid	732	732	215		215	(517)
Police Department	589	589	932		932	343
Probation	5,267	5,267	6,355		6,355	1,088
Public Works						
Administration	250	250	(135)		(135)	(385)
Highway and Bridge Maintenance	67,358	68,685	68,089		68,089	(596)
Recreation	100	100				(100)
Social Services						
Administration	5,296	5,296	3,103		3,103	(2,193)
Aid to Dependent Children	4,300	4,300	2,730		2,730	(1,570)
Burials	2	2				(2)
Children in Foster Homes	550	550	575		575	25
Children in Institutions	3,000	3,000	1,915		1,915	(1,085)
Division of Services	8,804	8,804	9,957		9,957	1,153
Education of Handicapped Children	2,948	2,948	3,263		3,263	315
Home Relief	10,630	10,630	9,331		9,331	(1,299)
Juvenile Delinquents	775	775	315		315	(460)
Medicaid MMIS	400	400	5,561		5,561	5,161
Public Financial Assistance	8,802	8,802	6,322		6,322	(2,480)
Subsidized Adoptions	1,800	1,800	1,716		1,716	(84)
Title XX	7,000	7,000	6,606		6,606	(394)
Veterans Service Agency	60	60	60		60	
Total State Aid	211,986	214,106	213,769		213,769	(337)
SALES TAX *	1,054,394	1,054,394	907,960		907,960	(146,434)
PREEMPTED SALES TAX IN LIEU OF PROPERTY TAXES *						
Towns and City of Glen Cove	88,097	88,097	88,097		88,097	
Total Preempted Sales Tax in Lieu of Property Taxes	88,097	88,097	88,097		88,097	

(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, 2017 (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	\$ 432,851	\$ 432,851	\$ 429,584	\$	\$ 429,584	\$ (3,267)
PAYMENTS IN LIEU OF TAXES	25,589	25,589	24,646	685	25,331	(258)
SPECIAL TAXES						
Admission Tax - Belmont Park	115	115	137		137	22
Emergency Phone Tax	7,700	7,700	6,974		6,974	(726)
Entertainment Tax	1,444	1,444	1,801		1,801	357
Motor Vehicle Tax	16,756	16,756	17,531		17,531	775
Off-Track Betting Surtax	2,511	2,511	2,071		2,071	(440)
Hotel-Motel Room Tax	3,625	3,625	3,648		3,648	23
Total Special Taxes	32,151	32,151	32,162		32,162	11
OTHER REVENUES						
OTB Profits	3,000	3,000	(1,071)	1,071		(3,000)
Intergovernmental Transfers	29,995	29,995	24,158		24,158	(5,837)
Miscellaneous	16,384	16,384	19,157	835	19,992	3,608
Total Other Revenues	49,379	49,379	42,244	1,906	44,150	(5,229)
Total Revenues	2,548,215	2,555,173	2,372,828	4,681	2,377,509	(177,664)
OTHER FINANCING SOURCES						
Bond Premium	1,466	1,466	58,959	(55,862)	3,097	1,631
Transfers In	93,351	99,328	34,612	(4,456)	30,156	(69,172)
Transfer in from NIFA			1,206		1,206	1,206
Transfers in of Investment Income	622	622	1,657		1,657	1,035
Refunding Bonds Issued			338,205	(338,205)		
Total Other Financing Sources	95,439	101,416	434,639	(398,523)	36,116	(65,300)
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 2,643,654	\$ 2,656,589	\$ 2,807,467	\$ (393,842)	\$ 2,413,625	\$ (242,964)

* Paid to County \$68,652; paid to NIFA \$1,094,282

** Total revenues and other financing sources, estimates per the 2017 County budget as adopted	\$ 3,024,046
Less: Intrafund Budget Eliminations	(334,778)
Less: Appropriated Fund Balance	(45,614)
Original Budget per above	2,643,654
Add: Supplemental Appropriations	33,391
Less: Intrafund Modified Budget Eliminations	(20,456)
Budget Estimates, Total Revenues and Other Financing Sources	\$ 2,656,589

(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, 2017 (Dollars in Thousands)**

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
CURRENT:						
LEGISLATIVE						
Legislature						
Legislators						
Salaries	\$ 4,800	\$ 4,299	\$ 4,299	\$	\$ 4,299	\$
Fringe Benefits	2,360	2,237	2,255	(19)	2,236	1
Equipment	19	19	5		5	14
General Expenses	27	427	406	14	420	7
Contractual Services	215	65	65		65	
Legislative Central Staff						
Salaries	748	687	687		687	
Fringe Benefits	343	358	361	(3)	358	
Equipment	45	45	38		38	7
General Expenses	1,723	1,672	1,595	74	1,669	3
Contractual Services	2,102	2,052	426	1,587	2,013	39
Legislative Budget Review						
Salaries	924	738	738		738	
Fringe Benefits	397	384	387	(3)	384	
Equipment	3	3	1		1	2
General Expenses	11	11	5		5	6
Contractual Services	2	2				2
Total Legislative	13,719	12,999	11,268	1,650	12,918	81
JUDICIAL						
Court Administration						
Fringe Benefits	1,252	1,047	1,047		1,047	
District Attorney						
Salaries	36,336	37,790	37,790		37,790	
Fringe Benefits	15,659	16,012	16,147	(135)	16,012	
Equipment	142	124	72	52	124	
General Expenses	987	910	864	45	909	1
Contractual Services	1,385	1,526	1,384	89	1,473	53
District Attorney Total	54,509	56,362	56,257	51	56,308	54
Public Administrator						
Salaries	594	576	576		576	
Fringe Benefits	354	350	353	(3)	350	
General Expenses	3	3	1		1	2
Contractual Services	15	15				15
Public Administrator Total	966	944	930	(3)	927	17
Traffic and Parking Violations						
Salaries	4,089	3,940	3,940		3,940	
Fringe Benefits	1,861	1,894	1,910	(16)	1,894	
Equipment	12	12	5	4	9	3
General Expenses	250	225	203	21	224	1
Contractual Services	11,342	11,923	11,282	(160)	11,122	801
Traffic and Parking Violations Total	17,554	17,994	17,340	(151)	17,189	805
Total Judicial	74,281	76,347	75,574	(103)	75,471	876

(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, 2017 (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						
Assessment						
Salaries	\$ 9,592	\$ 8,970	\$ 8,949	\$	\$ 8,949	\$ 21
Fringe Benefits	6,311	5,978	6,028	(50)	5,978	
General Expenses	355	319	310	9	319	
Contractual Services	756	629	629		629	
Assessment Total	17,014	15,896	15,916	(41)	15,875	21
Board of Assessment Review						
Salaries	2,390	2,408	2,408		2,408	
Fringe Benefits	1,260	1,236	1,246	(10)	1,236	
General Expenses	36	44	32	2	34	10
Contractual Services	377	377	2	376	378	(1)
Board of Assessment Review Total	4,063	4,065	3,688	368	4,056	9
Board of Elections						
Administration						
Salaries	3,857	4,357	3,491		3,491	866
Fringe Benefits	1,502	1,583	1,596	(13)	1,583	
Equipment	47	32	23	7	30	2
General Expenses	116	116	18	17	35	81
General Elections						
Salaries	10,785	10,495	10,495		10,495	
Fringe Benefits	4,681	4,759	4,799	(40)	4,759	
Equipment	89	55	44	4	48	7
General Expenses	3,006	1,687	1,159	161	1,320	367
Contractual Services	580	392	273	98	371	21
Primary Elections						
Salaries	663	(273)	877		877	(1,150)
Fringe Benefits	612	398	401	(3)	398	
Equipment		2	2		2	
General Expenses	642	573	346	12	358	215
Contractual Services	247	177	107	64	171	6
Board of Elections Total	26,827	24,353	23,631	307	23,938	415
Civil Service						
Salaries	5,362	5,045	4,834		4,834	211
Fringe Benefits	2,587	2,553	2,574	(21)	2,553	
General Expenses	465	257	192	61	253	4
Contractual Services	94	79	79		79	
Civil Service Total	8,508	7,934	7,679	40	7,719	215
County Attorney						
Salaries	8,228	8,276	8,276		8,276	
Fringe Benefits	4,494	4,466	4,504	(38)	4,466	
Equipment	15	1	1	1	2	(1)
General Expenses	639	674	641	26	667	7
Contractual Services	8,814	8,415	4,537	2,661	7,198	1,217
Fringe Benefits	8,448	8,984	8,984		8,984	
County Attorney Total	30,638	30,816	26,943	2,650	29,593	1,223
County Clerk						
Salaries	5,610	5,245	5,245		5,245	
Fringe Benefits	3,716	3,661	3,692	(31)	3,661	
Equipment	59	50	33	17	50	
General Expenses	313	220	177	30	207	13
Contractual Services	937	894	454	137	591	303
County Clerk Total	10,635	10,070	9,601	153	9,754	316
County Comptroller						
Salaries	6,878	6,656	6,518		6,518	138
Fringe Benefits	3,926	3,925	3,958	(33)	3,925	

(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, 2017 (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
General Expenses	135	52	43	7	50	2
Contractual Services	1,234	893	551	281	832	61
County Comptroller Total	12,178	11,531	11,070	255	11,325	206
County Executive						
Salaries	2,009	2,390	2,390		2,390	
Fringe Benefits	1,158	1,135	1,145	(10)	1,135	
General Expenses	89	42	33	5	38	4
Contractual Services	373	373	40	333	373	
County Executive Total	3,629	3,940	3,608	328	3,936	4
County Treasurer						
Salaries	2,196	2,114	2,114		2,114	
Fringe Benefits	1,486	1,423	1,435	(12)	1,423	
Equipment	2	2	1		1	1
General Expenses	401	294	279	11	290	4
Contractual Services	302	240	141	99	240	
Other Suits and Damages	75,000	80,364	80,342	22	80,364	
County Treasurer Total	79,387	84,437	84,312	120	84,432	5
Office of Constituent Affairs						
Salaries	811	876	876		876	
Fringe Benefits	457	497	501	(4)	497	
Office of Constituent Affairs Printing & Graphics						
Salaries	1,542	1,351	1,351		1,351	
Fringe Benefits	835	766	772	(6)	766	
Equipment		20	20		20	
General Expenses	1,275	1,304	1,228	73	1,301	3
Contractual Services	3	3		3	3	
Office of Constituent Affairs Total	4,923	4,817	4,748	66	4,814	3
Office of Emergency Management						
Salaries	797	614	614		614	
Fringe Benefits	331	250	252	(2)	250	
General Expenses	5	5	4		4	1
Office of Emergency Management Total	1,133	869	870	(2)	868	1
Information Technology						
Administration						
Salaries	7,560	8,600	8,600		8,600	
Fringe Benefits	4,501	4,571	4,609	(38)	4,571	
Equipment		150	116	34	150	
General Expenses	513	369	239	105	344	25
Contractual Services	16,816	15,115	14,625	(139)	14,486	629
Utilities	4,241	4,091	3,843	234	4,077	14
Information Technology Total	33,631	32,896	32,032	196	32,228	668
Housing and Intergovernmental Affairs:						
Salaries	840	823	823		823	
Fringe Benefits	860	816	823	(7)	816	
Housing and Intergovernmental Affairs Total	1,700	1,639	1,646	(7)	1,639	
Labor Relations						
Salaries	347	391	391		391	
Fringe Benefits	143	125	126	(1)	125	
General Expenses	4	4	1		1	3
Contractual Services	402	513	506	7	513	
Labor Relations Total	896	1,033	1,024	6	1,030	3

(Continued)

EXHIBIT B-2**COUNTY OF NASSAU, NEW YORK****COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
VS. TOTAL BUDGETARY AUTHORITY
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017 (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	\$ 817	\$ 4,115	\$ 4,074	\$	\$ 4,074	\$ 41
Fringe Benefits	1,349	(1,189)	1,265	(27)	1,238	(2,427)
Equipment	5	5				5
General Expenses	112	112	81	2	83	29
Contractual Services	3,152	2,376	1,319	742	2,061	315
Management and Budgets Total	5,435	5,419	6,739	717	7,456	(2,037)
Personnel						
Salaries	873	769	769		769	
Fringe Benefits	381	353	356	(3)	353	
General Expenses	11	11	10		10	1
Contractual Services	24	24	11	1	12	12
Personnel Total	1,289	1,157	1,146	(2)	1,144	13
Purchasing						
Salaries	1,143	894	894		894	
Fringe Benefits	759	734	740	(6)	734	
General Expenses	21	22	21	1	22	
Contractual Services	10	25	16		16	9
Purchasing Total	1,933	1,675	1,671	(5)	1,666	9
Office of Real Estate Services						
Salaries	198	16	138		138	(122)
Fringe Benefits	30	27	27		27	
General Expenses	181	77	78		78	(1)
Contractual Services	211	437	72	120	192	245
Interdepartmental Charges	4,455					
Insurance on Buildings	597	597	97	499	596	1
Repairs	298	298		298	298	
Rent	12,785	11,684	10,204	1,126	11,330	354
Mass Transportation						
Pt. Lookout/Lido Beach Bus Route	75	150	150		150	
Metropolitan Suburban Bus Authority	2,091	2,091	1,930	161	2,091	
LIRR Station Maintenance	29,511	29,452	29,452		29,452	
MTA-LIRR Operating Assistance	11,584	11,584	11,584		11,584	
Intermodal Center	65					
Physically Challenged Transportation	660	660	610	51	661	(1)
Office of Real Estate Services Total	62,741	57,073	54,342	2,255	56,597	476
Public Utility Authority						
General Expenses	390	390		390	390	
Public Utility Authority Total	390	390		390	390	
Office of Records Management						
Salaries	972	972	790		790	182
Fringe Benefits	680	658	664	(6)	658	
Equipment	480	755	749	4	753	2
General Expenses	163	34	32	3	35	(1)
Contractual Services	294	194	90	95	185	9
Office of Records Management Total	2,589	2,613	2,325	96	2,421	192
Building Management						
Salaries	10,252	10,194	10,194		10,194	
Fringe Benefits	7,275	7,587	7,651	(64)	7,587	
Equipment	37	19	4	15	19	
General Expenses	1,461	1,322	969	347	1,316	6
Contractual Services	2,438	2,438	1,701	700	2,401	37
Utility Costs	28,075	23,712	21,142	1,491	22,633	1,079
Interdepartmental Charges	89	89				89
Building Management Total	49,627	45,361	41,661	2,489	44,150	1,211
Total General Administration	359,166	347,984	334,652	10,379	345,031	2,953

(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, 2017 (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	\$ 547	\$ 525	\$ 525	\$	\$ 525	\$
Fringe Benefits	499	479	483	(4)	479	
General Expenses	5	5	2		2	3
Contractual Services	6	6		6	6	
Commission on Human Rights Total	1,057	1,015	1,010	2	1,012	3
Commissioner of Accounts						
Salaries	289	151	151		151	
Fringe Benefits	132	149	150	(1)	149	
General Expenses	11	11	1		1	10
Contractual Services	50					
Commissioner of Accounts Total	482	311	302	(1)	301	10
Consumer Affairs						
Salaries	1,952	1,791	1,791		1,791	
Fringe Benefits	1,235	1,187	1,197	(10)	1,187	
Equipment	11	11	4	1	5	6
General Expenses	16	16	11	1	12	4
Consumer Affairs Total	3,214	3,005	3,003	(8)	2,995	10
Fire Commission						
Salaries	11,362	11,362	10,954		10,954	408
Fringe Benefits	5,864	5,864	5,748	(58)	5,690	174
Equipment	52	68	63	2	65	3
General Expenses	319	268	140	57	197	71
Contractual Services	4,945	4,945	4,570	207	4,777	168
Interdepartmental Charges	2,440	2,458	2,458		2,458	
Fire Commission Total	24,982	24,965	23,933	208	24,141	824
Police Headquarters						
Salaries	243,074	266,330	266,331		266,331	(1)
Fringe Benefits	148,872	147,431	147,943	(510)	147,433	(2)
Workers' Compensation	5,884	3,958	3,958		3,958	
Equipment	622	536	457	70	527	9
General Expenses	4,629	3,901	3,257	625	3,882	19
Contractual Services	14,845	14,206	10,854	2,528	13,382	824
Utilities	3,832	3,333	2,850	483	3,333	
Interdepartmental Charges	23,569	25,846	25,846		25,846	
Police Headquarters Total	445,327	465,541	461,496	3,196	464,692	849
Medical Examiner						
Salaries	7,652	7,466	7,419		7,419	47
Fringe Benefits	3,579	3,593	3,623	(30)	3,593	
Equipment	50	8	(4)		(4)	12
General Expenses	729	717	626	48	674	43
Contractual Services	95	95	27	64	91	4
Medical Examiner Total	12,105	11,879	11,691	82	11,773	106
Taxi and Limousine Commission						
Salaries	481	440	440		440	
Fringe Benefits	54	73	74	(1)	73	
Equipment	4	4				4
General Expenses	6	6	3	2	5	1
Contractual Services		5	5		5	
Taxi and Limousine Commission Total	545	528	522	1	523	5
Total Protection of Persons	487,712	507,244	501,957	3,480	505,437	1,807

(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, 2017 (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	\$ 1,924	\$ 1,781	\$ 1,781	\$	\$ 1,781	\$
Fringe Benefits	1,192	1,222	1,232	(10)	1,222	
Equipment	15	15	10	6	16	(1)
General Expenses	175	113	82	5	87	26
Interdepartmental Charges	3,943	3,943	3,943		3,943	
Environmental Health						
Salaries	7,812	7,910	7,910		7,910	
Fringe Benefits	5,481	5,429	5,475	(46)	5,429	
Equipment	14	14		5	5	9
General Expenses	68	68	51	13	64	4
Contractual Services	166	148	94	53	147	1
Interdepartmental Charges	435	564	564		564	
Laboratory Research						
Salaries	938	938	929		929	9
Fringe Benefits	681	638	643	(5)	638	
Equipment	31	31	4	22	26	5
General Expenses	549	477	392	37	429	48
Contractual Services	10	10		(12)	(12)	22
Interdepartmental Charges	310	310	181		181	129
Public Health						
Salaries	1,919	1,592	1,514		1,514	78
Fringe Benefits	1,004	1,039	1,048	(9)	1,039	
General Expenses	123	59	46	12	58	1
Contractual Services	85	85	70	(14)	56	29
Various Direct Expenses	5,000	5,000	5,000		5,000	
Interdepartmental Charges	295	595	595		595	
Early Intervention						
Salaries	3,790	3,922	3,922		3,922	
Fringe Benefits	2,702	2,692	2,715	(23)	2,692	
Equipment	14	14		14	14	
General Expenses	69	21	17	3	20	1
Early Intervention Charges	27,400	26,486	26,486		26,486	
Interdepartmental Charges	373	181	133		133	48
Preschool Education						
Salaries	291	184	184		184	
Fringe Benefits	180	126	127	(1)	126	
General Expenses	21	21	3	2	5	16
Contractual Services	280	280	202	44	246	34
Early Intervention Charges	128,105	129,395	111,043	5,147	116,190	13,205
Health Department Total	<u>195,395</u>	<u>195,303</u>	<u>176,396</u>	<u>5,243</u>	<u>181,639</u>	<u>13,664</u>
Mental Health, Chemical Dependency and Disabled Services						
Administration						
Salaries	1,983	1,983	2,179		2,179	(196)
Fringe Benefits	2,014	1,738	1,777	(40)	1,737	1
General Expenses	949	1,299	1,316		1,316	(17)
Contractual Services	327	(786)	411	61	472	(1,258)
Interdepartmental Charges	1,305	1,305	1,307		1,307	(2)
Contractual Services						
Contractual Services	6,303	6,303	2,328	3,566	5,894	409
Direct Services						
Fringe Benefits			2	(2)		
Contractual Services				(25)	(25)	25
Mental Health, Chemical Dependency and Disabled Services	<u>12,881</u>	<u>11,842</u>	<u>9,320</u>	<u>3,560</u>	<u>12,880</u>	<u>(1,038)</u>
Total Health	<u>208,276</u>	<u>207,145</u>	<u>185,716</u>	<u>8,803</u>	<u>194,519</u>	<u>12,626</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, 2017 (Dollars in Thousands)**

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
<u>PUBLIC WORKS</u>						
Administration						
Salaries	\$ 2,821	\$ 2,869	\$ 2,930		\$ 2,930	\$ (61)
Fringe Benefits	2,606	2,534	2,555	(21)	2,534	
Workers' Compensation	2,484	2,034	2,034		2,034	
General Expenses	446	49	41	4	45	4
Contractual Services	1,207	1,207	266	1,150	1,416	(209)
Direct Expenses			(347)		(347)	347
Highway and Engineering						
Salaries	6,192	5,244	5,138		5,138	106
Fringe Benefits	2,917	3,824	3,879	(55)	3,824	
Equipment	1	1	1	1	1	
General Expenses	43	22	16	6	22	
Contractual Services	136,648	137,638	123,209	4,792	128,001	9,637
Utility Costs	1,746	1,186	1,186	(2)	1,184	2
Highway and Bridge Maintenance						
Salaries	12,457	11,411	11,411		11,411	
Fringe Benefits	9,491	8,498	8,570	(72)	8,498	
Equipment	44	44	32	11	43	1
General Expenses	2,548	2,448	2,198	247	2,445	3
Contractual Services	1,524	1,524	1,089	412	1,501	23
Utility Costs	754	464	429	(154)	275	189
Interdepartmental Charges	10,193	11,644	11,644		11,644	
Groundwater Remediation						
Salaries	3,303	3,041	3,041		3,041	
Fringe Benefits	2,471	2,263	2,282	(19)	2,263	
Equipment	10	10	3		3	7
General Expenses	4,778	3,044	2,249	775	3,024	20
Contractual Services	1,504	765	485	269	754	11
Interdepartmental Charges	932	1,306	1,306		1,306	
Total Public Works	207,120	203,070	185,646	7,344	192,990	10,080
<u>RECREATION AND PARKS</u>						
Administration						
Salaries	1,876	1,936	1,936		1,936	
Fringe Benefits	871	818	825	(7)	818	
Equipment	9	9	2		2	7
General Expenses	440	386	303	71	374	12
Contractual Services	4,082	4,082	3,297	362	3,659	423
Technical Service						
Salaries	5,198	5,488	5,488		5,488	
Fringe Benefits	2,303	2,318	2,338	(20)	2,318	
Equipment	145	155	155		155	
General Expenses	1,007	790	580	199	779	11
Contractual Services	2,432	2,299	1,938	280	2,218	81
Recreation Service						
Salaries	8,192	8,275	8,275		8,275	
Fringe Benefits	4,100	3,495	3,524	(29)	3,495	
Equipment	47	47	36		36	11
General Expenses	165	147	112	28	140	7
Contractual Services	588	588	411	44	455	133

(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, 2017 (Dollars in Thousands)**

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
RECREATION AND PARKS (Continued)						
Museum						
Salaries	\$ 971	\$ 1,137	\$ 1,137	\$	\$ 1,137	\$
Fringe Benefits	416	480	484	(4)	480	
Equipment	9	9	5		5	4
General Expenses	75	75	41	27	68	7
Contractual Services	465	465	321	(176)	145	320
Golf Operations						
Salaries	4,710	4,638	4,638		4,638	
Fringe Benefits	1,919	1,959	1,975	(16)	1,959	
Equipment	221	221	221		221	
General Expenses	625	625	462	116	578	47
Contractual Services	582	521	416	90	506	15
Total Recreation and Parks	41,448	40,963	38,920	965	39,885	1,078
SOCIAL SERVICES						
Bar Association - Public Defender	7,341	7,981	7,913	68	7,981	
CASA						
Salaries	271	288	288		288	
Fringe Benefits	135	132	133	(1)	132	
General Expenses	3	3				3
Contractual Services	23	23	3	7	10	13
CASA Total	432	446	424	6	430	16
Human Services						
Salaries	2,822	3,049	2,853		2,853	196
Fringe Benefits	4,119	3,955	3,960	(5)	3,955	
Equipment	19	19		2	2	17
General Expenses	90	90	58	7	65	25
Contractual Services	28,580	29,153	20,470	3,590	24,060	5,093
Interdepartmental Charges	1,220	1,220	990		990	230
Human Services Total	36,850	37,486	28,331	3,594	31,925	5,561
Legal Aid Society	6,685	6,685	6,685		6,685	
Minority Affairs						
Salaries	484	446	446		446	
Fringe Benefits	281	242	244	(2)	242	
General Expenses	25	7	6		6	1
Contractual Services	22	9	4	5	9	
Minority Affairs Total	812	704	700	3	703	1
Social Services Department						
Administration						
Salaries	4,296	4,499	4,499		4,499	
Fringe Benefits	2,674	2,713	2,736	(23)	2,713	
Equipment	17	17	9	2	11	6
General Expenses	304	289	281	5	286	3
Contractual Services	1,495	1,681	1,337	247	1,584	97
Interdepartmental Charges	16,166	14,259	13,413		13,413	846
Public Financial Assistance						
Salaries	21,208	21,308	21,306		21,306	2
Fringe Benefits	13,099	12,845	12,953	(108)	12,845	
Equipment	13	13	10		10	3
General Expenses	306	294	279	9	288	6
Contractual Services	7,873	7,842	5,333	1,215	6,548	1,294

(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, 2017 (Dollars in Thousands)**

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
SOCIAL SERVICES (continued)						
Division of Services						
Salaries	\$ 23,685	\$ 22,990	\$ 22,990	\$	\$ 22,990	\$
Fringe Benefits	13,995	13,861	13,978	(117)	13,861	
General Expenses	156	156	142	7	149	7
Contractual Services	188	188	88	8	96	92
Handicapped Children Education						
Emergency Vendor Payments	17,059	17,059	15,990	11	16,001	1,058
Aid to Dependent Children						
Recipient Grants	21,000	18,286	18,286		18,286	
Emergency Vendor Payments	6,589	5,390	5,153	38	5,191	199
Home Relief						
Recipient Grants	31,800	27,766	27,766		27,766	
Emergency Vendor Payments	9,000	9,728	9,728		9,728	
Children in Institutions						
Emergency Vendor Payments	10,869	10,822	8,905	1,248	10,153	669
Children in Foster Homes						
Recipient Grants	1,200	609	609		609	
Purchased Services	1	1	1		1	
Emergency Vendor Payments	650	424	424		424	
Juvenile Delinquents						
Emergency Vendor Payments	3,114	2,873	1,732	454	2,186	687
Training Schools						
Emergency Vendor Payments	2,500	3,451	3,451		3,451	
Children in Institutions - Title 4E						
Emergency Vendor Payments	654	654	535	78	613	41
Children in Foster Homes - Title 4E						
Recipient Grants	600	528	528		528	
Emergency Vendor Payments	350	375	373		373	2
Subsidized Adoptions						
Recipient Grants	4,900	4,588	4,588		4,588	
Burials						
Emergency Vendor Payments	250	236	236		236	
Medicaid						
Medicaid	236,571	233,192	233,192		233,192	
Home Energy Assistance						
Recipient Grants	400	314	314		314	
Title-XX						
Purchased Services	71,451	71,690	65,865	3,359	69,224	2,466
Social Services Department Total	524,433	510,941	497,030	6,433	503,463	7,478
Veterans Service Agency						
Salaries	485	489	487		487	2
Fringe Benefits	358	355	358	(3)	355	
General Expenses	16	16	12		12	4
Contractual Services	2	2	1	1	2	
Veterans Service Agency Total	861	862	858	(2)	856	6

(Continued)

EXHIBIT B-2**COUNTY OF NASSAU, NEW YORK****COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
VS. TOTAL BUDGETARY AUTHORITY
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017 (Dollars in Thousands)**

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
<u>SOCIAL SERVICES (continued)</u>						
Total Social Services	\$ 577,414	\$ 565,105	\$ 541,941	\$ 10,102	\$ 552,043	\$ 13,062
<u>CORRECTIONS</u>						
Correctional Center						
Salaries	108,623	112,052	112,052		112,052	
Fringe Benefits	62,920	63,725	64,261	(536)	63,725	
Workers' Compensation	9,856	7,640	7,640		7,640	
Equipment	62	255	226	29	255	
General Expenses	3,708	3,490	2,880	287	3,167	323
Contractual Services	22,447	35,223	21,484	6,687	28,171	7,052
Utility Costs	1,931	1,820	1,818		1,818	2
Correctional Center Total	209,547	224,205	210,361	6,467	216,828	7,377
Sheriff						
Salaries	6,725	6,732	6,732		6,732	
Fringe Benefits	3,998	4,322	4,358	(36)	4,322	
General Expenses	71	71	60	1	61	10
Sheriff Total	10,794	11,125	11,150	(35)	11,115	10
Correctional Center and Sheriff Total	220,341	235,330	221,511	6,432	227,943	7,387
Probation						
Administration						
Salaries	17,231	17,062	17,062		17,062	
Fringe Benefits	11,633	11,445	11,535	(89)	11,446	(1)
Equipment	43	43	32	8	40	3
General Expenses	376	363	252	100	352	11
Contractual Services	794	764	509	227	736	28
Utility Costs	1	1		1	1	
Interfund Charges	1,156	2,537	2,537		2,537	
Probation Total	31,234	32,215	31,927	247	32,174	41
Total Corrections	251,575	267,545	253,438	6,679	260,117	7,428
<u>EDUCATION</u>						
Payment to Long Beach Schools	106	106	106		106	
State School Tuition	11,700	13,409	13,790	(381)	13,409	
Total Education	11,806	13,515	13,896	(381)	13,515	
<u>BONDED PAYMENTS FOR TAX CERTIORARI</u>						
			709	(709)		
<u>AID TO TOWNS AND CITIES</u>						
Aid to Towns and Cities	67,150	68,332	68,332		68,332	
<u>OTHER EXPENDITURES</u>						
Interdepartmental Charges	3,617	3,617	4,131		4,131	(514)
Intergovernmental Charges	27,484	27,484	24,158		24,158	3,326
Lido-Point Lookout Fire District	6	6	6		6	
HIPPA Payments	25					

(Continued)

EXHIBIT B-2**COUNTY OF NASSAU, NEW YORK****COMPARATIVE SCHEDULE OF ACTUAL EXPENDITURES
VS. TOTAL BUDGETARY AUTHORITY
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017 (Dollars in Thousands)**

FUNCTIONS	Original Budget	Total Budgetary Authority	Actual Expenditures	GAAP to Budgetary Basis Conversion	Actual on a Budgetary Basis	Variance Positive (Negative)
OTHER EXPENDITURES (Continued)						
Miscellaneous Expense	\$ 28,835	\$ 29,227	\$ 25,339	\$ 947	\$ 26,286	\$ 2,941
NYS Association of Counties	69	69	68		68	1
NIFA Expenditures	2,000	1,500				1,500
Suits and Damages	37,614	39,108	39,320	(20)	39,300	(192)
Total Other Expenditures	99,650	101,011	93,022	927	93,949	7,062
Debt Service:						
Principal	94,230	94,230	94,230		94,230	
Interest	116,813	116,813	112,845		112,845	3,968
Financing Costs	3,450	3,450	3,450		3,450	
Payment to Escrow Agent			394,067	(394,067)		
Total Debt Service	214,493	214,493	604,592	(394,067)	210,525	3,968
Total Expenditures	2,613,810	2,625,753	2,909,663	(344,931)	2,564,732	61,021
TRANSFERS OUT						
Other	161,898	162,890	1,131		1,131	161,759
Total Transfers Out	161,898	162,890	1,131		1,131	161,759
TOTAL EXPENDITURES AND TRANSFERS OUT	\$ 2,775,708	\$ 2,788,643	\$ 2,910,794	\$ (344,931)	\$ 2,565,863	\$ 222,780
*Appropriations per the 2017 budget as adopted						\$ 3,024,046
Intrafund Budget Elimination						(334,778)
Outstanding encumbrances, January 1, 2017						86,440
Original Budget per above						2,775,708
Add: Supplemental appropriations						33,391
Less: Intrafund Modified Budget eliminations						(20,456)
Total Budgetary Authority						\$ 2,788,643

(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, 2017 (Dollars in Thousands)

	<u>Original Budget</u>	<u>Total Budgetary Authority</u>	<u>Actual</u>	<u>GAAP to Budgetary Basis Conversion</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
Revenues:						
Licenses and Permits	\$ 4,820	\$ 4,820	\$ 4,634	\$	\$ 4,634	\$ (186)
Fines and Forfeits	1,300	1,300	1,164		1,164	(136)
Interest Income	20	20	36		36	16
Rents and Recoveries			186		186	186
Departmental Revenue	3,450	3,450	2,731		2,731	(719)
Interdepartmental Revenue	1,820	1,820	437		437	(1,383)
Property Taxes	384,143	384,143	384,144		384,144	1
Payments in Lieu of Taxes	16,758	16,758	16,758		16,758	
Total Revenues	<u>412,311</u>	<u>412,311</u>	<u>410,090</u>		<u>410,090</u>	<u>(2,221)</u>
Expenditures:						
Protection of Persons:						
Salaries	241,339	236,495	234,128		234,128	2,367
Fringe Benefits	132,254	132,254	133,523	(2,427)	131,096	1,158
Workers' Compensation	8,633	8,633	8,408		8,408	225
Equipment	356	356	202	40	242	114
General Expenses	6,055	6,055	5,437	619	6,056	(1)
Contractual Services	1,270	1,270	553	486	1,039	231
Utility Costs	1,493	1,493	1,226	53	1,279	214
Interdepartmental Charges	20,247	25,091	25,091		25,091	
Other	14	14	14		14	
Total Expenditures	<u>411,661</u>	<u>411,661</u>	<u>408,582</u>	<u>(1,229)</u>	<u>407,353</u>	<u>4,308</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>650</u>	<u>650</u>	<u>1,508</u>	<u>1,229</u>	<u>2,737</u>	<u>2,087</u>
Other Financing Sources (Uses):						
Transfers Out	<u>(2,241)</u>	<u>(2,241)</u>	<u>(2,468)</u>	<u>227</u>	<u>(2,241)</u>	
Total Other Financing Sources (Uses)	<u>(2,241)</u>	<u>(2,241)</u>	<u>(2,468)</u>	<u>227</u>	<u>(2,241)</u>	
Net Change in Fund Equity (Deficit)	<u>(1,591)</u>	<u>(1,591)</u>	<u>(960)</u>	<u>1,456</u>	<u>496</u>	<u>2,087</u>
Fund Balance (Deficit) Beginning of Year	<u>1,591</u>	<u>1,591</u>	<u>(5,046)</u>	<u>29,379</u>	<u>24,333</u>	<u>22,742</u>
Fund Balance (Deficit) End of Year	<u>\$</u>	<u>\$</u>	<u>\$ (6,006)</u>	<u>\$ 30,835</u>	<u>\$ 24,829</u>	<u>\$ 24,829</u>

EXHIBIT B-4**COUNTY OF NASSAU, NEW YORK**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY, ACTUAL, AND BUDGETARY BASIS
SEWER & STORM WATER DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017 (Dollars in Thousands)

	<u>Original Budget</u>	<u>Total Budgetary Authority</u>	<u>Actual</u>	<u>GAAP to Budgetary Basis Conversion</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
Revenues:						
Licenses and Permits	\$ 1,500	\$ 1,500	\$ 1,809	\$ 45	\$ 1,854	\$ 354
Interest Income			169		169	169
Rents and Recoveries	10,060	10,060	3,415	4,538	7,953	(2,107)
Departmental Revenue	1,482	1,482	656	624	1,280	(202)
Federal Aid			72		72	72
Property Taxes			115,010		115,010	115,010
Payments in Lieu of Taxes			7,853		7,853	7,853
Other Revenues	300	300				(300)
Total Revenues	<u>13,342</u>	<u>13,342</u>	<u>128,984</u>	<u>5,207</u>	<u>134,191</u>	<u>120,849</u>
Expenditures:						
Public Works:						
Salaries	10,545	11,717	11,717		11,717	
Fringe Benefits	9,039	9,296	9,408	(111)	9,297	(1)
Equipment	37	37	10		10	27
General Expenses	189	209	127	66	193	16
Contractual Services	71,955	71,395	66,121	1,428	67,549	3,846
Utility Costs	9,361	8,471	4,956	358	5,314	3,157
Interdepartmental Charges	10,558	10,558	5,710		5,710	4,848
Other	765	765	394	226	620	145
Debt Service:						
Principal	9,529	9,529	9,529		9,529	
Interest	5,833	5,833	3,412		3,412	2,421
Total Expenditures	<u>127,811</u>	<u>127,810</u>	<u>111,384</u>	<u>1,967</u>	<u>113,351</u>	<u>14,459</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(114,469)</u>	<u>(114,468)</u>	<u>17,600</u>	<u>3,240</u>	<u>20,840</u>	<u>135,308</u>
Other Financing Sources (Uses):						
Transfer Out	(21,924)	(21,924)	(18,725)		(18,725)	3,199
Transfer In of Investment Income	100	100	281		281	181
Transfer Out to SFA			(122,863)		(122,863)	(122,863)
Transfers In to SFA	104,432	104,432	105,572		105,572	1,140
Total Other Financing Sources (Uses)	<u>82,608</u>	<u>82,608</u>	<u>(35,735)</u>		<u>(35,735)</u>	<u>(118,343)</u>
Net Change in Fund Balances	(31,861)	(31,860)	(18,135)	3,240	(14,895)	16,965
Fund Balance Beginning of Year	<u>31,861</u>	<u>31,860</u>	<u>42,220</u>	<u>1,225</u>	<u>43,445</u>	<u>11,585</u>
Fund Balance End of Year	<u>\$</u>	<u>\$</u>	<u>\$ 24,085</u>	<u>\$ 4,465</u>	<u>\$ 28,550</u>	<u>\$ 28,550</u>

EXHIBIT B-5**COUNTY OF NASSAU, NEW YORK**

**SCHEDULE OF EXPENDITURES BY COUNTY DEPARTMENTS AND OFFICES
TOTAL BUDGETARY AUTHORITY AND ACTUAL
GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017 (Dollars in Thousands)
(INCLUDING LIFETIME ACTIVITY THROUGH DECEMBER 31, 2017)**

County Departments, Offices and Boards	Budgetary Authority as of December 31, 2017	Expenditures through December 31, 2016	Available Budgetary Authority for 2017	2017 Expenditures	2017 Transfers	Remaining Budgetary Authority December 31, 2017
Affirmative Action	\$ 1,240	\$ 1,140	\$ 100	\$	\$	\$ 100
Assessment	13,000	11,633	1,637			1,637
Behavioral Health	512,198	350,975	161,223	39,138		122,085
Budget and Management	9,053	2,296	6,757	505		6,252
CASA	735	466	269			269
Consumer Affairs	250	229	21			21
Correctional Center	15,539	13,442	2,097	636		1,461
County Attorney	295	295				
County Clerk	467	319	148			148
County Comptroller	805	446	359			359
Criminal Justice Coordinating Council	62,221	57,533	4,688	515		4,173
Cultural Development	441	437	4			4
District Attorney	53,032	35,440	17,592	4,828		12,764
Drug and Alcohol	693,474	527,186	166,288			166,288
Board of Election	3,378	2,842	536	164		372
Emergency Management	43,875	28,942	14,933	4,214		10,719
Fire Commission	4,986	4,065	921	111		810
General Services	415	315	100			100
Health	330,031	267,044	62,987	11,540		51,447
Housing and Inter- governmental Affairs	825,797	740,704	85,093	16,628		68,465
Human Rights	1,897	1,702	195			195
Human Services	3,013	816	2,197	558		1,639
Information Technology	433	387	46	7		39
Labor	50	46	4			4
Medical Center	5,119	188	4,931			4,931
Medical Examiner	14,486	11,998	2,488	922		1,566
Mental Health	213,875	169,654	44,221			44,221
Miscellaneous	91,127	72,570	18,557			18,557
Planning	30,560	22,624	7,936	70		7,866
Police	149,490	117,761	31,729	4,338	4,253	23,138
Probation	46,086	38,840	7,246	1,235		6,011
Public Works	21,500	15,457	6,043	650		5,393
Real Estate Services	263,262	74,679	188,583	3,246		185,337
Records Management	114	113	1			1
Recreation and Parks	45,837	37,340	8,497	3,082		5,415
Senior Citizen Affairs	63,161	60,291	2,870			2,870
Sheriff	66	55	11			11
Shared Services	318	317	1			1
Social Services	166,994	123,171	43,823	17,636		26,187
Traffic Safety Board	70,169	65,728	4,441	1,115		3,326
Veterans Services	458	424	34			34
Women's Services	194	148	46			46
Youth Board	39,081	31,638	7,443			7,443
Total	\$ 3,798,522	\$ 2,891,426	\$ 907,096	\$ 111,138	\$ 4,253	\$ 791,705

EXHIBIT B-6

COUNTY OF NASSAU, NEW YORK

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGETARY AUTHORITY, ACTUAL, AND BUDGETARY BASIS
ENVIRONMENTAL PROTECTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2017 (Dollars in Thousands)**

	<u>Original Budget</u>	<u>Total Budgetary Authority</u>	<u>Actual</u>	<u>GAAP to Budgetary Basis Conversion</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>						
Interest Income	\$	\$	\$ 59	\$	\$ 59	\$ 59
Total Revenues			59		59	59
<u>Other Financing Uses:</u>						
Transfer Out	(9,186)	(9,186)	(9,176)		(9,176)	10
Total Other Financing Uses	(9,186)	(9,186)	(9,176)		(9,176)	10
Net Change in Fund Balance	(9,186)	(9,186)	(9,117)		(9,117)	69
Fund Balance Beginning of Year	9,186	9,186	11,090		11,090	1,904
Fund Balance End of Year	\$	\$	\$ 1,973	\$	\$ 1,973	\$ 1,973

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

**SCHEDULE OF EXPENDITURES BY COUNTY DEPARTMENTS AND OFFICES
TOTAL BUDGETARY AUTHORITY AND ACTUAL
FEMA FUND
FOR THE YEAR ENDED DECEMBER 31, 2017 (Dollars in Thousands)
(INCLUDING LIFETIME ACTIVITY THROUGH DECEMBER 31, 2017)**

County Departments, Offices and Boards	Budgetary Authority as of December 31, 2017	Expenditures and Transfers through December 31, 2016	Available Budgetary Authority for 2017	2017 Expenditures	2017 Transfers	Remaining Budgetary Authority December 31, 2017
Budget and Management	\$ 27	\$ 27	\$	\$	\$	\$
Correctional Center	233	179	54			54
County Attorney	24	23	1			1
County Comptroller	135	135				
Office of Constituent Affairs	85	55	30			30
County Executive	62	62				
District Attorney	206	100	106			106
Board of Election	251	220	31		29	2
Emergency Management	1,679	1,573	106			106
Fire Commission	883	576	307			307
Health	1,196	914	282			282
Human Services	145	18	127			127
Information Technology	307	294	13			13
Labor Relations	2	2				
Legislature	2	1	1			1
Medical Examiner	8	3	5			5
Personnel	28	28				
Police	11,707	11,574	133			133
Police Headquarters	11,000	10,963	37			37
Probation	419	419				
Public Administrator	1		1			1
Public Works	191,204	191,658	(454)	1,097		(1,551)
Shared Services	16	13	3			3
Recreation and Parks	2,938	2,598	340			340
Social Services	83	48	35			35
STEP Program	15,054	9,042	6,012	29		5,983
Total	\$ 237,695	\$ 230,525	\$ 7,170	\$ 1,126	\$ 29	\$ 6,015

EXHIBIT B-8

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, 2017 (Dollars in Thousands)**

	<u>Original Budget</u>	<u>Total Budgetary Authority</u>	<u>Actual</u>	<u>GAAP to Budgetary Basis Conversion</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>						
Interest Income	\$	\$	\$ 61	\$	\$ 61	\$ 61
Property Taxes		1,132	1,133		1,133	1
Total Revenues		1,132	1,194		1,194	62
<u>Expenditures:</u>						
Other		1,132	1,132		1,132	
Total Expenditures	\$	\$ 1,132	\$ 1,132	\$	\$ 1,132	\$
Net Change in Fund Balance			62		62	62
Fund Balance Beginning of Year						
Fund Balance End of Year	\$	\$	\$ 62	\$	\$ 62	\$ 62

EXHIBIT B-9**COUNTY OF NASSAU, NEW YORK****COMBINING BALANCE SHEET****GENERAL FUND****DECEMBER 31, 2017 (Dollars in Thousands)**

ASSETS:	General	Debt Service Fund	Fire Commission Fund	Police Headquarters Fund	Technology Fund	Open Space Fund
Cash and Cash Equivalents	\$ 225,165	\$ 8,015	\$ 1,052	\$ 9,609	\$ 79	\$ 1,829
Restricted Cash and Cash Equivalents	45,000					
Sales Tax Receivable	10,549					
Due from Other Governments	97,065			1,045		
Less Allowance for Doubtful Accounts	(5,605)					
Accounts Receivable	40,452			2,420		
Real Property Taxes Receivable	78,033					
Less Allowance for Doubtful Accounts	(6,963)					
Tax Sale Certificates	4,468					
Tax Real Estate Held for Sale	4,551					
Interfund Receivables	255,265	55,890		4,072		
Prepays	18,386	15,861	444	13,308		
Due from Component Units	33,797					
Other Assets	36					
TOTAL ASSETS	\$ 800,199	\$ 79,766	\$ 1,496	\$ 30,454	\$ 79	\$ 1,829
LIABILITIES:						
Accounts Payable	\$ 73,438	\$	\$ 78	\$ 1,756	\$	\$
Accrued Liabilities	79,827	417	720	17,225		
Tax Anticipation Notes Payable	377,265					
Unearned Revenue	14,811					
Property Tax Refund Payable	29,941					
Interfund Payables		80,044	1,665	45,189		
Due to Component Units	23,499					
Other Liabilities	31,497		100	2,497		
Total Liabilities	630,278	80,461	2,563	66,667		
DEFERRED INFLOWS OF RESOURCES:						
Property Taxes	21,670					
Property Taxes - Part County Sales Tax Offset	17,986					
Mitchel Field - Sale of Future Rental Revenue	29,896					
Total Deferred Inflows of Resources	69,552					
FUND BALANCE (DEFICIT):						
Fund Balances (Deficit):						
Nonspendable	24,386	15,861	444	13,308		
Spendable:						
Restricted	52,889					1,810
Committed					79	
Unassigned	23,094	(16,556)	(1,511)	(49,521)		19
Total Fund Balance (Deficit)	100,369	(695)	(1,067)	(36,213)	79	1,829
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	\$ 800,199	\$ 79,766	\$ 1,496	\$ 30,454	\$ 79	\$ 1,829

EXHIBIT B-9**COUNTY OF NASSAU, NEW YORK****COMBINING BALANCE SHEET
GENERAL FUND****DECEMBER 31, 2017 (Dollars in Thousands)**

ASSETS:	Employee Accrued Benefit Liability Fund	Litigation Fund	Retirement Contribution Reserve Fund	Bond Indebtedness Reserve Fund	Intrafund Eliminations	Total General Fund
Cash and Cash Equivalents	\$ 13,084	\$ 6,085	\$ 8,043	\$	\$	\$ 272,961
Restricted Cash and Cash Equivalents				3,609		48,609
Sales Tax Receivable						10,549
Due from Other Governments						98,110
Less Allowance for Doubtful Accounts						(5,605)
Accounts Receivable						42,872
Real Property Taxes Receivable						78,033
Less Allowance for Doubtful Accounts						(6,963)
Tax Sale Certificates						4,468
Tax Real Estate Held for Sale						4,551
Interfund Receivables					(134,898)	180,329
Prepays						47,999
Due from Component Units						33,797
Other Assets						36
TOTAL ASSETS	\$ 13,084	\$ 6,085	\$ 8,043	\$ 3,609	\$ (134,898)	\$ 809,746
LIABILITIES:						
Accounts Payable	\$	\$ 240	\$	\$	\$	\$ 75,512
Accrued Liabilities		18				98,207
Tax Anticipation Notes Payable						377,265
Unearned Revenue						14,811
Property Tax Refund Payable						29,941
Interfund Payables		5,773	8,000		(134,898)	5,773
Due to Component Units						23,499
Other Liabilities						34,094
Total Liabilities		6,031	8,000		(134,898)	659,102
DEFERRED INFLOWS OF RESOURCES:						
Property Taxes						21,670
Property Taxes - Part County Sales Tax Offset						17,986
Mitchel Field - Sale of Future Rental Revenue						29,896
Total Deferred Inflows of Resources						69,552
FUND BALANCE (DEFICIT):						
Fund Balances (Deficit):						
Nonspendable						53,999
Spendable:						
Restricted				3,609		58,308
Committed	13,084	54				13,217
Unassigned			43			(44,432)
Total Fund Balance (Deficit)	13,084	54	43	3,609		81,092
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	\$ 13,084	\$ 6,085	\$ 8,043	\$ 3,609	\$ (134,898)	\$ 809,746

EXHIBIT B-10**COUNTY OF NASSAU, NEW YORK****COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES****GENERAL FUND****FOR THE YEAR ENDED DECEMBER 31, 2017 (Dollars in Thousands)**

	General Fund	Debt Service Fund	Fire Commission Fund	Police Headquarters Fund	Technology Fund
REVENUES:					
Interest and Penalties on Taxes	\$ 33,212	\$	\$	\$	\$
Licenses and Permits	13,945			1,125	
Fines and Forfeits	71,088			20,437	
Interest Income	1,568		4	13	
Rents and Recoveries	18,043	8	4	176	
Departmental Revenue	200,017		7,846	23,719	
Interdepartmental Revenue	79,344			14,503	
Interfund Revenue	12,634			234	
Federal Aid	130,817	4,807		724	
State Aid	212,686		151	932	
Sales Tax	907,960				
Preempted Sales Tax in Lieu of Property Taxes	88,097				
Property Taxes	54,364		16,115	359,105	
Payments in Lieu of Taxes	15,303		405	8,938	
Special Taxes	7,657			24,505	
Other Revenues	38,699	3,535			
Total Revenues	1,885,434	8,350	24,525	454,411	
EXPENDITURES:					
Current:					
Legislative	11,268				
Judicial	75,574				
General Administration	334,651				1
Protection of Persons	16,528		23,934	461,495	
Health	185,716				
Public Works	185,646				
Recreation and Parks	38,920				
Social Services	541,941				
Corrections	253,438				
Education	13,896				
Bonded Payments for Tax Certiorari and Other Judgments	709				
Aid to Towns and Cities	68,332				
Other	55,196				
Debt Service:					
Principal		94,230			
Interest		112,845			
Bond Issuance Costs		3,450			
Total Expenditures	1,781,815	210,525	23,934	461,495	1
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	103,619	(202,175)	591	(7,084)	(1)
OTHER FINANCING SOURCES (USES):					
Transfers In	166,094	356,308	258	27,024	
Transfers Out	(328,892)	(158,065)	(806)	(20,667)	
Transfers In of Investment Income	1,657				
Transfers In from NIFA	1,206				
Refunding Bonds Issued		338,205			
Payment to Refunded Bonds Escrow Agent		(394,067)			
Premium on Bonds		58,959			
Total Other Financing Sources (Uses)	(159,935)	201,340	(548)	6,357	
NET CHANGE IN FUND BALANCE (DEFICIT)	(56,316)	(835)	43	(727)	(1)
TOTAL FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	156,685	140	(1,110)	(35,486)	80
TOTAL FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 100,369	\$ (695)	\$ (1,067)	\$ (36,213)	\$ 79

EXHIBIT B-10**COUNTY OF NASSAU, NEW YORK****COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND****FOR THE YEAR ENDED DECEMBER 31, 2017 (Dollars in Thousands)**

	Open Space Fund	Employee Accrued Benefit Liability Fund	Litigation Fund	Retirement Contribution Reserve Fund	Bond Indebtedness Reserve Fund	Total General Fund
REVENUES:						
Interest and Penalties on Taxes	\$	\$	\$	\$	\$	\$ 33,212
Licenses and Permits						15,070
Fines and Forfeits						91,525
Interest Income			19	30		1,634
Rents and Recoveries	49					18,280
Departmental Revenue						231,582
Interdepartmental Revenue						93,847
Interfund Revenue						12,868
Federal Aid						136,348
State Aid						213,769
Sales Tax						907,960
Preempted Sales Tax in Lieu of Property Taxes						88,097
Property Taxes						429,584
Payments in Lieu of Taxes						24,646
Special Taxes						32,162
Other Revenues	10					42,244
Total Revenues	59		19	30		2,372,828
EXPENDITURES:						
Current:						
Legislative						11,268
Judicial						75,574
General Administration						334,652
Protection of Persons						501,957
Health						185,716
Public Works						185,646
Recreation and Parks						38,920
Social Services						541,941
Corrections						253,438
Education						13,896
Bonded Payments for Tax Certiorari and Other Judgments						709
Aid to Towns and Cities						68,332
Other			37,826			93,022
Debt Service:						
Principal						94,230
Interest						112,845
Bond Issuance Costs						3,450
Total Expenditures			37,826			2,515,596
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	59		(37,807)	30		(142,768)
OTHER FINANCING SOURCES (USES):						
Transfers In			227		(515,299)	34,612
Transfers Out				(8,000)	515,299	(1,131)
Transfers In of Investment Income						1,657
Transfers In from NIFA						1,206
Refunding Bonds Issued						338,205
Payment to Refunded Bonds Escrow Agent						(394,067)
Premium on Bonds						58,959
Total Other Financing Sources (Uses)			227	(8,000)		39,441
NET CHANGE IN FUND BALANCE (DEFICIT)	59		(37,580)	(7,970)		(103,327)
TOTAL FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	1,770	13,084	37,634	8,013	3,609	184,419
TOTAL FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 1,829	\$ 13,084	\$ 54	\$ 43	\$ 3,609	\$ 81,092

EXHIBIT C-1

COUNTY OF NASSAU, NEW YORK

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2017 (Dollars in Thousands)**

	<u>Land*</u>	<u>Intangibles*</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Total</u>
Legislative	\$	\$	\$	\$ 254	\$ 246	\$	\$ 500
Judicial	2,594		1,933	73,629	5,399		83,555
General Administration	183,946	8,804	1,898	434,376	306,766		935,790
Protection of Persons	7,711		190	82,158	109,182	42,803	242,044
Health	475			4,672	3,119		8,266
Public Works	15,013		3,228	329,403	64,621	2,081,032	2,493,297
Recreation and Parks	35,653		71,271	194,040	6,237	69,044	376,245
Social Services	534		3,840	19,967	1,104		25,445
Corrections				183,147	9,863		193,010
Total	<u>245,926</u>	<u>8,804</u>	<u>82,360</u>	<u>1,321,646</u>	<u>506,537</u>	<u>2,192,879</u>	<u>4,358,152</u>
Less: Accumulated Depreciation			<u>66,362</u>	<u>550,861</u>	<u>348,979</u>	<u>1,134,195</u>	<u>2,100,397</u>
	<u>\$ 245,926</u>	<u>\$ 8,804</u>	<u>\$ 15,998</u>	<u>\$ 770,785</u>	<u>\$ 157,558</u>	<u>\$ 1,058,684</u>	<u>2,257,755</u>
Construction in Progress							<u>1,152,897</u>
Total Net Capital Assets							<u>\$ 3,410,652</u>

* Land and Intangible Capital Assets are not depreciated.

EXHIBIT C-2

COUNTY OF NASSAU, NEW YORK

**STATEMENT OF CHANGES IN CAPITAL ASSETS BY FUNCTION
DECEMBER 31, 2017 (Dollars in Thousands)**

	<u>Capital Assets January 1, 2017</u>	<u>Additions*</u>	<u>Deletions*</u>	<u>Capital Assets December 31, 2017</u>
Legislative	\$ 484	\$ 16	\$	\$ 500
Judicial	84,512	329	1,286	83,555
General Administration	862,430	89,222	15,862	935,790
Protection of Persons	222,393	33,308	13,657	242,044
Health	8,280	27	41	8,266
Public Works	2,452,237	51,976	10,916	2,493,297
Recreation and Parks	356,396	28,851	9,002	376,245
Social Services	25,457	36	48	25,445
Corrections	192,245	858	93	193,010
Construction in Progress	926,918	298,873	72,894	1,152,897
Total	<u>5,131,352</u>	<u>503,496</u>	<u>123,799</u>	<u>5,511,049</u>
Less: Accumulated Depreciation	<u>2,006,605</u>	<u>140,759</u>	<u>46,967</u>	<u>2,100,397</u>
Total Changes in Net Capital Assets	<u>\$ 3,124,747</u>	<u>\$ 362,737</u>	<u>\$ 76,832</u>	<u>\$ 3,410,652</u>

* Additions and deletions 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 CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

FIDUCIARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2017 (Dollars in Thousands)

	<u>Balance January 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2017</u>
Agency Fund				
<u>ASSETS:</u>				
Cash	\$ 95,293	\$ 1,456,557	\$ 1,504,940	\$ 46,910
TOTAL ASSETS	<u>\$ 95,293</u>	<u>\$ 1,456,557</u>	<u>\$ 1,504,940</u>	<u>\$ 46,910</u>
<u>LIABILITIES:</u>				
Accounts Payable	\$ 53,207	\$ 626,869	\$ 676,252	\$ 3,824
Due To Component Unit	2,189	101,585	98,342	5,432
Other Liabilities	<u>39,897</u>	<u>1,439,394</u>	<u>1,441,637</u>	<u>37,654</u>
TOTAL LIABILITIES	<u>\$ 95,293</u>	<u>\$ 2,167,848</u>	<u>\$ 2,216,231</u>	<u>\$ 46,910</u>

EXHIBIT D-2**COUNTY OF NASSAU, NEW YORK****STATEMENT OF CHANGES IN OTHER LIABILITIES****FIDUCIARY FUNDS****FOR THE YEAR ENDED DECEMBER 31, 2017 (Dollars in Thousands)**

	Balance January 1, 2017	Additions	Deductions	Balance December 31, 2017
Agency Fund				
Cash Bail	\$ 6,933	\$ 6,307	\$ 6,746	\$ 6,494
Contractors' Cash Bond Escrow	571	524	139	956
Declining Balance Account - Staples		1,162	1,162	
Estate Suspense Account	676	1,229	1,074	831
Flex Benefit Plan		3,542	3,542	
Grainger Declining Balance Account	79	1,388	1,467	
Health Insurance		329,330	329,330	
Highway Deposits	1,300	216	235	1,281
Medical Assistance Pay In	1,046	1,139	1,076	1,109
Mortgage Taxes	9,738	57,855	58,861	8,732
Nassau County Bridge Authority	188			188
New York City Withholding Taxes		1,336	1,336	
New York State Withholding Taxes	1	60,697	60,698	
Payments in Lieu of Taxes	10,413	201,550	205,037	6,926
Payroll Deferred Compensation		71,889	71,889	
Real Estate Escrow	318	1		319
Retirement System	700	190,276	190,548	428
Social Security Taxes	221	139,073	139,170	124
Social Service Trust		3,581	3,581	
TIAA/CREF Payroll Deductions	1,030	6,184	6,203	1,011
Traffic Violations Clearing Account	4,807	36,614	35,283	6,138
Triad Worker's Compensation Account		30,133	28,969	1,164
Trust Fund Deposits	1,410	64,113	64,089	1,434
Trust Fund Deposits - short term		1,200	1,200	
All Other Liabilities	466	230,055	230,002	519
Total Other Liabilities	\$ 39,897	\$ 1,439,394	\$ 1,441,637	\$ 37,654

EXHIBIT E-1

COUNTY OF NASSAU, NEW YORK

**STATEMENT OF CASH IN BANKS*
ALL FUNDS OF THE PRIMARY GOVERNMENT
DECEMBER 31, 2017 (Dollars in Thousands)**

CASH BALANCES BY FUND:

General Fund	\$ 321,570
NIFA Fund	678
Police District Fund	534
Sewer and Storm Water District Fund	25,326
Capital Fund	399,520
Nonmajor Governmental Funds	193,927
Agency Funds	<u>46,910</u>
Total Cash Balances By Funds	<u>\$ 988,465</u> **

CASH BALANCES BY BANK:

The Bank of New York	\$ 981
Bank of America	11,340
JP Morgan Chase	313,201
Citibank	8,216
First National Bank	20,000
Hab Bank	2,500
Capital One Bank	228,058
Signature Bank	175,547
Santander Bank	152,278
HSBC	20,723
Wells Fargo	54,708
Petty Cash	<u>913</u>
Total Cash Balances By Bank	<u>\$ 988,465</u>

*See Exhibit X-13 Note 2, Deposits and Investments

**The Cash Balance reported on this Statement will equal the sum of the Cash and Cash Equivalents plus Restricted Cash and Cash Equivalents appearing on the Statement of Net Position (Deficit) (Exhibit X-1) for the Primary Government and the Cash Balances, as of the fiscal year end, reported in the Statement of Changes in Fiduciary Assets and Liabilities (Exhibit D-1).

FINANCIAL SCHEDULES (pursuant to NIFA resolutions)

EXHIBIT F-1

COUNTY OF NASSAU, NEW YORK

**CONTROL PERIOD CALCULATION SCHEDULE
DECEMBER 31, 2017**

	<u>(\$'s millions)</u>
Net Change in Fund Balance - GAAP (Modified Accrual Basis) Primary Operating Funds (from Note 2)	\$ (58.8)
Less: Adjustments for Revenue Included in Other Financing Sources	
Transfer of Revenue from Other Funds to Offset Debt Expenditures	<u>(0.2)</u>
Total Other Financing Sources to Eliminate	<u>(0.2)</u>
Less: Adjustments for Operating Expenditures Not Included in Other Financing Uses	
Borrowed Funds to Pay Property Tax Refunds	(0.7)
Borrowed Funds to Pay Operating Expenditures	<u>(3.5)</u>
Total Other Financing Uses to Include	<u>(4.2)</u>
Total Other Financing Sources/Uses Adjustments	<u>(4.4)</u>
Results Under Control Period Calculation	<u>\$ (63.2)</u>

EXHIBIT F-2

COUNTY OF NASSAU, NEW YORK

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

	(\$'s in millions)							
	2017	2016	Unaudited					2010
			2015	2014	2013	2012	2011	
Net Change in Fund Balance - General and Police District Fund, as Adjusted to Primary Operating Funds * (from Exhibit F-1)	<u>\$ (58.8)</u>	<u>\$ 27.1</u>	<u>\$ 28.0</u>	<u>\$ (21.5)</u>	<u>\$ 48.6</u>	<u>\$ 24.0</u>	<u>\$ (98.0)</u>	<u>\$ 31.0</u>
Less: Adjustments for Resources Included in Other Financing Sources (Uses)								
Premiums on Bonds (Net of Expense of Loans)		(43.8)	(19.0)	(4.4)	(4.0)	(3.7)	(6.2)	(21.3)
Borrowed Funds to Pay Property Tax Refunds	(0.7)	(59.3)	(96.2)	(126.4)	(75.0)	(14.7)	(21.0)	(42.5)
Borrowed Funds to Pay Other Judgments				(8.3)	(26.5)	(20.0)	(4.6)	(30.4)
Borrowed Funds to Pay Termination Pay		(2.0)	(26.1)	(20.1)	(14.0)	(33.1)	(17.7)	(80.0)
Borrowed Funds to Pay Other Operating Expenditures	(3.5)							
Transfer of Revenue From Other Funds to Offset Debt Expenditures	(0.2)	(5.1)	(12.0)	(8.5)	(2.7)	(16.6)	(12.5)	(1.7)
Total Other Financing Sources/(Uses) to be Eliminated	<u>(4.4)</u>	<u>(110.2)</u>	<u>(153.3)</u>	<u>(167.7)</u>	<u>(122.2)</u>	<u>(88.1)</u>	<u>(62.0)</u>	<u>(175.9)</u>
Results Under Control Period Calculation	<u>\$ (63.2)</u>	<u>\$ (83.1)</u>	<u>\$ (125.3)</u>	<u>\$ (189.2)</u>	<u>\$ (73.6)</u>	<u>\$ (64.1)</u>	<u>\$ (160.0)</u>	<u>\$ (144.9)</u>

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

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STATISTICAL SECTION

This Section of the County of Nassau's Comprehensive Annual Financial Report presents additional information, schedules, and historical content as a context to assist financial users to provide a greater understanding of the information in the financial statements, note disclosures, and required supplementary information, and to assist in the assessment of the County's overall financial condition. It is intended to provide readers of this report with a broader and more complete understanding of the County and its financial affairs than is possible from the financial statements and schedules included in the Financial section. In some cases, statistical information comes from towns, cities, villages, school districts, and special districts which are not part of the County reporting entity. Many schedules cover several fiscal years for comparison purposes, and present certain data from outside the County's accounting records.

Contents

Financial Trends Information

These schedules contain trend information to help the reader understand how the County's financial performance and position has changed over time.

Revenue Capacity Information

These schedules contain information to assist readers in understanding the factors affecting the County's local revenue sources, namely property and sales taxes.

Debt Capacity Information

These schedules contain information to assist readers in assessing the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Economic and Demographic Information

These schedules provide demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information

These schedules provide contextual information about the County's operations and resources to assist readers in understanding how the information in the County's financial report relates to the services it provides and the activities it performs.

Note: Certain information prior to 2011 is presented pre-implementation of GASB 54.

Sources: The information in these schedules is derived from the Comprehensive Annual Financial Report for the applicable year, unless otherwise noted.

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FINANCIAL TRENDS INFORMATION

EXHIBIT T-1

COUNTY OF NASSAU, NEW YORK

**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Dollars in Thousands)**

Fiscal Year	Net Investment in Capital Assets	Restricted										Unrestricted	Total Primary Government Net Position
		Statutory	Grants	General Administration	Health	Public Works	Various Purposes	FEMA - Public Works	Debt Service	Judgments and Settlements	Capital Projects		
2017	\$ 2,362,402	\$ 1,810		\$ 7,311	** \$ 8,973	** \$ 11,798	** \$ 2,496	** \$ 525	\$ 86,137	\$ 45,062	\$ 2,912	\$ (11,018,026)	\$ (8,488,600)
2016	2,160,368	1,751	37,032					93	94,178	32,148	2,912	(9,566,253)	(7,237,771)
2015	1,949,316	1,401	20,911					121	87,372	20,200	2,912	(9,436,735)	(7,354,502)
2014*	1,718,300	1,194	43,420						100,455		2,912	(9,173,415)	(7,307,134)
2013	1,620,294	1,087	48,618						54,019		7,099	(8,553,584)	(6,822,467)
2012	1,675,710	933	12,969						55,365		7,091	(8,435,294)	(6,683,226)
2011	1,681,865	2,269	21,512						59,397		7,082	(8,151,403)	(6,379,278)
2010	1,534,318										226,915	(7,068,439)	(5,307,206)
2009	1,503,411										143,133	(6,656,450)	(5,009,906)
2008	1,356,866										56,742	(6,132,850)	(4,719,242)

*Adjustments have been made to the 2014 numbers to show the effects of the prior period adjustment for comparative purposes.

** In the current year, restricted amounts are reported by specific purpose.

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EXHIBIT T-2**COUNTY OF NASSAU, NEW YORK**
**CHANGES IN NET POSITION
 LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (Dollars in Thousands)**

	Fiscal Year				
	2017	2016	2015**	2014*	2013**
Expenses					
Primary Government:					
Legislative	\$ 11,509	\$ 11,071	\$ 11,094	\$ 10,940	\$ 11,010
Judicial	82,389	75,957	69,964	78,144	67,275
General Government	1,928,273	640,338	734,832	851,284	231,868
Protection of Persons	902,481	851,983	779,467	821,444	806,103
Health	230,060	232,742	221,582	215,975	218,889
Public Works	334,088	338,243	357,050	399,406	425,228
Recreation and Parks	55,899	53,339	50,308	55,039	48,321
Social Services	562,660	550,994	538,899	560,347	567,342
Corrections	267,307	250,128	223,176	240,124	248,781
Education	27,081	24,650	9,225	10,753	11,375
Interest on Long-Term Debt	187,302	187,527	184,587	180,197	176,723
Total Primary Government Expenses	<u>4,589,049</u>	<u>3,216,972</u>	<u>3,180,184</u>	<u>3,423,653</u>	<u>2,812,915</u>
Program Revenues					
Primary Government:					
Charges for services:					
Legislative				121	
Judicial	68,146	72,814	59,871	83,316	59,908
General Government	76,735	77,911	41,170	40,856	57,149
Protection of Persons	115,015	76,316	56,913	47,200	47,199
Health	11,645	12,423	16,322	13,012	21,391
Public Works	56,310	72,722	70,530	52,563	51,436
Recreation and Parks	26,038	25,457	23,249	19,898	19,463
Social Services	18,394	20,807	19,302	25,870	20,833
Corrections	6,090	3,852	3,812	4,070	4,369
Education	13,409	12,757	11,586	13,162	19,149
Operating Grants	455,999	554,439	487,571	466,201	534,653
Capital Grants	214,058	125,408	138,408	74,945	13,641
Total Primary Government Program Revenues	<u>1,061,839</u>	<u>1,054,906</u>	<u>928,734</u>	<u>841,214</u>	<u>849,191</u>
Net (Expenses)/Revenues	<u>(3,527,210)</u>	<u>(2,162,066)</u>	<u>(2,251,450)</u>	<u>(2,582,439)</u>	<u>(1,963,724)</u>
General Revenues					
Primary Government:					
Taxes:					
Property Taxes	933,203	925,790	966,897	937,709	928,034
Sales Taxes	1,151,393	1,124,085	1,102,886	1,090,809	1,135,245
Other Taxes	83,760	80,809	46,952	43,595	45,618
Tobacco Settlement Revenue and Tobacco Receipts	16,449	55,551	18,598	21,733	19,210
Investment Income	29,248	34,987	20,643	19,384	1,748
Other	62,328	57,575	56,369	30,978	32,810
Total Primary Government General Revenues	<u>2,276,381</u>	<u>2,278,797</u>	<u>2,212,345</u>	<u>2,144,208</u>	<u>2,162,665</u>
Change in Net Position	(1,250,829)	116,731	(39,105)	(438,231)	198,941
Net Position (Deficit) - Beginning, as restated	(7,237,771)	(7,354,502)	(7,315,397)	(6,868,903)	(7,021,408)
Net Position (Deficit) - Ending	<u>\$ (8,488,600)</u>	<u>\$ (7,237,771)</u>	<u>\$ (7,354,502)</u>	<u>\$ (7,307,134)</u>	<u>\$ (6,822,467)</u>

(Continued)

*Adjustments have been made to the 2014 numbers to show the effects of the prior period adjustment for comparative purpose.

**Adjustments have been made to the beginning net position to show the effects of a prior period adjustment.

EXHIBIT T-2**COUNTY OF NASSAU, NEW YORK**
**CHANGES IN NET POSITION
 LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (Dollars in Thousands)**

	Fiscal Year				
	2012	2011**	2010**	2009	2008
Expenses					
Primary Government:					
Legislative	\$ 10,722	\$ 10,554	\$ 10,213	\$ 10,108	\$ 10,126
Judicial	66,479	64,004	65,765	51,142	52,998
General Government	758,742	1,494,399	739,650	752,102	759,162
Protection of Persons	811,733	763,528	771,480	725,762	718,984
Health	239,524	255,959	243,078	268,204	259,517
Public Works	342,764	251,139	238,683	218,257	224,577
Recreation and Parks	48,082	39,768	34,035	33,369	43,125
Social Services	562,832	576,297	564,636	539,817	519,326
Corrections	247,123	271,170	231,627	253,576	212,124
Education	5,692	9,826	12,086	11,457	10,741
Debt Service Interest	207,353	186,056	171,156	164,498	159,632
Total Primary Government Expenses	<u>3,301,046</u>	<u>3,922,700</u>	<u>3,082,409</u>	<u>3,028,292</u>	<u>2,970,312</u>
Program Revenues					
Primary Government:					
Charges for services:					
Legislative			193	274	233
Judicial	44,374	49,008	33,961	19,705	17,953
General Government	93,752	74,097	61,742	45,522	43,712
Protection of Persons	46,824	42,060	36,495	37,462	33,285
Health	31,646	23,475	22,196	22,245	22,208
Public Works	9,910	6,119	6,060	9,146	7,612
Recreation and Parks	19,852	19,875	19,426	19,665	19,775
Social Services	17,370	19,046	18,497	17,903	19,227
Corrections	8,633	9,014	4,784	5,300	7,420
Education	3,656			1,011	2,579
Operating Grants	563,964	463,523	485,243	463,438	412,965
Capital Grants	42,715	159,156	42,576	63,479	15,106
Total Primary Government Program Revenues	<u>882,696</u>	<u>865,373</u>	<u>731,173</u>	<u>705,150</u>	<u>602,075</u>
Net (Expenses)/Revenues	<u>(2,418,350)</u>	<u>(3,057,327)</u>	<u>(2,351,236)</u>	<u>(2,323,142)</u>	<u>(2,368,237)</u>
General Revenues					
Primary Government:					
Taxes:					
Property Taxes	943,624	922,894	931,585	919,653	889,519
Sales Taxes	1,066,012	1,023,128	997,175	949,710	998,733
Other Taxes	41,352	40,601	40,900	41,149	38,991
Tobacco Settlement Revenue and Tobacco Receipts	19,222	18,849	19,881	82,210	74,078
Investment Income	15,058	20,711	13,654	13,757	48,701
Other	29,134	28,165	26,521	25,999	26,423
Total Primary Government General Revenues	<u>2,114,402</u>	<u>2,054,348</u>	<u>2,029,716</u>	<u>2,032,478</u>	<u>2,076,445</u>
Change in Net Position	(303,948)	(1,002,979)	(321,520)	(290,664)	(291,792)
Net Position - Beginning	(6,379,278)	(5,376,299)	(4,985,686)	(4,719,242)	(4,427,450)
Net Position - Ending	<u>\$ (6,683,226)</u>	<u>\$ (6,379,278)</u>	<u>\$ (5,307,206)</u>	<u>\$ (5,009,906)</u>	<u>\$ (4,719,242)</u>

(Concluded)

EXHIBIT T-3**COUNTY OF NASSAU, NEW YORK****GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Dollars in Thousands)**

Fiscal Year	Property Taxes	Sales Tax	Preempted Sales Tax in Lieu of Property Taxes	Payments in Lieu of Taxes	Special Taxes	Total
2017	\$ 933,203	\$ 1,063,296	\$ 88,097	\$ 49,257	\$ 34,503	\$ 2,168,356
2016	925,790	1,038,156	85,929	48,359	32,450	2,130,684
2015	966,897	1,015,752	87,134	12,305	34,647	2,116,735
2014	937,709	1,006,373	84,436	10,006	33,589	2,072,113
2013	928,034	1,054,095	81,150	10,791	34,827	2,108,897
2012	943,624	992,706	73,305	8,583	32,768	2,050,986
2011	922,894	952,885	70,243	7,369	33,232	1,986,623
2010	931,585	939,610	57,565	6,881	34,019	1,969,660
2009	919,653	887,530	62,180	6,158	34,991	1,910,512
2008	889,519	936,304	62,429	4,154	34,837	1,927,243

EXHIBIT T-4**COUNTY OF NASSAU, NEW YORK**
**FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 (Dollars in Thousands)**

	Fiscal Year									
	2017	2016	2015	2014*	2013**	2012	2011 ¹	2010	2009	2008
General Fund (Includes NIFA)										
Nonspendable	\$ 54,055	\$ 47,577	\$ 44,645	\$ 42,222	\$ 41,017	\$ 37,275	\$ 33,860			
Spendable:										
Restricted	58,308	46,567	37,992	16,354	16,436	17,849	19,638			
Committed	13,217	80	76	1,871						
Assigned	679	27,724	8,999	20,422	560					
Unassigned	(44,432)	63,654	43,520		37,243	(9,535)	(9,182)			
Reserved for Encumbrances								\$ 86,227	\$ 68,459	\$ 72,597
Unreserved, Designated for Ensuing Year's Budget										10,000
Unreserved								93,498	52,784	47,928
Total General Fund	81,827	185,602	135,232	80,869	95,256	45,589	44,316	179,725	121,243	130,525
All Other Governmental Funds										
Nonspendable	13,974	13,077	12,036	12,124	12,103	11,304	11,176			
Spendable:										
Restricted	107,804	120,689	94,092	130,999	141,541	58,509	70,622			
Committed	152,679	126,996	143,397	263,786	296,976	151,162	151,051			
Assigned	24,022	42,183	46,213	52,682	69,393	81,930	88,072			
Unassigned	(24,383)	(16,842)	(19,547)	(21,184)	(13,939)	(4,420)	(13,759)			
Reserved for Retirement of										
Temporary Financing								8,588	8,835	4,679
Reserved for Encumbrances								342,310	339,976	339,524
Restricted - Senior Liquidity Reserve								24,009	24,009	24,009
Unreserved and Designated for										
Ensuing Year's Budget								35,538	52,785	59,496
Unreserved:										
Special Revenue Fund								56,481	71,477	65,174
Capital Fund								(11,774)	(75,019)	(155,310)
Nonmajor Special Revenue Funds								(10,353)	(11,348)	(31,613)
Nonmajor Capital Projects Funds								(32,730)	(48,728)	(23,728)
Nonmajor Debt Service Funds								16,295	18,054	21,477
Total All Other Governmental Funds	274,096	286,103	276,191	438,407	506,074	298,485	307,162	428,364	380,041	303,708
Total Governmental Funds	\$ 355,923	\$ 471,705	\$ 411,423	\$ 519,276	\$ 601,330	\$ 344,074	\$ 351,478	\$ 608,089	\$ 501,284	\$ 434,233

* Adjustments have been made to the 2014 numbers to show the effects of the prior period adjustment for comparative purposes.

** Fund balance was restated from prior CAFR's.

¹ Beginning in 2011, components of fund balance were reclassified in accordance with Governmental Standards Board (GASB) Statement No. 5 *Fund Balance Reporting and Governmental Fund Type Definitions*.

EXHIBIT T-5**COUNTY OF NASSAU, NEW YORK**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(Dollars in Thousands)**

	Fiscal Year									
	2017	2016	2015	2014*	2013**	2012	2011**	2010	2009	2008
Revenues										
Major Governmental Funds										
Interest and Penalties on Taxes	\$ 33,212	\$ 33,814	\$ 32,661	\$ 30,978	\$ 32,810	\$ 27,988	\$ 28,165	\$ 26,521	\$ 25,998	\$ 26,423
Licenses and Permits	21,513	19,137	18,755	16,077	18,149	14,338	13,429	10,119	11,529	10,176
Fines and Forfeits	92,689	77,558	62,638	85,822	61,439	44,059	52,542	37,251	24,075	22,019
Interest Income	3,778	1,822	1,342	1,546	1,897	1,808	2,864	3,031	3,374	14,539
Rents and Recoveries	21,925	34,523	27,964	16,615	21,094	31,020	31,440	21,036	23,737	30,921
Tobacco Settlement Revenue		17,985							15,166	23,000
Departmental Revenue	235,323	217,819	171,369	159,630	171,720	167,173	119,601	97,692	98,998	90,673
Interdepartmental Revenue	94,284	85,712	83,002	87,312	89,430	85,515	135,732	156,320	164,334	138,074
Interfund Revenue	12,868	14,112	21,463	37,321	38,298	40,223				
Intergovernmental Charges				163	2,421	2,360				
Federal Aid	309,854	296,769	257,954	159,781	131,512	189,495	200,864	228,019	176,743	116,253
State Aid	239,345	221,827	222,322	209,024	207,011	222,753	191,768	177,426	212,556	209,058
Sales Tax	1,063,296	1,038,156	1,015,752	1,006,373	1,054,095	992,706	952,885	939,610	887,530	936,304
Preempted Sales Tax in Lieu of Property Taxes	88,097	85,929	87,134	84,436	81,150	73,305	70,243	57,565	62,180	62,429
Property Taxes	928,738	928,774	958,350	925,011	924,818	932,682	915,785	807,167	804,766	882,144
Payments in Lieu of Taxes	49,257	48,359	12,305	10,006	10,791	8,583	7,369	6,881	6,158	4,154
Special Taxes	32,162	31,154	33,293	32,614	31,451	29,602	30,485	31,378	32,623	31,726
Other Revenue	45,530	42,490	38,088	13,012	20,669	10,693	20,158	31,727	13,551	13,294
Total Major Governmental Funds	3,271,871	3,195,940	3,044,392	2,875,721	2,898,755	2,874,303	2,773,330	2,631,743	2,563,318	2,611,187
Nonmajor Governmental Funds										
Fines and Forfeits	1,968	1,640	1,572	1,508	1,583	2,762	1,784	1,798	1,718	2,122
Interest Income	1,318	499	240	613	249	412	95	365	2,001	5,105
Rents and Recoveries	111	73	62	76	63	716	752	281	761	272
Departmental Revenue	4,060	3,616	4,054	3,689	3,254	3,239	2,998	3,146	2,782	2,815
Interdepartmental Revenue				3,432	4,660	11,789	27	102	296	352
Interfund Revenue	235	235	232	230	234	235				
Federal Aid	59,745	106,786	91,867	94,926	142,312	171,673	75,777	73,858	65,738	51,831
State Aid	41,794	48,447	43,766	38,993	66,068	18,622	29,211	39,383	35,927	48,433
Tobacco Proceeds									43,155	29,415
Tobacco Receipts	16,449	37,566	18,598	21,733	19,210	19,222	18,849	19,881	23,889	21,663
Property Taxes	1,133		9,602	9,651	11,276	11,252	11,254	125,038	114,887	7,375
Special Taxes	2,341	1,296	1,354	975	3,376	3,166	2,747	2,641	2,368	3,111
Other Revenues						17	90	4,242	72	1,629
Total Nonmajor Governmental Funds	129,154	200,158	171,347	175,826	252,285	243,105	143,584	270,735	293,594	174,123
Total Revenues	3,401,025	3,396,098	3,215,739	3,051,547	3,151,040	3,117,408	2,916,914	2,902,478	2,856,912	2,785,310
Expenditures										
Major Governmental Funds										
Current:										
Legislative	11,268	10,805	11,390	10,689	10,685	10,434	10,308	10,207	10,100	10,118
Judicial	75,574	69,961	66,856	70,562	60,269	60,021	58,090	62,677	47,778	49,998
General Administration	336,388	276,717	277,607	203,134	202,542	306,533	230,251	218,252	227,498	218,324
Protection of Persons	910,539	844,819	831,994	822,351	792,598	789,271	772,530	787,104	731,109	729,558
Health	185,716	181,195	172,940	166,417	169,037	193,133	211,840	204,416	222,934	214,808
Public Works	284,089	289,261	301,537	312,821	305,142	190,872	204,370	184,260	195,203	181,108
Recreation and Parks	38,920	38,853	37,659	35,418	29,938	25,779	27,895	23,282	24,533	34,244
Social Services	541,941	543,937	548,807	562,606	567,330	565,557	585,210	585,470	541,844	518,409
Corrections	253,438	238,422	224,835	225,139	230,565	227,718	252,080	225,207	247,009	205,186
Education	13,896	11,709	11,692	10,680	15,051	4,749	10,362	10,483	9,945	8,656
Payments for Tax Certiorari	709	59,221	96,221	133,858	101,080	34,377	68,142	106,483	120,180	115,717
Aid to Towns and Cities	68,332	67,747	66,315							
Other	93,022	86,868	62,973	132,202	133,977	142,463	125,795	127,608	116,649	123,649
Capital Outlay:										
General	165,760	189,608	161,955	146,353	111,096	123,371	103,275	118,353	162,473	149,533
Sewage Districts	169,971	162,760	148,236	76,500	23,224	39,932	30,629			
Education	2,629	5,776	458	3,465						
Debt Service:										
Principal	103,759	89,642	83,489	76,572	73,081	74,208	87,699	98,606	104,015	110,066
Interest	116,257	107,876	97,646	93,070	80,871	77,779	69,934	53,304	38,940	34,885
Financing Costs	3,450	4,481	2,898	2,741	5,030	4,673	3,125	7,069	12,091	4,765
Total Major Governmental Funds	3,375,658	3,279,658	3,175,508	3,084,578	2,911,516	2,870,870	2,851,535	2,822,781	2,812,301	2,709,024

EXHIBIT T-5

COUNTY OF NASSAU, NEW YORK

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(Dollars in Thousands)**

	Fiscal Year									
	2017	2016	2015	2014*	2013**	2012	2011**	2010	2009	2008
Nonmajor Governmental Funds										
Current:										
Legislative						1				
Judicial	5,343	3,663	3,615	4,292	3,756	3,222	2,630	3,816	3,287	3,053
General Administration	24,901	51,753	50,990	29,216	47,297	29,846	33,332	37,116	32,809	33,015
Protection of Persons	6,486	9,271	12,233	10,665	12,632	31,448	11,806	11,009	14,999	8,935
Health	51,265	53,755	50,474	53,856	55,329	51,023	48,880	50,760	49,871	48,377
Public Works	1,817	8,822	15,298	32,246	42,828	84,111	7		5	165
Recreation and Parks	3,082	2,270	1,830	4,137	7,163	7,432	3,803	4,467	1,938	1,784
Social Services	17,636	16,896	15,569	14,761	13,889	11,941	8,672	8,481	7,131	6,424
Corrections	1,871	1,496	1,443	1,459	2,060	2,164	1,676	1,487	1,669	2,001
Other	1,132								43,155	29,415
Capital Outlay:										
Sewage Districts								26,008	30,962	27,801
Debt Service:										
Principal	140,011	165,427	182,769	167,269	158,920	152,380	127,105	112,113	99,891	96,893
Interest	54,779	60,962	75,061	71,783	79,467	108,093	100,718	92,514	111,041	119,144
Financing Costs			559	1,419		7,126			254	1,954
Total Nonmajor Governmental Funds	308,323	374,315	409,841	391,103	423,341	488,787	338,629	347,771	397,012	378,961
Total Expenditures	3,683,981	3,653,973	3,585,349	3,475,681	3,334,857	3,359,657	3,190,164	3,170,552	3,209,313	3,087,985
Excess (Deficiency) of Revenues Over (Under) Expenditures	(282,956)	(257,875)	(369,610)	(424,134)	(183,817)	(242,249)	(273,250)	(268,074)	(352,401)	(302,675)
										(Continued)
Other Financing Sources (Uses)										
Premium on Bonds	\$ 81,578	\$ 104,175	\$ 53,793	\$ 72,134	\$ 25,025	\$ 47,095	\$ 9,323	\$ 28,748	\$ 51,339	\$ 8,800
EFC Subsidy					(695)			1,141		
Deposited with Escrow Agent for Defeasance									(389,335)	(789,735)
Transfers In	40,011	60,911	65,872	45,146	27,419	41,763	40,604	604,630	641,377	487,053
Transfers In from Investment Income	1,938	1,508	702	898	1,115	1,092	1,063	549	2,144	4,144
Transfers Out	(40,011)	(60,911)	(65,872)	(45,146)	(27,419)	(41,763)	(40,604)	(604,630)	(641,377)	(487,053)
Transfers Out of Investment Income	(1,938)	(1,508)	(702)	(898)	(1,115)	(1,092)	(1,063)	(549)	(2,144)	(4,144)
Transfers In from NIFA	156,362	183,164	182,046	187,163	202,047	214,004	201,429	170,044	183,911	189,852
Transfers Out to NIFA	(156,362)	(183,164)	(182,046)	(187,163)	(202,047)	(214,004)	(201,429)	(170,044)	(183,911)	(189,852)
Transfers In from SFA	245,983	140,628	132,958	199,272	159,703	164,903	167,254	49,755	148,986	268,028
Transfers Out to SFA	(245,983)	(140,628)	(132,958)	(199,272)	(159,703)	(164,903)	(167,254)	(49,755)	(148,986)	(268,028)
Transfers In from TSC	125	125	125	125	75	150				
Transfer Out to TSC	(125)	(125)	(125)	(125)	(75)	(150)				
Issuance of Notes										50,757
Issuance of Debt	141,458	260,335	198,535	237,756	365,492	192,147	76,409	344,990	808,205	1,173,343
Refunding Bonds Issued	338,205	272,810	116,310	157,200		317,713				
Payment to Bond Escrow Agent	(394,067)	(319,163)	(106,881)	(129,535)		(314,390)				
Debt Service - Current Refunding NIFA						(8,060)				
Redemption of Notes									(50,757)	
Other Sources					502	340				
Total Financing Sources	167,174	318,157	261,757	337,555	390,324	234,845	85,732	374,879	419,452	443,165
Net Change in Fund Balance	(115,782)	60,282	(107,853)	(86,579)	206,507	(7,404)	(187,518)	106,805	67,051	140,490
Total Fund Balances at Beginning of Year, as restated	471,705	411,423	519,276	601,330	394,823	351,478	538,996	501,284	434,233	293,743
Change in Application of Accounting Principle				4,525						
Total Fund Balances at End of Year	\$ 355,923	\$ 471,705	\$ 411,423	\$ 519,276	\$ 601,330	\$ 344,074	\$ 351,478	\$ 608,089	\$ 501,284	\$ 434,233
Debt Service as a Percentage of Noncapital Expenditures	12.75%	12.84%	13.41%	12.75%	12.03%	12.87%	13.38%	13.18%	13.00%	13.91%

(Concluded)

*Adjustments have been made to the 2014 numbers to show the effects of the prior period adjustment for comparative purposes.

**Adjustments have been made to the beginning fund balance to show the effects of a prior period adjustment.

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REVENUE CAPACITY INFORMATION

EXHIBIT T-6

COUNTY OF NASSAU, NEW YORK

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

(Dollars in Thousands)

Fiscal Year	Property Taxes	Sales Tax	Preempted Sales Tax in Lieu of Property Taxes	Payments in Lieu of Taxes	Special Taxes	Total
2017	\$ 929,871	\$ 1,063,296	\$ 88,097	\$ 49,257	\$ 34,503	\$ 2,165,024
2016	928,774	1,038,156	85,929	48,359	32,450	2,133,668
2015	967,952	1,015,752	87,134	12,305	34,647	2,117,790
2014	934,662	1,006,373	84,436	10,006	33,589	2,069,066
2013	936,094	1,054,095	81,150	10,791	34,827	2,116,957
2012	943,934	992,706	73,305	8,583	32,768	2,051,296
2011	927,039	952,885	70,243	7,369	33,232	1,990,768
2010	932,205	939,610	57,565	6,881	34,019	1,970,280
2009	919,653	887,530	62,180	6,158	34,991	1,910,512
2008	889,519	936,304	62,429	4,154	34,837	1,927,243

EXHIBIT T-7

COUNTY OF NASSAU, NEW YORK

**SALES TAX, ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Dollars in Thousands)**

Fiscal Year Ended December 31	Sales Tax Revenue ¹	Sales Tax Rate	Class 1 Assessed Value	Class 2 Assessed Value	Class 3 Assessed Value	Class 4 Assessed Value	Total Taxable Assessed Value	Levied Property Taxes	Total Direct Property Tax Rate per \$100 Assessed Value	Estimated Actual Taxable Full Valuation	Assessed Value as a Percentage of Actual Taxable Full Valuation
2017	\$ 1,151,393	4.25%	\$ 365,774 *	\$ 31,558 *	\$ 22,659 *	\$ 146,828 *	566,819	\$ 929,871	164.05	\$ 207,499,978	0.27%
2016	1,124,085	4.25%	376,441 *	31,824 *	23,738 *	169,130 *	601,133	928,774	154.50	212,185,369	0.28%
2015	1,102,886	4.25%	385,351 *	31,966 *	40,799 *	173,471 *	631,587	967,952	153.26	204,607,718	0.31%
2014	1,090,809	4.25%	395,694 *	32,698 *	40,520 *	178,843 *	647,755	934,662	144.29	200,331,933	0.32%
2013	1,135,245	4.25%	408,904 *	32,688 *	40,378 *	181,166 *	663,136	936,094	141.16	205,075,616	0.32%
2012	1,066,011	4.25%	443,291 *	34,894 *	41,287 *	196,533 *	716,005	943,934	131.83	217,753,867	0.33%
2011	1,023,128	4.25%	467,353 *	37,798 *	39,629 *	226,538 *	771,318	927,039	120.19	218,338,458	0.35%
2010	997,175	4.25%	543,233 *	35,924 *	38,155 *	220,140 *	837,452	932,205	111.31	252,854,423	0.33%
2009	949,710	4.25%	542,881 *	34,202 *	34,660 *	207,054 *	818,797	919,653	112.32	257,054,119	0.32%
2008	998,733	4.25%	523,214 *	31,036 *	30,820 *	193,634 *	778,704	889,519	114.23	261,031,961	0.30%

*Additional Source: Nassau County Adopted Budget

¹ This includes preempted sales tax in lieu of property taxes

EXHIBIT T-8

COUNTY OF NASSAU, NEW YORK

**PROPERTY TAX LEVIES AND TAX RATES,
DIRECT AND OVERLAPPING GOVERNMENTS
FOR THE FISCAL PERIODS ENDED IN 2007 THROUGH 2016
(Dollars in Thousands)**

(Tax Rates per \$100 of Assessed Valuation)										
	2016		2015		2014		2013		2012	
	Tax Levy	Tax Rate/Range								
<u>County of Nassau *</u>										
General County Government (Net)	\$ 66,746	0.92/31.01	\$ 106,381	4.58/38.62	\$ 80,510	1.86/33.43	\$ 117,108	6.81/37.37	\$ 120,039	11.36/39.25
Police District	374,661	61.79/130.53	367,975	58.76/123.15	361,727	57.60/120.75	358,716	56.72/120.4	369,985	46.83/124.88
Police Headquarters	357,232	34.99/72.93	342,069	32.91/66.18	348,868	32.75/65.99	313,707	30.56/56.97	299,057	20.62/38.72
Fire Prevention	16,069	1.58/3.3	15,852	1.54/3.09	15,945	1.51/3.04	15,258	1.50/2.79	15,251	1.32/2.48
Community College	50,939	4.96/10.34	52,207	4.99/10.04	52,207	4.87/9.82	52,207	5.05/9.42	52,207	4.34/8.15
Sewer & Storm Water District Fund	115,012	1.43/158.24	123,494	1.45/69.32	117,271	1.59/61.58	117,271	1.41/48.61	117,271	1.37/54.89
Environmental Bond		0/0.00	9,607	.94/1.88	9,671	.92/1.85	11,250	1.11/2.07	11,250	.95/1.79
Total County of Nassau	980,659	15.44%	1,017,585	15.82%	986,199	15.73%	985,517	16.10%	985,060	16.42%
<u>Town and City Governments</u>										
	340,234	1.53/79.64	320,740	2.23/81.39	298,138	.82/53.93	288,718	.80/51.33	288,795	.78/44.83
	5.36%		4.99%		4.75%		4.72%		4.82%	
<u>Incorporated Village Governments</u>										
	465,615	.003/347.96	461,889	.003/334.29	451,152	.003/321.00	439,677	.003/293.08	428,901	.003/232.85
	7.33%		7.18%		7.20%		7.18%		7.15%	
<u>School Districts</u>										
	3,999,044	18.08/1395.74	4,041,334	17.86/1324.40	3,951,434	1.76/1245.14	3,841,766	1.73/1141.66	3,746,069	1.65/880.89
	62.97%		62.83%		63.04%		62.77%		62.46%	
<u>Special Districts</u>										
Fire	113,866	4.00/190.64	115,293	4.69/188.78	113,417	4.67/186.72	111,346	4.78/183.68	108,892	3.47/137.49
Fire Protection	19,462	1.52/134.88	19,914	1.52/127.69	19,981	1.75/127.39	19,579	1.72/193.77	19,113	1.76/132.45
Garbage, Refuse and Sanitary	213,380	7.11/99.42	226,019	6.85/91.35	220,218	6.30/144.09	213,956	6.31/150.28	209,324	.86/138.60
Lighting	16,240	1.79/7.82	19,016	1.62/9.43	17,044	1.54/8.28	16,216	1.52/8.30	17,497	1.34/8.70
Park	84,891	2.32/94.16	90,840	2.27/256.02	92,373	2.27/293.82	90,620	2.25/329.33	86,288	1.83/237.36
Parking and Improvement	53,459	.20/241.74	55,726	.19/236.97	52,659	.14/231.45	50,351	.14/210.46	50,048	.11/203.23
Sewage – Special	19,293	.00/149.94	18,933	.00/129.78	18,698	.00/134.77	16,295	.00/134.86	15,649	.00/150.60
Water	44,243	.21/68.93	44,892	.21/122.75	47,102	1.61/118.88	46,363	1.68/131.47	41,837	.05/160.71
Total Special Districts	564,834	8.90%	590,633	9.18%	581,492	9.28%	564,726	9.23%	548,648	9.15%
Totals	\$ 6,350,386	100%	\$ 6,432,181	100%	\$ 6,268,415	100%	\$ 6,120,404	100%	\$ 5,997,473	100%

* Per Approved Legislative Tax Ordinances.

Note: Nassau County has elected to keep this schedule since it has been requested for both internal and external agency purposes.

Fiscal Year 2016 is the most recent data available

Sources: Various County, Towns, Schools, and Special Districts

(Continued)

EXHIBIT T-8

COUNTY OF NASSAU, NEW YORK

**PROPERTY TAX LEVIES AND TAX RATES,
DIRECT AND OVERLAPPING GOVERNMENTS
FOR THE FISCAL PERIODS ENDED IN 2007 THROUGH 2016
(Dollars in Thousands)**

	2011		2010		2009		2008		2007	
	Tax Levy	Tax Rate/Range								
<u>County of Nassau *</u>										
General County Government (Net)	\$ 174,507	11.36/39.25	\$ 162,839	12.69/30.75	\$ 156,498	13.73/31.19	\$ 145,858	14.53/30.78	\$ 123,962	14.08/28.70
Police District	364,489	46.83/124.88	343,354	46.16/123.51	345,036	49.18/138.64	332,326	49.52/146.55	331,640	52.41/160.16
Police Headquarters	245,666	20.62/38.72	279,980	24.83/37.70	289,074	27.92/40.19	279,632	29.96/40.14	287,070	34.38/43.10
Fire Prevention	15,654	1.32/2.48	15,401	1.38/2.09	15,466	1.51/2.17	15,555	1.68/2.25	15,699	1.90/2.38
Community College	52,207	4.34/8.15	52,207	4.59/6.97	52,207	4.92/7.18	50,247	5.33/7.19	48,361	5.73/7.19
Sewer & Storm Water District Fund	119,032	1.37/54.89	116,032	1.40/98.62	110,032	1.40/47.93	103,932	1.03/41.09	118,932	1.03/140.70
Environmental Bond	11,250	.95/1.79	9,000	.81/1.23	4,850	.49/0.70	7,375	.81/1.09	4,128	.52/0.65
Total County of Nassau	982,805	16.81%	978,813	17.01%	973,163	17.17%	934,925	17.43%	929,792	17.96%
<u>Town and City Governments</u>										
	268,602	.78/44.83	250,961	.61/42.69	247,128	.55/41.40	231,735	.54/38.12	220,779	.53/36.56
	4.59%		4.36%		4.36%		4.32%		4.27%	
<u>Incorporated Village Governments</u>										
	420,196	.003/232.85	406,839	.003/213.97	423,741	.10/214.35	383,097	.10/214.90	367,733	.14/203.37
	7.19%		7.07%		7.48%		7.14%		7.11%	
<u>School Districts</u>										
	3,619,714	1.65/880.89	3,575,807	1.30/809.20	3,480,489	1.20/893.76	3,309,803	1.18/980.37	3,167,626	1.18/1005.38
	61.90%		62.13%		61.41%		61.70%		61.20%	
<u>Special Districts</u>										
Fire	106,817	3.47/137.49	104,341	3.10/650.83	109,452	3.78/600.86	101,065	3.93/450.52	96,001	4.37/421.75
Fire Protection	18,989	1.76/132.45	18,183	1.68/131.58	18,291	1.68/128.10	17,524	2.38/131.56	16,882	2.88/145.37
Garbage, Refuse and Sanitary	222,634	.86/138.6	225,586	.66/141.84	222,555	.58/156.28	207,014	.59/176.34	201,869	.51/179.01
Lighting	17,052	1.34/8.70	16,642	1.30/8.64	17,125	1.30/10.02	15,972	1.30/10.10	15,358	1.26/11.54
Park	87,307	1.83/237.36	78,464	1.65/213.28	78,164	1.74/222.96	68,345	.75/85.75	67,036	.89/78.40
Parking and Improvement	47,406	.11/203.23	46,497	.08/310.03	45,862	.09/273.43	44,294	.08/231.66	43,807	.11/268.51
Sewage – Special	14,812	.00/150.6	14,553	.00/149.46	13,602	.00/189.64	14,809	.00/218.93	13,776	.00/319.84
Water	41,110	.05/160.71	38,548	.05/78.54	38,095	.05/82.41	35,546	.00/88.52	34,975	.00/154.17
Total Special Districts	556,127	9.51%	542,814	9.43%	543,146	9.58%	504,569	9.41%	489,704	9.46%
Totals	\$ 5,847,444	100%	\$ 5,755,234	100%	\$ 5,667,667	100%	\$ 5,364,129	100%	\$ 5,175,634	100%

(Concluded)

EXHIBIT T-9**COUNTY OF NASSAU, NEW YORK****PRINCIPAL SOURCES OF OWN SOURCE REVENUE**

Principal Property Taxpayers
 Current and Nine Years Ago
 (Dollars in Thousands)

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
KEYSPAN	\$ 14,976	1	2.64%	\$ 7,282	2	0.93%
Verizon	4,147	2	0.73%	5,165	3	0.66%
Retail Property Trust	3,971	3	0.70%	3,496	4	0.45%
Long Island Water Corp.	2,046	4	0.36%	1,182	10	0.15%
Long Island Power Authority	1,835	5	0.32%	17,933	1	2.30%
People of the State of New York (formerly Greater NY Assoc & NYRA)	1,312	6	0.23%	1,225	9	0.16%
Sunrise Mall LLC	1,037	7	0.18%	1,442	8	0.19%
Fifth Avenue of LI Realty Associates	934	8	0.16%			
Rexcorp Plaza Spe LLC (formerly Galaxy LI Assoc LLC)	906	9	0.16%	2,072	5	0.27%
Reckson Association	880	10	0.16%	1,595	7	0.20%
EQK Green Acres LP				1,991	6	0.26%
Totals	\$ 32,044		5.64%	\$ 43,383		5.57%

Source: Department of Assessment

EXHIBIT T-9**COUNTY OF NASSAU, NEW YORK****PRINCIPAL SOURCES OF OWN SOURCE REVENUE**

Taxable Sales by Industry**
12/2016 - 11/2017
(Dollars in Thousands)

Industry	2017		
	Tax Base	Rank	Percentage of Total Tax Base
Retail Trade	\$ 15,411,826	1	59.150%
Accommodation and Food Services	2,979,213	2	11.434%
Wholesale Trade	1,324,274	3	5.082%
Information	1,321,103	4	5.070%
Other Services	884,593	5	3.395%
Manufacturing	719,288	6	2.761%
Administrative Support and Waste Management and Remediation	691,572	7	2.654%
Real Estate and Rental and Leasing	548,047	8	2.103%
Professional, Scientific, and Technical	535,894	9	2.057%
Utilities	506,759	10	1.945%
Construction	452,560	11	1.737%
Arts, Entertainment, and Recreation	356,974	12	1.370%
Finance and Insurance	117,510	13	0.451%
Transportation and Warehousing	76,698	14	0.294%
Health Care and Social Assistance	38,353	15	0.147%
Management of Companies and Enterprises	27,215	16	0.104%
Unclassified	22,885	17	0.088%
Public Administration	13,411	18	0.051%
Educational Services	12,852	19	0.049%
Agriculture, Forestry, Fishing and Hunting	11,109	20	0.043%
Mining, Quarrying, and Oil and Gas Extraction	3,880	21	0.015%
Totals	\$ 26,056,016		100.00%

Taxable Sales by Industry**
3/2008 - 2/2009
(Dollars in Thousands)

Industry	2008		
	Tax Base	Rank	Percentage of Total Tax Base
Retail Trade	\$ 13,534,832	1	59.525%
Accommodation and Food Services	2,082,563	2	9.159%
Wholesale Trade	1,458,300	3	6.413%
Information	1,381,433	4	6.075%
Ag., Mining, Trans., FIRE, Educ., Govt.	757,345	5	3.331%
Utilities	701,451	6	3.085%
Administrative/Support Services	651,661	7	2.866%
Other Services	569,642	8	2.505%
Manufacturing	362,596	9	1.595%
Arts, Entertainment, and Recreation	359,610	10	1.582%
Construction	344,304	11	1.514%
Professional,Scientific, and Technical	333,077	12	1.465%
Unclassified by Industry	164,684	13	0.724%
Health Care	36,537	14	0.161%
Totals	\$ 22,738,035		100.00%

**Because Methodologies, NAICS Categorizations, and classifications have changed in 2014, a side by side comparison is not suitable so we have presented both 2017 and 2008 as stand alone schedules.

Source: New York State Department of Taxation and Finance

EXHIBIT T-10

COUNTY OF NASSAU, NEW YORK

CONSTITUTIONAL TAX MARGIN INFORMATION

December 31, 2017

(Dollars in Thousands)

The Constitutional tax limit is the maximum amount of real property tax that may be levied in any fiscal year. The Constitutional tax margin represents the difference between the tax levy and the tax limit.

The Constitutional limit of real property taxation is 2% of the average full valuation of real estate for the last five years.

Average Full Valuation of Real Estate
for the Last Five Years:*

2017 Full Valuation	\$	207,499,978	
2016 Full Valuation		212,185,369	
2015 Full Valuation		204,607,718	
2014 Full Valuation		200,331,933	
2013 Full Valuation		205,075,616	
		<hr/>	
		1,029,700,614	
		<hr/>	
Average Full Valuation		205,940,123	
		<hr/>	
<u>Constitutional Tax Margin:</u>			
Constitutional Limit of Real Property Taxation, 2% of Average Full Valuation		4,118,802	
<u>Add:</u> Exclusions for Debt Service		186,506	
		<hr/>	
Maximum Taxing Authority	\$		4,305,308
 <u>2017 Tax Levies:</u>			
General County Government - net		57,629	
Police Headquarters		447,204	
Fire Prevention, Safety, Communication and Education		16,116	
Community College		52,207	
		<hr/>	
Total 2017 Tax Levies			573,156
Less: Sales Tax Allocation Credit and Other Adjustments			88,097
Total 2017 Tax Levies which are subject to the Maximum Taxing Authority			485,059
Percentage of Taxing Authority Exhausted		11.27%	
Constitutional Tax Margin	\$		<u>3,820,249</u>
Constitutional Tax Margin as a Percentage of Maximum Taxing Authority		88.73%	

* Full valuation is determined by dividing the total taxable assessed valuation by the average State equalization rate.

EXHIBIT T-11

COUNTY OF NASSAU, NEW YORK

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Dollars in Thousands)**

Fiscal Year Beginning January 1	Total Ad Valorem or General Property Tax Levy	Amount Collected at End of Fiscal Year December 31	Percentage Collected at End of Fiscal Year December 31	Amount Collected in Subsequent Years	Amount Collected to Date as of December 31, 2017	Percentage Collected to Date at December 31
2017	\$ 1,861,477	\$ 1,838,538	98.7677%	\$	\$ 1,838,538	98.7677%
2016	1,824,406	1,804,133	98.8888%	19,165	1,823,298	99.9393%
2015	1,869,692	1,847,054	98.7892%	21,691	1,868,745	99.9493%
2014	1,805,047	1,782,328	98.7414%	21,858	1,804,186	99.9523%
2013	1,781,105	1,758,687	98.7413%	21,756	1,780,443	99.9628%
2012	1,764,591	1,740,789	98.6511%	23,473	1,764,262	99.9814%
2011	1,753,993	1,729,756	98.6182%	24,166	1,753,922	99.9960%
2010	1,719,446	1,696,405	98.6600%	22,937	1,719,342	99.9940%
2009	1,710,828	1,684,918	98.4855%	25,823	1,710,741	99.9949%
2008	1,620,669	1,601,364	98.8088%	19,239	1,620,603	99.9959%

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DEBT CAPACITY INFORMATION

EXHIBIT T-12**COUNTY OF NASSAU, NEW YORK****RATIOS OF OUTSTANDING DEBT BY TYPE****LAST TEN FISCAL YEARS****(Dollars in Thousands, Except Per Capita Amount)**

Fiscal Year	General Obligation Bonds	Sewage Purpose Bonds	State Water Pollution Control Revolving Fund Revenue Bonds	Sales Tax Secured Bonds, NIFA	Nassau County Sewer and Storm Water Finance Authority System Revenue Bonds	Tobacco Settlement Asset- Backed Bonds, Series A
2017	\$ 2,430,635	\$ 2,360	\$ 65,445	\$ 699,469	\$ 156,004	\$ 463,986
2016	2,328,291	41,590	73,539	835,250	168,336	455,906
2015	2,087,969	43,895	81,596	979,321	180,528	466,649
2014	1,941,020	48,915	89,620	1,140,752	185,455	460,832
2013	1,683,174	54,735	97,682	1,286,434	140,558	456,003
2012	1,347,397	61,305	102,862	1,442,439	148,656	457,106
2011	1,165,745	68,760	112,085	1,528,440	154,595	451,788
2010	1,157,574	77,755	121,169	1,648,185	161,955	446,382
2009	887,734	90,735	130,085	1,752,600	169,250	442,108
2008	539,492	79,065	138,810	1,875,075	175,795	442,389

(Continued)

(a) For years prior to 2011, debt amounts do not include premiums and discounts.
N/A Not available

EXHIBIT T-12**COUNTY OF NASSAU, NEW YORK****RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS****(Dollars in Thousands, Except Per Capita Amount)**

Fiscal Year	Total Serial Bonds - NIFA, NCSSWFA, NCTSC	Capital Leases	Total Outstanding Debt	Taxable Assessed Valuation	Percentage of Debt to Taxable Assessed Valuation	Debt Per Capita	Percentage of Debt to Total Personal Income	Percentage of Debt to Estimated Total Full Valuation
2017	\$ 1,319,459	\$ 79,429	\$ 3,897,328	\$ 566,819	687.58%	2,845	N/A	1.88%
2016	1,459,492	4,575	3,907,487	601,133	650.02%	2,869	3.62%	1.84%
2015	1,626,498	4,797	3,844,755	631,587	608.75%	2,825	3.63%	1.88%
2014	1,787,039	4,981	3,871,575	647,755	597.69%	2,849	3.87%	1.93%
2013	1,882,995	5,132	3,723,718	663,136	561.53%	2,754	3.80%	1.82%
2012	2,048,201	5,254	3,565,019	716,005	497.90%	2,643	3.73%	1.64%
2011	2,134,823	5,351	3,486,764	771,318	452.05%	2,606	3.84%	1.60%
2010	2,256,522	5,426	3,618,446 (a)	837,452	432.08%	2,655	4.05%	1.43%
2009	2,363,958	5,482	3,477,994 (a)	818,797	424.77%	2,557	3.99%	1.35%
2008	2,493,259	5,522	3,256,148 (a)	778,704	418.15%	2,400	3.48%	1.25%

(Concluded)

EXHIBIT T-13

COUNTY OF NASSAU, NEW YORK

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	Net General Obligation Bonds (Expressed in Thousands) (a)	Percentage of Estimated Actual Full Valuation of Property	Per Capita
2017	\$ 3,069,911	1.48%	2,241
2016	3,097,022	1.46%	2,274
2015	3,006,143	1.47%	2,209
2014	3,005,422	1.50%	2,211
2013	2,938,740	1.43%	2,174
2012	2,757,815	1.27%	2,044
2011	2,694,185 (b)	1.23%	2,014
2010	2,805,759 (b)	1.11%	2,059
2009	2,640,334 (b)	1.03%	1,941
2008	2,414,567 (b)	0.93%	1,779

(a) This amount includes General Obligation Bonds of Nassau County and Sales Tax Secured Bonds of NIFA, less amounts restricted for the specific repayment of the debt service of these bonds.

(b) Information to calculate net bonded debt amount was unavailable prior to 2012.

EXHIBIT T-14

COUNTY OF NASSAU, NEW YORK

COUNTY, TOWNS AND CITIES

TAXABLE FULL VALUE CALCULATION FOR 2017*

(Dollars in Thousands)

	Taxable Assessed Valuation, Real Property	Taxable Assessed Valuation, Special Franchises	Total Taxable Assessed Valuation	State Equali- zation Rate	Estimated Actual Taxable Full Valuation**	
Town of Hempstead	\$ 251,901	\$ 8,593	\$ 260,494	0.28 %	\$ 93,033,674	**
Town of North Hempstead	136,948	2,584	139,532	0.27 %	51,678,618	**
Town of Oyster Bay	137,402	3,327	140,729	0.26 %	54,126,503	**
City of Long Beach	14,171	335	14,506	0.32 %	4,533,233	**
City of Glen Cove	11,141	417	11,558	0.28 %	4,127,950	**
	<u>\$ 551,563</u>	<u>\$ 15,256</u>	<u>\$ 566,819</u>		<u>\$ 207,499,978</u>	

* Last completed assessed valuation fixed in 2016 on which the 2017 taxes are levied.

** Final numbers for each property may not calculate exactly because of rounding

EXHIBIT T-15**COUNTY OF NASSAU, NEW YORK****LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in Thousands)**

	2017	2016	2015	2014	2013	Fiscal Year		2010	2009	2008
						2012	2011			
Debt Limit (10% of Average Full Valuation)*	\$ 20,594,012	\$ 20,799,090	\$ 20,922,152	\$ 21,887,086	\$ 23,021,530	\$ 24,140,657	\$ 24,670,359	\$ 24,549,866	\$ 23,368,973	\$ 21,824,049
Total Net Debt Applicable to Limit	3,349,039	3,618,014	3,565,559	3,367,352	3,225,002	3,111,737	3,215,298	3,246,603	3,211,256	3,115,417
Legal Debt Margin	\$ 17,244,973	\$ 17,181,076	\$ 17,356,593	\$ 18,519,734	\$ 19,796,528	\$ 21,028,920	\$ 21,455,061	\$ 21,303,263	\$ 20,157,717	\$ 18,708,632
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	16.26%	17.40%	17.04%	15.39%	14.01%	12.89%	13.03%	13.22%	13.74%	14.28%

Legal Debt Margin Calculation for Fiscal Year 2016

Average Full Valuation	<u>\$ 205,940,123</u>
Debt Limit (10% of Average Full Valuation)	<u>20,594,012</u>
Debt Applicable to Limit:**	
General Government (Including College)***	\$ 2,183,616
NIFA Serial Bonds	653,984
Sewer District	2,360
Environmental Facilities Corporation	65,445
Notes Payable	516,565
Real Property Liabilities	8,372
Guarantees	206,635
Contract Liabilities	<u>488,847</u>
Total Debt Applicable to Limit	<u>4,125,824</u>
Less: Legal Exclusions	
Cash and Investments - Capital Funds	399,520
Tax and Revenue Anticipation Notes Payable	<u>377,265</u>
Less: Total Exclusions	<u>776,785</u>
Total Net Debt Applicable to Limit	<u>3,349,039</u>
Legal Debt Margin	<u>\$ 17,244,973</u>

Calculation of 2017 Constitutional limit of total indebtedness

(The Constitutional limit of total indebtedness is 10% of the average full valuation of real estate for the latest five years.)

Average Full Valuation of Real Estate for the Fiscal Years Ended in 2013 Through 2017.

2017 Full Valuation	\$ 207,499,978
2016 Full Valuation	212,185,369
2015 Full Valuation	204,607,718
2014 Full Valuation	200,331,933
2013 Full Valuation	<u>205,075,616</u>
Total Five Year Valuation	<u>\$ 1,029,700,614</u>

Five Year Average Full Valuation	<u>\$ 205,940,123</u>
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Constitutional Debt Margin: Constitutional Limit of Total Indebtedness, 10% Average Full Valuation	<u>\$ 20,594,012</u>
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* Full valuation is determined by dividing the total taxable assessed valuation by the average State equalization rate.

** The Tobacco Settlement and the Sewer and Storm Water Finance Authority Serial Bonds Payable are not included in the calculation of the Constitutional Debt Margin.

*** The Community College Serial Bonds Payable as of December 31, 2017 are unaudited. The last audit conducted on behalf of the Community College was for the fiscal year ended August 31, 2017.

EXHIBIT T-16

COUNTY OF NASSAU, NEW YORK

PLEDGED-REVENUE COVERAGE

LAST TEN FISCAL YEARS

(Dollars in Thousands, Except for Coverage)

<u>Fiscal Year</u>	<u>Sales Tax Paid to NIFA</u>	<u>NIFA Sales Tax Secured Bonds</u>		<u>Coverage</u>
		<u>Debt Service</u>		
		<u>Principal</u>	<u>Interest</u>	
2017	\$ 1,094,282	\$ 129,666	\$ 29,583	6.87
2016	1,063,123	137,956	34,728	6.16
2015	1,038,725	178,970	49,126	4.55
2014	1,026,856	140,642	45,405	5.52
2013	1,070,922	150,965	48,123	5.38
2012	1,007,149	144,580	81,083	4.46
2011	967,026	119,745	73,394	5.01
2010	950,852	104,415	64,489	5.63
2009	896,601	87,525	84,376	5.22
2008	944,104	88,915	96,501	5.09

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DEMOGRAPHIC AND ECONOMIC INFORMATION

EXHIBIT T-17

COUNTY OF NASSAU, NEW YORK

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Year	Population (In Thousands) (a) (b)	Total Personal Income (In Thousands)	Per Capita Personal Income (c)	Average Unemployment Rate (d)
2017	1,370	\$ N/A	\$ N/A	4.1%
2016	1,362	108,025,668	79,314	3.9%
2015	1,361	105,834,082	77,762	4.3%
2014	1,359	100,046,862	73,618	4.8%
2013	1,352	98,086,248	72,549	5.9%
2012	1,349	95,456,589	70,761	7.1%
2011	1,338	90,684,288	67,776	6.7%
2010	1,363	89,433,245	65,615	7.1%
2009	1,360	87,208,640	64,124	6.9%
2008	1,357	93,521,726	68,918	4.7%

Sources:

(a) Census Bureau Estimates being used starting in 2012 since LIPA no longer gathers data

(b) Annual LIPA Long Island Population Survey Estimates

(c) United States Bureau of Economic Analysis

(d) NYS Department of Labor

N/A - Not Available

EXHIBIT T-18**COUNTY OF NASSAU, NEW YORK****PRINCIPAL EMPLOYMENT BY SECTOR
CURRENT YEAR AND NINE YEARS AGO**

Employment Sector	2017			2008		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Health Care and Social Assistance	127,949	1	20.64%	101,880	1	16.95%
Retail Trade	80,883	2	13.05%	81,075	3	13.49%
Government*	65,799	3	10.61%	83,778	2	13.94%
Accommodation and Food Services	52,265	4	8.43%	38,946	4	6.48%
Professional and Technical Services	39,368	5	6.35%	36,513	5	6.08%
Construction	32,818	6	5.29%	31,691	7	5.27%
Administrative and Support and Waste Management	32,573	7	5.25%	30,844	8	5.13%
Other Services	30,045	8	4.85%	27,061	10	4.50%
Finance and Insurance	29,791	9	4.81%	33,603	6	5.59%
Wholesale Trade	25,594	10	4.13%	29,102	9	4.84%
Educational Services	18,751	11	3.02%	19,411	12	3.23%
Manufacturing	17,510	12	2.82%	23,417	11	3.90%
Transportation and Warehousing	14,996	13	2.42%	15,146	13	2.52%
Arts, Entertainment, and Recreation	14,330	14	2.31%	12,077	15	2.01%
Real Estate and Rental and Leasing	10,993	15	1.77%	10,224	16	1.70%
Information	10,310	16	1.66%	14,319	14	2.38%
Management of Companies and Enterprises	7,424	17	1.20%	7,059	17	1.17%
Total	<u>611,399</u>		<u>98.61%</u>	<u>596,146</u>		<u>99.18%</u>

* 2017 Government consists of 57,067 Local Govt, 5,183 Federal, and 3,549 State Employees
2008 Government consists of 73,720 Local Govt, 6,256 Federal, and 3,802 State Employees

Data Source: Quarterly Census of Employment and Wages, developed through a cooperative program between the State of New York and the U. S. Bureau of Labor Statistics.

EXHIBIT T-19

COUNTY OF NASSAU, NEW YORK

**ANNUAL AVERAGE EMPLOYMENT BY INDUSTRY
LAST TEN FISCAL YEARS**

Industry Title	Fiscal Year									
	2017(P)	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total, All Industries	619,896	621,953	612,767	604,713	596,302	580,868	586,117	582,504	581,562	600,942
Total, All Private	554,097	543,980	534,744	526,880	519,169	514,920	504,888	499,252	497,996	517,164
Agriculture, Forestry, Fishing & Hunting	219	191	173	175	173	229	207	209	217	256
Crop Production	39	26	26	25	24	65	65	74	74	74
Animal Production	64	68	65	66	59	63	60	59	54	52
Fishing, Hunting and Trapping	18	3	4	7	6	9	8	6	8	11
Agriculture & Forestry Support Activity	98	94	78	77	84	92	74	77	81	119
Mining	10	12	0	2	3	4	8	6	7	3
Mining	10	12	0	2	3	4	8	6	7	3
Utilities	4,094	3,883	3,757	3,637	2,465	2,485	2,546	2,631	2,654	2,692
Utilities	4,094	3,883	3,757	3,637	2,465	2,485	2,546	2,631	2,654	2,692
Construction	32,818	30,158	29,275	28,556	27,360	25,730	24,614	25,309	27,650	30,844
Construction of Buildings	8,136	7,474	7,201	6,948	6,831	6,220	6,218	6,865	7,512	8,438
Heavy and Civil Engineering Construction	2,469	2,257	2,205	1,923	1,828	1,729	1,699	1,729	1,830	1,677
Specialty Trade Contractors	22,213	20,427	19,869	19,685	18,701	17,631	16,697	16,715	18,308	20,729
Manufacturing	17,510	17,365	17,527	17,794	18,684	19,003	19,002	19,497	21,001	23,417
Food Manufacturing	3,326	2,977	2,942	2,844	2,784	2,775	2,627	2,560	2,539	2,543
Beverage & Tobacco Product Manufacturing	109	101	88	75	84	90	65	51	28	41
Textile Mills	37	33	39	47	69	80	109	116	120	120
Textile Product Mills	212	240	223	199	183	190	182	190	254	280
Apparel Manufacturing	182	213	250	253	251	293	326	313	338	375
Leather and Allied Product Manufacturing				34		44	43	34		
Wood Product Manufacturing	150	166	195	160	236	205	233	254	294	337
Paper Manufacturing	154	159	182	195	188	210	210	215	302	404
Printing and Related Support Activities	1,003	1,105	1,079	1,110	1,196	1,166	1,228	1,456	1,870	2,102
Petroleum & Coal Products Manufacturing				14		15	29	30	32	31
Chemical Manufacturing	997	979	992	1,030	1,179	1,256	891	922	1,091	1,239
Plastics & Rubber Products Manufacturing	912	898	869	831	886	804	831	954	1,028	996
Nonmetallic Mineral Product Mfg	513	483	450	435	372	394	262	291	306	319
Primary Metal Manufacturing	96	94	112	110	116	92	92	99	100	164
Fabricated Metal Product Manufacturing	2,211	2,123	2,141	2,104	2,100	2,162	2,205	2,326	2,349	2,518
Machinery Manufacturing	1,851	1,967	2,176	2,197	2,435	2,489	2,843	2,778	2,954	3,334
Computer and Electronic Product Mfg	2,034	2,131	2,137	2,180	2,231	2,289	2,279	2,257	2,231	2,626
Electrical Equipment and Appliances	564	489	450	361	366	360	357	361	440	593
Transportation Equipment Manufacturing	1,043	1,072	1,166	1,600	1,981	2,118	2,233	2,201	2,372	2,407
Furniture and Related Product Mfg	786	803	803	781	788	722	692	738	812	958
Miscellaneous Manufacturing	1,330	1,332	1,233	1,234	1,239	1,249	1,278	1,358	1,511	2,030
Wholesale Trade	25,594	26,834	27,689	27,320	27,484	26,937	26,874	26,707	26,965	29,102
Merchant Wholesalers, Durable Goods	11,850	13,620	14,120	13,788	13,781	13,194	13,387	13,649	13,832	15,025
Merchant Wholesalers, Nondurable Goods	11,264	10,610	10,956	10,928	10,748	10,754	10,578	10,252	10,256	10,987
Electronic Markets and Agents/Brokers	2,480	2,604	2,613	2,604	2,955	2,989	2,909	2,806	2,877	3,090
Retail Trade	80,883	80,271	80,002	79,777	78,730	77,149	76,742	75,890	75,801	81,075
Motor Vehicle and Parts Dealers	7,291	7,211	7,140	6,935	6,732	6,635	6,354	6,121	6,060	6,887
Furniture and Home Furnishings Stores	3,296	3,016	3,049	3,026	3,040	3,419	3,280	3,226	3,412	4,175
Electronics and Appliance Stores	3,157	3,292	3,541	3,355	3,230	3,301	3,474	3,295	3,148	3,372
Building Material & Garden Supply Stores	5,535	5,541	5,472	5,531	5,486	4,708	4,718	4,716	4,725	5,218
Food and Beverage Stores	18,885	17,987	17,862	17,617	16,954	17,057	16,676	16,181	16,071	15,899
Health and Personal Care Stores	6,787	6,808	6,704	6,794	6,965	6,851	6,638	7,021	7,069	7,358
Gasoline Stations	1,631	1,561	1,511	1,465	1,456	1,570	1,560	1,493	1,488	1,473
Clothing and Clothing Accessories Stores	9,784	10,082	9,914	9,923	10,099	10,085	9,974	10,836	10,701	13,635
Sporting Goods/Hobby/Book/Music Stores	3,665	3,862	3,775	3,619	3,394	3,299	3,294	3,393	3,283	3,522
General Merchandise Stores	13,366	13,722	14,008	14,540	14,450	13,321	14,009	12,746	12,745	11,986
Miscellaneous Store Retailers	4,036	3,670	3,526	3,625	3,572	4,064	3,673	3,704	3,976	4,286
Nonstore Retailers	3,450	3,519	3,500	3,347	3,352	2,839	3,092	3,158	3,123	3,264
Transportation and Warehousing	14,996	15,563	15,260	15,185	15,515	14,526	14,763	14,839	14,856	15,146
Air Transportation	374	428	401	451	460	488	504	496	415	432
Water Transportation	349	418	450	468	485	622	642	693	604	662
Truck Transportation	2,440	2,359	2,245	2,239	2,225	2,115	1,944	1,907	1,867	2,161
Transit and Ground Passenger Transport	4,207	4,995	5,094	5,187	5,636	4,755	4,502	4,670	4,736	4,827
Pipeline Transportation				3		3				
Scenic and Sightseeing Transportation	127	63	66	75	48	95	48	33	58	64
Support Activities for Transportation	3,618	3,719	3,575	3,470	3,379	3,309	3,247	2,974	2,995	3,366
Postal Service Contractors			5	8		49				
Couriers and Messengers	3,044	2,856	2,679	2,609	2,587	2,488	3,307	3,414	3,526	2,769
Warehousing and Storage	837	725	745	675	695	602	569	652	655	865
Information	10,310	10,377	10,989	11,906	13,424	13,558	13,663	14,164	13,908	14,319
Publishing Industries	1,658	1,570	1,575	1,913	2,083	2,249	2,327	2,442	2,262	2,522
Motion Picture & Sound Recording Ind	714	822	797	831	1,593	1,886	1,784	1,824	1,664	1,689
Broadcasting (except Internet)	648	631	624	650	4,500	4,775	4,595	4,769	4,821	4,654
Internet Publishing and Broadcasting					384	2,879	3,203	3,296	3,242	3,539
Telecommunications	5,702	5,832	6,426	6,761	3,001	1,104	1,067	1,104	1,275	1,328
ISPs, Search Portals, & Data Processing	1,115	1,030	1,034	1,027	1,112	665	687	729	644	587
Other Information Services	473	492	533	724	751					
Finance and Insurance	29,791	29,937	31,128	31,253	31,070	31,094	30,451	30,103	31,383	33,603
Credit Intermediation & Related Activity	8,891	9,464	10,491	10,714	10,801	10,792	10,377	9,711	10,077	11,495
Financial Investment & Related Activity	3,871	3,488	3,580	3,477	3,458	3,667	3,910	4,086	4,141	4,359
Insurance Carriers & Related Activities	16,911	16,868	16,948	17,017	16,765	16,092	15,628	15,771	16,624	17,260
Funds, Trusts & Other Financial Vehicles	118	117	109	45	46	543	536	535	541	489

(Continued)

EXHIBIT T-19

COUNTY OF NASSAU, NEW YORK

**ANNUAL AVERAGE EMPLOYMENT BY INDUSTRY
LAST TEN FISCAL YEARS**

Industry Title	Fiscal Year									
	2017(P)	2016	2015	2014	2013	2012	2011	2010	2009	2008
Real Estate and Rental and Leasing	10,993	10,676	10,391	10,317	9,747	9,953	9,627	9,489	9,748	10,224
Real Estate	9,494	9,178	8,988	8,643	8,258	8,465	8,317	8,171	8,387	8,640
Rental and Leasing Services	1,458	1,428	1,351	1,540	1,362	1,352	1,191	1,211	1,255	1,470
Lessors, Nonfinancial Intangible Assets	41	70	52	134	127	136	119	107	106	114
Professional and Technical Services	39,368	38,659	38,448	37,771	36,605	35,128	34,173	34,098	34,757	36,513
Professional and Technical Services	39,368	38,659	38,448	37,771	36,605	35,128	34,173	34,098	34,757	36,513
Management of Companies and Enterprises	7,424	7,345	6,716	6,604	6,462	6,976	6,501	6,776	6,891	7,059
Management of Companies and Enterprises	7,424	7,345	6,716	6,604	6,462	6,976	6,501	6,776	6,891	7,059
Administrative and Waste Services	32,573	32,334	30,508	30,086	29,443	29,897	28,819	27,421	29,300	31,691
Administrative and Support Services	31,045	30,730	29,093	28,747	28,126	28,604	27,538	26,109	28,240	30,650
Waste Management and Remediation Service	1,528	1,604	1,415	1,339	1,317	1,293	1,281	1,312	1,060	1,041
Educational Services	18,751	20,813	20,305	19,864	19,900	18,722	19,678	19,651	19,437	19,411
Educational Services	18,751	20,813	20,305	19,864	19,900	18,722	19,678	19,651	19,437	19,411
Health Care and Social Assistance	127,949	125,379	120,248	115,383	114,014	113,640	114,455	111,494	104,276	101,880
Ambulatory Health Care Services	47,774	47,594	46,675	44,813	43,828	43,192	42,156	41,984	40,866	39,830
Hospitals	45,081	42,253	39,271	36,749	37,333	37,888	38,761	36,727	31,716	30,394
Nursing and Residential Care Facilities	13,746	13,738	13,472	13,484	13,435	14,450	14,706	14,854	14,746	14,962
Social Assistance	21,348	21,794	20,830	20,337	19,418	18,110	18,832	17,929	16,948	16,694
Arts, Entertainment, and Recreation	14,330	11,707	11,910	11,911	11,842	13,462	11,199	11,357	11,616	12,077
Performing Arts and Spectator Sports	3,354	3,368	3,715	4,026	4,070	4,233	3,910	4,057	3,959	4,239
Museums, Parks and Historical Sites	372	335	319	324	326	331	317	309	426	425
Amusement, Gambling & Recreation Ind	10,604	8,004	7,876	7,561	7,446	8,898	6,972	6,991	7,231	7,413
Accommodation and Food Services	52,265	48,907	48,220	47,179	45,983	45,677	41,661	40,231	38,591	38,946
Accommodation	2,960	2,379	2,359	2,380	2,472	2,693	2,340	2,341	2,176	2,272
Food Services and Drinking Places	49,305	46,528	45,861	44,799	43,511	42,984	39,321	37,890	36,415	36,674
Other Services	30,045	29,983	29,201	28,911	27,984	27,535	27,460	27,169	26,761	27,061
Repair and Maintenance	6,630	6,681	6,660	6,595	6,398	6,400	6,581	6,610	6,229	6,287
Personal and Laundry Services	13,775	12,953	12,309	11,885	11,186	10,998	10,812	10,566	10,408	10,317
Membership Organizations & Associations	7,842	8,555	8,467	8,572	8,596	8,200	8,224	8,197	8,334	8,590
Private Households	1,798	1,794	1,765	1,859	1,804	1,937	1,843	1,796	1,790	1,867
Total, All Government	65,799	77,973	78,023	77,833	77,133	65,948	81,229	83,252	83,566	83,778
Federal Government	5,183	5,258	5,201	5,155	5,218	5,224	5,468	6,174	6,122	6,256
State Government	3,549	3,162	3,143	3,107	2,220	3,550	3,644	3,770	3,825	3,802
Local Government	57,067	69,553	69,679	69,571	69,695	57,174	72,117	73,308	73,619	73,720
Unclassified	4,174	3,586	2,997	3,249	2,281	3,215	2,445	2,211	2,177	1,845

(P) Data for 2017 is Preliminary 3rd Quarter Data and subject to revision.

(Concluded)

Data Source: Quarterly Census of Employment and Wages, developed through a cooperative program between the State of New York and the U. S. Bureau of Labor Statistics.

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OPERATING INFORMATION

EXHIBIT T-20

COUNTY OF NASSAU, NEW YORK

COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year														
	2017			2016			2015			2014			2013		
	F/T	P/T	SEAS	F/T	P/T	SEAS	F/T	P/T	SEAS	F/T	P/T	SEAS	F/T	P/T	SEAS
Legislative															
Legislature	81	2	32	83	3	33	84	6	21	87	3	38	86	1	31
Judicial															
District Attorney	376	16		381	9		363	8		374	5		379	4	
Public Administrator	6			6			6			6			6		
Traffic Violations Bureau	45	41		46	44		46	36		47	40		43	28	
General Administration															
Assessment	110	2		129	2		136	2		147	1		154		
Assessment Review Commission	28	2		29	2		30	1		29	1		29	1	
Board of Elections	152	44	31	162	39	45	157	42	37	166	45	33	160	51	37
Civil Service	48	41	1	52	39	1	53	38	1	53	38	1	53	36	1
County Attorney	82	4		87	4		92	3		92	2		102	2	
County Clerk / Records Management	87	31	2	84	36	4	81	32	8	92	36	2	96	36	2
County Comptroller	71	4		77	4		75	4		76	5		72	4	
County Executive	15	1		17	2	2	15	2	1	16	2		18	1	1
County Treasurer	24	1		27	2		27	2		26	2		30	2	
Office of Constituent Affairs	34	2	1	34	3	1	35	3		36	2		37	3	
Office of Emergency Management	14			14			9			10			8	1	
Information Technology	84	1	1	85	1		77	1		80	1		76	1	
Housing and Intergovernmental Affairs	50			57			63			68			68		
Labor Relations	4			4			5			4	1		4		
Office of Management and Budget	25	2		26	1		26	1		24	5		22	4	
Personnel / Human Resources	8	2		9	2	1	9	2		9	2		9	2	
Planning ***															
Real Estate Services***															
Shared Services (formerly Purchasing Department)	10	1		9	1		10	1		10			10	1	
Taxi and Limousine Commission	9			9			2								
Protection of Persons															
Police															
Uniformed Personnel / Officers	2,663	411		2,599	417		2,507	413		2,386	419		2,336	416	
Administrative / Support	590	42		599	38		606	40		590	40		627	38	4
Fire Commission															
Fire Commissioners / Inspectors	76	2		83	3		87	3		82	3		84	3	
Administrative / Support	6	32		8	32		7	32		7	33		7	32	
Probation Department															
Uniformed Personnel / Officers	149	3		159	3		154	5		160	5		163	5	
Administrative / Support	20	6		31	7		32	7		33	8		33	9	
Parks Department - Security							7			8					
Human Rights Commission	6			7									8		
Dept. of Investigations				2											
Medical Examiner	70	13		70	13		67	11		68	10		69	10	
Consumer Affairs	21			25			25			25			26		
Health															
Behavioral Health															
Health Department	204	12	7	225	14	9	231	17	8	241	16	8	241	20	9
Social Services															
CASA	4			4	1		4			4			4		
Criminal Justice Coordinating Council	2			2	1		2	1		1	1		1	1	
Human Services****	112	12		113	14		105	12		105	11		111	10	
Minority Affairs	4		1	5		1	5	1	1	5	2		6	2	
Senior Citizens Affairs****															
Social Services	716	88	5	766	73	5	744	60	5	765	59	5	784	65	5
Office for the Physically Challenged****															
Veterans Services	7			7			7			6			7		
Youth Board****															
Public Works															
Maintenance / Engineering	503	20	33	588	21	28	598	23	27	668	24	28	704	25	25
Recreation and Parks															
Parks Department	154	152	399	158	134	564	157	129	612	157	137	665	161	145	534
Corrections															
Corrections / Sheriff															
Uniformed Personnel / Officers	864			892	4		900			942			957		
Administrative / Support	92	3		87			99	6		116	6		118	9	
Total	7,626	993	513	7,857	969	694	7,745	944	721	7,821	965	780	7,909	968	649

** Full-Time, Part-Time and Seasonal Employee numbers are shown at 12/31 of each year.

F/T = Full Time, P/T = Part Time, SEAS = Seasonal

***Starting in 2012 Traffic Safety Board, Planning and Real Estate Services became part of Public Works

****Starting in 2012 Behavioral Health, Office for the Physically Challenged, Youth Board, and Senior Citizens Affairs were combined into Human Services

(Continued)

EXHIBIT T-20

COUNTY OF NASSAU, NEW YORK

COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year														
	2012			2011			2010			2009			2008		
	F/T	P/T	SEAS	F/T	P/T	SEAS	F/T	P/T	SEAS	F/T	P/T	SEAS	F/T	P/T	SEAS
Legislative															
Legislature	88	2	35	84	3	22	86	3	30	87	2	36	89	1	21
Judicial															
District Attorney	373	2		375	3		371	3		378	1		384	1	
Public Administrator	6			7			7			7			7		
Traffic Violations Bureau	43	28		46	33		45	31		43	35		38	33	
General Administration															
Assessment	157			168			212	1		224	1		244	2	
Assessment Review Commission	29			30	3		43	3		46	6		46	6	
Board of Elections	148	58	38	146	81	40	130	76	38	119	85	34	114	70	36
Civil Service	54	36	1	56	35	1	55	36	1	58	35	1	63	36	1
County Attorney	106	2		112	2		123	2		154	1		161	1	
County Clerk / Records Management	96	39	6	111	44	16	114	48	1	108	52	2	112	52	3
County Comptroller	74	2		72	3		76	3		80	2		92	3	
County Executive	20	1	1	20	1		20	2	2	30			34	2	
County Treasurer	29	1		32	1		35	1		40	1		41	1	
Office of Constituent Affairs	38	5		42	3		41	4		46	5		50	4	
Office of Emergency Management	10			7			8			5			6		
Information Technology	80	1		78			116	5		133	6	1	139	6	1
Housing and Intergovernmental Affairs	68	1		82	1		110	1	2	102		4	83		
Labor Relations	4			4			5			3			7		
Office of Management and Budget	22	4	1	27	3	1	27	3	1	31	3	1	39	3	
Personnel / Human Resources	9	1		9	1	1	9	1	1	15	1		17	1	1
Planning				20	11		22	11		26	11		27	10	
Real Estate Services				8			7			9		1	9	1	
Purchasing Department	11			16			16			20			23		
Protection of Persons															
Police															
Uniformed Personnel / Officers	2,386	406		2,526	426		2,586	427		2,715	442		2,868	446	
Administrative / Support	627	38		655	40	1	630	44	1	576	43	1	654	30	1
Fire Commission															
Fire Commissioners / Inspectors	77	27		79	3		80	3		89	2		93		
Administrative / Support	18	3		18	27		9	27		12	26		16	24	
Probation Department															
Uniformed Personnel / Officers	169	5		193	7		190	7		195	8		213	8	
Administrative / Support	32	11		20	2		19	4		24	4		26	5	
Parks Department - Security															
Human Rights Commission	8	1		8	2		9	2		8	2	1	9	2	1
Dept. of Investigations										1			1		
Medical Examiner	67	6		58	9		47	9		49	8		52	5	
Consumer Affairs	27	1		31	1		32	1		36	2	1	38	3	
Health															
Behavioral Health***				88	2		103	4		111	4		119	4	
Health Department	243	20	9	284	22	7	282	26	10	302	27	11	330	22	9
Social Services															
CASA	5			5			4			7	1		8	1	
Criminal Justice Coordinating Council	1	2		2			2			2			1	1	
Human Services*****	113	8													
Minority Affairs	5	2		6	2		6	2		6			8		
Senior Citizens Affairs*****				27	5		30	6		33	6		36	8	
Social Services	790	72	5	868	86		862	99		889	102		904	101	
Office for the Physically Challenged*****				5			4			3			7	1	
Veterans Services	5			3			7			8			8		
Youth Board*****				4			4			5			6		
Public Works															
Maintenance / Engineering	680	27	12	727	36	14	749	55	24	869	46	20	773	32	39
Recreation and Parks															
Parks Department	164	154	472	177	201	512	149	184	247	153	175	246	258	174	357
Corrections															
Corrections / Sheriff															
Uniformed Personnel / Officers	1,011			1,069			1,078			1,130			1,124		
Administrative / Support	122	10		128	10		116	11		119	13		125	14	
Total	8,015	976	580	8,533	1,109	615	8,676	1,145	358	9,106	1,158	360	9,502	1,114	470

(Concluded)

EXHIBIT T-21

COUNTY OF NASSAU, NEW YORK

**CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Public Safety										
Police:										
Precincts	7	7 (7)	6	6	6	6 (4)	9	9	9	9
Community Centers	2	2 (7)	3	3	3	3 (4)				
Patrol Units	205	205	205	205	205	205	205	205	205	205
Highways, Streets, Bridges										
Streets (lane miles)	1,856	1,856	1,856	1,856	1,856	1,963	1,963	1,963	1,963	1,963
Streetlights	671	607	581	581	581	581	581	581	581	581
Miscellaneous Street Light Devices	22	22	22	22	22	22	22	22	22	22
Miscellaneous Traffic Control Devices	312	309	303	291	284	279	278	280	275	275
Traffic Signals	1,580	1,578	1,576	1,576	1,576	1,564	1,561	1,557	1,554	1,548
Bridges (Vehicle)	80 (1)	80 (1)	80 (1)	80 (1)	80 (1)	80 (1)	80 (1)	80 (1)	80 (1)	80 (1)
Bridges (Pedestrian)	26	26	26	26	26	26	26	26	26	27
Culture and Recreation										
Parks Acreage	5,187	5,187	5,187	5,187	5,187	5,187	5,187	5,187	5,187	5,187
Parks	68	68	68	68	68	68	68	68	68	68
Swimming Pools	5	5	5	5	5	5	5	5	5	5
Tennis Courts	75	75	75	75	75	70	70	70	70	70
Sewer and Drainage										
Bay Park Service Area Sanitary Sewers (miles)	1,440	1,440	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Cedar Creek Service Area Sanitary Sewers (miles)	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550
Glen Cove Service Area Sanitary Sewers (miles)	69	69	69	69	69	69	69 (2)			
Cedarhurst Service Area Sanitary Sewers (miles)	23	23	23	23	23	23 (3)				
Lawrence Service Area Sanitary Sewers (miles)	21	21	21	21	21	21 (3)				
Bay Park Plant Design Flow (MGD)	70	70	70	70	70	70	70	70	70	70
Cedar Creek Plant Design Flow (MGD)	72	72	72	72	72	72	72	72	72	72
Glen Cove Plant Design Flow (MGD)	6	6	6	6	6	6	5.5 (4)			
Cedarhurst Plant Design Flow (MGD)		(8)	1 (5)	1	1	1 (3)				
Lawrence Plant Design Flow (MGD)		(8)	2 (6)	2	2	2 (3)				
Storm Sewers (lane miles)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Storm Water Basins	561	561	559	559	559	559	560	560	560	560
Storm Water Pump Stations	6	6	6	6	6	6	6	6	6	6
Drainage Stream Corridors (miles)	60	60	60	60	60	60	60	60	60	60

MGD - Millions of Gallons per Day

(1) 39 Bridges solely owned by County and 41 co-owned with other Municipalities

(2) Nassau assumed responsibility of Glen Cove Sewer System in 2011

(3) Nassau assumed responsibility of Cedarhurst and Lawrence Sewer System in 2012

(4) There was a reduction of Precincts due to Precinct consolidation that took place in 2012. The closed Precincts remain open as Community Centers and offer Police assistance to the public.

(5) As of October 22, 2015, all flow to the Cedarhurst WPCP was diverted to the Bay Park STP

(6) As of October 21, 2015, all flow to the Lawrence STP was diverted to the Bay Park STP

(7) One Community Center returned to being Full Service Police Precinct

(8) Decommissioned

Sources: Various Nassau County Departments

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EXHIBIT T-22

COUNTY OF NASSAU, NEW YORK

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Judicial										
District Attorney										
Felony Conviction Rate ⁽¹⁾	90.4%	91.9%	89.2%	88.7%	91.2%	93.5%	89.6%	90.1%	90.2%	90.0%
Total Number of Cases Handled	30,892	30,464	28,648	33,953	34,550	35,430	34,687	32,463	32,824	34,460
Number of Indicted Cases	791	847	1,015	858	890	986	994	963	1,003	1,032
General Administration										
Assessment										
Number of Building Permits Issued	34,630	32,486	33,006	31,914	34,724	26,059	21,101	21,527	21,352	20,704
Number of Building Inspections Performed	34,810	21,135	23,618	25,202	20,723	26,327	26,254	26,641	36,022	23,641
Number of Basic STAR Exemptions	223,835	248,702	243,334	268,008	272,178	267,096	275,824	275,888	276,063	264,653
Number of Enhanced STAR Exemptions	42,027	47,953	37,989	36,126	37,972	36,199	35,578	35,282	35,567	49,865
Number of Veterans Exemptions	40,033	46,919	49,087	49,920	47,340	52,125	55,007	56,224	55,007	47,286
Number of Solar Energy Exemptions	1	15	15	16	14	19	24	29	29	37
Assessment Review Commission										
Number of Residential Appeal Applications Reviewed	184,781	162,238	148,710	136,523	129,946	111,133	111,019	107,547	107,287	110,379
Number of Commercial Appeal Applications Reviewed	20,949	20,878	20,963	20,726	20,449	19,868	18,940	19,076	19,077	18,391
Shared Services - Formerly Purchasing Department										
Number of Purchase Orders Processed	5,242	5,472	6,257	6,722	6,819	7,357	9,015	10,687	10,954	10,232
County Comptroller										
Number of Claims Processed	94,453	92,755	102,334	94,194	71,661	68,910	83,935	85,137	86,705	91,117
County Treasurer										
Investment Portfolio Return	0.56%	0.19%	0.16%	0.22%	0.30%	0.35%	0.45%	0.63%	0.97%	2.77%
Total number of Tax Liens Sold ⁽⁴⁾	3,936	3,898	4,461	4,480	4,108	4,680	4,155	4,335	4,513	5,330
County Clerk										
Land Records Recorded	162,630	163,085	138,027	111,642	147,164	152,954	129,098	127,954	129,984	123,471
Court Records Recorded	222,520	234,517	264,516	280,478	279,755	273,933	281,733	363,728	347,316	322,025
Miscellaneous Records Recorded	97,703	96,256	107,981	101,279	98,836	99,083	108,381	102,059	97,168	89,702
Certified Copies Issued	28,482	34,061	37,050	33,478	41,510	30,322	28,770	28,953	30,702	30,598
Board of Elections										
Voting Precincts	1,204	1,203	1,196	1,196	1,196	1,165	1,160	1,160	1,160	1,160
Polling Places	370	370	373	376	389	389	389	389	389	389
Voters	997,519	995,551	984,956	947,698	945,611	937,121	913,215	903,102	898,064	906,064
Poll Workers	4,880	5,119	5,042	5,166	5,634	5,684	5,618	5,618	4,749	6,210
Civil Service										
Number of Position Classification Reviews	3,535	3,110	3,131	2,811	2,832	2,455	2,659	3,298	2,911	3,513
Number of Performance Tests Conducted	1,322	917	482	753	3,332	301	585	3,015	1,675	2,008
Number of Psychological Tests Conducted	375	888	962	912	727	77	189	439	390	747
Planning Department										
Number of New Zoning Applications Received	2,017	2,272	2,306	2,153	2,186	2,178	2,585	2,314	2,852	2,938
Number of Subdivision Waiver Applications Approved	45	56	55	64	63	32	38	43	45	72
Number of Bus Shelters	244	336	349	346	344	319	322	342	340	340
Number of Maintenance Checks Performed	54	175	180	185	188	188	493	185	173	203
Protection of Persons										
Police										
Physical Arrests	11,291	11,567	14,538	21,976	22,076	16,548	15,858	15,866	17,298	16,778
Parking Violations	95,873	89,660	81,024	72,114	78,866	70,383	76,151	92,043	99,857	108,975
Moving Violations	211,383	184,466	175,684	150,771	154,956	149,456	157,403	201,688	206,769	200,886
Fire Commission										
Emergency Light Tests	2,978	2,535	2,421	2,342	2,445	2,586	2,601	2,485	2,448	2,413
General Fire Marshal Inspections	4,272	4,437	4,415	5,345	5,072	6,206	6,513	6,304	6,722	4,473
Plans Reviewed ⁽²⁾	2,537	3,076	3,002	2,752	3,212	2,689	2,701	2,649	2,923	3,035
Fire & Ambulance Calls Dispatched	76,289	73,444	74,642	70,102	64,616	77,996	70,924	73,489	67,658	64,357
Medical Examiner										
Number of Cases Reported to ME Office	6,088	6,006	5,962	5,714	5,676	5,504	5,431	5,124	5,214	6,302
Number of Cases Accepted and Certified by ME Office	1,218	1,312	1,325	1,297	1,303	1,261	1,223	1,275	1,326	1,352
Number of Autopsies Performed	694	728	730	727	772	778	702	772	779	830
Number of Cremation Investigations (Date reported)	2,438	2,388	2,284	2,054	2,052	1,950	1,791	1,642	1,663	1,560
Number of ME Scenes Visited	598	695	698	673	646	571	632	631	585	638
Toxicology Analysis Total Avg Days	74	74	69	53	60	71	56	65	63	47
Total Number of DNA Cases Received	748	734	654	619	599	579	611	593	583	617
Total Number of Items Received from DNA cases	1,386	1,864	5,209	1,416	1,450					
Average Number of Days to complete Forensic DNA Cases	55	51	52	66	69	115	108	118	153	65
Total Number of Latent Print Cases Received	803	788	974	806	814					
Total Number of Latent Print Items Received	3,751	3,875	6,150	5,723	1,687					
Average Number of Days to complete Latent Print Cases	40	50	98	176	112					
Total Number of Chemistry Controlled Substances Cases Received	1,228	404								
Total Number of Items Received from Chemistry Controlled Substances cases	34,805	13,713								
Average Number of Days to complete Forensic Chemistry Controlled Substances Cases	15	9								
Total Number of Chemistry Fire Debris Cases Received	35	13								
Total Number of Items Received from Chemistry Fire Debris cases	69	31								
Average Number of Days to complete Forensic Chemistry Fire Debris Cases	55	35								
Probation Department										
Supervision Caseload (Criminal & Family)	5,222	5,402	6,098	6,481	7,022	7,417	8,040	8,643	8,796	8,453
Adult Intake: Number of Cases Assigned	1,785	2,235							4,657	3,928
Juvenile Intake: Number of Cases Assigned	433	427	416	363	420	567	645	753	782	969
Pre-trial Cases Interviewed	1,620	1,416	1,806	2,022	2,622	2,777	2,827	2,377	2,232	2,616
Pre-trial Supervision Caseload (Criminal & Family)	899	1,411	1,570	1,525	1,144	799	875	895	1,217	1,235
Investigations Assigned (Criminal & Family)	3,645	3,517	2,977	3,400	3,713	3,979	4,395	5,395	6,387	6,532

(Continued)

EXHIBIT T-22

COUNTY OF NASSAU, NEW YORK

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Protection of Persons (Continued)										
Consumers Affairs										
Number of Weights and Measures Inspections	3,981	4,021	3,982	4,082	4,353	4,479	4,425	4,101	4,402	4,512
Number of Weights and Measures Devices Inspected	15,341	15,546	15,947	15,684	16,803	16,891	16,881	16,650	16,228	16,135
Total Number of Stores Participating in Item Price Exemption	266	254	252	216	216	210	189	190	185	190
Number of Home Improvement License Applications Issued	5,007	4,406	5,496	4,368	6,016	4,462	5,462	4,216	5,605	4,038
Total Number of Violations Issued	1,437	1,458	1,281	1,176	1,490	1,424	1,576	1,579	2,144	1,667
Health										
Behavioral Health (Drug & Alcohol)										
Caseload Referred by DSS Screening								4,293 ⁽¹⁵⁾	7,673	6,687
Assessments, Consultations, Support Services								2,288 ⁽¹⁵⁾	4,307	4,459
Referrals to Treatment								1,286 ⁽¹⁵⁾	2,397	2,648
TIPS Treatment Placement Number of Unique Clients Served								158 ⁽¹⁶⁾	582 ⁽¹⁶⁾	154 ⁽¹⁶⁾
EAP Number of Training and Management Consultation Attendees	896	1,093	1,089	1,408	1,105	2,312	4,140	2,552	1,372	1,376
Methadone Maintenance Treatment Clinic Number of Clients Served	618	610	665	691	744	747	714	747	735	689
Behavioral Health (Mental Health)										
Average Monthly Assisted Outpatient Treatment (AOT) Caseload	292	266	252	213	175	157	151	149	140	132
Average Monthly AOT Cases Under Court Order	253	232	218	183	146	133	124	117	108	104
Average Monthly AOT Voluntary Cases	14	15	9	8	10	12	11	16	19	15
Average Monthly AOT Cases under Investigation	25	18	25	22	19	12	16	17	13	14
Significant AOT Event Episodes	856	571	596	542	572	478	434	403	307	186
Family Court Number of Individuals Remanded	18	32	26	24	22	32	44	50	71	110
Family Court Number of Diversions	22	44	20	18	25	29	36	36	24	50
Number of Forensic Evaluations	209	194	160	202	152	122	127	179	242	358
Number of Individuals Seen	209	191	160	201	152	116	113	163	227	308
Health Department										
Total Number of Communicable Diseases Reports Received	32,085	25,133	23,501	23,054	20,191	19,406	25,281	25,518	27,786	22,743
Total Number of Communicable Diseases Reports Confirmed	6,160	4,817	4,171	4,716	4,275	3,042	3,667	1,488	8,453	4,162
Number of Immediate Response Investigations	33	133	37	69	36	30	28	71	54	89
Number of 72 Hour Response Investigations	6,204	4,248	1,517	1,206	1,113	1,221	1,161	1,074	3,394	1,337
Number of 1 Week Response Investigations	52	436	2,617	3,452	3,123	1,791	2,471	1,416	5,037	2,704
Monthly Environmental Nuisances All Cases	NA	NA	NA	NA	NA	NA	NA	NA	3,168	3,674
Community Sanitation Inspections	4,650	3,161	2,464	2,599	2,872	2,002	2,354	2,925	2,915	3,395
Food Protection Inspections	13,470	16,316	13,000	12,604	12,314	15,934	18,410	13,462	17,059	14,734
Social Services										
Senior Citizens Affairs										
Number of Congregate Meals Served at Centers	180,840	182,866	186,333	193,213	202,358	201,409	207,469	219,986	211,888	237,855
Number of Seniors Served Meals	4,111	4,410	4,470	6,741	6,604	4,651	4,690	4,902	4,600	5,634
Number of Home Meals Served	438,352	427,583	416,188	423,731	404,506	412,226	451,941	469,418	387,019	500,203
Total Number of Funded Senior Center Trips	141,912	141,407	136,245	139,075	140,205	148,932	158,255	165,509	152,967	185,953
Number of Senior Passengers Transported	1,426	1,582	1,573	1,595	1,605	1,736	1,719	1,860	1,557	1,722
Social Services⁽⁶⁾										
Medicaid Total Medical Assistance Cases Only	74,925	80,561	102,183	112,107	117,179	102,687	93,777	86,436	75,552	63,908
Medicaid Applications Pending	1,223	1,264	1,132	1,122	2,070	4,257	2,526	2,442	4,233	7,538
Percentage of Applications Processed over 30 Days	17%	12%	13%	10%	6%	28%	16%	18%	33%	54%
Child Protective Investigative Unit Caseload / Per Caseworker	16	12	14 ⁽²⁴⁾	18	16	18	17	22	16	19
Child Protective Investigative Unit Caseload / Per Caseworker	16	12	14 ⁽²⁴⁾	18	16	18	17	22	16	19
Child Protective Family Assessment Unit Caseload / Per Caseworker	17	14	11 ⁽²⁴⁾	NA	NA	NA	NA	NA	NA	NA
Child Protective On-going Unit Caseload / Per Caseworker	NA	8	9 ^(24,25)	NA	NA	NA	NA	NA	NA	NA
Child Protection Total Caseload / Per Caseworker			15 ⁽²⁴⁾	15	14	15	15	19	17	18
Child Protective Services Primary Open Investigations	911	759	761	808	1,142	1,046	1,086	1,253	1,076	1,189
Child Protective Services Primary Open Investigations / Per Caseworker	13	10	10	13	14	15	14	16	14	15
Active Public Assistance Cases	4,577	5,353	6,408	7,463	6,989	7,608	8,302	8,538	6,932	5,695
Number of Public Assistance Applications Pending Over 30 Days	73	21	15	34	72	243	419	840	1,556	1,001
HEAP Individuals (Clients, HEAP-Only)	3,544	3,949	4,319	4,731	5,034	6,378	7,265	7,658	7,081	5,885
Social Service Applications Disposed	4,722	6,036	5,976	5,807	8,062	7,920	7,530	8,581	7,684	6,408
Emergency Shelter Individuals (Clients, Homeless)	1,413	1,127	905	719	564	628	574	805	515	509
Food Stamp Individuals (Clients, Total)	51,645	57,001	62,463	66,130	67,317	68,409	66,039	59,510	45,338	34,143
Services Cases	5,547	5,572	5,779	5,419	5,559	5,855	5,803	5,654	5,111	4,762
Number of Summer Lunches Served ⁽¹¹⁾	50,613	66,751	64,581	70,784	62,094	67,000	61,000	71,488	79,000	71,127
Office for Physically Challenged										
Number of Parking Permits Issued	19,627	17,141	20,658	24,895	27,328	14,891	17,103	14,945	17,087	11,201
Number of Inquiries Responded To	15,701	16,875	19,252	20,250	19,424	19,500	18,250	17,250	18,500	11,201
Number of Institutional Outreach Contacts	6,067	5,877	3,500	4,050	5,882	2,498	2,145	1,400	1,200	1,885 ⁽⁹⁾
Veterans Services										
Number of Clients Helped	9,011	7,929	19,757	18,000	17,126	19,104	10,025	15,079	10,844	12,476
Number of Services Provided	52,567	34,320	87,415	146,466	81,161	98,988	22,519	31,908	27,100	28,784
Number of Claims Opened	1,817	6,951	2,047	1,182	839	724	1,537	2,206	1,904	1,474
Veterans Population ⁽⁷⁾	70,000	70,000	55,000	65,000	70,000	85,000	79,000	90,000	90,000	79,146

EXHIBIT T-22

COUNTY OF NASSAU, NEW YORK

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Social Services (continued)										
Youth Board										
Number of Contacts for Contract Management and Assessment	196	259	628	475	320	320	446	562	851	783
Learning Programs	0	0	0	0	0 ⁽²⁰⁾	20	47	66	68	70
Number of Grant Applications Written by Department	0	0	0	0	0	0	18	18	10	12
Number of Youths Serviced Through Various Programs	50,018 ⁽²³⁾	85,448 ⁽²³⁾	81,036 ⁽²³⁾	20,395	33,651 ⁽²¹⁾	17,441	23,284	22,000	25,078	24,390
Number of Referrals to Other Departments and Other Organizations	N/A	NA	NA	NA	NA ⁽²²⁾	270	341	400	415	425
Number of Professional Development Trainings	0	2	0	2	0	7	15	22	12	21
Number of Staff Members Attending Training	2	3	3	3	3	545	946	880	625	1,365
Number of Summer Lunches Served ⁽¹³⁾										
Public Works										
Maintenance / Engineering										
Lane Miles Resurfaced	68.3	134.8	106	114	52	130	85	85.5	83	127.26
Street Sweeping (lane miles)	21,257	8,004	7,401	12,500	10,000	11,395	13,499	8,886	7,313	11,611
Bridge Maintenance (man hours/year)	5280	840	936	389	448	1594	119	52	145	145
Average Number of Potholes Filled (per month)	600	4,910	3,245	3,515	2,171	212	138	1,674	1,607	1,188
Snow Plowing (man hours/year)	17,922	12,838	33,880	29,257	7,120	254.5	2,244	1,576	3,270	5,903
Average Flow - Bay Sewage Treatment Plant (MGD)	51	47.4	50	52	48	50	51	49	49	60.1
Average Flow - Cedar Creek Water Pollution Control Plant (MGD)	57.1	52.7	53	53	52	53	55.9	59.3	55.4	55.3
Average Flow - Glen Cove Wastewater Treatment Plant (MGD)	2.6	2.7	3	3	3	3	3.0 ⁽¹⁹⁾			
Average Flow - Cedarhurst Water Pollution Control Plant (MGD)			⁽²⁶⁾ 1	1	1	1 ⁽¹⁹⁾				
Average Flow - Lawrence Sewage Treatment Plant (MGD)			⁽²⁶⁾ 1	1	1	1 ⁽¹⁹⁾				
Recreation and Parks										
Parks Department										
Athletic Field Use Permits Issued	NA	NA	NA	NA	NA	NA	NA	NA	NA	440
Field/Court Reservations	11,172	12,252	10,083	10,816	11,783	9,994	9,008	9,476	8,057	8,258
Museum Admissions	NA	NA	NA	NA	1,052,658	764,550	757,631	821,416	921,983	941,608
Pool Admissions	641,359	635,602	501,636	429,553	426,518	393,273	412,584	427,148	374,728	418,842
Golf Admissions (rounds played)	215,904	239,575	231,230	237,902	238,761	269,940	257,723	277,035	295,463	273,540
Corrections										
Corrections / Sheriff										
Number of Inmates Transported To Court	22,793	23,143	22,206	23,805	25,757	28,737	31,999	33,573	34,121	34,306
Average Monthly Number of Inmates	1,233	1,192	1,188	1,234	1,294	1,502	1,577	1,637	1,576	1,607
Number of Summonses Issued	6,798	6,521	5,381	2,742	2,432	2,438	2,671	2,827	7,000	5,674
Number of Court Orders Enforced	21,382	22,127	22,957	23,263	25,692	27,081	31,343	20,217	27,841	27,894

NA - data not available

MGD - Millions of Gallons per Day

(Concluded)

(1) Source : Dept. of Criminal Justice Services (DCJS)

(2) Exemptions processed in 2007 are for Tax Year 2008/2009, Exemptions processed in 2008 are for Tax Year 2009/2010, Exemptions processed in 2009 are for Tax Year 2010/2011, Exemptions processed in 2010 are for Tax Year 2011/2012, Exemptions processed in 2011 are for Tax Year 2012/2013, Exemptions Processed in 2012 are for Tax Year 2013/2014, Exemptions processed in 2013 are for Tax Year 2014/2015, Exemptions processed in 2014 are for Tax Year 2015/2016, Exemptions processed in 2015 are for Tax Year 2016/2017, and Exemptions processed in 2016 are for Tax Year 2017/2018.

(3) Appeals for correction of assessments are filed yearly between January 1 and March 1 with the Assessment Review Commission. The appeals filed in 2016 were for the 2017/18 tax year; ARC reviews the applications and reduces the assessment roll where appropriate. The review process is completed on or around March 10th of the following year. The number of appeals represents the number of parcels appealed, multiple filings on a parcel is not included.

(4) Includes liens sold to Nassau County by Default

(5) In 2008, Staff Members were increased to 4 that are doing Institutional Outreach.

(6) Data Sources: NYS WST-002, NYS WINR-1240, OCI Summary Report, CCRS/Connections, NCDSS Homeless Report

(7) Based on 2000 census - does not include Gulf War Veterans

(8) As of Jan 31, 2008, DSS took over all PINS (Persons in Need of Supervision) diversion cases at the Intake level.

(9) As of January 1, 2010, Adult Intake Family Offenses will be handled by Family Court Personnel.

(10) TIPS Unit lost 3 Staff Personnel during 2008, TIPS had only 1 Staff Person in 2009

(11) Summer Lunch Program transferred to Department of Social Services in 2008

(12) Includes Sprinkler Systems, Fire Alarm Systems, Automatic Extinguishing Systems, Hood & Duet Systems, Flammable Liquid Storage Tank Installations, Site Plans, Flammable Finish Spray Booths, etc.

(13) Methodology of Tracking Case Turnaround was changed in 2009 along with an increase in DNA analysis requests as a result of increased amounts of evidence collected at crime scenes are reasons for the increase in the average number of days to complete DNA Cases

(14) As of January 1, 2010, Adult Intake Family Offenses will be handled by Family Court Personnel.

(15) Data from January through July 2010. Unit was transferred to Department of Social Services

(16) TIPS date for January through March 2010. Program Closed.

(17) As of August 31, 2010, Nassau Community College is processing their own Purchase orders and Claims.

(18) Nassau Assumed Operations of Glen Cove Sewer System during 2011

(19) Nassau Assumed Operations of Cedarhurst and Lawrence Plants during 2012

(20) Community Service Projects cut in 2012

(21) Total Served through Countywide funding and funding to Localities.

(22) Referrals not Tracked in 2013

(23) Youths served now include the Towns of Hempstead, North Hempstead, and Oyster Bay and Cities of Long Beach and Glen Cove.

(24) The Child Protective category is now broken down into two categories, Family Assessments and On-Going Unit

(25) The Child Protective category of On-going Units as of July 2016 were integrated into Preventive Services (Data is as of 06/2016)

(26) Decommissioned

Sources: Various County of Nassau Departments, Office of Management and Budget

For more information about County Departments and Services please visit our website - www.nassaucountyny.gov