

COUNTY OF ROCKLAND, NEW YORK

Comprehensive Annual Financial Report
Fiscal Year Ended December 31, 2002

COUNTY OF ROCKLAND, NEW YORK

Comprehensive Annual Financial Report
Fiscal Year Ended December 31, 2002

Prepared by

Department of Finance

Robert E. Bergman, Jr.

Commissioner

18 New Hempstead Road
New City, New York 10956
(845) 638-5131

COUNTY OF ROCKLAND, NEW YORK
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2002
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**INTRODUCTORY
SECTION**

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ROCKLAND COUNTY, NEW YORK
Principal Officials

COUNTY EXECUTIVE

C. Scott Vanderhoef

COUNTY LEGISLATORS

Ilan S. Schoenberger
Chairman of the Legislature

Robert M. Berliner
Gerald Bierker
Salvatore Corallo
Harriett D. Cornell
William L. Darden
Theodore R. Dusanenko
Frank A. Fornario
Douglas J. Jobson

Ellen C. Jaffee
Ryan S. Karben
Patrick J. Moroney
John A. Murphy
Roman Rodriguez
V.J. Pradhan
Alan Simon
Kenneth P. Zebrowski

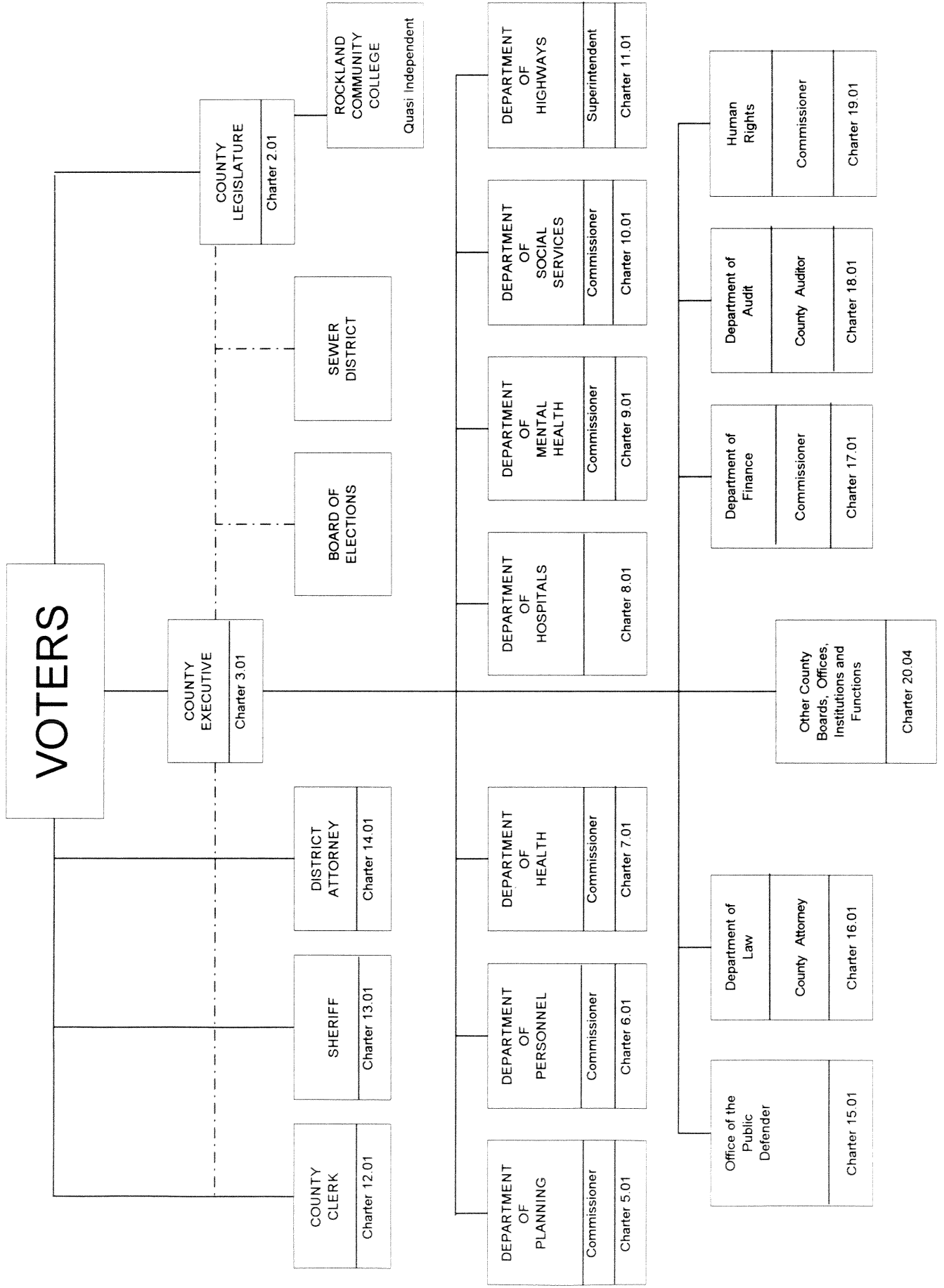
Edward Gorman
James Kralik
Michael Bongiorno

County Clerk
Sheriff
District Attorney

Patricia Zugibe
Robert E. Bergman, Jr.

County Attorney
Commissioner of Finance

ORGANIZATION CHART OF ROCKLAND COUNTY, NEW YORK





COUNTY OF ROCKLAND
DEPARTMENT OF FINANCE AND BUDGET

June 5, 2003

18 New Hempstead Road
New City, New York 10956
(845) 638-5131
Fax. (845) 638-5644

C. SCOTT VANDERHOEF
County Executive

ROBERT E. BERGMAN, JR., MPA
Commissioner of Finance
Budget Director

To the Honorable County Executive
and the County Legislature of the
County of Rockland, New York:

H. CHRIS KOPF, CPA
First Deputy Commissioner

ANTHONY R. COSTA
Deputy Commissioner

The Comprehensive Annual Financial Report ("CAFR") for the County of Rockland, New York for the fiscal year ended December 31, 2002 is herewith submitted. New York State requires the County to submit an annual report of the financial records and transactions presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This CAFR is issued pursuant to that requirement.

This report consists of management's representations concerning the finances of the County of Rockland. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. Management asserts that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's basic financial statements have been audited by Bennett Kielson Storch DeSantis & Company, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the County for the fiscal year ended December 31, 2002, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing

the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County of Rockland's basic financial statements for the fiscal year ended December 31, 2002, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the basic financial statements of the County was part of a broader, Federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the basic financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal awards. These reports are available in the County's separately issued Single Audit Report.

This report is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, a general government organization chart and a list of the County's principal officials. The financial section includes the independent auditors' report, the basic financial statements, notes to the financial statements and combining and individual fund financial statements and schedules. This year, under the new reporting model, the financial section includes a narrative introduction, overview and analysis of the December 31, 2002 financial statements to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors. Finally, the statistical section includes selected financial and general information presented on a multi-year basis.

PROFILE OF THE COUNTY

The County was organized in 1798 and has a land area of 176 square miles. The County is approximately 33 miles northwest of Manhattan and is bordered by Orange County to the north and west, Bergen County, New Jersey to the south and the Hudson River to the east. Within the County are 5 towns and 19 incorporated villages.

The County is one of the suburban counties located within the New York Metropolitan Area and is primarily residential in character. Southern portions of the County are in close proximity to the New York State Thruway and are well developed and heavily populated. Approximately 83% of the County's

population reside in this area. Northern sections of the County are more rural due in part to the extensive system of parks located in this part of the County.

Pursuant to the provisions of Local Law 14 of 1984, the County adopted a charter form of government in accordance with the provisions of the Municipal Home Rule Law of the State. The charter provides for separate and independent executive and legislative functions. A County Executive was elected in November 1985 and took office on January 31, 1986, when the provisions of Local Law 14 became effective. The County Executive is elected from the County at large for a term of four years with the right of unlimited self-succession. The County Executive must reside in the County for a minimum of five years before his/her election and may not concurrently hold another public office. The County Executive is the chief executive officer responsible for the administration of all County affairs and also acts as the County's Budget Officer. The County Executive is required to consider all acts of the County Legislature for approval or disapproval.

The County Legislature is the legislative, appropriating and policy determining body of the County. It consists of 17 members elected from single member districts located within the County. Members are elected to serve an unlimited number of four-year terms and each legislator has one vote instead of a weighted vote. Duties of the Legislature include; review and adoption of the County's annual budget, approval of budgetary modifications during the year and authorization by resolution for the issuance of debt by the County.

The Chief Fiscal Officer of the County is the Commissioner of Finance who is appointed by the County Executive and confirmed by the County Legislature. The Commissioner of Finance is responsible for the administration of the financial affairs of the County. Duties of this position include; collecting and disbursing County funds, investing such funds for temporary periods, issuing debt, maintaining accounting records and preparing financial statements therefrom.

The County provides a full range of services to its residents, including education, public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and general administrative support. This report includes all of the funds of the County. It includes all County organizations and activities for which the County is financially accountable. The County has considered all potential component units based on criteria set forth in GASB Statement No. 14, including legal standing, fiscal dependency and financial accountability. Based on these criteria, the Rockland Community College, the Industrial Development Agency, the Soil and Water Conservation District and the Solid Waste Management Authority are considered component units and are included in the County's reporting entity as discrete presentations.

The County also maintains budgetary controls to ensure compliance with legal provisions embodied in the annual budget approved by the County Legislature. The administrative head of each department, on or before August 1st, is required to submit to the County Executive the expenditure requirements for the ensuing fiscal year. The County Executive is required to file the tentative budget for the ensuing year with the Clerk of the Legislature on or before October 23rd. Subsequent to October 23rd, the Legislature conducts the necessary review of the tentative budget and proposes any changes thereto. The Legislature holds a public hearing on the budget prior to November 20th, and after the public hearing, the Legislature may make changes to the budget. The budget is adopted no later than December 7th. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established within individual funds at the function level.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County of Rockland operates.

Local Economy

A major part of the County's labor force, over 49%, is employed in service related jobs. According to 2000 data compiled by the State Labor Department, only 7% of the workforce is employed by companies engaged in manufacturing. Many residents commute to jobs in New York City or Westchester County, which is connected to the County by the Tappan Zee Bridge and U.S. Interstate 287/87. Approximately 18% of the County's labor force is classified as government related, a significant part of this group of employees works at the various State hospitals and institutions located in the County. Major non-governmental employers in the County include Wyeth Corporation, Orange and Rockland Utilities, Good Samaritan Hospital and Nyack Hospital.

Wealth levels for the County's residents are significantly above State and national averages. The estimated per capita income of County residents in 2000 was \$28,115. State and U.S. per capita income averages reported on this basis were \$24,335 and \$21,684, respectively. The median household income for families residing in the County for 2000 was \$65,934, which was significantly greater than the median household income of \$43,602 for the State.

Hospital services are provided by Good Samaritan Hospital, Helen Hayes Hospital, Nyack Hospital, and Summit Park Hospital (a County owned facility) which offer residents of the County a wide range of inpatient and outpatient services.

A network consisting of all the major forms of transportation serves the County. Several primary State and U.S. Highways including the New York State Thruway, Palisades Interstate Parkway, Garden State Parkway and U.S. Routes 9W and 17 run through the County. The Metro-North Commuter Railroad division of the New York Metropolitan Transportation Authority, in cooperation with New Jersey Transit, provides rail service to Manhattan via the PATH rapid transit. Freight service is provided by Conrail. NY Waterways, Transport of Rockland, Shortline and Adirondack Trailways provide bus and ferry passenger service to New York City and other points in and outside of the County. Air transportation is provided by the three New York Metropolitan Airports (Kennedy, LaGuardia and Newark), as well as Westchester County Airport and Stewart International Airport in Newburgh, New York.

Primary education is the responsibility of the nine independent public school districts located within the County. There are numerous colleges, universities and vocational schools located throughout the County as well. Rockland Community College offers two-year associate degree and one year certificate programs. Dominican College and St. Thomas Aquinas College are four year independent liberal arts colleges. Empire State College/SUNY, Iona College - Rockland Campus and Long Island University - Rockland Campus, all offer graduate programs.

The County has a wide array of recreational and cultural facilities highlighted by the Palisades Interstate Park System, the County Park System and the Community College. Over one-third of the Palisades Interstate Park System's 80,000 acres lie within the County and the parklands account for approximately 30% of the County's area. The Bear Mountain-Harriman State Park on the Hudson River, in the County's northeast corner, has 26,118 of its 51,026 acres in the County. Facilities include fishing, hiking, camping, swimming, picnicking, museum, playfield, winter sports and row-boating. The County has 13 parks, all of which have natural scenic areas, some affording panoramic views of the County. There are also over 20 private commercial swimming pools and lakes, and twelve golf courses, eight of which are open to the public. All of the towns and many of the villages have separate park facilities. In addition, there are numerous libraries, museums and marinas in the County.

LONG TERM FINANCIAL PLANNING

The County's future projects include the following:

- ❖ Redevelopment of the former Rockland Psychiatric Center by the Town of Orangetown into a mixed-use recreation, commercial, and residential purpose.
- ❖ Improvements to the Letchworth Developmental Center property in the Towns of Haverstraw and Stony Point into a mixed-use recreation, commercial, and residential purpose.
- ❖ The Village of Haverstraw is in the process of approving a \$200 million dollar waterfront development project.
- ❖ Extension of the Sewer District's boundaries to include Hillburn, Sloatsburg and Western Ramapo. Additionally, the proposed new plant will provide advanced treatment to enhance the water supply in the Ramapo River basin, which is the sole source aquifer.
- ❖ Design and construction of a number of sewer repair capital projects in the Towns of Clarkstown and Ramapo.
- ❖ Continuing the open space acquisition program to preserve and protect environmentally sensitive parcels, agricultural value, historical integrity and significant natural beauty.
- ❖ Construction of a new technology building at Rockland Community College. This modern, state of the art training center will be available to both students and businesses in our community.
- ❖ Construction of a new Health Services Training Center to meet the growing demand of health care professionals in Rockland County.
- ❖ Installation of a protective device on the Garnerville Dam to prevent injury of youngsters and teenagers.
- ❖ Continue the process of the redesign and improvement of the various County roads to meet the traffic demands of an ever-growing community.

- ❖ Participation in the Tappan Zee Bridge Alternatives Study, to accommodate the County's future transportation needs.

CASH MANAGEMENT POLICIES AND PRACTICES

The County's investment policies are governed by statutes of the State of New York. The County invests its idle cash in local commercial banks that are authorized by the Legislature. These investments are placed by a competitive bid process that enables the County to obtain the best available rates.

The County is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions. These transactions require the issuer to post collateral of 105% of value to secure the investments. This collateral must consist of securities issued by either the Federal government, an agency thereof or from the State of New York or a subdivision of the State.

During 2002, the County had an average monthly cash balance in the General Fund of \$40.2 million. Earnings from these investments amounted to approximately \$900,000 for an average rate of return of 2.3%.

Additional information on the County's cash management program can be found in Note 1F in the notes to the financial statements.

RISK MANAGEMENT

The County is currently self-insured for general liability, property damage and medical malpractice claims. Conventional insurance is purchased for catastrophic losses.

The County is also self-insured for workers' compensation benefits. The County has secured conventional insurance coverage for individual losses in excess of \$500,000.

The County purchases conventional health insurance for all full-time employees and retirees.

PENSION AND OTHER POST-EMPLOYMENT BENEFITS

The County participates in the New York State and Local Employees' Retirement System (System). This System is a cost sharing multiple employer defined benefit pension plan. The System provides retirement, disability and death benefits to plan members. The New York State Retirement and Social Security Law govern obligations of employers and employees to contribute and benefits to employees. The County contribution to the system is equal to 100% of the actuarially required contribution for the current fiscal year. The System has offered Statewide Retirement Incentive Programs in which the County has opted to participate.

The County also provides health care benefits for retired employees. The various collective bargaining agreements stipulate the employees covered and the percentage of required contribution. As of the end of the current fiscal year, there were 1,797 retired employees receiving these benefits. GAAP does not currently require governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits.

Additional information on the County's pension arrangements and post-employment health care benefits can be found in Note 3 F and J, respectively.

AWARDS AND ACKNOWLEDGEMENTS

GFOA - Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association (GFOA)of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Rockland, New York for its comprehensive annual financial report (CAFR) for the year ended December 31, 2001. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government reports.

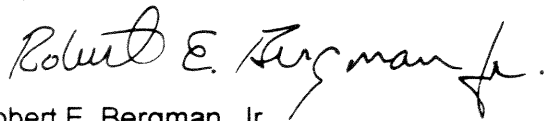
In order to be rewarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgements

I would like to thank all of the personnel in the Budget and Finance departments who have assisted in the preparation of this report. In particular, I want to thank H. Chris Kopf, First Deputy Commissioner of Finance, Anthony Costa, Deputy Commissioner of Finance, Arlene Karger, Accountant IV and Michael Cappabianca, Accountant III, as well as our independent auditors who assisted in its preparation. I would also like to thank the County Executive and the members of the County Legislature for their interest and support in the financial operation of the County.

Respectively Submitted,

A handwritten signature in black ink that reads "Robert E. Bergman, Jr." with a stylized flourish at the end.

Robert E. Bergman, Jr.
Commissioner of Finance

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Rockland,
New York

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

**FINANCIAL
SECTION**

INDEPENDENT AUDITORS' REPORT

To the Honorable Legislature of the
County of Rockland, New York:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County of Rockland, New York as of and for the year ended December 31, 2002, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these basic financial statements based on our audit. We did not audit the financial statements of the Home and Infirmary Fund. We also did not audit the financial statements of the Rockland County Industrial Development Agency (a component unit) for the year ended December 31, 2002, and the Rockland County Community College (a component unit) for the year ended August 31, 2002 which represent 27.7% and 75.2%, respectively, of the assets and revenues of the component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the basic financial statements insofar as it relates to amounts included for such fund and component units is based on the reports of the other auditors.

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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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 and the reports of the other auditors, provides a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County of Rockland, New York at December 31, 2002 and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We 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.

As described in Note 1 to the basic financial statements, the County of Rockland, New York adopted the provisions of Governmental Accounting Standards Board Statement No. 33, "*Accounting and Financial Reporting for Nonexchange Transactions*," Statement No. 34, "*Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments*," Statement No. 36, "*Recipient Reporting for Certain Shared Nonexchange Revenues*," Statement No. 37, "*Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments: Omnibus*," and Statement No. 38, "*Certain Financial Statement Note Disclosures*" as of and for the year ended December 31, 2002.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2003 on our consideration of the County of Rockland, New York's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the County of Rockland, New York's basic financial statements. The accompanying financial information listed as combining and individual fund financial statements and schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the County of Rockland, New York. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as whole. The information listed in the statistical section of the table of contents has not been subjected to the auditing procedures applied in our audit of the basic financial statements, and, accordingly we express no opinion on it.

Bennett Kielson Storch DeSantis & Company LLP

May 30, 2003

**County of Rockland, New York
Management's Discussion and Analysis (MD&A)
December 31, 2002**

Introduction

The following discussion and analysis of Rockland County, New York's financial statements provides an overview of the financial activities of Rockland County, New York for the fiscal year ended December 31, 2002. Please read it in conjunction with the transmittal letter, located at the front of this report and the basic financial statements and the accompanying notes to those statements that follow this section.

In the first year of implementation of Governmental Accounting Standards Board Statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments (GASB 34), which establishes new financial reporting requirements, the County will not be able to compare much of the financial information to the prior year. However, starting with the December 31, 2003 Comprehensive Annual Financial Report, comparisons of the current year with the prior year will be prepared to further explain the County's financial position and results of operations.

Financial Highlights for Fiscal Year 2002

- The net assets (assets minus liabilities) of the Primary Government for fiscal year 2002 were \$495,451,556. Of this amount, \$486,014,185 represents governmental net assets and \$9,437,371 is business-type net assets.
- The General Fund reported an ending fund balance of \$24,838,349, which represents a decrease of \$337,264 from fiscal year 2001. The Capital Projects Fund reported an ending fund balance of \$33,450,946, a decrease of \$8,600,528 from fiscal year 2001.
- The County's total outstanding bonds payable for December 31, 2002 were \$134,585,000.

Overview of the Financial Statements

The County's financial statements are composed of this Management Discussion and Analysis (MD&A) and the basic financial statements. This discussion and analysis serves as an introduction to the basic financial statements. The MD&A

provides analysis and overview of the County's financial activities. The basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes other supplementary information as listed in the table of contents, along with the statistical tables.

Government-wide Financial Statements

The government-wide financial statements are presented in a manner similar to private-sector business financial statements. The statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The government-wide financial statements include two statements: Statement of Net Assets and Statement of Activities. Fiduciary activities, whose resources are not available to finance County programs, are excluded from these statements.

The Statement of Net Assets presents the County's total assets and liabilities with the difference reported as net assets. Over time, increases or decreases in the net assets may serve as a gauge as to whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing the change in the County's net assets during the current fiscal year. All revenues and expenses are reported in this statement regardless of the timing of cash flows. The focus of this statement is on the net cost of providing various activities to the citizens of the County.

Both of the above financial statements have separate sections for the two different types of activities. These two types of activities are:

Governmental Activities - The activities reflected in this section are general government support, education, public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and interest. These activities are mostly supported by real property taxes, non-property taxes, charges for services, and operating grants and contributions.

Business-type Activities - These activities consist of the Home and Infirmary, a chronic care hospital and skilled nursing facility. These activities are intended to recover their cost of operation, including depreciation, primarily through user charges.

The government-wide financial statements include not only the County itself (the *primary government*) but also the Rockland County Community College, the Rockland County Soil and Water Conservation District, the Rockland County Solid Waste Management Authority and the Rockland County Industrial

Development Agency for which the County is financially accountable. Financial information for these *component units* are reported separately from the financial information presented for the primary government.

The government-wide financial statements can be found immediately following this discussion and analysis.

Fund Financial Statements

A fund is an accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The County divides its funds into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds - Most of the basic services provided by the County are financed and accounted for through governmental funds. Governmental fund financial statements focus on current inflows and outflows of spendable resources as well as the available balances of these resources at the end of the fiscal year. This information is useful in determining the County's financing requirements for the subsequent fiscal period. Governmental funds use the flow of current financial resources measurement focus and the modified accrual basis of accounting.

Because the focus of governmental funds is for the current period, it is useful to compare this information to the data presented in the government-wide financial statements. From this comparison, readers may better understand the long-term impact of the County's current financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County has eight individual governmental funds: General, County Road, Road Machinery, Community Development, Sewer District, Special Purpose, Debt Service and Capital Projects funds. Of these, the General and Capital Projects funds are reported as major funds, and are presented in separated columns on the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances. Data for the other six governmental funds are combined into a single, aggregated column on these statements. Individual fund data for these non-major funds can be found on the statements elsewhere in this report.

The County adopts an annual budget for its General Fund, certain Special Revenue funds and Debt Service Fund. A budgetary comparison statement has been provided for these funds to demonstrate compliance with the respective budgets.

The governmental fund financial statements can be found in the basic financial statements section of this report.

Proprietary Funds - These funds are used to show activities that operate similar to private business enterprises. Because these funds charge fees for services provided, they are known as proprietary funds. Proprietary fund financial statements use the economic resources measurement focus and the accrual basis of accounting, like the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Enterprise Fund - Home and Infirmary Fund. In addition, the internal service funds are presented in the proprietary fund financial statements.

The proprietary fund financial statements can be found in the basic financial statements section of this report.

Fiduciary Funds - These funds are used to account for resources held for the benefit of parties outside of the County. The fiduciary funds are not reflected in the government-wide financial statements because the assets of these funds are not available to support the activities of the County.

The Fiduciary Fund financial statements can be found in the basic financial statements section of this report.

Component Units - As discussed above, component units are legally separate entities for which the County is financially accountable. The component units enumerated above are reported in the aggregate in the government-wide financial statements.

The combining statements can be found in the basic financial statements section of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found following the basic financial statements section of this report.

Other Information

Additional statements and schedules can be found immediately following the notes to the financial statements. These include the combining statements for the non-major governmental funds and proprietary funds, schedules of budget to actual comparisons, and the statistical tables.

Government-wide Financial Analysis

In accordance with GASB Statement No. 34, for first time implementers, the County is not required to restate prior periods for the purposes of providing comparative information. However, in future years, when prior year information is available, a comparative analysis of government-wide information will be presented.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$495,451,556 for fiscal year 2002.

The following table reflects the condensed Statement of Net Assets:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current and Other Assets	\$ 236,944,185	\$ 23,685,705	\$ 260,629,890
Capital Assets	<u>541,626,823</u>	<u>19,887,811</u>	<u>561,514,634</u>
Total Assets	<u>778,571,008</u>	<u>43,573,516</u>	<u>822,144,524</u>
Current Liabilities	156,393,824	23,880,722	180,274,546
Long-term Liabilities	<u>136,162,999</u>	<u>10,255,423</u>	<u>146,418,422</u>
Total Liabilities	<u>292,556,823</u>	<u>34,136,145</u>	<u>326,692,968</u>
Net Assets:			
Invested in capital assets, net of related debt	438,310,280	14,021,370	452,331,650
Restricted	40,014,214	-	40,014,214
Unrestricted	<u>7,689,691</u>	<u>(4,583,999)</u>	<u>3,105,692</u>
Total Net Assets	<u>\$ 486,014,185</u>	<u>\$ 9,437,371</u>	<u>\$ 495,451,556</u>

The largest component of the County's net assets is Invested in Capital Assets, net of related debt of \$452,331,650 (91%) which reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to its citizens and consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted net assets of \$40,014,214, or 8 percent, represents resources that are subject to external restrictions on how they may be used. The restrictions are as follows:

Capital Projects	\$ 12,284,314
Law Enforcement	427,229
Stop – DWI Program	182,734
E-911	134,630
Handicapped Parking	23,655
Social Service Programs	60,785
Debt Service	13,718,593
Parklands	194,000
Affordable Housing	225,000
Sewer Purposes	10,575,492
Workers' Compensation Benefits	1,266,446
Unemployment Benefits	117,491
General Liability Claims	<u>803,845</u>
	<u>\$ 40,014,214</u>

The remaining portion of net assets is classified as unrestricted and is \$3,105,692.

Rockland County Changes in Net Assets

	Governmental Activities	Business-type Activities	Total
Program Revenues:			
Charges for Services	\$ 55,026,183	\$ 76,307,046	\$ 131,333,229
Operating Grants and Contributions	130,500,453	4,768,833	135,269,286
Capital Grants and Contributions	7,442,323	-	7,442,323
General Revenues:			
Real Property Taxes	55,170,006	2,764,269	57,934,275
Other Tax Items	4,461,514	-	4,461,514
Non-Property Taxes	119,079,563	-	119,079,563
Unrestricted Use of Money and Property	1,655,496	-	1,655,496
OTB Distributed Earnings	3,072,716	-	3,072,716
Other Revenues	<u>1,305,144</u>	<u>-</u>	<u>1,305,144</u>
Total Revenues	<u>377,713,398</u>	<u>83,840,148</u>	<u>461,553,546</u>
Program Expenses:			
General Government Support	63,153,245	-	63,153,245
Education	46,881,083	-	46,881,083
Public Safety	44,674,007	-	44,674,007
Health	38,430,956	-	38,430,956
Transportation	42,416,503	-	42,416,503
Economic Opportunity and Development	139,549,521	-	139,549,521
Culture and Recreation	662,233	-	662,233
Home and Community Services	18,434,960	-	18,434,960
Interest	6,217,396	-	6,217,396
Home and Infirmary	<u>-</u>	<u>83,329,746</u>	<u>83,329,746</u>
Total Expenses	<u>400,419,904</u>	<u>83,329,746</u>	<u>483,749,650</u>
Change in Net Assets	(22,706,506)	510,402	(22,196,104)
Net Assets - Beginning	<u>508,720,691</u>	<u>8,926,969</u>	<u>517,647,660</u>
Net Assets - Ending	<u>\$ 486,014,185</u>	<u>\$ 9,437,371</u>	<u>\$ 495,451,556</u>

Governmental Activities - Governmental activities decreased the County's net assets by \$22,706,506, which accounts for 102 percent of the total decrease in net assets. This decrease is directly attributable to the operations of the Capital Projects Fund.

For the fiscal year ended December 31, 2002, revenues from governmental activities totaled \$378 million. Tax revenues (\$179 million), comprised of real property taxes, other tax items and non-property taxes, represent the largest revenue source (47.4 percent). Collection of the current tax levy remains very strong at 96.5 percent, while averaging 97.5 percent over the last 10 years. Non-property taxes yielded \$119.7 million, an increase of \$15.0 million over fiscal year 2001.

Business-type Activities - Business-type activities increased the County's net assets by \$510,402 for the year ended December 31, 2002.

Financial Analysis of the Government's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported a combined ending fund balance of \$82.4 million, a decrease of \$14.8 million in comparison with the prior year. Of the total combined fund balance, \$35.3 million constitutes unreserved fund balance, of which \$6.4 million has been designated for subsequent year's expenditures and represents the amount estimated for use in the 2003 budget. The balance of \$16.6 million, net of the amount available in the Capital Projects Fund of \$12.3 million, is available for spending at the County's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to encumbrances (\$27.4 million), compensated absences (\$8.9 million), debt service (\$8.1 million) and a variety of other purposes (\$2.7 million).

The General Fund is the primary operating fund of the County. At the end of the current fiscal year, the total fund balance of the General Fund was \$24.8 million. Of this amount, \$11.6 million was unreserved.

When the fiscal 2002 budget was adopted, it anticipated the use of \$8.1 million of fund balance. However, actual results of operations resulted in the use of \$3.3 million. Overall, General Fund expenditures were \$356.9 million, which was \$7.8 million less than the final budget. The major areas where spending was less than budget was general government support (\$4.5 million), education (\$2.5 million), health (\$1.9 million) and employee benefits (\$1.8 million).

The revenue categories that reflected positive variances as compared to the budget were real property taxes (\$2.9 million) and departmental income (\$3.6 million).

The Capital Projects Fund is used to account for capital project activity throughout the County. The Capital Projects Fund's ending fund balance is \$33.5 million for fiscal year 2002.

Nonmajor Governmental Funds consist of the Special Revenue Funds and the Debt Service Fund. The Special Revenue Funds are made up of the following individuals funds: County Road Fund, Road Machinery Fund, Community Development Fund, Sewer District Fund and Special Purpose Fund. For fiscal year ending December 31, 2002, the combined fund balance of these funds totaled \$24.1 million. This represents a decrease of \$5.9 million for fiscal year 2002.

Proprietary Funds - The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Factors concerning the finances of the Enterprise Fund have already been addressed in the schedules and in the discussion of the County's business-type activities.

Net assets of the Internal Service Funds decreased by \$1.7 million leaving a balance of net assets of \$2.6 million.

Budgetary Highlights

General Fund - Differences between the original budget and the final amended budget was a \$43.9 million increase in appropriations. The increase is attributed to two areas. The first area is a \$29.7 million increase for charges for employee benefits to other funds and the second is an increase in the budget for grants received by the Department of Health (\$4.5 million), Department of Social Services (\$5.0 million) and the Department of Transportation (\$3.0 million).

Capital Asset and Debt Administration

Capital Assets - The County's investment in capital assets for its governmental and business type activities as of December 31, 2002, amounts to \$561.5 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure and construction-in-progress.

Rockland County Capital Assets (Net of Depreciation) (in thousands)

	Governmental activities		Business-type activities		Total	
	2002	2001	2002	2001	2002	2001
Land	\$ 27,424	\$ 27,424	\$ 439	\$ 439	\$ 27,863	\$ 27,863
Buildings and improvements	132,329	145,355	5,408	5,831	137,737	151,186
Equipment	9,994	11,013	10,890	10,374	20,884	21,387
Infrastructure	54,433	55,506	-	-	54,433	55,506
Construction in progress	317,447	294,360	3,151	4,068	320,598	298,428
Total	<u>\$ 541,627</u>	<u>\$ 533,658</u>	<u>\$ 19,888</u>	<u>\$ 20,712</u>	<u>\$ 561,515</u>	<u>\$ 554,370</u>

The following highlights the amounts expended during the current fiscal year on major capital assets:

- Completion of County Courthouse project, purchases of open space and continuation of County-wide stream maintenance.

Additional information on the County's capital assets can be found in Note 3 of this report.

Long-term Debt - At the end of the current fiscal year, the County had total debt outstanding of \$134,585,000. The County's total debt decreased by \$7,867,000. All of this debt is backed by the full faith and credit of the County.

Rockland County Outstanding Debt General Obligation Bonds (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2002	2001	2002	2001	2002	2001
General Obligation Bonds	<u>\$ 125,788</u>	<u>\$ 117,949</u>	<u>\$ 8,797</u>	<u>\$ 8,769</u>	<u>\$ 134,585</u>	<u>\$ 126,718</u>

Through sound financial management and manageable debt levels, the County has been successful in maintaining its high-grade rating for its general obligation bonds. In 2002, the County received an Aa1 rating from Moody's Investors Service. The County has enjoyed a very favorable bond rating of AA for over ten years.

The State Constitution limits the amount of indebtedness, both long-term and short-term, which the County may incur. The State Constitution provides that the County may not contract indebtedness in an amount greater than seven percent of the average full value of taxable real property in the County for the most recent five years. Certain indebtedness is excluded in ascertaining the County's authority to contract indebtedness within the constitutional limits; accordingly, debt of this kind, commonly referred to as "excluded debt", may be issued without regard to the constitutional limits and without affecting the County's authority to issue debt subject to the limit. At December 31, 2002, the County of Rockland had used \$85,862,740 or 6.01% of the constitutional debt limit leaving \$1,342,199,209 remaining to be used.

Additional information on the County's long-term debt can be found in Note 3 of this report.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Robert E. Bergman, Jr., Commissioner of Finance, Rockland County Finance Department, 18 New Hempstead Road, New City, New York, 10956. The telephone number is (845) 638-5131.

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**BASIC
FINANCIAL STATEMENTS**

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STATEMENT OF NET ASSETS
DECEMBER 31, 2002

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and equivalents	\$ 93,200,351	\$ 2,538,296	\$ 95,738,647	\$ 8,625,948
Investments	23,479,431	-	23,479,431	3,596,679
Receivables:				
Taxes, net of allowance for uncollectible amounts	24,928,924	-	24,928,924	-
Accounts, net of allowance for uncollectible amounts	31,625,197	893,541	32,518,738	3,014,143
Accounts - Patient care, net of allowance for uncollectible amounts	-	12,719,739	12,719,739	-
Loans	286,026	-	286,026	-
State and Federal aid	64,748,645	-	64,748,645	1,834,795
Due from other governments	5,216,964	-	5,216,964	-
Internal balances	(6,895,745)	6,895,745	-	-
Inventories	49,234	505,679	554,913	-
Prepaid expenses	305,158	132,705	437,863	563,832
Restricted assets	-	-	-	7,681,896
	<u>236,944,185</u>	<u>23,685,705</u>	<u>260,629,890</u>	<u>25,317,293</u>
Capital assets				
Land	27,423,835	438,504	27,862,339	1,423,312
Buildings	45,808,700	16,221,905	62,030,605	35,849,712
Improvements	325,216,772	345,975	325,562,747	-
Equipment	35,265,972	35,166,170	70,432,142	14,062,210
Infrastructure	77,666,274	-	77,666,274	-
Construction-in-progress	317,447,137	3,150,885	320,598,022	109,185
	<u>828,828,690</u>	<u>55,323,439</u>	<u>884,152,129</u>	<u>51,444,419</u>
Less - Accumulated depreciation	<u>(287,201,867)</u>	<u>(35,435,628)</u>	<u>(322,637,495)</u>	<u>(8,914,900)</u>
Total Capital Assets, net of accumulated depreciation	<u>541,626,823</u>	<u>19,887,811</u>	<u>561,514,634</u>	<u>42,529,519</u>
Total Assets	<u>778,571,008</u>	<u>43,573,516</u>	<u>822,144,524</u>	<u>67,846,812</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	27,896,139	2,330,826	30,226,965	4,140,567
Accrued liabilities	30,982,072	10,084,820	41,066,892	7,051,816
Deposits payable	-	-	-	5,000
Due to other governments	1,660,532	988,456	2,648,988	82,649
Due to school districts	15,746,349	-	15,746,349	-
Deferred revenues	2,964,789	-	2,964,789	6,345,323
Accrued interest payable	2,138,586	106,633	2,245,219	-
Revenue anticipation note payable	60,000,000	-	60,000,000	-
Bond anticipation notes payable	4,800,000	-	4,800,000	2,500,000
Non-Current Liabilities:				
Due within one year:				
Compensated absences	1,605,115	8,192,820	9,797,935	-
Bonds payable	6,543,540	1,168,464	7,712,004	1,380,000
Pension obligations	2,056,702	1,008,703	3,065,405	-
Due in more than one year:				
Compensated absences	10,550,176	-	10,550,176	-
Bonds payable	119,244,448	7,628,548	126,872,996	26,220,968
Pension obligations	6,368,375	2,626,875	8,995,250	-
Total Liabilities	<u>292,556,823</u>	<u>34,136,145</u>	<u>326,692,968</u>	<u>47,726,323</u>
NET ASSETS				
Invested in capital assets, net of related debt	438,310,280	14,021,370	452,331,650	18,731,868
Restricted for:				
Capital projects	12,284,314	-	12,284,314	344,470
Law enforcement	427,229	-	427,229	-
STOP-DWI Program	182,734	-	182,734	-
E-911	134,630	-	134,630	-
Handicapped parking	23,655	-	23,655	-
Social service programs	60,785	-	60,785	-
Debt service	13,718,593	-	13,718,593	786,531
Parklands	194,000	-	194,000	-
Affordable housing	225,000	-	225,000	-
Sewer purposes	10,575,492	-	10,575,492	-
Student loans	-	-	-	7,639
Student activities	-	-	-	319,261
Workers' compensation benefits	1,266,446	-	1,266,446	-
Unemployment benefits	117,491	-	117,491	-
General liability claims	803,845	-	803,845	-
Permanent endowments	-	-	-	70,532
Unrestricted	<u>7,689,691</u>	<u>(4,583,999)</u>	<u>3,105,692</u>	<u>(139,812)</u>
Total Net Assets	<u>\$ 486,014,185</u>	<u>\$ 9,437,371</u>	<u>\$ 495,451,556</u>	<u>\$ 20,120,489</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF ROCKLAND, NEW YORK
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2002

Functions/ Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government support	\$ 63,153,245	\$ 37,316,911	\$ 827,181	\$ -
Education	46,881,083	-	-	580,002
Public safety	44,674,007	3,411,682	3,169,238	-
Health	38,430,956	5,100,982	98,394,898	-
Transportation	42,416,503	3,339,514	21,608,197	4,836,007
Economic opportunity and development	139,549,521	5,769,244	3,688,216	-
Culture and recreation	662,233	-	2,285,890	26,250
Home and community services	18,434,960	87,850	117,197	-
Interest	6,217,396	-	409,636	2,000,064
Total Governmental Activities	400,419,904	55,026,183	130,500,453	7,442,323
Business-type activities -				
Home and Infirmiry Fund	83,329,746	76,307,046	4,768,833	-
Total Primary Government	\$ 483,749,650	\$ 131,333,229	\$ 135,269,286	\$ 7,442,323
Component Units:				
Rockland County Community College	\$ 52,526,752	\$ 18,874,286	\$ 5,465,703	\$ 2,858,130
Rockland County Soil and Water Conservation District	20,940	-	3,000	-
Rockland County Solid Waste Management Authority	18,251,354	16,030,778	1,422,830	-
Rockland County Industrial Development Agency	192,414	104,130	-	-
Total Component Units	\$ 70,991,460	\$ 35,009,194	\$ 6,891,533	\$ 2,858,130

General Revenues:

Real property taxes
Other tax items
Non-property taxes
Unrestricted use of money and property
Contributions from Rockland County
Grants and contributions not restricted to specific programs
OTB distributed earnings
Other revenues

Total General Revenues

Change in Net Assets

Net Assets - Beginning of Year

Net Assets - End of Year

The notes to the financial statements are an integral part of this financial statement.

Net (Expense) Revenue and Changes in Net Assets

Primary Government

Governmental Activities	Business-type Activities	Total	Component Units
\$ (25,009,153)	\$ -	\$ (25,009,153)	\$ -
(46,301,081)	-	(46,301,081)	-
(38,093,087)	-	(38,093,087)	-
65,064,924	-	65,064,924	-
(12,632,785)	-	(12,632,785)	-
(130,092,061)	-	(130,092,061)	-
1,649,907	-	1,649,907	-
(18,229,913)	-	(18,229,913)	-
(3,807,696)	-	(3,807,696)	-
(207,450,945)	-	(207,450,945)	-
-	(2,253,867)	(2,253,867)	-
(207,450,945)	(2,253,867)	(209,704,812)	-
-	-	-	(25,328,633)
-	-	-	(17,940)
-	-	-	(797,746)
-	-	-	(88,284)
-	-	-	(26,232,603)
55,170,006	2,764,269	57,934,275	-
4,461,514	-	4,461,514	-
119,079,563	-	119,079,563	-
1,655,496	-	1,655,496	2,042,148
-	-	-	12,669,968
-	-	-	10,787,679
3,072,716	-	3,072,716	-
1,305,144	-	1,305,144	1,555,108
184,744,439	2,764,269	187,508,708	27,054,903
(22,706,506)	510,402	(22,196,104)	822,300
508,720,691	8,926,969	517,647,660	19,298,189
<u>\$ 486,014,185</u>	<u>\$ 9,437,371</u>	<u>\$ 495,451,556</u>	<u>\$ 20,120,489</u>

COUNTY OF ROCKLAND, NEW YORK

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2002

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and Equivalents	\$ 34,164,157	\$ 37,564,538	\$ 9,399,224	\$ 81,127,919
Investments	3,622,571	-	15,001,860	18,624,431
Taxes Receivable, net of allowance for uncollectible taxes	24,928,924	-	-	24,928,924
Other Receivables:				
Accounts	29,116,036	342,869	521,855	29,980,760
Loans	-	-	286,026	286,026
State and Federal aid	57,595,986	5,608,547	1,075,730	64,280,263
Due from other governments	5,216,964	-	-	5,216,964
Due from other funds	-	-	1,581,270	1,581,270
Advances to other funds	1,388,381	-	-	1,388,381
	<u>93,317,367</u>	<u>5,951,416</u>	<u>3,464,881</u>	<u>102,733,664</u>
Prepaid Expenditures	241,790	-	30,585	272,375
Total Assets	<u>\$ 156,274,809</u>	<u>\$ 43,515,954</u>	<u>\$ 27,896,550</u>	<u>\$ 227,687,313</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 22,290,441	\$ 3,782,398	\$ 811,339	\$ 26,884,178
Accrued liabilities	15,039,365	-	703,041	15,742,406
Due to other governments	1,113,434	547,098	-	1,660,532
Due to school districts	15,746,349	-	-	15,746,349
Due to other funds	6,663,915	935,512	334,927	7,934,354
Advances from other funds	-	-	1,388,381	1,388,381
Deferred revenues - Taxes	8,147,070	-	-	8,147,070
Deferred revenues - Other	2,435,886	-	528,903	2,964,789
Revenue anticipation note payable	60,000,000	-	-	60,000,000
Bond anticipation notes payable	-	4,800,000	-	4,800,000
Total Liabilities	<u>131,436,460</u>	<u>10,065,008</u>	<u>3,766,591</u>	<u>145,268,059</u>
Fund Balances:				
Reserved for encumbrances	3,164,637	20,978,913	3,209,331	27,352,881
Reserved for prepaid expenditures	241,790	-	30,585	272,375
Reserved for law enforcement	427,229	-	-	427,229
Reserved for STOP - DWI Program	182,734	-	-	182,734
Reserved for E-911	134,630	-	-	134,630
Reserved for handicapped parking	23,655	-	-	23,655
Reserved for long-term receivable	-	-	70,988	70,988
Reserved for social service programs	-	-	60,785	60,785
Reserved for compensated absences	7,668,958	-	1,213,089	8,882,047
Reserved for debt service	-	-	8,166,173	8,166,173
Reserved for parklands	-	194,000	-	194,000
Reserved for advances	1,388,381	-	-	1,388,381
Unreserved:				
Designated for affordable housing	-	-	225,000	225,000
Designated for Section 8	122,803	-	-	122,803
Designated for transportation projects	-	7,623,873	-	7,623,873
Designated for treatment plant and collection system	-	-	135,625	135,625
Designated for subsequent year's expenditures	-	-	6,380,744	6,380,744
Undesignated	11,483,532	4,654,160	4,637,639	20,775,331
Total Fund Balances	<u>24,838,349</u>	<u>33,450,946</u>	<u>24,129,959</u>	<u>82,419,254</u>
Total Liabilities and Fund Balances	<u>\$ 156,274,809</u>	<u>\$ 43,515,954</u>	<u>\$ 27,896,550</u>	<u>\$ 227,687,313</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF ROCKLAND, NEW YORK

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO
 THE GOVERNMENT - WIDE STATEMENT OF NET ASSETS - GOVERNMENTAL ACTIVITIES
 DECEMBER 31, 2002

Fund Balances - Total Governmental Funds	\$ 82,419,254
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	532,313,337
Internal service funds are used by management to charge the costs of insurance and general services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	2,575,291
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:	
Real property taxes	8,147,070
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds payable	(120,426,523)
Compensated absences, net of reimbursements	(8,974,309)
Due to retirement system	(7,901,349)
Accrued interest payable	(2,138,586)
Net Assets of Governmental Activities	<u>\$ 486,014,185</u>

COUNTY OF ROCKLAND, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2002

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:				
Real property taxes	\$ 43,024,198	\$ -	\$ 15,066,045	\$ 58,090,243
Other tax items	4,461,514	-	-	4,461,514
Non-property taxes	119,731,942	-	-	119,731,942
Departmental income	29,514,747	-	112,343	29,627,090
Use of money and property	928,699	-	2,371,701	3,300,400
Licenses and permits	1,222,638	-	29,729	1,252,367
Fines and forfeitures	663,206	-	11,735	674,941
Sale of property and compensation for loss	135,547	-	24,036	159,583
Interfund/intrafund revenues	39,112,951	-	151,689	39,264,640
State aid	76,070,704	5,187,569	1,927,875	83,186,148
Federal aid	42,680,443	254,690	3,247,943	46,183,076
Miscellaneous	6,912,934	-	818,831	7,731,765
Total Revenues	364,459,523	5,442,259	23,761,927	393,663,709
Expenditures:				
Current:				
General government support	34,958,991	-	-	34,958,991
Education	45,329,687	-	-	45,329,687
Public safety	41,745,805	-	-	41,745,805
Health	37,298,006	-	-	37,298,006
Transportation	19,868,067	-	11,356,982	31,225,049
Economic opportunity and development	135,363,082	-	3,081,465	138,444,547
Culture and recreation	598,690	-	-	598,690
Home and community services	5,082,674	-	11,419,641	16,502,315
Employee benefits	36,281,171	-	1,170,244	37,451,415
Debt Service:				
Principal	-	-	7,472,536	7,472,536
Interest	372,078	-	5,678,932	6,051,010
Capital Outlay	-	25,899,601	-	25,899,601
Total Expenditures	356,898,251	25,899,601	40,179,800	422,977,652
Excess (Deficiency) of Revenues Over Expenditures	7,561,272	(20,457,342)	(16,417,873)	(29,313,943)
Other Financing Sources (Uses):				
Bonds issued	-	14,488,000	-	14,488,000
Transfers in	4,847,915	400,000	24,356,684	29,604,599
Transfers out	(12,746,451)	(3,031,186)	(13,826,962)	(29,604,599)
Total Other Financing Sources (Uses)	(7,898,536)	11,856,814	10,529,722	14,488,000
Net Change in Fund Balances	(337,264)	(8,600,528)	(5,888,151)	(14,825,943)
Fund Balances - Beginning of Year, as previously reported	17,130,029	42,051,474	28,881,517	88,063,020
Change in Accounting Principle	8,045,584	-	1,136,593	9,182,177
Fund Balances - Beginning of Year, as restated	25,175,613	42,051,474	30,018,110	97,245,197
Fund Balances - End of Year	\$ 24,838,349	\$ 33,450,946	\$ 24,129,959	\$ 82,419,254

The notes to the financial statements are an integral part of this statement.

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2002

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances - Total Governmental Funds	<u>\$ (14,825,943)</u>
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.</p>	
Capital outlay expenditures	26,610,062
Depreciation expense	<u>(18,762,374)</u>
	<u>7,847,688</u>
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Real property taxes	<u>(2,920,237)</u>
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>	
Principal paid on bonds	7,472,540
Bonds issued	<u>(14,488,000)</u>
	<u>(7,015,460)</u>
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Retirement system	(4,196,216)
Compensated absences	302,634
Accrued interest	<u>(151,442)</u>
	<u>(4,045,024)</u>
<p>The net revenue of certain activities of internal service funds is reported with governmental activities.</p>	
	<u>(1,747,530)</u>
Change in Net Assets of Governmental Activities	<u>\$ (22,706,506)</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF ROCKLAND, NEW YORK

GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Real property taxes	\$ 40,131,825	\$ 40,131,825	\$ 43,024,198	\$ 2,892,373
Other tax items	4,810,000	4,810,000	4,461,514	(348,486)
Non-property taxes	119,708,986	119,708,986	119,731,942	22,956
Departmental income	24,967,181	25,919,576	29,514,747	3,595,171
Use of money and property	610,000	610,000	928,699	318,699
Licenses and permits	1,372,000	1,372,000	1,222,638	(149,362)
Fines and forfeitures	664,879	657,754	663,206	5,452
Sale of property and compensation for loss	13,500	13,500	135,547	122,047
Interfund/intrafund revenues	9,185,905	38,904,782	39,112,951	208,169
State aid	75,472,602	80,035,929	76,070,704	(3,965,225)
Federal aid	35,280,651	44,095,393	42,680,443	(1,414,950)
Miscellaneous	6,154,000	6,206,955	6,912,934	705,979
Total Revenues	318,371,529	362,466,700	364,459,523	1,992,823
Expenditures:				
Current:				
General government support	42,926,735	39,471,281	34,958,991	4,512,290
Education	47,775,971	47,806,080	45,329,687	2,476,393
Public safety	36,935,296	40,231,601	41,745,805	(1,514,204)
Health	34,752,664	39,207,625	37,298,006	1,909,619
Transportation	16,604,981	19,654,867	19,868,067	(213,200)
Economic opportunity and development	127,537,476	133,197,864	135,363,082	(2,165,218)
Culture and recreation	598,205	598,555	598,690	(135)
Home and community services	5,084,615	6,007,341	5,082,674	924,667
Employee benefits	8,381,632	38,116,925	36,281,171	1,835,754
Debt Service - Interest	441,000	441,000	372,078	68,922
Total Expenditures	321,038,575	364,733,139	356,898,251	7,834,888
Excess (Deficiency) of Revenues Over Expenditures	(2,667,046)	(2,266,439)	7,561,272	9,827,711
Other Financing Sources (Uses):				
Transfers in	5,049,245	5,076,135	4,847,915	(228,220)
Transfers out	(13,063,028)	(13,234,638)	(12,746,451)	488,187
Total Other Financing Uses	(8,013,783)	(8,158,503)	(7,898,536)	259,967
Net Change in Fund Balance	(10,680,829)	(10,424,942)	(337,264)	10,087,678
Fund Balance - Beginning of Year, as previously reported	10,680,829	10,424,942	17,130,029	6,705,087
Change in Accounting Principle	-	-	8,045,584	8,045,584
Fund Balance - Beginning of Year, as restated	10,680,829	10,424,942	25,175,613	14,750,671
Fund Balance - End of Year	\$ -	\$ -	\$ 24,838,349	\$ 24,838,349

The notes to the financial statements are an integral part of this statement.

ROCKLAND COUNTY, NEW YORK

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2002

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Home and Infirmary Fund	Funds
ASSETS		
Cash and equivalents	\$ 2,538,296	\$ 12,072,432
Investments	-	4,855,000
Receivables:		
Accounts	893,541	77,061
Accounts - patient care, net of allowance for uncollectible amounts	12,719,739	-
State and Federal aid	-	468,382
Due from other funds	6,895,745	81,427
Inventories	505,679	49,234
Prepaid expenses	132,705	32,783
Total Current Assets	<u>23,685,705</u>	<u>17,636,319</u>
Capital assets:		
Land	438,504	-
Buildings	16,221,905	2,980
Improvements	345,975	-
Equipment	35,166,170	4,512,340
Construction-in-progress	3,150,885	8,706,530
Less - accumulated depreciation	<u>(35,435,628)</u>	<u>(3,908,364)</u>
Total Capital Assets, net of accumulated depreciation	<u>19,887,811</u>	<u>9,313,486</u>
Total Assets	<u>43,573,516</u>	<u>26,949,805</u>
LIABILITIES		
Accounts payable	2,330,826	1,011,961
Accrued liabilities	10,084,820	15,239,666
Compensated absences	8,192,820	1,613,606
Due to other governments	988,456	-
Accrued interest payable	106,633	-
Due to other funds	-	624,088
Current portion of long-term obligations:		
Bonds payable	1,168,464	584,267
Due to retirement system	<u>1,008,703</u>	<u>98,408</u>
Total Current Liabilities	<u>23,880,722</u>	<u>19,171,996</u>
Non-current liabilities:		
Bonds payable	7,628,548	4,777,198
Due to retirement system	<u>2,626,875</u>	<u>425,320</u>
Total Noncurrent Liabilities	<u>10,255,423</u>	<u>5,202,518</u>
Total Liabilities	<u>34,136,145</u>	<u>24,374,514</u>
NET ASSETS		
Invested in capital assets, net of related debt	14,021,370	3,953,431
Unrestricted	<u>(4,583,999)</u>	<u>(1,378,140)</u>
Total Net Assets	<u>\$ 9,437,371</u>	<u>\$ 2,575,291</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF ROCKLAND, NEW YORK

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 YEAR ENDED DECEMBER 31, 2002

	Business-type Activities- Enterprise Fund	Governmental Activities - Internal Service Funds
	Home and Infirmary Fund	
Operating Revenues:		
Charges for services	\$ 75,485,565	\$ 25,877,183
Miscellaneous	821,481	-
Total Operating Revenues	<u>76,307,046</u>	<u>25,877,183</u>
Operating Expenses:		
Administrative and general expenses	10,068,291	4,191,190
Salaries and wage expenses	43,266,319	93,904
Pension and employee benefits	17,056,144	6,085,657
Judgments and claims	-	2,299,123
Supplies and other expenses	7,342,656	14,978,640
Depreciation	1,838,779	318,630
Provision for bad debts	3,481,421	-
Total Operating Expenses	<u>83,053,610</u>	<u>27,967,144</u>
Loss from Operations	<u>(6,746,564)</u>	<u>(2,089,961)</u>
Non-Operating Revenues (Expenses):		
Real property taxes	2,764,269	-
Intergovernmental transfer	4,768,833	-
Interest income	-	357,383
Interest on indebtedness	(276,136)	(14,952)
Total Non-Operating Revenues	<u>7,256,966</u>	<u>342,431</u>
Change in Net Assets	510,402	(1,747,530)
Net Assets - Beginning of Year	<u>8,926,969</u>	<u>4,322,821</u>
Net Assets - End of Year	<u>\$ 9,437,371</u>	<u>\$ 2,575,291</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF ROCKLAND, NEW YORK

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED DECEMBER 31, 2002

	Business-type Activities- Enterprise Fund	Governmental Activities- Internal Service Funds
	Home and Infirmary Fund	
Cash Flows From Operating Activities:		
Cash received from patients and third-party payors	\$ 72,917,416	\$ -
Other receipts	5,742,509	-
Cash received from charges for services	-	13,710,538
Cash payments to insurance carriers and claimants	-	(4,353,105)
Cash payments to employees	(62,693,909)	-
Cash payments to vendors	(17,347,406)	(11,110,340)
Net Cash Used in Operating Activities	(1,381,390)	(1,752,907)
Cash Flows From Non-Capital Financing Activities:		
Real property taxes	2,764,269	-
Intergovernmental transfer	4,768,833	-
Retirement of long-term debt	-	(470)
Interest on indebtedness	-	(14,952)
Net Cash Provided by (Used in) Non-Capital Financing Activities	7,533,102	(15,422)
Cash Flows From Capital and Related Financing Activities:		
Remittances to County of Rockland, net	(4,959,423)	-
Issuance of long-term debt	1,285,000	900,000
Retirement of long-term debt	(1,257,452)	(75,542)
Interest on indebtedness	(281,139)	-
Acquisition and construction of fixed assets	(1,014,782)	(447,163)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(6,227,796)	377,295
Cash Flows From Investing Activities:		
Interest income	-	357,383
Proceeds from sale of investments	-	10,132,000
Purchase of investments	-	(4,855,000)
Net Cash Provided by Investing Activities	-	5,634,383
Net Increase (Decrease) in Cash and Equivalents	(76,084)	4,243,349
Cash and Equivalents - Beginning of Year	2,614,380	7,829,083
Cash and Equivalents - End of Year	\$ 2,538,296	\$ 12,072,432
Reconciliation of Loss from Operations to Net Cash Used in Operating Activities:		
Loss from operations	\$ (6,746,564)	\$ (2,089,961)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	1,838,779	318,630
Provision for bad debts	3,481,421	-
Changes in assets and liabilities:		
Accounts receivable	1,632,052	374,966
Accounts receivable - Patient care	(3,385,919)	-
State and Federal aid receivable	-	(443,719)
Due from other funds	(3,476,148)	861,009
Prepaid expenses	(62,812)	(14,685)
Inventories	(137,856)	57,818
Accounts payable and retained percentages	132,479	(17,944)
Accrued liabilities	2,671,291	(61,047)
Compensated absences	-	(420,011)
Due to retirement system	1,994,645	309,889
Due to other governments	677,242	-
Due to other funds	-	(627,852)
Net Cash Used in Operating Activities	\$ (1,381,390)	\$ (1,752,907)

The notes to the financial statements are an integral part of this statement.

COUNTY OF ROCKLAND, NEW YORK

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS - AGENCY FUND
DECEMBER 31, 2002

ASSETS

Cash:	
Demand deposits	\$ 3,807,710
Time deposits	1,988,891
Certificates of deposit	<u>250,000</u>
	6,046,601
Investments	85,000
Accounts Receivable	<u>111,441</u>
Total Assets	<u>\$ 6,243,042</u>

LIABILITIES

Accounts Payable	\$ 544,008
Employee Payroll Deductions	458,214
Deposits	2,385,839
Due to Other Governments	<u>2,854,981</u>
Total Liabilities	<u>\$ 6,243,042</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF ROCKLAND, NEW YORK

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FIDUCIARY FUNDS - AGENCY FUND
 YEAR ENDED DECEMBER 31, 2002

	Balance January 1, 2002	Increases	Decreases	Balance December 31, 2002
<u>ASSETS</u>				
Cash:				
Demand deposits	\$ 3,377,670	\$ 186,676,150	\$ 186,246,110	\$ 3,807,710
Time deposits	2,002,899	5,466,029	5,480,037	1,988,891
Certificates of deposit	250,000	-	-	250,000
	5,630,569	192,142,179	191,726,147	6,046,601
Investments	60,000	102,926	77,926	85,000
Accounts Receivable	49,951	159,110,211	159,048,721	111,441
Total Assets	\$ 5,740,520	\$ 351,355,316	\$ 350,852,794	\$ 6,243,042
<u>LIABILITIES</u>				
Accounts Payable	\$ 167,255	\$ 1,914,359	\$ 1,537,606	\$ 544,008
Employee Payroll Deductions	674,158	63,713,027	63,928,971	458,214
Deposits	2,697,989	8,327,047	8,639,197	2,385,839
Due to Other Governments	2,201,118	14,526,399	13,872,536	2,854,981
Total Liabilities	\$ 5,740,520	\$ 88,480,832	\$ 87,978,310	\$ 6,243,042

The notes to the financial statements are an integral part of this statement.

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COUNTY OF ROCKLAND, NEW YORK

STATEMENT OF NET ASSETS
COMPONENT UNITS

DECEMBER 31, 2002 (Rockland Community College as of August 31, 2002)

	Rockland County Community College	Rockland County Soil and Water Conservation District	Rockland County Solid Waste Management Authority	Rockland County Industrial Development Agency	Totals
ASSETS					
Cash and equivalents	\$ 7,916,222	\$ 41,928	\$ 476,707	\$ 191,091	\$ 8,625,948
Investments	3,545,406	-	-	51,273	3,596,679
Receivables:					
Accounts, net of allowance for uncollectible amounts	1,026,720	-	1,986,411	1,012	3,014,143
State and Federal aid	1,024,939	31,179	778,677	-	1,834,795
Prepaid expenses	-	-	563,832	-	563,832
Restricted assets	-	-	7,681,896	-	7,681,896
	<u>13,513,287</u>	<u>73,107</u>	<u>11,487,523</u>	<u>243,376</u>	<u>25,317,293</u>
Capital assets:					
Land	-	-	1,423,312	-	1,423,312
Buildings	-	-	35,849,712	-	35,849,712
Equipment	5,457,883	11,424	8,592,903	-	14,062,210
Construction-in-progress	-	-	109,185	-	109,185
	<u>5,457,883</u>	<u>11,424</u>	<u>45,975,112</u>	<u>-</u>	<u>51,444,419</u>
Less - Accumulated depreciation	<u>(408,199)</u>	<u>(5,284)</u>	<u>(8,501,417)</u>	<u>-</u>	<u>(8,914,900)</u>
Total Capital Assets, net of accumulated depreciation	<u>5,049,684</u>	<u>6,140</u>	<u>37,473,695</u>	<u>-</u>	<u>42,529,519</u>
Total Assets	<u>18,562,971</u>	<u>79,247</u>	<u>48,961,218</u>	<u>243,376</u>	<u>67,846,812</u>
LIABILITIES					
Accounts payable	629,223	-	3,511,344	-	4,140,567
Accrued liabilities	6,961,451	17,000	68,467	4,898	7,051,816
Deposits payable	5,000	-	-	-	5,000
Due to other governments	82,649	-	-	-	82,649
Deferred revenues	6,343,948	-	1,375	-	6,345,323
Bond anticipation notes payable	-	-	2,500,000	-	2,500,000
Non-current liabilities:					
Due within one year - Bonds payable	-	-	1,380,000	-	1,380,000
Due in more than one year - Bonds payable	-	-	26,220,968	-	26,220,968
Total Liabilities	<u>14,022,271</u>	<u>17,000</u>	<u>33,682,154</u>	<u>4,898</u>	<u>47,726,323</u>
NET ASSETS					
Invested in capital assets, net of related debt	5,049,684	6,140	13,676,044	-	18,731,868
Restricted for:					
Capital projects	344,470	-	-	-	344,470
Debt service	-	-	786,531	-	786,531
Student loans	7,639	-	-	-	7,639
Student activities	319,261	-	-	-	319,261
Permanent endowments	70,532	-	-	-	70,532
Unrestricted	<u>(1,250,886)</u>	<u>56,107</u>	<u>816,489</u>	<u>238,478</u>	<u>(139,812)</u>
Total Net Assets	<u>\$ 4,540,700</u>	<u>\$ 62,247</u>	<u>\$ 15,279,064</u>	<u>\$ 238,478</u>	<u>\$ 20,120,489</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF ROCKLAND, NEW YORK

STATEMENT OF ACTIVITIES
 COMPONENT UNITS
 YEAR ENDED DECEMBER 31, 2002

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Rockland County Community College - Education	\$ 52,526,752	\$ 18,874,286	\$ 5,465,703	\$ 2,858,130
Rockland County Soil and Water Conservation - Home and Community Services	20,940	-	3,000	-
Rockland County Solid Waste Management Authority - Home and Community Services	18,251,354	16,030,778	1,422,830	-
Rockland County Industrial Development Agency- Economic Oppurtunity and Development	192,414	104,130	-	-
Total Component Units	\$ 70,991,460	\$ 35,009,194	\$ 6,891,533	\$ 2,858,130

General Revenues:

- Unrestricted use of money and property
- Contributions from Rockland County
- Grants and contributions not restricted to specific programs
- Other revenues

Total General Revenues

Change in Net Assets

Net Assets - Beginning of Year

Net Assets - End of Year

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue
and Changes in Net Assets

Rockland County Community College	Rockland County Soil and Water Conservation District	Rockland County Solid Waste Management Authority	Rockland County Industrial Development Agency	Total
\$ (25,328,633)	\$ -	\$ -	\$ -	\$ (25,328,633)
-	(17,940)	-	-	(17,940)
-	-	(797,746)	-	(797,746)
-	-	-	(88,284)	(88,284)
(25,328,633)	(17,940)	(797,746)	(88,284)	(26,232,603)
1,729,321	-	306,608	6,219	2,042,148
12,669,968	-	-	-	12,669,968
10,721,500	60,179	6,000	-	10,787,679
1,554,935	173	-	-	1,555,108
26,675,724	60,352	312,608	6,219	27,054,903
1,347,091	42,412	(485,138)	(82,065)	822,300
3,193,609	19,835	15,764,202	320,543	19,298,189
\$ 4,540,700	\$ 62,247	\$ 15,279,064	\$ 238,478	\$ 20,120,489

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Note 1 - Summary of Significant Accounting Policies

The County of Rockland, New York was established in 1798 and operates in accordance with its Charter, County Law and the various other applicable laws of the State of New York. The County functions under a County Executive/Legislature form of government. The County Legislature is the legislative body responsible for overall operation of the County. The County Executive serves as the chief executive officer and the Commissioner of Finance serves as the chief financial officer. The County provides the following services to its residents: education, public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and general and administrative support.

The accounting policies of the County of Rockland, New York conform to generally accepted accounting principles as applicable to governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the County's more significant accounting policies:

A. Financial Reporting Entity

The financial reporting entity consists of a) the primary government which is the County of Rockland, b) organizations for which the County is financially accountable and c) other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement No. 14.

In evaluating how to define the County, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the County's reporting entity was made by applying the criteria set forth in GASB Statement No. 14, including legal standing, fiscal dependency and financial accountability. Based upon the application of the above criteria, the following individual component units are included in the County's reporting entity because of their operational or financial relationship with the County.

The Rockland County Community College was established in 1959 with the County of Rockland as the local sponsor under provisions of Article 126 of the Education Law. The College is administered by a board of trustees consisting of nine voting members; five are appointed by the County Legislature and four by the Governor. The College budget is subject to the approval of the County Legislature. The County generally provides one-half of the capital costs and one-third of the operating costs for the College. Title to real property of the College vests with the County and bonds and notes for College capital costs are issued by the County and are County debt. A fiscal year ending August 31st is mandated by State Law for the College. The College is included in the County's reporting entity since the primary government is able to impose its will, as demonstrated through the ability to approve budgets. The College may also result in a financial burden to the primary government since the County is obligated for the debt of the College. Since services are not provided entirely or almost entirely to the County, the College has been reflected as a discretely presented component unit.

The Rockland County Soil and Water Conservation District was established pursuant to New York State Soil Conservation District Law and legislative resolution. The District provides for the conservation of soil and soil resources of the State and the County. The Board of Directors are

Note 1 - Summary of Significant Accounting Policies (Continued)

appointed by the County Legislature. The Board of Directors serve at the pleasure of the County Legislature and therefore, the primary government is able to impose its will on the District. The District is also dependent on the financial support provided by the County. Since the District does not provide services entirely or almost entirely to the County, the financial statements of the District have been reflected as a discretely presented component unit.

The Rockland County Solid Waste Management Authority is a public benefit corporation created pursuant to the Rockland County Solid Waste Management Authority Act constituting Title 13-M of the New York State Public Authorities Law. The Authority provides solid waste management services to the residents of the County. The Authority is administered by seventeen members. Eight members are members of the County Legislature, five members are supervisors of towns within the County, two members are mayors of villages recommended by the Conference of Mayors and two members are appointed by the County Executive. Consequently, the County is considered able to impose its will on the Agency. Authority members have complete responsibility for management of the Authority and accountability for fiscal matters. The Authority has the power to issue debt and enter into loan agreements. The County is not liable for the Authority's debt. Since the Authority does not provide services entirely or almost entirely to the County, the financial statements of the Authority have been reflected as a discretely presented component unit.

The Rockland County Industrial Development Agency is a public benefit corporation created by State legislation to promote the economic welfare, recreation opportunities and prosperity of the County's inhabitants. Members of the Agency are appointed by the County Legislature. Agency members have complete responsibility for management of the Agency and accountability for fiscal matters. The County is not liable for Agency bonds or notes. The governing board of the Agency serves at the pleasure of the County Legislature and therefore, the primary government is able to impose its will on the Agency. Since the Agency does not provide services entirely or almost entirely to the County of Rockland, the financial statements of the Agency have been reflected as a discretely presented component unit.

Complete financial statements of the individual component units can be obtained from their respective administrative offices as indicated below.

Rockland County Community College
145 College Road
Suffern, New York 10901

Rockland County Soil and Water Conservation District
23 New Hempstead Road
New City, New York 10956

Rockland County Solid Waste Management Authority
420 Tome Valley Road
Hillburn, New York 10931

Rockland County Industrial Development Agency
One Blue Hill Plaza
Pearl River, New York 10965

Note 1 - Summary of Significant Accounting Policies (Continued)

B. Adoption of New Accounting Standards

During fiscal year 2002, the County adopted GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*; GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments*, issued June 1999; GASB Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues*; GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments: Omnibus*, an amendment to GASB Statements No. 21 and No. 34, issued in June 2001, and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, issued in 2001.

Financial statements for the year ended December 31, 2001 were issued in conformance with generally accepted accounting principles. GASB Statement No. 34 requires certain amounts to be restated. The reconciliation of restated amounts to the December 31, 2001 year-end balance is described below.

The gross cost of fixed assets and accumulated depreciation balances at December 31, 2001 were restated to capitalize assets and record accumulated depreciation in accordance with the adoption of GASB Statement No. 34. The gross cost balances at December 31, 2001 were also restated to reflect the increase in the capitalization threshold to \$5,000. Certain long-term and other liabilities were also restated.

The following table shows beginning net assets restated for the effects of implementation of GASB Statement No. 34:

Fund Balance at December 31, 2001 - Governmental Funds	\$ 88,063,020
Retained Earnings at December 31, 2001 - Internal Service Funds..	4,322,821
Change in Accounting Principle (Note 2C)	<u>9,182,177</u>
Fund Balance at December 31, 2001, As Restated	101,568,018
Net Capital Assets	524,465,649
Deferred Tax Revenues	11,067,307
Long-term Liabilities	(126,393,135)
Accrued Interest	<u>(1,987,148)</u>
Restated Net Assets as of January 1, 2002	<u>\$ 508,720,691</u>

The County, as part of its compliance with GASB Statement No. 34, reclassified its expendable trust fund to a special revenue fund type entitled "Special Purpose Fund".

C. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all non-fiduciary activities of the primary government as a whole and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Statement of Net Assets presents the financial position of the County and its component units at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The County does not allocate indirect expenses to functions in the Statement of Activities.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

D. Fund Financial Statements

The accounts of the County are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, liabilities, fund balances/net assets, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The County maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the page following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The County's resources are reflected in the fund financial statements in three broad fund categories, in accordance with generally accepted accounting principles as follows:

1. Fund Categories

- a. Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the County's major governmental funds.

General Fund - The General Fund constitutes the primary operating fund of the County in that it includes all revenues and expenditures not required by law to be accounted for in other funds.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

Note 1 - Summary of Significant Accounting Policies (Continued)

The County also reports the following non-major governmental funds.

Special Revenue Funds - Special Revenue Funds are governmental funds established to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain defined purposes.

County Road Fund - The County Road Fund was established pursuant to New York State Highway Law and is used to account for the maintenance and repair of County roads and bridges and snow removal costs.

Road Machinery Fund - The Road Machinery Fund is used to account for the purchase, repair and maintenance of highway machinery, tools and equipment and for the purchase, construction and maintenance of buildings for the storage and repair of highway machinery and equipment.

Community Development Fund - The Community Development Fund is used to account for projects financed by entitlements from the U.S. Department of Housing and Urban Development.

Sewer District Fund - The Sewer District Fund is used to account for the operations and maintenance of the County's sewer facilities.

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the County in accordance with terms of a trust agreement.

Debt Service Fund - The Debt Service Fund is provided to account for the accumulation of resources to be used for the redemption of principal and interest on general long-term debt.

- b. **Proprietary Funds** - Proprietary funds include enterprise and internal service funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private enterprises or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability. Enterprise funds are used to account for those operations that provide services to the public. Internal service funds account for operations that provide services to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The operations of the Summit Park Hospital (Home and Infirmary) are recorded as an enterprise fund. The Home and Infirmary is a chronic care hospital and a skilled nursing facility established and operated under provisions of Article 6 of General Municipal Law. The County has established its Workers' Compensation Benefits, General Liability Claims, Unemployment Benefits and General Services funds as internal service funds. The County applies all applicable Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989 in accounting and reporting for its proprietary operations.

Note 1 - Summary of Significant Accounting Policies (Continued)

- c. Fiduciary Funds (Not Included in Government-wide Statements) - The Fiduciary Funds are used to account for assets held by the County in an agency capacity on behalf of others.

E. Measurement Focus, Basis of Accounting and Financial Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial reports.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds. The Agency Fund has no measurement focus and utilizes the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Net patient service revenue of the Enterprise Fund is reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered. Revenues received under cost reimbursement agreements and prospective contractual agreements represent a substantial portion of the Home and Infirmary's revenue and are subject to audit and possible adjustment by the third-party reimbursement agencies. Retroactively calculated third-party contractual adjustments are accrued on an estimated basis in the period the services are rendered and adjusted in future periods as required.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. A one year availability period is used for revenue recognition for all other governmental fund revenues. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and pension costs, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Issuance of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Note 1 - Summary of Significant Accounting Policies (Continued)

Component Units

Component units are presented on the basis of accounting that most accurately reflect their activities. The Soil and Water Conservation District is accounted for on the modified accrual basis. The Community College, Industrial Development Agency and Solid Waste Management Authority are accounted for on the accrual basis. The College, however, does not reflect property, plant and equipment as an asset of the fund and depreciation is not reflected. Property, plant and equipment of the College are owned by the County and such assets are reflected in the General Fixed Assets Account Group.

F. Assets, Liabilities and Net Assets or Equity

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with original maturities of less than three months.

The County's investment policies are governed by State statutes. The County has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The County is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The County has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Investments - All investments are stated at fair value, which is based on quoted market prices.

Taxes Receivable - Real property taxes are levied and attach as a lien against real property on January 1st. County taxes are billed with town taxes and initially collected by the towns on behalf of the County. Real property taxes may be paid between January 1st and January 31st without interest or penalty. Payments received after January 31st must include interest computed at 1% per month from February 1st. The towns retain the first amounts collected to satisfy their respective tax warrants. Amounts collected thereafter are remitted to the County. Tax rolls and a listing of the unpaid taxes are returned to the County in April. A 5% penalty is added to the unpaid tax, which is collected by the County.

The County enforces delinquent real property taxes under the provisions of Article 11 (Article 11 applies to taxes levied after December 31, 1995 and provides for the foreclosure of tax sale liens by proceedings in rem) of the Real Property Tax Law. Enforcement procedures set forth in Article 11 provide that the enforcing officer shall file a petition of foreclosure twenty-one months after the lien date (the County may extend the filing date for residential and farm property by one or two years). Such petition is required to be filed with the County Clerk within two business days after

Note 1 - Summary of Significant Accounting Policies (Continued)

the execution of the petition. After the petition has been filed with the County Clerk, a notice of foreclosure must be published in at least two newspapers designated by the enforcing officer. The published notice shall include the date of the last day on which delinquent taxes may be redeemed. The redemption date must be at least three months after the date the notice is first published. If the delinquent taxes, including all related charges, are not paid on the date specified in the notice of foreclosure, the Court generally makes a final judgment awarding the property to the County. Such judgment will contain an order that a deed conveying title to the County shall be prepared, executed and duly recorded. No proceeding to set aside the deed may be maintained unless proceedings are commenced within two years from the date of recording the deed. Properties acquired by the County through tax enforcement procedures must be sold at a public auction.

The County is also responsible for collecting and enforcing delinquent school district taxes. Such taxes are collected by the towns in the County between September 1st and October 31st, after which the school tax rolls and unpaid taxes are remitted to the County. A 5% penalty is added to the amount of the unpaid school tax. The County collects unpaid school taxes during the month of November. Any taxes remaining unpaid after this time are relieved, with a 7% penalty, as County taxes for the following year. The County must satisfy the full amount of the unpaid school districts taxes no later than April 1st of the year following the levy of such taxes.

Pursuant to Article 14 of the Real Property Tax Law, the County has agreements with various villages within the County to collect and enforce delinquent village taxes. County tax bills include amounts relieved, with a 7% penalty, for unpaid village taxes where appropriate. The County must satisfy the full amount of the unpaid village taxes no later than April 1st of the year following the levy of such taxes.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the County. Receivables are recorded and revenues recognized as earned or as specific program expenditures/expenses are incurred.

Due From/To Other Funds - During the course of its operations, the County has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31, 2002, balances of amounts receivable or payable have been recorded in the fund financial statements.

Inventories - Inventories are stated at the lower of average cost or market and consist of materials, supplies and drugs used at the Home and Infirmary and materials and supplies used by the General Services Fund. Purchases of inventoriable items at other locations are recorded as expenditures/expenses at the time of purchase and year-end balances at these locations are not material.

Prepaid Expenditures/Expenses - Prepaid expenditures/expenses consist of employee retirement and other costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and/or will benefit such periods. Reported amounts in governmental funds are equally offset by a reservation of fund balance, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Note 1 - Summary of Significant Accounting Policies (Continued)

Restricted Assets - Restricted assets consist of bond proceeds held by a State agency. These funds are to be used for improvements to the Rockland County Solid Waste Management Authority, or for payment of related sewer district debt service.

Capital Assets - Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives.

Class	Life in Years
Buildings	50
Improvements other than Buildings	5-50
Equipment	3-30
Infrastructure	5-40

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheets.

Deferred Revenues - Deferred revenues arise, when assets are recognized before revenue recognition criteria has been satisfied. In government-wide financial statements, deferred revenues consist of unearned revenue or revenue from grants received before the eligibility requirements have been met.

Deferred revenues in fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The County has reported deferred revenues of \$8,147,070 for real property taxes and \$2,435,886 for State and Federal aid received in advance in the General Fund. The County has also reported deferred revenues of \$528,903 for Federal aid received in advance in the Community Development Fund, \$6,343,948 in the Rockland Community College Fund for tuition and other fees received in advance and \$1,375 in the Rockland County Solid Waste Management Authority for miscellaneous items. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation or sick leave upon separation from service. The liability for such accumulated leave is reflected in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Note 1 - Summary of Significant Accounting Policies (Continued)

Long-term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount, where applicable. Bond issuance costs are amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premium received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Debt Service Fund or Capital Project Fund expenditures.

Net Assets - Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets on the Statement of Net Assets include, invested in capital assets, net of related debt, restricted for capital projects, law enforcement, Stop-DWI Program, E-911, handicapped parking, social service programs, debt service, parklands, affordable housing, sewer purposes, student loans, student activities, workers' compensation benefits, unemployment benefits, general liability claims and permanent endowments. The balance is classified as unrestricted.

Fund Balances - Reserves and Designations - Portions of fund balance are segregated for future use and are therefore not available for future appropriation or expenditure. Amounts reserved for encumbrances, prepaid expenditures, law enforcement, STOP-DWI Program, E-911, handicapped parking, long-term receivable, social service programs, compensated absences, debt service, parklands and advances are required to be segregated in accordance with State law or generally accepted accounting principles. Designation of unreserved fund balances in governmental funds indicates the utilization of these resources in the ensuing year's budget or tentative plans for future use.

G. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General, certain Special Revenue and Capital Projects funds. Encumbrances outstanding at year end are reported as reservations of fund balance since they do not constitute expenditures or liabilities.

H. Use of Estimates

The preparation of the 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 disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

The County generally follows the procedures enumerated below in establishing the budgetary data reflected in the financial statements:

- a) On or before August 1st, the administrative head of each department is required to submit to the County Executive the expenditure requirements for the next fiscal year.
- b) The County Executive is required to file the tentative budget for the ensuing year with the Clerk of the Legislature on or before October 23rd.
- c) Subsequent to October 23rd, the Legislature conducts the necessary review of the tentative budget and proposes any changes thereto.
- d) Prior to November 20th, the Legislature shall hold a public hearing on the budget.
- e) After the public hearing, the Legislature may make changes to the budget. The budget shall be adopted no later than December 7th.
- f) Formal budgetary integration is employed during the year as a management control device for General, certain Special Revenue and Debt Service funds.
- g) Budgets for General, certain Special Revenue and Debt Service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. Annual budgets are not adopted for the Proprietary, Special Purpose and Fiduciary funds.
- h) The County Legislature has legal responsibility for all budget amendments and transfers between functions of expenditure. The County Executive has authority for the transfer of appropriations within functions of expenditure.
- i) Appropriations in General, certain Special Revenue and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year.

Budgeted amounts are as originally adopted or as amended by the County Legislature. Individual amendments for the current year included a \$29.3 million amendment for charges to other funds for employee benefits.

B. Property Tax Limitation

The County is permitted by the State Constitution to levy for purposes other than debt service up to 1 1/2% of the five year average full valuation of taxable real estate located within the County. In accordance with this provision, the maximum amount of the tax levy for 2002 was \$315,890,210, which exceeded the actual levy by \$275,758,385.

Note 2 - Stewardship, Compliance and Accountability (Continued)

C. Change in Accounting Principle

GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, clarifies the application of existing standards for distinguishing the respective portions of certain types of liabilities that should be reported as (a) governmental fund liabilities and expenditures and (b) general long-term liabilities of the government. Pursuant to this interpretation, the County has determined that amounts recorded as liabilities and expenditures for compensated absences totaling \$8,045,584 for the General Fund, \$462,031 for the County Road Fund, \$23,561 for the Road Machinery Fund and \$651,001 for the Sewer District Fund had not come due for payment and should not have been reported as a fund liability. Accordingly, the fund balances of these fund as of January 1, 2001 has been restated for the effect of the change.

D. County Road

The County Road Fund reflects an undesignated deficit of \$1,388,381 at December 31, 2002. This deficit will be addressed in the subsequent year.

E. Excess of Actual Expenditures Over Budget

The following functional expenditure categories exceeded their budgetary limits by the amounts indicated:

General Fund:

General Government Support:

District Attorney	\$ 228,288
Public Defender	61,727
Major Offense Prosecution Program	21,826
Justice of Peace - Police Court	5,082
Medical Examiner	63,452
Department of Budget and Management	35,277
County Archivist	2,533
Unallocated General Services	361,071
Department of Insurance	98,138
Municipal Dues	2,967
Refunds of Real Property Taxes	405,387
Department of Tourism	3,136

Education -

Community College Tuition	11,638
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Public Safety:

Sheriff's Patrol	616,033
Sheriff's Patrol - Health Complex	139,903
Sheriff - Communications	29,045
Major Offense Police Program	229,327
Probation Department	280,428
Jail	930,836
Hazardous Materials	6,877

Note 2 - Stewardship, Compliance and Accountability (Continued)

Health:

Department of Health	\$ 291,626
Physically Handicapped Children	37,474
Department of Mental Health	1,921
Mosquito Control Program	58,657

Transportation -

Public Transportation	213,200
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Economic Opportunity and Development:

Medical Assistance	3,737,435
Aid to Dependent Children	3,300,929
Children Services	683,672
Juvenile Delinquent Care	482,422

Culture and Recreation -

County Historian	135
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Home and Community Services -

Commissioner of Labor	3,961
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Employee Benefits -

Workers' Compensation	3,941
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Road Machinery Fund -

Transportation	13,317
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Sewer Fund -

Transfers Out	365,453
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Debt Service Fund -

Serial Bonds - Interest	361,390
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Note 3 - Detailed Notes on All Funds

A. Deposits and Investments

The carrying amount of the primary government's deposits, inclusive of non-negotiable certificates of deposit of \$19,941,860 and Fiduciary deposits of \$6,046,601 was \$121,709,818. This amount is exclusive of departmental and petty cash of \$17,290. The bank balance was \$128,061,531. Of the bank balance, \$1,340,907 was covered by Federal deposit insurance,

Note 3 - Detailed Notes on All Funds (Continued)

\$53,790,066 was covered by collateral held by the County's agent, a third party financial institution, in the County's name, \$72,930,558 was covered by collateral held in the trust department of the pledging financial institution in the County's name.

The carrying amount of the component units' deposits at December 31, 2002 was \$8,625,748. This amount is exclusive of petty cash of \$200 for the Solid Waste Management Authority. The bank balances and collateral of the component units are detailed below.

	<u>Community College</u>	<u>Soil and Water Conservation District</u>	<u>Solid Waste Management Authority</u>	<u>Industrial Development Agency</u>
Carrying Amount	\$ 7,916,222	\$ 41,928	\$ 476,507	\$ 191,091
Bank Balance	\$ 10,247,196	\$ 41,928	\$ 1,242,462	\$ 191,091
Amount insured by FDIC Collateral held by a third party in the entity's name	\$ 419,095 9,776,663	\$ 41,928 -	\$ 211,662 1,030,800	\$ 191,091 -
Uninsured and uncollateralized	<u>51,438</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 10,247,196</u>	<u>\$ 41,928</u>	<u>\$ 1,242,462</u>	<u>\$ 191,091</u>

Investments of the primary government are stated at fair value and consist of the following:

<u>Fund</u>	<u>Repurchase Agreements</u>	<u>Certificates of Deposits</u>	<u>Total</u>
General	\$ 3,622,571	\$ -	\$ 3,622,571
Community Development	-	225,000	225,000
Sewer	-	6,056,000	6,056,000
Debt Service	-	8,720,000	8,720,860
Worker's Compensation Agency	-	4,855,000 85,000	4,855,000 85,000
	<u>\$ 3,622,571</u>	<u>\$ 19,941,860</u>	<u>\$ 23,564,431</u>

The repurchase agreements are secured by the underlying investment held by a third party financial institution in the County's name.

Investments of the Rockland Community College (component unit) consist principally of certificates of deposit with original maturities of greater than three months, and are stated at fair value, which approximates cost.

Investments of the Industrial Development Agency (component unit) consist principally of certificates of deposits with original maturities of greater than three months and are stated at fair value which approximates cost.

Note 3 - Detailed Notes on All Funds (Continued)

B. Taxes Receivable

Taxes receivable at December 31, 2002 consisted of the following:

Tax liens	\$ 9,299,288
Tax installments	2,481,188
Returned school districts taxes	12,913,102
Returned village taxes	1,269,878
Property acquired for taxes	<u>123,468</u>
	26,086,924
Allowance for uncollectible taxes	<u>(1,158,000)</u>
	<u>\$ 24,928,924</u>

School district and village taxes are offset by liabilities to the school districts and villages which will be paid no later than April 2003. Taxes receivable are also partially offset by deferred tax revenues of \$8,147,070, which represents an estimate of the receivable which will not be collected within the first sixty days of the subsequent year.

Due From/To Other Funds

The balances reflected as due from/to other funds at December 31, 2002 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ -	\$ 6,663,915
County Road	1,029,476	-
Road Machinery	106,708	-
Community Development	-	334,927
Sewer District	417,417	-
Debt Service	27,669	-
Capital Projects	-	935,512
Home and Infirmary	6,895,745	-
Workers' Compensation Benefits	-	3,910
Unemployment Benefits	81,427	-
General Services	<u>-</u>	<u>620,178</u>
	<u>\$ 8,558,442</u>	<u>\$ 8,558,442</u>

Note 3 - Detailed Notes on All Funds (Continued)

C. Capital Assets

Changes in the County's capital assets are as follows:

<u>Class</u>	<u>Balance January 1, 2002</u>	<u>Additions</u>	<u>Balance December 31, 2002</u>
Governmental Activities (inclusive of Internal Service Funds):			
Capital Assets, not being depreciated:			
Land	\$ 27,423,835	\$ -	\$ 27,423,835
Construction-in-progress	<u>294,360,050</u>	<u>23,087,087</u>	<u>317,447,137</u>
Total Capital Assets, not being Depreciated	<u>\$ 321,783,885</u>	<u>\$ 23,087,087</u>	<u>\$ 344,870,972</u>
Capital Assets, being depreciated:			
Buildings and improvements	\$ 371,025,472	\$ -	\$ 371,025,472
Equipment	32,961,664	2,304,308	35,265,972
Infrastructure	<u>76,000,445</u>	<u>1,665,829</u>	<u>77,666,274</u>
Total Capital Assets being Depreciated	<u>479,987,581</u>	<u>3,970,137</u>	<u>483,957,718</u>
Less Accumulated Depreciation for:			
Buildings and improvements	(225,670,533)	(13,026,227)	(238,696,760)
Equipment	(21,948,532)	(3,323,383)	(25,271,915)
Infrastructure	<u>(20,494,824)</u>	<u>(2,738,368)</u>	<u>(23,233,192)</u>
Total Accumulated Depreciation	<u>(268,113,889)</u>	<u>(19,087,978)</u>	<u>(287,201,867)</u>
Total Capital Assets, being Depreciated, net	<u>\$ 211,873,692</u>	<u>\$ (15,117,841)</u>	<u>\$ 196,755,851</u>
Governmental Activities Capital Assets, net	<u>\$ 533,657,577</u>	<u>\$ 7,969,246</u>	<u>\$ 541,626,823</u>

Note 3 - Detailed Notes on All Funds (Continued)

Class	Balance January 1, 2002	Additions	Deductions	Balance December 31, 2002
Business-type Activities:				
Capital Assets, not being depreciated:				
Land	\$ 438,504	\$ -	\$ -	\$ 438,504
Construction-in-progress	<u>4,068,034</u>	<u>-</u>	<u>(917,149)</u>	<u>3,150,885</u>
Total Capital Assets, not being Depreciated	<u>\$ 4,506,538</u>	<u>\$ -</u>	<u>\$ (917,149)</u>	<u>\$ 3,589,389</u>
Capital Assets, being depreciated:				
Buildings and improvements	\$ 16,567,880	\$ -	\$ -	\$ 16,567,880
Equipment	<u>33,234,709</u>	<u>1,931,931</u>	<u>(470)</u>	<u>35,166,170</u>
Total Capital Assets being Depreciated	<u>49,802,589</u>	<u>1,931,931</u>	<u>(470)</u>	<u>51,734,050</u>
Less Accumulated Depreciation for:				
Buildings and improvements	(10,736,458)	(422,734)	-	(11,159,192)
Equipment	<u>(22,860,861)</u>	<u>(1,416,045)</u>	<u>470</u>	<u>(24,276,436)</u>
Total Accumulated Depreciation	<u>(33,597,319)</u>	<u>(1,838,779)</u>	<u>470</u>	<u>(35,435,628)</u>
Total Capital Assets, being Depreciated, net	<u>\$ 16,205,270</u>	<u>\$ 93,152</u>	<u>\$ -</u>	<u>\$ 16,298,422</u>
Business-type Activities Capital Assets, net	<u>\$ 20,711,808</u>	<u>\$ 93,152</u>	<u>\$ (917,149)</u>	<u>\$ 19,887,811</u>

Depreciation expense was charged to the County's functions and programs as follows:

Governmental Activities:	
General Government Support	\$ 689,682
Education	1,827,959
Public Safety	1,632,611
Health	397,465
Transportation	11,014,675
Economic Opportunity and Development	224,865
Culture and Recreation	64,054
Home and Community Services	2,911,063
Capital assets held by the government's internal service fund are charges to the various functions based on their usage of the assets	<u>325,604</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 19,087,978</u>
Business-type Activities:	
Home and Infirmary	<u>\$ 1,838,779</u>

Note 3 - Detailed Notes on All Funds (Continued)

Construction Commitments

The County has active construction projects as of December 31, 2002. These projects include new construction and renovations. At year-end, the County had \$20,978,913 in construction encumbrances.

Capital Assets - Component Units

Changes in the Community College's (component unit) capital assets are as follows:

Class	Balance September 1, 2001	Additions	Balance August 31, 2002
Capital Assets, being depreciated - Equipment	\$ 5,147,918	\$ 309,965	\$ 5,457,883
Total Accumulated Depreciation	<u>(108,665)</u>	<u>(299,534)</u>	<u>(408,199)</u>
Community College Capital Assets, net	<u>\$ 5,039,253</u>	<u>\$ 10,431</u>	<u>\$ 5,049,684</u>

Changes in the Soil and Water Conservation District's (component unit) capital assets are as follows:

Class	Balance January 1, 2002	Additions	Balance December 31, 2002
Capital Assets, being depreciated - Equipment	\$ 11,424	\$ -	\$ 11,424
Less Accumulated Depreciation	<u>(2,999)</u>	<u>(2,285)</u>	<u>(5,284)</u>
Soil and Water Conservation District Capital Assets, net	<u>\$ 8,425</u>	<u>\$ (2,285)</u>	<u>\$ 6,140</u>

Note 3 - Detailed Notes on All Funds (Continued)

Changes in the Solid Waste Management Authority (component unit) capital assets are as follows:

Class	Balance January 1, 2002	Additions	Deductions	Balance December 31, 2002
Capital Assets, not being depreciated:				
Land	\$ 1,423,312	\$ -	\$ -	\$ 1,423,312
Construction-in-progress	<u>6,899,067</u>	<u>109,185</u>	<u>(6,899,067)</u>	<u>109,185</u>
Total Capital Assets, not being Depreciated	<u>\$ 8,322,379</u>	<u>\$ 109,185</u>	<u>\$ (6,899,067)</u>	<u>\$ 1,532,497</u>
Capital Assets, being depreciated:				
Buildings	\$ 28,194,934	\$ 7,654,778	\$ -	\$ 35,849,712
Equipment	<u>8,234,886</u>	<u>358,017</u>	<u>-</u>	<u>8,592,903</u>
Total Capital Assets being Depreciated	<u>36,429,820</u>	<u>8,012,795</u>	<u>-</u>	<u>44,442,615</u>
Less Accumulated Depreciation for:				
Buildings	(3,826,590)	(1,601,116)	-	(5,427,706)
Equipment	<u>(2,218,251)</u>	<u>(855,460)</u>	<u>-</u>	<u>(3,073,711)</u>
Total Accumulated Depreciation	<u>(6,044,841)</u>	<u>(2,456,576)</u>	<u>-</u>	<u>(8,501,417)</u>
Total Capital Assets, being Depreciated, net	<u>\$ 30,384,979</u>	<u>\$ 5,556,219</u>	<u>\$ -</u>	<u>\$ 35,941,198</u>
Solid Waste Management Authority Capital Assets, net	<u>\$ 38,707,358</u>	<u>\$ 5,665,404</u>	<u>\$ (6,899,067)</u>	<u>\$ 37,473,695</u>

D. Accrued Liabilities

Accrued liabilities at December 31, 2002 were as follows:

	Governmental Activities	Business-Type Activities	Total
Payroll and employee benefits	\$ 15,187,263	\$ -	\$ 15,187,263
Other	<u>15,794,809</u>	<u>10,084,820</u>	<u>25,879,629</u>
Total Accrued Liabilities	<u>\$ 30,982,072</u>	<u>\$ 10,084,820</u>	<u>\$ 41,066,892</u>

Note 3 - Detailed Notes on All Funds (Continued)

E. Short-Term Non-Capital Borrowings

The schedule below details the changes in short-term non-capital borrowings. These borrowings consisted of notes issued in anticipation of the collection of certain revenues.

	Balance January 1, 2002	Issues	Redemptions	Balance December 31, 2002
Revenue Anticipation Note	<u>\$ 35,000,000</u>	<u>\$ 60,000,000</u>	<u>\$ 35,000,000</u>	<u>\$ 60,000,000</u>

The revenue anticipation note matures in April, 2003, with interest at 3.0%.

Interest expenditures of \$372,078, on the revenue anticipation note that matured in March 2002 was recorded in the fund financial statements in the General Fund. Interest expense of \$493,866 was recorded in the County-wide financial statements for governmental activities.

F. Short-Term Capital Borrowings

The schedule below details the changes in short-term capital borrowings.

Purpose	Year of Original Issue	Rate of Interest	Balance January 1, 2001	Redemptions	Balance December 31, 2002
Sewer Improvements	2002	2.00%	<u>\$ 5,200,000</u>	<u>\$ 400,000</u>	<u>\$ 4,800,000</u>

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgments or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgments be converted to long-term obligations generally within five years after the original issue date. However, bond anticipation notes issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Interest expenditures of \$207,422 were recorded in the fund financial statements in the Sewer Fund. Interest expense of \$299,231 was recorded in the County-wide financial statements for governmental activities.

Bond Anticipation Note - Component Unit

During 2002, the Rockland County Solid Waste Management Authority issued a bond anticipation note for the rehabilitation and equipping of the transfer station in the amount of \$2,500,000, maturing on September 1, 2003 and bearing interest at 3.5%.

Note 3 - Detailed Notes on All Funds (Continued)

G. Unpaid Claim Liabilities

The Internal Service funds reflect workers' compensation benefit liabilities, general liability claims and unemployment benefit liabilities which are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported (IBNR's). The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience.

An analysis of the activity of unpaid claim liabilities is as follows:

	<u>December 31, 2002</u>		
	<u>Workers'</u> <u>Compensation</u> <u>Benefits</u>	<u>General</u> <u>Liability</u> <u>Claims</u>	<u>Unemployment</u> <u>Benefits</u>
Balance - Beginning of Year	\$ 9,038,682	\$ 5,516,833	\$ 47,017
Provision for Claims and Claims Adjustment Expenses	1,933,227	2,299,123	226,921
Claims and Claims Adjustment Expenses Paid	<u>(2,578,481)</u>	<u>(1,790,445)</u>	<u>(154,659)</u>
Balance - End of Year	<u>\$ 8,393,428</u>	<u>\$ 6,025,511</u>	<u>\$ 119,279</u>
	<u>December 31, 2001</u>		
	<u>Workers'</u> <u>Compensation</u> <u>Benefits</u>	<u>General</u> <u>Liability</u> <u>Claims</u>	<u>Unemployment</u> <u>Benefits</u>
Balance - Beginning of Year	\$ 9,037,610	\$ 6,114,311	\$ 26,560
Provision for Claims and Claims Adjustment Expenses	2,630,203	743,517	171,919
Claims and Claims Adjustment Expenses Paid	<u>(2,629,131)</u>	<u>(1,340,995)</u>	<u>(151,462)</u>
Balance - End of Year	<u>\$ 9,038,682</u>	<u>\$ 5,516,833</u>	<u>\$ 47,017</u>

Note 3 - Detailed Notes on All Funds (Continued)

H. Pension Plans

The County of Rockland and certain component units participate in the New York State and Local Employees' Retirement System (ERS) (System). The System is a cost-sharing multiple-employer defined benefit pension plan. The System provides retirement, disability and death benefits to plan members. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the New York State and Local Retirement System, Governor Alfred E. Smith State Office Building, Albany, New York 12224.

Funding Policy - The System is non-contributory except for employees who joined after July 27, 1976 and have less than ten years of service, who contribute 3% of their salary. Contributions are certified by the State Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions consist of a life insurance portion (GTLI) and regular pension contributions. Contribution rates for the plan year ended March 31, 2003 are as follows:

Tier/Plan	GTLI	Regular
1 553	.1%	1.2 %
1 75I	.3	1.1
1 89D	.1	1.1
2 553	.1	1.2
2 75I	.3	1.0
2 89A	.1	1.0
2 89D	.1	8.2
3 A14	.3	.9
3 553	.1	1.2
4 A15	.3	.9
4 553	.1	1.2
4 603OR	.1	1.1
4 604PR	.1	1.1
4 603R3	.1	.9
4 89VR3	.1	.9

Contributions made to the System for the current and two preceding years were as follows:

	Component Units			
	Primary Government	College	Industrial Development Agency	Solid Waste Management Authority
2002	\$ 1,754,760	\$ 114,869	\$ 2,935	\$ 11,709
2001	892,461	56,110	2,721	7,178
2000	415,238	24,715	1,600	6,482

Note 3 - Detailed Notes on All Funds (Continued)

These contributions were equal to 100% of the actuarially required contributions for each respective fiscal year.

The current ERS contribution for the primary government was charged to the funds identified below and is equal to the pension expense amounts reflected in the government-wide financial statements.

	Amount
Governmental Funds	\$ 1,638,548
Proprietary Funds	116,212
	\$ 1,754,760

Community College

The College participates in ERS, the New York State Teachers' Retirement System (TRS) and the Teachers' Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF). The ERS plan is the same System which covers County employees. The elements of this System are described above. TRS is a cost-sharing multiple-employer defined benefit pension plan. TRS provides retirement, disability and death benefits to plan members. Obligations of employers and employees to contribute and benefits to employees are governed by Education Law. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The TRS report may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

Contributions made to the ERS for the current and two preceding years were as follows:

2002	\$ 49,459
2001	60,881
2000	76,449

These contributions were equal to 100% of the actually required contributions for each respective fiscal year.

Funding Policy - TRS is non-contributory except for employees who joined the System after July 27, 1976 and have less than ten years of service, who contribute 3% of their salary. Pursuant to Article 11 of Education Law, contributions are established annually for TRS by the New York State Teachers' Retirement Board. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions consist of a regular pension contribution. Contribution rates for the plan year ended June 30, 2002 are as follows:

Tiers	Regular
1-4	.36%

Contributions made to the System for the current and two preceding years were as follows:

2002	\$ 10,238
2001	10,939
2000	36,170

Note 3 - Detailed Notes on All Funds (Continued)

These contributions were equal to 100% of the actuarially required contributions for each respective fiscal year.

TIAA/CREF is an optional retirement program, designated by the trustees of the State University of New York, which has been made available by the College to eligible employees. This System is a privately operated defined contribution retirement plan. The College assumes no liability for the financial status of TIAA/CREF members' accounts other than payment of contributions. Participation eligibility as well as contributory and non-contributory requirements are established by the New York State Retirement and Social Security Law. Benefits are determined by the amount of individual accumulations and the retirement income option selected.

All benefits are fully vested after thirteen months of participation in TIAA/CREF. New York State Education Law establishes the contribution rate for each employee electing this optional retirement program. TIAA/CREF is non-contributory, except for employees who joined after July 1, 1976 and have less than ten years of service, who contribute 3% of their salary. TIAA/CREF allows members to make extra payments at any time. These extra payments are not matched by the College. It is the policy of the College to fund pension costs as incurred. For the plan year ended August 31, 2002, the College incurred \$1,481,000 in pension costs under this Plan.

Soil and Water Conservation District

The Soil and Water Conservation District has no full-time employees and therefore does not require a compensatory absences policy.

I. Long-Term Liabilities

The following table summarizes changes in the County's long-term indebtedness for the year ended December 31, 2002:

	Balance January 1, 2002	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2002	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 117,948,536	\$ 15,388,000	\$ (7,548,548)	\$ 125,787,988	\$ 6,543,540
Compensated Absences	12,877,829	-	(722,538)	12,155,291	1,605,115
Pension Obligations	<u>3,983,326</u>	<u>5,195,231</u>	<u>(753,480)</u>	<u>8,425,077</u>	<u>2,056,702</u>
Governmental Activities Long-term Liabilities	<u>\$ 134,809,691</u>	<u>\$ 20,583,231</u>	<u>\$ (9,024,566)</u>	<u>\$ 146,368,356</u>	<u>\$ 10,205,357</u>
Business-type Activities:					
Bonds Payable	\$ 8,769,464	\$ 1,285,000	\$ (1,257,452)	\$ 8,797,012	\$ 1,168,464
Compensated Absences	7,641,378	551,442	-	8,192,820	8,192,820
Pension Obligations	<u>1,640,751</u>	<u>2,663,182</u>	<u>(668,355)</u>	<u>3,635,578</u>	<u>1,008,703</u>
Business-type Activities Long-term Liabilities	<u>\$ 18,051,593</u>	<u>\$ 4,499,624</u>	<u>\$ (1,925,807)</u>	<u>\$ 20,625,410</u>	<u>\$ 10,369,987</u>
Solid Waste Management Authority - Component Unit:					
Bonds Payable	<u>\$ 28,919,274</u>	<u>\$ -</u>	<u>\$ (1,318,306)</u>	<u>\$ 27,600,968</u>	<u>\$ 1,380,000</u>

Note 3 - Detailed Notes on All Funds (Continued)

Bonds Payable

Bonds payable at December 31, 2001 are comprised of the following individual issues:

<p>\$16,170,000 - 1973 bonds for sewer district improvements, due in annual installments of \$550,000 through April 2004 and \$415,000 in April 2005; interest at 4.50%</p>	<p>\$ 1,515,000</p>
<p>\$11,160,000 - 1984 bonds for sewer district improvements, due in annual installments of \$450,000 through May 2008 and \$395,000 in May 2009; interest at 9.40% for maturities through 2005 and 9.50% for maturities through 2009</p>	<p>3,095,000</p>
<p>\$9,520,000 - 1986 bonds for sewer purposes, due in annual installments of \$400,000 through June 2006, \$420,000 through June 2010 and \$425,000 in June 2011; interest at 7.40% and 7.50%, depending upon maturity</p>	<p>3,705,000</p>
<p>\$10,000,000 - 1986 bonds for sewer purposes, due in annual installments of \$425,000 through April 2004, \$450,000 through April 2008 and \$475,000 through April 2011; interest at 7.00% and 7.10%, depending upon maturity</p>	<p>4,075,000</p>
<p>\$10,546,000 - 1988 bonds for public improvements including the health complex, due in October 2003; interest at 6.90%</p>	<p>6,000</p>
<p>\$11,785,000 - 1989 bonds for public improvements including the health complex, due in annual installments of \$115,000 through February 2004 and \$42,000 through February 2009; interest at 6.60%</p>	<p>440,000</p>
<p>\$20,284,115 - 1990 bonds for refunding of sewer improvement bonds, due in annual installments of \$490,000 in March 2003, \$483,000 in March 2004, \$478,000 in March 2005, \$471,000 in March 2006, \$466,000 in March 2007, \$458,000 in March 2008, \$451,000 in March 2009, \$443,000 in March 2010, \$432,000 in March 2011, \$452,000 in March 2012, \$473,000 in March 2013, \$495,000 in March 2014, \$520,000 in March 2015, \$546,000 in March 2016, \$574,000 in March 2017, \$604,000 in March 2018, \$636,000 in March 2019 and \$670,000 in March 2020; interest at rates ranging from 5.9% to 7.5%, depending on maturity</p>	<p>9,142,000</p>
<p>\$9,950,000 - 1992 bonds for various purposes, due in annual installments of \$108,000 in October 2003, \$96,000 in October 2004, \$92,000 in October 2005, \$79,000 through October 2007, \$31,000 in October 2008 and \$12,000 in through October 2012; interest at rates ranging from 5.20% to 5.50%, depending on maturity</p>	<p>533,000</p>

Note 3 - Detailed Notes on All Funds (Continued)

\$2,905,000 - 1992 bonds for various purposes, due in annual installments of \$62,000 in September 2003, \$70,000 in September 2004, \$71,000 in September 2005, \$72,000 in September 2006, \$76,000 in September 2007, \$74,000 in September 2008, \$80,000 through September 2010, \$86,000 in September 2011, \$85,000 in September 2012, \$41,000 in September 2013, \$43,000 in September 2014, \$45,000 in September 2015, \$47,000 in September 2016, \$50,000 in September 2017, \$52,000 in September 2018, \$55,000 in September 2019, \$58,000 in September 2020 and \$61,000 in September 2021; interest at 6.46%	\$ 1,208,000
\$8,125,000 - 1992 bonds to satisfy pension liability, due in annual installments of \$775,000 through December 2005; interest at rates ranging from 7.20% to 7.25%, depending on maturity	2,325,000
\$5,855,000 - 1992 bonds for sewer purposes, due in annual installments of \$196,000 in September 2003, \$207,000 in September 2004, \$214,000 in September 2005, \$218,000 in September 2006, \$222,000 in September 2007, \$227,000 in September 2008, \$232,000 in September 2009, \$240,000 in September 2010, \$245,000 in September 2011, \$250,000 in September 2012, \$79,000 in September 2013, \$82,000 in September 2014, \$86,000 in September 2015, \$90,000 in September 2016, \$94,000 in September 2017, \$99,000 in September 2018, \$104,000 in September 2019, \$109,000 in September 2020, \$115,000 in September 2021 and \$121,000 in September 2022; interest at rates ranging from 3.00% to 6.65%, depending on maturity	3,230,000
\$11,310,000 - 1993 bonds for refunding of sewer and various purpose bonds, due in annual installments \$605,000 through March 2005, \$600,000 in March 2006, \$240,000 in March 2007, \$235,000 in March 2008 and \$240,000 through March 2017; interest at rates ranging from 3.00% to 5.375%, depending upon maturity	5,050,000
\$4,350,000 - 1993 bonds for sewer purposes, due in annual installments of \$147,000 in September 2003, \$156,000 in September 2004, \$161,000 in September 2005, \$164,000 in September 2006, \$167,000 in September 2007, \$172,000 in September 2008, \$177,000 in September 2009, \$178,000 in September 2010, \$184,000 in September 2011, \$189,000 in September 2012, \$194,000 in September 2013, \$67,000 in September 2014, \$70,000 in September 2015, \$73,000 in September 2016, \$77,000 in September 2017, \$80,000 in September 2018, \$84,000 in September 2019, \$89,000 in September 2020, \$93,000 in September 2021 and \$98,000 in September 2022; interest at rates ranging from 3.00% to 6.65%, depending on maturity	2,620,000

Note 3 - Detailed Notes on All Funds (Continued)

<p>\$2,675,000 - 1993 bonds for sewer purposes, due in annual installments of \$130,000 in November 2003, \$135,000 in November 2004, \$140,000 through November 2006, \$145,000 through November 2008, \$150,000 through November 2010, \$155,000 in November 2011 and \$160,000 through November 2013; interest at rates ranging from 2.65% to 5.20%, depending upon maturity</p>	<p>\$ 1,610,000</p>
<p>\$11,248,000 - 1994 bonds for public improvements including the health complex, due in annual installments of \$173,000 in April 2003, \$158,000 in April 2004, \$146,000 in April 2005, \$92,000 in April 2006, \$97,000 in April 2007, \$90,000 in April 2008, \$96,000 in April 2009, \$91,000 in April 2010 and \$86,000 in April 2011; interest at rates ranging from 5.20% to 5.80%</p>	<p>1,029,000</p>
<p>\$12,347,000 - 1994 bonds for public improvements including the health complex, due in annual installments of \$243,000 in November 2003, \$195,000 in November 2004, \$67,000 through November 2006, \$68,000 through November 2008, \$69,000 in November 2009 and \$39,000 through November 2014; interest at rates ranging from 5.90% to 6.00%, depending upon maturity</p>	<p>972,000</p>
<p>\$12,546,000 - 1995 bonds for various purposes, due in annual installments of \$583,000 in August 2003, \$563,000 in August 2004 and \$527,000 through August 2006; interest at rates ranging from 4.00% to 6.00%, depending upon maturity</p>	<p>2,200,000</p>
<p>\$6,365,000 - 1996 bonds for sewer purposes, due in annual installments of \$270,000 in December 2003, \$275,000 in December 2004, \$285,000 in December 2005, \$295,000 in December 2006, \$300,000 through December 2008, \$315,000 in December 2009, \$320,000 in December 2010, \$330,000 in December 2011, \$340,000 in December 2012, \$355,000 in December 2013, \$360,000 in December 2014, \$370,000 in December 2015, \$380,000 in December 2016 and \$360,000 in December 2017; interest at rates ranging from 4.625% to 5.20%, depending on maturity</p>	<p>4,855,000</p>
<p>\$19,806,000 - 1997 bonds for various purposes including the health complex, due in annual installments of \$386,000 in August 2003, \$335,000 in August 2004, \$1,750,000 in August 2005, \$1,835,000 in August 2006, \$1,925,000 in August 2007, \$2,020,000 in August 2008 and \$2,120,000 in August 2009; interest at rates ranging from 4.25% to 5.00%, depending on maturity</p>	<p>10,371,000</p>

Note 3 - Detailed Notes on All Funds (Continued)

\$25,477,000 - 1998 bonds for various purposes including courthouse construction, due in annual installments of \$132,000 in May 2003, \$74,000 in May 2004, \$1,600,000 in May 2005, \$1,665,000 in May 2006, \$1,730,000 in May 2007, \$1,800,000 in May 2008, \$1,875,000 in May 2009, \$1,955,000 in May 2010, \$2,040,000 in May 2011, \$2,135,000 in May 2012 and \$2,230,000 in May 2013; interest at rates ranging from 4.00% to 4.40%, depending on maturity

\$ 17,236,000

\$26,517,000 - 1999 bonds for various purposes including the health complex, due in annual installments of \$276,000 in October 2003, \$167,000 in October 2004, \$550,000 in October 2005, \$575,000 in October 2006, \$602,000 in October 2007, \$634,000 in October 2008, \$666,000 in October 2009, \$700,000 in October 2010, \$735,000 in October 2011, \$776,000 in October 2012, \$825,000 in October 2013, \$870,000 in October 2014, \$921,000 in October 2015 and \$972,000 in October 2016; interest at rates ranging from 5.125% to 5.60%, depending on maturity

9,269,000

\$15,225,000 - 2000 bonds for various purposes, due in annual installments of \$15,000 in November 2003, \$16,000 in November 2004, \$825,000 in November 2005, \$860,000 in November 2006, \$900,000 in November 2007, \$945,000 in November 2008, \$990,000 in November 2009, \$1,035,000 in November 2010, \$1,085,000 in November 2011, \$1,140,000 in November 2012, \$1,200,000 in November 2013, \$1,260,000 in November 2014, \$1,330,000 in November 2015 and \$1,400,000 in November 2016; interest at rates ranging from 4.75% to 5.125%, depending on maturity

13,001,000

\$14,425,000 - 2001 bonds for various purposes, due in annual installments of \$815,000 in October 2003, \$840,000 in October 2004, \$860,000 in October 2005, \$890,000 in October 2006, \$920,000 in October 2007, \$950,000 in October 2008, \$990,000 in October 2009, \$1,025,000 in October 2010, \$1,070,000 in October 2011, \$1,110,000 in October 2012, \$1,160,000 in October 2013, \$1,210,000 in October 2014, \$1,265,000 in October 2015 and \$1,320,000 in October 2016; interest at rates ranging from 4.00% to 5.00%, depending on maturity.

14,425,000

\$6,000,000 - 2001 bonds for sewer district improvements, due in annual installments of \$110,000 in October 2003, \$115,000 in October 2004, \$120,000 through October 2006, \$125,000 in October 2007, \$130,000 in October 2008, \$135,000 in October 2009, \$140,000 in October 2010, \$145,000 in October 2011, \$150,000 in October 2012, \$160,000 in October 2013, \$165,000 in October 2014, \$170,000 in October 2015, \$180,000 in October 2016, \$190,000 in October 2017, \$195,000 in October 2018, \$205,000 in October 2019, \$215,000 in October 2020, \$225,000 in October 2021, \$240,000 in October 2022, \$250,000 in October

Note 3 - Detailed Notes on All Funds (Continued)

2023, \$265,000 in October 2024, \$275,000 in October 2025, \$290,000 in October 2026, \$305,000 in October 2027, \$320,000 in October 2028, \$335,000 in October 2029, \$355,000 in October 2030 and \$370,000 in October 2031; interest at rates ranging from 4.00% to 5.00%, depending on maturity. \$ 6,000,000

\$16,673,000 - 2002 bonds for various purposes, due in annual installments of \$983,000 in October 2004, \$995,000 in October 2005, \$1,015,000 in October 2006, \$1,040,000 in October 2007, \$1,070,000 in October 2008, \$1,105,000 in October 2009, \$1,140,000 in October 2010, \$1,185,000 in October 2011, \$1,225,000 in October 2012, \$1,275,000 in October 2013, \$1,325,000 in October 2014, \$1,380,000 in October 2015, \$1,435,000 in October 2016 and \$1,500,000 in October 2017; interest at rates ranging from 3.5% to 4.0%, depending on maturity 16,673,000

\$ 134,585,000

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of December 31, 2002 including interest payments of \$46,389,893 are as follows:

Year Ending December 31,	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$ 6,543,540	\$ 5,545,593	\$ 1,168,464	\$ 438,303	\$ 7,712,004	\$ 5,983,896
2004	6,928,533	5,227,311	1,259,467	375,493	8,188,000	5,602,804
2005	10,795,038	4,882,858	1,222,962	309,636	12,018,000	5,192,494
2006	10,022,614	4,401,001	1,004,386	241,454	11,027,000	4,642,455
2007	9,831,973	3,961,239	632,027	191,999	10,464,000	4,153,238
2008-2012	45,221,964	13,344,555	2,229,032	566,623	47,450,996	13,911,178
2013-2017	29,471,326	4,910,490	1,280,674	153,811	30,752,000	5,064,301
2018-2022	4,208,000	1,103,277	-	-	4,208,000	1,103,277
2023-2027	1,385,000	559,500	-	-	1,385,000	559,500
2028-2031	1,380,000	176,750	-	-	1,380,000	176,750
	<u>\$ 125,787,988</u>	<u>\$ 44,112,574</u>	<u>\$ 8,797,012</u>	<u>\$ 2,277,319</u>	<u>\$ 134,585,000</u>	<u>\$ 46,389,893</u>

Interest expenditures of \$5,471,510 and \$14,952, were recorded in the fund financial statements in the Debt Service Fund and Internal Service Fund, respectively. Interest expense of \$5,424,299 was recorded in the County-wide financial statements for governmental activities. Interest expense of \$276,136 was recorded in the fund financial and County-wide financial statements for the business-type activities - Home and Infirmary Fund.

The above general obligation bonds are direct obligations of the County for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the County.

Note 3 - Detailed Notes on All Funds (Continued)

Prior Year Defeasance of Debt

In prior years, the County defeased certain sewer improvement and various purpose bonds by placing the proceeds of new bonds or certain defined revenues in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. At December 31, 2002, \$14,970,000 of bonds outstanding are considered defeased.

Indebtedness - Component Unit

Solid Waste Management Authority

Bonds payable at December 31, 2002 consisted of the following individual issues:

\$22,936,600 - 1996A serial bonds, repaid partially during 1999 with a State grant and other funds; due in annual principal installments of \$835,000 in 2003, \$850,000 in 2004, \$870,000 in 2005, \$890,000 in 2006, \$915,000 in 2007, \$935,000 in 2008, \$965,000 in 2009, \$990,000 in 2010, \$1,015,000 in 2011, \$1,045,000 in 2012, \$1,075,000 in 2013, \$1,105,000 in 2014, \$1,140,000 in 2015 and \$3,170,000 in 2016; interest at stated rates between 3.35% and 5.20%, depending upon maturity	\$ 15,800,000
\$11,620,000 - 1996B serial bonds net of unamortized discount of \$83,428, repaid partially during 1999 with a State grant and other funds; due in annual principal installments of \$395,000 in 2003, \$410,000 in 2004, \$430,000 in 2005, \$455,000 in 2006, \$480,000 in 2007, \$505,000 in 2008, \$530,000 in 2009, \$560,000 in 2010, \$590,000 in 2011, \$630,000 in 2012, \$670,000 in 2013, \$700,000 in 2014, \$965,000 in 2015 and \$1,015,000 in 2016; interest at stated rates between 4.60% and 5.625%, depending upon maturity	8,251,572
\$4,000,000 - 1999 serial bonds net of unamortized discount of \$30,604, due in annual principal installments of \$150,000 in 2003, \$155,000 in 2004, \$165,000 in 2005, \$170,000 in 2006, \$180,000 in 2007, \$190,000 in 2008, \$200,000 in 2009, \$210,000 in 2010, \$220,000 in 2011, \$235,000 in 2012, \$245,000 in 2013, \$260,000 in 2014, \$275,000 in 2015, \$290,000 in 2016, \$310,000 in 2017 and \$325,000 in 2018; interest at stated rates between 4.25% and 5.75%, depending on maturity	<u>3,549,396</u>
	<u>\$ 27,600,968</u>

At the option of the Authority, the serial bonds included in the \$22,936,600 issue will be subject to redemption prior to maturity on or after June 15, 2006. These bonds may be redeemed either as a whole at any time, or in part, on any interest payment date on or after June 15, 2006 at the following redemption prices plus accrued interest, if any, to the date of redemption.

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2002

Note 3 - Detailed Notes on All Funds (Continued)

<u>Redemption Period (Dates Inclusive)</u>	<u>Redemption Price (as a % of Par)</u>
June 15, 2006 to June 14, 2007	102%
June 15, 2007 to June 14, 2008	101%
June 15, 2008 and thereafter	100%

At the option of the Authority, the serial bonds included in the \$11,620,000 issue will be subject to redemption prior to maturity on or after December 15, 2006. These bonds may be redeemed either as a whole, or in part, at any time at the following redemption prices plus accrued interest, if any, to the date of redemption.

<u>Redemption Period (Dates Inclusive)</u>	<u>Redemption Price (as a % of Par)</u>
December 15, 2006 to December 14, 2007	102%
December 15, 2007 to December 14, 2008	101%
December 15, 2008 and thereafter	100%

At the option of the Authority, the serial bonds included in the \$4,000,000 issue will be subject to redemption prior to maturity on or after December 15, 2009. These bonds may be redeemed either as a whole at any time, or in part, on any interest payment date at the following redemption prices plus accrued interest, if any, to the date of redemption.

<u>Redemption Period (Dates Inclusive)</u>	<u>Redemption Price (as a % of Par)</u>
December 15, 2009 to December 14, 2010	101%
December 15, 2010 to December 14, 2011	100.5%
December 15, 2011 and thereafter	100%

The annual requirements to amortize all bonds outstanding at December 31, 2002, including interest of \$12,883,031 are as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$ 1,380,000	\$ 1,425,340	\$ 2,805,340
2004	1,415,000	1,364,114	2,779,114
2005	1,465,000	1,299,895	2,764,895
2006	1,515,000	1,231,658	2,746,658
2007	1,575,000	1,159,448	2,734,448
2008 - 2012	8,820,000	4,533,600	13,353,600
2013 - 2017	11,220,000	1,850,288	13,070,288
2018	<u>325,000</u>	<u>18,688</u>	<u>343,688</u>
	27,715,000	<u>\$ 12,883,031</u>	<u>\$ 40,598,031</u>
Less - Unamortized original issue discount	<u>(114,032)</u>		
	<u>\$ 27,600,968</u>		

Note 3 - Detailed Notes on All Funds (Continued)

Extinguishment of Debt

The Authority, on September 15, 1999, extinguished \$2,330,000 of its 1996A serial bonds and \$2,195,000 of its 1996B serial bonds using grants of \$4,000,000 from New York State and \$525,000 from the release of restricted funds. This transaction was required as a condition of the grant. These funds were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for portions of future debt service on the 1996A and 1996B serial bonds. As a result, portions of these serial bonds are considered to be extinguished and the liability for those bonds has been removed from the financial statements. Defeased bonds totaling \$3,855,000 were outstanding at December 31, 2002.

Compensated Absences

Under the terms of existing collective bargaining agreements, certain employees of the primary government may accumulate sick leave. Upon separation of service, employees, depending on the criteria defined in the contract, are compensated for accumulated leave in excess of 165 days, up to a maximum of 35 days. The primary government is also obligated to pay employees accrued vacation pay up to a maximum of 77 days, depending upon the contract.

Under the terms of existing collective bargaining agreements, College employees are granted vacation and sick leave and earn compensatory absences in varying amounts. Upon retirement or involuntary termination prior to normal retirement, employees are entitled to payment for accumulated vacation and sick leave and unused compensatory absences at various rates subject to certain maximum limitations. At August 31, 2002, the expense related to vested vacation pay for employees was accrued based upon pay rates currently in effect. Accrued vacation pay aggregated approximately \$1,606,616 and was included in accrued liabilities.

Unused vacation time of the Solid Waste Management Authority employees may be carried forward to subsequent years. Unused personal time is added to sick leave, which may be taken at any time. The Authority has determined that the potential liability for accumulated vacation and sick leave at December 31, 2002 was \$34,404. These amounts are included in accrued liabilities of the Authority.

The employees of the Industrial Development Agency may accumulate vacation leave. Upon separation of service, these employees are compensated up to a maximum of 50 days. The liability for the Industrial Development Agency was deemed immaterial.

Pension Obligations

Chapter 41 of the Laws of 1997 authorized local governments to offer employees a retirement incentive program. This program provides that eligible employees would receive up to a maximum of three years service credit added to their pension benefit calculation. The aggregate cost of the program was \$1,348,715. The payment terms provide for repayment over a five year period, with interest. The current year payment of \$136,160 is applicable to the governmental funds of the primary government and has been charged to those funds. The current year payment of \$150,333 is applicable to the proprietary funds and the College and had been charged to those funds in a prior year.

Note 3 - Detailed Notes on All Funds (Continued)

Chapter 47 of the Laws of 1998 authorized local governments to offer employees a retirement incentive program. The aggregate cost of the program was \$1,694,334. The payment terms provide for repayment over a five year period, with interest. The remaining liability for this program is \$335,807. Of this amount, \$227,155 is applicable to the governmental funds of the primary government. The balance of \$108,652 is applicable to the Home and Infirmary Fund.

The 1999 Statewide Incentive Program authorized local governments to offer employees a retirement incentive program. The aggregate cost of this program was \$1,909,968. The payment terms provide that the liability be paid over a five year period, with interest. The remaining liability for this program is \$837,363. Of this amount, \$505,488 is applicable to the governmental funds of the primary government. The balance of \$331,875 is applicable to the Home and Infirmary Fund.

The 2000 Retirement Incentive Program authorized local governments to offer employees a new retirement incentive program. The aggregate cost of the program was \$2,206,218. The payment terms provide that the liability be paid over a five-year period with interest. The remaining liability for this program is \$1,272,355. Of this amount, \$740,486 is applicable to the governmental funds of the primary government. The balance of \$531,869 is applicable to the Home and Infirmary Fund.

The County, pursuant to Article 14-B of the Retirement and Social Security Law, elected to participate in a retirement option which provides for special retirement benefits for sheriffs and deputy sheriffs engaged in criminal law enforcement activities. The aggregate cost of the plan was \$2,519,140. The payment terms provide for repayment over a ten year period, with interest at 8.5%. The remaining liability for this program is \$1,394,425 and is applicable to the governmental funds.

The County, pursuant to Article 14-B of the Retirement and Social Security Law, elected to participate in a retirement option which provides for special retirement benefits for deputy sheriffs engaged in criminal law enforcement activities. The aggregate cost of the plan was \$472,292. The payment terms provide for repayment over a five year period, with interest at 8.5%. The remaining liability for this program is \$362,292 and is applicable to the governmental funds.

The 2002 Statewide incentive program authorized local governments to offer employees a retirement incentive program. The estimated aggregate cost of the program is \$7,858,413. Of this amount, \$5,195,231 is applicable to governmental funds and \$2,663,182 is applicable to the Home and Infirmary Fund. These amounts were charged to current year expenses in the government-wide financial statements.

The amount of the retirement incentive and Article 14-B programs expenditures/expenses charged to 2002 in the Governmental and Proprietary Funds and the liabilities and expense shown in the Government-wide statements are:

Note 3 - Detailed Notes on All Funds (Continued)

	Expenditures/Expenses Fund Level Statements		Expenses Government-Wide Statements	
	Governmental	Proprietary	Governmental	Business-Type
1997 Incentive	\$ 136,160	\$ -	\$ -	\$ -
1998 Incentive	229,812	-	-	-
1999 Incentive	256,554	-	-	-
2000 Incentive	267,054	-	-	-
Article 14-B1	385,571	-	-	-
Article 14-B2	140,000	-	-	-
2002 Incentive	-	2,663,182	5,195,231	2,663,182
	<u>\$ 1,415,151</u>	<u>\$ 2,663,182</u>	<u>\$ 5,195,231</u>	<u>\$ 2,663,182</u>

	Liability Government-Wide Statements	
	Governmental	Business-Type
1998 Incentive	\$ 227,155	\$ 108,652
1999 Incentive	505,488	331,875
2000 Incentive	740,486	531,869
Article 14-B1	1,394,425	-
Article 14-B2	362,292	-
2002 Incentive	5,195,231	2,663,182
	<u>\$ 8,425,077</u>	<u>\$ 3,635,578</u>

Soil and Water Conservation District

The Soil and Water Conservation District does not incur eligible salaries and therefore does not participate in a New York State pension program.

J. Revenues and Expenditures

Interfund Transfers

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without the equivalent flow of assets in return. The interfund transfers reflected below have been reflected as transfers.

Transfers Out	Transfers In			Total
	General	Capital Projects	Non-Major Govern-mental	
General	\$ -	\$ -	\$ 12,746,451	\$ 12,746,451
Capital Projects	472,789	-	2,558,397	3,031,186
Non-Major Govern-mental	4,375,126	400,000	9,051,836	13,826,962
	<u>\$ 4,847,915</u>	<u>\$ 400,000</u>	<u>\$ 24,356,684</u>	<u>\$ 29,604,599</u>

Note 3 - Detailed Notes on All Funds (Continued)

K. Post-Employment Health Care Benefits

In addition to providing pension benefits, the primary government and its College component unit provides certain health care benefits for retired employees. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the primary government and its College component unit may vary according to length of service. Substantially all employees may become eligible for those benefits if they reach normal retirement age while working for these entities. The cost of retiree health care benefits is recognized as an expenditure/expense as claims are paid. Expenditures/expenses for the primary government in 2002 aggregated \$10,317,292 and were paid on behalf of 1,592 retirees. Expenditures for the College aggregated \$1,906,000 for 266 retirees for the year ended August 31, 2002. The Soil and Water Conservation District, Industrial Development Agency and the Solid Waste Management Authority did not incur expenditures/expenses for retiree health care benefits.

L. Net Assets

The components of net assets are detailed below:

Invested in Capital Assets, net of Related Debt - the component of net assets that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Capital Projects - the component of net assets that reports the amounts restricted for capital projects, exclusive of unexpended bond proceeds and unrestricted interest earnings.

Restricted for Law Enforcement - the component of net assets that represents the unexpended balance of the forfeiture of seized crime properties to be used pursuant to a State directive in the subsequent fiscal year for law enforcement purposes.

Restricted for Stop-DWI Program - the component of net assets that represents State revenues that are limited by State directive to be used in accordance with the parameters of the Driving While Intoxicated Program.

Restricted for E-911 - the component of net assets that has been established to set aside funds pursuant to a State directive to be used for a County-wide Emergency 911 Telephone System.

Restricted for Handicapped Parking - the component of net assets that has been established to set aside funds pursuant to a State directive to be used for the education, advocacy and increased public awareness of handicapped parking laws.

Restricted for Social Service Programs - the component of net assets that reports the difference between assets and liabilities of the certain programs that consists of assets with constraints placed on their use by either external parties and/or statute.

Restricted for Debt Service - the component of net assets that reports the difference between assets and liabilities of the Debt Service Fund that consist of assets with constraints placed on their use by Local Finance Law.

Note 3 - Detailed Notes on All Funds (Continued)

Restricted for Parklands - the component of net assets that has been established pursuant to New York State Law. These amounts represent funds received by the County to be used for park improvements.

Restricted for Affordable Housing - the component of net assets established by the U.S. Department of Housing and Urban Development to be utilized for the purposes of creating an affordable housing program in the County.

Restricted for Sewer Purposes - the component of net assets that reports the difference between assets and liabilities of the Sewer Fund that consist of funds with constraints placed on their use by General Municipal Law.

Restricted for Student Loans - the component of net assets that has been established to set aside funds to provide loans to students.

Restricted for Student Activities - the component of net assets that has been established to set side funds to provide for activities and services to the students.

Restricted for Workers' Compensation Benefits - the component of net assets that has been established to set aside funds to be used for a specific purpose in accordance with Section 6j General Municipal Law.

Restricted for Unemployment Benefits - the component of net assets that has been established to set aside funds to be used for a specific purpose in accordance with Section 6m of General Municipal Law.

Restricted for General Liability Claims - the component of net assets that has been established to set aside funds to be used for a specific purpose in accordance with Section 6n General Municipal Law.

Restricted for Permanent Endowments - the component of net assets that has been established through external restrictions imposed by contributors.

Unrestricted - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of restricted debt".

M. Fund Balances

Certain elements of reserved fund balance are described above. Those additional elements which are not reflected in the statement of net assets but are reported in the governmental funds balance sheet are described below. The unreserved components of fund balance are also detailed below.

Reserved

Encumbrances outstanding have been reserved as it is the County's intention to honor contracts in process at year end. The subsequent year's appropriation will be amended to provide authority to complete the transaction.

Note 3 - Detailed Notes on All Funds (Continued)

The Reserve for Prepaid Expenditures has been established to account for employee retirement and other payments made in advance. The reserve indicates that these funds are not "available" for appropriation or expenditure even though they are a component of current assets.

The Reserve for Long-Term Receivable is used to indicate that certain receivables will not be collected in sufficient time to use the funds to satisfy liabilities of the period. A reserve has been established to indicate that the funds are not "available" for appropriation or expenditure even though the amounts are a component of current assets.

The Reserve for Compensated Absences represent funds set aside for the payment of accumulated vacation and sick leave in accordance with various collective bargaining agreements and General Municipal Law. These funds are not "available" for appropriation or expenditure.

The Reserve for Advances has been established to indicate the long-term nature of funds advanced to the County Road Fund. These funds do not represent "available" spendable resources even though they are component of current assets.

Unreserved - Designations

Designations of fund balance are not legally required segregations but represent intended use for a specific purpose. The County's designations are detailed below.

Designated for Affordable Housing - This designation, established by the County Legislature, is used to segregate a portion of fund balance to be utilized for the purpose of creating an affordable housing program in the County.

Designated for Section 8 - This designation of fund balance represent surplus monies from the Section 8 Program, which is to be used to fund certain programs.

Designation for Transportation Projects - This designation of fund balance represent surplus monies received for transportation projects, which are to be used to fund transportation capital project costs.

Designated for Treatment Plant - This designation, established by the County Legislature, represents collected assessment fees to be used for future expansion and/or upgrade of the Treatment Plant and Collection System.

Designated for Subsequent Year's Expenditures - General and Special Revenue Funds - At December 31, 2002, the County Legislature has designated that \$12,440 of the fund balance of the Road Machinery Fund, \$871,364 of the fund balance of the Sewer District Fund and \$5,496,940 of the fund balance of the Debt Service Fund be appropriated for the ensuing year's budget.

Note 4 - Summary Disclosure of Significant Contingencies

Litigation

The County receives numerous notices of claims for damages occurring generally from alleged negligence and civil rights violations. The filing of such notice of claim commences a statutory period for initiating judicial action. The County Attorney has indicated that he is not aware of any such action which would have a significant adverse impact on the County's financial condition.

The County is defendant in numerous pending tax certiorari proceedings, the results of which cannot be determined at this time. Any future refunds resulting from adverse settlements will be funded in the year payments are made.

The Solid Waste Management Authority is a defendant in a lawsuit brought over the value of land it acquired through condemnation proceedings. The parties are in settlement discussions, but it is not possible to estimate the cost, if any, of this litigation to the Authority. The Authority is also a defendant, along with the general contractor, in a personal injury suit brought by a construction worker who was injured in the construction of one of its buildings. It is not possible to estimate the cost to the Authority, if any, in excess of insurance coverage in this case.

Risk Management

Liability Claims

The County is currently self-insured for general liability, property damage and medical malpractice claims. Conventional insurance is not purchased for catastrophic losses.

Workers' Compensation

The County, as the predominant entity, and certain towns and villages within the County are participants in a County-wide workers' compensation program. Premiums are assessed on each participant based upon a formula involving payroll and the actual historical claims experience of such participant. Costs relating to the litigation of claims are charged to expenses as incurred. The County has secured conventional insurance coverage for individual losses in excess of \$500,000. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Unemployment Benefits

The County is self-insured for claims arising from unemployment benefit cases.

Component Units

Rockland Community College

The College is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; and natural disasters. The risks are covered by commercial insurance purchased by Rockland County that extends coverage to the College. The self-insured retention under these policies is \$1 million. Settled claims resulting from these risks have not exceeded commercial insurance coverage in

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

any of the past three years. In addition, the College participates in the Rockland County Workers' Compensation Self Insurance Plan, a risk sharing pool, administered by the County, to insure workers' compensation claims. This is a public entity risk pool created under Article 5, Workers' Compensation Law, to finance liability and risk related to workers' compensation claims.

Soil and Water Conservation District

The District purchases various conventional insurance policies to reduce its exposure to risk. The District maintains general liability and auto liability policies which provide coverage up to \$500,000. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Solid Waste Management Authority

The Authority purchases various conventional insurance policies to reduce its exposure to loss. The Authority maintains a general liability policy with coverage of up to \$6 million and property, automobile and directors and officers liability policies with coverage up to \$2 million each. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The Authority purchases conventional insurance coverage for health, workers' compensation and unemployment benefits.

Contingencies

The County and the College participate in various Federal grant programs. These programs are subject to program compliance audits pursuant to the Single Audit Act. This audit is currently in process and the report will be issued under separate cover. Accordingly, the County and the College's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the entities anticipate such amounts, if any, to be immaterial.

Note 5 - Subsequent Events

The County on February 26, 2003, renewed bond anticipation notes in the amount of \$4,400,000. The notes bear interest at rates ranging from 1.05% to 2.00% and mature on February 26, 2004.

The County on April 29, 2003, issued revenue anticipation notes in the amount of \$55,000,000. The notes bear interest at rates ranging from 1.5% to 2%, and mature on February 26, 2004.

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MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund constitutes the primary operating fund of the County in that it includes all revenues and expenditures not required by law to be accounted for in other funds.

CAPITAL PROJECTS FUND

The Capital Projects Fund is utilized to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

GENERAL FUND
BALANCE SHEET
DECEMBER 31, 2002

ASSETS

Cash and Equivalents:		
Demand deposits	\$	34,147,467
Departmental cash		16,690
		<u>34,164,157</u>
Investments		<u>3,622,571</u>
Taxes Receivable:		
Tax liens		9,299,288
Tax installments		2,481,188
Returned school and village taxes		14,182,980
Property acquired for taxes		123,468
		<u>26,086,924</u>
Allowance for uncollectible taxes		<u>(1,158,000)</u>
		<u>24,928,924</u>
Other Receivables:		
Accounts, net of allowance for uncollectible amounts		29,116,036
State and Federal aid, net of allowance for uncollectible amounts		57,595,986
Due from other governments		5,216,964
Advances to other funds		1,388,381
		<u>93,317,367</u>
Prepaid Expenditures		<u>241,790</u>
Total Assets	\$	<u><u>156,274,809</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:		
Accounts payable	\$	22,290,441
Accrued liabilities		15,039,365
Due to other governments		1,113,434
Due to school districts		15,746,349
Due to other funds		6,663,915
Deferred revenues - Taxes		8,147,070
Deferred revenues - Other		2,435,886
Revenue anticipation note payable		60,000,000
Total Liabilities		<u>131,436,460</u>
Fund Balance:		
Reserved for encumbrances		3,164,637
Reserved for prepaid expenditures		241,790
Reserved for law enforcement		427,229
Reserved for Stop - DWI Program		182,734
Reserved for E-911		134,630
Reserved for Handicapped parking		23,655
Reserved for compensated absences		7,668,958
Reserved for advances		1,388,381
Unreserved:		
Designated for Section 8		122,803
Undesignated		11,483,532
Total Fund Balance		<u>24,838,349</u>
Total Liabilities and Fund Balance	\$	<u><u>156,274,809</u></u>

COUNTY OF ROCKLAND, NEW YORK

GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Real property taxes	\$ 40,131,825	\$ 40,131,825	\$ 43,024,198	\$ 2,892,373
Other tax items	4,810,000	4,810,000	4,461,514	(348,486)
Non-property taxes	119,708,986	119,708,986	119,731,942	22,956
Departmental income	24,967,181	25,919,576	29,514,747	3,595,171
Use of money and property	610,000	610,000	928,699	318,699
Licenses and permits	1,372,000	1,372,000	1,222,638	(149,362)
Fines and forfeitures	664,879	657,754	663,206	5,452
Sale of property and compensation for loss	13,500	13,500	135,547	122,047
Interfund/intrafund revenues	9,185,905	38,904,782	39,112,951	208,169
State aid	75,472,602	80,035,929	76,070,704	(3,965,225)
Federal aid	35,280,651	44,095,393	42,680,443	(1,414,950)
Miscellaneous	6,154,000	6,206,955	6,912,934	705,979
Total Revenues	318,371,529	362,466,700	364,459,523	1,992,823
Expenditures:				
Current:				
General government support	42,926,735	39,471,281	34,958,991	4,512,290
Education	47,775,971	47,806,080	45,329,687	2,476,393
Public safety	36,935,296	40,231,601	41,745,805	(1,514,204)
Health	34,752,664	39,207,625	37,298,006	1,909,619
Transportation	16,604,981	19,654,867	19,868,067	(213,200)
Economic opportunity and development	127,537,476	133,197,864	135,363,082	(2,165,218)
Culture and recreation	598,205	598,555	598,690	(135)
Home and community services	5,084,615	6,007,341	5,082,674	924,667
Employee benefits	8,381,632	38,116,925	36,281,171	1,835,754
Debt Service - Interest	441,000	441,000	372,078	68,922
Total Expenditures	321,038,575	364,733,139	356,898,251	7,834,888
Excess (Deficiency) of Revenues Over Expenditures	(2,667,046)	(2,266,439)	7,561,272	9,827,711
Other Financing Sources (Uses):				
Transfers in	5,049,245	5,076,135	4,847,915	(228,220)
Transfers out	(13,063,028)	(13,234,638)	(12,746,451)	488,187
Total Other Financing Uses	(8,013,783)	(8,158,503)	(7,898,536)	259,967
Net Change in Fund Balance	(10,680,829)	(10,424,942)	(337,264)	10,087,678
Fund Balance - Beginning of Year, as previously reported	10,680,829	10,424,942	17,130,029	6,705,087
Change in Accounting Principle	-	-	8,045,584	8,045,584
Fund Balance - Beginning of Year, as restated	10,680,829	10,424,942	25,175,613	14,750,671
Fund Balance - End of Year	\$ -	\$ -	\$ 24,838,349	\$ 24,838,349

The notes to the financial statements are an integral part of this statement.

COUNTY OF ROCKLAND, NEW YORK

GENERAL FUND
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET
 YEAR ENDED DECEMBER 31, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REAL PROPERTY TAXES	\$ 40,131,825	\$ 40,131,825	\$ 43,024,198	\$ 2,892,373
OTHER TAX ITEMS				
Interest and penalties on real property taxes	4,460,000	4,460,000	4,331,873	(128,127)
Gain on sale of tax acquired property	300,000	300,000	26,784	(273,216)
Payments in lieu of taxes	50,000	50,000	102,857	52,857
Total Other Tax Items	4,810,000	4,810,000	4,461,514	(348,486)
NON-PROPERTY TAXES				
Sales and use tax	119,082,236	119,082,236	119,079,563	(2,673)
E-911 surcharge	626,750	626,750	652,379	25,629
Total Non-Property Taxes	119,708,986	119,708,986	119,731,942	22,956
DEPARTMENTAL INCOME				
General:				
Medical examiner	-	-	435	435
Department of Finance	125,000	125,000	126,119	1,119
Redemption advertising	15,000	15,000	10,138	(4,862)
County Clerk	2,512,000	2,523,210	3,529,240	1,006,030
Sheriff patrol	468,299	468,299	423,146	(45,153)
Title search and auction fees	165,000	165,000	102,883	(62,117)
Reimbursement - County Youth program	-	148,594	173,157	24,563
Reimbursement - Solid Waste Authority	127,042	127,042	127,042	-
Reimbursement - Workers' compensation insurance	170,000	170,000	164,410	(5,590)
Reimbursement - Participant Health	602,630	602,630	526,006	(76,624)
Reimbursement - New Employee Health	528,000	528,000	730,728	202,728
Jail School Lunch program	10,000	10,000	34,509	24,509
Shared services	4,118,818	4,118,818	5,136,471	1,017,653
Tuition chargeback	40,800	40,800	37,514	(3,286)
Other	851,222	956,883	770,487	(186,396)
Total General	9,733,811	9,999,276	11,892,285	1,893,009

Public Safety:					
Sheriff	950,306	950,306	721,606	(228,700)	
DWI Program	18,000	18,000	18,000	-	
Courts and bails	6,000	6,000	11,534	5,534	
Dog license fees	-	-	5,060	5,060	
Other	337,680	341,613	336,792	(4,821)	
Total Public Safety	1,311,986	1,315,919	1,092,992	(222,927)	
Health:					
Environmental health	3,078,200	3,085,539	3,892,983	807,444	
Clinic and miscellaneous health fees	57,890	57,890	66,600	8,710	
Prenatal care	115,000	115,000	562,103	447,103	
HIV clinic	-	103,669	148,348	44,679	
Assisted living program	5,500	5,500	7,137	1,637	
Prenatal inspection	12,500	12,500	35,000	22,500	
Third party reimbursement	606,400	755,326	156,021	(599,305)	
Physically handicapped adults	-	363,063	232,355	(130,708)	
Total Health	3,875,490	4,498,487	5,100,547	602,060	
Transportation:					
Bus operations	3,118,483	3,118,483	3,298,525	180,042	
Municipality contribution	-	60,000	60,000	-	
MTA - Deficit funding	3,000,000	3,000,000	3,000,000	-	
Total Transportation	6,118,483	6,178,483	6,358,525	180,042	
Economic Assistance and Opportunity:					
Medical assistance	1,944,611	1,944,611	1,441,860	(502,751)	
Administration	85,000	85,000	317,360	232,360	
Emergency shelter	350,000	350,000	670,573	320,573	
Adult home fees	250,000	250,000	283,561	33,561	
Children's services	200,000	200,000	317,005	117,005	
Aid to dependent children	470,800	470,800	1,270,067	799,267	
Title IVD incentive	209,000	209,000	198,730	(10,270)	
Juvenile delinquents	68,000	68,000	6,261	(61,739)	
Home relief	350,000	350,000	564,981	214,981	
Total Economic Assistance and Opportunity	3,927,411	3,927,411	5,070,398	1,142,987	
Total Departmental Income	24,967,181	25,919,576	29,514,747	3,595,171	
USE OF MONEY AND PROPERTY					
Earnings on investments	610,000	610,000	926,476	316,476	
Rental of real property	-	-	2,223	2,223	
Total Use of Money and Property	610,000	610,000	928,699	318,699	

(Continued)

COUNTY OF ROCKLAND, NEW YORK

GENERAL FUND
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET (Continued)
 YEAR ENDED DECEMBER 31, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
LICENSES AND PERMITS				
Licenses	\$ 892,000	\$ 892,000	\$ 677,188	\$ (214,812)
Alarm charges	480,000	480,000	545,450	65,450
Total Licenses and Permits	1,372,000	1,372,000	1,222,638	(149,362)
FINES AND FORFEITURES				
Fines	584,879	577,754	606,212	28,458
Forfeitures	80,000	80,000	56,994	(23,006)
Total Fines and Forfeitures	664,879	657,754	663,206	5,452
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Other sales	12,500	12,500	68,967	56,467
Insurance recoveries	1,000	1,000	66,580	65,580
Total Sale of Property and Compensation for Loss	13,500	13,500	135,547	122,047
INTERFUND/INTRAFUND REVENUES				
Classified ad chargebacks	-	-	19,922	19,922
Chargeback - Liability and health insurance	380,000	380,000	338,736	(41,264)
Interfund revenues - Central Services	3,138,990	3,150,267	3,209,093	58,826
Interfund revenues - Health and Dental Benefits	-	14,223,500	14,129,517	(93,983)
Intrafund revenues - Health and Dental Benefits	-	15,484,100	15,731,225	247,125
Community College Fund	5,666,915	5,666,915	5,684,458	17,543
Total Interfund/Intrafund Revenues	9,185,905	38,904,782	39,112,951	208,169
STATE AID				
General				
"I Love NY" grant	86,231	86,231	86,198	(33)
MTA special allocation	2,000,000	2,000,000	2,000,000	-
Other	643,600	894,561	704,128	(190,433)
Total General	2,729,831	2,980,792	2,790,326	(190,466)

Public Safety:						
Public Safety		6,000				
Probation services	931,243	1,106,899		949,569		(157,330)
Alternatives to incarceration	35,000	35,000		35,300		300
Occupant restraint project	90,000	90,000		71,988		(18,012)
Sheriff	95,000	96,564		86,952		(9,612)
Jail	158,494	158,494		213,198		54,704
Emergency Preparedness Program	-	314,257		314,256		(1)
Other	285,000	511,357		558,982		47,625
Total Public Safety	1,594,737	2,318,571		2,236,245		(82,326)
Health:						
Health Department	3,965,614	4,607,828		3,852,117		(755,711)
Medical Examiner	-	127,957		119,750		(8,207)
Medicaid reimbursement	5,305,600	5,322,947		5,168,914		(154,033)
Physically handicapped children	15,409,043	15,409,043		13,959,462		(1,449,581)
Family Planning Grant	246,372	237,148		240,156		3,008
Mental health programs	7,155,099	7,967,176		6,523,916		(1,443,260)
Mosquito Control	322,000	325,460		260,233		(65,227)
Other	246,855	863,956		661,564		(202,392)
Total Health	32,650,583	34,861,515		30,786,112		(4,075,403)
Transportation -						
Buses and other mass transit	6,909,410	6,909,410		8,492,057		1,582,647
Social Services:						
Aid to dependent children	1,300,000	1,300,000		1,674,936		374,936
MD/LTHC reimbursement	10,919,743	10,919,743		12,565,396		1,645,653
Medical assistance and managed care program	-	75,622		76,717		1,095
Children's services	2,050,000	2,050,000		1,724,162		(325,838)
Tuition reimbursement	18,750	18,750		-		(18,750)
Special needs	677,000	677,000		938,835		261,835
Social services administration	10,933,200	10,988,357		9,294,848		(1,693,509)
Juvenile delinquent care	482,000	482,000		460,650		(21,350)
Home relief	2,275,000	2,275,000		1,627,325		(647,675)
Services for recipients	1,086,780	1,086,780		706,457		(380,323)
Emergency relief to adults	93,000	93,000		25,641		(67,359)
Displaced Homemaker Program	-	373,099		400,144		27,045
Child Assistance Program	-	203,305		150,617		(52,688)
Legal services for disabled	-	72,954		25,485		(47,469)
Other	463,957	991,871		832,115		(159,756)
Total Social Services	30,299,430	31,607,481		30,503,328		(1,104,153)

(Continued)

COUNTY OF ROCKLAND, NEW YORK

GENERAL FUND
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET (Continued)
 YEAR ENDED DECEMBER 31, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Economic Opportunity and Development	\$ 17,500	\$ 17,500	\$ 17,859	\$ 359
Culture and Recreation:				
Programs for aging	247,471	255,632	217,744	(37,888)
Supplemental Nutrition Assistance Program	164,208	164,208	143,830	(20,378)
Youth programs	434,549	453,376	427,559	(25,817)
EICEP Grant	302,735	347,432	330,164	(17,268)
Other	122,148	120,012	125,480	5,468
Total Culture and Recreation	1,271,111	1,340,660	1,244,777	(95,883)
Total State Aid	75,472,602	80,035,929	76,070,704	(3,965,225)
FEDERAL AID				
Public Safety:				
Civil defense	40,000	294,642	342,691	48,049
Crime proceeds	50,000	149,488	54,999	(94,489)
Domestic Violence Against Women	-	81,000	73,260	(7,740)
Other	-	734,291	462,043	(272,248)
Total Public Safety	90,000	1,259,421	932,993	(326,428)
Health:				
Community Partnership Program	75,000	75,000	150,000	75,000
Ryan White Title I Grant	-	451,043	301,812	(149,231)
W.I.C. Program	1,097,880	1,097,880	979,074	(118,806)
Other	-	113,815	132,418	18,603
Total Health	1,172,880	1,737,738	1,563,304	(174,434)
Transportation:				
Federal highway assistance	-	3,050,000	2,514,679	(535,321)
UMTA	789,468	789,468	460,002	(329,466)
Total Transportation	789,468	3,839,468	2,974,681	(864,787)

Social Services:					
Services for recipients	7,943,220	7,943,220	5,933,825	(2,009,395)	
Aid to dependent children	2,500,000	2,500,000	4,171,923	1,671,923	
Social services administration	17,262,553	17,563,224	18,957,495	1,394,271	
Children's services	2,500,000	3,383,430	3,176,164	(207,266)	
Energy Assistance Program	1,375,000	1,418,289	740,106	(678,183)	
Refugee Program	50,000	50,000	377,471	327,471	
Other	188,859	2,471,861	2,185,170	(286,691)	
Total Social Services	31,819,632	35,330,024	35,542,154	212,130	
Economic Opportunity and Development:					
Section 8 program	284,000	461,675	311,736	(149,939)	
Other	100,000	326,913	314,462	(12,451)	
Total Economic Opportunity and Development	384,000	788,588	626,198	(162,390)	
Culture and Recreation:					
USDA	120,000	120,000	60,202	(59,798)	
Programs for the aging	904,671	1,020,154	980,911	(39,243)	
Total Culture and Recreation	1,024,671	1,140,154	1,041,113	(99,041)	
Total Federal Aid	35,280,651	44,095,393	42,680,443	(1,414,950)	
MISCELLANEOUS					
Refund of prior year's expenditures	50,000	50,000	108,502	58,502	
OTB distributed earnings	2,460,000	2,460,000	3,072,716	612,716	
Tobacco revenue settlement	3,560,000	3,560,000	3,476,633	(83,367)	
Gifts and donations	17,000	53,555	36,855	(16,700)	
Other	67,000	83,400	218,228	134,828	
Total Miscellaneous	6,154,000	6,206,955	6,912,934	705,979	
TOTAL REVENUES	318,371,529	362,466,700	364,459,523	1,992,823	
OTHER FINANCING SOURCES					
Transfers in:					
Debt Service Fund	3,773,321	3,800,211	4,375,126	574,915	
Capital Projects Fund	1,275,924	1,275,924	472,789	(803,135)	
TOTAL OTHER FINANCING SOURCES	5,049,245	5,076,135	4,847,915	(228,220)	
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 323,420,774	\$ 367,542,835	\$ 369,307,438	\$ 1,764,603	

COUNTY OF ROCKLAND, NEW YORK

GENERAL FUND
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET
 YEAR ENDED DECEMBER 31, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
GENERAL GOVERNMENT SUPPORT				
Legislative Branch	\$ 9,267,280	\$ 5,404,388	\$ 2,880,521	\$ 2,523,867
County Executive	1,334,165	1,334,526	1,292,727	41,799
Drug Court	158,706	159,718	125,925	33,793
Crime Victims Program	-	132,650	62,095	70,555
Community Partnership Program	209,296	231,936	209,067	22,869
Youth Bureau	1,685,048	2,172,439	2,008,613	163,826
Community Development Program	771,050	783,191	777,339	5,852
DWI Program	354,428	354,879	323,470	31,409
District Attorney	4,903,875	5,108,370	5,336,658	(228,288)
Public Defender	1,818,880	1,919,740	1,981,467	(61,727)
Major Offense Prosecution Program	140,000	297,994	319,820	(21,826)
Justice of Peace - Police Court	-	46,000	51,082	(5,082)
Legal Aid Society	93,500	93,500	93,500	-
Assigned Counsel	530,000	610,000	605,221	4,779
Medical Examiner	1,106,742	1,155,842	1,219,294	(63,452)
Department of Audit	116,158	285,340	211,762	73,578
Department of Budget and Management	784,951	791,748	827,025	(35,277)
Department of Finance	2,655,550	2,715,194	2,643,292	71,902
Department of Records	2,663,082	2,839,091	2,735,419	103,672
Department of Law	2,393,640	2,445,450	2,337,971	107,479
Department of Personnel	3,709,527	3,823,239	3,341,580	481,659
County Archivist	370,625	394,019	396,552	(2,533)
Board of Elections	1,270,044	1,294,301	1,225,289	69,012
Rockland County Board of Ethics	19,530	19,530	7,278	12,252
Rockland Economic Development Corporation	420,000	420,000	420,000	-
Unallocated general services	475,880	634,819	995,890	(361,071)
Department of Insurance	726,022	747,902	846,040	(98,138)
Municipal dues	41,310	41,310	44,277	(2,967)
Refunds of real property taxes	480,000	480,000	885,387	(405,387)
Department of Tourism	398,704	414,103	417,239	(3,136)
Office of Affirmative Action	345,577	350,677	337,191	13,486
Contingent fund	3,683,165	1,969,385	-	1,969,385
Total General Government Support	42,926,735	39,471,281	34,958,991	4,512,290

EDUCATION

Community college tuition	790,000	790,000	801,638	(11,638)
Contribution to Community College Fund	12,758,971	12,758,971	12,758,971	-
Education of handicapped children	34,227,000	34,257,109	31,769,078	2,488,031
Total Education	47,775,971	47,806,080	45,329,687	2,476,393

PUBLIC SAFETY

Sheriff	2,833,283	3,170,596	2,894,275	276,321
Bureau of Criminal Identification	2,018,809	2,128,873	2,046,078	82,795
Sheriff's patrol	5,235,309	6,022,826	6,638,859	(616,033)
Sheriff's patrol - Health complex	878,712	964,849	1,104,752	(139,903)
Sheriff - Communications	1,145,596	1,177,914	1,206,959	(29,045)
Sheriff - Police Academy	174,213	528,052	509,377	18,675
Narcotics task force	1,549,957	1,689,226	1,682,051	7,175
Major Offense Police Program	195,000	435,000	664,327	(229,327)
Probation Department	5,060,200	5,336,334	5,616,762	(280,428)
Jail	14,718,073	15,183,510	16,114,346	(930,836)
Rockland County Highway Safety Committee	153,570	157,790	146,391	11,399
Department of Fire and Emergency Services	1,949,209	2,294,276	2,146,090	148,186
Fire Advisory Board	2,200	2,200	1,505	695
Animal shelter	-	42,000	42,000	-
Animal care	68,000	26,000	-	26,000
H.E.L.P.	35,000	35,000	35,000	-
Emergency Preparedness Program	67,606	-	-	-
Hazardous materials	83,557	88,817	95,694	(6,877)
WTC Response grant	-	181,016	181,016	-
E-911 telephone system	767,002	767,322	620,323	146,999
Total Public Safety	36,935,296	40,231,601	41,745,805	(1,514,204)

HEALTH

Department of Health	21,051,280	23,969,566	24,261,192	(291,626)
Family planning	771,176	779,422	729,105	50,317
Physically handicapped children	30,632	192,500	229,974	(37,474)
Immunization action program	18,660	127,957	122,354	5,603
Emergency medical services	253,879	266,113	235,092	31,021
Association for the Visually Impaired	246,500	246,500	246,500	-
WIC program	1,172,708	1,173,408	1,078,481	94,927
Rockland Family Shelter	75,000	105,000	105,000	-
Drug Abuse Control Committee	1,291,613	1,291,613	1,160,209	131,404
Department of Mental Health	394,500	394,500	396,421	(1,921)
Contracted mental health services	1,324,984	1,354,104	1,255,427	98,677
Contracted health services	12,750	12,750	12,750	-

(Continued)

COUNTY OF ROCKLAND, NEW YORK

GENERAL FUND
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET (Continued)
 YEAR ENDED DECEMBER 31, 2002

HEALTH (Continued)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Good Samaritan Hospital	\$ 45,162	\$ 45,162	\$ 12,940	\$ 32,222
Mental health programs	5,282,588	6,013,075	4,879,768	1,133,307
Bio-terrorism	14,290	31,356	15,070	16,286
Breast cancer education and treatment	179,413	179,413	52,740	126,673
Tobacco prevention and enforcement program	1,106,251	1,109,864	645,261	464,603
Youth against tobacco use program	-	165,087	131,290	33,797
Rockland Council on Alcoholism	155,708	155,708	155,708	-
Mid-Hudson Society for Epilepsy	226,719	226,719	226,719	-
New York Association for Learning Disabled	81,883	81,883	81,883	-
Safe drinking water program	-	167,548	87,088	80,460
Mosquito control program	863,350	944,510	1,003,167	(58,657)
St. Agatha respite program	10,000	10,000	10,000	-
Open arms	143,618	163,867	163,867	-
Total Health	34,752,664	39,207,625	37,298,006	1,909,619
TRANSPORTATION				
Public transportation	16,604,981	19,654,867	19,868,067	(213,200)
ECONOMIC OPPORTUNITY AND DEVELOPMENT				
Department of Social Services	36,812,518	38,804,777	38,192,404	612,373
Social Services Program Grants	-	1,102,646	918,753	183,893
Displaced homemaker	-	304,299	285,785	18,514
Family daycare provider	-	475,056	467,429	7,627
Purchase of services	10,326,250	10,326,250	7,355,481	2,970,769
Medical assistance	52,820,000	52,820,000	56,557,435	(3,737,435)
Aid to dependent children	5,646,531	5,645,800	8,946,729	(3,300,929)
Children services	7,900,000	8,976,858	9,660,530	(683,672)
Juvenile delinquent care	1,100,000	1,100,000	1,582,422	(482,422)
Home relief	4,550,000	4,550,000	3,677,427	872,573
State fuel crisis assistance	1,500,000	1,549,500	795,942	753,558
Emergency relief to adults	260,000	260,000	167,261	92,739
Food Assistance Program	3,870	-	-	-
Family Health Plus Program	-	138,691	96,637	42,054
Veterans' Service Agency	569,037	581,522	385,802	195,720
Department of Weights and Measures	1,149,125	1,159,325	1,129,681	29,644

Office of the Aging	3,482,395	3,985,390	3,725,614	259,776
Rockland Community Development Council	42,500	42,500	42,500	-
MLK multi-purpose center	110,500	110,500	110,500	-
Hogar, Inc.	110,500	110,500	110,500	-
Konbit Neg Lakay, Inc.	68,000	68,000	68,000	-
Mid-Hudson Community Council	38,250	38,250	38,250	-
NAACP	8,500	8,500	8,500	-
Community Action Program of Rockland	212,500	212,500	212,500	-
Help From People To People	10,000	10,000	10,000	-
Community Improvement Council	191,250	191,250	191,250	-
Community Services of Rockland	204,000	204,000	204,000	-
Headstart of Rockland, Inc.	153,000	153,000	153,000	-
Nyack Center	63,750	63,750	63,750	-
Community Outreach Center	106,250	106,250	106,250	-
Adult Shelter on the Hill	29,750	29,750	29,750	-
Stop F.E.A.R. Coalition	4,250	4,250	4,250	-
UJA Federation of Rockland County	21,250	21,250	21,250	-
MIA Veterans' Shelter	8,500	8,500	8,500	-
St. Paul's Amez Outreach Program	35,000	35,000	35,000	-
	<u>127,537,476</u>	<u>133,197,864</u>	<u>135,363,082</u>	<u>(2,165,218)</u>
Total Economic Opportunity and Development				

CULTURE AND RECREATION

Library Board	63,750	63,750	63,750	-
County historian	5,967	6,317	6,452	(135)
Friends Help Friends	8,500	8,500	8,500	-
Haverstraw Brick Museum	21,250	21,250	21,250	-
Hudson Valley Children's Museum	34,000	34,000	34,000	-
Rockland Historical Society	42,500	42,500	42,500	-
Center for Holocaust Studies	12,750	12,750	12,750	-
YMHA	25,500	25,500	25,500	-
Rockland Symphony Association	3,400	3,400	3,400	-
Rockland Conservatory of Music	25,500	25,500	25,500	-
Debra Weiss Dance Company	2,975	2,975	2,975	-
Dance Visions Center for Integrated Arts, Inc.	8,500	8,500	8,500	-
Antrim Players	8,500	8,500	8,500	-
Elmwood Community Playhouse	13,175	13,175	13,175	-
County Choral	5,100	5,100	5,100	-
Rockland Opera Society	7,650	7,650	7,650	-
Helen Hayes Theater	72,250	72,250	72,250	-

(Continued)

COUNTY OF ROCKLAND, NEW YORK

GENERAL FUND
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET (Continued)
 YEAR ENDED DECEMBER 31, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
CULTURE AND RECREATION (Continued)				
Arts Council of Rockland	\$ 63,750	\$ 63,750	\$ 63,750	\$ -
Rockland Center for the Arts	64,600	64,600	64,600	-
Arts Alliance of Haverstraw	36,550	36,550	36,550	-
Hudson Vagabond Puppets	6,375	6,375	6,375	-
Thorpe Senior Center	8,500	8,500	8,500	-
Rockland Camerata	2,550	2,550	2,550	-
Music Amici	2,550	2,550	2,550	-
Morning Music Group	1,913	1,913	1,913	-
Rockland Youth Dance Ensemble	7,650	7,650	7,650	-
YMCA - Nyack Branch	38,250	38,250	38,250	-
Other culture and recreation grants	4,250	4,250	4,250	-
Total Culture and Recreation	598,205	598,555	598,690	(135)
HOME AND COMMUNITY SERVICES				
Department of Planning	2,040,821	2,862,411	2,023,690	838,721
Employee commute options	39,067	39,068	12,050	27,018
Department of Environmental Resources	969,560	1,006,718	991,381	15,337
Rockland Housing Coalition	75,000	75,000	75,000	-
Venture Foundation, LTD.	85,000	85,000	85,000	-
Commission of Human Rights	325,119	355,851	352,516	3,335
Commissioner of Labor	15,583	15,583	19,544	(3,961)
Disability Advisory Council	450	450	-	450
Cooperative extension	433,500	433,500	433,500	-
Jewish Family Services	29,750	29,750	29,750	-
Volunteer counseling services	212,500	242,500	242,500	-
Big brother/sister	100,000	100,000	100,000	-
CASA	60,000	60,000	60,000	-
Office for the disabled	158,590	161,835	118,068	43,767
T.O.U.C.H. of Rockland County	8,500	8,500	8,500	-
Candle, Inc.	35,700	35,700	35,700	-
Keep Rockland Beautiful, Inc.	80,000	80,000	80,000	-
Home and Community Contracted Services	42,500	42,500	42,500	-
Family support services	372,975	372,975	372,975	-
Total Home and Community Services	5,084,615	6,007,341	5,082,674	924,667

EMPLOYEE BENEFITS					
State retirement	1,000,000	1,000,000	-	1,000,000	
Workers' compensation	-	-	3,941	(3,941)	
Hospitalization and dental	6,897,632	36,198,525	36,048,614	149,911	
Vision	84,000	518,400	492,773	25,627	
Compensated absences	400,000	400,000	(264,157)	664,157	
Total Employee Benefits	8,381,632	38,116,925	36,281,171	1,835,754	
DEBT SERVICE					
Interest - Revenue anticipation notes	441,000	441,000	372,078	68,922	
TOTAL EXPENDITURES	321,038,575	364,733,139	356,898,251	7,834,888	
OTHER FINANCING USES					
Transfers out:					
County Road Fund	5,732,504	5,889,034	5,889,034	-	
Road Machinery Fund	985,912	1,000,992	1,000,992	-	
Debt Service Fund	6,209,612	6,209,612	5,856,425	353,187	
Capital Projects Fund	135,000	135,000	-	135,000	
TOTAL OTHER FINANCING USES	13,063,028	13,234,638	12,746,451	488,187	
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 334,101,603	\$ 377,967,777	\$ 369,644,702	\$ 8,323,075	

COUNTY OF ROCKLAND, NEW YORK

CAPITAL PROJECTS FUND
BALANCE SHEET
DECEMBER 31, 2002

ASSETS

Cash:		
Demand deposits	\$	4,848,538
Certificates of deposit		<u>32,716,000</u>
		<u>37,564,538</u>
Receivables:		
Accounts		342,869
State and Federal aid		<u>5,608,547</u>
		<u>5,951,416</u>
Total Assets	\$	<u><u>43,515,954</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:		
Accounts payable	\$	3,782,398
Due to other governments		547,098
Due to other funds		935,512
Bond anticipation note payable		<u>4,800,000</u>
Total Liabilities		<u>10,065,008</u>
Fund Balance:		
Reserved for encumbrances		20,978,913
Reserved for parklands		194,000
Unreserved:		
Designated for transportation projects		7,623,873
Undesignated		<u>4,654,160</u>
Total Fund Balance		<u>33,450,946</u>
Total Liabilities and Fund Balance	\$	<u><u>43,515,954</u></u>

COUNTY OF ROCKLAND, NEW YORK

CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2002

Revenues:	
State aid	\$ 5,187,569
Federal aid	<u>254,690</u>
Total Revenues	5,442,259
Expenditures - Capital outlay	<u>25,899,601</u>
Deficiency of Revenues Over Expenditures	<u>(20,457,342)</u>
Other Financing Sources (Uses):	
Bonds issued	14,488,000
Transfers in	400,000
Transfers out	<u>(3,031,186)</u>
Total Other Financing Sources	<u>11,856,814</u>
Net Change in Fund Balance	(8,600,528)
Fund Balance - Beginning of Year	<u>42,051,474</u>
Fund Balance - End of Year	<u><u>\$ 33,450,946</u></u>

COUNTY OF ROCKLAND, NEW YORK

COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2002

<u>ASSETS</u>	Special Revenue Funds	Debt Service Fund	Total Non-Major Governmental Funds
Cash and Equivalents	\$ 4,766,449	\$ 4,632,775	\$ 9,399,224
Investments	6,281,000	8,720,860	15,001,860
Receivables:			
Accounts	199,166	322,689	521,855
Loans	286,026	-	286,026
State and Federal aid	1,061,130	14,600	1,075,730
Due from other funds	1,553,601	27,669	1,581,270
	<u>3,099,923</u>	<u>364,958</u>	<u>3,464,881</u>
Prepaid Expenditures	30,585	-	30,585
Total Assets	<u>\$ 14,177,957</u>	<u>\$ 13,718,593</u>	<u>\$ 27,896,550</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 811,339	\$ -	\$ 811,339
Accrued liabilities	703,041	-	703,041
Due to other funds	334,927	-	334,927
Advances from other funds	1,388,381	-	1,388,381
Deferred revenues - Other	528,903	-	528,903
Total Liabilities	<u>3,766,591</u>	<u>-</u>	<u>3,766,591</u>
Fund Balances:			
Reserved for encumbrances	3,209,331	-	3,209,331
Reserved for prepaid expenditures	30,585	-	30,585
Reserved for long-term receivable	15,508	55,480	70,988
Reserved for social service programs	60,785	-	60,785
Reserved for compensated absences	1,213,089	-	1,213,089
Reserved for debt service	-	8,166,173	8,166,173
Unreserved:			
Designated for affordable housing	225,000	-	225,000
Designated for treatment plant and collection system	135,625	-	135,625
Designated for subsequent year's expenditures	883,804	5,496,940	6,380,744
Undesignated	4,637,639	-	4,637,639
Total Fund Balances	<u>10,411,366</u>	<u>13,718,593</u>	<u>24,129,959</u>
Total Liabilities and Fund Balances	<u>\$ 14,177,957</u>	<u>\$ 13,718,593</u>	<u>\$ 27,896,550</u>

COUNTY OF ROCKLAND, NEW YORK

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2002

	Special Revenue Funds	Debt Service Funds	Total Non-Major Governmental Funds
Revenues:			
Real property taxes	\$ 15,066,045	\$ -	\$ 15,066,045
Departmental income	112,343	-	112,343
Use of money and property	371,637	2,000,064	2,371,701
Licenses and permits	29,729	-	29,729
Fines and forfeitures	11,735	-	11,735
Sale of property and compensation for loss	24,036	-	24,036
Interfund revenues	151,689	-	151,689
State aid	1,542,762	385,113	1,927,875
Federal aid	3,223,420	24,523	3,247,943
Miscellaneous	810,786	8,045	818,831
Total Revenues	21,344,182	2,417,745	23,761,927
Expenditures:			
Current:			
Transportation	11,356,982	-	11,356,982
Economic opportunity and development	3,081,465	-	3,081,465
Home and community services	11,419,641	-	11,419,641
Employee benefits	1,170,244	-	1,170,244
Debt Service:			
Principal	-	7,472,536	7,472,536
Interest	207,422	5,471,510	5,678,932
Total Expenditures	27,235,754	12,944,046	40,179,800
Deficiency of Revenues Over Expenditures	(5,891,572)	(10,526,301)	(16,417,873)
Other Financing Sources (Uses):			
Transfers in	9,769,094	14,587,590	24,356,684
Transfers out	(7,451,836)	(6,375,126)	(13,826,962)
Total Other Financing Sources	2,317,258	8,212,464	10,529,722
Net Change in Fund Balances	(3,574,314)	(2,313,837)	(5,888,151)
Fund Balances - Beginning of Year, as previously reported	12,849,087	16,032,430	28,881,517
Change in Accounting Principle	1,136,593	-	1,136,593
Fund Balances - Beginning of Year, as restated	13,985,680	16,032,430	30,018,110
Fund Balances - End of Year	\$ 10,411,366	\$ 13,718,593	\$ 24,129,959

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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

- **County Road Fund** - The County Road Fund is established pursuant to New York State Highway Law and is used to account for the maintenance and repair of County roads and bridges and snow removal costs.
- **Road Machinery Fund** - The Road Machinery Fund is used to account for the purchase, repair and maintenance of highway machinery, tools and equipment and for the purchase, construction and maintenance of buildings for the storage and repair of highway machinery and equipment.
- **Community Development Fund** - The Community Development Fund is used to account for projects financed by entitlements from the U.S. Department of Housing and Urban Development.
- **Sewer District Fund** - The Sewer District Fund is used to account for the operation and maintenance of the County's sewer facilities.
- **Special Purpose Fund** - The Special Purpose Fund is used to account for assets held by the County in accordance with the terms of a trust agreement.

DEBT SERVICE FUND

- The Debt Service Fund is provided to account for the accumulation of resources to be used for the redemption of principal and interest on general long-term debt.

COUNTY OF ROCKLAND, NEW YORK

COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2002

	County Road Fund	Road Machinery Fund	Community Development Fund
<u>ASSETS</u>			
Cash:			
Demand deposits	\$ 13,944	\$ 202	\$ 65,158
Time deposits	-	-	-
Certificates of deposit	-	-	-
Petty cash	100	-	-
	<u>14,044</u>	<u>202</u>	<u>65,158</u>
Investments	-	-	225,000
Receivables:			
Accounts	41,237	847	-
Loans	-	-	286,026
State and Federal aid	251,771	-	515,303
Due from other funds	1,029,476	106,708	-
	<u>1,322,484</u>	<u>107,555</u>	<u>801,329</u>
Prepaid Expenditures	14,990	1,465	-
Total Assets	<u>\$ 1,351,518</u>	<u>\$ 109,222</u>	<u>\$ 1,091,487</u>
<u>LIABILITIES AND FUND BALANCES (DEFICITS)</u>			
Liabilities:			
Accounts payable	\$ 161,821	\$ 14,916	\$ 2,657
Accrued liabilities	317,178	28,355	-
Due to other funds	-	-	334,927
Advances from other funds	1,388,381	-	-
Deferred revenues - Other	-	-	528,903
Total Liabilities	<u>1,867,380</u>	<u>43,271</u>	<u>866,487</u>
Fund Balances (Deficits):			
Reserved for encumbrances	341,745	715	-
Reserved for prepaid expenditures	14,990	1,465	-
Reserved for long-term receivable	-	-	-
Reserved for social service programs	-	-	-
Reserved for compensated absences	515,784	27,466	-
Unreserved:			
Designated for affordable housing	-	-	225,000
Designated for treatment plant and collection system	-	-	-
Designated for subsequent year's expenditures	-	12,440	-
Undesignated	(1,388,381)	23,865	-
Total Fund Balances (Deficits)	<u>(515,862)</u>	<u>65,951</u>	<u>225,000</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 1,351,518</u>	<u>\$ 109,222</u>	<u>\$ 1,091,487</u>

Sewer District Fund	Special Purpose Fund	Total Non-Major Special Revenue Funds
\$ 148,960	\$ -	\$ 228,264
-	60,785	60,785
4,477,000	-	4,477,000
300	-	400
<u>4,626,260</u>	<u>60,785</u>	<u>4,766,449</u>
6,056,000	-	6,281,000
157,082	-	199,166
-	-	286,026
294,056	-	1,061,130
417,417	-	1,553,601
<u>868,555</u>	<u>-</u>	<u>3,099,923</u>
14,130	-	30,585
<u>\$ 11,564,945</u>	<u>\$ 60,785</u>	<u>\$ 14,177,957</u>
\$ 631,945	\$ -	\$ 811,339
357,508	-	703,041
-	-	334,927
-	-	1,388,381
-	-	528,903
<u>989,453</u>	<u>-</u>	<u>3,766,591</u>
2,866,871	-	3,209,331
14,130	-	30,585
15,508	-	15,508
-	60,785	60,785
669,839	-	1,213,089
-	-	225,000
135,625	-	135,625
871,364	-	883,804
6,002,155	-	4,637,639
<u>10,575,492</u>	<u>60,785</u>	<u>10,411,366</u>
<u>\$ 11,564,945</u>	<u>\$ 60,785</u>	<u>\$ 14,177,957</u>

COUNTY OF ROCKLAND, NEW YORK

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED DECEMBER 31, 2002

	County Road Fund	Road Machinery Fund	Community Development Fund
Revenues:			
Real property taxes	\$ -	\$ -	\$ -
Departmental income	-	-	21,658
Use of money and property	-	-	8,060
Licenses and permits	29,729	-	-
Fines and forfeitures	11,260	-	-
Sale of property and compensation for loss	-	-	-
Interfund revenues	151,689	-	-
State aid	1,425,565	-	-
Federal aid	179,261	-	3,044,159
Miscellaneous	96,925	46,116	-
Total Revenues	1,894,429	46,116	3,073,877
Expenditures:			
Current:			
Transportation	10,039,506	1,317,476	-
Economic opportunity and development	-	-	3,073,877
Home and community services	-	-	-
Employee benefits	-	-	-
Debt Service - Interest	-	-	-
Total Expenditures	10,039,506	1,317,476	3,073,877
Excess (Deficiency) of Revenues Over Expenditures	(8,145,077)	(1,271,360)	-
Other Financing Sources (Uses):			
Transfers in	6,768,102	1,000,992	-
Transfers out	(40,380)	(3,789)	-
Total Other Financing Sources (Uses)	6,727,722	997,203	-
Net Change in Fund Balances	(1,417,355)	(274,157)	-
Fund Balances - Beginning of Year, as previously reported	439,462	316,547	225,000
Change in Accounting Principle	462,031	23,561	-
Fund Balances - Beginning of Year, as restated	901,493	340,108	225,000
Fund Balances (Deficits) - End of Year	\$ (515,862)	\$ 65,951	\$ 225,000

Sewer District Fund	Special Purpose Fund	Total Non-Major Special Revenue Funds
\$ 15,066,045	\$ -	\$ 15,066,045
87,375	3,310	112,343
363,023	554	371,637
-	-	29,729
475	-	11,735
24,036	-	24,036
-	-	151,689
117,197	-	1,542,762
-	-	3,223,420
667,745	-	810,786
<u>16,325,896</u>	<u>3,864</u>	<u>21,344,182</u>
-	-	11,356,982
-	7,588	3,081,465
11,419,641	-	11,419,641
1,170,244	-	1,170,244
207,422	-	207,422
<u>12,797,307</u>	<u>7,588</u>	<u>27,235,754</u>
<u>3,528,589</u>	<u>(3,724)</u>	<u>(5,891,572)</u>
2,000,000	-	9,769,094
<u>(7,407,667)</u>	<u>-</u>	<u>(7,451,836)</u>
<u>(5,407,667)</u>	<u>-</u>	<u>2,317,258</u>
<u>(1,879,078)</u>	<u>(3,724)</u>	<u>(3,574,314)</u>
11,803,569	64,509	12,849,087
651,001	-	1,136,593
<u>12,454,570</u>	<u>64,509</u>	<u>13,985,680</u>
<u>\$ 10,575,492</u>	<u>\$ 60,785</u>	<u>\$ 10,411,366</u>

COUNTY OF ROCKLAND, NEW YORK

COUNTY ROAD FUND
BALANCE SHEET
DECEMBER 31, 2002

ASSETS

Cash:		
Demand deposits	\$	13,944
Petty cash		100
		<u>14,044</u>
Receivables:		
Accounts		41,237
State and Federal aid		251,771
Due from other funds		1,029,476
		<u>1,322,484</u>
Prepaid Expenditures		<u>14,990</u>
Total Assets	\$	<u><u>1,351,518</u></u>

LIABILITIES AND FUND DEFICIT

Liabilities:		
Accounts payable	\$	161,821
Accrued liabilities		317,178
Advances from other funds		1,388,381
		<u>1,867,380</u>
Fund Balance (Deficit):		
Reserved for encumbrances		341,745
Reserved for prepaid expenditures		14,990
Reserved for compensated absences		515,784
Unreserved and undesignated		<u>(1,388,381)</u>
Total Fund Deficit		<u>(515,862)</u>
Total Liabilities and Fund Deficit	\$	<u><u>1,351,518</u></u>

COUNTY OF ROCKLAND, NEW YORK

COUNTY ROAD FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Licenses and permits	\$ 24,575	\$ 24,575	\$ 29,729	\$ 5,154
Fines and forfeitures	7,500	7,500	11,260	3,760
Interfund revenues	61,000	61,000	151,689	90,689
State aid	3,730,800	3,730,800	1,425,565	(2,305,235)
Federal aid	90,000	90,000	179,261	89,261
Miscellaneous	95,381	178,504	96,925	(81,579)
Total Revenues	4,009,256	4,092,379	1,894,429	(2,197,950)
Expenditures - Current -				
Transportation	10,276,331	10,516,063	10,039,506	476,557
Deficiency of Revenues Over Expenditures	(6,267,075)	(6,423,684)	(8,145,077)	(1,721,393)
Other Financing Sources (Uses):				
Transfers in	5,732,504	5,889,034	6,768,102	879,068
Transfers out	(40,381)	(40,381)	(40,380)	1
Total Other Financing Sources	5,692,123	5,848,653	6,727,722	879,069
Net Change in Fund Balance	(574,952)	(575,031)	(1,417,355)	(842,324)
Fund Balance - Beginning of Year, as previously reported	574,952	575,031	439,462	(135,569)
Change in Accounting Principle	-	-	462,031	462,031
Fund Balance - Beginning of Year, as restated	574,952	575,031	901,493	326,462
Fund Deficit - End of Year	\$ -	\$ -	\$ (515,862)	\$ (515,862)

COUNTY OF ROCKLAND, NEW YORK

ROAD MACHINERY FUND
BALANCE SHEET
DECEMBER 31, 2002

ASSETS

Cash - Demand deposits	\$ 202
Receivables:	
Accounts	847
Due from other funds	<u>106,708</u>
	<u>107,555</u>
Prepaid Expenditures	<u>1,465</u>
Total Assets	<u><u>\$ 109,222</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	\$ 14,916
Accrued liabilities	<u>28,355</u>
Total Liabilities	<u>43,271</u>
Fund Balance:	
Reserved for encumbrances	715
Reserved for prepaid expenditures	1,465
Reserved for compensated absences	27,466
Unreserved:	
Designated for subsequent year's expenditures	12,440
Undesignated	<u>23,865</u>
Total Fund Balance	<u>65,951</u>
Total Liabilities and Fund Balance	<u><u>\$ 109,222</u></u>

COUNTY OF ROCKLAND, NEW YORK

ROAD MACHINERY FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues - Miscellaneous	\$ 3,790	\$ 3,790	\$ 46,116	\$ 42,326
Expenditures - Current - Transportation	1,289,078	1,304,159	1,317,476	(13,317)
Deficiency of Revenues Over Expenditures	(1,285,288)	(1,300,369)	(1,271,360)	(29,009)
Other Financing Sources (Uses):				
Transfers in	985,912	1,000,992	1,000,992	-
Transfers out	(3,790)	(3,790)	(3,789)	1
Total Other Financing Sources	982,122	997,202	997,203	1
Net Change in Fund Balance	(303,166)	(303,167)	(274,157)	29,010
Fund Balance - Beginning of Year, as previously reported	303,166	303,167	316,547	13,380
Change in Accounting Principle	-	-	23,561	23,561
Fund Balance - Beginning of Year, as restated	303,166	303,167	340,108	36,941
Fund Balance - End of Year	\$ -	\$ -	\$ 65,951	\$ 65,951

COUNTY OF ROCKLAND, NEW YORK

COMMUNITY DEVELOPMENT FUND
BALANCE SHEET
DECEMBER 31, 2002

ASSETS

Cash - Demand deposits	\$ 65,158
Investments	<u>225,000</u>
Receivables:	
Loans	286,026
State and Federal aid	<u>515,303</u>
	<u>801,329</u>
Total Assets	<u>\$ 1,091,487</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	\$ 2,657
Due to other funds	334,927
Deferred revenues - Other	<u>528,903</u>
Total Liabilities	866,487
Fund Balance - Unreserved - Designated for affordable housing	<u>225,000</u>
Total Liabilities and Fund Balance	<u>\$ 1,091,487</u>

COUNTY OF ROCKLAND, NEW YORK

COMMUNITY DEVELOPMENT FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Departmental income	\$ -	\$ -	\$ 21,658	\$ 21,658
Use of money and property	-	-	8,060	8,060
Federal aid	-	3,276,225	3,044,159	(232,066)
Total Revenues	-	3,276,225	3,073,877	(202,348)
Expenditures - Current - Economic opportunity and development	-	3,276,225	3,073,877	202,348
Excess of Revenues Over Expenditures	-	-	-	-
Fund Balance - Beginning of Year	-	-	225,000	225,000
Fund Balance - End of Year	\$ -	\$ -	\$ 225,000	\$ 225,000

COUNTY OF ROCKLAND, NEW YORK

SEWER DISTRICT FUND
BALANCE SHEET
DECEMBER 31, 2002

ASSETS

Cash:		
Demand deposits	\$	148,960
Certificates of deposit		4,477,000
Petty cash		300
		<u>4,626,260</u>
Investments		<u>6,056,000</u>
Receivables:		
Accounts		157,082
State and Federal aid		294,056
Due from other funds		417,417
		<u>868,555</u>
Prepaid Expenditures		<u>14,130</u>
Total Assets	\$	<u><u>11,564,945</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:		
Accounts payable	\$	631,945
Accrued liabilities		357,508
		<u>989,453</u>
Fund Balance:		
Reserved for encumbrances		2,866,871
Reserved for prepaid expenditures		14,130
Reserved for long-term receivable		15,508
Reserved for compensated absences		669,839
Unreserved:		
Designated for treatment plant and collection system		135,625
Designated for subsequent year's expenditures		871,364
Undesignated		6,002,155
		<u>10,575,492</u>
Total Fund Balance		<u>10,575,492</u>
Total Liabilities and Fund Balance	\$	<u><u>11,564,945</u></u>

COUNTY OF ROCKLAND, NEW YORK

SEWER DISTRICT FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Real property taxes -				
Sewer benefit tax	\$ 14,696,638	\$ 14,696,638	\$ 15,066,045	\$ 369,407
Departmental income	70,000	70,000	87,375	17,375
Use of money and property	500,000	500,000	363,023	(136,977)
Fines and forfeitures	-	-	475	475
Sale of property and compensation for loss	-	-	24,036	24,036
State aid	-	-	117,197	117,197
Miscellaneous	504,193	516,207	667,745	151,538
Total Revenues	<u>15,770,831</u>	<u>15,782,845</u>	<u>16,325,896</u>	<u>543,051</u>
Expenditures:				
Current:				
General government support	380,108	239,701	-	239,701
Home and community services	14,802,417	15,614,046	11,419,641	4,194,405
Employee benefits	1,601,066	1,601,066	1,170,244	430,822
Debt Service - Interest	208,000	208,000	207,422	578
Total Expenditures	<u>16,991,591</u>	<u>17,662,813</u>	<u>12,797,307</u>	<u>4,865,506</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,220,760)</u>	<u>(1,879,968)</u>	<u>3,528,589</u>	<u>5,408,557</u>
Other Financing Sources (Uses):				
Transfers in	2,000,000	2,000,000	2,000,000	-
Transfers out	<u>(7,042,214)</u>	<u>(7,042,214)</u>	<u>(7,407,667)</u>	<u>(365,453)</u>
Total Other Financing Uses	<u>(5,042,214)</u>	<u>(5,042,214)</u>	<u>(5,407,667)</u>	<u>(365,453)</u>
Net Change in Fund Balance	<u>(6,262,974)</u>	<u>(6,922,182)</u>	<u>(1,879,078)</u>	<u>5,043,104</u>
Fund Balance - Beginning of Year, as previously reported	6,262,974	6,922,182	11,803,569	4,881,387
Change in Accounting Principle	-	-	651,001	651,001
Fund Balance - Beginning of Year, as restated	<u>6,262,974</u>	<u>6,922,182</u>	<u>12,454,570</u>	<u>5,532,388</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,575,492</u>	<u>\$ 10,575,492</u>

COUNTY OF ROCKLAND, NEW YORK

SPECIAL PURPOSE FUND
BALANCE SHEET
DECEMBER 31, 2002

ASSETS

Cash - Time deposits \$ 60,785

FUND BALANCE

Reserved for Social Service Programs \$ 60,785

COUNTY OF ROCKLAND, NEW YORK

SPECIAL PURPOSE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2002

Revenues:	
Departmental income	\$ 3,310
Use of money and property	<u>554</u>
Total Revenues	3,864
Expenditures - Current -	
Economic opportunity and development	<u>7,588</u>
Deficiency of Revenues Over Expenditures	(3,724)
Fund Balance - Beginning of Year	<u>64,509</u>
Fund Balance - End of Year	<u><u>\$ 60,785</u></u>

COUNTY OF ROCKLAND, NEW YORK

DEBT SERVICE FUND
BALANCE SHEET
DECEMBER 31, 2002

ASSETS

Cash:		
Time deposits		\$ 1,305,775
Certificates of deposit		<u>3,327,000</u>
		<u>4,632,775</u>
Investments		<u>8,720,860</u>
Receivables:		
Accounts		322,689
State and Federal aid		14,600
Due from other funds		<u>27,669</u>
		<u>364,958</u>
Total Assets		<u>\$ 13,718,593</u>

FUND BALANCE

Reserved for Long-Term Receivable		\$ 55,480
Reserved for Debt Service		8,166,173
Unreserved - Designated for subsequent year's expenditures		<u>5,496,940</u>
Total Fund Balance		<u>\$ 13,718,593</u>

COUNTY OF ROCKLAND, NEW YORK

DEBT SERVICE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Use of money and property	\$ -	\$ -	\$ 2,000,064	\$ 2,000,064
State aid	-	-	385,113	385,113
Federal aid	-	-	24,523	24,523
Miscellaneous	-	-	8,045	8,045
Total Revenues	-	-	2,417,745	2,417,745
Expenditures -				
Debt Service -				
Serial bonds:				
Principal	7,785,877	7,785,877	7,472,536	313,341
Interest	5,110,120	5,110,120	5,471,510	(361,390)
Total Expenditures	12,895,997	12,895,997	12,944,046	(48,049)
Deficiency of Revenues Over Expenditures	(12,895,997)	(12,895,997)	(10,526,301)	2,465,794
Other Financing Sources (Uses):				
Transfers in	12,895,997	12,895,997	14,587,590	1,691,593
Transfers out	(6,680,126)	(6,680,126)	(6,375,126)	305,000
Total Other Financing Sources	6,215,871	6,215,871	8,212,464	1,996,593
Net Change in Fund Balance	(6,680,126)	(6,680,126)	(2,313,837)	4,366,289
Fund Balance - Beginning of Year	6,680,126	6,680,126	16,032,430	9,352,304
Fund Balance - End of Year	\$ -	\$ -	\$ 13,718,593	\$ 13,718,593

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ENTERPRISE FUND

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private enterprises or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability. Enterprise funds are used to account for those operations that provide services to the public. The operations of the Summit Park Hospital/Rockland County Infirmery are recorded as an enterprise fund.

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COUNTY OF ROCKLAND, NEW YORK

ENTERPRISE FUND - HOME AND INFIRMARY FUND
 STATEMENT OF NET ASSETS
 DECEMBER 31, 2002

ASSETS	
Cash and Equivalents	\$ 2,538,296
Receivables:	
Accounts	893,541
Accounts - Patient care, net of allowance for uncollectible amounts	12,719,739
Due from other funds	6,895,745
Prepaid Expenses	132,705
Inventories	505,679
	<hr/>
Total Current Assets	23,685,705
	<hr/>
Capital Assets:	
Land	438,504
Buildings	16,221,905
Improvements other than buildings	345,975
Equipment	35,166,170
Construction-in-progress	3,150,885
Less - Accumulated depreciation	(35,435,628)
	<hr/>
Total Capital Assets, net of accumulated depreciation	19,887,811
	<hr/>
Total Assets	43,573,516
	<hr/>
Current Liabilities:	
Accounts payable	2,330,826
Accrued liabilities	10,084,820
Compensated absences	8,192,820
Due to other governments	988,456
Accrued interest payable	106,633
Current maturities of bonds payable	1,168,464
Current portion of due to retirement system	1,008,703
	<hr/>
Total Current Liabilities	23,880,722
	<hr/>
Non-current liabilities:	
Bonds payable	7,628,548
Due to retirement system	2,626,875
	<hr/>
Total Liabilities	10,255,423
	<hr/>
	<u>NET ASSETS (DEFICIENCY)</u>
Invested in Capital Assets, net of related debt	14,021,370
Unrestricted	(4,583,999)
	<hr/>
Total Net Assets	\$ 9,437,371
	<hr/>

COUNTY OF ROCKLAND, NEW YORK

ENTERPRISE FUND - HOME AND INFIRMARY FUND
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET ASSETS
 YEAR ENDED DECEMBER 31, 2002

Operating Revenues:

Charges for services:

Net patient service revenues:

Rehabilitation and skilled nursing facility	\$ 43,868,285
Mental health	31,617,280

75,485,565

Miscellaneous	821,481
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Total Operating Revenues	<u>76,307,046</u>
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Operating Expenses:

Administrative and general expenses	10,068,291
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Salaries and wage expenses	43,266,319
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Pension and employee benefits	17,056,144
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Supplies and other expenses	7,342,656
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Depreciation	1,838,779
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Provision for bad debts	3,481,421
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Total Operating Expenses	<u>83,053,610</u>
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Loss from Operations	<u>(6,746,564)</u>
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Non-Operating Revenues (Expenses):

Real property taxes	2,764,269
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Intergovernmental transfer	4,768,833
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Interest on indebtedness	<u>(276,136)</u>
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Total Non-Operating Revenues	<u>7,256,966</u>
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Change in Net Assets	510,402
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Net Assets - Beginning of Year	<u>8,926,969</u>
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Net Assets - End of Year	<u><u>\$ 9,437,371</u></u>
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General Services Fund	Totals
\$ 16,255	\$ 276,232
-	11,796,000
200	200
<u>16,455</u>	<u>12,072,432</u>
-	<u>4,855,000</u>
37,521	77,061
468,382	468,382
-	81,427
<u>505,903</u>	<u>626,870</u>
32,603	32,783
<u>49,234</u>	<u>49,234</u>
604,195	17,636,319
13,221,850	13,221,850
(3,908,364)	(3,908,364)
<u>9,313,486</u>	<u>9,313,486</u>
9,917,681	26,949,805
726,631	1,011,961
701,448	15,239,666
1,598,132	1,613,606
620,178	624,088
583,797	584,267
98,408	98,408
<u>4,328,594</u>	<u>19,171,996</u>
4,776,258	4,777,198
425,320	425,320
<u>5,201,578</u>	<u>5,202,518</u>
9,530,172	24,374,514
3,953,431	3,953,431
(3,565,922)	(1,378,140)
<u>\$ 387,509</u>	<u>\$ 2,575,291</u>

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COUNTY OF ROCKLAND, NEW YORK

ENTERPRISE FUND - HOME AND INFIRMARY FUND
 STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2002

Cash Flows From Operating Activities:	
Cash received from patients and third-party payors	\$ 72,917,416
Other receipts	5,742,509
Cash payments to employees	(62,693,909)
Cash payments to vendors	<u>(17,347,406)</u>
Net Cash Used in Operating Activities	<u>(1,381,390)</u>
Cash Flows From Non-Capital Financing Activities:	
Real property taxes	2,764,269
Intergovernmental transfer	<u>4,768,833</u>
Net Cash Provided by Non-Capital Financing Activities	<u>7,533,102</u>
Cash Flows From Capital and Related Financing Activities:	
Remittances to County of Rockland, net	(4,959,423)
Issuance of long-term debt	1,285,000
Retirement of long-term debt	(1,257,452)
Interest on indebtedness	(281,139)
Acquisition and construction of fixed assets	<u>(1,014,782)</u>
Net Cash Used in Capital and Related Financing Activities	<u>(6,227,796)</u>
Net Decrease in Cash and Equivalents	(76,084)
Cash and Equivalents - Beginning of Year	<u>2,614,380</u>
Cash and Equivalents - End of Year	<u><u>\$ 2,538,296</u></u>
Reconciliation of Loss from Operations to Net Cash Used in Operating Activities:	
Loss from operations	\$ (6,746,564)
Adjustments to reconcile loss from operations to net cash used in operating activities:	
Depreciation	1,838,779
Provision for bad debts	3,481,421
Changes in assets and liabilities:	
Accounts receivable	1,632,052
Accounts receivable - Patient care	(3,385,919)
Due from other funds	(3,476,148)
Prepaid expenses	(62,812)
Inventories	(137,856)
Accounts payable	132,479
Accrued liabilities	2,671,291
Due to retirement system	1,994,645
Due to other governments	<u>677,242</u>
Net Cash Provided by Operating Activities	<u><u>\$ (1,381,390)</u></u>

COUNTY OF ROCKLAND, NEW YORK

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF NET ASSETS
 DECEMBER 31, 2002

	Workers' Compensation Benefits Fund	General Liability Claims Fund	Unemployment Benefits Fund
<u>ASSETS</u>			
Cash:			
Demand deposits	\$ 115,818	\$ 28,356	\$ 115,803
Certificates of deposit	4,995,000	6,801,000	-
Petty cash	-	-	-
	<u>5,110,818</u>	<u>6,829,356</u>	<u>115,803</u>
Investments	<u>4,855,000</u>	<u>-</u>	<u>-</u>
Receivables:			
Accounts	-	-	39,540
State and Federal aid	-	-	-
Due from other funds	-	-	81,427
	<u>-</u>	<u>-</u>	<u>120,967</u>
Prepaid Expenses	<u>180</u>	<u>-</u>	<u>-</u>
Inventories	<u>-</u>	<u>-</u>	<u>-</u>
Total Current Assets	<u>9,965,998</u>	<u>6,829,356</u>	<u>236,770</u>
Fixed Assets	-	-	-
Accumulated Depreciation	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>9,965,998</u>	<u>6,829,356</u>	<u>236,770</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts payable	285,330	-	-
Accrued liabilities	8,393,428	6,025,511	119,279
Compensated absences	15,474	-	-
Due to other funds	3,910	-	-
Current maturities of bonds payable	470	-	-
Due to retirement system	-	-	-
Total Current Liabilities	<u>8,698,612</u>	<u>6,025,511</u>	<u>119,279</u>
Noncurrent Liabilities:			
Bonds Payable, less current maturities	940	-	-
Due to retirement system	-	-	-
Total Noncurrent Liabilities	<u>940</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>8,699,552</u>	<u>6,025,511</u>	<u>119,279</u>
<u>NET ASSETS (DEFICIENCY)</u>			
Invested in capital assets, net of related debt	-	-	-
Unrestricted	<u>1,266,446</u>	<u>803,845</u>	<u>117,491</u>
Total Net Assets	<u>\$ 1,266,446</u>	<u>\$ 803,845</u>	<u>\$ 117,491</u>

General Services Fund	Totals
\$ 16,255	\$ 276,232
-	11,796,000
200	200
<u>16,455</u>	<u>12,072,432</u>
-	<u>4,855,000</u>
37,521	77,061
468,382	468,382
-	81,427
<u>505,903</u>	<u>626,870</u>
32,603	32,783
49,234	49,234
<u>604,195</u>	<u>17,636,319</u>
13,221,850	13,221,850
(3,908,364)	(3,908,364)
<u>9,313,486</u>	<u>9,313,486</u>
<u>9,917,681</u>	<u>26,949,805</u>
726,631	1,011,961
701,448	15,239,666
1,598,132	1,613,606
620,178	624,088
583,797	584,267
98,408	98,408
<u>4,328,594</u>	<u>19,171,996</u>
4,776,258	4,777,198
425,320	425,320
<u>5,201,578</u>	<u>5,202,518</u>
<u>9,530,172</u>	<u>24,374,514</u>
3,953,431	3,953,431
(3,565,922)	(1,378,140)
<u>\$ 387,509</u>	<u>\$ 2,575,291</u>

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INTERNAL SERVICE FUNDS

Internal Service Funds account for operations that provide services to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The County has established its Workers' Compensation Benefits, General Liability Claims, Unemployment Benefits, Health Benefits and General Services funds as internal service funds.

COUNTY OF ROCKLAND, NEW YORK

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN NET ASSETS
 YEAR ENDED DECEMBER 31, 2002

	Workers' Compensation Benefits Fund	General Liability Claims Fund	Unemployment Benefits Fund
Operating Revenues - Charges for services	\$ 2,719,828	\$ -	\$ 226,807
Operating Expenses:			
Administrative and general expenses	498,237	-	-
Salaries and wages expenses	93,904	-	-
Employee benefits	1,933,227	-	226,921
Judgments and claims	-	2,299,123	-
Supplies and other expenses	-	-	-
Depreciation	-	-	-
 Total Operating Expenses	 <u>2,525,368</u>	 <u>2,299,123</u>	 <u>226,921</u>
 Income (Loss) From Operations	 <u>194,460</u>	 <u>(2,299,123)</u>	 <u>(114)</u>
Non-Operating Revenues (Expenses):			
Interest income	229,485	126,984	914
Interest on indebtedness	(136)	-	-
 Total Non-Operating Revenues (Expenses)	 <u>229,349</u>	 <u>126,984</u>	 <u>914</u>
 Change in Net Assets	 423,809	 (2,172,139)	 800
Net Assets - Beginning of Year	<u>842,637</u>	<u>2,975,984</u>	<u>116,691</u>
 Net Assets - End of Year	 <u>\$ 1,266,446</u>	 <u>\$ 803,845</u>	 <u>\$ 117,491</u>

General Services Fund	Totals
<u>\$ 22,930,548</u>	<u>\$ 25,877,183</u>
3,692,953	4,191,190
-	93,904
3,925,509	6,085,657
-	2,299,123
14,978,640	14,978,640
318,630	318,630
<u>22,915,732</u>	<u>27,967,144</u>
<u>14,816</u>	<u>(2,089,961)</u>
-	357,383
<u>(14,816)</u>	<u>(14,952)</u>
<u>(14,816)</u>	<u>342,431</u>
-	(1,747,530)
<u>387,509</u>	<u>4,322,821</u>
<u><u>\$ 387,509</u></u>	<u><u>\$ 2,575,291</u></u>

COUNTY OF ROCKLAND, NEW YORK

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2002

	Workers' Compensation Benefits Fund	General Liability Claims Fund	Unemployment Benefits Fund
Cash Flows From Operating Activities:			
Cash received from charges for services	\$ 2,719,828	\$ -	\$ 226,807
Cash payments to insurance carriers and claimants	(3,225,509)	(900,812)	(226,784)
Cash payments to vendors	-	-	-
Net Cash Provide by (Used in) Operating Activities	<u>(505,681)</u>	<u>(900,812)</u>	<u>23</u>
Cash Flows From Non-Capital Financing Activities:			
Retirement of long-term debt	(470)	-	-
Interest on indebtedness	(136)	-	-
Net Cash Used in Non-Capital Financing Activities	<u>(606)</u>	<u>-</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities:			
Proceeds from the issuance of long-term debt	-	-	-
Retirement of long-term debt	-	-	-
Acquisition and construction of fixed assets	-	-	-
Net Cash Provided by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows From Investing Activities			
Interest income	229,485	126,984	914
Proceeds from sale of investments	10,132,000	-	-
Purchase of investments	(4,855,000)	-	-
Net Cash Provided by Investing Activities	<u>5,506,485</u>	<u>126,984</u>	<u>914</u>
Net Increase (Decrease) in Cash and Equivalents	5,000,198	(773,828)	937
Cash and Equivalents - Beginning of Year	110,620	7,603,184	114,866
Cash and Equivalents - End of Year	<u>\$ 5,110,818</u>	<u>\$ 6,829,356</u>	<u>\$ 115,803</u>
Reconciliation of Income (Loss) from Operations to Net Cash			
Provided by (Used in) Operating Activities:			
Income (loss) from operations	\$ 194,460	\$ (2,299,123)	\$ (114)
Adjustments to reconcile income (loss) from operations to net cash provided by (used in) operating activities:			
Depreciation	-	-	-
Changes in operating assets and liabilities:			
Accounts receivable	-	-	(34,711)
State and Federal aid receivable	-	-	-
Due from other funds	8,790	889,633	(37,414)
Prepaid expenses	(82)	-	-
Inventories	-	-	-
Accounts payable	(82,978)	-	-
Accrued liabilities	(647,088)	508,678	72,262
Compensated absences	1,834	-	-
Due to retirement system	-	-	-
Due to other funds	19,383	-	-
Net Cash Provided by (Used in) Operating Activities	<u>\$ (505,681)</u>	<u>\$ (900,812)</u>	<u>\$ 23</u>

General Services Fund	Totals
\$ 10,763,903	\$ 13,710,538
-	(4,353,105)
(11,110,340)	(11,110,340)
(346,437)	(1,752,907)
-	(470)
(14,816)	(14,952)
(14,816)	(15,422)
900,000	900,000
(75,542)	(75,542)
(447,163)	(447,163)
377,295	377,295
-	357,383
-	10,132,000
-	(4,855,000)
-	5,634,383
16,042	4,243,349
413	7,829,083
<u>\$ 16,455</u>	<u>\$ 12,072,432</u>
\$ 14,816	\$ (2,089,961)
318,630	318,630
409,677	374,966
(443,719)	(443,719)
-	861,009
(14,603)	(14,685)
57,818	57,818
65,034	(17,944)
5,101	(61,047)
(421,845)	(420,011)
309,889	309,889
(647,235)	(627,852)
<u>\$ (346,437)</u>	<u>\$ (1,752,907)</u>

COUNTY OF ROCKLAND, NEW YORK

INTERNAL SERVICE FUNDS - WORKERS' COMPENSATION BENEFITS FUND
 STATEMENT OF NET ASSETS
 DECEMBER 31, 2002

ASSETS

Cash:		
Demand deposits		\$ 115,818
Certificates of deposit		<u>4,995,000</u>
		<u>5,110,818</u>
Investments		<u>4,855,000</u>
Prepaid Expenses		<u>180</u>
Total Assets		<u>9,965,998</u>

LIABILITIES

Current Liabilities:		
Accounts payable		285,330
Accrued liabilities		8,393,428
Compensated absences		15,474
Due to other funds		3,910
Current maturities of bonds payable		<u>470</u>
Total Current Liabilities		8,698,612
Bonds Payable, less current maturities		<u>940</u>
Total Liabilities		<u>8,699,552</u>

NET ASSETS

Unrestricted		<u>\$ 1,266,446</u>
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COUNTY OF ROCKLAND, NEW YORK

INTERNAL SERVICE FUNDS - WORKERS' COMPENSATION BENEFITS FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS
YEAR ENDED DECEMBER 31, 2002

Operating Revenues - Charges for services	<u>\$ 2,719,828</u>
Operating Expenses:	
Administrative and general expenses	498,237
Salaries and wages expenses	93,904
Employee benefits	<u>1,933,227</u>
Total Operating Expenses	<u>2,525,368</u>
Income From Operations	<u>194,460</u>
Non-Operating Revenues (Expenses):	
Interest income	229,485
Interest on indebtedness	<u>(136)</u>
Total Non-Operating Revenues	<u>229,349</u>
Change in Net Assets	423,809
Net Assets - Beginning of Year	<u>842,637</u>
Net Assets - End of Year	<u><u>\$ 1,266,446</u></u>

COUNTY OF ROCKLAND, NEW YORK

INTERNAL SERVICE FUNDS - WORKERS' COMPENSATION BENEFITS FUND
 STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2002

Cash Flows From Operating Activities:	
Cash received from charges for services	\$ 2,719,828
Cash payments to insurance carriers and claimants	(3,225,509)
	<hr/>
Net Cash Used in Operating Activities	(505,681)
Cash Flows From Non-Capital Financing Activities:	
Retirement of long-term debt	(470)
Interest on indebtedness	(136)
	<hr/>
Net Cash Used in Non-Capital Financing Activities	(606)
Cash Flows From Investing Activities:	
Interest income	229,485
Proceeds from sale of investments	10,132,000
Purchase of investments	(4,855,000)
	<hr/>
Net Cash Provided by Investing Activities	5,506,485
Net Increase in Cash and Equivalents	5,000,198
Cash and Equivalents - Beginning of Year	<hr/> 110,620
Cash and Equivalents - End of Year	<u>\$ 5,110,818</u>
Reconciliation of Income from Operations to Net Cash	
Used in Operating Activities:	
Income from operations	\$ 194,460
Adjustments to reconcile income from operations to net cash used in operating activities:	
Changes in assets and liabilities:	
Due from other funds	8,790
Prepaid expenses	(82)
Accounts payable	(82,978)
Accrued liabilities	(647,088)
Compensated absences	1,834
Due to other funds	19,383
	<hr/>
Net Cash Used in Operating Activities	<u>\$ (505,681)</u>

COUNTY OF ROCKLAND, NEW YORK

INTERNAL SERVICE FUNDS - GENERAL LIABILITY CLAIMS FUND
STATEMENT OF NET ASSETS
DECEMBER 31, 2002

ASSETS

Cash:

Demand deposits	\$ 28,356
Certificates of deposit	<u>6,801,000</u>

Total Assets	<u>6,829,356</u>
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LIABILITIES

Accrued Liabilities	<u>6,025,511</u>
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NET ASSETS

Unrestricted	<u><u>\$ 803,845</u></u>
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COUNTY OF ROCKLAND, NEW YORK

INTERNAL SERVICE FUNDS - GENERAL LIABILITY CLAIMS FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS
YEAR ENDED DECEMBER 31, 2002

Operating Revenues	\$ -
Operating Expenses - Judgments and claims	<u>2,299,123</u>
Loss From Operations	(2,299,123)
Non-Operating Revenues - Interest income	<u>126,984</u>
Change in Net Assets	(2,172,139)
Net Assets - Beginning of Year	<u>2,975,984</u>
Net Assets - End of Year	<u><u>\$ 803,845</u></u>

COUNTY OF ROCKLAND, NEW YORK

INTERNAL SERVICE FUNDS - GENERAL LIABILITY CLAIMS FUND
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2002

Cash Flows From Operating Activities -	
Cash payments to insurance carriers and claimants	\$ (900,812)
Cash Flows From Investing Activities -	
Interest income	<u>126,984</u>
Net Decrease in Cash and Equivalents	(773,828)
Cash and Equivalents - Beginning of Year	<u>7,603,184</u>
Cash and Equivalents - End of Year	<u><u>\$ 6,829,356</u></u>
Reconciliation of Loss from Operations to Net Cash	
Used in Operating Activities:	
Loss from operations	\$ (2,299,123)
Adjustments to reconcile loss from operations to	
net cash used in operating activities:	
Change in assets and liabilities -	
Due from other funds	889,633
Accrued liabilities	<u>508,678</u>
Net Cash Used in Operating Activities	<u><u>\$ (900,812)</u></u>

COUNTY OF ROCKLAND, NEW YORK

INTERNAL SERVICE FUNDS - UNEMPLOYMENT BENEFITS FUND
STATEMENT OF NET ASSETS
DECEMBER 31, 2002

	<u>ASSETS</u>	
Cash - Demand deposits		\$ 115,803
Accounts Receivable		39,540
Due from Other Funds		<u>81,427</u>
Total Assets		<u>236,770</u>
	<u>LIABILITIES</u>	
Accrued Liabilities		<u>119,279</u>
	<u>NET ASSETS</u>	
Unrestricted		<u><u>\$ 117,491</u></u>

COUNTY OF ROCKLAND, NEW YORK

INTERNAL SERVICE FUNDS - UNEMPLOYMENT BENEFITS FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS
YEAR ENDED DECEMBER 31, 2002

Operating Revenues - Charges for services	\$ 226,807
Operating Expenses - Employee benefits	<u>226,921</u>
Loss From Operations	(114)
Non-Operating Revenues - Interest income	<u>914</u>
Change in Net Assets	800
Net Assets - Beginning of Year	<u>116,691</u>
Net Assets - End of Year	<u><u>\$ 117,491</u></u>

COUNTY OF ROCKLAND, NEW YORK

INTERNAL SERVICE FUNDS - UNEMPLOYMENT BENEFITS FUND
 STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2002

Cash Flows From Operating Activities:	
Cash received from charges for services	\$ 226,807
Cash payments to insurance carriers and claimants	<u>(226,784)</u>
Net Cash Provided by Operating Activities	<u>23</u>
Cash Flows From Investing Activities -	
Interest income	<u>914</u>
Net Increase in Cash and Equivalents	937
Cash and Equivalents - Beginning of Year	<u>114,866</u>
Cash and Equivalents - End of Year	<u><u>\$ 115,803</u></u>
Reconciliation of Loss from Operations to Net Cash	
Provided by Operating Activities:	
Loss from operations	\$ (114)
Adjustments to reconcile operating loss to	
net cash provided by operating activities:	
Changes in assets and liabilities:	
Accounts receivable	(34,711)
Due from other funds	(37,414)
Accrued liabilities	<u>72,262</u>
Net Cash Provided by Operating Activities	<u><u>\$ 23</u></u>

COUNTY OF ROCKLAND, NEW YORK

INTERNAL SERVICE FUNDS - GENERAL SERVICES FUND
 STATEMENT OF NET ASSETS
 DECEMBER 31, 2002

ASSETS

Cash:		
Demand deposits	\$	16,255
Petty cash		200
		<u>16,455</u>
Receivables:		
Accounts		37,521
State and Federal aid		468,382
		<u>505,903</u>
Prepaid Expenses		<u>32,603</u>
Inventories		<u>49,234</u>
Total Current Assets		<u>604,195</u>
Fixed Assets:		
Buildings		2,980
Equipment		13,218,870
		<u>13,221,850</u>
Less - Accumulated depreciation		<u>(3,908,364)</u>
		<u>9,313,486</u>
Total Assets		<u>9,917,681</u>

LIABILITIES

Current Liabilities:		
Accounts payable		726,631
Accrued liabilities		701,448
Compensated absences		1,598,132
Due to other funds		620,178
Current maturities of bonds payable		583,797
Due to retirement system		98,408
		<u>4,328,594</u>
Total Current Liabilities		<u>4,328,594</u>
Noncurrent liabilities:		
Bonds Payable, less current maturities		4,776,258
Due to retirement system		425,320
		<u>5,201,578</u>
Total Noncurrent Liabilities		<u>5,201,578</u>
Total Liabilities		<u>9,530,172</u>

NET ASSETS (DEFICIENCY)

Invested in capital assets, net of related debt		3,953,431
Unrestricted		<u>(3,565,922)</u>
Total Net Assets	\$	<u>387,509</u>

COUNTY OF ROCKLAND, NEW YORK

INTERNAL SERVICE FUNDS - GENERAL SERVICES FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS
YEAR ENDED DECEMBER 31, 2002

Operating Revenues - Charges for services	<u>\$ 22,930,548</u>
Operating Expenses:	
Administration and general expenses	3,692,953
Employee benefits	3,925,509
Supplies and other expenses	14,978,640
Depreciation	<u>318,630</u>
Total Operating Expenses	<u>22,915,732</u>
Income From Operations	14,816
Non-Operating Expenses -	
Interest on indebtedness	<u>(14,816)</u>
Change in Net Assets	-
Net Assets - Beginning of Year	<u>387,509</u>
Net Assets - End of Year	<u><u>\$ 387,509</u></u>

COUNTY OF ROCKLAND, NEW YORK

INTERNAL SERVICE FUNDS - GENERAL SERVICES FUND
 STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2002

Cash Flows From Operating Activities:	
Cash received from charges for services	\$ 10,763,903
Cash payments to vendors	<u>(11,110,340)</u>
Net Cash Used in Operating Activities	<u>(346,437)</u>
Cash Flows From Non-Capital Financing Activities -	
Interest on indebtedness	<u>(14,816)</u>
Cash Flows from Capital and Related Financing Activities:	
Proceeds from the issuance of long-term debt	900,000
Retirement of long-term debt	(75,542)
Acquisition and construction of fixed assets	<u>(447,163)</u>
Net Cash Provided by Capital and Related Financing Activities	<u>377,295</u>
Net Increase in Cash and Equivalents	16,042
Cash and Equivalents - Beginning of Year	<u>413</u>
Cash and Equivalents - End of Year	<u><u>\$ 16,455</u></u>
Reconciliation of Income from Operations to Net Cash	
Used in Operating Activities:	
Income from operations	14,816
Adjustments to reconcile income from operations to net cash used in operating activities:	
Depreciation	318,630
Changes in assets and liabilities:	
Accounts receivable	409,677
State and Federal aid receivable	(443,719)
Prepaid expenses	(14,603)
Inventories	57,818
Accounts payable	65,034
Accrued liabilities	5,101
Compensated absences	(421,845)
Due to retirement system	309,889
Due to other funds	<u>(647,235)</u>
Net Cash Used in Operating Activities	<u><u>\$ (346,437)</u></u>

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**STATISTICAL
SECTION**

(Unaudited)

COUNTY OF ROCKLAND, NEW YORK

GENERAL GOVERNMENTAL EXPENDITURES AND OTHER USES BY FUNCTION
 LAST TEN FISCAL YEARS

Year	General Government Support	Education	Public Safety	Health	Trans- portation	Economic Opportunity and Development
1993	\$ 32,997,465	\$ 14,220,285	\$ 24,744,881	\$ 18,700,722	\$ 19,610,997	\$ 93,538,114
1994	33,124,434	15,349,657	26,727,082	20,355,900	20,573,652	102,978,654
1995	32,866,153	17,045,488	29,408,241	22,399,878	21,133,640	107,189,665
1996	26,086,819	17,761,342	28,503,784	22,848,339	21,928,753	103,421,593
1997	26,351,172	17,669,155	29,035,303	22,765,864	21,933,974	106,484,669
1998	29,165,713	18,963,895	32,791,199	23,642,299	23,471,743	109,731,262
1999	33,321,844	18,308,853	39,497,205	25,975,744	25,089,535	117,790,941
2000	36,565,661	24,714,657	40,297,186	27,259,565	26,895,533	120,307,920
2001	34,802,149	28,377,650	40,084,416	30,284,190	28,706,131	130,779,870
2002	34,958,991	45,329,687	41,745,805	37,298,006	31,225,049	138,444,547

Note: Includes General and Special Revenue funds.

Culture and Recreation	Home and Community Services	Employee Benefits	Debt Service	Other Financing Uses	Total
\$ 413,322	\$ 11,635,615	\$ 35,830,543	\$ 1,949,697	\$ 43,148,294	\$ 296,789,935
547,141	10,873,338	38,056,371	1,097,841	44,033,496	313,717,566
824,572	11,447,765	1,532,165	776,667	45,178,302	289,802,536
905,101	11,725,224	1,686,581	1,663,367	43,449,961	279,980,864
503,036	12,530,954	1,849,750	1,126,708	42,719,721	282,970,306
999,630	12,251,620	1,967,157	843,979	43,142,677	296,971,174
1,236,264	14,293,762	1,833,836	585,289	44,918,872	322,852,145
1,494,388	15,051,164	1,631,716	194,458	47,772,219	342,184,467
853,647	15,022,224	1,956,682	718,880	91,658,327	403,244,166
598,690	16,502,315	37,451,415	579,500	20,198,287	404,332,292

COUNTY OF ROCKLAND, NEW YORK

GENERAL GOVERNMENTAL REVENUES AND OTHER SOURCES BY SOURCE
 LAST TEN FISCAL YEARS

Year	Real Property Taxes	Other Tax Items	Non Property Taxes	Departmental Income	Use of Money and Property	Licenses and Permits
1993	\$ 64,946,568	\$ 6,086,083	\$ 66,759,684	\$ 30,843,511	\$ 1,667,228	\$ 838,573
1994	66,221,367	5,867,112	70,632,560	34,290,569	1,695,380	747,928
1995	66,102,391	6,729,483	71,285,314	28,308,565	2,287,729	824,666
1996	71,514,319	6,357,491	75,554,316	21,346,455	2,558,952	791,048
1997	69,082,413	6,519,996	82,200,190	22,157,045	3,069,193	796,684
1998	61,401,794	5,512,354	90,389,817	23,063,315	3,277,177	876,645
1999	43,129,354	6,322,957	98,961,356	22,851,032	2,454,549	940,525
2000	67,842,937	5,778,747	102,873,798	25,565,336	2,733,764	1,001,528
2001	55,125,499	4,662,533	104,741,932	23,647,511	1,728,009	963,061
2002	58,090,243	4,461,514	119,731,942	29,627,090	1,300,336	1,252,367

Note: Includes General and Special Revenue funds.

Fines and Forfeitures	Sale of Property and Compensation for Loss	Interfund/ Intrafund Revenues	State Aid	Federal Aid	Miscellaneous	Other Financing Sources	Total
\$ 444,235	\$ 292,081	\$ 33,386,384	\$ 53,875,893	\$ 25,863,119	\$ 1,354,877	\$ 10,406,139	\$ 296,764,375
791,243	118,370	32,787,426	56,604,573	29,869,759	2,014,760	9,892,007	311,533,054
587,980	399,619	4,037,370	60,510,005	33,347,644	2,363,856	11,745,366	288,529,988
492,366	30,777	3,647,471	60,879,379	31,840,907	2,141,255	12,372,562	289,527,298
627,795	57,079	4,003,463	61,105,011	33,427,046	2,452,479	13,559,299	299,057,693
652,565	123,487	3,519,629	66,940,031	35,819,413	3,291,014	13,919,540	308,786,781
717,214	149,535	3,410,953	69,510,791	42,088,539	4,910,111	15,359,524	310,806,440
798,226	261,352	4,425,683	73,847,533	38,747,001	8,599,439	17,978,563	350,453,907
725,337	416,613	2,476,541	71,663,720	42,058,770	53,938,484	18,105,094	380,253,104
674,941	159,583	39,264,640	77,613,466	45,903,863	7,723,720	14,617,009	400,420,714

COUNTY OF ROCKLAND, NEW YORK

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Total Tax Levy (1)</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>
1993	\$ 488,800,192	\$ 474,631,672	97.10 %	\$ 11,655,224	\$ 486,286,896
1994	509,605,577	496,583,504	97.44	13,052,061	509,635,565
1995	534,011,807	520,133,056	97.40	11,233,342	531,366,398
1996	551,457,259	543,530,258	98.56	13,145,029	556,675,287
1997	572,674,963	561,187,252	97.99	13,572,108	574,759,360
1998	585,327,997	574,856,512	98.21	12,860,870	587,717,382
1999	607,008,983	578,540,733	95.31	11,939,136	590,479,869
2000	634,247,752	618,086,483	97.45	30,483,575	648,570,058
2001	689,955,045	683,714,595	99.10	9,347,889	693,062,484
2002	724,492,068	699,222,177	96.51	14,398,714	713,620,891

(1) Includes County, Town, Village and School relevy as the County is the levying body.

Percent of Total Tax Collection To Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
99.49 %	\$ 31,043,950	6.35 %
100.01	31,013,962	6.09
99.50	33,659,371	6.30
100.95	28,441,343	5.16
100.36	21,072,381	3.68
100.41	15,682,996	2.68
97.28	32,212,110	5.31
102.26	17,889,804	2.82
100.45	14,782,365	2.14
98.50	12,388,084	1.71

COUNTY OF ROCKLAND, NEW YORK

ASSESSED VALUATION OF TAXABLE REAL PROPERTY, AVERAGE
 EQUALIZATION RATE AND FULL VALUATION
 LAST TEN FISCAL YEARS

<u>Year</u>	<u>Assessed Valuation</u>	<u>Average Equalization Rate (1)</u>	<u>Full Valuation</u>
1993	\$ 9,436,121,381	51.71 %	\$ 18,247,596,664
1994	9,435,211,487	53.67	17,581,112,520
1995	9,882,162,386	53.84	18,353,200,207
1996	9,503,468,123	53.24	17,787,386,306
1997	9,544,444,519	50.78	18,795,889,785
1998	10,448,220,457	53.82	19,411,552,626
1999	10,440,633,136	53.92	19,363,192,018
2000	10,621,665,844	44.58	23,824,679,124
2001	10,680,794,462	39.30	27,167,732,267
2002	10,726,941,312	36.85	29,112,479,511

(1) The equalization rate is the weighted average of the State equalization rate established for each Town within the County. The Town's equalization rates are established by the New York State Board of Equalization and Assessment.

COUNTY OF ROCKLAND, NEW YORK

COUNTY PROPERTY TAX RATES BY TOWN
 PER \$1,000 OF ASSESSED VALUATION
 LAST TEN FISCAL YEARS

<u>Year</u>	<u>Clarkstown</u>	<u>Haverstraw</u>	<u>Orangetown</u>	<u>Stony Point</u>	<u>Ramapo</u>
1993	\$ 4.836896	\$ 24.470	\$ 2.953	\$ 9.7775	\$ 9.180
1994	4.866005	24.590	2.808	9.5846	9.410
1995	4.456823	24.880	2.908*/2.948**	9.2872	9.510
1996	4.382969	24.610	2.8669	8.9738	9.370
1997	4.385030	24.450	3.0580	9.0848	9.135
1998	4.054420	21.990	3.3068	8.5864	8.985
1999	3.636083	18.770	2.5316	7.8604	7.320
2000	3.455003	17.540	2.3170	7.5770	6.730
2001	3.834400	17.020	2.2859	7.2878	6.568
2002	3.728106	18.450	3.0668	7.2251	6.447

* Town Wide tax rate

** Town Outside Villages tax rate

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COUNTY OF ROCKLAND, NEW YORK

COMPUTATION OF LEGAL DEBT MARGIN
 DECEMBER 31, 2002

Five Year Full Valuation of Taxable Real Property (1997 - 2001)		<u>\$ 102,004,424,962</u>
Five Year Average Full Valuation		<u>\$ 20,400,884,992</u>
Debt Limit - 7% of Five Year Average Full Valuation		\$ 1,428,061,949
Indebtedness:		
Serial Bonds:		
General Purpose	\$ 89,817,110	
Sewer District Facilities	<u>44,767,890</u>	
		\$ 134,585,000
Bond Anticipation Notes -		
Sewer District Facilities	4,800,000	
Revenue Anticipation Notes	<u>60,000,000</u>	
Total Indebtedness		199,385,000
Less Exclusions:		
Sewer District Facilities:		
Serial Bonds	44,767,890	
Bond Anticipation Notes	<u>4,800,000</u>	
		49,567,890
2003 Budget Appropriations for		
Non-Exempt Debt	3,954,370	
Revenue Anticipation Notes	<u>60,000,000</u>	
Total Exclusions		<u>113,522,260</u>
Total Net Indebtedness		<u>85,862,740</u>
Net Debt Contracting Margin		<u>\$ 1,342,199,209</u>
Percentage of Debt Contracting Power Exhausted as of December 31, 2002		<u>6.01 %</u>

RATIO OF NET LONG-TERM DEBT TO ASSESSED VALUATION
AND NET LONG-TERM DEBT PER CAPITA
LAST TEN FISCAL YEARS

Year	Population (1)	Assessed Valuation	Gross Long-Term Debt (2)	Less Debt Service Funds Available	Net Long-Term Debt
1993	272,700	\$ 9,436,121,381	\$ 119,388,820	\$ 8,177,863	\$ 111,210,957
1994	274,834	9,435,211,487	129,813,665	9,076,375	120,737,290
1995	276,898	9,882,162,386	128,712,882	18,287,756	110,425,126
1996	278,000	9,503,468,123	123,225,445	15,662,759	107,562,686
1997	279,860	9,544,444,519	124,413,221	15,931,007	108,482,214
1998	281,838	10,448,220,457	132,142,092	16,617,923	115,524,169
1999	284,022	10,440,633,136	143,971,932	18,970,715	125,001,217
2000	286,753	10,621,665,844	145,897,331	18,286,289	127,611,042
2001	286,753	10,680,794,462	113,411,059	15,957,255	97,453,804
2002	286,753	10,726,941,312	120,426,523	13,663,113	106,763,410

(1) The population figures are based on the 1990 U.S. Census and estimates by the U.S. Census Bureau in cooperation with the N.Y.S. Department of Economic Development for 1992-1999. The figures for 2000 - 2002 are based on the U.S. Census.

(2) Represents bonds and capital notes, exclusive of debt outstanding for the Proprietary Fund types.

Net Long-Term Debt to Assessed Valuation	Net Long-Term Debt Per Capita
1.18 %	\$ 407.81
1.28	439.31
1.12	398.79
1.13	386.92
1.14	387.63
1.11	409.90
1.20	440.11
1.20	445.02
0.91	339.85
1.00	372.32

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
 LONG-TERM DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
 LAST TEN FISCAL YEARS

Year	Principal (1)	Interest (1)	Annual Debt Service Expenditures (1)	Total General Governmental Expenditures (2)	Ratio of Debt Service to Total General Governmental Expenditures
1993	\$ 9,479,269	\$ 7,167,903	\$ 16,647,172	\$ 296,789,935	5.61 %
1994	10,546,725	6,802,730	17,349,455	313,717,566	5.53
1995	11,221,783	7,514,672	18,736,455	289,802,536	6.47
1996	11,605,840	7,273,529	18,879,369	279,980,864	6.74
1997	12,708,224	6,672,877	19,381,101	282,970,306	6.85
1998	13,241,129	6,419,313	19,660,442	296,971,174	6.62
1999	13,387,160	6,515,393	19,902,553	322,852,145	6.16
2000	12,999,600	7,142,472	20,142,072	342,184,467	5.89
2001	13,245,814	7,202,841	20,448,655	403,244,166	5.07
2002	7,472,540	5,471,506	12,944,046	404,332,292	3.20

(1) Reflects debt service expenditures recorded in the Debt Service Fund for bonds and capital notes.

(2) Includes expenditures and other financing uses for General and Special Revenue funds.

COUNTY OF ROCKLAND, NEW YORK

COMPUTATION OF DIRECT AND UNDERLYING DEBT
 DECEMBER 31, 2002

Governmental Unit	Gross Long-Term Debt (1)	Less Exclusions (2)	Amount Applicable to County
Towns	\$ 137,565,000	\$ 7,182,500	\$ 130,382,500
Villages	26,557,000	1,499,000	25,058,000
School Districts	108,136,000	42,607,000	<u>65,529,000</u>
Net Underlying Debt			220,969,500
Net Direct Debt			<u>106,763,410</u>
Net Underlying and Direct Debt			<u><u>\$ 327,732,910</u></u>

(1) Excludes enterprise fund bonds.

(2) Exclusions include certain water and sewer bonds and the amount available for repayment in the Debt Service Fund. For the school districts, the State school building aid is excluded.

COUNTY OF ROCKLAND, NEW YORK

DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Per Capita Income (2)</u>	<u>Unemployment Rate (3)</u>
1993	272,700	\$ 26,870	6.00 %
1994	274,834	N/A	5.40
1995	276,898	N/A	4.90
1996	278,000	N/A	4.30
1997	279,860	N/A	4.10
1998	281,838	N/A	3.30
1999	284,022	N/A	3.50
2000	286,753	28,115	3.00
2001	286,753	N/A	3.10
2002	286,753	N/A	3.80

Sources: (1) The population figures are based on the 1990 U.S. Census and estimates by the U.S. Census Bureau in cooperation with the N.Y.S. Department of Economic Development for 1992-1999. The figures for 2000 - 2002 are based on the U.S. Census.

(2) U.S. Department of Commerce, Bureau of Economics Analysis, New York State Department of Labor, Division of Research and Statistics.

(3) New York State Department of Labor, Division of Research and Statistics.
(Note: Figures not seasonally adjusted).

N/A Figures are not available for inclusion in this table.

COUNTY OF ROCKLAND, NEW YORK

CONSTRUCTION PERMIT DATA
LAST TEN FISCAL YEARS

Year	New Non-Residential (1)		New Residential	
	No. of Permits	Estimated Value	No. of Permits	Estimated Value
1993	261	\$ 21,224,513	699	\$ 60,512,664
1994	239	33,476,440	542	53,230,810
1995	201	10,082,102	539	51,790,432
1996	N/A	N/A	1,049	74,889,738
1997	N/A	N/A	765	75,275,224
1998	N/A	N/A	570	71,158,820
1999	N/A	N/A	870	116,658,956
2000	N/A	N/A	547	67,365,382
2001	N/A	N/A	531	66,735,166
2002	N/A	N/A	529	68,781,775

Sources: N.Y.S. Division of Housing and Community Renewal
U.S. Census Building Permit Survey

(1) This category has been eliminated as of 1996.

N/A Figures are not available for inclusion in this table.

COUNTY OF ROCKLAND, NEW YORK

DEPOSITS IN LOCAL BANKS BY ALL CUSTOMERS
LAST TEN FISCAL YEARS

Year	Commercial Banks		Total Deposits (1)	Fiscal Ending 6/30	Savings/Savings and Loan		Total Deposits
	No.	No. of Branches			No.	No. of Branches (2)	
1993	10	73	\$ 2,811,179,000	93	8	22	\$ 1,302,500,000
1994	11	78	2,982,574,000	94	7	18	1,183,665,000
1995	11	76	3,013,084,000	95	8	20	1,310,838,000
1996	11	73	3,099,631,000	96	8	22	1,437,989,000
1997	9	71	3,323,803,000	97	5	21	1,100,644,000
1998	9	70	3,406,488,000	98	6	25	1,138,123,000
1999	11	76	4,305,233,000	99	5	19	951,411,000
2000	11	76	3,887,779,000	00	5	19	971,874,000
2001	10	75	4,033,579,000	01	5	21	1,007,665,000
2002	13	80	4,507,913,000	02	3	18	997,002,000

Sources: (1) N.Y.S. Banking Office and FDIC Research Department

(2) Federal Home Loan Banking - Research Department

COUNTY OF ROCKLAND, NEW YORK

PRINCIPAL TAXPAYERS
DECEMBER 31, 2002

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Full Valuation</u>	<u>Percent of Total Full Valuation</u>
Southern Energy	Public Utility	\$ 1,893,347,376	6.5 %
Palisades Interstate Park	State Lands	633,257,513	2.2
American Cyanamid Corp.	Industrial	627,185,022	2.2
Pyramid/EKLECCO Properties	Retail Shopping	603,992,140	2.1
Orange and Rockland Utilities	Public Utility	540,180,940	1.9
United Water	Water Supply	226,428,730	0.8
Verizon	Public Utility	173,336,264	0.6
Consolidated Edison	Public Utility	144,310,290	0.5
Glorious Sun Roberts - FKA Blue Hill Community	Retirement Community	137,708,530	0.5
The Retail Property Trust	Retail	<u>94,497,429</u>	<u>0.3</u>
Total		<u><u>\$ 5,074,244,234</u></u>	<u><u>17.6 %</u></u>

Note: Total taxable full values on the 2002 tax roll are \$29,112,479,511.

COUNTY OF ROCKLAND, NEW YORK

MISCELLANEOUS STATISTICS
DECEMBER 31, 2002

Date of Incorporation: 1798
Form of Government: County Executive/County Legislature

Location and Area: The County is located in Southeast New York State, on the west bank of the Hudson River. The geographical center of the County is situated about 33 miles north of the Manhattan business district in New York City. The County has a land area of 176 square miles, about 30% of which is devoted to parkland and recreational purposes.

Employees:

(Authorized Positions)

General Government	347
Transportation	118
Public Safety	402
Social Services	1,829
Environment and Housing	116
Other	96

2,908

Fire Protection:

Number of Stations	49
Municipal Fire Departments	26
Number of Volunteer Fire Firefighters	3,150

Police Protection:

Number of Stations	12
Number of Police Officers (Authorized Positions)	648

Ambulance:

Number of Emergency Services	14
	(1 Fire Company Based)
Number of Vehicles	50
	(6 Paramedic)

Water Operations:

Number of Metered Accounts	57,110
Average Daily Consumption	29,500,000 (Gallons)
Miles of Water Supply	905
Supply	Several underground stream sources, springs, ponds and wells; also two reservoirs.

COUNTY OF ROCKLAND, NEW YORK

MISCELLANEOUS STATISTICS (Concluded)

DECEMBER 31, 2002

Natural Gas, Electricity and
Telephone Services:

Furnished by private corporations.

Public Works:

Number of Street Lights	16,032
Miles of Paved Streets	863
Miles of Sanitary Sewers	1,090

Public Education:

(Independent School District)

Elementary Schools	41
Middle Schools	11
High Schools	10
Total Enrollment	40,580

Recreation and Culture:

Total Acres	36,349
Number of Parks and Recreational Facilities	15
Number of Libraries	19
Number of Volumes	880,928

Population (United States Census):

1940	74,261
1950	89,276
1960	136,803
1970	229,903
1980	259,530
1990	265,475
2000	286,753

Retail Trade:

Number of Shopping Centers	24
Floor Area	3,340,000 sq. ft.

