

NIFA
Adopted Budget and Multi-Year Plan
2024-2027

	Adopted 2023	Adopted 2024	Adopted 2025	Adopted 2026	Adopted 2027
Revenues					
Sales Tax Retained	2,074,000	2,740,000	2,240,000	2,825,000	2,470,000
Interest Income					
Bond & Debt Service Accounts					
Operating Accounts	1,000	10,000	10,000	10,000	10,000
Total Interest					
Total Revenues	2,075,000	2,750,000	2,250,000	2,835,000	2,480,000
Expenses					
NIFA Operating Expenses					
Salaries and Benefits	1,548,416	1,649,430	1,747,883	1,854,632	1,952,701
Furniture & Equipment	17,000	17,000	17,000	17,000	17,000
Rent	131,703	128,070	136,120	139,813	143,617
Telephone & Communications	23,356	24,524	25,750	27,038	28,390
Professional Fees	188,625	179,020	171,285	171,720	171,720
Insurance	56,382	56,701	57,036	57,388	57,757
Other	59,518	70,255	44,926	17,410	58,815
Total Operating	2,025,000	2,125,000	2,200,000	2,285,000	2,430,000
Control Period Expenses					
Total Statutorily Mandated Expenses	50,000	625,000	50,000	550,000	50,000
Total Expenses	2,075,000	2,750,000	2,250,000	2,835,000	2,480,000
Revenues Over (Under) Expenses	0	0	0	0	0

NIFA Budget and Financial Plan 2024-2027

As of September 21, 2023

1. **Accounting method:** The budget has been prepared in accordance with GAAP using the modified accrual basis of accounting.
2. **Assumptions and estimates used:** The two largest items in the budget are; 1) sales tax revenue, taken from Nassau County's Multi-Year Financial Plan Update for Fiscal Years 2023-2026 (only up to the amount necessary to cover NIFA expenditures); and 2) debt service, taken from the schedule of senior debt service provided in the NIFA Sales Tax Secured Bonds, Series 2021AB Bond Offering Circular.
3. **Estimates of revenues:** The main source of NIFA revenue is Nassau County sales tax. This projection has been taken from Nassau County's Multi-Year Financial Plan Update for Fiscal Years 2023-2026 (only up to the amount necessary to cover NIFA expenditures).
4. **Estimates of personal service expenses:** The plan assumes that NIFA staffing levels will remain constant in accordance with guidance from the NIFA Employment and Compensation Committee (the "Committee"). Subject to approval by the Committee, the budget assumes annual adjustments in salaries consistent with the pattern established for Nassau County's labor unions and a 11% increase in health insurance premiums in 2024 and beyond. NIFA participates in the NYS pension plan and NYSHIP health insurance program. Pension costs for participating salaries were projected based on guidance from the State Comptroller at 16.0% for 2024 and 17.8% for 2025 and beyond. Five of the six current employees participate in the pension program. Of the five participating employees, one employee has opted for the voluntary defined contribution plan and NIFA's contribution is currently set at 8% of the participant's salary.
5. **Estimates of non-personal service expenses:** Costs for office space, telephone, professional fees, and supplies were adjusted by a 5% growth factor for each successive year of the plan.
6. **Estimates of projected debt service expenditures:** Projections for NIFA debt was taken from the schedule of senior debt service provided in the NIFA Sales Tax Secured Bonds, Series 2021AB Bond Offering Circular.
7. **Cash budget and financial plan:** NIFA's budgetary expenditures are closely aligned with the timing of its cash flow. There are no material timing differences other than receipt of sales tax and GAAP rules for debt service, which is explained below in item 18.

8. **Explanation of relationship with units of government on whose behalf the authority was established:** NIFA was created in 2000 for the purpose of overseeing the fiscal turnaround of Nassau County, issuance and administration of debt on behalf of the County, issuance of reports on statutory findings based on the County's financial condition, and for the disbursement of State assistance.
9. **Description of budget process and key budget decisions:** The budget is created by the NIFA Treasurer and reviewed by its Executive Director and Audit and Internal Controls Committee. It is then approved by the NIFA Directors prior to the start of each fiscal year. Staffing level decisions are guided by recommendations of the NIFA Employment and Compensation Committee.
10. **Description of budget assumptions including revenue sources, staffing etc:** Revenues of the Authority ("Revenues") consist of sales tax revenues, defined as net collections from sales and compensating use taxes, penalties and interest authorized by the State and imposed by the County on the sale and use of tangible personal property and services in the County ("Sales Tax Revenues"), and investment earnings on money and investments on deposit in various Authority accounts. Sales Tax Revenues collected by the State Comptroller for transfer to the Authority are not subject to appropriation by the State or County. Revenues of the Authority that are not required to pay debt service, operating expenses and other costs of the Authority are payable to the County as frequently as practicable. Revenue numbers used in the budget have been taken from Nassau County's Updated Multi-Year Financial Plan for Fiscal Years 2023-2026 (only up to the amount necessary to cover NIFA expenditures).

Staffing has been kept at the level required to perform appropriate oversight of the County and covered organizations, including the Nassau County Health Care Corporation.

11. **Self-assessment of budget risks:** NIFA has a perfected interest in the sales tax collections for Nassau County and receives remittances from the NYS Department of Taxation and Finance for the purpose of withholding debt service set-aside monies and expenses, prior to remittance to the County. NIFA's costs are closely monitored by its executive staff and its Directors. As a result, there is little budget risk to NIFA or its bond holders.
12. **Revised forecast of current year budget:** The current year projected results for core operating expenses may exceed the adopted budget because we retained a labor negotiator during 2023, without providing for them in our 2023 budget, to assist the County administration in reaching agreements with its unsettled labor unions. There is a possibility that additional, unrelated consulting fees may be incurred in the latter part of 2023. As of the date of this report, a collective bargaining agreement was approved for the Police Benevolent Association and an agreement has been reached with the Civil Service Employees Association, which

is subject to NIFA approval. Negotiations with the remaining unions are expected to resume shortly.

13. **Reconciliation that identifies all changes in estimates from projections in the previously approved budget:** As noted in Item 12 above, we had not provided for the labor negotiator in the prior version of our 2023 budget.
14. **Statement of last year's fiscal actual performance:** The 2022 fiscal performance was not in conformity with its approved budget because of the New York State statutory requirement enacted in April 2022 for NIFA to manage operational audits of three public benefit corporations located in Nassau County, which were neither anticipated nor provided for. The 2023 projected results may be affected by the above-mentioned retention of the labor negotiator.
15. **Projections of number of employees, funding source, and functional classifications:** NIFA currently operates with 6 full-time employees. Positions are funded via withholding sales tax proceeds which are received on behalf of Nassau County. These are classified as general operating expenses in the budget and financial statement.
16. **Statement of revenue enhancing or cost reduction initiatives:** NIFA has maintained a lean staffing plan in light of its debt issuance and oversight responsibilities. NIFA has also taken steps to reduce expenditures for rent, telephone and communications, and other expenses.

The Authority oversees a \$3.4 billion County budget and has issued approximately \$5.7 billion of debt, including swap transactions, during the past 23 years. NIFA currently has outstanding approximately \$1.1 billion in bonds.

17. **Statement on any non-recurring resource planned for use in any given year:** NIFA may refund existing debt.
18. **Statement on transactions that shift resources from one year to another:** Under GAAP reporting rules, NIFA accrues two months of sales tax revenue receivable at each calendar year end which will be paid in January and February of the subsequent year by the NYS Department of Taxation and Finance. However, also as per GAAP rules, NIFA accrues 12 months of debt service payments as a current liability. As a result, there is always a negative balance of current assets net of current liabilities, which directly results from this reporting timing difference. It should be noted that NIFA still has all funds required for its annual May 15 interest payment and annual November 15 principal and interest payments, under this scenario.
19. **Statement on borrowed debt outstanding at year end, planned issuances, assumed interest rates, debt service as a percentage of pledged revenue:** The final maturity of the outstanding bonds is November 15, 2035. NIFA's statute

requires it to remain in existence until all its liabilities including OPEB have been satisfied. The NIFA Act has been amended to allow it (until the end of 2021) to issue certain types of new debt with maturities no later than December 2051. NIFA's debt program was initiated in FY 2000 and continued successfully through 2022. The outstanding debt of \$1.1 billion is entirely comprised of conventional fixed rate debt. Total estimated debt service to maturity is \$1.4 million as of September 21, 2023. NIFA does not have any notes outstanding.

20. **Statement on capital budget plan:** not applicable

21. **Statement from COO on reasonableness of assumptions and estimates:**

I confirm, to the best of my knowledge and belief, the following representations made to you in this financial plan are fairly presented in conformity with accounting principles generally accepted in the United States of America. To the best of my knowledge and belief, after reasonable inquiry, the plan is based on reasonable assumptions and methods of estimation and that all regulations have been satisfied.

Carl A. Dreyer, Treasurer