NASSAU COUNTY BRIDGE AUTHORITY

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

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Nassau County Bridge Authority
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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Nassau County Bridge Authority
Lawrence, NY 11559

We have audited the accompanying general purpose financial statements of Nassau County Bridge Authority as of and for the year ended December 31, 2014. These financial statements are the responsibility of Nassau County Bridge Authority's management. Our responsibility is to express an opinion 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, 2013.

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. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

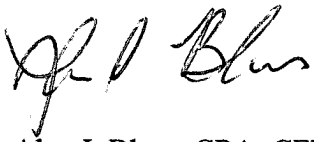
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nassau County Bridge Authority as of December 31, 2014 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The *Management's Discussion and Analysis* on pages 3 through 7 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2015 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.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of Nassau County Bridge Authority taken as a whole. The supplementary information contained in the schedule of operating expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. This additional information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Alan I. Blass, CPA, CFE, P.C.
New York, NY 10001

March 8, 2015

Management's Discussion and Analysis
Year Ended December 31, 2014
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, 2014, with comparative information for the year ended December 31, 2013. 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 $333,649.
  A) All capital expenditures for 2014 increased by $815,155, primarily due to the bridge infrastructure grid project and new projects for the Timber Fender System as well as the water tower roofing and waterproofing improvement.
  B) Current Assets increased $900,262, primarily due to an increase in cash and cash equivalents of $962,559 and a decrease in Prepaid Expenses of $63,681.
- Gross operating revenues decreased by $32,710 in 2014.
- Operating expenditures of $6,117,596 reflect a decrease of $851,052 from the 2013 total of $6,968,648. Decreases in repairs and maintenance of $103,414, bond issuance costs being expensed in 2013, resulting from GASB 65, in the amount of $282,351, retirement plan and other post – employment benefits of $106,487 as well as a decrease in salaries of $348,274 comprise the majority of the net decrease in 2014.
- Total Interest Income decreased by $5,420 from 2013. The decrease is due to an decrease in interest from Capital One of $1,412, Bank of New York / Mellon of $1,926, and from Time Deposits of $2,082.
- 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 Verizon and PSEG Long Island, as well as income generated from advertising sources.

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 Revenues, Expenses and Changes in Net Position, the Statements of Operating Expenses, and the Statements of Cash Flows.

Statement of Net Position

The Statement of Net Position present the financial position of the Nassau County Bridge Authority at the end of the fiscal year and includes all assets, liabilities and Deferred Inflow and Outflow 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 Inflow and Outflow 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, 2014 and 2013 are as follows:

	2014	2013
Assets		
Current assets	$ 9,955,614	$ 9,055,352
Non-current assets:		
Property and Equipment (net)	28,566,236	29,422,258
Other non-current assets	5,524,494	7,582.990
Total assets	$44,046,344	$46,060,600
Liabilities		
Current liabilities	$ 1,557,969	$ 3,406,590
Non-current liabilities		
Bonds	9,675,000	9,895,000
Other non-current liabilities	3,282,622	2,851,778
Total liabilities	$14,515,691	$16,153,368
Plus: Net Position	$ 29,316,688	$ 29,650,337
Total Liabilities and Net Position	$ 43,832,279	$ 45,803,705
Plus Deferred Inflow of Resources: Deferred Revenue from Decal sales	$ 214,065	$ 256,895
Total Liabilities, Net Position and replacement	$44,046,344	$46,060,600

Statement of Revenues, Expenses and 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, 2014 and 2013 are as follows:

	2014	2013
Operating revenues	$ 6,179,265	$ 6,211,975
Operating expenses	(4,446,420)	(5,263,132)
Depreciation & Amortization	(1,671,176)	(1,705,516)
Operating profit (Loss)	61,669	(756,673)
Net non-operating revenue (expenses)	(395,318)	(394,381)
Change in net position	$ (333,649)	$ (1,151,054)

Revenues

Operating revenues totaled $ 6,179,265 in 2014 and $ 6,211,975 in 2013, which is a decrease in revenues of $ 32,710.

Expenses

A summary of operating expenses, including depreciation and amortization, through December 31, 2014 and 2013 are as follows:

	2014	2013
Operating expenses:		
Employee compensation & benefits	$ 3,553,686	$ 4,010,523
Contract services	627,992	792,802
Materials, equipment & other	130,144	324,798
Utilities	134,598	135,009
Total operating expenses	$ 4,446,420	$ 5,263,132
Depreciation	1,671,176	1,705,516
Total	$ 6,117,596	$ 6,968,648

Non-Operating Revenues and Expenses

	2014	2013
Interest income	$ 18,542	$ 23,962
Other income	44,965	46,669
Interest expense – bonds	(458,825)	(465,012)
Net non-operating revenues (expenses)	$(395,318)	($394,381)

- Interest income decreased in 2012 by $ 5,420.
- See Financial Highlights section for detailed explanation.

Capital Improvements & Equipment

During 2014, the Authority incurred $ 815,155 in capital asset expenditures. These additions were primarily associated with the bridge mechanical, electrical and grid project, the Timber Fender System restoration and the Water Tower roofing and waterproofing renovation.
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, 2014, outstanding bonds of the Nassau County Bridge Authority totaled $9,895,000. Principal payments on the Series 2010 bonds in the amount of $210,000 were paid during 2014.

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

2014 Total Aggregate Debt Service		$ 668,825
Covenant Requirement – 100%		x 100%
Covenant Net Revenue - Required		668,825
Net Revenue – 2014	$(333,649)	
Add: Bond Interest	458,825	
Other Post-Employment Benefits	529,580	
Depreciation	1,671,176	
Covenant Net Revenue - Actual		2,325,932
Surplus – Actual over Required		**$ 1,657,107**

Employee Contract Negotiations

In December 2014, a new three year contract was agreed to between the union and the Authority. The agreement is in full force and effect for the period of January 1, 2015 through March 31, 2017.

Nassau County Bridge Authority
Statement of Net Position
December 31, 2014 and 2013

	2014	2013
Assets		
Current Assets:		
Cash and Cash Equivalents	$ 9,796,562	$ 8,834,003
Interest Receivable	-	1,868
Insurance Proceeds Receivable	-	2,165
Other Receivables	6,490	8,632
Prepaid Expenses	136,411	200,092
Inventory	16,151	8,592
Total Current Assets	**9,955,614**	**9,055,352**
Noncurrent assets:		
Restricted Cash and Cash Equivalents	3,524,494	5,582,990
Bond Covenant Restricted Cash and Cash Equivelants	2,000,000	2,000,000
Property and Equipment, net	28,566,236	29,422,258
Total Noncurrent Assets	**34,090,730**	**37,005,248**
Total Assets	**$ 44,046,344**	**$ 46,060,600**
Plus: Deferred Outflow of Resources	**$ -**	**$ -**
Total Assets Plus Deferred Outflows of Resources	**$ 44,046,344**	**$ 46,060,600**
Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable & Accrued Expenses	$ 1,282,923	$ 3,139,258
Current Portion of Long-Term Debt	220,000	210,000
Current Portion of Compensated Absences and Termination Pay	55,046	57,332
Total Current Liabilities	**1,557,969**	**3,406,590**
Non-Current Liabilities:		
Long-Term Debt, net of current	9,675,000	9,895,000
Compensated Absences and Termination Pay, net of current	429,195	527,931
Net Other Post-Employment Benefits Payable	2,853,427	2,323,847
Total Noncurrent Liabilities	**12,957,622**	**12,746,778**
Total Liabilities	**14,515,591**	**16,153,368**
Plus Net Position	**29,316,688**	**29,650,337**
Total Liabilities and Net Position	**43,832,279**	**45,803,705**
Plus Deferred Inflow of Resources		
Deferred Revenue from Decal Sales	214,065	256,895
Total Liabilities, Net Position Plus Deferred Inflow of Resources	**44,046,344**	**46,060,600**

See accompanying notes to financial statements

Nassau County Bridge Authority
Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2014 and 2013

	2014	2013
Operating Revenue	$ 6,179,265	$ 6,211,975
Operating Expenses	6,117,596	6,968,648
Operating Profit	61,669	(756,673)
Nonoperating Revenue (Expense)		
Interest Revenue	18,542	23,962
Other Revenue	44,965	46,669
Bond Interest Expense	(458,825)	(465,012)
Net Nonoperating Revenue (Expenses)	(395,318)	(394,381)
Change in Net Position	(333,649)	(1,151,054)
Net Position - Beginning of Year	29,650,337	30,801,391
Net Position -End of Year	$ 29,316,688	$ 29,650,337

See accompanying notes to financial statements

Nassau County Bridge Authority
Statement of Cash Flows
For the Years Ended December 31, 2014 and 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers and other sources	$ 6,211,629	$ 7,074,320
Cash payments to suppliers for goods and services	(3,174,903)	(1,685,894)
Cash payments to employees	(2,069,841)	(2,170,105)
Cash payments for employee related benefits	(640,774)	(1,168,159)
Net cash provided by operations	**326,111**	**2,050,162**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash receipts from non-operating sources	44,965	46,669
Net cash provided by non-capital financing activities	**44,965**	**46,669**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and Construction of Capital Assets - Net of Marchiselli Grant	(815,155)	(713,260)
Principal Paid on Capital Debt	(210,000)	(205,000)
Interest paid on bonds	(460,400)	(466,550)
Net cash used for capital and related financing activities	**(1,485,555)**	**(1,384,810)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	18,542	25,499
Net cash provided by investing activities	**18,542**	**25,499**
Net Increase (Decrease) in Cash and Cash Equivalents	(1,095,937)	737,520
Cash & Cash Equivalents at Beginning of Year	16,416,993	15,679,473
Cash & Cash Equivalents at End of Year	**$ 15,321,056**	**$ 16,416,993**
Reconciliation of Operating Profit (Loss) to Net Cash Provided by Operating Activities:		
Operating Profit (Loss)	61,669	(756,673)
Adjustments to reconcile operating profit to Net Cash Provided by Operating Activities:		
Depreciation Expense	1,671,176	1,705,516
2010 Bond Issue Costs expensed retroactively per GASB 65 - See Note 5	-	282,351
Change in Assets and Liabilities:		
Increase / Decrease in:		
Other Receivables	6,175	439,001
Prepaid Expenses	63,681	(73,087)
Inventory	(7,559)	4,569
Restricted Time Deposits	-	2,000,000
Accounts Payable & Accrued Expenses	(1,854,759)	(2,161,979)
Compensated Absences & Termination Pay	(101,022)	34,893
Net Other Post-Employment Benefits Payable	529,580	498,941
Deferred Inflow of Resources - Deferred Revenue from Decal Sales	(42,830)	76,630
Net Cash Provided by Operating Activities	**$ 326,111**	**$ 2,050,162**

See accompanying notes to financial statements

Nassau County Bridge Authority
Notes to Financial Statements

For the Year Ended December 31, 2014

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

The Bridge Authority, pursuant to the state law, is composed of a five-member board which is appointed by the County Executive of Nassau County 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 Significant Accounting Policies

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 time deposits in the amounts of $0 and $2,000,000 as of December 31, 2014 and December 31, 2013, 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 4 below). Additionally, the total amount of restricted cash and cash equivalents, designated for the 2012 Capital Construction Project, at December 31, 2014 and 2013 was $ 3,524,494 and $5,582,990, 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.

Note 2 – Restricted Marchiselli Funds

In connection with the infrastructure of the bridge, the Authority received $1,390,400 in Marchiselli Funds in 2012. The funds have been offset against the cost of the project.

Note 3 – Property and Equipment, net

Property and Equipment, net, consists of the following:

	Cost at 12/31/14	Accumulated Depreciation	Net 12/31/14
Building Improvements	$ 2,390,065	$ 747,457	$ 1,642,608
Bridge Rehabilitation	35,082,045	20,430,221	14,651,824
Furniture, Fixtures & Equipment	1,663,852	1,394,951	268,901
Roadway	2,426,095	901,964	1,524,131
Computer Equipment	186,450	171,407	15,043
Tollbooth Equipment	205,064	192,024	13,040
Tollbooth HVAC System	663,310	418,848	244,462
Lock Motor Replacement	268,850	79,759	189,091
NW Bulkhead Rehabilitation	60,150	12,640	47,510
Gas Meter	26,964	8,088	18,876
Bridge Infrastructure Project – WIP	9,225,307	-	9,225,307
Timber Fender System	569,329	-	569,329
Bridge Tower Renovation	103,850	-	103,850
Fuel Tank Replacement	52,845	581	52,264
Total	$52,924,176	$24,357,940	$28,566,236

Note 4 – 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 effect 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
2015	220,000	454,100
2016	225,000	447,500
2017	230,000	440,750
2018	240,000	431,550
2019	250,000	421,950
and thereafter	8,730,000	5,389,375
	$9,895,000	$7,585,225

Note 5 – 2010 Bond Issuance Costs and Original Issue Discount - net

In connection with the issuance of the Series 2010 Revenue Bonds, the Authority incurred various costs totaling $310,082 that were being amortized over thirty years, the life of the bonds. There was no Amortization expense for the years ended December 31, 2013 and December 31, 2012 due to the implementation of GASB 65, retroactively to 2013, bond issuance costs were deducted as an expense in the 2013 financial records of the bridge. As a result, the remaining unamortized balance of $272,015 plus a reversal of 2013 amortization charge originally posted, of $10,336, was restated in the 2013 financial statement for a total of $282,351.This increased the loss in 2013 and reduced the Net Position of NCBA, in 2013.

Note 6 – Retirement Plan

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 April 1, 2013 and terminating March 31, 2017, 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. Contributions to the retirement system totaled $325,423 and $462,369 in 2014 and 2012 respectively.

Note 7 – Medical, Dental & Life Insurance

Pursuant to an agreement with the CSEA commencing April 1, 2013 and terminating March 31, 2017, 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. The union and NCBA are currently in negotiations for a new contract. In the interim, the old contract terms are still in effect.

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, eighteenth and twentieth anniversary date.

For all full-time employees hired on or after July 1, 1987 and who subsequently retire with ten (10) or more years of service, the Authority shall pay 100% of the cost of the premium or subscription charges for health insurance coverage of such retired employees and their eligible dependents.

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 or subscription charges.

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 each year waived.

Note 8 – Other Post-Employment Benefits

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. GASB 45 will:

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.

Note 9 – Hurricane Sandy

As a result of Hurricane Sandy in October 2012, the bridge sustained damage. NCBA received insurance reimbursements in 2013 totaling $639,434, as follows: Business Interruption Insurance coverage of $203,888; $284,561 for building and personal property loss, $197,930 for additional covered soft costs and $2,073 for dump truck damages reduced by $49,018 in insurance deductibles. NCBA also received FEMA claim recovery funds of $19,485 in 2013. The remaining balance of $2,165 was received during 2014 in addition to FEMA reimbursements of $70,863.

SUPPLEMENTARY SCHEDULE

Nassau County Bridge Authority
Statement of Operating Expenses
For the Years Ended December 31, 2014 and 2013

	2014	2013
Salaries	1,887,108	2,236,035
Depreciation	1,671,176	1,705,516
Employee benefits	652,222	637,332
Insurance	398,212	351,256
Retirement Plan	325,243	462,369
Payroll Taxes	159,533	175,846
Utilities	127,339	126,555
Other Post-Employment Benefits	529,580	498,941
Repairs & Maintenance	104,990	208,404
Professional Fees	143,903	118,161
Bond Issuance Costs - See Note 5	-	282,351
Biennial Inspection	-	88,658
Amortization - See Note 5	-	-
Pass Cards & Decals	16,346	10,835
Office Expense	22,650	23,044
Automobile	41,617	15,172
Telephone	7,259	8,454
Uniforms	11,850	1,731
Armored carrier	5,616	6,571
Payroll service	8,646	8,655
Bonded Trustee & Call Fees	2,685	2,500
Computer	1,621	262
Total Operating Expenses	**$ 6,117,596**	**$ 6,968,648**

See accompanying notes to financial statements

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, 2014, and have issued our report thereon dated March 8, 2015. 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 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 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.

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