NASSAU COUNTY BRIDGE AUTHORITY

Financial Statements and Independent Auditors' Report

Year Ended December 31, 2021

Morse & Company CPAs, LLP
Certified Public Accountants
505 8th Avenue, Suite 1801
New York, NY 10018-4527
(212) 765-2200

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Nassau County Bridge Authority
Lawrence, NY 11559

We have audited the accompanying financial statements of Nassau County Bridge Authority as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Nassau County Bridge Authority's basic financial statements as listed in the table of contents.

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.

Our responsibility is to express opinions on these financial statements based on our audit. The prior year comparative information has been derived from the Nassau County Bridge Authority's financial statements as of and for the year ended December 31, 2019.

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 of 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 of the financial statements.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nassau County Bridge Authority as of December 31, 2021 and the respective changes in financial position and cash flows, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 10, be presented to supplement the basic financial statements. Such information, although not a required 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Nassau County Bridge Authority. The supplementary information is presented for purposed 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, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2022 on our consideration of Nassau County Bridge Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Morse + Company CPAs

Morse & Company CPAs, LLP.
New York, N.Y.
April 5, 2022

Management's Discussion and Analysis
Year Ended December 31, 2021
UNAUDITED

Introduction

The following discussion and analysis of the financial performance and activity of the Nassau County Bridge Authority is intended to provide an introduction to and understanding of the financial statements of the Nassau County Bridge Authority, which includes the operation of the Atlantic Beach Bridge, for the year ended December 31, 2021, with comparative information for the year ended December 31, 2020. This section has been prepared by the management of the Nassau County Bridge Authority and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

Financial Highlights

- The Nassau County Bridge Authority's position decreased by $1,352,741 (entirely due to depreciation).

  A) Capital expenditures for 2021 increased by $148,256, primarily due to the License Plate Recognition System and Equipment purchased. Fully depreciated equipment taken out of service in 2021 and written off totaled $185,863.

  B) Current Assets increased $918,849, primarily due to increases in cash and cash equivalents of $892,550.

- Gross operating revenues increased by $1,057,176 in 2021.
- Operating expenditures of $7,186,394 reflect a decrease of $150,498 from the 2019 total of $7,336,892. The majority of the net decrease in 2021 consisted of decreases in retirement plan of $374,614 and increases in salaries of $145,798, insurance of $42,483 and office expense of $37,963.
- Total Interest Income decreased by $39,919 from 2020. This is due to a decrease in interest from Capital One of $35,080 and from Bank of NY / Mellon of $4,839.
- In April 2010, The Nassau Bridge Authority issued $11,145,000 in Series 2010 Bonds, fixed rate bonds with level debt service and a final maturity of 2040. Proceeds of the Series 2010 Bonds, together with an equity contribution in the amount of $1,600,000, were issued to: a) finance the costs of certain structural, mechanical and electrical improvements to the Atlantic Beach Bridge, b) fund a debt service reserve fund, and c) pay the costs of issuance. As part of the plan of finance, the Authority defeased its outstanding Series 1997A and 1997B bonds with a combination of cash and restricted funds.
- Other income includes non-operating revenue from lease agreements with PSEG Long Island, as well as income generated from advertising sources and proceeds from sale of 2010 Dump Truck.

Overview of the Financial Statements

The financial section of this annual report consists of three parts: management's discussion and analysis, the basic financial statements and the notes to the financial statements. The basic financial statements include: the Statement of Net Position, the Statements of Changes in Net Position and the Statements of Cash Flows.

Statement of Net Position

The Statement of Net Position presents the financial position of the Nassau County Bridge Authority at the end of the fiscal year and includes all assets, liabilities and Deferred Inflows and Outflows of the Authority. Net position retained by the Authority for capital construction and replacement represent the difference between total assets and total liabilities. For presentation purposes only, Deferred Inflows and Outflows are presented as a separate component of the statement yet may be combined with Assets and Liabilities. A summarized comparison of the Authority's balance sheets at December 31, 2020 and 2019 are as follows:

	2021	2020
Assets		
Current assets	$ 11,170,814	$ 10,251,965
Non-current assets:		
Property and Equipment (net)	25,365,614	27,718,803
Other non-current assets	2,737,855	2,737,606
Total assets	$ 39,274,283	$ 40,708,374
Deferred Outflow of Resources: Pension Liability	3,001,729	3,399,109
Total Assets Plus Deferred Outflows of Resources	**$ 42,276,012**	**$ 44,107,483**
Liabilities		
Current liabilities	$ 638,118	$ 940,875
Non-current liabilities		
Bonds	7,920,000	8,200,000
Other non-current liabilities	11,833,468	12,993,594
Total liabilities	$ 20,391,586	$ 22,134,469
Deferred Inflows of Resources: Pension Liability	$ 1,656,300	$ 60,209
Decal Sales	368,090	255,330
Total OPEB Liability	1,412,259	1,856,957
Net Position	**$ 18,447,777**	**$ 19,800,518**
Total Liabilities, Deferred Inflows of Resources and Net Position	$ **42,276,012**	$**44,107,483**

Statement of Changes in Net Position

The change in net position is an indicator of whether the overall fiscal condition of an organization has improved or worsened during the year. A summarized comparison of the Authority's Statements of Revenues, Expenses and Changes in Net Position at December 31, 2021 and 2020 are as follows:

	2021	2020
Operating revenues	$ 6,178,290	$ 5,121,114
Operating expenses	(4,683,951)	(4,826,288)
Depreciation & Amortization	(2,502,443)	(2,510,604)
Operating profit (Loss)	(1,008,104)	(2,215,778)
Net Non-operating Revenue (Expenses)	(344,637)	(156,907)
Change in net position	$ (1,352,741)	$ (2,372,685)

Revenues

Operating revenues totaled $ 6,178,290 in 2021 and $ 5,121,114 in 2020, which is an increase in revenues of $ 1,057,176. The increase was a result of the impact from the Covid-19 period that was toll-free during 2020. 2021 was more consistent with regular norms.

Expenses

A summary of operating expenses, including depreciation and amortization, through December 31, 2021 and 2020 are as follows:

	2021	2020
Operating expenses:		
Employee compensation & benefits	$ 3,700,382	$ 3,949,450
Contract services	724,341	638,477
Materials, equipment & other	179,063	130,199
Utilities	80,165	108,162
Total operating expenses	$ 4,683,951	$ 4,826,288
Depreciation	2,502,443	2,510,604
Total	$ 7,186,394	$ 7,336,892

Non-Operating Revenues and Expenses

	2021	2020
Interest income	$ 5,261	$ 44,505
Other income	48,952	207,938
Interest expense – bonds	(398,850)	(409,350)
Net non-operating revenues (expenses)	$ (344,637)	$ (156,907)

- Interest income decreased in 2021 by $ 39,244.
- See Financial Highlights section for detailed explanation.

Capital Improvements & Equipment

During 2021, the Authority incurred $ 149,256 in capital asset expenditures. These additions were primarily associated with the License Plate Recognition System and Equipment purchased. Fully depreciated Equipment taken out of service in 2021 and written off totaled $185,863. See additional information on the Authority's capital investments in the footnotes to the financial statements.

Capital Financing and Debt Management

As at December 31, 2021, outstanding bonds of the Nassau County Bridge Authority totaled $8,200,000. Principal payments on the Series 2010 bonds in the amount of $270,000 were paid during 2021.

The Toll Covenant Requirements as prescribed in the bond resolution have been met. The calculations used in this determination are as follows:

2020 Total Aggregate Debt Service	$ 668,850
Covenant Requirement – 100%	x 100%
Covenant Net Revenue - Required	668,850
Change in Net Position – 2021	$ (1,352,741)
Add: Bond Interest	398,850
Other Post-Employment Benefits	748,728
Depreciation	2,502,443
Covenant Net Revenue - Actual	2,297,280
Surplus – Actual over Required	**$ 1,628,430**

Employee Contract Negotiations

An agreement is in force between the union and the Authority. The new agreement term is from January 1, 2022 through December 31, 2025. Specific details are disclosed in the notes to the financial statements.

Investments at Fair Value

During the year ended December 31, 2017, the Authority adopted newly issued Government Accounting Standards Board Statement 72. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. Required supplementary information is disclosed in the footnotes to the financial statements.

GASB 72 – *Fair Value Measurement and Application*
Generally requires state and local governments to measure investments at fair value. This standard expands fair value disclosures to provide comprehensive information for financial statement users about the impact of fair value measurements on a government's financial position. At December 31, 2021, the Authority's investments were not subject to fair value measurement.

Net Pension Liability

During the year ended December 31, 2015, the Authority adopted newly issued Government Accounting Standards Board Statements 68 and 71. Required supplementary information is disclosed in the footnotes to the financial statements. During the year ended December 31, 2018, the Authority adopted newly issued Government Accounting Standards Board Statement 72.

GASB 68 – *Accounting and Financial Reporting for Pensions – an Amendment of GASB 27*
Establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions via pension plans that are covered under the scope of GASB 68. Net Pension Liability at December 31, 2021 was $ 5,580.

GASB 71 – *Pension Transitions for Contributions Made Subsequent to the Transition Date*
Addresses an issue related to GASB 68 – Amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined pension plan after the measurement date of the beginning net pension liability. For the year ended December 31, 2021, this amount was $300,458.

GASB 72 – *Fair Value Measurement and Application*
This statement generally requires state and local governments to measure investments at fair value and provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and expands fair value disclosures to provide comprehensive information for financial statement users about the impact of fair value measurements on a government's financial position. At December 31, 2021, the Authority's investments were not subject to fair value measurement.

GASB 75 - *Accounting and Financial Reporting For Postemployment Benefits Other Than Pensions*
Nassau County Bridge Authority ("the NCBA") sponsors medical, prescription drug, and dental plans. Eligible retirees and their dependents may continue health care coverage through the NCBA for life. The plan covers eligible retirees who elect to participate and pay any required contributions. This report is for the actuarial valuation of the postemployment health benefit plan. The NCBA adopted GASB 75 for the year ended December 31, 2018.In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement Number 75 (Accounting and Financial Reporting for Postemployment Benefits Other than Pensions) which are meant to replace GASB 45.

The effective date for this statement is for employers with fiscal years beginning after June 15, 2017. The NCBA is assumed to be a single employer without a special funding situation without a qualified trust for the purposes of reporting under GASB 75.

GASB 75 requires the Total OPEB Liability (TOL) to be calculated based on the Entry Age Normal Level Percent of Pay (EAN) actuarial cost method. These benefits are not currently pre-funded. This valuation includes:

- All retirees who are currently receiving these benefits; and
- All active employees who will be eligible in the future to receive these benefits.

The calculations were based on an actuarial valuation as of January 1, 2020 using census data and recent health care cost information which was provided by the NCBA.
An actuarial valuation requires assumptions for the following parameters:

- A discount rate, at which future benefit cash flows are discounted, is set as (a) the long-term expected rate return on OPEB Plan investments to the extent that the OPEB plan assets are projected to be sufficient to make projected benefit payments and expected to be invested using a strategy to achieve that return or (b) the yield or index rate for 20 year , tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale) if the conditions in (a) are not met.
- Mortality rates relevant to the underlying group of employees and retirees;
- Withdrawal rates relevant to the underlying group of employees;
- Retirement rates relevant to the underlying group of employees; and
- Current and future per capita claim costs for the benefits being valued

In determining the initial per capita claim cost, we have relied on Health Cost information provided by the NCBA (or its benefits administrator on its behalf). The assumptions used in this valuation conform to the requirements of GASB 75 and generally accepted actuarial principles. The calculations were performed using a Valuation Date (VD) of January 1, 2020 for reporting in the NCBA's full accrual financial statements for a Measurement Date (MD) of December 31, 2021. This report presents results as of December 31, 2021 and may be used for December 31, 2021 financial statements. The NCBA's next full valuation should be as of January 1, 2022, for reporting in the NCBA's full accrual financial statement as of December 31, 2022.

Year ended December 31,	**2021**	**2020**
Assets		
Current Assets:		
Cash and Cash Equivalents	$ 11,103,869	$ 10,211,319
Other Receivable	3,179	3,006
Prepaid Expenses	47,880	33,195
Inventory	15,886	4,445
Total Current Assets	11,170,814	10,251,965
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	737,855	737,606
Bond Covenant Restricted Cash and Cash Equivalents	2,000,000	2,000,000
Property and Equipment, net	25,365,614	27,718,803
Total Noncurrent Assets	28,103,469	30,456,409
Total Assets	**39,274,283**	**40,708,374**
Deferred Outflow of Resources: Net Pension Liability	1,163,659	961,207
Total OPEB Liability	1,838,070	2,437,902
Total Assets and Deferred Outflow/Inflow of Resources	**$ 42,276,012**	**$ 44,107,483**
Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable & Accrued Expenses	$ 301,180	$ 585,989
Current Portion of Long-Term Debt	280,000	270,000
Current Portion of Compensated Absences	56,938	84,886
Total Current Liabilities	**638,118**	**940,875**
Noncurrent Liabilities:		
Long Term Debt, net of current	7,920,000	8,200,000
Compensated Absences Payable, net of current	514,931	504,095
Total Other Post-Employment Benefits Liability	11,312,957	10,969,494
Net Pension Liability	5,580	1,520,005
Total Noncurrent Liabilities	**19,753,468**	**21,193,594**
Total Liabilities	**20,391,586**	**22,134,469**
Deferred Inflow of Resources: Net Pension Liability	1,656,300	60,209
Total OPEB Liability	1,412,259	1,856,957
Decal Sales	368,090	255,330
Total Liabilities and Deferred Inflow/Outflow of Resources	23,828,235	24,306,965
Net Position	**18,447,777**	**19,800,518**
Total Liabilities, Net Position and Deferred Inflow of Resources	**$ 42,276,012**	**$ 44,107,483**

The attached notes and auditors' report are an integral part of these financial statements.

NASSAU COUNTY BRIDGE AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position

Year ended December 31,		**2021**		**2020**
Operating Revenue	$	6,178,290	$	5,121,114
Operating Expenses		7,186,394		7,336,892
Operating Profit (Loss)		(1,008,104)		(2,215,778)
Nonoperating Revenue (Expense)				
Interest Revenue		4,586		44,505
Other Revenue		49,627		207,938
Bond Interest Expense		(398,850)		(409,350)
Net Nonoperating Revenue (Expenses)		(344,637)		(156,907)
Change in Net Position		(1,352,741)		(2,372,685)
Net Position - Beginning of Year		19,800,518		22,173,203
Net Position - End of Year	**$**	**18,447,777**	**$**	**19,800,518**

The attached notes and auditors' report are an integral part of these financial statements.

Year ended December 31,		2021		2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and other sources	$	6,293,708	$	5,369,485
Cash payments to suppliers for goods and services		(1,781,329)		(1,099,190)
Cash payments to employees		(2,200,410)		(2,014,902)
Cash payments for employee related benefits		(655,277)		(656,812)
Net cash provided by operations		**1,656,692**		**1,598,581**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash receipts from non-operating sources		49,627		207,938
Net cash provided by non-capital financing activities		**49,627**		**207,938**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets		(149,256)		(479,100)
Principal Paid on Capital Debt		(270,000)		(260,000)
Interest paid on bonds		(398,850)		(409,350)
Net cash used for capital and related financing activities		**(818,106)**		**(1,148,450)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income		4,586		44,505
Net cash provided by investing activities		**4,586**		**44,505**
Net Increase (Decrease) in Cash and Cash Equivalents		892,799		702,574
Cash & Cash Equivalents at Beginning of Year		12,948,925		12,246,351
Cash & Cash Equivalents at End of Year	**$**	**13,841,724**	**$**	**12,948,925**
Reconciliation of Operating Profit (Loss) to Net Cash Provided by Operating Activities:				
Operating Profit (Loss)		(1,008,104)		(2,215,778)
Adjustments to reconcile operating profit to Net Cash				
Provided by Operating Activities:				
Depreciation Expense		2,502,443		2,510,604
Pension Expense - GASB 68				
Change in Assets and Liabilities:				
Increase / Decrease in:				
Other Receivables		(173)		204,960
Prepaid Expenses		(14,685)		4,896
Inventory		(11,441)		4,341
Accounts Payable & Accrued Expenses		(284,807)		250,898
Compensated Absences & Termination Pay		(17,112)		8,663
Total Other Post-Employment Benefits Liability		343,463		1,009,053
Net Pension Liability		(1,514,425)		1,077,350
Deferred Inflow of Resources - Total OPEB Liability		155,134		(443,838)
Deferred Inflow of Resources - Net Pension Liability		1,393,639		(807,558)
Deferred Inflow of Resources - Deferred Revenue from Decal Sales		112,760		(5,010)
Net Cash Provided by Operating Activities	**$**	**1,656,692**	**$**	**1,598,581**

INTRODUCTION

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

The Nassau County Bridge Authority operates and maintains the AtlanticBeachBridge across Reynolds Channel between the Villages of Lawrence and AtlanticBeach in NassauCounty.

The Bridge Authority, pursuant to the state law, is composed of a five-member board which is appointed by the CountyExecutive of NassauCounty with approval of the Nassau County Legislature. Each board member serves a five-year term without compensation. The board is presently comprised of a chairman and four board members.

NOTE 1 – SUMMARY OF ACCOUNTING PRINCIPLES

The financial statements of the Nassau County Bridge Authority (Authority) are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The Authority's reporting entity applies all relevant Governmental Accounting Standard Board (GASB) pronouncements.

a. Investments

Investments consist of United States Treasury Bills in the amount of $737,000 as of December 31, 2021 and December 31, 2020, respectively. These investments were secured by the Treasurer of Nassau County on behalf of the Authority pursuant to Section 39 of the General Municipal Law. Section 39 provides that investments and deposits must be collateralized with securities which are delivered to the custodial bank and held in safekeeping in the name of the Nassau County Treasurer.

b. Inventories

Salt and sand are carried in an inventory account at an average cost and are subsequently charged to expenditures when consumed.

c. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

d. Concentration of Credit Risk

Financial instruments which potentially subject the Authority to concentrations of credit risk are cash, cash equivalents and investments. The Authority limits its credit risk by placing its cash, cash equivalents and investments, based upon economic conditions, with highly rated banks, U.S. Government securities, treasury bills and certificates of deposit. The Federal Deposit Insurance Corporation (FDIC) insures deposits in most banks and savings associations located in the United States. The maximum insurance coverage provided is currently $250,000 per depositor, per insured bank. FDIC Insurance is backed by the full faith and credit of the United States government.

e. Cash and cash equivalents

The Authority considers investments with a maturity of three months or less when purchased to be cash equivalents.

f. Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents are comprised of monies related to the 2010 bond resolution. The minimum amount required as per the bond resolution is $2,000,000 (see Note 3 below). Additionally, the total amount of restricted cash and cash equivalents, designated for the 2012 Capital Construction Project, at December 31, 2021 and 2020 was $737,855 and $737,606, respectively.

g. Property and Equipment

Property and equipment are recorded at cost. Title and interest in the bridge structure and real estate operated by the Bridge Authority are held in the name of Nassau County. The assets are depreciated from the time they are placed in service under the Straight Line Method. Furniture, Fixtures and Equipment are depreciated over their applicable rates, ranging from four to twenty years. Bridge rehabilitation costs are depreciated over 25 years, while building improvements are depreciated over 39 years. Expenditures for repairs and maintenance are expensed as incurred.

h. Pension Plan

Financial reporting information pertaining to NCBA's participation in the New York State and Local Retirement System is prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.*

i. Other Postemployment Benefits Than Pensions (OPEB).

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Nassau County Bridge Authority Retiree Benefits Plan (NCBA) and additions to/deductions from NCBA's fiduciary net position have been determined on the same basis as they are reported by NCBA. For this purpose, NCBA recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

NOTE 2 – PROPERTY AND EQUIPMENT

	Cost at 12/31/21	Accumulated Depreciation	Net 12/31/21
Building Improvements	$2,493,834	$1,187,154	$1,306,680
Bridge Rehabilitation	35,082,045	29,934,257	5,147,788
Furniture, Fixtures & Equipment	1,703,451	1,494,888	208,563
Roadway	2,426,095	1,757,366	668,729
Computer Equipment	199,061	190,910	8,151
Tollbooth Equipment	362,954	216,973	145,981
Tollbooth HVAC System	678,235	663,371	14,864
Lock Motor Replacement	268,850	155,037	113,813
NW Bulkhead Rehabilitation	60,150	29,482	30,668
Gas Meter	26,964	17,524	9,440
Fuel Tank Replacement	52,845	25,242	27,603
Bridge Infrastructure Project	9,384,900	2,369,687	7,015,213
Timber Fender System	542,537	176,325	366,212
Bridge Tower Renovation	484,390	118.064	366,326
Open Grating & Painting	11,112,487	1,555,749	9,556,738
Step Down Transformer Elevation	359,871	5,998	353,873
Website Development (WIP)	24,975	-	24,975
Total	$65,263,644	$39,898,027	$25,365,617

NOTE 3 – LONG TERM DEBT

In April 2010, The Nassau Bridge Authority issued $11,145,000 in Series 2010 Bonds, fixed rate bonds with level debt service and a final maturity of 2040. Proceeds of the Series 2010 Bonds, together with an equity contribution in the amount of $1,600,000, were issued to: a) finance the costs of certain structural, mechanical and electrical improvements to the Atlantic Beach Bridge, b) fund a debt service reserve fund, and c) pay the costs of issuance. As part of the plan of finance, the Authority defeased its outstanding Series 1997A and 1997B bonds with a combination of cash and restricted funds. The 2010 Bonds are special obligations of the Authority and secured by a pledge of toll revenues. As additional security for the bondholders, the Authority has covenanted that is will establish tolls in order to produce revenues in each fiscal year in an amount not less than 100% of maximum annual debt service (MADS). The Authority has further covenanted that on each June 30 and December 31, the Authority shall maintain cash and unrestricted investments in the amount of at least $2,000,000. If the cash and unrestricted investments on any June 30 and December 31 is below $2,000,000, the Authority will establish tolls in order to produce net revenues in such fiscal year, in an amount not less than 115% of the MADS. The Authority has also covenanted that this will not affect any reductions in toll rates for any motor vehicles which will reduce the total gross revenues for any fiscal year by more than five percent (5%) of the prior fiscal year.

The Bond Resolution permits the issuance of additional bonds on parity with the Series 2010 Bonds for the purpose of (a) raising funds to pay any part of the cost of completing the project or the costs of another project, (b) refunding any outstanding bonds, or (c) any combination of these purposes. Written certificates of both the consulting engineer and the accountant, among other things, must be obtained for the issuance of additional bonds for any purpose other than the refunding of bonds.

The Authority is obligated to pay principal and interest on the Series 2010 bonds as follows:

Year	Amount	Interest
2022	280,000	390,750
2023	295,000	379,550
2024	305,000	367,750
2025	315,000	355,550
2026	330,000	341,200
And thereafter	6,675,000	2,741,075
	$ 8,200,000	**$ 4,575,875**

NOTE 4 – PENSION PLAN

Plan Description

The Authority, via Nassau County, participates in the New York State and Local Employees Retirement System (ERS), which is part of the New York State and Local Retirement System (NYSLRS). The NYSLRS provides retirement benefits as well as death and disability benefits to members.

Funding Policy

The NYSLRS is noncontributory for those ERS members who joined the New York State and Local Employees' Retirement System prior to July 27, 1976. Employees who joined the NYSLRS after that date must contribute 3% of their salary, however, NYS legislation passed in 2000, suspending the 3% contribution for those employees who have ten or more years of credited service. In addition, members who meet certain eligibility requirements will receive one month's additional service credit for each completed year of service, up to a maximum of two additional years of service credit. In December 2009, the Governor signed a bill requiring ERS members hired January 2010 and later to contribute 3% of their salary for all their years of public service, increasing the numbers of years required to vest for retirement benefits from five to ten years, and placing a limitation on the annual amount of overtime credited as retirement earnings. Employees who joined the system on or after April, 2012 are required to contribute between 3% and 6% depending upon their salary for their entire career.

The Common Retirement Fund ("Fund") was established to hold all the assets and income of the NYSLRS in a single unified investment program. The Fund's assets come from three main sources: employee or member contributions, investment income and participating employer contributions. The value of the Fund and the rate of return on the investments directly affect the employer's annual contribution rates. Each year, the State evaluates the Fund's assets and compares the value of those assets to the funds needed to pay current and future benefits. The difference between these two amounts is spread over the future working life times of active members to actuarially determine the annual contribution rates.

Membership Tiers

Pension legislation enacted in 1973, 1976, 1983, 2009 and 2012 established distinct classes of membership. For convenience, the System uses a tier concept to distinguish these groups, generally:

Tier 1 – Those persons who last became members before July 1, 1973.

Tier 2 – Those persons who last became members on or after July 1, 1973, but before July 27, 1976.

Tier 3 - Generally, those persons who are State correction officers who last became members on or after July 27, 1976, but before January 1, 2010, and all others who last became members on or after July 27, 1976, but before September 1, 1983.

Tier 4 - Generally, those persons who last became members on or after September 1, 1983, but before January 1, 2010, except for correction officers.

Tier 5- Those persons who last became members on or after January 1, 2010, but before April 1, 2012.

Tier 6- Those persons who first became members on or after April 1, 2012.

Vesting

Members who joined the System prior to January 1, 2010 need five years of service to be 100% vested. Members who joined on or after January 1, 2010 require ten years of service credit to be 100% vested.

Employer Contributions

Participating employers are required to contribute to the System at an actuarially determined rate adopted annually by the Comptroller. The average contribution rate for ERS for the fiscal year ended March 31, 2021 was approximately 14.6% of payroll. Delinquent annual bills for employer contributions accrue interest at the actuarial interest rate applicable during the year. For the fiscal year ended March 31, 2021, the applicable interest rate was 6.8%.

Member Contributions

Generally, Tier 3, 4, and 5 members must contribute 3% of their salary to the System; however, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1976, who have ten or more years of membership or credited service with the System, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. 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.

Benefits

Tiers 1and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must beat at least 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 twenty years. If the member retires with twenty or more years of service, the benefit is 2% 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 thirty 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 of employment. For Tier 1 members who joined on or after June 17, 1971, each year used in the final average salary calculation is limited to no more than 20% of the previous year. For Tier 2 members, each year of the final average salary is limited to no more than 20% greater than 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 age 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 the final average salary for each year of service if the member retires with less than twenty years. If a member retires with between twenty and thirty years of service, the benefit is 2% of final average salary for each year of service. If a member retires with more than thirty years of service, an additional benefit of 1.5% of the final average salary is applied for each year of service over thirty 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 of employment. For Tier 3, 4 and 5 members, each year used in the final average salary calculation is limited to no more than ten percent 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.

Benefit Calculation: Generally, the benefit is 1.67% of the final average salary for each year of service if the member retires with less than twenty years. If a member retires with twenty years of service, the benefit is 1.75% of the final average salary for each year of service. If a member retires with more than twenty years of service, an additional benefit of 2% of the final average salary is applied for each year of service over twenty 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's compensation used in the final average salary is limited to no more than 10% of the average of the previous four years.

Rates of Return

In accordance with U.S. generally accepted accounting principles, the money-weighted rate of return on plan investments, net of investment expenses, was 33.43% for the year ended March 31, 2021. The money-weighted rate of return expresses investment performance after consideration of the impact of the changing amounts actually invested. For internal purposes, the System evaluates investment performance using the time-weighted rate of return, gross of certain investment expenses, which was a negative 2.64% for the year ended March 31, 2021.

Net Pension Liability

At March 31, 2021, NCBA recorded a liability of $ 5,580 for its proportionate share of the net pension liability, measured as follows:

Employers' total pension liability	$12,367,577
Less: Fiduciary Net Position	12,361,997
Employers' net pension liability	***$ 5,580***

Pension Expense

Pension expense includes certain current period changes in the net pension liability, projected earnings on pension plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

For the year ended March 31, 2021, the Authority recognized a pension expense of $148,081, its proportionate share of the total pension expense, as follows:

Proportionate Share of Plan Pension Expense	$ 129,583
Net Amortization of Deferred Amounts from Charges in Proportion and Differences Between Employer Contributions and Proportionate Share Of Contributions	18,498
Total Pension Expense	**$ 148,081**

Balance of Deferred Outflows and Inflows

At March 31, 2021, we reported deferred outflows of resources and deferred inflows of resources from the following sources related to the pension benefits:

Deferred Outflows of Resources	
Difference between Expected & Actual Experience	68,152
Changes in Assumptions	1,026,060
Net difference between projected and actual earnings on Pension Plan Investments	-0-
Changes in Proportion & Differences between Employers Contributions & Proportionate Share of Contributions Pension plan investments	69,446
Total – Deferred Outflows	**$ 1,163,658**
Deferred Inflows of Resources	
Differences between Expected and Actual Experience	-0-
Changes in Assumptions	(19,352)
Net difference between projected and actual earnings on Pension Plan Investments	(1,603,027)
Changes in proportion and differences between Employer Contributions and proportionate share of contributions	(33,921)
Total – Deferred Inflows	**($1,656,300)**
Total Net Deferred Outflows (Inflows) of Resources	**$ (492,642)**

$268,866 has been reported as deferred outflows of resources to pensions resulting from contributions subsequent to the measurement date and will be recognized as a reduction to the net pension liability in the year ended December 31, 2022. Other amounts reported as collective deferred (inflows) / outflows of resources related to pensions totaling ($492,642), will be recognized in pension expense as follows:

Year Ending March 31:	
2022	($81,826)
2023	($22,975)
2024	($83,649)
2025	($304,194)
Thereafter	$0

Actuarial Assumptions

The total pension liability at March 31, 2021 was determined by using an actuarial valuation as of April 1, 2020 with update procedures used to roll forward the total pension liability to March 31, 2021. The following assumptions were used:

Inflation	2.7%
Salary increases	4.4%
Investment rate of return	5.9%
(Net of investment expense, including inflation)	
Cost of Living Adjustments	1.4%

Annuitant mortality rates are based on April 1, 2015–March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020.

The actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015-March 31, 2020. 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 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. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2021:

Domestic equity	4.05%
International equity	6.15%
Private equity	6.75%
Real estate	4.95%
Absolute return strategies	3.25%
Opportunistic portfolio	4.65%
Real assets	5.95%
Bonds and mortgages	0.75%
Cash	0.00%
Inflation-indexed bonds	0.5%

Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. 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, actuarially. Based upon the assumptions, the System's 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 Net Pension Liability to the Discount Rate Assumption

The following presents the current-period net pension liability of the employers calculated using the current-period discount rate assumption of 5.9%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current assumption:

	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Employer's Proportionate Share of the Net Pension Liability (Asset)	$1,548,910	$5,580	($1,417,731)

Deferred Outflows of Resources and Deferred Inflows of Resources

Difference in Expected and Actual Experience
The difference between expected and actual experience with regard to economic and demographic factors is amortized over a five-year closed period, reflecting the average remaining service life of active and inactive NCBA members. The first year of amortization is recognized as pension expense with the remaining years shown as either a deferred outflow of resources or a deferred inflow of resources. The difference for the fiscal year ending March 31, 2021 is outflows of $68,152.

Changes in Assumptions
The change in assumptions about future economic or demographic factors or other inputs is amortized over a five-year closed period, reflecting the average remaining service life of active and inactive NCBA members. The first year of amortization is recognized as pension expense with the remaining years shown as either a deferred outflow of resources or a deferred inflow of resources. The difference between expected and actual experience for the fiscal year ending March 31, 2021 is outflows of $1,006,708.

Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments
The difference between the expected rate of return of 7.0% and actual investment earnings on pension plan investments amortized over a five-year closed period in accordance with Statement 68. The first year of amortization is recognized as pension expense with the remaining years shown as either a

deferred outflow of resources or a deferred inflow of resources. The difference between expected and actual experience for the fiscal year ending March 31, 2021 is inflows of $1,603,027.

Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions

An individual employer's proportionate share will almost certainly change from measurement date to measurement date, and the financial impact of this change must be quantified. In addition, to the extent that an employer makes actual contributions during the year that are different from its allocated proportionate share of contributions, this difference must also be tracked and accounted for. The change at March 31, 2021 is outflows of $35,525.

NOTE 5 – RETIREMENT PLAN CONTRIBUTIONS

Pursuant to an agreement with the Civil Service Employees Association, Inc. Local 1000, AFSCME, AFL-CIO, Nassau County Bridge Authority Unit, Nassau County Local 830 (hereinafter referred to as the "CSEA") commencing January 1, 2022 and terminating December 31, 2025, the Authority provided retirement benefits for all its full-time employees under the provisions of the Improved Career Retirement Plan for employees of participating Authorities of the New York State Employees' Retirement System. The agreement provides for annual salary increases of 3.5%. Contributions to the retirement system totaled $300,458 and $268,866 in 2021 and 2020, respectively.

NOTE 6 – MEDICAL, DENTAL & LIFE INSURANCE

Pursuant to an agreement with the CSEA commencing January 1, 2022 and terminating December 31, 2025, all new employees hired on or after January 1, 2015 will participate in the Excelsior Plan of the New York State Government Employees Health Insurance Plan or a substantially similar plan as selected by the Authority. The Authority provided coverage at no cost for all full-time employees and retired employees (and their respective eligible dependents) hired on or before June 30, 1987 who are enrolled under the Empire Plan (Core Plus Enhancements) of the New York State Government Employees Health Insurance Plan.

For all full-time employees hired on or after July 1, 1987, the Authority shall contribute 85% of the premium cost and the employees shall contribute 15% by payroll deduction. The contribution percentages change upon the enrolled eligible employee reaching their sixteenth and eighteenth anniversary dates.

For all full-time employees hired and who subsequently retire with ten (10) or more years of service, the Authority shall pay 100% of the cost of the premium for health insurance coverage of such retired employees and their eligible dependents.

Any member who elects to waive their Health Insurance Coverage shall be entitled to receive, in lieu of the coverage, $2,000 (for family coverage) and $1,200 (for individual coverage). This payment would be made at the end of the plan year for which the waiver is elected.

The Authority shall provide a fully paid non-contributory dental insurance plan for all of the full-time employees of the bargaining unit electing to participate in such a plan. Employees hired after July 1, 1987 shall contribute 15% of the premium costs.

All employees shall be entitled to group life insurance in the amount of $15,000. All employees shall be entitled to receive the CSEA Platinum Plus 12 Family Optical Plan insurance coverage. Any employee may elect to waive annual coverage in lieu of $80. 50% will be paid by the Authority and 50% will be paid by the employee. New York State Disability Insurance cost is paid by the Authority and each employee at a 50/50 split.

NOTE 7 – OTHER POST-EMPLOYMENT

Effective January 1, 2009, the Nassau County Bridge Authority was required to comply with GASB 45, which is an accounting and financial reporting provision requiring government employers to measure and report the liabilities associated with other (than pension) post-employment benefits (or OPEB). Reported OPEBs may include post-retirement medical, pharmacy, dental, vision, life, long-term disability and long-term care benefits that are not associated with a pension plan.

GASB 45 was established by the GASB in July 2004 due to the growing concern over the potential magnitude of government employer obligations for post-employment benefits. The purpose of GASB 45 was to:

1. Recognize the cost of OPEB benefits in the period when services are received.
2. Provide information about the actuarial liabilities for the promised benefits.
3. Provide information useful in assessing potential demands on future cash flows.

In June 2015 the Governmental Accounting Standards Board (GASB) issued Statement Number 75 (Accounting and Financial Reporting for Postemployment Benefits Other than Pensions) which are meant to replace GASB 45. The effective date for this statement is for employers with fiscal years beginning after June 15, 2017. See Note 9 below.

NOTE 8 – GASB 72 – FAIR VALUE MEASUREMENT AND APPLICATION

During the year ended December 31, 2016, the Authority adopted newly issued Government Accounting Standards Board Statement 72. This statement generally requires state and local governments to measure investments at fair value and provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and expands fair value disclosures to provide comprehensive information for financial statement users about the impact of fair value measurements on a government's financial position. At December 31, 2021, the Authority's investments were not subject to fair value measurement.

NOTE 9 – GASB 75 –ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Nassau County Bridge Authority ("the NCBA") sponsors medical, prescription drug, and dental plans. Eligible retirees and their dependents may continue health care coverage through the NCBA for life. The plan covers eligible retirees who elect to participate and pay any required contributions. This report is for the actuarial valuation of the postemployment health benefit plan. The NCBA adopted GASB 75 for the year ended December 31, 2018.

The calculations were based on an actuarial valuation as of January 1, 2020 using census data and recent health care cost information which was provided by the NCBA.

In June 2015 the Governmental Accounting Standards Board (GASB) issued Statement Number 75 (Accounting and Financial Reporting for Postemployment Benefits Other than Pensions) which are meant to replace GASB 45. The effective date for this statement is for employers with fiscal years beginning after June 15, 2017. The NCBA is assumed to be a single employer without a special funding situation without a qualified trust for the purposes of reporting under GASB 75.

GASB 75 requires the Total OPEB Liability (TOL) to be calculated based on the Entry Age Normal Level Percent of Pay (EAN) actuarial cost method. These benefits are currently unfunded.
This valuation includes:

- all retirees who are currently receiving these benefits; and
- all active employees who will be eligible in the future to receive these benefits.

The NCBA has provided a census of these employees and retirees. A summary of this data is presented in Table 11.

An actuarial valuation requires assumptions for the following parameters:

- A discount rate, at which future benefit cash flows are discounted, is set as (a) the long-term expected rate return on OPEB Plan investments to the extent that the OPEB plan assets are projected to be sufficient to make projected benefit payments and expected to be invested using a strategy to achieve that return or (b) the yield or index rate for 20 year , tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale) if the conditions in (a) are not met.
- Mortality rates relevant to the underlying group of employees and retirees;
- Withdrawal rates relevant to the underlying group of employees;
- Retirement rates relevant to the underlying group of employees; and
- Current and future per capita claim costs for the benefits being valued

In determining the initial per capita claim cost, we have relied on Health Cost information provided by the NCBA (or its benefits administrator on its behalf)

The assumptions used in this valuation conform to the requirements of GASB 75 and generally accepted actuarial principles. The calculations were performed using a Valuation Date (VD) of January 1, 2020 for reporting in the NCBA's full accrual financial statements for a Measurement Date (MD) of December 31, 2021. This report presents results as of December 31, 2021 and may be used for December 31, 2021 financial statements. The NCBA's next full valuation should be as of January 1, 2022, for reporting in the NCBA's full accrual financial statement as of December 31, 2022.

Below is the summary of key results. The meaning of the terms presented in the table below can be found in Appendix B.

Table 1 - Executive Summary

	FY 2021	FY 2020
Valuation Date (VD)	January 1, 2020	January 1, 2020
Prior Measurement Date	December 31, 2020	December 31, 2019
Measurement Date (MD)	December 31, 2021	December 31, 2020
Membership Data as of Valuation Date		
Inactive Members or Beneficiaries Currently Receiving Benefits	17	17
Inactive Members Entitled to But Not Yet Receiving Benefits	0	0
Active Members	20	20
Total Membership	37	37
Discount Rate		
Municipal Bond Index Rate at Prior MD	2.12%	2.74%
Municipal Bond Index Rate at MD	2.05%	2.12%
Net OPEB Liability as of Measurement Date		
Total OPEB Liability (TOL)	$ 11,312,957	$ 10,969,494
Fiduciary Net Position (FNP)	0	0
Net OPEB Liability (NOL = TOL – FNP)	$ 11,312,957	$ 10,969,494
FNP as a percentage of TOL	0.0%	0.0%
OPEB Expense	$ 748,728	$ 763,467
Deferred Outflows of Resources	$ 1,838,070	$ 2,437,902
Deferred Inflows of Resources	$ (1,412,259)	$ (1,856,957)

In response to the GASB 75 requirements, this section provides the necessary accounting disclosures for the NCBA's financial reports which are shown in the following exhibits:

- Table 1: Executive Summary (above)
- Table 2: Plan Demographics
- Table 3: Assumptions
- Table 4: OPEB Expense
- Table 5: Net OPEB Liability Sensitivity
- Table 6: Change in Total OPEB Liability
- Table 7: Summary of Deferred Inflows and Outflows
- Table 8: Schedule of Future Deferred Inflows and Outflows Amortization

Table 2 - Demographics

Inactive Employees or Beneficiaries Currently Receiving Benefits	17
Inactive Employees Entitled to but not yet Receiving Benefits	0
Active Employees	20
Total Membership	**37**

Significant assumptions and other inputs used to measure the Total OPEB Liability for the current fiscal year are summarized in the table below.

Table 3 – Assumptions

Inflation	2.50%
Salary Increases	Based on the same assumption used in the New York State Employees' Retirement System (ERS) actuarial valuation; refer to Section 5 for sample rates
Discount Rate	
Prior Measurement Date	2.74%
Measurement Date	2.12%
Mortality Table	Pub-2010 General Employees / Retirees Headcount-Weighted Mortality Table projected fully generationally sing MP-2020
Medical / Rx Trends	Actual rate increase from 2020 to 2021, followed by 5.40% in 2021 decreasing gradually to an ultimate rate 4.04% by 2075
Part B Trends	2.70% from 2020 to 2021, followed by projected Part B premium increase shown in the 2020 Medicare Trustees report, decreasing gradually to an ultimate rate of 4.04% by 2075

OPEB EXPENSE

GASB states the OPEB expense also should be recognized in the current reporting period for costs incurred by the government related to the administration of OPEB. The measurement periodfor these costs should be the same as the measurement period applied to changes in the Total OPEB Liability.

The OPEB Expense consists of:

1. Service Costs for the year
2. Interest on the TOL using bond rate at the beginning of period
3. Change in the TOL due to benefit changes
4. The current year recognition of changes in the TOL due to Actual versus Expected experience
5. The current year recognition of changes in the TOL due to changes of assumptions or other inputs experience (including the change in discount rate)
6. Recognition of Deferred Inflows and Outflows of Resources from prior years.

The following table provides a breakdown of the OPEB Expense as of the current and prior fiscal year-ends:

Table 4 - OPEB Expense

Fiscal Year Ending	December 31, 2021	December 31, 2020
Service Cost	$ 423,103	$ 382,354
Interest on Total OPEB Liability and Service Cost	238,886	280,695
Current Period Benefit Changes	0	0
Administrative Expenses Net of All Other Revenues	0	0
Current Period Recognition of Deferred Inflows and Outflows of Resources		
Difference Between Expected and Actual Experience in the Total OPEB Liability	(463,294)	(425,407)
Changes of Assumptions or Other Inputs	550,033	525,825
Other	0	0
OPEB Expense	**$ 748,728**	**$ 763,467**

Changes in the discount and health care cost trend rates affect the measurement of the TOL. Lower discount rates produce a higher TOL whereas lower trend rates produce a lower TOL. The converse is true for higher discount rates and trend rates. Since discount rate and trend rates do not affect the measurement of assets, the percentage change in the NOL can be very significant for a relatively small change in either rates. The table below shows the sensitivity of the NOL to the discount rate and healthcare cost trends:

Table 5 - Net OPEB Liability Sensitivity

Healthcare Cost Trend	Discount Rate		
	1% Increase (3.05%)	Current (2.05%)	1% Decrease (1.05%)
1% Decrease		$ 9,416,451	
Current	$ 9,708,219	$ 11,312,957	$ 13,226,761
1% Increase		$ 13,747,910	

The following table provides a summary of the Deferred Outflows of Resources and Deferred Inflows of Resources as of December 31, 2021:

Table 6 - Deferred Inflows and Outflows

Differences Between Expected and Actual Experience					
FYE	Initial Balance	Initial Amortization Period (in years)	Annual Recognition	Recognized in OPEB Expense through December 31, 2021	Unamortized Balance as of December 31, 2021
12/31/2018	$ 0	5	$ 0	$ 0	$ 0
12/31/2019	$ (931,767)	5	$ (186,353)	$ (559,059)	$ (372,708)
12/31/2020	$ (1,195,269)	5	$ (239,054)	$ (478,108)	$ (717,161)
12/31/2021	$ (189,437)	5	$ (37,887)	$ (37,887)	$ (151,550)

Changes in Assumptions					
FYE	Initial Balance	Initial Amortization Period (in years)	Annual Recognition	Recognized in OPEB Expense through December 31, 2021	Unamortized Balance as of December 31, 2021
12/31/2018	$ (854,204)	5	$ (170,841)	$ (683,364)	$ (170,840)
12/31/2019	$ 1,743,804	5	$ 348,761	$ 1,046,283	$ 697,521
12/31/2020	$ 1,739,525	5	$ 347,905	$ 695,810	$ 1,043,715
12/31/2021	$ 121,042	5	$ 24,208	$ 24,208	$ 96,834

Deferred Inflows and Outflows of resources for (a) differences between expected and actual experience and (b) changes of assumptions or other inputs should be recognized in OPEB expense, beginning in the current reporting period, using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period.

For the current fiscal year, the average expected remaining service life of active and inactive employees is 4.74 years and the Deferred Inflows and Outflows of resources for (a) differences between expected and actual experience and (b) changes of assumptions or other inputs as of December 31, 2021 are amortized over 5 years.

Table 7 – Unamortized Balance of Deferred Inflows and Outflows

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 0	$ (1,241,419)
Changes of Assumptions or Other Inputs	1,838,070	(170,840)
Total	**$ 1,838,070**	**$ (1,412,259)**

The following table presents the Deferred Inflows and Outflows by year of recognition for each of the next five years and all years after that.

Table 8 - Schedule of Future Deferred Inflows and Outflows Amortization

Measurement Period Ended Dec 31		
2022	$	86,740
2023	$	257,577
2024	$	95,173
2025	$	(13,679)
2026	$	0
Thereafter	$	0

All employees who have 25 years or more of service to the Authority and are at least 50 years of age shall be entitled to elect to participate in the Early Retirement Health Incentive. The Authority shall pay 75% of the health care premium for those employees who elect to participate in the Early Retirement Health Incentive to member's age 55, at which time the Authority will pay the full cost of coverage. The employee shall pay 25% of the health care premium until they turn 55. That cost will be invoiced to the employee on an annual basis and payment in full is required within 30 days.

Retirement Eligibility -Early Retirement Health Incentive: age 50 with 25 years of service
Otherwise: age 55 with 10 years of service

Termination Prior to Retirement - Authority-provided coverage ceases

Ordinary Disability Retirement - Must meet minimum service requirement of 10 years; age requirement waived

Work-related Disability Retirement - Age and service requirement waived for non-duty related disability (i.e. immediate eligibility)

Death while Retired - No Authority-paid coverage for surviving spouse

Death while in Vested Status - No Authority-paid coverage for surviving spouse

Death while Active - No Authority-paid coverage for surviving spouse

Death due to Work-Related Illness or Injury - Regardless of age or length of service at the time of death, the Authority pays 100% of the cost of coverage for eligible dependents

Dependent Eligibility- Spouse and unmarried children up to age 26

Medicare Part B Premiums - The reimbursement benefit covers both the Medicare-eligible retiree and spouse. The reimbursement amount effective on January 1, 2020 and 2021 are $144.60 and $148.50 per month (basic rate).

Surviving Spouses– Since there is no employee subsidy for surviving spouses, surviving spouses of future and existing retirees are assumed to decline health coverage with the District upon the retirees' death. Existing surviving spouses are assumed to remain enrolled until death.

Health Plans - All employees hired before January 1, 2015 participate in the New York State Health Insurance Plan (NYSHIP) Empire plan. Employees hired on/after January 1, 2015 participate in the NYSHIP Excelsior plan.

The monthly premium rates effective on January 1, 2020 and 2021 used in the valuation, were provided by the Authority as shown below:

2020 Monthly Premiums	Non-Medicare	Medicare
Empire – Individual	$ 1,031.82	$ 388.60
Empire – Family	$ 2,387.58	$ 1,101.10
Excelsior – Individual	$ 929.43	$ 337.12
Excelsior – Family	$ 2,153.84	$ 969.23

2021 Monthly Premiums	Non-Medicare	Medicare
Empire – Individual	$ 1,074.87	$ 389.77
Empire – Family	$ 2,452.24	$ 1,107.40
Excelsior – Individual	$ 1,074.87	$ 389.77
Excelsior – Family	$ 2,107.67	$ 981.74

<u>Actuarial Valuation Process</u>

Fiscal year 2021 actuarial valuation is based on the January 1, 2020 valuation projected on a "no gain/loss" basis without any adjustments except for the changes as noted below.

1- The actuarial cost method used in this report is the Entry Age Normal Level Percentage of Pay Cost Method (EAN). For employees who have not yet retired, the accrued benefit is defined to be the pro-rata portion of the benefit projected to be payable upon retirement. For each active employee, the valuation considers the future OPEB benefit and determines the annual cost based on a constant percentage of pay for each individual.

a) The benefit projected to be payable at retirement is defined to be the per capita claim cost at that date and is subject to increases after that date. The initial per capita claim cost is the value in effect at the Valuation Date. This is developed from either claims or premium information, as appropriate. Subsequent values are determined by applying cost trend factors to the initial value.
b) For retirees, the accrued benefit is 100% of the benefit currently being received, which is represented by the initial per capita claim cost. This benefit is subject to future increases.
c) Assumptions for per capita claim costs and cost trend factors are discussed later in this section.
d) Once each employee's accrued benefit is determined, the TOL is calculated on a seriatim basis.

2- The Service Cost is determined for each employee, by considering the future OPEB benefit and determines the annual cost based on a constant percentage of pay for active member. There is no Service Cost for retirees because, by definition, there is no incremental benefit.

3- The Deferred Inflows and Outflows is that portion of the TOL that is required to be funded in a given year. Under GASB 75 changes in the TOL actuarial experience and assumption change impacts are recognized in the OPEB expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active employees and inactive employees), beginning in the current period.

4 - The OPEB expense (OE) is the sum of interest to the Measurement Date on the TOL, the Service Cost, benefit payments, and recognition of increases/decreases in the TOL due to changes in benefit structure, difference between expected and actual experience, and assumption changes. The difference between expected and actual experience and assumption changes are spread over the average remaining service lives of the population for the purposes of the OPEB expense.

5 - The item Contribution consists of benefits paid by the NCBA in respect of retirees. This typically consists of amounts spent by the NCBA on retirees' premiums.

A brief summary of Actuarial Methods and Assumptions used are shown as follows:

- The following assumptions have been updated based since last year: Discount rate has been updated based on the 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of December 31, 2020 and 2021.This change caused an increase in liability during the year.

- Actual trend increase from 2021 to 2022 has been updated based on the actual premium changes from January 1, 2021 to 2022, which are shown as follows:

Benefits	Retiree	Spouse
Empire non-Medicare	11.3%	13.8%
Empire Medicare	0.7%	0.0%
Excelsior non-Medicare	(18.3%)	(22.3%)
Excelsior Medicare	(85.2%)	(76.0%)
Medicare Part B	14.5%	14.5%

- Measurement date used is December 31, 2021.
- Valuation date is January 1, 2020 with liabilities projected to December 31, 2020 and December 31, 2021 on a no gain/loss basis.
- Discount rates were 2.12% as of December 31, 2020 and 2.05% as of December 31, 2021.
- The Cost Method used utilizes the Entry Age Normal Level % of Salary.
- The payroll growth assumptions used in this valuation were based on the NYS ERS assumption first adopted on April 1, 2020.

Actuarial Assumptions

In accordance with GASB 75, the selection of all actuarial assumptions, in valuations of postretirement health care plans including the health care cost trend rate, should be guided by Actuarial Standard of Practice No. 6, Measuring Retiree Group Benefit Obligations, as revised from time to time by the Actuarial Standards Board. Accordingly, actuarial assumptions should be based on the actual experience of the covered group, to the extent that creditable experience data are available, but should emphasize expected long-term future trends rather than give undue weight to recent past experience. The reasonableness of each actuarial assumption should be considered independently based on its own merits, its consistency with each other assumption, and the combined impact of all assumptions.

The demographic assumptions are based on the same assumptions used in the New York State Employees Retirement System (NYS ERS) actuarial valuation, which was first adopted on April 1, 2020.

The actuarial assumptions used to value the post-retirement medical liabilities can be categorized into three groups:

1. Economic assumptions
2. Medical assumptions
3. Demographic assumptions

Changes since Prior Valuation

The following assumptions have been updated since the last valuation:

1. Aging subsidy has been added to the post-65 periods as a reflection of healthcare costs that varies by age (higher cost as the participant gets older). This change caused an increase in the Authority's liability.
2. Mortality assumption was updated from RP-2014 Total Dataset Mortality Table projected fully generationally using MP-2018 mortality improvement scale to Pub-2010 General Employees / Retirees Headcount-Weighted Mortality Table projected fully generationally using MP-2020 mortality improvement scale. This change caused an increase in liability.
3. Health care trend rates have been updated as follows, which caused a slight decrease in liability:
   a) Medical and prescription drug trend rates have been updated from 2018 Getzen to 2020 Getzen model, with an initial rate that is based on the actual NYSHIP premium increases from 2020 to 2021.
   b) Medicare Part B trend rates have been updated to an initial rate of 2.70% in 2020 (based on actual increase in Part B standard premium), followed by projected Part B premium increase shown in the 2020 Medicare Trustees report, decreasing gradually to an ultimate rate of 4.04% by 2075.
4. Salary scale, termination, disability, and retirement rates have been updated based on NYS ERS assumptions first adopted on April 1, 2020. The net impact of this change is a slight decrease in liability.
5. In prior valuation, 65% of male and 34% of female employees are assumed to elect spousal coverage at retirement. In this year's valuation, this assumption has been updated to 60% of employees are assumed to elect spousal coverage at retirement. This change caused an increase in liability.

Discount Rate

GASB 75 specifies that the discount rate should be selected based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

The municipal bond index used was the Bond Buyer 20-Bond GO Index. The rates as of the prior and current measurement dates are as shown below:

Bond Index	December 31, 2020	December 31, 2021
Bond Buyer 20-Bond GO Index	2.12%	2.05%

As prescribed by GASB 75, since NCBA does not fund the plan, the investment return assumption (discount rate) is set equal to the 20-year municipal bond rate noted above, which are 2.12% as of December 31, 2020 and 2.05% as of December 31, 2021.

Health Care Cost Trend Rates

Medical costs have historically increased more rapidly than the rate of inflation. In estimating future retiree benefits, future increases in medical costs must be taken into consideration. The medical trend assumptions used in the valuation were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model (Version 2018_c). The SOA model was first released in December 2007. The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgments of experts in the field. The long-run baseline projection and input variables were developed under the guidance of the SOA Project Oversight Group.

The following assumptions were used as input variables into this model:

Rate of Inflation	2.5%
Rate of Growth in Real Income/ GDP per capita	1.5%
Extra Trend due to Technology and other factors	1.1%
Health Share of GDP Resistance Point	25.0%
Year for Limiting Cost Growth to GDP Growth	2075

Table 9 shows the medical / prescription drug cost trends used in the valuation and are an output of the SOA Long-Run Medical Cost Trend Model. Trend rates applicable to Medicare Part B premiums are also shown in the table below.

Year From	Year To	Medical / Rx	Part B
2020	2021	Actual*	2.70%
2021	2022	Actual*	14.50%
2022	2023	5.10%	5.71%
2023	2024	5.20%	5.94%
2024	2025	5.20%	6.06%
2025	2026	5.19%	5.66%
2030	2031	5.18%	5.18%
2040	2041	5.18%	5.18%
2050	2051	5.18%	5.18%
2060	2061	4.84%	4.84%
2070	2071	4.38%	4.38%
2075+		4.04%	4.04%

Medical Assumptions

The valuation projects the healthcare costs for employees who remain insured by the NCBA with coverage after retirement. Under GASB 75 and ASOP 6, the initial per capita claim cost should be based on the recent claims experience of the NCBA and must be age-banded, unless the NCBA has premium equivalent rates or fully-insured rates that are determined using retirees only claims experience.

Depending on the credibility of the experience data provided by the NCBA, industry-wide information may be incorporated into the analysis. The cost of covering retirees is on average significantly higher than the cost of covering active employees. By charging retirees a blended premium that is less than their true cost of coverage would dictate, the NCBA is providing an additional subsidy for these retirees (implicit subsidy). Under the rules set out in GASB 75, both the direct contribution and the implicit subsidy must be considered in measuring the NCBA's postemployment medical benefit obligation.

Following actuarial standards, specifically ASOP 6, leads us to develop age-specific health care cost estimates using provided plan premium rates effective on January 1, 2020, as noted above. The table below shows annual per capita medical plan costs at representative ages for 2020. These costs are assumed to increase with health care trend rates in the future.

Table 10 - Initial Per Capita Claim Costs

Age	Empire Retiree	Empire Spouse
50	$ 11,905	$ 11,905
55	$ 14,003	$ 14,003
60	$ 16,712	$ 16,712
64	$ 19,702	$ 19,702
65	$ 3,596	$ 6,594
70	$ 4,169	$ 7,644
80	$ 5,208	$ 9,548
90	$ 5,612	$ 10,289

Age	Excelsior Retiree	Excelsior Spouse
50	$ 10,724	$ 10,724
55	$ 12,614	$ 12,614
60	$ 15,054	$ 15,054
64	$ 17,747	$ 17,747
65	$ 3,120	$ 5,850
70	$ 3,617	$ 6,781
80	$ 4,518	$ 5,471
90	$ 4,868	$ 9,128

Demographic Assumptions

The demographic assumptions include the rates of mortality, withdrawal, retirement, and disability. They are based on the NYS ERS assumptions first adopted on April 1, 2020 with the exception of mortality rates. The mortality rates are based on recent mortality tables published by SOA (Pub-2010), which were based on the public pension plans mortality experience from calendar years 2008 to 2013.Ancillary demographic assumptions include the participation rates, spousal coverage election rate, and plan participation.

Participant Data

The following table shows the current participants as of January 1, 2020. The data has been reviewed for reasonableness and no material modification was made to the information provided.

Current Retired and Active Population

Retirees and Survivors			
Age Group	Females	Males	Total
<55		1	1
55 – 59		1	1
60 – 64		1	1
65 – 69		3	3
70 – 74	1	3	4
75 – 79	2	1	3
80 – 84	1	1	2
85 – 89	1	1	2
90+			0
Total	5	12	17
Average Age			72.7

Active Employees			
Age Group	Females	Males	Total
<30			0
30 – 34		3	3
35 – 39		0	0
40 – 44		2	2
45 – 49	1	0	1
50 – 54	5	3	8
55 – 59		2	2
60 – 64	1	2	3
65+		1	1
Total	7	13	20
Average Age			51.8
Average Service			15.9

Ancillary Demographic Assumptions

Participation Rates

Based on an analysis of the data provided, we have assumed that 100% of eligible participants will elect coverage at retirement. Employees are assumed to remain in the same plan they are currently enrolled in at retirement. Existing retirees are assumed to remain in the same plan they are currently enrolled in for life.

Spousal Coverage Election Rates

For current retirees, actual coverage status and spouse age is used. For future retirees, 60% of the employees are assumed to elect spousal coverage at retirement. Husbands are assumed to be 3 years older than wives.

SUPPLEMENTAL SCHEDULES

NASSAU COUNTY BRIDGE AUTHORITY
Statement of Operating Expenses

Year ended December 31,		2021		2020
Salaries	$	2,191,688	$	2,045,890
Depreciation		2,502,443		2,510,604
Employee Benefits		436,738		455,275
Insurance		418,902		376,419
Retirement Plan		148,081		522,695
Payroll Taxes		175,147		162,123
Utilities		70,576		99,491
Other Post-Employment Benefits		748,728		763,467
Repairs & Maintenance		114,015		102,808
Professional Fees		135,969		153,482
Biennial Inspection		117,860		50,554
Pass Cards & Decals		17,774		28,482
Office Expense		55,998		18,035
Automobile		10,744		7,498
Interest Expense - Truck Purchase Leases		219		1,620
Telephone		9,589		8,671
Uniforms		2,320		2,560
Armored Carrier		13,976		12,862
Payroll Service		9,116		9,180
Bonded Trustee & Call fees		2,750		2,750
Computer		3,761		2,426
Total Operating Expenses	**$**	**7,186,394**	**$**	**7,336,892**

NASSAU COUNTY BRIDGE AUTHORITY

SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS

LAST 10 FISCAL YEARS*

(Unaudited)

Total Pension Liability:

	2021	2020	2019	2018
Service cost	$292,980	$93,184	$201,080	$176,195
Interest	623,969	719,216	78,684	707,405
Difference between expected & actual expr	16,809	42,798	44,007	72,424
Changes In Assumptions	(1,266,018)	(33,064)	55,519	2,861
Benefit payments	(664,140)	(643,337)	(673, 592)	(598,140)
Other, net	(5,472)	(3,714)	(5,680)	(8,905)
Net change in total pension liability	(1,061,872)	275,113	400,018	351,840
Total pension liability–beginning	13,429,450	13,154,337	2,754,319	12,402,479
Total pension liability–ending	**12,367,578**	**13,429,450**	**13,154,337**	**12,754,319**
Fiduciary net position:				
Contributions–employer	227,664	255,033	243,041	231,621
Contributions–member	23,932	22,693	21,607	18,673
Net investment income (loss)	872,826	(392,860)	558,675	1,086,899
Benefit payments	(664,140)	(643,337)	(673,592)	(598,140)
Refunds of contributions	(5,472)	(3,714)	(5,680)	(6,044)
Administrative expense	(8,083)	(6,985)	(7,453)	(6,273)
Other additions	5,825	3,068	10,023	10,656
Net change in fiduciary net position	452,552	(802,238)	146,621	737,392
Fiduciary net position–beginning	11,909,445	12,711,683	12,565,062	11,827,670
Fiduciary net position–ending	**12,361,997**	**11,909,445**	**12,711,683**	**12,565,062**
Net pension liability–ending	**5,580**	**1,520,005**	**442,654**	**189,257**
Ratio of fiduciary net position to total pension liability	92.05%	88.68%	96.6%	98.5%
Covered-employee payroll	1,567,867	1,616,947	1,710,214	1,564,891
Net pension liability as a percentage of covered-employee payroll	0.36%	94%	25.8%	12.09%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available. The amounts presented for each fiscal year were determined as of the System's measurement date.

SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS

March 31, 2021

(Unaudited)

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

Changes in benefit terms:

There were no significant legislative changes in benefits for the April 1, 2020 actuarial valuation.

Changes in Assumptions:

The interest rate assumption was reduced to 5.9%, and the mortality improvement assumption was updated to Society of Actuaries' Scale MP-2020 for the April 1, 2020 actuarial valuation.

Methods and assumptions used in calculations of actuarially determined contributions:

The April 1, 2020 actuarial valuation determines the employer rates for contributions payable in fiscal year 2021. The following actuarial methods and assumptions were used:

Actuarial Cost Method – The system is funded using the Aggregate Cost Method. All unfunded actuarial liabilities are evenly amortized (as a percentage of projected pay) over the remaining worker lifetimes of the valuation cohort.

Asset Valuation Period – 5-year level smoothing of the difference between the actual gain and the expected gain using the assumed investment rate of return.

Inflation - 2.7%

Salary scale - 4.4%

Investment rate of return –5.9% compounded annually, net of investment expenses, including inflation.

Cost of Living Adjustments - 1.4% annually

NASSAU COUNTY BRIDGE AUTHORITY

STATEMENT OF FIDUCIARY NET POSITION

March 31, 2021

(Unaudited)

Assets:	
Investments	$12,270,054
Securities lending collateral — invested	804,414
Forward foreign exchange contracts	3,272
Receivables	129,641
Capital assets, net of accumulated depreciation	25,303
Total assets	13,232,684
Total Liabilities	870,687
Net Position, restricted for pension benefits	$ 12,361,997

This financial report is designed to provide a general overview of the NCBA's proportionate share of the plan's fiduciary net position. The complete detailed report may be obtained from the New York State and Local Retirement System, 110 State Street, Albany, New York 12244- 0001. The report can also be accessed on the Comptroller's websiteat www.osc.state.ny.us/pension/cafr.htm.

See accompanying notes to financial statements

NASSAU COUNTY BRIDGE AUTHORITY

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

March 31, 2021

(Unaudited)

Additions:	
Income from investing activities	$ 871,139
Income from securities lending activities	1,687
Total net investment loss	872,826
Contributions	(257,421)
Total additions	1,130,247
Deductions:	
Benefits paid	(669,612)
Administrative expenses	(8,083)
Total deductions	(677,695)
Net increase	452,552
Net position, restricted for pension benefits — beginning of year	11,909,445
Net position, restricted for pension benefits — end of year	$12,361,997

This financial report is designed to provide a general overview of the NCBA's proportionate share of the changes in the plan's fiduciary net position. The complete detailed report may be obtained from the New York State and Local Retirement System, 110 State Street, Albany, New York 12244- 0001. The report can also be accessed on the Comptroller's website at www.osc.state.ny.us/pension/cafr.htm.

See accompanying notes to financial statements

Morse & Company CPAs, LLP
Certified Public Accountants
505 8th Avenue Suite 1801
New York, NY 10018-4527
(212) 765-2200

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
Nassau County Bridge Authority
Lawrence, NY 11559

We have audited the financial statements of the Nassau County Bridge Authority as of and for the year ended December 31, 2021, and have issued our report thereon dated March 16, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Nassau County Bridge Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements and not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Nassau County Bridge Authority's financial statements are free of material misstatement, we performed testsof its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

This report is intended solely for the information and use of the Board of Commissioners, audit committee, management, and the State of New York Office of the State Comptroller, and is not intended to be, and should not be used, by anyone other than these specified parties.

Morse & Company CPAs

Morse & Company CPAs, LLP
April 5, 2022