



Comprehensive Annual Financial Report (CAFR)

Audited GAAP¹ results for FY 2017

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\$68.8 million negative unassigned fund balance;
\$122.4 million deficit in the primary operating funds.²

Report Highlights

- First time in seven years that this important financial report has been filed on time. A timely CAFR demonstrates accountability and stewardship of taxpayer resources.
- Presents **one set of fiscal results** for the County, providing a transparent, fair and standardized view of the County’s finances. Previous reports included multiple sets of numbers which created confusion as to the County’s overall fiscal standing.
- Unassigned fund balance, referred to as “rainy day fund” of negative **\$68.8 million**.
- Deficit of **\$122.4 million** in the primary operating funds.
- **Large and growing liabilities:** Outstanding tax certiorari liability exceeds **\$500 million**; Litigation liabilities are nearing **\$400 million**; New York State deferred pension liabilities are more than \$200 million.

Key Factors Contributing to the Operating Results

- **Other Financing Sources:** The County did not borrow as budgeted to fund tax cert liabilities, which resulted in a \$60 million reduction in other financing sources for FY 2017.
- **Litigation Fund:** Use of fund balance to pay for settlements (\$37.6 million).
- **Less than expected revenue:** Department revenues (-\$6.6 million), Federal Transit Authority (-\$6.3 million, federal & state), Nassau OTB (-\$3 million); department fees not realized due to a temporary restraining order imposed on the income and expense law (-\$10 million).
- **Higher than budgeted expenditures:** Police termination pay (+\$29.9 million).
- **Lower contractual reimbursement** for personnel services in the Sewer and Storm Water Fund (-\$2.1 million).
- **Higher than budgeted** sales tax revenues helped to offset above impacts (+\$8.9 million).

What is a CAFR and Why is it Important?

- *The Comprehensive Annual Financial Report (CAFR)* is a comprehensive set of financial and statistical statements which comply with accounting requirements established by the Governmental Accounting Standards Board (GASB). It must be audited by an independent auditor using generally accepted auditing standards. A CAFR presents a wide variety of important information to help citizens, policy makers, investors and creditors properly assess the financial condition of a government. Nassau County residents have a right to know their government’s fiscal conditions and the CAFR provides verified objective numbers.

Notes:

¹“GAAP” – *Generally Accepted Accounting Principles*– Refers to a common set of accounting principles, standards and procedures. GAAP compliance makes the financial reporting process transparent and standardizes assumptions, terminology, definitions and methods.

² *Primary Operating Funds* – Total General Fund (includes Police Funds, Fire Commission Fund, Debt Service Fund, Litigation Fund, Technology Fund, Open Space Fund, Retirement Contribution Reserve Fund, Employee Accrued Benefit Liability Reserve Fund), and Sewer and Storm Water Fund.

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