

COUNTY OF ROCKLAND  
State of New York



Comprehensive Annual  
Financial Report

Fiscal Year Ended  
December 31, 2014



# COUNTY OF ROCKLAND

State of New York



*Edwin J. Day*  
*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**

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<b>STATISTICAL SECTION (Unaudited)</b>
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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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**INTRODUCTORY  
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# ROCKLAND COUNTY LEGISLATURE

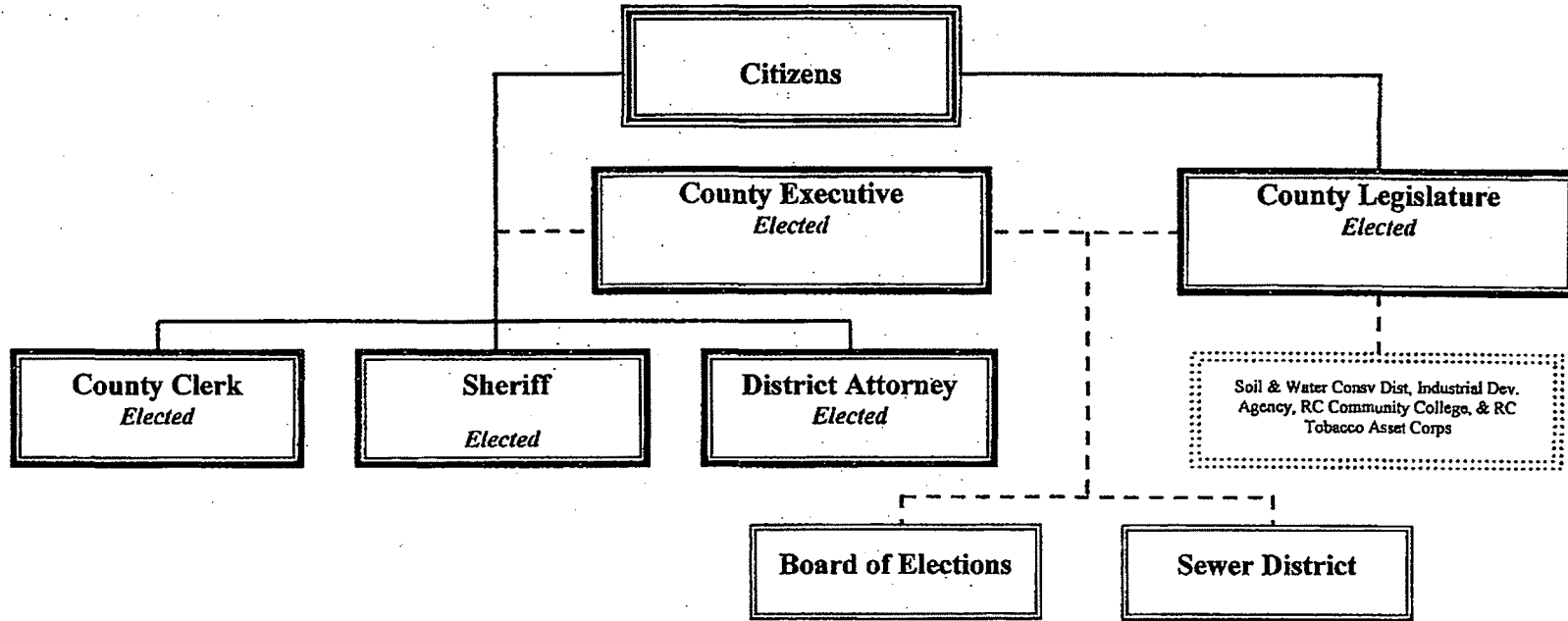
<u>DISTRICT</u>	<u>LEGISLATOR</u>
District 1	Hon. Douglas J. Jobson
District 2	Hon. Michael M. Grant
District 3	Hon. Jay Hood Jr.
District 4	Hon. Ilan S. Schoenberger
District 5	Hon. Barry S. Kantrowitz
District 6	Hon. Alden H. Wolfe
District 7	Hon. Philip Soskin
District 8	Hon. Toney L. Earl
District 9	Hon. Christopher J. Carey
District 10	Hon. Harriet D. Cornell
District 11	Hon. Frank P. 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

Alden H. Wolfe	Chairman of the Legislature
Jay Hood, Jr.	Vice - Chairman
Aron B. Wieder	Majority Leader
Toney L. Earl	Deputy Majority Leader
Christopher J. Carey	Minority Leader
Frank P. Sparaco	Deputy Minority Leader

# ORGANIZATION OF ROCKLAND COUNTY GOVERNMENT



## ALL OTHER CHARTERED DEPARTMENTS

<b>Dept of Planning Commissioner</b> Charter 5.01	<b>Dept of Personnel Commissioner</b> Charter 6.01	<b>Dept of Health Commissioner</b> Charter 7.01	<b>Dept of Hospitals Commissioner</b> Charter 8.01	<b>Dept of Mental Health Commissioner</b> Charter 9.01	<b>Dept of Social Services Commissioner</b> Charter 10.01
<b>Dept of Highways Superintendent</b> Charter 11.01	<b>Office of the Public Defender</b> Charter 15.01	<b>Dept of Law County Attorney</b> Charter 16.01	<b>Dept of Finance Commissioner</b> Charter 17.01	<b>Dept of Audit County Auditor</b> Charter 18.01	<b>Human Rights Commissioner</b> Charter 19.01
<div style="border: 1px solid black; padding: 5px; margin: 0 auto; width: 80%;"> <b>Other County Boards, Offices, Institutions &amp; Functions</b> Charter 20.04         </div>					



**COUNTY OF ROCKLAND**  
**DEPARTMENTS OF FINANCE AND BUDGET**

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(845) 638-5131  
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EDWIN J. DAY  
County Executive

STEPHEN F. DeGROAT, CPA  
Commissioner of Finance  
Budget Director

STEVEN J. GROGAN  
Deputy Budget Director

September 25, 2015

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, 2014 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, 2014, 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, 2014, 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, 2014 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 1. Subsequent to October 1, 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 50%, is employed in service related industries. According to preliminary 3rd quarter 2014 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 14% 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 2014 was \$56,657. State and U.S. income averages reported on this basis were \$54,462 and \$44,765 respectively. According to the U.S. Census Bureau, the median household income for households in the County for 2013 was \$80,942, which was significantly greater than the median household income of \$57,369 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 2014 the County of Rockland generated an increase in total sales tax revenues of 3.6% from the previous year, bringing in \$184.2 million in general sales tax and \$10.0 million in residential energy sales tax. The main reason for this increase is due in part to a strengthening economy. The County's housing market decreased in 2014, with mortgage tax revenues decreasing 22% 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<sup>th</sup> 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.
- Complete installation of 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 campus-wide electrical upgrades, upgrades to the utility plant and fieldhouse\PE building upgrade.
- County-wide personal computer replacement and upgrade to integrated Financial and HR systems- Phase II.
- Construction and repairs to Pascack Brook\Union Road including bridges and culverts.
- Begin major highway projects or Orangeburg Road reconstruction. 85-95% estimated Federal and NYS reimbursement.
- Improvements to Haverstraw Bay Park Infrastructure.

## **OPERATIONAL PROCEDURES AND PRACTICES**

### ***Proposed Sale of Hospital Facility to Private Operator***

The County Legislature has determined to end its financial support of the Hospital Facility. To accomplish this goal, on March 19, 2013, the County Legislature passed Resolution #138 2013, setting a date for a Public Hearing regarding the formation of local development corporation to be known as the Rockland County Health Facilities Corporation (the "Corporation") pursuant to the State Not for Profit Corporation Law and the transfer to such Corporation of the County-owned 321 bed residential health care facility known as Summit Park Nursing Care Center (the "Skilled Nursing Facility"), constituting a portion of the Hospital

Facility. The public hearing was held on April 16, 2013 and on the same date, the County Legislature passed Resolution #192-2013, which authorized the formation and organization of the Corporation, to be known as the Rockland County Health Facilities Corporation and the execution of lease and leaseback agreements between the County and the Corporation (the "Lease Agreements") providing for transfer to the Corporation of all of the County's right, title and interest in and to the Skilled Nursing Facility by ninety-nine year lease, with option to take fee title, subject to the retained rights of the County to continue to operate such facility until such time as the Corporation terminates such reserved rights. The Corporation is governed by seven voting directors, four of whom were appointed by the County Executive and three of whom were appointed by the County Legislature.

On August 6, 2013, the Board of Directors of the Corporation held their organizational meeting and approved the transfer of the residential health care facility from the County to the Corporation through execution of the Lease Agreements and preparation and circulation of a Request for Proposals ("RFP") for private acquisition and operation of the Skilled Nursing Facility. The RFP was circulated and four proposals were received, each of which contained bids at or above the minimum price of \$22.47 million. The Lease Agreements were finalized and executed as of November 1, 2013. By resolution adopted on December 30, 2013, the County Legislature authorized the transfer to the Corporation of the County's remaining interest in Building A which houses the County-owned, 100-bed long term acute care hospital ("LTACH") by ninety-nine year lease, with option to take fee title, subject to the retained rights of the County to continue to operate such its remaining interest in Building A including the LTACH, until such time as the Corporation terminates such reserved rights. At a meeting held March 14, 2014, the Board of Directors of the Corporation accepted such transfer and authorized execution of amendments to the Lease Agreements to include such remaining interest in Building A. The amendments to the Lease Agreements were finalized and executed on March 18, 2014.

The Corporation is engaged in the procurement of a private purchaser and operator for the Skilled Nursing Facility and the LTACH. At a meeting held June 13, 2014, the Board of Directors of the Corporation selected and awarded the bid to Summit Park Acquisition Group ("SPAG") as the purchaser of Building A and operator of the Skilled Nursing Facility and the LTACH. At a meeting held July 10, 2014, the Board of Directors of the Corporation approved the purchase and sale agreement by and among the Corporation, SPAG (the "Real Property Purchaser"), Sympaticare, LLC (the "Skilled Nursing Facility Operator"), and Sympaticare Health LLC (the "LTACH Operator"), and approved the acknowledgment by the Corporation of facility transition

agreements, consulting agreements and HIPAA business associate agreements between the County and Skilled Nursing Facility Operator with respect to the Skilled Nursing Facility, and between the County and LTACH Operator with respect to the Hospital. The Real Property Purchaser, the Skilled Nursing Facility Operator, and the LTACH Operator are all related special purpose entities under common ownership, which were formed for the purpose of acquiring and operating the Skilled Nursing Facility and the LTACH. On July 16 the purchase and sale agreement between the Corporation and the Real Property purchaser was executed and facility transition agreements, consulting agreements and HIPPA business associate agreements between the County and Skilled Nursing Facility Operator with respect to the Skilled Nursing Facility, and between the County and the LTACH Operator with respect to the Hospital were also executed, and acknowledged by the Corporation.

On January 22, 2015 the Corporation sent to the Real Property Purchaser, the Skilled Nursing Facility Operator, and the LTACH Operator (collectively, the "Purchasers") a written Notice of Default and declaration of breach of the purchase and sale agreement for failure to timely complete the closing of the transaction, failure to request an extension of the Closing and failure to pay the monthly extension fee as required pursuant to such agreement. The final date for cure of this default was February 27, 2015 and on March 4, 2015, the Purchasers wired payment for such extension fees. On January 27, 2015 the Corporation sent to the Purchasers a written Notice of Default and declaration of breach of the purchase and sale agreement for failure to timely submit a Certificate of Need application to the State Department of Health for the LTACH and an application to the Federal Centers for Medicare & Medicaid Services for LTACH designation of such hospital beds, as well as failure to use commercially reasonable efforts and diligently pursue the LTACH approval. The final date for cure of this default was March 4, 2015 and on such date, the Purchasers notified the Corporation that their LTACH Certificate of Need application to the State Department of Health was complete. Counsel for the Purchasers by letter date February 19, 2015 has provided notice to the Corporation and the County that they have breached and are in default of various provisions of the purchase and sale agreement and the related transition and consulting agreements. The final date for cure of this alleged default is March 22, 2015. The Corporation and the County are currently evaluating further courses of action in view of these issues.

In a certain legal action entitled: *In the Matter of the CSEA et. al. v. County of Rockland et. al.* filed on March 13, 2014, the Civil Service Employees Association, Inc., Local 1000, AFSCME, AFL-CIO ( hereinafter "CSEA") and individual employees filed a combined Article 78 Petition and Declaratory Judgment action. The Petitioners'/Plaintiffs' arguments revolve around a theory

that the County, through its Executive and Legislature, exceeded its authority by creation of the LDC and that all subsequent actions related thereto should be nullified. The claims are based on various alleged technical irregularities in the formation of the Corporation and the subsequent transfer of the Skilled Nursing Facility pursuant to the Lease Agreements and the related authorization for transfer of the Hospital Facility pursuant to the December 30, 2013 resolution of the County Legislature.

In October 2014, the CSEA made an application to the Court to amend its Petition to include further allegations related to the County's alleged failure to abide by New York State County Law § 215, related to the minimum requirements that need to be met to alienate real property.

In another legal action related to the sale of the Skilled Nursing Facility and LTACH entitled: *Northern Services, Group, Inc. v. County of Rockland, et. al.*, filed on March 13, 2014, one of the responders to the RFP is challenging the December 30, 2013 resolution of the County Legislature that authorized the transfer to the Corporation of the County's remaining interest in Building A which houses the LTACH and is also making claims as to irregularities in the Corporation's procurement process.

Recently on June 26, 2014, after the original *Northern Services Group, Inc.* action filed in Putnam County was transferred to Rockland County, the Petitioners filed another proceeding naming the same parties but also adding the proposed purchasers of the Skilled Nursing Facility and the LTACH.

All three legal challenges to the sale of the Skilled Nursing Facility and LTACH have been dismissed by the Rockland County Supreme Court. There is no pending litigation.

In a written decision rendered on December 1, 2014, Rockland County supreme Court Justice Loehr dismissed all claims asserted in the respective petitions and legal actions as well as denied the motion to amend filed by the CSEA. Northern and the CSEA have filed respective Notices of Appeal challenging the three decisions.

Nyack Hospital was awarded a grant from the State to construct and open a psychiatric inpatient unit. The new Behavioral Health Center at Nyack Hospital opened on April 22, 2014. On the same date, at the request of the State Department of Health, the County's Summit Park Psychiatric Inpatient Unit and Crisis Unit were closed. The State Department of Health in cooperation with the County, determined that the services being provided by the County's

Psychiatric Inpatient Unit and Crisis Unit would be better provided at a location within an acute care hospital in the area that also possessed an emergency room, Nyack Hospital. It is a regular part of the screening process for psychiatric care to rule out acute medical conditions, a procedure often undertaken in an emergency room. The employment positions in the two County-operated mental health units were abolished as of April 19, 2014, by Legislative Resolution #86-2014.

All of the LTACH beds previously certified for use by the County's Psychiatric Inpatient Unit are still in the County's possession. The State Department of Health has requested that at least 26 of the 43 psychiatric-certified beds be decertified. However, the County intends to, and has taken steps toward, having the psychiatric beds' certification changed from a psychiatry use, to another use for which the State Department of Health would see a need in the region such as physical medicine and rehabilitation or other use. The County has discussed this option with the State Department of Health and shall be following up with its plan.

## **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, 2013. 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.

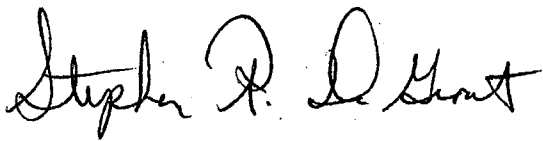
A Certificate of Achievement is valid for a period of only one year. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

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,

A handwritten signature in black ink, reading "Stephen F. DeGroat". The signature is written in a cursive style with a large initial "S".

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





Government Finance Officers Association

**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, 2013**

Executive Director/CEO

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**FINANCIAL  
SECTION**

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**The Honorable Legislature of the  
County of Rockland, New York****Report on the Financial Statements**

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, 2014, 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), the Rockland County Industrial Development Agency and Rockland County Health Facilities Corporation (component units) for the year ended December 31, 2014, which represent 76.30%, 66.03% and 92.82%, 1.39%, 36.11% and 0.28%, 5.43%, 0.17% and 0.46% 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, 2014, 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 25, 2015 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 25, 2015

**County of Rockland, New York  
Management's Discussion and Analysis (MD&A)  
December 31, 2014**

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**Introduction**

The County of Rockland's (the "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, 2014. 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 2014**

- In recent years, the County has experienced financial difficulties resulting in an accumulated deficit in the County's General Fund. The New York State Legislature enacted Chapter 468 of the laws of 2013 ("Chapter 468") authorizing the County to issue bonds in an aggregate principal amount not to exceed \$96,000,000 to finance liquidation of the accumulated deficit in the General Fund as of December 31, 2012. On March 13, 2014, the County issued its \$96,000,000 General Obligation (Serial) Bonds, 2014 Series A for this purpose. Chapter 468 also provided for annual review of the County's proposed budget by the New York State Comptroller during the effective period of Chapter 468 and the making of adjustments to each proposed budget by the County Legislature consistent with any recommendations made by the State Comptroller.
- The County recognized \$12,367,082 in bond premium revenue in 2014 from the sale of the deficit financing bonds.
- The assets and deferred outflows of resources of the County's Governmental Activities exceeded its liabilities and deferred inflows of resources for the year ended December 31, 2014 by \$68,750,327.
- The General Fund reported an ending fund balance of \$61,116,328 which represents an increase of \$111,227,547 from fiscal year 2013. The unassigned portion of the General Fund deficit was (\$29,910,383) a decrease of \$108,203,645 from the prior year.
- Real Property Tax Revenue increased by \$11,506,766 to \$105,253,745 in 2014 from \$93,746,979 in 2013, Sales Tax Revenue increased by \$5,428,327 to \$184,165,811 in 2014 from \$178,737,484 in 2013, and Residential Energy Use Tax Revenue increased by \$1,269,463 to \$9,946,569 in 2014 from \$8,677,106 in 2013.
- The County's total outstanding bonds payable for December 31, 2014 were \$621,496,096 an increase of \$127,180,614 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 schedules.

### **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, the Rockland Second Tobacco Asset Securitization Corporation and the Rockland County Health Facilities Corporation. These activities are intended to recover their cost of operation, including depreciation, primarily through user charges and tobacco settlement revenues.

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 position may serve over time as a useful indicator of a government's financial position. In the case of the County, liabilities exceeded assets and deferred outflows of resources by \$161,435,510 for fiscal year 2014.

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and Other Assets	\$ 415,419,905	\$ 379,176,190	\$ (26,002,898)	\$ (28,637,296)	\$ 389,417,007	\$ 350,538,894
Capital Assets	726,138,621	713,173,174	18,908,070	18,665,300	745,046,691	731,838,474
<b>Total Assets</b>	<b>1,141,558,526</b>	<b>1,092,349,364</b>	<b>(7,094,828)</b>	<b>(9,971,996)</b>	<b>1,134,463,698</b>	<b>1,082,377,368</b>
Deferred Outflows of Resources	3,877,614	4,287,763	-	-	4,287,763	-
Current Liabilities	228,752,657	332,386,738	15,539,988	10,489,927	244,292,645	342,876,665
Long-Term Liabilities	847,933,156	662,851,957	207,544,319	201,968,762	1,055,477,475	864,820,719
<b>Total Liabilities</b>	<b>1,076,685,813</b>	<b>995,238,695</b>	<b>223,084,307</b>	<b>212,458,689</b>	<b>1,299,770,120</b>	<b>1,207,697,384</b>
<b>NET POSITION</b>						
Net Investment in Capital Assets	393,644,006	399,882,283	8,920,654	8,687,161	402,564,660	408,569,444
Restricted	51,569,863	49,940,089	-	-	51,569,863	49,940,089
Unrestricted	(376,463,542)	(348,423,940)	(239,106,491)	(231,117,846)	(615,570,033)	(579,541,786)
<b>Total Net Assets</b>	<b>\$ 68,750,327</b>	<b>\$ 101,398,432</b>	<b>\$ (230,185,837)</b>	<b>\$ (222,430,685)</b>	<b>\$ (161,435,510)</b>	<b>\$ (121,032,253)</b>

The largest component of the County's net position is its net investment in Capital Assets of \$402,564,660 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 2014 net position of \$51,569,863 represents resources that are subject to external restrictions on how they may be used. The restrictions are as follows:

Capital Projects	\$	746,250
Law Enforcement		6,244,636
Stop-DWI Program		580,359
Debt Service		17,312,335
Unemployment Benefits		127,881
Special Revenue Funds		<u>26,558,402</u>
	\$	<u>51,569,863</u>

The County's governmental activities had a net increase of \$1,629,774 in restricted net position compared to the prior year. The increase in amount restricted for special revenue funds which consists of Community Development, Sewer and Trusts, of \$3,512,684 is largely due to appropriated sewer fund balance in 2015 budget and a decrease in the amount of Community Development loans issued to eligible applicants by the County. The amounts restricted for debt service saw an increase of \$1,932,305 primarily due to premiums on bonds issued in 2014. These increases were largely offset by a reduction in the amount restricted for law enforcement of \$3,272,969 due to planned use of these funds for law enforcement purposes permitted under federal guidelines. These factors combined for the majority of the change in the County's restricted net position.

The remaining net position, unrestricted net position, is a negative (\$615,570,033), with a deficit of (\$376,463,542) reported in governmental activities and a (\$239,106,491) 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 \$31,361,864 and compensated absences \$26,029,292 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 2014 for primary government was \$313,446,846. The recording of the current year's increase in the net OPEB obligation of \$31,752,255 was the primary reason for the overall decrease in the County's net position of \$22,496,146. 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	
	2014	2013	2014	2013	2014	2013
<b>REVENUES</b>						
Program Revenues						
Charges for Services	\$ 33,510,314	\$ 39,530,136	\$ 68,272,309	\$ 61,277,422	\$ 101,782,623	\$ 100,807,558
Operating Grants and Contributions	126,723,569	132,077,625	4,990,275	4,237,672	131,713,844	136,315,297
Capital Grants and Contributions	13,541,036	9,810,850	-	-	13,541,036	9,810,850
Total Program Revenues	173,774,919	181,418,611	73,262,584	65,515,094	247,037,503	246,933,705
General Revenues						
Real Property Taxes	139,848,206	128,690,277	-	-	139,848,206	128,690,277
Other Tax items	11,395,607	10,788,365	-	-	11,395,607	10,788,365
Non-Property Taxes	200,575,058	194,725,908	-	-	200,575,058	194,725,908
Unrestricted Use of Money and Property Sale of Property and Compensation for Loss	323,132	140,245	-	-	323,132	140,245
Other Revenues	174,238	63,834	-	-	174,238	63,834
Gain on Sale of Property	435,523	696,087	-	-	435,523	696,087
	-	4,655,287	-	-	-	4,655,287
Total General Revenues	352,751,764	339,760,003	-	-	846,826,770	828,972,126
Total Revenues	526,526,683	521,178,614	73,262,584	65,515,094	1,093,864,273	1,075,905,831
<b>PROGRAM EXPENSES</b>						
General Government						
Support	77,839,214	82,857,557	-	-	77,839,214	82,857,557
Education	51,721,701	52,864,260	-	-	51,721,701	52,864,260
Public Safety	77,170,283	84,798,097	-	-	77,170,283	84,798,097
Health	40,344,309	43,639,894	-	-	40,344,309	43,639,894
Transportation	50,904,715	51,611,960	-	-	50,904,715	51,611,960
Economic Opportunity and Development	180,280,563	183,124,815	-	-	180,280,563	183,124,815
Culture and Recreation	913,144	912,444	-	-	913,144	912,444
Home and Community Services	34,985,229	30,527,243	-	-	34,985,229	30,527,243
Interest	18,469,266	17,885,215	-	-	18,469,266	17,885,215
Home and Infirmary	-	-	83,560,915	91,199,289	83,560,915	91,199,289
Rockland Tobacco Asset Corporations	-	-	5,581,278	5,497,220	5,581,278	5,497,220
Rockland County Health Facilities Corporation	-	-	514,796	-	514,796	-
Total Expenses	532,628,424	548,221,485	89,656,989	96,696,509	622,285,413	644,917,994
(Decrease)/Increase in Net Position Before Transfers	(6,101,741)	(27,042,871)	(16,394,405)	(31,181,415)	(22,496,146)	(58,224,286)
Transfers	(8,639,253)	(13,325,066)	8,639,253	13,325,066	-	-
Increase/(Decrease) in Net Position	(14,740,994)	(40,367,937)	(7,755,152)	(17,856,349)	(22,496,146)	(58,224,286)
<b>NET POSITION</b>						
Beginning of Year, as restated	83,491,321	141,766,369	(222,430,685)	(204,574,336)	(138,939,364)	(62,807,967)
End of Year	\$ 68,750,327	\$ 101,398,432	\$ (230,185,837)	\$ (222,430,685)	\$ (161,435,510)	\$ (121,032,253)

**Governmental Activities** - Governmental activities decreased the County's net position by \$14.7 million.

For the fiscal year end December 31, 2014, the revenues from governmental activities totaled \$526.5 million.

Tax revenues of \$351.8 million, comprised of real property taxes, sales and mortgage tax items and non property taxes, increased by \$17.6 million from 2013 and represents the largest revenue source (67%). The increase over prior year is largely due to an increase in 2014 to

budgeted property taxes by 10.38%. Non-property taxes yielded \$200.6 million, an increase of \$5.8 million from 2013, due to increases in recognized revenue from residential energy tax, hotel/motel tax and motor vehicle use tax over prior year. Collection of the current tax levy remains strong at 95.10%, while averaging 95% over the last five years.

The net position beginning for governmental activities is restated in the amount of (\$17,907,111) from \$101,398,432 at the end of 2013 to \$83,491,321 as beginning in 2014 due to a fixed asset prior period adjustment in the amount of (\$5,689,113) and a workers compensation prior period adjustment in the amount of (\$12,217,998).

**Business-type Activities** – Business –type activities decreased the County’s net position by \$7.8 million for the year ended December 31, 2014. This is due mainly to the 2014 GASB 45 accrual of \$8.2 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.

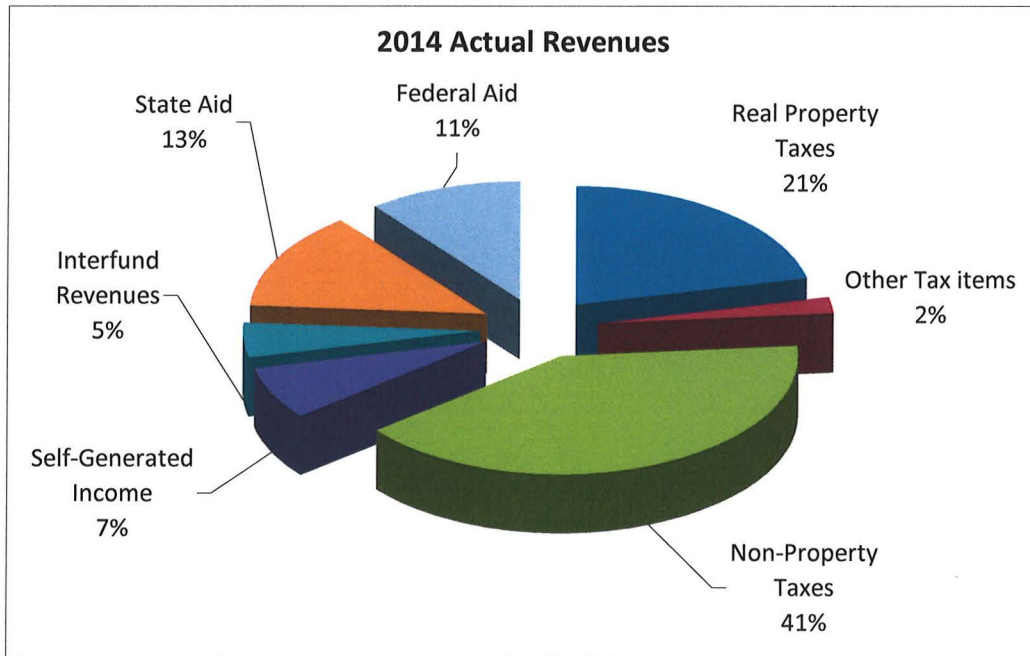
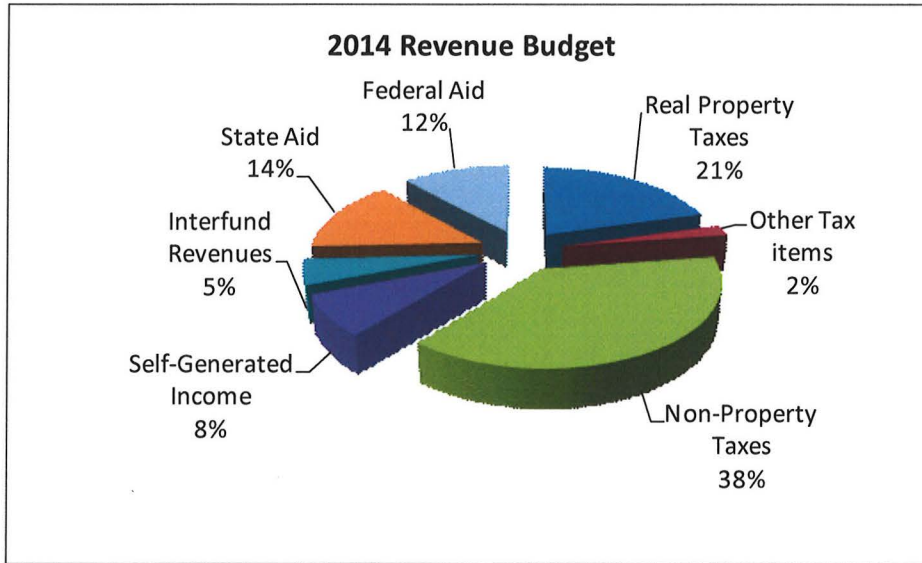
**Governmental Funds** – The focus of the County’s governmental funds schedules is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County’s financing requirements. In particular, unassigned fund balance may serve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

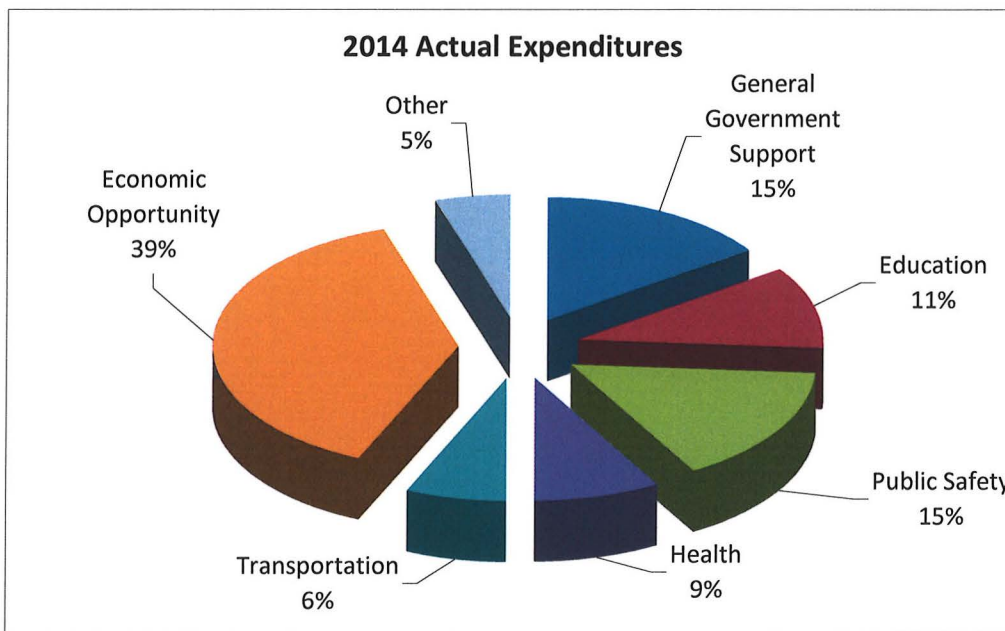
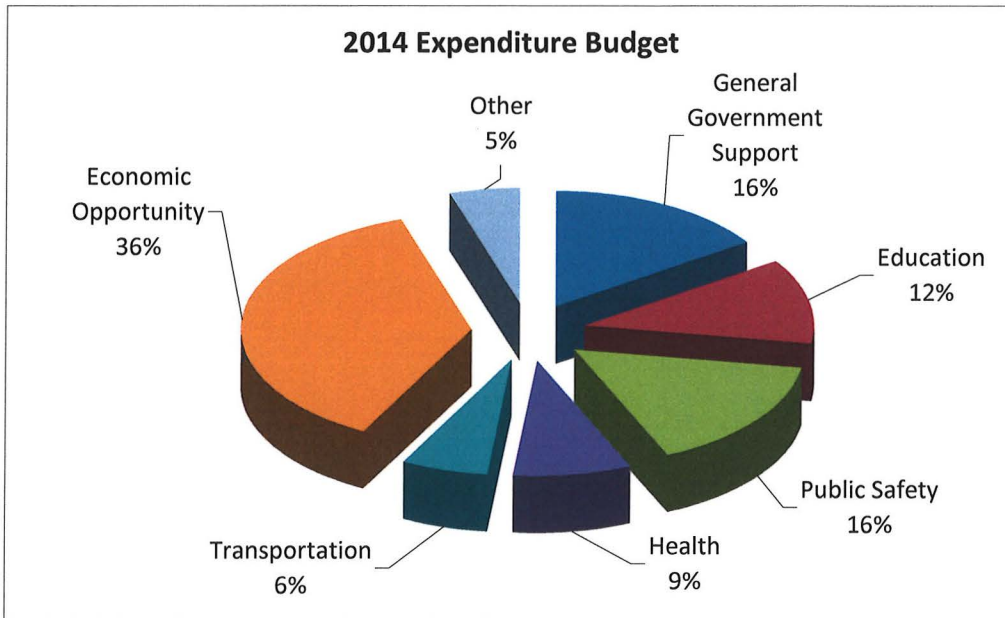
As of the end of the current fiscal year, the County’s total governmental funds reported a combined ending fund balance of \$163.7 million, an increase of \$142.6 million in comparison with \$21.1 million the prior year.

The non-spendable fund balance component of \$74.2 million is reserved for prepaid expenditures of \$1.7 million for collection of long-term taxes receivable of \$12.9 million, and advances to Home and Infirmary Fund of \$59.6 million. The restricted fund balance component of \$78.3 million is for \$6.9 million of law enforcement and related items in the general fund, \$17.3 million of unspent bond proceeds restricted for debt service, and \$54 million for capital projects, exclusive of unexpended bond proceeds and unrestricted interest earnings. The committed portion of fund balance of \$1.4 million is designated for treatment plant and collection system in the Sewer Fund. The assigned fund balance totaling \$39.7 million is composed primarily of encumbrances of \$1.9 million, subsequent years expenditures of \$9.2 million and undesignated of \$26.9 million in the special revenue funds, further detail of which can be found in Note 3 of this report. The remaining fund balance of (\$29.9) 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 2014 fiscal year, the total fund deficit of the General Fund was (\$61.1) million (composed of non-spendable \$74.2 million, restricted \$16.8 million, and unassigned (\$29.9) million). At the end of the 2013 fiscal year, the total fund deficit of (\$50.1) million (composed of non-spendable \$70.6 million, restricted \$17.4 million, and unassigned (\$138.1) million).

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





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

- Non property tax revenues increased by 3% in the amount \$5,871,838, from \$195,988,814 to \$201,860,652, which reflects an increase in sales tax revenue in the amount of \$5,428,327. Whereas, mortgage tax decreased by 23% in the amount of \$1,012,706 from \$4,446,008 to \$3,433,302 which was offset by the increase in residential energy use tax by 15% in the amount of \$1,269,463 from \$8,677,106 to \$9,946,569.

- Real property tax revenues increased by 13% in the amount of \$11,506,766 from \$93,746,979 to \$105,253,745, which reflects the real property tax increase budgeted in 2014 of 10.38%.
- Departmental income decreased by 17% in the amount of \$6,157,922 from \$36,717,297 to \$30,559,375 which represents decrease in Medicaid reimbursement for State mandated Early Intervention Program.
- Federal aid decreased by 7% in the amount of \$3,752,329 from \$56,280,532 to \$52,528,203 due to decreased aid from public safety grants and funding for Department of Health.
- Transfers In increased by 63% in the amount of \$2,048,642 from \$3,270,000 to \$5,318,642 primarily due to increased available funds in Debt Service Fund.
- Education expenditures decreased by 4% in the amount of \$1,770,275 from \$49,555,765 to \$47,785,490 primarily due to State Legislation in 2013 establishing a State Fiscal Agent and requiring the County to only fund the escrow balance of the Early Intervention Program.
- Transfers out decreased by 5% in the amount of \$2,686,535 from \$56,767,420 to \$54,080,885 mainly due to decreased County transfer to the Home and Infirmary Fund in the amount of \$4,685,813 and increased contribution to Debt Service Fund in the amount of \$1,239,889.
- Bonds issued in the amount of \$96,000,000 represent the sale of the deficit financial bonds. As a result, issuance premium revenue increased in the amount of \$12,367,082 which largely represents the premium of the deficit financing bond.

The Capital Projects Fund is used to account for capital project activity throughout the County. The Capital Projects Fund's ending fund balance is \$54,795,794. This is an increase of \$25,166,232. This is primarily due to an increase in revenue from serial bonds, approximately \$22.5 million.

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 ended December 31, 2014, the combined fund balance of these funds totaled \$32.1 million. This represents an increase of \$3.6 million from the prior year and the majority of this increase can be attributed to the Sewer District as a result of an increase in property taxes.

**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 \$7.2 million leaving a balance of net position of \$(152) million. This was a result primarily due to GASB 45 Other Post Employment Benefits (OPEB) going from \$86.4 in 2013 to \$94.7 in 2014.

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, exclusive of other financing sources, were \$494.8 million, which was \$20 million less from the final budget. The majority of this shortfall was from the area of Federal Aid, Departmental Income and State Aid. The three main revenue sources that comprised this number were as follows:

Federal Aid	\$ (7.6) million
Departmental Income	\$ (6.9) million
State Aid	\$ (6.2) million

Federal Aid and State Aid were down because General Fund corresponding expenditures were down in these areas. Actual Departmental Income was under budget due to the decrease in Medicaid reimbursement of Early Intervention programs which as of April of 2013 New York State law, program providers are directly funded by the State.

Overall, the actual General Fund expenditures, exclusive of other financing uses, were \$443.1 million, which was \$43.5 million less than the final budget. The major areas where spending was less than budget was Education, \$10.1 million as a result of New York State law effective in April of 2013 providing for the State to directly fund Early Intervention programs providers and require the County as of April 2013 to fund only the escrow balance; Public Safety, Health and Economic Opportunity and Development was \$8 million, \$3.8 and \$11.4 million respectively as a result of the retirement budget methodology and that actual health insurance premiums were less than budgeted, and reduced program expenses; and General Government Support was \$8.2 million primarily as a result of budgeted contingent fund savings.

## 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, 2014, amounts to \$745.04 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	
	2014 (1)	2013	2014	2013	2014	2013
Land	\$ 68,111	\$ 68,111	\$ 439	\$ 439	\$ 68,550	\$ 68,550
Buildings and Improvements	100,604	108,813	7,862	8,573	108,466	117,386
Equipment	24,243	35,981	8,133	6,331	32,376	42,312
Infrastructure	179,210	188,378	-	-	179,210	188,378
Construction-in-Progress	353,971	311,890	2,474	3,322	356,445	315,212
Total	\$ 726,139	\$ 713,173	\$ 18,908	\$ 18,665	\$ 745,047	\$ 731,838

(1) Restated

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, 2014, the County had \$622.7 million in total long-term debt outstanding. This represents an increase of \$128.4 million over 2013. 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	
	2014	2013	2014	2013	2014	2013
General Obligation Bonds - Gross	\$ 518,195	\$ 389,009	\$ 103,301	\$ 105,306	\$ 621,496	\$ 494,315

The County's current long-term borrowing rate is Baa2 issued by Moody's as of July 2014.

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.

**Deficit Financing Legislation and Subsequent Year's Budgets**

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 passed both the State Assembly and the State Senate and on November 13, 2013, was signed into law by the Governor as Chapter 468.

Upon the enactment of Chapter 468, the County is subject to certain requirements and procedures pursuant to Section 10.10 of the Local Finance Law ("Section 10.10") which states that the County may not issue any bonds for the purpose of liquidating such deficits until the amounts of such deficits are confirmed and certified by the State Comptroller. On January 27, 2014, the Office of the State Comptroller certified the County's accumulated deficit of \$125,607,865 as of December 31, 2012. On March 13, 2014, the County issued its \$96,000,000 General Obligation (Serial) Bonds, 2014 Series A pursuant to Chapter 468 (the "Deficit Financing Bonds").

The County must submit to the State Comptroller each year, starting with the 2013 fiscal year and for each subsequent fiscal year during which deficit financing obligations are outstanding, its tentative or preliminary budget for the succeeding fiscal year. The State Comptroller must examine the proposed budget and make recommendations for any changes that are needed to

bring the proposed budget into balance. Such recommendations are made after the examination into the estimates of revenues and expenditures of the County. Pursuant to Chapter 468, the County Legislature, no later than five days prior to the adoption of the budget, shall review any such recommendations made by the State Comptroller and make adjustments to its proposed budget consistent with those recommendations.

For each fiscal year that the Deficit Financing Bonds are outstanding, the County must prepare a quarterly report of summarized budget data depicting trends of actual revenues and budget expenditures for the entire budget. Such budgetary reports must compare revenue estimates and appropriations as set forth in the budget with actual revenues and expenditures made to date. The report must also contain a corrective action plan to address any unfavorable budget variances. All reports must be completed within thirty (30) days after the end of each quarter and must be submitted at the end of each quarter to each member of the County Legislature, the Director of the New York State Division of Budget, the State Comptroller and the Chairs of the Senate Finance Committee and the Assembly Ways and Means Committee.

In addition, for each fiscal year that the Deficit Financing Bonds are outstanding, with thirty days after final adoption of the budget for the next succeeding fiscal year, the County Executive must prepare a three (3) year financial plan covering the next succeeding fiscal year and the two fiscal years thereafter. The financial plan must contain the information required by paragraph (e) of Section 10.10 and must be submitted to each member of the County Legislature, the Director of the New York State Division of Budget, the State Comptroller and the Chairs of the Senate Finance Committee and the Assembly Ways and Means Committee.

Beginning with the fiscal year in which the County is authorized to incur debt to finance its deficits and for each fiscal year occurring during the time the Deficit Financing Bonds are outstanding, the County Commissioner of Finance must notify the State Comptroller at least fifteen (15) days prior to the issuance of any bonds or notes or entering into any installment purchase contract by the County.

### **Proposed Sale of Hospital Facility to Private Operator**

The County Legislature has determined to end its financial support of the Hospital Facility. On April 16, 2013, the County Legislature passed resolution #192-2013, which authorized the formation and organization of the local development corporation to be known as the Rockland County Health Facilities Corporation and the execution of lease and leaseback agreements between the County and the Corporation (the "Lease Agreements") providing for transfer to the Corporation of all of the County's right, title and interest in and to the Skilled Nursing Facility by ninety-nine year lease, with option to take fee title, subject to the retained rights of the County to continue to operate such facility until such time as the Corporation terminates such reserved rights. The Corporation is governed by seven voting directors, four of whom were appointed by the County Executive and three of whom were appointed by the County Legislature.

The lease agreements were finalized and executed as of November 1, 2013. By resolution adopted on December 30, 2013, the County Legislature authorized the transfer to the Corporation of the County's remaining interest in Building A which houses the County-owned, 100-bed long-term acute care hospital ("LTACH") by a ninety-nine year lease, with option to take bank fee title, subject to the retained rights of the County to continue to operate such its remaining interest in Building A including the LTACH, until such time as the Corporation terminates such reserved rights. The amendments to the lease agreements were finalized and executed on March 18, 2014.

The Corporation is engaged in the procurement of a private purchaser and operator for the Skilled Nursing Facility and the LTACH.

### **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, or visit the County's website at <http://rocklandgov.com>.

**BASIC**

**FINANCIAL STATEMENTS**

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County of Rockland, New York

Statement of Net Position  
December 31, 2014

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Cash and equivalents	\$ 182,329,710	\$ 6,502,021	\$ 188,831,731	\$ 38,714,687
Investments	-	1,158,016	1,158,016	3,839,368
Receivables				
Taxes, net	67,743,452	-	67,743,452	-
Accounts, net	29,845,505	14,675,408	44,520,913	13,791,222
Accounts - Patient care, net	-	6,045,176	6,045,176	-
Loans	5,721,594	-	5,721,594	-
State and Federal aid, net	52,007,048	-	52,007,048	1,621,700
Funds held in trust for residents	-	302,058	302,058	-
Funds held in escrow	-	2,852,144	2,852,144	-
Due from other governments	6,607,905	6,702	6,614,607	-
Internal balances	62,534,081	(62,534,081)	-	-
Inventories	107,280	733,717	840,997	-
Prepaid expenses	1,849,227	21,352	1,870,579	394,756
Intangible asset	-	-	-	15,506,746
Other assets	-	-	-	511,214
	<u>408,745,802</u>	<u>(30,237,487)</u>	<u>378,508,315</u>	<u>74,379,693</u>
Restricted cash and equivalents	6,674,103	155,262	6,829,365	9,832,045
Restricted investments	-	4,079,327	4,079,327	2,527,270
	<u>6,674,103</u>	<u>4,234,589</u>	<u>10,908,692</u>	<u>12,359,315</u>
Capital assets				
Not being depreciated	422,081,550	2,912,628	424,994,178	8,706,267
Being depreciated, net	304,057,071	15,995,442	320,052,513	31,101,672
	<u>726,138,621</u>	<u>18,908,070</u>	<u>745,046,691</u>	<u>39,807,939</u>
<b>Total Assets</b>	<u>1,141,558,526</u>	<u>(7,094,828)</u>	<u>1,134,463,698</u>	<u>126,546,947</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred amounts on refunding bonds	3,877,614	-	3,877,614	99,047
<b>LIABILITIES</b>				
Accounts payable	35,082,520	6,718,849	41,801,369	17,153,937
Accrued liabilities	35,345,351	835,374	36,180,725	867,531
Due to other governments	16,341,397	-	16,341,397	49,162
Due to school districts	55,372,281	-	55,372,281	-
Unearned revenues	2,780,494	4,680,181	7,460,675	5,385,402
Accrued interest payable	7,205,111	153,526	7,358,637	123,615
Tax anticipation note payable	55,000,000	-	55,000,000	-
Revenue anticipation note payable	20,000,000	-	20,000,000	-
Bond anticipation notes payable	1,625,503	-	1,625,503	-
Funds held in trust for residents	-	302,058	302,058	-
Purchase down payment	-	2,850,000	2,850,000	-
Noncurrent liabilities				
Due within one year	46,939,604	3,871,076	50,810,680	4,694,505
Due in more than one year	800,993,552	203,673,243	1,004,666,795	102,156,710
<b>Total Liabilities</b>	<u>1,076,685,813</u>	<u>223,084,307</u>	<u>1,299,770,120</u>	<u>130,430,862</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Tuition assistance payments	-	-	-	1,085,577
<b>NET POSITION</b>				
Net Investment in capital assets	393,644,006	8,920,654	402,564,660	10,057,639
Restricted for				
Capital projects	746,250	-	746,250	867,253
Law enforcement	6,244,636	-	6,244,636	-
STOP-DWI Program	580,359	-	580,359	-
Debt service	17,312,335	-	17,312,335	-
Student loans	-	-	-	11,358
Unemployment benefits	127,881	-	127,881	-
Scholarships and student services	-	-	-	2,754,555
Permanent endowments	-	-	-	820,147
Special Revenue funds				
Community Development	6,665,811	-	6,665,811	-
Sewer	19,865,979	-	19,865,979	-
Trusts	26,612	-	26,612	-
Unrestricted	<u>(376,463,542)</u>	<u>(239,106,491)</u>	<u>(615,570,033)</u>	<u>(19,381,397)</u>
<b>Total Net Position</b>	<u>\$ 68,750,327</u>	<u>\$ (230,185,837)</u>	<u>\$ (161,435,510)</u>	<u>\$ (4,870,445)</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, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government</b>				
Governmental activities				
General government support	\$ 77,839,214	\$ 11,695,975	\$ 3,763,510	\$ -
Education	51,721,701	-	-	-
Public safety	77,170,283	4,302,156	4,338,406	-
Health	40,344,309	4,867,009	29,632,364	-
Transportation	50,904,715	5,131,667	24,213,370	7,992,080
Economic opportunity and development	180,280,563	6,541,038	64,222,874	-
Culture and recreation	913,144	-	-	-
Home and community services	34,985,229	972,469	553,045	-
Interest	18,469,266	-	-	5,548,956
<b>Total Governmental Activities</b>	<b>532,628,424</b>	<b>33,510,314</b>	<b>126,723,569</b>	<b>13,541,036</b>
Business-type activities				
Home and Infirmary Fund	83,560,915	67,685,420	-	-
Rockland Tobacco Asset Securitization Corporation	5,211,270	-	4,020,290	-
Rockland Second Tobacco Asset Securitization Corporation	370,008	-	969,985	-
Rockland County Health Facilities Corporation	514,796	586,889	-	-
<b>Total Business-type Activities</b>	<b>89,656,989</b>	<b>68,272,309</b>	<b>4,990,275</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 622,285,413</b>	<b>\$ 101,782,623</b>	<b>\$ 131,713,844</b>	<b>\$ 13,541,036</b>
<b>Component units</b>				
Rockland County Community College	\$ 80,369,244	\$ 18,396,946	\$ 21,009,851	\$ 157,069
Rockland County Soil and Water Conservation District	55,230	-	-	-
Rockland County Solid Waste Management Authority	46,804,775	50,764,097	435,871	-
Rockland County Industrial Development Agency	264,156	320,285	-	-
<b>Total Component Units</b>	<b>\$ 127,493,405</b>	<b>\$ 69,481,328</b>	<b>\$ 21,445,722</b>	<b>\$ 157,069</b>
<b>General revenues</b>				
Real property taxes				
Other tax items				
Interest and penalties on real property taxes				
Payments in lieu of taxes				
Non-property taxes				
Sales and use tax				
Mortgage tax				
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				
<b>Total General Revenues</b>				
Change in Net Position				
Net Position - Beginning, as restated				
Net Position - Ending				

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



Net (Expense) Revenue and Changes in Net Position

Primary Government

Governmental Activities	Business-type Activities	Total	Component Units
\$ (62,379,729)	\$ -	\$ (62,379,729)	\$ -
(51,721,701)	-	(51,721,701)	-
(68,529,721)	-	(68,529,721)	-
(5,844,936)	-	(5,844,936)	-
(13,567,598)	-	(13,567,598)	-
(109,516,651)	-	(109,516,651)	-
(913,144)	-	(913,144)	-
(33,459,715)	-	(33,459,715)	-
(12,920,310)	-	(12,920,310)	-
<u>(358,853,505)</u>	<u>-</u>	<u>(358,853,505)</u>	<u>-</u>
-	(15,875,495)	(15,875,495)	-
-	(1,190,980)	(1,190,980)	-
-	599,977	599,977	-
-	72,093	72,093	-
-	(16,394,405)	(16,394,405)	-
<u>(358,853,505)</u>	<u>(16,394,405)</u>	<u>(375,247,910)</u>	<u>-</u>
-	-	-	(40,805,378)
-	-	-	(55,230)
-	-	-	4,395,193
-	-	-	56,129
-	-	-	<u>(36,409,286)</u>
139,848,206	-	139,848,206	-
10,861,458	-	10,861,458	-
534,149	-	534,149	-
184,165,811	-	184,165,811	-
3,433,302	-	3,433,302	-
1,331,881	-	1,331,881	-
9,946,569	-	9,946,569	-
1,697,495	-	1,697,495	-
323,132	-	323,132	618,713
174,238	-	174,238	-
-	-	-	16,375,600
-	-	-	16,838,115
435,523	-	435,523	1,633,105
<u>(8,639,253)</u>	<u>8,639,253</u>	<u>-</u>	<u>-</u>
<u>344,112,511</u>	<u>8,639,253</u>	<u>352,751,764</u>	<u>35,465,533</u>
(14,740,994)	(7,755,152)	(22,496,146)	(943,753)
<u>83,491,321</u>	<u>(222,430,685)</u>	<u>(138,939,364)</u>	<u>(3,926,692)</u>
<u>\$ 68,750,327</u>	<u>\$ (230,185,837)</u>	<u>\$ (161,435,510)</u>	<u>\$ (4,870,445)</u>

County of Rockland, New York

Balance Sheet  
 Governmental Funds  
 December 31, 2014

	General	Capital Projects
<b>ASSETS</b>		
Cash and equivalents	\$ 52,788,410	\$ 74,653,257
Taxes receivable, net	67,743,452	-
Other receivables		
Accounts, net of allowance for uncollectible amounts	28,910,324	-
Loans	-	-
State and Federal aid, net of allowance for uncollectible amounts	47,899,337	851,971
Due from other governments	6,411,899	-
Due from other funds	-	-
Advances to other funds	59,594,499	-
	<u>142,816,059</u>	<u>851,971</u>
Restricted cash	-	6,674,103
Prepaid expenditures	1,755,568	-
Total Assets	<u>\$ 265,103,489</u>	<u>\$ 82,179,331</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
Liabilities		
Accounts payable	\$ 21,912,827	\$ 10,736,856
Accrued liabilities	30,530,188	-
Due to other governments	2,820,982	13,520,415
Due to school districts	55,372,281	-
Due to other funds	4,336,448	1,500,763
Unearned revenues	1,836,277	-
Tax anticipation note payable	55,000,000	-
Revenue anticipation note payable	20,000,000	-
Bond anticipation notes payable	-	1,625,503
Total Liabilities	191,809,003	27,383,537
Deferred inflows of resources		
Deferred tax revenues	12,178,158	-
Total Liabilities and Deferred Inflows of Resources	<u>203,987,161</u>	<u>27,383,537</u>
Fund balances (deficits)		
Nonspendable	74,219,583	-
Restricted	16,807,128	54,049,544
Committed	-	-
Assigned	-	746,250
Unassigned	(29,910,383)	-
Total Fund Balances	<u>61,116,328</u>	<u>54,795,794</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 265,103,489</u>	<u>\$ 82,179,331</u>

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

Non-Major Governmental	Total Governmental Funds
\$ 46,905,227	\$ 174,346,894
-	67,743,452
850,615	29,760,939
5,721,594	5,721,594
2,819,399	51,570,707
-	6,411,899
3,109,392	3,109,392
-	59,594,499
12,501,000	156,169,030
-	6,674,103
-	1,755,568
<u>\$ 59,406,227</u>	<u>\$ 406,689,047</u>
\$ 1,472,540	\$ 34,122,223
2,565,873	33,096,061
-	16,341,397
-	55,372,281
899,148	6,736,359
6,665,811	8,502,088
-	55,000,000
-	20,000,000
-	1,625,503
11,603,372	230,795,912
-	12,178,158
11,603,372	242,974,070
-	74,219,583
7,407,089	78,263,761
1,393,274	1,393,274
39,002,492	39,748,742
-	(29,910,383)
47,802,855	163,714,977
<u>\$ 59,406,227</u>	<u>\$ 406,689,047</u>

**County of Rockland, New York**

Reconciliation of Governmental Funds Balance Sheet to  
the Government-Wide Statement of Net Position  
December 31, 2014

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Fund Balances - Governmental Funds	\$ 163,714,977
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>723,757,622</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>(41,516,472)</u>
Governmental funds report the effect of premiums, discounts and similar items when debt is first issue, whereas these amounts are deferred and amortized in the statement of activities. Deferred amounts on refunding bonds	<u>3,877,614</u>
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Real property taxes	12,178,158
Unearned revenues	<u>5,721,594</u>
	<u>17,899,752</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Bonds payable	(530,495,066)
Compensated absences	(16,756,554)
New York State loan payable - NYPA	(2,197,033)
New York State loan payable - Retirement	(40,310,765)
Pension obligations	(2,396,524)
Other post employment benefit obligations payable	(199,622,113)
Accrued interest payable	<u>(7,205,111)</u>
	<u>(798,983,166)</u>
Net Position of Governmental Activities	<u>\$ 68,750,327</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, 2014

	General	Capital Projects	Non-Major Governmental	Total Governmental Funds
<b>REVENUES</b>				
Real property taxes	\$ 105,253,745	\$ -	\$ 34,084,459	\$ 139,338,204
Other tax items	11,004,332	-	391,275	11,395,607
Non-property taxes	201,860,652	-	-	201,860,652
Departmental income	30,559,375	-	908,662	31,468,037
Intergovernmental charges	1,072,736	-	-	1,072,736
Use of money and property	314,105	-	302,694	616,799
Licenses and permits	1,974,943	-	28,712	2,003,655
Fines and forfeitures	697,362	-	9,945	707,307
Sale of property and compensation for loss	174,238	-	1,753	175,991
Interfund revenues	22,555,435	-	669,616	23,225,051
State aid	66,329,883	648,373	3,718,022	70,696,278
Federal aid	52,528,203	6,573,749	4,845,856	63,947,808
Miscellaneous	435,523	769,958	1,586,460	2,791,941
<b>Total Revenues</b>	<b>494,760,532</b>	<b>7,992,080</b>	<b>46,547,454</b>	<b>549,300,066</b>
<b>EXPENDITURES</b>				
Current				
General government support	67,804,182	-	-	67,804,182
Education	47,785,490	-	-	47,785,490
Public safety	68,542,504	-	-	68,542,504
Health	37,880,303	-	-	37,880,303
Transportation	28,510,642	-	14,628,211	43,138,853
Economic opportunity and development	170,016,358	-	3,530,651	173,547,009
Culture and recreation	374,778	-	-	374,778
Home and community services	5,509,766	-	17,775,316	23,285,082
Employee benefits	12,338,310	-	3,992,351	16,330,661
Debt service				
Principal	-	-	29,197,947	29,197,947
Interest	3,493,010	-	12,566,549	16,059,559
Refunding bond issuance cost	-	-	424,008	424,008
Debt issuance cost	882,481	-	445,422	1,327,903
Capital outlay	-	45,891,033	-	45,891,033
<b>Total Expenditures</b>	<b>443,137,824</b>	<b>45,891,033</b>	<b>82,560,455</b>	<b>571,589,312</b>
Excess (Deficiency) of Revenues Over Expenditures	51,622,708	(37,898,953)	(36,013,001)	(22,289,246)
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued	96,000,000	63,177,997	-	159,177,997
Refunding bonds issued	-	-	39,874,197	39,874,197
Payment to refunding bond escrow agent	-	-	(41,136,488)	(41,136,488)
Issuance premium	12,367,082	-	3,228,885	15,595,967
Transfers in	5,318,642	1,310,000	54,482,382	61,111,024
Transfers out	(54,080,885)	(1,422,812)	(14,246,580)	(69,750,277)
<b>Total Other Financing Sources</b>	<b>59,604,839</b>	<b>63,065,185</b>	<b>42,202,396</b>	<b>164,872,420</b>
<b>Net Change in Fund Balances</b>	<b>111,227,547</b>	<b>25,166,232</b>	<b>6,189,395</b>	<b>142,583,174</b>
<b>FUND BALANCES (DEFICITS)</b>				
Beginning of Year	(50,111,219)	29,629,562	41,613,460	21,131,803
End of Year	\$ 61,116,328	\$ 54,795,794	\$ 47,802,855	\$ 163,714,977

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, 2014

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

Net Change in Fund Balances - Total Governmental Funds	\$ 142,583,174
<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	46,676,076
Depreciation expense	<u>(26,368,862)</u>
	<u>20,307,214</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	510,002
Unearned revenues	<u>(683,548)</u>
	<u>(173,546)</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 position. Also, governmental funds report the effect of 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	(159,177,997)
Principal paid on bonds	28,797,111
Refunding bonds issued	(39,874,197)
Payment to refunding bond escrow agent	41,136,488
Principal paid on New York State Loan - NYPA	400,836
Amortization of loss on refunding bonds and issuance premium	<u>(15,795,290)</u>
	<u>(144,513,049)</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	2,456,753
New York State loan - Retirement	(7,441,198)
Compensated absences	1,793,385
Other post employment benefit obligations	(21,615,400)
Accrued interest	<u>(2,073,176)</u>
	<u>(26,879,636)</u>
<p>Internal service funds are used by management to charge the costs of risk to individual funds. The net revenue of the internal service funds are reported within governmental activities.</p>	
	<u>(6,065,151)</u>
Change in Net Position of Governmental Activities	<u>\$ (14,740,994)</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, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Real property taxes	\$ 105,960,167	\$ 105,960,167	\$ 105,253,745	\$ (706,422)
Other tax items	10,960,000	10,960,000	11,004,332	44,332
Non-property taxes	197,000,000	197,000,000	201,860,652	4,860,652
Departmental income	36,997,565	37,467,642	30,559,375	(6,908,267)
Intergovernmental charges	1,000,000	1,000,000	1,072,736	72,736
Use of money and property	150,000	150,000	314,105	164,105
Licenses and permits	1,840,000	1,840,000	1,974,943	134,943
Fines and forfeitures	633,000	633,000	697,362	64,362
Sale of property and compensation for loss	25,800	25,800	174,238	148,438
Interfund revenues	26,166,100	26,166,100	22,555,435	(3,610,665)
State aid	69,295,375	72,576,297	66,329,883	(6,246,414)
Federal aid	54,700,100	60,158,128	52,528,203	(7,629,925)
Miscellaneous	709,490	825,791	435,523	(390,268)
<b>Total Revenues</b>	<b>505,437,597</b>	<b>514,762,925</b>	<b>494,760,532</b>	<b>(20,002,393)</b>
<b>EXPENDITURES</b>				
Current				
General government support	72,997,738	75,969,632	67,804,182	8,165,450
Education	57,884,459	57,884,459	47,785,490	10,098,969
Public safety	73,621,599	76,533,123	68,542,504	7,990,619
Health	36,173,214	41,690,837	37,880,303	3,810,534
Transportation	28,198,060	28,552,060	28,510,642	41,418
Economic opportunity and development	175,188,428	181,457,499	170,016,358	11,441,141
Culture and recreation	361,160	381,160	374,778	6,382
Home and community services	6,031,016	6,088,220	5,509,766	578,454
Employee benefits	13,600,000	13,600,000	12,338,310	1,261,690
Debt service				
Interest	4,512,500	4,512,500	3,493,010	1,019,490
Debt issuance cost	-	-	882,481	(882,481)
<b>Total Expenditures</b>	<b>468,568,174</b>	<b>486,669,490</b>	<b>443,137,824</b>	<b>43,531,666</b>
<b>Excess of Revenues Over Expenditures</b>	<b>36,869,423</b>	<b>28,093,435</b>	<b>51,622,708</b>	<b>23,529,273</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued	2,000,000	2,000,000	96,000,000	94,000,000
Issuance premium	1,250,000	1,250,000	12,367,082	11,117,082
New York State loan	12,100,000	12,100,000	-	(12,100,000)
Transfers in	5,800,000	5,800,000	5,318,642	(481,358)
Transfers out	(59,496,057)	(53,435,863)	(54,080,885)	(645,022)
<b>Total Other Financing Sources (Uses)</b>	<b>(38,346,057)</b>	<b>(32,285,863)</b>	<b>59,604,839</b>	<b>91,890,702</b>
<b>Net Change in Fund Balance</b>	<b>(1,476,634)</b>	<b>(4,192,428)</b>	<b>111,227,547</b>	<b>115,419,975</b>
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of Year	1,476,634	4,192,428	(50,111,219)	(54,303,647)
End of Year	\$ -	\$ -	\$ 61,116,328	\$ 61,116,328

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, 2014

	Business - Type Activities - Enterprise Funds		
	Home and Infirmary Fund	Rockland Tobacco Asset Securitization Corporation	Rockland Second Tobacco Asset Securitization Corporation
<b>ASSETS</b>			
Current Assets			
Cash and equivalents	\$ 5,818,261	\$ 382,367	\$ 151,393
Investments	-	1,158,016	-
Receivables			
Accounts	10,495,346	3,360,262	819,800
Accounts - patient care, net of allowance for uncollectible amounts	6,045,176	-	-
State and Federal aid	-	-	-
Funds held in trust for residents	302,058	-	-
Funds held in escrow	-	-	-
Due from other governments	-	-	-
Due from other funds	-	-	-
Inventories	733,717	-	-
Prepaid expenses	-	21,352	-
Total Current Assets	<u>23,394,558</u>	<u>4,921,997</u>	<u>971,193</u>
Noncurrent Assets			
Restricted cash and equivalents	-	155,196	66
Restricted investments	-	3,367,568	711,759
	<u>-</u>	<u>3,522,764</u>	<u>711,825</u>
Capital Assets			
Not being depreciated	2,912,628	-	-
Being depreciated, net	15,995,442	-	-
Total Capital Assets, net of accumulated depreciation	<u>18,908,070</u>	<u>-</u>	<u>-</u>
Total Noncurrent Assets	<u>18,908,070</u>	<u>3,522,764</u>	<u>711,825</u>
Total Assets	<u>42,302,628</u>	<u>8,444,761</u>	<u>1,683,018</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	6,629,596	-	2,500
Accrued liabilities	-	809,271	26,103
Accrued interest payable	153,526	-	-
Due to other funds	2,946,284	-	-
Advances from other funds	59,594,499	-	-
Funds held in trust for residents	302,058	-	-
Purchase down payment	-	-	-
Unearned revenue	4,680,181	-	-
Current portion of long-term obligations			
Bonds payable - Capital construction	2,015,008	-	-
Bonds payable - Other	-	445,000	110,000
Compensated absences	740,000	-	-
Claims payable	-	-	-
Estimated third-party liabilities	561,068	-	-
Total Current Liabilities	<u>77,622,220</u>	<u>1,254,271</u>	<u>138,603</u>
Noncurrent Liabilities			
Bonds payable - Capital construction	13,738,608	-	-
Bonds payable - Other	-	82,171,145	4,821,471
Compensated absences	6,667,084	-	-
Claims payable	-	-	-
Other post employment benefit obligations payable	94,659,290	-	-
Estimated third-party liabilities	1,615,645	-	-
Total Noncurrent Liabilities	<u>116,680,627</u>	<u>82,171,145</u>	<u>4,821,471</u>
Total Liabilities	<u>194,302,847</u>	<u>83,425,416</u>	<u>4,960,074</u>
<b>NET POSITION</b>			
Net investment in capital assets	8,920,654	-	-
Unrestricted	(160,920,873)	(74,980,655)	(3,277,056)
Total Net Position	<u>\$ (152,000,219)</u>	<u>\$ (74,980,655)</u>	<u>\$ (3,277,056)</u>

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



Rockland County Health Facilities Corporation	Total Business-type Activities - Enterprise Funds	Total Governmental Activities - Internal Service Funds
\$ 150,000	\$ 6,502,021	\$ 7,982,816
-	1,158,016	-
-	14,675,408	84,566
-	6,045,176	-
-	-	436,341
-	302,058	-
2,852,144	2,852,144	-
-	-	196,006
6,702	6,702	6,572,854
-	733,717	107,280
-	21,352	93,659
<u>3,008,846</u>	<u>32,296,594</u>	<u>15,473,522</u>
-	155,262	-
-	4,079,327	-
-	4,234,589	-
-	2,912,628	-
-	15,995,442	2,380,999
-	18,908,070	2,380,999
-	23,142,659	2,380,999
<u>3,008,846</u>	<u>55,439,253</u>	<u>17,854,521</u>
86,753	6,718,849	960,297
-	835,374	2,249,290
-	153,526	-
-	2,946,284	6,305
-	59,594,499	-
-	302,058	-
2,850,000	2,850,000	-
-	4,680,181	-
-	2,015,008	857,835
-	555,000	-
-	740,000	190,978
-	-	3,229,489
-	561,068	-
<u>2,936,753</u>	<u>81,951,847</u>	<u>7,494,194</u>
-	13,738,608	2,904,305
-	86,992,616	-
-	6,667,084	1,674,676
-	-	28,132,375
-	94,659,290	19,165,443
-	1,615,645	-
-	203,673,243	51,876,799
<u>2,936,753</u>	<u>285,625,090</u>	<u>59,370,993</u>
-	8,920,654	(1,381,141)
<u>72,093</u>	<u>(239,106,491)</u>	<u>(40,135,331)</u>
<u>\$ 72,093</u>	<u>\$ (230,185,837)</u>	<u>\$ (41,516,472)</u>

County of Rockland, New York

Statement of Revenues, Expenses and Changes in Net Position  
 Proprietary Funds  
 Year Ended December 31, 2014

	Business - Type Activities - Enterprise Funds		
	Home and Infirmity Fund	Rockland Tobacco Asset Securitization Corporation	Rockland Second Tobacco Asset Securitization Corporation
<b>OPERATING REVENUES</b>			
Charges for services	\$ 66,916,856	\$ -	\$ -
Federal aid	-	-	-
State aid	-	-	-
Tobacco settlement revenues	-	3,711,966	936,036
Appropriations from the County	-	-	-
Miscellaneous	768,564	-	-
<b>Total Operating Revenues</b>	<b>67,685,420</b>	<b>3,711,966</b>	<b>936,036</b>
<b>OPERATING EXPENSES</b>			
Administrative and general expenses	9,893,518	-	-
Salaries and wage expenses	30,333,202	-	-
Employee benefits	33,990,062	-	-
Professional fees	-	38,464	20,315
Directors' fees	-	13,000	13,000
Insurance	-	21,712	-
Judgments and claims	-	-	-
Supplies and other expenses	6,930,041	-	-
Depreciation and amortization	2,210,959	-	-
<b>Total Operating Expenses</b>	<b>83,357,782</b>	<b>73,176</b>	<b>33,315</b>
<b>Income (Loss) from Operations</b>	<b>(15,672,362)</b>	<b>3,638,790</b>	<b>902,721</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest income	-	308,324	33,949
Interest on indebtedness	(203,133)	(5,138,094)	(336,693)
<b>Total Non-Operating Expenses</b>	<b>(203,133)</b>	<b>(4,829,770)</b>	<b>(302,744)</b>
<b>Income (Loss) Before Transfers</b>	<b>(15,875,495)</b>	<b>(1,190,980)</b>	<b>599,977</b>
Transfers in	8,639,253	-	-
<b>Change in Net Position</b>	<b>(7,236,242)</b>	<b>(1,190,980)</b>	<b>599,977</b>
<b>NET POSTION</b>			
Beginning of Year, as restated	(144,763,977)	(73,789,675)	(3,877,033)
End of Year	\$ (152,000,219)	\$ (74,980,655)	\$ (3,277,056)

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

Rockland County Health Facilities Corporation	Total Business-type Activities - Enterprise Funds	Total Governmental Activities - Internal Service Funds
\$ -	\$ 66,916,856	\$ 34,730,810
-	-	49,531
-	-	566,656
-	4,648,002	-
434,745	434,745	-
152,144	920,708	-
<u>586,889</u>	<u>72,920,311</u>	<u>35,346,997</u>
514,796	10,408,314	636,146
-	30,333,202	9,885,393
-	33,990,062	17,424,920
-	58,779	-
-	26,000	-
-	21,712	-
-	-	1,680,642
-	6,930,041	10,004,210
-	2,210,959	1,652,654
<u>514,796</u>	<u>83,979,069</u>	<u>41,283,965</u>
<u>72,093</u>	<u>(11,058,758)</u>	<u>(5,936,968)</u>
-	342,273	9,027
-	(5,677,920)	(137,210)
-	(5,335,647)	(128,183)
72,093	(16,394,405)	(6,065,151)
-	8,639,253	-
72,093	(7,755,152)	(6,065,151)
-	(222,430,685)	(35,451,321)
<u>\$ 72,093</u>	<u>\$ (230,185,837)</u>	<u>\$ (41,516,472)</u>

County of Rockland, New York

Statement of Cash Flows  
 Proprietary Funds  
 Year Ended December 31, 2014

	Business-Type Activities - Enterprise Funds			
	Home and Infirmary Fund	Rockland Tobacco Asset Securitization Corporation	Rockland Second Tobacco Asset Securitization Corporation	Rockland County Health Facilities Corporation
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from patients and third-party payers	\$ 69,212,872	\$ -	\$ -	\$ -
Cash received from tobacco settlement revenues	-	3,554,704	888,672	-
Cash received from charges for services	-	-	-	-
Cash received from State and Federal aid	-	-	-	-
Other receipts	17,866,805	-	-	150,000
Cash payments to directors	-	-	(13,000)	-
Cash payments to insurance carriers and claimants	-	-	-	-
Cash payments to vendors	(18,501,714)	(74,757)	(20,315)	-
Cash payments to employees	(57,811,900)	-	-	-
Net Cash from Operating Activities	10,766,063	3,479,947	855,357	150,000
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Proceeds from County of Rockland	(8,135,617)	-	-	-
Retirement of long-term debt	-	(1,425,000)	(520,000)	-
Interest on indebtedness	-	(2,236,433)	(328,187)	-
Net Cash from Non-Capital Financing Activities	(8,135,617)	(3,661,433)	(848,187)	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from the issuance of long-term debt	849,140	-	-	-
Retirement of debt	(2,951,553)	-	-	-
Interest on indebtedness	(636,725)	-	-	-
Acquisition and construction of capital assets	(2,036,701)	-	-	-
Net Cash from Capital and Related Financing Activities	(4,775,839)	-	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest income	-	251,578	33,949	-
Purchase of investments	-	(1,158,016)	-	-
Sale of investments	-	1,098,290	-	-
Purchase of restricted investments	-	(3,367,568)	(711,759)	-
Sale of restricted investments	-	3,367,209	711,055	-
Net Cash from Investing Activities	-	191,493	33,245	-
Net Change in Cash and Equivalents	(2,145,393)	10,007	40,415	150,000
<b>CASH AND EQUIVALENTS</b>				
Beginning of Year	7,963,654	527,556	111,044	-
End of Year	\$ 5,818,261	\$ 537,563	\$ 151,459	\$ 150,000
Cash and equivalents	\$ 5,818,261	\$ 382,367	\$ 151,393	\$ 150,000
Restricted cash and equivalents	-	155,196	66	-
Total cash and equivalents	\$ 5,818,261	\$ 537,563	\$ 151,459	\$ 150,000
<b>RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES</b>				
Income (loss) from operations	\$ (15,672,362)	\$ 3,638,790	\$ 902,721	\$ 72,093
Adjustments to reconcile income (loss) from operations to net cash from operating activities				
Depreciation and amortization	2,210,959	-	-	-
Provision for bad debts	1,702,663	-	-	-
Transfer to escrow agent	-	-	-	(2,252,144)
Transfers in	8,639,253	-	-	-
Changes in assets and liabilities				
Accounts receivable	5,098,735	(157,262)	(39,315)	-
Accounts receivable - Patient care	30,283	-	-	-
State and Federal aid receivable	(88,242)	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	35,966
Inventories	62,745	-	-	-
Prepaid expenses	-	(1,581)	-	-
Accounts payable	(1,740,900)	-	-	44,085
Accrued liabilities	-	-	-	-
Bid deposits	-	-	-	2,250,000
Due to other funds	-	-	-	-
Due to County of Rockland	-	-	(8,049)	-
Unearned revenues	4,179,012	-	-	-
Estimated third party liabilities	(167,447)	-	-	-
Claims payable	-	-	-	-
Compensated absences	(1,736,653)	-	-	-
Other post employment benefit obligations payable	8,248,017	-	-	-
Net Cash from Operating Activities	\$ 10,766,063	\$ 3,479,947	\$ 855,357	\$ 150,000
Noncash Investing Activities				
Increase in bonds payable from amortization of original issue and underwriters' discount	\$ -	\$ 54,849	\$ 10,997	\$ -
Increase in bonds payable from accreted interest	-	2,876,205	-	-

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

Total Business -Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 69,212,872	\$ -
4,443,376	-
-	34,893,929
-	609,079
18,016,805	-
(13,000)	-
-	(8,510,095)
(18,596,786)	(16,150,749)
(57,811,900)	(10,226,396)
<u>15,251,367</u>	<u>615,768</u>
(8,135,617)	-
(1,945,000)	-
(2,564,620)	-
<u>(12,645,237)</u>	<u>-</u>
849,140	-
(2,951,553)	(816,438)
(636,725)	(158,435)
(2,038,701)	-
<u>(4,775,839)</u>	<u>(974,873)</u>
285,527	9,027
(1,158,016)	-
1,098,290	-
(4,079,327)	-
4,078,264	-
<u>224,738</u>	<u>9,027</u>
(1,944,971)	(350,078)
<u>8,602,254</u>	<u>8,332,894</u>
\$ 6,657,283	\$ 7,982,816
\$ 6,502,021	\$ 7,982,816
155,262	-
\$ 6,657,283	\$ 7,982,816
\$ (11,058,758)	\$ (5,936,968)
2,210,959	1,652,654
1,702,663	-
(2,252,144)	-
8,639,253	-
4,902,158	7,779
30,283	-
(88,242)	(7,108)
-	(196,006)
35,966	351,346
62,745	(26,241)
(1,581)	67,235
(1,696,815)	48,791
-	(122,298)
2,250,000	-
-	6,305
(8,049)	-
4,179,012	-
(167,447)	-
-	2,840,006
(1,736,653)	41,431
8,248,017	1,888,842
\$ 15,251,367	\$ 615,768
\$ 65,846	\$ -
2,876,205	-

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County of Rockland, New York

Statement of Assets and Liabilities  
Fiduciary Fund  
December 31, 2014

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	<u>Agency</u>
<b>ASSETS</b>	
Cash and equivalents	\$ 6,616,869
Accounts receivable	<u>241,859</u>
Total Assets	<u>\$ 6,858,728</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 30,044
Employee payroll deductions	533,495
Deposits	4,327,180
Due to other governments	<u>1,968,009</u>
Total Liabilities	<u>\$ 6,858,728</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, 2014 (Rockland County Community College as of August 31, 2014)

	Rockland County Community College	Rockland County Soil and Water Conservation District	Rockland County Solid Waste Management Authority
<b>ASSETS</b>			
Cash and equivalents	\$ 14,414,776	\$ 143,298	\$ 22,403,720
Investments	3,786,919	52,449	-
Receivables			
Accounts, net of allowance for uncollectible amounts	10,547,537	7,000	3,230,985
State and Federal aid	1,020,874	60,000	540,826
Restricted cash	-	-	9,832,045
Restricted investments	-	-	2,527,270
Prepaid expenses	-	-	394,756
Intangible asset	-	-	15,506,746
Other assets	511,214	-	-
	<u>30,281,320</u>	<u>262,747</u>	<u>54,436,348</u>
Capital assets			
Not being depreciated	-	-	8,706,267
Being depreciated, net	3,583,346	-	27,518,326
	<u>3,583,346</u>	<u>-</u>	<u>36,224,593</u>
Total Capital Assets			
	<u>33,864,666</u>	<u>262,747</u>	<u>90,660,941</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amounts on refunding bonds	-	-	99,047
	<u>-</u>	<u>-</u>	<u>99,047</u>
<b>LIABILITIES</b>			
Accounts payable	10,409,775	-	6,744,162
Accrued liabilities	-	20,000	847,531
Accrued interest payable	-	-	123,615
Due to other governments	39,721	9,441	-
Unearned revenues	5,385,402	-	-
Non-current liabilities			
Due within one year	709,071	-	3,985,434
Due in more than one year	47,413,846	-	54,742,864
	<u>63,957,815</u>	<u>29,441</u>	<u>66,443,606</u>
Total Liabilities			
	<u>63,957,815</u>	<u>29,441</u>	<u>66,443,606</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Tuition assistance payments	1,085,577	-	-
	<u>1,085,577</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>			
Net investment in capital assets	3,583,346	-	6,474,293
Restricted for			
Capital projects	867,253	-	-
Student loans	11,358	-	-
Scholarships and student services	2,754,555	-	-
Permanent endowments	820,147	-	-
Unrestricted	(39,215,385)	233,306	17,842,089
	<u>(39,215,385)</u>	<u>233,306</u>	<u>17,842,089</u>
Total Net Position	<u>\$ (31,178,726)</u>	<u>\$ 233,306</u>	<u>\$ 24,316,382</u>

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



Rockland County Industrial Development Agency		Totals
\$ 1,752,893	\$	38,714,687
-		3,839,368
5,700		13,791,222
-		1,621,700
-		9,832,045
-		2,527,270
-		394,756
-		15,506,746
-		511,214
<u>1,758,593</u>		<u>86,739,008</u>
-		8,706,267
-		<u>31,101,672</u>
-		39,807,939
<u>1,758,593</u>		<u>126,546,947</u>
-		99,047
-		17,153,937
-		867,531
-		123,615
-		49,162
-		5,385,402
-		-
-		4,694,505
-		<u>102,156,710</u>
-		130,430,862
-		1,085,577
-		10,057,639
-		867,253
-		11,358
-		2,754,555
-		820,147
<u>1,758,593</u>		<u>(19,381,397)</u>
<u>\$ 1,758,593</u>	<u>\$</u>	<u>(4,870,445)</u>

**County of Rockland, New York**

Statement of Activities  
 Component Units  
 Year Ended December 31, 2014  
 (Rockland County Community College Year Ended August 31, 2014)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Rockland County Community College - Education	\$ 80,369,244	\$ 18,396,946	\$ 21,009,851	\$ 157,069
Rockland County Soil and Water Conservation District Home and Community Services	55,230	-	-	-
Rockland County Solid Waste Management Authority Home and Community Services	46,804,775	50,764,097	435,871	-
Rockland County Industrial Development Agency Economic Opportunity and Development	264,156	320,285	-	-
<b>Total Component Units</b>	<b>\$ 127,493,405</b>	<b>\$ 69,481,328</b>	<b>\$ 21,445,722</b>	<b>\$ 157,069</b>

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

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	Totals
\$ (40,805,378)	\$ -	\$ -	\$ -	\$ (40,805,378)
-	(55,230)	-	-	(55,230)
-	-	4,395,193	-	4,395,193
-	-	-	56,129	56,129
<u>(40,805,378)</u>	<u>(55,230)</u>	<u>4,395,193</u>	<u>56,129</u>	<u>(36,409,286)</u>
462,538	10	154,738	1,427	618,713
16,375,600	-	-	-	16,375,600
16,772,015	66,100	-	-	16,838,115
<u>1,527,119</u>	<u>13,195</u>	<u>55,340</u>	<u>37,451</u>	<u>1,633,105</u>
<u>35,137,272</u>	<u>79,305</u>	<u>210,078</u>	<u>38,878</u>	<u>35,465,533</u>
(5,668,106)	24,075	4,605,271	95,007	(943,753)
<u>(25,510,620)</u>	<u>209,231</u>	<u>19,711,111</u>	<u>1,663,586</u>	<u>(3,926,692)</u>
<u>\$ (31,178,726)</u>	<u>\$ 233,306</u>	<u>\$ 24,316,382</u>	<u>\$ 1,758,593</u>	<u>\$ (4,870,445)</u>

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**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, 2014

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### **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.

The Rockland County Health Facilities Corporation ("Corporation") is a not-for-profit local development corporation created pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York (the "LDC Act") and legislative resolution to lessen the burdens of local government and acting in the public interest of the County. The legislative resolution, was passed on April 16, 2013, and the County executed a lease and leaseback agreement between the County and the Corporation providing for the transfer to the Corporation of all of the County's right, title and interest in the Skilled Nursing Facility by ninety-nine year lease, with the option to take fee title, subject to the retained rights of the County to continue to operate such facility until such time as the Corporation terminates such reserved rights. Members of the Corporation are appointed by the County Executive and the County Legislature. The governing board of the Corporation serves at the pleasure of the County Executive, and therefore, the primary government is able to impose its will on the Corporation. The County provides operating support to the Corporation and the County is liable for the Corporation's debt. Since the Corporation provides services that exclusively, or almost exclusively provides benefit to the County, the financial statements of the Corporation have been reflected as a blended component unit.

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

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

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

Rockland County Solid Waste Management Authority  
420 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  
3<sup>rd</sup> Floor  
New City, New York 10956

Rockland Second Tobacco  
Asset Securitization Corporation  
18 New Hempstead Road  
3<sup>rd</sup> Floor

**Note 1 - Summary of Significant Accounting Policies (Continued)**

New City, New York 10956  
Rockland County Health Facilities Corporation  
50 Sanitorium Road  
Building L  
Pomona, New York 10970

**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.

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 is 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.



**Note 1 - Summary of Significant Accounting Policies (Continued)**

**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:

**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 accounted for and reported in another fund.

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 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.

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

equipment and for the purchase, construction and maintenance of buildings for the storage and repair of highway machinery and equipment.

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

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

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

Debt Service Fund - The Debt Service Fund is provided to account for 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") guidance 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 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.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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 are 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 revenues and are subject to audit and possible adjustment by the third-party reimbursement agencies. Retroactively calculated third-party contractual adjustments are accrued on an estimated basis in the period the services are rendered and adjusted in future periods as required.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. A ninety-day availability period is used for revenue recognition for all other governmental fund revenues. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, certain claims, 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 reflects 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 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") guidance issued after November 30, 1989 in accounting and reporting their operations.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**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 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, 2014.

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

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

**Taxes Receivable** - Real property taxes are levied and attach as a lien against real property on January 1<sup>st</sup>. 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.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

The County enforces delinquent real property taxes under the provisions of Article 11 (Article 11 applies to taxes levied after December 31, 1995 and provides for the foreclosure of tax sale liens by proceedings in rem) of the Real Property Tax Law. Enforcement procedures set forth in Article 11 provide that the enforcing officer shall file a petition of foreclosure twenty-one months after the lien date (the County may extend the filing date for residential and farm property by one or two years). Such petition is required to be filed with the County Clerk within two business days after the execution of the petition. After the petition has been filed with the County Clerk, a notice of foreclosure must be published in at least two newspapers designated by the enforcing officer. The published notice shall include the date of the last day on which delinquent taxes may be redeemed. The redemption date must be at least three months after the date the notice is first published. If the delinquent taxes, including all related charges, are not paid on the date specified in the notice of foreclosure, the Court generally makes a final judgment awarding the property to the County. Such judgment will contain an order that a deed conveying title to the County shall be prepared, executed and duly recorded. No proceeding to set aside the deed may be maintained unless proceedings are commenced within two years from the date of recording the deed. Properties acquired by the County through tax enforcement procedures must be sold at a public auction.

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

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

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

**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, 2014, 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.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**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.

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

Restricted cash 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 Assets** - 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.

**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.

## County of Rockland, New York

Notes to Financial Statements (Continued)  
December 31, 2014

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### **Note 1 - Summary of Significant Accounting Policies (Continued)**

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).

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 a revenue recognition criterion 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 \$1,836,277 for State and Federal aid received in advance in the General Fund. The County has also reported unearned revenues of \$6,665,811 for Federal aid received in advance in the Community Development Fund, \$4,680,181 in the Enterprise Fund - Home Infirmary Fund for State and Federal aid received in advance and \$5,385,402 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.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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.

The County reported deferred outflows of resources of \$3,877,614 and \$99,047 for a deferred loss on refunding bonds in the government-wide and component units Statements of Net Position. These amounts result from the difference in the carrying value of the refunded debt and its reacquisition price. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt.

The County has reported deferred inflows of resources of \$12,178,158 for real property taxes in the General Fund and of \$1,085,577 for tuition assistance payments in the component units Statements of Net Position. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**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 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 expended as incurred.

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, deferred outflows of resources, liabilities and deferred inflows of resources. 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, debt service, 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 deferred outflows of resources and current liabilities and deferred inflows of resources. 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



**Note 1 - Summary of Significant Accounting Policies (Continued)**

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 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 is 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 is 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 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, represents amounts constrained either by policies of the County Legislature for amounts assigned for balancing the subsequent year's budget or the Commissioner of Finance for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. 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.

In order to calculate the amounts to report as restricted and unrestricted fund balance in governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. 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.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**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 25, 2015.

**I. Change in Accounting Estimate**

The Solid Waste Management Authority retained a different actuary in 2014 to value its other post employment benefit obligations. Certain actuarial assumptions were modified and changed including the discount rate used and the amortization of the unfunded actuarial liabilities was discontinued. The effects of this change increased the Net Position in the amount of \$1,689,933.

**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 1<sup>st</sup>.
- 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.

## County of Rockland, New York

Notes to Financial Statements (Continued)  
December 31, 2014

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### **Note 2 - Stewardship, Compliance and Accountability (Continued)**

- 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 2014 was \$567,934,856, which exceeded the actual levy by \$461,974,689.

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

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a County in a particular year. The original legislation that established the Tax levy Limitation Law was set to expire on June 16, 2016. Chapter 20 of the Laws of 2015 extends the Tax levy Limitation Law through June 2020.

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

**Note 2 - Stewardship, Compliance and Accountability (Continued)**

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. Fund Deficits**

The General Fund has an unassigned deficit of \$29,910,383 at December 31, 2014.

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 \$160,920,873, \$74,980,655, \$3,277,056, \$22,868,894 and \$18,775,459, respectively at December 31, 2014. These deficits will be addressed in the subsequent year.

**D. Prior Period Adjustments**

*Capital Assets*

The County's financial system software was capitalized in the General Services fund and also within Capital Assets. As of December 31, 2013 the assets had a net book value of \$5,689,113. The asset was fully depreciated and deleted from Capital Assets, which caused a decrease in net position of \$5,689,113.

*Workers Compensation Fund*

In prior years, the County did not utilize the services of an actuary to determine their liability for their workers' compensation claims liability. The liability used by the County were only for claims reported by the Administrator. In the current year an actuarial report was prepared indicating that the liability at December 31, 2013 should have been \$12,217,998 higher than the amount reported. A prior period adjustment has been recorded for this amount.

## County of Rockland, New York

Notes to Financial Statements (Continued)  
December 31, 2014

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### **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 2015, interest at 4.375% \$ 1,158,016

Investments of the Rockland County Community College (component unit) consist of government securities and Treasury bills and notes valued at cost which approximates fair value.

Investments of the Rockland County Soil and Water Conservation District (component unit) consist 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, 2014 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	February, 2015	4.75 %	\$ 3,367,568
Rockland Second Tobacco Asset Securitization Corporation Commercial paper, at cost, which approximates fair value	February, 2015	-	<u>711,759</u>
			<u>4,079,327</u>
Rockland County Solid Waste Management Authority Collateralized Investment Agreements AIG Matched Funding Corp.	12/15/2025	4.59	555,651
Repurchase Agreement Westdeutsche Landesbank	12/15/2016	6.43	1,130,599
U.S. Treasury Bond SLUG	06/15/2025	-	<u>841,020</u>
			<u>2,527,270</u>
			<u>\$ 6,606,597</u>

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.

**County of Rockland, New York**

Notes to Financial Statements (Continued)  
December 31, 2014

**Note 3 - Detailed Notes on All Funds (Continued)**

**B. Taxes Receivable**

Taxes receivable at December 31, 2014 consisted of the following:

Tax liens	\$ 32,602,850
Tax installments	9,244,824
Returned school districts taxes	26,206,797
Returned village taxes	<u>2,788,981</u>
	70,843,452
Allowance for uncollectible taxes	<u>(3,100,000)</u>
Taxes Receivable	<u><u>\$ 67,743,452</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 2015. Taxes receivable, at the fund level, are also partially offset by deferred tax revenues of \$12,178,158, 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 \$12,869,516 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, 2014 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>	<u>Advances From/To</u>
General	\$ -	\$ 4,336,448	\$ 59,594,499
Capital Projects	-	1,500,763	-
Non-Major Governmental	3,109,392	899,148	-
Home and Infirmary	-	2,946,284	(59,594,499)
County Health Facilities Corporation	6,702	-	-
Internal Service	6,572,854	6,305	-
	<u>\$ 9,688,948</u>	<u>\$ 9,688,948</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, 2014

**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, 2014 (As restated)	Additions	Deductions	Balance December 31, 2014
<b>Governmental Activities (inclusive of Internal Service Funds)</b>				
Capital Assets, not being depreciated				
Land	\$ 68,110,769	\$ -	\$ -	\$ 68,110,769
Construction-in-progress	311,890,374	45,891,032	3,810,625	353,970,781
Total Capital Assets, not being depreciated	<u>\$ 380,001,143</u>	<u>\$ 45,891,032</u>	<u>\$ 3,810,625</u>	<u>\$ 422,081,550</u>
Capital Assets, being depreciated				
Buildings	\$ 124,935,719	\$ -	\$ -	\$ 124,935,719
Improvements	113,310,581	2,600,661	823,027	115,088,215
Equipment	106,298,484	1,742,599	10,820,134	97,220,949
Infrastructure	544,217,930	252,409		544,470,339
Total Capital Assets, being depreciated	<u>888,762,714</u>	<u>4,595,669</u>	<u>11,643,161</u>	<u>881,715,222</u>
Less Accumulated Depreciation for				
Buildings	58,347,690	3,306,858	-	61,654,548
Improvements	71,085,323	7,502,616	823,027	77,764,912
Equipment	76,006,444	7,791,666	10,820,134	72,977,976
Infrastructure	355,840,339	9,420,376	-	365,260,715
Total Accumulated Depreciation	<u>561,279,796</u>	<u>28,021,516</u>	<u>11,643,161</u>	<u>577,658,151</u>
Total Capital Assets, being depreciated, net	<u>\$ 327,482,918</u>	<u>\$ (23,425,847)</u>	<u>\$ -</u>	<u>\$ 304,057,071</u>
<b>Governmental Activities Capital Assets, net</b>	<u>\$ 707,484,061</u>	<u>\$ 22,465,185</u>	<u>\$ 3,810,625</u>	<u>\$ 726,138,621</u>

County of Rockland, New York

Notes to Financial Statements (Continued)  
December 31, 2014

**Note 3 - Detailed Notes on All Funds (Continued)**

Class	Balance January 1, 2014	Additions	Deductions	Balance December 31, 2014
<b>Business-type Activities</b>				
Capital Assets, not being depreciated				
Land	\$ 438,504	\$ -	\$ -	\$ 438,504
Construction-in-progress	3,322,594	2,453,153	3,301,623	2,474,124
Total Capital Assets, not being depreciated	<u>\$ 3,761,098</u>	<u>\$ 2,453,153</u>	<u>\$ 3,301,623</u>	<u>\$ 2,912,628</u>
Capital Assets, being depreciated				
Buildings	\$ 47,957,135	\$ 480,092	\$ -	\$ 48,437,227
Improvements	345,975	-	-	345,975
Equipment	18,316,568	2,822,107	527,697	20,610,978
Total Capital Assets, being depreciated	<u>66,619,678</u>	<u>3,302,199</u>	<u>527,697</u>	<u>69,394,180</u>
Less Accumulated Depreciation for				
Buildings	39,384,026	1,190,379	-	40,574,405
Improvements	345,975	-	-	345,975
Equipment	11,985,475	1,020,580	527,697	12,478,358
Total Accumulated Depreciation	<u>51,715,476</u>	<u>2,210,959</u>	<u>527,697</u>	<u>53,398,738</u>
Total Capital Assets, being depreciated, net	<u>\$ 14,904,202</u>	<u>\$ 1,091,240</u>	<u>\$ -</u>	<u>\$ 15,995,442</u>
Business-type Activities Capital Assets, net	<u>\$ 18,665,300</u>	<u>\$ 3,544,393</u>	<u>\$ 3,301,623</u>	<u>\$ 18,908,070</u>

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

Governmental Activities	
General Government Support	\$ 4,582,482
Education	3,844,869
Public Safety	2,916,810
Health	422,279
Transportation	6,712,956
Economic Opportunity and Development	98,230
Culture and Recreation	536,489
Home and Community Services	7,254,747
Capital assets held by the government's internal service fund are charged to the various functions based on their usage of the assets	<u>1,652,654</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 28,021,516</u>
Business-type Activities - Home and Infirmary	<u>\$ 2,210,959</u>



County of Rockland, New York

Notes to Financial Statements (Continued)  
December 31, 2014

**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, 2013	Additions	Balance August 31, 2014
Capital Assets, being depreciated - Equipment	\$ 12,305,380	\$ 75,343	\$ 12,380,723
Less Accumulated Depreciation	<u>(8,127,806)</u>	<u>(669,571)</u>	<u>(8,797,377)</u>
Community College Capital Assets, net	<u>\$ 4,177,574</u>	<u>\$ (594,228)</u>	<u>\$ 3,583,346</u>

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

Class	Balance January 1, 2014	Additions	Balance December 31, 2014
Capital Assets, being depreciated - Equipment	\$ 13,969	\$ -	\$ 13,969
Less Accumulated Depreciation	<u>(13,862)</u>	<u>(107)</u>	<u>(13,969)</u>
Soil and Water Conservation District Capital Assets, net	<u>\$ 107</u>	<u>\$ (107)</u>	<u>\$ -</u>

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

Class	Balance January 1, 2014	Additions	Deductions	Balance December 31, 2014
Capital Assets, not being depreciated				
Land	\$ 6,200,325	\$ 518,380	\$ -	\$ 6,718,705
Construction-in-progress	<u>1,682,088</u>	<u>1,820,312</u>	<u>(1,514,838)</u>	<u>1,987,562</u>
Total Capital Assets, not being depreciated	<u>\$ 7,882,413</u>	<u>\$ 2,338,692</u>	<u>\$ (1,514,838)</u>	<u>\$ 8,706,267</u>
Capital Assets, being depreciated				
Buildings	\$ 49,989,373	\$ 1,043,370	\$ (2,708,862)	\$ 48,323,881
Improvements	2,420,054	-	-	2,420,054
Equipment	<u>19,023,598</u>	<u>224,900</u>	<u>-</u>	<u>19,248,498</u>
Total Capital Assets, being depreciated	<u>71,433,025</u>	<u>1,268,270</u>	<u>(2,708,862)</u>	<u>69,992,433</u>

County of Rockland, New York

Notes to Financial Statements (Continued)  
December 31, 2014

**Note 3 - Detailed Notes on All Funds (Continued)**

Class	Balance January 1, 2014	Additions	Deductions	Balance December 31, 2014
Less Accumulated Depreciation for				
Buildings	\$ 27,610,100	\$ 2,524,501	\$ (2,099,368)	\$ 28,035,233
Improvements	677,615	96,802	-	774,417
Equipment	12,760,907	903,550	-	13,664,457
Total Accumulated Depreciation	<u>41,048,622</u>	<u>3,524,853</u>	<u>(2,099,368)</u>	<u>42,474,107</u>
Total Capital Assets, being depreciated, net	<u>\$ 30,384,403</u>	<u>\$ (2,256,583)</u>	<u>\$ (609,494)</u>	<u>\$ 27,518,326</u>
Solid Waste Management Authority Capital Assets, net	<u>\$ 38,266,816</u>	<u>\$ 82,109</u>	<u>\$ (2,124,332)</u>	<u>\$ 36,224,593</u>

**Impairment of Capital Asset**

On February 14, 2014 there was a roof collapse at the Biosolid Co-Composting Facility due to heavy snow accumulation. The facility has been inoperable since that time. The Authority's engineer has estimated the cost to repair the building to be at \$3.8 million. The authority has incurred costs of \$1,718,952 for repairs to the facility which is included in construction in progress at December 31, 2014. The impairment of the asset was determined using the restoration cost approach, net of applicable insurance recoveries.

**E. Accrued Liabilities**

Accrued liabilities at December 31, 2014 were as follows:

	Governmental Activities	Business- Type Activities	Total
Payroll and employee benefits	\$ 27,603,949	\$ -	\$ 27,603,949
Other	7,741,402	835,374	8,576,776
Total Accrued Liabilities	<u>\$ 35,345,351</u>	<u>\$ 835,374</u>	<u>\$ 36,180,725</u>

County of Rockland, New York

Notes to Financial Statements (Continued)  
December 31, 2014

**Note 3 - Detailed Notes on All Funds (Continued)**

**F. Short-Term Non-Capital Borrowings**

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

Purpose	Year of Original Issue	Maturity Date	Rate of Interest	Balance January 1, 2014	New Issues	Redemptions	Balance December 31, 2014
Tax Anticipation Notes:							
County Operations	2013	-	- %	\$ 55,000,000	\$ -	\$ 55,000,000	\$ -
County Operations	2014	3/17/2015	2.00	-	55,000,000	-	55,000,000
Revenue Anticipation Notes:							
County Operations	2013	-	-	45,000,000	-	45,000,000	-
County Operations	2013	-	-	60,000,000	-	60,000,000	-
County Operations	2014	8/12/2015	1.50	-	10,000,000	-	10,000,000
County Operations	2014	8/12/2015	1.25	-	10,000,000	-	10,000,000
				<u>\$ 160,000,000</u>	<u>\$ 75,000,000</u>	<u>\$ 160,000,000</u>	<u>\$ 75,000,000</u>

The \$55,000,000 tax anticipation notes that were issued on March 14, 2013, matured on March 14, 2014. Interest expenditures of \$1,237,500 was recorded in the General Fund financial statements. The \$45,000,000 revenue anticipation notes that were issued on March 14, 2013, matured on March 14, 2014, the \$60,000,000 revenue anticipation notes that were issued on July 2, 2013, matured on June 27, 2014. Interest expenditures of \$2,047,917 was recorded in the General Fund financial statements.

Tax anticipation notes, in the amount of \$55,000,000 were issued on March 17, 2014. They mature on March 17, 2015 and have an interest rate of 2.00%. Interest expense of \$883,056 was recorded in the government wide financial statements for governmental activities. Revenue anticipation notes, in the amount of \$10,000,000 were issued on August 12, 2014. They mature on August 12, 2015 and have an interest rate of 1.50%. Interest expense of \$58,750 was recorded in the government wide financial statements for governmental activities. Additional revenue anticipation notes, of \$10,000,000 were issued on August 12, 2014. They mature on August 12, 2015 and have an interest rate of 1.25%. Interest expense of \$48,958 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, 2014	New Issue	Redemptions	Balance December 31, 2014
Sewer Improvements	2013	-	- %	\$ 550,000	\$ -	\$ 550,000	\$ -
Public Improvements	2013	-	-	9,065,000	-	9,065,000	-
Sewer Improvements	2013	-	-	11,645,000	-	11,645,000	-
Sewer Improvements	2013	-	-	3,000,000	-	3,000,000	-
Sewer Improvements	2014	4/8/15	1.75	-	1,625,503	-	1,625,503
				<u>\$ 24,260,000</u>	<u>\$ 1,625,503</u>	<u>\$ 24,260,000</u>	<u>\$ 1,625,503</u>

**County of Rockland, New York**

Notes to Financial Statements (Continued)  
December 31, 2014

**Note 3 - Detailed Notes on All Funds (Continued)**

***Business-type Activities***

<u>Purpose</u>	<u>Year of Original Issue</u>	<u>Maturity Date</u>	<u>Rate of Interest</u>	<u>Balance January 1, 2014</u>	<u>New Issue</u>	<u>Redemptions</u>	<u>Balance December 31, 2014</u>
Public Improvements	2013	-	- %	<u>\$ 337,000</u>	<u>\$ -</u>	<u>\$ 337,000</u>	<u>\$ -</u>

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 \$199,347 were recorded in the fund financial statements in the Sewer Fund and \$207,593 was recorded in the General Fund. Interest expense of \$418,081 was recorded in the government-wide financial statements for governmental activities. Interest expense of \$3,089 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, 2015 are as follows:

<u>Tier/Plan</u>	<u>Rate</u>
1 75I	27.7%
1 89D,M	35.0
2 75I	25.3
2 89PAF	30.2
3 A14	20.3
3 553B	33.8

County of Rockland, New York

Notes to Financial Statements (Continued)  
December 31, 2014

**Note 3 - Detailed Notes on All Funds (Continued)**

	<u>Tier/Plan</u>	<u>Rate</u>
4	553B	33.8%
4	603OR	29.2
4	604PR	29.2
4	604S4	22.1
4	89PAF	22.1
4	89VR3	22.1
4	89VR4	22.1
4	A15	20.3
5	553B	30.8
5	89PAF	19.5
5	89VR4	19.5
5	604PR	26.3
5	A15	16.6
6	553B	23.5
6	89PAF	12.9
6	89VR4	12.9
6	A15	10.9

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

		<u>Component Units</u>		
	<u>Primary Government</u>	<u>College</u>	<u>Solid Waste Management Authority</u>	<u>Industrial Development Agency</u>
2014	\$ 23,479,212	\$ 1,746,030	\$ 414,580	\$ 14,400
2013	22,068,198	1,348,254	415,108	11,000
2012	20,305,004	1,174,744	417,126	7,050

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

## County of Rockland, New York

Notes to Financial Statements (Continued)  
December 31, 2014

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### Note 3 - Detailed Notes on All Funds (Continued)

The current ERS contribution for the primary government was charged to the funds identified below.

	<u>Amount</u>
Governmental Funds	
General	\$ 15,468,261
County Road	871,558
Road Machinery	83,060
Sewer	869,471
	<u>17,292,350</u>
Proprietary Funds	
General Services	1,432,688
Workers' Compensation Benefits	12,966
Hospital	4,741,208
	<u>6,186,862</u>
	<u>\$ 23,479,212</u>

### **Community College**

The College participates in ERS, the New York State Teachers' Retirement System ("TRS") and the Teachers' Insurance and Annuity Association - College Retirement Equities Fund ("TIAA-CREF"). The ERS plan is the same System which covers County employees. The elements of this System are described above. TRS is a cost-sharing multiple-employer defined benefit pension plan 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 – The Systems are 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% of their salary for ERS and 3.5% for TRS 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 to ERS 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 to ERS consist of a life insurance portion and regular pension contributions. Pursuant to Article 11 of Education Law, contribution rates are established annually for TRS by the New York State Teachers' Retirement Board. Contribution rates for the plans years' ending in 2014 are as follows:

**County of Rockland, New York**

Notes to Financial Statements (Continued)  
December 31, 2014

**Note 3 - Detailed Notes on All Funds (Continued)**

ERS			TRS	
	Tier/Plan	Rate	Tier/Plan	Rate
1	751	28.8 %	1-6	16.25 %
2	751	28.8		
3	A14	21.1		
4	A15	21.1		
5	A15	17.0		
6	A15	11.6		

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

	ERS	TRS
2014	\$ 1,746,030	\$ 958,322
2013	1,348,254	673,187
2012	1,174,744	634,691

The College's contributions made to the Systems were equal to 100% of the contributions required for each year.

TIAA-CREF is a privately operated contribution retirement 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:

2014	\$ 1,998,055
2013	2,044,523
2012	2,068,958

**Solid Waste Management Authority**

The Authority participates in the New York State and Local Employees' Retirement System ("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 and 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 a regular pension contribution. Contribution rates for the plan year ended March 31, 2015 is as follows:

Tier/Plan	Rate
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**County of Rockland, New York**

Notes to Financial Statements (Continued)  
December 31, 2014

**Note 3 - Detailed Notes on All Funds (Continued)**

4 A15	20.1 %
5 A15	16.4

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

2014	\$	414,580
2013		415,108
2012		417,126

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

**Industrial Development Agency**

The County of Rockland Industrial Development Agency also participates in the New York State and Local Employees' Retirement System. This is a cost sharing multiple public employee retirement system. The System provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody of control of their funds. The system issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, Gov. Alfred e. Smith State Office Building, Albany, New York 12244.

**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.

**I. Long-Term Liabilities**

The following table summarizes changes in the County's long-term indebtedness for the year ended December 31, 2014:

	Balance January 1, 2014 (As restated)	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2014	Due Within One Year
Governmental Activities:					
Bonds Payable					
Capital Construction	\$ 339,299,456	\$ 104,317,857	\$ 68,002,449	\$ 375,614,864	\$ 31,720,474
Other	49,710,000	96,000,000	3,130,000	142,580,000	3,665,000
	389,009,456	200,317,857	71,132,449	518,194,864	35,385,474



County of Rockland, New York

Notes to Financial Statements (Continued)  
December 31, 2014

**Note 3 - Detailed Notes on All Funds (Continued)**

	Balance January 1, 2014 (As restated)	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2014	Due Within One Year
Plus-Unamortized premium on bonds	\$ 1,560,444	\$ 15,595,967	\$ 1,094,069	\$ 16,062,342	\$ -
	390,569,900	215,913,824	72,226,518	534,257,206	35,385,474
Compensated Absences	20,374,162	285,046	2,037,000	18,622,208	1,866,978
New York State Loan Payable - Retirement	32,869,565	10,929,140	3,487,940	40,310,765	3,653,991
Pension Obligations	4,853,277	-	2,456,753	2,396,524	2,396,524
Due to NYS Power Authority	2,597,879	-	400,846	2,197,033	407,148
Claims Payable	28,521,858	10,737,083	7,897,077	31,361,864	3,229,489
Other Post Employment Benefit Obligations Payable	195,283,314	37,230,790	13,726,548	218,787,556	-
<b>Governmental Activities</b>					
Long-term Liabilities	\$ 675,069,955	\$ 275,095,883	\$ 102,232,682	\$ 847,933,156	\$ 46,939,604
<b>Business-type Activities:</b>					
Bonds Payable	\$ 105,306,026	\$ 849,140	\$ 2,853,934	\$ 103,301,232	\$ 2,570,008
Plus-Unamortized premium on bonds	(1,236,434)	-	(65,849)	(1,170,585)	-
	104,069,592	-	-	102,130,647	2,570,008
Compensated Absences	9,143,737	-	1,736,653	7,407,084	741,000
Estimated third party liability	2,344,160	714,207	-	3,058,367	-
Other Post Employment Benefit Obligations Payable	86,411,273	15,615,582	7,367,565	94,659,290	-
<b>Business-type Activities</b>					
Long-term Liabilities	\$ 201,968,762	\$ 16,329,789	\$ 9,104,218	\$ 207,255,388	\$ 3,311,008
<b>Solid Waste Management Authority - Component Unit -</b>					
Bonds Payable	\$ 59,510,434	\$ 6,495,000	\$ 10,250,000	\$ 55,755,434	\$ 3,985,434
Less-Unamortized premium on bonds	(827,292)	-	(129,128)	(698,164)	-
	58,683,142	6,495,000	10,120,872	55,057,270	3,985,434
Capital lease payable	174,052	-	174,052	-	-
Other Post Employment Benefit Obligations Payable	4,867,419	493,542	1,689,933	3,671,028	-
<b>Solid Waste Management</b>					
Long-term Liabilities	\$ 63,724,613	\$ 6,988,542	\$ 11,984,857	\$ 58,728,298	\$ 3,985,434
<b>Rockland County Community College - Component Unit -</b>					
Compensated Absences	\$ 5,034,576	\$ 252,428	\$ 503,000	\$ 4,784,004	\$ 478,400
Other Post Employment Benefit Obligations Payable	37,603,075	8,419,217	3,557,500	42,464,792	-
	\$ 42,637,651	\$ 8,671,645	\$ 4,060,500	\$ 47,248,796	\$ 478,400

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.

County of Rockland, New York

Notes to Financial Statements (Continued)  
December 31, 2014

**Note 3 - Detailed Notes on All Funds (Continued)**

**Bonds Payable**

Bonds payable at December 31, 2014 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2014
Tobacco	2001	\$ 47,750,000	August, 2040	4.625-5.750 %	\$ 38,045,000
Sewer EFC Refunding 1996	2003	4,855,000	December, 2025	4.625-5.200	205,000
Sewer Refunding 93 Bonds	2003	3,525,000	March, 2017	4.000	225,000
Tobacco	2003	9,715,000	June 2038	5.027-5.270	5,250,000
Sewer EFC 2004D	2004	31,082,062	February, 2034	4.251-5.150	23,735,000
Various Purposes	2004	29,311,745	January, 2017	3.500-3.750	8,620,000
Sewer EFC 2005A	2005	12,395,713	May, 2034	2.094-4.569	8,810,000
Sewer EFC 2005B	2005	34,756,050	October, 2034	3.529-4.129	25,140,000
Various Purposes Serial Bonds	2005	30,000,000	February, 2019	3.500	2,340,000
Tobacco	2005	26,964,181	August, 2040	5.875-7.625	44,252,617
Sewer EFC 2006C	2006	14,930,177	April, 2035	4.171-4.861	11,535,000
Various Purposes A	2006	24,512,500	April, 2017	3.875-4.000	8,190,000
Various Purposes B	2006	13,749,700	December, 2021	3.800-4.000	7,610,000
Various Purposes	2007	28,824,000	August, 2027	4.375-4.500	22,145,000
Mirant Settlement	2007	8,095,748	January, 2027	4.125-4.250	6,170,000
Mirant Settlement	2008	24,000,000	June, 2028	4.500-4.650	19,225,000
Various Purpose Refunding	2009	21,250,000	May, 2016	3.000-4.000	4,290,000
Various Purpose	2010	33,791,000	September, 2017	2.000-3.500	27,140,000
Various Purpose Refunding	2010	19,225,000	May, 2031	3.000-4.000	9,935,000
Sewer EFC 2010C	2010	15,128,142	October, 2039	1.753-4.603	13,250,000
Public Improvement	2010	11,400,000	June, 2020	3.000-3.125	7,200,000
Sewer EFC 2011C	2011	28,290,003	November, 2040	1.133-4.746	25,180,000
Various Purpose	2011	20,335,000	June, 2026	4.250-4.500	17,315,000
Judgments	2011	5,000,000	December, 2031	3.500-5.000	4,485,000
Sewer EFC Refunding 2002I	2012	795,000	September, 2022	4.720-5.380	664,000
Sewer EFC Refunding 2002I	2012	979,000	September, 2022	4.720-5.380	818,000
Sewer EFC Refunding 2002I	2012	452,000	September, 2021	4.720-5.380	368,000
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	3,550,000
Various Purpose	2012	36,322,000	October, 2032	3.500-3.750	33,630,000
Judgments	2012	5,000,000	December, 2022	4.000-5.000	4,500,000
Various Purpose	2013	33,746,000	October, 2027	3.000-4.000	31,780,000
Various Purpose Refunding	2013	7,835,000	March, 2018	4.000-5.000	7,815,000
Various Purpose 2013B	2013	5,000,000	December, 2023	5.0000	5,000,000
Sewer EFC Refunding 2013B	2013	13,841,482	May, 2043	0.653-4.756	13,156,482
Various Purpose 2014A	2014	96,000,000	December, 2024	4.778-5.000	96,000,000
Public Improvement 2014B	2014	10,734,000	December, 2044	4.250-4.500	10,734,000
Public Improvement 2014C	2014	41,549,000	May, 2023	3.000-4.000	41,549,000
Sewer EFC 2014B	2014	11,113,997	May, 2044	0.181-4.292	11,113,997
Various Purpose Refunding 2014	2014	10,297,000	February, 2019	2.000-3.000	10,297,000
Various Purpose Refunding 2014	2014	7,738,000	February, 2023	2.000-4.000	7,738,000
					<u>\$ 621,496,096</u>

**Note 3 - Detailed Notes on All Funds (Continued)**

**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 \$227,429 has been charged to the General Fund. The liability has been fully repaid at December 31, 2014.

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, 2014 was \$2,396,524.

**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 \$47,934,757. The balance due at December 31, 2014 was \$40,310,765.

**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, 2014 is \$2,197,033.

County of Rockland, New York

Notes to Financial Statements (Continued)  
December 31, 2014

**Note 3 - Detailed Notes on All Funds (Continued)**

**Payments to Maturity**

The annual requirements to amortize all bonded debt outstanding as of December 31, 2014 including interest payments of \$147,790,609 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
2015	\$ 35,385,474	\$ 20,667,457	\$ 407,148	\$ 10,896	\$ 3,653,991	\$ 1,167,243
2016	45,200,854	17,092,588	409,547	7,875	3,790,555	1,036,334
2017	41,916,724	15,117,594	411,640	6,078	3,926,263	900,626
2018	36,737,640	13,666,948	413,745	3,974	4,066,955	759,934
2019	38,038,165	12,317,570	415,860	1,859	4,212,816	614,074
2020-2024	177,344,512	40,576,119	139,093	148	20,660,185	996,851
2025-2029	76,122,459	15,549,408	-	-	-	-
2030-2034	42,099,036	6,332,296	-	-	-	-
2035-2039	16,785,000	2,631,920	-	-	-	-
2040-2044	8,565,000	510,904	-	-	-	-
	<u>\$ 518,194,864</u>	<u>\$ 144,462,804</u>	<u>\$ 2,197,033</u>	<u>\$ 30,830</u>	<u>\$ 40,310,765</u>	<u>\$ 5,475,062</u>

Year Ending December 31,	Pension Obligations		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
	2015	\$ 2,396,524	\$ 179,739	\$ 2,570,008	\$ 2,097,072	\$ 44,413,145
2016	-	-	6,089,784	3,942,977	55,490,740	22,079,774
2017	-	-	5,369,396	2,772,232	51,624,023	18,796,530
2018	-	-	5,870,400	2,614,223	47,088,740	17,045,079
2019	-	-	6,617,435	2,443,986	49,284,276	15,377,489
2020-2024	-	-	19,249,488	9,384,704	61,916,329	22,318,207
2025-2029	-	-	19,642,541	3,676,099	217,786,331	45,249,217
2030-2034	-	-	18,513,654	101,964	94,636,113	15,651,372
2035-2039	-	-	19,378,526	-	61,477,562	6,332,296
2040-2044	-	-	-	-	8,565,000	510,904
	<u>\$ 2,396,524</u>	<u>\$ 179,739</u>	<u>\$ 103,301,232</u>	<u>\$ 27,033,257</u>	<u>\$ 692,282,259</u>	<u>\$ 187,483,275</u>

Interest expenditures/expense of \$12,367,202 and \$137,210, were recorded in the fund financial statements in the Debt Service Fund and Internal Service Fund, respectively. Interest expense of \$13,997,021 was recorded in the government-wide financial statements for governmental activities. Interest expense of \$200,044, \$5,138,094 and \$336,693 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, 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.

**Note 3 - Detailed Notes on All Funds (Continued)**

**Current Year Refunding**

In July 2014, the County issued \$23,735,000 in Environmental Facilities Corporation (EFC) bonds with interest rates ranging from 0.1815% to 4.2925%. The proceeds were used to refund \$23,735,000 of outstanding 2004D EFC bonds which had interest rates ranging from 1.991% to 5.150%.

The net proceeds of \$24,400,204 (including interest of \$861,922 and after payment of \$196,718 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. The future debt service payment was paid prior to fiscal year ended December 31, 2014.

The net carrying amount of the old debt exceeded the reacquisition price by \$665,204. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. The current refunding reduced its total debt service payments over 20 years by \$2,696,574 and to obtain an economic gain of \$2,106,977.

**Advanced Refunding**

The County issued \$18,035,000 in serial bonds with interest rates ranging from 0.57% to 4.0%. The proceeds were used to refund \$10,297,000 of outstanding 2005 serial bonds, and \$8,110,000 of outstanding 2003 public improvement bonds which had interest rates ranging from 3.0% to 4.0% and 2.5% to 4.0%, respectively.

The net proceeds of \$18,923,027 (including a \$794,680 premium and after payment of \$227,290 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. The future debt service payment is to be paid in January 2015 and February 2015. As a result, the 2005 serial bonds and 2003 public improvement bonds are considered defeased and the liability for those bonds have been removed from the statement of net position.

The net carrying amount of the old debt exceeded the reacquisition price by \$218,040. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. The advance refunding reduced its total debt service payments over 9 years by \$954,804 and to obtain an economic gain of \$840,806.

County of Rockland, New York

Notes to Financial Statements (Continued)  
December 31, 2014

**Note 3 - Detailed Notes on All Funds (Continued)**

**Indebtedness - Component Unit**

**Solid Waste Management Authority**

Bonds payable at December 31, 2014 consisted of the following issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2014
Public Improvements	2003	15,273,468	December 2025	5.409-6.189	9,255,000
Public Improvements	2006	10,080,000	December 2022	4.250-5.000	6,275,000
Public Improvements	2008	27,535,000	December 2033	5.375-6.500	22,815,000
Public Improvements	2010	7,900,000	December 2024	3.000-4.000	7,040,000
Public Improvements	2010	2,250,000	December 2018	3.000-3.500	1,190,000
Public Improvements	2013	3,270,434	December 2029	.733-4.083	2,955,434
Public Improvements	2014	6,495,000	November, 2028	3.180	6,225,000
					\$ 55,755,434

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

The annual requirements to amortize all bonds outstanding at December 31, 2014, including interest of \$17,759,483 are as follows:

Year Ending December 31,	Principal	Interest	Total
2015	\$ 3,985,434	\$ 2,712,502	\$ 6,697,936
2016	4,175,000	2,530,363	6,705,363
2017	4,370,000	2,337,934	6,707,934
2018	4,580,000	2,128,810	6,708,810
2019	4,795,000	1,911,950	6,706,950
2020-2024	27,955,000	5,569,102	33,524,102
2025-2029	5,745,000	529,822	6,274,822
2030-2033	150,000	39,000	189,000
	55,755,434	\$ 17,759,483	\$ 73,514,917
Less: Unamortized premium	(698,164)		
	\$ 55,057,270		

**Note 3 - Detailed Notes on All Funds (Continued)**

**Current Refunding**

During the 2014 fiscal year, the Authority issued \$6,495,000 in serial bonds with an interest rate of 3.18%. The proceeds were used to currently refund \$6,495,000 of 2003 Series B public improvement serial bonds bearing interest at rates ranging from 4.75% to 5.125%. The net proceeds of \$6,495,000 (net of accrued interest of \$28,843 and \$134,738 in issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2003B public improvement serial bonds. As a result, these bonds are considered defeased and the liability for those serial bonds has been removed from the Statement of Net Position. The accrued interest paid and issuance costs were expensed in the Statement of Activities.

The Authority currently refunded the 2003 Series B public improvement serial bonds to reduce its debt service payments over 15 years by \$1,121,420 and to obtain a net present value economic gain of \$688,549.

At December 31, 2014 \$6,495,000 of defeased bonds have been called and are no longer outstanding.

**Capital Lease Payable**

The Authority has entered into various agreements to lease certain equipment. The terms of the agreement 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 balance was paid in full at December 31, 2014. Interest expense was \$2,413 for the year ended December 31, 2014.

**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 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, 2014

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**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. 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>
2015	8.00 %
2016	8.00
2017	7.50
2018	7.00
2019	6.50
2020	6.00
2021	5.50
2022+	5.00

The amortization basis for 2014 is being modified to reflect the full amortization of the initial unfunded accrued liability in 2014. This adjustment is being handled in the change in accounting estimate in Note 1. Traditionally the Net OPEB Obligation is lower than the Unfunded Accrued Liability and over time the Net OPEB Obligation will increase towards the unfunded accrued liability. Due to a combination of factors including the early implementation of GASB Statement No. 45 by the Authority, the Net OPEB Obligation became significantly greater than the Unfunded Accrued Liability, which is the maximum amount necessary based on actuarial calculations to meet obligations under GASB Statement No. 45. As a result, the Authority is making a onetime adjustment so that the Net OPEB Obligation is reduced to be equal to the Unfunded Accrued Liability as of December 31, 2014 and reflecting the full remaining balance of the initial Unfunded Accrued Liability, so that the future obligations do not become overstated in the future. Under this approach, the Authority will have a Net OPEB Obligation reflected of the full Unfunded Accrued Liability plus will no longer need to amortize future periods of unamortized amounts from the initial Unfunded Accrued Liability. The Authority's assumptions included a 4.0% discount. The Authority currently has no assets set aside for the purpose of paying post employment benefits. The actuarial cost method utilized was the projected unit credit actuarial 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.



County of Rockland, New York

Notes to Financial Statements (Continued)  
December 31, 2014

**Note 3 - Detailed Notes on All Funds (Continued)**

The number of participants as of December 31, 2014 was as follows:

Active Employees	27
Retired Employees	<u>-</u>
Total	<u><u>27</u></u>
Amortization Component:	
Actuarial Accrued Liability as of 1/1/13	\$ 3,258,078
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability	<u>\$ 3,258,078</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (active plan members)	<u>\$ 2,233,702</u>
UAAL as a Percentage of Covered Payroll	<u>146%</u>
Annual Required Contribution	298,845
Interest on Net OPEB Obligation	<u>194,697</u>
Annual OPEB Cost	493,542
Contributions Made	<u>-</u>
Increase in Net OPEB Obligation	493,542
Change in accounting estimate	<u>(1,689,933)</u>
Decrease in Net OPEB Obligation	(1,196,391)
Net OPEB Obligation - Beginning of Year	<u>4,867,419</u>
Net OPEB Obligation - End of Year	<u>\$ 3,671,028</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:

Fiscal Year Ended December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 493,542	- %	\$ 3,671,028
2013	504,610	-	4,867,419
2012	724,533	-	4,362,809

**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

**Note 3 - Detailed Notes on All Funds (Continued)**

days. The primary government is also obligated to pay employees accrued vacation pay up to a maximum of 50 days, depending upon the contract.

The College effective September 1, 2005 modified the sick leave buyout plan for the administrative class of employees. The plan provides that, at the termination of their employment, those employees hired before August 31, 2005 may receive payment of twenty-five percent of up to 200 days of their accumulated sick leave and for those hired after August 31, 2005 may receive twenty percent of up to 200 days. All administrators may receive up to 50 days of accumulated paid vacation at termination. Exempt employees may receive payment of twenty-five percent of up to 200 days of their accumulated sick leave and may receive up to 50 days of accumulated paid vacation at termination. Faculty upon retirement may receive twenty percent of up to 200 days of their accumulated sick leave. CSEA employees upon retirement may receive up to 50 days of accumulated vacation plus holiday accruals. Compensation time accrued within 18 months is paid in full. Sick time is based on years of service. Up to 30 years of service the employee receives fifty percent of sick days over 165 up to a maximum of 180 days. Over 30 years the maximum rises to 200 days. Employees are paid at their current hourly rate. At August 31, 2014, the expense related to vested vacation pay for employees was accrued based upon pay rates currently in effect. Accrued vacation pay aggregated \$4,784,004.

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, 2014 was \$583,702. 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.

**County of Rockland, New York**

Notes to Financial Statements (Continued)  
December 31, 2014

**Note 3 - Detailed Notes on All Funds (Continued)**

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

	December 31, 2014		
	Workers' Compensation Benefits	General Liability Claims	
Balance - Beginning of Year (Restated)	\$ 22,772,625	\$ 5,749,233	
Provision for Claims and Claims Adjustment Expenses	9,056,441	1,680,642	
Claims and Claims Adjustment Expenses Paid	(5,121,280)	(2,775,797)	
Balance - End of Year	\$ 26,707,786	\$ 4,654,078	
Due With One Year	\$ 2,671,000	\$ 558,489	
	December 31, 2013		
	Workers' Compensation Benefits	General Liability Claims	Unemployment Benefits
Balance - Beginning of Year	\$ 10,683,054	\$ 6,397,102	\$ -
Provision for Claims and Claims Adjustment Expenses	5,095,402	1,862,783	381,763
Claims and Claims Adjustment Expenses Paid	(5,223,829)	(2,510,652)	(381,763)
Balance - End of Year	\$ 10,554,627	\$ 5,749,233	\$ -
Due With One Year	\$ 1,055,000	\$ 689,908	\$ -

**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 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

County of Rockland, New York

Notes to Financial Statements (Continued)  
December 31, 2014

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**Note 3 - Detailed Notes on All Funds (Continued)**

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, 2014, the County's annual OPEB cost was \$37,230,790 and the Annual Required Contribution was \$13,726,548.

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 7% for the first year, and then decreases annually until the ultimate trend rate is reached in 2075 of 3.886%.
- (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 2.25%.

For the calendar year ended December 31, 2014, the County's annual OPEB cost was \$15,615,582 for the Enterprise Fund.

For the calendar year ended December 31, 2014, the County's annual OPEB cost was \$34,029,490 for the Operating Funds.

General Fund	\$ 30,259,898
County Road Fund	1,794,544
Road Machinery Fund	187,985
Sewer Fund	<u>1,787,063</u>
	<u>\$ 34,029,490</u>

**County of Rockland, New York**

Notes to Financial Statements (Continued)  
December 31, 2014

**Note 3 - Detailed Notes on All Funds (Continued)**

For the calendar year ended December 31, 2014, the County's annual OPEB cost for the Internal Service Funds was \$3,201,300.

General Service Fund	\$ 3,163,817
Workers' Compensation Fund	<u>37,483</u>
	<u>\$ 3,201,300</u>

The number of participants as of December 31, 2014 was as follows:

	Operating Funds	Enterprise Funds	Internal Service Funds
Active employees	1,477	620	141
Retired employees	<u>1,056</u>	<u>679</u>	<u>123</u>
Total	<u>2,533</u>	<u>1,299</u>	<u>264</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	Enterprise Fund	Total Primary Government
Amortization Component:				
Actuarial Accrued Liability as of January 1, 2014	\$ 483,459,234	\$ 47,763,063	\$ 241,542,151	\$ 772,764,448
Assets at Market Value	-	-	-	-
Unfunded Actuarial Accrued Liability	<u>\$ 483,459,234</u>	<u>\$ 47,763,063</u>	<u>\$ 241,542,151</u>	<u>\$ 772,764,448</u>
Funded Ratio	0%	0%	0%	0%
Covered Payroll (active plan members)	<u>\$ 105,179,746</u>	<u>\$ 8,192,972</u>	<u>\$ 24,861,312</u>	<u>\$ 138,234,030</u>
UAAL as a percentage of covered payroll	<u>459.7%</u>	<u>583.0%</u>	<u>971.6%</u>	<u>559.0%</u>
Annual Required Contribution	\$ 36,708,130	\$ 3,461,953	\$ 16,916,195	\$ 57,086,278
Interest on Net OPEB Obligation	8,898,292	865,874	4,320,564	14,084,730
Adjustment to Annual Required Contribution	<u>(11,576,932)</u>	<u>(1,126,527)</u>	<u>(5,621,177)</u>	<u>(18,324,636)</u>
Annual OPEB Cost	34,029,490	3,201,300	15,615,582	52,846,372
Contributions Made	<u>(12,373,209)</u>	<u>(1,353,339)</u>	<u>(7,367,565)</u>	<u>(21,094,113)</u>
Increase in Net OPEB Obligation	21,656,281	1,847,961	8,248,017	31,752,259
Net OPEB Obligation - Beginning of Year	<u>177,965,832</u>	<u>17,317,482</u>	<u>86,411,273</u>	<u>281,694,587</u>
Net OPEB Obligation - End of Year	<u>\$ 199,622,113</u>	<u>\$ 19,165,443</u>	<u>\$ 94,659,290</u>	<u>\$ 313,446,846</u>

County of Rockland, New York

Notes to Financial Statements (Continued)  
December 31, 2014

**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:

	<u>Fiscal Year Ended December 31,</u>	<u>Annual OPEB Cost</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
Operating Funds	2014	\$ 34,029,490	36.36 %	\$ 199,622,113
	2013	32,467,845	30.99	177,965,832
	2012	37,736,914	30.99	157,252,184
Internal Service Funds	2014	3,201,300	42.27	19,165,443
	2013	3,072,119	36.98	17,317,482
	2012	3,859,143	36.98	13,135,684
Enterprise Funds	2014	15,615,582	47.18	94,659,290
	2013	15,055,705	37.16	86,411,273
	2012	18,841,059	37.16	78,521,913
Total Primary Government	2014	52,846,372	39.92	313,446,846
	2013	50,595,669	31.54	281,694,587
	2012	60,437,116	31.54	248,909,781

**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, 2014

**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>	
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 24 years remaining in the amortization period. The actuarial assumptions included a 5.0% investment return with a 2.5% 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, 2014 was as follows:

Active Employees	372
Retired Employees and dependents	<u>505</u>
Total	<u><u>877</u></u>

County of Rockland, New York

Notes to Financial Statements (Continued)  
December 31, 2014

**Note 3 - Detailed Notes on All Funds (Continued)**

Amortization Component:	
Actuarial Accrued Liability as of January 1, 2013	\$ 91,501,827
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 91,501,827</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (active plan members)	<u>\$ 26,056,536</u>
UAAL as a Percentage of Covered Payroll	<u>351%</u>
Annual Required Contribution	\$ 8,985,197
Interest on Net OPEB Obligation	1,880,154
Adjustment to Annual Required Contribution	<u>(2,446,134)</u>
Annual OPEB Cost	8,419,217
Contributions Made	<u>(3,557,500)</u>
Increase in Net OPEB Obligation	4,861,717
Net OPEB Obligation - Beginning of Year	<u>37,603,075</u>
Net OPEB Obligation - End of Year	<u>\$ 42,464,792</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
2014	\$ 8,419,217	42.25 %	\$ 42,464,792
2013	10,365,563	37.15	37,603,075
2012	9,658,575	38.08	31,087,974

**J. Significant Commitments - Encumbrances**

As discussed in Note 2,A, Budgetary Data, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At December 31, 2014, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:



County of Rockland, New York

Notes to Financial Statements (Continued)  
December 31, 2014

**Note 3 - Detailed Notes on All Funds (Continued)**

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 1,782,372
Non-Major Governmental Funds	<u>1,976,260</u>
	<u>\$ 3,758,632</u>

**K. 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.

<u>Transfers Out</u>	<u>Transfers In</u>				<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Hospital Fund</u>	
Governmental Activities					
General Fund	\$ -	\$ 975,000	\$ 44,466,632	\$ 8,639,253	\$ 54,080,885
Capital Projects Fund	800,000	-	622,812	-	1,422,812
Non-Major Governmental Funds	<u>4,518,642</u>	<u>335,000</u>	<u>9,392,938</u>	<u>-</u>	<u>14,246,580</u>
	<u>\$ 5,318,642</u>	<u>\$ 1,310,000</u>	<u>\$ 54,482,382</u>	<u>\$ 8,639,253</u>	<u>\$ 69,750,277</u>

Transfers are used to 1) move funds from the General Fund finance various capital projects and programs accounted for in other fund and the Enterprise Fund, 2) to move amounts earmarked in the operating funds to fulfill commitments for Debt Service fund expenditures and 3) to move in excess funds from the various funds to the General Fund.

**L. 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.

**Note 3 - Detailed Notes on All Funds (Continued)**

*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 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 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.

*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.

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

*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, 2014

**Note 3 - Detailed Notes on All Funds (Continued)**

**M. Fund Balances**

	2014				2013			
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
<b>Nonspendable</b>								
Prepaid expenditures	\$ 1,755,568	\$ -	\$ -	\$ 1,755,568	\$ -	\$ -	\$ -	\$ -
Long-term receivable	12,869,516	-	-	12,869,516	11,755,022	-	-	11,755,022
Advances	59,594,499	-	-	59,594,499	58,810,128	-	-	58,810,128
<b>Total Nonspendable</b>	<b>74,219,583</b>	<b>-</b>	<b>-</b>	<b>74,219,583</b>	<b>70,565,150</b>	<b>-</b>	<b>-</b>	<b>70,565,150</b>
<b>Restricted</b>								
Law enforcement	6,244,636	-	-	6,244,636	9,517,605	-	-	9,517,605
Stop - DWI Program	580,359	-	-	580,359	918,212	-	-	918,212
Handicapped parking	-	-	-	-	56,965	-	-	56,965
E911	50,275	-	-	50,275	-	-	-	-
Trusts	-	-	26,612	26,612	-	-	28,815	28,815
Debt service	9,931,858	-	7,380,477	17,312,335	6,944,877	-	8,435,153	15,380,030
Capital Projects	-	54,049,544	-	54,049,544	-	28,735,884	-	28,735,884
<b>Total Restricted</b>	<b>16,807,128</b>	<b>54,049,544</b>	<b>7,407,089</b>	<b>78,263,761</b>	<b>17,437,659</b>	<b>28,735,884</b>	<b>8,463,968</b>	<b>54,637,511</b>
<b>Committed</b>								
Designated for treatment plant and development	-	-	1,393,274	1,393,274	-	-	1,001,999	1,001,999
<b>Assigned</b>								
Purchases on order:								
Transportation	-	-	-	-	-	-	110,378	110,378
Home and community services	-	-	1,976,260	1,976,260	-	-	1,380,800	1,380,800
<b>Total Assigned</b>	<b>-</b>	<b>-</b>	<b>1,976,260</b>	<b>1,976,260</b>	<b>-</b>	<b>-</b>	<b>1,491,178</b>	<b>1,491,178</b>
<b>Subsequent year's expenditures</b>								
Transportation projects	-	746,250	10,829,880	10,829,880	-	893,678	7,980,030	7,980,030
County Road Fund	-	-	(262,259)	(262,259)	-	-	13,711	13,711
Road Machinery Fund	-	-	430,692	430,692	-	-	421,282	421,282
Sewer Fund	-	-	26,027,919	26,027,919	-	-	22,241,292	22,241,292
<b>Total Assigned</b>	<b>-</b>	<b>746,250</b>	<b>39,002,492</b>	<b>39,748,742</b>	<b>-</b>	<b>893,678</b>	<b>32,147,493</b>	<b>33,041,171</b>
<b>Unassigned</b>								
Subsequent year's expenditures	9,159,995	-	-	9,159,995	-	-	-	-
Purchases on order:								
General government support	556,107	-	-	556,107	625,868	-	-	625,868
Public safety	344,226	-	-	344,226	144,477	-	-	144,477
Health	176,259	-	-	176,259	169,819	-	-	169,819
Transportation	492,065	-	-	492,065	169,120	-	-	169,120
Economic opportunity and development	213,715	-	-	213,715	142,558	-	-	142,558
Home and community services	-	-	-	-	224,792	-	-	224,792
Unassigned	(40,852,750)	-	-	(40,852,750)	(139,590,662)	-	-	(139,590,662)
<b>Total Unassigned</b>	<b>(29,910,383)</b>	<b>-</b>	<b>-</b>	<b>(29,910,383)</b>	<b>(138,114,028)</b>	<b>-</b>	<b>-</b>	<b>(138,114,028)</b>
<b>Total Fund Balances (Deficits)</b>	<b>\$ 61,116,328</b>	<b>\$ 54,795,794</b>	<b>\$ 47,802,855</b>	<b>\$ 163,714,977</b>	<b>\$ (50,111,219)</b>	<b>\$ 29,629,562</b>	<b>\$ 41,613,460</b>	<b>\$ 21,131,803</b>

## County of Rockland, New York

Notes to Financial Statements (Continued)  
December 31, 2014

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### **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, \$746,250, 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, \$1,393,274, 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, 2014, the County Legislature has utilized \$2,522,105 of the fund balance of the Sewer District Fund and \$8,307,775 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 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 one of six participants in the Rockland County Workers' Compensation Self Insurance Plan, a risk sharing pool, administered by the County, to insure workers' compensation claims. This is a public entity risk pool created under Article 5, Workers' Compensation Law, to finance liability and risks related to workers' compensation claims. The College is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets and natural disasters. These risks are covered by a County-wide self-insurance program supplemented by commercial insurance purchased by the County that extends coverage to the College. The self-insured retention under these policies is \$1,150,000.

**Note 4 - Summary Disclosure of Significant Contingencies (Continued)**

**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. The Authority also purchases conventional health insurance.

**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.

**D. Cash and Investment Restrictions**

Upon issuance of the serial bonds, the indentures for the Solid Waste Management Authority required establishment of a restricted cash balance of \$9,832,045 in 2014, which is maintained with the trustee of the bonds. In addition, at December 31, 2014, the trustee held \$2,527,270 for the purchase and construction of facilities. These amounts, totaling \$12,359,315 for 2014, have been reflected as restricted cash and investments on the statement of net position.

**E. Debt Covenants**

The Solid Waste Management Authority at December 31, 2014 was in compliance with the debt and revenue ratios required under the covenants of the seven bonds outstanding at that date.

**Note 5 - Subsequent Events**

The County, on March 19, 2015, issued tax anticipation notes in the amount of \$60,000,000 due March 16, 2016, and bearing interest of 2.00%.

The County, on April 7, 2015, issued bond anticipation notes in the amounts of \$1,611,503, due April 7, 2016, and bearing interest of 2.00%.

## County of Rockland, New York

Notes to Financial Statements (Concluded)  
December 31, 2014

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### **Note 5 - Subsequent Events (Continued)**

The County, on August 20, 2015, issued New York State Environmental Facilities Corporation Series 2015B bonds in the amount of \$41,867,000, due March 1, 2045, with interest ranging from 0.2000% to 4.2670%.

The County, on August 20, 2015 issued New York State Environmental Facilities Corporation Series 2015D bonds, in the amount of \$25,140,000 due October 1, 2034, with interest ranging from 3.5290% to 4.1290%.

The County, on August 20, 2015, issued New York State Environmental Facilities Corporation Series 2015D bonds, in the amount of \$11,080,000 due April 1, 2036 with interest ranging from 4.2210% to 4.7310%.

The County, on August 20, 2015, issued New York State Environmental Facilities Corporation Series 2015D bonds, in the amount of \$8,420,000 due May 15, 2034 with interest ranging from 3.8080% to 4.5690%.

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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, 2012	\$ -	\$ 401,322,084	\$ 401,322,084	- %	\$ 138,645,190	289.46 %
January 1, 2013	-	359,515,112	359,515,112	-	103,908,603	345.99
January 1, 2014	-	483,459,234	483,459,234	-	105,179,746	459.65
<u>Internal Service Funds</u>						
January 1, 2012	-	43,082,670	43,082,670	-	8,522,150	505.54
January 1, 2013	-	36,025,906	36,025,906	-	8,143,278	442.40
January 1, 2014	-	47,763,063	47,763,063	-	8,192,972	582.98
<u>Home and Infirmary Fund</u>						
January 1, 2012	-	216,923,538	216,923,538	-	32,517,151	667.10
January 1, 2013	-	183,467,584	183,467,584	-	29,342,429	625.26
January 1, 2014	-	241,542,151	241,542,151	-	24,861,312	971.56



## **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,

	2014	2013
<b>ASSETS</b>		
Cash and equivalents	\$ 52,788,410	\$ 17,611,021
Taxes receivable		
Tax liens	32,602,850	32,034,873
Tax installments	9,244,824	9,288,305
Returned school and village taxes	28,995,778	26,650,875
	70,843,452	67,974,053
Allowance for uncollectible taxes	(3,100,000)	(2,900,000)
	67,743,452	65,074,053
Other receivables		
Accounts, net of allowance for uncollectible amounts	28,910,324	30,729,321
State and Federal aid, net of allowance for uncollectible amounts	47,899,337	51,537,421
Due from other governments	6,411,899	6,388,350
Due from other funds	-	4,747,981
Advances to other funds	59,594,499	58,810,128
	142,816,059	152,213,201
Prepaid expenditures	1,755,568	-
Total Assets	<u>\$ 265,103,489</u>	<u>\$ 234,898,275</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)</b>		
Liabilities		
Accounts payable	\$ 21,912,827	\$ 22,801,431
Accrued liabilities	30,530,188	32,706,795
Due to other governments	2,820,982	2,502,922
Due to school districts	55,372,281	51,508,249
Due to other funds	4,336,448	-
Unearned revenues	1,836,277	3,821,941
Tax anticipation note payable	55,000,000	55,000,000
Revenue anticipation note payable	20,000,000	105,000,000
Total Liabilities	191,809,003	273,341,338
Deferred inflows of resources		
Deferred tax revenues	12,178,158	11,668,156
Total Liabilities and Deferred Inflows of Resources	203,987,161	285,009,494
Fund balance (deficit)		
Nonspendable	74,219,583	70,565,150
Restricted	16,807,128	17,437,659
Unassigned		
Home and Infirmary - Deficit	(59,594,499)	(58,810,128)
Other	29,684,116	(79,303,900)
Total Fund Balance (Deficit)	61,116,328	(50,111,219)
Total Liabilities, Deferred Inflows of Resources and Fund Balance (Deficit)	<u>\$ 265,103,489</u>	<u>\$ 234,898,275</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,

2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Real property taxes	\$ 105,960,167	\$ 105,960,167	\$ 105,253,745	\$ (706,422)
Other tax items	10,960,000	10,960,000	11,004,332	44,332
Non-property taxes	197,000,000	197,000,000	201,860,652	4,860,652
Departmental income	36,997,565	37,467,642	30,559,375	(6,908,267)
Intergovernmental charges	1,000,000	1,000,000	1,072,736	72,736
Use of money and property	150,000	150,000	314,105	164,105
Licenses and permits	1,840,000	1,840,000	1,974,943	134,943
Fines and forfeitures	633,000	633,000	697,362	64,362
Sale of property and compensation for loss	25,800	25,800	174,238	148,438
Interfund revenues	26,166,100	26,166,100	22,555,435	(3,610,665)
State aid	69,295,375	72,576,297	66,329,883	(6,246,414)
Federal aid	54,700,100	60,158,128	52,528,203	(7,629,925)
Miscellaneous	709,490	825,791	435,523	(390,268)
<b>Total Revenues</b>	<b>505,437,597</b>	<b>514,762,925</b>	<b>494,760,532</b>	<b>(20,002,393)</b>
<b>EXPENDITURES</b>				
Current				
General government support	72,997,738	75,969,632	67,804,182	8,165,450
Education	57,884,459	57,884,459	47,785,490	10,098,969
Public safety	73,621,599	76,533,123	68,542,504	7,990,619
Health	36,173,214	41,690,837	37,880,303	3,810,534
Transportation	28,198,060	28,552,060	28,510,642	41,418
Economic opportunity and development	175,188,428	181,457,499	170,016,358	11,441,141
Culture and recreation	361,160	381,160	374,778	6,382
Home and community services	6,031,016	6,088,220	5,509,766	578,454
Employee benefits	13,600,000	13,600,000	12,338,310	1,261,690
Debt service				
Interest	4,512,500	4,512,500	3,493,010	1,019,490
Bond issuance cost	-	-	882,481	(882,481)
<b>Total Expenditures</b>	<b>468,568,174</b>	<b>486,669,490</b>	<b>443,137,824</b>	<b>43,531,666</b>
<b>Excess of Revenues Over Expenditures</b>	<b>36,869,423</b>	<b>28,093,435</b>	<b>51,622,708</b>	<b>23,529,273</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued	2,000,000	2,000,000	96,000,000	94,000,000
Issuance premium	1,250,000	1,250,000	12,367,082	11,117,082
Sale of real property	-	-	-	-
New York State loan	12,100,000	12,100,000	-	(12,100,000)
Transfers in	5,800,000	5,800,000	5,318,642	(481,358)
Transfers out	(59,496,057)	(53,435,863)	(54,080,885)	(645,022)
<b>Total Other Financing Source (Uses)</b>	<b>(38,346,057)</b>	<b>(32,285,863)</b>	<b>59,604,839</b>	<b>91,890,702</b>
<b>Net Change in Fund Balance</b>	<b>(1,476,634)</b>	<b>(4,192,428)</b>	<b>111,227,547</b>	<b>115,419,975</b>
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of Year	1,476,634	4,192,428	(50,111,219)	(54,303,647)
End of Year	\$ -	\$ -	\$ 61,116,328	\$ 61,116,328

2013

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 96,000,000	\$ 96,000,000	\$ 93,746,979	\$ (2,253,021)
10,660,000	10,660,000	10,667,685	7,685
196,200,000	196,200,000	195,988,814	(211,186)
38,083,185	38,237,020	36,717,297	(1,519,723)
3,200,000	3,200,000	1,023,361	(2,176,639)
300,000	300,000	172,754	(127,246)
1,910,000	1,910,000	1,782,666	(127,334)
839,715	839,715	850,273	10,558
31,800	58,981	63,834	4,853
25,526,420	25,526,420	22,492,459	(3,033,961)
69,229,335	71,881,137	65,123,791	(6,757,346)
55,012,610	61,769,854	56,280,532	(5,489,322)
1,084,000	1,190,447	696,087	(494,360)
<u>498,077,065</u>	<u>507,773,574</u>	<u>485,606,532</u>	<u>(22,167,042)</u>
69,184,207	73,566,957	68,405,934	5,161,023
59,882,135	59,831,135	49,555,765	10,275,370
72,045,705	76,751,678	69,197,018	7,554,660
36,291,459	41,190,928	38,475,566	2,715,362
28,591,325	28,907,325	28,465,651	441,674
178,443,759	177,291,086	169,746,120	7,544,966
344,320	395,635	374,492	21,143
5,680,969	5,784,058	5,314,655	469,403
12,966,000	12,966,000	12,233,904	732,096
5,120,000	4,968,000	4,943,667	24,333
-	-	-	-
<u>468,549,879</u>	<u>481,652,802</u>	<u>446,712,772</u>	<u>34,940,030</u>
<u>29,527,186</u>	<u>26,120,772</u>	<u>38,893,760</u>	<u>12,772,988</u>
5,000,000	5,000,000	5,000,000	-
2,000,000	2,000,000	680,845	(1,319,155)
2,400,000	2,400,000	8,199,069	5,799,069
14,685,000	14,685,000	-	(14,685,000)
3,420,000	3,420,000	3,270,000	(150,000)
<u>(58,466,145)</u>	<u>(58,636,220)</u>	<u>(56,767,420)</u>	<u>1,868,800</u>
<u>(30,961,145)</u>	<u>(31,131,220)</u>	<u>(39,617,506)</u>	<u>(8,486,286)</u>
(1,433,959)	(5,010,448)	(723,746)	4,286,702
<u>1,433,959</u>	<u>5,010,448</u>	<u>(49,387,473)</u>	<u>(54,397,921)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (50,111,219)</u>	<u>\$ (50,111,219)</u>

**County of Rockland, New York**

General Fund  
 Schedule of Revenues and Other Financing Sources Compared to Budget  
 Year Ended December 31, 2014  
 (With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
<b>REAL PROPERTY TAXES</b>	\$ 105,960,167	\$ 105,960,167	\$ 105,253,745	\$ (706,422)	\$ 93,746,979
<b>OTHER TAX ITEMS</b>					
Interest and penalties on real property taxes	10,300,000	10,300,000	10,470,183	170,183	10,396,051
Gain on sale of tax acquired property	500,000	500,000	-	(500,000)	-
Payments in lieu of taxes	160,000	160,000	534,149	374,149	271,634
Total Other Tax Items	10,960,000	10,960,000	11,004,332	44,332	10,667,685
<b>NON-PROPERTY TAXES</b>					
Sales and use tax	180,000,000	180,000,000	184,165,811	4,165,811	178,737,484
Mortgage tax	4,250,000	4,250,000	3,433,302	(816,698)	4,446,008
E-911 surcharge	1,200,000	1,200,000	1,285,594	85,594	1,262,906
Hotel/Motel Occupancy Tax	1,150,000	1,150,000	1,331,881	181,881	1,199,830
Residential energy use tax	8,800,000	8,800,000	9,946,569	1,146,569	8,677,106
Motor vehicle use tax	1,600,000	1,600,000	1,697,495	97,495	1,665,480
Total Non-Property Taxes	197,000,000	197,000,000	201,860,652	4,860,652	195,988,814
<b>DEPARTMENTAL INCOME</b>					
General government support	7,316,505	7,677,861	8,160,065	482,204	9,126,685
Public safety	1,548,000	1,536,729	1,618,664	81,935	1,721,397
Health	12,528,360	12,528,360	4,867,009	(7,661,351)	9,486,387
Transportation	8,351,500	8,351,500	8,154,146	(197,354)	8,189,527
Economic Opportunity and Development	4,488,000	4,530,000	5,266,631	736,631	5,541,033
Home and Community Services	41,500	41,500	29,686	(11,814)	31,528
Employee benefits	2,723,700	2,801,692	2,463,174	(338,518)	2,620,740
Total Departmental Income	36,997,565	37,467,642	30,559,375	(6,908,267)	36,717,297

**INTERGOVERNMENTAL CHARGES**

Election service charges	1,000,000	1,000,000	1,072,736	72,736	1,023,361
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**USE OF MONEY AND PROPERTY**

Earnings on investments	150,000	150,000	314,105	164,105	122,807
Rental of real property	-	-	-	-	49,947

Total Use of Money and Property	150,000	150,000	314,105	164,105	172,754
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**LICENSES AND PERMITS**

Licenses	1,215,000	1,215,000	1,274,407	59,407	1,144,689
Alarm charges	625,000	625,000	700,536	75,536	637,977

Total Licenses and Permits	1,840,000	1,840,000	1,974,943	134,943	1,782,666
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**FINES AND FORFEITURES**

Fines	623,000	623,000	576,772	(46,228)	573,971
Forfeitures	10,000	10,000	120,590	110,590	276,302

Total Fines and Forfeitures	633,000	633,000	697,362	64,362	850,273
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**SALE OF PROPERTY AND COMPENSATION FOR LOSS**

Other sales	10,800	10,800	23,383	12,583	32,854
Insurance recoveries	15,000	15,000	150,855	135,855	30,980

Total Sale of Property and Compensation for Loss	25,800	25,800	174,238	148,438	63,834
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**INTERFUND REVENUES**

Liability and health insurance	554,300	554,300	541,750	(12,550)	569,300
Interfund revenues - Central services	11,941,800	11,941,800	9,555,268	(2,386,532)	9,630,040
Community College Fund	13,670,000	13,670,000	12,458,417	(1,211,583)	12,293,119

Total Interfund Revenues	26,166,100	26,166,100	22,555,435	(3,610,665)	22,492,459
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**STATE AID**

General government support	401,000	472,159	451,352	(20,807)	628,071
Public safety	1,736,900	2,851,350	3,086,787	235,437	2,214,599
Health	30,073,075	32,078,941	28,317,120	(3,761,821)	26,684,648
Transportation	13,500,000	13,561,200	15,111,444	1,550,244	14,712,413
Economic opportunity and development	23,519,400	23,547,647	19,279,058	(4,268,589)	20,807,543
Culture and recreation	65,000	65,000	83,560	18,560	76,517
Home and community services	-	-	562	562	-

Total State Aid	69,295,375	72,576,297	66,329,883	(6,246,414)	65,123,791
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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, 2014

(With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
<b>FEDERAL AID</b>					
General government support	\$ 4,370,900	\$ 4,442,611	\$ 2,695,971	\$ (1,746,640)	\$ 3,537,654
Public safety	785,000	2,464,466	1,251,619	(1,212,847)	3,690,629
Health	65,000	3,121,203	1,315,244	(1,805,959)	2,686,260
Transportation	5,650,000	5,894,800	4,859,822	(1,034,978)	4,923,080
Economic opportunity and development	43,444,200	43,796,594	42,098,916	(1,697,678)	41,115,077
Home and community services	385,000	438,454	306,631	(131,823)	327,832
Total Federal Aid	<u>54,700,100</u>	<u>60,158,128</u>	<u>52,528,203</u>	<u>(7,629,925)</u>	<u>56,280,532</u>
<b>MISCELLANEOUS</b>					
Refund of prior year's expenditures	50,000	50,000	29,959	(20,041)	78,091
OTB distributed earnings	300,000	300,000	307,869	7,869	373,574
Other	359,490	475,791	97,695	(378,096)	244,422
Total Miscellaneous	<u>709,490</u>	<u>825,791</u>	<u>435,523</u>	<u>(390,268)</u>	<u>696,087</u>
TOTAL REVENUES	<u>505,437,597</u>	<u>514,762,925</u>	<u>494,760,532</u>	<u>(20,002,393)</u>	<u>485,606,532</u>
<b>OTHER FINANCING SOURCES</b>					
Bond proceeds	2,000,000	2,000,000	96,000,000	94,000,000	5,000,000
Issuance premium	1,250,000	1,250,000	12,367,082	11,117,082	680,845
Sale of real property	-	-	-	-	8,199,069
New York State loan	12,100,000	12,100,000	-	(12,100,000)	-
Transfers in					
Debt Service Fund	4,580,000	4,580,000	4,518,642	(61,358)	3,000,000
Capital Projects Fund	1,220,000	1,220,000	800,000	(420,000)	270,000
TOTAL OTHER FINANCING SOURCES	<u>21,150,000</u>	<u>21,150,000</u>	<u>113,685,724</u>	<u>92,535,724</u>	<u>17,149,914</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 526,587,597</u>	<u>\$ 535,912,925</u>	<u>\$ 608,446,256</u>	<u>\$ 72,533,331</u>	<u>\$ 502,756,446</u>

**County of Rockland, New York**

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended December 31, 2014

(With Comparative Actuals for 2013)

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
<b>GENERAL GOVERNMENT SUPPORT</b>					
Legislative Branch	\$ 4,243,970	\$ 4,220,220	\$ 3,963,717	\$ 256,503	\$ 3,825,883
County Executive	6,589,984	6,674,734	4,837,356	1,837,378	5,073,823
Youth Bureau	1,654,767	1,938,105	1,812,502	125,603	1,762,088
Community Development Program	1,545,480	1,545,480	1,334,758	210,722	1,471,326
District Attorney	10,295,272	12,730,099	12,118,650	611,449	11,229,830
Public Defender	3,640,450	3,901,023	3,767,886	133,137	3,632,810
Assigned Counsel	1,360,000	1,360,000	1,290,301	69,699	1,309,529
Medical Examiner	1,867,765	1,867,765	1,643,975	223,790	1,454,959
Department of Budget and Finance	10,528,370	10,526,000	8,164,165	2,361,835	10,277,747
Department of Records	4,601,070	4,674,764	4,394,073	280,691	4,416,606
Department of Law	2,871,015	2,871,015	2,670,939	200,076	2,617,673
Department of Personnel	5,040,635	5,040,635	4,770,362	270,273	4,388,655
Board of Elections	3,358,175	3,436,846	3,413,295	23,551	3,226,836
Other General Departments	876,515	828,515	579,880	248,635	791,680
Department of Insurance	1,061,285	1,061,285	944,564	116,721	992,286
Revenue Sharing - Sales Tax	11,800,000	12,035,000	12,034,774	226	11,871,218
Contingent fund	1,600,000	1,195,161	-	1,195,161	-
Contract Agencies - General Government Support	62,985	62,985	62,985	-	62,985
<b>Total General Government Support</b>	<b>72,997,738</b>	<b>75,969,632</b>	<b>67,804,182</b>	<b>8,165,450</b>	<b>68,405,934</b>
<b>EDUCATION</b>					
Community College - Tuition	1,800,000	1,800,000	1,636,821	163,179	1,731,364
Contribution to Community College Fund	16,652,420	16,652,420	16,652,420	-	16,636,870
Education of handicapped children	39,432,039	39,432,039	29,496,249	9,935,790	31,187,531
<b>Total Education</b>	<b>57,884,459</b>	<b>57,884,459</b>	<b>47,785,490</b>	<b>10,098,969</b>	<b>49,555,765</b>

**PUBLIC SAFETY**

Office of the Sheriff	26,853,176	29,539,373	26,907,913	2,631,460	27,053,457
Correctional Facility	32,997,579	32,997,579	29,257,563	3,740,016	30,080,823
Narcotics task force	2,350,555	2,350,555	2,052,996	297,559	1,880,562
Probation Department	6,640,810	6,643,084	5,795,945	847,139	5,815,565
Department of Fire and Emergency Services	3,541,314	3,673,544	3,539,950	133,594	3,308,983
E-911 telephone system	1,149,250	1,149,250	851,212	298,038	968,713
Contract Agencies - Public Safety	88,915	179,738	136,925	42,813	88,915

## Total Public Safety

73,621,599	76,533,123	68,542,504	7,990,619	69,197,018
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**HEALTH**

Department of Health	25,397,894	30,597,874	27,135,645	3,462,229	28,021,056
Department of Mental Health	688,115	878,115	876,440	1,675	878,457
Contracted mental health services	9,646,190	9,773,833	9,427,203	346,630	9,135,038
Contracted health services	441,015	441,015	441,015	-	441,015

## Total Health

36,173,214	41,690,837	37,880,303	3,810,534	38,475,566
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**TRANSPORTATION**

Public transportation	28,198,060	28,552,060	28,510,642	41,418	28,465,651
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**ECONOMIC OPPORTUNITY AND DEVELOPMENT**

Department of Social Services	58,997,360	59,279,660	52,896,650	6,383,010	53,979,957
Social Services Program Grants	107,640,000	113,575,033	108,860,661	4,714,372	107,814,597
Veterans' Service Agency	512,385	558,782	523,305	35,477	457,079
Consumer Protection	1,958,890	1,960,637	1,873,070	87,567	1,788,227
Office of the Aging	5,262,963	5,266,557	5,045,842	220,715	4,874,539
Contract Agencies - Economic Opportunity and Development	816,830	816,830	816,830	-	831,721

## Total Economic Opportunity and Development

175,188,428	181,457,499	170,016,358	11,441,141	169,746,120
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**CULTURE AND RECREATION**

County Historian	10,365	10,365	9,733	632	9,527
Contract Agencies - Culture and Recreation	350,795	370,795	365,045	5,750	364,965

## Total Culture and Recreation

361,160	381,160	374,778	6,382	374,492
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(Continued)

County of Rockland, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)

Year Ended December 31, 2014

(With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
<b>HOME AND COMMUNITY SERVICES</b>					
Department of Planning	\$ 1,933,352	\$ 1,933,352	\$ 1,752,837	\$ 180,515	\$ 1,711,616
Commission of Human Rights	367,575	421,029	373,004	48,025	368,134
Commissioner of Labor	23,620	23,620	15,339	8,281	22,211
Department of Environmental Resources	2,170,659	2,170,659	1,812,600	358,059	1,849,754
Contract Agencies - Home and Community Services	1,535,810	1,539,560	1,555,986	(16,426)	1,362,940
Total Home and Community Services	6,031,016	6,088,220	5,509,766	578,454	5,314,655
<b>EMPLOYEE BENEFITS - UNDISTRIBUTED</b>					
Workers' Compensation Benefit - RCC	225,000	225,000	-	225,000	200,000
Retirement - RCC	2,000,000	2,000,000	1,660,172	339,828	1,417,440
Hospital & Medical Insurance - RCC	11,375,000	11,375,000	10,678,138	696,862	10,616,464
Total Employee Benefits - RCC	13,600,000	13,600,000	12,338,310	1,261,690	12,233,904
<b>DEBT SERVICE</b>					
Interest					
Bond anticipation notes	1,217,500	1,217,500	207,593	1,009,907	402,000
Revenue anticipation notes	2,055,000	2,055,000	2,047,917	7,083	3,178,125
Tax anticipation notes	1,240,000	1,240,000	1,237,500	2,500	1,363,542
Bond issuance costs	-	-	882,481	(882,481)	-
Total Debt Service	4,512,500	4,512,500	4,375,491	137,009	4,943,667
<b>TOTAL EXPENDITURES</b>	<b>468,568,174</b>	<b>486,669,490</b>	<b>443,137,824</b>	<b>43,531,666</b>	<b>446,712,772</b>

**OTHER FINANCING USES**

## Transfers out

County Road Fund	10,996,850	10,996,850	10,996,850	-	10,085,975
Road Machinery Fund	1,594,260	1,594,260	1,426,644	167,616	1,568,130
Capital Projects Fund	-	-	975,000	(975,000)	985,000
Hospital Fund	14,699,447	8,639,253	8,639,253	-	13,325,066
Debt Service Fund	32,205,500	32,205,500	32,043,138	162,362	30,803,249

## TOTAL OTHER FINANCING USES

59,496,057	53,435,863	54,080,885	(645,022)	56,767,420
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TOTAL EXPENDITURES AND OTHER  
FINANCING USES

<u>\$ 528,064,231</u>	<u>\$ 540,105,353</u>	<u>\$ 497,218,709</u>	<u>\$ 42,886,644</u>	<u>\$ 503,480,192</u>
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County of Rockland, New York

Capital Projects Fund  
Comparative Balance Sheet  
December 31,

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 74,653,257	\$ 68,673,538
State and Federal aid	851,971	1,724,575
Restricted cash	<u>6,674,103</u>	<u>6,263,932</u>
Total Assets	<u>\$ 82,179,331</u>	<u>\$ 76,662,045</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 10,736,856	\$ 7,669,714
Due to other governments	13,520,415	13,652,424
Due to other funds	1,500,763	1,450,345
Bond anticipation notes payable	<u>1,625,503</u>	<u>24,260,000</u>
Total Liabilities	<u>27,383,537</u>	<u>47,032,483</u>
Fund balance		
Restricted	54,049,544	28,735,884
Assigned	<u>746,250</u>	<u>893,678</u>
Total Fund Balance	<u>54,795,794</u>	<u>29,629,562</u>
Total Liabilities and Fund Balance	<u>\$ 82,179,331</u>	<u>\$ 76,662,045</u>

**County of Rockland, New York**

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

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	<u>2014</u>	<u>2013</u>
<b>REVENUES</b>		
State aid	\$ 648,373	\$ 2,146,831
Federal aid	6,573,749	3,308,664
Miscellaneous	<u>769,958</u>	<u>895,276</u>
Total Revenues	7,992,080	6,350,771
<b>EXPENDITURES</b>		
Capital outlay	<u>45,891,033</u>	<u>38,036,154</u>
Deficiency of Revenues Over Expenditures	<u>(37,898,953)</u>	<u>(31,685,383)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Bonds issued	63,177,997	40,632,482
Transfers in	1,310,000	1,489,273
Transfers out	<u>(1,422,812)</u>	<u>(871,100)</u>
Total Other Financing Sources	<u>63,065,185</u>	<u>41,250,655</u>
Net Change in Fund Balance	25,166,232	9,565,272
<b>FUND BALANCE</b>		
Beginning of Year	<u>29,629,562</u>	<u>20,064,290</u>
End of Year	<u>\$ 54,795,794</u>	<u>\$ 29,629,562</u>

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<p style="text-align: center;"><b>NON-MAJOR</b></p> <p style="text-align: center;"><b>GOVERNMENTAL FUNDS</b></p>
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**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.
- . **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 Funds 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**

- . **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, 2014  
(With Comparative Totals for 2013)

	Special Revenue Funds	Debt Service Fund
<b>ASSETS</b>		
Cash and equivalents	\$ 32,279,220	\$ 14,626,007
Receivables		
Accounts	540,395	310,220
Loans	5,721,594	-
State and Federal aid	2,057,938	761,461
Due from other funds	3,109,392	-
	<u>11,429,319</u>	<u>1,071,681</u>
Total Assets	<u>\$ 43,708,539</u>	<u>\$ 15,697,688</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accounts payable	\$ 1,472,540	\$ -
Accrued liabilities	2,565,873	-
Due to other funds	889,712	9,436
Unearned revenues	6,665,811	-
Total Liabilities	<u>11,593,936</u>	<u>9,436</u>
Fund balances		
Restricted	26,612	7,380,477
Committed	1,393,274	-
Assigned	30,694,717	8,307,775
Total Fund Balances	<u>32,114,603</u>	<u>15,688,252</u>
Total Liabilities and Fund Balances	<u>\$ 43,708,539</u>	<u>\$ 15,697,688</u>

Totals	
2014	2013
\$ 46,905,227	\$ 42,675,140
850,615	550,196
5,721,594	6,405,142
2,819,399	1,770,696
3,109,392	3,768,156
12,501,000	12,494,190
\$ 59,406,227	\$ 55,169,330
\$ 1,472,540	\$ 1,618,122
2,565,873	2,697,667
899,148	2,123,720
6,665,811	7,116,361
11,603,372	13,555,870
7,407,089	8,463,968
1,393,274	1,001,999
39,002,492	32,147,493
47,802,855	41,613,460
\$ 59,406,227	\$ 55,169,330

**County of Rockland, New York**

Combining Statement of Revenues, Expenditures and Changes  
in Fund Balances  
Non-Major Governmental Funds  
December 31, 2014  
(With Comparative Totals for 2013)

	Special Revenue Funds	Debt Service Fund
<b>REVENUES</b>		
Real property taxes	\$ 34,084,459	\$ -
Other tax items	391,275	-
Departmental income	908,662	-
Use of money and property	159,130	143,564
Licenses and permits	28,712	-
Fines and forfeitures	9,945	-
Sale of property and compensation for loss	1,753	-
Interfund revenues	669,616	-
State aid	952,166	2,765,856
Federal aid	3,632,817	1,213,039
Miscellaneous	159,963	1,426,497
	<u>40,998,498</u>	<u>5,548,956</u>
<b>EXPENDITURES</b>		
Current		
Transportation	14,628,211	-
Economic opportunity and development	3,530,651	-
Home and community services	17,775,316	-
Employee benefits	3,992,351	-
Debt service		
Principal	-	29,197,947
Interest	199,347	12,367,202
Refunding bond issuance cost	-	424,008
Bond issuance cost	-	445,422
	<u>40,125,876</u>	<u>42,434,579</u>
Total Expenditures		
Excess (Deficiency) of Revenues Over Expenditures	<u>872,622</u>	<u>(36,885,623)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Refunding bonds issued	-	39,874,197
Payment to refunded bond escrow agent	-	(41,136,488)
Issuance premium	-	3,228,885
Transfers in	12,432,553	42,049,829
Transfers out	(9,718,879)	(4,527,701)
	<u>2,713,674</u>	<u>39,488,722</u>
Total Other Financing Sources		
Net Change in Fund Balances	3,586,296	2,603,099
<b>FUND BALANCES</b>		
Beginning of Year	<u>28,528,307</u>	<u>13,085,153</u>
End of Year	<u>\$ 32,114,603</u>	<u>\$ 15,688,252</u>

Totals	
2014	2013
\$ 34,084,459	\$ 33,218,249
391,275	120,680
908,662	598,884
302,694	258,553
28,712	26,490
9,945	16,855
1,753	188,304
669,616	593,536
3,718,022	2,299,967
4,845,856	5,819,947
1,586,460	735,277
46,547,454	43,876,742
14,628,211	14,476,161
3,530,651	4,672,446
17,775,316	16,604,369
3,992,351	3,627,419
29,197,947	28,309,066
12,566,549	12,211,101
424,008	70,804
445,422	-
82,560,455	79,971,366
(36,013,001)	(36,094,624)
39,874,197	7,180,078
(41,136,488)	(7,705,618)
3,228,885	1,052,959
54,482,382	52,420,534
(14,246,580)	(12,866,353)
42,202,396	40,081,600
6,189,395	3,986,976
41,613,460	37,626,484
\$ 47,802,855	\$ 41,613,460

**County of Rockland, New York**

Combining Balance Sheet  
 Non-Major Special Revenue Funds  
 December 31, 2014  
 (With Comparative Totals for 2013)

	County Road Fund	Road Machinery Fund	Community Development Fund
<b>ASSETS</b>			
Cash and equivalents	\$ 100	\$ -	\$ 952,227
Receivables			
Accounts	43,967	-	-
Loans	-	-	5,721,594
State and Federal aid	1,442,938	-	615,000
Due from other funds	-	575,549	-
	<u>1,486,905</u>	<u>575,549</u>	<u>6,336,594</u>
Total Assets	<u>\$ 1,487,005</u>	<u>\$ 575,549</u>	<u>\$ 7,288,821</u>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>			
Liabilities			
Accounts payable	\$ 288,298	\$ 34,409	\$ -
Accrued liabilities	1,194,264	110,448	-
Due to other funds	266,702	-	623,010
Unearned revenues	-	-	6,665,811
	<u>1,749,264</u>	<u>144,857</u>	<u>7,288,821</u>
Fund balances (deficits)			
Restricted	-	-	-
Committed	-	-	-
Assigned	(262,259)	430,692	-
	<u>(262,259)</u>	<u>430,692</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>(262,259)</u>	<u>430,692</u>	<u>-</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 1,487,005</u>	<u>\$ 575,549</u>	<u>\$ 7,288,821</u>

Sewer District Fund	Special Purpose Fund	Totals	
		2014	2013
<u>\$ 31,300,281</u>	<u>\$ 26,612</u>	<u>\$ 32,279,220</u>	<u>\$ 29,136,034</u>
496,428	-	540,395	275,196
-	-	5,721,594	6,405,142
-	-	2,057,938	1,110,929
<u>2,533,843</u>	<u>-</u>	<u>3,109,392</u>	<u>3,768,156</u>
<u>3,030,271</u>	<u>-</u>	<u>11,429,319</u>	<u>11,559,423</u>
<u>\$ 34,330,552</u>	<u>\$ 26,612</u>	<u>\$ 43,708,539</u>	<u>\$ 40,695,457</u>
\$ 1,149,833	\$ -	\$ 1,472,540	\$ 1,618,122
1,261,161	-	2,565,873	2,697,667
-	-	889,712	735,000
<u>-</u>	<u>-</u>	<u>6,665,811</u>	<u>7,116,361</u>
<u>2,410,994</u>	<u>-</u>	<u>11,593,936</u>	<u>12,167,150</u>
-	26,612	26,612	28,815
1,393,274	-	1,393,274	1,001,999
<u>30,526,284</u>	<u>-</u>	<u>30,694,717</u>	<u>27,497,493</u>
<u>31,919,558</u>	<u>26,612</u>	<u>32,114,603</u>	<u>28,528,307</u>
<u>\$ 34,330,552</u>	<u>\$ 26,612</u>	<u>\$ 43,708,539</u>	<u>\$ 40,695,457</u>

**County of Rockland, New York**

Combining Statement of Revenues, Expenditures and Changes  
in Fund Balances  
Non-Major Special Revenue Funds  
December 31, 2014  
(With Comparative Totals for 2013)

	County Road Fund	Road Machinery Fund	Community Development Fund
<b>REVENUES</b>			
Real property taxes	\$ -	\$ -	\$ -
Other tax items	-	-	-
Departmental income	48,969	1,973	-
Use of money and property	-	-	18,338
Licenses and permits	28,712	-	-
Fines and forfeitures	2,100	-	-
Sale of property and compensation for loss	1,753	-	-
Interfund revenues	608,154	-	-
State aid	930,625	-	-
Federal aid	138,779	-	3,494,038
Miscellaneous	48,708	18,006	16,031
	<u>1,807,800</u>	<u>19,979</u>	<u>3,528,407</u>
<b>EXPENDITURES</b>			
Current			
Transportation	13,181,588	1,446,623	-
Economic opportunity and development	-	-	3,528,407
Home and community services	-	-	-
Employee benefits	-	-	-
Debt service			
Interest	-	-	-
	<u>13,181,588</u>	<u>1,446,623</u>	<u>3,528,407</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(11,373,788)</u>	<u>(1,426,644)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	10,996,850	1,426,644	-
Transfers out	-	-	-
	<u>10,996,850</u>	<u>1,426,644</u>	<u>-</u>
Net Change in Fund Balances	(376,938)	-	-
<b>FUND BALANCES (DEFICITS)</b>			
Beginning of Year	<u>114,679</u>	<u>430,692</u>	<u>-</u>
End of Year	<u>\$ (262,259)</u>	<u>\$ 430,692</u>	<u>\$ -</u>



Sewer District Fund	Special Purpose Fund	Totals	
		2014	2013
\$ 34,084,459	\$ -	\$ 34,084,459	\$ 33,218,249
391,275	-	391,275	120,680
857,720	-	908,662	598,884
140,751	41	159,130	135,196
-	-	28,712	26,490
7,845	-	9,945	16,855
-	-	1,753	188,304
61,462	-	669,616	593,536
21,541	-	952,166	1,455,401
-	-	3,632,817	5,064,217
77,218	-	159,963	136,311
<u>35,642,271</u>	<u>41</u>	<u>40,998,498</u>	<u>41,554,123</u>
-	-	14,628,211	14,476,161
-	2,244	3,530,651	4,672,446
17,775,316	-	17,775,316	16,604,369
3,992,351	-	3,992,351	3,627,419
<u>199,347</u>	<u>-</u>	<u>199,347</u>	<u>424,839</u>
<u>21,967,014</u>	<u>2,244</u>	<u>40,125,876</u>	<u>39,805,234</u>
<u>13,675,257</u>	<u>(2,203)</u>	<u>872,622</u>	<u>1,748,889</u>
9,059	-	12,432,553	12,154,105
<u>(9,718,879)</u>	<u>-</u>	<u>(9,718,879)</u>	<u>(9,796,353)</u>
<u>(9,709,820)</u>	<u>-</u>	<u>2,713,674</u>	<u>2,357,752</u>
3,965,437	(2,203)	3,586,296	4,106,641
<u>27,954,121</u>	<u>28,815</u>	<u>28,528,307</u>	<u>24,421,666</u>
<u>\$ 31,919,558</u>	<u>\$ 26,612</u>	<u>\$ 32,114,603</u>	<u>\$ 28,528,307</u>

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County of Rockland, New York

County Road Fund  
 Comparative Balance Sheet  
 December 31,

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 100	\$ 100
Receivables		
Accounts	43,967	35,444
State and Federal aid	1,442,938	373,834
Due from other funds	-	1,145,983
	<u>1,486,905</u>	<u>1,555,261</u>
Total Assets	<u>\$ 1,487,005</u>	<u>\$ 1,555,361</u>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>		
Liabilities		
Accounts payable	\$ 288,298	\$ 183,885
Accrued liabilities	1,194,264	1,256,797
Due to other funds	266,702	-
Total Liabilities	1,749,264	1,440,682
Fund balance (deficit)		
Assigned	<u>(262,259)</u>	<u>114,679</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 1,487,005</u>	<u>\$ 1,555,361</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,

	2014			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Departmental income	\$ 114,800	\$ 114,800	\$ 48,969	\$ (65,831)
Licenses and permits	41,000	41,000	28,712	(12,288)
Fines and forfeitures	-	-	2,100	2,100
Sale of property and compensation for loss	25,810	25,810	1,753	(24,057)
Interfund revenues	620,000	620,000	608,154	(11,846)
State aid	1,440,000	1,523,999	930,625	(593,374)
Federal aid	750,000	750,000	138,779	(611,221)
Miscellaneous	50,000	50,000	48,708	(1,292)
<b>Total Revenues</b>	<b>3,041,610</b>	<b>3,125,609</b>	<b>1,807,800</b>	<b>(1,317,809)</b>
<b>EXPENDITURES</b>				
Current				
Transportation	14,139,428	14,223,427	13,181,588	1,041,839
Deficiency of Revenues Over Expenditures	(11,097,818)	(11,097,818)	(11,373,788)	(275,970)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	10,996,850	10,996,850	10,996,850	-
<b>Net Change in Fund Balance</b>	<b>(100,968)</b>	<b>(100,968)</b>	<b>(376,938)</b>	<b>(275,970)</b>
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of Year	100,968	100,968	114,679	13,711
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (262,259)</u>	<u>\$ (262,259)</u>

2013

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 115,400	\$ 115,400	\$ 61,885	\$ (53,515)
41,000	41,000	26,490	(14,510)
4,500	4,500	3,700	(800)
21,500	21,500	80,543	59,043
495,000	495,000	543,902	48,902
1,250,000	1,250,000	1,438,495	188,495
750,000	750,000	178,466	(571,534)
50,000	50,000	38,530	(11,470)
2,727,400	2,727,400	2,372,011	(355,389)
13,753,265	13,753,265	12,957,470	795,795
(11,025,865)	(11,025,865)	(10,585,459)	440,406
10,910,975	10,910,975	10,585,975	(325,000)
(114,890)	(114,890)	516	115,406
114,890	114,890	114,163	(727)
\$ -	\$ -	\$ 114,679	\$ 114,679

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County of Rockland, New York

Road Machinery Fund  
Comparative Balance Sheet  
December 31,

---

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Due from other funds	<u>\$ 575,549</u>	<u>\$ 657,170</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 34,409	\$ 102,982
Accrued liabilities	<u>110,448</u>	<u>123,496</u>
Total Liabilities	144,857	226,478
Fund balance		
Assigned	<u>430,692</u>	<u>430,692</u>
Total Liabilities and Fund Balance	<u>\$ 575,549</u>	<u>\$ 657,170</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,

	2014			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Departmental income	\$ 2,000	\$ 2,000	\$ 1,973	\$ (27)
Sale of property and compensation for loss	5,000	5,000	-	(5,000)
Miscellaneous	14,000	14,000	18,006	4,006
<b>Total Revenues</b>	<b>21,000</b>	<b>21,000</b>	<b>19,979</b>	<b>(1,021)</b>
<b>EXPENDITURES</b>				
Current				
Transportation	1,624,670	1,624,670	1,446,623	178,047
Deficiency of Revenues Over Expenditures	(1,603,670)	(1,603,670)	(1,426,644)	177,026
<b>OTHER FINANCING SOURCES</b>				
Transfers in	1,594,260	1,594,260	1,426,644	(167,616)
<b>Net Change in Fund Balance</b>	<b>(9,410)</b>	<b>(9,410)</b>	<b>-</b>	<b>9,410</b>
<b>FUND BALANCE</b>				
Beginning of Year	9,410	9,410	430,692	421,282
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 430,692</u>	<u>\$ 430,692</u>



2013

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 2,000	\$ 2,000	\$ 1,973	\$ (27)
5,000	5,000	48,988	43,988
<u>29,000</u>	<u>29,000</u>	<u>4,372</u>	<u>(24,628)</u>
36,000	36,000	55,333	19,333
<u>1,604,130</u>	<u>1,604,130</u>	<u>1,518,691</u>	<u>85,439</u>
(1,568,130)	(1,568,130)	(1,463,358)	104,772
<u>1,568,130</u>	<u>1,568,130</u>	<u>1,568,130</u>	<u>-</u>
-	-	104,772	104,772
-	-	325,920	325,920
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 430,692</u>	<u>\$ 430,692</u>

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County of Rockland, New York

Community Development Fund  
Comparative Balance Sheet  
December 31,

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 952,227	\$ 711,219
Receivables		
Loans	5,721,594	6,405,142
State and Federal aid	<u>615,000</u>	<u>737,095</u>
	<u>6,336,594</u>	<u>7,142,237</u>
Total Assets	<u>\$ 7,288,821</u>	<u>\$ 7,853,456</u>
<b>LIABILITIES</b>		
Liabilities		
Accounts payable	\$ -	\$ 2,095
Due to other funds	623,010	735,000
Unearned revenues	<u>6,665,811</u>	<u>7,116,361</u>
Total Liabilities	<u>\$ 7,288,821</u>	<u>\$ 7,853,456</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,

	2014			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 18,338	\$ 18,338
Federal aid	-	13,766,996	3,494,038	(10,272,958)
Miscellaneous	-	-	16,031	16,031
Total Revenues	-	13,766,996	3,528,407	(10,238,589)
<b>EXPENDITURES</b>				
Current				
Economic opportunity and development	-	13,766,996	3,528,407	10,238,589
Excess of Revenues Over Expenditures	-	-	-	-
<b>FUND BALANCE</b>				
Beginning of Year	-	-	-	-
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

2013

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ 15,469	\$ 15,469
-	14,506,618	4,644,419	(9,862,199)
-	-	12,558	12,558
-	14,506,618	4,672,446	(9,834,172)
-	14,506,618	4,672,446	9,834,172
-	-	-	-
-	-	-	-
<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>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 31,300,281	\$ 28,395,900
Receivables		
Accounts	496,428	239,752
Due from other funds	<u>2,533,843</u>	<u>1,965,003</u>
	<u>3,030,271</u>	<u>2,204,755</u>
Total Assets	<u>\$ 34,330,552</u>	<u>\$ 30,600,655</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 1,149,833	\$ 1,329,160
Accrued liabilities	<u>1,261,161</u>	<u>1,317,374</u>
Total Liabilities	<u>2,410,994</u>	<u>2,646,534</u>
Fund balance		
Committed	1,393,274	1,001,999
Assigned	<u>30,526,284</u>	<u>26,952,122</u>
Total Fund Balance	<u>31,919,558</u>	<u>27,954,121</u>
Total Liabilities and Fund Balance	<u>\$ 34,330,552</u>	<u>\$ 30,600,655</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,

	2014			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Real property taxes	\$ 33,535,140	\$ 33,535,140	\$ 34,084,459	\$ 549,319
Other tax items	-	-	391,275	391,275
Departmental income	570,000	570,000	857,720	287,720
Use of money and property	124,000	124,000	140,751	16,751
Fines and forfeitures	-	-	7,845	7,845
Sale of property and compensation for loss	-	-	-	-
Interfund revenues	-	-	61,462	61,462
State aid	-	693,507	21,541	(671,966)
Federal aid	-	-	-	-
Miscellaneous	86,000	86,000	77,218	(8,782)
<b>Total Revenues</b>	<b>34,315,140</b>	<b>35,008,647</b>	<b>35,642,271</b>	<b>633,624</b>
<b>EXPENDITURES</b>				
Current				
Home and community services	20,855,885	23,234,119	17,775,316	5,458,803
Employee benefits	4,516,085	4,516,085	3,992,351	523,734
Debt service				
Interest	1,653,000	1,653,000	199,347	1,453,653
<b>Total Expenditures</b>	<b>27,024,970</b>	<b>29,403,204</b>	<b>21,967,014</b>	<b>7,436,190</b>
Excess of Revenues Over Expenditures	7,290,170	5,605,443	13,675,257	8,069,814
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	9,059	9,059
Transfers out	(12,001,000)	(12,001,000)	(9,718,879)	2,282,121
<b>Total Other Financing Uses</b>	<b>(12,001,000)</b>	<b>(12,001,000)</b>	<b>(9,709,820)</b>	<b>2,291,180</b>
<b>Net Change in Fund Balance</b>	<b>(4,710,830)</b>	<b>(6,395,557)</b>	<b>3,965,437</b>	<b>10,360,994</b>
<b>FUND BALANCE</b>				
Beginning of Year	4,710,830	6,395,557	27,954,121	21,558,564
End of Year	\$ -	\$ -	\$ 31,919,558	\$ 31,919,558



2013

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 32,674,050	\$ 32,674,050	\$ 33,218,249	\$ 544,199
-	-	120,680	120,680
563,000	563,000	535,026	(27,974)
145,000	145,000	119,687	(25,313)
-	-	13,155	13,155
-	-	58,773	58,773
-	-	49,634	49,634
-	-	16,906	16,906
-	-	241,332	241,332
86,300	88,700	80,851	(7,849)
<u>33,468,350</u>	<u>33,470,750</u>	<u>34,454,293</u>	<u>983,543</u>
20,706,199	21,010,179	16,604,369	4,405,810
4,536,600	4,235,020	3,627,419	607,601
<u>2,065,000</u>	<u>2,065,000</u>	<u>424,839</u>	<u>1,640,161</u>
<u>27,307,799</u>	<u>27,310,199</u>	<u>20,656,627</u>	<u>6,653,572</u>
<u>6,160,551</u>	<u>6,160,551</u>	<u>13,797,666</u>	<u>7,637,115</u>
-	-	-	-
<u>(9,853,000)</u>	<u>(9,853,000)</u>	<u>(9,796,353)</u>	<u>56,647</u>
<u>(9,853,000)</u>	<u>(9,853,000)</u>	<u>(9,796,353)</u>	<u>56,647</u>
<u>(3,692,449)</u>	<u>(3,692,449)</u>	<u>4,001,313</u>	<u>7,693,762</u>
<u>3,692,449</u>	<u>3,692,449</u>	<u>23,952,808</u>	<u>20,260,359</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,954,121</u>	<u>\$ 27,954,121</u>

**County of Rockland, New York**

Special Purpose Fund  
Comparative Balance Sheet  
December 31,

---

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash and equivalents	<u>\$ 26,612</u>	<u>\$ 28,815</u>
 <b>FUND BALANCE</b>		
Restricted	<u>\$ 26,612</u>	<u>\$ 28,815</u>

County of Rockland, New York

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

---

	<u>2014</u>	<u>2013</u>
<b>REVENUES</b>		
Use of money and property	\$ 41	\$ 40
<b>EXPENDITURES</b>		
Current		
Economic opportunity and development	<u>2,244</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,203)	40
<b>FUND BALANCE</b>		
Beginning of Year	<u>28,815</u>	<u>28,775</u>
End of Year	<u>\$ 26,612</u>	<u>\$ 28,815</u>

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County of Rockland, New York

Debt Service Fund  
Comparative Balance Sheet  
December 31,

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 14,626,007	\$ 13,539,106
Receivables		
Accounts	310,220	275,000
State and Federal aid	<u>761,461</u>	<u>659,767</u>
	<u>1,071,681</u>	<u>934,767</u>
Total Assets	<u>\$ 15,697,688</u>	<u>\$ 14,473,873</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Due to other funds	<u>\$ 9,436</u>	<u>\$ 1,388,720</u>
Fund balance		
Restricted	7,380,477	8,435,153
Assigned	<u>8,307,775</u>	<u>4,650,000</u>
Total Fund Balance	<u>15,688,252</u>	<u>13,085,153</u>
Total Liabilities and Fund Balance	<u>\$ 15,697,688</u>	<u>\$ 14,473,873</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,

	2014			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 143,564	\$ 143,564
State aid	-	-	2,765,856	2,765,856
Federal aid	138,000	999,923	1,213,039	213,116
Miscellaneous	-	-	1,426,497	1,426,497
<b>Total Revenues</b>	<b>138,000</b>	<b>999,923</b>	<b>5,548,956</b>	<b>4,549,033</b>
<b>EXPENDITURES</b>				
Debt service				
Serial bonds				
Principal	29,392,164	29,392,164	28,797,111	595,053
Interest	12,878,736	12,878,736	12,346,438	532,298
Refunding bond issuance cost	-	424,719	424,008	711
Bond issuance cost	-	-	445,422	(445,422)
New York State Power Authority				
Principal	400,836	400,836	400,836	-
Interest	20,764	20,764	20,764	-
<b>Total Expenditures</b>	<b>42,692,500</b>	<b>43,117,219</b>	<b>42,434,579</b>	<b>682,640</b>
Deficiency of Revenues Over Expenditures	(42,554,500)	(42,117,296)	(36,885,623)	5,231,673
<b>OTHER FINANCING SOURCES (USES)</b>				
Refunding bonds issued	-	39,905,000	39,874,197	(30,803)
Payment to refunded bond escrow agent	-	(41,137,204)	(41,136,488)	716
Issuance premium	-	795,000	3,228,885	2,433,885
Transfers in	42,554,500	42,554,500	42,049,829	(504,671)
Transfers out	(4,650,000)	(4,650,000)	(4,527,701)	122,299
<b>Total Other Financing Sources</b>	<b>37,904,500</b>	<b>37,467,296</b>	<b>39,488,722</b>	<b>2,021,426</b>
Net Change in Fund Balance	(4,650,000)	(4,650,000)	2,603,099	7,253,099
<b>FUND BALANCE</b>				
Beginning of Year	4,650,000	4,650,000	13,085,153	8,435,153
End of Year	\$ -	\$ -	\$ 15,688,252	\$ 15,688,252

2013

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ 123,357	\$ 123,357
-	-	844,566	844,566
-	-	755,730	755,730
<u>138,000</u>	<u>208,000</u>	<u>598,966</u>	<u>390,966</u>
<u>138,000</u>	<u>208,000</u>	<u>2,322,619</u>	<u>2,114,619</u>
28,127,610	28,085,347	27,911,676	173,671
11,719,755	11,762,018	11,762,017	1
-	70,804	70,804	-
-	-	-	-
397,390	397,390	397,390	-
<u>24,245</u>	<u>24,245</u>	<u>24,245</u>	<u>-</u>
<u>40,269,000</u>	<u>40,339,804</u>	<u>40,166,132</u>	<u>173,672</u>
<u>(40,131,000)</u>	<u>(40,131,804)</u>	<u>(37,843,513)</u>	<u>2,288,291</u>
-	7,180,078	7,180,078	-
-	(7,705,618)	(7,705,618)	-
-	596,344	1,052,959	456,615
40,131,000	40,131,000	40,266,429	135,429
<u>(3,000,000)</u>	<u>(3,070,000)</u>	<u>(3,070,000)</u>	<u>-</u>
<u>37,131,000</u>	<u>37,131,804</u>	<u>37,723,848</u>	<u>592,044</u>
(3,000,000)	(3,000,000)	(119,665)	2,880,335
<u>3,000,000</u>	<u>3,000,000</u>	<u>13,204,818</u>	<u>10,204,818</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,085,153</u>	<u>\$ 13,085,153</u>

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## ENTERPRISE

## 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.

- **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 the General Municipal Law.
  
- **Rockland Tobacco Asset Securitization Corporation and the Rockland Second Tobacco Asset Securitization Corp.-** 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.
  
- **Rockland County Health Facilities Corporation** - This fund is used to account for the operations of the not-for-profit local development corporation created pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York.

**County of Rockland, New York**

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

	2014	2013
<b>ASSETS</b>		
Cash and equivalents	\$ 5,818,261	\$ 7,963,654
Receivables		
Accounts	10,495,346	15,505,839
Accounts - Patient care, net of allowance for uncollectible amounts	6,045,176	7,778,122
Funds held in trust for residents	302,058	233,366
Inventories	733,717	796,462
Total Current Assets	<u>23,394,558</u>	<u>32,277,443</u>
Capital assets		
Land	438,504	438,504
Buildings	48,437,227	47,957,135
Improvements other than buildings	345,975	345,975
Equipment	20,610,978	18,316,568
Construction-in-progress	2,474,124	3,322,594
Less - Accumulated depreciation	<u>(53,398,738)</u>	<u>(51,715,476)</u>
Total Capital Assets, net of accumulated depreciation	<u>18,908,070</u>	<u>18,665,300</u>
Total Assets	<u>42,302,628</u>	<u>50,942,743</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	6,629,596	8,370,496
Accrued interest payable	153,526	170,090
Funds held in trust for residents	302,058	233,366
Due to other funds	2,946,284	11,866,272
Advances from other funds	59,594,499	58,810,128
Unearned revenues	4,680,181	501,169
Bond anticipation notes payable	-	337,000
Current portion of compensated absences	740,000	914,000
Current maturities of bonds payable	2,015,008	1,971,297
Estimated third party liabilities	<u>561,068</u>	<u>-</u>
Total Current Liabilities	<u>77,622,220</u>	<u>83,173,818</u>
Noncurrent liabilities		
Bonds payable, less current maturities	13,738,608	15,547,732
Compensated absences, less current portion	6,667,084	8,229,737
Other post employment benefit obligations payable	94,659,290	86,411,273
Estimated third-party liabilities	<u>1,615,645</u>	<u>2,344,160</u>
Total Noncurrent Liabilities	<u>116,680,627</u>	<u>112,532,902</u>
Total Liabilities	<u>194,302,847</u>	<u>195,706,720</u>
<b>NET POSITION</b>		
Net investment in capital assets	8,920,654	8,687,161
Unrestricted	<u>(160,920,873)</u>	<u>(153,451,138)</u>
Total Net Position	<u>\$ (152,000,219)</u>	<u>\$ (144,763,977)</u>

**County of Rockland, New York**

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

	<u>2014</u>	<u>2013</u>
<b>OPERATING REVENUES</b>		
Charges for services		
Net patient service revenues	\$ 63,556,603	\$ 57,440,172
Services provided to the County jail	330,000	330,000
Services provided to the County of Rockland	<u>3,030,253</u>	<u>2,987,152</u>
	66,916,856	60,757,324
Miscellaneous	<u>768,564</u>	<u>520,098</u>
Total Operating Revenues	<u>67,685,420</u>	<u>61,277,422</u>
<b>OPERATING EXPENSES</b>		
Administrative and general expenses	9,893,518	9,888,213
Salaries and wage expenses	30,333,202	37,089,314
Employee benefits	33,990,062	34,667,105
Supplies and other expenses	6,930,041	7,125,605
Depreciation	<u>2,210,959</u>	<u>2,185,761</u>
Total Operating Expenses	<u>83,357,782</u>	<u>90,955,998</u>
Loss from Operations	(15,672,362)	(29,678,576)
<b>NON-OPERATING EXPENSES</b>		
Interest on indebtedness	<u>(203,133)</u>	<u>(243,291)</u>
Loss Before Transfers	(15,875,495)	(29,921,867)
Transfers in	<u>8,639,253</u>	<u>13,325,066</u>
Change in Net Position	(7,236,242)	(16,596,801)
<b>NET POSITION</b>		
Beginning of Year	<u>(144,763,977)</u>	<u>(128,167,176)</u>
End of Year	<u><u>\$ (152,000,219)</u></u>	<u><u>\$ (144,763,977)</u></u>

**County of Rockland, New York**

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

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from patients and third-party payers	\$ 69,212,872	\$ 59,776,407
Other receipts	17,866,805	21,094,198
Cash payments to vendors	(18,501,714)	(16,214,251)
Cash payments to employees	(57,811,900)	(64,144,736)
Net Cash from Operating Activities	<u>10,766,063</u>	<u>511,618</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Proceeds from (Payments to) County of Rockland	<u>(8,135,617)</u>	<u>2,138,606</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from long-term debt	849,140	7,292,000
Retirement of debt	(2,951,553)	(2,065,244)
Interest on indebtedness	(636,725)	(450,825)
Acquisition and construction of capital assets	<u>(2,036,701)</u>	<u>(1,514,424)</u>
Net Cash from Capital and Related Financing Activities	<u>(4,775,839)</u>	<u>3,261,507</u>
Net Change in Cash and Equivalents	(2,145,393)	5,911,731
<b>CASH AND EQUIVALENTS</b>		
Beginning of Year	<u>7,963,654</u>	<u>2,051,923</u>
End of Year	<u>\$ 5,818,261</u>	<u>\$ 7,963,654</u>
<b>RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES</b>		
Loss from operations	\$ (15,672,362)	\$ (29,678,576)
Adjustments to reconcile loss from operations to net cash from operating activities		
Depreciation	2,210,959	2,185,761
Provision for bad debts	1,702,663	2,657,082
Transfers in	8,639,253	13,325,066
Changes in assets and liabilities		
Accounts receivable	5,098,735	3,850,787
Accounts receivable - Patient care	30,283	(942,843)
Due to/from State of New York by mental health units for outpatient subsidy, net	(88,242)	-
Inventories	62,745	(92,900)
Accounts payable	(1,740,900)	892,467
Unearned revenue	4,179,012	(11,116)
Compensated absences	(1,736,653)	(277,677)
Other post employment benefit obligations payable	8,248,017	7,889,360
Estimated third party liabilities	<u>(167,447)</u>	<u>714,207</u>
Net Cash from Operating Activities	<u>\$ 10,766,063</u>	<u>\$ 511,618</u>

County of Rockland, New York

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

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Current assets		
Cash and equivalents	\$ 382,367	\$ 277,614
Investments	1,158,016	1,098,290
Accounts receivable	3,360,262	3,146,254
Prepaid expenses	21,352	19,771
Total Current Assets	<u>4,921,997</u>	<u>4,541,929</u>
Noncurrent assets		
Restricted cash and equivalents	155,196	249,942
Restricted investments	3,367,568	3,367,209
Total Noncurrent Assets	<u>3,522,764</u>	<u>3,617,151</u>
Total Assets	<u>8,444,761</u>	<u>8,159,080</u>
<b>LIABILITIES</b>		
Current liabilities		
Accrued liabilities	809,271	838,662
Current maturities of bonds payable	445,000	410,000
Total Current Liabilities	1,254,271	1,248,662
Noncurrent liabilities		
Bonds payable, less current maturities	<u>82,171,145</u>	<u>80,700,093</u>
Total Liabilities	<u>83,425,416</u>	<u>81,948,755</u>
<b>NET POSITION</b>		
Unrestricted	<u>\$ (74,980,655)</u>	<u>\$ (73,789,675)</u>

**County of Rockland, New York**

Proprietary Fund - Enterprise Fund  
Rockland Tobacco Asset Securitization Corporation  
Comparative Statement Of Revenues, Expenses and  
Changes in Net Position  
Years Ended December 31,

---

	<u>2014</u>	<u>2013</u>
<b>OPERATING REVENUES</b>		
Tobacco settlement revenues	\$ 3,711,966	\$ 3,180,123
Operating expenses		
Professional fees	38,464	39,007
Directors' fees	13,000	16,000
Insurance	21,712	19,853
Total Operating Expenses	<u>73,176</u>	<u>74,860</u>
Income from Operations	<u>3,638,790</u>	<u>3,105,263</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest income	308,324	248,264
Interest on indebtedness	<u>(5,138,094)</u>	<u>(5,018,235)</u>
Total Non-Operating Expenses	<u>(4,829,770)</u>	<u>(4,769,971)</u>
Change in Net Position	(1,190,980)	(1,664,708)
<b>NET POSITION</b>		
Beginning of Year	<u>(73,789,675)</u>	<u>(72,124,967)</u>
End of Year	<u>\$ (74,980,655)</u>	<u>\$ (73,789,675)</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>2014</u>	<u>2013</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from tobacco settlement revenues	\$ 3,554,704	\$ 3,198,028
Cash payments to vendors	<u>(74,757)</u>	<u>(76,575)</u>
Net Cash from Operating Activities	<u>3,479,947</u>	<u>3,121,453</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Retirement of long-term debt	(1,425,000)	(1,010,000)
Interest on indebtedness	<u>(2,236,433)</u>	<u>(2,291,981)</u>
Net Cash from Non-Capital Financing Activities	<u>(3,661,433)</u>	<u>(3,301,981)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	251,578	246,765
Purchase of investments	(1,158,016)	(1,098,290)
Sale of investments	1,098,290	1,137,038
Purchase of restricted investments	(3,367,568)	(3,367,209)
Sale of restricted investments	<u>3,367,209</u>	<u>3,440,137</u>
Net Cash from Investing Activities	<u>191,493</u>	<u>358,441</u>
Net Change in Cash and Equivalents	10,007	177,913
<b>CASH AND EQUIVALENTS</b>		
Beginning of Year	<u>527,556</u>	<u>349,643</u>
End of Year	<u>\$ 537,563</u>	<u>\$ 527,556</u>
Cash and equivalents	\$ 382,367	\$ 277,614
Restricted cash and equivalents	<u>155,196</u>	<u>249,942</u>
Total Cash and Equivalents	<u>\$ 537,563</u>	<u>\$ 527,556</u>
<b>RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES</b>		
Income from operations	\$ 3,638,790	\$ 3,105,263
Adjustments to reconcile income from operations to net cash from operating activities		
Changes in assets and liabilities		
Accounts receivable	(157,262)	17,905
Prepaid expenses	<u>(1,581)</u>	<u>(1,715)</u>
Net Cash from Operating Activities	<u>\$ 3,479,947</u>	<u>\$ 3,121,453</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	2,876,205	2,692,236

County of Rockland, New York

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

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Current assets		
Cash and equivalents	\$ 151,393	\$ 110,274
Accounts receivable	819,800	780,482
Total Current Assets	<u>971,193</u>	<u>890,756</u>
Noncurrent assets		
Restricted cash and equivalents	66	770
Restricted investments	711,759	711,055
Total Noncurrent Assets	<u>711,825</u>	<u>711,825</u>
Total Assets	<u>1,683,018</u>	<u>1,602,581</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	2,500	10,549
Accrued liabilities	26,103	28,595
Current maturities of bonds payable	110,000	105,000
Total Current Liabilities	138,603	144,144
Noncurrent liabilities		
Bonds payable, less current maturities	4,821,471	5,335,470
Total Liabilities	<u>4,960,074</u>	<u>5,479,614</u>
<b>NET POSITION</b>		
Unrestricted	<u>\$ (3,277,056)</u>	<u>\$ (3,877,033)</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,

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	<u>2014</u>	<u>2013</u>
<b>OPERATING REVENUES</b>		
Tobacco settlement revenues	<u>\$ 936,036</u>	<u>\$ 775,317</u>
<b>OPERATING EXPENSES</b>		
Professional fees	20,315	24,527
Directors' fees	<u>13,000</u>	<u>16,000</u>
Total Operating Expenses	<u>33,315</u>	<u>40,527</u>
Income from Operations	<u>902,721</u>	<u>734,790</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest income	33,949	33,968
Interest on indebtedness	<u>(336,693)</u>	<u>(363,598)</u>
Total Non-Operating Expenses	<u>(302,744)</u>	<u>(329,630)</u>
Change in Net Position	599,977	405,160
<b>NET POSITION</b>		
Beginning of Year	<u>(3,877,033)</u>	<u>(4,282,193)</u>
End of Year	<u>\$ (3,277,056)</u>	<u>\$ (3,877,033)</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,

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from tobacco settlement revenues	\$ 888,672	\$ 784,724
Cash payments to directors	(13,000)	(16,000)
Cash payments to vendors	(20,315)	(24,527)
	855,357	744,197
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Retirement of long-term debt	(520,000)	(395,000)
Interest on indebtedness	(328,187)	(354,494)
	(848,187)	(749,494)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	33,949	33,965
Purchase of restricted investments	(711,759)	(711,055)
Sale of restricted investments	711,055	711,055
	33,245	33,965
Net Cash from Investing Activities	33,245	33,965
Net Change in Cash and Equivalents	40,415	28,668
<b>CASH AND EQUIVALENTS</b>		
Beginning of Year	111,044	82,376
End of Year	\$ 151,459	\$ 111,044
Cash and equivalents	\$ 151,393	\$ 110,274
Restricted cash and equivalents	66	770
Total Cash and Equivalents	\$ 151,459	\$ 111,044
<b>RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES</b>		
Income from operations	\$ 902,721	\$ 734,790
Adjustments to reconcile income from operations to net cash from operating activities		
Changes in assets and liabilities		
Accounts receivable	(39,315)	9,407
Accounts payable	(8,049)	-
	855,357	744,197
Net Cash from Operating Activities	\$ 855,357	\$ 744,197
Noncash Investing Activities		
Increase in bonds payable from amortization of original issue and underwriters' discount	\$ 10,997	\$ 10,997

**County of Rockland, New York**

Proprietary Fund - Enterprise Fund  
Rockland County Health Facilities Corporation  
Statement of Net Position  
December 31, 2014

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**ASSETS**

Current assets

Cash and equivalents	\$ 150,000
Funds held in escrow	2,852,144
Due from County	<u>6,702</u>

Total Assets	<u>3,008,846</u>
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**LIABILITIES**

Accounts payable	86,753
Deposit	<u>2,850,000</u>

Total Liabilities	<u>2,936,753</u>
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**NET POSITION**

Unrestricted	<u><u>\$ 72,093</u></u>
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**County of Rockland, New York**

Proprietary Fund - Enterprise Fund  
Rockland County Health Facilities Corporation  
Statement of Revenues, Expenses and  
Changes in Net Position  
Year Ended December 31, 2014

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**OPERATING REVENUES**

Interest earned	\$	2,144
Forfeited deposits		150,000
Other		<u>434,745</u>
Total Operating Revenues		<u>586,889</u>

**OPERATING EXPENSES**

Appropriations received from County of Rockland		428,043
Amount to be appropriated by the County		6,702
Administrative expense		<u>80,051</u>
Total Operating Expenses		<u>514,796</u>
Income from Operations		72,093

**NET POSITION**

Beginning of Year		<u>-</u>
End of Year	\$	<u><u>72,093</u></u>

**County of Rockland, New York**

Proprietary Fund - Enterprise Fund  
Rockland County Health Facilities Corporation  
Statement of Cash Flows  
Year Ended December 31, 2014

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from forfeited deposits	\$ 150,000
Net Change in Cash and Equivalents	150,000

**CASH AND EQUIVALENTS**

Beginning of Year	-
End of Year	\$ 150,000

**RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES**

Income from operations	\$ 72,093
Adjustments to reconcile income from operations to net cash from operating activities	
Transfer to escrow	(2,252,144)
Changes in assets and liabilities	
Due from County	35,966
Accounts payable	44,085
Deposit	2,250,000
Net Cash from Operating Activities	\$ 150,000

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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, General Liability Claims, Unemployment 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, 2014  
 (With Comparative Totals for 2013)

	Workers' Compensation Benefits	General Liability Claims	Unemployment Benefits
<b>ASSETS</b>			
Cash and equivalents	\$ 4,270,971	\$ 3,702,011	\$ -
Receivables			
Accounts	-	-	-
State and Federal aid	-	-	-
Due from other governments	-	196,006	-
Due from other funds	-	793,623	127,881
	-	989,629	127,881
Inventories	-	-	-
Prepaid expenses	-	-	-
Total Current Assets	4,270,971	4,691,640	127,881
Capital assets			
Not being depreciated	-	-	-
Being depreciated, net	-	-	-
	-	-	-
Total Assets	4,270,971	4,691,640	127,881
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	266,301	37,562	-
Accrued liabilities	18,338	-	-
Due to other funds	6,305	-	-
Current portion of claims payable	2,671,000	558,489	-
Current maturities of bonds payable	-	-	-
Current portion of compensated absences	4,903	-	-
Total Current Liabilities	2,966,847	596,051	-
Noncurrent liabilities			
Claims payable, less current portion	24,036,786	4,095,589	-
Bonds payable, less current maturities	-	-	-
Compensated absences, less current portion	-	-	-
Other post employment benefit obligations payable	136,232	-	-
Total Noncurrent Liabilities	24,173,018	4,095,589	-
Total Liabilities	27,139,865	4,691,640	-
<b>NET POSITION</b>			
Net investment in capital assets	-	-	-
Unrestricted	(22,868,894)	-	127,881
Total Net Position	\$ (22,868,894)	\$ -	\$ 127,881



General Services	Totals	
	2014	2013
\$ 9,834	\$ 7,982,816	\$ 8,332,894
84,566	84,566	105,530
436,341	436,341	429,233
-	196,006	-
5,651,350	6,572,854	6,911,015
6,172,257	7,289,767	7,445,778
107,280	107,280	81,039
93,659	93,659	160,894
6,383,030	15,473,522	16,020,605
-	-	143,000
2,380,999	2,380,999	3,890,653
2,380,999	2,380,999	4,033,653
8,764,029	17,854,521	20,054,258
656,434	960,297	911,506
2,230,952	2,249,290	2,392,813
-	6,305	-
-	3,229,489	1,744,908
857,835	857,835	813,602
186,075	190,978	184,666
3,931,296	7,494,194	6,047,495
-	28,132,375	14,558,952
2,904,305	2,904,305	3,764,976
1,674,676	1,674,676	1,639,557
19,029,211	19,165,443	17,276,601
23,608,192	51,876,799	37,240,086
27,539,488	59,370,993	43,287,581
(1,381,141)	(1,381,141)	(544,925)
(17,394,318)	(40,135,331)	(22,688,398)
\$ (18,775,459)	\$ (41,516,472)	\$ (23,233,323)

**County of Rockland, New York**

Proprietary Funds - Internal Service Funds  
 Combining Statement of Revenues, Expenses and Changes  
 in Net Position  
 Year Ended December 31, 2014  
 (With Comparative Totals for 2013)

	Workers' Compensation Benefits	General Liability Claims	Unemployment Benefits
<b>OPERATING REVENUES</b>			
Charges for services	\$ 5,660,080	\$ 1,678,078	\$ 263,721
State aid	-	-	-
Federal aid	-	-	-
Total Operating Revenues	<u>5,660,080</u>	<u>1,678,078</u>	<u>263,721</u>
<b>OPERATING EXPENSES</b>			
Administrative and general expenses	636,146	-	-
Salaries and wage expenses	163,539	-	-
Employee benefits	9,056,441	-	263,721
Judgments and claims	-	1,680,642	-
Supplies and other expenses	-	-	-
Depreciation	-	-	-
Total Operating Expenses	<u>9,856,126</u>	<u>1,680,642</u>	<u>263,721</u>
Loss From Operations	<u>(4,196,046)</u>	<u>(2,564)</u>	<u>-</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest income	6,463	2,564	-
Interest on indebtedness	-	-	-
Total Non-Operating Revenues (Expenses)	<u>6,463</u>	<u>2,564</u>	<u>-</u>
Change in Net Position	(4,189,583)	-	-
<b>NET POSITION</b>			
Beginning of Year, as restated	<u>(18,679,311)</u>	<u>-</u>	<u>127,881</u>
End of Year	<u>\$ (22,868,894)</u>	<u>\$ -</u>	<u>\$ 127,881</u>

General Services	Totals	
	2014	2013
\$ 27,128,931	\$ 34,730,810	\$ 34,492,534
566,656	566,656	607,705
49,531	49,531	-
<u>27,745,118</u>	<u>35,346,997</u>	<u>35,100,239</u>
-	636,146	605,552
9,721,854	9,885,393	10,298,683
8,104,758	17,424,920	12,918,142
-	1,680,642	1,862,783
10,004,210	10,004,210	9,671,259
1,652,654	1,652,654	1,638,062
<u>29,483,476</u>	<u>41,283,965</u>	<u>36,994,481</u>
<u>(1,738,358)</u>	<u>(5,936,968)</u>	<u>(1,894,242)</u>
-	9,027	17,438
<u>(137,210)</u>	<u>(137,210)</u>	<u>(180,529)</u>
<u>(137,210)</u>	<u>(128,183)</u>	<u>(163,091)</u>
(1,875,568)	(6,065,151)	(2,057,333)
<u>(16,899,891)</u>	<u>(35,451,321)</u>	<u>(21,175,990)</u>
<u>\$ (18,775,459)</u>	<u>\$ (41,516,472)</u>	<u>\$ (23,233,323)</u>

County of Rockland, New York

Proprietary Funds - Internal Service Funds  
 Combining Statement of Cash Flows  
 Year Ended December 31, 2014  
 (With Comparative Totals for 2013)

	Workers' Compensation Benefits	General Liability Claims	Unemployment Benefits
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from charges for services	\$ 5,673,265	\$ 2,367,909	\$ 263,721
Cash received from State and Federal aid	-	-	-
Cash payments to insurance carriers and claimants	(5,470,639)	(2,775,735)	(263,721)
Cash payments to employees	(163,539)	-	-
Cash payments to vendors	-	-	-
Net Cash from Operating Activities	<u>39,087</u>	<u>(407,826)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Retirement of long-term debt	-	-	-
Interest on indebtedness	-	-	-
Acquisition and construction of capital assets	-	-	-
Net Cash from Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income	6,463	2,564	-
Net Change in Cash and Equivalents	<u>45,550</u>	<u>(405,262)</u>	<u>-</u>
<b>CASH AND EQUIVALENTS</b>			
Beginning of Year	<u>4,225,421</u>	<u>4,107,273</u>	<u>-</u>
End of Year	<u>\$ 4,270,971</u>	<u>\$ 3,702,011</u>	<u>\$ -</u>
<b>RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES</b>			
Loss from operations	\$ (4,196,046)	\$ (2,564)	\$ -
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	-	(196,006)	-
Due from other funds	13,185	885,837	-
Inventories	-	-	-
Prepaid expenses	-	-	-
Accounts payable	266,224	62	-
Accrued liabilities	(1,251)	-	-
Due to other funds	6,305	-	-
Claims payable	3,935,161	(1,095,155)	-
Compensated absences	2,237	-	-
Other post employment benefit obligations payable	13,272	-	-
Net Cash from Operating Activities	<u>\$ 39,087</u>	<u>\$ (407,826)</u>	<u>\$ -</u>

General Services	Totals	
	2014	2013
\$ 26,589,034	\$ 34,893,929	\$ 34,324,602
609,079	609,079	605,925
-	(8,510,095)	(8,977,138)
(10,062,857)	(10,226,396)	(10,160,371)
<u>(16,150,749)</u>	<u>(16,150,749)</u>	<u>(15,274,866)</u>
984,507	615,768	518,152
(816,438)	(816,438)	(1,094,652)
(158,435)	(158,435)	(194,860)
-	-	(143,000)
<u>(974,873)</u>	<u>(974,873)</u>	<u>(1,432,512)</u>
-	9,027	17,438
9,634	(350,078)	(896,922)
200	8,332,894	9,229,816
<u>\$ 9,834</u>	<u>\$ 7,982,816</u>	<u>\$ 8,332,894</u>
\$ (1,738,358)	\$ (5,936,968)	\$ (1,894,242)
1,652,654	1,652,654	1,638,062
7,779	7,779	255,012
(7,108)	(7,108)	(1,780)
-	(196,006)	-
(547,676)	351,346	(422,944)
(26,241)	(26,241)	3,571
67,235	67,235	89,278
(217,495)	48,791	(282,790)
(121,047)	(122,298)	276,101
-	6,305	(21,941)
-	2,840,006	(776,296)
39,194	41,431	(52,957)
<u>1,875,570</u>	<u>1,888,842</u>	<u>1,709,078</u>
<u>\$ 984,507</u>	<u>\$ 615,768</u>	<u>\$ 518,152</u>

County of Rockland, New York

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

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 4,270,971	\$ 4,225,421
Due from other funds	-	13,185
	<u>4,270,971</u>	<u>4,238,606</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	266,301	77
Accrued liabilities	18,338	19,589
Due to other funds	6,305	-
Current portion of claims payable	2,671,000	1,055,000
Compensated absences	4,903	2,666
	<u>2,966,847</u>	<u>1,077,332</u>
Noncurrent liabilities		
Claims payable, less current portion	24,036,786	9,499,627
Other post employment benefit obligations payable	136,232	122,960
	<u>24,173,018</u>	<u>9,622,587</u>
Total Liabilities	<u>27,139,865</u>	<u>10,699,919</u>
<b>NET POSITION</b>		
Unrestricted	<u>\$ (22,868,894)</u>	<u>\$ (6,461,313)</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>2014</u>	<u>2013</u>
<b>OPERATING REVENUES</b>		
Charges for services	<u>\$ 5,660,080</u>	<u>\$ 5,485,570</u>
<b>OPERATING EXPENSES</b>		
Administrative and general expenses	636,146	605,552
Salaries and wage expenses	163,539	159,652
Employee benefits	<u>9,056,441</u>	<u>5,095,402</u>
Total Operating Expenses	<u>9,856,126</u>	<u>5,860,606</u>
Loss From Operations	(4,196,046)	(375,036)
<b>NON-OPERATING REVENUES</b>		
Interest income	<u>6,463</u>	<u>14,687</u>
Change in Net Position	(4,189,583)	(360,349)
<b>NET POSITION</b>		
Beginning of Year, As restated	<u>(18,679,311)</u>	<u>(6,100,964)</u>
End of Year	<u>\$ (22,868,894)</u>	<u>\$ (6,461,313)</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>2014</u>	<u>2013</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from charges for services	\$ 5,673,265	\$ 5,472,385
Cash payments to insurance carriers and claimants	(5,470,639)	(6,315,995)
Cash payments to employees	<u>(163,539)</u>	<u>(159,652)</u>
Net Cash from Operating Activities	<u>39,087</u>	<u>(1,003,262)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	<u>6,463</u>	<u>14,687</u>
Net Change in Cash and Equivalents	45,550	(988,575)
<b>CASH AND EQUIVALENTS</b>		
Beginning of Year	<u>4,225,421</u>	<u>5,213,996</u>
End of Year	<u>\$ 4,270,971</u>	<u>\$ 4,225,421</u>
<b>RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES</b>		
Loss from operations	\$ (4,196,046)	\$ (375,036)
Adjustments to reconcile loss from operations to net cash from operating activities		
Changes in assets and liabilities		
Due from other funds	13,185	(13,185)
Accounts payable	266,224	(478,751)
Accrued liabilities	(1,251)	3,410
Due to other funds	6,305	(21,941)
Claims payable	3,935,161	(128,427)
Compensated absences	2,237	(1,427)
Other post employment benefit obligations payable	<u>13,272</u>	<u>12,095</u>
Net Cash from Operating Activities	<u>\$ 39,087</u>	<u>\$ (1,003,262)</u>



**County of Rockland, New York**

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

---

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 3,702,011	\$ 4,107,273
Due from other governments	196,006	-
Due from other funds	<u>793,623</u>	<u>1,679,460</u>
 Total Assets	 <u>4,691,640</u>	 <u>5,786,733</u>
 <b>LIABILITIES</b>		
Current liabilities		
Accounts payable	37,562	37,500
Current portion of claims payable	<u>558,489</u>	<u>689,908</u>
 Total Current Liabilities	 596,051	 727,408
Noncurrent liabilities		
Claims payable, less current portion	<u>4,095,589</u>	<u>5,059,325</u>
 Total Liabilities	 <u>\$ 4,691,640</u>	 <u>\$ 5,786,733</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>2014</u>	<u>2013</u>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 1,678,078	\$ 1,860,032
<b>OPERATING EXPENSES</b>		
Judgments and claims	<u>1,680,642</u>	<u>1,862,783</u>
Loss From Operations	(2,564)	(2,751)
<b>NON-OPERATING REVENUES</b>		
Interest income	<u>2,564</u>	<u>2,751</u>
Change in Net Position	-	-
<b>NET POSITION</b>		
Beginning of Year	<u>-</u>	<u>-</u>
End of Year	<u><u>\$ -</u></u>	<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>2014</u>	<u>2013</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from charges for services	\$ 2,367,909	\$ 2,597,174
Cash payments to insurance carriers and claimants	<u>(2,775,735)</u>	<u>(2,508,272)</u>
Net Cash from Operating Activities	<u>(407,826)</u>	<u>88,902</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	<u>2,564</u>	<u>2,751</u>
Net Change in Cash and Equivalents	(405,262)	91,653
<b>CASH AND EQUIVALENTS</b>		
Beginning of Year	<u>4,107,273</u>	<u>4,015,620</u>
End of Year	<u>\$ 3,702,011</u>	<u>\$ 4,107,273</u>
<b>RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES</b>		
Loss from operations	\$ (2,564)	\$ (2,751)
Adjustments to reconcile loss from operations to net cash from operating activities		
Changes in assets and liabilities		
Due from other governments	(196,006)	-
Due from other funds	885,837	737,142
Accounts payable	62	2,380
Claims payable	<u>(1,095,155)</u>	<u>(647,869)</u>
Net Cash from Operating Activities	<u>\$ (407,826)</u>	<u>\$ 88,902</u>

**County of Rockland, New York**

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

---

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Due from other funds	<u>\$ 127,881</u>	<u>\$ 127,881</u>
<b>NET POSITION</b>		
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>2014</u>	<u>2013</u>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 263,721	\$ 152,871
<b>OPERATING EXPENSES</b>		
Employee benefits	<u>263,721</u>	<u>152,871</u>
Income From Operations	-	-
<b>NET POSITION</b>		
Beginning of Year	<u>127,881</u>	<u>127,881</u>
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>2014</u>	<u>2013</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from charges for services	\$ 263,721	\$ 152,871
Cash payments to insurance carriers and claimants	<u>(263,721)</u>	<u>(152,871)</u>
Net Cash from Operating Activities	<u>-</u>	<u>-</u>
Net Change in Cash	-	-
<b>CASH AND EQUIVALENTS</b>		
Beginning of Year	<u>-</u>	<u>-</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>
<b>RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES</b>		
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,

	2014	2013
<b>ASSETS</b>		
Cash and equivalents	\$ 9,834	\$ 200
Receivables		
Accounts	84,566	92,345
State and Federal aid	436,341	429,233
Due from other funds	5,651,350	5,103,674
	<u>6,172,257</u>	<u>5,625,252</u>
Inventories	<u>107,280</u>	<u>81,039</u>
Prepaid expenses	<u>93,659</u>	<u>160,894</u>
Total Current Assets	<u>6,383,030</u>	<u>5,867,385</u>
Capital assets		
Not being depreciated	-	143,000
Being depreciated, net	<u>2,380,999</u>	<u>3,890,653</u>
	<u>2,380,999</u>	<u>4,033,653</u>
Total Assets	<u>8,764,029</u>	<u>9,901,038</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	656,434	873,929
Accrued liabilities	2,230,952	2,373,224
Current maturities of bonds payable	857,835	813,602
Current portion of compensated absences	<u>186,075</u>	<u>182,000</u>
Total Current Liabilities	<u>3,931,296</u>	<u>4,242,755</u>
Noncurrent liabilities		
Bonds payable, less current maturities	2,904,305	3,764,976
Compensated absences, less current portion	1,674,676	1,639,557
Other post employment benefit obligations payable	<u>19,029,211</u>	<u>17,153,641</u>
Total Noncurrent Liabilities	<u>23,608,192</u>	<u>22,558,174</u>
Total Liabilities	<u>27,539,488</u>	<u>26,800,929</u>
<b>NET POSITION</b>		
Net investment in capital assets	(1,381,141)	(544,925)
Unrestricted	<u>(17,394,318)</u>	<u>(16,354,966)</u>
Total Net Position	<u>\$ (18,775,459)</u>	<u>\$ (16,899,891)</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>2014</u>	<u>2013</u>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 27,128,931	\$ 26,994,061
State aid	566,656	607,705
Federal aid	49,531	-
	<u>27,745,118</u>	<u>27,601,766</u>
<b>OPERATING EXPENSES</b>		
Salaries and wage expenses	9,721,854	10,139,031
Employee benefits	8,104,758	7,669,869
Supplies and other expenses	10,004,210	9,671,259
Depreciation	1,652,654	1,638,062
	<u>29,483,476</u>	<u>29,118,221</u>
Total Operating Expenses	<u>29,483,476</u>	<u>29,118,221</u>
Loss From Operations	(1,738,358)	(1,516,455)
<b>NON-OPERATING EXPENSES</b>		
Interest on indebtedness	(137,210)	(180,529)
Change in Net Position	(1,875,568)	(1,696,984)
<b>NET POSITION</b>		
Beginning of Year	<u>(16,899,891)</u>	<u>(15,202,907)</u>
End of Year	<u><u>\$ (18,775,459)</u></u>	<u><u>\$ (16,899,891)</u></u>



County of Rockland, New York

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

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from charges for services	\$ 26,589,034	\$ 26,102,172
Cash received from State and Federal aid	609,079	605,925
Cash payments to employees	(10,062,857)	(10,000,719)
Cash payments to vendors	(16,150,749)	(15,274,866)
Net Cash From Operating Activities	<u>984,507</u>	<u>1,432,512</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Retirement of long-term debt	(816,438)	(1,094,652)
Interest on indebtedness	(158,435)	(194,860)
Acquisition and construction of capital assets	-	(143,000)
Net Cash From Capital and Related Financing Activities	<u>(974,873)</u>	<u>(1,432,512)</u>
Net Change in Cash	9,634	-
<b>CASH AND EQUIVALENTS</b>		
Beginning of Year	<u>200</u>	<u>200</u>
End of Year	<u>\$ 9,834</u>	<u>\$ 200</u>
<b>RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES</b>		
Loss from operations	\$ (1,738,358)	\$ (1,516,455)
Adjustments to reconcile loss from operations to net cash from operating activities		
Depreciation	1,652,654	1,638,062
Changes in assets and liabilities		
Accounts receivable	7,779	255,012
State and Federal aid receivable	(7,108)	(1,780)
Due from other funds	(547,676)	(1,146,901)
Inventories	(26,241)	3,571
Prepaid expenses	67,235	89,278
Accounts payable	(217,495)	193,581
Accrued liabilities	(121,047)	272,691
Compensated absences	39,194	(51,530)
Other post employment benefit obligations payable	1,875,570	1,696,983
Net Cash from Operating Activities	<u>\$ 984,507</u>	<u>\$ 1,432,512</u>

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County of Rockland, New York

Fiduciary Funds - Agency Fund  
 Statement of Changes in Assets and Liabilities  
 Year Ended December 31, 2014

	Balance January 1, 2014	Increases	Decreases	Balance December 31, 2014
<b>ASSETS</b>				
Cash and equivalents	\$ 6,143,344	\$ 342,907,605	\$ 342,434,080	\$ 6,616,869
Accounts receivable	-	374,098,372	373,856,513	241,859
<b>Total Assets</b>	<b>\$ 6,143,344</b>	<b>\$ 717,005,977</b>	<b>\$ 716,290,593</b>	<b>\$ 6,858,728</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 289,215	\$ 14,419,703	\$ 14,678,874	\$ 30,044
Employee payroll deductions	613,915	206,592,427	206,672,847	533,495
Deposits	2,914,008	10,498,317	9,085,145	4,327,180
Due to other governments	2,326,206	7,523,945	7,882,142	1,968,009
<b>Total Liabilities</b>	<b>\$ 6,143,344</b>	<b>\$ 239,034,392</b>	<b>\$ 238,319,008</b>	<b>\$ 6,858,728</b>

## 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.

**STATISTICAL  
SECTION**

(Unaudited)

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## **Financial Trends**

These schedules contain trend 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 POSITION BY COMPONENT  
LAST TEN FISCAL YEARS**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental Activities				
Invested in Capital Assets,				
Net of Related Debt	\$ 385,766,788	\$ 357,075,560	\$ 410,512,788	\$ 405,279,887
Restricted	79,252,547	84,186,029	123,090,125	113,990,838
Unrestricted	<u>51,882,873</u>	<u>49,138,682</u>	<u>(119,583,249)</u>	<u>(163,971,651)</u>
Total Governmental Activities Net Assets	<u>\$ 516,902,208</u>	<u>\$ 490,400,271</u>	<u>\$ 414,019,664</u>	<u>\$ 355,299,074</u>
Business-Type Activities				
Invested in Capital Assets,				
Net of Related Debt	\$ 12,484,425	\$ 12,411,965	\$ 11,269,462	\$ 11,068,096
Unrestricted	<u>(75,138,145)</u>	<u>(88,784,191)</u>	<u>(106,761,196)</u>	<u>(111,174,333)</u>
Total Business-Type Activities Net Assets	<u>\$ (62,653,720)</u>	<u>\$ (76,372,226)</u>	<u>\$ (95,491,734)</u>	<u>\$ (100,106,237)</u>
Primary Government				
Invested in Capital Assets				
Net of Related Debt	\$ 369,487,525	\$ 421,782,250	\$ 416,347,983	\$ 424,428,461
Restricted	84,186,029	123,090,125	113,990,838	104,294,397
Unrestricted	<u>(39,645,509)</u>	<u>(226,344,445)</u>	<u>(275,145,984)</u>	<u>(325,488,674)</u>
Total Primary Government Net Position	<u>\$ 414,028,045</u>	<u>\$ 318,527,930</u>	<u>\$ 255,192,837</u>	<u>\$ 203,234,184</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.



<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 413,765,675	\$ 401,818,749	\$ 394,449,480	\$ 406,255,827	\$ 399,882,283	\$ 393,644,006
104,294,397	110,920,044	43,843,923	45,321,506	49,940,089	51,569,863
<u>(194,874,505)</u>	<u>(246,969,186)</u>	<u>(253,469,660)</u>	<u>(309,810,964)</u>	<u>(348,423,940)</u>	<u>(376,463,542)</u>
<u>\$ 323,185,567</u>	<u>\$ 265,769,607</u>	<u>\$ 184,823,743</u>	<u>\$ 141,766,369</u>	<u>\$ 101,398,432</u>	<u>\$ 68,750,327</u>
\$ 10,662,786	\$ 10,070,880	\$ 9,351,936	\$ 8,473,692	\$ 8,687,161	\$ 8,920,654
<u>(130,614,169)</u>	<u>(158,571,478)</u>	<u>(182,883,734)</u>	<u>(212,117,133)</u>	<u>(231,117,846)</u>	<u>(239,106,491)</u>
<u>\$ (119,951,383)</u>	<u>\$ (148,500,598)</u>	<u>\$ (173,531,798)</u>	<u>\$ (203,643,441)</u>	<u>\$ (222,430,685)</u>	<u>\$ (230,185,837)</u>
\$ 411,889,629	\$ 403,801,416	\$ 414,729,519	\$ 414,729,519	\$ 408,569,444	\$ 402,564,660
110,920,044	43,843,923	45,321,506	45,321,506	49,940,089	51,569,863
<u>(405,540,664)</u>	<u>(436,353,394)</u>	<u>(521,928,097)</u>	<u>(521,928,097)</u>	<u>(579,541,786)</u>	<u>(615,570,033)</u>
<u>\$ 117,269,009</u>	<u>\$ 11,291,945</u>	<u>\$ (61,877,072)</u>	<u>\$ (61,877,072)</u>	<u>\$ (121,032,253)</u>	<u>\$ (161,435,510)</u>

COUNTY OF ROCKLAND, NEW YORK

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS

	2005	2006	2007	2008
<b>Expenses</b>				
<b>Governmental Activities</b>				
General government	\$ 44,538,213	\$ 53,181,226	\$ 58,494,042	\$ 67,293,698
Education	58,507,380	62,269,510	63,708,235	71,519,828
Public safety	58,963,721	61,374,333	68,781,351	70,103,143
Health	45,380,653	42,866,537	55,693,202	50,413,128
Transportation	48,426,869	52,467,203	56,039,377	55,737,309
Economic opportunity and development	156,812,258	154,921,214	161,783,425	174,367,673
Culture and recreation	745,730	672,310	922,107	939,766
Home and community services	24,060,557	25,128,078	33,924,151	35,782,255
Interest	10,991,331	17,421,520	24,724,724	13,400,239
<b>Total Governmental Activities</b>	<b>448,426,712</b>	<b>470,301,931</b>	<b>524,070,614</b>	<b>539,557,039</b>
<b>Business-Type Activities</b>				
Home and Infirmiry Fund	93,268,805	100,045,431	114,058,665	115,135,691
Rockland Tobacco Asset Securitization Corporation	3,069,161	4,486,554	4,571,080	4,640,294
Rockland Second Tobacco Asset Securitization Corporation	553,016	542,077	520,630	501,105
Rockland County Health f Facilities Corporation	-	-	-	-
	96,890,982	105,074,062	119,150,375	120,277,090
<b>Total Primary Government Expenses</b>	<b>\$ 545,317,694</b>	<b>\$ 575,375,993</b>	<b>\$ 643,220,989</b>	<b>\$ 659,834,129</b>
<b>Program Revenues</b>				
<b>Governmental Activities</b>				
<b>Charges for Services</b>				
General Government	\$ 12,202,376	\$ 13,488,832	\$ 12,527,092	\$ 12,961,766
Education	-	-	-	-
Public Safety	4,352,301	4,376,291	3,335,455	1,935,136
Health	6,446,459	2,227,880	4,275,920	4,091,463
Transportation	3,386,565	3,649,497	4,164,539	7,937,745
Economic opportunity and development	9,174,374	7,118,757	6,968,579	7,676,041
Home and Community Services	1,811,248	2,256,013	2,126,805	1,777,822
Operating Grants and Contributions	137,068,005	141,316,084	143,651,066	164,476,127
Capital Grants and Contributions	22,140,383	17,079,414	23,349,064	11,845,084
<b>Total Governmental Activities</b>	<b>196,581,711</b>	<b>191,512,768</b>	<b>200,398,520</b>	<b>212,701,184</b>
<b>Business-type Activities</b>				
Home and Infirmiry Fund				
Charges for Services	79,880,694	79,335,999	78,790,038	106,029,852
Operating Grants and Contributions	10,792,911	7,781,080	16,491,989	4,896,669
Rockland Tobacco Asset Securitization Corporation				
Operating Grants and Contributions	4,076,906	3,379,057	3,839,495	3,818,692
Rockland Second Tobacco Asset Securitization Corporation				
Operating Grants and Contributions	946,876	859,420	909,345	917,374
Rockland County Health Facilities Corporation				
Charges for Services	-	-	-	-
<b>Total Business-Type Activities</b>	<b>95,697,387</b>	<b>91,355,556</b>	<b>100,030,867</b>	<b>115,662,587</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 292,279,098</b>	<b>\$ 282,868,324</b>	<b>\$ 300,429,387</b>	<b>\$ 328,363,771</b>

	2009	2010	2011	2012	2013	2014
\$	65,817,442	\$ 65,578,858	\$ 66,978,200	\$ 75,339,999	\$ 82,857,557	\$ 77,839,214
	68,916,165	64,096,792	60,294,608	61,187,980	52,864,260	51,721,701
	70,550,166	78,884,977	82,354,581	80,067,023	84,798,097	77,170,283
	43,227,034	46,040,723	47,274,572	42,871,027	43,639,894	40,344,309
	52,323,652	55,073,427	53,254,863	51,440,827	51,611,960	50,904,715
	180,334,640	182,610,808	181,264,332	180,315,323	183,124,815	180,280,563
	896,680	973,087	1,185,479	790,039	912,444	913,144
	34,575,699	35,091,249	38,698,119	30,494,470	30,527,243	34,985,229
	14,110,025	13,768,045	15,746,647	17,284,497	17,885,215	18,469,266
	530,751,503	542,117,966	547,051,401	539,791,185	548,221,485	532,628,424
	108,938,933	112,706,758	104,940,810	101,631,745	91,199,289	83,560,915
	4,728,599	4,838,451	4,917,932	5,016,299	5,093,095	5,211,270
	482,028	477,562	449,743	429,710	404,125	370,008
	-	-	-	-	-	514,796
	114,149,560	118,022,771	110,308,485	107,077,754	96,696,509	89,656,989
\$	644,901,063	\$ 660,140,737	\$ 657,359,886	\$ 646,868,939	\$ 644,917,994	\$ 622,285,413
\$	16,075,012	\$ 8,049,813	\$ 10,638,502	\$ 12,812,341	\$ 12,820,733	\$ 11,695,975
	-	-	-	1,628,565	-	-
	1,951,080	2,306,656	3,378,478	4,451,924	4,472,553	4,302,156
	4,010,535	4,279,322	2,943,275	2,636,827	9,486,387	4,867,009
	7,879,870	7,548,277	5,468,990	5,463,805	5,345,408	5,131,667
	7,597,193	9,785,895	8,076,489	6,585,776	6,685,722	6,541,038
	4,333,518	5,221,710	1,189,127	957,554	719,333	972,469
	161,630,529	156,809,424	147,921,778	144,656,039	132,077,625	126,723,569
	14,177,004	15,465,469	13,437,559	18,937,891	9,810,850	13,541,036
	217,654,741	209,466,566	193,054,198	198,130,722	181,418,611	173,774,919
	89,041,990	87,266,807	81,357,297	73,658,002	61,277,422	67,685,420
	-	-	-	-	-	-
	4,234,771	3,377,533	3,385,346	3,014,014	3,428,387	4,020,290
	1,027,653	829,216	792,968	744,095	809,285	969,985
	-	-	-	-	-	586,889
	94,304,414	91,473,556	85,535,611	77,416,111	65,515,094	73,262,584
\$	311,959,155	\$ 300,940,122	\$ 278,589,809	\$ 275,546,833	\$ 246,933,705	\$ 247,037,503

(Continued)

COUNTY OF ROCKLAND, NEW YORK

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS (Continued)

	2005	2006	2007	2008
Net (Expense)/Revenue				
Governmental Activities	\$ (251,845,001)	\$ (278,789,163)	\$ (323,672,094)	\$ (326,855,855)
Business-Type Activities	(1,193,595)	(13,718,506)	(19,119,508)	(4,614,503)
Total Primary Government Net Expense	<u>\$ (253,038,596)</u>	<u>\$ (292,507,669)</u>	<u>\$ (342,791,602)</u>	<u>\$ (331,470,358)</u>
General Revenues				
Governmental Activities				
Taxes				
Real Property Taxes	\$ 78,272,043	\$ 58,727,783	\$ 72,855,145	\$ 71,646,043
Other Tax Items	9,898,911	27,764,921	5,253,994	7,125,096
Sales Tax	148,457,535	151,119,113	163,931,697	168,498,939
Mortgage Tax	10,180,660	9,217,795	7,416,530	5,115,544
Hotel/Motel Tax	-	-	-	-
Residential Energy Use Tax	-	-	-	-
Motor Vehicle Use Tax	-	-	-	-
Unrestricted Use of Money and Property	2,012,813	2,658,983	15,365,523	3,285,209
Sale of Property and				
Compensation for Loss	-	135,224	49,315	40,543
Miscellaneous	3,191,953	2,663,407	2,560,186	2,821,904
Gain on Sale of Property	-	-	-	-
Transfers	23,997,609	-	-	-
Total Governmental Activities	<u>276,011,524</u>	<u>252,287,226</u>	<u>267,432,390</u>	<u>258,533,278</u>
Business-type activities				
Real Property Taxes	-	-	-	-
Transfers	(23,997,609)	-	-	-
Total Business-Type Activities	<u>(23,997,609)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government				
General Revenues	<u>\$ 252,013,915</u>	<u>\$ 252,287,226</u>	<u>\$ 267,432,390</u>	<u>\$ 258,533,278</u>
Change in Net Position				
Governmental Activities	\$ 24,166,523	\$ (26,501,937)	\$ (56,239,704)	\$ (68,322,577)
Business-Type Activities	(25,191,204)	(13,718,506)	(19,119,508)	(4,614,503)
Total Primary Government				
Change in Net Position	<u>\$ (1,024,681)</u>	<u>\$ (40,220,443)</u>	<u>\$ (75,359,212)</u>	<u>\$ (72,937,080)</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.

	2009	2010	2011	2012	2013	2014
\$	(313,096,762)	\$ (332,651,400)	\$ (353,997,203)	\$ (341,660,463)	\$ (366,802,874)	\$ (358,853,505)
	(19,845,146)	(26,549,215)	(24,772,874)	(29,661,643)	(31,181,415)	(16,394,405)
\$	<u>(332,941,908)</u>	<u>(359,200,615)</u>	<u>(378,770,077)</u>	<u>(371,322,106)</u>	<u>(397,984,289)</u>	<u>(375,247,910)</u>
\$	87,696,519	\$ 92,768,618	\$ 89,684,666	\$ 111,274,889	\$ 128,690,277	\$ 139,848,206
	8,326,783	4,941,267	8,984,061	9,500,343	10,788,365	11,395,607
	162,439,750	169,152,688	169,265,205	169,581,358	178,737,484	184,165,811
	3,951,076	3,537,937	3,470,281	3,480,654	4,446,008	3,433,302
	-	-	-	968,837	1,199,830	1,331,881
	-	-	-	2,077,687	8,677,106	9,946,569
	-	-	-	112,279	1,665,480	1,697,495
	504,419	1,207,909	183,172	110,267	140,245	323,132
	53,969	456,659	121,310	57,512	63,834	174,238
	10,290,708	1,170,362	1,084,318	989,263	696,087	435,523
	-	-	-	-	4,655,287	-
	-	2,000,000	258,326	450,000	(13,325,066)	(8,639,253)
	<u>273,263,224</u>	<u>275,235,440</u>	<u>273,051,339</u>	<u>298,603,089</u>	<u>326,434,937</u>	<u>344,112,511</u>
	-	-	-	-	-	-
	-	(2,000,000)	(258,326)	(450,000)	13,325,066	8,639,253
	-	(2,000,000)	(258,326)	(450,000)	13,325,066	8,639,253
\$	<u>273,263,224</u>	<u>273,235,440</u>	<u>272,793,013</u>	<u>298,153,089</u>	<u>339,760,003</u>	<u>352,751,764</u>
\$	(39,833,538)	\$ (57,415,960)	\$ (80,945,864)	\$ (43,057,374)	\$ (40,367,937)	\$ (14,740,994)
	(19,845,146)	(28,549,215)	(25,031,200)	(30,111,643)	(17,856,349)	(7,755,152)
\$	<u>(59,678,684)</u>	<u>(85,965,175)</u>	<u>(105,977,064)</u>	<u>(73,169,017)</u>	<u>(58,224,286)</u>	<u>(22,496,146)</u>

FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

	2005	2006	2007	2008
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	168,348,692	53,082,159	44,873,252	54,784,809
Unreserved	<u>(110,667,341)</u>	<u>(2,932,059)</u>	<u>(33,535,024)</u>	<u>(31,526,746)</u>
Total General Fund	<u>\$ 57,681,351</u>	<u>\$ 50,150,100</u>	<u>\$ 11,338,228</u>	<u>\$ 23,258,063</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	31,312,497	58,853,881	8,024,019	9,043,239
Unreserved, Reported In:				
Special Revenue Funds	7,929,375	8,720,490	12,276,371	13,926,044
Capital Projects Fund	74,516,172	50,805,405	91,909,837	51,547,862
Debt Service Fund	<u>6,660,644</u>	<u>7,188,000</u>	<u>8,000,000</u>	<u>7,500,000</u>
Total All Other Governmental Funds	<u>\$ 120,418,688</u>	<u>\$ 125,567,776</u>	<u>\$ 120,210,227</u>	<u>\$ 82,017,145</u>
Total Governmental Funds	<u>\$ 178,100,039</u>	<u>\$ 175,717,876</u>	<u>\$ 131,548,455</u>	<u>\$ 105,275,208</u>

(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.

	2009	2010	2011	2012	2013	2014
\$	-	\$ -	\$ 46,719,075	\$ 62,050,495	\$ 70,565,150	\$ 74,219,583
	-	-	16,617,145	15,815,039	17,437,659	16,807,128
	-	-	-	-	-	-
	-	-	(96,514,297)	(127,253,007)	(138,114,028)	(29,910,383)
	51,006,383	48,086,001	-	-	-	-
	(38,732,135)	(52,040,793)	-	-	-	-
<u>\$</u>	<u>12,274,248</u>	<u>(3,954,792)</u>	<u>(33,178,077)</u>	<u>(49,387,473)</u>	<u>(50,111,219)</u>	<u>61,116,328</u>
\$	-	\$ -	\$ 266,143	\$ -	\$ -	\$ -
	-	-	20,085,391	30,183,443	37,199,852	61,456,633
	-	-	1,100,575	1,193,725	1,001,999	1,393,274
	-	-	28,200,207	26,313,606	33,041,171	39,748,742
	-	-	-	-	-	-
	7,760,958	11,849,335	-	-	-	-
	17,038,024	21,876,806	-	-	-	-
	7,660,442	3,459,152	-	-	-	-
	6,800,000	5,760,000	-	-	-	-
<u>\$</u>	<u>39,259,424</u>	<u>42,945,293</u>	<u>49,652,316</u>	<u>57,690,774</u>	<u>71,243,022</u>	<u>102,598,649</u>
<u>\$</u>	<u>51,533,672</u>	<u>38,990,501</u>	<u>16,474,239</u>	<u>8,303,301</u>	<u>21,131,803</u>	<u>163,714,977</u>

(1)

COUNTY OF ROCKLAND, NEW YORK

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

	2005	2006	2007	2008
Revenues				
Real Property Taxes	\$ 67,573,335	\$ 70,005,364	\$ 72,945,404	\$ 80,701,948
Other Tax Items	9,898,911	27,764,921	5,253,994	7,280,446
Non-Property Taxes	159,169,424	160,802,521	171,761,695	173,963,636
Departmental Income	34,063,306	30,578,872	30,764,208	31,830,638
Intergovernmental Charges	-	-	-	-
Use of Money and Property	4,132,707	6,152,871	19,877,509	6,760,275
Licenses and Permits	1,512,041	1,487,720	1,448,396	1,701,868
Fines and Forfeitures	760,839	918,522	990,290	1,050,166
Sale of Property and Compensation for Loss	123,880	136,334	49,315	86,829
Interfund Revenues	11,996,089	12,581,214	14,664,748	15,691,757
State Aid	106,299,593	99,322,826	100,900,483	107,236,772
Federal Aid	48,858,105	52,385,776	58,001,784	65,639,498
Miscellaneous	4,370,725	4,238,295	4,670,799	2,662,174
<b>Total Revenues</b>	<b>448,758,955</b>	<b>466,375,236</b>	<b>481,328,625</b>	<b>494,606,007</b>
Expenditures				
Current:				
General Government	43,149,881	54,942,689	48,895,671	60,184,410
Education	56,287,051	59,108,151	60,595,502	67,786,623
Public Safety	55,473,720	58,893,768	59,002,667	61,193,182
Health	43,904,877	42,109,558	51,976,073	46,691,701
Transportation	36,248,794	40,142,905	41,580,438	42,704,822
Economic Opportunity and Development	155,278,769	154,605,187	156,569,060	169,264,751
Culture and Recreation	698,272	636,212	661,650	667,428
Home and Community Services	19,212,556	20,302,722	22,031,229	23,632,499
Employee Benefits	11,371,661	9,380,119	10,146,766	11,028,835
Debt Service:				
Principal	10,869,372	13,858,182	17,736,847	19,742,088
Interest	9,278,123	13,783,091	27,904,491	13,344,928
Refunding Bond Issuance Costs	-	-	-	-
Debt Issuance Costs	-	-	-	-
Advance Refunding Escrow	-	-	-	-
Capital Outlay	44,447,249	48,004,692	42,526,497	38,699,088
<b>Total Expenditures</b>	<b>486,220,325</b>	<b>515,767,276</b>	<b>539,626,891</b>	<b>554,940,355</b>
Deficiency of Revenues Over Expenditures	(37,461,370)	(49,392,040)	(58,298,266)	(60,334,348)
Other Financing Sources (Uses)				
Bonds Issued	72,379,263	47,009,877	34,269,748	24,000,000
Transfers In	72,045,546	48,275,803	54,421,029	57,988,686
Transfers Out	(48,047,937)	(48,275,803)	(54,421,029)	(57,988,686)
Sale of Real Property	-	-	-	-
Refunding Bonds Issued	-	-	-	-
Issuance Premium	-	-	-	459,114
New York State loan proceeds	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-
<b>Total Other Financing Sources</b>	<b>96,376,872</b>	<b>47,009,877</b>	<b>34,269,748</b>	<b>24,459,114</b>
<b>Net Change in Fund Balances</b>	<b>\$ 58,915,502</b>	<b>\$ (2,382,163)</b>	<b>\$ (24,028,518)</b>	<b>\$ (35,875,234)</b>
Debt Service as a Percentage of Non-Capital Expenditures	4.4%	4.6%	9.2%	9.2%



	2009	2010	2011	2012	2013	2014
\$	87,028,735	\$ 87,800,079	\$ 89,331,893	\$ 109,486,028	\$ 126,965,228	\$ 139,338,204
	8,427,783	5,091,917	9,074,061	9,593,493	10,788,365	11,395,607
	166,731,320	173,232,759	173,277,809	177,267,770	195,988,814	201,860,652
	36,307,225	32,200,999	30,918,923	30,521,098	37,316,181	31,468,037
	-	-	-	2,614,580	1,023,361	1,072,736
	2,495,692	2,420,254	615,595	487,067	431,307	616,799
	2,220,626	1,912,108	1,856,351	1,811,112	1,809,156	2,003,655
	1,138,392	905,750	903,400	934,792	867,128	707,307
	68,687	517,546	162,849	81,096	252,138	175,991
	15,235,243	23,708,228	24,220,938	23,268,608	23,085,995	23,225,051
	96,469,342	81,400,046	86,660,293	84,743,470	69,570,589	70,696,278
	77,357,853	89,359,897	66,442,279	71,429,363	65,409,143	63,947,808
	11,305,071	2,479,776	3,130,510	4,561,139	2,326,640	2,791,941
	<u>504,785,969</u>	<u>501,029,359</u>	<u>486,594,901</u>	<u>516,799,616</u>	<u>535,834,045</u>	<u>549,300,066</u>
	59,499,136	63,793,645	61,594,915	64,209,911	68,405,934	67,804,182
	64,602,751	60,029,496	56,226,904	57,340,086	49,555,765	47,785,490
	61,580,954	68,157,961	68,586,927	70,078,849	69,197,018	68,542,504
	39,419,209	41,393,398	41,010,199	39,792,305	38,475,566	37,880,303
	42,742,977	43,350,978	40,738,199	41,231,827	42,941,812	43,138,853
	175,552,253	176,620,319	172,543,034	173,925,483	174,418,566	173,547,009
	598,820	510,699	525,845	391,837	374,492	374,778
	22,714,338	23,557,043	25,826,025	22,781,787	21,919,024	23,285,082
	11,600,192	13,167,104	14,672,488	15,146,136	15,861,323	16,330,661
	19,684,472	20,097,765	25,280,970	25,895,018	28,309,066	29,197,947
	13,348,694	12,172,015	13,003,458	16,160,442	17,154,768	16,059,559
	329,477	409,034	-	-	70,804	424,008
	-	-	-	-	-	1,327,903
	-	-	-	-	-	-
	50,083,709	56,470,847	45,767,866	39,338,593	38,036,154	45,891,033
	<u>561,756,982</u>	<u>579,730,304</u>	<u>565,776,830</u>	<u>566,292,274</u>	<u>564,720,292</u>	<u>571,589,312</u>
	<u>(56,971,013)</u>	<u>(78,700,945)</u>	<u>(79,181,929)</u>	<u>(49,492,658)</u>	<u>(28,886,247)</u>	<u>(22,289,246)</u>
	2,900,000	56,045,142	53,625,003	40,122,000	45,632,482	159,177,997
	19,140,422	62,941,820	55,651,759	58,334,685	57,179,807	61,111,024
	53,785,489	(60,941,820)	(55,393,433)	(57,884,685)	(70,504,873)	(69,750,277)
	-	-	55,900	-	8,199,069	-
	(53,785,489)	18,989,304	-	9,529,000	7,180,078	39,874,197
	689,475	852,178	1,924,332	1,740,538	1,733,804	15,595,967
	-	7,703,598	-	-	-	-
	(19,500,420)	(19,432,448)	-	(9,717,712)	(7,705,618)	(41,136,488)
	<u>3,229,477</u>	<u>66,157,774</u>	<u>55,863,561</u>	<u>42,123,826</u>	<u>41,714,749</u>	<u>164,872,420</u>
\$	<u>(53,741,536)</u>	<u>(12,543,171)</u>	<u>(23,318,368)</u>	<u>(7,368,832)</u>	<u>12,828,502</u>	<u>142,583,174</u>
	6.4%	6.1%	7.5%	8.0%	8.7%	8.8%

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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	Real Property Taxes	Non-Property Taxes			Total
		Sales Tax	911 Emergency Surcharge	Mortgage Tax	
2005	\$ 67,573,335	\$ 148,457,536	a b \$ 531,229	\$ 10,180,660	c \$ 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
2013	126,965,228	178,737,484	1,262,906	4,446,008	311,411,626
2014	139,338,204	184,165,811	1,285,593	3,443,302	328,232,910

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

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

c Effective October 1, 2003

COUNTY OF ROCKLAND, NEW YORK

SALES TAX RATES  
LAST TEN FISCAL YEARS

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	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
New York State *	4.000 %	4.000 %	4.000 %	4.000 %	4.000 %
MTA (1) **	0.375	0.375	0.375	0.375	0.375
County *** ****	<u>3.625</u>	<u>3.625</u>	<u>4.000</u>	<u>4.000</u>	<u>4.000</u>
Total	<u>8.000 %</u>	<u>8.000 %</u>	<u>8.375 %</u>	<u>8.375 %</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.

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<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</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 2003 to February 2004	March 2004 to February 2005	March 2005 to February 2006	March 2006 to February 2007
Utilities (excluding residential energy)	\$ 115,461,000	\$ 114,884,000	\$ 137,792,000	\$ 141,988,000
Construction	69,527,000	71,394,000	78,378,000	77,578,000
Manufacturing	132,495,000	128,961,000	134,948,000	123,204,000
Wholesale Trade	294,210,000	324,209,000	377,532,000	371,992,000
Retail Trade:				
Motor Vehicles and Parts	574,350,000	549,774,000	511,010,000	466,498,000
Furniture and Home Furnishings	105,468,000	116,529,000	105,980,000	113,692,000
Electronics and Appliances	91,930,000	84,371,000	80,725,000	82,325,000
Building Materials and Garden Equipment	250,815,000	281,658,000	285,681,000	268,814,000
Food and Beverage	170,071,000	176,772,000	184,358,000	188,296,000
Health and Personal Care	46,520,000	46,999,000	50,141,000	50,727,000
Gasoline Stations	97,591,000	103,933,000	111,767,000	43,629,000
Clothing	274,408,000	241,350,000	251,913,000	98,481,000
Sporting Goods, Hobby, Book and Music Stores	104,785,000	101,920,000	99,241,000	87,601,000
General Merchandise	391,825,000	426,801,000	424,132,000	335,776,000
Miscellaneous Retail	102,798,000	104,989,000	105,816,000	110,698,000
Nonstore Retail	41,916,000	45,591,000	54,069,000	47,030,000
Information	293,356,000	292,754,000	293,391,000	289,692,000
Professional, Scientific, and Technical	48,837,000	42,577,000	48,973,000	48,136,000
Administrative/Support Services	91,510,000	94,736,000	100,014,000	101,403,000
Health Care	1,927,000	2,292,000	2,553,000	2,771,000
Arts, Entertainment, and Recreation	27,027,000	27,411,000	29,114,000	29,077,000
Accommodation and Food Services:				
Food Services	259,443,000	271,397,000	277,472,000	283,573,000
Accommodation	46,964,000	52,329,000	52,048,000	51,199,000
Other Services:				
Repair and Maintenance	78,453,000	79,309,000	85,282,000	85,180,000
Personal and Laundry Services	9,754,000	10,058,000	10,242,000	13,461,000
All Other Services	2,227,000	2,185,000	2,167,000	2,080,000
Ag., Mining, Trans., FIRE, Educ., Govt.	124,683,000	125,246,000	132,057,000	127,963,000
Unclassified by Industry	29,284,000	39,761,000	53,840,000	66,600,000
Sales to Qualified Empire Zone Enterprises (QEZE)s	118,000	158,000	143,000	303,000
Services to tangible personal property used in prod.	-	-	-	-
<b>Grand Total</b>	<b>\$ 3,877,753,000</b>	<b>\$ 3,960,348,000</b>	<b>\$ 4,080,779,000</b>	<b>\$ 3,709,767,000</b>

Source: New York State Department of Taxation and Finance

(1) Preliminary



March 2007 to February 2008	March 2008 to February 2009	March 2009 to February 2010	March 2010 to February 2011	March 2011 to February 2012	March 2012 to February 2013 (1)
\$ 163,002,000	\$ 158,344,000	\$ 157,587,000	\$ 140,446,000	\$ 126,439,000	\$ 109,308,000
81,720,000	75,289,000	74,296,000	72,087,000	77,996,000	80,423,000
122,873,000	105,796,000	107,198,000	79,296,000	167,207,000	146,034,000
392,869,000	347,945,000	347,851,000	334,822,000	184,216,000	184,063,000
468,920,000	427,901,000	427,817,000	437,861,000	430,674,000	419,406,000
114,307,000	100,076,000	99,613,000	91,312,000	89,196,000	87,407,000
73,782,000	71,865,000	72,225,000	85,563,000	122,363,000	106,230,000
252,831,000	231,800,000	230,730,000	222,662,000	222,659,000	223,683,000
189,433,000	194,638,000	193,139,000	211,277,000	223,019,000	232,339,000
52,273,000	54,192,000	54,036,000	56,677,000	53,859,000	54,827,000
21,843,000	21,745,000	22,805,000	25,521,000	35,363,000	32,551,000
80,359,000	76,804,000	77,200,000	156,555,000	137,264,000	92,659,000
84,213,000	76,362,000	78,101,000	78,003,000	67,458,000	65,234,000
338,294,000	324,747,000	325,470,000	308,310,000	265,616,000	267,095,000
108,855,000	101,345,000	101,311,000	98,445,000	151,270,000	144,369,000
52,510,000	63,956,000	63,077,000	74,606,000	92,813,000	85,826,000
305,344,000	284,761,000	286,566,000	298,896,000	247,583,000	257,264,000
59,139,000	61,944,000	61,510,000	47,884,000	51,984,000	67,951,000
111,610,000	115,593,000	117,114,000	117,815,000	117,690,000	112,119,000
2,522,000	2,789,000	2,692,000	3,273,000	3,020,000	2,869,000
27,458,000	27,696,000	28,018,000	22,703,000	25,303,000	25,080,000
308,607,000	316,388,000	320,055,000	329,970,000	351,111,000	364,954,000
55,538,000	49,628,000	49,628,000	43,795,000	38,571,000	54,373,000
94,239,000	95,020,000	96,470,000	99,037,000	139,343,000	150,262,000
14,264,000	14,386,000	13,357,000	9,365,000	11,033,000	12,017,000
1,485,000	1,770,000	1,628,000	2,028,000	1,355,000	1,914,000
150,179,000	146,375,000	144,796,000	140,920,000	137,463,000	132,155,000
34,992,000	34,565,000	25,493,000	16,740,000	13,501,000	2,595,000
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 3,763,461,000</u>	<u>\$ 3,583,720,000</u>	<u>\$ 3,579,783,000</u>	<u>\$ 3,605,869,000</u>	<u>\$ 3,585,369,000</u>	<u>\$ 3,515,007,000</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		
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
2013	10,000,314,618	5,216,019,671	1,669,260,505	13,547,073,784
2014	10,013,144,636	5,003,751,556	1,743,115,416	13,273,780,776

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
4.534 %	\$ 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
4.289	41,710,339,760	33.97
4.374	38,236,489,073	36.89
5.848	38,245,682,561	36.24
7.086	36,615,123,723	37.00
7.983	36,265,356,221	36.60

COUNTY OF ROCKLAND, NEW YORK

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

Year	Clarkstown	Haverstraw	Orangetown	Stony Point	Ramapo
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	3.3103	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
2013	9.184049	3.088	6.290	20.5166	18.986
2014	9.336670	3.186	6.330	20.6098	19.497

COUNTY OF ROCKLAND, NEW YORK

PRINCIPAL TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO

2014

Taxpayer	Type of Business	Assessed Valuation	Percent of Total Assessed Valuation
Palisades Interstate Park	State Lands	\$ 8,279,685,361	22.83 %
Orange & Rockland Utilities	Public Utility	758,284,685	2.09
American Cyanamid Corp. (Pfizer)	Pharmaceuticals	595,455,767	1.64
United Water	Public Utility	471,675,774	1.30
Pyramid/EKLECTRO Properties	Retail Shopping	450,875,935	1.24
Verizon	Public Utility	163,724,382	0.45
Alogonquin Gas	Public Utility	97,044,032	0.27
Norvartis Pharmaceuticals	Pharmaceuticals	93,708,333	0.26
Glorious Sun Roberts Martin, LLC	Office Complex	87,533,801	0.24
Garden Financing LLC	Housing Complex	75,073,529	0.21
		<u>\$ 11,073,061,599</u>	<u>30.53 %</u>

Note: Total assessed valuation on the 2014 roll is \$36,265,356,221

2005

Taxpayer	Type of Business	Assessed Valuation	Percent of Total Assessed Valuation
Mirant	Public Utility	\$ 1,378,061,335	4.08 %
Pyramid/EKLECTRO Properties	Retail Shopping	926,644,330	2.74
American Cyanamid Corp. (Pfizer)	Pharmaceuticals	812,573,867	2.41
Palisades Interstate Park	State Lands	705,525,050	2.09
Orange & Rockland Utilities	Public Utility	546,220,280	1.62
United Water	Public Utility	340,435,393	1.01
Verizon	Public Utility	210,786,233	0.62
Consolidated Edison	Public Utility	152,911,076	0.45
Glorious Sun Roberts fka Blue Hill Community	Retirement Community	151,515,152	0.45
Norvartis Pharmaceuticals	Pharmaceuticals	114,763,871	0.34
		<u>\$ 5,339,436,587</u>	<u>15.81 %</u>

Note: Total assessed valuation on the 2005 roll is \$33,774,550,066

Source: Rockland County Real Property Tax Office

COUNTY OF ROCKLAND, NEW YORK

PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

Fiscal Year	Total Tax Levy for the Fiscal Year						
	County	Town Chargebacks (Deficiency)	Local Special Districts	Relevied Schools	Relevied Villages	Towns	Late Penalties and fees
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	61,700,000	2,154,896	48,736,690	24,687,900	2,859,696	273,693,972	9,536,186
2012	81,060,623	4,942,177	52,400,670	25,029,192	2,980,506	279,333,437	8,632,359
2013	96,000,000	3,530,977	55,557,615	25,164,473	2,725,140	297,661,098	9,470,285
2014	105,960,166	2,563,216	57,459,228	26,015,534	2,499,169	312,024,803	10,065,679

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

Total (1)	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy		Amount	Percentage of Levy
\$ 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	38,963,442	342,609,850	99.87
353,168,814	325,889,714	92.28	24,101,607	349,991,321	99.10
368,005,250	343,864,852	93.44	9,121,466	352,986,318	95.92
379,608,200	354,481,303	93.38	6,025,449	360,506,752	94.97
395,821,744	367,357,941	92.81	9,099,305	376,457,246	95.11
426,369,266	397,974,491	93.34	6,659,581	404,634,072	94.90
462,219,975	430,631,166	93.17	8,270,685	438,901,851	94.96
488,073,092	459,558,389	94.16	4,579,189	464,137,578	95.10

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## Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of 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 OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			Business-type Activities	
	General Obligation Bonds	Installment Payable	Bond Anticipation Notes Payable	General Obligation Bonds	Tobacco Securitization Bonds (1)
2005	\$ 255,157,191	\$ -	\$ -	\$ 14,367,182	\$ 81,333,467
2006	287,620,252	-	-	17,820,953	81,974,181
2007	303,582,277	-	-	17,812,611	82,641,531
2008	306,426,208	-	-	15,478,717	83,234,773
2009	292,501,813	-	2,900,000	13,874,183	83,771,691
2010	331,510,505	3,786,261	-	13,948,638	84,527,722
2011	359,239,248	3,389,459	-	12,489,758	85,334,971
2012	372,814,732	2,995,269	-	12,179,274	86,499,760
2013	389,009,456	2,597,879	-	17,519,029	87,786,997
2014	518,194,864	2,197,033	-	15,753,616	87,547,616

- (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.

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	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
\$	350,857,840	2.51 %	\$ 1,190.82
	387,415,386	2.58	1,313.43
	404,036,419	2.67	1,362.76
	405,139,698	2.54	1,357.05
	393,047,687	2.33	1,309.40
	433,773,126	2.47	1,391.69
	460,453,436	2.81	1,461.02
	474,489,035	2.78	1,493.24
	496,913,361	2.75	1,548.48
	623,693,129	3.40	1,925.78

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>				
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	2.11
2012	372,814,732	13,204,818	359,609,914	2.10
2013	389,009,456	13,085,153	375,924,303	2.08
2014	518,194,864	15,688,252	502,506,612	2.74
<u>Business-Type Activities:</u>				
2005	\$ 14,367,182	\$ -	\$ 14,367,182	0.10 %
2006	17,820,953	-	17,820,953	0.12
2007	17,812,611	-	17,812,611	0.12
2008	15,478,717	-	15,478,717	0.10
2009	13,874,183	-	13,874,183	0.08
2010	13,948,638	-	13,948,638	0.08
2011	12,489,758	-	12,489,758	0.08
2012	12,179,274	-	12,179,274	0.07
2013	17,519,029	-	17,519,029	0.10
2014	15,753,616	-	15,753,616	0.09
<u>Total Primary Government:</u>				
2005	\$ 269,524,373	\$ 38,398,625	\$ 231,125,748	1.66 %
2006	305,441,205	32,637,387	272,803,818	1.82
2007	321,394,888	22,913,219	298,481,669	1.98
2008	321,904,925	18,592,478	303,312,447	1.90
2009	306,375,996	9,839,189	296,536,807	1.75
2010	345,459,143	14,566,426	330,892,717	1.89
2011	371,729,006	12,621,169	359,107,837	2.19
2012	384,994,006	13,204,818	371,789,188	2.18
2013	406,528,485	13,085,153	393,443,332	2.18
2014	533,948,480	15,688,252	518,260,228	2.82

- (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.

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Percentage of Estimated Actual Taxable Value of Property (2)	Per Capita (1)
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0.64 %	\$	735.68
0.58		864.45
0.64		946.66
0.60		964.12
0.65		941.67
0.76		1,016.87
0.91		1,099.82
0.94		1,131.71
1.03		1,171.46
1.39		1,551.59

0.04 %	\$	48.76
0.04		60.42
0.04		60.08
0.03		51.85
0.03		46.22
0.03		44.75
0.03		39.63
0.03		38.33
0.05		54.59
0.04		48.64

0.68 %	\$	784.45
0.62		924.87
0.68		1,006.74
0.63		1,015.97
0.68		987.89
0.79		1,061.62
0.94		1,139.45
0.97		1,170.04
1.07		1,226.05
1.43		1,600.23

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COUNTY OF ROCKLAND, NEW YORK

**DIRECT AND UNDERLYING GOVERNMENTAL ACTIVITIES DEBT  
DECEMBER 31, 2014**

Governmental Unit	Gross Long-Term Debt (1)	Less Exclusions (2)	Amount Applicable to County (3)
Towns (five)	\$ 247,096,961	\$ 2,190,000	\$ 244,906,961
Villages (nineteen)	54,566,251	1,816,606	52,749,645
School Districts (eight)	428,918,517	5,682,422	423,236,095
Fire Districts (twenty-one)	<u>27,463,619</u>	<u>458,619</u>	<u>27,005,000</u>
Subtotal, Underlying Debt	758,045,348	10,147,647	747,897,701
Direct Bonded Debt of the County	<u>520,391,897</u>	<u>15,688,252</u>	<u>504,703,645</u>
Direct and Overlapping Debt	<u>\$ 1,278,437,245</u>	<u>\$ 25,835,899</u>	<u>\$ 1,252,601,346</u>

(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

	2005	2006	2007
Debt Limit	\$ 1,812,219	\$ 1,998,593	\$ 2,458,399
Total Net Debt Applicable to Limit	159,289	174,797	204,121
Legal Debt Margin	<u>\$ 1,652,930</u>	<u>\$ 1,823,796</u>	<u>\$ 2,254,278</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	8.79%	8.75%	8.30%

Legal Debt Margin Calculation for Fiscal Year 2014

Five Year Average Full Valuation of Taxable Real Property	\$ 38,206,248
Debt Limit - 7% of Average Full Valuation	2,674,437
Outstanding Indebtedness - Serial bonds (1)	533,948
Bond Anticipation Notes	1,625
Less Exclusions:	
Debt Service Appropriations for Bonds	\$ 31,396
Revenue Anticipation Notes	-
Exempt Sewer District Debt	160,338
Total Net Indebtedness	343,839
Net Debt Contracting Margin	<u>\$ 2,330,598</u>
Percentage of Debt Contracting Margin Available as of December 31, 2014	87.14%
Percentage of Debt Contracting Power Exhausted as of December 31, 2014	12.86%

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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 2,706,285	\$ 2,869,344	\$ 2,979,424	\$ 2,988,989	\$ 2,925,248	\$ 2,776,945	\$ 2,674,437
<u>195,497</u>	<u>205,161</u>	<u>179,210</u>	<u>179,210</u>	<u>232,297</u>	<u>242,171</u>	<u>343,839</u>
<u>\$ 2,510,788</u>	<u>\$ 2,664,183</u>	<u>\$ 2,800,214</u>	<u>\$ 2,594,023</u>	<u>\$ 2,692,951</u>	<u>2,534,774</u>	<u>2,330,598</u>
7.22%	7.15%	6.01%	6.00%	7.94%	8.72%	12.86%

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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)
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
20085	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
2013	320,903	18,044,376	56,230	36.6	87.9	40,279	5.3
2014	323,866	18,349,276	56,657	36.4	87.5	40,121	4.5

(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	2014		2005	
	EMPLOYEES	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT	EMPLOYEES	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
Active International	340	0.30 %	325	0.29 %
Aluf Plastics, A Div of API	324	0.28	-	-
ARC of Rockland	650	0.56	560	0.50
AT&T Healthcare	760	0.66	300	0.27
Avon	320	0.28	500	0.45
Better Homes and Gardens/Rand Realty	300	0.26	-	-
Bon Secours Good Samaritan Hospital	1,700	1.48	1,651	1.47
Brega Transport Corp.	330	0.29	-	-
Camp Venture, Inc.	675	0.59	470	0.42
Chestnut Ridge Transportation	426	0.37	485	0.43
Chromalloy New York	325	0.28	400	0.36
Community Home Health & Aide Svc, Inc.	600	0.52	-	-
Friedwald Center for Rehab & Nursing	345	0.30	-	-
Hamapik of Rockland County, Inc.	1,448	1.26	-	-
Helen Hayes Hospital	920	0.80	900	0.80
Hudson Valley Dev. Disabilities Svcs	557	0.48	-	-
Jawonio, Inc.	1,050	0.91	711	0.63
Lamont-Doherty Earth Observatory	560	0.49	550	0.49
Nathan S. Kline Inst for Psy Research	350	0.30	-	-
Nice-Pak / PDI	960	0.83	600	0.54
Northern Services Group	832	0.72	1,000	0.89
Novartis Pharmaceuticals Corp	452	0.39	465	0.42
Nyack Hospital	1,650	1.43	1,400	1.25
Orange and Rockland Utilities	781	0.68	975	0.87
Par Pharmaceutical, Inc.	429	0.37	365	0.33
Pfizer, Inc.	1,352	1.17	650	0.58
Rockland Bakery	400	0.35	200	0.18
Rockland Psychiatric Center	1,231	1.07	-	-
St. Dominic's Home	820	0.71	310	0.28
Verizon Wireless	850	0.74	650	0.58
	<u>21,737</u>	<u>18.87 %</u>	<u>13,467</u>	<u>12.02 %</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,				
	2005	2006	2007	2008	2009
General Government	551	551	554	548	574
Public Safety	394	394	398	400	370
Health	1,163	1,163	1,165	1,091	954
Transportation	132	132	131	134	125
Economic Opportunity and Development	573	573	555	533	500
Culture and Recreation	1	1	1	1	1
Home and Community Services	148	148	144	141	131
<b>Total</b>	<u>2,962</u>	<u>2,962</u>	<u>2,948</u>	<u>2,848</u>	<u>2,655</u>

Source - Rockland County Budget Department



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<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
336	600	480	471	473
374	356	343	366	376
948	908	812	707	656
298	118	118	115	116
496	474	444	424	424
1	1	1	1	1
132	128	125	117	117
<u>2,585</u>	<u>2,585</u>	<u>2,323</u>	<u>2,201</u>	<u>2,163</u>

COUNTY OF ROCKLAND, NEW YORK

OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS

Function:	2005	2006	2007	2008
General Government (1):				
Motor Vehicles				
Number of drivers' licenses issued	206,296	205,078	207,913	205,523
Number of vehicle registrations	n/a	n/a	210,763	211,399
Public Safety (2):				
Emergency Services				
Number of calls at 911 center	309,608	337,473	322,816	322,572
Corrections (2)				
Number of inmates	2,955	3,174	3,148	3,377
Transportation (2):				
Paving (Sq. yards)	69,063	90,100	69,756	43,850
Sealing- Microseal (Sq. yards)	145,715	107,900	114,369	93,653
Sealing- Chipseal (Sq. yards)	24,506	129,200	86,200	70,971
Ridership on public buses	2,677,098	3,151,973	3,406,924	3,852,758
Home and Community Services (2):				
Number of Metered Accounts	69,779	70,401	71,460	72,334
Miles of Mains	1,018	1,022	1,024	1,027
Average daily sewage treatment (thousands of gallons)	25,507,016	26,082,619	25,180,408	25,331,565
Summit Park Nursing Care Center (2) -				
Number of beds occupied	366	356	351	338

n/a - Information not available

(1) Source: Department of Motor Vehicles

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

2009	2010	2011	2012	2013	2014
205,880	204,672	203,819	204,531	207,459	211,575
210,205	210,957	211,312	213,166	214,264	216,192
388,309	304,194	306,546	370,114	365,126	313,901
3,123	3,083	3,219	2,972	2,844	2,558
53,232	55,591	45,220	-	180,017	12,000
87,342	126,727	105,968	95,542	149,332	137,342
76,306	120,232	76,491	73,122	203,385	145,268
3,675,390	3,534,225	3,405,632	3,320,589	3,178,084	2,942,940
72,966	73,364	73,394	75,146	75,177	75,339
1,041	1,046	1,049	1,053	1,051	1,056
28,442,011	29,830,136	29,119,833	28,275,588	28,269,480	28,572,457
336	322	306	289	253	228

COUNTY OF ROCKLAND, NEW YORK

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

Function	2005	2006	2007	2008
General Government:				
Construction Permit Data- New Residential				
Number of Permits Issued	348	362	371	260
Estimated Value	76,073,511	74,062,592	88,351,116	68,725,212
Buildings	7	7	7	7
Vehicles	156	156	156	199
Education :				
Buildings	10	10	10	10
Public Safety:				
Buildings	8	8	8	8
Vehicles	38	37	37	151
Number of Fire and Rescue Companies	42	42	42	42
Number of Firehouses	50	50	50	51
Number of Members	2,225	2,183	2,189	2,180
Health:				
Buildings	16	16	16	16
Vehicles	110	108	103	115
Transportation:				
Buildings	2	2	2	2
Vehicles	91	91	91	257
Culture and Recreation:				
County Parks\ Open Space (acreage)	2,574	2,597	2,597	3,094
Number of County Parks\ Open Space	23	24	24	25
Vehicles	5	5	5	17

Source - Various County departments  
n/a - Information not available

2009	2010	2011	2012	2013	2014
82	117	136	106	167	173
36,601,485	48,907,870	39,854,614	38,382,672	53,807,151	62,401,689
7	7	7	7	5	5
125	126	128	137	134	142
10	10	10	10	10	10
8	8	8	8	8	8
159	159	165	167	205	237
42	42	42	42	42	42
51	51	51	51	51	51
2,344	2,346	2,349	2,279	2,225	2,196
16	16	16	16	16	16
107	110	112	50	52	33
2	2	2	2	2	2
262	263	265	162	167	158
3,094	3,179	3,179	3,179	3,179	3,179
25	27	27	27	27	27
17	17	15	14	14	16

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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, 2014, 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 25, 2015. 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.

O'CONNOR DAVIES, LLP

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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 25, 2015

**Report on Compliance For Each Major Federal Program and Report on  
Internal Control Over Compliance Required by OMB Circular A-133**

**Independent Auditors' 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, 2014. 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.

O'CONNOR DAVIES, LLP

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### **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, 2014.

### **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 25, 2015

County of Rockland, New York

Schedule of Expenditures of Federal Awards  
Year Ending December 31, 2014

<u>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</u>	<u>Federal CFDA Number (1)</u>	<u>Federal Program Expenditures</u>
<u>Department of Agriculture</u>		
Indirect Program Pass -Through From: NYS Department of Health Special Supplemental Nutrition Program for Women, Infants and Children	10.557	\$ 12,373,693
Indirect Program Pass -Through From: NYS Office of Temporary Disability Assistance State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	10.561	<u>3,494,978</u>
Total Department of Agriculture		<u>15,868,671</u>
<u>Department of Housing and Urban Development</u>		
Direct Programs:		
Community Development Block Grants/Entitlement Grants	14.218	1,918,969
Emergency Shelter Grant Program	14.231	183,959
Supportive Housing Program	14.235	850,599
Home Investment Partnership Program	14.239	169,925
Fair Housing Assistance Program State and Local	14.401	53,451
Lower Income Housing Assistance Program-Section 8 Moderate Rehabilitation	14.856	<u>751,903</u>
Total Direct Programs		<u>3,928,806</u>
Indirect Program Pass-Through From: New York City Department of Health and mental Hygiene Housing Opportunities for Persons With AIDS	14.241	<u>405,586</u>
Total Department of Housing and Urban Development		<u>4,334,392</u>
<u>Department of Justice</u>		
Direct Program:		
Joint Law Enforcement Operations	16.111	10,674
Drug Court Discretionary Grant Program	16.585	36,908
State Criminal Alien Assistance Program	16.606	286,409
Bullet Proof Vest Partnership Program	16.607	1,309
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	55,535
Equitable Sharing Program	16.922	<u>2,030,678</u>
Total Direct Programs		2,421,513
Indirect Program Pass -Through From: NYS Division of Criminal Justice Services Violence Against Women Formula Grants	16.588	<u>152,916</u>
Total Department of Justice		<u>2,574,429</u>

County of Rockland, New York

Schedule of Expenditures of Federal Awards  
Year Ending December 31, 2014

<u>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</u>	<u>Federal CFDA Number (1)</u>	<u>Federal Program Expenditures</u>
<u>Department of Labor</u>		
Indirect Program Pass -Through From: NYS Department of Labor		
<i>WIA Cluster</i>		
WIA Adult Program	17.258	\$ 537,149
WIA Youth Activities	17.259	474,889
WIA Dislocated Workers	17.278	<u>508,536</u>
Subtotal WIA Cluster		1,520,574
Trade Adjustment Assistance	17.245	244,590
National Emergency Grants (NEG)	17.277	74,691
Indirect Program Pass -Through From: Senior Service of America		
Senior Service of America		
Senior Community Service Employment Program	17.235	<u>283,160</u>
Total Department of Labor		<u>2,123,015</u>
<u>Department of Transportation</u>		
Direct Programs:		
<i>Federal Transit Cluster</i>		
Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507	4,099,209
Indirect Program Pass -Through From: NYS Department of Transportation		
Capital Investment Grants	20.500	<u>138,779</u>
Subtotal Transit Cluster		4,237,988
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	3,039,358
Metropolitan Transportation Planning	20.505	<u>52,336</u>
Total Department of Transportation		<u>7,329,682</u>
<u>Environmental Protection Agency</u>		
Direct Programs:		
Congressionally Mandated Projects	66.202	485,000
Indirect Program Pass-Through From: NYS Environmental Conservation		
Performance Partnership Grants	66.605	<u>6,984</u>
Total Environmental Protection Agency		<u>491,984</u>
<u>Department of Education</u>		
Indirect Program Pass-Through From: NYS Department of Education		
Special Education -Grants for Infants and Families	84.181	<u>75,933</u>
Total Department of Education		<u>75,933</u>

County of Rockland, New York

Schedule of Expenditures of Federal Awards  
Year Ending December 31, 2014

<u>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</u>	<u>Federal CFDA Number (1)</u>	<u>Federal Program Expenditures</u>
<u>Department of Health and Human Services</u>		
Indirect Program Pass- Through From: NYS Office of Temporary Disability Assistance		
Temporary Assistance for Needy Families (TANF) Summer Youth Employment Program	93.558	\$ 254,480
Indirect Program Pass-Through From: NYS Office of the Aging		
Special Programs for the Aging-Title VII, Chapter 2		
Long Term Care Ombudsman Services for Older Individuals	93.042	24,707
Special Programs for the Aging Title III, Part D Disease Prevention and Health Promotion Services	93.043	14,944
National Family Caregiver Support - Title III, Part E	93.052	103,531
<i>Aging - Cluster</i>		
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	261,303
Special Programs for the Aging - Title III; Part C - Nutrition Services	93.045	465,281
Nutrition Services Incentive Program	93.053	<u>69,939</u>
Subtotal Aging Cluster		<u>796,523</u>
Indirect Program Pass-Through From: Health Research Incorporated		
Preparedness (PHEP) Aligned Cooperative Agreements Centers for Disease Control and Prevention Investigations	93.074	221,421
Indirect Program Pass-Through From: Westchester County, New York		
HIV Emergency Relief Project Grants	93.914	514,411
Indirect Program-Pass Through From: NYS Department of Social Services		
State Planning and Establishment Grants for the Affordable Care		
Immunization Cooperative Agreements	93.268	79,967
Family Planning Services	93.217	55,423
Act (ACA)'s Exchanges	93.525	155,252
Temporary Assistance for Needy Families (TANF)	93.558	14,995,081
Child Support Enforcement	93.563	2,092,822
Low-Income Home Energy Assistance	93.568	3,598,567
Child Care and Development Block Grant	93.575	7,106,669
Stephanie Tubbs Jones Child Welfare Services Program	93.645	137,995
Foster Care - Title IV-E	93.658	3,832,066
ARRA (2) - Foster Care - Title IV-E	93.658	2,437
Adoption Assistance - Title IV-E	93.659	54,042

County of Rockland, New York

Schedule of Expenditures of Federal Awards  
Year Ending December 31, 2014

<u>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</u>	<u>Federal CFDA Number (1)</u>	<u>Federal Program Expenditures</u>
Social Services Block Grant	93.667	\$ 2,881,491
Chafee Foster Care Independence Program	93.674	56,842
Children's Health Insurance Program (CHIP)	93.767	2,162
Medical Assistance Program (Medicaid Title XIX)	93.778	5,230,632
Preventive Health Services Sexually Transmitted Disease	93.977	42,248
Maternal and Child Health Services Block Grant to States	93.994	90,191
Indirect Program Pass-Through From: NYS Board of Elections		
Voter Access to Individuals With Disabilities	93.617	<u>71,199</u>
Total Department of Health and Human Services		<u>42,415,103</u>
<u>Corporation for National and Community Service</u>		
<u>Social Security Administration</u>		
Direct Program -		
Social Security Retirement Insurance	96.002	<u>4,800</u>
Total Corporation for Social Security Administration		<u>4,800</u>
<u>Department of Homeland Security</u>		
Direct Program -		
Secret Service Training Activities	97.015	73,535
Indirect Program Pass-Through From: NYS Division of Military and Naval Affairs		
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	202,416
Emergency Management Performance Grant	97.042	241,805
Homeland Security Grant Program	97.067	1,562,816
Fire Service Hazardous Materials Preparedness and Response	97.093	<u>6,871</u>
Total Department of Homeland Security		<u>2,087,443</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<u><u>\$ 77,305,452</u></u>

(1) Catalog of Federal Domestic Assistance number.

(2) American Recovery and Reinvestment Act

See notes to schedule of expenditures of federal awards.



## County of Rockland, New York

Notes to Schedule of Expenditures of Federal Awards  
December 31, 2014

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### **Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the County of Rockland, New York ("County") under programs of the federal government for the year ended December 31, 2014. Federal awards received directly from the Federal agencies as well as Federal awards passed through other government agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of the Office of Management and Budget ("OMB") Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

### **Note 2 - Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, which establishes principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts, and other agreements with State and local governments. Pass-through entity identifying numbers are presented where available.

### **Note 3 - Fair Value of Noncash Awards**

Included in the amount reported for CFDA 10.557 Special Supplemental Nutrition Program for Women, Infants and Children (WIC) is \$10,883,149 for the fair market value of the redeemed food instrument issuances. A food instrument is a check produced through the New York State WIC Statewide Information System ("WICISIS") that is issued to WIC participants and may be redeemed to obtain WIC approved foods/formula from authorized vendors.

Included in the amount reported for CFDA 93.568; Low-Income Home Energy Assistance Program; (HEAP) are payments to utility vendors for \$3,135,986 issued directly by the New York State Office of the State Comptroller (OSC). These payments are processed through the Statewide Financial System (SFS).

**County of Rockland, New York**

Schedule of Findings and Questioned Costs  
December 31, 2014

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**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued:

Unmodified

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:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?

yes  no

**County of Rockland, New York**

Schedule of Findings and Questioned Costs  
December 31, 2014

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Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
14.235	Supportive Housing Program
16.922	Equitable Sharing Program
17.235	Senior Community Service Employment Program
17.245	Trade Adjustment Assistance
	Federal Transit Cluster
20.500	Federal Transit - Capital Investment Grants
20.507	Federal Transit - Formula Grants (Urbanized Area Formula Program)
66.202	Congressionally Mandated Projects
	Aging Cluster
93.044	Special Program for the Aging - Title III, Part B-Grants for Supportive Services and Senior Centers
93.045	Special Program for the Aging-Title III, Part C-Nutrition Services
93.053	Nutrition Services Incentive Program
93.074	Hospital Preparedness (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements
93.778	Medical Assistance Program (Medicaid; Title XIX)
93.914	HIV Emergency Relief Project Grants (Ryan White HIV/AIDS Program A)

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

\$2,319,164

Auditee qualified as low-risk auditee?

X  Yes   No

**Section II - Financial Statement Findings**

None

**Section III - Federal Award Findings and Questioned Costs**

None

**County of Rockland, New York**

Summary Schedule of Prior Audit Findings  
Year Ended December 31, 2014

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NONE