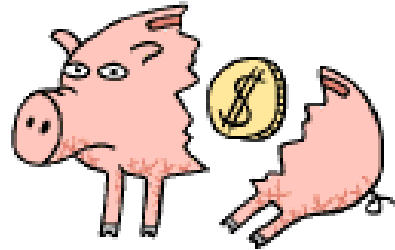


I.O.U.

A Report Detailing Funds Owed to the
County and the Cost to Taxpayers



**A Report by the Republican Caucus
of the Nassau County Legislature
August 2001**

INTRODUCTION

On April 23, 2001, Minority Leader Peter J. Schmitt, on behalf of the members of the Republican caucus, requested the Independent Legislative Budget Review Office (Office) to undertake an investigation of delinquent receivables (monies owed to the County for a period of greater than one-year) and the impact of the delinquent receipt of said funds on the taxpayer. For purposes of this investigation delinquent property taxes and the backlog of traffic tickets at the Traffic and Parking Violations Agency were excluded.

FINDINGS

As a result of this review, it was determined by the Independent Legislative Budget Review Office that at present the County of Nassau is owed nearly \$1 million in receivables from 1999 and \$9.8 million from 2000. The impact on taxpayers is as follows:

- The County may be borrowing more funds in cash flow borrowings because of the failure to collect receivables in a timely fashion, therefore, increasing interest costs.
- The County loses interest monies that would accrue to the benefit of the taxpayers if the funds were collected in a timely fashion.
- Departments may continue to utilize expenses that eventually never receive compensation thereby inflating revenue estimates in their budgets which they will never obtain.

RECOMMENDATIONS

1. The Office of Management and Budgets in conjunction with the County Comptroller and Treasurer should examine existing procedures to ensure a standardized process under which receivables are tracked.
2. The Office of Management and Budgets should examine the possibility of dedicating personnel in their office to solely manage the County's receivables.
3. There is a need to develop the appropriate tracking software to ensure that receivables and open receivables are tracked in a real-time fashion.