



**NASSAU COUNTY BRIDGE AUTHORITY**

FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION WITH  
INDEPENDENT AUDITOR'S REPORT

December 31, 2025

**NASSAU COUNTY BRIDGE AUTHORITY**  
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## **INDEPENDENT AUDITOR'S REPORT**

To the Members of the Board of Commissioners  
Nassau County Bridge Authority  
Lawrence, New York

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of the Nassau County Bridge Authority (the "Authority"), a component unit of the County of Nassau, New York, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Authority's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of December 31, 2025, and the respective changes in its financial position and cash flows, thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

#### **Basis for Opinion**

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 10 and the Schedule of the Authority's Proportionate Share of the Net Pension Asset/(Liability), the Schedule of Authority's Pension Contributions, and the Schedule of Changes in the Authority's Total OPEB Liability and Related Ratios on pages 32 through 34 be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2026 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely 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 effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Sheehan & Company, C.P.A., P.C.*

Brightwaters, New York  
March 21, 2026

**NASSAU COUNTY BRIDGE AUTHORITY**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**

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The Nassau County Bridge Authority’s (“the Authority”) discussion and analysis of the financial performance provides an overall review of the Authority’s financial activities for the fiscal year ended December 31, 2025, in comparison with the year ended December 31, 2024, with emphasis on the current year. This should be read in conjunction with the financial statements and notes to financial statements, which immediately follow this section.

**1. FINANCIAL HIGHLIGHTS**

Key financial highlights for fiscal year 2025 are as follows:

- The Authority’s total net position increased by \$4,409,312. This was due to an excess of revenues over expenses based on the economic resources measurement focus and the accrual basis of accounting.
- The Authority’s total expenses for the year, as reflected in the financial statements, totaled \$8,953,303. Of this amount, \$13,362,615 was offset by operating revenues consisting of tolls and non-operating revenues consisting of interest earnings and other revenues.

**2. OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts – management’s discussion and analysis (MD&A), the financial statements, and required supplementary information (RDI). The financial statements consist of financial statements and notes to financial statements. A graphic display of the relationship of these statements follows:



**A. Financial Statements**

The financial statements present the activities of the Authority and are organized to provide an understanding of the fiscal performance of the Authority, as a whole, in a manner similar to a private sector business. There are three financial statements - the Statement of Net Position; the Statement of Revenues; Expenses; and, Changes in Net Position, and the Statement of Cash Flows. These statements provide both an aggregate and long-term view of the Authority’s finances.

**The Statement of Net Position**

The Statement of Net Position presents information on all of the Authority’s assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. To assess the overall health of the Authority, one needs to consider additional nonfinancial factors such as changes in the Authority’s property tax base and the condition of the Authority’s buildings and other capital assets.

**NASSAU COUNTY BRIDGE AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

The Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position presents information showing the change in net position during the fiscal year. All changes in net position are recorded at the time the underlying financial event occurs. Revenues are recognized in the period when they are earned and expenses are recognized in the period when the liability is incurred. Therefore, revenues and expenses are reported in the statement for some items that will result in cash flows in future fiscal periods.

The Statement of Cash Flows

The Statement of Cash Flows presents the change in cash and cash equivalents resulting from operating, non-capital, capital, and investing activities. The statement presents cash receipts and cash disbursement information, without consideration of the earnings events, when an obligation arises, or depreciation of capital assets.

The Notes to Financial Statements

The Notes to Financial Statements provide required disclosures and other information that are essential to a full understanding of the material data provided in the statements. The notes present information about the Authority's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies, and subsequent events, if any.

**3. FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE**

**A. Net Position**

The Authority's total net position increased by \$4,409,312 between fiscal year December 31, 2025 and 2024. The increase is due to revenues in excess of expenses based on the economic resources measurement focus and the accrual basis of accounting. A summary of the Authority's Statements of Net Position follows:

	2025	2024	Increase (Decrease)	Percentage Change
<b>Assets</b>				
Current and Other Assets	\$ 21,392,737	\$ 16,872,315	\$ 4,520,422	26.79 %
Non-Current Assets	2,206,634	2,615,300	(408,666)	(15.63)%
Capital Assets, Net	24,110,519	24,589,996	(479,477)	(1.95)%
<b>Total Assets</b>	<b>47,709,890</b>	<b>44,077,611</b>	<b>3,632,279</b>	<b>8.24 %</b>
<b>Deferred Outflows of Resources</b>				
	1,924,369	2,299,972	(375,603)	(16.33)%
<b>Liabilities</b>				
Current and Other Liabilities	716,615	1,183,980	(467,365)	(39.47)%
Long-Term Liabilities	7,516,334	7,891,291	(374,957)	(4.75)%
Total OPEB Liability	11,178,100	10,547,262	630,838	5.98 %
Net Pension Liability - Proportionate Share	1,019,730	959,983	59,747	6.22 %
<b>Total Liabilities</b>	<b>20,430,779</b>	<b>20,582,516</b>	<b>(151,737)</b>	<b>(0.74)%</b>

**NASSAU COUNTY BRIDGE AUTHORITY**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
(Continued)

	<u>2025</u>	<u>2024</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
<b>Deferred Inflows of Resources</b>	\$ 1,156,051	\$ 2,156,950	\$ (1,000,899)	(46.40)%
<b>Net Position</b>				
Net Investment in				
Capital Assets	17,258,234	17,402,288	(144,054)	(0.83)%
Unrestricted	<u>10,789,195</u>	<u>6,235,829</u>	<u>4,553,366</u>	73.02 %
 Total Net Position	 <u>\$ 28,047,429</u>	 <u>\$ 23,638,117</u>	 <u>\$ 4,409,312</u>	 18.65 %

The increase in current and other assets is primarily related to increases in cash and accounts receivables. EZ Pass receivables were higher than the prior year due to system updates that occurred during the year that delayed collections.

Non-current assets represent restricted cash related to bond covenants and reserves for debt service. These amounts decreased compared to the prior year.

The decrease in capital assets, net is due to depreciation/amortization expense in excess of capital assets additions. The “Capital and Intangible Assets” Note provides additional information.

Deferred outflows of resources represent contributions to the pension plan subsequent to the measurement date and actuarial adjustments of the pension plan that will be amortized in future years, and the amount of deferred charges from the bond refunding that is being amortized over the remaining term of the bonds.

The decrease in current and other liabilities is mainly due to reductions in accounts payable and collections in advance.

The decrease in long-term liabilities is due to decreases in bonds payable due to the repayment of the current maturity of indebtedness, and compensated absences.

The total other postemployment benefits (OPEB) liability increase is based on the actuarial valuation of the plan. The “Postemployment Healthcare Benefits” Note provides additional information.

Net pension liability – proportionate share represents the Authority’s share of the New York State and Local Employees’ Retirement System’s (ERS) collective net pension liability, at the measurement date of the respective year. The increase in net pension liability is primarily due to the net change in the plan’s total pension liability being in excess of the net change in the market value of the ERS pension plan assets at the current measurement date. The “Pension Plan – New York State” Note provides additional information.

Deferred inflows of resources represent actuarial adjustments of the pension and OPEB plans that will be amortized in future years.

The net investment in capital assets is the investment in capital assets at cost, net of accumulated depreciation/amortization, and related outstanding debt.

The unrestricted amount relates to the balance in the Authority’s net position. Additionally, certain unfunded liabilities will have the effect of reducing the Authority’s unrestricted net position. One such unfunded liability is the total OPEB liability. In accordance with state guidelines, the Authority is only permitted to fund OPEB on a “pay as you go” basis and is not permitted to accumulate funds for the OPEB liability.

**NASSAU COUNTY BRIDGE AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

**B. Changes in Net Position**

The results of operations, as a whole, are reported in the Statement of Revenues, Expenses, and Changes in Net Position in a programmatic format in the accompanying financial statements. A summary of this statement for the years ended December 31, 2025 and 2024 is as follows:

	2025	2024	Increase (Decrease)	Percentage Change
<b>Revenues</b>				
Operating Revenues				
Charges for services	\$ 12,813,402	\$ 12,771,652	\$ 41,750	0.33 %
Non-Operating Revenues				
Interest income	530,246	331,612	198,634	59.90 %
Other income	18,967	38,322	(19,355)	(50.51)%
Total Revenues	<u>13,362,615</u>	<u>13,141,586</u>	<u>221,029</u>	1.68 %
<b>Expenses</b>				
Employee compensation & benefits	4,166,370	4,249,784	(83,414)	(1.96)%
Contract services	1,575,408	1,272,814	302,594	23.77 %
Materials, equipment, & other	595,721	737,595	(141,874)	(19.23)%
Utilities	117,855	100,800	17,055	16.92 %
Debt service - interest	268,815	261,494	7,321	2.80 %
Depreciation - unallocated	2,229,134	2,433,137	(204,003)	(8.38)%
Total Expenses	<u>8,953,303</u>	<u>9,055,624</u>	<u>(102,321)</u>	(1.13)%
Total Changes in Net Position	<u>\$ 4,409,312</u>	<u>\$ 4,085,962</u>	<u>\$ 323,350</u>	7.91 %

The Authority's total net position increased by \$4,409,312 and \$4,085,962 for the years ended December 31, 2025 and 2024, respectively.

The Authority's revenues increased when compared to the prior year, primarily due to the following change:

- Interest income increased due to the rise in invested funds resulting in higher interest earnings.

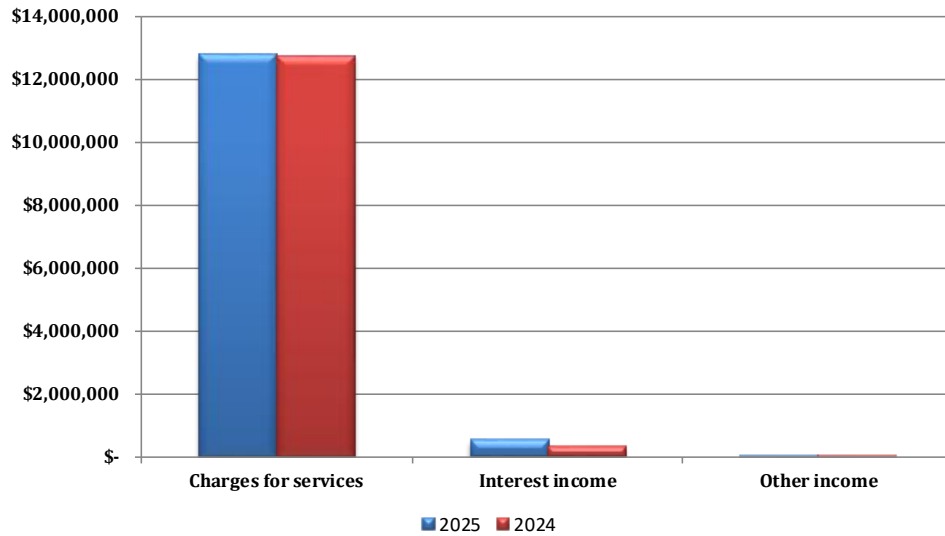
The Authority's expenses decreased when compared to the prior year, primarily due to the following changes:

- Depreciation-unallocated decreased as the prior year expense included one-time, non-recurring expense related to disposals of assets.
- Materials, equipment, and other decreased as the Authority had fewer repairs and maintenance costs in the current year.
- Employee compensation and benefits decreased based on the impact of the net change in actuarially determined OPEB costs and pension costs, offset by contractual increases and increases in health insurance premiums.
- Contract services increased as a result of higher liability insurance premiums combined with additional costs for the biennial inspection.

**NASSAU COUNTY BRIDGE AUTHORITY**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
(Continued)

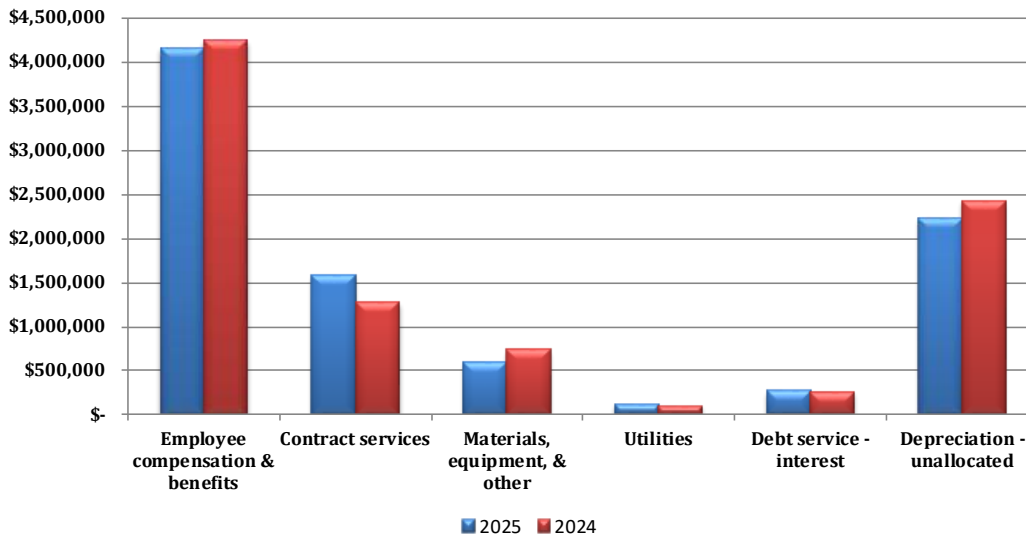
As indicated on the graphs that follow, charges for services is the largest component of revenues recognized (i.e., 95.9% and 97.2% of the total for the years 2025 and 2024, respectively). Employee compensation and benefits and depreciation - unallocated are the largest categories of expenses incurred (i.e., 71.4% and 73.8% of the total for the years 2025 and 2024, respectively).

A graphic display of the distribution of revenues for the two years follows:



	<b>Charges for services</b>	<b>Interest income</b>	<b>Other income</b>
<b>2025</b>	95.9%	4.0%	0.1%
<b>2024</b>	97.2%	2.5%	0.3%

A graphic display of the distribution of expenses for the two years follows:



	<b>Employee compensation &amp; benefits</b>	<b>Contract services</b>	<b>Materials, equipment, &amp; other</b>	<b>Utilities</b>	<b>Debt service - interest</b>	<b>Depreciation - unallocated</b>
<b>2025</b>	46.5%	17.6%	6.7%	1.3%	3.0%	24.9%
<b>2024</b>	46.9%	14.1%	8.1%	1.1%	2.9%	26.9%

**NASSAU COUNTY BRIDGE AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

**4. CAPITAL ASSETS, DEBT ADMINISTRATION, AND OTHER LONG-TERM LIABILITIES**

**A. Capital Assets**

At December 31, 2025, the Authority had invested in a broad range of capital assets, as indicated in the following table. The net decrease in capital assets is due to depreciation expense of \$2,229,134 in excess of capital asset additions of \$1,749,657 for the year ended December 31, 2025. A summary of the Authority's capital assets, net of accumulated depreciation/amortization at December 31, 2025 and 2024 is as follows:

	2025	2024	Increase (Decrease)	Percentage Change
Bridge Open Grating & Painting	\$ 7,798,276	\$ 8,243,605	\$ (445,329)	(5.40)%
Bridge Rehabilitation	809,949	1,477,191	(667,242)	(45.17)%
Bridge Substructure	1,436,475	1,488,594	(52,119)	(3.50)%
Bridge Tower Lighting	662,685	-	662,685	N/A
Bridge Tower Renovation	269,299	293,519	(24,220)	(8.25)%
Building Improvements	1,180,216	1,160,293	19,923	1.72 %
Computer Equipment	34,440	48,407	(13,967)	(28.85)%
Furniture & Equipment	688,214	529,366	158,848	30.01 %
Lock Motor Replacement	70,797	81,551	(10,754)	(13.19)%
Mechanical Electrical & Grid	5,544,172	5,920,849	(376,677)	(6.36)%
NCBA Survey Map	67,648	-	67,648	N/A
New Gas Meter Project	4,049	5,396	(1,347)	(24.96)%
NW Bulkhead Rehabilitation	21,044	23,450	(2,406)	(10.26)%
Replacement of Fuel Tank	13,511	17,034	(3,523)	(20.68)%
Roadway	224,837	310,568	(85,731)	(27.60)%
Security Systems	229,693	163,190	66,503	40.75 %
Timber Fender System	257,704	284,831	(27,127)	(9.52)%
Tollbooth Equipment Upgrade	4,447,888	4,175,679	272,209	6.52 %
Tollbooth HVAC	27,497	29,856	(2,359)	(7.90)%
Transformer Elevation	305,890	317,885	(11,995)	(3.77)%
Website Development	16,235	18,732	(2,497)	(13.33)%
	<u>\$ 24,110,519</u>	<u>\$ 24,589,996</u>	<u>\$ (479,477)</u>	(1.95)%

**B. Debt Administration**

At December 31, 2025, the Authority had total debt of \$6,510,000. The decrease in outstanding debt represents principal payments made during the year. A summary of outstanding debt at December 31, 2025 and 2024 is as follows:

Issue Date	Interest Rate	2025	2024	Increase (Decrease)	Percentage Change
<b>Bonds Payable</b>					
8/7/2023	4.00 - 5.00%	<u>\$ 6,510,000</u>	<u>\$ 6,795,000</u>	<u>\$ (285,000)</u>	(4.19)%

**NASSAU COUNTY BRIDGE AUTHORITY**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
(Continued)

**C. Other Long-Term Liabilities**

Included in the Authority’s long-term liabilities are the estimated amounts due for compensated absences payable, which is based on employment contracts, total OPEB liability and net pension liability – proportionate share, which are based on actuarial valuations. A summary of the outstanding other long-term liabilities at December 31, 2025 and 2024 is as follows:

	2025	2024	Increase (Decrease)	Percentage Change
Compensated absences payable	\$ 501,867	\$ 530,404	\$ (28,537)	(5.38)%
Total OPEB liability	11,178,100	10,547,262	630,838	5.98 %
Net pension liability - proportionate share	1,019,730	959,983	59,747	6.22 %
	<u>\$12,699,697</u>	<u>\$12,037,649</u>	<u>\$ 662,048</u>	5.50 %

**5. ECONOMIC FACTORS AND NEXT YEAR’S BUDGET**

**A. Subsequent Year’s Budget**

The Authority’s budget for 2026 estimates operating revenues of \$12,004,445 and non-operating revenues of \$373,800 for total revenues of \$12,378,245. In addition, the budget for 2026 estimates operating expenses of \$10,218,326 and non-operating expenses of \$608,550 for total expenses of \$10,826,876.

**B. Future Budgets**

Significant increases in costs such as energy, pension, and health insurance may have an impact on the Authority’s future budgets.

**6. CONTACTING THE AUTHORITY**

This financial report is designed to provide the reader with a general overview of the Authority’s finances and to demonstrate the Authority’s accountability for the funds it receives. Requests for additional information can be directed to:

Nassau County Bridge Authority  
160 Beach 2<sup>nd</sup> Street  
Lawrence, New York 11559

**NASSAU COUNTY BRIDGE AUTHORITY**

**Statement of Net Position**

December 31, 2025

**ASSETS**

**Current Assets**

Unrestricted cash and cash equivalents	\$ 19,574,509
Receivables	
Accounts receivable	1,651,809
Prepays	147,796
Inventory	18,623
Total Current Assets	<u>21,392,737</u>

**Non-Current Assets**

Restricted cash and cash equivalents	615,300
Bond covenant restricted cash and cash equivalents	1,591,334
Capital assets, net of accumulated depreciation/amortization	24,110,519
Total Non-Current Assets	<u>26,317,153</u>
 Total Assets	 <u>47,709,890</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred bond issuance costs, net	162,182
Pension	750,986
Other postemployment benefits	1,011,201
Total Deferred Outflows of Resources	<u>1,924,369</u>

**LIABILITIES**

**Current Liabilities**

Accounts payable and accrued expenses	254,791
Unearned Credits	
Collections in Advance	461,824
Long-term liabilities	
Due and payable within one year	
Bonds payable, net	358,719
Compensated absences payable	80,304
Total other postemployment benefits liability	402,535
Due and payable after one year	
Bonds payable, net	6,655,748
Compensated absences payable	421,563
Total other postemployment benefits liability	10,775,565
Net pension liability - proportionate share	1,019,730
Total Liabilities	<u>20,430,779</u>

**DEFERRED INFLOWS OF RESOURCES**

Pension	66,929
Other postemployment benefits	1,089,122
Total Deferred Inflows of Resources	<u>1,156,051</u>

**NET POSITION**

Net investment in capital assets	17,258,234
Unrestricted	10,789,195
Total Net Position	<u>\$ 28,047,429</u>

**NASSAU COUNTY BRIDGE AUTHORITY**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
For the Year Ended December 31, 2025

<b>OPERATING REVENUES</b>	<u>\$ 12,813,402</u>
<b>OPERATING EXPENSES</b>	
Salaries	2,587,397
Repairs & maintenance	416,975
Office expense	158,466
Uniforms	20,280
Automobile	18,020
Utilities	102,325
Telephone	15,530
Retirement plan	257,586
Employee benefits	597,541
Payroll taxes	206,699
Insurance	782,111
Professional fees	252,532
Armored carrier	15,930
Payroll service	17,394
Computer	92,348
EZ-Pass Operational Costs	273,172
Biennial Inspection	123,901
Depreciation	2,229,134
Other postemployment benefits	<u>517,147</u>
Total Operating Expenses	<u>8,684,488</u>
Income from Operations	<u>4,128,914</u>
<b>NON-OPERATING REVENUES AND (EXPENSES)</b>	
Interest income	530,246
Other income	18,967
Bond interest expense	(257,818)
Amortization expense	<u>(10,997)</u>
Total Non-operating Revenues and (Expenses)	<u>280,398</u>
Change in Net Position	4,409,312
Total Net Position - Beginning of Year	<u>23,638,117</u>
Total Net Position - End of Year	<u><u>\$ 28,047,429</u></u>

**NASSAU COUNTY BRIDGE AUTHORITY**  
**Statement of Cash Flows**  
For the Year Ended December 31, 2025

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and other sources	\$ 11,436,453
Payments to suppliers and service providers	(1,947,406)
Payments to employees for salaries and benefits	<u>(4,913,608)</u>
Net Cash Provided by Operating Activities	<u>4,575,439</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
Cash receipts from non-operating sources	<u>18,967</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition and construction of capital assets	(1,749,657)
Principal paid on debt	(285,000)
Interest paid on debt	(272,377)
Amortization of deferred bond premium	(61,420)
Amortization of deferred bond issuance costs	<u>10,997</u>
Net Cash Used in Capital and Related Financing Activities	<u>(2,357,457)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest income	<u>537,917</u>
Net Increase in Cash	2,774,866
Cash at Beginning of Year	<u>19,006,277</u>
Cash at End of Year	<u><u>\$ 21,781,143</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO</b>	
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating income	\$ 4,128,914
Adjustments to reconcile operating income	
net cash provided by operating activities:	
Depreciation/amortization expense	2,229,134
(Increase) Decrease in:	
Other receivables	(1,306,311)
Prepays	(42,933)
Inventory	4,683
Deferred outflows of resources	364,606
Increase (Decrease) in:	
Accounts payable and accrued expenses	(393,166)
Collections in Advance	(70,637)
Compensated absences payable	(28,537)
Total other postemployment benefits liability	630,838
Net pension liability - proportionate share	59,747
Deferred inflows of resources	<u>(1,000,899)</u>
Net Cash Provided by Operating Activities	<u><u>\$ 4,575,439</u></u>

**NASSAU COUNTY BRIDGE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The Authority is a component unit of Nassau County (“the County”) and accordingly, the financial statements of the Authority are included in the financial statements of the County.

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

The Authority, pursuant to the state law, is composed of a 5 member board (“the Board”) who are appointed by the County Executive of Nassau County with approval of the Nassau County Legislature. Each Board member serves a 5 year term without compensation. The Board is presently comprised of a chairman and four Board members.

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) for governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies used by the Authority are as follows:

**A. Reporting Entity**

The financial reporting entity is based on criteria set forth by GASB. The financial reporting entity is the primary government, the Authority, as well as component units and other organizational entities determined to be includable in the Authority’s financial reporting entity, based on the nature and significance of their relationship with the Authority. The accompanying financial statements present the activities of the Authority. The decision to include a potential component unit in the Authority’s reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, there are no other entities that would be included in the Authority’s reporting entity.

**B. Basis of Presentation**

Financial Statements

The Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and, the Statement of Cash Flows present information about the overall governmental financial activities of the Authority. Governmental activities are generally financed through toll revenues and other exchange and non-exchange transactions.

The Statement of Net Position presents the financial position of the Authority at fiscal year end. The Statement of Revenues, Expenses, and Changes in Net Position presents a comparison between operating expenses and revenues for the Authority’s governmental activities. Tolls are the primary source of operating revenues. Revenues that are not classified as operating revenues, including interest income, are presented as non-operating revenues.

**NASSAU COUNTY BRIDGE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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**C. Measurement Focus and Basis of Accounting**

The activities of the Authority are accounted for similarly to those often found in the private sector using the flow of economic resources measurement focus and the accrual basis of accounting. All assets, liabilities, net positions, revenues, and expenses are accounted for through a single enterprise fund with revenues recorded when earned and expenses recorded at the time liabilities are incurred. The flow of economic resources refers to the reporting of all the net position available to the Authority. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities (whether current or non-current), and associated activities are reported and equity is reported as net positions.

Basis of accounting describes when changes are recognized. The accrual basis of accounting recognizes changes in net position when the underlying event occurs, regardless of the timing of related cash flows.

The Authority uses the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recorded when incurred. Proprietary-type accounting also distinguishes operating revenue and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. The principal operating revenue is tolls. Operating expenses include the cost of service, administration, and depreciation of capital assets. All revenues not meeting these definitions are reported as non-operating revenues and expenses.

**D. Restricted Resources**

When an expense is incurred for purposes for which both restricted and unrestricted net resources are available, the Authority's policy concerning which to apply first varies with the intended use, and with associated legal requirements, many of which are described elsewhere in these Notes to Financial Statements.

**E. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingencies at the date of the financial statements and the reported revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including compensated absences, OPEB, pensions costs, potential contingent liabilities, and useful lives of capital assets.

**F. Cash and Cash Equivalents**

Cash and cash equivalents consists of cash on hand, bank deposits, and investments with an original maturity date of 90 days or less from the date of acquisition.

Certain cash balances are restricted by various legal and contractual obligations, such as legal reserves. Restricted cash and cash equivalents are comprised of monies related to the 2023 bond resolution. The minimum amount required as per the bond resolution is \$1,591,334. Additionally, the total amount of restricted cash and cash equivalents, designated for the 2012 Capital Constructions Project, at December 31, 2025, was \$615,300.

**G. Investment in Certificates of Deposit**

Certificates of deposit with original maturities greater than three months and not exceeding one year are classified as short-term investments and are carried at cost, which approximates fair value. Interest income is recognized using the effective interest methods over the term of the instrument. During the year, the

**NASSAU COUNTY BRIDGE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

Authority held one six-month certificate of deposit, which matured prior to the balance sheet date. Accordingly, the Authority had no investments outstanding as of December 31, 2025.

**H. Receivables**

Receivables are shown net of an allowance for uncollectible accounts, if any. However, no allowance for uncollectibles has been provided since it is believed that such allowance would not be material.

**I. Inventory and Prepaid Items**

Inventory of salt and sand is recorded at cost on a first-in, first-out basis (FIFO). Inventory is accounted for on the consumption method.

Prepaid items represent payments made by the Authority for which benefits extend beyond year end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as assets on the Statement of Net Position using the consumption method.

Under the consumption method, a current asset for the inventory and/or prepaid item is recorded at the time of receipt and/or purchase and an expense is reported in the year the goods or services are consumed.

**J. Capital and Intangible Assets**

Capital and intangible assets are reported at actual cost, when the information is available, or at estimated historical cost based on professional third-party information. Donated assets are reported at acquisition value at the date of donation.

All capital and intangible assets, except construction in progress, are depreciated/amortized on a straight-line basis over their estimated useful lives as follows:

	Capital Threshold	Estimated Useful Life
Bridge Open Grating & Painting	\$ 5,000	25 years
Bridge Rehabilitation	5,000	25 years
Bridge Substructure	5,000	30 years
Bridge Tower Lighting	5,000	10 years
Bridge Tower Renovation	5,000	20 years
Building Improvements	5,000	10 - 39 years
Computer Equipment	5,000	5 years
Furniture & Equipment	5,000	5 - 10 years
Lock Motor Replacement	5,000	25 years
Mechanical Electrical & Grid	5,000	25 years
NCBA Map Survey	5,000	25 years
New Gas Meter Project	5,000	20 years
NW Bulkhead Rehabilitation	5,000	25 years
Replacement of Fuel Tank	5,000	15 years
Roadway	5,000	20 - 25 years
Security Systems	5,000	10 years
Timber Fender System	5,000	20 years
Tollbooth Equipment Upgrade	5,000	5 - 25 years
Tollbooth HVAC	5,000	15 years
Transformer Elevation	5,000	30 years
Website Development	5,000	10 years

**NASSAU COUNTY BRIDGE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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**K. Deferred Outflows of Resources**

Deferred outflows of resources, in the Statement of Net Position, represents a consumption of net assets that applies to a future reporting period and so will not be recognized as an outflow of resources (expense) until that time. The Authority has three items that qualify for reporting in this category. First is the unamortized amount of deferred bond issuance costs that are being amortized as a component of interest expense on the straight-line basis through October 1, 2040. The second item is related to pensions and consists of the Authority's proportionate share of changes in the collective net pension asset or liability not included in collective pension expense and the Authority's contributions to the New York State and Local Employees' Retirement System (ERS) subsequent to the measurement date. The third item is related to OPEB and represents the change in the total OPEB liability not included in OPEB expense.

**L. Collections in Advance**

Collections in advance arise when resources are received by the Authority before it has a legal claim to them, as when EZ-Pass discount tag monies are received in advance from payers prior to the services being rendered by the Authority. These amounts are recorded as liabilities in the financial statements. The liabilities are removed and revenues are recognized in subsequent periods when the Authority has legal claim to the resources.

**M. Employee Benefits – Compensated Absences**

Compensated absences consists of unpaid accumulated sick, vacation, and compensatory leave.

Sick leave eligibility and accumulation is specified in collective bargaining agreements and individual employment contracts. Upon retirement, resignation, or death, employees may contractually receive a payment based on unused accumulated sick leave.

Vacation eligibility and accumulation is specified in collective bargaining agreements and individual employment contracts. Some earned benefits may be forfeited if not taken within varying time periods. Employees are compensated for unused accumulated vacation leave through paid time off or cash payment upon retirement, termination, or death.

The Authority recognizes a liability for compensated absences, including vacation and sick leave, when employees have earned the right to leave and it is more likely than not that the leave will be used for time off or paid out in cash or settled through other means. The Authority utilizes historical data of past usage patterns to estimate the expected usage and payment of compensated absences. The liability for compensated absences is measured at the employee's pay rate at the reporting date, including salary-related payments, such as social security and Medicare taxes.

The Authority uses the FIFO method to determine which leave balances are used first.

**NASSAU COUNTY BRIDGE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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**N. Other Benefits**

Eligible Authority employees participate in the ERS.

Authority employees may choose to participate in the Authority's elective deferred compensation plan established under Internal Revenue Code §457.

The Authority provides individual or family health insurance coverage for active employees pursuant to collective bargaining agreements and individual employment contracts.

In addition to providing these benefits, the Authority provides individual, family, or surviving spouse postemployment health insurance coverage for eligible retired employees. Collective bargaining agreements and individual employment contracts determine if Authority employees are eligible for these benefits if they reach normal retirement age while working for the Authority. Healthcare benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-employment benefits is shared between the Authority and the employee. The cost of postemployment health insurance coverage is recognized on the economic resources measurement focus and the accrual basis of accounting in accordance with GASB.

**O. Long-Term Debt**

The Authority borrows money in order to acquire equipment, construct buildings, or make improvements. These long-term liabilities are full faith and credit debt of the local government. The premiums received on long-term debt issuances are netted with bonds payable and amortized over the life of the bonds.

**P. Deferred Inflows of Resources**

Deferred inflows of resources represents an acquisition of net assets that applies to a future reporting period and so will not be recognized as an inflow of resources (revenues/expense credit) until that time. The Authority has two items that qualify for reporting in this category. The first item is related to pensions and consists of the Authority's proportionate share of changes in the collective net pension asset or liability not included in collective pension expense. The second item is related to OPEB and represents the change in the total OPEB liability not included in OPEB expense.

**Q. Equity Classifications**

In the Statement of Net Position, there are two classes of net position:

*Net investment in capital assets* – Consists of net capital assets (cost less accumulated depreciation/amortization) reduced by outstanding balances of related debt obligations from the acquisition, construction, or improvement of those assets.

*Unrestricted* – Reports the balance of net position that does not meet the definition of the above classification.

**NASSAU COUNTY BRIDGE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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**2. FUTURE ACCOUNTING STANDARDS**

The GASB Statements are issued to set GAAP for state and local governments. The following is not an all-inclusive list of GASB statements issued, but statements that the Authority feels may have a future impact on these financial statements. The Authority will evaluate the impact of these pronouncements and implement them, as applicable, if material.

<b>Effective for the Year Ending</b>	<b>Statement</b>
December 31, 2026	GASB No. 103 – <i>Financial Reporting Model Improvements</i>
December 31, 2026	GASB No. 104 – <i>Disclosure of Certain Capital Assets</i>
December 31, 2027	GASB No. 105 – <i>Subsequent Events</i>

GASB Statement No. 103 was issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

GASB Statement No. 104 requires certain types of capital assets to be disclosed separately in the capital assets note disclosure such as leased assets, intangible right-to-use assets, and assets held for sale.

GASB Statement No. 105 was issued to improve financial reporting related to subsequent events by clarifying the subsequent events time frame and the subsequent events that constitute recognized and nonrecognized events, and by specifying the information items that are required to be disclosed about subsequent events.

**3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgets**

An annual budget is prepared by the Authority's staff and presented to the Board before each fiscal year. Budgets are adopted on a basis consistent with GAAP. The budget details the Authority's plan to earn and expend funds for charges incurred for operations, maintenance, certain interest, and other charges for the fiscal year. All unexpended or encumbered appropriations in the budget remaining at the end of the fiscal year lapse.

The Authority adopts a multi-year capital plan to prioritize capital needs and resources to ensure that key assets are replaced, improved, or upgraded in a timely manner. Capital projects may be authorized after the adoption of the capital plan to reflect changing needs, priorities, and funding opportunities. No appropriations for capital projects in the capital plan lapse until the purpose of the appropriation was made, has been accomplished or changed.

**4. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

The Authority's investment policies are governed by state statutes and Authority policy. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities. Collateral is required for demand and time deposits, and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its Agencies and obligations of New York State and its municipalities. Investments are stated at fair value.

**NASSAU COUNTY BRIDGE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

Custodial credit risk is the risk that in the event of a bank failure, the Authority may be able to recover deposits or collateral securities that are in possession of an outside agency. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are as follows:

- A. Uncollateralized,
- B. Collateralized by securities held by the pledging financial institution, or
- C. Collateralized by securities held by the pledging financial institution's trust department or agent but not in the Authority's name.

At December 31, 2025, the Authority's aggregate bank balances not covered by depository insurance at year end, and exposed to custodial risk were \$615,300. The remaining balances were collateralized with securities held by pledging financial institutions, or its trust department or agent in the Authority's name.

The Authority did not have any investments at year end or during the year. Consequently, the Authority was not exposed to any material interest rate risk or foreign currency risk.

**5. CAPITAL AND INTANGIBLE ASSETS**

Capital and intangible assets balances and activity for the year ended December 31, 2025, were as follows:

	Balance December 31, 2024	Additions	Reductions	Balance December 31, 2025
Capital assets being depreciated/amortized				
Bridge Open Grating & Painting	\$ 11,133,221	\$	\$	\$ 11,133,221
Bridge Rehabilitation	35,073,159			35,073,159
Bridge Substructure	1,563,557			1,563,557
Bridge Tower Lighting	-	686,560		686,560
Bridge Tower Renovation	484,390			484,390
Building Improvements	2,542,170	88,225		2,630,395
Computer Equipment	154,207	560		154,767
Furniture & Equipment	1,794,490	258,223		2,052,713
Lock Motor Replacement	268,850			268,850
Mechanical Electrical & Grid	9,416,931			9,416,931
NCBA Survey Map	-	69,800		69,800
New Gas Meter Project	26,965			26,965
NW Bulkhead Rehabilitation	60,150			60,150
Replacement of Fuel Tank	52,845			52,845
Roadway	2,321,203	19,500		2,340,703
Security Systems	164,974	85,791		250,765
Timber Fender System	542,537			542,537
Tollbooth Equipment Upgrade	4,484,189	540,998		5,025,187
Tollbooth HVAC	211,150			211,150
Transformer Elevation	359,871			359,871
Website Development	24,975			24,975
Total capital assets being depreciated/amortized	<u>70,679,834</u>	<u>1,749,657</u>	<u>-</u>	<u>72,429,491</u>

**NASSAU COUNTY BRIDGE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

	Balance December 31, 2024	Additions	Reductions	Balance December 31, 2025
Less accumulated depreciation/amortization for:				
Bridge Open Grating & Painting	\$ 2,889,616	\$ 445,329	\$	\$ 3,334,945
Bridge Rehabilitation	33,595,968	667,242		34,263,210
Bridge Substructure	74,963	52,119		127,082
Bridge Tower Lighting	-	23,875		23,875
Bridge Tower Renovation	190,871	24,220		215,091
Building Improvements	1,381,877	68,302		1,450,179
Computer Equipment	105,800	14,527		120,327
Furniture & Equipment	1,265,124	99,375		1,364,499
Lock Motor Replacement	187,299	10,754		198,053
Mechanical Electrical & Grid	3,496,082	376,677		3,872,759
NCBA Survey Map	-	2,152		2,152
New Gas Meter Project	21,569	1,347		22,916
NW Bulkhead Rehabilitation	36,700	2,406		39,106
Replacement of Fuel Tank	35,811	3,523		39,334
Roadway	2,010,635	105,231		2,115,866
Security System	1,784	19,288		21,072
Timber Fender System	257,706	27,127		284,833
Tollbooth Equipment Upgrade	308,510	268,789		577,299
Tollbooth HVAC	181,294	2,359		183,653
Transformer Elevation	41,986	11,995		53,981
Website Development	6,243	2,497		8,740
Total accumulated depreciation/amortization	<u>46,089,838</u>	<u>2,229,134</u>	<u>-</u>	<u>48,318,972</u>
Total Capital Assets Being Depreciated/Amortized	<u>24,589,996</u>	<u>(479,477)</u>	<u>-</u>	<u>24,110,519</u>
Capital assets, net	<u>\$ 24,589,996</u>	<u>\$ (479,477)</u>	<u>\$ -</u>	<u>\$ 24,110,519</u>

**A. Ownership**

The County has legal ownership of the facilities of the Authority, including the land and the Bridge. The Authority uses the facilities at no charge pursuant to a contract with the County, dated March 1, 1950. Under this contract, the Authority has the right to use the facilities in perpetuity; this contract cannot be amended by the County without the written consent of the Authority.

**B. Impairment Losses**

The Authority evaluated prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The Authority's policy is to record an impairment loss in the period when the Authority determines that the carrying amount of the asset will not be recoverable. At December 31, 2025, the Authority has not recorded any such impairment losses.

**NASSAU COUNTY BRIDGE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**6. LONG-TERM LIABILITIES**

**A. Changes**

The following table summarizes the changes in governmental activities in long-term liabilities, excluding pension liability, for the year ended December 31, 2025:

	Balance December 31, 2024	Additions	Reductions	Balance December 31, 2025	Amounts Due Within One Year
Long-term debt:					
Bonds payable	\$ 6,795,000	\$	\$ (285,000)	\$ 6,510,000	\$ 300,000
Deferred premium	565,887		(61,420)	504,467	58,719
	<u>7,360,887</u>	-	<u>(346,420)</u>	<u>7,014,467</u>	<u>358,719</u>
Other long-term liabilities:					
Compensated absences	530,404		(28,537)	501,867	80,304
Total OPEB liability	<u>10,547,262</u>	<u>630,838</u>		<u>11,178,100</u>	<u>402,535</u>
	<u>\$ 18,438,553</u>	<u>\$ 630,838</u>	<u>\$ (374,957)</u>	<u>\$ 18,694,434</u>	<u>\$ 841,558</u>

Additions and reductions to compensated absences are shown net. The maturity of compensated absences is not determinable.

For total OPEB liability, see "Postemployment Healthcare Benefits" Note for additional information.

**B. Bonds Payable**

Bonds payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at December 31, 2025
Revenue bond - 2023	8/7/2023	10/1/2040	4.00 - 5.00%	<u>\$ 6,510,000</u>

The following is a summary of debt service requirements for bonds payable:

Year Ending December 31,	Principal	Interest	Total
2026	\$ 300,000	\$ 308,550	\$ 608,550
2027	315,000	293,550	608,550
2028	330,000	277,800	607,800
2029	350,000	261,300	611,300
2030	370,000	243,800	613,800
2031-2035	2,140,000	922,750	3,062,750
2036-2040	<u>2,705,000</u>	<u>349,300</u>	<u>3,054,300</u>
	<u>\$ 6,510,000</u>	<u>\$ 2,657,050</u>	<u>\$ 9,167,050</u>

**NASSAU COUNTY BRIDGE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**C. Remedies Upon Default in Bond Payments**

Upon the occurrence and continuation of an event of default under the Series 2023 Revenue Bonds, holders of at least 25 percent in aggregate principal amount of the outstanding Bonds may appoint a trustee to act on behalf of all Bondholders, with authority to enforce Bondholder rights, including requiring the Authority to collect and apply pledged tolls and other revenues as provided in the Bond documents, to bring suit on the Bonds, and to declare all amounts due under the Bonds immediately payable. The trustee is also entitled, as a matter of right, to seek appointment of a receiver for the facilities and related pledged revenues, which could result in the receiver assuming control of operations and dedicating tolls and other pledged revenues to debt service in accordance with court orders and the Bond documents. These remedies could materially affect the Authority's liquidity, the timing and priority of its debt service payments, and its ability to use pledged revenues for other authorized purposes.

**D. Premiums on Obligations**

The Authority issued revenue bonds on August 7, 2023, and received premiums on obligations of \$646,637. This premium is being amortized as a component of interest expense on the weighted-average basis over the life of these revenue bonds as follows:

Year Ending December 31,	Deferred Premium
2026	\$ 58,719
2027	55,880
2028	52,903
2029	49,763
2030	46,440
2031-2035	176,157
2036-2040	64,605
	\$ 504,467

**E. Interest Expense**

Interest on long-term debt for the year was composed of:

Interest paid	\$ 322,800
Less interest accrued in the prior year	(80,700)
Plus interest accrued in the current year	77,138
Less amortization of deferred premiums	(61,420)
Total interest expense on long-term debt	\$ 257,818

**7. PENSION PLAN – NEW YORK STATE**

**A. Plan Description**

The Authority participates in the ERS. This is a cost-sharing multiple-employer, defined benefit, public employee retirement system. The system provides retirement, disability, withdrawal, and death benefits to plan members and beneficiaries related to years of service and final average salary.

**NASSAU COUNTY BRIDGE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**B. Provisions and Administration**

Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). The net position of the ERS is held in the New York State Common Retirement Fund (“the Fund”), which was established to hold all net assets and record changes in plan net position allocated to the ERS. As set forth in the NYSRSSL, the Comptroller of the State of New York (“the Comptroller”) serves as the trustee of the Fund and is the administrative head of the ERS. Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Authority also participates in the Public Employees’ Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The ERS is included in the State’s financial report as a pension trust fund. That report, including information with regard to benefits provided may be found on the NYS Comptroller’s website at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

**C. Funding Policy**

The ERS is noncontributory except for employees who joined after July 27, 1976 with less than ten years of credited service, who contribute 3% of their salary, or joined on or after January 1, 2010 and before April 1, 2012, who contribute 3% of their salary throughout active membership. For employees hired on or after April 1, 2012, employee contribution rates are dependent upon salaries and range from 3% to 6% of salary throughout active membership. Employers are required to contribute at an actuarially determined rate based on covered salaries paid. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers’ contributions for the fiscal year ended March 31<sup>st</sup>, and employer contributions are either paid by the prior December 15<sup>th</sup> less a 1% discount or by February 1<sup>st</sup>. The Authority paid 100% of the required contributions as billed by the ERS for the current year. The Authority’s average contribution rate was 15.29% of covered payroll for the fiscal year ended March 31, 2025.

The Authority’s share of the required contributions, based on covered payroll for the current year ended December 31, 2025, was \$355,380 at the contribution rate of 15.02%.

**D. Pension Asset/(Liability), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2025, the Authority reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for the ERS. The net pension asset/(liability) was measured as of March 31, 2025. The total pension liability used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The Authority’s proportion of the net pension asset/(liability) was based on a projection of the Authority’s long-term share of contributions to the ERS relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS in reports provided to the Authority.

Measurement date	March 31, 2025
Authority's proportionate share of the net pension liability	\$ (1,019,730)
Authority's portion of the Plan's net pension liability	0.0059474%
Change in proportion since the prior measurement date	(0.0005724)

**NASSAU COUNTY BRIDGE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

For the year ended December 31, 2025, the Authority recognized pension expense of \$257,584. At December 31, 2025, the Authority reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred	
	Outflows of Resources	Inflows of Resources
Differences between expected and actual experience	\$ 253,104	\$ 11,939
Changes of assumptions	42,765	
Net difference between projected and actual earnings on pension plan investments	80,005	
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	103,453	54,990
Authority contributions subsequent to the measurement date	271,659	
<b>Total</b>	<b>\$ 750,986</b>	<b>\$ 66,929</b>

Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending May 31,	Governmental
2026	\$ 204,999
2027	278,017
2028	(77,508)
2029	6,890
	<b>\$ 412,398</b>

Actuarial Assumptions

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

Measurement date	March 31, 2025
Actuarial valuation date	April 1, 2024
Inflation	2.90%
Salary increases	4.30%
Investment rate of return (net of investment expense, including inflation)	5.90%
Cost of living adjustments	1.50%

**NASSAU COUNTY BRIDGE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

Demographic assumptions used in the April 1, 2024 actuarial valuation are based on the results of an actuarial experience study completed April 1, 2020. Demographic assumptions are primarily based on System experience over the period April 1, 2015 – March 31, 2020. Annuitant mortality rates are adjusted to incorporate mortality improvements under the Society of Actuaries' Scale MP-2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized below:

	Target Allocation	Long-term Expected Real Rate of Return
Measurement date		March 31, 2025
Asset class		
Domestic equity	25.0%	3.54%
International equity	14.0%	6.57%
Real estate equity	12.0%	4.95%
Private equity	15.0%	7.25%
Alternative investments	11.0%	5.25-5.55%
Fixed income	22.0%	2.00%
Cash	1.0%	0.25%
	100.0%	

Discount Rate

The discount rate used to measure the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members would be made at the current contribution rates and that contributions from employers would be made at statutorily required rates, actuarially determined. Based upon the assumptions, the ERS' 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.

**NASSAU COUNTY BRIDGE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

Sensitivity of the Proportionate Share of the Net Pension Asset/(Liability) to the Discount Rate Assumption

The following presents the Authority's proportionate share of the net pension asset/(liability) calculated using the discount rate of 5.9%, as well as what the Authority's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1 percentage point lower (4.9%) or 1 percentage point higher (6.9%) than the current rate:

	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
Authority's proportionate share of the net pension asset / (liability)	\$ (2,951,228)	\$ (1,019,730)	\$ 593,071

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of the respective measurement dates, were as follows:

Measurement date	March 31, 2025
	<i>(Dollars in thousands)</i>
Employers' total pension liability	\$ (247,600,239)
Plan fiduciary net position	230,454,512
Employers' net pension liability	\$ (17,145,727)
Ratio of plan fiduciary net position to the employers' total pension liability	93.08%

Prepayments to the Pension Plan

Employer contributions are paid annually based on the ERS' fiscal year, which ends on March 31st. Annual payments are due February 1st. An employer can elect to prepay the amount due by December 15th to receive a 1% discount. The Authority paid the annual invoice in December. This resulted in a prepayment of \$90,553 for the period of January 1, 2026 through March 31, 2026. Employee contributions are remitted monthly.

**8. PENSION PLANS - OTHER**

**Deferred Compensation Plan**

The Authority has established a deferred compensation plan in accordance with Internal Revenue Code §457 for all employees. The Authority makes no contributions to this Plan. The amount deferred by eligible employees for the year ended December 31, 2025 totaled \$29,464 into §457 plans, and \$829 into §457 ROTH plans.

**NASSAU COUNTY BRIDGE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**9. POSTEMPLOYMENT HEALTHCARE BENEFITS**

**A. General Information about the OPEB Plan**

*Plan Description* – The Authority provides OPEB for eligible retired employees. The benefits provided to employees upon retirement are based on provisions in various contracts that the Authority has in place with different classifications of employees. The plan is a single-employer defined benefit OPEB plan administered through the New York State Health Insurance Program – Empire Plan. No assets are accumulated in a trust that meets the criteria as set forth by GASB.

*Benefits Provided* – The Authority provides medical and Medicare Part B reimbursement coverage for eligible retirees. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the Authority offices and are available upon request.

*Employees Covered by Benefit Terms* – At January 1, 2024, the following employees were covered by the benefit terms:

Inactive members or beneficiaries currently receiving benefits	17
Inactive members entitled to but not yet receiving benefits	-
Active members	27
	44

**B. Total OPEB Liability**

The Authority’s total OPEB liability of \$11,178,100 was measured as of December 31, 2025, and was determined by an actuarial valuation as of January 1, 2024. Updated procedures were used to roll forward the total OPEB liability to the measurement date.

*Actuarial Assumptions and Other Inputs* – The total OPEB liability, as of the measurement date was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.60%	
Discount rate	4.43%	
Healthcare cost trend rates	6.20%	decreasing to an ultimate rate of 4.04% by 2075
Retirees' share of benefit-related costs	0% - 25%	of projected health insurance premiums for retirees

The discount rate was based on a review of the yield derived from the S & P Municipal Bond 20 Year High Grade Index.

Mortality rates were based on Pub-2010 General Employees/Retirees Headcount-Weighted table projected fully generationally using MP-2021 mortality improvement scale.

**NASSAU COUNTY BRIDGE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**C. Changes in the Total OPEB Liability**

Balance at December 31, 2024	<u>\$ 10,547,262</u>
Changes for the year	
Service cost	422,223
Interest on total OPEB liability	461,764
Changes in benefit terms	-
Differences between expected and actual experience	342,346
Changes in assumptions or other inputs	(230,434)
Benefit payments	<u>(365,061)</u>
	<u>630,838</u>
 Balance at December 31, 2025	 <u>\$ 11,178,100</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 4.28% in 2024 to 4.43% in 2025.

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate* – The following presents the total OPEB liability of the Authority, as well as what the Authority’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.43%) or 1 percentage point higher (5.43%) than the current discount rate:

	1% Decrease 3.43 %	Discount Rate 4.43 %	1% Increase 5.43 %
Total OPEB liability	<u>\$ (12,858,066)</u>	<u>\$ (11,178,100)</u>	<u>\$ (9,806,913)</u>

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates* – The following presents the total OPEB liability of the Authority, as well as what the Authority’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.20% to 3.04%) or 1 percentage point higher (7.20% to 5.04%) than the current healthcare cost trend rate:

	1% Decrease 5.20% decreasing to 3.04%	Healthcare Cost Cost Trend Rates 6.20% decreasing to 4.04%	1% Increase 7.20% decreasing to 5.04%
Governmental Activities			
Total OPEB liability	<u>\$ (9,486,927)</u>	<u>\$ (11,178,100)</u>	<u>\$ (13,319,712)</u>

**D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2025, the Authority recognized OPEB expense of \$517,147. At December 31, 2025, the Authority reported deferred outflows and inflows of resources related to OPEB from the following sources:

**NASSAU COUNTY BRIDGE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 839,605	\$
Changes of assumptions	171,596	1,089,122
	\$ 1,011,201	\$ 1,089,122

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	Amount
2026	\$ (353,159)
2027	268,043
2028	(30,109)
2029	18,652
2030	18,652
	\$ (77,921)

**10. RISK FINANCING AND RELATED INSURANCE**

The Authority is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and other losses. These risks are currently covered by commercial insurance purchased from independent third parties. There have been no significant reductions in insurance coverage as compared to the prior year and settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

**11. COMMITMENTS AND CONTINGENCIES**

**Litigation**

The Authority is involved in lawsuits arising from the normal conduct of affairs. The Authority believes that the outcome of any matters will not have a material effect on these financial statements.

**12. LEASES**

In May 2001, the Authority entered into a 30-year lease agreement with the Atlantic Beach Fire District for the Fire District's use of a parcel of land on the Southeast side of the Atlantic Beach Bridge for a total of \$1 per year, which was paid in full upon execution of the agreement.

**NASSAU COUNTY BRIDGE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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**13. SUBSEQUENT EVENTS**

The Authority has evaluated subsequent events through the date of the auditor's report, which is the date the financial statements were available to be issued. No significant events were identified that would require adjustment of or disclosure in the financial statements, except as follows:

On February 23, 2026, subsequent to the December 31, 2025 statement of net position date, a transformer was destroyed. As a result, the Authority expects to incur a significant impairment loss on the transformer, which had a net book value of \$305,890. In addition, some information technology equipment was damaged, and the Authority had a loss in revenue while the toll booth was inoperable. Management is currently assessing the impact of the loss and the extent of insurance coverage for damages and loss of revenues.

**NASSAU COUNTY BRIDGE AUTHORITY**  
**Schedule of the Authority's Proportionate Share of the Net Pension Asset/(Liability)**  
 Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Authority's proportion of the net pension asset/(liability)	0.0059474%	0.0065198%	0.0061793%	0.060318%	0.005604%	0.005740%	0.006248%	0.005864%	0.006117%	0.006489%
Authority's proportionate share of the net pension asset/(liability)	\$ (1,019,730)	\$ 959,983	\$ 1,325,096	\$ 493,071	\$ (5,580)	\$ (1,520,005)	\$ (442,654)	\$ (189,257)	\$ (574,809)	\$ (1,041,507)
Authority's covered payroll	\$ 2,258,093	\$ 2,189,949	\$ 2,033,692	\$ 2,019,393	\$ 1,807,419	\$ 1,810,847	\$ 1,724,509	\$ 1,748,116	N/A	N/A
Authority's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	45.16 %	43.84 %	65.16 %	24.42 %	0.31 %	83.94 %	25.67 %	10.83 %	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%
Discount rate	5.90%	5.90%	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%

**NASSAU COUNTY BRIDGE AUTHORITY**  
**Schedule of the Authority Pension Contributions**  
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 355,380	\$ 319,301	\$ 264,088	\$ 254,130	\$ 292,560	\$ 264,875	\$ 254,530	\$ 258,459	\$ 261,590	N/A
Contributions in relation to the contractually required contribution	<u>(355,380)</u>	<u>(319,301)</u>	<u>(264,088)</u>	<u>(254,130)</u>	<u>(292,560)</u>	<u>(264,875)</u>	<u>(254,530)</u>	<u>(258,459)</u>	<u>(261,590)</u>	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	2,366,017	2,193,293	2,177,433	2,005,618	1,943,095	1,781,223	1,805,512	1,711,359	1,729,779	N/A
Contributions as a percentage of covered payroll	15%	15%	12%	13%	15%	15%	14%	15%	15%	N/A

**NASSAU COUNTY BRIDGE AUTHORITY**  
**Schedule of Changes in the Authority's Total OPEB Liability and Related Ratios**  
Last Eight Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability								
Service cost	\$ 422,223	\$ 307,626	\$ 219,489	\$ 409,718	\$ 423,103	\$ 382,354	\$ 283,593	\$ 323,410
Interest on total OPEB liability	461,764	422,570	374,471	237,731	238,886	280,695	365,080	320,821
Changes in benefit terms	-	(30,355)	-	-	-	-	-	-
Differences between expected and actual experience	342,346	189,470	1,061,788	79,605	(189,437)	(1,195,269)	(931,767)	-
Changes of assumptions or other inputs	(230,434)	(433,283)	428,990	(3,185,633)	121,042	1,739,525	1,743,804	(854,204)
Benefit payments	(365,061)	(327,590)	(266,891)	(253,401)	(250,131)	(198,252)	(196,807)	(190,925)
Net change in total OPEB liability	630,838	128,438	1,817,847	(2,711,980)	343,463	1,009,053	1,263,903	(400,898)
Total OPEB liability, beginning	<u>10,547,262</u>	<u>10,418,824</u>	<u>8,600,977</u>	<u>11,312,957</u>	<u>10,969,494</u>	<u>9,960,441</u>	<u>8,696,538</u>	<u>9,097,436</u>
Total OPEB liability, ending	<u>\$ 11,178,100</u>	<u>\$ 10,547,262</u>	<u>\$ 10,418,824</u>	<u>\$ 8,600,977</u>	<u>\$ 11,312,957</u>	<u>\$ 10,969,494</u>	<u>\$ 9,960,441</u>	<u>\$ 8,696,538</u>
Covered employee payroll	\$ 1,878,828	\$ 1,835,040	\$ 1,845,470	\$ 1,872,801	\$ 1,815,673	\$ 1,627,413	\$ 1,696,608	\$ 1,628,728
Total OPEB liability as a percentage of covered employee payroll	595.0%	574.8%	564.6%	459.3%	623.1%	674.0%	587.1%	533.9%
Discount rate	4.43%	4.28%	4.00%	4.31%	N/A	N/A	N/A	N/A
Healthcare trend rates	6.20% to 4.04% by 2075	6.50% to 4.04% by 2075	6.25% to 4.14% by 2076	N/A	N/A	N/A	N/A	N/A

*An additional year of historical information will be added each year, subsequent to the year of implementation, until 10 years of historical data is available.*

**Note to Required Supplementary Information**

No assets are accumulated in a trust that meets the criteria set forth by GASB to pay related benefits.

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

To the Board of Commissioners  
Nassau County Bridge Authority  
Lawrence, New York

We have audited, in accordance with the 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, the financial statements of the Nassau County Bridge Authority (the "Authority") as of and for the year ended December 31, 2025, and the related notes to the financial statements and its cash flows, which collectively comprise the Authority's financial statements, and have issued our report thereon dated March 21, 2026.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

*A deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

To the Board of Commissioners  
Nassau County Bridge Authority

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Sheehan & Company, C.P.A., P.C.*

Brightwaters, New York  
March 21, 2026