

Contact: Brett Spielberg | Deputy Director of Public Information

Office: 516-571-3249 | Cell: 516-329-5171 | Email – bspiegelberg@nassaucountyny.gov

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Office of the Nassau County Comptroller

Jack Schnirman – Comptroller

240 Old Country Road

Mineola, NY 11501

Tel: (516) 571-2386 / Fax: (516) 571-5900

Comptroller Jack Schnirman Delivers Nassau County Comprehensive Annual Financial Report to Legislature and County Executive

MINEOLA, NY – Nassau County Comptroller Jack Schnirman today delivered the county’s annual Comprehensive Annual Financial Report (CAFR) to the Office of the County Executive and Legislature, which details the extent of the county’s financial crisis.

“I promised the public we would talk about the County’s finances in an honest and transparent manner,” Schnirman said. “Nassau County is in a state of a fiscal crisis, bordering on fiscal emergency due to the previous eight years of mismanagement, and today, we are delivering a comprehensive annual financial report that further confirms that determination.”

The report, which was delivered on time for the first time since 2011, reveals that Nassau County ended 2017 with a \$122 million deficit a negative \$68 million rainy day fund; outstanding tax cert liabilities topping \$500 million; and litigation liabilities rising to nearly \$400 million. Schnirman also reported that the County still owes more than \$200 million in liabilities to the New York State Pension System.

“We aren’t going to play the game of using whatever set of books makes the County look best. The County must operate from one consistent set of financial facts that is accessible to all,” Schnirman said. “The days of using budgetary math to gloss over problems and kick the can down the road are over.”

The report includes audited figures from the County’s in-house accounting team, reviewed by the County’s independent external auditing firm. The newly revitalized Independent Audit Advisory Committee, comprising five Nassau County residents with decades of finance, audit, and accounting experience at the Big Four firms and major institutions, will play a key role examining the County’s annual external audit and ensuring its recommendations are implemented in a timely manner.

“These findings remove all ambiguity and stress the seriousness of the County’s financial position. The County’s ability to function as an effective government for the people is in jeopardy, and our ability to borrow money or cover an unexpected catastrophic event is severely limited,” Schnirman said. “Due to the County Guaranty, Nassau County refunds more in property taxes than it collects

each year. Coupled with a broken assessment system, as well as years of deferred costs and unconscionable decentralized operations that have allowed each department to operate as its own separate entity, has resulted in dire fiscal consequences.”

As he delivered the report, Schnirman also stressed that the County’s financial tracking and payroll processing software are severely outdated, inefficient, and on the verge of crashing. Hundreds of staff hours annually are wasted by manually inputting data into voluminous excel files, which is prone to risk. There is also a very real possibility of these decades-old systems crashing and the County having no ability to restore these functions, losing its ability to track even basic financial functions or process payroll.

“We must reimagine how government does business in Nassau County. The same old excuses and tired solutions will no longer cut it,” Schnirman said. “The County must restructure, reform, and modernize to avoid further deterioration of 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 is crucial.”

The County’s [Comprehensive Annual Financial Report](#) (CAFR) for the FY ended 2017 has also been released online, along with a [Fact Sheet](#) and a [CAFR Guide](#).