

COUNTY OF ROCKLAND

State of New York

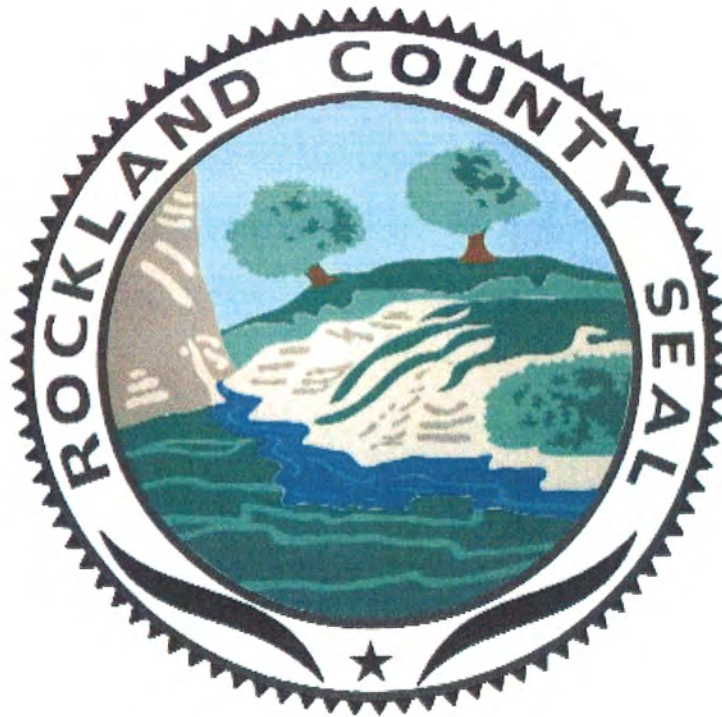


Comprehensive Annual Financial Report

Fiscal Year Ending
December 31, 2012

COUNTY OF ROCKLAND

State of New York



*C. Scott Vanderhoef,
County Executive*

*Stephen F. DeGroat, CPA
Commissioner of Finance & Budget Director*

*Steven J. Grogan, MPA, MS
Deputy Budget Director*

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Comprehensive Annual Financial Report**

Fiscal Year Ended December 31, 2012
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<p>STATISTICAL SECTION (Unaudited)</p>

This part of the County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information reveals about the County's overall financial health.

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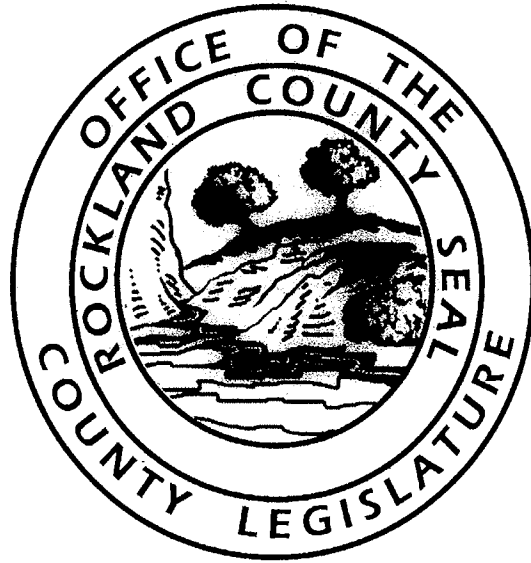
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**INTRODUCTORY
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ROCKLAND COUNTY LEGISLATURE

<u>DISTRICT</u>	<u>LEGISLATOR</u>
District 1	Hon. Douglas J. Jobson
District 2	Hon. Michael M. Grant
District 3	Hon. Jay Hood, Jr.
District 4	Hon. Ilan S. Schoenberger
District 5	Hon. Edwin J. Day
District 6	Hon. Alden H. Wolfe
District 7	Hon. Philip Soskin
District 8	Hon. Toney Earl
District 9	Hon. Christopher J. Carey
District 10	Hon. Harriet D. Cornell
District 11	Hon. Frank Sparaco
District 12	Hon. Joseph L. Meyers
District 13	Hon. Aron B. Wieder
District 14	Hon. Aney Paul
District 15	Hon. Patrick J. Moroney
District 16	Hon. John A. Murphy
District 17	Hon. Nancy Low-Hogan



LEGISLATIVE LEADERSHIP

Harriet D. Cornell

Chairwoman of the Legislature

Alden H. Wolfe

Vice-Chairman

Jay Hood, Jr.

Majority Leader

Toney L. Earl

Deputy Majority Leader

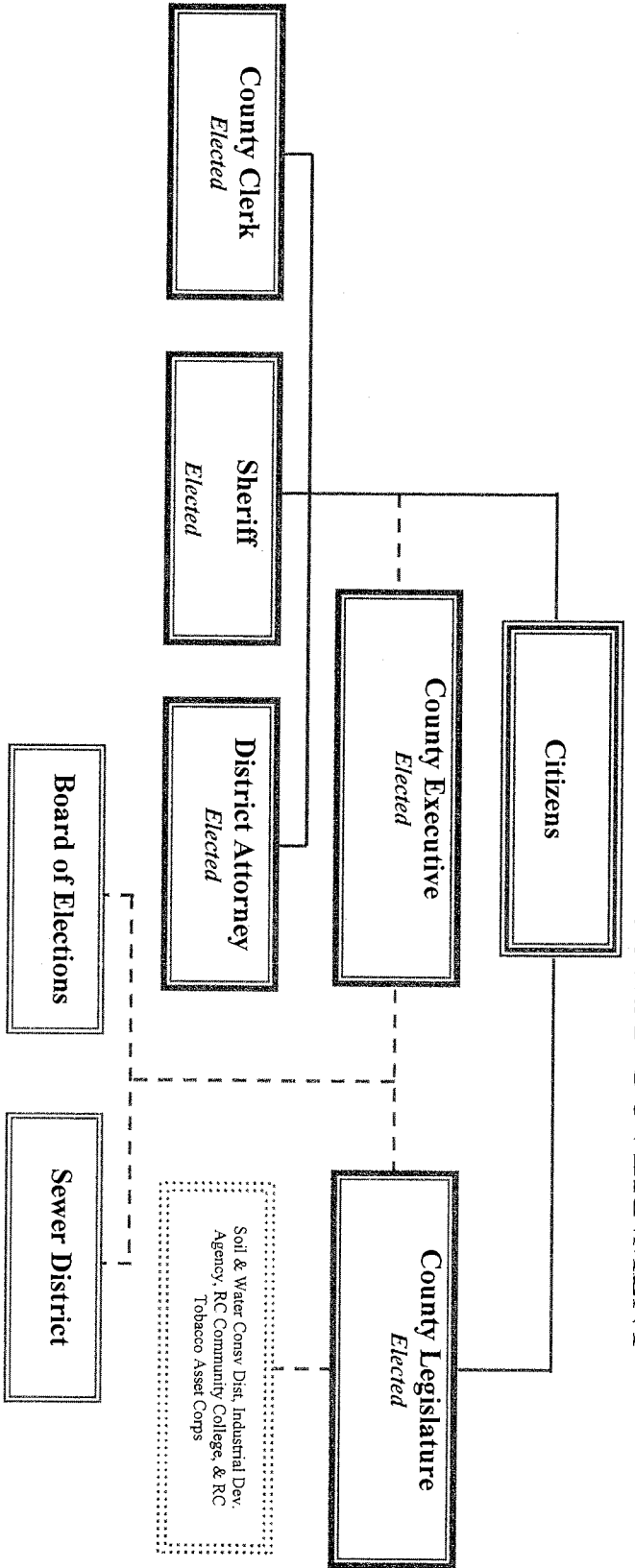
Christopher J. Carey

Minority Leader

Frank Sparaco

Deputy Minority Leader

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



COUNTY OF ROCKLAND
DEPARTMENTS OF FINANCE AND BUDGET

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

C. SCOTT VANDERHOEF
County Executive

STEPHEN F. DeGROAT, CPA
Commissioner of Finance
Budget Director

STEVEN J. GROGAN
Deputy Budget Director

September 9 , 2013

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, 2012 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 financial statements have been audited by O'Connor Davies, 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, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County of Rockland's basic financial statements for the fiscal year ended December 31, 2012, 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 financial section also includes a narrative introduction, overview and analysis of the December 31, 2012 financial statements to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A").

This letter of transmittal was designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditor.

The independent audit of the 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.

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 resides 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.

PROFILE OF GOVERNMENT

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 there from.

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

The County also maintains budgetary controls to ensure compliance with legal provisions embodied in the annual budget approved by the County Legislature. The administrative head of each department, on or before August 1, 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 23. Subsequent to October 23, 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 20, and after the public hearing, the Legislature may make changes to the budget. The budget is adopted no later than December 7. 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.

Local Economy

A major part of the County's labor force, over 48%, is employed in service related industries. According to preliminary 2nd quarter 2012 data compiled by the State Labor Department, only

8% 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 19% of the County's labor force is classified as government related, a significant part of this group of employees works at the various State hospitals and institutions located in the County. Major non-governmental employers in the County include Pfizer 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. According to the Bureau of Economic Analysis, the estimated per capita personal income of County residents in 2011 was \$53,787. State and U.S. income averages reported on this basis were \$51,126 and \$41,560, respectively. According to the U.S. Census Bureau, the median household income for households in the County for 2011 was \$82,217, which was significantly greater than the median household income of \$55,246 for the State.

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

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

Primary education is the responsibility of the nine independent public school districts located within the County. There are numerous colleges, universities and vocational schools located throughout the County as well. Rockland Community College offers two-year associate degree and one-year certificate programs. Dominican College, St. Thomas Aquinas College and Empire

State College/SUNY are four-year liberal arts colleges. Iona College - Rockland Campus and Long Island University - Rockland Campus 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 27 parks/open space, 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 2012, the County of Rockland experienced an increase with sales tax revenues showing 1.4% increase over the previous year. The main reason for the increase is due to the creation of a residential energy tax which subjects home energy consumption to be assessed sales tax. The County's housing market continues to stabilize in 2012, with mortgage tax revenues remaining consistent from the previous year, bringing in \$3.5 million.

LONG TERM FINANCIAL PLANNING

Rockland County has a six-year plan for capital improvements and this plan is updated each year in the form of a Capital Program. As required by Article IV of the County Charter, the administration is required to submit an updated Capital Program to the legislature by October 23 of each year, and the Legislature is required to approve the plan on or before December 20 of each year. The Six-Year Capital Program is prepared by the Planning Department. The first year of the Six-Year Capital Program is represented by the Capital Budget. Projects are listed by function and include County Center, Fire Training Center, Public Transportation, Parks, Highway, Hospital, Planning, Drainage & Rockland Community College projects. The Capital Budget is prepared by the Department of Budget & Management and is separate from the Six-Year Capital Program.

The County's ongoing and future projects include the following:

- Continuation of Rockland County Highway Department's (3) year road repaving, equipment replacement program and bridge/culvert repair and maintenance program.
- Construction phase of \$33.3 million New Hempstead Road reconstruction project. 80-90% estimated Federal and NYS reimbursement.
- Install a Countywide Emergency Service Radio Communications System which will allow all agencies to communicate with each other during County-wide events.
- 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.
- Upgrade eight (8) sewer pump stations in the Town of Clarkstown to comply with current national electric code and OSHA standards.
- Continuation of a West Shore Railroad Safety and Quiet Zone Project to be funded with an 80% Federal Grant.
- Improvements at Rockland Community College including the roof replacement of Academic I and Academic II buildings, campus-wide electrical upgrades and upgrades to the utility plant.
- Continued construction and repairs of roads, bridges, drainage and parks from damage done by Hurricane Irene and Hurricane Sandy.
- Construction and repairs to Pascack Brook\Union Road including bridges and culverts.

OPERATIONAL PROCEDURES AND PRACTICES

The County adopted a resolution on March 16, 2011 requesting the State Legislature to approve legislation creating a public benefit corporation. The County had contracted with an outside consulting firm to analyze the operations of the County hospital and to investigate the various opportunities that are available including the sale and/or creation of a public benefit corporation. The consultants have completed their analysis and have presented their report. The County has decided to proceed with the sale of the 321 bed Summit Park Nursing Care Center. It has been determined that the best way to accomplish this is thru the formation of a local development corporation, or LDC. The County Executive and the Legislature have each announced their respective candidates to be board members of the newly formed Local Development Corporation (LDC), as of the issuance date of these financial statements.

AWARDS AND ACKNOWLEDGEMENTS

GFOA - Certificates 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 CAFR for the year ended December 31, 2011. 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.

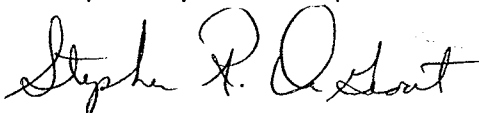
A Certificate of Achievement is valid for a period of only one year. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

GFOA also bestowed a Distinguished Budget Presentation Award to the County of Rockland for the 2006 through 2009 Budgets. In order to achieve this prestigious award, a budget document must meet program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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, 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,



Stephen F. DeGroat, CPA
Commissioner of Finance/ Budget Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Rockland
New York

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

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



Christopher P. Moirill

President

Jeffrey R. Emer

Executive Director

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**FINANCIAL
SECTION**

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Independent Auditors' Report**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 ("County") as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

We did not audit the financial statements of the Home and Infirmary Fund (a major enterprise fund) and the Rockland County Industrial Development Agency (a component unit) for the year ended December 31, 2012, which represent 82.75%, 62.94% and 95.38% and .24%, 37.10% and .29% respectively, of the assets, net position and revenues of the enterprise funds and the component units. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it related to the amounts included for such major enterprise fund and component unit, is based solely on the reports of the other auditors.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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fund information of the County, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Schedule of Funding Progress – Other Post Employment Benefits be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedules, the schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133 Audits of State, Local Governments and Non-Profit Organizations and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2013 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

O'Connor Davies, LLP

O'Connor Davies, LLP
Harrison, New York
September 9, 2013

County of Rockland, New York
Management's Discussion and Analysis (MD&A)
December 31, 2012

Introduction

The County of Rockland's ("County") management team offers the readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights for Fiscal Year 2012

- Actual revenue from sales tax and mortgage tax, in the General Fund, were under budget by \$22.1 million in 2012 as a result of projected increases to the County sales tax and mortgage tax rates of 0.375% and 0.25% respectively. These increases were proposed to the New York State Senate but not passed.
- The net position (assets plus deferred outflows of resources minus liabilities and deferred inflows of resources) of the County for fiscal year 2012 was a deficit of (\$61,877,072). Of this amount, \$141,766,369 represents governmental net position while a deficit of (\$203,643,441) is reflected for the business type activities.
- The General Fund reported an ending fund deficit of (\$49,387,473) which represents an increase of (\$16,209,396) from fiscal year 2011. It should be noted that (\$5.8) million of the (\$16.2) million increase was due to the sale of two County owned surplus buildings included in the 2012 budget but not sold until 2013. The unassigned portion of this total fund deficit was (\$127,253,007) an increase of (\$30,738,710) from the prior year.
- The County's total outstanding bonds payable for December 31, 2012 were \$471,493,766 an increase of \$14,429,789 from the prior year.

Overview of the Financial Statements

The County's financial statements are composed of this Management Discussion and Analysis ("MD&A") and the basic financial statements. This discussion and analysis serves as an introduction to the basic financial statements. The MD&A provides analysis and overview of the County's financial activities. The basic financial statements include three components:

1. Government-Wide Financial Statements.
2. Fund Financial Statements.
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 Position and Statement of Activities. Fiduciary activities, whose resources are not available to finance County programs, are excluded from these statements.

The Statement of Net Position presents information on all of the County's assets and liabilities and deferred inflows/outflows of resources (when applicable), with the difference reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator as to whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected taxes and other post employment benefit obligations ("OPEB")).

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

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

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

The government-wide financial statements include the County itself (the primary government) and the Rockland County Community College, the Rockland County Soil and Water Conservation District, the Rockland County Solid Waste Management Authority and the Rockland County Industrial Development Agency, for which the County is financially accountable. Financial information for these component units are reported separately from the financial information presented for the primary government.

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

Fund Financial Statements

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

Governmental Funds - Most of the basic services provided by the County are financed and accounted for through governmental funds. Governmental fund financial statements focus on current

inflows and outflows of spendable resources as well as the spendable balances of these resources at the end of the fiscal year. This information is useful in determining the County's financing requirements for the subsequent fiscal period.

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

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

The County adopts an annual budget for its General Fund, certain Special Revenue Funds and the Debt Service Fund. A budgetary comparison statement has been provided for these funds to demonstrate compliance with the respective budgets. The governmental fund financial statements can be found in the basic financial statements section of this report.

Proprietary Funds - These funds are used to show activities that operate similar to private business enterprises. Because these funds charge fees for services provided, they are known as Proprietary funds. Proprietary fund financial statements use the economic resources measurement focus and the accrual basis of accounting, similar to the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Proprietary fund financial statements provide information for the Enterprise funds. In addition, the Internal Service funds are presented in the Proprietary fund financial statements. The Proprietary fund financial statements can be found in the basic financial statements section of this report.

Fiduciary Funds - These funds are used to account for resources held for the benefit of parties outside of the County. The Fiduciary funds are not reflected in the government-wide financial statements because the assets of these funds are not available to support the activities of the County. The Fiduciary fund financial statements can be found in the basic financial statements section of this report.

Component Units - As discussed above, component units are legally separate entities for which the County is financially accountable. The component units enumerated above are reported in the aggregate in the government-wide financial statements. The combining statements can be found in the basic financial statements section of this report.

Notes to 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, liabilities exceeded assets by \$61,877,072 for fiscal year 2012.

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and Other Assets	\$ 378,754,990	\$ 347,410,328	\$ (26,052,190)	\$ (12,187,645)	\$ 352,702,800	\$ 335,222,683
Capital Assets	706,968,836	701,594,359	19,099,701	20,385,140	726,068,537	721,979,499
Total Assets	1,085,723,826	1,049,004,687	(6,952,489)	8,197,495	1,078,771,337	1,057,202,182
Current Liabilities	346,038,292	308,592,339	9,740,916	7,640,430	355,779,208	316,232,769
Long-Term Liabilities	597,919,165	555,588,605	186,950,036	174,088,863	784,869,201	729,677,468
Total Liabilities	943,957,457	864,180,944	196,690,952	181,729,293	1,140,648,409	1,045,910,237
Net Assets -						
Invested in Capital Assets						
Net of Related Debt	406,255,827	394,449,480	8,473,692	9,351,936	414,729,519	403,801,416
Restricted	45,321,506	43,843,923	-	-	45,321,506	43,843,923
Unrestricted	(309,810,964)	(253,469,660)	(212,117,133)	(182,883,734)	(521,928,097)	(436,353,394)
Total Net Assets	\$ 141,766,369	\$ 184,823,743	\$ (203,643,441)	\$ (173,531,798)	\$ (61,877,072)	\$ 11,291,945

The largest component of the County's net position is Net Investment in Capital Assets of \$414,729,519 which reflects its investment in capital assets, less any related debt used to acquire those assets that are still outstanding. Capital assets include: parkland, buildings, roads, bridges, sewer lines and treatment facilities, a hospital and the community college among other things. 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.

A portion of the County's 2012 net position of \$45,321,506 represents resources that are subject to external restrictions on how they may be used. The restrictions are as follows:

Capital Projects	\$ 114,440
Law Enforcement	11,435,019
Stop-DWI Program	1,053,669
Handicapped Parking	56,965
Debt Service	13,474,204
Community Development	6,117,517
Unemployment Benefits	127,881
Special Revenue Funds	12,941,811

The County's governmental activities had a net increase of \$1,477,583 in restricted net position compared to the prior year. The increase in the amount restricted for debt service of \$5,009,250 is due to \$1,345,054 of tax certiorari bonds issued less the County's non expended portion and capital projects of \$3,664,196, based on appropriated but unspent funds, was partially offset by a reduction in the amount restricted for law enforcement of \$2,046,591 due to planned use of these funds for law enforcement purposes permitted under federal guidelines, and a reduction in the deferred revenue which is restricted for community development of \$1,330,782 which reflects the annual principal payments toward Section 108 loans.

The remaining net position, unrestricted net position, is a negative (\$521,928,097), with a deficit of (\$309,810,964) reported in governmental activities and a (\$212,117,133) deficit reported for business-type activities. This deficit does not mean the County does not have the resources available to meet its obligations in the ensuing year. Rather, it is partly the result of having long-term commitments, including claims payable \$17,080,156 and compensated absences \$28,403,576 that are greater than currently available resources.

Additionally, in accordance with the Governmental Accounting Standards Board Statement No.45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* ("OPEB"), municipalities were required to begin recognizing an actuarial determined liability for benefits provided to retirees. The liability will be amortized in the County's entity-wide operations over a period of 30 years. The liability reflected in 2012 for primary government was \$251,341,620. The recording of the current year's increase in the net OPEB obligation of \$40,314,396 was the primary reason for the overall decrease in the County's net position of \$73,169,017. Additional information on all of these long-term liabilities can be found in Note 3 in the notes to the financial statements.

Rockland County Changes in Net Position:

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
PROGRAM REVENUES						
Charges for Services	\$ 34,536,792	\$ 31,694,861	\$ 73,658,002	\$ 81,357,297	\$ 108,194,794	\$ 113,052,158
Operating Grants and Contributions	144,656,039	147,921,778	3,758,109	4,178,314	148,414,148	152,100,092
Capital Grants and Contributions	18,937,891	13,437,559	-	-	18,937,891	13,437,559
General Revenues						
Real Property Taxes	111,274,889	89,684,666	-	-	111,274,889	89,684,666
Other Tax items	9,500,343	8,984,061	-	-	9,500,343	8,984,061
Non-Property Taxes	176,220,815	172,735,486	-	-	176,220,815	172,735,486
Unrestricted Use of Money and Property	110,267	183,172	-	-	110,267	183,172
Sale of Property and Compensation for Loss	57,512	121,310	-	-	57,512	121,310
Other Revenues	989,263	1,084,318	-	-	989,263	1,084,318
Total Revenues	496,283,811	465,847,211	77,416,111	85,535,611	573,699,922	551,382,822
PROGRAM EXPENSES						
General Government						
Support	75,339,999	66,978,200	-	-	75,339,999	66,978,200
Education	61,187,980	60,294,608	-	-	61,187,980	60,294,608
Public Safety	80,067,023	82,354,581	-	-	80,067,023	82,354,581
Health	42,871,027	47,274,572	-	-	42,871,027	47,274,572
Transportation	51,440,827	53,254,863	-	-	51,440,827	53,254,863
Economic Opportunity and Development	180,315,323	181,264,332	-	-	180,315,323	181,264,332
Culture and Recreation	790,039	1,185,479	-	-	790,039	1,185,479
Home and Community Services	30,494,470	38,698,119	-	-	30,494,470	38,698,119
Interest	17,284,497	15,746,647	-	-	17,284,497	15,746,647
Home and Infirmary	-	-	101,631,745	104,940,810	101,631,745	104,940,810
Rockland Tobacco Asset Corporations	-	-	5,446,009	5,367,675	5,446,009	5,367,675
Total Expenses	539,791,185	547,051,401	107,077,754	110,308,485	646,868,939	657,359,886
(Decrease)/Increase in Net Position Before Transfers	(43,507,374)	(81,204,190)	(29,661,643)	(24,772,874)	(73,169,017)	(105,977,064)
Transfers	450,000	258,326	(450,000)	(258,326)	-	-
(Decrease)/Increase in Net Position	(43,057,374)	(80,945,864)	(30,111,643)	(25,031,200)	(73,169,017)	(105,977,064)
Net Position at Beginning of Year	184,823,743	265,769,607	(173,531,798)	(148,500,598)	11,291,945	117,269,009
Net Position at End of Year	\$ 141,766,369	\$ 184,823,743	\$ (203,643,441)	\$ (173,531,798)	\$ (61,877,072)	\$ 11,291,945

Governmental Activities - Governmental activities decreased the County's net position by \$43.1 million. The Other Post Employment Benefits accrual of \$28.5 million accounts for the bulk of this decrease.

For the fiscal year end December 31, 2012, the revenues from governmental activities including transfers totaled \$496.7 million.

Tax revenues of \$297 million, comprised of real property taxes, sales and mortgage tax items and non property taxes, increased by \$25.6 million from 2011 and represents the largest revenue source (60%). The increase over prior year is due to proactive measures instituted in 2012 to increase budgeted property taxes by 31.38% and instituting revenue streams with a hotel/motel tax, residential energy use tax and motor vehicle use tax. Collection of the current tax levy remains strong at 92.16%, while averaging 91.49% over the last five years. Non-property taxes yielded \$176.2 million, an increase of \$3.5 million from 2011.

Business-type Activities - Business-type activities decreased the County's net assets by \$30.1 million for the year ended December 31, 2012. This is due mainly to the 2012 GASB 45 accrual of \$11.8 million. The reasons are discussed in the next section of this report.

Financial Analysis of the Government's Funds

As previously noted, 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 schedules 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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

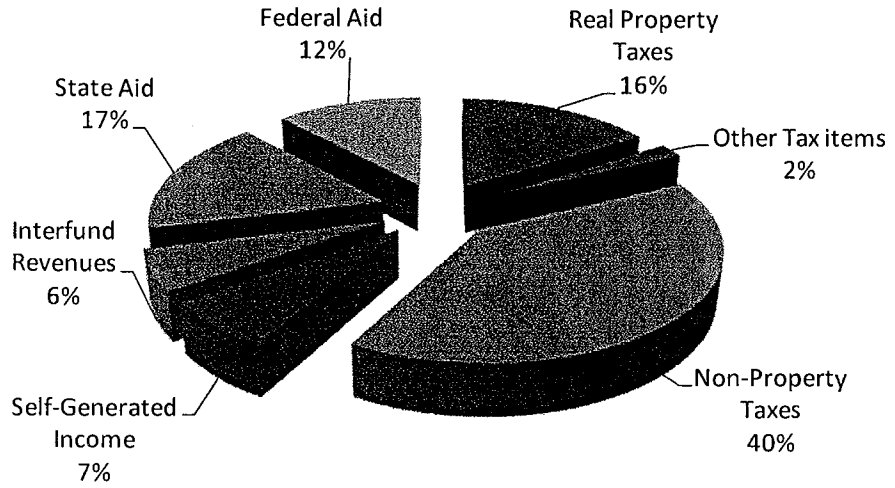
As of the end of the current fiscal year, the County's total governmental funds reported a combined ending fund balance of \$8.3 million, a decrease of \$7.4 million in comparison with \$15.7 million the prior year.

The non-spendable fund balance component of \$62.1 million is reserved for prepaid Medicaid expenditures of \$1.3 million, collection of long-term taxes receivable of \$12.1 million, and advances to Home and Infirmary Fund of \$48.7 million. The restricted fund balance component of \$46 million is for \$12.5 million of law enforcement and related items in the general fund, \$13.5 million of unspent bond proceeds restricted for debt service, and \$20 million for capital projects, exclusive of unexpended bond proceeds and unrestricted interest earnings. The assigned fund balance totaling \$26.3 million is composed primarily of encumbrances of \$1.5 million, subsequent years expenditures of \$5.2 million and \$19.4 million in the special revenue funds, further detail of which can be found in Note 3 of this report. The remaining fund balance of (\$127.3) is composed of the unassigned fund deficit in the general fund.

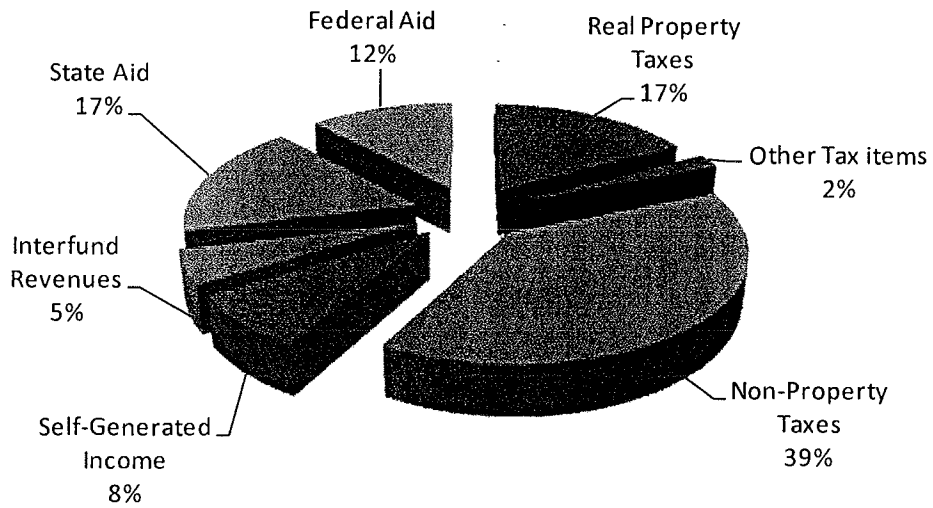
The General Fund is the primary operating fund of the County. At the end of the current 2012 fiscal year, the total fund deficit of the General Fund was (\$49.4) million (composed of non-spendable \$62.1 million, restricted \$15.8 million, and unassigned (\$127.3) million). At the end of the 2011 fiscal year, the total fund deficit of (\$33.2) million (composed of non-spendable \$46.7 million, restricted \$16.6 million, and unassigned (\$96.5) million). The increase in the General Fund deficit from 2011 to 2012 of (\$16.2) million is due to several factors; 1) a budgetary shortfall in revenues of \$44.9 million, composed of Sales and Use Tax of (\$19 million), 2) Mortgage Tax of (\$3 million), 3) County Transfer Fee of (\$3.5 million), 4) State Aid of (\$5.3 million) and 5) Federal Aid of (\$6.3 million). These budgetary shortfalls in revenues were offset by a budgetary surplus of expenditures of \$36.7 million. The largest component of this was a budgetary savings of \$17.8 for the repayment of the principal on the Deficiency Note issued in 2011. The actual revenues over actual expenditures of \$10 million was offset by the total other financing uses of (\$26.2) million (consisting of tax certiorari bond issuance and bond premiums of \$6.1 million and net interfund transfers out of (\$32.3) million) resulting in the decrease in fund balance of (\$16.2 million).

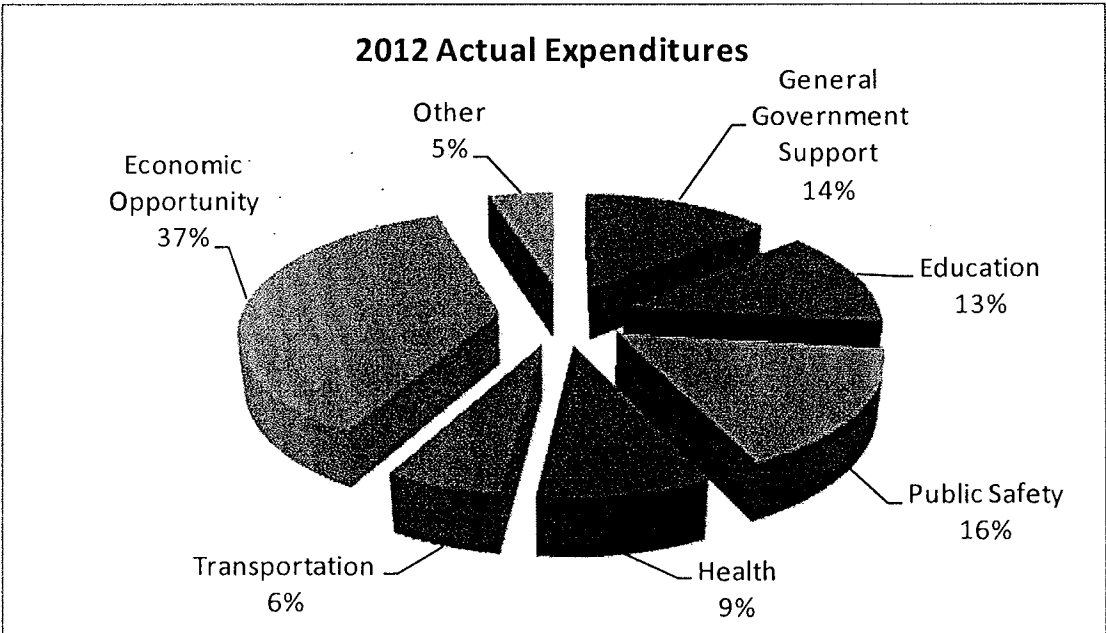
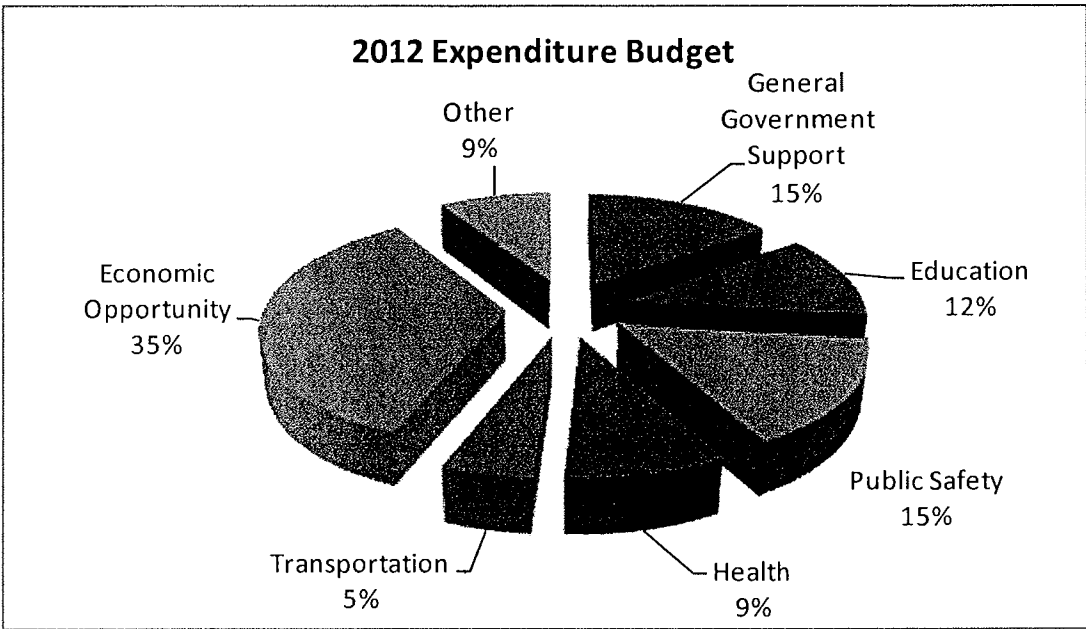
The following graphs indicate the sources and uses of the General Fund.

2012 Revenue Budget



2012 Actual Revenues





Major changes in specific actual revenues and expenditures in comparison to the prior year were as follows:

- Real property tax revenues increased by 29.14% in the amount of \$17,838,136 from \$61,212,218 to \$79,050,354, which reflects the real property tax increase budgeted in 2012 of 31.38%.
- Non property tax revenues increased by 2.30% in the amount of \$3,989,961, from \$173,277,809 to \$177,267,770, which reflects the addition of two new tax revenue sources adopted by home rule legislation in 2012: hotel/motel occupancy tax and motor vehicle use tax.
- Intergovernmental charges revenue totaled \$2,614,580, a new revenue source in 2012, represents the charge backs to municipalities for election services and community college tuition discounts.
- General government support expenditures increased by 4.25% in the amount of \$2,614,996 from \$61,594,915 to \$64,209,911 due to increased departmental costs.
- Public safety expenditures increased by 2.18% in the amount of \$1,491,922, from \$68,586,927 to \$70,078,849, primarily due to increased demand for services at the correctional facility, and the appropriation of restricted fund balance.
- Health expenditures decreased by 2.97% in the amount of \$1,217,894, from \$41,010,199 to \$39,792,305 primarily due to decreases in staffing but not services.
- Economic opportunity and development expenditures (consisting of department of social services, veteran's service agency, consumer affairs, office for the aging and contract agencies) increased by .6% in the amount of \$1,020,827, from \$167,960,613 to \$168,981,440 which was primarily due to:
 - an increase in MMIS Medicaid expenditures in the amount of \$4,075,057. This Department of Social Services Program is a state mandated local share expenditure controlled by the baseline percentage cap increase established by the State.
 - decreases in other social services programs, primarily family assistance and juvenile delinquent care expenditures in the amount of \$1,403,789 and \$495,132 respectively due to decreases in demand for services.
 - a decrease in office for the aging expenditures of \$381,372 also due to decreases in demand for services, and
 - decreased contributions to contract agencies in the amount of \$324,202.
- Other expenditures (composed of culture and recreation, home and community services, employee benefits and debt service) increased by 7.85% in the amount of \$1,694,188 from \$21,589,539 to \$23,283,727, primarily due to the increase in debt service of \$2,347,271 which was partially offset by decreases in home and community services expenditures due to decreased contributions to contract agencies of \$480,040.

The Capital Projects Fund is used to account for capital project activity throughout the County. The Capital Projects Fund's ending fund balance is \$20,064,290. This is an increase of \$6,295,484 from the prior year. The County continued to keep down debt service interest expenses in 2012 by focusing on completion of existing projects and borrowing at a minimum for 2012.

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 and Special Purpose Fund. For the fiscal year ending December 31, 2012, the combined fund balance of these funds total \$24.4 million. This represents an increase of \$2 million from the prior year and the bulk of this increase can be attributed to the Sewer District, as a result of an increase in the real property taxes, federal aid and a tightening of expenditures for services.

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

Total net position of the Hospital ("Home and Infirmary") fund decreased by \$28 million leaving a balance of net position of \$(128.2) million. This was a result due to GASB 45 Other Post Employment Benefits (OPEB) going from \$66.7 in 2011 to \$78.5 in 2012, a decrease in net patient service revenues of \$7.4 million.

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

Budgetary Highlights

General Funds - Actual General Fund revenues were \$460.3 million, which was \$44.9 less from the final budget. The majority of this shortfall was from the area of non-property taxes. The four main revenue sources that comprised this number were as follows:

Non-property Taxes	\$ (23.6) million
Federal Aid	\$ (6.3) million
Interfund Revenues	\$ (6.1) million
State Aid	\$ (5.3) million

When the 2012 Budget was adopted, it anticipated an increase to the County's sales tax rate of 0.375%. The County also sought a 0.40% new real estate transfer tax and an increase to the mortgage tax rate of 0.25%. The County proposed these initiatives to the New York State Senate but the proposal was not passed. These items primarily account for the revenue shortfalls in non-property taxes. Federal Aid and State Aid were down because General Fund corresponding expenditures were down in these areas. Similarly, because employee benefits costs for the Community College were under budget, the corresponding inter-fund revenues were down as well.

Overall, the actual General Fund expenditures were \$450.3 million, which was \$36.7 million less than the final budget. The major areas where spending was less than budget was Debt Service \$17.9 million due primarily to the one time \$18.1 million assessment to property owners to repay deficiency note of \$17.8 million, General Government Support \$9.4 million primarily as a result of budgeted contingent fund savings, Employee Benefits \$4.5 million primarily in savings in community college as stated earlier, and Health \$2 million due primarily to decreases in contracted mental health services.

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, 2012, amounts to \$726.1 million, net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements, equipment, infrastructure and construction-in-progress.

**Rockland County Capital Assets
(Net of Depreciation)
(In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 68,149	\$ 68,149	\$ 439	\$ 439	\$ 68,588	\$ 68,588
Buildings and Improvements	122,140	134,517	9,778	10,908	131,918	145,425
Equipment	42,804	37,486	6,749	7,503	49,553	44,989
Infrastructure	198,732	195,857	-	-	198,732	195,857
Construction-in- Progress	275,143	265,585	2,134	1,535	277,277	267,120
Total	\$ 706,968	\$ 701,594	\$ 19,100	\$ 20,385	\$ 726,068	\$ 721,979

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

Long-Term Debt – For the fiscal year end, December 31, 2012, the County had \$471.5 million in total long-term debt outstanding. This represents an increase of \$14.4 million over 2011. All of this debt is backed by the full faith and credit of the County.

**Rockland County Outstanding Debt
General Obligation Bonds
(In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
General Obligation Bonds - Gross	<u>\$ 372,815</u>	<u>\$ 359,239</u>	<u>\$ 98,679</u>	<u>\$ 97,825</u>	<u>\$ 471,494</u>	<u>\$ 457,064</u>

The County's current long-term borrowing rate is Baa3 issued by Moody's as of December 2012.

The State Constitution limits the amount of indebtedness, both long-term and short-term, which the County may incur. In accordance with Article VIII of the State Constitution 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 of 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.

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 Stephen F. DeGroat, CPA, Commissioner of Finance, Rockland County Finance Department, 18 New Hempstead Road, New City, New York 10956. The telephone number is (845) 638-5135.

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**BASIC
FINANCIAL STATEMENTS**

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County of Rockland, New York

Statement of Net Position
December 31, 2012

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and equivalents	\$ 132,934,566	\$ 2,391,286	\$ 135,325,852	\$ 27,963,785
Investments	-	1,137,038	1,137,038	3,429,603
Receivables				
Taxes, net	61,374,275	-	61,374,275	-
Accounts, net	29,172,595	23,309,175	52,481,770	9,531,583
Accounts - Patient care, net	-	9,492,361	9,492,361	-
Loans	6,117,517	-	6,117,517	-
State and Federal aid, net	66,828,207	-	66,828,207	2,838,814
Funds held in trust for residents	-	259,385	259,385	-
Due from other governments	6,402,370	-	6,402,370	-
Internal balances	68,537,794	(68,537,794)	-	-
Inventories	84,610	703,562	788,172	-
Restricted cash	5,211,640	-	5,211,640	13,238,549
Prepaid expenses	1,537,053	18,056	1,555,109	310,323
Intangible asset	-	-	-	15,506,746
Deferred charges	554,363	-	554,363	963,186
Other assets	-	-	-	451,250
	<u>378,754,990</u>	<u>(31,226,931)</u>	<u>347,528,059</u>	<u>74,233,839</u>
Restricted cash and equivalents	-	92,657	92,657	-
Restricted investments	-	4,151,192	4,151,192	3,319,236
Cost of issuance, net	-	930,892	930,892	-
	<u>-</u>	<u>5,174,741</u>	<u>5,174,741</u>	<u>3,319,236</u>
Capital assets				
Not being depreciated	343,292,477	2,572,734	345,865,211	11,076,593
Being depreciated, net	363,676,359	16,526,967	380,203,326	33,773,734
	<u>706,968,836</u>	<u>19,099,701</u>	<u>726,068,537</u>	<u>44,850,327</u>
Total Assets	<u>1,085,723,826</u>	<u>(6,952,489)</u>	<u>1,078,771,337</u>	<u>122,403,402</u>
LIABILITIES				
Accounts payable	40,194,949	7,488,578	47,683,527	7,497,701
Accrued liabilities	34,951,754	889,981	35,841,735	9,891,594
Due to other governments	19,789,895	-	19,789,895	186,323
Due to school districts	50,278,178	-	50,278,178	-
Unearned revenues	3,688,542	512,285	4,200,827	6,232,227
Accrued interest payable	5,694,974	140,687	5,835,661	-
Tax anticipation note payable	55,000,000	-	55,000,000	-
Revenue anticipation note payable	110,000,000	-	110,000,000	-
Bond anticipation notes payable	26,440,000	450,000	26,890,000	-
Funds held in trust for residents	-	259,385	259,385	-
Non-current liabilities				
Due within one year	36,186,284	3,008,660	39,194,944	3,804,911
Due in more than one year	561,732,881	183,941,376	745,674,257	94,011,078
	<u>943,957,457</u>	<u>196,690,952</u>	<u>1,140,648,409</u>	<u>121,623,834</u>
NET POSITION				
Net Investment in capital assets	406,255,827	8,473,692	414,729,519	13,992,293
Restricted for				
Capital projects	114,440	-	114,440	911,520
Law enforcement	11,435,019	-	11,435,019	-
STOP-DWI Program	1,053,669	-	1,053,669	-
Handicapped parking	56,965	-	56,965	-
Debt service	13,474,204	-	13,474,204	-
Community development	6,117,517	-	6,117,517	-
Student loans	-	-	-	11,098
Unemployment benefits	127,881	-	127,881	-
Scholarships and student services	-	-	-	2,464,386
Permanent endowments	-	-	-	820,147
Special Revenue funds				
Sewer	12,913,036	-	12,913,036	-
Trusts	28,775	-	28,775	-
Unrestricted	<u>(309,810,964)</u>	<u>(212,117,133)</u>	<u>(521,928,097)</u>	<u>(17,419,876)</u>
Total Net Position	<u>\$ 141,766,369</u>	<u>\$ (203,643,441)</u>	<u>\$ (61,877,072)</u>	<u>\$ 779,568</u>

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

County of Rockland, New York

Statement of Activities
 Year Ended December 31, 2012

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government support	\$ 75,339,999	\$ 12,812,341	\$ 4,582,618	\$ -
Education	61,187,980	1,628,565	-	-
Public safety	80,067,023	4,451,924	5,610,602	-
Health	42,871,027	2,636,827	43,446,250	-
Transportation	51,440,827	5,463,805	24,665,529	13,880,795
Economic opportunity and development	180,315,323	6,585,776	65,337,584	-
Culture and recreation	790,039	-	246,682	-
Home and community services	30,494,470	957,554	766,774	-
Interest	17,284,497	-	-	5,057,096
Total Governmental Activities	<u>539,791,185</u>	<u>34,536,792</u>	<u>144,656,039</u>	<u>18,937,891</u>
Business-type activities				
Home and Infirmary Fund	101,631,745	73,658,002	-	-
Rockland Tobacco Asset Securitization Corporation	5,016,299	-	3,014,014	-
Rockland Second Tobacco Asset Securitization Corporation	429,710	-	744,095	-
Total Business-type Activities	<u>107,077,754</u>	<u>73,658,002</u>	<u>3,758,109</u>	<u>-</u>
Total Primary Government	<u>\$ 646,868,939</u>	<u>\$ 108,194,794</u>	<u>\$ 148,414,148</u>	<u>\$ 18,937,891</u>
Component units				
Rockland County Community College	\$ 78,929,461	\$ 22,433,214	\$ 19,209,168	\$ 1,104,656
Rockland County Soil and Water Conservation District	53,316	-	-	-
Rockland County Solid Waste Management Authority	44,516,809	43,842,742	1,919,842	-
Rockland County Industrial Development Agency	157,702	329,397	-	-
Total Component Units	<u>\$ 123,657,288</u>	<u>\$ 66,605,353</u>	<u>\$ 21,129,010</u>	<u>\$ 1,104,656</u>

General revenues
 Real property taxes
 Other tax items
 Interest and penalties on real property taxes
 Gain on sale of tax acquired property
 Payments in lieu of taxes
 Non-property taxes
 Sales and use tax
 Mortgage tax
 Hotel/Motel tax
 Residential energy use tax
 Motor vehicle use tax
 Unrestricted use of money and property
 Sale of property and compensation for loss
 Contributions from Rockland County
 Grants and contributions not restricted to specific programs
 Miscellaneous
 Transfers

Change in Net Position

Net Position - Beginning of Year

Net Position - 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
\$ (57,945,040)	\$ -	\$ (57,945,040)	\$ -
(59,559,415)	-	(59,559,415)	-
(70,004,497)	-	(70,004,497)	-
3,212,050	-	3,212,050	-
(7,430,698)	-	(7,430,698)	-
(108,391,963)	-	(108,391,963)	-
(543,357)	-	(543,357)	-
(28,770,142)	-	(28,770,142)	-
(12,227,401)	-	(12,227,401)	-
<u>(341,660,463)</u>	<u>-</u>	<u>(341,660,463)</u>	<u>-</u>
-	(27,973,743)	(27,973,743)	-
-	(2,002,285)	(2,002,285)	-
-	314,385	314,385	-
-	(29,661,643)	(29,661,643)	-
<u>(341,660,463)</u>	<u>(29,661,643)</u>	<u>(371,322,106)</u>	<u>-</u>
-	-	-	(36,182,423)
-	-	-	(53,316)
-	-	-	1,245,775
-	-	-	171,695
-	-	-	<u>(34,818,269)</u>
111,274,889	-	111,274,889	-
9,262,081	-	9,262,081	-
-	-	-	-
238,262	-	238,262	-
169,581,358	-	169,581,358	-
3,480,654	-	3,480,654	-
968,837	-	968,837	-
2,077,687	-	2,077,687	-
112,279	-	112,279	-
110,267	-	110,267	195,213
57,512	-	57,512	-
-	-	-	16,075,570
-	-	-	14,961,921
989,263	-	989,263	1,919,966
450,000	(450,000)	-	-
<u>298,603,089</u>	<u>(450,000)</u>	<u>298,153,089</u>	<u>33,152,670</u>
(43,057,374)	(30,111,643)	(73,169,017)	(1,665,599)
<u>184,823,743</u>	<u>(173,531,798)</u>	<u>11,291,945</u>	<u>2,445,167</u>
<u>\$ 141,766,369</u>	<u>\$ (203,643,441)</u>	<u>\$ (61,877,072)</u>	<u>\$ 779,568</u>

County of Rockland, New York

Balance Sheet
 Governmental Funds
 December 31, 2012

	General	Capital Projects
ASSETS		
Cash and equivalents	\$ 27,140,209	\$ 62,046,553
Taxes receivable, net of allowance for uncollectible taxes	61,374,275	-
Other receivables		
Accounts, net of allowance for uncollectible amounts	27,831,542	616,313
Loans	-	-
State and Federal aid, net of allowance for uncollectible amounts	57,475,818	4,449,342
Due from other governments	6,402,370	-
Due from other funds	12,524,398	-
Advances to other funds	48,697,541	-
	<u>152,931,669</u>	<u>5,065,655</u>
Restricted cash	-	5,211,640
Prepaid expenditures	1,286,881	-
Total Assets	<u>\$ 242,733,034</u>	<u>\$ 72,323,848</u>
LIABILITIES AND FUND BALANCES (DEFICITS)		
Liabilities		
Accounts payable	\$ 30,269,167	\$ 7,207,431
Accrued liabilities	30,584,175	-
Due to other governments	2,557,749	17,232,146
Due to school districts	50,278,178	-
Due to other funds	-	1,379,981
Unearned revenues - Taxes	9,943,107	-
Unearned revenues - Other	3,488,131	-
Tax anticipation note payable	55,000,000	-
Revenue anticipation note payable	110,000,000	-
Bond anticipation notes payable	-	26,440,000
Total Liabilities	<u>292,120,507</u>	<u>52,259,558</u>
Fund balances (deficits)		
Nonspendable	62,050,495	-
Restricted	15,815,039	19,949,850
Committed	-	-
Assigned	-	114,440
Unassigned	(127,253,007)	-
Total Fund Balances (Deficits)	<u>(49,387,473)</u>	<u>20,064,290</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 242,733,034</u>	<u>\$ 72,323,848</u>

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

Other Governmental	Total Governmental Funds
\$ 34,517,988	\$ 123,704,750
-	61,374,275
377,383	28,825,238
6,117,517	6,117,517
4,475,594	66,400,754
-	6,402,370
2,736,271	15,260,669
-	48,697,541
13,706,765	171,704,089
-	5,211,640
-	1,286,881
\$ 48,224,753	\$ 363,281,635
\$ 1,524,055	\$ 39,000,653
2,236,536	32,820,711
-	19,789,895
-	50,278,178
519,750	1,899,731
-	9,943,107
6,317,928	9,806,059
-	55,000,000
-	110,000,000
-	26,440,000
10,598,269	354,978,334
-	62,050,495
10,233,593	45,998,482
1,193,725	1,193,725
26,199,166	26,313,606
-	(127,253,007)
37,626,484	8,303,301
\$ 48,224,753	\$ 363,281,635

County of Rockland, New York

Reconciliation of Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position December 31, 2012

Fund Balances - Governmental Funds	\$ 8,303,301
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>701,440,121</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 position.	<u>(21,175,990)</u>
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Real property taxes	9,943,107
Unearned revenues	<u>6,117,517</u>
	<u>16,060,624</u>
Government funds report the effect of issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Deferred charges	<u>554,363</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Bonds payable	(362,798,992)
Compensated absences	(17,104,982)
New York State loan payable - NYPA	(2,995,269)
New York State loan payable - Retirement	(10,431,999)
Pension obligations	(7,137,650)
Other post employment benefit obligations payable	(157,252,184)
Accrued interest payable	<u>(5,694,974)</u>
	<u>(563,416,050)</u>
Net Position of Governmental Activities	<u>\$ 141,766,369</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, 2012

	General	Capital Projects	Other Governmental	Total Governmental Funds
REVENUES				
Real property taxes	\$ 79,050,354	\$ -	\$ 30,435,674	\$ 109,486,028
Other tax items	9,500,343	-	93,150	9,593,493
Non-property taxes	177,267,770	-	-	177,267,770
Departmental income	29,757,860	-	763,238	30,521,098
Intergovernmental charges	2,614,580	-	-	2,614,580
Use of money and property	255,193	-	231,874	487,067
Licenses and permits	1,781,053	-	30,059	1,811,112
Fines and forfeitures	917,331	-	17,461	934,792
Sale of property and compensation for loss	57,512	-	23,584	81,096
Interfund revenues	22,781,524	-	487,084	23,268,608
State aid	79,981,483	2,805,733	1,956,254	84,743,470
Federal aid	55,307,866	8,088,327	8,033,170	71,429,363
Miscellaneous	989,263	2,986,735	585,141	4,561,139
Total Revenues	460,262,132	13,880,795	42,656,689	516,799,616
EXPENDITURES				
Current				
General government support	64,209,911	-	-	64,209,911
Education	57,340,086	-	-	57,340,086
Public safety	70,078,849	-	-	70,078,849
Health	39,792,305	-	-	39,792,305
Transportation	26,597,164	-	14,634,663	41,231,827
Economic opportunity and development	168,981,440	-	4,944,043	173,925,483
Culture and recreation	391,837	-	-	391,837
Home and community services	6,704,671	-	16,077,116	22,781,787
Employee benefits	11,781,962	-	3,364,174	15,146,136
Debt service				
Principal	-	-	25,895,018	25,895,018
Interest	4,405,257	-	11,755,185	16,160,442
Capital outlay	-	39,338,593	-	39,338,593
Total Expenditures	450,283,482	39,338,593	76,670,199	566,292,274
Excess (Deficiency) of Revenues Over Expenditures	9,978,650	(25,457,798)	(34,013,510)	(49,492,658)
OTHER FINANCING SOURCES (USES)				
Bonds issued	5,000,000	35,122,000	-	40,122,000
Refunding bonds issued	-	-	9,529,000	9,529,000
Payment to refunding bond escrow agent	-	-	(9,717,712)	(9,717,712)
Issuance premium	1,071,490	-	669,048	1,740,538
Transfers in	6,341,754	412,000	51,580,931	58,334,685
Transfers out	(38,601,290)	(3,780,718)	(15,502,677)	(57,884,685)
Total Other Financing Sources (Uses)	(26,188,046)	31,753,282	36,558,590	42,123,826
Net Change in Fund Balances	(16,209,396)	6,295,484	2,545,080	(7,368,832)
Fund Balances (Deficits) - Beginning of Year	(33,178,077)	13,768,806	35,081,404	15,672,133
Fund Balances (Deficits) - End of Year	\$ (49,387,473)	\$ 20,064,290	\$ 37,626,484	\$ 8,303,301

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

County of Rockland, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2012

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

Net Change in Fund Balances - Total Governmental Funds	\$ (7,368,832)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.</p>	
Capital outlay expenditures	40,562,627
Depreciation expense	<u>(33,547,783)</u>
	<u>7,014,844</u>
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Real property taxes	1,788,861
Unearned revenues	(1,330,782)
Miscellaneous revenues	<u>(188,712)</u>
	<u>269,367</u>
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. 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.</p>	
Bonds issued	(40,122,000)
Principal paid on bonds	25,500,828
Refunding bonds issued	(9,529,000)
Payment to refunding bond escrow agent	9,717,712
Principal paid on New York State Loan - NYPA	394,190
Principal paid on New York State Loan - Retirement	983,526
Amortization of issuance costs, loss on refunding and premium	<u>(1,187,319)</u>
	<u>(14,242,063)</u>
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Pension obligations	2,124,091
Compensated absences	(560,957)
Other post employment benefit obligations	(26,042,948)
Accrued interest	<u>208,608</u>
	<u>(24,271,206)</u>
<p>The net revenue of certain activities of internal service funds are reported within governmental activities.</p>	
	<u>(4,459,484)</u>
Change in Net Position of Governmental Activities	<u>\$ (43,057,374)</u>

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

County of Rockland, New York

General Fund
 Statement of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 81,059,855	\$ 81,059,855	\$ 79,050,354	\$ (2,009,501)
Other tax items	11,008,725	11,008,725	9,500,343	(1,508,382)
Non-property taxes	200,821,875	200,821,875	177,267,770	(23,554,105)
Departmental income	29,573,200	30,262,490	29,757,860	(504,630)
Intergovernmental charges	1,400,000	1,400,000	2,614,580	1,214,580
Use of money and property	675,000	675,000	255,193	(419,807)
Licenses and permits	1,995,000	1,995,000	1,781,053	(213,947)
Fines and forfeitures	925,560	925,560	917,331	(8,229)
Sale of property and compensation for loss	37,100	37,100	57,512	20,412
Interfund revenues	28,879,845	28,879,845	22,781,524	(6,098,321)
State aid	82,666,775	85,297,828	79,981,483	(5,316,345)
Federal aid	52,426,750	61,572,979	55,307,866	(6,265,113)
Miscellaneous	1,176,000	1,206,692	989,263	(217,429)
Total Revenues	492,645,685	505,142,949	460,262,132	(44,880,817)
EXPENDITURES				
Current				
General government support	69,182,727	73,588,939	64,209,911	9,379,028
Education	62,069,988	57,635,489	57,340,086	295,403
Public safety	58,993,938	71,833,726	70,078,849	1,754,877
Health	35,492,769	41,820,526	39,792,305	2,028,221
Transportation	25,408,484	26,730,610	26,597,164	133,446
Economic opportunity and opportunity	170,815,278	169,575,770	168,981,440	594,330
Culture and recreation	389,265	396,924	391,837	5,087
Home and community services	6,874,685	6,878,635	6,704,671	173,964
Employee benefits	16,267,000	16,267,000	11,781,962	4,485,038
Debt service				
Principal	17,800,000	17,800,000	-	17,800,000
Interest	4,500,000	4,500,000	4,405,257	94,743
Total Expenditures	467,794,134	487,027,619	450,283,482	36,744,137
Excess (Deficiency) of Revenues Over Expenditures	24,851,551	18,115,330	9,978,650	(8,136,680)
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	5,000,000	5,000,000
Premium on obligations	1,500,391	1,500,391	1,071,490	(428,901)
Sale of real property	5,785,000	5,785,000	-	(5,785,000)
New York State loan	7,000,000	7,000,000	-	(7,000,000)
Transfers in	5,935,000	5,935,000	6,341,754	406,754
Transfers out	(46,242,241)	(42,871,641)	(38,601,290)	4,270,351
Total Other Financing Uses	(26,021,850)	(22,651,250)	(26,188,046)	(3,536,796)
Net Change in Fund Balance	(1,170,299)	(4,535,920)	(16,209,396)	(11,673,476)
Fund Balance (Deficit) - Beginning of Year	1,170,299	4,535,920	(33,178,077)	(37,713,997)
Fund Deficit - End of Year	\$ -	\$ -	\$ (49,387,473)	\$ (49,387,473)

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

County of Rockland, New York

Statement of Net Position
 Proprietary Funds
 December 31, 2012

	Business - Type Activities - Enterprise Funds		
	Home and Infirmary Fund	Rockland Tobacco Asset Securitization Corporation	Rockland Second Tobacco Asset Securitization Corporation
ASSETS			
Current Assets			
Cash and equivalents	\$ 2,051,923	\$ 257,757	\$ 81,606
Investments	-	1,137,038	-
Receivables			
Accounts	19,356,626	3,162,660	789,889
Accounts - patient care, net of allowance for uncollectible amounts	9,492,361	-	-
State and Federal aid	-	-	-
Funds held in trust for residents	259,385	-	-
Due from other funds	-	-	-
Inventories	703,562	-	-
Prepaid expenses	-	18,056	-
Total Current Assets	31,863,857	4,575,511	871,495
Noncurrent Assets			
Restricted cash and equivalents	-	91,887	770
Restricted investments	-	3,440,137	711,055
Cost of issuance, net of accumulated amortization	-	723,263	207,629
	-	4,255,287	919,454
Capital Assets			
Land	438,504	-	-
Buildings	47,943,446	-	-
Improvements other than buildings	345,975	-	-
Equipment	18,278,012	-	-
Construction-in-progress	2,134,230	-	-
Less - Accumulated depreciation	(50,040,466)	-	-
Total Capital Assets, net of accumulated depreciation	19,099,701	-	-
Total Noncurrent Assets	19,099,701	4,255,287	919,454
Total Assets	50,963,558	8,830,798	1,790,949
LIABILITIES			
Current Liabilities			
Accounts payable	7,478,029	-	10,549
Accrued liabilities	-	859,493	30,488
Accrued interest payable	140,687	-	-
Due to other funds	19,840,253	-	-
Advances from other funds	48,697,541	-	-
Bond anticipation notes payable - Other	450,000	-	-
Funds held in trust for residents	259,385	-	-
Unearned revenue	512,285	-	-
Current portion of long-term obligations:			
Bonds payable - Capital construction	1,596,660	-	-
Bonds payable - Other	-	375,000	95,000
Compensated absences	942,000	-	-
Claims payable	-	-	-
Total Current Liabilities	79,916,840	1,234,493	136,037
Noncurrent Liabilities			
Bonds payable - Capital construction	10,582,614	-	-
Bonds payable - Other	-	78,998,009	5,729,473
Compensated absences	8,479,414	-	-
Claims payable	-	-	-
Other post employment benefit obligations payable	78,521,913	-	-
Estimated third-party liabilities	1,629,953	-	-
Total Noncurrent Liabilities	99,213,894	78,998,009	5,729,473
Total Liabilities	179,130,734	80,232,502	5,865,510
NET POSITION			
Net Investment in Capital Assets	8,473,692	-	-
Unrestricted Deficits	(136,640,868)	(71,401,704)	(4,074,561)
Total Deficits	\$ (128,167,176)	\$ (71,401,704)	\$ (4,074,561)

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

Total Business-type Activities - Enterprise Funds	Total Governmental Activities - Internal Service Funds
\$ 2,391,286	\$ 9,229,816
1,137,038	-
23,309,175	347,357
9,492,361	-
-	427,453
259,385	-
-	6,501,256
703,562	84,610
18,056	250,172
<u>37,310,863</u>	<u>16,840,664</u>
92,657	-
4,151,192	-
930,892	-
<u>5,174,741</u>	<u>-</u>
438,504	-
47,943,446	-
345,975	-
18,278,012	20,665,700
2,134,230	-
(50,040,466)	(15,136,985)
<u>19,099,701</u>	<u>5,528,715</u>
<u>24,274,442</u>	<u>5,528,715</u>
<u>61,585,305</u>	<u>22,369,379</u>
7,488,578	1,194,296
889,981	2,131,043
140,687	-
19,840,253	21,941
48,697,541	-
450,000	-
259,385	-
512,285	-
1,596,660	1,084,666
470,000	-
942,000	191,402
-	1,835,957
<u>81,287,370</u>	<u>6,459,305</u>
10,582,614	4,588,564
84,727,482	-
8,479,414	1,685,778
-	15,244,199
78,521,913	15,567,523
1,629,953	-
<u>183,941,376</u>	<u>37,086,064</u>
<u>265,228,746</u>	<u>43,545,369</u>
8,473,692	(144,515)
(212,117,133)	(21,031,475)
<u>\$ (203,643,441)</u>	<u>\$ (21,175,990)</u>

County of Rockland, New York

Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Funds
 Year Ended December 31, 2012

	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	\$ 73,115,273	\$ -	\$ -
State aid	-	-	-
Federal aid	-	-	-
Tobacco settlement revenues	-	2,852,327	713,096
Miscellaneous	542,729	-	-
Total Operating Revenues	73,658,002	2,852,327	713,096
OPERATING EXPENSES			
Administrative and general expenses	11,238,974	-	-
Salaries and wage expenses	40,007,303	-	-
Employee benefits	39,522,610	-	-
Professional fees	-	39,690	22,219
Directors' fees	-	16,000	15,250
Insurance	-	19,697	-
Judgments and claims	-	-	-
Supplies and other expenses	8,286,066	-	-
Depreciation and amortization	2,289,193	40,870	6,706
Total Operating Expenses	101,344,146	116,257	44,175
Income (Loss) from Operations	(27,686,144)	2,736,070	668,921
NON-OPERATING REVENUES (EXPENSES)			
Interest income	-	161,687	30,999
Interest on indebtedness	(287,599)	(4,900,042)	(385,535)
Total Non-Operating Expenses	(287,599)	(4,738,355)	(354,536)
Income (Loss) Before Transfers	(27,973,743)	(2,002,285)	314,385
Transfers Out - Residual payment to County of Rockland	-	(300,000)	(150,000)
Change in Net Position	(27,973,743)	(2,302,285)	164,385
Net Position - Beginning of Year	(100,193,433)	(69,099,419)	(4,238,946)
Net Position - End of Year	\$ (128,167,176)	\$ (71,401,704)	\$ (4,074,561)

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

Total Business-type Activities - Enterprise Funds	Total Governmental Activities - Internal Service Funds
\$ 73,115,273	\$ 36,347,099
-	568,265
-	151,956
3,565,423	-
542,729	-
<u>77,223,425</u>	<u>37,067,320</u>
11,238,974	613,290
40,007,303	10,774,112
39,522,610	15,750,509
61,909	-
31,250	-
19,697	-
-	2,594,368
8,286,066	9,957,129
2,336,769	1,640,367
<u>101,504,578</u>	<u>41,329,775</u>
<u>(24,281,153)</u>	<u>(4,262,455)</u>
192,686	22,677
<u>(5,573,176)</u>	<u>(219,706)</u>
<u>(5,380,490)</u>	<u>(197,029)</u>
(29,661,643)	(4,459,484)
<u>(450,000)</u>	<u>-</u>
(30,111,643)	(4,459,484)
<u>(173,531,798)</u>	<u>(16,716,506)</u>
<u>\$ (203,643,441)</u>	<u>\$ (21,175,990)</u>

County of Rockland, New York

Statement of Cash Flows
 Proprietary Funds
 Year Ended December 31, 2012

	Business-Type Activities - Enterprise Funds			
	Infirmity 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 payers	\$ 75,157,828	\$ -	\$ -	\$ 75,157,828
Cash received from tobacco settlement revenues	-	3,144,011	786,002	3,930,013
Cash received from charges for services	-	-	-	-
Cash received from State and Federal aid	-	-	-	-
Other receipts	(9,849,594)	-	-	(9,849,594)
Cash payments to directors	-	-	(15,250)	(15,250)
Cash payments to insurance carriers and claimants	-	-	-	-
Cash payments to vendors	(67,929,842)	(75,387)	(22,219)	(68,027,448)
Cash payments to employees	(14,720,069)	-	-	(14,720,069)
Net Cash from Operating Activities	(17,341,677)	3,068,624	748,533	(13,524,520)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Proceeds from County of Rockland	19,029,419	-	-	19,029,419
Retirement of long-term debt	-	(980,000)	(375,000)	(1,355,000)
Interest on indebtedness	-	(2,345,456)	(376,275)	(2,721,731)
Residual payment to County of Rockland	-	(300,000)	(150,000)	(450,000)
Net Cash from Non-Capital Financing Activities	19,029,419	(3,625,456)	(901,275)	14,502,688
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from the issuance of long-term debt	1,200,000	-	-	1,200,000
Retirement of debt	(1,510,484)	-	-	(1,510,484)
Interest on indebtedness	(452,626)	-	-	(452,626)
Acquisition and construction of capital assets	(837,036)	-	-	(837,036)
Net Cash from Capital and Related Financing Activities	(1,600,146)	-	-	(1,600,146)
CASH FLOWS FROM INVESTING ACTIVITIES				
(Increase) Decrease in restricted cash and equivalents	-	(35,206)	94	(35,112)
Interest income	-	188,942	34,080	223,022
Purchase of investments	-	(1,137,038)	-	(1,137,038)
Sale of investments	-	1,172,674	-	1,172,674
Purchase of restricted investments	-	(3,440,137)	(711,055)	(4,151,192)
Sale of restricted investments	-	3,525,074	710,961	4,236,035
Net Cash from Investing Activities	-	274,309	34,080	308,389
Net Change in Cash and Equivalents	87,596	(282,523)	(118,662)	(313,589)
Cash and Equivalents - Beginning of Year	1,964,327	540,280	200,268	2,704,875
Cash and Equivalents - End of Year	\$ 2,051,923	\$ 257,757	\$ 81,606	\$ 2,391,286
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES				
Income (loss) from operations	\$ (27,686,144)	\$ 2,736,070	\$ 668,921	\$ (24,281,153)
Adjustments to reconcile income (loss) from operations to net cash from operating activities				
Depreciation and amortization	2,289,193	40,870	6,706	2,336,769
Provision for bad debts	1,994,004	-	-	1,994,004
Changes in assets and liabilities				
Accounts receivable	(13,836,461)	291,684	75,987	(13,468,790)
Accounts receivable - Patient care	317,181	-	-	317,181
State and Federal aid receivable	3,032,229	-	-	3,032,229
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Inventories	(49,773)	-	-	(49,773)
Prepaid expenses	897,393	-	-	897,393
Accounts payable	4,854,744	-	8,049	4,862,793
Accrued liabilities	-	-	(3,081)	(3,081)
Due to other funds	-	-	(8,049)	(8,049)
Unearned revenues	(2,692,080)	-	-	(2,692,080)
Estimated third party liabilities	2,835,359	-	-	2,835,359
Claims payable	-	-	-	-
Compensated absences	(1,136,931)	-	-	(1,136,931)
Other post employment benefit obligations payable	11,839,609	-	-	11,839,609
Net Cash from Operating Activities	\$ (17,341,677)	\$ 3,068,624	\$ 748,533	\$ (13,524,520)
Noncash Investing Activities				
Increase in bonds payable from amortization of original issue and underwriters' discount	\$ -	\$ 54,849	\$ 10,997	\$ 65,846
Increase in bonds payable from accreted interest	-	2,519,790	-	2,519,790

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

Governmental
Activities -
Internal Service
Funds

\$ -
-
33,680,523
720,183
-
-
(7,781,170)
(15,076,668)
(10,476,487)
1,066,381

-
-
-
-

-
-
(1,045,690)
(230,932)
-
(1,276,622)

-
22,677
-
-
-

22,677
(187,564)
9,417,380
\$ 9,229,816

\$ (4,262,455)

1,640,367
-
(81,782)
-
(38)
166,251
(2,751,045)
5,289
133,909
249,850
1,423,596
2,416
-
-
2,043,466
64,718
2,431,839
\$ 1,066,381

\$ -
-

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County of Rockland, New York

Statement of Assets and Liabilities
Fiduciary Fund
December 31, 2012

	<u>Agency</u>
ASSETS	
Cash	
Demand deposits	\$ 4,890,715
Time deposits	1,374,390
Accounts receivable	<u>77,575</u>
 Total Assets	 <u><u>\$ 6,342,680</u></u>
 LIABILITIES	
Accounts payable	\$ 14,085
Employee payroll deductions	367,392
Deposits	3,966,082
Due to other governments	<u>1,995,121</u>
 Total Liabilities	 <u><u>\$ 6,342,680</u></u>

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

County of Rockland, New York

Statement of Net Position

Component Units

December 31, 2012 (Rockland County Community College as of August 31, 2011)

	Rockland County Community College	Rockland County Soil and Water Conservation District	Rockland County Solid Waste Management Authority
ASSETS			
Cash and equivalents	\$ 9,613,817	\$ 249,996	\$ 17,809,526
Investments	3,429,603	-	-
Receivables			
Accounts, net of allowance for uncollectible amounts	7,819,155	-	1,712,428
State and Federal aid	869,625	59,325	1,909,864
Restricted cash	-	-	13,238,549
Restricted investments	-	-	3,319,236
Prepaid expenses	-	-	310,323
Intangible asset	-	-	15,506,746
Deferred bond fees, net	-	-	963,186
Other assets	451,250	-	-
	<u>22,183,450</u>	<u>309,321</u>	<u>54,769,858</u>
Capital assets			
Not being depreciated	-	-	11,076,593
Being depreciated, net	4,903,570	322	28,869,842
	<u>27,087,020</u>	<u>309,643</u>	<u>94,716,293</u>
LIABILITIES			
Accounts payable	-	-	7,497,701
Accrued liabilities	8,985,929	20,000	884,468
Due to other governments	91,458	94,865	-
Unearned revenues	6,232,227	-	-
Non-Current Liabilities			
Due within one year	-	-	3,804,911
Due in more than one year	31,087,974	-	62,923,104
	<u>46,397,588</u>	<u>114,865</u>	<u>75,110,184</u>
NET POSITION			
Net investment in capital assets	4,903,570	322	9,088,401
Restricted for			
Capital projects	911,520	-	-
Student loans	11,098	-	-
Scholarships and student services	2,464,386	-	-
Permanent endowments	820,147	-	-
Unrestricted	<u>(28,421,289)</u>	<u>194,456</u>	<u>10,517,708</u>
	<u>\$ (19,310,568)</u>	<u>\$ 194,778</u>	<u>\$ 19,606,109</u>

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

Rockland County Industrial Development Agency		Totals
\$ 290,446	\$ 27,963,785	
-	3,429,603	
-	9,531,583	
-	2,838,814	
-	13,238,549	
-	3,319,236	
-	310,323	
-	15,506,746	
-	963,186	
-	451,250	
290,446	77,553,075	
-	11,076,593	
-	33,773,734	
290,446	122,403,402	
-	7,497,701	
1,197	9,891,594	
-	186,323	
-	6,232,227	
-	3,804,911	
-	94,011,078	
1,197	121,623,834	
-	13,992,293	
-	911,520	
-	11,098	
-	2,464,386	
-	820,147	
289,249	(17,419,876)	
\$ 289,249	\$ 779,568	

County of Rockland, New York

Statement of Activities

Component Units

Year Ended December 31, 2012

(Rockland County Community College Year Ended August 31, 2012)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Rockland County Community College - Education	\$ 78,929,461	\$ 22,433,214	\$ 19,209,168	\$ 1,104,656
Rockland County Soil and Water Conservation District Home and Community Services	53,316	-	-	-
Rockland County Solid Waste Management Authority Home and Community Services	44,516,809	43,842,742	1,919,842	-
Rockland County Industrial Development Agency Economic Opportunity and Development	<u>157,702</u>	<u>329,397</u>	<u>-</u>	<u>-</u>
Total Component Units	<u>\$ 123,657,288</u>	<u>\$ 66,605,353</u>	<u>\$ 21,129,010</u>	<u>\$ 1,104,656</u>

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 Position

Net Position - Beginning of Year

Net Position - End of Year

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

Net (Expense) Revenue
and Changes in Net Position

Rockland County Community College	Rockland County Soil and Water Conservation District	Rockland County Solid Waste Management Authority	Rockland County Industrial Development Agency	Total
\$ (36,182,423)	\$ -	\$ -	\$ -	\$ (36,182,423)
-	(53,316)	-	-	(53,316)
-	-	1,245,775	-	1,245,775
-	-	-	171,695	171,695
<u>(36,182,423)</u>	<u>(53,316)</u>	<u>1,245,775</u>	<u>171,695</u>	<u>(34,818,269)</u>
6,010	110	188,660	433	195,213
16,075,570	-	-	-	16,075,570
14,880,863	81,058	-	-	14,961,921
1,744,447	5,940	143,187	26,392	1,919,966
<u>32,706,890</u>	<u>87,108</u>	<u>331,847</u>	<u>26,825</u>	<u>33,152,670</u>
(3,475,533)	33,792	1,577,622	198,520	(1,665,599)
<u>(15,835,035)</u>	<u>160,986</u>	<u>18,028,487</u>	<u>90,729</u>	<u>2,445,167</u>
<u>\$ (19,310,568)</u>	<u>\$ 194,778</u>	<u>\$ 19,606,109</u>	<u>\$ 289,249</u>	<u>\$ 779,568</u>

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County of Rockland, New York

Notes to Financial Statements
December 31, 2012

Note 1 - Summary of Significant Accounting Policies

The County of Rockland, New York ("County") 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 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, 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 ("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 ten voting members; five are appointed by the County Legislature, four by the Governor and one student elected by the student body. 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 31 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Rockland County Soil and Water Conservation District ("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 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 ("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 Authority. 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 ("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 the State of New York. The Boards of Directors of each Corporation consist of five members; two designees of the Rockland 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 the 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, provide 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

County of Rockland, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 1 - Summary of Significant Accounting Policies (Continued)

reported as a blended component unit of the settling government. Consequently, these organizations have been reflected as blended component units in the financial statements.

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 Position 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances/net position, 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 pages 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:

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Categories

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

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

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned for capital outlay, including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary funds.

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

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. The major special revenue funds of the County are as follows:

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. The major revenues of this fund are departmental income and State and Federal aid.

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. The major revenues of this fund are departmental income and miscellaneous revenues.

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. The major revenue of this fund is Federal aid.

Sewer District Fund - The Sewer District Fund is used to account for the operations and maintenance of the County's sewer facilities. The major revenues of this fund are real property taxes and departmental income.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

Debt Service Fund - The Debt Service Fund is provided to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest and for financial resources that are being accumulated for principal and interest maturing in future years.

- 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 ("Nursing Care Center"), are recorded as a major enterprise fund. The Nursing Care Center is a chronic care hospital and a skilled nursing facility established and operated under the provisions of Article 6 of General Municipal Law. The County has established its Workers' Compensation Benefits, General Liability Claims, Unemployment Benefits and General Services funds as internal service funds. The County applies all applicable Financial Accounting Standards Board ("FASB") pronouncements issued after November 30, 1989 in accounting and reporting for its 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 or individuals.

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 statements.

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 but 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 revenues 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 well as expenditures related to compensated absences, certain claims, other items, other post employment benefit obligations 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.

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, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Deposits, Investments and Risk Disclosure

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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. The objective of these investments is to preserve capital and mitigate credit and interest rate risk.

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.

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either under collateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the County's name. The County's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2012.

The County was invested only in the above mentioned obligations and, accordingly, was not exposed to any interest rate or credit risk.

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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, 2012, 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 To/From 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 nonspendable fund balance 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. The County uses the consumption method to relieve inventory. 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 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)

Restricted cash in the Capital Projects fund represents bond proceeds held by a state agency.

Restricted cash and cash equivalents and investments in the Solid Waste Management Authority consist of bond proceeds held by a custodial agent. These funds are to be used for the construction of solid waste disposal facilities and payment of debt service.

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method in both the government wide and fund financial statements. 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 nonspendable 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.

Intangible Asset - Intangible assets represent goodwill. Goodwill is the excess of cost of an acquired entity over the amounts assigned to assets acquired and liabilities assumed in a business combination. The Authority adopted new FASB guidance on goodwill impairment testing which allows an entity to first assess qualitative factors to determine whether it is more likely than not that goodwill may be impaired. Under this guidance, qualitative factors are assessed at least annually, or more frequently, if events or changes in circumstances indicate that the carrying value of the reporting unit is less than its carrying amount. If the Authority's qualitative assessment indicates that goodwill may be impaired, the Authority will estimate the fair value of the reporting unit based on one or more of the following valuation techniques; i. income; ii. discounted cash flows, or; iii. market approach. If such fair value estimate is less than the carrying value of goodwill, an impairment loss is recognized. The Authority concluded that goodwill was not impaired during the year.

Deferred Charges - Deferred charges in the government-wide financial statements represent the unamortized portion of the costs of issuance of 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).

County of Rockland, New York

Notes to Financial Statements (Continued)
December 31, 2012

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

<u>Class</u>	<u>Life in Years</u>
Buildings	40
Improvements	8-40
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 Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied. In government-wide financial statements, unearned revenues consist of amounts received in advance and/or amounts from grants received before the eligibility requirements have been met.

Unearned 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 unearned revenues of \$9,943,107 for real property taxes and \$3,488,131 for State and Federal aid received in advance in the General Fund. The County has also reported unearned revenues of \$6,317,928 for Federal aid received in advance in the Community Development Fund, \$512,285 in the Enterprise Fund - Home Infirmary Fund for State and Federal aid received in advance and \$6,232,227 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.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

As of December 31, 2012, no amounts were required to be reported as deferred outflows/inflows of resources.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 Position. 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. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Debt Service or Capital Projects funds expenditures.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation and 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.

Net Position - Net position represents the difference between assets and liabilities. Net position is 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 position on the Statement of Net Position include, net investment in capital assets, restricted for capital projects, law enforcement, Stop-DWI Program, handicapped parking, debt service, community development, student loans, unemployment benefits, scholarships and student services, permanent endowments and special revenue funds. The balance is classified as unrestricted.

Fund Balance - Generally, fund balance represents the difference between current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables advances) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is to be reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification will be used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law of the State of New York.

Committed fund balance will be reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The County Legislature is the highest level of decision making authority for the

Note 1 - Summary of Significant Accounting Policies (Continued)

County that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the County removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the County Legislature.

Assigned fund balance, in the General Fund, will represent amounts constrained either by the County Legislature for amounts assigned for balancing the subsequent year's budget or the Commissioner of Finance for amounts assigned for encumbrances. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order: committed, assigned, and unassigned.

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, County Road, Road Machinery, Community Development and Sewer District funds. Encumbrances outstanding at year-end are reported as assigned 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, deferred outflows of resources, liabilities and deferred inflows of resources 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.

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is September 9, 2013.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) On or before August 1st, the administrative head of each department is required to submit to the County Executive the expenditure requirements for the next fiscal year.
- b) The County Executive is required to file the tentative budget for the ensuing year with the Clerk of the Legislature on or before October 23rd.
- c) Subsequent to October 23rd, the Legislature conducts the necessary review of the tentative budget and proposes any changes thereto.
- d) Prior to November 20th, the Legislature shall hold a public hearing on the budget.
- e) After the public hearing, the Legislature may make changes to the budget. The budget shall be adopted no later than December 7th.
- f) Formal budgetary integration is employed during the year as a management control device for General, 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 re-appropriated 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.

B. Property Tax Limitation

The County is permitted by the State Constitution to levy for purposes other than debt service up to 1½% 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 2012 was \$624,153,793, which exceeded the actual levy by \$543,093,938.

Additionally, on June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 ("Tax Levy Limitation Law"). This applies to all local governments.

Note 2 - Stewardship, Compliance and Accountability (Continued)

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a County in a particular year, beginning with the 2012 year. It expires on June 16, 2016.

The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementations thereof.

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the County to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States with the result expressed as a decimal to four places. The County is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the County, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the County. The County Legislature may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the County Legislature first enacts, by a vote of at least sixty percent of the total voting power of the County Legislature, a local law to override such limit for such coming fiscal year.

C. Application of Accounting Standards

For the year ended December 31, 2012, the County implemented GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" ("GASB Statement No. 63"). This statement provides financial reporting guidance for these elements first introduced in GASB Concept Statement No. 4, "Elements of Financial Statements". Previous financial reporting standards did not include guidance for reporting these financial statement elements, which are distinct from assets and liabilities.

D. Fund Deficits

The General Fund has an unassigned deficit of \$127,253,007 at December 31, 2012.

The Home and Infirmary Fund, Rockland Tobacco Asset Securitization Corporation, Rockland Tobacco Second Asset Securitization Corporation, Workers' Compensation Fund and the General Services Fund also reflect unassigned or unrestricted deficits of \$136,640,868, \$71,401,704, \$4,074,561, \$6,100,964 and \$15,058,392, respectively at December 31, 2012. These deficits will be addressed in the subsequent year.

County of Rockland, New York

Notes to Financial Statements (Continued)

December 31, 2012

Note 2 - Stewardship, Compliance and Accountability (Continued)

E. Excess of Actual Expenditures Over Budget

The following category exceeded its' budgetary provisions by the amount indicated:

County Road Fund		
Transportation	\$	208,764

Note 3 - Detailed Notes on All Funds

A. Investments

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

Business-type Activities -	
Rockland Tobacco Asset Securitization Corporation, Federal Home Loan Bank at cost, which approximates fair value, due in February 2013, interest at .19%	<u>\$ 1,137,038</u>

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

Restricted Investments

Restricted investments at December 31, 2012 consisted of the following:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Rockland Tobacco Asset Securitization Corporation Federal Home Loan Bank, at cost, which approximates fair value	January, 2013	0.2 %	<u>\$ 3,440,137</u>
Rockland Second Tobacco Asset Securitization Corporation Commercial paper, at cost, which approximates fair value	February, 2013	-	<u>711,055</u>
Rockland County Solid Waste Management Authority Collateralized Investment Agreements			
AIG Matched Funding Corp.	12/15/2025	4.59	555,651
AIG Matched Funding Corp.	12/15/2028	4.59	399,966
Repurchase Agreement Westdeutsche Landesbank	12/15/2016	6.43	1,130,599
U.S. Treasury Bond SLUG	06/15/2025	-	841,020
Certificates of Deposit			
Capmark Bank	05/13/2014	3.5	98,000
CIT Bank	05/06/2014	3.5	98,000
GE Capital Financial	05/13/2013	3.3	98,000
Discover Bank	11/06/2013	3.4	98,000
			<u>3,319,236</u>
			<u>\$ 7,470,428</u>

County of Rockland, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

Investments of the Rockland Tobacco Asset Securitization Corporation and the Rockland Second Tobacco Asset Securitization Corporation are not subject to risk categorization. The Rockland County Solid Waste Management Authority investments are fully collateralized with securities guaranteed by the U.S. Government.

B. Taxes Receivable

Taxes receivable at December 31, 2012 consisted of the following:

Tax liens	\$ 29,754,057
Tax installments	8,365,123
Returned school districts taxes	23,518,199
Returned village taxes	<u>2,546,896</u>
	64,184,275
Allowance for uncollectible taxes	<u>(2,810,000)</u>
 Taxes Receivable	 <u><u>\$ 61,374,275</u></u>

School district and village taxes are offset by liabilities to the school districts and villages which will be paid no later than April 2013. Taxes receivable, at the fund level, are also partially offset by deferred tax revenues of \$9,943,107, which represents an estimate of the receivable which will not be collected within the first sixty days of the subsequent year. School District and village taxes receivable in the amount of \$12,066,073 are also classified as nonspendable fund balance in the fund financial statements, which represents an estimate of taxes receivable that will not be collected within the subsequent year.

C. Due From/To Other Funds, Advances From/To Other Funds

The balances reflected as due from/to other funds at December 31, 2012 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>	<u>Advances From/To</u>
General	\$ 12,524,398	\$ -	\$ 48,697,541
Capital Projects	-	1,379,981	-
Non-Major Governmental	2,736,271	519,750	-
Home and Infirmary	-	19,840,253	(48,697,541)
Internal Service	<u>6,501,256</u>	<u>21,941</u>	<u>-</u>
	<u><u>\$ 21,761,925</u></u>	<u><u>\$ 21,761,925</u></u>	<u><u>\$ -</u></u>

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.

County of Rockland, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

D. Capital Assets

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

Class	Balance January 1, 2012	Additions	Deductions	Balance December 31, 2012
Governmental Activities (inclusive of Internal Service Funds)				
Capital Assets, not being depreciated				
Land	\$ 68,149,734	\$ -	\$ -	\$ 68,149,734
Construction-in-progress	265,584,938	39,338,592	29,780,787	275,142,743
Total Capital Assets, not being depreciated	\$ 333,734,672	\$ 39,338,592	\$ 29,780,787	\$ 343,292,477
Capital Assets, being depreciated				
Buildings	\$ 124,374,419	\$ 3,071,251	\$ -	\$ 127,445,670
Improvements	117,352,995	144,324	-	117,497,319
Equipment	106,363,949	12,228,254	1,611,269	116,980,934
Infrastructure	533,025,848	15,560,993	-	548,586,841
Total Capital Assets, being depreciated	881,117,211	31,004,822	1,611,269	910,510,764
Less Accumulated Depreciation for:				
Buildings	52,163,150	3,649,323	-	55,812,473
Improvements	55,047,044	11,943,081	-	66,990,125
Equipment	68,878,241	6,910,066	1,611,269	74,177,038
Infrastructure	337,169,089	12,685,680	-	349,854,769
Total Accumulated Depreciation	513,257,524	35,188,150	1,611,269	546,834,405
Total Capital Assets, being depreciated, net	\$ 367,859,687	\$ (4,183,328)	\$ -	\$ 363,676,359
Governmental Activities Capital Assets, net	\$ 701,594,359	\$ 35,155,264	\$ 29,780,787	\$ 706,968,836

Class	Balance January 1, 2012	Additions	Deductions	Balance December 31, 2012
Business-type Activities:				
Capital Assets, not being depreciated:				
Land	\$ 438,504	\$ -	\$ -	\$ 438,504
Construction-in-progress	1,535,208	1,003,754	404,732	2,134,230
Total Capital Assets, not being depreciated	\$ 1,973,712	\$ 1,003,754	\$ 404,732	\$ 2,572,734

County of Rockland, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

Class	Balance January 1, 2012	Additions	Deductions	Balance December 31, 2012
Capital Assets, being depreciated:				
Buildings	\$ 47,772,153	\$ 171,293	\$ -	\$ 47,943,446
Improvements	345,975	-	-	345,975
Equipment	20,013,937	233,439	1,969,364	18,278,012
Total Capital Assets, being depreciated	<u>68,132,065</u>	<u>404,732</u>	<u>1,969,364</u>	<u>66,567,433</u>
Less Accumulated Depreciation for:				
Buildings	36,864,073	1,301,357	-	38,165,430
Improvements	345,975	-	-	345,975
Equipment	12,510,589	987,836	1,969,364	11,529,061
Total Accumulated Depreciation	<u>49,720,637</u>	<u>2,289,193</u>	<u>1,969,364</u>	<u>50,040,466</u>
Total Capital Assets, being depreciated, net	<u>\$ 18,411,428</u>	<u>\$ (1,884,461)</u>	<u>\$ -</u>	<u>\$ 16,526,967</u>
Business-type Activities				
Capital Assets, net	<u>\$ 20,385,140</u>	<u>\$ (880,707)</u>	<u>\$ 404,732</u>	<u>\$ 19,099,701</u>

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

Governmental Activities	
General Government Support	\$ 8,784,008
Education	4,307,360
Public Safety	2,947,397
Health	449,702
Transportation	9,790,220
Economic Opportunity and Development	119,630
Culture and Recreation	398,202
Home and Community Services	6,751,264
Capital assets held by the government's internal service fund are charged to the various functions based on their usage of the assets	<u>1,640,367</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 35,188,150</u>
Business-type Activities - Home and Infirmary	<u>\$ 2,289,193</u>

County of Rockland, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

Capital Assets - Component Units

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

Class	Balance September 1, 2011	Additions	Balance August 31, 2012
Capital Assets, being depreciated - Equipment	\$ 9,746,684	\$ 2,541,797	\$ 12,288,481
Less Accumulated Depreciation	<u>(6,573,884)</u>	<u>(811,027)</u>	<u>(7,384,911)</u>
Community College Capital Assets, net	<u>\$ 3,172,800</u>	<u>\$ 1,730,770</u>	<u>\$ 4,903,570</u>

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

Class	Balance January 1, 2012	Additions	Balance December 31, 2012
Capital Assets, being depreciated - Equipment	\$ 13,969	\$ -	\$ 13,969
Less Accumulated Depreciation	<u>(13,432)</u>	<u>(215)</u>	<u>(13,647)</u>
Soil and Water Conservation District Capital Assets, net	<u>\$ 537</u>	<u>\$ (215)</u>	<u>\$ 322</u>

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

Class	Balance January 1, 2012	Additions	Deductions	Balance December 31, 2012
Capital Assets, not being depreciated:				
Land	\$ 6,200,325	\$ -	\$ -	\$ 6,200,325
Construction-in-progress	<u>2,920,211</u>	<u>3,393,127</u>	<u>(1,437,070)</u>	<u>4,876,268</u>
Total Capital Assets, not being depreciated	<u>\$ 9,120,536</u>	<u>\$ 3,393,127</u>	<u>\$ (1,437,070)</u>	<u>\$ 11,076,593</u>
Capital Assets, being depreciated:				
Buildings	\$ 44,844,157	\$ 1,413,275	\$ -	\$ 46,257,432
Improvements	2,420,054	-	-	2,420,054
Equipment	<u>17,328,565</u>	<u>85,220</u>	<u>-</u>	<u>17,413,785</u>
Total Capital Assets, being depreciated	<u>64,592,776</u>	<u>1,498,495</u>	<u>-</u>	<u>66,091,271</u>

County of Rockland, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

Class	Balance January 1, 2012	Additions	Deductions	Balance December 31, 2012
Less Accumulated Depreciation for:				
Buildings	\$ 22,941,612	\$ 2,263,747	\$ -	\$ 25,205,359
Improvements	484,010	96,803	-	580,813
Equipment	10,190,612	1,244,645	-	11,435,257
Total Accumulated Depreciation	33,616,234	3,605,195	-	37,221,429
Total Capital Assets, being depreciated, net	<u>\$ 30,976,542</u>	<u>\$ (2,106,700)</u>	<u>\$ -</u>	<u>\$ 28,869,842</u>
Solid Waste Management Authority Capital Assets, net	<u>\$ 40,097,078</u>	<u>\$ 1,286,427</u>	<u>\$ (1,437,070)</u>	<u>\$ 39,946,435</u>

E. Accrued Liabilities

Accrued liabilities at December 31, 2012 were as follows:

	Governmental Activities	Business- Type Activities	Total
Payroll and employee benefits	\$ 17,420,214	\$ -	\$ 17,420,214
Other	17,531,540	889,981	18,421,521
Total Accrued Liabilities	<u>\$ 34,951,754</u>	<u>\$ 889,981</u>	<u>\$ 35,841,735</u>

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.

Purpose	Year of Original Issue	Maturity Date	Rate of Interest	Balance January 1, 2012	New Issues	Redemptions	Balance December 31, 2012
Tax Anticipation Notes:							
County Operations	2011	-	- %	\$ 55,000,000	\$ -	\$ 55,000,000	\$ -
County Operations	2012	3/6/2013	2.50	-	55,000,000	-	55,000,000
Revenue Anticipation Notes:							
County Operations	2011	-	-	45,000,000	-	45,000,000	-
County Operations	2011	-	-	40,000,000	-	40,000,000	-
County Operations	2012	3/6/2013	2.50	-	45,000,000	-	45,000,000
County Operations	2012	6/28/2013	3.75	-	35,000,000	-	35,000,000
County Operations	2012	9/24/2013	2.50	-	30,000,000	-	30,000,000
Deficiency Notes	2011	-	-	17,800,000	-	17,800,000	-
				<u>\$ 157,800,000</u>	<u>\$ 165,000,000</u>	<u>\$ 157,800,000</u>	<u>\$ 165,000,000</u>

County of Rockland, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

The \$55,000,000 tax anticipation notes that were issued on March 10, 2011, matured on March 8, 2012. Interest expenditures of \$1,640,833 was recorded in the General Fund financial statements. The \$45,000,000 revenue anticipation notes that were issued on March 10, 2011, matured on March 8, 2012 and the \$40,000,000 revenue anticipation notes that were issued on September 22, 2011, matured on September 21, 2012. Interest expenditures of \$2,269,917 was recorded in the General Fund financial statements. The Deficiency notes in the amount of \$17,800,000 that were issued on June 22, 2011, matured on June 22, 2012. Interest expenditures of \$ 311,500 was recorded in the General Fund financial statements.

Tax anticipation notes, in the amount of \$55,000,000 were issued on March 9, 2012. They mature on March 6, 2013 and have an interest rate of 2.5%. Interest expense of \$1,105,984 was recorded in the government wide financial statements for governmental activities. Revenue anticipation notes, in the amount of \$45,000,000 were issued on March 9, 2012. They mature on March 6, 2013 and have an interest rate of 2.5%. Interest expense of \$904,896 was recorded in the government wide financial statements for governmental activities. Additional revenue anticipation notes, of \$35,000,000 were issued on June 28, 2012. They mature on June 28, 2013 and have an interest rate of 3.75%. Interest expense of \$667,188 was recorded in the governmental wide financial statements for governmental activities. Additional Revenue anticipation notes, in the amount of \$30,000,000 were issued on September 24, 2012. They mature on September 24, 2013 and have an interest rate of 2.5%. Interest expense of \$202,083 was recorded in the governmental wide financial statements for governmental activities.

G. Short-Term Capital Borrowings

Governmental Activities

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

Purpose	Year of Original Issue	Maturity Date	Rate of Interest	Balance January 1, 2012	New Issue	Redemptions	Balance December 31, 2012
Sewer Improvements	2011	-	- %	\$ 6,709,500	\$ -	\$ 6,709,500	\$ -
Sewer Improvements	2011	-	-	9,816,000	-	9,816,000	-
Public Improvements	2011	-	-	2,000,000	-	2,000,000	-
Public Improvements	2011	-	-	8,050,000	-	8,050,000	-
Sewer Improvements	2011	4/19/13	2.00	-	6,655,000	-	6,655,000
Sewer Improvements	2011	8/30/13	2.50	-	9,735,000	-	9,735,000
Public Improvements	2011	6/06/13	4.00	-	2,000,000	-	2,000,000
Public Improvements	2011	6/06/13	4.00	-	8,050,000	-	8,050,000
				<u>\$ 26,575,500</u>	<u>\$ 26,440,000</u>	<u>\$ 26,575,500</u>	<u>\$ 26,440,000</u>

Business-type Activities

Purpose	Year of Original Issue	Maturity Date	Rate of Interest	Balance January 1, 2012	New Issue	Redemptions	Balance December 31, 2012
Public Improvements	2011	-	- %	\$ 450,000	\$ -	\$ 450,000	\$ -
Public Improvements	2012	6/06/13	4.00	-	450,000	-	450,000
				<u>\$ 450,000</u>	<u>\$ 450,000</u>	<u>\$ 450,000</u>	<u>\$ 450,000</u>

County of Rockland, New York

Notes to Financial Statements (Continued)

December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

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

Interest expenditures of \$263,407 were recorded in the fund financial statements in the Sewer Fund and \$183,007 was recorded in the General Fund. Interest expense of \$637,032 was recorded in the government-wide financial statements for governmental activities. Interest expense of \$7,875 was recorded in the fund financial and government-wide financial statements for the business-type activities - Home and Infirmary Fund.

H. Pension Plans

The County 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 Employees Retirement System, 110 State Street, Albany, New York 12224.

Funding Policy - The System is non-contributory except for employees in tiers 3 and 4 that have less than ten years of service, who contribute 3% of their salary, employees in tier 5 who also contribute 3% of their salary without regard to their years of service and employees in tier 6 who contribute between 3% and 6% depending on salary levels and also without regard to years of service. 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 and regular pension contributions. Contribution rates for the plan year ended March 31, 2013 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
1	75I	25.4%
1	89D,M	31.6
2	75I	23.2
2	89PAF	27.3
3	A14	18.6
3	553B	30.5
4	A15	18.6
4	553B	30.5
4	603OR	26.5
4	604PR	26.5
4	604S4	19.9
4	89PAF	19.9

County of Rockland, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

	<u>Tier/Plan</u>	<u>Rate</u>
4	89VR3	19.9%
4	89VR4	19.9
5	A15	15.1
5	89PAF	17.5
5	89VR4	17.5
5	604PR	24.4
5	604S4	11.8
6	604PR	18.8
6	604S4	11.8
6	89PAF	11.8
6	89VR4	11.8
6	A15	10.1

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

	<u>Primary Government</u>	<u>College</u>	<u>Component Units</u>	
			<u>Solid Waste Management Authority</u>	<u>Industrial Development Agency</u>
2012	\$ 20,305,004	\$ 1,174,744	\$ 417,126	\$ 7,050
2011	21,627,972	981,324	247,718	5,419
2010	20,031,165	678,526	243,742	4,468

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.

	<u>Amount</u>
Governmental Funds	
General	\$ 13,161,810
County Road	686,389
Road Machinery	60,943
Sewer	656,097
	<u>14,565,239</u>
Proprietary Funds	
General Services	1,170,623
Workers' Compensation Benefits	9,913
Hospital	4,559,229
	<u>5,739,765</u>
	<u>\$ 20,305,004</u>

County of Rockland, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

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 and the TIAA-CREF is a cost sharing multiple-employer defined contribution pension plan. TRS and TIAA-CREF provide retirement, disability and death benefits to plan members. Obligations of employers and employees to contribute and benefits to employees are governed by New York State Retirement and Social Security Law. The System and TIAA-CREF issue publicly available financial report that includes financial statements and required supplementary information. The TRS report may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, New York 12211-2395. The TIAA-CREF report may be obtained by writing to Teacher's Insurance and Annuity Association – College Retirement Equities Fund, 730 Third Avenue, New York, New York 10017.

Funding Policy - TRS is non-contributory except for employees in tiers 3 and 4 that have less than ten years of service, who contribute 3% of their salary and employees in tier 5 who contribute 3.5% of their salary without regard to their years of service. 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, 2012 are as follows:

<u>Tiers</u>	<u>Rate</u>
1-4	11.1%

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

2012	\$	634,691
2011		485,968
2010		351,184

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

TIAA/CREF is a privately operated contribution plan which provides benefits to certain employees of the College. Under the plan, the College is required to make contributions based on gross salaries of the participants. Certain participants are also required to make a participating contribution. Pension costs incurred for the current and two preceding years were as follows:

2012	\$	2,068,958
2011		1,938,099
2010		1,784,981

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.

County of Rockland, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

I. Long-Term Liabilities

The following table summarizes changes in the County's long-term indebtedness for the year ended December 31, 2012:

	Balance January 1, 2012	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2012	Due Within One Year
Governmental Activities:					
Bonds Payable					
Capital Construction	\$ 314,499,248	\$ 44,651,000	\$ 33,590,516	\$ 325,559,732	\$ 26,201,342
Other	44,740,000	5,000,000	2,485,000	47,255,000	2,545,000
	359,239,248	49,651,000	36,075,516	372,814,732	28,746,342
Less-Deferred amounts on refunding	(5,455,465)	-	(1,112,955)	(4,342,510)	-
	353,783,783	49,651,000	34,962,561	368,472,222	28,746,342
Compensated Absences	18,356,487	2,461,675	1,836,000	18,982,162	1,898,000
New York State Loan Payable - Retirement	11,415,525	-	983,526	10,431,999	1,024,222
Pension Obligations	9,261,741	-	2,124,091	7,137,650	2,284,373
Due to NYS Power Authority	3,389,459	-	394,190	2,995,269	397,390
Claims Payable	15,036,690	9,581,046	7,537,580	17,080,156	1,835,957
Other Post Employment Benefit Obligations Payable	144,344,920	41,596,057	13,121,270	172,819,707	-
Governmental Activities Long-term Liabilities	<u>\$ 555,588,605</u>	<u>\$ 103,289,778</u>	<u>\$ 60,959,218</u>	<u>\$ 597,919,165</u>	<u>\$ 36,186,284</u>
Business-type Activities:					
Bonds Payable	\$ 97,824,729	\$ 3,719,789	\$ 2,865,484	\$ 98,679,034	\$ 2,066,660
Less-Deferred amounts on refunding	(1,368,125)	-	(65,847)	(1,302,278)	-
	96,456,604	3,719,789	2,799,637	97,376,756	2,066,660
Compensated Absences	10,558,345	-	1,136,931	9,421,414	942,000
Estimated third party liability	391,610	1,238,343	-	1,629,953	-
Other Post Employment Benefit Obligations Payable	66,682,304	18,841,059	7,001,450	78,521,913	-
Business-type Activities Long-term Liabilities	<u>\$ 174,088,863</u>	<u>\$ 23,799,191</u>	<u>\$ 10,938,018</u>	<u>\$ 186,950,036</u>	<u>\$ 3,008,660</u>
Solid Waste Management Authority - Component Unit - Bonds Payable	\$ 63,165,000	\$ -	\$ 3,310,000	\$ 59,855,000	\$ 3,460,000
Less-Deferred amounts on refunding	(1,091,311)	-	(70,156)	(1,021,155)	-
	62,073,689	-	3,239,844	58,833,845	3,460,000
Capital lease payable	849,042	-	340,318	508,724	344,911
Loans Payable	1,526,553	1,546,084	50,000	3,022,637	-
Other Post Employment Benefit Obligations Payable	3,638,276	724,533	-	4,362,809	-
	<u>\$ 68,087,560</u>	<u>\$ 2,270,617</u>	<u>\$ 3,630,162</u>	<u>\$ 66,728,015</u>	<u>\$ 3,804,911</u>
Rockland County Community College - Component Unit - Other Post Employment Benefit Obligations Payable	<u>\$ 25,107,326</u>	<u>\$ 9,658,575</u>	<u>\$ 3,677,927</u>	<u>\$ 31,087,974</u>	<u>\$ -</u>

County of Rockland, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

Governmental fund liabilities for bonds are liquidated by the Debt Service Fund, which is funded by other governmental funds. The liability for compensated absences is liquidated by the General, County Road, Road Machinery and Sewer District funds. Each governmental fund's liability for pension obligations, claims payable and other postemployment benefit obligations are liquidated by the respective fund.

Bonds Payable

Bonds payable at December 31, 2012 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2012
Sewer EFC B	1993	\$ 2,675,000	November, 2013	5.200 %	\$ 160,000
Various Purposes B	1994	12,347,000	November, 2014	6.000	78,000
Tobacco	2001	47,750,000	August, 2040	4.625-5.750	40,480,000
Various Purposes	2002	16,673,000	October, 2017	3.500-4.000	6,915,000
Sewer EFC Refunding 1996	2003	4,855,000	December, 2025	4.625-5.200	590,000
Sewer Refunding 93 Bonds	2003	3,525,000	March, 2017	3.500-4.000	1,125,000
Various Purposes	2003	21,027,000	June, 2023	3.000-4.000	13,715,000
Tobacco	2003	9,715,000	June 2038	5.027-5.270	6,165,000
Sewer EFC 2004D	2004	31,082,062	February, 2034	3.751-5.150	25,475,003
Various Purposes	2004	29,311,745	January, 2017	3.500-3.750	13,815,000
Sewer EFC 2005A	2005	12,395,713	May, 2034	2.094-4.569	9,575,000
Sewer EFC 2005B	2005	34,756,050	October, 2034	3.199-4.129	27,300,000
Various Purposes	2005	30,000,000	February, 2019	3.500-4.000	17,085,000
Tobacco	2005	26,964,181	August, 2040	5.875-7.625	39,854,760
Sewer EFC 2006C	2006	14,930,177	April, 2035	3.971-4.731	12,425,000
Various Purposes A	2006	24,512,500	April, 2017	3.875-4.000	13,135,000
Various Purposes B	2006	13,749,700	December, 2021	3.700-4.000	9,440,000
Various Purposes	2007	28,824,000	August, 2027	4.375-4.500	24,555,000
Mirant Settlement	2007	8,095,748	January, 2027	4.125-4.250	6,865,000
Mirant Settlement	2008	24,000,000	June, 2028	4.500-4.650	21,220,000
Various Purpose Refunding	2009	21,250,000	May, 2016	2.500-4.000	10,475,000
Various Purpose	2010	33,791,000	September, 2017	2.000-3.500	30,505,000
Various Purpose Refunding	2010	19,225,000	May, 2031	2.000-4.000	15,230,000
Sewer EFC 2010C	2010	15,128,142	October, 2039	1.054-4.603	14,110,000
Public Improvement	2010	11,400,000	June, 2020	2.000-3.125	9,335,000
Sewer EFC 2011C	2011	28,290,003	November, 2040	.507-4.746	26,760,003
Various Purpose	2011	20,335,000	June, 2026	4.000-4.500	19,585,000
Judgments	2011	5,000,000	December, 2031	3.500-6.000	4,835,000

County of Rockland, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Amount Outstanding at December 31, 2012</u>
Sewer EFC Refunding 2002I	2012	\$ 795,000	September, 2022	4.490-5.380 %	\$ 795,000
Sewer EFC Refunding 1993A	2012	130,000	September, 2013	5.600	130,000
Sewer EFC Refunding 2002I	2012	979,000	September, 2022	4.490-5.380	979,000
Sewer EFC Refunding 2002I	2012	452,000	September, 2021	4.490-5.380	452,000
Sewer EFC Refunding 2003B	2012	2,655,000	December, 2025	5.459-6.189	2,490,000
Sewer EFC Refunding 2002C	2012	4,518,000	March, 2020	4.629-5.179	4,518,000
Various Purpose	2012	36,322,000	October, 2032	3.500-3.750	36,322,000
Judgments	2012	5,000,000	December, 2022	3.000-5.000	5,000,000
					\$ 471,493,766

Pension Obligations

Section 89P of the New York State Retirement and Social Security Law authorizes the granting of credit for previous services performed by a correction officer, a Sheriff, an Under-sheriff, and a Deputy Sheriff. The aggregate cost of the program is \$2,456,230. The payment terms provide for repayment over a ten-year period with interest at 8.5%. The current year payment of \$245,623 has been charged to the General Fund. The remaining liability for this program is \$438,012 and is applicable to the Governmental Funds.

Chapter 105 of the Laws of 2010 authorizes the adoption of the Early Retirement Incentive Programs Part A and Part B. Part A of the programs provides eligible employees one month of additional service credit for each year of service up to 36 months. Part B of the Program provides for no age reduction if the employees were at least age 55 with 25 years or more of service credit. Participating employers were not required to eliminate vacated positions provided they could demonstrate, over a two year period, savings of at least one-half of the base salary of the retiring employee. The estimated cost of the program will be approximately 60% of the employee's final average salary. The balance due at December 31, 2012 was \$6,699,638.

New York State Loan Payable - Retirement

The State Legislature enacted Chapter 57 of the Laws of 2010. This chapter authorized local governments, at their option, to amortize a portion of their respective ERS contributions beginning in 2010. The maximum amortization amount each year going forward will be determined by the difference between each employer's effective contribution rate as compared to the System's overall graded rate. The amortized amounts are to be paid in equal installments over a ten year period, although amounts may be prepaid at any time. Interest will be charged at annual rates which approximate a market rate of return on taxable fixed rate securities of a comparable duration and will be adjusted annually. The County has elected to amortize the maximum amount allowable, which aggregated \$11,415,525. The balance due at December 31, 2012 was \$10,431,999.

County of Rockland, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

Due to NYS Power Authority

The County entered into a Customer Installation Commitment Agreement with the New York State Power Authority for the County Office Building Utility Plant Upgrade and Renovation. The loan is for ten years, to be paid in monthly installments, including interest at the rate of 4%. The balance due at December 31, 2012 is \$2,995,268.

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of December 31, 2012 including interest payments of \$141,810,114 are as follows:

Year Ending December 31,	Governmental Activities					
	Bonds		New York State Loan - NYPA		New York State Loan - Retirement	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 28,746,342	\$ 11,905,638	\$ 397,390	\$ 24,245	\$ 1,024,222	\$ 429,461
2014	27,595,551	10,909,852	400,846	20,764	1,066,640	387,042
2015	28,476,621	10,075,193	404,307	17,303	1,110,844	342,838
2016	29,414,830	9,553,484	407,798	13,813	1,156,919	296,763
2017	25,565,387	8,240,371	411,319	10,292	1,204,940	248,742
2018-2022	91,473,201	31,051,622	973,609	10,150	4,868,434	472,744
2023-2027	76,991,109	17,060,721	-	-	-	-
2028-2032	42,496,691	6,519,460	-	-	-	-
2033-2037	17,465,000	1,574,023	-	-	-	-
2038-2040	4,590,000	213,833	-	-	-	-
	<u>\$ 372,814,732</u>	<u>\$ 107,104,197</u>	<u>\$ 2,995,269</u>	<u>\$ 96,567</u>	<u>\$ 10,431,999</u>	<u>\$ 2,177,590</u>

Year Ending December 31,	Pension Obligations		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
	2013	\$ 2,284,373	\$ 502,473	\$ 2,066,660	\$ 3,098,351	\$ 34,518,987
2014	2,456,753	346,939	2,080,449	2,960,160	33,600,239	14,624,757
2015	2,396,524	179,739	2,139,379	2,820,010	34,527,675	13,435,083
2016	-	-	2,276,170	2,673,859	33,255,717	12,537,919
2017	-	-	2,239,613	2,519,573	29,421,259	11,018,978
2018-2022	-	-	30,878,209	10,273,488	128,193,453	41,808,004
2023-2027	-	-	37,250,141	5,670,218	114,241,250	22,730,939
2028-2032	-	-	18,113,413	1,121,544	60,610,104	7,641,004
2033-2037	-	-	1,635,000	265,406	19,100,000	1,839,429
2038-2040	-	-	-	-	4,590,000	213,833
	<u>\$ 7,137,650</u>	<u>\$ 1,029,151</u>	<u>\$ 98,679,034</u>	<u>\$ 31,402,609</u>	<u>\$ 492,058,684</u>	<u>\$ 141,810,114</u>

Interest expenditures/expense of \$11,491,778 and \$219,706, were recorded in the fund financial statements in the Debt Service Fund and Internal Service Fund, respectively. Interest expense of \$11,261,791 was recorded in the government-wide financial statements for governmental activities. Interest expense of \$279,724, \$4,900,042 and \$385,535 were 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 of Rockland, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

County, except for the 2001, 2003 and 2006 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.

Indebtedness - Component Unit

Solid Waste Management Authority

Bonds payable at December 31, 2012 consisted of the following issues:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Amount Outstanding at December 31, 2012</u>
Public Improvements	1996	\$ 11,620,000	December 2014	5.625 %	\$ 1,155,000
Public Improvements	2003	15,273,468	December 2025	4.629-6.189	10,375,000
Public Improvements	2003	8,720,000	December 2028	3.750-5.125	6,770,000
Public Improvements	2006	10,080,000	December 2021	4.250-5.000	7,500,000
Public Improvements	2008	27,535,000	December 2033	3.250-5.750	24,835,000
Public Improvements	2010	7,900,000	December 2024	2.500-4.000	7,485,000
Public Improvements	2010	2,250,000	December 2018	3.000-3.500	1,735,000
					<u>\$ 59,855,000</u>

At the option of the Authority, the serial bonds are subject to redemption prior to maturity at various dates, depending on the issue.

The \$2,250,000 serial bonds are not subject to redemption prior to their stated dates of maturity.

The annual requirements to amortize all bonds outstanding at December 31, 2012, including interest of \$23,956,858 are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 3,460,000	\$ 3,064,518	\$ 6,524,518
2014	3,610,000	2,912,725	6,522,725
2015	3,785,000	2,740,746	6,525,746
2016	3,970,000	2,556,345	6,526,345
2017	4,165,000	2,362,027	6,527,027
2018-2022	24,260,000	8,352,697	32,612,697
2023-2027	15,495,000	1,860,100	17,355,100
2028-2032	960,000	97,950	1,057,950
2033	150,000	9,750	159,750
	59,855,000	<u>\$ 23,956,858</u>	<u>\$ 83,811,858</u>
Less: Unamortized original issue discount	<u>(1,021,155)</u>		
	<u>\$ 58,833,845</u>		

Note 3 - Detailed Notes on All Funds (Continued)

Capital Lease Payable

The Authority has entered into various agreements to lease certain equipment. The terms of the agreements provide options to purchase the equipment at any time during the lease period. The lease meets the criteria of a capital lease as defined by FASB guidance. The annual payments include interest with rates ranging from 3.09% to 6.759% and mature in various months through 2014. The balance due at December 31, 2012 was \$508,724.

The annual requirements to amortize all capital leases outstanding at December 31, 2012, including interest of \$16,556 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 344,911	\$ 14,140	\$ 359,051
2014	163,813	2,416	166,229
	<u>\$ 508,724</u>	<u>\$ 16,556</u>	<u>\$ 525,280</u>

Loan Payable

The Authority entered into two revolving loan agreements in the amount of \$1,859,580 each with the Environmental Facilities Corporation (“EFC”) in 2010. These agreements allow the Authority to draw down on these loans up to a maximum amount of \$3,719,160 for eligible project costs. During 2011 and 2012 the Authority drew down \$1,526,553 and \$1,546,084 for various repairs to the Clarkstown Transfer Station. The first \$1,859,580 is interest free and the second \$1,859,580 bears interest at .69%. The first principal payment was made in July, 2012, which was based on the loan outstanding at that time. The agreements also stipulate that the Authority will refinance the loans with EFC through long term financing within 60 days of the completion of the project, or no later than September 30, 2013. Interest expense was \$687 for the year ended December 31, 2012.

Other Post Employment Benefit Obligations

In addition to providing pension benefits, the Authority provides certain health care benefits for retired employees through a single employer defined benefit plan. The employee handbook stipulates the employees covered and the percentage of contribution. The cost of providing post employment health care benefits is shared between the Authority and the retired employee. Substantially all of the Authority’s employees may become eligible for those benefits if they have a minimum of five years of service and reach normal retirement age while working for the Authority. There are currently no retirees of the Authority.

The Authority’s annual other post employment benefit (“OPEB”) cost (expense) is calculated based on the annual required contribution, (“ARC”), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. GASB Statement No. 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees’ medical insurance. As a result, reporting of expenses and liabilities will no longer be done under the “pay-as-you-go” approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a “normal cost”, an “actuarial accrued liability”, and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing

Note 3 - Detailed Notes on All Funds (Continued)

basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, the assumptions and projections utilized do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial calculations of the OPEB plan reflect a long-term perspective.

The Authority is required to accrue the amounts necessary to finance the Plan as actuarially determined, which is equal to the balance not paid by plan members. Funding for the Plan has been established on a pay-as-you-go basis. The assumed rates of increase in post retirement benefits are as follows:

<u>Year Ended December 31,</u>	<u>Health Insurance</u>	<u>Medicare Part B</u>
2013	10.00 %	8.00 %
2014	9.50	7.50
2015	9.00	7.00
2016	8.50	6.50
2017	8.00	6.00
2018	7.50	5.50
2019	7.00	5.00
2020	6.50	5.00
2021	6.00	5.00
2022	5.50	5.00
2023+	5.00	5.00

The amortization basis is the level dollar amortization method with an open amortization approach with 26 years remaining in the amortization period. The Authority's assumptions included a 6.0% investment rate of return. The Authority currently has no assets set aside for the purpose of paying post employment benefits. The actuarial cost method utilized was the unit credit cost method. Payroll growth is not considered when using this method. The inflation rate is implicit in the trend rate and cannot be separately identified.

The number of participants as of December 31, 2012 was as follows:

Active Employees	29
Retired Employees	<u>-</u>
Total	<u><u>29</u></u>

County of Rockland, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

Amortization Component:	
Actuarial Accrued Liability as of 1/1/12	\$ 2,117,542
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability	<u>\$ 2,117,542</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (active plan members)	<u>\$ 2,267,036</u>
UAAL as a Percentage of Covered Payroll	<u>93%</u>
Annual Required Contribution	755,604
Interest on Net OPEB Obligation	218,297
Adjustment to Annual Required Contribution	<u>(249,368)</u>
Annual OPEB Cost	724,533
Contributions Made	<u>-</u>
Increase in Net OPEB Obligation	724,533
Net OPEB Obligation - Beginning of Year	<u>3,638,276</u>
Net OPEB Obligation - End of Year	<u>\$ 4,362,809</u>

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the current and two preceding years is as follows:

<u>Fiscal</u> <u>Year Ended</u> <u>December 31,</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2012	\$ 724,533	- %	\$ 4,362,809
2011	730,773	-	3,638,276
2010	737,068	-	2,907,503

Compensated Absences

Under the terms of existing collective bargaining agreements, certain employees of the primary government may accumulate sick leave. Upon separation of service, employees, depending on the criteria defined in the contract, are compensated for accumulated leave in excess of 165 days. The primary government is also obligated to pay employees accrued vacation pay up to a maximum of 50 days, depending upon the contract.

Under the terms of existing collective bargaining agreements, College employees are granted vacation and sick leave and earn compensatory absences in varying amounts. Upon retirement or involuntary termination prior to normal retirement, employees are entitled to payment for accumulated vacation and sick leave and unused compensatory absences at various rates subject to certain maximum limitations. At August 31, 2012, the expense related to vested vacation pay for employees was accrued based upon pay rates currently in effect. Accrued vacation pay aggregated \$4,919,535.

Note 3 - Detailed Notes on All Funds (Continued)

Unused vacation time of the Solid Waste Management Authority employees may be carried forward to subsequent years. Unused personal time is added to sick leave, which may be taken at any time. The Authority has determined that the potential liability for accumulated vacation and sick leave at December 31, 2012 was \$529,377. These amounts are included in accrued liabilities of the Authority.

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

The Soil and Water Conservation District does not incur eligible salaries and, therefore, does not have a liability for compensated absences.

Claims Payable

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

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

	December 31, 2012		
	Workers' Compensation Benefits	General Liability Claims	Unemployment Benefits
Balance - Beginning of Year	\$ 9,077,031	\$ 5,959,659	\$ -
Provision for Claims and Claims Adjustment Expenses	6,604,915	2,594,368	381,763
Claims and Claims Adjustment Expenses Paid	(4,998,892)	(2,156,925)	(381,763)
Balance - End of Year	<u>\$ 10,683,054</u>	<u>\$ 6,397,102</u>	<u>\$ -</u>
Due With One Year	<u>\$ 1,068,305</u>	<u>\$ 767,652</u>	<u>\$ -</u>

County of Rockland, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

	December 31, 2011		
	Workers' Compensation Benefits	General Liability Claims	Unemployment Benefits
Balance - Beginning of Year	\$ 7,130,568	\$ 5,432,627	\$ -
Provision for Claims and Claims Adjustment Expenses	5,805,492	2,905,218	214,081
Claims and Claims Adjustment Expenses Paid	<u>(3,859,029)</u>	<u>(2,378,186)</u>	<u>(214,081)</u>
Balance - End of Year	<u>\$ 9,077,031</u>	<u>\$ 5,959,659</u>	<u>\$ -</u>
Due With One Year	<u>\$ 907,703</u>	<u>\$ 715,159</u>	<u>\$ -</u>

Other Post Employment Benefit Obligations Payable

In addition to providing pension benefits, the primary government and its College component unit provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the primary government and its College component unit may vary according to length of service. Substantially all employees may become eligible for those benefits if they reach normal retirement age while working for these entities. The cost of retiree health care benefits is recognized as an expenditure/expense as claims are paid. The County has recognized revenues and expenditures of \$964,380 for Medicare Part D payments made directly to its health insurance carriers on behalf of its retirees.

The County of Rockland plan eligibility for post employment healthcare plan is age 55 with five years of service. Upon reaching the age of 55, the employee is treated as a retiree. Retiree benefits continue for the life of the retiree. Spousal benefits continue until the death of the retiree, at which point only access to coverage is available. Surviving spouses are permitted to continue coverage under the plan after death of the retiree with a contribution of 100% of the premium, less the Medicare Part B reimbursement if the surviving spouse is Medicare eligible.

The County's other post employment benefit ("OPEB") cost ("expense") is calculated based on the annual required contribution, ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. GASB Statement No. 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be done under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the annual required contribution (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. For the calendar year ended December 31, 2012, the County's annual OPEB cost was \$60,437,116 and the Annual Required Contribution was \$63,613,379.

County of Rockland, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. To actuarial calculations of the OPEB plan reflect a long-term perspective.

- (1) The County is required to accrue on the government-wide and proprietary fund financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members. Funding for the plan has been established on a pay-as-you-go basis.
- (2) The assumed increase in postretirement benefits is 9% for the first year, then decreases annually until the ultimate trend rate is reached in 2022 of 5%.
- (3) The amortization basis is the level percentage of payroll method with an open amortization approach.
- (4) The actuarial cost method utilized was the projected unit credit method.
- (5) The investment rate of return assumed was 5% and the inflation rate was 3%.

For the calendar year ended December 31, 2012, the County's annual OPEB cost was \$34,956,045 for the Operating Funds.

General Fund	\$ 33,597,944
County Road Fund	2,095,745
Road Machinery Fund	201,272
Sewer Fund	<u>1,841,953</u>
	<u>\$ 37,736,914</u>

For the calendar year ended December 31, 2012, the County's annual OPEB cost for the Internal Service Funds was \$3,859,143.

General Service Fund	\$ 3,809,856
Workers' Compensation Fund	<u>49,287</u>
	<u>\$ 3,859,143</u>

For the calendar year ended December 31, 2012, the County's annual OPEB cost was \$18,841,059 for the Hospital Fund.

County of Rockland, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

The number of participants as of December 31, 2012 was as follows:

	Operating Funds	Internal Service Funds	Hospital Funds
Active employees	1,477	141	620
Retired employees	1,056	123	679
Total	<u>2,533</u>	<u>264</u>	<u>1,299</u>

Funding for the plans has been established on a pay-as-you go basis. The County currently has no assets set aside for the purpose of paying post employment benefits and has no plan for budgeting this cost in the future.

	Operating Funds	Internal Service Funds	Total Primary Government	Hospital Funds
Amortization Component:				
Actuarial Accrued Liability as of January 1, 2013	\$ 401,322,084	\$ 43,082,670	\$ 444,404,754	\$ 216,923,538
Assets at Market Value	-	-	-	-
Unfunded Actuarial Accrued Liability	<u>\$ 401,322,084</u>	<u>\$ 43,082,670</u>	<u>\$ 444,404,754</u>	<u>\$ 216,923,538</u>
Funded Ratio	0%	0%	0%	0%
Covered Payroll (active plan members)	<u>\$ 138,645,190</u>	<u>\$ 8,522,150</u>	<u>\$ 147,167,340</u>	<u>\$ 32,517,151</u>
UAAL as a percentage of covered payroll	<u>289.5%</u>	<u>505.5%</u>	<u>302.0%</u>	<u>546.2%</u>
Annual Required Contribution	\$ 39,711,801	\$ 4,056,854	\$ 43,768,655	\$ 19,844,724
Interest on Net OBEB Obligation	6,560,462	656,784	7,217,246	3,334,115
Adjustment to Annual Required Contribution	<u>(8,535,349)</u>	<u>(854,495)</u>	<u>(9,389,844)</u>	<u>(4,337,780)</u>
Annual OPEB Cost	37,736,914	3,859,143	41,596,057	18,841,059
Contributions Made	<u>(11,693,966)</u>	<u>(1,427,304)</u>	<u>(13,121,270)</u>	<u>(7,001,450)</u>
Increase in Net OPEB Obligation	26,042,948	2,431,839	28,474,787	11,839,609
Net OPEB Obligation - Beginning of Year	<u>131,209,236</u>	<u>13,135,684</u>	<u>144,344,920</u>	<u>66,682,304</u>
Net OPEB Obligation - End of Year	<u>\$ 157,252,184</u>	<u>\$ 15,567,523</u>	<u>\$ 172,819,707</u>	<u>\$ 78,521,913</u>

County of Rockland, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the current and preceding three years were as follows:

	Fiscal Year Ended Decemger 31,	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
Operating Funds	2012	\$ 37,736,914	30.99 %	\$ 157,252,184
	2011	34,956,045	33.05	131,209,236
	2010	40,574,799	23.30	107,807,820
Internal Service Funds	2012	3,859,143	36.98	15,567,523
	2011	3,598,293	39.54	13,135,684
	2010	4,369,686	26.50	10,960,028
Total Primary Government	2012	41,596,057	31.54	172,819,707
	2011	38,554,338	33.66	144,344,920
	2010	44,944,485	23.57	118,767,848
Hospital Funds	2012	18,841,059	37.16	78,521,913
	2011	17,614,294	39.71	66,682,304
	2010	20,981,830	27.00	56,061,919

Other Post Employment Benefit Obligations Payable – Component Unit

Rockland Community College

In addition to providing pension benefits, the College provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the College may vary according to length of service. The cost of providing post employment health care benefits is shared between the College and the retired employee. Substantially all of the College's employees may become eligible for those benefits if they reach normal retirement age while working for the College.

The College's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution, ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. GASB Statement No. 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be accounted for under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

County of Rockland, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The actuarial calculations of the OPEB plan reflect a long-term perspective.

The College is required to accrue on the statement of revenues, expenses and changes in net assets the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members. Funding for the Plan has been established on a pay-as-you-go basis. The assumed rate of increase in postretirement benefits is presented below:

<u>Fiscal Year</u>	<u>Pre-65 Medical</u>		<u>Post-65 Medical</u>		<u>Prescription Drug</u>	
2013	9.00	%	7.00	%	6.50	%
2014	8.50		6.75		6.25	
2015	8.00		6.50		6.00	
2016	7.50		6.25		5.75	
2017	7.00		6.00		5.63	
2018	6.50		5.75		5.50	
2019	6.00		5.50		5.38	
2020	5.50		5.25		5.25	
2021	5.25		5.13		5.13	
2022+	5.00		5.00		5.00	

The amortization basis is the level dollar of payroll method with an open amortization approach with 26 years remaining in the amortization period. The actuarial assumptions included a 5.0% investment return with a 3.0% inflation rate. The unit credit method was used to determine the actuarial value of the assets of the OPEB plan, however, the College currently has no assets set aside for the purpose of paying postemployment benefits and has no plan for budgeting this cost in the future.

The number of participants as of December 31, 2012 was as follows:

Active Employees	394
Retired Employees and dependents	<u>483</u>
Total	<u><u>877</u></u>

County of Rockland, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

Amortization Component:	
Actuarial Accrued Liability as of January 1, 2011	\$ 103,772,050
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 103,772,050</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (active plan members)	<u>\$ 29,502,739</u>
UAAL as a Percentage of Covered Payroll	<u>352%</u>
Annual Required Contribution	\$ 10,036,477
Interest on Net OPEB Obligation	1,255,366
Adjustment to Annual Required Contribution	<u>(1,633,268)</u>
Annual OPEB Cost	9,658,575
Contributions Made	<u>(3,677,927)</u>
Increase in Net OPEB Obligation	5,980,648
Net OPEB Obligation - Beginning of Year	<u>25,107,326</u>
Net OPEB Obligation - End of Year	<u>\$ 31,087,974</u>

The College's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the current and two preceding years are as follows:

Fiscal Year Ended August 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2012	\$ 9,658,575	38.08 %	\$ 31,087,974
2011	10,910,816	32.65	25,107,326
2010	9,390,123	38.53	17,758,972

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.

County of Rockland, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

Transfers Out	Transfers In			Total
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	
Governmental Activities				
General Fund	\$ -	\$ -	\$ 38,601,290	\$ 38,601,290
Capital Projects Fund	373,754	-	3,406,964	3,780,718
Non-Major Governmental Funds	5,518,000	412,000	9,572,677	15,502,677
	<u>5,891,754</u>	<u>412,000</u>	<u>51,580,931</u>	<u>57,884,685</u>
Blended Component Units				
RTASC I	300,000	-	-	300,000
RTASC II	150,000	-	-	150,000
	<u>450,000</u>	<u>-</u>	<u>-</u>	<u>450,000</u>
	<u>\$ 6,341,754</u>	<u>\$ 412,000</u>	<u>\$ 51,580,931</u>	<u>\$ 58,334,685</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. Net Position

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position 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 position 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 position 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 position 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 position 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.

Note 3 - Detailed Notes on All Funds (Continued)

Restricted for Debt Service - the component of net position 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 Community Development - the component of net position that has been established to set aside funds for Community Development, pursuant to grant agreements.

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

Restricted for Unemployment Benefits - the component of net position 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 position that has been established through external restrictions imposed by contributors.

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

Restricted for Special Revenue Funds - the component of net position 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 position that do not meet the definition of "restricted" or "net investment in capital assets".

County of Rockland, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

L. Fund Balances

	2012				2011			
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable								
Prepaid expenditures	\$ 1,286,881	\$ -	\$ -	\$ 1,286,881	\$ 5,605,846	\$ -	\$ 266,143	\$ 5,871,989
Long-term receivable	12,066,073	-	-	12,066,073	8,808,509	-	-	8,808,509
Advances	48,697,541	-	-	48,697,541	32,304,720	-	-	32,304,720
Total Nonspendable	62,050,495	-	-	62,050,495	46,719,075	-	266,143	46,985,218
Restricted								
Law enforcement	11,435,019	-	-	11,435,019	13,481,610	-	-	13,481,610
Driving while intoxicated program	1,053,669	-	-	1,053,669	1,154,238	-	-	1,154,238
Handicapped parking	56,965	-	-	56,965	56,965	-	-	56,965
Trusts	-	-	28,775	28,775	-	-	31,260	31,260
Debt service	3,269,386	-	10,204,818	13,474,204	1,924,332	-	6,540,622	8,464,954
Parklands	-	-	-	-	-	44,000	-	44,000
Capital	-	19,949,850	-	19,949,850	-	12,667,403	-	12,667,403
Total Restricted	15,815,039	19,949,850	10,233,593	45,998,482	16,617,145	12,711,403	6,571,882	35,900,430
Committed								
Designated for treatment plant and development	-	-	1,193,725	1,193,725	-	-	1,100,575	1,100,575
Assigned								
Purchases on order:								
Transportation	-	-	114,163	114,163	-	-	44,327	44,327
Home and community services	-	-	1,462,069	1,462,069	-	-	2,027,348	2,027,348
Subsequent year's expenditures	-	-	1,576,232	1,576,232	-	-	2,071,675	2,071,675
Transportation projects	-	-	5,222,340	5,222,340	-	-	8,116,395	8,116,395
County Road Fund	-	114,440	-	114,440	-	1,057,403	-	1,057,403
Road Machinery Fund	-	-	325,920	325,920	-	-	505,304	505,304
Sewer Fund	-	-	19,074,674	19,074,674	-	-	302,764	302,764
Total Assigned	-	114,440	26,199,166	26,313,606	-	1,057,403	16,146,666	16,146,666
Unassigned								
Purchases on order:								
General government support	476,181	-	-	476,181	485,661	-	-	485,661
Public safety	212,571	-	-	212,571	176,316	-	-	176,316
Health	41,358	-	-	41,358	77,080	-	-	77,080
Transportation	22,625	-	-	22,625	200,645	-	-	200,645
Economic opportunity and development	212,243	-	-	212,243	150,423	-	-	150,423
Home and community services	36,511	-	-	36,511	80,174	-	-	80,174
Unassigned	(128,254,496)	-	-	(128,254,496)	(97,684,596)	-	-	(97,684,596)
Total Unassigned	(127,253,007)	-	-	(127,253,007)	(96,514,297)	-	-	(96,514,297)
Total Fund Balances (Deficits)	\$ (49,387,473)	\$ 20,064,290	\$ 37,626,484	\$ 8,303,301	\$ (33,178,077)	\$ 13,768,806	\$ 35,081,404	\$ 15,672,133

Note 3 - Detailed Notes on All Funds (Continued)

Certain elements of fund balance are described above. Those additional elements which are not reflected in the statement of net position but are reported in the governmental funds balance sheet are described below.

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.

Long-Term Receivable represent funds set aside to indicate the long-term nature of taxes receivable collected for other governments. These funds are not "available" for appropriation or expenditure even though they are a component of net assets.

Advances have been established to indicate the long-term nature of funds advanced to the Hospital Fund. These funds do not represent "available" spendable resources even though they are component of current assets.

Assigned

Transportation Projects - This assignment, \$114,163, of fund balance represents surplus monies received for transportation projects, which are to be used to fund transportation capital project costs.

Treatment Plant and Development - This commitment, \$1,193,725, 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.

Purchases on order are assigned and represent the County's intention to honor contracts in process at year end. The subsequent years appropriations will be amended to provide authority to complete the transactions.

Subsequent Year's Expenditures - Sewer District and Debt Service Funds. At December 31, 2012, the County Legislature has utilized \$2,222,340 of the fund balance of the Sewer District Fund and \$3,000,000 of the fund balance of the Debt Service Fund to be appropriated for the ensuing year's budget.

Unassigned

Purchases on order in the General Fund are reflected within unassigned fund balance to indicate that the County cannot assign fund balance when an unassigned deficit exists.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The County is a party to lawsuits involving claims of personal injury, wrongful death, negligence, property disputes and civil rights violations. The County is self-insured for general liability claims to the extent disclosed below. 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, other than the following cases.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

The County is a defendant in a lawsuit in Federal Court for violations under the Americans with Disabilities Act ("ADA"), for disability discrimination, retaliation under the ADA, violations of her constitutional rights under New York Law and breach of contract. A motion for summary judgment has been filed on the County's behalf seeking to dismiss plaintiff's complaint in its entirety. Plaintiff has filed for summary judgment on liability, which was denied. The plaintiff has filed a Notice of Appeal to the Second Circuit.

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 \$40 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.

Workers' Compensation

The County, as the predominant entity, and certain towns and villages within the County are participants in a County-wide workers' compensation program. Premiums are assessed on each participant based upon a formula involving payroll and the actual historical claims experience of such participant. Costs relating to the litigation of claims are charged to expenses as incurred. The County has secured conventional insurance coverage for individual losses in excess of \$1,000,000. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Unemployment Benefits

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

Component Units

Rockland Community College

The College is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; and natural disasters. The risks are covered by commercial insurance purchased by County of Rockland that extends coverage to the College. The self-insured retention under these policies is \$1 million. In addition, the College participates in the Rockland County Workers' Compensation Self Insurance Plan, a risk sharing pool, administered by the County, to insure

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

workers' compensation claims. This is a public entity risk pool created under Article 5, Workers' Compensation Law, to finance liability and risk related to workers' compensation claims.

Soil and Water Conservation District

The County provides insurance for the district's general liability and auto liability policies.

Solid Waste Management Authority

The Authority purchases various conventional insurance coverages to reduce its exposure to loss. The Authority maintains general liability insurance coverage with a policy limit of \$3 million. The auto policy provides coverage up to \$1 million and the pollution liability policy provides coverage up to \$10 million. The Authority also maintains an umbrella policy with coverage up to \$10 million. The Authority purchases conventional workers' compensation insurance with coverage at statutory limits. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

C. Contingencies

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

Note 5 - Subsequent Events

The County, on March 7, 2013, issued tax anticipation notes in the amount of \$55,000,000 due March 14, 2014, and bearing interest of 1.50%.

The County, on March 7, 2013, issued revenue anticipation notes in the amounts of \$45,000,000, due March 14, 2014, and bearing interest of 1.50%.

The County, on April 9, 2013, issued bond anticipation notes in the amount of \$6,595,000 due on April 9, 2014 and bearing interest of 1.15%.

The County, on June 5, 2013, issued bond anticipation notes in the amount of \$9,402,000 due June 5, 2014, and bearing interest of 1.25%.

The County, on July 2, 2013, issued revenue anticipation notes in the amount of \$60,000,000 due June 27, 2014, and bearing interest of 1.30%.

The County, on August 28, 2013, issued bond anticipation notes in the amount of \$11,645,000 due April 9, 2014, and bearing interest at 2.25%.

The County, on August 28, 2013, issued bond anticipation notes in the amount of \$3,000,000 due April 9, 2014, and bearing interest at 2.50%

County of Rockland, New York

Notes to Financial Statements (Concluded)
December 31, 2012

Note 5 - Subsequent Events (Continued)

On May 7, 2013, the County Legislature adopted a resolution requesting the State Legislature to enact special State legislation (State Assembly Bill A.6758 and Senate Bill S.4674) authorizing the County to issue up to \$96 million in deficit financing to fund the accumulated General Fund deficit through *December 31, 2012*. This legislation has passed both the State Assembly and the State Senate and has been sent to the Governor's office for his consideration to be signed into law.

County of Rockland, New York

Required Supplementary Information - Schedule of Funding Progress

Other Post Employment Benefits

Last Three Fiscal Years

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
<u>Governmental Funds</u>						
January 1, 2010	\$ -	\$ 400,930,326	\$ 400,930,326	- %	\$ 117,440,258	341.39 %
January 1, 2011	-	375,153,248	375,153,248	-	110,086,081	340.78
January 1, 2012	-	401,322,084	401,322,084	-	138,645,190	289.46
<u>Internal Service Funds</u>						
January 1, 2010	-	44,326,836	44,326,836	-	10,824,319	409.51
January 1, 2011	-	40,639,298	40,639,298	-	9,752,953	416.69
January 1, 2012	-	43,082,670	43,082,670	-	8,522,150	505.54
<u>Home and Infirmity Fund</u>						
January 1, 2010	-	220,105,615	220,105,615	-	41,747,339	527.23
January 1, 2011	-	205,728,109	205,728,109	-	37,664,649	546.21
January 1, 2012	-	216,923,538	216,923,538	-	32,517,151	667.10

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,

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash		
Demand deposits	\$ 27,140,209	\$ 24,753,170
Taxes receivable		
Tax liens	29,754,057	26,024,774
Tax installments	8,365,123	7,707,981
Returned school and village taxes	<u>26,065,095</u>	<u>26,060,853</u>
	64,184,275	59,793,608
Allowance for uncollectible taxes	<u>(2,810,000)</u>	<u>(2,570,000)</u>
	<u>61,374,275</u>	<u>57,223,608</u>
Other receivables		
Accounts, net of allowance for uncollectible amounts	27,831,542	25,608,619
State and Federal aid, net of allowance for uncollectible amounts	57,475,818	57,542,687
Due from other governments	6,402,370	8,449,832
Due from other funds	12,524,398	12,685,520
Advances to other funds	<u>48,697,541</u>	<u>32,304,720</u>
	<u>152,931,669</u>	<u>136,591,378</u>
Prepaid expenditures	<u>1,286,881</u>	<u>5,605,846</u>
Total Assets	<u>\$ 242,733,034</u>	<u>\$ 224,174,002</u>
LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	\$ 30,269,167	29,813,848
Accrued liabilities	30,584,175	7,315,884
Due to other governments	2,557,749	2,758,539
Due to school districts	50,278,178	50,229,583
Unearned revenues - Taxes	9,943,107	8,154,246
Unearned revenues - Other	3,488,131	1,279,979
Tax anticipation note payable	55,000,000	55,000,000
Revenue anticipation note payable	110,000,000	85,000,000
Deficiency note payable	<u>-</u>	<u>17,800,000</u>
Total Liabilities	<u>292,120,507</u>	<u>257,352,079</u>
Fund balance (deficit)		
Nonspendable	62,050,495	46,719,075
Restricted	15,815,039	16,617,145
Unassigned		
Home and Infirmary Fund - Deficit	(48,697,541)	(32,304,720)
Other	<u>(78,555,466)</u>	<u>(64,209,577)</u>
Total Fund Deficit	<u>(49,387,473)</u>	<u>(33,178,077)</u>
Total Liabilities and Fund Deficit	<u>\$ 242,733,034</u>	<u>\$ 224,174,002</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,

2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 81,059,855	\$ 81,059,855	\$ 79,050,354	\$ (2,009,501)
Other tax items	11,008,725	11,008,725	9,500,343	(1,508,382)
Non-property taxes	200,821,875	200,821,875	177,267,770	(23,554,105)
Departmental income	29,573,200	30,262,490	29,757,860	(504,630)
Intergovernmental charges	1,400,000	1,400,000	2,614,580	1,214,580
Use of money and property	675,000	675,000	255,193	(419,807)
Licenses and permits	1,995,000	1,995,000	1,781,053	(213,947)
Fines and forfeitures	925,560	925,560	917,331	(8,229)
Sale of property and compensation for loss	37,100	37,100	57,512	20,412
Interfund revenues	28,879,845	28,879,845	22,781,524	(6,098,321)
State aid	82,666,775	85,297,828	79,981,483	(5,316,345)
Federal aid	52,426,750	61,572,979	55,307,866	(6,265,113)
Miscellaneous	1,176,000	1,206,692	989,263	(217,429)
Total Revenues	492,645,685	505,142,949	460,262,132	(44,880,817)
EXPENDITURES				
Current				
General government support	69,182,727	73,588,939	64,209,911	9,379,028
Education	62,069,988	57,635,489	57,340,086	295,403
Public safety	58,993,938	71,833,726	70,078,849	1,754,877
Health	35,492,769	41,820,526	39,792,305	2,028,221
Transportation	25,408,484	26,730,610	26,597,164	133,446
Economic opportunity and development	170,815,278	169,575,770	168,981,440	594,330
Culture and recreation	389,265	396,924	391,837	5,087
Home and community services	6,874,685	6,878,635	6,704,671	173,964
Employee benefits	16,267,000	16,267,000	11,781,962	4,485,038
Debt service				
Principal - Deficiency note	17,800,000	17,800,000	-	17,800,000
Interest	4,500,000	4,500,000	4,405,257	94,743
Total Expenditures	467,794,134	487,027,619	450,283,482	36,744,137
Excess (Deficiency) of Revenues Over Expenditures	24,851,551	18,115,330	9,978,650	(8,136,680)
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	5,000,000	5,000,000
Issuance premium	1,500,391	1,500,391	1,071,490	(428,901)
Sale of real property	5,785,000	5,785,000	-	(5,785,000)
Obligations authorized	-	-	-	-
New York State loan	7,000,000	7,000,000	-	(7,000,000)
Transfers in	5,935,000	5,935,000	6,341,754	406,754
Transfers out	(46,242,241)	(42,871,641)	(38,601,290)	4,270,351
Total Other Financing Uses	(26,021,850)	(22,651,250)	(26,188,046)	(3,536,796)
Net Change in Fund Balance	(1,170,299)	(4,535,920)	(16,209,396)	(11,673,476)
Fund Balance (Deficit) - Beginning of Year	1,170,299	4,535,920	(33,178,077)	(37,713,997)
Fund Deficit - End of Year	\$ -	\$ -	\$ (49,387,473)	\$ (49,387,473)

2011

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 61,700,000	\$ 61,700,000	\$ 61,212,218	\$ (487,782)
13,010,000	13,010,000	8,984,061	(4,025,939)
179,550,000	179,550,000	173,277,809	(6,272,191)
30,163,105	30,483,412	30,128,774	(354,638)
-	-	-	-
675,000	675,000	301,935	(373,065)
2,020,000	2,020,000	1,775,811	(244,189)
1,013,405	1,013,405	835,272	(178,133)
36,500	61,758	121,310	59,552
25,468,870	25,710,770	23,578,985	(2,131,785)
92,618,715	95,820,115	80,892,319	(14,927,796)
51,230,730	58,590,852	55,995,362	(2,595,490)
1,616,000	1,663,383	1,084,317	(579,066)
<u>459,102,325</u>	<u>470,298,695</u>	<u>438,188,173</u>	<u>(32,110,522)</u>
49,674,680	56,853,195	61,594,915	(4,741,720)
67,478,910	66,154,138	56,226,904	9,927,234
65,809,710	69,551,113	68,586,927	964,186
37,940,808	43,804,823	41,010,199	2,794,624
24,874,898	27,042,056	26,076,975	965,081
172,027,691	173,093,253	167,960,613	5,132,640
489,875	528,375	525,845	2,530
7,682,588	7,591,014	7,469,063	121,951
11,285,000	11,531,900	11,536,645	(4,745)
-	-	-	-
2,100,000	2,100,000	2,057,986	42,014
<u>439,364,160</u>	<u>458,249,867</u>	<u>443,046,072</u>	<u>15,203,795</u>
<u>19,738,165</u>	<u>12,048,828</u>	<u>(4,857,899)</u>	<u>(16,906,727)</u>
-	725,000	5,000,000	4,275,000
-	-	1,924,332	1,924,332
17,800,000	-	55,900	55,900
-	17,800,000	-	(17,800,000)
-	-	-	-
6,460,000	6,460,000	6,138,326	(321,674)
(45,467,748)	(42,308,248)	(37,483,944)	4,824,304
<u>(21,207,748)</u>	<u>(17,323,248)</u>	<u>(24,365,386)</u>	<u>(7,042,138)</u>
(1,469,583)	(5,274,420)	(29,223,285)	(23,948,865)
<u>1,469,583</u>	<u>5,274,420</u>	<u>(3,954,792)</u>	<u>(9,229,212)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (33,178,077)</u>	<u>\$ (33,178,077)</u>

County of Rockland, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget
 Year Ended December 31, 2012
 (With Comparative Actuals for 2011)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2011 Actual
REAL PROPERTY TAXES	\$ 81,059,855	\$ 81,059,855	\$ 79,050,354	\$ (2,009,501)	\$ 61,212,218
OTHER TAX ITEMS					
Interest and penalties on real property taxes	10,000,000	10,000,000	9,262,081	(737,919)	8,632,359
Gain on sale of tax acquired property	850,000	850,000	-	(850,000)	187,224
Payments in lieu of taxes	158,725	158,725	238,262	79,537	164,478
Total Other Tax Items	11,008,725	11,008,725	9,500,343	(1,508,382)	8,984,061
NON-PROPERTY TAXES					
Sales and use tax	188,671,875	188,671,875	169,581,358	(19,090,517)	169,265,205
Mortgage tax	6,500,000	6,500,000	3,480,654	(3,019,346)	3,470,281
E-911 surcharge	1,150,000	1,150,000	1,046,955	(103,045)	542,323
Hotel/Motel Occupancy Tax	1,000,000	1,000,000	968,837	(31,163)	-
Residential energy use tax	-	-	2,077,687	2,077,687	-
Motor vehicle use tax	-	-	112,279	112,279	-
County transfer fee	3,500,000	3,500,000	-	(3,500,000)	-
Total Non-Property Taxes	200,821,875	200,821,875	177,267,770	(23,554,105)	173,277,809
DEPARTMENTAL INCOME					
General government support	7,914,665	8,093,825	8,389,429	295,604	7,364,756
Public safety	1,728,000	1,931,719	1,829,090	(102,629)	1,366,190
Health	3,912,000	4,014,911	2,636,827	(1,378,084)	2,943,275
Transportation	8,352,000	8,555,500	8,082,612	(472,888)	8,375,340
Economic Opportunity and Development	4,123,500	4,123,500	5,463,271	1,339,771	6,935,371
Home and Community Services	60,500	60,500	40,425	(20,075)	35,887
Employee benefits	3,482,535	3,482,535	3,316,206	(166,329)	3,107,955
Total Departmental Income	29,573,200	30,262,490	29,757,860	(504,630)	30,128,774

INTERGOVERNMENTAL CHARGES

Election service charges	-	986,015	(413,985)	-
Community college chargebacks	-	1,628,565	1,628,565	-
	<u>1,400,000</u>	<u>2,614,580</u>	<u>1,214,580</u>	<u>-</u>

USE OF MONEY AND PROPERTY

Earnings on investments	550,000	134,502	(415,498)	192,044
Rental of real property	125,000	120,691	(4,309)	109,891
Total Use of Money and Property	<u>675,000</u>	<u>255,193</u>	<u>(419,807)</u>	<u>301,935</u>

LICENSES AND PERMITS

Licenses	1,335,000	1,122,505	(212,495)	1,141,118
Alarm charges	660,000	658,548	(1,452)	634,693
Total Licenses and Permits	<u>1,995,000</u>	<u>1,781,053</u>	<u>(213,947)</u>	<u>1,775,811</u>

FINES AND FORFEITURES

Fines	920,560	663,554	(257,006)	752,479
Forfeitures	5,000	253,777	248,777	82,793
Total Fines and Forfeitures	<u>925,560</u>	<u>917,331</u>	<u>(8,229)</u>	<u>835,272</u>

SALE OF PROPERTY AND COMPENSATION FOR LOSS

Other sales	22,100	17,052	(5,048)	86,662
Insurance recoveries	15,000	40,460	25,460	34,648
Total Sale of Property and Compensation for Loss	<u>37,100</u>	<u>57,512</u>	<u>20,412</u>	<u>121,310</u>

INTERFUND REVENUES

Liability and health insurance	630,400	630,400	-	580,900
Interfund revenues - Central services	11,912,875	10,644,675	(1,268,200)	11,723,133
Community College Fund	16,336,570	11,506,449	(4,830,121)	11,274,952
Total Interfund Revenues	<u>28,879,845</u>	<u>22,781,524</u>	<u>(6,098,321)</u>	<u>23,578,985</u>

STATE AID

General government support	2,987,355	985,250	(324,992)	2,078,155
Public safety	1,697,275	2,866,750	183,482	2,193,502
Health	41,464,375	40,173,018	(4,190,539)	40,404,044
Transportation	13,560,000	13,877,998	106,419	13,502,316
Economic opportunity and development	22,807,770	21,786,178	(1,061,004)	22,589,713
Culture and recreation	150,000	246,682	(75,318)	64,589
Home and community services	-	45,607	45,607	60,000
Total State Aid	<u>82,666,775</u>	<u>79,981,483</u>	<u>(5,316,345)</u>	<u>80,892,319</u>

(Continued)

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County of Rockland, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget (Continued)

Year Ended December 31, 2012

(With Comparative Actuals for 2011)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2011 Actual
FEDERAL AID					
General government support	\$ 852,395	\$ 3,206,165	\$ 2,854,470	\$ (351,695)	\$ 1,293,771
Public safety	539,000	2,893,323	2,719,617	(173,706)	1,593,741
Health	164,000	2,984,198	3,273,232	289,034	7,565,232
Transportation	4,404,000	5,911,047	6,040,308	129,261	3,207,954
Economic opportunity and development	46,167,355	46,237,877	39,940,630	(6,297,247)	42,043,728
Home and community services	300,000	340,369	479,609	139,240	290,936
Total Federal Aid	52,426,750	61,572,979	55,307,866	(6,265,113)	55,995,362
MISCELLANEOUS					
Refund of prior year's expenditures	50,000	50,000	40,239	(9,761)	183,747
OTB distributed earnings	1,000,000	1,000,000	754,006	(245,994)	762,878
Other	126,000	156,692	195,018	38,326	137,692
Total Miscellaneous	1,176,000	1,206,692	989,263	(217,429)	1,084,317
TOTAL REVENUES	492,645,685	505,142,949	460,262,132	(44,880,817)	438,188,173
OTHER FINANCING SOURCES					
Bond proceeds	-	-	5,000,000	5,000,000	5,000,000
Issuance premium	1,500,391	1,500,391	1,071,490	(428,901)	1,924,332
Sale of real property	5,785,000	5,785,000	-	(5,785,000)	55,900
New York State loan	7,000,000	7,000,000	-	(7,000,000)	-
Transfers in					
Debt Service Fund	5,500,000	5,500,000	5,518,000	18,000	4,260,000
Rockland Tobacco Asset Securitization Corp	-	-	450,000	450,000	258,326
Community Development Fund	-	-	-	-	225,000
Capital Projects Fund	435,000	435,000	373,754	(61,246)	1,395,000
TOTAL OTHER FINANCING SOURCES	20,220,391	20,220,391	12,413,244	(7,807,147)	13,118,558
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 512,866,076	\$ 525,363,340	\$ 472,675,376	\$ (52,687,964)	\$ 451,306,731

County of Rockland, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget
Year Ended December 31, 2012
(With Comparative Actuals for 2011)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2011 Actual
GENERAL GOVERNMENT SUPPORT					
Legislative Branch	\$ 4,107,540	\$ 4,082,040	\$ 3,905,989	\$ 176,051	\$ 3,799,368
County Executive	5,057,799	5,365,937	4,961,623	404,314	4,605,377
Youth Bureau	1,588,581	2,229,288	2,043,182	186,106	2,265,534
Community Development Program	1,530,970	1,530,970	1,427,856	103,114	1,454,808
District Attorney	8,354,381	11,246,971	10,544,290	702,681	9,798,764
Public Defender	3,200,050	3,589,919	3,580,135	9,784	3,377,994
Assigned Counsel	1,350,000	1,372,100	1,371,153	947	1,330,511
Medical Examiner	1,511,685	1,617,685	1,614,346	3,339	1,706,925
Department of Budget and Finance	4,993,737	6,640,358	6,631,071	9,287	5,691,673
Department of Records	4,042,862	4,401,983	4,347,127	54,856	4,216,675
Department of Law	3,057,110	2,967,110	2,871,295	95,815	3,097,741
Department of Personnel	4,553,560	4,553,560	4,548,665	4,895	4,380,796
Board of Elections	3,466,375	3,494,446	3,314,733	179,713	3,003,668
Other General Departments	2,212,315	2,262,315	1,215,888	1,046,427	881,886
Department of Insurance	959,945	961,645	961,505	140	1,050,200
Revenue Sharing - Sales Tax	10,938,000	10,938,000	10,739,851	198,149	10,499,884
Contingent fund	8,093,062	6,173,172	-	6,173,172	-
Department of Tourism	98,455	98,455	68,217	30,238	344,711
Contract Agencies - General Government Support	66,300	62,985	62,985	-	88,400
Total General Government Support	69,182,727	73,588,939	64,209,911	9,379,028	61,594,915
EDUCATION					
Community College - Tuition	1,800,000	1,800,000	1,633,129	166,871	1,699,120
Contribution to Community College Fund	16,304,570	16,351,570	16,351,392	178	16,013,560
Education of handicapped children	43,965,418	39,483,919	39,355,565	128,354	38,514,224
Total Education	62,069,988	57,635,489	57,340,086	295,403	56,226,904

(Continued)

PUBLIC SAFETY

Office of the Sheriff	22,240,342	28,135,722	26,669,510	1,466,212	26,535,002
Correctional Facility	23,583,094	29,972,841	29,956,311	16,530	28,776,404
Narcotics task force	3,391,460	3,399,406	3,364,701	34,705	3,255,242
Probation Department	5,734,825	5,993,331	5,987,808	5,523	5,810,004
Department of Fire and Emergency Services	3,190,862	3,460,752	3,263,176	197,576	3,293,892
E-911 telephone system	759,755	782,755	782,624	131	822,333
Contract Agencies - Public Safety	93,600	88,919	54,719	34,200	94,050

Total Public Safety

	58,993,938	71,833,726	70,078,849	1,754,877	68,586,927
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HEALTH

Department of Health	25,992,101	31,307,920	30,293,125	1,014,795	31,339,381
Department of Mental Health	878,115	673,115	669,506	3,609	564,921
Contracted mental health services	8,158,328	9,398,478	8,388,661	1,009,817	8,557,197
Contracted health services	464,225	441,013	441,013	-	548,700

Total Health

	35,492,769	41,820,526	39,792,305	2,028,221	41,010,199
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TRANSPORTATION

Public transportation	25,408,484	26,730,610	26,597,164	133,446	26,076,975
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ECONOMIC OPPORTUNITY AND DEVELOPMENT

Department of Social Services	50,412,480	54,087,206	54,037,530	49,676	53,489,706
Social Services Program Grants	111,990,000	107,100,000	107,066,023	33,977	105,757,268
Veterans' Service Agency	542,407	542,407	391,711	150,696	498,708
Consumer Protection	1,777,115	1,817,115	1,814,992	2,123	1,838,174
Office of the Aging	5,197,076	5,212,210	4,857,085	355,125	5,238,457
Contract Agencies - Economic Opportunity & Development	896,200	816,832	814,099	2,733	1,138,300

Total Economic Opportunity and Development

	170,815,278	169,575,770	168,981,440	594,330	167,960,613
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CULTURE AND RECREATION

County Historian	8,465	9,465	9,415	50	7,740
Contract Agencies - Culture and Recreation	380,800	387,459	382,422	5,037	518,105
Total Culture and Recreation	389,265	396,924	391,837	5,087	525,845

(Continued)

County of Rockland, New York

General Fund
 Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)
 Year Ended December 31, 2012
 (With Comparative Actuals for 2011)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2011 Actual
HOME AND COMMUNITY SERVICES					
Department of Planning	\$ 2,878,835	\$ 2,878,835	\$ 2,861,322	\$ 17,513	\$ 2,893,700
Commission of Human Rights	469,056	509,425	444,733	64,692	485,104
Commissioner of Labor	24,050	24,050	23,027	1,023	21,801
Department of Environmental Resources	2,053,230	2,053,230	1,962,494	90,736	2,175,323
Contract Agencies - Home and Community Services	1,449,514	1,413,095	1,413,095	-	1,893,135
Total Home and Community Services	6,874,685	6,878,635	6,704,671	173,964	7,469,063
EMPLOYEE BENEFITS - UNDISTRIBUTED					
Workers' Compensation Benefit - RCC	200,000	200,000	199,770	230	200,000
Retirement - RCC	1,070,000	1,070,000	980,346	89,654	1,061,064
Hospital & Medical Insurance - RCC	14,997,000	14,997,000	10,601,846	4,395,154	10,275,581
Total Employee Benefits - RCC	16,267,000	16,267,000	11,781,962	4,485,038	11,536,645
DEBT SERVICE					
Principal - Deficiency note	17,800,000	17,800,000	-	17,800,000	-
Interest					
Bond anticipation notes	190,000	190,000	183,007	6,993	-
Deficiency note	315,000	315,000	311,500	3,500	-
Revenue anticipation notes	2,350,000	2,350,000	2,269,917	80,083	1,160,486
Tax anticipation notes	1,645,000	1,645,000	1,640,833	4,167	897,500
Total Debt Service	4,500,000	4,500,000	4,405,257	94,743	2,057,986
TOTAL EXPENDITURES	467,794,134	487,027,619	450,283,482	36,744,137	443,046,072

OTHER FINANCING USES

Transfers out								
County Road Fund	9,287,000	9,517,000	9,287,000	230,000	10,276,104			
Road Machinery Fund	1,343,000	1,343,000	1,343,000	-	1,511,245			
Hospital Fund	7,184,241	4,019,241	-	4,019,241	-			
Debt Service Fund	28,428,000	27,992,400	27,971,290	21,110	25,696,595			
TOTAL OTHER FINANCING USES	<u>46,242,241</u>	<u>42,871,641</u>	<u>38,601,290</u>	<u>4,270,351</u>	<u>37,483,944</u>			
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 514,036,375</u>	<u>\$ 529,899,260</u>	<u>\$ 488,884,772</u>	<u>\$ 41,014,488</u>	<u>\$ 480,530,016</u>			

County of Rockland, New York

Capital Projects Fund
Comparative Balance Sheet
December 31,

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash - Demand deposits	\$ 62,046,553	\$ 52,591,204
Receivables		
Accounts	616,313	13,664
State and Federal aid	<u>4,449,342</u>	<u>5,010,615</u>
	<u>5,065,655</u>	<u>5,024,279</u>
Restricted cash	<u>5,211,640</u>	<u>6,247,750</u>
Total Assets	<u>\$ 72,323,848</u>	<u>\$ 63,863,233</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 7,207,431	\$ 7,780,382
Due to other governments	17,232,146	15,154,616
Due to other funds	1,379,981	583,929
Bond anticipation notes payable	<u>26,440,000</u>	<u>26,575,500</u>
Total Liabilities	<u>52,259,558</u>	<u>50,094,427</u>
Fund balance		
Restricted	19,949,850	12,711,403
Assigned	<u>114,440</u>	<u>1,057,403</u>
Total Fund Balance	<u>20,064,290</u>	<u>13,768,806</u>
Total Liabilities and Fund Balance	<u>\$ 72,323,848</u>	<u>\$ 63,863,233</u>

County of Rockland, New York

Capital Projects Fund
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balance
Years Ended December 31,

	<u>2012</u>	<u>2011</u>
REVENUES		
State aid	\$ 2,805,733	\$ 3,591,521
Federal aid	8,088,327	5,192,644
Miscellaneous	<u>2,986,735</u>	<u>1,034,698</u>
Total Revenues	13,880,795	9,818,863
EXPENDITURES		
Capital outlay	<u>39,338,593</u>	<u>45,767,866</u>
Deficiency of Revenues Over Expenditures	<u>(25,457,798)</u>	<u>(35,949,003)</u>
OTHER FINANCING SOURCES (USES)		
Bonds issued	35,122,000	48,625,003
Transfers in	412,000	244,000
Transfers out	<u>(3,780,718)</u>	<u>(2,654,346)</u>
Total Other Financing Sources	<u>31,753,282</u>	<u>46,214,657</u>
Net Change in Fund Balance	6,295,484	10,265,654
Fund Balance - Beginning of Year	<u>13,768,806</u>	<u>3,503,152</u>
Fund Balance - End of Year	<u>\$ 20,064,290</u>	<u>\$ 13,768,806</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, 2012
 (With Comparative Totals for 2011)

	Special Revenue Funds	Debt Service Fund
ASSETS		
Cash and equivalents	\$ 24,489,946	\$ 10,028,042
Receivables		
Accounts	377,383	-
Loans	6,117,517	-
State and Federal aid	1,850,182	2,625,412
Due from other funds	2,184,907	551,364
	<u>10,529,989</u>	<u>3,176,776</u>
Prepaid expenditures	-	-
Total Assets	<u>\$ 35,019,935</u>	<u>\$ 13,204,818</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 1,524,055	\$ -
Accrued liabilities	2,236,536	-
Due to other funds	519,750	-
Unearned revenues	6,317,928	-
Total Liabilities	<u>10,598,269</u>	<u>-</u>
Fund balances		
Nonspendable	-	-
Restricted	28,775	10,204,818
Committed	1,193,725	-
Assigned	23,199,166	3,000,000
Total Fund Balances	<u>24,421,666</u>	<u>13,204,818</u>
Total Liabilities and Fund Balances	<u>\$ 35,019,935</u>	<u>\$ 13,204,818</u>

Totals	
2012	2011
\$ 34,517,988	\$ 34,635,445
377,383	352,131
6,117,517	6,719,451
4,475,594	1,494,413
2,736,271	1,886,369
13,706,765	10,452,364
-	266,143
\$ 48,224,753	\$ 45,353,952
\$ 1,524,055	\$ 1,700,608
2,236,536	616,699
519,750	506,942
6,317,928	7,448,299
10,598,269	10,272,548
-	266,143
10,233,593	6,571,882
1,193,725	1,100,575
26,199,166	27,142,804
37,626,484	35,081,404
\$ 48,224,753	\$ 45,353,952

County of Rockland, New York

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Governmental Funds
December 31, 2012
(With Comparative Totals for 2011)

	Special Revenue Funds	Debt Service Fund
REVENUES		
Real property taxes	\$ 30,435,674	\$ -
Other tax items	93,150	-
Departmental income	763,238	-
Use of money and property	120,220	111,654
Licenses and permits	30,059	-
Fines and forfeitures	17,461	-
Sale of property and compensation for loss	23,584	-
Interfund revenues	487,084	-
State aid	1,288,001	668,253
Federal aid	5,661,183	2,371,987
Miscellaneous	231,765	353,376
Total Revenues	39,151,419	3,505,270
EXPENDITURES		
Current		
Transportation	14,634,663	-
Economic opportunity and development	4,944,043	-
Home and community services	16,077,116	-
Employee benefits	3,364,174	-
Debt service		
Principal	-	25,895,018
Interest	263,407	11,491,778
Total Expenditures	39,283,403	37,386,796
Deficiency of Revenues Over Expenditures	(131,984)	(33,881,526)
OTHER FINANCING SOURCES (USES)		
Refunding bonds issued	-	9,529,000
Payment to refunded bond escrow agent	-	(9,717,712)
Issuance premium	-	669,048
Transfers in	11,782,545	39,798,386
Transfers out	(9,689,132)	(5,813,545)
Total Other Financing Sources	2,093,413	34,465,177
Net Change in Fund Balances	1,961,429	583,651
Fund Balances - Beginning of Year	22,460,237	12,621,167
Fund Balances - End of Year	\$ 24,421,666	\$ 13,204,818

Totals	
2012	2011
\$ 30,435,674	\$ 28,119,675
93,150	90,000
763,238	790,149
231,874	313,660
30,059	80,540
17,461	68,128
23,584	41,539
487,084	641,953
1,956,254	2,176,453
8,033,170	5,254,273
585,141	1,011,495
<u>42,656,689</u>	<u>38,587,865</u>
14,634,663	14,661,224
4,944,043	4,582,421
16,077,116	18,356,962
3,364,174	3,135,843
25,895,018	25,280,970
11,755,185	10,945,472
<u>76,670,199</u>	<u>76,962,892</u>
<u>(34,013,510)</u>	<u>(38,375,027)</u>
9,529,000	-
(9,717,712)	-
669,048	-
51,580,931	49,269,433
(15,502,677)	(15,255,143)
<u>36,558,590</u>	<u>34,014,290</u>
2,545,080	(4,360,737)
<u>35,081,404</u>	<u>39,442,141</u>
<u>\$ 37,626,484</u>	<u>\$ 35,081,404</u>

County of Rockland, New York

Combining Balance Sheet
 Non-Major Special Revenue Funds
 December 31, 2012
 (With Comparative Totals for 2011)

	County Road Fund	Road Machinery Fund	Community Development Fund
ASSETS			
Cash			
Demand deposits	\$ -	\$ -	\$ 231,197
Time deposits	-	-	-
Petty cash	100	-	-
	<u>100</u>	<u>-</u>	<u>231,197</u>
Receivables			
Accounts	44,216	94	-
Loans	-	-	6,117,517
State and Federal aid	1,476,019	-	374,163
Due from other funds	-	496,135	-
	<u>1,520,235</u>	<u>496,229</u>	<u>6,491,680</u>
Prepaid expenditures	-	-	-
Total Assets	<u>\$ 1,520,335</u>	<u>\$ 496,229</u>	<u>\$ 6,722,877</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 262,899	\$ 82,246	\$ -
Accrued liabilities	1,028,472	88,063	-
Due to other funds	114,801	-	404,949
Unearned revenues	-	-	6,317,928
Total Liabilities	<u>1,406,172</u>	<u>170,309</u>	<u>6,722,877</u>
Fund balances			
Nonspendable	-	-	-
Restricted	-	-	-
Committed	-	-	-
Assigned	114,163	325,920	-
Total Fund Balances	<u>114,163</u>	<u>325,920</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 1,520,335</u>	<u>\$ 496,229</u>	<u>\$ 6,722,877</u>

Sewer District Fund	Special Purpose Fund	Totals	
		2012	2011
\$ 24,229,874	\$ 15,699	\$ 24,476,770	\$ 22,395,169
-	13,076	13,076	31,260
-	-	100	100
<u>24,229,874</u>	<u>28,775</u>	<u>24,489,946</u>	<u>22,426,529</u>
333,073	-	377,383	352,131
-	-	6,117,517	6,719,451
-	-	1,850,182	1,098,783
<u>1,688,772</u>	<u>-</u>	<u>2,184,907</u>	<u>1,869,748</u>
<u>2,021,845</u>	<u>-</u>	<u>10,529,989</u>	<u>10,040,113</u>
-	-	-	266,143
<u>\$ 26,251,719</u>	<u>\$ 28,775</u>	<u>\$ 35,019,935</u>	<u>\$ 32,732,785</u>
\$ 1,178,910	\$ -	\$ 1,524,055	\$ 1,700,608
1,120,001	-	2,236,536	616,699
-	-	519,750	506,942
-	-	6,317,928	7,448,299
<u>2,298,911</u>	<u>-</u>	<u>10,598,269</u>	<u>10,272,548</u>
-	-	-	266,143
-	28,775	28,775	31,260
1,193,725	-	1,193,725	1,100,575
<u>22,759,083</u>	<u>-</u>	<u>23,199,166</u>	<u>21,062,259</u>
<u>23,952,808</u>	<u>28,775</u>	<u>24,421,666</u>	<u>22,460,237</u>
<u>\$ 26,251,719</u>	<u>\$ 28,775</u>	<u>\$ 35,019,935</u>	<u>\$ 32,732,785</u>

County of Rockland, New York

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Special Revenue Funds
December 31, 2012
(With Comparative Totals for 2011)

	County Road Fund	Road Machinery Fund	Community Development Fund
REVENUES			
Real property taxes	\$ -	\$ -	\$ -
Other tax items	-	-	-
Departmental income	106,638	1,977	-
Use of money and property	-	-	4,533
Licenses and permits	30,059	-	-
Fines and forfeitures	700	-	-
Sale of property and compensation for loss	23,584	-	-
Interfund revenues	461,760	-	-
State aid	1,260,975	-	-
Federal aid	636,406	342	4,925,547
Miscellaneous	55,716	12,019	11,435
Total Revenues	2,575,838	14,338	4,941,515
EXPENDITURES			
Current			
Transportation	13,288,474	1,346,189	-
Economic opportunity and development	-	-	4,941,515
Home and community services	-	-	-
Employee benefits	-	-	-
Debt service			
Interest	-	-	-
Total Expenditures	13,288,474	1,346,189	4,941,515
Excess (Deficiency) of Revenues Over Expenditures	(10,712,636)	(1,331,851)	-
OTHER FINANCING SOURCES (USES)			
Transfers in	10,144,000	1,343,000	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	10,144,000	1,343,000	-
Net Change in Fund Balances	(568,636)	11,149	-
Fund Balances - Beginning of Year	682,799	314,771	-
Fund Balances - End of Year	\$ 114,163	\$ 325,920	\$ -

Sewer District Fund	Special Purpose Fund	Totals	
		2012	2011
\$ 30,435,674	\$ -	\$ 30,435,674	\$ 28,119,675
93,150	-	93,150	90,000
654,623	-	763,238	790,149
115,644	43	120,220	147,193
-	-	30,059	80,540
16,761	-	17,461	68,128
-	-	23,584	41,539
25,324	-	487,084	641,953
27,026	-	1,288,001	1,380,821
98,888	-	5,661,183	5,026,048
152,595	-	231,765	507,455
<u>31,619,685</u>	<u>43</u>	<u>39,151,419</u>	<u>36,893,501</u>
-	-	14,634,663	14,661,224
-	2,528	4,944,043	4,582,421
16,077,116	-	16,077,116	18,356,962
3,364,174	-	3,364,174	3,135,843
<u>263,407</u>	<u>-</u>	<u>263,407</u>	<u>559,735</u>
<u>19,704,697</u>	<u>2,528</u>	<u>39,283,403</u>	<u>41,296,185</u>
<u>11,914,988</u>	<u>(2,485)</u>	<u>(131,984)</u>	<u>(4,402,684)</u>
295,545	-	11,782,545	12,287,349
<u>(9,689,132)</u>	<u>-</u>	<u>(9,689,132)</u>	<u>(10,300,143)</u>
<u>(9,393,587)</u>	<u>-</u>	<u>2,093,413</u>	<u>1,987,206</u>
2,521,401	(2,485)	1,961,429	(2,415,478)
<u>21,431,407</u>	<u>31,260</u>	<u>22,460,237</u>	<u>24,875,715</u>
<u>\$ 23,952,808</u>	<u>\$ 28,775</u>	<u>\$ 24,421,666</u>	<u>\$ 22,460,237</u>

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County of Rockland, New York

County Road Fund
 Comparative Balance Sheet
 December 31,

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash		
Petty cash	\$ 100	\$ 100
Receivables		
Accounts	44,216	33,078
State and Federal aid	1,476,019	530,753
Due from other funds	-	407,329
	<u>1,520,235</u>	<u>971,160</u>
Prepaid expenditures	-	133,168
Total Assets	<u>\$ 1,520,335</u>	<u>\$ 1,104,428</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 262,899	\$ 143,305
Accrued liabilities	1,028,472	278,324
Due to other funds	114,801	-
Total Liabilities	<u>1,406,172</u>	<u>421,629</u>
Fund balance		
Nonspendable	-	133,168
Assigned	114,163	549,631
Total Fund Balance	<u>114,163</u>	<u>682,799</u>
Total Liabilities and Fund Balance	<u>\$ 1,520,335</u>	<u>\$ 1,104,428</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,

	2012			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 115,000	\$ 115,000	\$ 106,638	\$ (8,362)
Licenses and permits	41,000	41,000	30,059	(10,941)
Fines and forfeitures	-	-	700	700
Sale of property and compensation for loss	35,000	35,000	23,584	(11,416)
Interfund revenues	495,000	495,000	461,760	(33,240)
State aid	1,350,000	1,350,000	1,260,975	(89,025)
Federal aid	245,000	245,000	636,406	391,406
Miscellaneous	83,000	83,000	55,716	(27,284)
Total Revenues	2,364,000	2,364,000	2,575,838	211,838
EXPENDITURES				
Current				
Transportation	12,945,327	13,079,710	13,288,474	(208,764)
Deficiency of Revenues Over Expenditures	(10,581,327)	(10,715,710)	(10,712,636)	3,074
OTHER FINANCING SOURCES				
Transfers in	10,537,000	10,537,000	10,144,000	(393,000)
Net Change in Fund Balance	(44,327)	(178,710)	(568,636)	(389,926)
Fund Balance - Beginning of Year	44,327	178,710	682,799	504,089
Fund Balance - End of Year	\$ -	\$ -	\$ 114,163	\$ 114,163

2011

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 185,700	\$ 185,700	\$ 103,583	\$ (82,117)
41,000	41,000	80,540	39,540
5,000	5,000	8,490	3,490
28,000	28,000	28,352	352
470,000	470,000	592,866	122,866
1,300,000	1,300,000	1,330,355	30,355
245,000	245,000	460,078	215,078
45,000	45,000	171,691	126,691
2,319,700	2,319,700	2,775,955	456,255
14,188,658	14,430,658	13,052,059	1,378,599
(11,868,958)	(12,110,958)	(10,276,104)	1,834,854
11,618,522	11,860,522	10,276,104	(1,584,418)
(250,436)	(250,436)	-	250,436
250,436	250,436	682,799	432,363
\$ -	\$ -	\$ 682,799	\$ 682,799

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County of Rockland, New York

Road Machinery Fund
Comparative Balance Sheet
December 31,

	<u>2012</u>	<u>2011</u>
ASSETS		
Receivables		
Accounts	\$ 94	\$ 9
State and Federal aid	-	2,225
Due from other funds	<u>496,135</u>	<u>407,220</u>
	496,229	409,454
Prepaid expenditures	<u>-</u>	<u>12,007</u>
Total Assets	<u><u>\$ 496,229</u></u>	<u><u>\$ 421,461</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 82,246	\$ 83,353
Accrued liabilities	<u>88,063</u>	<u>23,337</u>
Total Liabilities	<u>170,309</u>	<u>106,690</u>
Fund balance		
Nonspendable	-	12,007
Assigned	<u>325,920</u>	<u>302,764</u>
Total Fund Balance	<u>325,920</u>	<u>314,771</u>
Total Liabilities and Fund Balance	<u><u>\$ 496,229</u></u>	<u><u>\$ 421,461</u></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,

2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Departmental income	\$ 2,000	\$ 2,000	\$ 1,977	\$ (23)
Sale of property and compensation for loss	20,000	20,000	-	(20,000)
State aid	-	-	-	-
Federal aid	-	-	342	342
Miscellaneous	46,000	46,000	12,019	(33,981)
Total Revenues	68,000	68,000	14,338	(53,662)
EXPENDITURES				
Current				
Transportation	1,411,000	1,411,000	1,346,189	64,811
Deficiency of Revenues Over Expenditures	(1,343,000)	(1,343,000)	(1,331,851)	11,149
OTHER FINANCING SOURCES				
Transfers in	1,343,000	1,343,000	1,343,000	-
Net Change in Fund Balance	-	-	11,149	11,149
Fund Balance - Beginning of Year	-	-	314,771	314,771
Fund Balance - End of Year	\$ -	\$ -	\$ 325,920	\$ 325,920

2011

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 12,800	\$ 12,800	\$ 7,598	\$ (5,202)
20,000	20,000	13,131	(6,869)
-	-	9,578	9,578
-	-	2,225	2,225
<u>40,000</u>	<u>40,000</u>	<u>89</u>	<u>(39,911)</u>
72,800	72,800	32,621	(40,179)
<u>1,524,073</u>	<u>1,679,073</u>	<u>1,609,165</u>	<u>69,908</u>
(1,451,273)	(1,606,273)	(1,576,544)	29,729
<u>1,356,245</u>	<u>1,511,245</u>	<u>1,511,245</u>	<u>-</u>
(95,028)	(95,028)	(65,299)	29,729
<u>95,028</u>	<u>95,028</u>	<u>380,070</u>	<u>285,042</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 314,771</u>	<u>\$ 314,771</u>

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County of Rockland, New York

Community Development Fund
Comparative Balance Sheet
December 31,

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash		
Demand deposits	\$ 231,197	\$ 728,848
Receivables		
Loans	6,117,517	6,719,451
State and Federal aid	<u>374,163</u>	<u>506,942</u>
	<u>6,491,680</u>	<u>7,226,393</u>
Total Assets	<u>\$ 6,722,877</u>	<u>\$ 7,955,241</u>
LIABILITIES		
Liabilities		
Due to other funds	\$ 404,949	\$ 506,942
Unearned revenues	<u>6,317,928</u>	<u>7,448,299</u>
Total Liabilities	<u>\$ 6,722,877</u>	<u>\$ 7,955,241</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,

	2012			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Use of money and property	\$ -	\$ -	\$ 4,533	\$ 4,533
Federal aid	-	14,514,245	4,925,547	(9,588,698)
Miscellaneous	-	-	11,435	11,435
Total Revenues	-	14,514,245	4,941,515	(9,572,730)
EXPENDITURES				
Current				
Economic opportunity and development	-	14,514,245	4,941,515	9,572,730
Excess of Revenues Over Expenditures	-	-	-	-
OTHER FINANCING SOURCES				
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

2011

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ 4,880	\$ 4,880
-	12,368,091	4,563,745	(7,804,346)
-	-	11,097	11,097
-	12,368,091	4,579,722	(7,788,369)
-	12,368,091	4,579,722	7,788,369
-	-	-	-
-	(225,000)	(225,000)	-
-	(225,000)	(225,000)	-
-	225,000	225,000	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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County of Rockland, New York

Sewer District Fund
Comparative Balance Sheet
December 31,

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash		
Demand deposits	\$ 24,229,874	\$ 21,666,321
Receivables		
Accounts	333,073	319,044
State and Federal aid	-	58,863
Due from other funds	<u>1,688,772</u>	<u>1,055,199</u>
	<u>2,021,845</u>	<u>1,433,106</u>
Prepaid expenditures	<u>-</u>	<u>120,968</u>
Total Assets	<u>\$ 26,251,719</u>	<u>\$ 23,220,395</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,178,910	\$ 1,473,950
Accrued liabilities	<u>1,120,001</u>	<u>315,038</u>
Total Liabilities	<u>2,298,911</u>	<u>1,788,988</u>
Fund balance		
Nonspendable	-	120,968
Committed	1,193,725	1,100,575
Assigned	<u>22,759,083</u>	<u>20,209,864</u>
Total Fund Balance	<u>23,952,808</u>	<u>21,431,407</u>
Total Liabilities and Fund Balance	<u>\$ 26,251,719</u>	<u>\$ 23,220,395</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,

	2012			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 29,821,880	\$ 29,821,880	\$ 30,435,674	\$ 613,794
Other tax items	-	-	93,150	93,150
Departmental income	15,000	15,000	654,623	639,623
Use of money and property	90,000	90,000	115,644	25,644
Fines and forfeitures	-	-	16,761	16,761
Sale of property and compensation for loss	-	-	-	-
Interfund revenues	-	-	25,324	25,324
State aid	-	35,000	27,026	(7,974)
Federal aid	-	-	98,888	98,888
Miscellaneous	734,000	734,000	152,595	(581,405)
Total Revenues	30,660,880	30,695,880	31,619,685	923,805
EXPENDITURES				
Current				
Home and community services	20,496,303	19,984,029	16,077,116	3,906,913
Employee benefits	3,537,320	3,596,520	3,364,174	232,346
Debt service				
Interest	862,000	862,000	263,407	598,593
Total Expenditures	24,895,623	24,442,549	19,704,697	4,737,852
Excess of Revenues Over Expenditures	5,765,257	6,253,331	11,914,988	5,661,657
OTHER FINANCING SOURCES (USES)				
Transfers in	295,545	295,545	295,545	-
Transfers out	(10,124,000)	(10,124,000)	(9,689,132)	434,868
Total Other Financing Uses	(9,828,455)	(9,828,455)	(9,393,587)	434,868
Net Change in Fund Balance	(4,063,198)	(3,575,124)	2,521,401	6,096,525
Fund Balance - Beginning of Year	4,063,198	3,575,124	21,431,407	17,856,283
Fund Balance - End of Year	\$ -	\$ -	\$ 23,952,808	\$ 23,952,808

2011

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 27,888,740	\$ 27,888,740	\$ 28,119,675	\$ 230,935
-	-	90,000	90,000
575,000	575,000	678,968	103,968
110,000	110,000	142,249	32,249
-	-	59,638	59,638
-	-	56	56
-	-	49,087	49,087
-	67,354	40,888	(26,466)
-	-	-	-
133,500	133,500	324,578	191,078
<u>28,707,240</u>	<u>28,774,594</u>	<u>29,505,139</u>	<u>730,545</u>
19,956,244	22,544,026	18,356,962	4,187,064
3,096,190	3,139,790	3,135,843	3,947
<u>1,081,000</u>	<u>560,000</u>	<u>559,735</u>	<u>265</u>
<u>24,133,434</u>	<u>26,243,816</u>	<u>22,052,540</u>	<u>4,191,276</u>
<u>4,573,806</u>	<u>2,530,778</u>	<u>7,452,599</u>	<u>4,921,821</u>
500,000	500,000	500,000	-
<u>(9,272,000)</u>	<u>(10,128,972)</u>	<u>(10,075,143)</u>	<u>53,829</u>
<u>(8,772,000)</u>	<u>(9,628,972)</u>	<u>(9,575,143)</u>	<u>53,829</u>
(4,198,194)	(7,098,194)	(2,122,544)	4,975,650
<u>4,198,194</u>	<u>7,098,194</u>	<u>23,553,951</u>	<u>16,455,757</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,431,407</u>	<u>\$ 21,431,407</u>

County of Rockland, New York

Special Purpose Fund
Comparative Balance Sheet
December 31,

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash		
Demand deposits	\$ 15,699	\$ -
Time deposits	<u>13,076</u>	<u>31,260</u>
Total Assets	<u>\$ 28,775</u>	<u>\$ 31,260</u>
 FUND BALANCE		
Restricted	<u>\$ 28,775</u>	<u>\$ 31,260</u>

County of Rockland, New York

Special Purpose Fund
Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance
Years Ended December 31,

	<u>2012</u>	<u>2011</u>
REVENUE		
Use of money and property	\$ 43	\$ 64
EXPENDITURES		
Current		
Economic opportunity and development	<u>2,528</u>	<u>2,699</u>
Deficiency of Revenues Over Expenditures	(2,485)	(2,635)
Fund Balance - Beginning of Year	<u>31,260</u>	<u>33,895</u>
Fund Balance - End of Year	<u>\$ 28,775</u>	<u>\$ 31,260</u>

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County of Rockland, New York

Debt Service Fund
Comparative Balance Sheet
December 31,

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash		
Demand deposits	\$ 10,028,042	\$ 12,208,916
Receivables		
State and Federal aid	2,625,412	395,630
Due from other funds	551,364	16,621
	<u>3,176,776</u>	<u>412,251</u>
Total Assets	<u>\$ 13,204,818</u>	<u>\$ 12,621,167</u>
FUND BALANCE		
Restricted	\$ 10,204,818	\$ 6,540,622
Assigned	3,000,000	6,080,545
Total Fund Balance	<u>\$ 13,204,818</u>	<u>\$ 12,621,167</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,

	2012			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Use of money and property	\$ -	\$ -	\$ 111,654	\$ 111,654
State aid	-	-	668,253	668,253
Federal aid	-	-	2,371,987	2,371,987
Miscellaneous	-	234,000	353,376	119,376
Total Revenues	-	234,000	3,505,270	3,271,270
EXPENDITURES				
Debt service				
Serial bonds				
Principal	25,878,000	25,896,000	25,895,018	982
Interest	11,466,000	11,493,000	11,491,778	1,222
Total Expenditures	37,344,000	37,389,000	37,386,796	2,204
Deficiency of Revenues Over Expenditures	(37,344,000)	(37,155,000)	(33,881,526)	3,273,474
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	9,529,000	9,529,000	-
Payment to refunded bond escrow agent	-	(9,718,000)	(9,717,712)	288
Issuance premium	-	-	669,048	669,048
Transfers in	37,344,000	37,344,000	39,798,386	2,454,386
Transfers out	(6,080,545)	(6,080,545)	(5,813,545)	267,000
Total Other Financing Sources	31,263,455	31,074,455	34,465,177	3,390,722
Net Change in Fund Balance	(6,080,545)	(6,080,545)	583,651	6,664,196
Fund Balance - Beginning of Year	6,080,545	6,080,545	12,621,167	6,540,622
Fund Balance - End of Year	\$ -	\$ -	\$ 13,204,818	\$ 13,204,818

2011

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ 166,467	\$ 166,467
-	-	795,632	795,632
-	-	228,225	228,225
-	-	504,040	504,040
-	-	1,694,364	1,694,364
23,807,000	23,807,000	25,280,970	(1,473,970)
10,182,500	10,182,500	10,385,737	(203,237)
33,989,500	33,989,500	35,666,707	(1,677,207)
(33,989,500)	(33,989,500)	(33,972,343)	17,157
-	-	-	-
-	-	-	-
-	-	-	-
33,989,500	33,989,500	36,982,084	2,992,584
(5,760,000)	(5,760,000)	(4,955,000)	805,000
28,229,500	28,229,500	32,027,084	3,797,584
(5,760,000)	(5,760,000)	(1,945,259)	3,814,741
5,760,000	5,760,000	14,566,426	8,806,426
\$ -	\$ -	\$ 12,621,167	\$ 12,621,167

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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 Infirmary 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.

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County of Rockland, New York

Proprietary Fund - Enterprise Fund
 Home and Infirmary Fund
 Comparative Statement of Net Position
 December 31,

	2012	2011
ASSETS		
Cash and equivalents	\$ 2,051,923	\$ 1,964,327
Receivables		
Accounts	19,356,626	10,149,410
Accounts - Patient care, net of allowance for uncollectible amounts	9,492,361	11,803,546
Funds held in trust for residents	259,385	309,513
Inventories	703,562	653,789
Prepaid expenses	-	897,393
Total Current Assets	<u>31,863,857</u>	<u>25,777,978</u>
Capital assets		
Land	438,504	438,504
Buildings	47,943,446	47,772,153
Improvements other than buildings	345,975	345,975
Equipment	18,278,012	20,013,937
Construction-in-progress	2,134,230	1,535,208
Less - Accumulated depreciation	<u>(50,040,466)</u>	<u>(49,720,637)</u>
Total Capital Assets, net of accumulated depreciation	<u>19,099,701</u>	<u>20,385,140</u>
Total Assets	<u>50,963,558</u>	<u>46,163,118</u>
LIABILITIES		
Current liabilities		
Accounts payable	7,478,029	2,623,285
Accrued interest payable	140,687	138,996
Funds held in trust for residents	259,385	309,513
Due to other funds	19,840,253	17,203,655
Advances from other funds	48,697,541	32,304,720
Compensated absences	942,000	1,056,000
Unearned revenue	512,285	3,204,365
Bond anticipation notes payable	450,000	450,000
Current maturities of bonds payable	<u>1,596,660</u>	<u>1,510,484</u>
Total Current Liabilities	<u>79,916,840</u>	<u>58,801,018</u>
Noncurrent liabilities		
Bonds payable	10,582,614	10,979,274
Compensated absences	8,479,414	9,502,345
Other post employment benefit obligations payable	78,521,913	66,682,304
Estimated third-party liabilities, net of current portion	<u>1,629,953</u>	<u>391,610</u>
Total Noncurrent Liabilities	<u>99,213,894</u>	<u>87,555,533</u>
Total Liabilities	<u>179,130,734</u>	<u>146,356,551</u>
NET POSITION		
Net investment in capital assets	8,473,692	9,351,936
Unrestricted	<u>(136,640,868)</u>	<u>(109,545,369)</u>
Total Net Position	<u>\$ (128,167,176)</u>	<u>\$ (100,193,433)</u>

County of Rockland, New York

Proprietary Fund - Enterprise Fund
Home and Infirmity Fund
Comparative Statement of Revenues, Expenses
and Changes in Net Position
Years Ended December 31,

	<u>2012</u>	<u>2011</u>
OPERATING REVENUES		
Charges for services		
Net patient service revenues	\$ 69,671,135	\$ 77,038,824
Services provided to the County jail	330,000	420,000
Services provided to the County of Rockland	<u>3,114,138</u>	<u>3,259,260</u>
	73,115,273	80,718,084
Miscellaneous	<u>542,729</u>	<u>639,213</u>
Total Operating Revenues	<u>73,658,002</u>	<u>81,357,297</u>
OPERATING EXPENSES		
Administrative and general expenses	11,238,974	11,979,404
Salaries and wage expenses	40,007,303	43,997,129
Employee benefits	39,522,610	37,897,829
Supplies and other expenses	8,286,066	8,462,680
Depreciation	<u>2,289,193</u>	<u>2,392,423</u>
Total Operating Expenses	<u>101,344,146</u>	<u>104,729,465</u>
Loss from Operations	(27,686,144)	(23,372,168)
Non-operating expenses		
Interest on indebtedness	<u>(287,599)</u>	<u>(211,345)</u>
Change in Net Position	(27,973,743)	(23,583,513)
Net Position - Beginning of Year	<u>(100,193,433)</u>	<u>(76,609,920)</u>
Net Position - End of Year	<u>\$ (128,167,176)</u>	<u>\$ (100,193,433)</u>

County of Rockland, New York

Proprietary Fund - Enterprise Fund
 Home and Infirmary Fund
 Comparative Statement of Cash Flows
 Years Ended December 31,

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from patients and third-party payers	\$ 75,157,828	\$ 74,934,531
Other receipts	(9,849,594)	6,510,400
Cash payments to vendors	(67,929,842)	(21,040,782)
Cash payments to employees	(14,720,069)	(71,583,754)
	<u>(17,341,677)</u>	<u>(11,179,605)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Proceeds from County of Rockland	<u>19,029,419</u>	<u>13,078,795</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from long-term debt	1,200,000	450,000
Retirement of debt	(1,510,484)	(1,461,881)
Interest on indebtedness	(452,626)	(495,787)
Acquisition and construction of capital assets	(837,036)	(937,417)
	<u>(1,600,146)</u>	<u>(2,445,085)</u>
Net Change in Cash and Equivalents	87,596	(545,895)
Cash and Equivalents - Beginning of Year	<u>1,964,327</u>	<u>2,510,222</u>
Cash and Equivalents - End of Year	<u>\$ 2,051,923</u>	<u>\$ 1,964,327</u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Loss from operations	\$ (27,686,144)	\$ (23,372,168)
Adjustments to reconcile loss from operations to net cash from operating activities		
Depreciation	2,289,193	2,392,423
Provision for bad debts	1,994,004	4,201,965
Changes in assets and liabilities		
Accounts receivable	(13,836,461)	2,991,927
Accounts receivable - Patient care	317,181	(4,656,282)
Due to/from State of New York by mental health units for outpatient subsidy, net	3,032,229	(2,065,874)
Inventories	(49,773)	24,872
Prepaid expenses	897,393	311,548
Accounts payable	4,854,744	(623,570)
Unearned revenue	(2,692,080)	1,028,673
Estimated third party liabilities	2,835,359	(1,412,775)
Compensated absences	(1,136,931)	(620,729)
Other post employment benefit obligations payable	11,839,609	10,620,385
	<u>\$ (17,341,677)</u>	<u>\$ (11,179,605)</u>

County of Rockland, New York

Proprietary Fund - Enterprise Fund
Rockland Tobacco Asset Securitization Corporation
Comparative Statement of Net Position
December 31,

	<u>2012</u>	<u>2011</u>
ASSETS		
Current assets		
Cash and equivalents	\$ 257,757	\$ 540,280
Investments	1,137,038	1,172,674
Accounts receivable	3,162,660	3,481,599
Prepaid expenses	18,056	18,056
	<u>4,575,511</u>	<u>5,212,609</u>
Total Current Assets		
Noncurrent assets		
Restricted cash and equivalents	91,887	56,681
Restricted investments	3,440,137	3,525,074
Costs of issuance, net of accumulated amortization of \$377,505 in 2012 and \$336,635 in 2011	723,263	764,133
	<u>4,255,287</u>	<u>4,345,888</u>
Total Noncurrent Assets		
Total Assets	<u>8,830,798</u>	<u>9,558,497</u>
LIABILITIES		
Current liabilities		
Accrued liabilities	859,493	879,546
Current maturities of bonds payable	375,000	1,280,000
	<u>1,234,493</u>	<u>2,159,546</u>
Total Current Liabilities		
Noncurrent liabilities		
Bonds payable, less current portion	78,998,009	76,498,370
	<u>80,232,502</u>	<u>78,657,916</u>
Total Liabilities		
NET POSITION		
Unrestricted	<u>\$ (71,401,704)</u>	<u>\$ (69,099,419)</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,

	<u>2012</u>	<u>2011</u>
OPERATING REVENUES		
Tobacco settlement revenues	\$ 2,852,327	\$ 3,032,544
Operating expenses		
Professional fees	39,690	41,331
Directors' fees	16,000	16,000
Insurance	19,697	21,338
Amortization	40,870	40,870
	<u>116,257</u>	<u>119,539</u>
Total Operating Expenses		
Income from Operations	<u>2,736,070</u>	<u>2,913,005</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest income	161,687	352,802
Interest on indebtedness	<u>(4,900,042)</u>	<u>(4,798,393)</u>
	<u>(4,738,355)</u>	<u>(4,445,591)</u>
Total Non-Operating Expenses		
Loss Before Transfers	(2,002,285)	(1,532,586)
Transfers out - Residual payment to County of Rockland	<u>(300,000)</u>	<u>(250,277)</u>
Change in Net Position	(2,302,285)	(1,782,863)
New Position - Beginning of Year	<u>(69,099,419)</u>	<u>(67,316,556)</u>
Net Position - End of Year	<u>\$ (71,401,704)</u>	<u>\$ (69,099,419)</u>

COUNTY OF ROCKLAND, NEW YORK

Proprietary Fund - Enterprise Fund
 Rockland Tobacco Asset Securitization Corporation
 Comparative Statement of Cash Flows
 Years Ended December 31,

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from tobacco settlement revenues	\$ 3,144,011	\$ 3,082,916
Cash payments to vendors	<u>(75,387)</u>	<u>(77,028)</u>
Net Cash from Operating Activities	<u>3,068,624</u>	<u>3,005,888</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Retirement of long-term debt	(980,000)	(1,195,000)
Interest on indebtedness	(2,345,456)	(2,410,800)
Residual payment to County of Rockland	<u>(300,000)</u>	<u>(2,250,277)</u>
Net Cash from Non-Capital Financing Activities	<u>(3,625,456)</u>	<u>(5,856,077)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in restricted cash and equivalents	(35,206)	(16,274)
Interest income	188,942	358,757
Purchase of investments	(1,137,038)	(1,172,674)
Sale of investments	1,172,674	1,183,827
Purchase of restricted investments	(3,440,137)	(3,525,074)
Sale of restricted investments	<u>3,525,074</u>	<u>3,464,835</u>
Net Cash from Investing Activities	<u>274,309</u>	<u>293,397</u>
Net Change in Cash and Equivalents	(282,523)	(2,556,792)
Cash and Equivalents - Beginning of Year	<u>540,280</u>	<u>3,097,072</u>
Cash and Equivalents - End of Year	<u>\$ 257,757</u>	<u>\$ 540,280</u>
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income from operations	\$ 2,736,070	\$ 2,913,005
Adjustments to reconcile income from operations to net cash from operating activities		
Amortization	40,870	40,870
Changes in assets and liabilities		
Accounts receivable	291,684	50,372
Prepaid expenses	<u>-</u>	<u>1,641</u>
Net Cash from Operating Activities	<u>\$ 3,068,624</u>	<u>\$ 3,005,888</u>
Noncash investing activities		
Increase in bonds payable from amortization of original issue and underwriters' discount	\$ 54,849	\$ 54,849
Increase in bonds payable from accreted interest	2,519,790	1,907,251

County of Rockland, New York

Proprietary Fund - Enterprise Fund
Rockland Second Tobacco Asset Securitization Corporation
Comparative Statement of Net Position
December 31,

	<u>2012</u>	<u>2011</u>
ASSETS		
Current assets		
Cash and equivalents	\$ 81,606	\$ 200,268
Accounts receivable	<u>789,889</u>	<u>865,876</u>
Total Current Assets	<u>871,495</u>	<u>1,066,144</u>
Noncurrent assets		
Restricted cash and equivalents	770	864
Restricted investments	711,055	710,961
Costs of issuance, net of accumulated amortization of \$60,595 in 2012 and \$53,887 in 2011	<u>207,629</u>	<u>214,335</u>
Total Noncurrent Assets	<u>919,454</u>	<u>926,160</u>
Total Assets	<u>1,790,949</u>	<u>1,992,304</u>
LIABILITIES		
Current liabilities		
Accounts payable	10,549	2,500
Accrued liabilities	30,488	32,225
Due to other funds	-	8,049
Current maturities of bonds payable	<u>95,000</u>	<u>90,000</u>
Total Current Liabilities	136,037	132,774
Noncurrent liabilities		
Bonds payable, less current portion	<u>5,729,473</u>	<u>6,098,476</u>
Total Liabilities	<u>5,865,510</u>	<u>6,231,250</u>
NET POSITION		
Unrestricted	<u>\$ (4,074,561)</u>	<u>\$ (4,238,946)</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 Position
Years Ended December 31,

	<u>2012</u>	<u>2011</u>
OPERATING REVENUES		
Tobacco settlement revenues	\$ 713,096	\$ 756,225
OPERATING EXPENSES		
Professional fees	22,219	27,194
Directors' fees	15,250	10,750
Amortization	6,706	6,706
Total Operating Expenses	<u>44,175</u>	<u>44,650</u>
Income from Operations	<u>668,921</u>	<u>711,575</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest income	30,999	36,743
Interest on indebtedness	<u>(385,535)</u>	<u>(405,093)</u>
Total Non-Operating Expenses	<u>(354,536)</u>	<u>(368,350)</u>
Income Before Transfers	314,385	343,225
Transfers out - Residual payment to County of Rockland	<u>(150,000)</u>	<u>(8,049)</u>
Change in Net Position	164,385	335,176
Net Position - Beginning of Year	<u>(4,238,946)</u>	<u>(4,574,122)</u>
Net Position - End of Year	<u>\$ (4,074,561)</u>	<u>\$ (4,238,946)</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,

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from tobacco settlement revenues	\$ 786,002	\$ 770,729
Cash payments to directors	(15,250)	(10,750)
Cash payments to vendors	<u>(22,219)</u>	<u>(27,194)</u>
Net Cash from Operating Activities	<u>748,533</u>	<u>732,785</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Retirement of long-term debt	(375,000)	(355,000)
Interest on indebtedness	(376,275)	(395,575)
Payment to County of Rockland	<u>(150,000)</u>	<u>-</u>
Net Cash from Non-Capital Financing Activities	<u>(901,275)</u>	<u>(750,575)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in restricted cash and equivalents	94	-
Interest income	34,080	34,083
Purchase of restricted investments	(711,055)	(710,961)
Sale of restricted investments	<u>710,961</u>	<u>710,961</u>
Net Cash from Investing Activities	<u>34,080</u>	<u>34,083</u>
Net Change in Cash and Equivalents	(118,662)	16,293
Cash and Equivalents - Beginning of Year	<u>200,268</u>	<u>183,975</u>
Cash and Equivalents - End of Year	<u>\$ 81,606</u>	<u>\$ 200,268</u>
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income from operations	\$ 668,921	\$ 711,575
Adjustments to reconcile income from operations to net cash from operating activities		
Amortization	6,706	6,706
Changes in assets and liabilities		
Accounts receivable	75,987	14,504
Due to other funds	(8,049)	-
Accounts payable	8,049	-
Accrued liabilities	<u>(3,081)</u>	<u>-</u>
Net Cash from Operating Activities	<u>\$ 748,533</u>	<u>\$ 732,785</u>
Noncash Investing Activities		
Increase in bonds payable from amortization of original issue and underwriters' discount	\$ 10,997	\$ 10,997

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INTERNAL SERVICE FUNDS

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

County of Rockland, New York

Proprietary Funds - Internal Service Funds
 Combining Statement of Net Position
 December 31, 2012
 (With Comparative Totals for 2011)

	Workers' Compensation Benefits	General Liability Claims	Unemployment Benefits
ASSETS			
Cash			
Demand deposits	\$ 5,213,996	\$ 4,015,620	\$ -
Petty cash	-	-	-
	<u>5,213,996</u>	<u>4,015,620</u>	<u>-</u>
Receivables			
Accounts	-	-	-
State and Federal aid	-	-	-
Due from other governments	-	-	-
Due from other funds	-	2,416,602	127,881
	<u>-</u>	<u>2,416,602</u>	<u>127,881</u>
Inventories			
	-	-	-
Prepaid expenses			
	-	-	-
Total Current Assets	<u>5,213,996</u>	<u>6,432,222</u>	<u>127,881</u>
Capital assets			
Less - Accumulated depreciation	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Assets, net of accumulated depreciation	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>5,213,996</u>	<u>6,432,222</u>	<u>127,881</u>
LIABILITIES			
Current liabilities			
Accounts payable	478,828	35,120	-
Accrued liabilities	16,179	-	-
Due to other funds	21,941	-	-
Current portion of claims payable	1,068,305	767,652	-
Current maturities of bonds payable	-	-	-
Current portion of compensated absences	4,093	-	-
	<u>1,589,346</u>	<u>802,772</u>	<u>-</u>
Noncurrent liabilities			
Claims payable, less current portion	9,614,749	5,629,450	-
Bonds payable, less current portion	-	-	-
Compensated absences, less current portion	-	-	-
Other post employment benefit obligations payable	110,865	-	-
	<u>9,725,614</u>	<u>5,629,450</u>	<u>-</u>
Total Noncurrent Liabilities	<u>9,725,614</u>	<u>5,629,450</u>	<u>-</u>
Total Liabilities	<u>11,314,960</u>	<u>6,432,222</u>	<u>-</u>
NET POSITION			
Net investment in capital assets			
Unrestricted	-	-	-
	<u>(6,100,964)</u>	<u>-</u>	<u>127,881</u>
Total Net Position	<u>\$ (6,100,964)</u>	<u>\$ -</u>	<u>\$ 127,881</u>

General Services	Totals	
	2012	2011
\$ -	\$ 9,229,616	\$ 9,417,180
200	200	200
200	9,229,816	9,417,380
347,357	347,357	265,575
427,453	427,453	427,415
-	-	166,251
3,956,773	6,501,256	3,750,211
4,731,583	7,276,066	4,609,452
84,610	84,610	89,899
250,172	250,172	384,081
5,066,565	16,840,664	14,500,812
20,665,700	20,665,700	20,733,006
(15,136,985)	(15,136,985)	(13,563,924)
5,528,715	5,528,715	7,169,082
10,595,280	22,369,379	21,669,894
680,348	1,194,296	944,446
2,114,864	2,131,043	718,673
-	21,941	19,525
-	1,835,957	1,622,862
1,084,666	1,084,666	1,045,689
187,309	191,402	183,756
4,067,187	6,459,305	4,534,951
-	15,244,199	13,413,828
4,588,564	4,588,564	5,673,231
1,685,778	1,685,778	1,628,706
15,456,658	15,567,523	13,135,684
21,731,000	37,086,064	33,851,449
25,798,187	43,545,369	38,386,400
(144,515)	(144,515)	450,162
(15,058,392)	(21,031,475)	(17,166,668)
\$ (15,202,907)	\$ (21,175,990)	\$ (16,716,506)

County of Rockland, New York

Proprietary Funds - Internal Service Funds
 Combining Statement of Revenues, Expenses and Changes
 in Net Position
 Year Ended December 31, 2012
 (With Comparative Totals for 2011)

	Workers' Compensation Benefits	General Liability Claims	Unemployment Benefits
OPERATING REVENUES			
Charges for services	\$ 5,321,979	\$ 2,590,463	\$ 381,763
State aid	-	-	-
Federal aid	-	-	-
Total Operating Revenues	<u>5,321,979</u>	<u>2,590,463</u>	<u>381,763</u>
OPERATING EXPENSES			
Administrative and general expenses	613,290	-	-
Salaries and wage expenses	168,317	-	-
Employee benefits	6,604,915	-	381,763
Judgments and claims	-	2,594,368	-
Supplies and other expenses	-	-	-
Depreciation	-	-	-
Total Operating Expenses	<u>7,386,522</u>	<u>2,594,368</u>	<u>381,763</u>
Loss From Operations	<u>(2,064,543)</u>	<u>(3,905)</u>	<u>-</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest income	18,772	3,905	-
Interest on indebtedness	-	-	-
Total Non-Operating Revenues (Expenses)	<u>18,772</u>	<u>3,905</u>	<u>-</u>
Change in Net Position	(2,045,771)	-	-
Net Position - Beginning of Year	<u>(4,055,193)</u>	<u>-</u>	<u>127,881</u>
Net Position - End of Year	<u>\$ (6,100,964)</u>	<u>\$ -</u>	<u>\$ 127,881</u>

General Services	Totals	
	2012	2011
\$ 28,052,894	\$ 36,347,099	\$ 35,578,757
568,265	568,265	544,324
151,956	151,956	598,114
<u>28,773,115</u>	<u>37,067,320</u>	<u>36,721,195</u>
-	613,290	566,403
10,605,795	10,774,112	10,748,869
8,763,831	15,750,509	14,298,123
-	2,594,368	2,905,218
9,957,129	9,957,129	11,115,270
1,640,367	1,640,367	1,645,034
<u>30,967,122</u>	<u>41,329,775</u>	<u>41,278,917</u>
<u>(2,194,007)</u>	<u>(4,262,455)</u>	<u>(4,557,722)</u>
-	22,677	35,372
<u>(219,706)</u>	<u>(219,706)</u>	<u>(251,994)</u>
<u>(219,706)</u>	<u>(197,029)</u>	<u>(216,622)</u>
(2,413,713)	(4,459,484)	(4,774,344)
<u>(12,789,194)</u>	<u>(16,716,506)</u>	<u>(11,942,162)</u>
<u>\$ (15,202,907)</u>	<u>\$ (21,175,990)</u>	<u>\$ (16,716,506)</u>

County of Rockland, New York

Proprietary Funds - Internal Service Funds
 Combining Statement of Cash Flows
 Year Ended December 31, 2012
 (With Comparative Totals for 2011)

	Workers' Compensation Benefits	General Liability Claims	Unemployment Benefits
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from charges for services	\$ 5,321,979	\$ 2,035,504	\$ 381,763
Cash received from State and Federal aid	-	-	-
Cash payments to insurance carriers and claimants	(5,242,602)	(2,156,805)	(381,763)
Cash payments to employees	(168,317)	-	-
Cash payments to vendors	-	-	-
Net Cash from Operating Activities	<u>(88,940)</u>	<u>(121,301)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Retirement of long-term debt	-	-	-
Interest on indebtedness	-	-	-
Net Cash from Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	18,772	3,905	-
Net Change in Cash	(70,168)	(117,396)	-
Cash - Beginning of Year	5,284,164	4,133,016	-
Cash - End of Year	<u>\$ 5,213,996</u>	<u>\$ 4,015,620</u>	<u>\$ -</u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES			
Loss from operations	\$ (2,064,543)	\$ (3,905)	\$ -
Adjustments to reconcile loss from operations to net cash from operating activities			
Depreciation	-	-	-
Changes in operating assets and liabilities			
Accounts receivable	-	-	-
State and Federal aid receivable	-	-	-
Due from other governments	-	166,251	-
Due from other funds	-	(721,210)	-
Inventories	-	-	-
Prepaid expenses	1,847	-	-
Accounts payable	334,027	120	-
Accrued liabilities	11,861	-	-
Due to other funds	2,416	-	-
Unearned revenues	-	-	-
Claims payable	1,606,023	437,443	-
Compensated absences	1,304	-	-
Other post employment benefit obligations payable	18,125	-	-
Net Cash from Operating Activities	<u>\$ (88,940)</u>	<u>\$ (121,301)</u>	<u>\$ -</u>

General Services	Totals	
	2012	2011
\$ 25,941,277	\$ 33,680,523	\$ 35,467,141
720,183	720,183	1,236,698
-	(7,781,170)	(7,379,532)
(10,308,170)	(10,476,487)	(11,151,788)
(15,076,668)	(15,076,668)	(18,230,173)
<u>1,276,622</u>	<u>1,066,381</u>	<u>(57,654)</u>
(1,045,690)	(1,045,690)	(1,012,092)
(230,932)	(230,932)	(262,313)
<u>(1,276,622)</u>	<u>(1,276,622)</u>	<u>(1,274,405)</u>
-	22,677	35,372
-	(187,564)	(1,296,687)
200	9,417,380	10,714,067
<u>\$ 200</u>	<u>\$ 9,229,816</u>	<u>\$ 9,417,380</u>
\$ (2,194,007)	\$ (4,262,455)	\$ (4,557,722)
1,640,367	1,640,367	1,645,034
(81,782)	(81,782)	177,387
(38)	(38)	94,260
-	166,251	(158,531)
(2,029,835)	(2,751,045)	(130,472)
5,289	5,289	(31,286)
132,062	133,909	(83,979)
(84,297)	249,850	(688,097)
1,411,735	1,423,596	(768,319)
-	2,416	(16,240)
-	-	(211,123)
-	2,043,466	2,473,495
63,414	64,718	22,283
2,413,714	2,431,839	2,175,656
<u>\$ 1,276,622</u>	<u>\$ 1,066,381</u>	<u>\$ (57,654)</u>

County of Rockland, New York

Proprietary Fund - Internal Service Fund - Workers' Compensation Benefits Fund
 Comparative Statement of Net Position
 December 31,

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash		
Demand deposits	\$ 5,213,996	\$ 5,284,164
Prepaid expenses	-	1,847
Total Assets	<u>5,213,996</u>	<u>5,286,011</u>
LIABILITIES		
Current liabilities		
Accounts payable	478,828	144,801
Accrued liabilities	16,179	4,318
Due to other funds	21,941	19,525
Current portion of claims payable	1,068,305	907,703
Compensated absences	4,093	2,789
Total Current Liabilities	<u>1,589,346</u>	<u>1,079,136</u>
Noncurrent liabilities		
Claims payable, less current portion	9,614,749	8,169,328
Other post employment benefit obligations payable	110,865	92,740
Total Noncurrent Liabilities	<u>9,725,614</u>	<u>8,262,068</u>
Total Liabilities	<u>11,314,960</u>	<u>9,341,204</u>
NET POSITION		
Unrestricted	<u>\$ (6,100,964)</u>	<u>\$ (4,055,193)</u>

County of Rockland, New York

Proprietary Fund - Internal Service Fund - Workers' Compensation Benefits Fund
Comparative Statement of Revenues, Expenses and Changes
in Net Position
Years Ended December 31,

	<u>2012</u>	<u>2011</u>
OPERATING REVENUES		
Charges for services	\$ 5,321,979	\$ 4,554,342
OPERATING EXPENSES		
Administrative and general expenses	613,290	566,403
Salaries and wage expenses	168,317	163,082
Employee benefits	<u>6,604,915</u>	<u>5,805,492</u>
Total Operating Expenses	<u>7,386,522</u>	<u>6,534,977</u>
Loss From Operations	(2,064,543)	(1,980,635)
Non-Operating Revenues - Interest income	<u>18,772</u>	<u>27,846</u>
Change in Net Position	(2,045,771)	(1,952,789)
Net Position - Beginning of Year	<u>(4,055,193)</u>	<u>(2,102,404)</u>
Net Position - End of Year	<u>\$ (6,100,964)</u>	<u>\$ (4,055,193)</u>

County of Rockland, New York

Proprietary Fund - Internal Service Fund - Workers' Compensation Benefits Fund
 Comparative Statement of Cash Flows
 Years Ended December 31,

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services	\$ 5,321,979	\$ 4,885,727
Cash payments to insurance carriers and claimants	(5,242,602)	(4,787,265)
Cash payments to employees	<u>(168,317)</u>	<u>(163,082)</u>
Net Cash from Operating Activities	<u>(88,940)</u>	<u>(64,620)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>18,772</u>	<u>27,846</u>
Net Change in Cash	(70,168)	(36,774)
Cash - Beginning of Year	<u>5,284,164</u>	<u>5,320,938</u>
Cash - End of Year	<u>\$ 5,213,996</u>	<u>\$ 5,284,164</u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Loss from operations	\$ (2,064,543)	\$ (1,980,635)
Adjustments to reconcile loss from operations to net cash from operating activities		
Changes in assets and liabilities		
Accounts receivable	-	331,385
Prepaid expenses	1,847	437
Accounts payable	334,027	(366,385)
Accrued liabilities	11,861	2
Due to other funds	2,416	(16,240)
Claims payable	1,606,023	1,946,463
Compensated absences	1,304	89
Other post employment benefit obligations payable	<u>18,125</u>	<u>20,264</u>
Net Cash from Operating Activities	<u>\$ (88,940)</u>	<u>\$ (64,620)</u>

County of Rockland, New York

Proprietary Fund - Internal Service Fund - General Liability Claims Fund
Comparative Statement of Net Position
December 31,

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash		
Demand deposits	\$ 4,015,620	\$ 4,133,016
Receivables		
Due from other governments	-	166,251
Due from other funds	2,416,602	1,695,392
	<u>2,416,602</u>	<u>1,861,643</u>
Total Assets	<u>6,432,222</u>	<u>5,994,659</u>
LIABILITIES		
Current liabilities		
Accounts payable	35,120	35,000
Current portion of claims payable	767,652	715,159
Total Current Liabilities	802,772	750,159
Noncurrent liabilities		
Claims payable, less current portion	5,629,450	5,244,500
Total Liabilities	<u>\$ 6,432,222</u>	<u>\$ 5,994,659</u>

County of Rockland, New York

Proprietary Fund - Internal Service Fund - General Liability Claims Fund
Comparative Statement of Revenues, Expenses and Changes
in Net Position
Years Ended December 31,

	<u>2012</u>	<u>2011</u>
OPERATING REVENUES		
Charges for services	\$ 2,590,463	\$ 2,897,692
OPERATING EXPENSES		
Judgments and claims	<u>2,594,368</u>	<u>2,905,218</u>
Loss From Operations	(3,905)	(7,526)
NON-OPERATING REVENUES		
Interest income	<u>3,905</u>	<u>7,526</u>
Change in Net Position	-	-
Net Position - Beginning of Year	<u>-</u>	<u>-</u>
Net Position - End of Year	<u>\$ -</u>	<u>\$ -</u>

County of Rockland, New York

Proprietary Fund - Internal Service Fund - General Liability Claims Fund
 Comparative Statement of Cash Flows
 Years Ended December 31,

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges to services	\$ 2,035,504	\$ 1,110,747
Cash payments to insurance carriers and claimants	<u>(2,156,805)</u>	<u>(2,378,186)</u>
Net Cash from Operating Activities	<u>(121,301)</u>	<u>(1,267,439)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>3,905</u>	<u>7,526</u>
Net Change in Cash	(117,396)	(1,259,913)
Cash - Beginning of Year	<u>4,133,016</u>	<u>5,392,929</u>
Cash - End of Year	<u>\$ 4,015,620</u>	<u>\$ 4,133,016</u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Loss from operations	\$ (3,905)	\$ (7,526)
Adjustments to reconcile loss from operations to net cash from operating activities		
Changes in assets and liabilities		
Due from other governments	166,251	(158,531)
Due from other funds	(721,210)	(1,628,414)
Accounts payable	120	-
Claims payable	<u>437,443</u>	<u>527,032</u>
Net Cash from Operating Activities	<u>\$ (121,301)</u>	<u>\$ (1,267,439)</u>

County of Rockland, New York

**Proprietary Fund - Internal Service Fund - Unemployment Benefits Fund
Comparative Statement of Net Position
December 31,**

	<u>2012</u>	<u>2011</u>
ASSETS		
Due from other funds	<u>\$ 127,881</u>	<u>\$ 127,881</u>
NET POSITION		
Unrestricted	<u><u>\$ 127,881</u></u>	<u><u>\$ 127,881</u></u>

County of Rockland, New York

Proprietary Fund - Internal Service Fund - Unemployment Benefits Fund
Comparative Statement of Revenues, Expenses and Changes
in Net Position
Years Ended December 31,

	<u>2012</u>	<u>2011</u>
OPERATING REVENUES		
Charges for services	\$ 381,763	\$ 214,081
OPERATING EXPENSES		
Employee benefits	<u>381,763</u>	<u>214,081</u>
Income from Operations	-	-
Net Position - Beginning of Year	<u>127,881</u>	<u>127,881</u>
Net Position - End of Year	<u><u>\$ 127,881</u></u>	<u><u>\$ 127,881</u></u>

County of Rockland, New York

Proprietary Fund - Internal Service Fund - Unemployment Benefits Fund
Comparative Statement of Cash Flows
Years Ended December 31,

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services	\$ 381,763	\$ 214,081
Cash payments to insurance carriers and claimants	<u>(381,763)</u>	<u>(214,081)</u>
Net Cash from Operating Activities	<u>-</u>	<u>-</u>
Net Change in Cash	-	-
Cash - Beginning of Year	<u>-</u>	<u>-</u>
Cash - End of Year	<u>\$ -</u>	<u>\$ -</u>
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income from operations	<u>\$ -</u>	<u>\$ -</u>

County of Rockland, New York

Proprietary Fund - Internal Service Fund - General Services Fund
 Comparative Statement of Net Position
 December 31,

	2012	2011
ASSETS		
Cash		
Petty cash	\$ 200	\$ 200
Receivables		
Accounts	347,357	265,575
State and Federal aid	427,453	427,415
Due from other funds	3,956,773	1,926,938
	<u>4,731,583</u>	<u>2,619,928</u>
Inventories	84,610	89,899
Prepaid expenses	250,172	382,234
Total Current Assets	<u>5,066,565</u>	<u>3,092,261</u>
Capital assets		
Equipment	20,665,700	20,733,006
Less - Accumulated depreciation	(15,136,985)	(13,563,924)
Total Capital Assets, net of accumulated depreciation	<u>5,528,715</u>	<u>7,169,082</u>
Total Assets	<u>10,595,280</u>	<u>10,261,343</u>
LIABILITIES		
Current liabilities		
Accounts payable	680,348	764,645
Accrued liabilities	2,114,864	714,355
Current maturities of bonds payable	1,084,666	1,045,689
Current portion of compensated absences	187,309	180,967
Total Current Liabilities	<u>4,067,187</u>	<u>2,705,656</u>
Noncurrent liabilities		
Bonds payable, less current maturities	4,588,564	5,673,231
Compensated absences, less current maturities	1,685,778	1,628,706
Other post employment benefit obligations payable	15,456,658	13,042,944
Total Noncurrent Liabilities	<u>21,731,000</u>	<u>20,344,881</u>
Total Liabilities	<u>25,798,187</u>	<u>23,050,537</u>
NET POSITION		
Net investment in capital assets	(144,515)	450,162
Unrestricted	(15,058,392)	(13,239,356)
Total Net Position	<u>\$ (15,202,907)</u>	<u>\$ (12,789,194)</u>

County of Rockland, New York

Proprietary Fund - Internal Service Fund - General Services Fund
Comparative Statement of Revenues, Expenses and Changes
in Net Position
Years Ended December 31,

	<u>2012</u>	<u>2011</u>
OPERATING REVENUES		
Charges for services	\$ 28,052,894	\$ 27,912,642
State aid	568,265	544,324
Federal aid	151,956	598,114
	<u>28,773,115</u>	<u>29,055,080</u>
OPERATING EXPENSES		
Salaries and wage expenses	10,605,795	10,585,787
Employee benefits	8,763,831	8,278,550
Supplies and other expenses	9,957,129	11,115,270
Depreciation	1,640,367	1,645,034
	<u>30,967,122</u>	<u>31,624,641</u>
Total Operating Expenses	<u>30,967,122</u>	<u>31,624,641</u>
Loss From Operations	(2,194,007)	(2,569,561)
NON-OPERATING EXPENSES		
Interest on indebtedness	<u>(219,706)</u>	<u>(251,994)</u>
Change in Net Position	(2,413,713)	(2,821,555)
Net Position - Beginning of Year	<u>(12,789,194)</u>	<u>(9,967,639)</u>
Net Position - End of Year	<u>\$ (15,202,907)</u>	<u>\$ (12,789,194)</u>

County of Rockland, New York

Proprietary Fund - Internal Service Fund - General Services Fund
 Comparative Statement of Cash Flows
 Years Ended December 31,

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services	\$ 25,941,277	\$ 29,256,586
Cash received from State and Federal aid	720,183	1,236,698
Cash payments to employees	(10,308,170)	(10,988,706)
Cash payments to vendors	<u>(15,076,668)</u>	<u>(18,230,173)</u>
Net Cash From Operating Activities	<u>1,276,622</u>	<u>1,274,405</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Retirement of long-term debt	(1,045,690)	(1,012,092)
Interest on indebtedness	<u>(230,932)</u>	<u>(262,313)</u>
Net Cash From Capital and Related Financing Activities	<u>(1,276,622)</u>	<u>(1,274,405)</u>
Net Change in Cash	-	-
Cash - Beginning of Year	<u>200</u>	<u>200</u>
Cash - End of Year	<u>\$ 200</u>	<u>\$ 200</u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Loss from operations	\$ (2,194,007)	\$ (2,569,561)
Adjustments to reconcile loss from operations to net cash from operating activities		
Depreciation	1,640,367	1,645,034
Changes in assets and liabilities		
Accounts receivable	(81,782)	(153,998)
State and Federal aid receivable	(38)	94,260
Due from other funds	(2,029,835)	1,497,942
Inventories	5,289	(31,286)
Prepaid expenses	132,062	(84,416)
Accounts payable	(84,297)	(321,712)
Accrued liabilities	1,411,735	(768,321)
Unearned revenues	-	(211,123)
Compensated absences	63,414	22,194
Other post employment benefit obligations payable	<u>2,413,714</u>	<u>2,155,392</u>
Net Cash from Operating Activities	<u>\$ 1,276,622</u>	<u>\$ 1,274,405</u>

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FIDUCIARY FUNDS

AGENCY FUND

. **The Fiduciary Funds:** 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 that are payable to other jurisdictions or individuals.

County of Rockland, New York

Fiduciary Funds - Agency Fund
 Statement of Changes in Assets and Liabilities
 Year Ended December 31, 2012

	Balance January 1, 2012	Increases	Decreases	Balance December 31, 2012
ASSETS				
Cash				
Demand deposits	\$ 5,149,828	\$ 205,396,501	\$ 205,655,614	\$ 4,890,715
Time deposits	1,792,932	-	418,542	1,374,390
Accounts receivable	-	77,575	-	77,575
	<u>6,942,760</u>	<u>205,474,076</u>	<u>206,074,156</u>	<u>6,342,680</u>
Total Assets	<u>\$ 6,942,760</u>	<u>\$ 205,474,076</u>	<u>\$ 206,074,156</u>	<u>\$ 6,342,680</u>
LIABILITIES				
Accounts payable	\$ -	\$ 197,219,405	\$ 197,205,320	\$ 14,085
Employee payroll deductions	703,420	77,378,822	77,714,850	367,392
Deposits	4,453,602	3,280,878	3,768,398	3,966,082
Due to other governments	1,785,738	7,611,287	7,401,904	1,995,121
	<u>1,785,738</u>	<u>7,611,287</u>	<u>7,401,904</u>	<u>1,995,121</u>
Total Liabilities	<u>\$ 6,942,760</u>	<u>\$ 285,490,392</u>	<u>\$ 286,090,472</u>	<u>\$ 6,342,680</u>

**STATISTICAL
SECTION**

(Unaudited)

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Financial Trends

These schedules contain information to help the reader understand how the County's financial performance and well-being have changed over time. These schedules include:

Net Assets by Component

Changes in Net Assets

Fund Balances of Governmental Funds

Changes in Fund Balances of Governmental Funds

COUNTY OF ROCKLAND, NEW YORK

NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS

	2003	2004	2005	2006
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$ 440,635,684	\$ 419,627,796	\$ 385,766,788	\$ 357,075,560
Restricted	38,837,101	49,562,629	79,252,547	84,186,029
Unrestricted	5,738,859	24,270,260	51,882,873	49,138,682
Total Governmental Activities Net Assets	<u>\$ 485,211,644</u>	<u>\$ 493,460,685</u>	<u>\$ 516,902,208</u>	<u>\$ 490,400,271</u>
Business-Type Activities				
Invested in Capital Assets, Net of Related Debt	\$ 13,571,289	\$ 13,213,254	\$ 12,484,425	\$ 12,411,965
Unrestricted	(6,593,661)	(55,956,825)	(75,138,145)	(88,784,191)
Total Business-Type Activities Net Assets	<u>\$ 6,977,628</u>	<u>\$ (42,743,571)</u>	<u>\$ (62,653,720)</u>	<u>\$ (76,372,226)</u>
Primary Government				
Invested in Capital Assets Net of Related Debt	\$ 454,206,973	\$ 432,841,050	\$ 398,251,213	\$ 369,487,525
Restricted	38,837,101	49,562,629	79,252,547	84,186,029
Unrestricted	(854,802)	(31,686,565)	(23,255,272)	(39,645,509)
Total Primary Government Net Assets	<u>\$ 492,189,272</u>	<u>\$ 450,717,114</u>	<u>\$ 454,248,488</u>	<u>\$ 414,028,045</u>

(1)

Note: Data not available prior to fiscal 2002 implementation of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

(1) In accordance with Governmental Accounting Standards Board Technical Bulletin No. 2004-1, Tobacco Settlement Recognition and Financial Reporting Entity Issues, the activities of the Rockland Tobacco Asset Securitization Corporation and the Rockland Second Tobacco Asset Securitization Corporation have been reflected as blended component units of the County as of December 31, 2004.

2007	2008	2009	2010	2011	2012
\$ 410,512,788	\$ 405,279,887	\$ 413,765,675	\$ 401,818,749	\$ 394,449,480	\$ 406,255,827
123,090,125	113,990,838	104,294,397	110,920,044	43,843,923	45,321,506
<u>(119,583,249)</u>	<u>(163,971,651)</u>	<u>(194,874,505)</u>	<u>(246,969,186)</u>	<u>(253,469,660)</u>	<u>-309,810,964</u>
<u>\$ 414,019,664</u>	<u>\$ 355,299,074</u>	<u>\$ 323,185,567</u>	<u>\$ 265,769,607</u>	<u>\$ 184,823,743</u>	<u>\$ 141,766,369</u>
\$ 11,269,462	\$ 11,068,096	\$ 10,662,786	\$ 10,070,880	\$ 9,351,936	\$ 8,473,692
<u>(106,761,196)</u>	<u>(111,174,333)</u>	<u>(130,614,169)</u>	<u>(158,571,478)</u>	<u>(182,883,734)</u>	<u>-212,117,133</u>
<u>\$ (95,491,734)</u>	<u>\$ (100,106,237)</u>	<u>\$ (119,951,383)</u>	<u>\$ (148,500,598)</u>	<u>\$ (173,531,798)</u>	<u>\$ (203,643,441)</u>
\$ 421,782,250	\$ 416,347,983	\$ 424,428,461	\$ 411,889,629	\$ 403,801,416	\$ 414,729,519
123,090,125	113,990,838	104,294,397	110,920,044	43,843,923	45,321,506
<u>(226,344,445)</u>	<u>(275,145,984)</u>	<u>(325,488,674)</u>	<u>(405,540,664)</u>	<u>(436,353,394)</u>	<u>(521,928,097)</u>
<u>\$ 318,527,930</u>	<u>\$ 255,192,837</u>	<u>\$ 203,234,184</u>	<u>\$ 117,269,009</u>	<u>\$ 11,291,945</u>	<u>\$ (61,877,072)</u>

COUNTY OF ROCKLAND, NEW YORK

**CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS**

	2003	2004	2005	2006
Expenses				
Governmental Activities				
General government	\$ 62,287,057	\$ 68,779,564	\$ 44,538,213	\$ 53,181,226
Education	52,671,673	55,930,405	58,507,380	62,269,510
Public safety	45,279,632	52,371,937	58,963,721	61,374,333
Health	35,079,290	42,374,788	45,380,653	42,866,537
Transportation	43,410,593	45,144,431	48,426,869	52,467,203
Economic opportunity and development	148,325,942	164,700,249	156,812,258	154,921,214
Culture and recreation	746,302	728,454	745,730	672,310
Home and community services	21,385,606	20,023,499	24,060,557	25,128,078
Interest	6,489,849	7,165,388	10,991,331	17,421,520
Total Governmental Activities	415,675,944	457,218,715	448,426,712	470,301,931
Business-Type Activities				
Home and Infirmary Fund	79,369,366	87,141,861	93,268,805	100,045,431
Rockland Tobacco Asset Securitization Corporation	-	2,800,273	3,069,161	4,486,554
Rockland Second Tobacco Asset Securitization Corporation	-	574,291	553,016	542,077
	<u>79,369,366</u>	<u>90,516,425</u>	<u>96,890,982</u>	<u>105,074,062</u>
Total Primary Government Expenses	\$ 495,045,310	\$ 547,735,140	\$ 545,317,694	\$ 575,375,993
Program Revenues				
Governmental Activities				
Charges for Services				
General Government	\$ 38,054,253	\$ 39,249,733	\$ 12,202,376	\$ 13,488,832
Education	-	-	-	-
Public Safety	3,741,384	3,835,679	4,352,301	4,376,291
Health	4,270,675	5,818,755	6,446,459	2,227,880
Transportation	2,710,546	3,241,293	3,386,565	3,649,497
Economic opportunity and development	5,596,867	8,665,341	9,174,374	7,118,757
Home and Community Services	80,458	261,278	1,811,248	2,256,013
Operating Grants and Contributions	131,170,162	146,655,838	137,068,005	141,316,084
Capital Grants and Contributions	10,424,140	21,641,564	22,140,383	17,079,414
Total Governmental Activities	196,048,485	229,369,481	196,581,711	191,512,768
Business-type Activities				
Home and Infirmary Fund				
Charges for Services	72,984,404	77,680,143	79,880,694	79,335,999
Operating Grants and Contributions	3,925,219	9,720,424	10,792,911	7,781,080
Rockland Tobacco Asset Securitization Corporation				
Operating Grants and Contributions	-	3,893,466	4,076,906	3,379,057
Rockland Second Tobacco Asset Securitization Corporation				
Operating Grants and Contributions	-	939,947	946,876	859,420
Total Business-Type Activities	76,909,623	92,233,980	95,697,387	91,355,556
Total Primary Government Program Revenues	\$ 272,958,108	\$ 321,603,461	\$ 292,279,098	\$ 282,868,324

	2007	2008	2009	2010	2011	2012
\$	58,494,042	\$ 67,293,698	\$ 65,817,442	\$ 65,578,858	\$ 66,978,200	\$ 75,339,999
	63,708,235	71,519,828	68,916,165	64,096,792	60,294,608	61,187,980
	68,781,351	70,103,143	70,550,166	78,884,977	82,354,581	80,067,023
	55,693,202	50,413,128	43,227,034	46,040,723	47,274,572	42,871,027
	56,039,377	55,737,309	52,323,652	55,073,427	53,254,863	51,440,827
	161,783,425	174,367,673	180,334,640	182,610,808	181,264,332	180,315,323
	922,107	939,766	896,680	973,087	1,185,479	790,039
	33,924,151	35,782,255	34,575,699	35,091,249	38,698,119	30,494,470
	24,724,724	13,400,239	14,110,025	13,768,045	15,746,647	17,284,497
	<u>524,070,614</u>	<u>539,557,039</u>	<u>530,751,503</u>	<u>542,117,966</u>	<u>547,051,401</u>	<u>539,791,185</u>
	114,058,665	115,135,691	108,938,933	112,706,758	104,940,810	101,631,745
	4,571,080	4,640,294	4,728,599	4,838,451	4,917,932	5,016,299
	<u>520,630</u>	<u>501,105</u>	<u>482,028</u>	<u>477,562</u>	<u>449,743</u>	<u>429,710</u>
	<u>119,150,375</u>	<u>120,277,090</u>	<u>114,149,560</u>	<u>118,022,771</u>	<u>110,308,485</u>	<u>107,077,754</u>
\$	<u>643,220,989</u>	<u>659,834,129</u>	<u>644,901,063</u>	<u>660,140,737</u>	<u>657,359,886</u>	<u>646,868,939</u>
\$	12,527,092	\$ 12,961,766	\$ 16,075,012	\$ 8,049,813	\$ 10,638,502	\$ 12,812,341
	3,335,455	1,935,136	1,951,080	2,306,656	3,378,478	1,628,565
	4,275,920	4,091,463	4,010,535	4,279,322	2,943,275	4,451,924
	4,164,539	7,937,745	7,879,870	7,548,277	5,468,990	2,636,827
	6,968,579	7,676,041	7,597,193	9,785,895	8,076,489	5,463,805
	2,126,805	1,777,822	4,333,518	5,221,710	1,189,127	6,585,776
	143,651,066	164,476,127	161,630,529	156,809,424	147,921,778	957,554
	23,349,064	11,845,084	14,177,004	15,465,469	13,437,559	144,656,039
	<u>200,398,520</u>	<u>212,701,184</u>	<u>217,654,741</u>	<u>209,466,566</u>	<u>193,054,198</u>	<u>198,130,722</u>
	78,790,038	106,029,852	89,041,990	87,266,807	81,357,297	73,658,002
	16,491,989	4,896,669	-	-	-	-
	3,839,495	3,818,692	4,234,771	3,377,533	3,385,346	3,014,014
	<u>909,345</u>	<u>917,374</u>	<u>1,027,653</u>	<u>829,216</u>	<u>792,968</u>	<u>744,095</u>
	<u>100,030,867</u>	<u>115,662,587</u>	<u>94,304,414</u>	<u>91,473,556</u>	<u>85,535,611</u>	<u>77,416,111</u>
\$	<u>300,429,387</u>	<u>328,363,771</u>	<u>311,959,155</u>	<u>300,940,122</u>	<u>278,589,809</u>	<u>275,546,833</u>

(Continued)

COUNTY OF ROCKLAND, NEW YORK

CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS (Continued)

	2003	2004	2005	2006
Net (Expense)/Revenue				
Governmental Activities	\$ (219,627,459)	\$ (227,849,234)	\$ (251,845,001)	\$ (278,789,163)
Business-Type Activities	(2,459,743)	1,717,555	(1,193,595)	(13,718,506)
Total Primary Government Net Expense	<u>\$ (222,087,202)</u>	<u>\$ (226,131,679)</u>	<u>\$ (253,038,596)</u>	<u>\$ (292,507,669)</u>
General Revenues				
Governmental Activities				
Taxes				
Real Property Taxes	\$ 58,818,064	\$ 65,836,542	\$ 78,272,043	\$ 58,727,783
Other Tax Items	4,262,453	11,078,086	9,898,911	27,764,921
Sales Tax	142,163,349	144,674,541	148,457,535	151,119,113
Mortgage Tax	-	9,721,165	10,180,660	9,217,795
Hotel/Motel Tax	-	-	-	-
Residential Energy Use Tax	-	-	-	-
Motor Vehicle Use Tax	-	-	-	-
Unrestricted Use of Money and Property	1,295,908	1,275,851	2,012,813	2,658,983
Sale of property and compensation for loss	-	-	-	135,224
Miscellaneous	12,285,174	3,903,607	3,191,953	2,663,407
Transfers	-	-	23,997,609	-
Total Governmental Activities	<u>218,824,948</u>	<u>236,489,792</u>	<u>276,011,524</u>	<u>252,287,226</u>
Business-type activities				
Real Property Taxes	-	-	-	-
Transfers	-	-	(23,997,609)	-
Total Business-Type Activities	<u>-</u>	<u>-</u>	<u>(23,997,609)</u>	<u>-</u>
Total Primary Government General Revenues	<u>\$ 218,824,948</u>	<u>\$ 236,489,792</u>	<u>\$ 252,013,915</u>	<u>\$ 252,287,226</u>
Change in Net Assets				
Governmental Activities	\$ (802,511)	\$ 8,640,558	\$ 24,166,523	\$ (26,501,937)
Business-Type Activities	(2,459,743)	1,717,555	(25,191,204)	(13,718,506)
Total Primary Government Change in Net Assets	<u>\$ (3,262,254)</u>	<u>\$ 10,358,113</u>	<u>\$ (1,024,681)</u>	<u>\$ (40,220,443)</u>

Note: Data not available prior to fiscal 2002 implementation of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

(1) In accordance with Governmental Accounting Standards Board Technical Bulletin No. 2004-1, Tobacco Settlement Recognition and Financial Reporting Entity Issues, the activities of the Rockland Tobacco Asset Securitization Corporation and the Rockland Second Tobacco Asset Securitization Corporation have been reflected as blended component units of the County as of December 31, 2004.

2007	2008	2009	2010	2011	2012
\$ (323,672,094)	\$ (326,855,855)	\$ (313,096,762)	\$ (332,651,400)	\$ (353,997,203)	\$ (341,660,463)
(19,119,508)	(4,614,503)	(19,845,146)	(26,549,215)	(24,772,874)	(29,661,643)
<u>\$ (342,791,602)</u>	<u>\$ (331,470,358)</u>	<u>\$ (332,941,908)</u>	<u>\$ (359,200,615)</u>	<u>\$ (378,770,077)</u>	<u>\$ (371,322,106)</u>
\$ 72,855,145	\$ 71,646,043	\$ 87,696,519	\$ 92,768,618	\$ 89,684,666	\$ 111,274,889
5,253,994	7,125,096	8,326,783	4,941,267	8,984,061	9,500,343
163,931,697	168,498,939	162,439,750	169,152,688	169,265,205	169,581,358
7,416,530	5,115,544	3,951,076	3,537,937	3,470,281	3,480,654
-	-	-	-	-	968,837
-	-	-	-	-	2,077,687
-	-	-	-	-	112,279
15,365,523	3,285,209	504,419	1,207,909	183,172	110,267
49,315	40,543	53,969	456,659	121,310	57,512
2,560,186	2,821,904	10,290,708	1,170,362	1,084,318	989,263
-	-	-	2,000,000	258,326	450,000
<u>267,432,390</u>	<u>258,533,278</u>	<u>273,263,224</u>	<u>275,235,440</u>	<u>273,051,339</u>	<u>298,603,089</u>
-	-	-	-	-	-
-	-	-	(2,000,000)	(258,326)	(450,000)
-	-	-	(2,000,000)	(258,326)	(450,000)
<u>\$ 267,432,390</u>	<u>\$ 258,533,278</u>	<u>\$ 273,263,224</u>	<u>\$ 273,235,440</u>	<u>\$ 272,793,013</u>	<u>\$ 298,153,089</u>
\$ (56,239,704)	\$ (68,322,577)	\$ (39,833,538)	\$ (57,415,960)	\$ (80,945,864)	\$ (43,057,374)
(19,119,508)	(4,614,503)	(19,845,146)	(28,549,215)	(25,031,200)	(30,111,643)
<u>\$ (75,359,212)</u>	<u>\$ (72,937,080)</u>	<u>\$ (59,678,684)</u>	<u>\$ (85,965,175)</u>	<u>\$ (105,977,064)</u>	<u>\$ (73,169,017)</u>

COUNTY OF ROCKLAND, NEW YORK

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2003	2004	2005	2006
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	12,259,389	80,273,905	168,348,692	53,082,159
Unreserved	19,842,531	(41,322,044)	(110,667,341)	(2,932,059)
Total General Fund	\$ 32,101,920	\$ 38,951,861	\$ 57,681,351	\$ 50,150,100
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	30,042,904	40,358,037	31,312,497	58,853,881
Unreserved, Reported In:				
Special Revenue Funds	7,229,050	7,874,712	7,929,375	8,720,490
Capital Projects Fund	13,816,458	25,479,845	74,516,172	50,805,405
Debt Service Fund	7,746,977	7,245,082	6,660,644	7,188,000
Total All Other Governmental Funds	\$ 58,835,389	\$ 80,957,676	\$ 120,418,688	\$ 125,567,776
Total Governmental Funds	\$ 90,937,309	\$ 119,909,537	\$ 178,100,039	\$ 175,717,876

(1) - The County implemented The provisions of Government Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Government Fund Type Definitions", for the fiscal year ended December 31, 2011.

2007	2008	2009	2010	2011 (1)	2012
\$ -	\$ -	\$ -	\$ -	\$ 46,719,075	\$ 62,050,495
-	-	-	-	16,617,145	15,815,039
-	-	-	-	-	-
-	-	-	-	-	-
44,873,252	54,784,809	51,006,383	48,086,001	(96,514,297)	(127,253,007)
(33,535,024)	(31,526,746)	(38,732,135)	(52,040,793)	-	-
<u>\$ 11,338,228</u>	<u>\$ 23,258,063</u>	<u>\$ 12,274,248</u>	<u>\$ (3,954,792)</u>	<u>\$ (33,178,077)</u>	<u>\$ (49,387,473)</u>
\$ -	\$ -	\$ -	\$ -	\$ 266,143	\$ -
-	-	-	-	19,283,285	30,183,443
-	-	-	-	1,100,575	1,193,725
-	-	-	-	28,200,207	26,313,606
-	-	-	-	-	-
8,024,019	9,043,239	7,760,958	11,849,335	-	-
12,276,371	13,926,044	17,038,024	21,876,806	-	-
91,909,837	51,547,862	7,660,442	3,459,152	-	-
8,000,000	7,500,000	6,800,000	5,760,000	-	-
<u>\$ 120,210,227</u>	<u>\$ 82,017,145</u>	<u>\$ 39,259,424</u>	<u>\$ 42,945,293</u>	<u>\$ 48,850,210</u>	<u>\$ 57,690,774</u>
<u>\$ 131,548,455</u>	<u>\$ 105,275,208</u>	<u>\$ 51,533,672</u>	<u>\$ 38,990,501</u>	<u>\$ 15,672,133</u>	<u>\$ 8,303,301</u>

COUNTY OF ROCKLAND, NEW YORK

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2003	2004	2005	2006
Revenues				
Real Property Taxes	\$ 58,693,340	\$ 62,218,149	\$ 67,573,335	\$ 70,005,364
Other Tax Items	4,262,453	11,078,086	9,898,911	27,764,921
Non-Property Taxes	142,819,235	154,932,812	159,169,424	160,802,521
Departmental Income	28,668,797	32,576,362	34,063,306	30,578,872
Intergovernmental Charges	-	-	-	-
Use of Money and Property	1,819,194	2,727,187	4,132,707	6,152,871
Licenses and Permits	1,321,928	1,477,592	1,512,041	1,487,720
Fines and Forfeitures	718,865	868,114	760,839	918,522
Sale of Property and Compensation for Loss	174,452	194,830	123,880	136,334
Interfund Revenues	9,504,603	9,995,961	11,996,089	12,581,214
State Aid	87,573,304	100,122,546	106,299,593	99,322,826
Federal Aid	47,058,732	62,912,164	48,858,105	52,385,776
Miscellaneous	15,279,908	4,539,643	4,370,725	4,238,295
Total Revenues	397,894,811	443,643,446	448,758,955	466,375,236
Expenditures				
Current:				
General Government	34,993,828	39,754,114	43,149,881	54,942,689
Education	50,182,282	53,635,959	56,287,051	59,108,151
Public Safety	42,894,951	49,560,136	55,473,720	58,893,768
Health	34,217,931	41,256,330	43,904,877	42,109,558
Transportation	31,363,348	33,227,664	36,248,794	40,142,905
Economic Opportunity and Development	146,763,914	163,421,773	155,278,769	154,605,187
Culture and Recreation	643,684	651,769	698,272	636,212
Home and Community Services	17,589,427	16,962,202	19,212,556	20,302,722
Employee Benefits	15,433,804	10,464,391	11,371,661	9,380,119
Debt Service:				
Principal	6,190,771	5,133,743	10,869,372	13,858,182
Interest	6,737,039	5,405,520	9,278,123	13,783,091
Refunding Bond Issuance Costs	95,790	-	-	-
Advance Refunding Escrow	8,154,357	-	-	-
Capital Outlay	21,121,468	46,003,907	44,447,249	48,004,692
Total Expenditures	416,382,594	465,477,508	486,220,325	515,767,276
Excess (Deficiency) of Revenues Over Expenditures	(18,487,783)	(21,834,062)	(37,461,370)	(49,392,040)
Other Financing Sources (Uses)				
Bonds Issued	27,000,743	51,197,807	72,379,263	47,009,877
Transfers In	37,781,261	29,274,285	72,045,546	48,275,803
Transfers Out	(37,871,957)	(29,274,285)	(48,047,937)	(48,275,803)
Sale of Real Property	-	-	-	-
Refunding Bonds Issued	3,812,318	-	-	-
Issuance Premium	51,524	-	-	-
New York State loan proceeds	-	-	-	-
Payment to Refunded Bond Escrow Agent	(3,768,051)	-	-	-
Total Other Financing Sources (Uses)	27,005,838	51,197,807	96,376,872	47,009,877
Net Change in Fund Balances	\$ 8,518,055	\$ 29,363,745	\$ 58,915,502	\$ (2,382,163)
Debt Service as a Percentage of Non-Capital Expenditures	5.4%	2.4%	4.6%	5.9%

	2007	2008	2009	2010	2011	2012
\$	72,945,404	\$ 80,701,948	\$ 87,028,735	\$ 87,800,079	\$ 89,331,893	\$ 109,486,028
	5,253,994	7,280,446	8,427,783	5,091,917	9,074,061	9,593,493
	171,761,695	173,963,636	166,731,320	173,232,759	173,277,809	177,267,770
	30,764,208	31,830,638	36,307,225	32,200,999	30,918,923	30,521,098
	-	-	-	-	-	2,614,580
	19,877,509	6,760,275	2,495,692	2,420,254	615,595	487,067
	1,448,396	1,701,868	2,220,626	1,912,108	1,856,351	1,811,112
	990,290	1,050,166	1,138,392	905,750	903,400	934,792
	49,315	86,829	68,687	517,546	162,849	81,096
	14,664,748	15,691,757	15,235,243	23,708,228	24,220,938	23,268,608
	100,900,483	107,236,772	96,469,342	81,400,046	86,660,293	84,743,470
	58,001,784	65,639,498	77,357,853	89,359,897	66,442,279	71,429,363
	4,670,799	2,662,174	11,305,071	2,479,776	3,130,510	4,561,139
	<u>481,328,625</u>	<u>494,606,007</u>	<u>504,785,969</u>	<u>501,029,359</u>	<u>486,594,901</u>	<u>516,799,616</u>
	48,895,671	60,184,410	59,499,136	63,793,645	61,594,915	64,209,911
	60,595,502	67,786,623	64,602,751	60,029,496	56,226,904	57,340,086
	59,002,667	61,193,182	61,580,954	68,157,961	68,586,927	70,078,849
	51,976,073	46,691,701	39,419,209	41,393,398	41,010,199	39,792,305
	41,580,438	42,704,822	42,742,977	43,350,978	40,738,199	41,231,827
	156,569,060	169,264,751	175,552,253	176,620,319	172,543,034	173,925,483
	661,650	667,428	598,820	510,699	525,845	391,837
	22,031,229	23,632,499	22,714,338	23,557,043	25,826,025	22,781,787
	10,146,766	11,028,835	11,600,192	13,167,104	14,672,488	15,146,136
	17,736,847	19,742,088	19,684,472	20,097,765	25,280,970	25,895,018
	27,904,491	13,344,928	13,348,694	12,172,015	13,003,458	16,160,442
	-	-	329,477	409,034	-	-
	-	-	-	-	-	-
	42,526,497	38,699,088	50,083,709	56,470,847	45,767,866	39,338,593
	<u>539,626,891</u>	<u>554,940,355</u>	<u>561,756,982</u>	<u>579,730,304</u>	<u>565,776,830</u>	<u>566,292,274</u>
	<u>(58,298,266)</u>	<u>(60,334,348)</u>	<u>(56,971,013)</u>	<u>(78,700,945)</u>	<u>(79,181,929)</u>	<u>(49,492,658)</u>
	34,269,748	24,000,000	2,900,000	56,045,142	53,625,003	40,122,000
	54,421,029	57,988,686	19,140,422	62,941,820	55,651,759	58,334,685
	(54,421,029)	(57,988,686)	53,785,489	(60,941,820)	(55,393,433)	(57,884,685)
	-	-	-	-	55,900	-
	-	-	(53,785,489)	18,989,304	-	9,529,000
	-	459,114	689,475	852,178	1,924,332	1,740,538
	-	-	-	7,703,598	-	-
	-	-	(19,500,420)	(19,432,448)	-	(9,717,712)
	<u>34,269,748</u>	<u>24,459,114</u>	<u>3,229,477</u>	<u>66,157,774</u>	<u>55,863,561</u>	<u>42,123,826</u>
\$	<u>(24,028,518)</u>	<u>(35,875,234)</u>	<u>(53,741,536)</u>	<u>(12,543,171)</u>	<u>(23,318,368)</u>	<u>(7,368,832)</u>
	9.2%	6.4%	6.4%	6.3%	7.4%	8.0%

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Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax. These schedules include:

Tax Revenues by Source, Governmental Funds

Sales Tax Rates

Taxable Sales by Industry

Assessed Value and Estimated Value of Taxable Property
Per \$1,000 of Assessed Valuation

County Property Tax Rates by Town
Per \$1,000 of Assessed Valuation

Principal Taxpayers

Property Tax Levies and Collections

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COUNTY OF ROCKLAND, NEW YORK

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

Fiscal Year	Non-Property Taxes					Total
	Real Property Taxes	Sales Tax	911 Emergency Surcharge	Mortgage Tax		
2003	\$ 58,693,340	\$ 140,024,664	a \$ 655,886	\$ 2,138,685	\$ 201,512,575	
2004	62,218,149	144,674,541	537,106	9,721,165	d 217,150,961	
2005	67,573,335	148,457,536	b c 531,229	10,180,660	226,742,760	
2006	70,005,364	151,119,113	465,613	9,217,795	230,807,885	
2007	72,945,404	163,931,697	413,468	7,416,530	244,707,099	
2008	80,701,948	168,498,939	349,153	5,115,544	254,665,584	
2009	87,028,735	162,439,750	340,494	3,951,076	253,760,055	
2010	87,800,079	169,152,688	542,134	3,537,937	261,032,838	
2011	89,331,893	169,265,205	542,323	3,470,281	262,609,702	
2012	109,486,028	169,581,359	1,046,955	3,480,654	283,594,996	

a Effective June 1, 2003 - May 31, 2005 the New York State rate increased from 4% to 4 1/4%

b Effective June 1, 2005 the New York State rate decreased from 4 1/4% to 4%

c Effective June 1, 2005 the Metropolitan Transportation Authority rate increased from 1/4% to 3/8%

d Effective October 1, 2003

COUNTY OF ROCKLAND, NEW YORK

SALES TAX RATES
LAST TEN FISCAL YEARS

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
New York State *	4.250 %	4.250 %	4.000 %	4.000 %	4.000 %
MTA (1) **	0.250	0.250	0.375	0.375	0.375
County *** ****	<u>3.625</u>	<u>3.625</u>	<u>3.625</u>	<u>3.625</u>	<u>4.000</u>
Total	<u>8.125 %</u>	<u>8.125 %</u>	<u>8.000 %</u>	<u>8.000 %</u>	<u>8.375 %</u>

(1) Metropolitan Transit Authority

* Effective June 1, 2003 - May 31, 2005 the New York State rate increased from 4% to 4 1/4%
Effective June 1, 2005 the New York State rate decreased from 4 1/4% to 4%.

** Effective June 1, 2005 the MTA rate increased from 1/4% to 3/8%

*** Effective March 1, 2002 the County rate increased from 3% to 3 5/8%, of which 1/8% of 1% was designated for towns and villages.

**** Effective March 01, 2007 the County rate increased from 3 5/8% to 4%, of which 3/16 of 1% was designated for towns and villages.

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
4.000 %	4.000 %	4.000 %	4.000 %	4.000 %
0.375	0.375	0.375	0.375	0.375
<u>4.000</u>	<u>4.000</u>	<u>4.000</u>	<u>4.000</u>	<u>4.000</u>
<u>8.375 %</u>	<u>8.375 %</u>	<u>8.375 %</u>	<u>8.375 %</u>	<u>8.375 %</u>

COUNTY OF ROCKLAND, NEW YORK

TAXABLE SALES BY INDUSTRY
TEN YEARS STATED

Industry	March 2001 to February 2002	March 2002 to February 2003	March 2003 to February 2004	March 2004 to February 2005
Utilities (excluding residential energy)	\$ 114,864,000	\$ 118,800,000	\$ 115,461,000	\$ 114,884,000
Construction	68,713,000	64,293,000	69,527,000	71,394,000
Manufacturing	128,864,000	141,460,000	132,495,000	128,961,000
Wholesale Trade	296,848,000	283,951,000	294,210,000	324,209,000
Retail Trade:				
Motor Vehicles and Parts	498,188,000	513,970,000	574,350,000	549,774,000
Furniture and Home Furnishings	85,100,000	88,393,000	105,468,000	116,529,000
Electronics and Appliances	138,774,000	136,166,000	91,930,000	84,371,000
Building Materials and Garden Equipment	198,247,000	212,272,000	250,815,000	281,658,000
Food and Beverage	146,508,000	148,024,000	170,071,000	176,772,000
Health and Personal Care	40,938,000	42,770,000	46,520,000	46,999,000
Gasoline Stations	90,429,000	88,269,000	97,591,000	103,933,000
Clothing	58,420,000	57,409,000	274,408,000	241,350,000
Sporting Goods, Hobby, Book and Music Stores	85,959,000	89,532,000	104,785,000	101,920,000
General Merchandise	231,179,000	241,274,000	391,825,000	426,801,000
Miscellaneous Retail	102,597,000	102,028,000	102,798,000	104,989,000
Nonstore Retail	32,490,000	36,083,000	41,916,000	45,591,000
Information	257,000,000	284,511,000	293,356,000	292,754,000
Professional, Scientific, and Technical	40,985,000	33,505,000	48,837,000	42,577,000
Administrative/Support Services	102,828,000	95,295,000	91,510,000	94,736,000
Health Care	1,618,000	1,618,000	1,927,000	2,292,000
Arts, Entertainment, and Recreation	28,774,000	25,576,000	27,027,000	27,411,000
Accommodation and Food Services:				
Food Services	247,023,000	254,670,000	259,443,000	271,397,000
Accommodation	46,809,000	48,832,000	46,964,000	52,329,000
Other Services:				
Repair and Maintenance	73,134,000	73,524,000	78,453,000	79,309,000
Personal and Laundry Services	9,270,000	8,973,000	9,754,000	10,058,000
All Other Services	4,128,000	2,271,000	2,227,000	2,185,000
Ag., Mining, Trans., FIRE, Educ., Govt.	161,561,000	152,753,000	124,683,000	125,246,000
Unclassified by Industry	5,802,000	20,200,000	29,284,000	39,761,000
Sales to Qualified Empire Zone Enterprises (QEZE)	-	193,000	118,000	158,000
Services to tangible personal property used in prod.	-	-	-	-
Grand Total	\$ 3,297,050,000	\$ 3,366,615,000	\$ 3,877,753,000	\$ 3,960,348,000

Source: New York State Department of Taxation and Finance

(1) Preliminary

March 2005 to February 2006	March 2006 to February 2007	March 2007 to February 2008	March 2008 to February 2009	March 2009 to February 2010
\$ 137,792,000	\$ 141,988,000	\$ 163,002,000	\$ 158,344,000	\$ 157,587,000
78,378,000	77,578,000	81,720,000	75,289,000	74,296,000
134,948,000	123,204,000	122,873,000	105,796,000	107,198,000
377,532,000	371,992,000	392,869,000	347,945,000	347,851,000
511,010,000	466,498,000	468,920,000	427,901,000	427,817,000
105,980,000	113,692,000	114,307,000	100,076,000	99,613,000
80,725,000	82,325,000	73,782,000	71,865,000	72,225,000
285,681,000	268,814,000	252,831,000	231,800,000	230,730,000
184,358,000	188,296,000	189,433,000	194,638,000	193,139,000
50,141,000	50,727,000	52,273,000	54,192,000	54,036,000
111,767,000	43,629,000	21,843,000	21,745,000	22,805,000
251,913,000	98,481,000	80,359,000	76,804,000	77,200,000
99,241,000	87,601,000	84,213,000	76,362,000	78,101,000
424,132,000	335,776,000	338,294,000	324,747,000	325,470,000
105,816,000	110,698,000	108,855,000	101,345,000	101,311,000
54,069,000	47,030,000	52,510,000	63,956,000	63,077,000
293,391,000	289,692,000	305,344,000	284,761,000	286,566,000
48,973,000	48,136,000	59,139,000	61,944,000	61,510,000
100,014,000	101,403,000	111,610,000	115,593,000	117,114,000
2,553,000	2,771,000	2,522,000	2,789,000	2,692,000
29,114,000	29,077,000	27,458,000	27,696,000	28,018,000
277,472,000	283,573,000	308,607,000	316,388,000	320,055,000
52,048,000	51,199,000	55,538,000	49,628,000	49,628,000
85,282,000	85,180,000	94,239,000	95,020,000	96,470,000
10,242,000	13,461,000	14,264,000	14,386,000	13,357,000
2,167,000	2,080,000	1,485,000	1,770,000	1,628,000
132,057,000	127,963,000	150,179,000	146,375,000	144,796,000
53,840,000	66,600,000	34,992,000	34,565,000	25,493,000
143,000	303,000	-	-	-
-	-	-	-	-
<u>\$ 4,080,779,000</u>	<u>\$ 3,709,767,000</u>	<u>\$ 3,763,461,000</u>	<u>\$ 3,583,720,000</u>	<u>\$ 3,579,783,000</u>

COUNTY OF ROCKLAND, NEW YORK

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
PER \$1,000 OF ASSESSED VALUATION
LAST TEN FISCAL YEARS**

Fiscal Year Ended December 31	Real Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value
	Residential Property	Commercial Property		
2003	\$ 7,616,951,050	\$ 4,820,083,115	\$ 1,710,092,853	\$ 10,726,941,312
2004	7,667,943,584	4,544,165,006	1,457,767,798	10,754,340,792
2005	7,726,957,540	4,455,045,219	1,419,978,625	10,762,024,134
2006	7,787,032,400	4,353,541,689	1,387,025,553	10,753,548,536
2007	10,930,926,706	5,504,098,539	1,610,720,267	14,824,304,978
2008	10,880,269,795	5,734,402,680	1,549,232,372	15,065,440,103
2009	10,772,710,984	5,647,856,442	1,636,309,661	14,784,257,765
2010	10,382,170,444	5,420,326,097	1,633,457,426	14,169,039,115
2011	10,353,021,141	5,392,238,666	1,639,692,384	14,105,567,423
2012	10,196,423,647	5,319,167,057	1,654,615,377	13,860,975,327

Source : Rockland County Real Property Tax Department

Note: Taxable assessed values are determined by the city and town governments located within the County. The estimated actual taxable values represent the weighted average State equalization rates established for each city and town within the County.

Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
4.101 %	\$ 32,717,799,793	32.79 %
4.394	41,616,489,304	25.84
4.534	33,774,550,066	31.86
4.482	44,273,013,422	24.29
3.150	44,069,523,707	33.64
3.570	48,274,170,415	31.21
3.997	43,318,941,021	34.13
4.270	41,710,339,760	33.97
4.374	38,236,489,073	36.89
5.848	38,245,682,561	36.24

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>
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
2006	4.024980	0.978	2.8865	8.6577	8.453
2007	4.826161	1.293	3.5060	10.9980	10.000
2008	5.023156	1.356	3.1316	12.0287	11.269
2009	5.267550	1.487	3.3264	11.2172	11.340
2010	5.363834	1.603	3.310	12.3397	12.317
2011	6.978614	2.207	4.981	15.2841	16.054
2012	8.257075	2.695	5.766	18.4361	18.467

COUNTY OF ROCKLAND, NEW YORK

PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

2012

Taxpayer	Type of Business	Assessed Valuation	Percent of Total Assessed Valuation
Palisades Interstate Park	State Lands	\$ 895,065,321	2.28 %
Pyramid/Eklecco Properties	Shopping Center	778,334,461	1.98
Orange & Rockland Utilities	Public Utility	664,151,020	1.69
Pfizer	Pharmaceuticals	650,907,601	1.66
United Water	Public Utility	445,461,927	1.14
Verizon	Public Utility	187,282,093	0.48
Algonquin Gas	Public Utility	135,301,838	0.34
Glorious Sun Roberts FKA Blue Hill Community	Retirement Community	101,354,393	0.26
Novartis Pharmaceuticals	Pharmaceuticals	99,286,956	0.25
		<u>\$ 3,957,145,610</u>	<u>10.08 %</u>

Note: Total assessed valuation on the 2012 roll is \$39,243,176,471

2003

Taxpayer	Type of Business	Assessed Valuation	Percent of Total Assessed Valuation
Southern Energy	Public Utility	\$ 1,166,250,100	3.57 %
American Cyanamid Corporation	Industrial	705,916,024	2.16
Palisades Interstate Park	State Lands	686,072,924	2.10
Pyramid/Eklecco Properties	Retail Shopping	674,556,533	2.06
Orange & Rockland Utilities	Industrial	594,831,142	1.82
United Water	Public Utility	293,186,268	0.90
Verizon	Public Utility	183,777,452	0.56
Consolidated Edison	Public Utility	146,752,230	0.45
Glorious Sun Roberts -FKA Blue Hill Community	Retirement Community	130,434,783	0.40
The Retail Property Trust	Retail Shopping	105,837,165	0.32
		<u>\$ 4,687,614,621</u>	<u>14.33 %</u>

Note: Total assessed valuation on the 2003 roll is \$ 32,713,388,432

Source: Rockland County Real Property Tax Office

COUNTY OF ROCKLAND, NEW YORK

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Total Tax Levy for the Fiscal Year							
Fiscal Year	County	Town Chargebacks (Deficiency)	Local Special Districts	Relevied Schools	Relevied Villages	Towns	Late Penalties and fees
2003	\$ 42,346,114	\$ 3,077,428	\$ 24,187,109	\$ 13,817,020	\$ 1,358,769	\$ 175,954,485	\$ 3,981,875
2004	45,498,869	2,030,474	25,897,119	64,967,561	1,560,113	194,495,574	10,594,200
2005	46,750,299	2,061,033	32,077,602	58,638,047	2,877,192	210,922,000	9,768,229
2006	46,252,999	503,279	35,979,516	64,720,965	3,081,058	225,832,360	27,220,048
2007	46,253,287	2,311,456	40,743,696	62,311,061	3,402,769	238,759,492	15,004,173
2008	53,804,066	4,759,562	42,010,230	22,813,093	2,094,973	246,122,883	6,472,073
2009	59,100,000	1,367,704	45,737,352	23,585,657	2,520,442	253,650,648	8,149,546
2010	60,500,000	2,154,896	48,736,705	24,687,900	2,859,696	263,478,889	4,737,710
2011	81,060,623	4,942,177	52,400,670	25,029,192	2,980,506	279,333,437	8,632,359
2012	96,000,000	3,530,977	55,557,615	25,164,473	2,725,140	297,661,098	9,470,285

Note: Town receivers of taxes collect real property taxes for the town and county on a single tax bill. The respective town receivers distribute the collected tax money to the towns prior to distributing the balance collected to the county. The towns, thereby, are assured of full collections. On April 1st of each year, the town receivers turn over uncollected items to the County. The County satisfies the full amount of the unpaid school and village taxes by April 1st. Responsibility for the unpaid taxes rests with the County.

(1) Excludes relevied schools and village taxes

Collected within the Fiscal Year of Levy			Total Collections to Date		
Total (1)	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
\$ 249,547,011	\$ 228,344,847	91.50 %	\$ 21,000,282	\$ 249,345,129	99.92 %
278,516,236	211,071,054	75.78	67,248,138	278,319,192	99.93
301,579,163	255,301,753	84.65	46,059,376	301,361,129	99.93
335,788,202	267,868,291	79.77	67,646,606	335,514,897	99.92
343,072,104	303,646,408	88.51	38,963,441	342,609,849	99.87
353,168,814	325,889,714	92.28	24,101,606	349,991,320	99.10
368,005,250	343,864,852	93.44	9,121,467	352,986,319	95.92
379,608,200	354,481,303	93.38	6,025,450	360,506,753	94.97
426,369,266	367,357,941	86.16	39,646,827	407,004,768	95.46
462,219,975	425,984,189	92.16	14,500,622	440,484,811	95.30

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Debt Capacity

These schedules present information to help the reader assess the affordability of the County's outstanding debt and the County's ability to issue additional debt in the future. These schedules include:

Ratios of Net General Bonded Debt Outstanding

Direct and Underlying Governmental Activities Debt

Legal Debt Margin Information

COUNTY OF ROCKLAND, NEW YORK

**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	General Obligation Bonds	Less: Amounts Available for Debt Service	Total	Percentage of Personal Income (1)
<u>Governmental Activities:</u>				
2003	\$ 140,528,483	\$ 11,283,791	\$ 129,244,692	1.07 %
2004	190,739,783	10,063,392	180,676,391	1.37
2005	255,157,191	38,398,625	216,758,566	1.55
2006	287,620,252	32,637,387	254,982,865	1.70
2007	303,582,277	22,913,219	280,669,058	1.86
2008	306,426,208	18,592,478	287,833,730	1.80
2009	292,501,813	9,839,189	282,662,624	1.67
2010	331,510,505	14,566,426	316,944,079	1.81
2011	359,239,248	12,621,169	346,618,079	2.12
2012	372,814,732	13,204,818	359,609,914	1.13
<u>Business-Type Activities:</u>				
2003	\$ 11,598,757	\$ -	\$ 11,598,757	0.10 %
2004	72,433,237	-	72,433,237	0.55
2005	95,700,649	-	95,700,649	0.69
2006	99,795,134	-	99,795,134	0.66
2007	100,454,142	-	100,454,142	0.67
2008	98,713,490	-	98,713,490	0.62
2009	97,645,874	-	97,645,874	0.58
2010	98,479,360	-	98,479,360	0.55
2011	97,824,729	-	97,824,729	0.60
2012	98,679,034	-	98,679,034	0.31
<u>Total Primary Government:</u>				
2003	\$ 152,127,240	\$ 11,283,791	\$ 140,843,449	1.17 %
2004	263,173,020	10,063,392	253,109,628	1.92
2005	350,857,840	38,398,625	312,459,215	2.24
2006	387,415,386	32,637,387	354,777,999	2.36
2007	404,036,419	22,913,219	381,123,200	2.53
2008	405,139,698	18,592,478	386,547,220	2.42
2009	390,147,687	9,839,189	380,308,498	2.25
2010	429,989,865	14,566,426	415,423,439	2.36
2011	457,063,977	12,621,169	444,442,808	2.72
2012	471,493,766	13,204,818	458,288,948	1.44

- (1) - Population and personal income data can be found in the schedule of demographic and economic statistics
(2) - Based on values presented in the schedule of assessed value and estimated actual value of taxable property
(3) - In accordance with Governmental Accounting Standards Board Technical Bulletin No. 2004-1, Tobacco Settlement Recognition and Financial Reporting Entity Issues, the activities of the Rockland Tobacco Asset Securitization Corporation Recognition and Financial Reporting Entity Issues, the activities of the Rockland Tobacco Asset Securitization Corporation and the Rockland Second Tobacco Asset Securitization Corporation have been reflected as blended component units of the County as of December 31, 2004.

Percentage of Estimated Actual Taxable Value of Property (2)	Per Capita (1)
--	-------------------

0.40 %	\$ 440.27
0.43	614.19
0.64	735.68
0.58	864.45
0.64	946.66
0.60	964.12
0.65	941.67
0.75	1,016.87
0.91	1,099.82
0.94	1,131.71

0.04 %	\$ 39.51
0.17	246.23
0.28	324.81
0.23	338.33
0.23	338.82
0.20	330.65
0.23	325.30
0.23	315.96
0.26	310.40
0.26	310.55

0.44 %	\$ 479.79
0.60	860.42
0.92	1,060.49
0.81	1,202.78
0.87	1,285.48
0.80	1,294.77
0.88	1,266.96
0.98	1,332.82
1.17	1,410.22
1.20	1,442.26

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COUNTY OF ROCKLAND, NEW YORK

DIRECT AND UNDERLYING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2012

Governmental Unit	Gross Long-Term Debt (1)	Less Exclusions (2)	Amount Applicable to County (3)
Towns (five)	\$ 381,532,155	\$ 3,055,337	\$ 378,476,818
Villages (nineteen)	68,864,163	2,869,137	65,995,026
School Districts (eight)	4,972,553,766	20,000,000	4,952,553,766
Fire Districts (twenty-one)	5,827,235	152,235	5,675,000
Subtotal, Underlying Debt	5,428,777,319	26,076,709	5,402,700,610
Direct Bonded Debt of the County	372,814,732	13,204,818	359,609,914
Direct and Overlapping Debt	\$ 5,801,592,051	\$ 39,281,527	\$ 5,762,310,524

(1) Excludes enterprise fund bonds.

(2) Exclusions for the County represents funds available for debt service repayments.

(3) County percentage is 100% since all of the above municipalities and School Districts fall within the boundaries of the County.

Sources - Outstanding debt provided by New York State Office of the State Comptroller.

COUNTY OF ROCKLAND, NEW YORK

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	2003	2004	2005
Debt Limit	\$ 1,664,315	\$ 1,630,612	\$ 1,812,219
Total Net Debt Applicable to Limit	113,922	140,314	159,289
Legal Debt Margin	<u>\$ 1,550,393</u>	<u>\$ 1,490,298</u>	<u>\$ 1,652,930</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	6.84%	8.60%	8.79%

Legal Debt Margin Calculation for Fiscal Year 2012

Five Year Average Full Valuation of Taxable Real Property	<u>\$ 41,789,256</u>
Debt Limit - 7% of Average Full Valuation	<u>2,925,248</u>
Outstanding Indebtedness - Serial bonds (1)	384,994
Less Exclusions:	
2011 Debt Service Appropriations for Bonds	\$ 28,139
Revenue Anticipation Notes	85,000
Exempt Sewer District Debt	<u>135,058</u>
	<u>248,197</u>
Total Net Indebtedness	136,797
Net Debt Contracting Margin	<u>\$ 2,788,451</u>
Percentage of Debt Contracting Margin Available as of December 31, 2012	95.32%
Percentage of Debt Contracting Power Exhausted as of December 31, 2012	4.68%

Note - Amounts expressed in thousands

(1) - Excludes serial bonds for the Rockland Tobacco Asset Securitization Corporation and the Rockland Second Tobacco Asset Securitization Corporation

State Finance Law limits the County's outstanding net general obligation long-term debt to no more than 7% of the five year average full valuation of taxable real property. The legal debt margin is the difference between the debt limit and the County's net debt outstanding applicable to the limit, and represents the County's legal borrowing authority.

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 1,998,593	\$ 2,458,399	\$ 2,706,285	\$ 2,869,344	\$ 2,979,424	\$ 2,988,989	\$ 2,925,248
<u>182,697</u>	<u>131,121</u>	<u>112,262</u>	<u>95,750</u>	<u>107,509</u>	<u>98,710</u>	<u>136,797</u>
<u>\$ 1,815,896</u>	<u>\$ 2,327,278</u>	<u>\$ 2,594,023</u>	<u>\$ 2,594,023</u>	<u>\$ 2,871,915</u>	<u>2,890,279</u>	<u>2,788,451</u>
9.14%	5.33%	4.15%	3.34%	3.61%	3.30%	4.68%

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Demographic and Economic Information

This schedule offers demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place. This schedule includes:

Demographic and Economic Statistics

COUNTY OF ROCKLAND, NEW YORK

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Personal Income (amounts expressed in thousands) (2)	Per Capita Personal Income (2)	Median Age (3)	Percent High School Graduate or Higher (3)	K-12 School Enrollment (4)	Unemployment Rate (5)
2003	293,555	\$ 12,086,834	\$ 41,174	37.3	90.0 %	41,874	4.7
2004	294,171	13,156,798	44,725	36.9	88.2	42,248	4.4
2005	294,636	13,951,604	47,352	37.4	89.3	42,076	4.1
2006	294,965	15,027,582	50,947	37.4	88.7	41,750	3.7
2007	296,483	15,104,919	50,947	37.4	88.7	41,750	3.8
2008	298,545	15,966,784	53,482	37.5	88.2	41,343	4.8
2009	300,173	16,903,342	56,312	37.7	90.8	41,102	7.0
2010	311,687	17,551,718	56,312	37.7	90.8	41,162	7.1
2011	315,158	16,397,671	52,030	36.7	87.3	41,089	6.5
2012	317,757	17,091,196	53,787	36.6	87.9	43,218	6.7

- (1) U.S. Census Bureau, Annual Population Estimates, Population Division
- (2) U.S. Department of Commerce, Bureau of Economic Analysis
- (3) U.S. Census Bureau, American Community Survey, U.S. Census Bureau, 2010 Census, Summary File 4
- (4) New York State Education Department, New York State District Report Card Comprehensive Information Report
- (5) New York State Department of Labor, Local Area Unemployment Statistics

Operating Information

These schedules contain serve and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs. These schedules include:

Principal Employers

Full-Time Equivalent County Government Employees by Function

Operating Indicators by Function

Capital Asset Statistics by Function

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COUNTY OF ROCKLAND, NEW YORK

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

EMPLOYER	2012		2003	
	EMPLOYEES	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT	EMPLOYEES	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
Active International	360	0.32 %	350	0.32 %
American Home Products	-	-	2,900	2.66
ARC of Rockland	650	0.57	493	0.45
AT & T Healthcare	750	0.66	800	0.73
Avon	339	0.30	523	0.48
Barr Laboratories	415	0.37	612	0.56
Bon Secours Good Samaritan Hospital	1,800	1.59	1,525	1.40
Camp Venture, Inc.	625	0.55	470	0.43
Chestnut Ridge Transportation, Inc.	372	0.33	485	0.44
Chromalloy American Corp.	374	0.33	563	0.52
Corporate Maintenance Services	-	-	350	0.32
Helen Hayes Hospital	897	0.79	900	0.82
Insurance Service Office	-	-	425	0.39
Jawonio, Inc.	1,000	0.88	615	0.56
Lamont-Doherty Geological Observatory	480	0.42	600	0.55
Louis Hornick & Co., Inc.	-	-	400	0.37
Materials Research Corp	-	-	320	0.29
Nice-Pak Products, Inc.	960	0.85	300	0.27
Northern Services Group	1,100	0.97	1,000	0.92
Novartis Pharmaceuticals Corp.	537	0.47	550	0.50
Nyack Hospital	1,693	1.50	1,447	1.33
NYNEX	-	-	1,000	0.92
Orange & Rockland Utilities	771	0.68	700	0.64
Pavion Ltd.	-	-	500	0.46
Pharmaceutical Resources	-	-	450	0.41
Rockland Bakery, Inc.	350	0.31	200	0.18
Sears Roebuck & Co.	180	0.16	360	0.33
St. Agatha's Home	-	-	550	0.50
St. Dominic's Home	810	0.72	321	0.29
The Dress Barn	350	0.31	325	0.30
Tilcon New York, Inc.	327	0.29	135	0.12
Verizon Wireless	850	0.75	1,100	1.01
Wyeth-Ayerst Laboratories (Pfizer)	1,510	1.33	-	-
	<u>17,500</u>	<u>15.45 %</u>	<u>21,269</u>	<u>19.50 %</u>

Source: Rockland County Planning Department

COUNTY OF ROCKLAND, NEW YORK

FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	Full-time Equivalent Employees as of December 31,				
	2003	2004	2005	2006	2007
General Government	533	541	551	551	554
Public Safety	383	391	394	394	398
Health	1,146	1,160	1,163	1,163	1,165
Transportation	131	132	132	132	131
Economic Opportunity and Development	581	586	573	573	555
Culture and Recreation	1	1	1	1	1
Home and Community Services	143	145	148	148	144
Total	2,918	2,956	2,962	2,962	2,948

Source - Rockland County Budget Department

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
548	574	336	600	480
400	370	374	356	343
1,091	954	948	908	812
134	125	298	118	118
533	500	496	474	444
1	1	1	1	1
<u>141</u>	<u>131</u>	<u>132</u>	<u>128</u>	<u>125</u>
<u><u>2,848</u></u>	<u><u>2,655</u></u>	<u><u>2,585</u></u>	<u><u>2,585</u></u>	<u><u>2,323</u></u>

COUNTY OF ROCKLAND, NEW YORK

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function:	2003	2004	2005	2006
General Government (1):				
Motor Vehicles				
Number of drivers' licenses issued	213,025	210,125	206,296	205,078
Number of vehicle registrations	n/a	n/a	n/a	n/a
Public Safety (2):				
Emergency Services				
Number of calls at 911 center	222,420	266,904	309,608	337,473
Corrections (2)				
Number of inmates	2,870	2,864	2,955	3,174
Transportation (2):				
Paving (Sq. yards)	54,775	95,609	69,063	90,100
Sealing- Microseal (Sq. yards)	117,024	91,207	145,715	107,900
Sealing- Chipseal (Sq. yards)	63,241	88,367	24,506	129,200
Ridership on public buses	2,220,743	2,441,226	2,677,098	3,151,973
Home and Community Services (2):				
Number of Metered Accounts	68,667	69,240	69,779	70,401
Miles of Mains	1,011	1,016	1,018	1,022
Average daily sewage treatment (thousands of gallons)	23,799,951	24,342,282	25,507,016	26,082,619
Summit Park Nursing Care Center (2) -				
Number of beds occupied	364	360	366	356

n/a - Information not available

(1) Source: Department of Motor Vehicles

(2) Source: Rockland County Budget and individual County departments

2007	2008	2009	2010	2011	2012
207,913	205,523	205,880	204,672	203,819	204,531
210,763	211,399	210,205	210,957	211,312	213,166
322,816	322,572	388,309	304,194	306,546	370,114
3,148	3,377	3,123	3,083	3,219	2,972
69,756	43,850	53,232	55,591	45,220	-
114,369	93,653	87,342	126,727	105,968	95,542
86,200	70,971	76,306	120,232	76,491	73,122
3,406,924	3,852,758	3,675,390	3,534,225	3,405,632	3,320,589
71,460	72,334	72,966	73,364	73,394	75,146
1,024	1,027	1,041	1,046	1,049	1,053
25,180,408	25,331,565	28,442,011	29,830,136	29,119,833	28,275,588
351	338	336	322	306	289

COUNTY OF ROCKLAND, NEW YORK

**CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2003	2004	2005	2006
General Government:				
Construction Permit Data- New Residential				
Number of Permits Issued	411	256	348	362
Estimated Value	58,596,306	57,790,857	76,073,511	74,062,592
Buildings	7	7	7	7
Vehicles	148	156	156	156
Education :				
Buildings	10	10	10	10
Public Safety:				
Buildings	8	8	8	8
Vehicles	36	39	38	37
Number of Fire and Rescue Companies	42	42	42	42
Number of Firehouses	50	50	50	50
Number of Members	2,634	2,441	2,225	2,183
Health:				
Buildings	16	16	16	16
Vehicles	117	116	110	108
Transportation:				
Buildings	2	2	2	2
Vehicles	66	91	91	91
Culture and Recreation:				
County Parks\ Open Space (acreage)	2,260	2,532	2,574	2,597
Number of County Parks\ Open Space	20	22	23	24
Vehicles	5	5	5	5

Source - Various County departments

n/a - Information not available

2007	2008	2009	2010	2011	2012
371	260	82	117	136	106
88,351,116	68,725,212	36,601,485	48,907,870	39,854,614	38,382,672
7	7	7	7	7	7
156	199	125	126	128	137
10	10	10	10	10	10
8	8	8	8	8	8
37	151	159	159	165	167
42	42	42	42	42	42
50	51	51	51	51	51
2,189	2,180	2,344	2,346	2,349	2,279
16	16	16	16	16	16
103	115	107	110	112	50
2	2	2	2	2	2
91	257	262	263	265	162
2,597	3,094	3,094	3,179	3,179	3,179
24	25	25	27	27	27
5	17	17	17	15	14

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**FEDERAL
AWARDS**

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**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in Accordance
With Government Auditing Standards**

Independent Auditors' Report

**The Honorable Legislature
of the County of Rockland, New York**

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discreetly presented component units, each major fund and the aggregate remaining fund information of the County of Rockland, New York ("County") as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 9, 2013. Our audit report includes a reference to other auditors who audited the financial statements of the Home and Infirmary Fund (a major enterprise fund) and the Rockland County Industrial Development Agency (a component unit) as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of the County in a separate letter.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

O'Connor Davies, LLP

O'Connor Davies, LLP

Harrison, New York

September 9, 2013

**Report on Compliance For Each Major Federal Program and on
Internal Control Over Compliance****Independent Auditor's Report**

**The Honorable Legislature
of the County of Rockland, New York**

Report on Compliance for Each Major Federal Program

We have audited the County of Rockland, New York's ("County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2012. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

O'Connor Davies, LLP

O'Connor Davies, LLP
Harrison, New York
September 9, 2013

County of Rockland, New York

Schedule of Expenditures of Federal Awards
Year Ending December 31, 2012

<u>Federal Grantor/ Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number (1)</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture		
Indirect Programs - Passed through New York State Office of Temporary and Disability Assistance -		
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	\$ 3,012,708
Indirect Program - Passed through New York State Department of Health - Special Supplemental Food Program for Women, Infants and Children Program	10.557	<u>1,340,476</u>
Total U.S. Department of Agriculture		<u>4,353,184</u>
U.S. Department of Housing and Urban Development		
Direct Programs:		
Community Development		
Block Grants/Entitlement Grants	14.218	3,702,876
Emergency Shelter Grant	14.231	62,225
Supportive Housing Demonstration Program	14.235	401,048
Home Investment Partnership Program	14.239	284,366
Fair Housing Assistance Program State and Local	14.401	40,366
Section 8 Existing Moderate Rehabilitation	14.856	<u>713,108</u>
Total Direct Programs		<u>5,203,989</u>
Indirect Program - Passed through New York City - Housing Opportunities for Persons with AIDS	14.241	<u>510,032</u>
Total U.S. Department of Housing and Urban Development		<u>5,714,021</u>
U.S. Department of Labor		
Direct Program		
WIA Cluster		
WIA Adult Program	17.258	609,463
WIA Youth Activities	17.259	429,334
WIA Dislocated Workers	17.278	<u>708,729</u>
Sub-Total WIA Cluster		1,747,526
Indirect Programs - Passed through Senior Service of America Senior Community Service Employment Program	17.235	<u>259,342</u>
Total U.S. Department of Labor		<u>2,006,868</u>

County of Rockland, New York

Schedule of Expenditures of Federal Awards (Continued)
 Year Ending December 31, 2012

<u>Federal Grantor/ Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number (1)</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Transportation</u>		
Direct Programs:		
Sub Regional Transportation Highway, Planning and Construction	20.205	\$ 642,455
Federal Transit - Capital Investment Grants	20.507	<u>3,623,378</u>
		4,265,833
Indirect Programs - Passed through New York State Department of Transportation:		
Sub regional Transportation Highway, Planning and Construction	20.205	11,221,227
Metro Planning Grants	20.505	<u>508,307</u>
		<u>11,729,534</u>
Total U.S. Department of Transportation		<u>15,995,367</u>
<u>U.S. Department of Health and Human Services</u>		
Direct Program		
Temporary Assistance for Needy Families (TANF)	93.558	42,370
Indirect Programs - Passed through New York State Office for the Aging:		
Special Programs for the Aging - Title VII, Chapter 3 for the Prevention of Elder Abuse, Neglect and Exploitation	93.041	20,929
Special Programs for the Aging - Title III, Part D	93.043	16,612
<i>Aging Cluster</i>		
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	371,226
Special Programs for the Aging - Title III, Part C - Nutrition Serv Nutrition Services Incentive Program	93.045 93.053	<u>467,457</u> <u>71,887</u>
Sub-Total Aging Cluster		<u>910,570</u>
Indirect Programs - Passed through New York State Department of Social Services:		
Temporary Assistance for Needy Families (TANF)	93.558	13,934,767
Low Income Home Energy Assistance	93.568	4,052,993
Child Care and Development Block Grant	93.575	6,744,061
Foster Care - Title IV-E	93.658	3,776,847
Basic Center Grant	93.623	180,000
Chafee Foster Care Independence Program	93.674	58,761

(Continued)

County of Rockland, New York

Schedule of Expenditures of Federal Awards (Continued)
 Year Ending December 31, 2012

<u>Federal Grantor/ Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number (1)</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services (Continued)		
Indirect Programs - Passed through New York State Department of Social Services:		
Public Health Emergency Preparedness	93.069	\$ 141,310
HPP and PHEP Aligned Cooperative Agreements	93.074	93,571
Immunization Cooperative Agreements	93.268	41,464
Office of Population Affairs - Family Planning Services	93.217	21,309
Adoption Assistance - Title IV-E	93.659	53,662
Social Services Block Grant	93.667	3,376,917
Medical Assistance Program (Medicaid Title XIX)	93.778	5,771,538
Medical Assistance Program (Medicaid Title XIX) ARRA	93.778	714,165
Prevention and Wellness ARRA	93.723	10,247
Child Support Enforcement	93.563	2,039,328
HIV Emergency Relief Grants	93.914	494,904
Children's Health Insurance Program (CHIP)	93.767	47,059
Maternal and Child Health Services Block Grant to States	93.994	115,265
Child Welfare Services State Grants	93.645	150,868
Sub-Total passed through NYS Department of Social Services		41,819,036
Indirect Programs - Passed through New York State Office of Alcoholism and Substance Abuse Services: Block Grants for Prevention and Treatment of Substance Abuse	93.959	466,342
Total U.S. Department of Health and Human Services		43,275,859
U.S. Department of Justice Indirect Programs - Passed through Town of Clarkstown Edward Byrne Memorial Justice Assistance	16.738	13,363
U.S. Department of Justice Direct Programs:		
Public Safety Partnership and Community Policing	16.710	100,000
State Criminal Alien Assistance Program	16.606	421,779
Bullet Proof Vest Partnership	16.607	40,893
Domestic Violence Grant	16.588	148,603
Equitable Sharing Program	16.922	1,936,051
Total U.S. Department of Justice		2,647,326
Total U.S. Department of Justice		2,660,689

County of Rockland, New York

Schedule of Expenditures of Federal Awards (Concluded)
Year Ending December 31, 2012

<u>Federal Grantor/ Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number (1)</u>	<u>Federal Expenditures</u>
U.S. Department of Homeland Security Indirect Programs - Passed through New York State Division of Military and Naval Affairs:		
Disaster Grants - Public Assist. Presidentially Declared	97.036	\$ 1,749,279
Hazard Mitigation	97.039	42,442
Homeland Security Research, Testing & Demonstration of Technologies	97.108	54,437
Homeland Security Grant Program	97.067	<u>1,776,639</u>
Total U.S. Department of Homeland Security		<u>3,622,797</u>
U.S. Department of Education Indirect Program - Passed through New York State Department of Education Special Education Grants for Infants and Families with Disabilities	84.181	<u>198,792</u>
U. S. Department of Energy Direct Program - Energy Efficiency and Conservation Block Grant ARRA	81.128	<u>138,283</u>
U.S. Environmental Protection Agency Indirect Program - Passed through New York State Department of Environmental Protection - Performance Partnership Grants	66.605	<u>7,610</u>
U.S. Election Assistance Commission Direct Program - Help America Vote	90.401	<u>20,429</u>
Corporation for National and Community Service Direct Program - AmeriCorps	94.006	<u>158,407</u>
Social Security Administration Direct Program - Social Security Retirement Insurance	96.002	<u>10,900</u>
Total		<u>\$ 78,163,206</u>

(1) Catalog of Federal Domestic Assistance number.

See notes to schedule of expenditures of federal awards.

County of Rockland, New York

Notes to Schedule of Expenditures of Federal Awards
December 31, 2012

NOTE A - SUMMARY OF ACCOUNTING POLICIES

1. *General*

The accompanying Schedule of Expenditures of Federal Awards presents all activity of all federal awards programs for the year ended December 31, 2012. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the Schedule.

2. *Basis of Accounting*

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting.

3. *Relationship to Financial Statements*

The County's fund financial statements are presented using the modified accrual basis of accounting.

County of Rockland, New York

**Summary Schedule of Prior Audit Findings
Year Ended December 31, 2012**

NONE

County of Rockland, New York

Schedule of Findings and Questioned Costs
December 31, 2012

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified yes no
- Significant deficiency(ies) identified? yes none reported
- Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? yes no

Identification of major programs:

CFDA

<u>Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
20.507	Federal Transit – Capital Investment Grants
93.558	Temporary Assistance for Needy Families (TANF)
93.575	Child Care Development Block Grant
93.658	Forster Care – Title IV-E
93.667	Social Services Block Grant

County of Rockland, New York

**Schedule of Findings and Questioned Costs
December 31, 2012**

Dollar threshold used to distinguish
between Type A and Type B programs:

\$2,344,896

Auditee qualified as low-risk auditee?

X Yes No

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

