

COUNTY OF ROCKLAND, NEW YORK

**Comprehensive Annual Financial Report
Fiscal Year Ended December 31, 2005**

Prepared by

Department of Finance

Robert E. Bergman, Jr.
Commissioner

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

INTRODUCTORY SECTION

| | |
|--|-----|
| Principal Officials | i |
| Organization Chart | ii |
| Letter of Transmittal | iii |
| Certificate of Achievement for Excellence in Financial Reporting | xii |

FINANCIAL SECTION

| | |
|---|----|
| Independent Auditors' Report | 1 |
| Management's Discussion and Analysis | 3 |
| Basic Financial Statements: | |
| Government-wide Financial Statements: | |
| Statement of Net Assets | 13 |
| Statement of Activities | 14 |
| Fund Financial Statements: | |
| Balance Sheet - Governmental Funds | 16 |
| Reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Assets - Governmental Activities | 17 |
| Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds | 18 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 19 |
| Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund | 20 |
| Statement of Net Assets - Proprietary Funds | 21 |
| Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds | 23 |
| Statement of Cash Flows - Proprietary Funds | 25 |
| Statement of Assets and Liabilities - Fiduciary Funds | 27 |
| Statement of Net Assets - Component Units | 28 |
| Statement of Activities - Component Units | 30 |
| Notes to Financial Statements | 32 |
| Combining and Individual Fund Financial Statements and Schedules: | |
| Major Governmental Funds: | |
| General Fund: | |
| Comparative Balance Sheet | 73 |
| Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual | 74 |
| Schedule of Revenues and Other Financing Sources Compared to Budget | 78 |

COUNTY OF ROCKLAND, NEW YORK
 COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2005
 TABLE OF CONTENTS (Continued)

| | <u>Page</u> |
|---|-------------|
| Schedule of Expenditures and Other Financing Uses Compared to Budget | 82 |
| Capital Projects Fund: | |
| Comparative Balance Sheet | 88 |
| Comparative Statement of Revenues, Expenditures and Changes in Fund Balance | 89 |
| Non-Major Governmental Funds: | |
| Combining Balance Sheet -Non-Major Governmental Funds | 91 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Governmental Funds | 92 |
| Special Revenue Funds: | |
| Combining Balance Sheet - Non-Major Special Revenue Funds | 94 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Special Revenue Funds | 96 |
| County Road Fund: | |
| Comparative Balance Sheet | 98 |
| Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual | 99 |
| Road Machinery Fund: | |
| Comparative Balance Sheet | 101 |
| Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual | 102 |
| Community Development Fund: | |
| Comparative Balance Sheet | 104 |
| Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual | 105 |
| Sewer District Fund: | |
| Comparative Balance Sheet | 107 |
| Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual | 108 |
| Special Purpose Fund: | |
| Comparative Balance Sheet | 110 |
| Comparative Statement of Revenues, Expenditures and Changes in Fund Balance | 111 |
| Debt Service Fund: | |
| Comparative Balance Sheet | 112 |
| Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual | 113 |
| Proprietary Funds: | |
| Enterprise Funds: | |
| Home and Infirmary Fund: | |
| Comparative Statement of Net Assets | 115 |
| Comparative Statement of Revenues, Expenses and Changes in Net Assets | 116 |
| Comparative Statement of Cash Flows | 117 |
| Rockland Tobacco Asset Securitization Corporation: | |
| Comparative Statement of Net Assets | 118 |
| Comparative Statement of Revenues, Expenses and Changes in Net Assets | 119 |
| Comparative Statement of Cash Flows | 120 |
| Rockland Second Tobacco Asset Securitization Corporation: | |
| Comparative Statement of Net Assets | 121 |
| Comparative Statement of Revenues, Expenses and Changes in Net Assets | 122 |
| Comparative Statement of Cash Flows | 123 |
| Internal Service Funds: | |
| Combining Statement of Net Assets | 124 |

COUNTY OF ROCKLAND, NEW YORK
 COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2005
 TABLE OF CONTENTS (Continued)

| | <u>Page</u> |
|---|-------------|
| Combining Statement of Revenues, Expenses and Changes in Net Assets | 126 |
| Combining Statement of Cash Flows | 128 |
| Workers' Compensation Benefits Fund: | |
| Comparative Statement of Net Assets | 130 |
| Comparative Statement of Revenues, Expenses and Changes in Net Assets | 131 |
| Comparative Statement of Cash Flows | 132 |
| General Liability Claims Fund: | |
| Comparative Statement of Net Assets | 133 |
| Comparative Statement of Revenues, Expenses and Changes in Net Assets | 134 |
| Comparative Statement of Cash Flows | 135 |
| Unemployment Benefits Fund: | |
| Comparative Statement of Net Assets | 136 |
| Comparative Statement of Revenues, Expenses and Changes in Net Assets | 137 |
| Comparative Statement of Cash Flows | 138 |
| General Services Fund: | |
| Comparative Statement of Net Assets | 139 |
| Comparative Statement of Revenues, Expenses and Changes in Net Assets | 140 |
| Comparative Statement of Cash Flows | 141 |
| Fiduciary Funds - Statement of Changes in Assets and Liabilities | 142 |

| |
|---|
| <p>STATISTICAL SECTION (Unaudited)</p> |
|---|

| | |
|---|-----|
| General Governmental Expenditures and Other Uses by Function - Last Ten Fiscal Years | 143 |
| General Governmental Revenues and Other Sources by Source - Last Ten Fiscal Years | 145 |
| Property Tax Levies and Collections - Last Ten Fiscal Years | 147 |
| Assessed Valuation of Taxable Real Property, Average Equalization Rate and Full Valuation - Last Ten Fiscal Years | 149 |
| County Property Tax Rates by Town per \$1,000 of Assessed Valuation - All Direct and Overlapping Governments - Last Ten Fiscal Years | 150 |
| Computation of Legal Debt Margin | 151 |
| Ratio of Net Long-Term Debt to Assessed Valuation and Net Long-Term Debt per Capita - Last Ten Fiscal Years | 152 |
| Ratio of Annual Debt Service Expenditures for Long-Term Debt to Total General Governmental Expenditures - Last Ten Fiscal Years | 154 |

COUNTY OF ROCKLAND, NEW YORK
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2005
TABLE OF CONTENTS (Concluded)

| | <u>Page</u> |
|---|-------------|
| Computation of Direct and Underlying Debt | 155 |
| Demographic Statistics - Last Ten Fiscal Years | 156 |
| Construction Permit Data - Last Ten Fiscal Years | 157 |
| Deposits in Local Banks by All Customers -Last Ten Fiscal Years | 158 |
| Principal Taxpayers | 159 |
| Miscellaneous Statistics | 160 |

**INTRODUCTORY
SECTION**

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COUNTY OF ROCKLAND
DEPARTMENTS OF FINANCE AND BUDGET

18 New Hempstead Road
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Fax. (845) 638-5644

C. SCOTT VANDERHOEF
County Executive

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

H. CHRIS KOPF, CPA
First Deputy Commissioner

July 25, 2006

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

The Comprehensive Annual Financial Report ("CAFR") for the County of Rockland, New York for the fiscal year ended December 31, 2005 is submitted herewith. New York State requires the County to submit an annual report of our 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, the management of the County has established a comprehensive internal control framework that is designed to both 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, The Government Services Division of O'Connor Davies Munns & Dobbins, 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, 2005, 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's basic financial statements for the fiscal year ended December 31, 2005, 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 not only report 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. The financial section also includes a narrative introduction, overview and analysis of the December 31, 2005 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 auditor. Finally, the statistical section includes selected financial and general information presented on a multi-year basis.

ROCKLAND COUNTY, NEW YORK
Principal Officials

COUNTY EXECUTIVE

C. Scott Vanderhoef

COUNTY LEGISLATORS

Harriett D. Cornell

Chairman of the Legislature

Robert M. Berliner
Gerald Bierker
William L. Darden
Theodore R. Dusanenko
David Fried
Michael Grant
Ellen C. Jaffee
Douglas J. Jobson

Denise Kronstadt
Patrick J. Moroney
John A. Murphy
V.J. Pradhan
Roman Rodriguez
Ilan S. Schoenberger
Philip Soskin
Kenneth P. Zebrowski

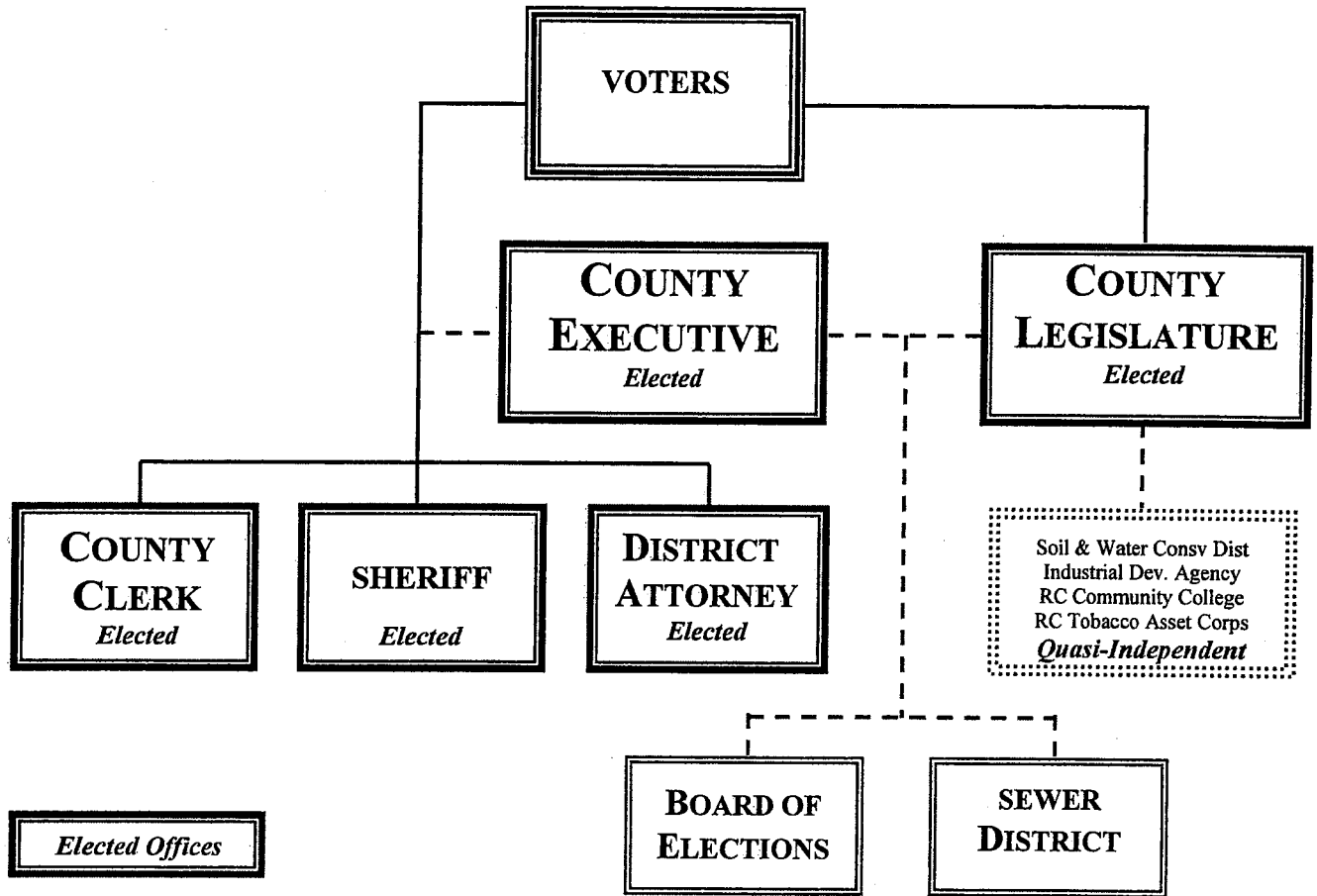
Paul Piperato
James Kralik
Michael Bongiorno

County Clerk
Sheriff
District Attorney

Patricia Zugibe
Robert E. Bergman, Jr.

County Attorney
Commissioner of Finance

ORGANIZATION OF ROCKLAND COUNTY GOVERNMENT



ALL OTHER CHARTERED DEPARTMENTS

| | | | |
|---|--|---|---|
| Dept of Planning Commissioner Charter 5.01 | Dept of Personnel Commissioner Charter 6.01 | Dept of Health Commissioner Charter 7.01 | Dept of Hospitals Commissioner Charter 8.01 |
| Dept of Mental Health Commissioner Charter 9.01 | Dept of Social Services Commissioner Charter 10.01 | Dept of Highways Superintendent Charter 11.01 | Office of the Public Defender Charter 15.01 |
| Dept of Law County Attorney Charter 16.01 | Dept of Finance Commissioner Charter 17.01 | Dept of Audit County Auditor Charter 18.01 | Human Rights Commissioner Charter 19.01 |

**Other County Boards,
Offices, Institutions &
Functions**
Charter 20.04

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 Rockland Tobacco Asset Securitization Corporation and the Rockland Second Tobacco Asset Securitization Corporation are also considered component units and these organizations have been reflected as blended component units in the County's financial statements.

The County 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 operates.

For year ending 2005, the County reserved \$126.8 million of the fund balance of the General Fund for a long term receivable, thereby creating an undesignated deficit of \$110.7 million. This was caused by the failure of one of the County's largest taxpayers to pay their taxes for 2003, 2004 and 2005. However, under the law, the County was still required to make the Towns and School District "whole" for the amount of unpaid taxes. The County is currently involved in negotiations to settle this matter. When settled the County will be reimbursed by the municipal entities for the amounts paid.

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 portion of this labor force 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 2004 was \$31,680. State and U.S. per capita income averages reported on this basis were \$26,844 and \$24,020, respectively. The median household income for families residing in the County for 2004 was \$75,306, which was significantly greater than the median household income of \$47,349 for the State. These statistics were compiled by the American Community Survey prepared by the U.S. Census Bureau.

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 system. 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 (RCC) 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.

In 2005, the County experienced continued retail sales growth, reflected by a 3.3% increase in sales tax revenues from the previous year. The County's housing market remained strong, with our mortgage tax revenues growing 4.7% over the previous year, bringing in \$10.2 million.

LONG TERM FINANCIAL PLANNING

The County's future projects include the following:

- ❖ Develop, in conjunction with the other various County municipalities, a uniform, County-wide communication system.
- ❖ Improve the Letchworth Developmental Center property in the Towns of Haverstraw and Stony Point into a mixed-use recreation, commercial, and residential purposes site, which includes over 500 units of senior housing.
- ❖ The Village of Haverstraw approved a \$200 million waterfront development project of which Phase I is near completion. Phase II of the project will begin Spring 2007.
- ❖ 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 for the County's needs.
- ❖ Continuation of the open space acquisition program, to preserve and protect environmentally sensitive parcels, agricultural value, historical integrity and significant natural beauty. In 2006, the County, in partnership with the Town of Clarkstown, will purchase the 21 acres of Cropsey Farm within the Town for parkland purposes.
- ❖ Construction of a new Highway facility that will house all of the County's equipment.
- ❖ Acquisition of a golf course to add to our parks and open space initiative.
- ❖ Construction of a new Health Services Training Center at RCC to meet the growing demand of health care professionals in Rockland County.
- ❖ Construction of a new state of the art nursing facility at Summit Park Hospital.
- ❖ Continue the process of the redesign and improvement of 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.
- ❖ Implement a West Shore Railroad Safety and Quiet Zone Project to be funded with an 80% Federal Grant.

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 2005, the County had an average monthly cash balance in the General Fund of \$37.5 million. Earnings from these investments amounted to approximately \$1.55 million for an average rate of return of 4.13%.

Additional information on the County's cash management program can be found in Note 1,E 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 through a multi-municipal consortium. The County has secured conventional insurance coverage for individual losses in excess of \$550,000.

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. In the recent past, 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 1,785 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, H and K, 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, 2004. 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 awarded 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.

In addition, the County also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for 2006. In order to qualify for the Distinguished Budget Presentation Award, the County's budget document had to be judged proficient as a policy document, a financial plan, an operations guide and a communications device.

The Distinguished Budget Presentation Award is valid for a period of only one year. We intend to continue participation in the program and will be submitting our 2007 budget for review.

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, special thanks are offered to H. Chris Kopf, First Deputy Commissioner of Finance, Arlene Karger, Accountant IV, Betty Goldblatt, Account IV, Michael Cappabianca, Accountant III and Linda Szachewicz, Accountant III as well as our independent auditor who assisted in its preparation. Appreciation is also offered to the County Executive and the members of the County Legislature for their interest and support in the financial operation of the County.

Respectfully submitted,



Robert E. Bergman, Jr., MPA
Commissioner of Finance

**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, 2005, 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 for the year ended December 31, 2005, which represents 77.6% and 94.8%, respectively of the assets and revenues of the enterprise funds. We also did not audit the financial statements of the Rockland County Industrial Development Agency (a component unit) for the year ended December 31, 2005, and the Rockland County Community College (a component unit) for the year ended August 31, 2005, which represent 26.8% and 71.6%, 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 opinions 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no opinion. 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 as of December 31, 2005 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2006 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming 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 stated 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. 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

The Government Services Division of
O'Connor Davies Munns & Dobbins, LLP
May 26, 2006

**County of Rockland, New York
Management's Discussion and Analysis (MD&A)
December 31, 2005**

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, 2005. Please read it in conjunction with the transmittal letter, located at the front of this report, the basic financial statements and the accompanying notes to those statements that follow this section.

Financial Highlights for Fiscal Year 2005

- The net assets (assets minus liabilities) of the primary government for fiscal year 2005 were \$454,248,488. Of this amount, \$516,902,208 represents governmental net assets and (\$62,653,720) is business-type net assets.
- The General Fund reported an ending fund balance of \$57,681,351 which represents an increase of \$18,729,490, inclusive of a prior period adjustment of \$725,000, from fiscal year 2004. The unreserved fund balance was (\$110,667,341) which represents a decrease of \$69,345,297 from fiscal year 2004. The Capital Projects Fund reported an ending fund balance of \$94,046,146, an increase of \$34,908,583 from fiscal year 2004.
- The primary government's total outstanding bonds payable for December 31, 2005 were \$347,694,941.

Overview of the Financial Statements

The County's financial statements are composed of this 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.
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 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 financial accountable. The component units enumerated above are reported in the aggregate in the government-wide financial statements.

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

Notes to 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

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 \$454,248,488 for fiscal year 2005.

The following table reflects the condensed Statement of Net Assets:

| | Governmental Activities | | Business-Type Activities | | Total | |
|---------------------------------------|-------------------------|-----------------------|--------------------------|------------------------|-----------------------|-----------------------|
| | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| Current and Other Assets | \$ 501,075,894 | \$ 422,678,248 | \$ 30,787,358 | \$ 25,630,818 | \$ 531,863,252 | \$ 448,309,066 |
| Capital Assets | 595,352,913 | 571,244,713 | 21,423,140 | 21,986,115 | 616,776,053 | 593,230,828 |
| Total Assets | 1,096,428,807 | 993,922,961 | 52,210,498 | 47,616,933 | 1,148,639,305 | 1,041,539,894 |
| Current Liabilities | 291,778,007 | 295,075,139 | 10,111,893 | 21,898,322 | 301,889,900 | 316,973,461 |
| Long-Term Liabilities | 287,748,592 | 205,387,137 | 104,752,325 | 68,462,182 | 392,500,917 | 273,849,319 |
| Total Liabilities | 579,526,599 | 500,462,276 | 114,864,218 | 90,360,504 | 694,390,817 | 590,822,780 |
| Net Assets Invested in Capital Assets | | | | | | |
| Net of Related Debt | 385,766,788 | 419,627,796 | 12,484,425 | 13,213,254 | 398,251,213 | 432,841,050 |
| Restricted | 79,252,547 | 49,562,629 | - | - | 79,252,547 | 49,562,629 |
| Unrestricted | 51,882,873 | 24,270,260 | (75,138,145) | (55,956,825) | (23,255,272) | (31,686,565) |
| Total Net Assets | \$ 516,902,208 | \$ 493,460,685 | \$ (62,653,720) | \$ (42,743,571) | \$ 454,248,488 | \$ 450,717,114 |

The largest component of the County's net assets is invested in Capital Assets, net of related debt of \$398,251,213 which reflects its investment in capital assets, less any related debt used to acquire those assets that are still outstanding. Capital assets include: land, buildings, improvements, equipment, infrastructure and construction-in-progress. 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 \$79,252,547 represents resources that are subject to external restrictions on how they may be used. The restrictions are as follows:

| | |
|--------------------------------|----------------------|
| Capital Projects | \$ 29,236,675 |
| Law Enforcement | 293,219 |
| Stop-DWI Program | 538,398 |
| Handicapped Parking | 47,765 |
| Social Service Programs | 62,947 |
| Debt Service | 38,768,040 |
| Parklands | 44,000 |
| Workers' Compensation Benefits | 581,290 |
| Unemployment Benefits | 118,380 |
| Special Revenue Funds | <u>9,561,833</u> |
| | <u>\$ 79,252,547</u> |

The remaining portion of net assets is classified as unrestricted and is (\$22,885,857).

Changes in Net Assets

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|-------------------------|-----------------------|--------------------------|------------------------|-----------------------|-----------------------|
| | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 37,373,323 | \$ 61,072,079 | \$ 79,880,694 | \$ 77,680,143 | \$ 117,254,017 | \$ 138,752,222 |
| Operating Grants and Contributions | 137,068,005 | 146,655,838 | 15,816,693 | 14,553,837 | 152,884,698 | 161,209,675 |
| Capital Grants and Contributions | 22,140,383 | 21,641,564 | - | - | 22,140,383 | 21,641,564 |
| General Revenues: | | | | | | |
| Real Property Taxes | 78,272,043 | 65,836,542 | - | - | 78,272,043 | 65,836,542 |
| Other Tax items | 9,898,911 | 11,078,086 | - | - | 9,898,911 | 11,078,086 |
| Non-Property Taxes | 158,638,195 | 154,395,706 | - | - | 158,638,195 | 154,395,706 |
| Unrestricted Use of Money and Property | 2,012,813 | 1,275,851 | - | - | 2,012,813 | 1,275,851 |
| Other Revenues | 3,191,953 | 3,903,607 | - | - | 3,191,953 | 3,903,607 |
| Transfers | 23,997,609 | - | (23,997,609) | - | - | - |
| Total Revenues | 472,593,235 | 465,859,273 | 71,699,778 | 92,233,980 | 544,293,013 | 558,093,253 |
| Program Expenses: | | | | | | |
| General Government | | | | | | |
| Support | 44,538,213 | 68,779,564 | - | - | 44,538,213 | 68,779,564 |
| Education | 58,507,380 | 55,930,405 | - | - | 58,507,380 | 55,930,405 |
| Public Safety | 58,963,721 | 52,371,937 | - | - | 58,963,721 | 52,371,937 |
| Health | 45,380,653 | 42,374,788 | - | - | 45,380,653 | 42,374,788 |
| Transportation | 48,426,869 | 45,144,431 | - | - | 48,426,869 | 45,144,431 |
| Economic Opportunity and Development | 156,812,258 | 164,700,249 | - | - | 156,812,258 | 164,700,249 |
| Culture and Recreation | 745,730 | 728,454 | - | - | 745,730 | 728,454 |
| Home and Community Services | 24,060,557 | 20,023,499 | - | - | 24,060,557 | 20,023,499 |
| Interest | 10,991,331 | 7,165,388 | - | - | 10,991,331 | 7,165,388 |
| Rockland Tobacco Asset Corporation | - | - | 3,622,177 | 3,374,564 | 3,622,177 | 3,374,564 |
| Home and Infirmary | - | - | 93,268,805 | 87,141,861 | 93,268,805 | 87,141,861 |
| Total Expenses | 448,426,712 | 457,216,715 | 96,890,982 | 90,516,425 | 545,317,694 | 547,735,140 |
| Change in Net Assets | 24,166,523 | 8,640,558 | (25,191,204) | 1,717,555 | (1,024,681) | 10,358,113 |
| Prior Period Adjustment | (725,000) | (391,517) | 5,281,055 | 391,517 | 4,556,055 | - |
| Change in Accounting Principle | - | - | - | (50,845,813) | - | (50,845,813) |
| Net Assets - Beginning | 493,460,685 | 485,211,644 | (42,743,571) | 5,993,170 | 450,717,114 | 491,204,814 |
| Net Assets - Ending | \$ 516,902,208 | \$ 493,460,685 | \$ (62,653,720) | \$ (42,743,571) | \$ 454,248,488 | \$ 450,717,114 |

Governmental Activities - Governmental activities increased the County's net assets by \$24.2 million. This increase is primarily from the proceeds of a third tobacco securitization bond sale. These funds are specifically restricted for debt service.

For the fiscal year ended December 31, 2005, revenues from governmental activities totaled \$472 million. Tax revenues (\$247 million), comprised of real property taxes, sales and mortgage tax items and non-property taxes, represent the largest revenue source (52%). Collection of the current County portion of the tax levy remains very strong at 91.70%, while averaging 98.05% over the last 10 years. Non-property taxes yielded \$158.6 million, an increase of \$4.3 million over fiscal year 2004.

Business-Type Activities - Business-type activities decreased the County's net assets by \$25.2 million for the year ended December 31, 2005. This decrease is primarily due to the sale of tobacco bonds and the transfer of these funds to the General Fund.

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 total governmental funds reported a combined ending fund balance of \$178.1 million, an increase of \$58.2 million, inclusive of a prior period adjustment, in comparison with the prior year. Of the total combined fund balance, (\$21.6) million constitutes unreserved fund balance. As of December 31, 2005, the County reserved \$126.7 million for long-term receivables. This was entirely due to the non-payment of property taxes (School, Town and Village) by the largest taxpayer in the County. The dispute that created this non-payment is in negotiation and is not resolved by the parties. The Federal Bankruptcy Court will issue a ruling by the end of 2006. 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 (\$25.4 million), compensated absences (\$11.1 million), debt service (\$31.7 million) and a variety of other purposes (\$4.3 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 \$57.7 million. Of this amount, (\$110.7) million was unreserved. This is a decrease of \$69.2 million from the prior year, primarily due to the increase in uncollected real property taxes of \$62.2 million, which is a result of an on-going tax certiorari case with a major taxpayer.

When the fiscal 2005 budget was adopted, it anticipated the use of \$3.9 of fund balance, because of prior year encumbrances. However, actual results of operations generated a surplus of \$19.5 million. Overall, General Fund expenditures were \$410.9 million, which was \$24.5 million less than the final budget. The major areas where spending was less than budget was general government support (\$3.6 million), health (\$2.9 million) and economic opportunity and development (\$16.5 million). Revenues and other financing sources were \$430.4 million, which was \$1.6 million less than the final budget. Certain categories of revenues exceeded budgetary estimates, such as other tax items (\$3.4 million) and the revenues realized from the securitization of tobacco settlement proceeds (\$24 million). These were offset by various areas where budgetary estimates were not realized, including non-property taxes (\$8.6 million), state aid (\$7 million) and federal aid (\$12.2 million). The latter two categories are directly the result of the savings achieved on the expenditure side of the budget noted above.

The Capital Projects Fund is used to account for capital project activity throughout the County. The Capital Projects Fund ending fund balance is \$94 million for fiscal year 2005.

Non-major Governmental Funds consist of the Special Revenue Funds and the Debt Service Fund. The Special Revenue Funds are made up of the following individual funds: County Road Fund, Road Machinery Fund, Community Development Fund, Sewer District Fund and Special Purpose Fund. For the fiscal year ending December 31, 2005, the combined fund balance of these funds totaled \$26.4 million. This represents an increase of \$4.6 million for fiscal year 2005.

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 Funds have already been addressed in the schedules and in the discussion of the County's business-type activities.

Total assets of the Internal Service Funds decreased by \$148,000 leaving a balance of net assets of (\$.5) million.

General Fund Budgetary Highlights

During the year there was a \$14.8 million increase in appropriations between the original and final amended budget. This was primarily the result of increases in the budget for grants received by the Department of Health (\$8 million), Department of Social Services (\$2.8 million) and the Department of Transportation (\$2.3 million) after the original budget was adopted.

Overall, actual General Fund expenditures and other financing uses were \$410.9 million, which was \$24.5 million less than the final budget. The major areas where spending was less than budget was economic opportunity and development (\$16.5 million), primarily as a result of changes whereby the State was to begin absorbing more of the costs of the Medicaid program, general government support (\$3.6 million), primarily in not utilizing contingency funds coupled with savings in the Legislative Branch and the Department of Law, and health (\$2.9 million), primarily in mental health programs.

Actual General Fund revenues and other financing sources were \$430.4 million, which was \$1.6 million less than the final budget. The revenue categories that reflected negative variances as compared to the final budget were non-property taxes, primarily consisting of sales and use tax (\$8.0 million), state aid, (\$7.0 million) and federal aid, both from the department of social services (\$11.8 million), directly attributable to savings in appropriations in social service programs. These were partially offset by a positive variance in other tax items, particularly in the area of interest and penalties on real property taxes (\$3.7 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, 2005, amounts to \$616.8 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure and construction-in-progress.

Capital Assets (Net of Depreciation) (In Thousands)

| | Governmental Activities | | Business-Type Activities | | Total | |
|-------------------------------|--------------------------|--------------------------|--------------------------|-------------------------|--------------------------|--------------------------|
| | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| Land | \$ 32,612 | \$ 32,612 | \$ 439 | \$ 439 | \$ 33,051 | \$ 33,051 |
| Buildings and Improvements | 354,232 | 205,795 | 4,090 | 5,139 | 358,322 | 210,934 |
| Equipment | 31,077 | 23,821 | 10,766 | 11,310 | 41,843 | 35,131 |
| Infrastructure | 47,654 | 52,050 | - | - | 47,654 | 52,050 |
| Construction-in- Progress | 129,778 | 256,967 | 6,128 | 5,098 | 135,906 | 262,065 |
| Total | <u>\$ 595,353</u> | <u>\$ 571,245</u> | <u>\$ 21,423</u> | <u>\$ 21,986</u> | <u>\$ 616,776</u> | <u>\$ 593,231</u> |

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 net bonded debt outstanding of \$347,694,941. The County's bonded debt increased by \$87,348,331. All of this debt is backed by the full faith and credit of the County.

Outstanding Debt General Obligation Bonds (In Thousands)

| | Governmental Activities | | Business-Type Activities | | Total | |
|-------------------------------------|-------------------------|-------------------|--------------------------|------------------|-------------------|-------------------|
| | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| General Obligation Bonds - Gross | <u>\$ 255,158</u> | <u>\$ 190,740</u> | <u>\$ 95,700</u> | <u>\$ 72,433</u> | <u>\$ 350,858</u> | <u>\$ 263,173</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 2005, the County received an A1 rating from Moody's Investors Service. The County has a very favorable bond rating of AA from Standard & Poors.

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 "excluding 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, 2005, the County of Rockland had used \$156,913,093 or 9.5% of the constitutional debt limit leaving \$1,490,297,477 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.

**BASIC
FINANCIAL STATEMENTS**

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STATEMENT OF NET ASSETS
DECEMBER 31, 2005

| | Primary Government | | | Component Units |
|---|-------------------------|--------------------------|-----------------------|----------------------|
| | Governmental Activities | Business-Type Activities | Total | |
| ASSETS | | | | |
| Cash and equivalents | \$ 123,817,113 | \$ 3,545,071 | \$ 127,362,184 | \$ 20,136,152 |
| Investments | 6,883,372 | 1,326,117 | 8,209,489 | 3,397,203 |
| Receivables: | | | | |
| Taxes, net of allowance for uncollectible taxes | 214,231,548 | - | 214,231,548 | - |
| Accounts, net of allowance for uncollectible amounts | 28,241,177 | 6,211,078 | 34,452,255 | 3,442,222 |
| Accounts - Patient care, net of allowance for uncollectible amounts | - | 16,419,597 | 16,419,597 | - |
| Loans | 202,144 | - | 202,144 | - |
| State and Federal aid, net of allowance for uncollectible amounts | 65,248,083 | 2,038,068 | 67,286,151 | 1,197,041 |
| Due from other governments | 2,462,954 | - | 2,462,954 | - |
| Internal balances | 7,261,108 | (7,261,108) | - | - |
| Inventories | 54,745 | 592,058 | 646,803 | - |
| Restricted assets | 50,195,235 | - | 50,195,235 | 7,461,674 |
| Prepaid expenses | 2,442,054 | 958,102 | 3,400,156 | 711,181 |
| Deferred charges | 36,361 | - | 36,361 | - |
| | <u>501,075,894</u> | <u>23,828,983</u> | <u>524,904,877</u> | <u>36,345,473</u> |
| Restricted cash and equivalents | - | 1,458,359 | 1,458,359 | - |
| Restricted investments | - | 4,236,094 | 4,236,094 | - |
| Cost of issuance, net of accumulated amortization | - | 1,263,922 | 1,263,922 | - |
| | - | 6,958,375 | 6,958,375 | - |
| Capital assets | | | | |
| Land | 32,612,259 | 438,504 | 33,050,763 | 1,423,312 |
| Buildings | 62,686,601 | 16,221,905 | 78,908,506 | 35,894,108 |
| Improvements | 575,716,237 | 345,975 | 576,062,212 | - |
| Equipment | 65,314,466 | 38,809,541 | 104,124,007 | 16,580,719 |
| Infrastructure | 77,666,274 | - | 77,666,274 | - |
| Construction-in-progress | 129,777,585 | 6,128,029 | 135,905,614 | 713,300 |
| | 943,773,422 | 61,943,954 | 1,005,717,376 | 54,611,439 |
| Less - Accumulated depreciation | (348,420,509) | (40,520,814) | (388,941,323) | (19,495,095) |
| Total Capital Assets, net of accumulated depreciation | <u>595,352,913</u> | <u>21,423,140</u> | <u>616,776,053</u> | <u>35,116,344</u> |
| Total Assets | <u>1,096,428,807</u> | <u>52,210,498</u> | <u>1,148,639,305</u> | <u>71,461,817</u> |
| LIABILITIES | | | | |
| Accounts payable | 33,589,309 | 2,435,193 | 36,024,502 | 3,680,767 |
| Accrued liabilities | 10,636,780 | 7,487,135 | 18,123,915 | 5,375,909 |
| Deposits payable | - | - | - | 5,000 |
| Due to other governments | 2,923,376 | - | 2,923,376 | 136,194 |
| Due to school districts | 63,956,734 | - | 63,956,734 | - |
| Unearned revenues | 5,248,408 | - | 5,248,408 | 5,586,344 |
| Accrued interest payable | 5,048,400 | 189,565 | 5,237,965 | - |
| Tax anticipation note payable | 119,000,000 | - | 119,000,000 | - |
| Revenue anticipation note payable | 40,000,000 | - | 40,000,000 | - |
| Bond anticipation notes payable | 11,375,000 | - | 11,375,000 | - |
| Non-current liabilities: | | | | |
| Due within one year: | | | | |
| Bonds payable - Capital construction | 13,490,356 | 2,216,248 | 15,706,604 | 1,315,000 |
| Bonds payable - Other | 1,568,961 | 680,000 | 2,248,961 | - |
| Compensated absences | 1,594,684 | 10,814,876 | 12,409,560 | - |
| Pension obligations | 402,986 | - | 402,986 | - |
| Claims payable | 1,581,836 | - | 1,581,836 | - |
| Due in more than one year: | | | | |
| Bonds payable - Capital construction | 234,822,339 | 12,150,934 | 246,973,273 | 30,979,512 |
| Bonds payable - Other | 3,875,836 | 78,890,267 | 82,766,103 | - |
| Compensated absences | 14,352,154 | - | 14,352,154 | - |
| Pension obligations | 1,860,519 | - | 1,860,519 | - |
| Claims payable | 14,198,921 | - | 14,198,921 | - |
| Total Liabilities | <u>579,526,599</u> | <u>114,864,218</u> | <u>694,390,817</u> | <u>47,078,726</u> |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | 385,766,788 | 12,484,425 | 398,251,213 | 10,415,668 |
| Restricted for: | | | | |
| Capital projects | 29,236,675 | - | 29,236,675 | 1,619,121 |
| Law enforcement | 293,219 | - | 293,219 | - |
| STOP-DWI Program | 538,398 | - | 538,398 | - |
| Handicapped parking | 47,765 | - | 47,765 | - |
| Social service programs | 62,947 | - | 62,947 | - |
| Debt service | 38,768,040 | - | 38,768,040 | - |
| Parklands | 44,000 | - | 44,000 | - |
| Student loans | - | - | - | 9,603 |
| Workers' compensation benefits | 581,290 | - | 581,290 | - |
| Unemployment benefits | 118,380 | - | 118,380 | - |
| Scholarships and student services | - | - | - | 1,645,915 |
| Permanent endowments | - | - | - | 793,613 |
| Special revenue funds | 9,561,833 | - | 9,561,833 | - |
| Unrestricted | 51,882,873 | (75,138,145) | (23,255,272) | 9,899,171 |
| Total Net Assets | <u>\$ 516,902,208</u> | <u>\$ (62,653,720)</u> | <u>\$ 454,248,488</u> | <u>\$ 24,383,091</u> |

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

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2005

| Functions/ Programs | Expenses | Program Revenues | | |
|--|-----------------------|-----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary Government: | | | | |
| Governmental activities: | | | | |
| General government support | \$ 44,538,213 | \$ 12,202,376 | \$ 1,721,536 | \$ - |
| Education | 58,507,380 | - | - | 7,552,993 |
| Public safety | 58,963,721 | 4,352,301 | 4,455,356 | 52,096 |
| Health | 45,380,653 | 6,446,459 | 103,110,503 | - |
| Transportation | 48,426,869 | 3,386,565 | 18,620,246 | 9,079,974 |
| Economic opportunity and development | 156,812,258 | 9,174,374 | 6,519,677 | - |
| Culture and recreation | 745,730 | - | 2,635,339 | 250,000 |
| Home and community services | 24,060,557 | 1,811,248 | 3,712 | 6,720 |
| Interest | 10,991,331 | - | 1,636 | 5,198,600 |
| Total Governmental Activities | 448,426,712 | 37,373,323 | 137,068,005 | 22,140,383 |
| Business-type activities: | | | | |
| Home and Infirmary Fund | 93,268,805 | 79,880,694 | 10,792,911 | - |
| Rockland Tobacco Asset Securitization Corporation | 3,069,161 | - | 4,076,906 | - |
| Rockland Second Tobacco Asset Securitization Corporation | 553,016 | - | 946,876 | - |
| Total Business-type Activities | 96,890,982 | 79,880,694 | 15,816,693 | - |
| Total Primary Government | \$ 545,317,694 | \$ 117,254,017 | \$ 152,884,698 | \$ 22,140,383 |
| Component Units: | | | | |
| Rockland County Community College | \$ 56,668,946 | \$ 20,934,619 | \$ 6,684,005 | \$ 561,069 |
| Rockland County Soil and Water Conservation District | 31,156 | - | - | - |
| Rockland County Solid Waste Management Authority | 22,306,202 | 22,209,595 | 9,916 | - |
| Rockland County Industrial Development Agency | 131,401 | 116,317 | - | - |
| Total Component Units | \$ 79,137,705 | \$ 43,260,531 | \$ 6,693,921 | \$ 561,069 |

General Revenues:
 Real property taxes
 Other tax items:
 Interest and penalties on real property taxes
 Payments in lieu of taxes
 Non-property taxes:
 Sales and use tax
 Mortgage tax
 Unrestricted use of money and property
 Contributions from Rockland County
 Grants and contributions not restricted to specific programs
 Other revenues
 Transfers

Change in Net Assets

Net Assets - Beginning of Year, as previously reported

Prior Period Adjustment

Net Assets - Beginning of Year, as restated

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 |
|----------------------------|-----------------------------|-----------------------|----------------------|
| \$ (30,614,301) | \$ - | \$ (30,614,301) | \$ - |
| (50,954,387) | - | (50,954,387) | - |
| (50,103,968) | - | (50,103,968) | - |
| 64,176,309 | - | 64,176,309 | - |
| (17,340,084) | - | (17,340,084) | - |
| (141,118,207) | - | (141,118,207) | - |
| 2,139,609 | - | 2,139,609 | - |
| (22,238,877) | - | (22,238,877) | - |
| (5,791,095) | - | (5,791,095) | - |
| <u>(251,845,001)</u> | <u>-</u> | <u>(251,845,001)</u> | <u>-</u> |
| - | (2,595,200) | (2,595,200) | - |
| - | 1,007,745 | 1,007,745 | - |
| - | 393,860 | 393,860 | - |
| <u>-</u> | <u>(1,193,595)</u> | <u>(1,193,595)</u> | <u>-</u> |
| <u>(251,845,001)</u> | <u>(1,193,595)</u> | <u>(253,038,596)</u> | <u>-</u> |
| - | - | - | (28,489,253) |
| - | - | - | (31,156) |
| - | - | - | (86,691) |
| - | - | - | (15,084) |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>(28,622,184)</u> |
| 78,272,043 | - | 78,272,043 | - |
| 9,760,344 | - | 9,760,344 | - |
| 138,567 | - | 138,567 | - |
| 148,457,535 | - | 148,457,535 | - |
| 10,180,660 | - | 10,180,660 | - |
| 2,012,813 | - | 2,012,813 | 1,804,447 |
| - | - | - | 13,089,217 |
| - | - | - | 11,141,356 |
| 3,191,953 | - | 3,191,953 | 3,876,164 |
| 23,997,609 | (23,997,609) | - | - |
| <u>276,011,524</u> | <u>(23,997,609)</u> | <u>252,013,915</u> | <u>29,911,184</u> |
| <u>24,166,523</u> | <u>(25,191,204)</u> | <u>(1,024,681)</u> | <u>1,289,000</u> |
| 493,460,685 | (42,743,571) | 450,717,114 | 23,094,091 |
| (725,000) | 5,281,055 | 4,556,055 | - |
| <u>492,735,685</u> | <u>(37,462,516)</u> | <u>455,273,169</u> | <u>23,094,091</u> |
| <u>\$ 516,902,208</u> | <u>\$ (62,653,720)</u> | <u>\$ 454,248,488</u> | <u>\$ 24,383,091</u> |

COUNTY OF ROCKLAND, NEW YORK

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2005

| | General | Capital Projects | Other Governmental Funds | Total Governmental Funds |
|---|-----------------------|-----------------------|--------------------------|--------------------------|
| <u>ASSETS</u> | | | | |
| Cash and Equivalents | \$ 35,691,968 | \$ 52,839,165 | \$ 22,910,123 | \$ 111,441,256 |
| Investments | - | - | 6,883,372 | 6,883,372 |
| Taxes Receivable, net of allowance for uncollectible taxes | 214,231,548 | - | - | 214,231,548 |
| Other Receivables: | | | | |
| Accounts, net of allowance for uncollectible amounts | 26,988,761 | - | 778,840 | 27,767,601 |
| Loans | - | - | 202,144 | 202,144 |
| State and Federal aid, net of allowance for uncollectible amounts | 52,168,444 | 11,322,730 | 1,244,150 | 64,735,324 |
| Due from other governments | 2,452,954 | - | - | 2,452,954 |
| Due from other funds | 7,131,718 | 1,015,738 | 1,707,608 | 9,855,064 |
| Advances to other funds | 1,071,115 | - | - | 1,071,115 |
| | 89,812,992 | 12,338,468 | 3,932,742 | 106,084,202 |
| Restricted Assets | - | 50,195,235 | - | 50,195,235 |
| Prepaid Expenditures | 1,983,900 | - | 247,957 | 2,231,857 |
| Total Assets | \$ 341,720,408 | \$ 115,372,868 | \$ 33,974,194 | \$ 491,067,470 |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 22,388,524 | \$ 8,329,435 | \$ 1,323,738 | \$ 32,041,697 |
| Accrued liabilities | 8,933,447 | - | 833,572 | 9,767,019 |
| Due to other governments | 2,923,376 | - | - | 2,923,376 |
| Due to school districts | 63,956,734 | - | - | 63,956,734 |
| Due to other funds | 2,268,776 | 1,622,287 | 1,104,124 | 4,995,187 |
| Advances from other funds | - | - | 1,071,115 | 1,071,115 |
| Deferred revenues - Taxes | 22,588,895 | - | - | 22,588,895 |
| Deferred revenues - Other | 1,979,305 | - | 3,269,103 | 5,248,408 |
| Tax anticipation note payable | 119,000,000 | - | - | 119,000,000 |
| Revenue anticipation note payable | 40,000,000 | - | - | 40,000,000 |
| Bond anticipation notes payable | - | 11,375,000 | - | 11,375,000 |
| Total Liabilities | 284,039,057 | 21,326,722 | 7,601,652 | 312,967,431 |
| Fund Balances (Deficits): | | | | |
| Reserved for encumbrances | 4,134,973 | 19,485,974 | 1,757,660 | 25,378,607 |
| Reserved for prepaid expenditures | 1,983,900 | - | 247,957 | 2,231,857 |
| Reserved for law enforcement | 293,219 | - | - | 293,219 |
| Reserved for STOP - DWI Program | 538,398 | - | - | 538,398 |
| Reserved for handicapped parking | 47,765 | - | - | 47,765 |
| Reserved for long-term receivable | 126,760,964 | - | 369,415 | 127,130,379 |
| Reserved for social service programs | - | - | 62,947 | 62,947 |
| Reserved for compensated absences | 9,520,849 | - | 1,604,072 | 11,124,921 |
| Reserved for debt service | 23,997,509 | - | 7,740,472 | 31,737,981 |
| Reserved for parklands | - | 44,000 | - | 44,000 |
| Reserved for advances | 1,071,115 | - | - | 1,071,115 |
| Unreserved reported in: | | | | |
| General Fund | (110,667,341) | - | - | (110,667,341) |
| Capital Projects Fund | - | 74,516,172 | - | 74,516,172 |
| Special Revenue Funds | - | - | 7,929,375 | 7,929,375 |
| Debt Service Fund | - | - | 6,660,644 | 6,660,644 |
| Total Fund Balances | 57,681,351 | 94,046,146 | 26,372,542 | 178,100,039 |
| Total Liabilities and Fund Balances | \$ 341,720,408 | \$ 115,372,868 | \$ 33,974,194 | \$ 491,067,470 |

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, 2005

| | |
|---|---|
| Fund Balances - Governmental Funds | <u>\$ 178,100,039</u> |
| 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 | <u>578,996,233</u> |
| 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. | <u>(494,793)</u> |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds - Real property taxes | <u>22,588,895</u> |
| Government funds report the effect of issuance costs and similiar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Deferred charges | <u>36,361</u> |
| Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds. Bonds payable Compensated absences Pension obligations Accrued interest payable | <u>(241,004,643)</u> <u>(14,007,979)</u> <u>(2,263,505)</u> <u>(5,048,400)</u> <u>(262,324,527)</u> |
| Net Assets of Governmental Activities | <u>\$ 516,902,208</u> |

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

COUNTY OF ROCKLAND, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2005

| | General | Capital Projects | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|----------------------|--------------------------------|--------------------------------|
| Revenues: | | | | |
| Real property taxes | \$ 46,759,975 | \$ - | \$ 20,813,360 | \$ 67,573,335 |
| Other tax items | 9,898,911 | - | - | 9,898,911 |
| Non-property taxes | 159,169,424 | - | - | 159,169,424 |
| Departmental income | 33,990,572 | - | 72,734 | 34,063,306 |
| Use of money and property | 1,628,780 | - | 2,503,927 | 4,132,707 |
| Licenses and permits | 1,490,054 | - | 21,987 | 1,512,041 |
| Fines and forfeitures | 757,154 | - | 3,685 | 760,839 |
| Sale of property and compensation for loss | 123,451 | - | 429 | 123,880 |
| Interfund revenues | 11,897,937 | - | 98,152 | 11,996,089 |
| State aid | 85,831,091 | 16,124,934 | 4,343,568 | 106,299,593 |
| Federal aid | 42,001,044 | 816,849 | 6,040,212 | 48,858,105 |
| Miscellaneous | 2,881,352 | - | 1,489,373 | 4,370,725 |
| Total Revenues | 396,429,745 | 16,941,783 | 35,387,427 | 448,758,955 |
| Expenditures: | | | | |
| Current: | | | | |
| General government support | 43,149,881 | - | - | 43,149,881 |
| Education | 56,287,051 | - | - | 56,287,051 |
| Public safety | 55,473,720 | - | - | 55,473,720 |
| Health | 43,904,877 | - | - | 43,904,877 |
| Transportation | 23,214,957 | - | 13,033,837 | 36,248,794 |
| Economic opportunity and development | 149,517,559 | - | 5,761,210 | 155,278,769 |
| Culture and recreation | 698,272 | - | - | 698,272 |
| Home and community services | 7,411,700 | - | 11,800,856 | 19,212,556 |
| Employee benefits | 9,008,240 | - | 2,363,421 | 11,371,661 |
| Debt Service: | | | | |
| Principal | - | - | 10,869,372 | 10,869,372 |
| Interest | 1,275,511 | - | 8,002,612 | 9,278,123 |
| Capital Outlay | - | 44,447,249 | - | 44,447,249 |
| Total Expenditures | 389,941,768 | 44,447,249 | 51,831,308 | 486,220,325 |
| Excess (Deficiency) of Revenues Over Expenditures | 6,487,977 | (27,505,466) | (16,443,881) | (37,461,370) |
| Other Financing Sources (Uses): | | | | |
| Bonds issued | - | 72,379,263 | - | 72,379,263 |
| Transfers in | 33,944,683 | 1,220,000 | 36,880,863 | 72,045,546 |
| Transfers out | (20,978,170) | (11,185,214) | (15,884,553) | (48,047,937) |
| Total Other Financing Sources (Uses) | 12,966,513 | 62,414,049 | 20,996,310 | 96,376,872 |
| Net Change in Fund Balances | 19,454,490 | 34,908,583 | 4,552,429 | 58,915,502 |
| Fund Balances - Beginning of Year, as previously reported | 38,951,861 | 59,137,563 | 21,820,113 | 119,909,537 |
| Prior Period Adjustment | (725,000) | - | - | (725,000) |
| Fund Balances - Beginning of Year, as restated | 38,226,861 | 59,137,563 | 21,820,113 | 119,184,537 |
| Fund Balances - End of Year | \$ 57,681,351 | \$ 94,046,146 | \$ 26,372,542 | \$ 178,100,039 |

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, 2005

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

Net Change in Fund Balances - Total Governmental Funds \$ 58,915,502

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 expense in the current period.

| | |
|-----------------------------|---------------------|
| Capital outlay expenditures | 45,054,079 |
| Depreciation expense | <u>(24,578,644)</u> |
| | <u>20,475,435</u> |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

| | |
|---------------------|-------------------|
| Real property taxes | <u>10,698,708</u> |
|---------------------|-------------------|

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. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

| | |
|---|---------------------|
| Principal paid on bonds | 10,869,372 |
| Bonds issued | (72,379,263) |
| Amortization of issuance costs, loss on refunding and premium | <u>(124,875)</u> |
| | <u>(61,634,766)</u> |

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.

| | |
|----------------------|--------------------|
| Pension obligations | (1,162,528) |
| Compensated absences | (1,402,165) |
| Accrued interest | <u>(1,575,357)</u> |
| | <u>(4,140,050)</u> |

The net revenue of certain activities of internal service funds are reported within governmental activities.

| |
|------------------|
| <u>(148,306)</u> |
|------------------|

| | |
|---|-----------------------------|
| Change in Net Assets of Governmental Activities | <u>\$ <u>24,166,523</u></u> |
|---|-----------------------------|

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

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COUNTY OF ROCKLAND, NEW YORK

GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2005

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|---------------------|---------------------|----------------------|---|
| Revenues: | | | | |
| Real property taxes | \$ 46,749,900 | \$ 46,749,900 | \$ 46,759,975 | \$ 10,075 |
| Other tax items | 6,476,843 | 6,476,843 | 9,898,911 | 3,422,068 |
| Non-property taxes | 167,754,396 | 167,763,506 | 159,169,424 | (8,594,082) |
| Departmental income | 34,178,600 | 35,049,149 | 33,990,572 | (1,058,577) |
| Use of money and property | 1,050,000 | 1,050,000 | 1,628,780 | 578,780 |
| Licenses and permits | 1,243,000 | 1,283,000 | 1,490,054 | 207,054 |
| Fines and forfeitures | 792,905 | 794,755 | 757,154 | (37,601) |
| Sale of property and compensation for loss | 98,000 | 98,000 | 123,451 | 25,451 |
| Interfund revenues | 11,714,140 | 11,714,140 | 11,897,937 | 183,797 |
| State aid | 89,965,632 | 92,850,691 | 85,831,091 | (7,019,600) |
| Federal aid | 45,696,314 | 54,213,984 | 42,001,044 | (12,212,940) |
| Miscellaneous | 3,050,000 | 3,050,000 | 2,881,352 | (168,648) |
| Total Revenues | 408,769,730 | 421,093,968 | 396,429,745 | (24,664,223) |
| Expenditures: | | | | |
| Current: | | | | |
| General government support | 51,098,996 | 46,784,595 | 43,149,881 | 3,634,714 |
| Education | 56,355,560 | 56,288,677 | 56,287,051 | 1,626 |
| Public safety | 51,429,377 | 55,820,590 | 55,473,720 | 346,870 |
| Health | 38,462,333 | 46,814,207 | 43,904,877 | 2,909,330 |
| Transportation | 21,336,602 | 23,596,432 | 23,214,957 | 381,475 |
| Economic opportunity and development | 163,225,524 | 166,054,227 | 149,517,559 | 16,536,668 |
| Culture and recreation | 685,791 | 702,291 | 698,272 | 4,019 |
| Home and community services | 6,904,091 | 7,745,212 | 7,411,700 | 333,512 |
| Employee benefits | 9,166,774 | 9,168,920 | 9,008,240 | 160,680 |
| Debt Service - Interest | 1,276,693 | 1,276,693 | 1,275,511 | 1,182 |
| Total Expenditures | 399,941,741 | 414,251,844 | 389,941,768 | 24,310,076 |
| Excess of Revenues Over Expenditures | 8,827,989 | 6,842,124 | 6,487,977 | (354,147) |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 8,061,302 | 10,917,072 | 33,944,683 | 23,027,611 |
| Transfers out | (20,767,032) | (21,237,032) | (20,978,170) | 258,862 |
| Total Other Financing Uses | (12,705,730) | (10,319,960) | 12,966,513 | 23,286,473 |
| Net Change in Fund Balance | (3,877,741) | (3,477,836) | 19,454,490 | 22,932,326 |
| Fund Balance - Beginning of Year, as previously reported | 3,877,741 | 3,477,836 | 38,951,861 | 35,474,025 |
| Prior Period Adjustment | - | - | (725,000) | (725,000) |
| Fund Balance - Beginning of Year, as restated | 3,877,741 | 3,477,836 | 38,226,861 | 34,749,025 |
| Fund Balance - End of Year | \$ - | \$ - | \$ 57,681,351 | \$ 57,681,351 |

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

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 DECEMBER 31, 2005

| | <u>Business - type Activities - Enterprise Funds</u> | | |
|--|--|--|---|
| | <u>Home and Infirmary Fund</u> | <u>Rockland Tobacco Asset Securitization Corporation</u> | <u>Rockland Second Tobacco Asset Securitization Corporation</u> |
| ASSETS | | | |
| Current Assets: | | | |
| Cash and equivalents | \$ 3,338,649 | \$ 94,572 | \$ 111,850 |
| Investments | - | 1,326,117 | - |
| Receivables: | | | |
| Accounts | 1,380,435 | 3,920,083 | 910,560 |
| Accounts - patient care, net of allowance for uncollectible amounts | 16,419,597 | - | - |
| State and Federal aid | 2,038,068 | - | - |
| Due from other governments | - | - | - |
| Due from other funds | - | - | - |
| Inventories | 592,058 | - | - |
| Prepaid expenses | 958,102 | - | - |
| Total Current Assets | 24,726,909 | 5,340,772 | 1,022,410 |
| Other Noncurrent Assets: | | | |
| Restricted cash and equivalents | - | 1,457,495 | 864 |
| Restricted investments | - | 3,525,133 | 710,961 |
| Cost of issuance, net of accumulated amortization | - | 1,009,352 | 254,570 |
| Total Other Noncurrent Assets | - | 5,991,980 | 966,395 |
| Capital Assets: | | | |
| Land | 438,504 | - | - |
| Buildings | 16,221,905 | - | - |
| Improvements other than buildings | 345,975 | - | - |
| Equipment | 38,809,541 | - | - |
| Construction-in-progress | 6,128,029 | - | - |
| Less - Accumulated depreciation | (40,520,814) | - | - |
| Total Capital Assets, net of accumulated depreciation | 21,423,140 | - | - |
| Total Assets | 46,150,049 | 11,332,752 | 1,988,805 |
| LIABILITIES | | | |
| Accounts payable | 2,427,419 | - | 7,774 |
| Accrued liabilities | 6,448,765 | 996,105 | 42,265 |
| Accrued interest payable | 189,565 | - | - |
| Due to other funds | 7,261,108 | - | - |
| Current Portion of Long-Term Obligations: | | | |
| Claims payable | - | - | - |
| Compensated absences | 10,814,876 | - | - |
| Bonds payable - Capital construction | 2,216,248 | - | - |
| Bonds payable - Other | - | 680,000 | - |
| Bonds payable - Pension obligations | - | - | - |
| Total Current Liabilities | 29,357,981 | 1,676,105 | 50,039 |
| Noncurrent Liabilities: | | | |
| Claims payable | - | - | - |
| Compensated absences | - | - | - |
| Bonds payable - Capital construction | 12,150,934 | - | - |
| Bonds payable - Other | - | 70,357,773 | 8,532,494 |
| Bonds payable - Pension obligations | - | - | - |
| Total Noncurrent Liabilities | 12,150,934 | 70,357,773 | 8,532,494 |
| Total Liabilities | 41,508,915 | 72,033,878 | 8,582,533 |
| NET ASSETS | | | |
| Invested in Capital Assets, net of related debt | 12,484,425 | - | - |
| Unrestricted | (7,843,291) | (60,701,126) | (6,593,728) |
| Total Net Assets | \$ 4,641,134 | \$ (60,701,126) | \$ (6,593,728) |

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

| | Total Business-type Activities - Enterprise Funds | Governmental Activities - Internal Service Funds |
|----|--|---|
| \$ | 3,545,071 | \$ 12,375,857 |
| | 1,326,117 | - |
| | 6,211,078 | 473,576 |
| | 16,419,597 | - |
| | 2,038,068 | 512,759 |
| | - | 10,000 |
| | - | 5,214,933 |
| | 592,058 | 54,745 |
| | 958,102 | 210,197 |
| | <u>31,090,091</u> | <u>18,852,067</u> |
| | 1,458,359 | - |
| | 4,236,094 | - |
| | <u>1,263,922</u> | <u>-</u> |
| | <u>6,958,375</u> | <u>-</u> |
| | 438,504 | - |
| | 16,221,905 | 2,980 |
| | 345,975 | - |
| | 38,809,541 | 13,965,526 |
| | 6,128,029 | 7,253,500 |
| | <u>(40,520,814)</u> | <u>(4,865,326)</u> |
| | <u>21,423,140</u> | <u>16,356,680</u> |
| | <u>59,471,606</u> | <u>35,208,747</u> |
| | 2,435,193 | 1,547,612 |
| | 7,487,135 | 869,761 |
| | 189,565 | - |
| | 7,261,108 | 2,813,702 |
| | - | 1,581,836 |
| | 10,814,876 | 194,589 |
| | 2,216,248 | 1,088,165 |
| | 680,000 | - |
| | - | 112,950 |
| | <u>31,084,125</u> | <u>8,208,615</u> |
| | - | 14,198,921 |
| | - | 1,744,270 |
| | 12,150,934 | 11,311,825 |
| | 78,890,267 | - |
| | - | 239,909 |
| | <u>91,041,201</u> | <u>27,494,925</u> |
| | <u>122,125,326</u> | <u>35,703,540</u> |
| | 12,484,425 | 6,369,930 |
| | <u>(75,138,145)</u> | <u>(6,864,723)</u> |
| \$ | <u>(62,653,720)</u> | <u>\$ (494,793)</u> |

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 PROPRIETARY FUNDS
 YEAR ENDED DECEMBER 31, 2005

| | Business-type Activities - Enterprise Funds | | |
|--|---|---|---|
| | Home and Infirmary Fund | Rockland Tobacco Asset Securitization Corporation | Rockland Second Tobacco Asset Securitization Corporation |
| Operating Revenues: | | | |
| Charges for services | \$ 79,217,251 | \$ - | \$ - |
| State aid | - | - | - |
| Tobacco settlement revenues | - | 3,815,366 | 904,871 |
| Miscellaneous | 663,443 | - | - |
| Total Operating Revenues | 79,880,694 | 3,815,366 | 904,871 |
| Operating Expenses: | | | |
| Administrative and general expenses | 12,952,980 | - | - |
| Salaries and wage expenses | 47,654,576 | - | - |
| Employee benefits | 22,480,702 | - | - |
| Professional fees | - | 31,038 | 16,863 |
| Directors' fees | - | 3,000 | - |
| Insurance | - | 21,525 | 2,500 |
| Judgments and claims | - | - | - |
| Supplies and other expenses | 8,166,109 | - | - |
| Depreciation and amortization | 1,646,450 | 25,071 | 6,706 |
| Total Operating Expenses | 92,900,817 | 80,634 | 26,069 |
| Income (Loss) from Operations | (13,020,123) | 3,734,732 | 878,802 |
| Non-Operating Revenues (Expenses): | | | |
| Intergovernmental transfer | 10,792,911 | - | - |
| Interest income | - | 261,540 | 42,005 |
| Interest on indebtedness | (367,988) | (2,988,527) | (526,947) |
| Total Non-Operating Revenues (Expenses) | 10,424,923 | (2,726,987) | (484,942) |
| Income (Loss) Before Transfers | (2,595,200) | 1,007,745 | 393,860 |
| Transfers Out | - | (23,997,609) | - |
| Net Change in Net Assets | (2,595,200) | (22,989,864) | 393,860 |
| Net Assets (Deficiency) - Beginning of Year, as reported | 7,236,334 | (42,081,106) | (7,898,799) |
| Prior Period Adjustment | - | 4,369,844 | 911,211 |
| Net Assets (Deficiency) - Beginning of Year, as restated | 7,236,334 | (37,711,262) | (6,987,588) |
| Net Assets (Deficiency) - End of Year | \$ 4,641,134 | \$ (60,701,126) | \$ (6,593,728) |

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

| Total Business-type Activities - Enterprise Funds | Governmental Activities - Internal Service Funds |
|--|---|
| \$ 79,217,251 | \$ 32,428,656 |
| - | 671,644 |
| 4,720,237 | - |
| 663,443 | - |
| <u>84,600,931</u> | <u>33,100,300</u> |
| 12,952,980 | 5,130,682 |
| 47,654,576 | 116,495 |
| 22,480,702 | 8,868,091 |
| 47,901 | - |
| 3,000 | - |
| 24,025 | - |
| - | 2,463,826 |
| 8,166,109 | 16,563,943 |
| 1,678,227 | 548,159 |
| <u>93,007,520</u> | <u>33,691,196</u> |
| <u>(8,406,589)</u> | <u>(590,896)</u> |
| 10,792,911 | - |
| 303,545 | 462,408 |
| <u>(3,883,462)</u> | <u>(19,818)</u> |
| <u>7,212,994</u> | <u>442,590</u> |
| (1,193,595) | (148,306) |
| <u>(23,997,609)</u> | <u>-</u> |
| <u>(25,191,204)</u> | <u>(148,306)</u> |
| (42,743,571) | (346,487) |
| 5,281,055 | - |
| <u>(37,462,516)</u> | <u>(346,487)</u> |
| <u>\$ (62,653,720)</u> | <u>\$ (494,793)</u> |

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2005

| | Business-type Activities - Enterprise Funds | | | |
|--|---|---|---|--|
| | Home and Infirmary Fund | Rockland Tobacco Asset Securitization Corporation | Rockland Second Tobacco Asset Securitization Corporation | Total Business-type Activities - Enterprise Funds |
| Cash Flows From Operating Activities: | | | | |
| Cash received from patients and third-party payors | \$ 74,487,040 | \$ - | \$ - | \$ 74,487,040 |
| Cash received from tobacco settlement revenues | - | 3,644,844 | 911,211 | 4,556,055 |
| Cash received from County of Rockland | - | 850,000 | - | 850,000 |
| Cash received from charges for services | - | - | - | - |
| Other | 5,818,523 | - | - | 5,818,523 |
| Cash payments to insurance carriers and claimants | - | - | - | - |
| Cash payments to vendors | (21,222,857) | (55,563) | (19,363) | (21,297,783) |
| Cash payments to employees | (79,239,658) | - | - | (79,239,658) |
| Net Cash Provided by (Used in) Operating Activities | (20,156,952) | 4,439,281 | 891,848 | (14,825,823) |
| Cash Flows From Non-Capital Financing Activities: | | | | |
| Intergovernmental transfer | 10,792,911 | - | - | 10,792,911 |
| Proceeds from bonds | - | 24,992,440 | - | 24,992,440 |
| Payment of issuance costs and underwriter's discount | - | (994,830) | - | (994,830) |
| Transfers out | - | (23,997,610) | - | (23,997,610) |
| Retirement of long-term debt | - | (635,000) | (420,000) | (1,055,000) |
| Interest on indebtedness | - | (2,687,206) | (517,701) | (3,204,907) |
| Net Cash Provided by (Used in) Non-Capital Financing Activities | 10,792,911 | (3,322,206) | (937,701) | 6,533,004 |
| Cash Flows From Capital and Related Financing Activities: | | | | |
| Remittances to County of Rockland, net | 11,944,186 | - | - | 11,944,186 |
| Issuance of long-term debt | 1,085,000 | - | - | 1,085,000 |
| Retirement of debt | (2,966,056) | - | - | (2,966,056) |
| Interest on indebtedness | (608,994) | - | - | (608,994) |
| Acquisition and construction of capital assets | (1,083,475) | - | - | (1,083,475) |
| Net Cash Provided by (Used in) Capital and Related Financing Activities | 8,370,661 | - | - | 8,370,661 |
| Cash Flows From Investing Activities: | | | | |
| Increase in restricted cash and equivalents | - | (1,457,041) | - | (1,457,041) |
| Interest income | - | 213,421 | 42,005 | 255,426 |
| Purchase of investments | - | (1,326,117) | - | (1,326,117) |
| Sale of investments | - | 1,343,271 | - | 1,343,271 |
| Purchase of restricted investments | - | (3,525,133) | (710,961) | (4,236,094) |
| Sale of restricted investments | - | 3,525,490 | 710,961 | 4,236,451 |
| Net Cash Provided by (Used in) Investing Activities | - | (1,226,109) | 42,005 | (1,184,104) |
| Net Increase (Decrease) in Cash and Equivalents | (993,380) | (109,034) | (3,848) | (1,106,262) |
| Cash and Equivalents - Beginning of Year | 4,332,029 | 203,606 | 115,698 | 4,651,333 |
| Cash and Equivalents - End of Year | \$ 3,338,649 | \$ 94,572 | \$ 111,850 | \$ 3,545,071 |
| Reconciliation of Income (Loss) from Operations to Net Cash Provided by (Used in) Operating Activities: | | | | |
| Income (Loss) from operations | \$ (13,020,123) | \$ 3,734,732 | \$ 878,802 | \$ (8,406,589) |
| Adjustments to reconcile income (loss) from operations to net cash provided by (used in) operating activities: | | | | |
| Depreciation and amortization | 1,646,450 | 25,071 | 6,706 | 1,678,227 |
| Provision for bad debts | 2,601,507 | - | - | 2,601,507 |
| Changes in assets and liabilities: | | | | |
| Accounts receivable | 170,712 | (170,522) | 6,340 | 6,530 |
| Accounts receivable - Patient care | (18,600,164) | - | - | (18,600,164) |
| State and Federal aid receivable | (2,038,068) | - | - | (2,038,068) |
| Due from other governments | - | - | - | - |
| Due from other funds | - | 850,000 | - | 850,000 |
| Inventories | (39,810) | - | - | (39,810) |
| Prepaid expenses | 349,689 | - | - | 349,689 |
| Accounts payable | (63,958) | - | - | (63,958) |
| Accrued liabilities | 1,704,360 | - | - | 1,704,360 |
| Due to other governments | (60,457) | - | - | (60,457) |
| Due to other funds | 6,135,643 | - | - | 6,135,643 |
| Claims payable | - | - | - | - |
| Compensated absences | 1,057,267 | - | - | 1,057,267 |
| Net Cash Provided by (Used in) Operating Activities | \$ (20,156,952) | \$ 4,439,281 | \$ 891,848 | \$ (14,825,823) |
| Noncash Investing Activities - | | | | |
| Increase in bonds payable from amortization of original issue and underwriters' discount | \$ - | \$ 38,391 | \$ 10,997 | \$ 49,388 |

Governmental
Activities-
Internal Service
Funds

\$ -
-
27,581,798
519,955
(5,989,978)
(5,002,340)
(18,036,210)
(926,775)

-
-
-
-
(162,372)
(19,818)

(182,190)

-
3,687,500
(617,611)
-
(4,180,924)

(1,111,035)

-
462,408
8,600,000
-

9,062,408

6,842,408

5,533,449

\$ 12,375,857

\$ (590,896)

548,159

(318,629)

(151,689)

(10,000)

(4,555,096)

(11,489)

60,101

123,892

169,625

2,811,671

803,767

193,809

\$ (926,775)

\$

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COUNTY OF ROCKLAND, NEW YORK

STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUND
DECEMBER 31, 2005

ASSETS

| | <u>Agency</u> |
|---------------------|---------------------|
| Cash: | |
| Demand deposits | \$ 5,567,109 |
| Time deposits | <u>4,119,114</u> |
| | 9,686,223 |
| Accounts Receivable | <u>49,978</u> |
| | 9,736,201 |
| Total Assets | <u>\$ 9,736,201</u> |

LIABILITIES

| | |
|-----------------------------|---------------------|
| Accounts Payable | \$ 99,310 |
| Employee Payroll Deductions | 539,761 |
| Deposits | 5,268,272 |
| Due to Other Governments | <u>3,828,858</u> |
| | 9,736,201 |
| Total Liabilities | <u>\$ 9,736,201</u> |

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

COUNTY OF ROCKLAND, NEW YORK

STATEMENT OF NET ASSETS

COMPONENT UNITS

DECEMBER 31, 2005 (Rockland County Community College as of August 31, 2005)

| | Rockland County Community College | Rockland County Soil and Water Conservation District | Rockland County Solid Waste Management Authority |
|--|--|---|---|
| ASSETS | | | |
| Cash and equivalents | \$ 11,591,301 | \$ 70,747 | \$ 8,203,935 |
| Investments | 3,397,203 | - | - |
| Receivables: | | | |
| Accounts, net of allowance for uncollectible amounts | 1,975,526 | - | 1,465,946 |
| State and Federal aid | 386,569 | 39,056 | 771,416 |
| Restricted assets | - | - | 7,461,674 |
| Prepaid expenses | - | - | 711,181 |
| | <u>17,350,599</u> | <u>109,803</u> | <u>18,614,152</u> |
| Capital assets: | | | |
| Land | - | - | 1,423,312 |
| Buildings | - | - | 35,894,108 |
| Equipment | 4,977,561 | 15,301 | 11,587,857 |
| Construction-in-progress | - | - | 713,300 |
| | <u>4,977,561</u> | <u>15,301</u> | <u>49,618,577</u> |
| Less - Accumulated depreciation | <u>(3,443,702)</u> | <u>(12,266)</u> | <u>(16,039,127)</u> |
| Total Capital Assets, net of accumulated depreciation | <u>1,533,859</u> | <u>3,035</u> | <u>33,579,450</u> |
| Total Assets | <u>18,884,458</u> | <u>112,838</u> | <u>52,193,602</u> |
| LIABILITIES | | | |
| Accounts payable | 706,533 | - | 2,974,234 |
| Accrued liabilities | 5,078,631 | 24,056 | 273,222 |
| Deposits payable | 5,000 | - | - |
| Due to other governments | 136,194 | - | - |
| Deferred revenues | 5,586,344 | - | - |
| Non-current liabilities: | | | |
| Due within one year - | | | |
| Bonds payable | - | - | 1,315,000 |
| Due in more than one year - | | | |
| Bonds payable | - | - | 30,979,512 |
| Total Liabilities | <u>11,512,702</u> | <u>24,056</u> | <u>35,541,968</u> |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 1,533,859 | 3,035 | 8,878,774 |
| Restricted for: | | | |
| Capital projects | 1,619,121 | - | - |
| Student loans | 9,603 | - | - |
| Scholarships and student services | 1,645,915 | - | - |
| Permanent endowments | 793,613 | - | - |
| Unrestricted | <u>1,769,645</u> | <u>85,747</u> | <u>7,772,860</u> |
| Total Net Assets | <u>\$ 7,371,756</u> | <u>\$ 88,782</u> | <u>\$ 16,651,634</u> |

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

| Rockland County Industrial Development Agency | Totals |
|--|----------------------|
| \$ 270,169 | \$ 20,136,152 |
| - | 3,397,203 |
| 750 | 3,442,222 |
| - | 1,197,041 |
| - | 7,461,674 |
| - | 711,181 |
| <u>270,919</u> | <u>36,345,473</u> |
| - | 1,423,312 |
| - | 35,894,108 |
| - | 16,580,719 |
| - | 713,300 |
| - | 54,611,439 |
| - | (19,495,095) |
| - | <u>35,116,344</u> |
| <u>270,919</u> | <u>71,461,817</u> |
| - | 3,680,767 |
| - | 5,375,909 |
| - | 5,000 |
| - | 136,194 |
| - | 5,586,344 |
| - | 1,315,000 |
| - | 30,979,512 |
| - | <u>47,078,726</u> |
| - | 10,415,668 |
| - | 1,619,121 |
| - | 9,603 |
| - | 1,645,915 |
| - | 793,613 |
| <u>270,919</u> | <u>9,899,171</u> |
| <u>\$ 270,919</u> | <u>\$ 24,383,091</u> |

COUNTY OF ROCKLAND, NEW YORK

STATEMENT OF ACTIVITIES

COMPONENT UNITS

YEAR ENDED DECEMBER 31, 2005

(Rockland County Community College Year Ended August 31, 2005)

| Functions/Programs | Expenses | Program Revenues | | |
|---|----------------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Rockland County Community College - Education | \$ 56,668,946 | \$ 20,934,619 | \$ 6,684,005 | \$ 561,069 |
| Rockland County Soil and Water Conservation District - Home and Community Services | 31,156 | - | - | - |
| Rockland County Solid Waste Management Authority - Home and Community Services | 22,306,202 | 22,209,595 | 9,916 | - |
| Rockland County Industrial Development Agency- Economic Oppurtunity and Development | 131,401 | 116,317 | - | - |
| Total Component Units | \$ 79,137,705 | \$ 43,260,531 | \$ 6,693,921 | \$ 561,069 |

General Revenues:

Unrestricted use of money and property

Contributions from County of Rockland

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 |
|--|--|--|---|----------------------|
| \$ (28,489,253) | \$ - | \$ - | \$ - | \$ (28,489,253) |
| - | (31,156) | - | - | (31,156) |
| - | - | (86,691) | - | (86,691) |
| - | - | - | (15,084) | (15,084) |
| <u>(28,489,253)</u> | <u>(31,156)</u> | <u>(86,691)</u> | <u>(15,084)</u> | <u>(28,622,184)</u> |
| 1,209,802 | - | 591,389 | 3,256 | 1,804,447 |
| 13,089,217 | - | - | - | 13,089,217 |
| 11,102,300 | 39,056 | - | - | 11,141,356 |
| 3,876,164 | - | - | - | 3,876,164 |
| <u>29,277,483</u> | <u>39,056</u> | <u>591,389</u> | <u>3,256</u> | <u>29,911,184</u> |
| 788,230 | 7,900 | 504,698 | (11,828) | 1,289,000 |
| <u>6,583,526</u> | <u>80,882</u> | <u>16,146,936</u> | <u>282,747</u> | <u>23,094,091</u> |
| <u>\$ 7,371,756</u> | <u>\$ 88,782</u> | <u>\$ 16,651,634</u> | <u>\$ 270,919</u> | <u>\$ 24,383,091</u> |

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 by GASB.

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 by GASB, 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.

The following organizations are included in the County's reporting entity as blended component units.

The Rockland Tobacco Asset Securitization Corporation ("RTASC") and the Rockland Second Tobacco Asset Securitization Corporation ("RSTASC") are not-for-profit local development corporations organized pursuant to Section 1411 of the Not-For-Profit Corporation Law of State of New York. The Boards of Directors of each Corporation consist of five members; two designees of the County of Rockland, New York's ("County") County Executive, one designee of the chairman of the County Legislature, one designee of the chairman of the County's Budget and Finance Committee and a fifth shall be designated by a majority of the other four members. The Boards of Directors have complete responsibility for management of the Corporations and accountability for fiscal matters. The County is not liable for any deficits or Corporations bonds or notes. GASB, in April 2004, issued a technical bulletin which clarified the financial reporting of Tobacco Settlement Authorities (TSA). This bulletin, which is effective for fiscal years ending after June 15, 2004, provides that when TSA's are entitled to future tobacco settlement resources and they appoint a majority of the TSA's governing board, the financial accountability criteria are met and the TSA should be reported as a blended component unit of the settling government. Consequently, these organizations have been reflected as blended component units in the financial statements.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 Torne Valley Road
Hillburn, New York 10931

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

Rockland Tobacco Asset
Securitization Corporation
18 New Hempstead Road
3rd Floor
New City, New York 10956

Rockland Second Tobacco
Asset Securitization Corporation
18 New Hempstead Road
3rd Floor
New City, New York 10956

B. 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, except for interfund services provided and used. 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.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Enterprise Funds are charges to customers for services and Tobacco Settlement Revenues and the principal operating expenses are cost of services, administrative expenses, professional and directors fees, insurance, depreciation costs and benefit costs. The principal operating revenues of the Internal Service Funds are charges to customers for services, and operating expenses include the cost of services, administrative expenses, depreciation costs and benefit costs. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses.

C. 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 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 and proprietary 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:

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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 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 a major enterprise fund. The Home and Infirmary is a chronic care hospital and a skilled nursing facility established and operated under the pro-

Note 1 - Summary of Significant Accounting Policies (Continued)

visions 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 enterprise operations.

- 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. The County's Agency Fund is primarily utilized to account for employee payroll deductions, deposits for welfare trusts and various taxes (i.e., mortgage taxes), that are payable to other jurisdictions.

D. Measurement Focus, Basis of Accounting and Financial Statement 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 ninety day 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

Note 1 - Summary of Significant Accounting Policies (Continued)

well as expenditures related to compensated absences and certain pension costs, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Issuance of 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.

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 and is converted to the accrual basis for the government-wide statements. The Community College, Industrial Development Agency and the 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. The Industrial Development Agency and the Solid Waste Management Authority apply all applicable Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989 in accounting and reporting their operations.

E. Assets, Liabilities and Net Assets or Fund Balances

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.

Restricted Cash and Equivalents and Investments - The terms of the bond indenture of the Tobacco Asset Securitization Corporations provide for the establishment of a liquidity reserve. The reserve has been established at the maximum annual debt service requirements in the current and any future fiscal year, assuming principal is paid in accordance with the requirements of the indenture.

Note 1 - Summary of Significant Accounting Policies (Continued)

The terms of the bond indentures also provide for the establishment of a trapping account. Following the occurrence of a trapping event, amounts that otherwise would have been paid on the residual certificate to the County will be deposited in the trapping account and will be restricted to pay interest, required amortization payments and planned amortization payments, in such order, to the extent collections or other available amounts are insufficient for such purposes.

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 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. Allowances are recorded, when appropriate.

Note 1 - Summary of Significant Accounting Policies (Continued)

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, 2005, balances of interfund amounts receivable or payable have been recorded in the fund financial statements. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances.

Advances From/To Other Funds - Advances from/to other funds represent loans to other funds which are not expected to be repaid within the subsequent annual operating cycle. The advances are offset by a fund balance reserve in the fund financial statements, which indicates that the funds are not "available" for appropriation and are not expendable available financial resources.

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.

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.

Prepaid Expenses/Expenditures - Prepaid expenses/expenditures 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 in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Deferred Charges - Deferred charges in the government-wide financial statements represent the unamortized portion of the costs of issuance of refunding bonds. These costs are being amortized over the term of the respective bond issue.

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) 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.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the County chose to include all such items regardless of their acquisition date or amount. The County was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year).

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

Land and construction-in-progress are not depreciated. 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 | 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.

Unearned/Deferred Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied. In government-wide financial statements, unearned revenues consist of revenue received in advance and/or amounts 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 \$22,588,895 for real property taxes and \$1,979,305 for State and Federal aid received in advance in the General Fund. The County has also reported deferred revenues of \$3,269,103 for Federal aid received in advance in the Community Development Fund and \$5,586,344 in the Component Unit - Rockland County Community College for tuition and other fees received in advance. 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.

Long-term Liabilities - In the government-wide and proprietary fund 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. 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 Projects 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, handicapped parking, social service programs, debt service, parklands, student loans, workers' compensation benefits, unemployment benefits, scholarships and student services, permanent endowments and special revenue funds. 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, 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.

F. 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.

G. 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.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- 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, County Road, Road Machinery, Community Development, Sewer District and Debt Service funds.
- g) Budgets for General, County Road, Road Machinery, Community Development, Sewer District 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 and Special Purpose 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, County Road, Road Machinery, Community Development, Sewer District and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year, pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted, or as amended by the County Legislature. Individual amendments for the current year were not material in relation to the original appropriations which were amended.

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 2005 was \$406,739,906, which exceeded the actual levy by \$359,990,006.

C. Fund Deficits

The General Fund undesignated deficit of \$110,790,145, arises as a result of an unsettled tax certiorari and bankruptcy proceedings with a major taxpayer of the County. A reserve for long-term receivables of \$126,760,964, for schools, towns and villages taxes, was established to reflect the uncertainty of the amount that will be collected based on the settlement of these proceedings. The County is currently in negotiation with the taxpayer regarding settlement of the unpaid taxes. Upon resolution, the towns and various school districts have been authorized by special State Legislation to issue bonds for their respective portions of the settlement. The proceeds of said bonds will be remitted to the County in satisfaction of the unpaid taxes.

Note 2 - Stewardship, Compliance and Accountability (Continued)

The County Road Fund, Road Machinery Fund, Home and Infirmary Fund, Rockland Tobacco Asset Securitization Corporation, Rockland Tobacco Second Asset Securitization Corporation, General Liability Claims Fund and the General Services Fund also reflect undesignated or unrestricted deficits of \$1,071,115, \$10,006, \$7,843,291, \$60,701,126, \$6,593,728, \$1,517,241 and \$6,047,152, respectively at December 31, 2005. These deficits will be addressed in the subsequent year.

D. Prior Period Adjustment

GASB Technical Bulletin No. 2004-1 clarified certain asset and revenue recognition criteria. The GASB has promulgated that tobacco settlement revenues (TSR's) and the related asset should only be recognized when the event giving rise to recognition (i.e., the shipment of cigarettes) occurs. Because annual TSR payments are based on cigarette sales from the preceding calendar year, the RTASC and RSTASC has determined that TSR payments received in the current year should have been reported as a receivable and revenue of the prior year. Accordingly, an increase to the net assets of the RTASC and RSTASC reported as of January 1, 2005 of \$3,644,844 and \$911,211, respectively, was required.

During 2005, it was determined that, as a result of the occurrence of a "downgrade trapping event" (see note 6), certain residual payments forwarded to the County during 2004 should not have been made. Accordingly, a prior period adjustment for RTASC totaling \$725,000 was recorded to reflect the repayment received from the County.

Note 3 - Detailed Notes on All Funds

A. Investments

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

| | Certificates of Deposit | Commercial Paper | Total |
|---|----------------------------|---------------------|---------------------|
| Governmental Activities: | | | |
| Community Development Fund | \$ 225,000 | \$ - | \$ 225,000 |
| Debt Service Fund | 6,658,372 | - | 6,658,372 |
| | 6,883,372 | - | 6,883,372 |
| Business-type Activities - | | | |
| Rockland Tobacco Asset Securitization Corporation | - | 1,326,117 | 1,326,117 |
| | <u>\$ 6,883,372</u> | <u>\$ 1,326,117</u> | <u>\$ 8,209,489</u> |

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 cost, which approximates fair value.

Note 3 - Detailed Notes on All Funds (Continued)

Restricted Investments

Restricted investments at December 31, 2005 consisted of the following:

| | |
|---|---------------------|
| Rockland Tobacco Asset Securitization Corporation - Commercial paper, at cost, which approximates fair value, due in February 2006, interest at 3.92% | \$ 3,525,133 |
| Rockland Second Tobacco Asset Securitization Corporation - Commercial paper, at cost, which approximates fair value, due in May 2006, interest at 4.53% | <u>710,961</u> |
| | <u>\$ 4,236,094</u> |

Investments of the Rockland Tobacco Asset Securitization Corporation and the Rockland Second Tobacco Asset Securitization Corporation are not subject to risk categorization.

B. Taxes Receivable

Taxes receivable at December 31, 2005 consisted of the following:

| | |
|-----------------------------------|-----------------------|
| Tax liens | \$ 157,704,876 |
| Tax installments | 1,713,295 |
| Returned school districts taxes | 60,486,883 |
| Returned village taxes | <u>2,879,494</u> |
| | 222,784,548 |
| Allowance for uncollectible taxes | <u>(8,553,000)</u> |
| | <u>\$ 214,231,548</u> |

School district and village taxes are offset by liabilities to the school districts and villages which will be paid no later than April 2006. Taxes receivable, at the fund level, are also partially offset by deferred tax revenues of \$22,588,895, which represents an estimate of the receivable which will not be collected within the first sixty days of the subsequent year and a reserve for long-term receivable of \$126,960,964, which represents the long-term nature of towns, schools and villages taxes receivable.

C. Due From/To Other Funds

The balances reflected as due from/to other funds at December 31, 2005 were as follows:

| Fund | Due From | Due To |
|------------------------|----------------------|----------------------|
| General | \$ 7,131,718 | \$ 2,268,776 |
| Capital Projects | 1,015,738 | 1,622,287 |
| Non-Major Governmental | 1,707,608 | 1,104,124 |
| Home and Infirmary | - | 7,261,108 |
| Internal Service | <u>5,214,933</u> | <u>2,813,702</u> |
| | <u>\$ 15,069,997</u> | <u>\$ 15,069,997</u> |

Note 3 - Detailed Notes on All Funds (Continued)

The outstanding balances between funds results mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occurred, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

D. Capital Assets

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

| Class | Balance January 1, 2005 | Additions | Deductions | Balance December 31, 2005 |
|---|-------------------------------|-----------------------|-----------------------|---------------------------------|
| Governmental Activities (inclusive of Internal Service Funds): | | | | |
| Capital Assets, not being depreciated: | | | | |
| Land | \$ 32,612,259 | \$ - | \$ - | \$ 32,612,259 |
| Construction-in-progress | 256,966,613 | 43,992,276 | 171,181,304 | 129,777,585 |
| Total Capital Assets, not being depreciated | \$ 289,578,872 | \$ 43,992,276 | \$ 171,181,304 | \$ 162,389,844 |
| Capital Assets, being depreciated: | | | | |
| Buildings | \$ 58,936,601 | \$ 3,750,000 | \$ - | \$ 62,686,601 |
| Improvements | 416,287,366 | 159,428,871 | - | 575,716,237 |
| Equipment | 52,069,306 | 13,245,160 | - | 65,314,466 |
| Infrastructure | 77,666,274 | - | - | 77,666,274 |
| Total Capital Assets, being depreciated | 604,959,547 | 176,424,031 | - | 781,383,578 |
| Less Accumulated Depreciation for: | | | | |
| Buildings | 36,132,793 | 2,388,629 | - | 38,521,422 |
| Improvements | 233,296,712 | 12,352,810 | - | 245,649,522 |
| Equipment | 28,248,298 | 5,989,245 | - | 34,237,543 |
| Infrastructure | 25,615,903 | 4,396,119 | - | 30,012,022 |
| Total Accumulated Depreciation | 323,293,706 | 25,126,803 | - | 348,420,509 |
| Total Capital Assets, being depreciated, net | \$ 281,665,841 | \$ 151,297,228 | \$ - | \$ 432,963,069 |
| Governmental Activities Capital Assets, net | \$ 571,244,713 | \$ 195,289,504 | \$ 171,181,304 | \$ 595,352,913 |

Note 3 - Detailed Notes on All Funds (Continued)

| Class | Balance January 1, 2005 | Additions | Balance December 31, 2005 |
|---|-------------------------------|-----------------------|---------------------------------|
| Business-type Activities: | | | |
| Capital Assets, not being depreciated: | | | |
| Land | \$ 438,504 | \$ - | \$ 438,504 |
| Construction-in-progress | 5,098,668 | 1,029,361 | 6,128,029 |
| Total Capital Assets, not being depreciated | <u>\$ 5,537,172</u> | <u>\$ 1,029,361</u> | <u>\$ 6,566,533</u> |
| Capital Assets, being depreciated: | | | |
| Buildings | \$ 16,221,905 | \$ - | \$ 16,221,905 |
| Improvements | 345,975 | - | 345,975 |
| Equipment | 38,755,427 | 54,114 | 38,809,541 |
| Total Capital Assets, being depreciated | <u>55,323,307</u> | <u>54,114</u> | <u>55,377,421</u> |
| Less Accumulated Depreciation for: | | | |
| Buildings | 11,653,657 | 477,360 | 12,131,017 |
| Improvements | 345,975 | - | 345,975 |
| Equipment | 26,874,732 | 1,169,090 | 28,043,822 |
| Total Accumulated Depreciation | <u>38,874,364</u> | <u>1,646,450</u> | <u>40,520,814</u> |
| Total Capital Assets, being depreciated, net | <u>\$ 16,448,943</u> | <u>\$ (1,592,336)</u> | <u>\$ 14,856,607</u> |
| Business-type Activities Capital Assets, net | <u>\$ 21,986,115</u> | <u>\$ (562,975)</u> | <u>\$ 21,423,140</u> |

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

| | |
|---|----------------------|
| Governmental Activities: | |
| General Government Support | \$ 3,040,557 |
| Education | 2,485,443 |
| Public Safety | 2,037,445 |
| Health | 465,546 |
| Transportation | 11,443,574 |
| Economic Opportunity and Development | 168,963 |
| Culture and Recreation | 47,458 |
| Home and Community Services | 4,889,658 |
| Capital assets held by the government's internal service fund are charged to the various functions based on their usage of the assets | <u>548,159</u> |
| Total Depreciation Expense - Governmental Activities | <u>\$ 25,126,803</u> |
| Business-type Activities - Home and Infirmary | <u>\$ 1,646,450</u> |

Note 3 - Detailed Notes on All Funds (Continued)

Construction Commitments

The County has active construction projects as of December 31, 2005. These projects include new construction and renovations. At year-end, the County had \$19,485,974 in construction encumbrances.

Capital Assets - Component Units

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

| <u>Class</u> | <u>Balance September 1, 2004</u> | <u>Additions</u> | <u>Balance August 31, 2005</u> |
|--|--|--------------------|--|
| Capital Assets, being depreciated - Equipment | \$ 4,632,555 | \$ 345,006 | \$ 4,977,561 |
| Less Accumulated Depreciation | <u>(3,053,034)</u> | <u>(390,668)</u> | <u>(3,443,702)</u> |
| Community College Capital Assets, net | <u>\$ 1,579,521</u> | <u>\$ (45,662)</u> | <u>\$ 1,533,859</u> |

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

| <u>Class</u> | <u>Balance January 1, 2005</u> | <u>Additions</u> | <u>Balance December 31, 2005</u> |
|---|--|-------------------|--|
| Capital Assets, being depreciated - Equipment | \$ 14,767 | \$ 534 | \$ 15,301 |
| Less Accumulated Depreciation | <u>(10,073)</u> | <u>(2,193)</u> | <u>(12,266)</u> |
| Soil and Water Conservation District Capital Assets, net | <u>\$ 4,694</u> | <u>\$ (1,659)</u> | <u>\$ 3,035</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, 2005 | Additions | Deductions | Balance December 31, 2005 |
|---|-------------------------------|---------------------|---------------------|---------------------------------|
| Capital Assets, not being depreciated: | | | | |
| Land | \$ 1,423,312 | \$ - | \$ - | \$ 1,423,312 |
| Construction-in-progress | 1,322,663 | 2,008,764 | 2,618,127 | 713,300 |
| Total Capital Assets, not being depreciated | \$ 2,745,975 | \$ 2,008,764 | \$ 2,618,127 | \$ 2,136,612 |
| Capital Assets, being depreciated: | | | | |
| Buildings | \$ 35,865,678 | \$ 28,430 | \$ - | \$ 35,894,108 |
| Equipment | 8,998,160 | 2,589,697 | - | 11,587,857 |
| Total Capital Assets, being depreciated | 44,863,838 | 2,618,127 | - | 47,481,965 |
| Less Accumulated Depreciation for: | | | | |
| Buildings | 8,999,393 | 1,794,707 | - | 10,794,100 |
| Equipment | 4,640,575 | 604,452 | - | 5,245,027 |
| Total Accumulated Depreciation | 13,639,968 | 2,399,159 | - | 16,039,127 |
| Total Capital Assets, being depreciated, net | \$ 31,223,870 | \$ 218,968 | \$ - | \$ 31,442,838 |
| Solid Waste Management Authority Capital Assets, net | \$ 33,969,845 | \$ 2,227,732 | \$ 2,618,127 | \$ 33,579,450 |

E. Accrued Liabilities

Accrued liabilities at December 31, 2005 were as follows:

| | Governmental Activities | Business-Type Activities | Total |
|----------------------------------|----------------------------|-----------------------------|----------------------|
| Payroll and employee benefits | \$ 7,566,947 | \$ - | \$ 7,566,947 |
| Other | 3,069,833 | 7,487,135 | 10,556,968 |
| Total Accrued Liabilities | \$ 10,636,780 | \$ 7,487,135 | \$ 18,123,915 |

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2005

Note 3 - Detailed Notes on All Funds (Continued)

F. 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 tax and other revenues.

| | Balance January 1, 2005 | New Issues | Redemptions | Balance December 31, 2005 |
|---------------------------|-------------------------------|-----------------------|-----------------------|---------------------------------|
| Revenue Anticipation Note | \$ 45,000,000 | \$ 40,000,000 | \$ 45,000,000 | \$ 40,000,000 |
| Tax Anticipation Note | 61,500,000 | 77,000,000 | 61,500,000 | 77,000,000 |
| Tax Anticipation Note | 1,500,000 | 42,000,000 | 1,500,000 | 42,000,000 |
| | <u>\$ 108,000,000</u> | <u>\$ 159,000,000</u> | <u>\$ 108,000,000</u> | <u>\$ 159,000,000</u> |

The \$45,000,000 revenue anticipation note matured on March 24, 2005. The \$40,000,000 revenue anticipation note was issued on March 30, 2005 and matures on March 23, 2006 with interest at 3.5%. Interest expense of \$467,589 was recorded in fund financial statements in the General Fund. Interest expense of \$579,648 was recorded in the government-wide financial statements of governmental activities.

The \$61,500,000 and the \$1,500,000 tax anticipation notes matured on March 24, 2005. The \$77,000,000 and the \$42,000,000 tax anticipation notes were issued on March 23, 2005 and mature on March 23, 2006, with interest at 3.5% and 4.75%, respectively. Interest expense of \$697,490 was recorded in the fund financial statements in the General Fund. Interest expense of \$1,848,088 was recorded in the government-wide financial statements for governmental activities.

G. Short-Term Capital Borrowings

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

| Purpose | Year of Original Issue | Maturity Date | Rate of Interest | Balance January 1, 2005 | New Issue | Redemptions | Balance December 31, 2005 |
|--------------------|------------------------------|------------------|---------------------|-------------------------------|---------------------|---------------------|---------------------------------|
| Enterprise Fund - | | | | | | | |
| Home and Infirmary | 2003 | - | - | \$ 935,000 | - | \$ 935,000 | - |
| Sewer Improvements | 2002 | 2/23/06 | 3.25 | 4,000,000 | - | 800,000 | 3,200,000 |
| General Purpose | 2003 | - | - | 5,595,000 | - | 5,595,000 | - |
| General Purpose | 2005 | 4/06/06 | 4.00 | - | 8,175,000 | - | 8,175,000 |
| | | | | <u>\$ 10,530,000</u> | <u>\$ 8,175,000</u> | <u>\$ 7,330,000</u> | <u>\$ 11,375,000</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

Note 3 - Detailed Notes on All Funds (Continued)

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 \$110,432 and \$43,856 were recorded in the fund financial statements in the General Fund and Sewer Fund, respectively. Interest expense of \$97,371 was recorded in the government-wide financial statements for governmental activities.

Interest expenses of \$2,337 were recorded in the Enterprise Funds in the Home and Infirmary Fund.

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, 110 State Street, 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, 2006 are as follows:

| <u>Tier/Plan</u> | <u>Rate</u> |
|------------------|-------------|
| 1 553 | 18.9% |
| 1 75I | 15.1 |
| 1 89D | 17.5 |
| 2 553 | 18.6 |
| 2 75I | 13.1 |
| 2 89R | 19.4 |
| 2 89D | 24.9 |
| 2 89VR | 15.9 |
| 3 A14 | 10.3 |
| 3 553 | 17.4 |
| 4 A15 | 10.3 |
| 4 553 | 17.4 |
| 4 603OR | 15.7 |
| 4 604PR | 15.7 |
| 4 604S4 | 12.3 |
| 4 603R3 | 12.3 |
| 4 89VR3 | 12.3 |
| 4 89PT4 | 12.9 |

Note 3 - Detailed Notes on All Funds (Continued)

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

| | Primary Government | Component Units | |
|------|-----------------------|-----------------|--|
| | | College | Solid Waste Management Authority |
| 2005 | \$ 15,147,777 | \$ 993,407 | \$ 97,346 |
| 2004 | 11,939,512 | 748,565 | 108,254 |
| 2003 | 6,703,189 | 380,474 | 40,449 |

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.

| | Amount |
|--------------------------------|----------------------|
| Governmental Funds: | |
| General | \$ 12,700,041 |
| County Road | 653,354 |
| Road Machinery | 64,387 |
| Sewer | 608,765 |
| | <u>14,026,547</u> |
| Proprietary Funds: | |
| General Services | 1,112,880 |
| Workers' Compensation Benefits | 8,350 |
| | <u>1,121,230</u> |
| | <u>\$ 15,147,777</u> |

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.

Note 3 - Detailed Notes on All Funds (Continued)

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. Contribution rates for the plan year ended June 30, 2005 are as follows:

| <u>Tiers</u> | <u>Rate</u> |
|--------------|-------------|
| 1-4 | 5.63% |

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

| | | |
|------|----|---------|
| 2005 | \$ | 158,721 |
| 2004 | | 70,983 |
| 2003 | | 10,308 |

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 years ending August 31, 2005, 2004 and 2003, the College incurred pension costs under this Plan of \$1,512,800, \$1,459,000 and \$1,434,000, respectively..

Soil and Water Conservation District

The Soil and Water Conservation District has no full-time employees and, therefore, does not contribute to a retirement plan.

Note 3 - Detailed Notes on All Funds (Continued)

| | |
|--|--------------|
| 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 | \$ 2,613,000 |
| \$4,350,000 - 1993 bonds for sewer purposes, due in annual installments of \$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 | 2,156,000 |
| \$2,675,000 - 1993 bonds for sewer purposes, due in annual installments of \$140,000 in 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 | 1,205,000 |
| \$11,248,000 - 1994 bonds for public improvements including the health complex, due in annual installments of \$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 5.30% to 5.80%, depending upon maturity | 552,000 |
| \$12,347,000 - 1994 bonds for public improvements including the health complex, due in annual installments of \$67,000 in November 2006, \$68,000 through November 2008, \$69,000 in November 2009 and \$39,000 through November 2014; interest at 6.00% | 467,000 |
| \$12,546,000 - 1995 bonds for various purposes, due in August 2006; interest at 6.00% | 527,000 |
| \$6,365,000 - 1996 bonds for sewer purposes, due in annual installments of \$165,000 in December 2006, \$170,000 through December 2008, \$175,000 through December 2010, \$180,000 in December 2011, \$185,000 in December 2012, \$190,000 in December 2013, \$195,000 in December 2014, \$205,000 in December 2015, \$210,000 in December 2016, \$220,000 in December 2017, \$225,000 in December 2018, \$235,000 in December 2019, \$240,000 in December 2020, \$250,000 in December 2021, \$260,000 in December 2022, \$270,000 in December 2023, \$285,000 in December 2024 and \$295,000 in December 2025; interest at rates ranging from 4.625% to 5.2%, depending on maturity | 4,300,000 |

Note 3 - Detailed Notes on All Funds (Continued)

| | |
|--|---------------------|
| <p>\$19,806,000 - 1997 bonds for various purposes including the health complex, due in annual installments of \$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 4.45% to 5.00%, depending on maturity</p> | <p>\$ 7,900,000</p> |
| <p>\$25,477,000 - 1998 bonds for various purposes including courthouse construction, due in annual installments of \$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 4.10% to 4.40%, depending on maturity</p> | <p>15,430,000</p> |
| <p>\$26,517,000 - 1999 bonds for various purposes including the health complex, due in annual installments of \$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</p> | <p>8,276,000</p> |
| <p>\$15,225,000 - 2000 bonds for various purposes, due in annual installments of \$16,946 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</p> | <p>11,301,946</p> |
| <p>\$14,425,000 - 2001 bonds for various purposes, due in annual installments of \$135,737 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</p> | <p>11,155,737</p> |
| <p>\$6,000,000 - 2001 bonds for sewer district improvements, due in annual installments of \$120,000 in 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</p> | |

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 4.25% to 5.00%, depending on maturity

\$ 5,655,000

\$16,673,000 - 2002 bonds for various purposes, due in annual installments of \$856,111 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 3.0% to 4.0%, depending on maturity

14,536,111

\$10,400,000 - 2003 bonds to satisfy pension liability, due in annual installments of \$2,540,000 in December 2006, \$2,645,000 in December 2007 and \$2,750,000 in December 2008; interest at rates ranging from 3.5% to 3.875%, depending on maturity

7,935,000

\$21,027,000 - 2003 bonds for various purposes, due in annual installments of \$253,006 in June 2006, \$820,000 in June 2007, \$840,000 in June 2008, \$865,000 in June 2009, \$900,000 in June 2010, \$945,000 in June 2011, \$985,000 in June 2012, \$1,015,000 in June 2013, \$1,045,000 in June 2014, \$1,085,000 in June 2015, \$1,130,000 in June 2016, \$1,180,000 in June 2017, \$1,235,000 in June 2018, \$1,290,000 in June 2019, \$1,345,000 in June 2020, \$1,400,000 in June 2021, \$1,470,000 in June 2022 and \$1,520,000 in June 2023; interest at rates ranging from 2.5% to 5.0%, depending on maturity

19,323,006

\$4,000,000 - 2003 bonds for refunding of sewer and various purpose bonds, due in annual installments of \$630,000 in March 2006, \$265,000 in March 2007, \$255,000 through March 2009, \$250,000 in March 2010, \$245,000 in March 2011, \$240,000 in March 2012, \$235,000 in March 2013, \$230,000 in March 2014, \$225,000 in March 2015, \$220,000 in March 2016 and \$215,000 in March 2017; interest at rates ranging from 2.5% to 4.0%, depending on maturity

3,265,000

\$47,750,000 - 2001 bonds issued to finance the purchase of tobacco rights, due in annual installments of \$680,000 in August 2006, \$761,000 in August 2007, \$920,000 in August 2008, \$1,015,000 in August 2009, \$1,085,000 in August 2010, \$1,195,000 in August 2011, \$1,280,000 in August 2012, \$1,365,000 in August 2013, \$1,425,000 in August 2014, \$1,455,000 in August 2015, \$1,585,000 in August 2016, \$1,664,000 in August 2017, \$2,160,000 in August 2018, \$2,270,000 in August 2019, \$2,420,000 in August 2020, \$2,550,000 in August 2021, \$2,715,000 in August 2022,

Note 3 - Detailed Notes on All Funds (Continued)

\$2,865,000 in August 2023, \$3,025,000 in August 2024, \$3,175,000 in August 2025, \$3,350,000 in August 2026, \$3,525,000 in August 2027, \$3,760,000 in August 2028 and \$870,000 in August 2029; interest at rates ranging from 4.625% to 5.75%, depending on maturity

\$ 47,115,000

\$9,715,000 - 2003 bonds issued to finance the purchase of tobacco rights, due in annual installments of \$70,000 in 2009 and 2010, \$80,000 in June 2011, \$90,000 in June 2012, \$95,000 in June 2013, \$105,000 in June 2014, \$110,000 in June 2015, \$120,000 in June 2016, \$125,000 in June 2017, \$215,000 in June 2018, \$225,000 in June 2019, \$230,000 through 2021, \$225,000 in 2022, \$240,000 in 2023, \$250,000 through 2025, \$265,000 in June 2026, \$275,000 in June 2027, \$295,000 in June 2028, \$305,000 in June 2029, \$315,000 in June 2030, \$325,000 in June 2031, \$330,000 through 2033, \$355,000 in June 2034, \$365,000 in June 2035, \$390,000 in June 2036, \$405,000 in June 2037, \$435,000 in June 2038, \$455,000 in June 2039, \$485,000 in June 2040, \$520,000 in June 2041, \$135,000 in June 2042 and \$235,000 in June 2043; interest at rates ranging from 5.027% to 5.27%, depending on maturity

8,950,000

\$29,311,745 - 2004 bonds for public improvements including the health complex, due in annual installments of \$2,011,745 in January 2006, \$2,075,000 in January 2007, \$2,135,000 in January 2008, \$2,200,000 in January 2009, \$2,275,000 in January 2010, \$2,355,000 in January 2011, \$2,445,000 in January 2012, \$2,545,000 in January 2013, \$2,650,000 in January 2014, \$2,760,000 in January 2015, \$2,870,000 in January 2016 and \$2,990,000 in January 2017; interest at rates ranging from 3.0% to 6.0%, depending on maturity

29,311,745

\$31,082,062 - 2004 bonds for sewer purposes, due in annual installments of \$755,000 in February 2006, \$782,065 in February 2007, \$790,000 in February 2008, \$800,000 in February 2009, \$810,000 in February 2010, \$825,000 in February 2011, \$845,000 in February 2012, \$860,000 in February 2013, \$880,000 in February 2014, \$900,000 in February 2015, \$920,000 in February 2016, \$945,000 in February 2017, \$970,000 in February 2018, \$995,000 in February 2019, \$1,020,000 in February 2020, \$1,050,000 in February 2021, \$1,080,000 in February 2022, \$1,110,000 in February 2023, \$1,145,000 in February 2024, \$1,180,000 in February 2025, \$1,215,000 in February 2026, \$1,255,000 in February 2027, \$1,290,000 in February 2028, \$1,335,000 in February 2029, \$1,375,000 in February 2030, \$1,420,000 in February 2031, \$1,465,000 in February 2032, \$1,510,000 in February 2033 and \$1,555,000 in February 2034; interest at rates ranging from 1.991% to 5.15%, depending on maturity

31,082,065

Note 3 - Detailed Notes on All Funds (Continued)

\$30,000,000 - 2005 bonds for various purposes, due in annual installments of \$1,250,000 in February 2006, \$1,805,000 in February 2007, \$1,855,000 in February 2008, \$1,910,000 in February 2009, \$1,965,000 in February 2010, \$2,030,000 in February 2011, \$2,100,000 in February 2012, \$2,175,000 in February 2013, \$2,250,000 in February 2014, \$2,340,000 in February 2015, \$2,430,000 in February 2016, \$2,525,000 in February 2017, \$2,630,000 in February 2018 and \$2,735,000 in February 2019; interest at rates ranging from 3.0% to 4.0%, depending on maturity

\$ 30,000,000

\$12,395,713 - 2005 bonds for sewer purposes, due in annual installments of \$340,000 in May 2006, \$345,000 in May 2007, \$345,713 in 2008, \$355,000 in May 2009, \$360,000 in May 2010, \$365,000 in May 2011, \$375,000 in May 2012, \$380,000 in May 2013, \$385,000 in May 2014, \$390,000 in May 2015, \$395,000 in May 2016, \$400,000 in May 2017, \$405,000 in May 2018, \$415,000 through May 2020, \$420,000 in May 2021, \$425,000 in May 2022, \$430,000 in May 2023, \$435,000 in May 2024, \$440,000 in May 2025, \$450,000 in May 2026, \$455,000 in May 2027, \$460,000 in May 2028, \$465,000 in May 2029, \$470,000 in May 2030, \$475,000 in May 2031, \$480,000 in May 2032, \$490,000 in May 2033 and \$495,000 in May 2034; interest at rates ranging from 2.094% to 4.569%, depending on maturity

12,060,713

\$34,756,050 - 2005 bonds for sewer purposes, due in annual installments of \$955,000 in October 2006, \$975,000 in October 2007, \$986,050 in October 2008, \$1,005,000 in October 2009, \$1,025,000 in October 2010, \$1,040,000 in October 2011, \$1,060,000 in October 2012, \$1,075,000 in October 2013, \$1,085,000 in October 2014, \$1,105,000 in October 2015, \$1,120,000 in October 2016, \$1,140,000 in October 2017, \$1,155,000 in October 2018, \$1,175,000 in October 2019, \$1,180,000 in October 2020, \$1,195,000 in October 2021, \$1,215,000 in October 2022, \$1,230,000 in October 2023, \$1,250,000 in October 2024, \$1,265,000 in October 2025, \$1,280,000 in October 2026, \$1,295,000 in October 2027, \$1,310,000 in October 2028, \$1,330,000 in October 2029, \$1,345,000 in October 2030, \$1,360,000 in October 2031, \$1,380,000 in October 2032, \$1,395,000 in October 2033 and \$1,415,000 in October 2034; interest at rates ranging from 2.059% to 4.129%, depending on maturity

34,346,050

\$25,268,467 - 2005 bonds to finance the purchase of tobacco rights, due in annual installments of \$629,297 in August 2016, \$712,214 in August 2017, \$1,057,933 in August 2018, \$1,222,243 in August 2019, \$1,210,380 in August 2020, \$1,113,021 in August 2021, \$1,017,413 in August 2022, \$1,007,538 in August 2023, \$997,764 in August 2024, \$988,070 in August 2025, \$896,922 in August 2026, \$885,506 in August 2027, \$816,173 in August 2028,

Note 3 - Detailed Notes on All Funds (Continued)

\$1,991,297 in August 2029, \$1,286,920 in August 2030, \$1,216,399 in August 2031, \$1,144,805 in August 2032, \$1,072,126 in August 2033, \$1,039,069 in August 2034, \$964,442 in August 2035, \$930,069 in August 2036, \$853,512 in August 2037, \$817,683 in August 2038, \$781,340 in August 2039 and \$616,331 in August 2040; interest at rates ranging from 5.875% to 7.624%, depending on maturity

\$ 25,268,467

\$ 350,857,840

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of December 31, 2005 including interest payments of \$140,143,520 are as follows:

| Year Ending December 31, | Governmental Activities | | Business-Type Activities | | Total | |
|-----------------------------|-------------------------|----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2006 | \$ 15,059,317 | \$ 9,351,950 | \$ 2,896,248 | \$ 3,796,345 | \$ 17,955,565 | \$ 13,148,295 |
| 2007 | 17,897,723 | 8,230,196 | 2,668,320 | 3,646,637 | 20,566,043 | 11,876,833 |
| 2008 | 18,387,605 | 7,564,899 | 2,835,157 | 3,530,908 | 21,222,762 | 11,095,807 |
| 2009 | 16,976,603 | 6,858,297 | 2,153,397 | 3,397,781 | 19,130,000 | 10,256,078 |
| 2010 | 15,064,030 | 6,172,339 | 1,973,970 | 3,285,060 | 17,038,000 | 9,457,399 |
| 2011-2015 | 73,393,722 | 22,676,881 | 11,532,277 | 14,847,274 | 84,925,999 | 37,524,155 |
| 2016-2020 | 46,416,335 | 11,005,167 | 17,808,732 | 11,819,878 | 64,225,067 | 22,825,045 |
| 2021-2025 | 21,216,856 | 6,007,351 | 20,794,955 | 8,056,432 | 42,011,811 | 14,063,783 |
| 2026-2030 | 16,935,000 | 3,356,635 | 18,836,817 | 3,305,934 | 35,771,817 | 6,662,569 |
| 2031-2035 | 13,810,000 | 838,761 | 7,141,841 | 1,405,845 | 20,951,841 | 2,244,606 |
| 2036-2040 | - | - | 6,168,935 | 836,400 | 6,168,935 | 836,400 |
| 2041-2043 | - | - | 890,000 | 152,550 | 890,000 | 152,550 |
| | <u>\$ 255,157,191</u> | <u>\$ 82,062,476</u> | <u>\$ 95,700,649</u> | <u>\$ 58,081,044</u> | <u>\$ 350,857,840</u> | <u>\$ 140,143,520</u> |

Interest expenditures/expense of \$7,958,756 and \$19,818, were recorded in the fund financial statements in the Debt Service Fund and Internal Service Fund, respectively. Interest expense of \$8,466,224 was recorded in the government-wide financial statements for governmental activities. Interest expense of \$365,651, \$2,988,527 and \$526,947 was recorded in the fund financial and government-wide financial statements for the business-type activities in the Home and Infirmary Fund, the Rockland Tobacco Asset Securitization Corporation and the Rockland Second Tobacco Asset Securitization Corporation, respectively.

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, except for, the 2001, 2003 and 2005 Rockland Tobacco Asset Securitization Corporation and the Rockland Second Tobacco Asset Securitization Corporation bonds, respectively. These bonds are the obligations of the RTASC and RSTASC, and will be repaid from future tobacco revenues.

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, 2005, \$8,903,200 of bonds outstanding are considered defeased.

Indebtedness - Component Unit

Solid Waste Management Authority

Bonds payable at December 31, 2005 consisted of the following individual issues:

| | |
|--|-----------------------------|
| <p>\$11,620,000 - 1996B serial bonds net of unamortized discount of \$44,272, repaid partially during 1999 with a State grant and other funds; due in annual principal installments of \$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 4.75% and 5.625%, depending upon maturity</p> | <p>\$ 7,055,728</p> |
| <p>\$4,000,000 - 1999 serial bonds net of unamortized discount of \$24,683, due in annual principal installments of \$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 4.50% and 5.75%, depending on maturity</p> | <p>3,085,317</p> |
| <p>\$15,273,468 - 2003 serial bonds due in annual principal installments of \$475,000 in 2006, \$480,000 in 2007, \$485,000 in 2008, \$495,000 in 2009, \$505,000 in 2010, \$520,000 in 2011, \$535,000 in 2012, \$550,000 in 2013, \$570,000 in 2014, \$590,000 in 2015, \$610,000 in 2016, \$630,000 in 2017, \$650,000 in 2018, \$675,000 in 2019, \$700,000 in 2020, \$725,000 in 2021, \$755,000 in 2022, \$785,000 in 2023, \$820,000 in 2024 and \$2,315,000 in 2025; interest at stated rates between 2.539% and 6.189%, depending on maturity</p> | <p>13,870,000</p> |
| <p>\$8,720,000 - 2004 serial bonds net of unamortized discount of \$141,533, due in annual principal installments of \$215,000 in 2006, \$220,000 in 2007, \$230,000 in 2008, \$235,000 in 2009, \$245,000 in 2010, \$250,000 in 2011, \$260,000 in 2012, \$275,000 in 2013, \$285,000 in 2014, \$300,000 in 2015, \$315,000 in 2016, \$330,000 in 2017, \$345,000 in 2018, \$360,000 in 2019, \$375,000 in 2020, \$395,000 in 2021, \$415,000 in 2022, \$435,000 in 2023, \$460,000 in 2024, \$480,000 in 2025, \$505,000 in 2026, \$535,000 in 2027 and \$960,000 in 2028; interest at stated rates between 2.5% and 5.125%, depending on maturity</p> | <p><u>8,283,467</u></p> |
| | <p><u>\$ 32,294,512</u></p> |

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2005

Note 3 - Detailed Notes on All Funds (Continued)

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</u> (Dates Inclusive) | <u>Redemption Price</u> (as a % of Par) |
|---|--|
| 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</u> (Dates Inclusive) | <u>Redemption Price</u> (as a % of Par) |
|---|--|
| 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, 2005, including interest of \$20,068,701 are as follows:

| <u>Year Ending December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--|----------------------|----------------------|----------------------|
| 2006 | \$ 1,315,000 | \$ 1,714,817 | \$ 3,029,817 |
| 2007 | 1,360,000 | 1,661,296 | 3,021,296 |
| 2008 | 1,410,000 | 1,601,709 | 3,011,709 |
| 2009 | 1,460,000 | 1,529,239 | 2,989,239 |
| 2010 | 1,520,000 | 1,467,548 | 2,987,548 |
| 2011-2015 | 8,925,000 | 6,100,174 | 15,025,174 |
| 2016-2020 | 6,930,000 | 3,711,960 | 10,641,960 |
| 2021-2025 | 7,585,000 | 2,053,639 | 9,638,639 |
| 2026-2028 | 2,000,000 | 228,319 | 2,228,319 |
| | 32,505,000 | <u>\$ 20,068,701</u> | <u>\$ 52,573,701</u> |
| Less: Unamortized original issue discount | <u>(210,488)</u> | | |
| | <u>\$ 32,294,512</u> | | |

Note 3 - Detailed Notes on All Funds (Continued)

| | December 31, 2004 | | |
|--|--------------------------------------|--------------------------------|--------------------------|
| | Workers' Compensation Benefits | General Liability Claims | Unemployment Benefits |
| Balance - Beginning of Year | \$ 7,078,164 | \$ 7,403,887 | \$ 40,029 |
| Provision for Claims and Claims Adjustment Expenses | 3,627,803 | 84,605 | 140,549 |
| Claims and Claims Adjustment Expenses Paid | <u>(2,761,115)</u> | <u>(508,131)</u> | <u>(128,801)</u> |
| Balance - End of Year | <u>\$ 7,944,852</u> | <u>\$ 6,980,361</u> | <u>\$ 51,777</u> |

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 | \$ - | \$ 420,000 | \$ 20,558,170 | \$ 20,978,170 |
| Capital Projects | 3,701,992 | - | 7,483,222 | 11,185,214 |
| Non-Major Governmental | 6,245,082 | 800,000 | 8,839,471 | 15,884,553 |
| Proprietary Funds - Rockland Tobacco Asset Securitization Corporation | <u>23,997,609</u> | <u>-</u> | <u>-</u> | <u>23,997,609</u> |
| | <u>\$ 33,944,683</u> | <u>\$ 1,220,000</u> | <u>\$ 36,880,863</u> | <u>\$ 72,045,546</u> |

Transfers are used to 1) move funds from the fund with collection authorization to the funds where additional amounts are needed and 2) to move amounts earmarked in the operating funds to fulfill commitments for Capital Projects and Debt Service funds expenditures.

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

Note 3 - Detailed Notes on All Funds (Continued)

expenditure/expense as claims are paid. Expenditures/expenses for the primary government in 2005 aggregated \$12,921,446 and were paid on behalf of 1,785 retirees. Expenses for the College aggregated approximately \$2,465,000 for 317 retirees for the year ended August 31, 2005. 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 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 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 with constraints placed on their use by Local Finance Law.

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 Student Loans - the component of net assets that has been established to set aside funds to provide loans to students, pursuant to grant agreements.

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 of General Municipal Law.

Note 3 - Detailed Notes on All Funds (Continued)

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 Scholarships and Student Services - the component of net assets that has been established through external restrictions imposed by contributors.

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

Restricted for Special Revenue Funds - the component of net assets that reports the difference between assets and liabilities of the Special Revenue Funds with constraints placed on their use by General Municipal Law.

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

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.

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.

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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 Treatment Plant and Collection System - 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 - Special Revenue and Debt Service Funds - At December 31, 2004, the County Legislature has designated that \$1,901,154 of the fund balance of the Sewer District Fund and \$6,660,644 of the fund balance of the Debt Service Fund be appropriated for the ensuing year's budget.

Note 4 - Summary Disclosure of Significant Contingencies

A. 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.

B. Risk Management

Liability Claims

The County is currently self-insured for general liability, property damage and medical malpractice claims. In addition, the County maintains a commercial insurance policy, with coverage up \$330 million. The County claims administrator has reviewed the status of all incurred and incurred but not reported cases and believes that the amounts accrued within the Internal Service Funds are sufficient. Conventional insurance is not purchased for catastrophic losses.

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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.

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COUNTY OF ROCKLAND, NEW YORK

GENERAL FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2005 AND 2004

| <u>ASSETS</u> | <u>2005</u> | <u>2004</u> |
|---|-----------------------|-----------------------|
| Cash: | | |
| Demand deposits | \$ 35,539,222 | \$ 52,422,242 |
| Departmental cash | 152,746 | 16,940 |
| | <u>35,691,968</u> | <u>52,439,182</u> |
| Taxes Receivable: | | |
| Tax liens | 157,704,876 | 81,018,681 |
| Tax installments | 1,713,295 | 1,279,409 |
| Returned school and village taxes | 63,366,377 | 57,489,959 |
| Property acquired for taxes | - | 123,468 |
| | <u>222,784,548</u> | <u>139,911,517</u> |
| Allowance for uncollectible taxes | <u>(8,553,000)</u> | <u>(4,712,000)</u> |
| | <u>214,231,548</u> | <u>135,199,517</u> |
| Other Receivables: | | |
| Accounts, net of allowance for uncollectible amounts | 26,988,761 | 25,446,754 |
| State and Federal aid, net of allowance for uncollectible amounts | 52,168,444 | 56,772,299 |
| Due from other governments | 2,452,954 | 2,866,908 |
| Due from other funds | 7,131,718 | 7,790,484 |
| Advances to other funds | 1,071,115 | 515,535 |
| | <u>89,812,992</u> | <u>93,391,980</u> |
| Prepaid Expenditures | <u>1,983,900</u> | <u>2,764,949</u> |
| Total Assets | <u>\$ 341,720,408</u> | <u>\$ 283,795,628</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 22,388,524 | \$ 22,735,054 |
| Accrued liabilities | 8,933,447 | 22,754,675 |
| Due to other governments | 2,923,376 | 2,736,833 |
| Due to school districts | 63,956,734 | 74,782,214 |
| Due to other funds | 2,268,776 | - |
| Deferred revenues - Taxes | 22,588,895 | 11,890,187 |
| Deferred revenues - Other | 1,979,305 | 1,944,804 |
| Tax anticipation note payable | 119,000,000 | 63,000,000 |
| Revenue anticipation note payable | 40,000,000 | 45,000,000 |
| Total Liabilities | <u>284,039,057</u> | <u>244,843,767</u> |
| Fund Balance (Deficit): | | |
| Reserved for encumbrances | 4,134,973 | 3,877,741 |
| Reserved for prepaid expenditures | 1,983,900 | 2,764,949 |
| Reserved for law enforcement | 293,219 | 256,738 |
| Reserved for Stop - DWI Program | 538,398 | 392,421 |
| Reserved for E-911 | - | 14,665 |
| Reserved for handicapped parking | 47,765 | 39,820 |
| Reserved for long-term receivable | 126,760,964 | 64,511,298 |
| Reserved for compensated absences | 9,520,849 | 7,848,543 |
| Reserved for debt service | 23,997,509 | 52,195 |
| Reserved for advances | 1,071,115 | 515,535 |
| Unreserved and undesignated: | | |
| Overdue taxes uncollected | (122,214,869) | (62,197,695) |
| Undesignated | <u>11,547,528</u> | <u>20,875,651</u> |
| Total Fund Balance | <u>57,681,351</u> | <u>38,951,861</u> |
| Total Liabilities and Fund Balance | <u>\$ 341,720,408</u> | <u>\$ 283,795,628</u> |

COUNTY OF ROCKLAND, NEW YORK

GENERAL FUND
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 YEARS ENDED DECEMBER 31, 2005 AND 2004

| | 2005 | | | Variance with Final Budget Positive (Negative) |
|---|---------------------|---------------------|----------------------|---|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Real property taxes | \$ 46,749,900 | \$ 46,749,900 | \$ 46,759,975 | \$ 10,075 |
| Other tax items | 6,476,843 | 6,476,843 | 9,898,911 | 3,422,068 |
| Non-property taxes | 167,754,396 | 167,763,506 | 159,169,424 | (8,594,082) |
| Departmental income | 34,178,600 | 35,049,149 | 33,990,572 | (1,058,577) |
| Use of money and property | 1,050,000 | 1,050,000 | 1,628,780 | 578,780 |
| Licenses and permits | 1,243,000 | 1,283,000 | 1,490,054 | 207,054 |
| Fines and forfeitures | 792,905 | 794,755 | 757,154 | (37,601) |
| Sale of property and compensation for loss | 98,000 | 98,000 | 123,451 | 25,451 |
| Interfund revenues | 11,714,140 | 11,714,140 | 11,897,937 | 183,797 |
| State aid | 89,965,632 | 92,850,691 | 85,831,091 | (7,019,600) |
| Federal aid | 45,696,314 | 54,213,984 | 42,001,044 | (12,212,940) |
| Miscellaneous | 3,050,000 | 3,050,000 | 2,881,352 | (168,648) |
| Total Revenues | 408,769,730 | 421,093,968 | 396,429,745 | (24,664,223) |
| Expenditures: | | | | |
| Current: | | | | |
| General government support | 51,098,996 | 46,784,595 | 43,149,881 | 3,634,714 |
| Education | 56,355,560 | 56,288,677 | 56,287,051 | 1,626 |
| Public safety | 51,429,377 | 55,820,590 | 55,473,720 | 346,870 |
| Health | 38,462,333 | 46,814,207 | 43,904,877 | 2,909,330 |
| Transportation | 21,336,602 | 23,596,432 | 23,214,957 | 381,475 |
| Economic opportunity and development | 163,225,524 | 166,054,227 | 149,517,559 | 16,536,668 |
| Culture and recreation | 685,791 | 702,291 | 698,272 | 4,019 |
| Home and community services | 6,904,091 | 7,745,212 | 7,411,700 | 333,512 |
| Employee benefits | 9,166,774 | 9,168,920 | 9,008,240 | 160,680 |
| Debt Service - Interest | 1,276,693 | 1,276,693 | 1,275,511 | 1,182 |
| Total Expenditures | 399,941,741 | 414,251,844 | 389,941,768 | 24,310,076 |
| Excess of Revenues Over Expenditures | 8,827,989 | 6,842,124 | 6,487,977 | (354,147) |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 8,061,302 | 10,917,072 | 33,944,683 | 23,027,611 |
| Transfers out | (20,767,032) | (21,237,032) | (20,978,170) | 258,862 |
| Total Other Financing Uses | (12,705,730) | (10,319,960) | 12,966,513 | 23,286,473 |
| Net Change in Fund Balance | (3,877,741) | (3,477,836) | 19,454,490 | 22,932,326 |
| Fund Balance - Beginning of Year, as previously reported | 3,877,741 | 3,477,836 | 38,951,861 | 35,474,025 |
| Prior Period Adjustment | - | - | (725,000) | (725,000) |
| Fund Balance - Beginning of Year, as restated | 3,877,741 | 3,477,836 | 38,226,861 | 34,749,025 |
| Fund Balance - End of Year | \$ - | \$ - | \$ 57,681,351 | \$ 57,681,351 |

2004

| Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------|--------------------|----------------------|---|
| \$ 45,498,710 | \$ 45,498,710 | \$ 45,466,886 | \$ (31,824) |
| 4,795,000 | 4,795,000 | 11,078,086 | 6,283,086 |
| 153,685,000 | 153,685,000 | 154,932,812 | 1,247,812 |
| 35,406,370 | 36,721,583 | 32,522,960 | (4,198,623) |
| 740,000 | 740,000 | 1,050,179 | 310,179 |
| 1,467,465 | 1,467,465 | 1,359,056 | (108,409) |
| 687,665 | 687,665 | 842,617 | 154,952 |
| 85,500 | 85,500 | 193,597 | 108,097 |
| 11,162,353 | 11,162,353 | 9,927,392 | (1,234,961) |
| 86,635,138 | 91,381,403 | 90,112,359 | (1,269,044) |
| 45,139,466 | 53,330,130 | 41,685,472 | (11,644,658) |
| 3,415,000 | 3,495,000 | 2,933,829 | (561,171) |
| <u>388,717,667</u> | <u>403,049,809</u> | <u>392,105,245</u> | <u>(10,944,564)</u> |
| 46,969,678 | 46,575,391 | 39,754,114 | 6,821,277 |
| 56,193,902 | 56,403,903 | 53,635,959 | 2,767,944 |
| 46,468,794 | 49,979,790 | 49,560,136 | 419,654 |
| 38,354,021 | 44,559,899 | 41,256,330 | 3,303,569 |
| 18,913,344 | 21,755,868 | 21,755,686 | 182 |
| 157,402,043 | 158,975,332 | 154,123,578 | 4,851,754 |
| 652,038 | 652,288 | 651,769 | 519 |
| 6,065,187 | 6,448,081 | 6,105,627 | 342,454 |
| 8,737,162 | 8,869,357 | 8,232,843 | 636,514 |
| 1,024,199 | 1,024,199 | 570,662 | 453,537 |
| <u>380,780,368</u> | <u>395,244,108</u> | <u>375,646,704</u> | <u>19,597,404</u> |
| <u>7,937,299</u> | <u>7,805,701</u> | <u>16,458,541</u> | <u>8,652,840</u> |
| 8,707,068 | 8,707,068 | 5,697,323 | (3,009,745) |
| (18,641,602) | (19,000,248) | (14,914,406) | 4,085,842 |
| (9,934,534) | (10,293,180) | (9,217,083) | 1,076,097 |
| (1,997,235) | (2,487,479) | 7,241,458 | 9,728,937 |
| 1,997,235 | 2,487,479 | 32,101,920 | 29,614,441 |
| - | - | (391,517) | (391,517) |
| <u>1,997,235</u> | <u>2,487,479</u> | <u>31,710,403</u> | <u>29,222,924</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 38,951,861</u> | <u>\$ 38,951,861</u> |

COUNTY OF ROCKLAND, NEW YORK

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET
 YEAR ENDED DECEMBER 31, 2005
 (With Comparative Actuals for 2004)

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) | 2004 Actual |
|---|-----------------|---------------|---------------|--|---------------|
| REAL PROPERTY TAXES | \$ 46,749,900 | \$ 46,749,900 | \$ 46,759,975 | \$ 10,075 | \$ 45,466,886 |
| OTHER TAX ITEMS | | | | | |
| Interest and penalties on real property taxes | 6,101,843 | 6,101,843 | 9,768,229 | 3,666,386 | 10,594,201 |
| Gain on sale of tax acquired property | 225,000 | 225,000 | - | (225,000) | 345,192 |
| Payments in lieu of taxes | 150,000 | 150,000 | 130,682 | (19,318) | 138,693 |
| Total Other Tax Items | 6,476,843 | 6,476,843 | 9,898,911 | 3,422,068 | 11,078,086 |
| NON-PROPERTY TAXES | | | | | |
| Sales and use tax | 156,500,000 | 156,500,000 | 148,457,535 | (8,042,465) | 144,674,541 |
| Mortgage tax | 10,470,000 | 10,470,000 | 10,180,660 | (289,340) | 9,721,165 |
| E-911 surcharge | 784,396 | 793,506 | 531,229 | (262,277) | 537,106 |
| Total Non-Property Taxes | 167,754,396 | 167,763,506 | 159,169,424 | (8,594,082) | 154,932,812 |
| DEPARTMENTAL INCOME | | | | | |
| General: | | | | | |
| Department of Finance | 340,000 | 340,000 | 125,338 | (214,662) | 50,912 |
| County Clerk | 5,206,000 | 5,206,000 | 3,143,455 | (2,062,545) | 3,497,191 |
| Title search and auction fees | - | - | - | - | 65,015 |
| Reimbursement - County Youth program | 42,000 | 247,050 | 252,141 | 5,091 | 8,318 |
| Reimbursement - Solid Waste Authority | 153,400 | 153,400 | 139,546 | (13,854) | 97,218 |
| Reimbursement - Workers' compensation insurance | 125,000 | 125,000 | 73,150 | (51,850) | 87,602 |
| Reimbursement - Participant health | 644,000 | 644,000 | 513,939 | (130,061) | 514,189 |
| Reimbursement - New Employee health | 1,326,000 | 1,326,000 | 1,281,791 | (44,209) | 1,217,761 |
| Reimbursement - Archivist | 17,000 | 17,000 | 8,183 | (8,817) | 7,579 |
| Reimbursement - PINS | 18,000 | 60,000 | 87,133 | 27,133 | 75,092 |
| Shared services | 5,526,104 | 5,526,104 | 6,354,576 | 828,472 | 3,522,840 |
| Tuition chargeback | - | - | - | - | 23,243 |
| Other | 2,330,757 | 2,414,922 | 2,325,266 | (89,656) | 1,808,930 |
| Total General | 15,728,261 | 16,059,476 | 14,304,518 | (1,754,958) | 10,975,890 |

| | | | | | | | | |
|--|-------------------|-------------------|-------------------|--------------------|-------------------|--|--|--|
| Public Safety: | | | | | | | | |
| Sheriff | 1,501,466 | 1,494,273 | 1,518,149 | 23,876 | 1,127,587 | | | |
| DWI Program | 2,000 | 2,000 | - | (2,000) | 18,000 | | | |
| Courts and bails | 12,000 | 12,000 | 14,461 | 2,461 | 13,678 | | | |
| Dog license fees | - | - | 4,582 | 4,582 | 4,668 | | | |
| Emergency services | 887,532 | 1,037,962 | 612,650 | (425,312) | 390,436 | | | |
| Other | 70,000 | 70,000 | 54,394 | (15,606) | 181,131 | | | |
| Total Public Safety | 2,472,998 | 2,616,235 | 2,204,236 | (411,999) | 1,735,500 | | | |
| Health: | | | | | | | | |
| Clinic and miscellaneous health fees | 2,821,531 | 3,063,530 | 2,214,372 | (849,158) | 4,400,510 | | | |
| Family health services | 466,400 | 466,900 | 402,101 | (64,799) | 590,543 | | | |
| HIV clinic | 74,900 | 117,942 | 124,937 | 6,995 | 107,970 | | | |
| Prenatal inspection | - | - | - | - | 40,500 | | | |
| Third party reimbursement | - | - | - | - | 525,951 | | | |
| Physically handicapped adults | - | - | - | - | 151,663 | | | |
| Medical exam reports | 2,000 | 2,000 | 2,622 | 622 | 1,617 | | | |
| Total Health | 3,364,831 | 3,650,372 | 2,744,032 | (906,340) | 5,818,754 | | | |
| Transportation: | | | | | | | | |
| Bus operations | 2,887,510 | 2,887,510 | 3,286,665 | 399,155 | 3,114,240 | | | |
| MTA - Deficit funding | 3,000,000 | 3,000,000 | 3,000,000 | - | 3,000,000 | | | |
| Total Transportation | 5,887,510 | 5,887,510 | 6,286,665 | 399,155 | 6,114,240 | | | |
| Economic Assistance and Opportunity: | | | | | | | | |
| Medical assistance | 3,550,000 | 3,550,000 | 5,643,132 | 2,093,132 | 4,961,661 | | | |
| Administration | 510,000 | 620,556 | 526,998 | (93,558) | 216,746 | | | |
| Emergency shelter | 400,000 | 400,000 | 327,406 | (72,594) | 333,834 | | | |
| Adult home fees | 275,000 | 275,000 | 170,079 | (104,921) | 204,676 | | | |
| Children's services | 225,000 | 225,000 | 157,253 | (67,747) | 142,388 | | | |
| Aid to dependent children | 1,200,000 | 1,200,000 | 931,998 | (268,002) | 1,210,812 | | | |
| Title IVD incentive | 250,000 | 250,000 | 237,751 | (12,249) | 335,678 | | | |
| Juvenile delinquents | 15,000 | 15,000 | 69,101 | 54,101 | 2,642 | | | |
| Home relief | 300,000 | 300,000 | 387,403 | 87,403 | 470,139 | | | |
| Total Economic Assistance and Opportunity | 6,725,000 | 6,835,556 | 8,451,121 | 1,615,565 | 7,878,576 | | | |
| Total Departmental Income | 34,178,600 | 35,049,149 | 33,990,572 | (1,058,577) | 32,522,960 | | | |
| USE OF MONEY AND PROPERTY | | | | | | | | |
| Earnings on investments | 1,050,000 | 1,050,000 | 1,550,405 | 500,405 | 1,050,179 | | | |
| Rental of real property | - | - | 78,375 | 78,375 | - | | | |
| Total Use of Money and Property | 1,050,000 | 1,050,000 | 1,628,780 | 578,780 | 1,050,179 | | | |

(Continued)

COUNTY OF ROCKLAND, NEW YORK

GENERAL FUND
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET (Continued)
 YEAR ENDED DECEMBER 31, 2005
 (With Comparative Actuals for 2004)

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) | 2004 Actual |
|---|-----------------|--------------|------------|--|-------------|
| LICENSES AND PERMITS | | | | | |
| Licenses | \$ 643,000 | \$ 683,000 | \$ 874,146 | \$ 191,146 | \$ 737,325 |
| Alarm charges | 600,000 | 600,000 | 615,908 | 15,908 | 621,731 |
| Total Licenses and Permits | 1,243,000 | 1,283,000 | 1,490,054 | 207,054 | 1,359,056 |
| FINES AND FORFEITURES | | | | | |
| Fines | 717,905 | 719,755 | 731,576 | 11,821 | 614,600 |
| Forfeitures | 75,000 | 75,000 | 25,578 | (49,422) | 228,017 |
| Total Fines and Forfeitures | 792,905 | 794,755 | 757,154 | (37,601) | 842,617 |
| SALE OF PROPERTY AND COMPENSATION FOR LOSS | | | | | |
| Other sales | 35,500 | 35,500 | 82,070 | 46,570 | 126,255 |
| Insurance recoveries | 62,500 | 62,500 | 41,381 | (21,119) | 67,342 |
| Total Sale of Property and Compensation for Loss | 98,000 | 98,000 | 123,451 | 25,451 | 193,597 |
| INTERFUND REVENUES | | | | | |
| Classified ad chargebacks | 21,250 | 21,250 | 12,794 | (8,456) | 13,289 |
| Chargeback - Liability and health insurance | 524,263 | 524,263 | 499,319 | (24,944) | 326,441 |
| Interfund revenues - Central Services | 3,577,217 | 3,577,217 | 4,046,805 | 469,588 | 3,034,941 |
| Community College Fund | 7,591,410 | 7,591,410 | 7,339,019 | (252,391) | 6,552,721 |
| Total Interfund Revenues | 11,714,140 | 11,714,140 | 11,897,937 | 183,797 | 9,927,392 |
| STATE AID | | | | | |
| General: | | | | | |
| Tourism("I Love NY" grant) | - | 66,458 | 66,458 | - | 81,309 |
| MTA special allocation | 4,771,800 | 2,020,414 | 2,000,000 | (20,414) | 2,000,000 |
| Other | 1,288,164 | 2,789,886 | 2,587,636 | (202,250) | 1,623,175 |
| Total General | 6,059,964 | 4,876,758 | 4,654,094 | (222,664) | 3,704,484 |

| | | | | | |
|---|-------------------|-------------------|-------------------|--------------------|-------------------|
| Public Safety: | | | | | |
| Probation services | 17,200 | 157,200 | 156,394 | (806) | 1,011,964 |
| Alternatives to incarceration | 30,000 | 30,000 | 28,500 | (1,500) | 23,200 |
| Occupant restraint project | 70,000 | 77,813 | 74,863 | (2,950) | 66,976 |
| Sheriff | 177,500 | 208,724 | 248,477 | 39,753 | 271,587 |
| Jail | 198,000 | 198,000 | 206,381 | 8,381 | 165,782 |
| Emergency Preparedness Program | 2,000 | 930,414 | 930,409 | (5) | 311,704 |
| Other | 284,000 | 284,000 | 284,841 | 841 | 454,298 |
| Total Public Safety | 778,700 | 1,886,151 | 1,929,865 | 43,714 | 2,305,511 |
| Health: | | | | | |
| Health Department | 5,804,392 | 8,092,713 | 7,799,741 | (292,972) | 6,731,889 |
| Medical Examiner | 321,239 | 328,849 | 312,650 | (16,199) | 32,717 |
| Medicaid reimbursement | - | - | - | - | 8,938,224 |
| Physically handicapped children | 25,665,859 | 25,227,774 | 25,912,770 | 684,996 | 17,743,210 |
| Family Planning Grant | 328,334 | 340,186 | 151,842 | (188,344) | 248,597 |
| Mental health programs | 7,193,283 | 7,282,122 | 5,480,140 | (1,801,982) | 6,940,233 |
| Mosquito Control | - | - | - | - | (70,263) |
| Other | - | - | - | - | 763,337 |
| Total Health | 39,313,107 | 41,271,644 | 39,657,143 | (1,614,501) | 41,327,944 |
| Transportation - | | | | | |
| Buses and other mass transit | 7,746,150 | 7,787,509 | 9,567,483 | 1,779,974 | 8,030,821 |
| Social Services: | | | | | |
| Aid to dependent children | 2,645,075 | 2,645,075 | 1,499,400 | (1,145,675) | 1,354,822 |
| MD/LTHC reimbursement | 14,500,000 | 14,500,000 | 8,076,602 | (6,423,398) | 14,233,504 |
| Medical assistance and managed care program | - | 99,838 | 96,574 | (3,264) | 88,183 |
| Children's services | 1,878,700 | 1,878,700 | 2,158,087 | 279,387 | 1,922,932 |
| Special needs | 520,000 | 520,000 | 490,325 | (29,675) | 420,006 |
| Social services administration | 11,883,960 | 12,162,730 | 12,733,264 | 570,534 | 10,257,845 |
| Juvenile delinquent care | 550,000 | 550,000 | 530,591 | (19,409) | 461,775 |
| Home relief | 1,927,000 | 1,927,000 | 1,659,039 | (267,961) | 1,826,229 |
| Services for recipients | 750,000 | 750,000 | 859,725 | 109,725 | 2,354,243 |
| Emergency relief to adults | 45,000 | 45,000 | 30,795 | (14,205) | 26,361 |
| Displaced Homemaker Program | - | 219,361 | 189,166 | (30,195) | 198,196 |
| Child Assistance Program | - | 165,637 | 165,635 | (2) | 166,462 |
| Legal services for disabled | - | - | - | - | 56,300 |
| Other | - | 65,894 | 65,893 | (1) | 85,515 |
| Total Social Services | 34,699,735 | 35,529,235 | 28,555,096 | (6,974,139) | 33,452,373 |

(Continued)

COUNTY OF ROCKLAND, NEW YORK

GENERAL FUND
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET (Continued)
 YEAR ENDED DECEMBER 31, 2005
 (With Comparative Actuals for 2004)

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) | 2004 Actual |
|---|-----------------|--------------|------------|--|-------------|
| \$ | \$ | \$ | \$ | \$ | \$ |
| Economic Opportunity and Development | - | - | - | - | 10,000 |
| Culture and Recreation: | | | | | |
| Programs for the aging | 305,767 | 333,589 | 310,449 | (23,140) | 282,980 |
| Supplemental Nutrition Assistance Program | 164,208 | 170,889 | 167,301 | (3,588) | 166,346 |
| Youth programs | 501,507 | 501,507 | 489,547 | (11,960) | 416,476 |
| EICEP Grant | 366,804 | 463,719 | 470,006 | 6,287 | 328,575 |
| Other | 29,690 | 29,690 | 30,107 | 417 | 86,848 |
| Total Culture and Recreation | 1,367,976 | 1,499,394 | 1,467,410 | (31,984) | 1,281,225 |
| Total State Aid | 89,965,632 | 92,850,691 | 85,831,091 | (7,019,600) | 90,112,358 |
| FEDERAL AID | | | | | |
| Public Safety: | | | | | |
| Civil defense | 42,000 | 287,432 | 305,448 | 18,016 | 187,090 |
| Crime proceeds | - | 72,274 | 10,053 | (62,221) | 54,829 |
| Domestic violence | - | 893 | - | (893) | - |
| Other | 3,000 | 1,372,318 | 1,384,196 | 11,878 | 820,796 |
| Total Public Safety | 45,000 | 1,732,917 | 1,699,697 | (33,220) | 1,062,715 |
| Health: | | | | | |
| Mental health programs | 260,003 | 383,843 | 235,962 | (147,881) | - |
| Ryan White Title I Grant | - | 274,635 | 244,938 | (29,697) | 259,858 |
| W.I.C. Program | - | 1,311,172 | 1,199,244 | (111,928) | 1,171,004 |
| Other | 35,000 | 555,472 | 1,787,168 | 1,231,696 | 736,091 |
| Total Health | 295,003 | 2,525,122 | 3,467,312 | 942,190 | 2,166,953 |
| Transportation: | | | | | |
| Federal highway assistance | 144,000 | 2,011,000 | 2,022,203 | 11,203 | 1,789,267 |
| UMTA | 1,253,246 | 1,007,836 | 207,183 | (800,653) | 1,140,545 |
| Total Transportation | 1,397,246 | 3,018,836 | 2,229,386 | (789,450) | 2,929,812 |

| | | | | | | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|--|--|--|--|
| Social Services: | | | | | | | | | |
| Services for recipients | 9,000,000 | 9,000,000 | 5,165,876 | (3,834,124) | 7,019,719 | | | | |
| Aid to dependent children | 6,027,700 | 6,027,700 | 4,514,420 | (1,513,280) | 3,939,763 | | | | |
| Social services administration | 21,752,080 | 22,314,855 | 17,773,040 | (4,541,815) | 16,903,217 | | | | |
| Children's services | 2,036,800 | 2,161,158 | 2,290,826 | 129,668 | 3,185,314 | | | | |
| Energy Assistance Program | 1,500,000 | 1,500,000 | 2,000,047 | 500,047 | 1,565,701 | | | | |
| Refugee Program | - | - | - | - | (255,248) | | | | |
| Other | 1,810,000 | 3,388,126 | 880,757 | (2,507,369) | 1,057,633 | | | | |
| Total Social Services | 42,126,580 | 44,391,839 | 32,624,966 | (11,766,873) | 33,416,099 | | | | |
| Economic Opportunity and Development: | | | | | | | | | |
| Section 8 program | 513,022 | 537,202 | 461,658 | (75,544) | 500,316 | | | | |
| Other | 164,255 | 695,641 | 188,236 | (507,405) | 483,166 | | | | |
| Total Economic Opportunity and Development | 677,277 | 1,232,843 | 649,894 | (582,949) | 983,482 | | | | |
| Culture and Recreation: | | | | | | | | | |
| USDA | 110,000 | 110,000 | 80,395 | (29,605) | 93,090 | | | | |
| Programs for the aging | 1,045,208 | 1,105,455 | 1,116,611 | 11,156 | 1,033,321 | | | | |
| Youth programs | - | 96,972 | 132,783 | 35,811 | - | | | | |
| Total Culture and Recreation | 1,155,208 | 1,312,427 | 1,329,789 | 17,362 | 1,126,411 | | | | |
| Total Federal Aid | 45,696,314 | 54,213,984 | 42,001,044 | (12,212,940) | 41,685,472 | | | | |
| MISCELLANEOUS | | | | | | | | | |
| Refund of prior year's expenditures | 50,000 | 50,000 | 80,701 | 30,701 | 30,139 | | | | |
| OTB distributed earnings | 3,000,000 | 3,000,000 | 2,800,651 | (199,349) | 2,758,388 | | | | |
| Gifts and donations | - | - | - | - | 80,000 | | | | |
| Other | - | - | - | - | 65,302 | | | | |
| Total Miscellaneous | 3,050,000 | 3,050,000 | 2,881,352 | (168,648) | 2,933,829 | | | | |
| TOTAL REVENUES | 408,769,730 | 421,093,968 | 396,429,745 | (24,664,223) | 392,105,245 | | | | |
| OTHER FINANCING SOURCES | | | | | | | | | |
| Transfers in: | | | | | | | | | |
| Debt Service Fund | 6,245,082 | 6,245,082 | 6,245,082 | - | 3,040,949 | | | | |
| Capital Projects Fund | 1,816,220 | 4,671,990 | 3,701,992 | (969,998) | 2,656,374 | | | | |
| Rockland Tobacco Asset | - | - | - | - | - | | | | |
| Securitization Corporation | - | - | 23,997,609 | 23,997,609 | - | | | | |
| TOTAL OTHER FINANCING SOURCES | 8,061,302 | 10,917,072 | 33,944,683 | 23,027,611 | 5,697,323 | | | | |
| TOTAL REVENUES AND OTHER FINANCING SOURCES | \$ 416,831,032 | \$ 432,011,040 | \$ 430,374,428 | \$ (1,636,612) | \$ 397,802,568 | | | | |

COUNTY OF ROCKLAND, NEW YORK

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005
(With Comparative Actuals for 2004)

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) | 2004 Actual |
|---|-------------------|-------------------|-------------------|--|-------------------|
| GENERAL GOVERNMENT SUPPORT | | | | | |
| Legislative Branch | \$ 3,716,384 | \$ 3,672,124 | \$ 3,267,474 | \$ 404,650 | \$ 2,997,858 |
| County Executive | 2,384,451 | 2,268,462 | 2,113,500 | 154,962 | 1,722,882 |
| Crime Victims Program | - | 72,274 | 72,159 | 115 | 68,768 |
| Youth Bureau | 1,512,567 | 2,026,237 | 2,026,229 | 8 | 1,957,680 |
| Community Development Program | 1,090,257 | 1,087,437 | 1,004,900 | 82,537 | 950,341 |
| DWJ Program | 415,369 | 417,220 | 379,524 | 37,696 | 306,954 |
| District Attorney | 5,757,402 | 6,397,255 | 6,365,099 | 32,156 | 5,665,481 |
| Public Defender | 2,472,357 | 2,671,217 | 2,666,436 | 4,781 | 2,489,567 |
| Major Offense Prosecution Program | 250,000 | 457,932 | 457,538 | 394 | 424,569 |
| Justice of Peace - Police Court | 65,000 | 86,300 | 86,237 | 63 | 76,606 |
| Legal Aid Society | 104,830 | 104,830 | 104,830 | - | 103,280 |
| Assigned Counsel | 1,247,750 | 1,352,750 | 1,352,574 | 176 | 1,438,883 |
| Medical Examiner | 1,410,246 | 1,400,606 | 1,359,260 | 41,346 | 1,269,564 |
| Department of Audit | 348,942 | 378,412 | 377,017 | 1,395 | 236,933 |
| Department of Budget and Management | 667,415 | 684,825 | 664,314 | 20,511 | 801,657 |
| Department of Finance | 3,162,214 | 3,326,204 | 3,325,440 | 764 | 2,834,409 |
| Department of Records | 3,439,887 | 3,616,533 | 3,445,384 | 171,149 | 3,047,657 |
| Department of Law | 2,982,773 | 3,227,085 | 2,755,362 | 471,723 | 2,703,733 |
| Department of Personnel | 4,142,100 | 4,214,701 | 4,172,388 | 42,313 | 4,038,905 |
| County Archivist | 488,581 | 504,761 | 458,281 | 46,480 | 462,820 |
| Board of Elections | 1,530,265 | 1,530,855 | 1,450,854 | 80,001 | 1,481,111 |
| Rockland County Board of Ethics | 25,035 | 11,845 | 7,650 | 4,195 | 8,456 |
| Rockland Economic Development Corporation | 489,360 | 489,360 | 489,360 | - | 482,125 |
| Unallocated general services | 1,038,824 | 1,547,974 | 1,470,629 | 77,345 | 1,617,723 |
| Unallocated departments | 681,758 | 801,758 | 729,815 | 71,943 | - |
| Department of Insurance | 1,074,016 | 1,120,506 | 1,119,755 | 751 | 1,033,487 |
| Municipal dues | 44,970 | 44,970 | 34,231 | 10,739 | 33,110 |
| Refunds of real property taxes | 753,000 | 753,000 | 524,564 | 228,436 | 649,150 |
| Department of Tourism | 441,605 | 467,173 | 466,645 | 528 | 464,181 |
| Office of Affirmative Action | 402,103 | 415,783 | 402,432 | 13,351 | 386,224 |
| Contingent fund | 8,959,535 | 1,634,206 | - | 1,634,206 | - |
| Total General Government Support | 51,098,996 | 46,784,595 | 43,149,881 | 3,634,714 | 39,754,114 |

EDUCATION

| | | | | | |
|--|-------------------|-------------------|-------------------|--------------|-------------------|
| Community college tuition | 950,000 | 1,158,000 | 1,157,009 | 991 | 1,040,504 |
| Contribution to Community College Fund | 13,205,927 | 13,205,927 | 13,205,927 | - | 12,886,678 |
| Education of handicapped children | 42,199,633 | 41,924,750 | 41,924,115 | 635 | 39,708,777 |
| Total Education | 56,355,560 | 56,288,677 | 56,287,051 | 1,626 | 53,635,959 |

PUBLIC SAFETY

| | | | | | |
|---|-------------------|-------------------|-------------------|----------------|-------------------|
| Sheriff | 4,187,260 | 5,447,345 | 5,447,283 | 62 | 3,922,828 |
| Bureau of Criminal Identification | 2,520,343 | 2,660,529 | 2,659,695 | 834 | 2,463,216 |
| Sheriff's patrol | 9,019,051 | 9,918,688 | 9,889,562 | 29,126 | 9,826,353 |
| Sheriff's patrol - Health complex | 16,141 | - | - | - | - |
| Sheriff - Communications | 1,586,726 | 1,632,191 | 1,622,520 | 9,671 | 1,509,906 |
| Sheriff - Police Academy | 507,332 | 514,667 | 514,665 | 2 | 484,977 |
| Narcotics task force | 2,650,659 | 2,887,940 | 2,887,923 | 17 | 2,798,752 |
| Probation Department | 5,788,413 | 6,095,387 | 5,993,899 | 101,488 | 5,563,109 |
| Jail | 21,330,538 | 21,780,118 | 21,778,736 | 1,382 | 19,303,245 |
| Rockland County Highway Safety Committee | 153,798 | 173,398 | 173,286 | 112 | 164,558 |
| Department of Fire and Emergency Services | 2,168,703 | 2,489,652 | 2,488,989 | 663 | 2,272,056 |
| Fire Advisory Board | 3,700 | 3,700 | 1,369 | 2,331 | 1,135 |
| Animal shelter | 76,130 | 76,130 | 76,130 | - | 75,000 |
| H.E.L.P. | 43,790 | 43,790 | 43,790 | - | 43,140 |
| Crime Prevention Bureau | 12,310 | 12,310 | 12,310 | - | 10,150 |
| Emergency Preparedness Program | 18,474 | 347,055 | 347,051 | 4 | 389,354 |
| Hazardous materials | 202,900 | 212,230 | 160,406 | 51,824 | 122,666 |
| E-911 telephone system | 1,143,109 | 1,525,460 | 1,376,106 | 149,354 | 609,691 |
| Total Public Safety | 51,429,377 | 55,820,590 | 55,473,720 | 346,870 | 49,560,136 |

HEALTH

| | | | | | |
|---------------------------------------|------------|------------|------------|---------|------------|
| Department of Health | 25,115,072 | 30,543,836 | 30,398,548 | 145,288 | 26,822,828 |
| Cancer chronic illness prevention | 980,267 | - | - | - | - |
| Family planning | 1,036,967 | 1,072,569 | 995,164 | 77,405 | 926,204 |
| Physically handicapped children | 300,000 | 383,000 | 382,795 | 205 | 326,719 |
| Immunization action program | - | 143,900 | 143,670 | 230 | 132,679 |
| Emergency medical services | 245,837 | 278,327 | 277,794 | 533 | 253,038 |
| Association for the Visually Impaired | 276,360 | 276,360 | 276,360 | - | 272,270 |
| WIC program | - | 1,311,172 | 1,288,848 | 22,324 | 1,152,414 |
| Rockland Family Shelter | 82,420 | 158,720 | 158,720 | - | 190,950 |
| Drug Abuse Control Committee | 1,121,430 | 1,121,430 | 631,401 | 490,029 | 1,095,508 |
| Department of Mental Health | 525,000 | 517,470 | 348,685 | 168,785 | 322,092 |
| Contracted mental health services | 1,350,003 | 1,397,435 | 1,368,839 | 28,596 | 1,342,030 |
| Contracted health services | 13,140 | 320,938 | 311,977 | 8,961 | 491,638 |

(Continued)

COUNTY OF ROCKLAND, NEW YORK

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET (Continued)
 YEAR ENDED DECEMBER 31, 2005
 (With Comparative Actuals for 2004)

| HEALTH (Continued) | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) | 2004 Actual |
|---|-------------------|-------------------|-------------------|--|-------------------|
| Good Samaritan Hospital | \$ 13,330 | \$ 13,330 | \$ - | \$ 13,330 | \$ 6,606 |
| Mental health programs | 5,721,978 | 5,770,638 | 4,284,894 | 1,485,744 | 5,278,598 |
| Bio-terrorism | 6,000 | 297,128 | 293,763 | 3,365 | 366,954 |
| Breast cancer education and treatment | - | 90,497 | 80,713 | 9,784 | 78,726 |
| Cancer care institute program | - | 517,493 | 299,127 | 218,366 | - |
| Tobacco prevention and enforcement program | 195,974 | 765,112 | 552,665 | 212,447 | 510,299 |
| Youth against tobacco use program | - | 110,482 | 110,366 | 116 | 111,761 |
| Rockland Council on Alcoholism | 158,973 | 282,813 | 282,813 | - | 158,973 |
| Mid-Hudson Society for Epilepsy | 241,567 | 246,415 | 246,415 | - | 246,415 |
| New York Association for Learning Disabled | 93,420 | 94,957 | 94,957 | - | 94,957 |
| Safe drinking water program | - | 117,840 | 117,743 | 97 | 123,147 |
| Mosquito control program | 782,814 | 780,564 | 756,839 | 23,725 | 749,743 |
| St. Agatha respite program | 10,000 | 10,000 | 10,000 | - | 10,000 |
| Open arms | 191,781 | 191,781 | 191,781 | - | 191,781 |
| Total Health | 38,462,333 | 46,814,207 | 43,904,877 | 2,909,330 | 41,256,330 |
| TRANSPORTATION | | | | | |
| Public transportation | 21,336,602 | 23,596,432 | 23,214,957 | 381,475 | 21,755,686 |
| ECONOMIC OPPORTUNITY AND DEVELOPMENT | | | | | |
| Department of Social Services | 45,206,779 | 46,955,745 | 46,940,804 | 14,941 | 43,624,935 |
| Social Services Program Grants | - | 377,857 | 367,156 | 10,701 | 371,470 |
| Displaced homemaker | - | 220,361 | 220,343 | 18 | 221,289 |
| Family daycare provider | - | 538,843 | 538,842 | 1 | 532,766 |
| Purchase of services | 11,815,000 | 11,815,000 | 7,521,668 | 4,293,332 | 8,378,978 |
| Medical assistance | 72,000,000 | 71,510,000 | 63,933,072 | 7,576,928 | 69,244,954 |
| Family Assistance | 13,000,000 | 11,900,000 | 8,939,856 | 2,960,144 | 10,939,866 |
| Children services | 6,300,000 | 6,828,606 | 6,321,442 | 507,164 | 6,841,378 |
| Juvenile delinquent care | 1,500,000 | 1,500,000 | 915,371 | 584,629 | 1,150,620 |
| Home relief | 4,200,000 | 4,200,000 | 3,778,655 | 421,345 | 3,832,985 |
| Home energy assistance program | 1,500,000 | 2,020,000 | 2,019,517 | 483 | 1,534,567 |
| Emergency relief to adults | 90,000 | 90,000 | 67,861 | 22,139 | 73,215 |
| Family Health Plus Program | - | 129,744 | 122,834 | 6,910 | 110,423 |
| Veterans' Service Agency | 473,894 | 490,424 | 464,744 | 25,680 | 493,999 |
| Department of Weights and Measures | 1,356,951 | 1,455,271 | 1,368,591 | 86,680 | 1,275,331 |
| Office of the Aging | 4,257,750 | 4,489,726 | 4,464,153 | 25,573 | 4,048,824 |

| | | | | |
|--|-------------|-------------|-------------|-------------|
| MLK multi-purpose center | 123,890 | 123,890 | 123,890 | 122,050 |
| HACSO | 36,270 | 36,270 | 36,270 | 25,380 |
| Hogar, Inc. | 123,890 | 123,890 | 123,890 | 122,048 |
| Konbit Neg Lakay, Inc. | 95,110 | 95,110 | 95,110 | 75,110 |
| NAACP | 9,540 | 9,540 | 9,540 | 9,390 |
| Community Action Program of Rockland | 238,250 | 238,250 | 238,250 | 234,720 |
| Help From People To People | 10,310 | 10,310 | 10,310 | 10,150 |
| Community Improvement Council | 221,920 | 221,920 | 221,920 | 211,250 |
| Haverstraw Ecumenical Project | 7,730 | 7,730 | 7,730 | 7,610 |
| Community Services of Rockland | 228,710 | 236,210 | 236,210 | 225,330 |
| Headstart of Rockland, Inc. | 171,540 | 171,540 | 171,540 | 169,000 |
| Nyack Center | 74,980 | 74,980 | 74,980 | 70,420 |
| Community Outreach Center | 119,120 | 119,120 | 119,120 | 117,360 |
| Stop F.E.A.R. Coalition | 4,760 | 4,760 | 4,760 | 4,690 |
| UJA Federation of Rockland County | 23,830 | 23,830 | 23,830 | 23,470 |
| St. Paul's Community Outreach Program | 5,000 | 5,000 | 5,000 | - |
| Vincent DePaul Outreach Program | 5,000 | 5,000 | 5,000 | - |
| R.O.A.R. Women's Shelter | 5,000 | 5,000 | 5,000 | - |
| MIA Veterans' Shelter | 20,300 | 20,300 | 20,300 | 20,000 |
| Total Economic Opportunity and Development | 163,225,524 | 166,054,227 | 149,517,559 | 154,123,578 |
| | | | 16,536,668 | |

CULTURE AND RECREATION

| | | | | |
|--|--------|--------|--------|--------|
| Library Board | 71,480 | 71,480 | 71,480 | 70,420 |
| Lower Hudson Valley Challenge Center | 10,000 | 10,000 | 10,000 | - |
| India Culture Society of Rockland | 7,730 | 9,730 | 9,730 | 7,610 |
| Rockland Irish American Cultural Society | 20,610 | 20,610 | 20,610 | 20,300 |
| County historian | 10,661 | 11,161 | 7,142 | 6,879 |
| Friends Help Friends | 9,540 | 9,540 | 9,540 | 9,390 |
| Haverstraw Brick Museum | 23,440 | 23,440 | 23,440 | 23,090 |
| Rockland Historical Society | 56,300 | 56,300 | 56,300 | 52,020 |
| Center for Holocaust Studies | 14,300 | 14,300 | 14,300 | 14,080 |
| YMHA | 28,600 | 28,600 | 28,600 | 28,170 |
| Rockland Symphony Association | 3,820 | 3,820 | 3,820 | 3,760 |
| Rockland Conservatory of Music | 28,600 | 28,600 | 28,600 | 28,170 |
| Debra Weiss Dance Company | 3,340 | 3,340 | 3,340 | 3,290 |
| Dance Visions Center for Integrated Arts, Inc. | 9,540 | 9,540 | 9,540 | 9,390 |
| Antrim Players | 14,770 | 14,770 | 14,770 | 11,170 |
| Elmwood Community Playhouse | 14,770 | 14,770 | 14,770 | 14,550 |
| County Choral | 5,720 | 5,720 | 5,720 | 5,630 |
| Rockland Opera Society | 8,580 | 8,580 | 8,580 | 8,450 |
| Helen Hayes Theater | 81,000 | 81,000 | 81,000 | 79,800 |

(Continued)

COUNTY OF ROCKLAND, NEW YORK

GENERAL FUND
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET (Continued)
 YEAR ENDED DECEMBER 31, 2005
 (With Comparative Actuals for 2004)

| CULTURE AND RECREATION (Continued) | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) | 2004 Actual |
|--|------------------|------------------|------------------|--|------------------|
| Arts Council of Rockland | \$ 71,480 | \$ 71,480 | \$ 71,480 | \$ - | 70,420 |
| Rockland Center for the Arts | 71,760 | 71,760 | 71,760 | - | 67,240 |
| Arts Alliance of Haverstraw | 40,980 | 40,980 | 40,980 | - | 40,370 |
| Hudson Vagabond Puppets | 7,150 | 7,150 | 7,150 | - | 7,040 |
| Thorpe Senior Center | 9,540 | 9,540 | 9,540 | - | 9,390 |
| Rockland Camerata | 2,870 | 2,870 | 2,870 | - | 2,820 |
| Morning Music Group | 1,960 | 1,960 | 1,960 | - | 1,930 |
| Rockland Youth Dance Ensemble | 8,580 | 8,580 | 8,580 | - | 8,450 |
| YMCA - Nyack Branch | 42,890 | 42,890 | 42,890 | - | 42,250 |
| Other culture and recreation grants | 5,780 | 19,780 | 19,780 | - | 5,690 |
| Total Culture and Recreation | 685,791 | 702,291 | 698,272 | 4,019 | 651,769 |
| HOME AND COMMUNITY SERVICES | | | | | |
| Department of Planning | 2,706,115 | 3,361,785 | 3,064,685 | 297,100 | 2,328,738 |
| Employee commute options | 27,017 | 27,018 | - | 27,018 | - |
| Department of Environmental Resources | 1,738,589 | 1,789,442 | 1,789,412 | 30 | 1,419,983 |
| Rockland Housing Coalition | 77,280 | 77,280 | 77,280 | - | 76,130 |
| Venture Foundation, LTD. | 86,280 | 86,280 | 86,280 | - | 85,000 |
| Commission of Human Rights | 399,837 | 469,444 | 469,401 | 43 | 472,151 |
| Commissioner of Labor | 24,238 | 24,238 | 16,968 | 7,270 | 20,573 |
| Cooperative extension | 467,210 | 467,210 | 467,210 | - | 460,300 |
| Jewish Family Services | 36,860 | 36,860 | 36,860 | - | 32,860 |
| Volunteer counseling services | 253,250 | 283,250 | 283,250 | - | 271,048 |
| Big brother/sister | 169,000 | 169,000 | 169,000 | - | 101,500 |
| CASA | 20,300 | 30,800 | 30,800 | - | 76,900 |
| Office for the disabled | 167,535 | 168,775 | 166,724 | 2,051 | 145,159 |
| T.O.U.C.H. of Rockland County | 14,540 | 14,540 | 14,540 | - | 9,390 |
| Candle, Inc. | 45,030 | 48,030 | 48,030 | - | 39,430 |
| Literacy Volunteers of Rockland | 3,040 | 3,040 | 3,040 | - | 2,990 |
| Women of Tomorrow | 5,160 | 5,160 | 5,160 | - | 5,075 |
| Rockland Interfaith Breakfast Program | 10,000 | 10,000 | 10,000 | - | - |
| Keep Rockland Beautiful, Inc. | 92,720 | 92,720 | 92,720 | - | 91,350 |
| Home and Community Contracted Services | 57,800 | 61,800 | 61,800 | - | 56,940 |
| Veterans services | 2,000 | 13,250 | 13,250 | - | 14,000 |
| Family support services | 500,290 | 505,290 | 505,290 | - | 396,110 |
| Total Home and Community Services | 6,904,091 | 7,745,212 | 7,411,700 | 333,512 | 6,105,627 |

EMPLOYEE BENEFITS - UNDISTRIBUTED

| | | | | | |
|---|-----------------------|-----------------------|-----------------------|----------------------|-----------------------|
| Hospitalization and dental | 9,120,467 | 9,122,613 | 8,965,338 | 157,275 | 8,189,715 |
| Vision | 41,307 | 41,307 | 40,222 | 1,085 | 43,128 |
| Employee tuition | 5,000 | 5,000 | 2,680 | 2,320 | - |
| Total Employee Benefits | <u>9,166,774</u> | <u>9,168,920</u> | <u>9,008,240</u> | <u>160,680</u> | <u>8,232,843</u> |
| DEBT SERVICE | | | | | |
| Interest: | | | | | |
| Bond anticipation notes | 111,593 | 111,593 | 110,432 | 1,161 | 67,448 |
| Tax anticipation notes | 697,500 | 697,500 | 697,490 | 10 | - |
| Revenue anticipation notes | 467,600 | 467,600 | 467,589 | 11 | 503,214 |
| Total Debt Service | <u>1,276,693</u> | <u>1,276,693</u> | <u>1,275,511</u> | <u>1,182</u> | <u>570,662</u> |
| TOTAL EXPENDITURES | <u>399,941,741</u> | <u>414,251,844</u> | <u>389,941,768</u> | <u>24,310,076</u> | <u>375,646,704</u> |
| OTHER FINANCING USES | | | | | |
| Transfers out: | | | | | |
| Capital Projects Fund | 420,000 | 420,000 | 420,000 | - | 734,500 |
| County Road Fund | 8,155,614 | 8,523,644 | 8,523,644 | - | 8,480,486 |
| Road Machinery Fund | 1,133,430 | 1,235,400 | 1,235,400 | - | 1,097,454 |
| Debt Service Fund | 11,057,988 | 11,057,988 | 10,799,126 | 258,862 | 4,601,966 |
| TOTAL OTHER FINANCING USES | <u>20,767,032</u> | <u>21,237,032</u> | <u>20,978,170</u> | <u>258,862</u> | <u>14,914,406</u> |
| TOTAL EXPENDITURES AND OTHER FINANCING USES | <u>\$ 420,708,773</u> | <u>\$ 435,488,876</u> | <u>\$ 410,919,938</u> | <u>\$ 24,568,938</u> | <u>\$ 390,561,110</u> |

COUNTY OF ROCKLAND, NEW YORK

CAPITAL PROJECTS FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2005 AND 2004

| <u>ASSETS</u> | <u>2005</u> | <u>2004</u> |
|--|-----------------------|-----------------------|
| Cash: | | |
| Demand deposits | \$ / 2,776,165 | \$ 11,871,860 |
| Certificates of deposit | 50,063,000 | 47,682,000 |
| | <u>/ 52,839,165</u> | <u>59,553,860</u> |
| Receivables | | |
| State and Federal aid | / 11,322,730 | 14,579,278 |
| Due from other funds | / 1,015,738 | - |
| | <u>12,338,468</u> | <u>14,579,278</u> |
| Restricted Assets | <u>/ 50,195,235</u> | <u>31,082,062</u> |
| Total Assets | <u>\$ 115,372,868</u> | <u>\$ 105,215,200</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Accounts payable | \$ / 8,329,435 | \$ 16,269,108 |
| Due to other governments | - | 13,007,973 |
| Due to other funds | / 1,622,287 | 7,205,556 |
| Bond anticipation notes payable | / 11,375,000 | 9,595,000 |
| Total Liabilities | <u>21,326,722</u> | <u>46,077,637</u> |
| Fund Balance: | | |
| Reserved for encumbrances | / 19,485,974 | 33,613,718 |
| Reserved for parklands | / 44,000 | 44,000 |
| Unreserved: | | |
| Designated for transportation projects | 15,500,369 | 14,169,657 |
| Undesignated | 59,015,803 | 11,310,188 |
| Total Fund Balance | <u>94,046,146</u> | <u>59,137,563</u> |
| Total Liabilities and Fund Balance | <u>\$ 115,372,868</u> | <u>\$ 105,215,200</u> |

COUNTY OF ROCKLAND, NEW YORK

CAPITAL PROJECTS FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 YEARS ENDED DECEMBER 31, 2005 AND 2004

| | <u>2005</u> | <u>2004</u> |
|---|----------------------|----------------------|
| Revenues: | | |
| State aid | \$ 16,124,934 | \$ 8,579,473 |
| Federal aid | 816,849 | 11,630,679 |
| Total Revenues | <u>16,941,783</u> | <u>20,210,152</u> |
| Expenditures - Capital outlay | <u>44,447,249</u> | <u>46,003,907</u> |
| Deficiency of Revenues Over Expenditures | <u>(27,505,466)</u> | <u>(25,793,755)</u> |
| Other Financing Sources (Uses): | | |
| Bonds issued | 72,379,263 | 51,197,807 |
| Transfers in | 1,220,000 | 1,134,500 |
| Transfers out | <u>(11,185,214)</u> | <u>(4,659,080)</u> |
| Total Other Financing Sources | <u>62,414,049</u> | <u>47,673,227</u> |
| Net Change in Fund Balance | 34,908,583 | 21,879,472 |
| Fund Balance - Beginning of Year | <u>59,137,563</u> | <u>37,258,091</u> |
| Fund Balance - End of Year | <u>\$ 94,046,146</u> | <u>\$ 59,137,563</u> |

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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 long-term debt.

COUNTY OF ROCKLAND, NEW YORK

COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2005
 (With Comparative Totals for 2004)

| <u>ASSETS</u> | <u>Special Revenue Funds</u> | <u>Debt Service Fund</u> |
|--|--------------------------------------|----------------------------------|
| Cash and Equivalents | \$ 15,789,169 | \$ 7,120,954 |
| Investments | 225,000 | 6,658,372 |
| Receivables: | | |
| Accounts | 235,502 | 543,338 |
| Loans | 202,144 | - |
| State and Federal aid | 664,038 | 580,112 |
| Due from other funds | 1,617,085 | 90,523 |
| | <u>2,718,769</u> | <u>1,213,973</u> |
| Prepaid Expenditures | 247,957 | - |
| Total Assets | <u>\$ 18,980,895</u> | <u>\$ 14,993,299</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 1,323,738 | \$ - |
| Accrued liabilities | 833,572 | - |
| Due to other funds | 881,356 | 222,768 |
| Advances from other funds | 1,071,115 | - |
| Deferred revenues - Other | 3,269,103 | - |
| Total Liabilities | <u>7,378,884</u> | <u>222,768</u> |
| Fund Balances: | | |
| Reserved for encumbrances | 1,757,660 | - |
| Reserved for prepaid expenditures | 247,957 | - |
| Reserved for long-term receivable | - | 369,415 |
| Reserved for social service programs | 62,947 | - |
| Reserved for compensated absences | 1,604,072 | - |
| Reserved for debt service | - | 7,740,472 |
| Unreserved: | | |
| Designated for affordable housing | 225,000 | - |
| Designated for treatment plant and collection system | 361,875 | - |
| Designated for subsequent year's expenditures | 1,901,154 | 6,660,644 |
| Undesignated | 5,441,346 | - |
| Total Fund Balances | <u>11,602,011</u> | <u>14,770,531</u> |
| Total Liabilities and Fund Balances | <u>\$ 18,980,895</u> | <u>\$ 14,993,299</u> |

Totals

2005

2004

\$ 22,910,123 \$ 15,517,431

6,883,372 7,279,454

778,840 1,049,217

202,144 213,170

1,244,150 1,463,335

1,707,608 300,021

3,932,742 3,025,743

247,957 322,825

\$ 33,974,194 \$ 26,145,453

\$ 1,323,738 \$ 755,068

833,572 830,279

1,104,124 417,291

1,071,115 515,535

3,269,103 1,807,167

7,601,652 4,325,340

1,757,660 1,349,024

247,957 322,825

369,415 712,125

62,947 71,847

1,604,072 1,478,383

7,740,472 2,766,115

225,000 225,000

361,875 353,750

8,561,798 9,174,669

5,441,346 5,366,375

26,372,542 21,820,113

\$ 33,974,194 \$ 26,145,453

COUNTY OF ROCKLAND, NEW YORK

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2005
 (With Comparative Totals for 2004)

| | Special Revenue Funds | Debt Service Fund |
|---|-----------------------------|-------------------------|
| Revenues: | | |
| Real property taxes | \$ 20,813,360 | \$ - |
| Departmental income | 72,734 | - |
| Use of money and property | 454,071 | 2,049,856 |
| Licenses and permits | 21,987 | - |
| Fines and forfeitures | 3,685 | - |
| Sale of property and compensation for loss | 429 | - |
| Interfund revenues | 98,152 | - |
| State aid | 1,356,564 | 2,987,004 |
| Federal aid | 5,985,620 | 54,592 |
| Miscellaneous | 1,382,225 | 107,148 |
| Total Revenues | 30,188,827 | 5,198,600 |
| Expenditures: | | |
| Current: | | |
| Transportation | 13,033,837 | - |
| Economic opportunity and development | 5,761,210 | - |
| Home and community services | 11,800,856 | - |
| Employee benefits | 2,363,421 | - |
| Debt Service: | | |
| Principal | - | 10,869,372 |
| Interest | 43,856 | 7,958,756 |
| Total Expenditures | 33,003,180 | 18,828,128 |
| Deficiency of Revenues Over Expenditures | (2,814,353) | (13,629,528) |
| Other Financing Sources (Uses): | | |
| Transfers in | 11,959,044 | 24,921,819 |
| Transfers out | (8,639,471) | (7,245,082) |
| Total Other Financing Sources | 3,319,573 | 17,676,737 |
| Net Change in Fund Balances | 505,220 | 4,047,209 |
| Fund Balances - Beginning of Year | 11,096,791 | 10,723,322 |
| Fund Balances - End of Year | \$ 11,602,011 | \$ 14,770,531 |

| Totals | |
|----------------------|----------------------|
| 2005 | 2004 |
| \$ 20,813,360 | \$ 16,751,263 |
| 72,734 | 53,402 |
| 2,503,927 | 1,677,008 |
| 21,987 | 118,536 |
| 3,685 | 25,497 |
| 429 | 1,233 |
| 98,152 | 68,569 |
| 4,343,568 | 1,430,714 |
| 6,040,212 | 9,596,013 |
| 1,489,373 | 1,605,814 |
| <u>35,387,427</u> | <u>31,328,049</u> |
| 13,033,837 | 11,471,978 |
| 5,761,210 | 9,298,195 |
| 11,800,856 | 10,856,575 |
| 2,363,421 | 2,231,548 |
| 10,869,372 | 5,133,743 |
| 8,002,612 | 4,834,858 |
| <u>51,831,308</u> | <u>43,826,897</u> |
| <u>(16,443,881)</u> | <u>(12,498,848)</u> |
| 36,880,863 | 22,442,462 |
| <u>(15,884,553)</u> | <u>(9,700,799)</u> |
| <u>20,996,310</u> | <u>12,741,663</u> |
| 4,552,429 | 242,815 |
| <u>21,820,113</u> | <u>21,577,298</u> |
| <u>\$ 26,372,542</u> | <u>\$ 21,820,113</u> |

COUNTY OF ROCKLAND, NEW YORK
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2005
 (With Comparative Totals for 2004)

| <u>ASSETS</u> | <u>County Road Fund</u> | <u>Road Machinery Fund</u> | <u>Community Development Fund</u> |
|--|---------------------------------|------------------------------------|---|
| Cash: | | | |
| Demand deposits | \$ 21,271 | \$ 714 | \$ 3,121,853 |
| Time deposits | - | - | - |
| Certificates of deposit | - | - | - |
| Petty cash | 100 | - | - |
| | <u>21,371</u> | <u>714</u> | <u>3,121,853</u> |
| Investments | - | - | 225,000 |
| Receivables: | | | |
| Accounts | 32,708 | - | - |
| Loans | - | - | 202,144 |
| State and Federal aid | 268,479 | - | 368,606 |
| Due from other funds | 1,471,214 | 145,871 | - |
| | <u>1,772,401</u> | <u>145,871</u> | <u>570,750</u> |
| Prepaid Expenditures | 123,085 | 11,801 | - |
| Total Assets | <u>\$ 1,916,857</u> | <u>\$ 158,386</u> | <u>\$ 3,917,603</u> |
| <u>LIABILITIES AND FUND BALANCES (DEFICITS)</u> | | | |
| Liabilities: | | | |
| Accounts payable | \$ 476,498 | \$ 67,930 | \$ 549 |
| Accrued liabilities | 353,938 | 34,809 | - |
| Due to other funds | 18,216 | - | 422,951 |
| Advances from other funds | 1,071,115 | - | - |
| Deferred revenues - Other | - | - | 3,269,103 |
| Total Liabilities | <u>1,919,767</u> | <u>102,739</u> | <u>3,692,603</u> |
| Fund Balances (Deficits): | | | |
| Reserved for encumbrances | 286,602 | 2,717 | - |
| Reserved for prepaid expenditures | 123,085 | 11,801 | - |
| Reserved for social service programs | - | - | - |
| Reserved for compensated absences | 658,518 | 51,135 | - |
| Unreserved: | | | |
| Designated for affordable housing | - | - | 225,000 |
| Designated for treatment plant and collection system | - | - | - |
| Designated for subsequent year's expenditures | - | - | - |
| Undesignated | (1,071,115) | (10,006) | - |
| Total Fund Balances (Deficits) | <u>(2,910)</u> | <u>55,647</u> | <u>225,000</u> |
| Total Liabilities and Fund Balances (Deficits) | <u>\$ 1,916,857</u> | <u>\$ 158,386</u> | <u>\$ 3,917,603</u> |

| Sewer District Fund | Special Purpose Fund | Totals | |
|----------------------|----------------------|----------------------|----------------------|
| | | 2005 | 2004 |
| \$ 231,984 | \$ 38,867 | \$ 3,414,689 | \$ 3,055,834 |
| - | 24,080 | 24,080 | 24,838 |
| 12,350,000 | - | 12,350,000 | 9,741,000 |
| 300 | - | 400 | 400 |
| <u>12,582,284</u> | <u>62,947</u> | <u>15,789,169</u> | <u>12,822,072</u> |
| - | - | 225,000 | 225,000 |
| 202,794 | - | 235,502 | 309,351 |
| - | - | 202,144 | 213,170 |
| 26,953 | - | 664,038 | 1,256,649 |
| - | - | 1,617,085 | 186,231 |
| <u>229,747</u> | <u>-</u> | <u>2,718,769</u> | <u>1,965,401</u> |
| 113,071 | - | 247,957 | 322,825 |
| <u>\$ 12,925,102</u> | <u>\$ 62,947</u> | <u>\$ 18,980,895</u> | <u>\$ 15,335,298</u> |
| \$ 778,761 | \$ - | \$ 1,323,738 | \$ 755,068 |
| 444,825 | - | 833,572 | 795,641 |
| 440,189 | - | 881,356 | 365,096 |
| - | - | 1,071,115 | 515,535 |
| - | - | 3,269,103 | 1,807,167 |
| <u>1,663,775</u> | <u>-</u> | <u>7,378,884</u> | <u>4,238,507</u> |
| 1,468,341 | - | 1,757,660 | 1,349,024 |
| 113,071 | - | 247,957 | 322,825 |
| - | 62,947 | 62,947 | 71,847 |
| 894,419 | - | 1,604,072 | 1,478,383 |
| - | - | 225,000 | 225,000 |
| 361,875 | - | 361,875 | 353,750 |
| 1,901,154 | - | 1,901,154 | 1,929,587 |
| 6,522,467 | - | 5,441,346 | 5,366,375 |
| <u>11,261,327</u> | <u>62,947</u> | <u>11,602,011</u> | <u>11,096,791</u> |
| <u>\$ 12,925,102</u> | <u>\$ 62,947</u> | <u>\$ 18,980,895</u> | <u>\$ 15,335,298</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, 2005
 (With Comparative Totals for 2004)

| | County Road Fund | Road Machinery Fund | Community Development Fund |
|--|------------------------|---------------------------|----------------------------------|
| Revenues: | | | |
| Real property taxes | \$ - | \$ - | \$ - |
| Departmental income | - | - | 10,021 |
| Use of money and property | - | - | 11,994 |
| Licenses and permits | 21,987 | - | - |
| Fines and forfeitures | 2,930 | - | - |
| Sale of property and compensation for loss | - | - | - |
| Interfund revenues | 98,152 | - | - |
| State aid | 1,352,852 | - | - |
| Federal aid | 257,461 | - | 5,728,159 |
| Miscellaneous | 33,215 | 41,600 | - |
| Total Revenues | 1,766,597 | 41,600 | 5,750,174 |
| Expenditures: | | | |
| Current: | | | |
| Transportation | 11,773,421 | 1,260,416 | - |
| Economic opportunity and development | - | - | 5,750,174 |
| Home and community services | - | - | - |
| Employee benefits | - | - | - |
| Debt Service - Interest | - | - | - |
| Total Expenditures | 11,773,421 | 1,260,416 | 5,750,174 |
| Excess (Deficiency) of Revenues Over Expenditures | (10,006,824) | (1,218,816) | - |
| Other Financing Sources (Uses): | | | |
| Transfers in | 9,723,644 | 1,235,400 | - |
| Transfers out | (133,136) | (10,825) | - |
| Total Other Financing Sources (Uses) | 9,590,508 | 1,224,575 | - |
| Net Change in Fund Balances | (416,316) | 5,759 | - |
| Fund Balances - Beginning of Year | 413,406 | 49,888 | 225,000 |
| Fund Balances (Deficit) - End of Year | \$ (2,910) | \$ 55,647 | \$ 225,000 |

| Sewer District Fund | Special Purpose Fund | Totals | |
|---------------------------|----------------------------|----------------------|----------------------|
| | | 2005 | 2004 |
| \$ 20,813,360 | \$ - | \$ 20,813,360 | \$ 16,751,263 |
| 62,213 | 500 | 72,734 | 53,402 |
| 440,441 | 1,636 | 454,071 | 245,596 |
| - | - | 21,987 | 118,536 |
| 755 | - | 3,685 | 25,497 |
| 429 | - | 429 | 1,233 |
| - | - | 98,152 | 68,569 |
| 3,712 | - | 1,356,564 | 1,065,671 |
| - | - | 5,985,620 | 9,395,279 |
| 1,307,410 | - | 1,382,225 | 854,950 |
| <u>22,628,320</u> | <u>2,136</u> | <u>30,188,827</u> | <u>28,579,996</u> |
| - | - | 13,033,837 | 11,471,978 |
| - | 11,036 | 5,761,210 | 9,298,195 |
| 11,800,856 | - | 11,800,856 | 10,856,575 |
| 2,363,421 | - | 2,363,421 | 2,231,548 |
| 43,856 | - | 43,856 | 49,392 |
| <u>14,208,133</u> | <u>11,036</u> | <u>33,003,180</u> | <u>33,907,688</u> |
| <u>8,420,187</u> | <u>(8,900)</u> | <u>(2,814,353)</u> | <u>(5,327,692)</u> |
| 1,000,000 | - | 11,959,044 | 11,577,940 |
| (8,495,510) | - | (8,639,471) | (5,659,850) |
| <u>(7,495,510)</u> | <u>-</u> | <u>3,319,573</u> | <u>5,918,090</u> |
| 924,677 | (8,900) | 505,220 | 590,398 |
| <u>10,336,650</u> | <u>71,847</u> | <u>11,096,791</u> | <u>10,506,393</u> |
| <u>\$ 11,261,327</u> | <u>\$ 62,947</u> | <u>\$ 11,602,011</u> | <u>\$ 11,096,791</u> |

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COUNTY OF ROCKLAND, NEW YORK

COUNTY ROAD FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2005 AND 2004

| <u>ASSETS</u> | <u>2005</u> | <u>2004</u> |
|---|---------------------|---------------------|
| Cash: | | |
| Demand deposits | \$ 21,271 | \$ 482,987 |
| Petty cash | 100 | 100 |
| | <u>21,371</u> | <u>483,087</u> |
| Receivables: | | |
| Accounts | 32,708 | 131,808 |
| State and Federal aid | 268,479 | 626,036 |
| Due from other funds | 1,471,214 | 82,997 |
| | <u>1,772,401</u> | <u>840,841</u> |
| Prepaid Expenditures | <u>123,085</u> | <u>155,146</u> |
| Total Assets | <u>\$ 1,916,857</u> | <u>\$ 1,479,074</u> |
| <u>LIABILITIES AND FUND BALANCE (DEFICIT)</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 476,498 | \$ 192,437 |
| Accrued liabilities | 353,938 | 357,696 |
| Due to other funds | 18,216 | - |
| Advances from other funds | 1,071,115 | 515,535 |
| Total Liabilities | <u>1,919,767</u> | <u>1,065,668</u> |
| Fund Balance (Deficit): | | |
| Reserved for encumbrances | 286,602 | 130,613 |
| Reserved for prepaid expenditures | 123,085 | 155,146 |
| Reserved for compensated absences | 658,518 | 643,182 |
| Unreserved and undesignated | (1,071,115) | (515,535) |
| Total Fund Balance (Deficit) | <u>(2,910)</u> | <u>413,406</u> |
| Total Liabilities and Fund Balance (Deficit) | <u>\$ 1,916,857</u> | <u>\$ 1,479,074</u> |

COUNTY OF ROCKLAND, NEW YORK

COUNTY ROAD FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

YEARS ENDED DECEMBER 31, 2005 AND 2004

| | 2005 | | | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------------|---------------------|---|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Licenses and permits | \$ 58,300 | \$ 58,300 | \$ 21,987 | \$ (36,313) |
| Fines and forfeitures | 25,500 | 25,000 | 2,930 | (22,070) |
| Interfund revenues | 80,000 | 80,000 | 98,152 | 18,152 |
| State aid | 1,698,500 | 1,698,500 | 1,352,852 | (345,648) |
| Federal aid | 140,000 | 148,000 | 257,461 | 109,461 |
| Miscellaneous | 178,138 | 178,638 | 33,215 | (145,423) |
| Total Revenues | 2,180,438 | 2,188,438 | 1,766,597 | (421,841) |
| Expenditures - Current - | | | | |
| Transportation | 11,533,527 | 11,909,557 | 11,773,421 | 136,136 |
| Deficiency of Revenues | | | | |
| Over Expenditures | (9,353,089) | (9,721,119) | (10,006,824) | (285,705) |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 9,355,614 | 9,723,644 | 9,723,644 | - |
| Transfers out | (133,138) | (133,138) | (133,136) | 2 |
| Total Other Financing Sources | 9,222,476 | 9,590,506 | 9,590,508 | 2 |
| Net Change in Fund Balance | (130,613) | (130,613) | (416,316) | (285,703) |
| Fund Balance (Deficit) - | | | | |
| Beginning of Year | 130,613 | 130,613 | 413,406 | 282,793 |
| Fund Balance (Deficit) - | | | | |
| End of Year | \$ - | \$ - | \$ (2,910) | \$ (2,910) |

2004

| Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------|-----------------|-------------|---|
| \$ 40,000 | \$ 40,000 | \$ 118,536 | \$ 78,536 |
| 10,000 | 10,000 | 8,517 | (1,483) |
| 140,000 | 140,000 | 68,569 | (71,431) |
| 2,115,500 | 2,152,300 | 1,045,075 | (1,107,225) |
| 190,000 | 190,000 | 175,706 | (14,294) |
| 81,402 | 81,402 | 62,412 | (18,990) |
| 2,576,902 | 2,613,702 | 1,478,815 | (1,134,887) |
| 11,008,752 | 11,306,479 | 10,364,994 | 941,485 |
| (8,431,850) | (8,692,777) | (8,886,179) | (193,402) |
| 8,219,630 | 8,480,486 | 9,480,486 | 1,000,000 |
| (51,402) | (51,402) | (48,967) | 2,435 |
| 8,168,228 | 8,429,084 | 9,431,519 | 1,002,435 |
| (263,622) | (263,693) | 545,340 | 809,033 |
| 263,622 | 263,693 | (131,934) | (395,627) |
| \$ - | \$ - | \$ 413,406 | \$ 413,406 |

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COUNTY OF ROCKLAND, NEW YORK

ROAD MACHINERY FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2005 AND 2004

| <u>ASSETS</u> | <u>2005</u> | <u>2004</u> |
|---|-----------------------|-----------------------|
| Cash - Demand deposits | \$ 714 | \$ 87 |
| Due From Other Funds | 145,871 | 103,234 |
| Prepaid Expenditures | <u>11,801</u> | <u>16,620</u> |
| Total Assets | <u>\$ 158,386</u> | <u>\$ 119,941</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 67,930 | \$ 40,229 |
| Accrued liabilities | <u>34,809</u> | <u>29,824</u> |
| Total Liabilities | <u>102,739</u> | <u>70,053</u> |
| Fund Balance (Deficit): | | |
| Reserved for encumbrances | 2,717 | 5,204 |
| Reserved for prepaid expenditures | 11,801 | 16,620 |
| Reserved for compensated absences | 51,135 | 43,580 |
| Unreserved and undesignated | <u>(10,006)</u> | <u>(15,516)</u> |
| Total Fund Balance | <u>55,647</u> | <u>49,888</u> |
| Total Liabilities and Fund Balance | <u>\$ 158,386</u> | <u>\$ 119,941</u> |

COUNTY OF ROCKLAND, NEW YORK

ROAD MACHINERY FUND
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 YEARS ENDED DECEMBER 31, 2005 AND 2004

| | 2005 | | | Variance with Final Budget Positive (Negative) |
|---|--------------------|-----------------|-------------|---|
| | Original Budget | Final Budget | Actual | |
| Revenues - Miscellaneous | \$ 45,825 | \$ 45,826 | \$ 41,600 | \$ (4,226) |
| Expenditures - Current - Transportation | 1,173,634 | 1,275,605 | 1,260,416 | 15,189 |
| Deficiency of Revenues Over Expenditures | (1,127,809) | (1,229,779) | (1,218,816) | (10,963) |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 1,133,430 | 1,235,400 | 1,235,400 | - |
| Transfers out | (10,825) | (10,825) | (10,825) | - |
| Total Other Financing Sources | 1,122,605 | 1,224,575 | 1,224,575 | - |
| Net Change in Fund Balance | (5,204) | (5,204) | 5,759 | 10,963 |
| Fund Balance - Beginning of Year | 5,204 | 5,204 | 49,888 | 44,684 |
| Fund Balance - End of Year | \$ - | \$ - | \$ 55,647 | \$ 55,647 |

2004

| Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------|----------------------|----------------------|---|
| \$ 39,794 | \$ 39,794 | \$ 15,400 | \$ (24,394) |
| <u>1,034,664</u> | <u>1,132,454</u> | <u>1,106,984</u> | <u>25,470</u> |
| <u>(994,870)</u> | <u>(1,092,660)</u> | <u>(1,091,584)</u> | <u>(1,076)</u> |
| 999,664 (4,794) | 1,097,454 (4,794) | 1,097,454 (4,375) | - 419 |
| <u>994,870</u> | <u>1,092,660</u> | <u>1,093,079</u> | <u>419</u> |
| - | - | 1,495 | 1,495 |
| - | - | 48,393 | 48,393 |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 49,888</u> | <u>\$ 49,888</u> |

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COUNTY OF ROCKLAND, NEW YORK

COMMUNITY DEVELOPMENT FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2005 AND 2004

| <u>ASSETS</u> | <u>2005</u> | <u>2004</u> |
|--|-------------------------|-------------------------|
| Cash - Demand deposits | \$ 3,121,853 | \$ 1,487,403 |
| Investments | <u>225,000</u> | <u>225,000</u> |
| Receivables: | | |
| Loans | 202,144 | 213,170 |
| State and Federal aid | <u>368,606</u> | <u>430,513</u> |
| | <u>570,750</u> | <u>643,683</u> |
| Total Assets | <u>\$ 3,917,603</u> | <u>\$ 2,356,086</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 549 | \$ 200 |
| Due to other funds | 422,951 | 323,719 |
| Deferred revenues - Other | <u>3,269,103</u> | <u>1,807,167</u> |
| Total Liabilities | 3,692,603 | 2,131,086 |
| Fund Balance - Unreserved - Designated for affordable housing | <u>225,000</u> | <u>225,000</u> |
| Total Liabilities and Fund Balance | <u>\$ 3,917,603</u> | <u>\$ 2,356,086</u> |

COUNTY OF ROCKLAND, NEW YORK

COMMUNITY DEVELOPMENT FUND
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 YEARS ENDED DECEMBER 31, 2005 AND 2004

| | 2005 | | | Variance with Final Budget Positive (Negative) |
|---|--------------------|-----------------|------------|---|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Departmental income | \$ - | \$ - | \$ 10,021 | \$ 10,021 |
| Use of money and property | - | - | 11,994 | 11,994 |
| Federal aid | - | 6,130,612 | 5,728,159 | (402,453) |
| Total Revenues | - | 6,130,612 | 5,750,174 | (380,438) |
| Expenditures - Current - Economic opportunity and development | - | 6,130,612 | 5,750,174 | 380,438 |
| Excess of Revenues Over Expenditures | - | - | - | - |
| Fund Balance - Beginning of Year | - | - | 225,000 | 225,000 |
| Fund Balance - End of Year | \$ - | \$ - | \$ 225,000 | \$ 225,000 |

2004

| Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------|-----------------|-------------------|---|
| \$ - | \$ - | \$ 14,056 | \$ 14,056 |
| - | - | 35,384 | 35,384 |
| - | 9,464,112 | 9,219,573 | (244,539) |
| - | 9,464,112 | 9,269,013 | (195,099) |
| - | 9,464,112 | 9,269,013 | 195,099 |
| - | - | - | - |
| - | - | 225,000 | 225,000 |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 225,000</u> | <u>\$ 225,000</u> |

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COUNTY OF ROCKLAND, NEW YORK

SEWER DISTRICT FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2005 AND 2004

| <u>ASSETS</u> | <u>2005</u> | <u>2004</u> |
|--|----------------------|----------------------|
| Cash: | | |
| Demand deposits | \$ 231,984 | \$ 1,038,348 |
| Certificates of deposit | 12,350,000 | 9,741,000 |
| Petty cash | 300 | 300 |
| | <u>12,582,284</u> | <u>10,779,648</u> |
| Receivables: | | |
| Accounts | 202,794 | 177,543 |
| State and Federal aid | 26,953 | 200,100 |
| | <u>229,747</u> | <u>377,643</u> |
| Prepaid Expenditures | <u>113,071</u> | <u>151,059</u> |
| Total Assets | <u>\$ 12,925,102</u> | <u>\$ 11,308,350</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 778,761 | \$ 522,202 |
| Accrued liabilities | 444,825 | 408,121 |
| Due to other funds | 440,189 | 41,377 |
| Total Liabilities | <u>1,663,775</u> | <u>971,700</u> |
| Fund Balance: | | |
| Reserved for encumbrances | 1,468,341 | 1,213,207 |
| Reserved for prepaid expenditures | 113,071 | 151,059 |
| Reserved for compensated absences | 894,419 | 791,621 |
| Unreserved: | | |
| Designated for treatment plant and collection system | 361,875 | 353,750 |
| Designated for subsequent year's expenditures | 1,901,154 | 1,929,587 |
| Undesignated | 6,522,467 | 5,897,426 |
| Total Fund Balance | <u>11,261,327</u> | <u>10,336,650</u> |
| Total Liabilities and Fund Balance | <u>\$ 12,925,102</u> | <u>\$ 11,308,350</u> |

COUNTY OF ROCKLAND, NEW YORK

SEWER DISTRICT FUND
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 YEARS ENDED DECEMBER 31, 2005 AND 2004

| | 2005 | | | Variance with Final Budget Positive (Negative) |
|---|--------------------|--------------------|----------------------|---|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Real property taxes - | | | | |
| Sewer benefit tax | \$ 20,650,394 | \$ 20,650,394 | \$ 20,813,360 | \$ 162,966 |
| Departmental income | 10,000 | 10,000 | 62,213 | 52,213 |
| Use of money and property | 200,000 | 200,000 | 440,441 | 240,441 |
| Fines and forfeitures | - | - | 755 | 755 |
| Sale of property and compensation for loss | - | - | 429 | 429 |
| State aid | - | - | 3,712 | 3,712 |
| Miscellaneous | 466,001 | 454,205 | 1,307,410 | 853,205 |
| Total Revenues | 21,326,395 | 21,314,599 | 22,628,320 | 1,313,721 |
| Expenditures: | | | | |
| Current: | | | | |
| General government support | 300,000 | 49,380 | - | 49,380 |
| Home and community services | 13,825,033 | 14,063,857 | 11,800,856 | 2,263,001 |
| Employee benefits | 2,473,575 | 2,473,575 | 2,363,421 | 110,154 |
| Debt Service - Interest | 79,775 | 79,775 | 43,856 | 35,919 |
| Total Expenditures | 16,678,383 | 16,666,587 | 14,208,133 | 2,458,454 |
| Excess of Revenues Over Expenditures | 4,648,012 | 4,648,012 | 8,420,187 | 3,772,175 |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 1,000,000 | 1,000,000 | 1,000,000 | - |
| Transfers out | (8,790,806) | (8,790,806) | (8,495,510) | 295,296 |
| Total Other Financing Uses | (7,790,806) | (7,790,806) | (7,495,510) | 295,296 |
| Net Change in Fund Balance | (3,142,794) | (3,142,794) | 924,677 | 4,067,471 |
| Fund Balance - Beginning of Year | 3,142,794 | 3,142,794 | 10,336,650 | 7,193,856 |
| Fund Balance - End of Year | \$ - | \$ - | \$ 11,261,327 | \$ 11,261,327 |

2004

| Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------|--------------------|----------------------|---|
| \$ 16,633,068 | \$ 16,633,068 | \$ 16,751,263 | \$ 118,195 |
| 60,000 | 60,000 | 34,502 | (25,498) |
| 250,000 | 250,000 | 209,796 | (40,204) |
| - | - | 16,980 | 16,980 |
| - | - | 1,233 | 1,233 |
| - | 20,596 | 20,596 | - |
| 489,992 | 489,992 | 777,138 | 287,146 |
| <u>17,433,060</u> | <u>17,453,656</u> | <u>17,811,508</u> | <u>357,852</u> |
| 300,000 | 300,000 | - | 300,000 |
| 12,792,739 | 12,849,515 | 10,856,575 | 1,992,940 |
| 2,309,866 | 2,312,636 | 2,231,548 | 81,088 |
| 69,000 | 69,000 | 49,392 | 19,608 |
| <u>15,471,605</u> | <u>15,531,151</u> | <u>13,137,515</u> | <u>2,393,636</u> |
| <u>1,961,455</u> | <u>1,922,505</u> | <u>4,673,993</u> | <u>2,751,488</u> |
| 1,000,000 | 1,000,000 | 1,000,000 | - |
| (5,846,270) | (5,846,270) | (5,606,508) | 239,762 |
| <u>(4,846,270)</u> | <u>(4,846,270)</u> | <u>(4,606,508)</u> | <u>239,762</u> |
| (2,884,815) | (2,923,765) | 67,485 | 2,991,250 |
| <u>2,884,815</u> | <u>2,923,765</u> | <u>10,269,165</u> | <u>7,345,400</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 10,336,650</u> | <u>\$ 10,336,650</u> |

COUNTY OF ROCKLAND, NEW YORK

SPECIAL PURPOSE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2005 AND 2004

| | <u>2005</u> | <u>2004</u> |
|--------------------------------------|------------------|------------------|
| <u>ASSETS</u> | | |
| Cash: | | |
| Demand deposits | \$ 38,867 | \$ 47,009 |
| Time deposits | <u>24,080</u> | <u>24,838</u> |
| Total Assets | <u>\$ 62,947</u> | <u>\$ 71,847</u> |
| <u>FUND BALANCE</u> | | |
| Reserved for Social Service Programs | <u>\$ 62,947</u> | <u>\$ 71,847</u> |

COUNTY OF ROCKLAND, NEW YORK

SPECIAL PURPOSE FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2005 AND 2004

| | <u>2005</u> | <u>2004</u> |
|--|------------------|------------------|
| Revenues: | | |
| Departmental income | \$ 500 | \$ 4,844 |
| Use of money and property | <u>1,636</u> | <u>416</u> |
| Total Revenues | 2,136 | 5,260 |
| Expenditures - Current - | | |
| Economic opportunity and development | <u>11,036</u> | <u>29,182</u> |
| Deficiency of Revenues Over Expenditures | (8,900) | (23,922) |
| Fund Balance - Beginning of Year | <u>71,847</u> | <u>95,769</u> |
| Fund Balance - End of Year | <u>\$ 62,947</u> | <u>\$ 71,847</u> |

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COUNTY OF ROCKLAND, NEW YORK

DEBT SERVICE FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2005 AND 2004

| | <u>ASSETS</u> | <u>2005</u> | <u>2004</u> |
|--|---------------|----------------------|----------------------|
| Cash - Time deposits | | \$ 7,120,954 | \$ 2,695,359 |
| Investments | | 6,658,372 | 7,054,454 |
| Receivables: | | | |
| Accounts | | 543,338 | 739,866 |
| State and Federal aid | | 580,112 | 206,686 |
| Due from other funds | | 90,523 | 113,790 |
| | | <u>1,213,973</u> | <u>1,060,342</u> |
| Total Assets | | <u>\$ 14,993,299</u> | <u>\$ 10,810,155</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | | |
| Liabilities: | | | |
| Accrued liabilities | | \$ - | \$ 34,638 |
| Due to other funds | | 222,768 | 52,195 |
| | | <u>222,768</u> | <u>86,833</u> |
| Total Liabilities | | <u>222,768</u> | <u>86,833</u> |
| Fund Balance: | | | |
| Reserved for long-term receivable | | 369,415 | 712,125 |
| Reserved for debt service | | 7,740,472 | 2,766,115 |
| Unreserved - Designated for subsequent year's expenditures | | 6,660,644 | 7,245,082 |
| | | <u>14,770,531</u> | <u>10,723,322</u> |
| Total Fund Balance | | <u>14,770,531</u> | <u>10,723,322</u> |
| Total Liabilities and Fund Balance | | <u>\$ 14,993,299</u> | <u>\$ 10,810,155</u> |

COUNTY OF ROCKLAND, NEW YORK

DEBT SERVICE FUND
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 YEARS ENDED DECEMBER 31, 2005 AND 2004

| | 2005 | | | Variance with Final Budget Positive (Negative) |
|---|--------------------|--------------------|----------------------|---|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Use of money and property | \$ - | \$ - | \$ 2,049,856 | \$ 2,049,856 |
| State aid | - | - | 2,987,004 | 2,987,004 |
| Federal aid | - | - | 54,592 | 54,592 |
| Miscellaneous | - | - | 107,148 | 107,148 |
| Total Revenues | - | - | 5,198,600 | 5,198,600 |
| Expenditures - | | | | |
| Debt Service - | | | | |
| Serial bonds: | | | | |
| Principal | 10,634,375 | 10,869,372 | 10,869,372 | - |
| Interest | 8,558,382 | 8,323,385 | 7,958,756 | 364,629 |
| Total Expenditures | 19,192,757 | 19,192,757 | 18,828,128 | 364,629 |
| Deficiency of Revenues Over Expenditures | (19,192,757) | (19,192,757) | (13,629,528) | 5,563,229 |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 19,192,757 | 19,192,757 | 24,921,819 | 5,729,062 |
| Transfers out | (7,245,082) | (7,245,082) | (7,245,082) | - |
| Total Other Financing Sources | 11,947,675 | 11,947,675 | 17,676,737 | 5,729,062 |
| Net Change in Fund Balance | (7,245,082) | (7,245,082) | 4,047,209 | 11,292,291 |
| Fund Balance - Beginning of Year | 7,245,082 | 7,245,082 | 10,723,322 | 3,478,240 |
| Fund Balance - End of Year | \$ - | \$ - | \$ 14,770,531 | \$ 14,770,531 |

2004

| Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------|-----------------|---------------|---|
| \$ - | \$ - | \$ 1,431,412 | \$ 1,431,412 |
| - | - | 365,043 | 365,043 |
| - | - | 200,734 | 200,734 |
| - | - | 750,864 | 750,864 |
| - | - | 2,748,053 | 2,748,053 |
| 7,321,514 | 7,321,514 | 5,133,743 | 2,187,771 |
| 6,868,760 | 6,868,760 | 4,785,466 | 2,083,294 |
| 14,190,274 | 14,190,274 | 9,919,209 | 4,271,065 |
| (14,190,274) | (14,190,274) | (7,171,156) | 7,019,118 |
| 14,190,274 | 14,190,274 | 10,864,522 | (3,325,752) |
| (7,746,977) | (7,746,977) | (4,040,949) | 3,706,028 |
| 6,443,297 | 6,443,297 | 6,823,573 | 380,276 |
| (7,746,977) | (7,746,977) | (347,583) | 7,399,394 |
| 7,746,977 | 7,746,977 | 11,070,905 | 3,323,928 |
| \$ - | \$ - | \$ 10,723,322 | \$ 10,723,322 |

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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.

Home and Infirmery Fund – This fund is used to account for the operations of the Summit Park Hospital, a chronic care hospital and a skilled nursing facility established and operated under the provisions of Article 6 of General Municipal Law.

Rockland Tobacco Asset Securitization Corporation and the Rockland Second Tobacco Asset Securitization Corporation – These funds reflect the operations of these not-for-profit local development corporations organized pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York.

COUNTY OF ROCKLAND, NEW YORK

PROPRIETARY FUND - ENTERPRISE FUND
 HOME AND INFIRMARY FUND
 COMPARATIVE STATEMENT OF NET ASSETS
 DECEMBER 31, 2005 AND 2004

| | 2005 | 2004 |
|---|---------------------|---------------------|
| ASSETS | | |
| Cash and Equivalents | \$ 3,338,649 | \$ 4,332,029 |
| Receivables: | | |
| Accounts | 1,380,435 | 1,551,147 |
| Accounts - Patient care, net of allowance for uncollectible amounts | 16,419,597 | 12,116,978 |
| State and Federal aid | 2,038,068 | - |
| Inventories | 592,058 | 552,248 |
| Prepaid Expenses | 958,102 | 1,307,791 |
| Total Current Assets | 24,726,909 | 19,860,193 |
| Capital Assets: | | |
| Land | 438,504 | 438,504 |
| Buildings | 16,221,905 | 16,221,905 |
| Improvements other than buildings | 345,975 | 345,975 |
| Equipment | 38,809,541 | 38,755,427 |
| Construction-in-progress | 6,128,029 | 5,098,668 |
| Less - Accumulated depreciation | (40,520,814) | (38,874,364) |
| Total Capital Assets, net of accumulated depreciation | 21,423,140 | 21,986,115 |
| Total Assets | 46,150,049 | 41,846,308 |
| Current Liabilities: | | |
| Accounts payable | 2,427,419 | 2,491,377 |
| Accrued liabilities | 6,448,765 | 4,744,405 |
| Accrued interest payable | 189,565 | 182,424 |
| Due to other governments | - | 60,457 |
| Due to other funds | 7,261,108 | 1,125,464 |
| Bond anticipation notes payable | - | 935,000 |
| Compensated absences | 10,814,876 | 9,757,609 |
| Current maturities of bonds payable | 2,216,248 | 2,031,057 |
| Total Current Liabilities | 29,357,981 | 21,327,793 |
| Noncurrent Liabilities - | | |
| Bonds payable | 12,150,934 | 13,282,181 |
| Total Liabilities | 41,508,915 | 34,609,974 |
| <u>NET ASSETS</u> | | |
| Invested in Capital Assets, net of related debt | 12,484,425 | 13,213,254 |
| Unrestricted | (7,843,291) | (5,976,920) |
| Total Net Assets | \$ 4,641,134 | \$ 7,236,334 |

COUNTY OF ROCKLAND, NEW YORK

PROPRIETARY FUND - ENTERPRISE FUND
 HOME AND INFIRMARY FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET ASSETS
 YEARS ENDED DECEMBER 31, 2005 AND 2004

| | <u>2005</u> | <u>2004</u> |
|---|---------------------|---------------------|
| Operating Revenues: | | |
| Charges for services: | | |
| Net patient service revenues: | | |
| Rehabilitation and skilled nursing facility | \$ 47,883,416 | \$ 47,272,476 |
| Mental health | <u>31,333,835</u> | <u>29,722,098</u> |
| | 79,217,251 | 76,994,574 |
| Miscellaneous | <u>663,443</u> | <u>685,569</u> |
| Total Operating Revenues | <u>79,880,694</u> | <u>77,680,143</u> |
| Operating Expenses: | | |
| Administrative and general expenses | 12,952,980 | 11,650,098 |
| Salaries and wage expenses | 47,654,576 | 44,931,255 |
| Employee benefits | 22,480,702 | 20,783,356 |
| Supplies and other expenses | 8,166,109 | 7,728,359 |
| Depreciation | <u>1,646,450</u> | <u>1,691,805</u> |
| Total Operating Expenses | <u>92,900,817</u> | <u>86,784,873</u> |
| Loss from Operations | <u>(13,020,123)</u> | <u>(9,104,730)</u> |
| Non-Operating Revenues (Expenses): | | |
| Intergovernmental transfer | 10,792,911 | 9,720,424 |
| Interest on indebtedness | <u>(367,988)</u> | <u>(356,988)</u> |
| Total Non-Operating Revenues | <u>10,424,923</u> | <u>9,363,436</u> |
| Change in Net Assets | (2,595,200) | 258,706 |
| Net Assets - Beginning of Year | <u>7,236,334</u> | <u>6,977,628</u> |
| Net Assets - End of Year | <u>\$ 4,641,134</u> | <u>\$ 7,236,334</u> |

COUNTY OF ROCKLAND, NEW YORK

PROPRIETARY FUND - ENTERPRISE FUND
 HOME AND INFIRMARY FUND
 COMPARATIVE STATEMENT OF CASH FLOWS
 YEARS ENDED DECEMBER 31, 2005 AND 2004

| | 2005 | 2004 |
|--|------------------------|------------------------|
| Cash Flows From Operating Activities: | | |
| Cash received from patients and third-party payors | \$ 74,487,040 | \$ 72,485,997 |
| Other | 5,818,523 | 6,013,587 |
| Cash payments to vendors | (21,222,857) | (19,723,914) |
| Cash payments to employees | (79,239,658) | (74,235,761) |
| Net Cash Used in Operating Activities | (20,156,952) | (15,460,091) |
| Cash Flows From Non-Capital Financing Activities - | | |
| Intergovernmental transfer | 10,792,911 | 9,720,424 |
| Cash Flows From Capital and Related Financing Activities: | | |
| Remittances to County of Rockland, net | 11,944,186 | 7,634,966 |
| Issuance of long-term debt | 1,085,000 | 4,996,000 |
| Retirement of debt | (2,966,056) | (1,371,519) |
| Interest on indebtedness | (608,994) | (290,842) |
| Acquisition and construction of capital assets | (1,083,475) | (3,328,823) |
| Net Cash Provided by Capital and | | |
| Related Financing Activities | 8,370,661 | 7,639,782 |
| Net Increase (Decrease) in Cash and Equivalents | (993,380) | 1,900,115 |
| Cash and Equivalents - Beginning of Year | 4,332,029 | 2,431,914 |
| Cash and Equivalents - End of Year | \$ 3,338,649 | \$ 4,332,029 |
| Reconciliation of Loss from Operations to Net Cash | | |
| Used in Operating Activities: | | |
| Loss from operations | \$ (13,020,123) | \$ (9,104,730) |
| Adjustments to reconcile loss from operations to | | |
| net cash used in operating activities: | | |
| Depreciation | 1,646,450 | 1,691,805 |
| Provision for bad debts | 2,601,507 | 2,474,098 |
| Changes in assets and liabilities: | | |
| Accounts receivable | 170,712 | 163,760 |
| Accounts receivable - Patient care | (18,600,164) | (9,988,626) |
| State and Federal aid receivable | (2,038,068) | - |
| Due from other funds | - | 1,953,542 |
| Inventories | (39,810) | 3,917 |
| Prepaid expenses | 349,689 | (804,895) |
| Accounts payable | (63,958) | 455,521 |
| Accrued liabilities | 1,704,360 | (4,060,584) |
| Due to other governments | (60,457) | (577,041) |
| Due to other funds | 6,135,643 | 1,125,464 |
| Compensated absences | 1,057,267 | 1,207,678 |
| Net Cash Used in Operating Activities | \$ (20,156,952) | \$ (15,460,091) |

COUNTY OF ROCKLAND, NEW YORK

PROPRIETARY FUND - ENTERPRISE FUND
 ROCKLAND TOBACCO ASSET SECURITIZATION CORPORATION
 COMPARATIVE STATEMENT OF NET ASSETS
 DECEMBER 31, 2005 AND 2004

| | <u>2005</u> | <u>2004</u> |
|---|------------------------|------------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and equivalents | \$ 94,572 | \$ 203,606 |
| Investments | 1,326,117 | 1,343,271 |
| Accounts receivable | 3,920,083 | 56,596 |
| Due from other funds | - | 125,000 |
| | <u>5,340,772</u> | <u>1,728,473</u> |
| Total Current Assets | | |
| Noncurrent Assets: | | |
| Restricted cash and equivalents | 1,457,495 | 454 |
| Restricted investments | 3,525,133 | 3,525,490 |
| Costs of issuance, net of accumulated amortization of \$91,416 in 2005 and \$66,344 in 2004 | 1,009,352 | 547,184 |
| | <u>5,991,980</u> | <u>4,073,128</u> |
| Total Noncurrent Assets | | |
| | <u>11,332,752</u> | <u>5,801,601</u> |
| Total Assets | | |
| LIABILITIES | | |
| Current Liabilities: | | |
| Accrued liabilities | 996,105 | 1,009,202 |
| Current maturities of bonds payable | 680,000 | 635,000 |
| | <u>1,676,105</u> | <u>1,644,202</u> |
| Total Current Liabilities | | |
| Noncurrent Liabilities - | | |
| Bonds payable, net of current maturities | 70,357,773 | 46,238,505 |
| | <u>72,033,878</u> | <u>47,882,707</u> |
| Total Liabilities | | |
| NET ASSETS | | |
| Deficiency | <u>\$ (60,701,126)</u> | <u>\$ (42,081,106)</u> |

COUNTY OF ROCKLAND, NEW YORK

PROPRIETARY FUND - ENTERPRISE FUND
 ROCKLAND TOBACCO ASSET SECURITIZATION CORPORATION
 COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET ASSETS
 YEARS ENDED DECEMBER 31, 2005 AND 2004

| | <u>2005</u> | <u>2004</u> |
|---|------------------------|------------------------|
| Operating Revenues - Tobacco settlement revenues | \$ 3,815,366 | \$ 3,594,123 |
| Operating Expenses: | | |
| Professional fees | 31,038 | 32,556 |
| Directors' fees | 3,000 | 3,000 |
| Insurance | 21,525 | 20,500 |
| Amortization | 25,071 | 21,912 |
| Total Operating Expenses | <u>80,634</u> | <u>77,968</u> |
| Income from Operations | <u>3,734,732</u> | <u>3,516,155</u> |
| Non-Operating Revenues (Expenses): | | |
| Interest income | 261,540 | 299,343 |
| Interest on indebtedness | <u>(2,988,527)</u> | <u>(2,722,305)</u> |
| Total Non-Operating Revenues (Expenses) | <u>(2,726,987)</u> | <u>(2,422,962)</u> |
| Income Before Transfers | 1,007,745 | 1,093,193 |
| Transfers out | <u>(23,997,609)</u> | <u>-</u> |
| Net Change in Net Assets | <u>(22,989,864)</u> | <u>1,093,193</u> |
| Deficit - Beginning of Year, as reported | (42,081,106) | (965,453) |
| Prior Period Adjustment | 4,369,844 | 391,517 |
| Change in Accounting Principle | <u>-</u> | <u>(42,600,363)</u> |
| Deficit - Beginning of Year, as restated | <u>(37,711,262)</u> | <u>(43,174,299)</u> |
| Deficit - End of Year | <u>\$ (60,701,126)</u> | <u>\$ (42,081,106)</u> |

COUNTY OF ROCKLAND, NEW YORK

PROPRIETARY FUND - ENTERPRISE FUND
 ROCKLAND TOBACCO ASSET SECURITIZATION CORPORATION
 COMPARATIVE STATEMENT OF CASH FLOWS
 YEARS ENDED DECEMBER 31, 2005 AND 2004

| | 2005 | 2004 |
|---|---------------------|---------------------|
| Cash Flows From Operating Activities: | | |
| Cash received from tobacco settlement revenues | \$ 3,644,844 | \$ 3,594,123 |
| Cash received from County of Rockland | 850,000 | - |
| Cash payments to vendors | (55,563) | (56,056) |
| Net Cash Provided by Operating Activities | 4,439,281 | 3,538,067 |
| Cash Flows from Non-Capital Financing Activities: | | |
| Proceeds from bonds | 24,992,440 | - |
| Payment of issuance costs and underwriter's discount | (994,830) | - |
| Transfers out | (23,997,610) | (1,780,702) |
| Repayment of bonds payable | (635,000) | - |
| Interest on indebtedness | (2,687,206) | (2,687,206) |
| Net Cash Used in Non-Capital Financing Activities | (3,322,206) | (4,467,908) |
| Cash Flows From Investing Activities: | | |
| Increase in restricted cash and equivalents | (1,457,041) | (207) |
| Interest income | 213,421 | 339,044 |
| Purchase of investments | (1,326,117) | (1,343,271) |
| Sale of investments | 1,343,271 | 1,342,671 |
| Purchase of restricted investments | (3,525,133) | (3,525,490) |
| Sale of restricted investments | 3,525,490 | 3,525,697 |
| Net Cash Provided by (Used in) Investing Activities | (1,226,109) | 338,444 |
| Net Decrease in Cash and Equivalents | (109,034) | (591,397) |
| Cash and Equivalents - Beginning of Year | 203,606 | 795,003 |
| Cash and Equivalents - End of Year | \$ 94,572 | \$ 203,606 |
| Reconciliation of Income from Operations to Net Cash Provided by Operating Activities: | | |
| Income from operations | \$ 3,734,732 | \$ 3,516,155 |
| Adjustments to reconcile income from operations to net cash provided by operating activities: | | |
| Amortization | 25,071 | 21,912 |
| Changes in Assets and Liabilities: | | |
| Accounts receivable | (170,522) | - |
| Due from other funds | 850,000 | - |
| Net Cash Provided by Operating Activities | \$ 4,439,281 | \$ 3,538,067 |
| Noncash Investing Activities - | | |
| increase in bonds payable from amortization of original issue and underwriters' discount | \$ 38,391 | \$ 35,099 |

COUNTY OF ROCKLAND, NEW YORK

PROPRIETARY FUND - ENTERPRISE FUND
 ROCKLAND SECOND TOBACCO ASSET SECURITIZATION CORPORATION
 COMPARATIVE STATEMENT OF NET ASSETS
 DECEMBER 31, 2005 AND 2004

| | <u>2005</u> | <u>2004</u> |
|---|-----------------------|-----------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and equivalents | \$ 111,850 | \$ 115,698 |
| Accounts receivable | <u>910,560</u> | <u>5,689</u> |
| Total Current Assets | <u>1,022,410</u> | <u>121,387</u> |
| Noncurrent Assets: | | |
| Restricted cash and equivalents | 864 | 864 |
| Restricted investments | 710,961 | 710,961 |
| Costs of issuance, net of accumulated amortization of \$13,654 in 2005 and \$6,948 in 2004 | <u>254,570</u> | <u>261,276</u> |
| Total Noncurrent Assets | <u>966,395</u> | <u>973,101</u> |
| Total Assets | <u>1,988,805</u> | <u>1,094,488</u> |
| LIABILITIES | | |
| Current Liabilities: | | |
| Accounts payable | 7,774 | 7,774 |
| Accrued liabilities | <u>42,265</u> | <u>44,017</u> |
| Total Current Liabilities | 50,039 | 51,791 |
| Noncurrent Liabilities - | | |
| Bonds payable | <u>8,532,494</u> | <u>8,941,496</u> |
| Total Liabilities | <u>8,582,533</u> | <u>8,993,287</u> |
| NET ASSETS | | |
| Deficiency | <u>\$ (6,593,728)</u> | <u>\$ (7,898,799)</u> |

COUNTY OF ROCKLAND, NEW YORK

PROPRIETARY FUND - ENTERPRISE FUND
 ROCKLAND SECOND TOBACCO ASSET SECURITIZATION CORPORATION
 COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET ASSETS
 YEARS ENDED DECEMBER 31, 2005 AND 2004

| | <u>2005</u> | <u>2004</u> |
|--|-----------------------|-----------------------|
| Operating Revenues - | | |
| Tobacco settlement revenues | \$ 904,871 | \$ 898,531 |
| Operating Expenses: | | |
| Professional fees | 16,863 | 20,270 |
| Insurance | 2,500 | - |
| Amortization | 6,706 | 6,705 |
| Total Operating Expenses | <u>26,069</u> | <u>26,975</u> |
| Income from Operations | <u>878,802</u> | <u>871,556</u> |
| Non-Operating Revenues (Expenses): | | |
| Interest income | 42,005 | 41,416 |
| Interest on indebtedness | <u>(526,947)</u> | <u>(547,316)</u> |
| Total Non-Operating Expenses | <u>(484,942)</u> | <u>(505,900)</u> |
| Change in Net Assets | <u>393,860</u> | <u>365,656</u> |
| Deficit - Beginning of Year, as reported | (7,898,799) | (19,005) |
| Prior Period Adjustment | <u>911,211</u> | <u>(8,245,450)</u> |
| Deficit - Beginning of Year, as restated | <u>(6,987,588)</u> | <u>(8,264,455)</u> |
| Deficit - End of Year | <u>\$ (6,593,728)</u> | <u>\$ (7,898,799)</u> |

COUNTY OF ROCKLAND, NEW YORK

PROPRIETARY FUND - ENTERPRISE FUND
 ROCKLAND SECOND TOBACCO ASSET SECURITIZATION CORPORATION
 COMPARATIVE STATEMENT OF CASH FLOWS
 YEARS ENDED DECEMBER 31, 2005 AND 2004

| | 2005 | 2004 |
|---|-------------------|-------------------|
| Cash Flows From Operating Activities: | | |
| Cash received from tobacco settlement revenues | \$ 911,211 | \$ 898,531 |
| Cash payments to vendors | (19,363) | (19,549) |
| Net Cash Provided by Operating Activities | 891,848 | 878,982 |
| Cash Flows from Non-Capital Financing Activities: | | |
| Retirement of long-term debt | (420,000) | (345,000) |
| Interest on indebtedness | (517,701) | (511,067) |
| Net Cash Used in Non-Capital Financing Activities | (937,701) | (856,067) |
| Cash Flows From Investing Activities: | | |
| Increase in restricted cash and equivalents | - | (697) |
| Interest income | 42,005 | 35,727 |
| Purchase of restricted investments | (710,961) | (710,961) |
| Sale of restricted investments | 710,961 | 711,658 |
| Net Cash Provided by Investing Activities | 42,005 | 35,727 |
| Net Increase (Decrease) in Cash and Equivalents | (3,848) | 58,642 |
| Cash and Equivalents - Beginning of Year | 115,698 | 57,056 |
| Cash and Equivalents - End of Year | \$ 111,850 | \$ 115,698 |
| Reconciliation of Income from Operations to Net Cash Provided by Operating Activities: | | |
| Income from operations | \$ 878,802 | \$ 871,556 |
| Adjustments to reconcile income from operations to net cash provided by operating activities: | | |
| Amortization | 6,706 | 6,705 |
| Changes in assets and liabilities: | | |
| Accounts receivable | 6,340 | - |
| Prepaid expenses | - | 8,341 |
| Accounts payable | - | (7,620) |
| Net Cash Provided by Operating Activities | \$ 891,848 | \$ 878,982 |
| Noncash Investing Activities - | | |
| Increase in bonds payable from amortization of original issue and underwriters' discount | \$ 10,997 | \$ 10,997 |

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 and General Services funds as internal service funds.

COUNTY OF ROCKLAND, NEW YORK

PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET ASSETS

DECEMBER 31, 2005

(With Comparative Totals for 2004)

| | <u>ASSETS</u> | Workers' Compensation Benefits Fund | General Liability Claims Fund | Unemployment Benefits Fund |
|---|--------------------------------|--|--|----------------------------------|
| Cash: | | | | |
| Demand deposits | | \$ 462,782 | \$ 551,575 | \$ 6,372 |
| Certificates of deposit | | 9,530,000 | 1,820,000 | - |
| Petty cash | | - | - | - |
| | | <u>9,992,782</u> | <u>2,371,575</u> | <u>6,372</u> |
| Investments | | - | - | - |
| Receivables: | | | | |
| Accounts | | - | - | - |
| State and Federal aid | | - | - | - |
| Due from other governments | | 10,000 | - | - |
| Due from other funds | | - | 2,986,409 | 112,008 |
| | | <u>10,000</u> | <u>2,986,409</u> | <u>112,008</u> |
| Inventories | | - | - | - |
| Prepaid Expenses | | 1,327 | - | - |
| Total Current Assets | | <u>10,004,109</u> | <u>5,357,984</u> | <u>118,380</u> |
| Capital Assets | | - | - | - |
| Less - Accumulated depreciation | | - | - | - |
| Total Capital Assets | | - | - | - |
| Total Assets | | <u>10,004,109</u> | <u>5,357,984</u> | <u>118,380</u> |
| | <u>LIABILITIES</u> | | | |
| Current Liabilities: | | | | |
| Accounts payable | | 461,062 | 2,919 | - |
| Accrued liabilities | | - | - | - |
| Due to other funds | | 38,898 | - | - |
| Claims payable | | 894,606 | 687,230 | - |
| Compensated absences | | 2,144 | - | - |
| Current maturities of bonds payable - Capital construction | | - | - | - |
| Current maturities of bonds payable - Pension obligations | | - | - | - |
| Total Current Liabilities | | <u>1,396,710</u> | <u>690,149</u> | <u>-</u> |
| Noncurrent Liabilities: | | | | |
| Claims payable | | 8,013,845 | 6,185,076 | - |
| Compensated absences | | 12,264 | - | - |
| Bonds payable - Capital construction, less current maturities | | - | - | - |
| Bonds payable - Pension obligations, less current maturities | | - | - | - |
| Total Noncurrent Liabilities | | <u>8,026,109</u> | <u>6,185,076</u> | <u>-</u> |
| Total Liabilities | | <u>9,422,819</u> | <u>6,875,225</u> | <u>-</u> |
| | <u>NET ASSETS (DEFICIENCY)</u> | | | |
| Invested in Capital Assets, net of related debt | | - | - | - |
| Unrestricted | | 581,290 | (1,517,241) | 118,380 |
| Total Net Assets (Deficiency) | | <u>\$ 581,290</u> | <u>\$ (1,517,241)</u> | <u>\$ 118,380</u> |

| General Services Fund | Totals | |
|-----------------------------|--------------|--------------|
| | 2005 | 2004 |
| \$ 4,928 | \$ 1,025,657 | \$ 883,249 |
| - | 11,350,000 | 4,650,000 |
| 200 | 200 | 200 |
| 5,128 | 12,375,857 | 5,533,449 |
| - | - | 8,600,000 |
| 473,576 | 473,576 | 154,947 |
| 512,759 | 512,759 | 361,070 |
| - | 10,000 | - |
| 2,116,516 | 5,214,933 | 659,837 |
| 3,102,851 | 6,211,268 | 1,175,854 |
| 54,745 | 54,745 | 43,256 |
| 208,870 | 210,197 | 270,298 |
| 3,371,594 | 18,852,067 | 15,622,857 |
| 21,222,006 | 21,222,006 | 17,041,082 |
| (4,865,326) | (4,865,326) | (4,317,167) |
| 16,356,680 | 16,356,680 | 12,723,915 |
| 19,728,274 | 35,208,747 | 28,346,772 |
| 1,083,631 | 1,547,612 | 1,423,720 |
| 869,761 | 869,761 | 700,136 |
| 2,774,804 | 2,813,702 | 2,031 |
| - | 1,581,836 | 1,544,298 |
| 192,445 | 194,589 | 174,504 |
| 1,088,165 | 1,088,165 | 617,604 |
| 112,950 | 112,950 | 162,380 |
| 6,121,756 | 8,208,615 | 4,624,673 |
| - | 14,198,921 | 13,432,692 |
| 1,732,006 | 1,744,270 | 1,570,546 |
| 11,311,825 | 11,311,825 | 8,712,490 |
| 239,909 | 239,909 | 352,858 |
| 13,283,740 | 27,494,925 | 24,068,586 |
| 19,405,496 | 35,703,540 | 28,693,259 |
| 6,369,930 | 6,369,930 | 6,374,346 |
| (6,047,152) | (6,864,723) | (6,720,833) |
| \$ 322,778 | \$ (494,793) | \$ (346,487) |

COUNTY OF ROCKLAND, NEW YORK

PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN NET ASSETS
 YEAR ENDED DECEMBER 31, 2005
 (With Comparative Totals for 2004)

| | Workers' Compensation Benefits Fund | General Liability Claims Fund | Unemployment Benefits Fund |
|--|--|--|----------------------------------|
| Operating Revenues: | | | |
| Charges for services | \$ 3,282,571 | \$ 2,987,586 | \$ 83,285 |
| State aid | - | - | - |
| Total Operating Revenues | <u>3,282,571</u> | <u>2,987,586</u> | <u>83,285</u> |
| Operating Expenses: | | | |
| Administrative and general expenses | 575,510 | - | - |
| Salaries and wages expenses | 116,495 | - | - |
| Employee benefits | 3,672,891 | - | 83,285 |
| Judgments and claims | - | 2,463,826 | - |
| Supplies and other expenses | - | - | - |
| Depreciation | - | - | - |
| Total Operating Expenses | <u>4,364,896</u> | <u>2,463,826</u> | <u>83,285</u> |
| Income (Loss) From Operations | <u>(1,082,325)</u> | <u>523,760</u> | <u>-</u> |
| Non-Operating Revenues (Expenses): | | | |
| Interest income | 346,758 | 115,475 | 175 |
| Interest on indebtedness | (17) | - | - |
| Total Non-Operating Revenues (Expenses) | <u>346,741</u> | <u>115,475</u> | <u>175</u> |
| Change in Net Assets | <u>(735,584)</u> | <u>639,235</u> | <u>175</u> |
| Net Assets (Deficiency) - Beginning of Year | <u>1,316,874</u> | <u>(2,156,476)</u> | <u>118,205</u> |
| Net Assets (Deficiency) - End of Year | <u>\$ 581,290</u> | <u>\$ (1,517,241)</u> | <u>\$ 118,380</u> |

| General Services Fund | Totals | |
|-----------------------------|---------------------|---------------------|
| | 2005 | 2004 |
| \$ 26,075,214 | \$ 32,428,656 | \$ 28,122,951 |
| 671,644 | 671,644 | 385,322 |
| <u>26,746,858</u> | <u>33,100,300</u> | <u>28,508,273</u> |
| 4,555,172 | 5,130,682 | 5,283,795 |
| - | 116,495 | 124,996 |
| 5,111,915 | 8,868,091 | 8,291,903 |
| - | 2,463,826 | 84,605 |
| 16,563,943 | 16,563,943 | 15,415,182 |
| 548,159 | 548,159 | 154,498 |
| <u>26,779,189</u> | <u>33,691,196</u> | <u>29,354,979</u> |
| <u>(32,331)</u> | <u>(590,896)</u> | <u>(846,706)</u> |
| - | 462,408 | 225,672 |
| (19,801) | (19,818) | (23,979) |
| <u>(19,801)</u> | <u>442,590</u> | <u>201,693</u> |
| (52,132) | (148,306) | (645,013) |
| <u>374,910</u> | <u>(346,487)</u> | <u>298,526</u> |
| <u>\$ 322,778</u> | <u>\$ (494,793)</u> | <u>\$ (346,487)</u> |

COUNTY OF ROCKLAND, NEW YORK

PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2005
 (With Comparative Totals for 2004)

| | Workers' Compensation Benefits Fund | General Liability Claims Fund | Unemployment Benefits Fund |
|--|--|--|----------------------------------|
| Cash Flows From Operating Activities: | | | |
| Cash received from charges for services | \$ 3,309,438 | \$ 526,177 | \$ 23,054 |
| Other | - | - | - |
| Cash payments to insurance carriers and claimants | (3,262,923) | (2,591,993) | (135,062) |
| Cash payments to employees | (80,813) | - | - |
| Cash payments to vendors | - | - | - |
| Net Cash Provide by (Used in) Operating Activities | (34,298) | (2,065,816) | (112,008) |
| Cash Flows From Non-Capital Financing Activities: | | | |
| Retirement of long-term debt | (470) | - | - |
| Interest on indebtedness | (17) | - | - |
| Net Cash Used in Non-Capital Financing Activities | (487) | - | - |
| Cash Flows From Capital and Related Financing Activities: | | | |
| Issuance of long-term debt | - | - | - |
| Retirement of long-term debt | - | - | - |
| Acquisition and construction of capital assets | - | - | - |
| Net Cash Provided by (Used in) Capital and Related Financing Activities | - | - | - |
| Cash Flows From Investing Activities | | | |
| Interest income | 346,758 | 115,475 | 175 |
| Sale of investments | 5,000,000 | 3,600,000 | - |
| Purchase of investments | - | - | - |
| Net Cash Provided by (Used in) Investing Activities | 5,346,758 | 3,715,475 | 175 |
| Net Increase (Decrease) in Cash | 5,311,973 | 1,649,659 | (111,833) |
| Cash - Beginning of Year | 4,680,809 | 721,916 | 118,205 |
| Cash - End of Year | \$ 9,992,782 | \$ 2,371,575 | \$ 6,372 |
| Reconciliation of Income (Loss) from Operations to Net Cash Provided by (Used in) Operating Activities: | | | |
| Income (loss) from operations | \$ (1,082,325) | \$ 523,760 | \$ - |
| 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 | - | - | - |
| State and Federal aid receivable | - | - | - |
| Due from other governments | (10,000) | - | - |
| Due from other funds | - | (2,461,409) | (60,231) |
| Inventories | - | - | - |
| Prepaid expenses | 1,639 | - | - |
| Accounts payable | 52,501 | (20,112) | - |
| Accrued liabilities | - | - | - |
| Due to other funds | 36,867 | - | - |
| Claims payable | 963,599 | (108,055) | (51,777) |
| Compensated absences | 3,421 | - | - |
| Net Cash Provided by (Used in) Operating Activities | \$ (34,298) | \$ (2,065,816) | \$ (112,008) |

| General Services Fund | Totals | |
|-----------------------------|----------------------|-----------------------|
| | 2005 | 2004 |
| \$ 23,723,129 | \$ 27,581,798 | \$ 27,587,308 |
| 519,955 | 519,955 | 280,509 |
| - | (5,989,978) | (4,167,300) |
| (4,921,527) | (5,002,340) | (9,836,229) |
| <u>(18,036,210)</u> | <u>(18,036,210)</u> | <u>(16,182,518)</u> |
| 1,285,347 | (926,775) | (2,318,230) |
| (161,902) | (162,372) | (52,764) |
| <u>(19,801)</u> | <u>(19,818)</u> | <u>(23,979)</u> |
| (181,703) | (182,190) | (76,743) |
| 3,687,500 | 3,687,500 | 4,200,000 |
| (617,611) | (617,611) | - |
| <u>(4,180,924)</u> | <u>(4,180,924)</u> | <u>(2,913,377)</u> |
| (1,111,035) | (1,111,035) | 1,286,623 |
| - | 462,408 | 225,672 |
| - | 8,600,000 | - |
| - | - | <u>(8,600,000)</u> |
| - | 9,062,408 | (8,374,328) |
| (7,391) | 6,842,408 | (9,482,678) |
| 12,519 | 5,533,449 | 15,016,127 |
| <u>\$ 5,128</u> | <u>\$ 12,375,857</u> | <u>\$ 5,533,449</u> |
| \$ (32,331) | \$ (590,896) | \$ (846,706) |
| 548,159 | 548,159 | 154,498 |
| (318,629) | (318,629) | (111,756) |
| (151,689) | (151,689) | 104,813 |
| - | (10,000) | - |
| (2,033,456) | (4,555,096) | (618,036) |
| (11,489) | (11,489) | 25,500 |
| 58,462 | 60,101 | (160,389) |
| 91,503 | 123,892 | 250,356 |
| 169,625 | 169,625 | (97,660) |
| 2,774,804 | 2,811,671 | (1,553,654) |
| - | 803,767 | 454,910 |
| <u>190,388</u> | <u>193,809</u> | <u>79,894</u> |
| <u>\$ 1,285,347</u> | <u>\$ (926,775)</u> | <u>\$ (2,318,230)</u> |

COUNTY OF ROCKLAND, NEW YORK

PROPRIETARY FUND - INTERNAL SERVICE FUND - WORKERS' COMPENSATION BENEFITS FUND
 COMPARATIVE STATEMENT OF NET ASSETS
 DECEMBER 31, 2005 AND 2004

| | <u>ASSETS</u> | <u>2005</u> | <u>2004</u> |
|---|--------------------|-------------------|---------------------|
| Cash: | | | |
| Demand deposits | | \$ 462,782 | \$ 680,809 |
| Certificates of deposit | | 9,530,000 | 4,000,000 |
| | | <u>9,992,782</u> | <u>4,680,809</u> |
| Investments | | - | 5,000,000 |
| Due from Other Governments | | 10,000 | - |
| Prepaid Expenses | | 1,327 | 2,966 |
| Total Assets | | <u>10,004,109</u> | <u>9,683,775</u> |
| | <u>LIABILITIES</u> | | |
| Current Liabilities: | | | |
| Accounts payable | | 461,062 | 408,561 |
| Due to other funds | | 38,898 | 2,031 |
| Claims payable | | 894,606 | 794,485 |
| Compensated absences | | 2,144 | 1,098 |
| Current maturities of bonds payable - Pension obligations | | - | 470 |
| Total Current Liabilities | | <u>1,396,710</u> | <u>1,206,645</u> |
| Noncurrent Liabilities: | | | |
| Claims payable | | 8,013,845 | 7,150,367 |
| Compensated absences | | 12,264 | 9,889 |
| Total Noncurrent Liabilities | | <u>8,026,109</u> | <u>7,160,256</u> |
| Total Liabilities | | <u>9,422,819</u> | <u>8,366,901</u> |
| | <u>NET ASSETS</u> | | |
| Unrestricted | | <u>\$ 581,290</u> | <u>\$ 1,316,874</u> |

COUNTY OF ROCKLAND, NEW YORK

PROPRIETARY FUND - INTERNAL SERVICE FUND - WORKERS' COMPENSATION BENEFITS FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN NET ASSETS
 YEARS ENDED DECEMBER 31, 2005 AND 2004

| | <u>2005</u> | <u>2004</u> |
|---|---------------------|---------------------|
| Operating Revenues - Charges for services | <u>\$ 3,282,571</u> | <u>\$ 3,206,694</u> |
| Operating Expenses: | | |
| Administrative and general expenses | 575,510 | 598,263 |
| Salaries and wage expenses | 116,495 | 124,996 |
| Employee benefits | <u>3,672,891</u> | <u>3,627,803</u> |
| Total Operating Expenses | <u>4,364,896</u> | <u>4,351,062</u> |
| Loss From Operations | <u>(1,082,325)</u> | <u>(1,144,368)</u> |
| Non-Operating Revenues (Expenses): | | |
| Interest income | 346,758 | 167,992 |
| Interest on indebtedness | <u>(17)</u> | <u>(68)</u> |
| Total Non-Operating Revenues | <u>346,741</u> | <u>167,924</u> |
| Change in Net Assets | (735,584) | (976,444) |
| Net Assets - Beginning of Year | <u>1,316,874</u> | <u>2,293,318</u> |
| Net Assets - End of Year | <u>\$ 581,290</u> | <u>\$ 1,316,874</u> |

COUNTY OF ROCKLAND, NEW YORK

PROPRIETARY FUND - INTERNAL SERVICE FUND - WORKERS' COMPENSATION BENEFITS FUND
 COMPARATIVE STATEMENT OF CASH FLOWS
 YEARS ENDED DECEMBER 31, 2005 AND 2004

| | <u>2005</u> | <u>2004</u> |
|---|---------------------|---------------------|
| Cash Flows From Operating Activities: | | |
| Cash received from charges for services | \$ 3,309,438 | \$ 3,163,451 |
| Cash payments to insurance carriers and claimants | (3,262,923) | (3,503,880) |
| Cash payments to employees | (80,813) | (96,578) |
| Net Cash Used in Operating Activities | <u>(34,298)</u> | <u>(437,007)</u> |
| Cash Flows From Non-Capital Financing Activities: | | |
| Retirement of long-term debt | (470) | (470) |
| Interest on indebtedness | (17) | (68) |
| Net Cash Used in Non-Capital Financing Activities | <u>(487)</u> | <u>(538)</u> |
| Cash Flows From Investing Activities: | | |
| Interest income | 346,758 | 167,992 |
| Proceeds from sale of investments | 5,000,000 | - |
| Purchase of investments | - | (5,000,000) |
| Net Cash Provided by (Used in) Investing Activities | <u>5,346,758</u> | <u>(4,832,008)</u> |
| Net Increase (Decrease) in Cash | 5,311,973 | (5,269,553) |
| Cash - Beginning of Year | <u>4,680,809</u> | <u>9,950,362</u> |
| Cash - End of Year | <u>\$ 9,992,782</u> | <u>\$ 4,680,809</u> |
| Reconciliation of Loss from Operations to Net Cash Used in Operating Activities: | | |
| Loss from operations | \$ (1,082,325) | \$ (1,144,368) |
| Adjustments to reconcile loss from operations to net cash used in operating activities: | | |
| Changes in assets and liabilities: | | |
| Due from other governments | (10,000) | - |
| Prepaid expenses | 1,639 | (2,112) |
| Accounts payable | 52,501 | (108,116) |
| Due to other funds | 36,867 | (43,243) |
| Claims payable | 963,599 | 866,688 |
| Compensated absences | 3,421 | (5,856) |
| Net Cash Used in Operating Activities | <u>\$ (34,298)</u> | <u>\$ (437,007)</u> |

COUNTY OF ROCKLAND, NEW YORK

PROPRIETARY FUND - INTERNAL SERVICE FUND - GENERAL LIABILITY CLAIMS FUND
 COMPARATIVE STATEMENT OF NET ASSETS
 DECEMBER 31, 2005 AND 2004

| | <u>ASSETS</u> | <u>2005</u> | <u>2004</u> |
|---------------------------|------------------------------|-----------------------|-----------------------|
| Cash: | | | |
| Demand deposits | | \$ 551,575 | \$ 71,916 |
| Certificates of deposit | | <u>1,820,000</u> | <u>650,000</u> |
| | | 2,371,575 | 721,916 |
| Investments | | - | 3,600,000 |
| Due from Other Funds | | <u>2,986,409</u> | <u>525,000</u> |
| Total Assets | | <u>5,357,984</u> | <u>4,846,916</u> |
| | <u>LIABILITIES</u> | | |
| Current Liabilities: | | | |
| Accounts payable | | 2,919 | 23,031 |
| Claims payable | | <u>687,230</u> | <u>698,036</u> |
| Total Current Liabilities | | 690,149 | 721,067 |
| Noncurrent Liabilities - | | | |
| Claims payable | | <u>6,185,076</u> | <u>6,282,325</u> |
| Total Liabilities | | <u>6,875,225</u> | <u>7,003,392</u> |
| | <u>NET ASSETS DEFICIENCY</u> | | |
| Unrestricted | | <u>\$ (1,517,241)</u> | <u>\$ (2,156,476)</u> |

COUNTY OF ROCKLAND, NEW YORK

PROPRIETARY FUND - INTERNAL SERVICE FUND - GENERAL LIABILITY CLAIMS FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN NET ASSETS
 YEARS ENDED DECEMBER 31, 2005 AND 2004

| | <u>2005</u> | <u>2004</u> |
|---|-----------------------|-----------------------|
| Operating Revenues - Charges for services | \$ 2,987,586 | \$ 358,429 |
| Operating Expenses - Judgments and claims | <u>2,463,826</u> | <u>84,605</u> |
| Income From Operations | 523,760 | 273,824 |
| Non-Operating Revenues - Interest income | <u>115,475</u> | <u>57,352</u> |
| Change in Net Assets | 639,235 | 331,176 |
| Deficiency - Beginning of Year | <u>(2,156,476)</u> | <u>(2,487,652)</u> |
| Deficiency - End of Year | <u>\$ (1,517,241)</u> | <u>\$ (2,156,476)</u> |

COUNTY OF ROCKLAND, NEW YORK

PROPRIETARY FUND - INTERNAL SERVICE FUND - GENERAL LIABILITY CLAIMS FUND
 COMPARATIVE STATEMENT OF CASH FLOWS
 YEARS ENDED DECEMBER 31, 2005 AND 2004

| | <u>2005</u> | <u>2004</u> |
|---|------------------------------|----------------------------|
| Cash Flows From Operating Activities: | | |
| Cash received from charges for services | \$ 526,177 | \$ - |
| Cash payments to insurance carriers and claimants | <u>(2,591,993)</u> | <u>(651,671)</u> |
| Net Cash Used in Operating Activities | <u>(2,065,816)</u> | <u>(651,671)</u> |
| Cash Flows From Investing Activities: | | |
| Interest income | 115,475 | 57,352 |
| Sale of investments | 3,600,000 | - |
| Purchase of investments | <u>-</u> | <u>(3,600,000)</u> |
| Net Cash Provided by (Used in) Investing Activities | <u>3,715,475</u> | <u>(3,542,648)</u> |
| Net Increase (Decrease) in Cash | 1,649,659 | (4,194,319) |
| Cash - Beginning of Year | <u>721,916</u> | <u>4,916,235</u> |
| Cash - End of Year | <u><u>\$ 2,371,575</u></u> | <u><u>\$ 721,916</u></u> |
| Reconciliation of Income from Operations to Net Cash Used in Operating Activities: | | |
| Income from operations | \$ 523,760 | \$ 273,824 |
| Adjustments to reconcile income from operations to net cash used in operating activities: | | |
| Change in assets and liabilities: | | |
| Due from other funds | (2,461,409) | (525,000) |
| Accounts payable | (20,112) | 23,031 |
| Claims payable | <u>(108,055)</u> | <u>(423,526)</u> |
| Net Cash Used in Operating Activities | <u><u>\$ (2,065,816)</u></u> | <u><u>\$ (651,671)</u></u> |

COUNTY OF ROCKLAND, NEW YORK

PROPRIETARY FUND - INTERNAL SERVICE FUND - UNEMPLOYMENT BENEFITS FUND
 COMPARATIVE STATEMENT OF NET ASSETS
 DECEMBER 31, 2005 AND 2004

| | | <u>2005</u> | <u>2004</u> |
|------------------------|--------------------|-------------------|-------------------|
| | <u>ASSETS</u> | | |
| Cash - Demand deposits | | \$ 6,372 | \$ 118,205 |
| Due from Other Funds | | <u>112,008</u> | <u>51,777</u> |
| Total Assets | | 118,380 | 169,982 |
| | <u>LIABILITIES</u> | | |
| Claims Payable | | <u>-</u> | <u>51,777</u> |
| | <u>NET ASSETS</u> | | |
| Unrestricted | | <u>\$ 118,380</u> | <u>\$ 118,205</u> |

COUNTY OF ROCKLAND, NEW YORK

PROPRIETARY FUND - INTERNAL SERVICE FUND - UNEMPLOYMENT BENEFITS FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN NET ASSETS
 YEARS ENDED DECEMBER 31, 2005 AND 2004

| | <u>2005</u> | <u>2004</u> |
|---|--------------------------|--------------------------|
| Operating Revenues | \$ 83,285 | \$ 140,548 |
| Operating Expenses - Employee benefits | <u>83,285</u> | <u>140,549</u> |
| Loss From Operations | - | (1) |
| Non-Operating Revenues - Interest income | <u>175</u> | <u>328</u> |
| Change in Net Assets | 175 | 327 |
| Net Assets - Beginning of Year | <u>118,205</u> | <u>117,878</u> |
| Net Assets - End of Year | <u><u>\$ 118,380</u></u> | <u><u>\$ 118,205</u></u> |

COUNTY OF ROCKLAND, NEW YORK

PROPRIETARY FUND - INTERNAL SERVICE FUND - UNEMPLOYMENT BENEFITS FUND
 COMPARATIVE STATEMENT OF CASH FLOWS
 YEARS ENDED DECEMBER 31, 2005 AND 2004

| | <u>2005</u> | <u>2004</u> |
|---|---------------------|-------------------|
| Cash Flows From Operating Activities: | | |
| Cash received from charges for services | \$ 23,054 | \$ 13,520 |
| Cash payments to insurance carriers and claimants | <u>(135,062)</u> | <u>(11,749)</u> |
| Net Cash Provided by (Used in) Operating Activities | <u>(112,008)</u> | <u>1,771</u> |
| Cash Flows From Investing Activities - | | |
| Interest income | <u>175</u> | <u>328</u> |
| Net Increase (Decrease) in Cash | (111,833) | 2,099 |
| Cash - Beginning of Year | <u>118,205</u> | <u>116,106</u> |
| Cash - End of Year | <u>\$ 6,372</u> | <u>\$ 118,205</u> |
| Reconciliation of Loss from Operations to Net Cash | | |
| Provided by (Used In) Operating Activities: | | |
| Loss from operations | \$ - | \$ (1) |
| Adjustments to reconcile loss from operations to | | |
| net cash provided by (used in) operating activities: | | |
| Changes in assets and liabilities: | | |
| Due from other funds | (60,231) | (9,976) |
| Claims payable | <u>(51,777)</u> | <u>11,748</u> |
| Net Cash Provided by (Used in) Operating Activities | <u>\$ (112,008)</u> | <u>\$ 1,771</u> |

COUNTY OF ROCKLAND, NEW YORK

PROPRIETARY FUND - INTERNAL SERVICE FUND - GENERAL SERVICES FUND
 COMPARATIVE STATEMENT OF NET ASSETS
 DECEMBER 31, 2005 AND 2004

| | <u>ASSETS</u> | <u>2005</u> | <u>2004</u> |
|---|--------------------|--------------------|--------------------|
| Cash: | | | |
| Demand deposits | | \$ 4,928 | \$ 12,319 |
| Petty cash | | 200 | 200 |
| | | <u>5,128</u> | <u>12,519</u> |
| Receivables: | | | |
| Accounts | | 473,576 | 154,947 |
| State and Federal aid | | 512,759 | 361,070 |
| Due from other funds | | 2,116,516 | 83,060 |
| | | <u>3,102,851</u> | <u>599,077</u> |
| Inventories | | <u>54,745</u> | <u>43,256</u> |
| Prepaid Expenses | | <u>208,870</u> | <u>267,332</u> |
| Total Current Assets | | <u>3,371,594</u> | <u>922,184</u> |
| Capital Assets: | | | |
| Buildings | | 2,980 | 2,980 |
| Equipment | | 21,219,026 | 17,038,102 |
| | | <u>21,222,006</u> | <u>17,041,082</u> |
| Less - Accumulated depreciation | | <u>(4,865,326)</u> | <u>(4,317,167)</u> |
| | | <u>16,356,680</u> | <u>12,723,915</u> |
| Total Assets | | <u>19,728,274</u> | <u>13,646,099</u> |
| | <u>LIABILITIES</u> | | |
| Current Liabilities: | | | |
| Accounts payable | | 1,083,631 | 992,128 |
| Accrued liabilities | | 869,761 | 700,136 |
| Due to other funds | | 2,774,804 | - |
| Compensated absences | | 192,445 | 173,406 |
| Current maturities of bonds payable - Capital construction | | 1,088,165 | 617,604 |
| Current maturities of bonds payable - Pension obligations | | 112,950 | 161,910 |
| Total Current Liabilities | | <u>6,121,756</u> | <u>2,645,184</u> |
| Noncurrent Liabilities: | | | |
| Compensated absences | | 1,732,006 | 1,560,657 |
| Bonds payable - Capital construction, less current maturities | | 11,311,825 | 8,712,490 |
| Bonds payable - Pension obligations, less current maturities | | 239,909 | 352,858 |
| Total Noncurrent Liabilities | | <u>13,283,740</u> | <u>10,626,005</u> |
| Total Liabilities | | <u>19,405,496</u> | <u>13,271,189</u> |
| | <u>NET ASSETS</u> | | |
| Invested in Capital Assets, net of related debt | | 6,369,930 | 6,374,346 |
| Unrestricted | | <u>(6,047,152)</u> | <u>(5,999,436)</u> |
| Total Net Assets | | <u>\$ 322,778</u> | <u>\$ 374,910</u> |

COUNTY OF ROCKLAND, NEW YORK

PROPRIETARY FUND - INTERNAL SERVICE FUND - GENERAL SERVICES FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN NET ASSETS
 YEARS ENDED DECEMBER 31, 2005 AND 2004

| | <u>2005</u> | <u>2004</u> |
|---|-------------------|-------------------|
| Operating Revenues: | | |
| Operating Revenues - Charges for services | \$ 26,075,214 | \$ 24,417,280 |
| State aid | 671,644 | 385,322 |
| Total Operating Revenues | <u>26,746,858</u> | <u>24,802,602</u> |
| Operating Expenses: | | |
| Administration and general expenses | 4,555,172 | 4,685,532 |
| Employee benefits | 5,111,915 | 4,523,551 |
| Supplies and other expenses | 16,563,943 | 15,415,182 |
| Depreciation | 548,159 | 154,498 |
| Total Operating Expenses | <u>26,779,189</u> | <u>24,778,763</u> |
| Income (Loss) From Operations | (32,331) | 23,839 |
| Non-Operating Expenses - | | |
| Interest on indebtedness | <u>(19,801)</u> | <u>(23,911)</u> |
| Change in Net Assets | (52,132) | (72) |
| Net Assets - Beginning of Year | <u>374,910</u> | <u>374,982</u> |
| Net Assets - End of Year | <u>\$ 322,778</u> | <u>\$ 374,910</u> |

COUNTY OF ROCKLAND, NEW YORK

PROPRIETARY FUND - INTERNAL SERVICE FUND - GENERAL SERVICES FUND
 COMPARATIVE STATEMENT OF CASH FLOWS
 YEARS ENDED DECEMBER 31, 2005 AND 2004

| | <u>2005</u> | <u>2004</u> |
|---|---------------------|-----------------------|
| Cash Flows From Operating Activities: | | |
| Cash received from charges for services | \$ 23,723,129 | \$ 24,410,337 |
| Other | 519,955 | 280,509 |
| Cash payments to vendors | (18,036,210) | (16,182,518) |
| Cash payments to employees | (4,921,527) | (9,739,651) |
| | <u>1,285,347</u> | <u>(1,231,323)</u> |
| Net Cash Provided by (Used in) Operating Activities | | |
| Cash Flows From Non-Capital Financing Activities: | | |
| Retirement of long-term debt | (161,902) | (52,294) |
| Interest on indebtedness | (19,801) | (23,911) |
| | <u>(181,703)</u> | <u>(76,205)</u> |
| Net Cash Used in Non-Capital Financing Activities | | |
| Cash Flows from Capital and Related Financing Activities: | | |
| Issuance of long-term debt | 3,687,500 | 4,200,000 |
| Retirement of long-term debt | (617,611) | - |
| Acquisition and construction of capital assets | (4,180,924) | (2,913,377) |
| | <u>(1,111,035)</u> | <u>1,286,623</u> |
| Net Cash Provided by (Used in) Capital and Related Financing Activities | | |
| Net Decrease in Cash | (7,391) | (20,905) |
| Cash - Beginning of Year | 12,519 | 33,424 |
| Cash - End of Year | \$ 5,128 | \$ 12,519 |
| Reconciliation of Income (Loss) from Operations to Net Cash Provided by (Used in) Operating Activities: | | |
| Income (loss) from operations | \$ (32,331) | \$ 23,839 |
| Adjustments to reconcile income (loss) from operations to net cash provided by (used in) operating activities: | | |
| Depreciation | 548,159 | 154,498 |
| Changes in assets and liabilities: | | |
| Accounts receivable | (318,629) | (111,756) |
| State and Federal aid receivable | (151,689) | 104,813 |
| Due from other funds | (2,033,456) | (83,060) |
| Inventories | (11,489) | 25,500 |
| Prepaid expenses | 58,462 | (158,277) |
| Accounts payable | 91,503 | 335,441 |
| Accrued liabilities | 169,625 | (97,660) |
| Due to other funds | 2,774,804 | (1,510,411) |
| Compensated absences | 190,388 | 85,750 |
| | <u>190,388</u> | <u>85,750</u> |
| Net Cash Provided by (Used in) Operating Activities | \$ 1,285,347 | \$ (1,231,323) |

COUNTY OF ROCKLAND, NEW YORK

FIDUCIARY FUNDS - AGENCY FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 YEAR ENDED DECEMBER 31, 2005

| | Balance January 1, 2005 | Increases | Decreases | Balance December 31, 2005 |
|-----------------------------|-------------------------------|-----------------------|-----------------------|---------------------------------|
| <u>ASSETS</u> | | | | |
| Cash: | | | | |
| Demand deposits | \$ 4,789,794 | \$ 243,137,123 | \$ 242,359,808 | \$ 5,567,109 |
| Time deposits | 2,985,002 | 3,894,905 | 2,760,793 | 4,119,114 |
| | <u>7,774,796</u> | <u>247,032,028</u> | <u>245,120,601</u> | <u>9,686,223</u> |
| Accounts Receivable | 46,705 | 201,141,098 | 201,137,825 | 49,978 |
| | <u>7,774,796</u> | <u>201,141,098</u> | <u>201,137,825</u> | <u>49,978</u> |
| Total Assets | <u>\$ 7,821,501</u> | <u>\$ 448,173,126</u> | <u>\$ 446,258,426</u> | <u>\$ 9,736,201</u> |
| <u>LIABILITIES</u> | | | | |
| Accounts Payable | \$ 6,778 | \$ 34,606,333 | \$ 34,513,801 | \$ 99,310 |
| Employee Payroll Deductions | 579,164 | 71,547,449 | 71,586,852 | 539,761 |
| Deposits | 4,033,940 | 99,086,320 | 97,851,988 | 5,268,272 |
| Due to Other Governments | 3,201,619 | 21,211,734 | 20,584,495 | 3,828,858 |
| | <u>3,201,619</u> | <u>21,211,734</u> | <u>20,584,495</u> | <u>3,828,858</u> |
| Total Liabilities | <u>\$ 7,821,501</u> | <u>\$ 226,451,836</u> | <u>\$ 224,537,136</u> | <u>\$ 9,736,201</u> |

**STATISTICAL
SECTION**

(Unaudited)

COUNTY OF ROCKLAND, NEW YORK

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

| <u>Year</u> | <u>General Government Support</u> | <u>Education</u> | <u>Public Safety</u> | <u>Health</u> | <u>Trans- portation</u> | <u>Economic Opportunity and Development</u> |
|-------------|---|------------------|--------------------------|---------------|-----------------------------|---|
| 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 |
| 2003 | 34,993,828 | 50,182,282 | 42,894,951 | 34,217,931 | 31,363,348 | 146,763,914 |
| 2004 | 39,754,114 | 53,635,959 | 49,560,136 | 41,256,330 | 33,227,664 | 163,421,773 |
| 2005 | 43,149,881 | 56,287,051 | 55,473,720 | 43,904,877 | 36,248,794 | 155,278,769 |

Note: Includes General, Special Revenue and Debt Service funds.

| <u>Culture and Recreation</u> | <u>Home and Community Services</u> | <u>Employee Benefits</u> | <u>Debt Service</u> | <u>Other Financing Uses</u> | <u>Total</u> |
|-------------------------------|------------------------------------|--------------------------|---------------------|-----------------------------|----------------|
| \$ 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 |
| 643,684 | 17,589,427 | 15,433,804 | 21,177,957 | 37,483,589 | 432,744,715 |
| 651,769 | 16,962,202 | 10,464,391 | 10,539,263 | 24,615,205 | 444,088,806 |
| 698,272 | 19,212,556 | 11,371,661 | 20,147,495 | 36,862,723 | 478,635,799 |

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 | Fines and Forfeitures |
|------|---------------------------|-----------------------|--------------------------|------------------------|------------------------------------|----------------------------|--------------------------|
| 1996 | \$ 71,514,319 | \$ 6,357,491 | \$ 75,554,316 | \$ 21,346,455 | \$ 2,558,952 | \$ 791,048 | \$ 492,366 |
| 1997 | 69,082,413 | 6,519,996 | 82,200,190 | 22,157,045 | 3,069,193 | 796,684 | 627,795 |
| 1998 | 61,401,794 | 5,512,354 | 90,389,817 | 23,063,315 | 3,277,177 | 876,645 | 652,565 |
| 1999 | 43,129,354 | 6,322,957 | 98,961,356 | 22,851,032 | 2,454,549 | 940,525 | 717,214 |
| 2000 | 67,842,937 | 5,778,747 | 102,873,798 | 25,565,336 | 2,733,764 | 1,001,528 | 798,226 |
| 2001 | 55,125,499 | 4,662,533 | 104,741,932 | 23,647,511 | 1,728,009 | 963,061 | 725,337 |
| 2002 | 58,090,243 | 4,461,514 | 119,731,942 | 29,627,090 | 1,300,336 | 1,252,367 | 674,941 |
| 2003 | 58,693,340 | 4,262,453 | 142,819,235 | 28,668,797 | 1,819,194 | 1,321,928 | 718,865 |
| 2004 | 62,218,149 | 11,078,086 | 154,932,812 | 32,576,362 | 2,727,187 | 1,477,592 | 868,114 |
| 2005 | 67,573,335 | 9,898,911 | 159,169,424 | 34,063,306 | 4,132,707 | 1,512,041 | 760,839 |

Note: Includes General, Special Revenue and Debt Service funds.

| Sale of Property and Compensation for Loss | Interfund/ Intrafund Revenues | State Aid | Federal Aid | Miscellaneous | Other Financing Sources | Total |
|---|-------------------------------------|---------------|----------------|---------------|-------------------------------|----------------|
| \$ 30,777 | \$ 3,647,471 | \$ 60,879,379 | \$ 31,840,907 | \$ 2,141,255 | \$ 12,372,562 | \$ 289,527,298 |
| 57,079 | 4,003,463 | 61,105,011 | 33,427,046 | 2,452,479 | 13,559,299 | 299,057,693 |
| 123,487 | 3,519,629 | 66,940,031 | 35,819,413 | 3,291,014 | 13,919,540 | 308,786,781 |
| 149,535 | 3,410,953 | 69,510,791 | 42,088,539 | 4,910,111 | 15,359,524 | 310,806,440 |
| 261,352 | 4,425,683 | 73,847,533 | 38,747,001 | 8,599,439 | 17,978,563 | 350,453,907 |
| 416,613 | 2,476,541 | 71,663,720 | 42,058,770 | 53,938,484 | 18,105,094 | 380,253,104 |
| 159,583 | 39,264,640 | 77,613,466 | 45,903,863 | 7,723,720 | 14,617,009 | 400,420,714 |
| 174,452 | 9,504,603 | 79,807,988 | 46,466,016 | 15,279,908 | 47,918,846 | 437,455,625 |
| 194,830 | 9,995,961 | 91,543,073 | 51,281,485 | 4,539,643 | 28,139,785 | 451,573,079 |
| 123,880 | 11,996,089 | 90,174,659 | 48,041,256 | 4,370,725 | 70,825,546 | 502,642,718 |

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> |
|-------------|-------------------------------|--|---------------------------|
| 1996 | \$ 9,503,468,123 | 53.24 % | \$ 17,850,240,652 |
| 1997 | 9,544,444,519 | 50.78 | 18,795,676,485 |
| 1998 | 10,448,220,457 | 53.82 | 19,413,267,293 |
| 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 | 27,177,594,051 |
| 2002 | 10,726,941,312 | 36.85 | 29,112,479,511 |
| 2003 | 10,754,340,792 | 32.87 | 32,717,799,793 |
| 2004 | 10,762,024,134 | 25.86 | 41,616,489,304 |
| 2005 | 10,311,370,135 | 30.53 | 33,774,550,066 |

(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> |
|-------------|-------------------|-------------------|-------------------|--------------------|---------------|
| 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 |
| 2003 | 4.018649 | 18.330 | 2.7935 | 7.7300 | 8.512 |
| 2004 | 4.054183 | 20.900 | 2.8044 | 8.4530 | 8.352 |
| 2005 | 3.991577 | 19.740 | 2.4980 | 8.5290 | 8.049 |

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COUNTY OF ROCKLAND, NEW YORK

COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2005

| | | |
|--|--------------------|--------------------------|
| Five Year Full Valuation of Taxable Real Property (2000 - 2004) | | \$ 129,444,216,510 |
| Five Year Average Full Valuation | | <u>\$ 25,888,843,302</u> |
| Debt Limit - 7% of Five Year Average Full Valuation | | \$ 1,812,219,031 |
| Indebtedness: | | |
| Serial Bonds: | | |
| General Purpose | \$ 157,358,927 | |
| Sewer District Facilities | <u>112,165,446</u> | |
| | | \$ 269,524,373 |
| Bond Anticipation Notes: | | |
| Sewer District Facilities | 3,200,000 | |
| General Purpose | 8,175,000 | |
| Tax Anticipation Notes | 119,000,000 | |
| Revenue Anticipation Notes | <u>40,000,000</u> | |
| Total Indebtedness | | 439,899,373 |
| Less Exclusions: | | |
| Sewer District Facilities: | | |
| Serial Bonds | 112,165,446 | |
| Bond Anticipation Notes | <u>3,200,000</u> | |
| | | 115,365,446 |
| 2006 Budget Appropriations for | | |
| Non-Exempt Debt | 6,245,082 | |
| Tax Anticipation Notes | 119,000,000 | |
| Revenue Anticipation Notes | <u>40,000,000</u> | |
| Total Exclusions | | <u>280,610,528</u> |
| Total Net Indebtedness | | <u>159,288,845</u> |
| Net Debt Contracting Margin | | <u>\$ 1,652,930,186</u> |
| Percentage of Debt Contracting Power Exhausted as of December 31, 2005 | | <u>8.79 %</u> |

COUNTY OF ROCKLAND, NEW YORK

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 |
|------|-------------------|-----------------------|--------------------------------|--|--------------------------|
| 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 | 125,787,988 | 13,663,113 | 112,124,875 |
| 2003 | 286,753 | 10,754,340,792 | 140,528,483 | 11,283,791 | 129,244,692 |
| 2004 | 286,753 | 10,762,024,134 | 190,739,783 | 10,063,392 | 180,676,391 |
| 2005 | 292,916 | 10,311,370,135 | 255,157,191 | 38,398,625 | 216,758,566 |

(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 1996-1999. The figures for 2000 - 2005 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 |
|--|--|
| 1.13 % | \$ 386.92 |
| 1.14 | 387.63 |
| 1.11 | 409.90 |
| 1.20 | 440.11 |
| 1.20 | 445.02 |
| 0.91 | 339.85 |
| 1.05 | 391.02 |
| 1.20 | 450.72 |
| 1.68 | 630.08 |
| 2.10 | 740.00 |

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 |
|------|---------------|--------------|--------------------------------------|---|--|
| 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 |
| 2003 | 6,190,771 | 5,319,580 | 11,510,351 | 432,744,715 | 2.66 |
| 2004 | 5,133,743 | 4,785,466 | 9,919,209 | 444,088,806 | 2.23 |
| 2005 | 10,869,372 | 7,958,756 | 18,828,128 | 478,635,799 | 3.93 |

(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, Special Revenue and Debt Service funds.

COUNTY OF ROCKLAND, NEW YORK

CONSTRUCTION PERMIT DATA
 LAST TEN FISCAL YEARS

| Year | New Residential | |
|------|-----------------|-----------------|
| | No. of Permits | Estimated Value |
| 1996 | 1,049 | 74,889,738 |
| 1997 | 765 | 75,275,224 |
| 1998 | 570 | 71,158,820 |
| 1999 | 870 | 116,658,956 |
| 2000 | 547 | 67,365,382 |
| 2001 | 531 | 66,735,166 |
| 2002 | 529 | 68,781,775 |
| 2003 | 431 | 58,596,306 |
| 2004 | 349 | 57,790,857 |
| 2005 | 436 | 76,073,511 |

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

COUNTY OF ROCKLAND, NEW YORK

MISCELLANEOUS STATISTICS
 DECEMBER 31, 2005

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 | 543 |
| Transportation | 130 |
| Public Safety | 393 |
| Health | 1,160 |
| Economic Opportunity and Development | 586 |
| Home and Community Services | 145 |
| Culture and Recreation | 1 |
| | <hr/> |
| | 2,958 |
| | <hr/> <hr/> |

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 Lines | 905 |
| Supply | Several underground stream sources, springs, ponds and wells; also two reservoirs. |

COUNTY OF ROCKLAND, NEW YORK

MISCELLANEOUS STATISTICS (Concluded)

DECEMBER 31, 2005

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. |

