

COUNTY OF ROCKLAND
STATE OF NEW YORK



FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)

YEAR ENDED DECEMBER 31, 2017

AND

SINGLE AUDIT REPORTS AND SCHEDULE REQUIRED BY THE
OMB UNIFORM GUIDANCE

YEAR ENDED DECEMBER 31, 2017

M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

COUNTY OF ROCKLAND

State of New York



*Comprehensive Annual Financial Report
Year Ended December 31, 2017*

*Edwin J. Day
County Executive*

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

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

COUNTY OF ROCKLAND, STATE OF NEW YORK

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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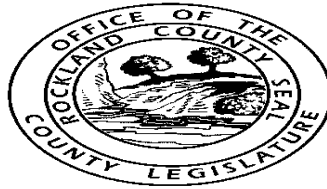
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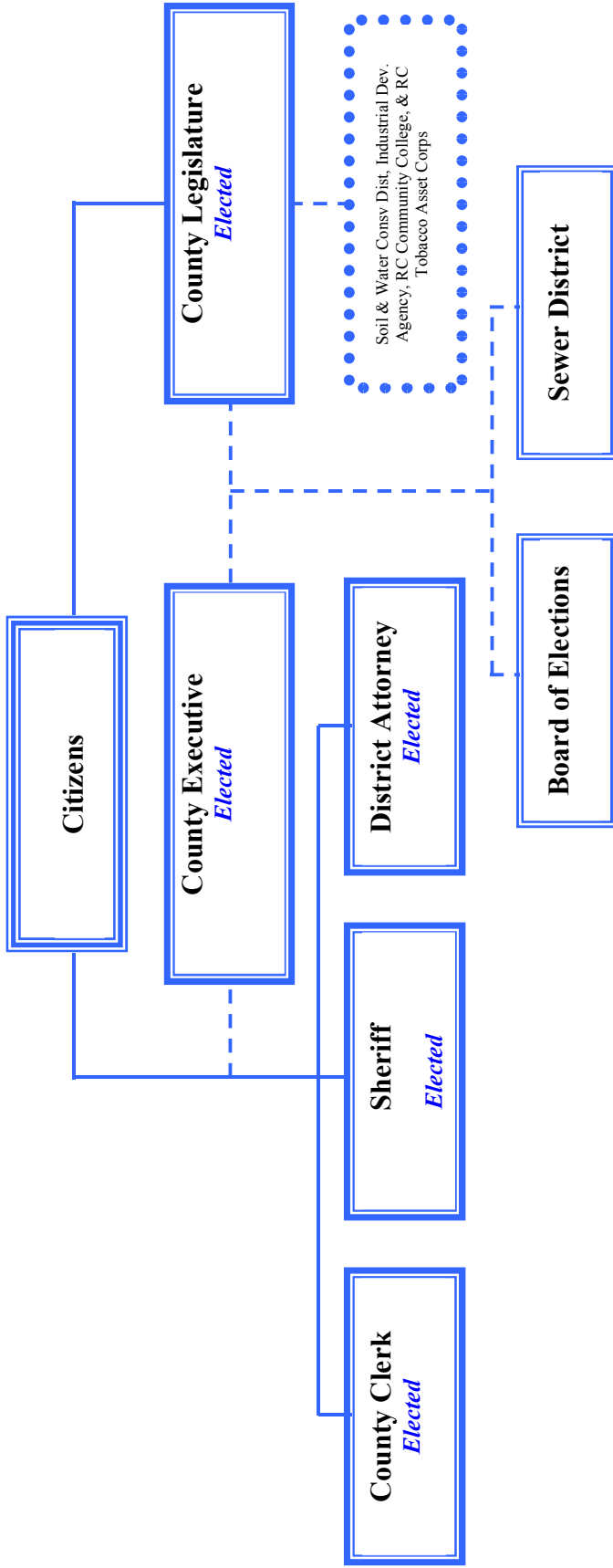
Rockland County Legislature

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.	Lon M. Hofstein
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.	Laurie Santulli
District 12	Hon.	Charles J. Falciglia
District 13	Hon.	Aron B. Wieder
District 14	Hon.	Aney Paul
District 15	Hon.	Patrick J. Moroney
District 16	Hon.	Vincent D. Tyer
District 17	Hon.	Nancy Low-Hogan

Legislative Leadership

Chairman	Hon.	Toney L. Earl
Vice Chair	Hon.	Nancy Low Hogan
Majority Leader	Hon.	Aney Paul
Deputy Majority Leader	Hon.	Alden H. Wolfe
Minority Leader	Hon.	Lon M. Hofstein
Deputy Minority Leader	Hon.	Vince D. Tyer

ORGANIZATION OF ROCKLAND COUNTY GOVERNMENT



ALL OTHER CHARTERED DEPARTMENTS

Dept of Planning Commissioner Charter 5.01	Dept of Personnel Commissioner Charter 6.01	Dept of Health Commissioner Charter 7.01	Dept of Hospitals Commissioner Charter 8.01	Dept of Mental Health Commissioner Charter 9.01	Dept of Social Services Commissioner Charter 10.01
Dept of Highways Superintendent Charter 11.01	Office of the Public Defender Charter 15.01	Dept of Law County Attorney Charter 16.01	Dept of Finance Commissioner Charter 17.01	Dept of Audit County Auditor Charter 18.01	Human Rights Commissioner Charter 19.01
Other County Boards, Offices, Institutions & Functions <i>Charter 20.04</i>					



COUNTY OF ROCKLAND
DEPARTMENTS OF FINANCE AND BUDGET

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

EDWIN J. DAY
County Executive

STEPHEN F. DeGROAT, CPA
Commissioner of Finance
Budget Director

STEVEN J. GROGAN
Deputy Budget Director

June 30, 2018

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, 2017 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 Marks Paneth 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, 2017, 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 unmodified opinion that the County of Rockland's basic financial statements for the fiscal year ended December 31, 2017, 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, 2017 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 contained 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 2nd quarter 2017 data compiled by the State Labor Department, only 5.7% of the workforce is employed by companies engaged in manufacturing. Many residents

commute to jobs in New York City or Westchester County, which is connected to the County by the Tappan Zee Bridge and U.S. Interstate 287/87. Approximately 15% 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 2016 was \$55,407. State and U.S. income averages reported on this basis were \$59,563 and \$49,246 respectively. According to the U.S. Census Bureau, the median household income for households in the County for 2016 was \$85,515, which was significantly greater than the median household income of \$62,909 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 2017 the County of Rockland generated an increase in total sales tax revenues of 1.0% from the previous year, bringing in \$199.2 million in general sales tax and \$9.1 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 remained stable in 2017, with mortgage tax revenues remaining constant from the previous year, bringing in \$5.2 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 1st of each year, and the Legislature is required to approve the plan on or before December 20th 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 revolving road repaving, equipment replacement, and bridge/culvert repair and maintenance programs.
- Complete Orangeburg Road Bridge Repair.
- Complete 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.
- Continue reconstruction of Forshay Road, from Viola Road to Willow Tree Road.
- 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.
- Continue phase I of relocation of county departments project.
- Construction and repairs to Pascack Brook\Union Road including bridges and culverts.
- Continuation of Orangeburg Road Bridge reconstruction. 85-95% estimated Federal and NYS reimbursement.
- Begin improvements and restoration of the Cropsey Community Farm Barn.

OPERATIONAL PROCEDURES AND PRACTICES

Closure of Hospital Facility

The County Legislature has determined to end its financial support of the Hospital Facility. The initial plan to accomplish this goal was implemented on April 16, 2013 when the County Legislature passed Resolution #192-2013, which authorized the formation and organization of a local development corporation to be known as the Rockland County Health Facilities Corporation (the "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 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, 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 Skilled Nursing 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. 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 at the County's office campus in Pomona, New York ("Building A") which houses the Skilled Nursing Facility and the County-owned, 100-bed long term acute care hospital ("LTACH"). Such transfer was made by ninety-nine year lease, with option to take fee title, subject to the retained rights of the County to continue to operate its remaining interest in Building A including the Skilled Nursing Facility and 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 engaged in the procurement of a private purchaser and operator for the Skilled Nursing Facility and the LTACH, and in July 2014 approved a purchase and sale agreement by and among the Corporation, Summit Park Acquisition Group LLC and its related entities (collectively, "SPAG") as the purchaser of Building A, and operator of the Skilled Nursing Facility and the LTACH. The State Department of Health, by letter dated August 7, 2015 approved the Certificate of Need applications of the SPAG operating entity, subject to enumerated conditions, to operate the LTACH and the Skilled Nursing Facility. The purchase and sale agreement ("PSA") between the Corporation and SPAG provided for a Closing Date of December 31, 2014, subject to monthly extensions up to September 30, 2015 upon payment by SPAG to the Corporation of \$100,000 extension fees for each month. Pursuant to the PSA, SPAG has paid to the Corporation \$3,000,000 as a good faith deposit on the purchase price (of which \$150,000 is non-refundable) as well as nine monthly extension fees totaling \$900,000. The Corporation's payments, net of the non-refundable portion of the good faith deposit and totaling \$3,750,000 plus accrued interest, are being held in an escrow account in accordance with the terms of the PSA.

On September 29, 2015, SPAG notified the Corporation that it was exercising its right to terminate the PSA, and on September 30, 2015 the Corporation sent a Notice of Termination to SPAG stating that SPAG was in default under the PSA because it had intentionally failed to appear to close the sale transaction by September 30, 2015 in accordance with the terms of the PSA. Such Notice of Termination also stated that SPAG had an extension termination right which provided that such Notice of Termination became effective on October 31, 2015.

As a consequence of SPAG's September 29, 2015 delivery of its notice of termination of the PSA by the parties, on September 30, 2015, the County Executive announced a contingency plan to cease operations and close the Skilled Nursing Facility and LTACH facilities by the end of 2015. Such closure plan was approved by the State Department of Health and was implemented by the County. On November 3, 2015, the Corporation's final Notice of Termination was delivered to SPAG.

The County is in receipt of a Summons and Complaint from Shalom Braunstein, individually and as principal of the Plaintiff's Sympaticare LLC, Sympaticare Health LLC and SPAG filed in New York Supreme Court, Rockland County, Index No. 30759/2016. The suit is brought against the County, as operator and owner of the property and operation, and the Corporation, as the property possessor and the party who contracted with Plaintiffs for the transaction.

The claim arises from a dispute over the rights to keep or return the good faith deposit related to the now terminated sale of the Skilled Nursing Facility and LTACH. The claimants are the principal of the intended purchaser and related companies. The claim, sounding in contract, is for the return of approximately \$3.9 million in good faith deposit funds and approximately \$122,000 of miscellaneous contract damages and damages for other, unspecified claims that bring the total claims to 5.87 million. The County has answered the suit and brought a counterclaim in the amount of approximately 16 million. The County alleges that the Plaintiffs breached the contract in such a manner that the County is entitled to the 3.9 million down payment and that the Plaintiffs misrepresented their ability to close the transaction, as they knew or should have known they would not be able to obtain the financing or the licenses and other State authorizations required to operate the facilities by the contractual date of closing, thus causing the County to expend about 12 million in operating costs it could have avoided.

With respect to closing the facility, approximately \$5.7 million in compensated balances, such as sick time, holiday and vacation time for County employees whose positions will be abolished in connection with the closure plan, were funded in the 2015 fiscal year. The County's 2016 Adopted Budget provides funding in the amount of approximately \$14 million for additional costs related to the closure plan for the Skilled Nursing Facility and the LTACH facilities including unemployment insurance, healthcare and other costs allocated to the Hospital Enterprise fund.

IN 2017, any legacy costs incurred by the closure of the Hospital are now being appropriated in the County's General Fund.

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, 2015. 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, appearing to read 'S. DeGroat', written in a cursive style.

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

INDEPENDENT AUDITORS' REPORT

The Members of the County 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 (the "County"), as of and for the year ended December 31, 2017, 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 certain component units of the County as disclosed in Note 2A, which represent 1%, 43% and 1%, respectively, of the assets, net position and revenues of the government-wide financial statements and 100% of the assets, net position and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for such component units, 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 auditor's 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 entity'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 audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof 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 the management's discussion and analysis and the schedules included under required supplementary information (unaudited) in the accompanying table of contents 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 audits for the year ended December 31, 2017 were conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of federal awards for the year ended December 31, 2017, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 nonmajor 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 for the year ended December 31, 2017 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 by us and other auditors. In our opinion, based on our audits, the procedures performed as described above, and the reports of the other auditors, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2017.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the County as of and for the year ended December 31, 2016 (not presented herein), and have issued our report thereon dated January 26, 2018 which contained unmodified opinions on the respective 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. The combining and individual fund financial statements and schedules for the year ended December 31, 2016 are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2016 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those 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 for the year ended December 31, 2016.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2017 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 June 29, 2018 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.



New York, NY

June 29, 2018, except for the schedule of expenditures of federal awards, as to which the date is September 28, 2018

**COUNTY OF ROCKLAND, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2017**

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, 2017. 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

Key financial highlights for 2017 are as follows:

- The General Fund reported an ending balance of cash and cash equivalents of \$38,695,395, which represents an increase of \$6,299,145 from fiscal year 2016. This increase is the net result of the cash flows from operating activities; in effect, the net change in fund balance and changes in assets and liabilities. With the addition of: excess revenues over expenditures of \$10,486,505, a prior period adjustment of \$4,593,438, and a decrease in taxes receivable, net allowance for uncollectible taxes, of \$2,553,558; less: an increase in other receivables of \$3,618,221, an increase in prepaid expenditures in the amount of \$967,313, a decrease in liabilities in the amount of \$6,058,439 and a decrease in deferred tax revenues of \$690,383.
- For the year ended December 31, 2016, the operations of the General Liability Claims Fund were reported with the General Fund in 2016 as the 2017 adopted budget reflected the closing of the General Liability Claims Fund. As a result, all 2016 revenues and expenses of the General Liability Claims Fund, as well as applicable assets and liabilities of the fund were recognized in the General Fund. However, whereas Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting, whereby "...expenditures related to certain pension costs, compensated absences, net pension liability, retirement incentives, certain claims and other post-employment obligations, are recorded only when payment is due" the County recognized a prior period adjustment in 2017 for the long-term claims liability payable in the amount of \$4,593,438 (which is the indicated liability to the County under its self-insured liability program as of December 31, 2017). Thus, the long-term claims liability is reflected on the government-wide financial statements (i.e. the statement of net position and the statement of activities), which are reported using the economic resources measurement focus and the accrual basis of accounting; and the prior period adjustment in the General Fund reflects the reversal of the liability that was reported on the fund level.
- For 2017 the County's governmental funds reported combined ending fund balances of \$138,038,448, a decrease of \$6,079,618 in comparison with the 2016 balance of \$144,118,066, as restated. The governmental funds decrease is composed of decreases in the Capital Projects Fund of \$18,767,912 offset by the increases in the General Fund of \$15,079,943 and the Nonmajor governmental funds of 2,201,789.
- The General Fund's unrestricted fund balance (as defined by the NYS Office of the State Comptroller as the "total of committed, assigned, and unassigned fund balance classifications" as set forth by GASB Statement No. 54) was \$11,743,471 or 2.49% of the total General Fund expenditures for 2017.
- The liabilities and deferred inflows of resources of the primary government of the County exceeded assets and deferred outflows of resources at the close of the fiscal year by (\$190,421,293) (*net position deficit*), an increase of \$11,827,454 in comparison to

**COUNTY OF ROCKLAND, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2017**

(\$202,248,747) in 2016. An unrestricted net deficit of (\$493,607,746) exists, an increase of \$20,513,426 in comparison to (\$554,362,222) in 2016.

- The total net position of the County's Governmental Activities increased by \$13,646,312 to (\$109,153,391) in 2017 from (\$122,799,703) in 2016.

- The County's total outstanding bonds payable for December 31, 2017 were \$495,912,879 a decrease of \$46,795,000 from the prior year.

Overview of the Financial Statements

The County's financial statements are composed of this Management's Discussion and Analysis (MD&A) and the basic financial statements. This discussion and analysis serves as an introduction to the basic financial statements. The MD&A provides analysis and overview of the County's financial activities. The basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements.

This report also includes other supplementary information as listed in the table of contents, along with the statistical tables.

Government-wide Financial Statements

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

The statement of net position presents information on all 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, other post-employment benefit obligations ("OPEB"), and net pension liabilities).

Both 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 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 all, or in part a portion, of their costs through user fees and charges.

**COUNTY OF ROCKLAND, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2017**

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 appropriated 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.

**COUNTY OF ROCKLAND, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
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Fiduciary Funds - These funds are used to account for resources held for the benefit of parties outside of the County. The Fiduciary funds are not reflected in the government-wide financial statements because the assets of these funds are not available to support the activities of the County. The Fiduciary fund financial statements can be found in the basic financial statements section of this report.

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

Notes to Financial Statements

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

Other Information

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

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, liabilities exceeded assets and deferred outflows of resources by \$109,153,391 for fiscal year 2017.

The following table reflects the condensed statement of net position:

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and Other Assets	\$ 335,699,742	\$ 346,989,395	\$ 14,177,160	\$ 14,520,386	\$ 349,876,902	\$ 361,509,781
Capital Assets	755,137,524	764,537,699	-	-	755,137,524	764,537,699
Total Assets	<u>1,090,837,266</u>	<u>1,111,527,094</u>	<u>14,177,160</u>	<u>14,520,386</u>	<u>1,105,014,426</u>	<u>1,126,047,480</u>
Deferred Outflows of Resources	47,983,945	92,589,385	-	-	47,983,945	92,589,385
Current Liabilities	181,887,184	187,531,599	4,578,108	4,583,359	186,465,292	192,114,958
Long-Term Liabilities	1,056,151,579	1,127,639,968	90,866,954	89,386,071	1,147,018,533	1,217,026,039
Total Liabilities	<u>1,238,038,763</u>	<u>1,315,171,567</u>	<u>95,445,062</u>	<u>93,969,430</u>	<u>1,333,483,825</u>	<u>1,409,140,997</u>
Deferred Inflows of Resources	9,935,839	11,744,615	-	-	9,935,839	11,744,615
Net Position:						
Net Investment in Capital Assets, Net of Related Debt	358,033,024	329,875,330	-	-	358,033,024	329,875,330
Restricted	26,421,331	22,238,145	-	-	26,421,331	22,238,145
Unrestricted	(493,607,746)	(474,913,178)	(81,267,902)	(79,449,044)	(574,875,648)	(554,362,222)
Total Net Position	<u>\$ (109,153,391)</u>	<u>\$ (122,799,703)</u>	<u>\$ (81,267,902)</u>	<u>\$ (79,449,044)</u>	<u>\$ (190,421,293)</u>	<u>\$ (202,248,747)</u>

**COUNTY OF ROCKLAND, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
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The largest component of the County's net position is invested in capital assets, net of related debt of \$358,033,024 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 2017 net position of \$26,421,331 represents resources that are subject to external restrictions on how they may be used. The restrictions are as follows:

Capital Projects	\$	2,223,657
Law Enforcement		3,079,532
Section 8		211,568
Debt Service		11,058,413
Special Revenue Funds		<u>9,848,161</u>
		<u>\$ 26,421,331</u>

The County's governmental activities had a net increase of \$4,183,186 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 \$2,383,132 is largely due to the increase in reserve for encumbrances in the Sewer Fund in the amount \$2,389,984. The amounts restricted for debt service saw an increase of \$1,327,256 primarily due to decrease of appropriation of reserves for bond payments.

The remaining net position, unrestricted net position, is a negative \$574,875,648, with a deficit of \$493,607,746 reported in governmental activities and a \$81,267,902 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 (\$26,166,572) and compensated absences (\$20,310,116) and OPEB obligations of (\$409,324,774) that are greater than currently available resources.

Governmental activities increased the County's total net position for 2017 by \$13,646,312. The decrease in program expenses in the amount of \$52,458,656 offset by the decrease in program and general revenues in the amount of \$23,686,743 in comparison to 2016 were the primary reasons for the overall increase.

**COUNTY OF ROCKLAND, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2017**

A comparative analysis of the changes in net position follows:

Rockland County Changes in Net Position:

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
REVENUE						
Program Revenues:						
Charges for Services	\$ 58,586,104	\$ 74,923,264	\$ 163,505	\$ 127,569	\$ 58,749,609	\$ 75,050,833
Operating Grants and Contributions	129,567,597	127,591,118	3,997,044	4,188,394	133,564,641	131,779,512
Capital Grants and Contributions	7,172,124	18,968,235	-	-	7,172,124	18,968,235
Total Program Revenue	<u>195,325,825</u>	<u>221,482,617</u>	<u>4,160,549</u>	<u>4,315,963</u>	<u>199,486,374</u>	<u>225,798,580</u>
General Revenues:						
Real Property Taxes	132,833,513	131,211,789	-	-	132,833,513	131,211,789
Other Tax Items	13,197,289	12,745,729	-	-	13,197,289	12,745,729
Non-Property Taxes	217,993,399	216,048,696	-	-	217,993,399	216,048,696
Unrestricted Use of Money & Property	1,704,694	3,306,048	-	-	1,704,694	3,306,048
Licenses and Permits	1,845,288	1,664,002	-	-	1,845,288	1,664,002
Fines and Forfeitures	1,563,842	1,336,011	-	-	1,563,842	1,336,011
Sale of Property & Compensation for Loss	92,893	308,362	-	-	92,893	308,362
Other Revenues	3,004,427	3,144,659	-	-	3,004,427	3,144,659
Gain on Sale of Property	-	-	-	-	-	-
Total General Revenue	<u>372,235,345</u>	<u>369,765,296</u>	<u>-</u>	<u>-</u>	<u>372,235,345</u>	<u>369,765,296</u>
Total Revenue	<u>567,561,170</u>	<u>591,247,913</u>	<u>4,160,549</u>	<u>4,315,963</u>	<u>571,721,719</u>	<u>595,563,876</u>
PROGRAM EXPENSES						
General Government						
Support	89,872,406	100,787,584	-	-	89,872,406	100,787,584
Education	58,413,123	56,142,327	-	-	58,413,123	56,142,327
Public Safety	85,761,711	92,396,592	-	-	85,761,711	92,396,592
Health	50,459,489	56,674,745	-	-	50,459,489	56,674,745
Transportation	51,900,294	59,415,474	-	-	51,900,294	59,415,474
Economic Opportunity and Development	162,773,574	178,556,781	-	-	162,773,574	178,556,781
Culture and Recreation	752,071	1,069,966	-	-	752,071	1,069,966
Home and Community Services	37,263,161	43,390,235	-	-	37,263,161	43,390,235
Interest	16,719,029	17,939,810	-	-	16,719,029	17,939,810
Home and Infirmary	-	-	-	-	-	-
Rockland Tobacco Assets Corporations	-	-	5,823,441	6,413,524	5,823,441	6,413,524
Rockland County Health Facilities Corporation	-	-	155,966	134,036	155,966	134,036
Total Expenses	<u>553,914,858</u>	<u>606,373,514</u>	<u>5,979,407</u>	<u>6,547,560</u>	<u>559,894,265</u>	<u>612,921,074</u>
(Decrease)/Increase in Net Position Before Transfers	13,646,312	(15,125,601)	(1,818,858)	(2,231,597)	11,827,454	(17,357,198)
Transfers	-	(103,737,849)	-	103,737,849	-	-
(Decrease)/Increase in Net Position	13,646,312	(118,863,450)	(1,818,858)	101,506,252	11,827,454	(17,357,198)
NET POSITION						
Beginning of Year	<u>(122,799,703)</u>	<u>(3,936,253)</u>	<u>(79,449,044)</u>	<u>(180,955,296)</u>	<u>(202,248,747)</u>	<u>(184,891,549)</u>
End of Year	<u>\$ (109,153,391)</u>	<u>\$ (122,799,703)</u>	<u>\$ (81,267,902)</u>	<u>\$ (79,449,044)</u>	<u>\$ (190,421,293)</u>	<u>\$ (202,248,747)</u>

**COUNTY OF ROCKLAND, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2017**

Governmental Activities - For the year ended December 31, 2017, the revenues from governmental activities totaled \$567,561,170.

Tax revenues of \$364 million, comprised of real property taxes, sales and mortgage tax items and non-property taxes, increased by \$4.0 million from 2016 and represents the largest revenue source (64%). The 2017 budgeted property taxes increased by 1.2%, non-property taxes yielded \$218 million, an increase of \$1.9 million from 2016.

Collection of the current tax levy remains strong at 96.49%, while averaging 95.18% over the last five years.

Business-type Activities – Business-type activities decreased the County's net position by \$1.8 million for the year ended December 31, 2017. 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.

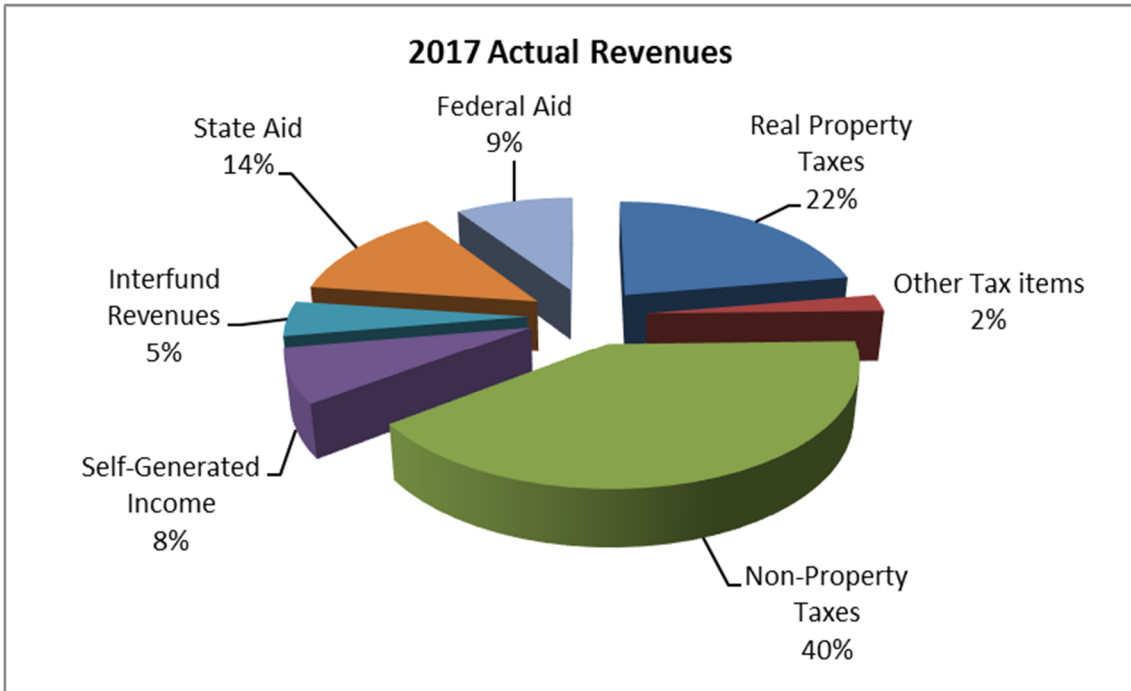
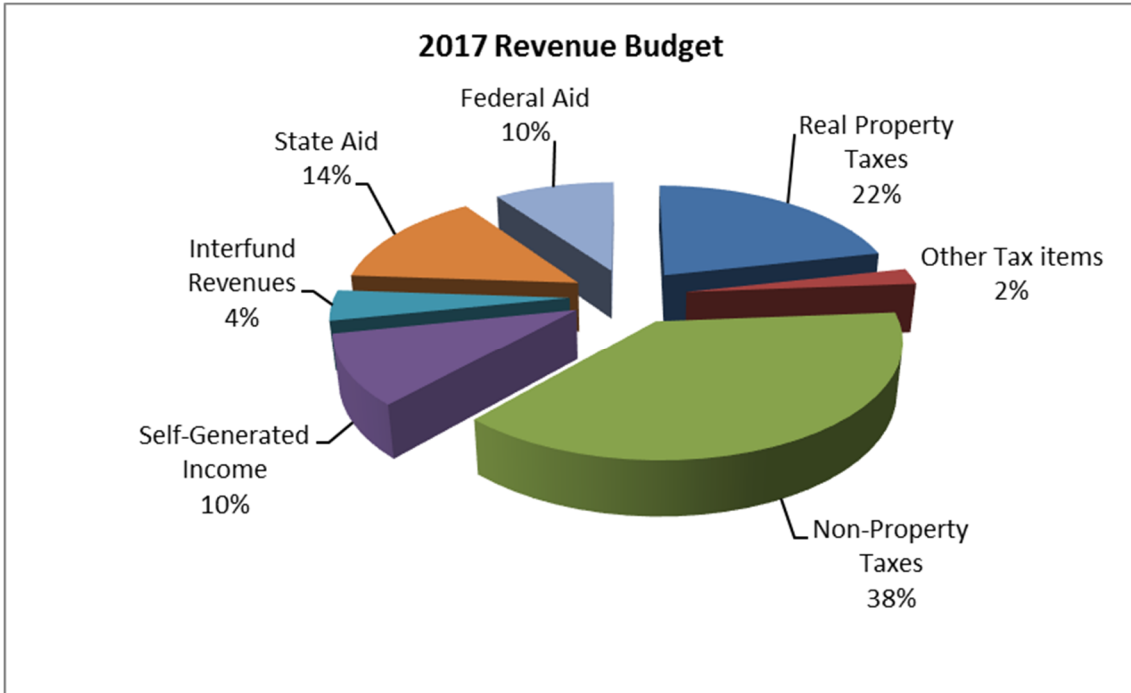
As of the end of the current fiscal year, the County's total governmental funds reported a combined ending fund balance of \$138.0 million, a decrease of \$6.1 million in comparison with \$144.1 million the prior year, as restated.

The non-spendable fund balance component of \$15.5 million is reserved for prepaid retirement and collection of long-term taxes receivables. The restricted fund balance component of \$79.8 million is for \$4.9 million of law enforcement and related items in the general fund, \$12.4 million of unspent bond proceeds restricted for debt service, and \$62.5 million for capital projects, exclusive of unexpended bond proceeds and unrestricted interest earnings. The committed portion of fund balance of \$1.6 million is designated for treatment plant and collection system in the Sewer Fund. The assigned fund balance totaling \$34.9 million is composed primarily of encumbrances of \$8.4 million, subsequent years expenditures of \$7.1 million and undesignated of \$16.6 million in the special revenue funds, further detail of which can be found in Note 4 of this report. The remaining fund balance of \$6.2 million is composed primarily of the unassigned fund balance of \$6.3 million in the General Fund.

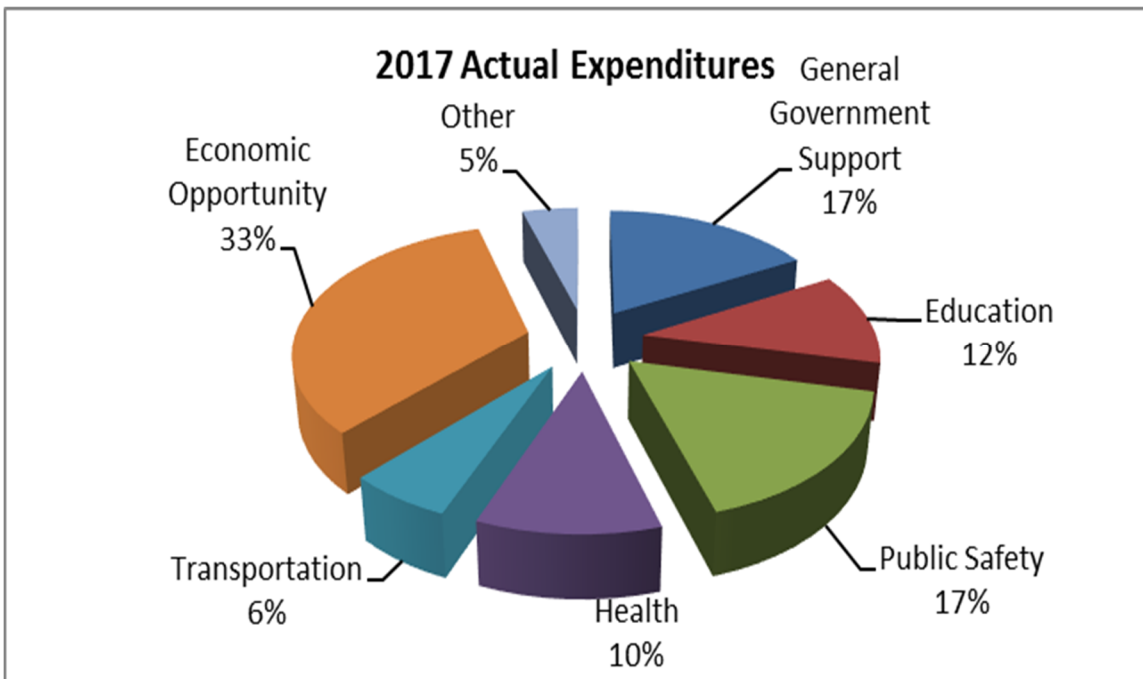
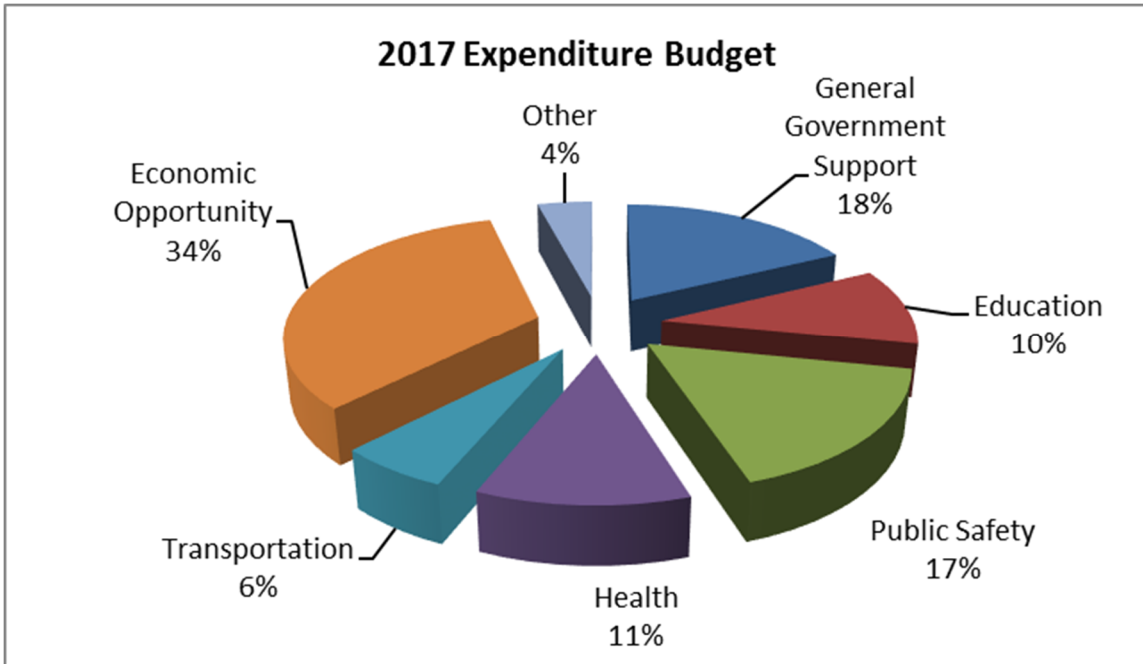
The General Fund is the primary operating fund of the County. At the end of the current 2017 fiscal year, the total fund balance of the General Fund was \$32.8 million (composed of non-spendable \$14.8 million, restricted \$6.3 million, assigned \$5.5 million and unassigned \$6.2 million). At the end of the 2016 fiscal year, the total fund balance of \$17.7 million (composed of non-spendable \$14.1 million, restricted \$7.7 million, and unassigned (\$4) million).

**COUNTY OF ROCKLAND, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2017**

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



COUNTY OF ROCKLAND, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2017



**COUNTY OF ROCKLAND, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2017**

General Fund revenues were \$8.2 million lower in 2017 than in 2016 due to increases or (decreases) as indicated in the following table:

	2017	2016	Increase/ (Decrease)
Real Property Taxes	\$ 120,966,743	\$ 117,807,368	\$ 3,159,375
Other Tax Items	12,540,389	12,315,637	224,752
Non-Property Taxes	217,993,399	216,048,696	1,944,703
Self-Generated Income	40,783,662	53,825,307	(13,041,645)
Interfund Revenues	26,189,206	25,081,046	1,108,160
State Aid	72,948,034	71,732,141	1,215,893
Federal Aid	50,972,372	53,765,401	(2,793,029)
	<u>\$ 542,393,805</u>	<u>\$ 550,575,596</u>	<u>\$ (8,181,791)</u>

Self-Generated Income which consists of Departmental income, use of money and property, Licenses and permits, Fines and forfeitures, Sale of property and compensation for loss and Miscellaneous revenues decreased by 24.2% in the amount of \$13,041,645 which was largely due to no Intergovernmental Transfer (IGT) received from New York State in 2017.

Federal Aid decreased in comparison to 2016 in the amount of \$2,793,029 due to a decrease in Federal Aid for Social Services Administration in the amount of \$2,028,847, from \$13,333,517 in 2016 to \$11,304,670 in 2017. As Federal Aid for Social Services is expense driven it is noted that the corresponding administrative expenses for Medical Assistance, Child Support Enforcement, Childcare Block Grant, Adoption Assistance and Title XX also decreased as indicated in the table below in Economic Opportunity.

Real property tax revenues increased in the amount of \$3,159,375 from \$117,807,368 in 2016 to \$120,966,743 in 2017 due to budgeted property tax increase of 1.2% and decrease in deferred tax revenues and allowance for uncollectible taxes in the amount of \$790,382.

General Fund expenses were \$3.2 million lower in 2017 than they were in 2016 due to increases or (decreases) as indicated in the table below:

	2017	2016	Increase/ (Decrease)
General Government Support	\$ 80,091,454	\$ 84,220,831	\$ (4,129,377)
Education	54,820,250	51,223,270	3,596,980
Public Safety	80,083,980	76,601,762	3,482,218
Health	49,690,796	50,729,442	(1,038,646)
Transportation	28,411,803	27,378,130	1,033,673
Economic Opportunity	158,061,501	164,896,077	(6,834,576)
Other	21,473,140	21,175,982	297,158
	<u>\$ 472,632,924</u>	<u>\$ 476,225,494</u>	<u>\$ (3,592,570)</u>

General Government Support spending decreased in the amount of \$1,876,005 and \$2,218,022 in Department of Budget & Finance and Other General Departments, respectively; due to decrease in refunds of tax judgements and an increase in allocable costs to the General Fund net decrease in expenses for closed departments due to closure of the Hospital Fund in 2016.

Education spending increased in amount of \$3,596,980 from \$51,223,270 in 2016 to \$54,820,250 in 2017 due to increase in tuition costs for handicap children and early intervention programs.

**COUNTY OF ROCKLAND, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2017**

Although New York State law effective April of 2013 provides for the State to directly fund Early Intervention program providers, the County is required as of April 2013 to fund the escrow balance.

Public Safety spending increased in amount of \$3,482,218 from \$76,601,762 in 2016 to \$80,083,980 primarily for Office of the Sheriff for increased building security in the amount of \$1,933,790 and increased costs of operations for Correctional Facility in the amount of \$777,015.

Expenditures for Economic Opportunity (which consists of Department of Social Services, Veteran's Service Agency, Office for the Aging and Contract Agencies) decreased in the amount of \$6,834,576 from \$164,896,077 in 2016 to \$158,061,501 in 2017. As noted earlier, decreases in Administrative and program expenses in the amount of \$7,212,059 for the Department of Social Services directly correlates to the decrease in Federal Aid revenue for 2017.

The Capital Projects Fund is used to account for capital project activity throughout the County. The Capital Projects Fund's ending fund balance is \$64,706,028. This is a decrease of \$18,767,912; due primarily to decreases in revenues from State aid and Federal aid in the amount of \$2,457,890 and \$4,756,494 respectively. This shortfall was partially offset by decrease in capital outlay in amount of \$22,085,867. However, the Fund did not issue any new bonds for 2017 as opposed to \$20,280,382 in 2016 and transfers in decreased in the amount of \$6,981,266.

Non-major Governmental Funds consist of the Special Revenue Funds and the Debt Service Fund. The Special Revenue Funds are made up of the following individual funds: County Road Fund, Road Machinery Fund, Community Development Fund, Sewer District Fund and Special Purpose Fund. For the fiscal year ended December 31, 2017, the combined fund balance of these funds totaled \$40.5 million. This represents an increase of \$2.2 million from the prior year.

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

Budgetary Highlights

General Funds - Actual General Fund revenues, exclusive of other financing sources, were \$542.4 million, which was \$16.5 million less from the final budget. Most of this shortfall was from the area of self-generated income, State Aid, and Federal Aid. This shortfall was offset by a \$6.2 million excess revenue over budget in non-property taxes and \$1.7 million excess revenue over budget in interfund revenues. The three main revenue sources that comprised this number were as follows:

Self-Generated Income	\$ (15.6) million
State Aid	\$ (6.0) million
Federal Aid	\$ (3.5) million

Overall, the actual General Fund expenditures, exclusive of other financing uses, were \$472.6 million, which was \$18.1 million less than the final budget. The major areas where spending was less than budget was Education, \$7.3 million; Health and Transportation was \$3.1 and \$1.7 million respectively; and General Government Support was \$8.5 million primarily because of budgeted contingent fund savings.

Actual General Fund miscellaneous revenues were \$2,208,876, which was \$16,267,117 less from the final budget. Much of this shortfall was primarily in Contribution from the General Fund in the amount of \$17,290,365. This shortfall was mainly negated by the 2017 adopted contribution of \$17,290,365 from the General Fund to the Hospital Fund that was not transferred due to the closure of the Hospital Fund in 2016.

**COUNTY OF ROCKLAND, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2017**

Actual General Fund expenses, exclusive of other financing uses, were \$472.6 million, which was \$18.1 million less from the final budget due to the positive or (negative) variances as indicated in the table below:

	Final Budget	Actual	Variance Positive (Negative)
General Government Support	\$ 87,048,344	\$ 80,091,454	\$ 6,956,890
Education	51,021,505	54,820,250	(3,798,745)
Public Safety	82,879,963	80,083,980	2,795,983
Health	55,452,535	49,690,796	5,761,739
Transportation	29,368,877	28,411,803	957,074
Economic Opportunity	164,736,448	158,061,501	6,674,947
Other	20,224,153	21,473,140	(1,248,987)
	<u>\$ 490,731,825</u>	<u>\$ 472,632,924</u>	<u>\$ 18,098,901</u>

General Government Support spending was less than budgeted in the amount of \$6,956,890 in the Department of Budget and Finance, Other General Departments and Contingency Fund. Whereas Education spending was more than budgeted in the amount of \$3,798,745 in the education of handicap children and early intervention mandated programs. Whereas, decreased public need caused areas of Public Safety (mainly the Office of the Sheriff Correctional Facility), Department of Health and Economic Opportunity (mainly the Department of Social Services), to spend less than budgeted in the amount of \$2,795,983, \$5,761,739 and \$6,674,947 respectively.

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, 2017, amounts to \$755.1 million, net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements, equipment, infrastructure and construction-in-progress.

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

	2017	2016
Land	\$ 68,549	\$ 68,549
Building and Improvements	84,806	88,757
Equipment	49,443	22,252
Infrastructure	394,728	397,483
Construction-in-Progress	157,612	187,497
Total	<u>\$ 755,138</u>	<u>\$ 764,538</u>

Additional information on the County's capital assets can be found in Note 4 of this report.

**COUNTY OF ROCKLAND, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2017**

Long-Term Debt – For the fiscal year end, December 31, 2017, the County had \$601 million in total long-term debt outstanding. This represents a decrease of \$47.5 million over 2016. All 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	
	2017	2016	2017	2016	2017	2016
General Obligation						
Bonds - Gross	<u>\$ 510,610</u>	<u>\$ 559,616</u>	<u>\$ 90,867</u>	<u>\$ 89,386</u>	<u>\$ 601,477</u>	<u>\$ 649,002</u>

The County's current long-term borrowing rating assigned as of April 2018 is A- by Fitch Ratings Inc. (positive), and A2 by Moody's Investors Service (stable).

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 4 of this report.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Stephen F. DeGroat, CPA, Commissioner of Finance, Rockland County Finance Department, 50 Sanatorium Road, Building A, 8th Floor, Pomona, NY 10970. The telephone number is (845) 364-3870, or visit the County's website at <http://rocklandgov.com>.

BASIC

FINANCIAL STATEMENTS

County of Rockland, New York

Statement of Net Position
December 31, 2017

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 145,926,503	\$ 6,484,216	\$ 152,410,719	\$ 41,638,159
Investments	-	-	-	4,309,948
Receivables				
Taxes, net	69,362,589	-	69,362,589	-
Accounts, net	41,737,084	3,795,252	45,532,336	6,609,081
Loans	417,161	-	417,161	-
State and Federal aid, net	53,596,713	-	53,596,713	1,306,915
Funds held in escrow	-	3,773,546	3,773,546	-
Due from other governments	8,115,054	-	8,115,054	7,355,410
Internal balances	(102,794)	102,794	-	-
Inventories	98,802	-	98,802	-
Prepaid expenses and other assets	7,766,210	21,352	7,787,562	1,090,360
	<u>326,917,322</u>	<u>14,177,160</u>	<u>341,094,482</u>	<u>62,309,873</u>
Restricted cash and cash equivalents	8,782,420	-	8,782,420	8,007,321
Restricted investments	-	-	-	1,396,671
Intangible asset	-	-	-	15,506,746
Net pension asset	-	-	-	317,011
	<u>8,782,420</u>	<u>-</u>	<u>8,782,420</u>	<u>25,227,749</u>
Capital assets				
Not being depreciated	226,160,958	-	226,160,958	6,819,541
Being depreciated, net	528,976,566	-	528,976,566	26,284,958
	<u>755,137,524</u>	<u>-</u>	<u>755,137,524</u>	<u>33,104,499</u>
Total Assets	<u>1,090,837,266</u>	<u>14,177,160</u>	<u>1,105,014,426</u>	<u>120,642,121</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>47,983,945</u>	<u>-</u>	<u>47,983,945</u>	<u>7,794,008</u>
LIABILITIES				
Accounts payable	38,663,242	114,156	38,777,398	13,515,863
Accrued liabilities	9,514,549	4,463,952	13,978,501	1,003,397
Due to other governments	9,895,376	-	9,895,376	735,356
Due to school districts	55,112,624	-	55,112,624	-
Unearned revenues	3,499,298	-	3,499,298	5,136,215
Accrued interest payable	5,202,095	-	5,202,095	-
Tax anticipation note payable	60,000,000	-	60,000,000	-
Noncurrent liabilities				
Due within one year	53,416,001	-	53,416,001	4,329,167
Due in more than one year	1,002,735,578	90,866,954	1,093,602,532	110,015,608
Total Liabilities	<u>1,238,038,763</u>	<u>95,445,062</u>	<u>1,333,483,825</u>	<u>134,735,606</u>
DEFERRED INFLOWS OF RESOURCES	<u>9,935,839</u>	<u>-</u>	<u>9,935,839</u>	<u>3,195,011</u>
NET POSITION				
Net Investment in capital assets	358,033,024	-	358,033,024	12,385,918
Restricted for				
Capital projects	2,223,657	-	2,223,657	5,602,779
Law enforcement	3,079,532	-	3,079,532	-
Section 8 housing	211,568	-	211,568	-
Debt service	11,058,413	-	11,058,413	-
Student loans	-	-	-	11,269
Environmental programs	-	-	-	378,793
Scholarships and student services	-	-	-	3,445,081
Permanent endowments	-	-	-	848,078
Special Revenue funds				
Community Development	1,504,973	-	1,504,973	-
Sewer	8,319,173	-	8,319,173	-
Trusts	24,015	-	24,015	-
Unrestricted	<u>(493,607,746)</u>	<u>(81,267,902)</u>	<u>(574,875,648)</u>	<u>(32,166,406)</u>
Total Net Position	<u>\$ (109,153,391)</u>	<u>\$ (81,267,902)</u>	<u>\$ (190,421,293)</u>	<u>\$ (9,494,488)</u>

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

County of Rockland, New York

Statement of Activities
 Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government support	\$ 89,872,406	\$ 14,020,496	\$ 1,888,181	\$ -
Education	58,413,123	-	-	-
Public safety	85,761,711	1,770,588	4,745,428	-
Health	50,459,489	5,227,151	40,331,841	-
Transportation	51,900,294	8,015,052	21,627,326	3,610,287
Economic opportunity and development	162,773,574	5,389,196	60,671,020	-
Culture and recreation	752,071	-	115,379	-
Home and community services	37,263,161	24,163,621	188,422	-
Interest	16,719,029	-	-	3,561,837
Total Governmental Activities	553,914,858	58,586,104	129,567,597	7,172,124
Business-type activities				
Rockland Tobacco Asset Securitization Corporation	5,569,405	-	3,234,464	-
Rockland Second Tobacco Asset Securitization Corporation	254,036	-	762,580	-
Rockland County Health Facilities Corporation	155,966	163,505	-	-
Total Business-type Activities	5,979,407	163,505	3,997,044	-
Total Primary Government	\$ 559,894,265	\$ 58,749,609	\$ 133,564,641	\$ 7,172,124
Component units				
Rockland County Community College	\$ 82,864,253	\$ 19,236,207	\$ 19,910,927	\$ 424,246
Rockland County Soil and Water Conservation District	121,365	-	-	-
Rockland County Solid Waste Management Authority	50,203,539	53,239,334	-	-
Rockland County Industrial Development Agency	266,132	1,224,350	-	-
Total Component Units	\$ 133,455,289	\$ 73,699,891	\$ 19,910,927	\$ 424,246
General revenues				
Real property taxes				
Other tax items				
Interest and penalties on real property taxes				
Gain on sale of tax acquired property				
STAR renunciation				
Payments in lieu of taxes				
Special assessments				
Non-property taxes				
Sales and use tax				
Mortgage tax				
E-911 surcharge				
Hotel/motel tax				
Residential energy use tax				
Motor vehicle use tax				
Unrestricted use of money and property				
Licenses and permits				
Fines and forfeitures				
Sale of property and compensation for loss				
Contributions from Rockland County				
Grants and contributions not restricted to specific programs				
Miscellaneous				
Total General Revenues				
Change in Net Position				
Net Position - Beginning of Year				
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
\$ (73,963,729)	\$ -	\$ (73,963,729)	\$ -
(58,413,123)	-	(58,413,123)	-
(79,245,695)	-	(79,245,695)	-
(4,900,497)	-	(4,900,497)	-
(18,647,629)	-	(18,647,629)	-
(96,713,358)	-	(96,713,358)	-
(636,692)	-	(636,692)	-
(12,911,118)	-	(12,911,118)	-
(13,157,192)	-	(13,157,192)	-
<u>(358,589,033)</u>	<u>-</u>	<u>(358,589,033)</u>	<u>-</u>
-	(2,334,941)	(2,334,941)	-
-	508,544	508,544	-
-	7,539	7,539	-
-	(1,818,858)	(1,818,858)	-
<u>(358,589,033)</u>	<u>(1,818,858)</u>	<u>(360,407,891)</u>	<u>-</u>
-	-	-	(43,292,873)
-	-	-	(121,365)
-	-	-	3,035,795
-	-	-	958,218
-	-	-	<u>(39,420,225)</u>
132,833,513	-	132,833,513	-
10,862,650	-	10,862,650	-
619,885	-	619,885	-
(145,531)	-	(145,531)	-
1,203,385	-	1,203,385	-
656,900	-	656,900	-
199,115,739	-	199,115,739	-
5,199,083	-	5,199,083	-
1,311,551	-	1,311,551	-
1,486,320	-	1,486,320	-
9,078,819	-	9,078,819	-
1,801,887	-	1,801,887	-
1,704,694	-	1,704,694	496,856
1,845,288	-	1,845,288	-
1,563,842	-	1,563,842	-
92,893	-	92,893	-
-	-	-	16,870,110
-	-	-	17,102,929
3,004,427	-	3,004,427	2,284,462
<u>372,235,345</u>	<u>-</u>	<u>372,235,345</u>	<u>36,754,357</u>
13,646,312	(1,818,858)	11,827,454	(2,665,868)
<u>(122,799,703)</u>	<u>(79,449,044)</u>	<u>(202,248,747)</u>	<u>(6,828,620)</u>
<u>\$ (109,153,391)</u>	<u>\$ (81,267,902)</u>	<u>\$ (190,421,293)</u>	<u>\$ (9,494,488)</u>

County of Rockland, New York

Balance Sheet
 Governmental Funds
 December 31, 2017

	General	Capital Projects
ASSETS		
Cash and cash equivalents	\$ 38,695,395	\$ 64,627,830
Taxes receivable, net	69,362,589	-
Other receivables		
Accounts, net of allowance for uncollectible amounts	40,072,322	-
Loans	-	-
State and Federal aid, net of allowance for uncollectible amounts	48,590,024	2,032,653
Due from other governments	8,115,054	-
Due from other funds	-	-
	<u>96,777,400</u>	<u>2,032,653</u>
Restricted cash	-	7,434,122
Prepaid expenditures	6,379,565	-
Total Assets	<u>\$ 211,214,949</u>	<u>\$ 74,094,605</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 28,581,029	\$ 6,994,115
Accrued liabilities	7,551,000	27,378
Due to other governments	9,658,143	237,233
Due to school districts	55,112,624	-
Due to other funds	1,284,311	2,129,851
Unearned revenues	1,994,325	-
Tax anticipation note payable	60,000,000	-
Total Liabilities	164,181,432	9,388,577
Deferred inflows of resources		
Deferred tax revenues	14,230,143	-
Total Liabilities and Deferred Inflows of Resources	<u>178,411,575</u>	<u>9,388,577</u>
Fund balances (deficits)		
Nonspendable	14,776,092	-
Restricted	6,283,811	62,482,371
Committed	-	-
Assigned	5,485,610	2,223,657
Unassigned	6,257,861	-
Total Fund Balances	<u>32,803,374</u>	<u>64,706,028</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 211,214,949</u>	<u>\$ 74,094,605</u>

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

Non-Major Governmental	Total Governmental Funds
\$ 39,749,493	\$ 143,072,718
-	69,362,589
1,575,207	41,647,529
417,161	417,161
2,521,881	53,144,558
-	8,115,054
1,608,578	1,608,578
6,122,827	104,932,880
-	7,434,122
680,410	7,059,975
<u>\$ 46,552,730</u>	<u>\$ 331,862,284</u>

\$ 2,226,704	\$ 37,801,848
927,431	8,505,809
-	9,895,376
-	55,112,624
1,364,576	4,778,738
1,504,973	3,499,298
-	60,000,000
6,023,684	179,593,693
-	14,230,143
6,023,684	193,823,836
680,410	15,456,502
11,082,428	79,848,610
1,560,191	1,560,191
27,219,037	34,928,304
(13,020)	6,244,841
40,529,046	138,038,448
<u>\$ 46,552,730</u>	<u>\$ 331,862,284</u>

County of Rockland, New York

Reconciliation of Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position December 31, 2017

Fund Balances - Governmental Funds	\$ 138,038,448
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>753,784,807</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>(47,664,664)</u>
Governmental funds do not report the effect of losses on refunding bonds and assets or liabilities related to net pension assets (liabilities) whereas these amounts are deferred and amortized in the statement of activities	
Deferred amounts on refunding bonds	8,178,077
Deferred amounts on net pension liabilities	<u>28,092,227</u>
	<u>36,270,304</u>
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Real property taxes	<u>14,230,143</u>
	<u>14,230,143</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Bonds payable	(504,796,078)
Compensated absences	(18,517,049)
Claims payable	(4,593,438)
HUD Section 108 loans payable	(4,362,000)
New York State loan payable - NYPA	(971,292)
New York State loan payable - retirement	(33,814,556)
Other post employment benefit obligations payable	(383,962,218)
Net pension liability	(47,593,703)
Accrued interest payable	<u>(5,202,095)</u>
	<u>(1,003,812,429)</u>
Net Position of Governmental Activities	<u>\$ (109,153,391)</u>

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

County of Rockland, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended December 31, 2017

	General	Capital Projects	Non-Major Governmental	Total Governmental Funds
REVENUES				
Real property taxes	\$ 120,966,743	\$ -	\$ 12,557,154	\$ 133,523,897
Other tax items	12,540,389	-	656,900	13,197,289
Non-property taxes	217,993,399	-	-	217,993,399
Departmental income	34,409,543	-	24,176,561	58,586,104
Use of money and property	742,554	-	960,748	1,703,302
Licenses and permits	1,819,788	-	25,500	1,845,288
Fines and forfeitures	1,537,288	-	26,554	1,563,842
Sale of property and compensation for loss	65,613	-	27,280	92,893
Interfund revenues	26,189,206	-	853,406	27,042,612
State aid	72,948,034	2,743,219	3,313,382	79,004,635
Federal aid	50,972,372	867,068	5,293,347	57,132,787
Miscellaneous	2,208,876	24,302	174,249	2,407,427
Total Revenues	542,393,805	3,634,589	48,065,081	594,093,475
EXPENDITURES				
Current				
General government support	80,091,454	-	-	80,091,454
Education	54,820,250	-	-	54,820,250
Public safety	80,083,980	-	-	80,083,980
Health	49,690,796	-	-	49,690,796
Transportation	28,411,803	-	15,864,658	44,276,461
Economic opportunity and development	158,061,501	-	3,083,843	161,145,344
Culture and recreation	278,593	-	-	278,593
Home and community services	5,185,841	-	19,327,757	24,513,598
Employee benefits	14,835,373	-	4,727,755	19,563,128
Debt service				
Principal	-	-	46,701,858	46,701,858
Interest	1,173,333	-	17,232,140	18,405,473
Capital outlay	-	21,199,158	-	21,199,158
Total Expenditures	472,632,924	21,199,158	106,938,011	600,770,093
Excess (Deficiency) of Revenues Over Expenditures	69,760,881	(17,564,569)	(58,872,930)	(6,676,618)
OTHER FINANCING SOURCES (USES)				
Issuance premium	597,000	-	-	597,000
Transfers in	3,879,342	-	77,079,795	80,959,137
Transfers out	(63,750,718)	(1,203,343)	(16,005,076)	(80,959,137)
Total Other Financing Sources	(59,274,376)	(1,203,343)	61,074,719	597,000
Net Change in Fund Balances	10,486,505	(18,767,912)	2,201,789	(6,079,618)
FUND BALANCES				
Beginning of Year, as reported	17,723,431	83,473,940	38,327,257	139,524,628
Prior Period Adjustment (Note 3E)	4,593,438	-	-	4,593,438
Beginning of Year, as restated	22,316,869	83,473,940	38,327,257	144,118,066
End of Year	<u>\$ 32,803,374</u>	<u>\$ 64,706,028</u>	<u>\$ 40,529,046</u>	<u>\$ 138,038,448</u>

The notes to the financial statements are an integral part of this financial 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, 2017

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

Net Change in Fund Balances - Total Governmental Funds	\$ (6,079,618)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.	
Capital outlay expenditures	21,177,066
Depreciation expense	<u>(31,285,149)</u>
	<u>(10,108,083)</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real property taxes	<u>(690,384)</u>
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.	
Principal paid on bonds	45,883,292
Principal paid on HUD Section 108 loans payable	533,000
Principal paid on New York State Loan - NYPA	409,610
Amortization of loss on refunding bonds and issuance premium	<u>1,495,429</u>
	<u>48,321,331</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Pension	1,744,713
New York State loan - Retirement	5,382,261
Compensated absences	(45,609)
Other postemployment benefit obligations	(20,893,747)
Accrued interest	<u>(828,449)</u>
	<u>(14,640,831)</u>
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.	
	<u>(3,156,103)</u>
Change in Net Position of Governmental Activities	<u>\$ 13,646,312</u>

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

County of Rockland, New York

General Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 120,015,000	\$ 120,015,000	\$ 120,966,743	\$ 951,743
Other tax items	12,586,000	12,819,945	12,540,389	(279,556)
Non-property taxes	211,500,000	211,800,305	217,993,399	6,193,094
Departmental income	33,122,215	34,960,483	34,409,543	(550,940)
Use of money and property	300,000	300,000	742,554	442,554
Licenses and permits	1,910,000	1,945,000	1,819,788	(125,212)
Fines and forfeitures	674,000	674,000	1,537,288	863,288
Sale of property and compensation for loss	3,200	3,200	65,613	62,413
Interfund revenues	24,441,425	24,441,425	26,189,206	1,747,781
State aid	69,270,095	78,981,805	72,948,034	(6,033,771)
Federal aid	50,167,280	54,461,972	50,972,372	(3,489,600)
Miscellaneous	476,000	18,475,993	2,208,876	(16,267,117)
Total Revenues	524,465,215	558,879,128	542,393,805	(16,485,323)
EXPENDITURES				
Current				
General government support	77,140,403	87,048,344	80,091,454	6,956,890
Education	51,021,505	51,021,505	54,820,250	(3,798,745)
Public safety	79,332,132	82,879,963	80,083,980	2,795,983
Health	35,604,802	55,452,535	49,690,796	5,761,739
Transportation	29,368,877	29,368,877	28,411,803	957,074
Economic opportunity and development	164,328,707	164,736,448	158,061,501	6,674,947
Culture and recreation	9,965	286,443	278,593	7,850
Home and community services	4,674,400	5,538,710	5,185,841	352,869
Employee benefits	13,225,000	13,225,000	14,835,373	(1,610,373)
Debt service				
Interest	1,174,000	1,174,000	1,173,333	667
Total Expenditures	455,879,791	490,731,825	472,632,924	18,098,901
Excess of Revenues Over Expenditures	68,585,424	68,147,303	69,760,881	1,613,578
OTHER FINANCING SOURCES (USES)				
Issuance premium	900,000	900,000	597,000	(303,000)
New York State loan	1,676,000	1,676,000	-	(1,676,000)
Transfers in	4,305,510	4,305,510	3,879,342	(426,168)
Transfers out	(78,692,935)	(81,286,835)	(63,750,718)	17,536,117
Total Other Financing Sources (Uses)	(71,811,425)	(74,405,325)	(59,274,376)	15,130,949
Net Change in Fund Balance	(3,226,001)	(6,258,022)	10,486,505	16,744,527
FUND BALANCE				
Beginning of Year, as reported	3,226,001	6,258,022	17,723,431	11,465,409
Prior Period Adjustment (Note 3E)	-	-	4,593,438	4,593,438
Beginning of Year, as restated	3,226,001	6,258,022	22,316,869	16,058,847
End of Year	\$ -	\$ -	\$ 32,803,374	\$ 32,803,374

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

County of Rockland, New York

Statement of Net Position
 Proprietary Funds
 December 31, 2017

	Business-Type Activities - Enterprise Funds				
	Rockland Tobacco Asset Securitization Corporation	Rockland Second Tobacco Asset Securitization Corporation	Rockland County Health Facilities Corporation	Total Business-type Activities - Enterprise Funds	Total Governmental Activities - Internal Service Funds
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 5,658,135	\$ 813,503	\$ 12,578	\$ 6,484,216	\$ 4,202,083
Receivables					
Accounts	3,045,639	749,613	-	3,795,252	89,555
State and Federal aid	-	-	-	-	452,155
Funds held in escrow	-	-	3,773,546	3,773,546	-
Due from other funds	-	-	102,794	102,794	3,091,358
Inventories	-	-	-	-	98,802
Prepaid expenses	21,352	-	-	21,352	706,235
Total Current Assets	<u>8,725,126</u>	<u>1,563,116</u>	<u>3,888,918</u>	<u>14,177,160</u>	<u>8,640,188</u>
Capital Assets					
Not being depreciated	-	-	-	-	1,287,530
Being depreciated, net	-	-	-	-	65,187
Total Capital Assets, net of accumulated depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,352,717</u>
Total Assets	<u>8,725,126</u>	<u>1,563,116</u>	<u>3,888,918</u>	<u>14,177,160</u>	<u>9,992,905</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,366,663</u>
LIABILITIES					
Current Liabilities					
Accounts payable	1,250	1,250	111,656	114,156	861,394
Accrued liabilities	698,177	15,775	3,750,000	4,463,952	1,008,740
Due to other funds	-	-	-	-	23,992
Total Current Liabilities	<u>699,427</u>	<u>17,025</u>	<u>3,861,656</u>	<u>4,578,108</u>	<u>1,894,126</u>
Noncurrent Liabilities					
Due within one year	-	-	-	-	3,016,764
Due in more than one year	87,988,012	2,878,942	-	90,866,954	54,524,481
Total Noncurrent Liabilities	<u>87,988,012</u>	<u>2,878,942</u>	<u>-</u>	<u>90,866,954</u>	<u>57,541,245</u>
Total Liabilities	<u>88,687,439</u>	<u>2,895,967</u>	<u>3,861,656</u>	<u>95,445,062</u>	<u>59,435,371</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>588,861</u>
NET POSITION (DEFICIT)					
Net investment in capital assets	-	-	-	-	(4,461,360)
Unrestricted	(79,962,313)	(1,332,851)	27,262	(81,267,902)	(43,203,304)
Total Net Position (Deficit)	<u>\$ (79,962,313)</u>	<u>\$ (1,332,851)</u>	<u>\$ 27,262</u>	<u>\$ (81,267,902)</u>	<u>\$ (47,664,664)</u>

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

County of Rockland, New York

Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Funds
 Year Ended December 31, 2017

	Business - Type Activities - Enterprise Funds				
	Rockland Tobacco Asset Securitization Corporation	Rockland Second Tobacco Asset Securitization Corporation	Rockland County Health Facilities Corporation	Total Business-type Activities - Enterprise Funds	Total Governmental Activities - Internal Service Funds
OPERATING REVENUES					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ 27,685,485
State aid	-	-	-	-	602,299
Tobacco settlement revenues	2,951,552	737,888	-	3,689,440	-
Appropriations from the County	-	-	155,966	155,966	-
Miscellaneous	12,031	371	7,539	19,941	-
Total Operating Revenues	2,963,583	738,259	163,505	3,865,347	28,287,784
OPERATING EXPENSES					
Administrative and general expenses	-	-	155,966	155,966	1,341,849
Salaries and wage expenses	-	-	-	-	8,795,812
Employee benefits	-	-	-	-	11,975,477
Professional fees	27,900	29,868	-	57,768	-
Directors' fees	13,000	13,000	-	26,000	-
Insurance	23,293	-	-	23,293	-
Supplies and other expenses	-	-	-	-	8,788,121
Depreciation and amortization	-	-	-	-	390,151
Total Operating Expenses	64,193	42,868	155,966	263,027	31,291,410
Income (Loss) from Operations	2,899,390	695,391	7,539	3,602,320	(3,003,626)
NON-OPERATING REVENUES (EXPENSES)					
Interest income	270,881	24,321	-	295,202	1,392
Interest on indebtedness	(5,505,212)	(211,168)	-	(5,716,380)	(153,869)
Total Non-Operating Expenses	(5,234,331)	(186,847)	-	(5,421,178)	(152,477)
Change in Net Position	(2,334,941)	508,544	7,539	(1,818,858)	(3,156,103)
NET POSITION (DEFICIT)					
Beginning of Year	(77,627,372)	(1,841,395)	19,723	(79,449,044)	(44,508,561)
End of Year	\$ (79,962,313)	\$ (1,332,851)	\$ 27,262	\$ (81,267,902)	\$ (47,664,664)

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

County of Rockland, New York

Statement of Cash Flows
 Proprietary Funds
 Year Ended December 31, 2017

	Business-Type Activities - Enterprise Funds				
	Rockland Tobacco Asset Securitization Corporation	Rockland Second Tobacco Asset Securitization Corporation	Rockland County Health Facilities Corporation	Total Business-type Activities - Enterprise Funds	Total Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from tobacco settlement revenues	\$ 2,702,405	\$ 672,594	\$ -	\$ 3,374,999	\$ -
Cash received from charges for services	-	-	-	-	29,047,356
Cash received from State and Federal aid	-	-	-	-	585,163
Other receipts	-	371	124,082	124,453	-
Cash payments to directors	-	(13,000)	-	(13,000)	-
Cash payments to insurance carriers and claimants	-	-	-	-	(4,780,057)
Cash payments to vendors	(64,193)	(29,868)	(128,862)	(222,923)	(16,793,174)
Cash payments to employees	-	-	-	-	(7,524,828)
Net Cash from Operating Activities	<u>2,638,212</u>	<u>630,097</u>	<u>(4,780)</u>	<u>3,263,529</u>	<u>534,460</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Payments to County of Rockland	(100,000)	(50,000)	-	(150,000)	-
Retirement of long-term debt	(1,665,000)	(450,000)	-	(2,115,000)	-
Interest on indebtedness	(1,954,832)	(202,800)	-	(2,157,632)	-
Net Cash from Non-Capital Financing Activities	<u>(3,719,832)</u>	<u>(702,800)</u>	<u>-</u>	<u>(4,422,632)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Retirement of debt	-	-	-	-	(911,708)
Interest on indebtedness	-	-	-	-	(153,869)
Acquisition and construction of capital assets	-	-	-	-	(1,098,059)
Net Cash from Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,163,636)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest income	267,296	24,321	-	291,617	1,392
Net Cash from Investing Activities	<u>267,296</u>	<u>24,321</u>	<u>-</u>	<u>291,617</u>	<u>1,392</u>
Net Change in Cash and Cash Equivalents	(814,324)	(48,382)	(4,780)	(867,486)	(1,627,784)
CASH AND CASH EQUIVALENTS					
Beginning of Year	6,472,459	861,885	17,358	7,351,702	5,829,867
End of Year	<u>\$ 5,658,135</u>	<u>\$ 813,503</u>	<u>\$ 12,578</u>	<u>\$ 6,484,216</u>	<u>\$ 4,202,083</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES					
Income (loss) from operations	\$ 2,899,390	\$ 695,391	\$ 7,539	\$ 3,602,320	\$ (3,003,626)
Adjustments to reconcile income (loss) from operations to net cash from operating activities					
Depreciation and amortization	-	-	-	-	390,151
Transfer to escrow agent	-	-	(7,539)	(7,539)	-
Changes in assets and liabilities					
Accounts receivable	(261,178)	(65,294)	-	(326,472)	54,302
State and Federal aid receivable	-	-	-	-	(17,136)
Due from other funds	-	-	(36,664)	(36,664)	1,314,358
Inventories	-	-	-	-	12,922
Prepaid expenses	-	-	-	-	(52,075)
Accounts payable	-	-	31,884	31,884	(250,760)
Accrued liabilities	-	-	-	-	(42,381)
Due to other funds	-	-	-	-	(6,789)
Claims payable	-	-	-	-	897,304
Compensated absences	-	-	-	-	(284,795)
Net pension liability	-	-	-	-	(63,625)
Other post-employment benefit obligations payable	-	-	-	-	1,586,610
Net Cash from Operating Activities	<u>\$ 2,638,212</u>	<u>\$ 630,097</u>	<u>\$ (4,780)</u>	<u>\$ 3,263,529</u>	<u>\$ 534,460</u>

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

County of Rockland, New York

Statement of Assets and Liabilities

Fiduciary Fund

December 31, 2017

	<u>Agency</u>
ASSETS	
Cash and equivalents	\$ 6,735,093
Accounts receivable	<u>95,163</u>
Total Assets	<u><u>\$ 6,830,256</u></u>
LIABILITIES	
Accounts payable	\$ 45,263
Employee payroll deductions	412,145
Deposits	4,018,651
Due to other governments	<u>2,354,197</u>
Total Liabilities	<u><u>\$ 6,830,256</u></u>

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

County of Rockland, New York

Statement of Net Position

Component Units

December 31, 2017 (Rockland County Community College as of August 31, 2017)

	Rockland County Community College	Rockland County Soil and Water Conservation District	Rockland County Solid Waste Management Authority	Rockland County Industrial Development Agency	Totals
ASSETS					
Current Assets					
Cash and equivalents	\$ 8,362,151	\$ 284,034	\$ 30,223,794	\$ 2,768,180	\$ 41,638,159
Investments	4,257,473	52,475	-	-	4,309,948
Receivables					
Accounts, net of allowance for uncollectible amounts	4,935,328	8,800	1,659,253	5,700	6,609,081
State and Federal aid	1,159,033	147,882	-	-	1,306,915
Due from other governments	7,355,410	-	-	-	7,355,410
Prepaid expenses and other assets	794,083	-	296,277	-	1,090,360
	<u>26,863,478</u>	<u>493,191</u>	<u>32,179,324</u>	<u>2,773,880</u>	<u>62,309,873</u>
Noncurrent Assets					
Restricted cash	-	-	8,007,321	-	8,007,321
Restricted investments	-	-	1,396,671	-	1,396,671
Net pension asset	317,011	-	-	-	317,011
Intangible assets	-	-	15,506,746	-	15,506,746
Capital assets					
Not being depreciated	-	-	6,819,541	-	6,819,541
Being depreciated, net	2,475,874	25,152	23,783,932	-	26,284,958
Total Noncurrent Assets	<u>2,792,885</u>	<u>25,152</u>	<u>55,514,211</u>	<u>-</u>	<u>58,332,248</u>
Total Assets	<u>29,656,363</u>	<u>518,343</u>	<u>87,693,535</u>	<u>2,773,880</u>	<u>120,642,121</u>
DEFERRED OUTFLOWS OF RESOURCES					
	<u>7,058,841</u>	<u>-</u>	<u>735,167</u>	<u>-</u>	<u>7,794,008</u>
LIABILITIES					
Current Liabilities					
Accounts payable	8,597,574	17,227	4,901,062	-	13,515,863
Accrued liabilities	-	-	1,003,397	-	1,003,397
Due to other governments	699,356	36,000	-	-	735,356
Unearned revenues	5,049,892	86,323	-	-	5,136,215
Total Current Liabilities	<u>14,346,822</u>	<u>139,550</u>	<u>5,904,459</u>	<u>-</u>	<u>20,390,831</u>
Non-current liabilities					
Due within one year	364,167	-	3,965,000	-	4,329,167
Due in more than one year	67,940,771	-	42,074,837	-	110,015,608
Total Non-current Liabilities	<u>68,304,938</u>	<u>-</u>	<u>46,039,837</u>	<u>-</u>	<u>114,344,775</u>
Total Liabilities	<u>82,651,760</u>	<u>139,550</u>	<u>51,944,296</u>	<u>-</u>	<u>134,735,606</u>
DEFERRED INFLOWS OF RESOURCES					
	<u>3,091,290</u>	<u>-</u>	<u>103,721</u>	<u>-</u>	<u>3,195,011</u>
NET POSITION					
Net investment in capital assets	1,887,448	-	10,498,470	-	12,385,918
Restricted for					
Capital projects	843,156	-	4,759,623	-	5,602,779
Student loans	11,269	-	-	-	11,269
Environmental programs	-	378,793	-	-	378,793
Scholarships and student services	3,445,081	-	-	-	3,445,081
Permanent endowments	848,078	-	-	-	848,078
Unrestricted	(56,062,878)	-	21,122,592	2,773,880	(32,166,406)
Total Net Position	<u>\$ (49,027,846)</u>	<u>\$ 378,793</u>	<u>\$ 36,380,685</u>	<u>\$ 2,773,880</u>	<u>\$ (9,494,488)</u>

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

County of Rockland, New York

Statement of Activities

Component Units

Year Ended December 31, 2017

(Rockland County Community College Year Ended August 31, 2017)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Rockland County Community College - Education	\$ 82,864,253	\$ 19,236,207	\$ 19,910,927	\$ 424,246
Rockland County Soil and Water Conservation District - Home and Community Services	121,365	-	-	-
Rockland County Solid Waste Management Authority Home and Community Services	50,203,539	53,239,334	-	-
Rockland County Industrial Development Agency - Economic Opportunity and Development	266,132	1,224,350	-	-
Total Component Units	\$ 133,455,289	\$ 73,699,891	\$ 19,910,927	\$ 424,246

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 financial 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
\$ (43,292,873)	\$ -	\$ -	\$ -	\$ (43,292,873)
-	(121,365)	-	-	(121,365)
-	-	3,035,795	-	3,035,795
-	-	-	958,218	958,218
(43,292,873)	(121,365)	3,035,795	958,218	(39,420,225)
239,407	9	239,339	18,101	496,856
16,870,110	-	-	-	16,870,110
16,924,070	178,859	-	-	17,102,929
1,260,945	14,095	1,009,422	-	2,284,462
35,294,532	192,963	1,248,761	18,101	36,754,357
(7,998,341)	71,598	4,284,556	976,319	(2,665,868)
(41,029,505)	307,195	32,096,129	1,797,561	(6,828,620)
\$ (49,027,846)	\$ 378,793	\$ 36,380,685	\$ 2,773,880	\$ (9,494,488)

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 – ORGANIZATION

The County of Rockland, New York (the “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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County conform to accounting principles generally accepted in the United States of America (“U.S. GAAP”) 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.

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 (the “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.

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- The Rockland County Soil and Water Conservation District (the “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 is appointed by the County Legislature. The Board of Directors serves 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 (the “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 (the “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.

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The GASB, in April 2004, issued a technical bulletin which clarified the financial reporting of Tobacco Settlement Authorities (“TSA”). This bulletin, which was effective for fiscal years ending after June 15, 2004, provides that when TSAs are entitled to future tobacco settlement resources and they appoint a majority of the TSA's governing board, the financial accountability criteria are met, and the TSA should be reported as a blended component unit of the settling government. Consequently, these organizations have been reflected as blended component units in the financial statements.

- The Rockland County Health Facilities Corporation (the “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
50 Sanatorium Road
Building A – 8th Floor
Pomona, New York 10970

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Rockland Second Tobacco Asset Securitization Corporation
50 Sanatorium Road
Building A – 8th Floor
Pomona, New York 10970

Rockland County Health Facilities Corporation
50 Sanatorium Road
Building L
Pomona, New York 10970

Audit Responsibility:

During the year ended December 31, 2017, the individual component units included in the County's reporting entity that were audited by other auditors were the College, the Authority, and the Agency. Blended component units included in the County's reporting entity that were audited by other auditors were the RTASC, RSTASC and the Corporation. Such component units represented the below amounts as of and for the year ended December 31, 2017:

	<u>Business-Type Activities</u>	<u>Primary Government</u>	<u>Component Units</u>
Total assets	100.0%	1.3%	99.6%
Total net position	100.0%	42.9%	96.9%
Total revenues	100.0%	0.7%	99.9%

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.

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

C. Fund Financial Statements

The accounts of the County are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances/net position, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The County maintains the minimum number of funds consistent with legal and managerial requirements. The focus of fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Fiduciary and proprietary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explain 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.

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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 (“HUD”).

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. In prior years, the operations of the Summit Park Hospital (“Nursing Care Center”) or (“Hospital Fund”), were recorded as a major enterprise fund. The Nursing Care Center was a chronic care hospital and a skilled nursing facility established and operated under the provisions of Article 6 of General Municipal Law. The Nursing Care Center discharged its last patient in December 2015 and submitted its operating certificate back to the New York State Department of Health in December 2015. As of December 31, 2015, the Hospital had ceased operations and the only operations within the Hospital Fund in 2016 consisted of the operation of certain mental health units. In 2016, the County determined the Hospital Fund was no longer operating as an enterprise fund as the remaining activities within the Hospital Fund were no longer being operated similar to a private business enterprise where the intent of the governing body is to finance or recover costs or providing goods and services to the general public on a continuing basis through user charges. Therefore, the activity of the Hospital Fund is reported within the General Fund beginning in 2016.

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The County has established its Workers' Compensation Benefits, General Liability Claims, Unemployment Benefits and General Services funds as internal service funds.

- 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.

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.

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 generally used for revenue recognition for most 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 certain pension costs, compensated absences, net pension liability, retirement incentives, certain claims and other post-employment benefit obligations, 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.

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Component Units

Component units are presented on the basis of accounting that most accurately reflects their activities. The District is accounted for on the modified accrual basis and is converted to the accrual basis for the government-wide statements. The College, Agency and the 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.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Deposits, Investments and Risk Disclosure

Cash and Cash Equivalents - Cash and cash 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 Federal Deposit Insurance Corporation ("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.

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

Investments - All investments are stated at fair value, which is based on quoted market prices. 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. The County was invested only in the above-mentioned obligations and, accordingly, was not exposed to any interest rate or credit risk.

The County follows the provisions of GASB Statement No. 72, "Fair Value Measurements and Application", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist. The detail of these investments and their related risks are described in Note 4A.

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The County has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the County does not invest in any long-term investment obligations.

Custodial Credit Risk - 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. As of December 31, 2017, the County had \$621,140 in cash that was exposed to custodial credit risk.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The County does not have a formal credit risk policy other than restrictions to obligations allowable under the General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The County's investment policy limits the amount on deposit at each of its banking institutions.

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

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

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2017, 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.

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 inventory items at other locations are recorded as expenditures/expenses at the time of purchase and year-end balances at these locations are not material.

Prepaid 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 has adopted 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.

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Cash and Cash Equivalents and Investments - Restricted cash in the Capital Projects fund represents bond proceeds held by a state agency.

Restricted cash and investments in the 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.

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

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

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	30
Improvements	20
Equipment	3-10
Infrastructure	Up to 30

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 \$1,994,325 for State and Federal aid received in advance in the General Fund. The County has also reported unearned revenues of \$1,504,973 for Federal aid received in advance in the Community Development Fund. Such amounts have been deemed to be measurable but not "available" pursuant to U.S. GAAP.

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

In addition to liabilities, the statement of net position reports 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 \$8,178,077 for a deferred loss on refunding bonds in the government-wide statement of net position. This amount results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

The County has reported deferred inflows of resources of \$14,230,143 for real property taxes in the General Fund and of \$1,024,964 for tuition assistance payments in the component units' statement of net position. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

The County also reported deferred outflows of resources and deferred inflows of resources in relation to its pension obligations. These amounts are detailed in the discussion of the County's pension plans in Note 4G.

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 expensed 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 Pension Liability - The net pension liability represents the County's proportionate share of the net pension liability of the New York State and Local Employees' Retirement System ("ERS"). The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date."

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, Section 8 housing, debt service, student loans, unemployment benefits, environmental programs, 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 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 funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

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.

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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. New Accounting Pronouncements

The following are standards adopted by the County in the current year and standards which may impact the County in future years.

- In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* ("GASB 74"). GASB 74 establishes financial reporting standards to state and local governmental other postemployment benefit ("OPEB") plans. The requirements of GASB 74 are effective for fiscal years beginning after June 15, 2016. The County has not completed the process of evaluating the impact of GASB 74 on its 2017 financial statements.
- In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"). GASB 75 establishes accounting and financial reporting standards for OPEB that is provided to employees of state and local governmental employees. The requirements of GASB 75 are effective for fiscal years beginning after June 15, 2017. The County has not completed the process of evaluating the impact of GASB 75 on its 2017 financial statements.

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- In January 2016, the GASB issued Statement No 80, *Blending Requirements for Certain Component Units* (“GASB 80”). GASB 80 provides clarity on how certain component units incorporated as not-for-profit corporations should be presented in the financial statements of the primary state or local government. The requirements of GASB 80 are effective for fiscal years beginning after June 15, 2016 and was required to be adopted by the County during the year ended December 31, 2017. The adoption of GASB 80 did not have an impact on the County’s financial statements. None of the component units were incorporated with the primary government as the sole corporate member. As such, the component units are not required to be presented as a blended component unit.
- In March 2016, GASB issued Statement No 81, *Irrevocable Split Interest Agreements* (“GASB 81”). GASB 81 addresses the situations under which an irrevocable split-interest agreement constitutes an asset for accounting and financial reporting purposes when the resources are administered by a third party. GASB 81 also provides expanded guidance for circumstances in which the government holds the assets. The requirements of GASB 81 are effective for fiscal years beginning after December 15, 2016 and was required to be adopted by the County during the year ended December 31, 2017. The County is not a party to any agreements that fall under the definition of an irrevocable split interest agreement.
- In March 2016, the GASB issued Statement No 82, *Pension Issues* (“GASB 82”). GASB 82 addresses practice issues raised during the implementation of the GASB’s pension accounting and financial reporting standards for state and local governments. The requirements of GASB 82 are effective for fiscal years beginning after June 15, 2016. The County fully implemented the Statement and noted there was no financial impact on the County’s financial statements.
- In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*, (“GASB 83”). GASB 83 addresses accounting and financial reporting for certain asset retirement obligations. This statement establishes criteria for determining the timing and pattern of recognition of a liability and corresponding deferred outflow of resources for asset retirement obligations. The requirements of GASB 83 are effective for fiscal years beginning after June 15, 2018. GASB 83 is not expected to have an impact on the County’s financial statements.
- In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*, (“GASB 84”). The objective of GASB 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of GASB 84 are effective for fiscal years beginning after December 15, 2018. The County has not completed the process of evaluating the impact of GASB 84 on its financial statements. GASB 84 is not expected to have an impact on the County’s financial statements.
- In March 2017, the GASB issued Statement No. 85, *Omnibus 2017*, (“GASB 85”). The objective of GASB 85 is to address practice issues that have been identified during implementation and application of certain GASB statements. The requirements of GASB 85 are effective for fiscal years beginning after June 15, 2017. GASB 85 is not expected to have an impact on the County’s financial statements.

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*, (“GASB 86”). The primary objective of GASB 86 is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt. This statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished. The requirements of GASB 86 are effective for fiscal years beginning after June 15, 2017. GASB 86 is not expected to have an impact on the County’s financial statements.
- In June 2017, GASB issued Statement No. 87, *Leases*, (“GASB 87”). The objective of GASB 87 is to improve accounting and financial reporting for leases by governments. This statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. The requirements of GASB 87 are effective for fiscal years beginning after December 15, 2019. The County has not completed the process of evaluating the impact of GASB 87 on its financial statements.
- In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, (“GASB 88”). The objective of GASB 88 is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt by providing a clear definition for debt. GASB 88 requires that additional essential information related to debt be disclosed in the notes to the financial statements. The requirements of GASB 88 are effective for fiscal years beginning after June 15, 2018. GASB 88 is not expected to have an impact on the County’s financial statements.
- In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, (“GASB 89”). The objectives of GASB 89 are to enhance the relevance of comparability of information about capital assets and the cost of borrowing for a reporting period, and to simplify accounting for interest cost incurred before the end of a construction period. The requirements of GASB 89 are effective for fiscal years beginning after December 15, 2019. GASB 89 is not expected to have an impact on the County’s financial statements.

I. Reclassifications

Certain line items in the December 31, 2016 financial statements have been reclassified to conform to the December 31, 2017 presentation.

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 3 - 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 1st.
- c) Subsequent to October 23rd, the Legislature conducts the necessary review of the tentative budget and proposes any changes thereto.
- d) Prior to November 20th, the Legislature shall hold a public hearing on the budget.
- e) After the public hearing, the Legislature may make changes to the budget. The budget shall be adopted no later than December 7th.
- f) Formal budgetary integration is employed during the year as a management control device for General, County Road, Road Machinery, Community Development, Sewer District and Debt Service funds.
- g) Budgets for General, County Road, Road Machinery, Community Development, Sewer District and Debt Service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. Annual budgets are not adopted for the Proprietary and Special Purpose funds.
- h) The County Legislature has legal responsibility for all budget amendments and transfers between functions of expenditure. The County Executive has authority for the transfer of appropriations within functions of expenditure.
- i) Appropriations in General, County Road, Road Machinery, Community Development, Sewer District and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances are re-appropriated in the succeeding year, pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted, or as amended by the County Legislature.

B. Property Tax Limitation

The County is permitted by the State Constitution to levy for purposes other than debt service up to 1½% of the five-year average full valuation of taxable real estate located within the County. In accordance with this provision, the maximum amount of the tax levy for 2017 was \$544,944,134, which exceeded the actual levy by \$424,929,134.

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.

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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

C. Fund Deficits

The Community Development Fund has an unassigned fund deficit of \$13,020 at December 31, 2017.

RTASC, RSTASC, Workers' Compensation Fund and the General Services Fund also reflect unassigned or unrestricted deficits of \$79,962,313, \$1,332,851, \$21,526,957 and \$21,676,347, respectively at December 31, 2017. These deficits will be addressed in the subsequent year.

D. Expenditures in Excess of Budget

The following functional expenditure categories of certain funds exceeded their budgetary authorization by the amounts indicated:

General Fund:

District Attorney	\$ 48,424
Assigned Counsel	53,777
Department of Records	42,151
Revenue Sharing - Sales tax	412,733
Community College - Tuition	354,394
Education of handicapped children	3,444,355
Veterans' Service Agency	1,330
County Historian	2
Commissioner of Labor	179
Retirement - RCC	120,642
Hospital & Medical Insurance - RCC	1,489,731
Transfers Out - Road Machinery Fund	50

Community Development Fund:

Debt Service - Principal	533,000
Debt Service - Interest	217,964

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Sewer District Fund:		
Transfers Out	\$	8,016
Debt Service Fund:		
Serial bonds - Principal		2,400,718
Interest		374,666

E. Prior Period Adjustment

During the County's audit for fiscal year ended December 31, 2017, a prior period adjustment was recorded to appropriately remove the long term claims payable out of the accrued liabilities in the General Fund and into the governmental activities. The overall effect on the General Fund and governmental activities are as follows:

	<u>General Fund</u>	<u>Governmental Activities</u>
Remove claims payable from accrued liabilities	\$ (4,593,438)	\$ (4,593,438)
Record claims payable into noncurrent liabilities	-	<u>4,593,438</u>
Increase in Fund Balance and Net Position	<u>\$ (4,593,438)</u>	<u>\$ -</u>

NOTE 4 – DETAILED NOTES ON ALL FUNDS

A. Investments and Fair Value Measurements

Primary Government:

In accordance with GASB 72, the County categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The primary government had no investments or other assets or liabilities measured at fair value as of December 31, 2017.

Rockland County Community College:

Permissible investments of the College include obligations of the U.S Treasury, U.S. agencies, repurchase agreements and obligations of New York State or its political subdivisions, and accordingly, the College's policy provides for no credit risk on investments.

Investments of the College at December 31, 2017 consisted of government securities and Treasury bills which are stated fair value. The College's investments totaled \$4,257,473 consisting of \$3,221,829 of Level 1 investments, \$399,080 of Level 2 investments and \$636,564 of cash equivalents (Level 1).

Rockland County Soil and Water Conservation District:

Investments of the District at December 31, 2017 consisted of certificates of deposit amounting to \$52,475 with original maturities of greater than three months and are stated at cost, which approximates fair value. The certificates of deposit are valued at cost and are not subject to the fair value hierarchy.

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Rockland County Solid Waste Management Authority:

Restricted investments of the Authority consisted of the following at December 31, 2017:

	<u>Investment Maturity (In Years)</u>	<u>Fair Value</u>
U.S. Treasury Bond State and Local Government Series	6 to 10	\$ 841,020
Collateralized investment agreement	6 to 10	<u>555,651</u>
Total restricted investments, at fair value		<u>\$ 1,396,671</u>

The Authority's investments are fully collateralized with securities guaranteed by the U.S. Government.

The above investments of the Authority were categorized as Level 2 in the fair value hierarchy with fair value determined by the bond trustee, which approximates cost.

B. Taxes Receivable

Taxes receivable at December 31, 2017 consisted of the following:

Tax liens	\$36,882,879
Tax installments	7,923,410
Returned school district taxes	24,623,348
Returned village taxes	<u>3,313,011</u>
	72,742,648
Less: allowance for uncollectible taxes	<u>(3,380,059)</u>
Taxes receivable, net	<u>\$69,362,589</u>

School district and village taxes are offset by liabilities to the school districts and villages which will be paid no later than April 2017. Taxes receivable, at the fund level, are also partially offset by deferred inflows of resources of \$14,230,143, which represent 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 \$8,396,527 is also classified as nonspendable fund balance in the fund financial statements, which represent an estimate of taxes receivable that will not be collected within the subsequent year.

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

C. Due From/To Other Funds

The balances reflected as due from/to other funds at December 31, 2017 were as follows:

Fund	Due From	Due To
General	\$ -	\$ 1,284,311
Capital Projects	-	2,129,851
Non-Major Governmental	1,608,578	1,364,576
County Health Facilities Corporation	102,794	-
Internal Service	3,091,358	23,992
	<u>\$ 4,802,730</u>	<u>\$ 4,802,730</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.

D. Capital Assets

Changes in the County's capital assets were as follows for the year ended December 31, 2017:

Class	Balance January 1, 2017	Additions/ Adjustments	Deletions	Balance December 31, 2017
Government Activities (inclusive of Internal Service Funds)				
Capital Assets, not being depreciated				
Land	\$ 68,549,273	\$ -	\$ -	\$ 68,549,273
Construction-in-progress	187,496,848	22,146,364	52,031,527	157,611,685
Total Capital Assets, not being depreciated	<u>256,046,121</u>	<u>22,146,364</u>	<u>52,031,527</u>	<u>226,160,958</u>
Capital Assets, being depreciated				
Buildings	139,441,860	(5,859,724)	-	133,582,136
Improvements	143,636,946	6,423,553	-	150,060,499
Equipment	97,525,724	37,054,229	273,301	134,306,652
Infrastructure	785,549,623	14,542,206	-	800,091,829
Total Capital Assets, being depreciated	<u>1,166,154,153</u>	<u>52,160,264</u>	<u>273,301</u>	<u>1,218,041,116</u>
Less Accumulated Depreciation for				
Buildings	83,161,674	(12,872)	-	83,148,802
Improvements	111,160,812	4,527,447	-	115,688,259
Equipment	75,273,810	9,863,003	273,301	84,863,512
Infrastructure	388,066,279	17,297,698	-	405,363,977
Total Accumulated Depreciation	<u>657,662,575</u>	<u>31,675,276</u>	<u>273,301</u>	<u>689,064,550</u>
Total Capital Assets, being depreciated, net	<u>508,491,578</u>	<u>20,484,988</u>	<u>-</u>	<u>528,976,566</u>
Governmental Activities Capital Assets, net	<u>\$ 764,537,699</u>	<u>\$ 42,631,352</u>	<u>\$ 52,031,527</u>	<u>\$ 755,137,524</u>

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Depreciation expense was charged to the County's functions and programs as follows for the year ended December 31, 2017:

Governmental Activities:	
General Government Support	\$ 3,127,047
Education	3,592,873
Public Safety	3,877,896
Health	917,135
Transportation	7,325,022
Economic Opportunity and Development	76,771
Culture and Recreation	472,512
Home and Community Services	11,895,869
Capital assets held by the government's internal service fund are charged to the various functions based on their usage of the assets	<u>390,151</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 31,675,276</u>

Capital Assets - Component Units

Changes in the College's (component unit) capital assets were as follows for the year ended December 31, 2017:

Class	Balance September 1, 2016	Additions	Deletions	Balance August 31, 2017
Capital Assets, being depreciated - Equipment	\$ 13,009,268	\$ 220	\$ 188,577	\$ 12,820,911
Less Accumulated Depreciation	<u>(10,062,314)</u>	<u>(471,300)</u>	<u>(188,577)</u>	<u>(10,345,037)</u>
Community College Capital Assets, net	<u>\$ 2,946,954</u>	<u>\$ (471,080)</u>	<u>\$ -</u>	<u>\$ 2,475,874</u>

Changes in the District's (component unit) capital assets were as follows for the year ended December 31, 2017:

Class	Balance January 1, 2017	Additions	Deletions	Balance December 31, 2017
Capital Assets, being depreciated - Equipment	\$ 13,969	\$ 27,947	\$ 12,516	\$ 29,400
Less Accumulated Depreciation	<u>(13,969)</u>	<u>(2,795)</u>	<u>(12,516)</u>	<u>(4,248)</u>
Soil and Water Conservation District Capital Assets, net	<u>\$ -</u>	<u>\$ 25,152</u>	<u>\$ -</u>	<u>\$ 25,152</u>

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Changes in the Authority's (component unit) capital assets were as follows for the year ended December 31, 2017:

Class	Balance January 1, 2017	Additions	Deletions	Balance December 31, 2017
Capital Assets, not being depreciated				
Land	\$ 6,718,705	\$ -	\$ -	\$ 6,718,705
Construction-in-progress	629,594	100,295	629,053	100,836
Total Capital Assets, not being depreciated	7,348,299	100,295	629,053	6,819,541
Capital Assets, being depreciated				
Buildings	53,659,833	357,685	-	54,017,518
Improvements	2,420,054	-	-	2,420,054
Equipment	20,641,201	721,884	-	21,363,085
Total Capital Assets, being depreciated	76,721,088	1,079,569	-	77,800,657
Less Accumulated Depreciation for				
Buildings	33,241,319	2,688,085	-	35,929,404
Improvements	968,021	96,802	-	1,064,823
Equipment	15,836,405	1,186,093	-	17,022,498
Total Accumulated Depreciation	50,045,745	3,970,980	-	54,016,725
Total Capital Assets, being depreciated, net	26,675,343	(2,891,411)	-	23,783,932
Solid Waste Management Authority Capital Assets, net	<u>\$ 34,023,642</u>	<u>\$ (2,791,116)</u>	<u>\$ 629,053</u>	<u>\$ 30,603,473</u>

E. Accrued Liabilities

Accrued liabilities at December 31, 2017 were as follows:

	Governmental Activities	Business-Type Activities	Total
Payroll and employee benefits	\$ 8,463,049	\$ -	\$ 8,463,049
Other	1,051,500	4,463,952	5,515,452
Total accrued liabilities	<u>\$ 9,514,549</u>	<u>\$ 4,463,952</u>	<u>\$ 13,978,501</u>

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 – 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, 2017	New Issues	Redemptions	Balance December 31, 2017
Tax Anticipation Notes:							
County Operations	2016	3/16/2017	2.00 %	\$ 60,000,000	\$ -	\$ 60,000,000	\$ -
County Operations	2017	3/22/2018	2.50 %	-	60,000,000	-	60,000,000
				<u>\$ 60,000,000</u>	<u>\$ 60,000,000</u>	<u>\$ 60,000,000</u>	<u>\$ 60,000,000</u>

The \$60,000,000 tax anticipation notes that were issued on March 24, 2016, matured on March 16, 2017. Interest expenditures of \$1,173,333 were recorded in the General Fund financial statements.

Tax anticipation notes, in the amount of \$60,000,000 were issued on April 6, 2017. They mature on March 22, 2018 and have an interest rate of 2.5%. Interest expense of \$1,081,250 was recorded in the government-wide financial statements for governmental activities.

G. Long-Term Liabilities

The following table summarizes changes in the County's long-term indebtedness for the year ended December 31, 2017:

	Balance January 1, 2017 (As Reported)	Prior Period Adjustment	Balance January 1, 2017 (As Restated)	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2017	Due Within One Year
Governmental Activities:							
Bonds Payable							
Capital Construction	\$ 429,532,879	\$ -	\$ 429,532,879	\$ -	\$ 32,110,000	\$ 397,422,879	\$ 28,544,879
Other	113,175,000	-	113,175,000	-	14,685,000	98,490,000	13,690,000
	<u>542,707,879</u>	<u>-</u>	<u>542,707,879</u>	<u>-</u>	<u>46,795,000</u>	<u>495,912,879</u>	<u>42,234,879</u>
Plus - Unamortized premium on bonds	16,908,588	-	16,908,588	-	2,211,312	14,697,276	-
	<u>559,616,467</u>	<u>-</u>	<u>559,616,467</u>	<u>-</u>	<u>49,006,312</u>	<u>510,610,155</u>	<u>42,234,879</u>
Other Non-Current Liabilities:							
New York State Loan Payable - retirement	39,196,817	-	39,196,817	-	5,382,261	33,814,556	5,569,146
Due to NYS Power Authority	1,380,902	-	1,380,902	-	409,610	971,292	412,404
HUD Section 108 loans payable	4,895,000	-	4,895,000	-	533,000	4,362,000	456,000
Compensated absences	20,549,302	-	20,549,302	1,825,261	2,064,447	20,310,116	2,035,046
Claims payable	20,675,830	4,593,438	25,269,268	5,696,313	4,799,009	26,166,572	2,708,526
Net pension liability	94,481,233	-	94,481,233	-	43,889,119	50,592,114	-
Other postemployment benefit obligations payable	386,844,417	-	386,844,417	48,328,812	25,848,455	409,324,774	-
	<u>1,127,639,968</u>	<u>4,593,438</u>	<u>1,132,233,406</u>	<u>55,850,386</u>	<u>131,932,213</u>	<u>1,056,151,579</u>	<u>53,416,001</u>
Governmental Activities Long-term Liabilities	<u>\$ 1,127,639,968</u>	<u>\$ 4,593,438</u>	<u>\$ 1,132,233,406</u>	<u>\$ 55,850,386</u>	<u>\$ 131,932,213</u>	<u>\$ 1,056,151,579</u>	<u>\$ 53,416,001</u>

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

	Balance January 1, 2017	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2017	Due Within One Year
Business-type Activities:					
Bonds payable	\$ 90,443,614	\$ 3,558,925	\$ 2,115,000	\$ 91,887,539	\$ -
Less: Unamortized discount on bonds	<u>(1,057,543)</u>	<u>-</u>	<u>(36,958)</u>	<u>(1,020,585)</u>	<u>-</u>
Business-type Activities Long-term Liabilities	<u>\$ 89,386,071</u>	<u>\$ 3,558,925</u>	<u>\$ 2,078,042</u>	<u>\$ 90,866,954</u>	<u>\$ -</u>
Solid Waste Management Authority - Component Unit:					
Bonds payable	\$ 47,595,000	\$ -	\$ 6,995,000	\$ 40,600,000	\$ 3,965,000
Less: Unamortized discount on bonds	<u>(678,951)</u>	<u>-</u>	<u>(46,220)</u>	<u>(632,731)</u>	<u>-</u>
	46,916,049	-	6,948,780	39,967,269	3,965,000
Net pension liability	1,077,890	-	422,224	655,666	-
Other postemployment benefit obligations payable	<u>4,552,949</u>	<u>893,955</u>	<u>30,002</u>	<u>5,416,902</u>	<u>-</u>
Solid Waste Management Long-term Liabilities	<u>\$ 52,546,888</u>	<u>\$ 893,955</u>	<u>\$ 7,401,006</u>	<u>\$ 46,039,837</u>	<u>\$ 3,965,000</u>
Rockland County Community College - Component Unit:					
Compensated absences	\$ 4,035,979	\$ -	\$ 274,516	\$ 3,761,463	\$ 364,167
Net pension liability	7,204,527	-	4,103,473	3,101,054	-
Other postemployment benefit obligations payable	<u>54,319,651</u>	<u>11,416,855</u>	<u>4,294,085</u>	<u>61,442,421</u>	<u>-</u>
	<u>\$ 65,560,157</u>	<u>\$ 11,416,855</u>	<u>\$ 8,672,074</u>	<u>\$ 68,304,938</u>	<u>\$ 364,167</u>

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
DECEMBER 31, 2017**

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Bonds Payable – Governmental Activities

Bonds payable – governmental activities at December 31, 2017 were comprised of the following individual issues:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding at December 31, 2017</u>
Mirant Settlement	2008	\$ 24,000,000	June, 2028	4.500-4.650 %	\$ 1,170,000
Various Purpose	2010	33,791,000	September, 2017	2.500-3.500	21,835,000
Various Purpose Refunding	2010	19,225,000	May, 2016	3.000-4.000	4,040,000
Public Improvements	2010	11,400,000	June, 2020	3.000-3.125	3,785,000
Various Purpose	2011	20,335,000	June, 2026	4.250-4.500	2,605,000
Judgments	2011	5,000,000	December, 2031	3.500-4.500	3,885,000
Various Purpose	2012	36,322,000	October, 2032	3.500-3.750	29,440,000
Judgments	2012	5,000,000	December, 2022	5.000	2,900,000
Various Purpose	2013	33,746,000	October, 2027	3.750-4.000	25,705,000
Various Purpose Refunding	2013	3,415,000	March, 2018	5.000	1,190,000
Various Purpose 2013B	2013	5,000,000	December, 2023	5.000	3,570,000
Various Purpose 2014A	2014	96,000,000	December, 2024	3.250-5.000	78,195,000
Public Improvement 2014B	2014	10,734,000	December, 2044	4.250-4.500	10,325,000
Public Improvement 2014C	2014	41,549,000	May, 2023	3.000-4.000	28,695,000
Various Purpose Refunding	2014	18,035,000	February, 2023	1.320-2.780	11,850,000
Various Purpose Refunding	2015	18,350,000	January, 2027	2.000-5.000	18,115,000
Refunding Mirant Bonds	2015	5,070,000	January, 2027	2.000-5.000	4,985,000
Various Purpose Refunding	2015	5,480,000	January, 2021	3.000-4.000	4,445,000
Various Purpose	2015	28,610,000	December, 2031	2.000-3.250	26,975,000
Refunding Mirant Bonds	2016	15,015,000	June, 2028	2.000-5.000	14,720,000
Various Purpose Refunding	2016	11,115,000	June, 2028	2.000-5.000	10,925,000
Various Purpose	2016	24,947,879	November, 2030	2.250-3.000	24,847,879
Sewer EFC 2010C	2010	15,128,142	October, 2039	2.586-4.603	11,905,000
Sewer EFC 2011C	2011	28,290,003	November, 2040	2.106-4.746	22,715,000
Sewer EFC 2012B (2003B)	2012	2,655,000	December, 2025	5.609-6.189	2,060,000
Sewer EFC 2012B (2002C)	2012	4,518,000	March, 2020	5.129-5.179	1,910,000
Sewer EFC 2012E (2002I)	2012	1,774,000	September, 2022	5.020-5.380	992,000
Sewer EFC 2012E (2002I)	2012	452,000	September, 2021	5.020-5.380	226,000
Sewer EFC 2013B	2013	6,085,500	November, 2042	1.743-4.756	5,175,000
Sewer EFC 2013B	2013	7,755,982	May, 2043	1.743-4.756	6,845,000
Sewer EFC 2014B	2014	11,113,997	May, 2044	0.9515-4.2925	10,180,000
Sewer EFC 2014B (2004D)	2014	23,735,000	February, 2034	4.586-5.150	20,970,000
Sewer EFC 2015B	2015	41,867,000	March, 2045	0.860-4.267	39,182,000
Sewer EFC 2015D (2005A)	2015	8,420,000	May, 2034	3.951-4.569	7,625,000
Sewer EFC 2015D (2005B)	2015	25,140,000	October, 2034	3.739-4.129	21,775,000
Sewer EFC 2015D (2005C)	2015	11,080,000	April, 2036	4.477-4.861	10,150,000
					<u>\$ 495,912,879</u>

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

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 elected to amortize the maximum amount allowable, which aggregated \$55,000,995. The balance due at December 31, 2017 was \$33,814,556.

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 1.43%. The balance due at December 31, 2017 was \$971,292.

HUD Section 108 Loans Payable

Under HUD's Loan Guarantee ("Section 108") program, recipients of the CDBG Entitlement Grant program funds may pledge future grant funds as collateral for loans guaranteed by HUD (these loans were provided from private lenders since July 1, 1986). Section 108 provides entitlement communities with a source of financing for projects that are too large to be financed from annual grants. The balance due at December 31, 2017 by the County under the Section 108 program was \$4,362,000.

Payments to Maturity – Governmental Activities

The annual requirements to amortize all bonded debt outstanding as of December 31, 2017, including interest payments, were 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
2018	\$ 42,234,879	\$ 15,976,805	\$ 412,404	\$ 10,844	\$ 5,569,146	\$ 1,149,631
2019	43,609,000	14,187,512	418,166	5,258	5,762,665	956,113
2020	42,326,000	12,705,088	140,722	419	5,963,062	755,715
2021	41,764,000	11,196,525	-	-	5,694,139	548,190
2022	41,994,000	9,689,145	-	-	10,825,544	656,249
2023-2027	153,560,000	29,165,720	-	-	-	-
2028-2032	70,395,000	12,384,500	-	-	-	-
2033-2037	31,440,000	5,293,082	-	-	-	-
2038-2042	20,585,000	2,446,447	-	-	-	-
2043-2046	8,005,000	273,658	-	-	-	-
	<u>\$ 495,912,879</u>	<u>\$ 113,318,482</u>	<u>\$ 971,292</u>	<u>\$ 16,521</u>	<u>\$ 33,814,556</u>	<u>\$ 4,065,898</u>

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Year Ending December 31,	Governmental Activities			
	HUD Section 108 Loans		Total	
	Principal	Interest	Principal	Interest
2018	\$ 456,000	\$ 195,599	\$ 48,672,429	\$ 17,332,879
2019	456,000	176,091	50,245,831	15,324,974
2020	456,000	155,744	48,885,784	13,616,966
2021	456,000	134,969	47,914,139	11,879,684
2022	457,000	113,579	53,276,544	10,458,973
2023-2027	1,651,000	255,857	155,211,000	29,421,577
2028-2032	430,000	39,935	70,825,000	12,424,435
2033-2037	-	-	31,440,000	5,293,082
2038-2042	-	-	20,585,000	2,446,447
2043-2046	-	-	8,005,000	273,658
	<u>\$ 4,362,000</u>	<u>\$ 1,071,774</u>	<u>\$ 535,060,727</u>	<u>\$ 118,472,675</u>

Bonds Payable – Business-Type Activities

RTASC issued Series 2001 turbo term bonds on December 20, 2001 to finance the purchase of the tobacco rights from the County and the related costs of issuance. The turbo term bonds were issued for \$46,767,234, net of original discount of \$982,766 and bear interest at rates ranging from 4.625% to 5.75%, depending on maturity. Annual principal payments on Tobacco Settlement Bonds are dependent upon tobacco settlement revenue received, therefore, the current portion considered payable during the year ending December 31, 2018 is not determinable. The stated maturity date for the bonds is June 1, 2043; the bonds must be paid in full by this date in order to avoid an event of default.

During 2005, RTASC issued \$24,484,850 of Tobacco Settlement Asset-Backed Subordinate Turbo Capital Appreciation Bonds, Series 2005 A, B and C (collectively "Series 2005"), net of original discount of \$507,590, the proceeds of which were used to pay certain costs of issuance related to the Series 2005 bonds and provide the County, the owner of the beneficial interest in the Residual Trust which holds the Residual Certificate, with the balance of the funds. The Series 2005 bonds are subordinate to both the Series 2001 Bonds, as well as the remaining balance totaling \$3,605,000 of the Tobacco Settlement Asset-Backed Bonds, Series 2003 ("Series 2003") issued by RSTASC. No payments will be made on Series 2005 bonds until such time that the Series 2001 and Series 2003 bonds have been paid in full.

Interest on Subordinate Turbo CABs is compounded semiannually on June 1 and December 1, but is not payable until bond maturity. Interest accretes until both principal and accreted interest are paid. Future interest accretion has been recorded as a bond discount and amortized as the current interest accretes. The accrued interest on the Subordinate Turbo CABs is reflected within the Subordinate Turbo CABs payable liability.

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Redemption of the Subordinate Turbo CABs, as outlined in the official statement, is scheduled to be paid through 2060, while early payment is allowed. During the year ended December 31, 2017, RTASC did not make any redemption payments. Any debt service amounts not paid in accordance with the Turbo Redemption Payments schedule will be due and payable on the maturity dates below:

- Series 2005A August 15, 2045
- Series 2005B August 15, 2050
- Series 2005C August 15, 2060

RSTASC issued turbo term bonds on December 18, 2003 to finance the purchase of the tobacco rights from RTASC and the related costs of issuance. The turbo term bonds were issued for \$9,275,102, net of original issue discount of \$439,898 and bear interest at rates ranging from 5.027% to 6.27%, depending on maturity. Annual principal payments on Tobacco Settlement Bonds are dependent on TSR revenue received, therefore, the current portion considered payable during the year ending December 31, 2018 is not determinable. The stated maturity date for the bonds is June 1, 2043; the bonds must be paid in full by this date in order to avoid an event of default.

The following table summarizes changes in the bonds payable – business-type activities for the year ended December 31, 2017:

Description	Maturity Date	Interest Rates	Balance January 1, 2017	Additions	Deletions	Balance December 31, 2017
RTASC:						
2001 Tobacco Settlement Bonds	2043	4.625-5.75%	\$ 34,349,999	\$ -	\$ 1,665,000	\$ 32,684,999
2005 Subordinate Turbo CABs			52,488,615	3,558,925	-	56,047,540
			86,838,614	3,558,925	1,665,000	88,732,539
RSTASC:						
2003 Tobacco Settlement Bonds	2043	5.027-6.27%	3,605,000	-	450,000	3,155,000
			90,443,614	3,558,925	2,115,000	91,887,539
Less: Unamortized bond discounts			(1,057,543)	-	(36,958)	(1,020,585)
			<u>\$ 89,386,071</u>	<u>\$ 3,558,925</u>	<u>\$ 2,078,042</u>	<u>\$ 90,866,954</u>

Interest expenditures/expense of \$17,014,176, \$217,964 and \$153,869, were recorded in the fund financial statements in the Debt Service Fund, Community Development Fund and Internal Service Fund, respectively. Interest expense of \$15,483,910 was recorded in the government-wide financial statements for governmental activities. Interest expense of \$5,505,212 and \$211,168 were recorded in the fund financial and government-wide financial statements for the business-type activities for RTASC and RSTASC, 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 RTASC and the RSTASC bonds. These bonds are the obligations of the RTASC and RSTASC, and will be repaid from future tobacco revenues.

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Indebtedness - Component Unit

Solid Waste Management Authority

The following table summarizes changes in the Authority's (component unit) bonds payable for the year ended December 31, 2017:

Description	Maturity Date	Interest Rates	Balance January 1, 2017	Additions	Deletions	Balance December 31, 2017
General Obligation Bonds:						
2006 Series	12/2021	4.25-5.00%	\$ 3,210,000	\$ -	\$ 3,210,000	\$ -
2008 Series	12/2033	5.375-6.50%	20,995,000	-	2,065,000	18,930,000
2010 Series	12/2024	3.25-4.00%	7,175,000	-	555,000	6,620,000
2014 Series	12/2028	3.18%	5,535,000	-	360,000	5,175,000
			36,915,000	-	6,190,000	30,725,000
EFC Revenue Bonds:						
2012 Series	12/2026	5.019-6.189%	8,055,000	-	630,000	7,425,000
2013 Series	11/2029	1.503-4.083%	2,625,000	-	175,000	2,450,000
			47,595,000	-	6,995,000	40,600,000
Unamortized bond premiums			(716,141)	-	(82,918)	(633,223)
Unamortized bond discounts			37,190	-	36,698	492
			<u>\$ 46,916,049</u>	<u>\$ -</u>	<u>\$ 6,948,780</u>	<u>\$ 39,967,269</u>

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

Future debt service payments on the Authority's bonds payable were as follows for years ending after December 31, 2017:

Year Ending December 31,	Principal	Interest	Total
2018	\$ 3,965,000	\$ 1,745,732	\$ 5,710,732
2019	4,155,000	1,531,434	5,686,434
2020	4,365,000	1,344,822	5,709,822
2021	4,600,000	1,150,832	5,750,832
2022	5,570,000	941,516	6,511,516
2023-2027	16,435,000	786,691	17,221,691
2028-2032	1,360,000	93,055	1,453,055
2033	150,000	9,750	159,750
	<u>\$ 40,600,000</u>	<u>\$ 7,603,832</u>	<u>\$ 48,203,832</u>

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Compensated Absences

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

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, 2017, the expense related to vested vacation pay for employees was accrued based upon pay rates currently in effect. Accrued vacation pay aggregated \$3,761,463.

Unused vacation time of the Authority's 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 accrued a liability for accumulated vacation and sick leave at December 31, 2017 which is included in accrued liabilities of the Authority.

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

The 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 ("IBNRs"). 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
DECEMBER 31, 2017**

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

An analysis of the activity of unpaid claim liabilities is as follows for the year ended December 31, 2017:

	Claims Payable
Balance, Beginning of Year	\$ 25,336,320
Provision for Claims and Claims Adjustment Expenses	5,629,261
Claims and Claims Adjustment Expenses Paid	(4,799,009)
Balance, End of Year	\$ 26,166,572
Due Within One Year	\$ 2,708,526

Pension Plans

New York State and Local Retirement System (“ERS”)

The County and, certain of its component units, participates in the ERS. This is a cost-sharing, multiple-employer defined benefit pension plan. ERS provides retirement benefits as well as death and disability benefits. The net position of the ERS is held in the New York State Common Retirement Fund (“Fund”), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (“NYSRSSL”). Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The County also participates in the Public Employees’ Group Life Insurance Plan, which provides death benefits in the form of life insurance. ERS is included in the State’s financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The ERS is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% depending on salary levels for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers’ contributions based on salaries paid during the ERS’s fiscal year ending March 31.

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

The employer contribution rates for the plan's year ended in 2017 were as follows:

<u>Tier/Plan</u>	<u>Rate</u>
1 75I	21.7 %
1 751	21.7
1 89D,M	27.3
2 75I	19.8
2 75I	19.7
2 89PAF	24.4
3 553B	27.0
3 A14	16.1
3 A14	16.0
4 553B	27.0
4 603OR	23.7
4 604PR	23.7
4 604S4	18.2
4 89PAF	18.2
4 89PAF	18.2
4 89VR3	18.2
4 89VR4	18.2
4 A15	16.1
4 A15	16.0
5 553B	24.7
5 604PR	21.4
5 89PAF	15.6
5 89VR4	15.6
5 A15	13.2
5 A15	13.1
6 553B	19.8
6 89PAF	11.0
6 89VR4	11.0
6 A15	9.4
6 A15	9.3

At December 31, 2017, the County and its component units reported liabilities as follows for their proportionate share of the net pension liability:

Primary Government:	
Governmental Activities	\$50,592,114
Component Units:	
College	3,101,054
Authority	655,666

The net pension liability was measured as of March 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County and its component units' proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members.

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

At December 31, 2017, the County and its component units' proportions were as follows:

Primary Government:	
Governmental Activities	0.5384303%
Component Units:	
College	0.0330030%
Authority	0.0069780%

For the year ended December 31, 2017, the County recognized pension expense in the government-wide financial statements of \$21,788,130 for governmental activities. Pension expenditures of \$18,382,359 were recorded in the fund financial statements and were charged to the following funds for the year ended December 31, 2017:

General Fund	\$15,740,269
County Road Fund	1,218,530
Road Machinery Fund	115,560
Sewer Fund	<u>1,308,000</u>
	<u>\$18,382,359</u>

For the year ended December 31, 2017, the College (component unit) and the Authority (component unit) recognized pension expense of \$1,805,265 and \$410,910, respectively.

At December 31, 2017, the County reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	<u>Governmental Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,267,791	\$ 7,682,698
Changes of assumptions	17,284,119	-
Net difference between projected and actual investment earnings on pension plan investments	10,105,296	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,765,802	2,253,141
Employer contributions subsequent to the measurement date	<u>7,382,860</u>	<u>-</u>
	<u>\$ 39,805,868</u>	<u>\$ 9,935,839</u>

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

At December 31, 2017, the College and the Authority (component units) reported deferred outflows or resources and deferred inflows of resources related to pensions from the following

	<u>College</u>		<u>Authority</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 77,709	\$ 470,913	\$ 16,430	\$ 99,567
Changes of assumptions	1,059,434	-	130,963	-
Net difference between projected and actual investment earnings on pension plan investments	619,406	-	223,999	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	230,826	138,107	107,365	4,154
Employer contributions subsequent to the measurement date	<u>1,178,123</u>	<u>-</u>	<u>256,410</u>	<u>-</u>
	<u>\$ 3,165,498</u>	<u>\$ 609,020</u>	<u>\$ 735,167</u>	<u>\$ 103,721</u>

The amounts reported as deferred outflows of resources related to ERS resulting from accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Governmental Activities</u>	<u>College</u>	<u>Authority</u>
2018	\$ 10,047,724	\$ 615,877	\$ 159,434
2019	10,047,724	615,877	159,434
2020	9,074,429	556,219	132,617
2021	<u>(6,682,708)</u>	<u>(409,618)</u>	<u>(76,449)</u>
	<u>\$ 22,487,169</u>	<u>\$ 1,378,355</u>	<u>\$ 375,036</u>

ERS Actuarial Assumptions

The total pension liability for the March 31, 2017 measurement date was determined by using an actuarial valuation as of April 1, 2016, with update procedures used to roll forward the total pension liabilities to March 31, 2017. Significant actuarial assumptions used in the April 1, 2016 valuation were as follows:

Inflation	2.5%
Salary scale	3.8% indexed by service
Investment rate of return	7.0% compounded annually, net of investment expenses
Cost of living adjustments	1.3% annually

Annuitant mortality rates are based on the April 1, 2010 – March 31, 2015 ERS's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014.

The actuarial assumptions used in the April 1, 2016 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class are summarized below:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	4.55 %
International equity	6.35
Private equity	7.75
Real estate	5.80
Absolute return strategies	4.00
Opportunistic portfolio	5.89
Real assets	5.54
Bonds and mortgages	1.31
Cash	(0.25)
Inflation-indexed bonds	1.50

The real rate of return is net of the long-term inflation assumption of 2.50%.

The discount rate used to calculate the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at the statutorily required rates, actuarially determined. Based upon those assumptions, the ERS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the County and its component units' proportionate share of the net pension liability calculated using the discount rate of 7%, as well as what the County and its component units' proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6%) or 1 percentage point higher (8%) than the current rate.

	<u>1% Decrease (6%)</u>	<u>Current Assumption (7%)</u>	<u>1% Increase (8%)</u>
Governmental activities' proportionate share of the net pension liability (asset)	<u>\$ 161,581,189</u>	<u>\$ 50,592,114</u>	<u>\$ (43,248,939)</u>
College's proportionate share of the net pension liability (asset)	<u>\$ 9,904,152</u>	<u>\$ 3,101,054</u>	<u>\$ (2,650,953)</u>
Authority's proportionate share of the net pension liability (asset)	<u>\$ 2,094,067</u>	<u>\$ 655,666</u>	<u>\$ (560,500)</u>

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

The components of the collective net pension liability of ERS as of the March 31, 2017 measurement date were as follows (amounts are in thousands):

Total pension liability	\$	177,400,586
Fiduciary net position		<u>(168,004,363)</u>
 Employers' net pension liability	 \$	 <u>9,396,223</u>
 ERS fiduciary net position as a percentage of total pension liability		 <u>94.7%</u>

Employer contributions to ERS are paid annually and cover the period through the end of the ERS's fiscal year, which is March 31. Retirement contributions as of December 31, 2017 represent the employer contribution for the period from April 1, 2017 through December 31, 2017 based on prior year ERS wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS for the nine months ended December 31, 2017 were \$22,529,726 for governmental activities.

Pension Plans – Component Units

Teachers' Retirement System

The College (component unit) participates in the New York State Teachers' Retirement System ("TRS"). This is a cost-sharing, multiple-employer defined benefit pension plan. TRS provides retirement benefits as well as death and disability benefits. The TRS is governed by a ten-member Board of Trustees, which sets policy and oversees operations consistent with its fiduciary obligations under applicable law. Obligations of employers and employees to contribute and benefits to employees are governed by the Education Law of the State of New York. Once a public employer elects to participate in the TRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The TRS issues a stand-alone financial report which may be found at www.nystrs.org or obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12111-2395.

The TRS is noncontributory, except for employees who joined after July 27, 1976 who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% depending on salary levels for their entire length of service. Pursuant to Article 11 of the Education Law of the State of New York, actuarially determined employer contributions are established annually for the TRS by its Board of Trustees. The employer contribution rate for the plan's year ending in 2015 was 13.26%

At August 31, 2017, the College reported an asset of \$317,011 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability was based on a projection of the College's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At August 31, 2017, the College's proportion was 0.041707%, which was an increase of 0.00962% at August 31, 2016.

For the year ended August 31, 2017, the College recognized pension expense of \$754,582.

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

At August 31, 2017, the College reported deferred outflows of resources and deferred inflows of resources related to TRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 260,822	\$ 123,599
Changes of assumptions	3,225,650	-
Net difference between projected and actual investment earnings on pension plan investments	-	746,653
Changes in proportion and differences between employer contributions and proportionate share of contributions	277,773	587,054
Employer contributions subsequent to the measurement date	129,098	-
	\$ 3,893,343	\$ 1,457,306

\$129,098 reported as deferred outflows of resources related to pensions resulting from the College's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2018.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended August 31,</u>		
2018	\$	30,938
2019		810,986
2020		568,291
2021		109,187
2022		566,514
Thereafter		221,023
	\$	2,306,939

TRS Actuarial Assumptions

The total pension liability at the June 30, 2017 measurement date was determined by using an actuarial valuation as of June 30, 2016, with update procedures used to roll forward the total pension liability to June 30, 2017. Total pension liability at the June 30, 2016 measurement date, was determined by an actuarial valuation as of June 30, 2015, with update procedures used to roll forward the total pension liability to June 30, 2016. These actuarial valuations used the following actuarial assumptions:

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Inflation	3.00%
Salary scale	Rates of increase differ based on age and gender. They have been calculated based upon recent TRS member experience.

Service	Rate
5	4.72%
15	3.46%
25	2.37%
35	1.90%

Projected COLAs	1.5% compounded annually
Investment rate of return	7.25% compounded annually, net of pension plan investment expense, including inflation

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on the Society of Actuaries Scale MP-2014, applied on a generational basis. Active member mortality rates are based on plan member experience.

The actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014.

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (“ASOP”) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

Best estimates of arithmetic real rates of return for each major asset class included in TRS’s target asset allocation as of the June 30, 2017 valuation date is summarized below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic Equity	35 %	5.9 %
International Equity	18	7.4
Real Estate	11	4.3
Private equities	8	9.0
Domestic fixed income securities	16	1.6
Global fixed income securities	2	1.3
High-yield fixed income securities	1	3.9
Mortgages	8	2.8
Short-term	1	0.6
	100 %	

* Real rates of return are net of a long-term inflation assumption of 2.2% for 2017.

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

The discount rate used to calculate the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, TRS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the College's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25%, as well as what the College's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Assumption (7.25%)	1% Increase (8.25%)
College's proportionate share of the net pension liability (asset)	\$ 5,461,163	\$ (317,011)	\$ (5,155,945)

The components of the collective net pension liability of TRS as of the June 30, 2017 measurement date were as follows:

Total pension liability	\$ 114,708,261,032
Fiduciary net position	(115,468,360,316)
Employers' net pension liability	\$ (760,099,284)
TRS fiduciary net position as a percentage of total pension liability	100.7%

Teachers' Insurance and Annuity Association College Retirement Equities Fund

The College participates in the Teachers' Insurance and Annuity Association College Retirement Equities Fund ("TIAA-CREF"). TIAA-CREF is a cost sharing multiple-employer defined contribution pension plan. TIAA-CREF 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. TIAA-CREF issues publicly available financial reports that include financial statements and required supplementary information. These reports may be obtained by writing the Teacher's Insurance and Annuity Association - College Retirement Equities Fund, 730 Third Avenue, New York, New York 10017.

TIAA-CREF is a privately operated defined 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 participant.

Soil and Water Conservation District

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

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Industrial Development Agency

The Industrial Development Agency reported pension expense of \$15,735.

Other Post-Employment Benefit Obligations Payable

In addition to providing pension benefits, the primary government and its College component unit provide 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 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, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* ("GASB 45"). GASB 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. For the year ended December 31, 2017, the County's annual OPEB cost was \$48,328,812 and the ARC was \$54,151,374.

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 County is required to accrue in the government-wide 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.

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

The assumed rate of increase in postretirement benefits is presented below:

Assumed pre-65 medical trend rates at December 31:	
Health care cost trend rates assumed for next fiscal year	7.250%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	3.886%
Fiscal year that the rate reaches the ultimate trend rate	2075
Assumed post-65 medical trend rates at December 31:	
Health care cost trend rates assumed for next fiscal year	6.250%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	3.886%
Fiscal year that the rate reaches the ultimate trend rate	2075
Assumed prescription drug trend rates at December 31:	
Health care cost trend rates assumed for next fiscal year	10.500%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	3.886%
Fiscal year that the rate reaches the ultimate trend rate	2075
Assumed Medicare Part B trend rates at December 31:	
Health care cost trend rates assumed for next fiscal year	4.600%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	3.886%
Fiscal year that the rate reaches the ultimate trend rate	2075

The actuarial methods and assumptions used for the December 31, 2017 measurement date was as follows:

Investment rate of return	5%
Inflation rate	2.25%
Rate of compensation increase	N/A
Actuarial cost method	Projected Unit Credit
Amortization method	Level Dollar
Amortization period (in years)	30

For the year ended December 31, 2017, the County's annual OPEB cost was \$45,391,095 for its governmental funds as follows:

General Fund	\$ 41,289,677
County Road Fund	1,971,125
Road Machinery Fund	205,524
Sewer Fund	<u>1,924,769</u>
	<u>\$ 45,391,095</u>

For the year ended December 31, 2017, the County's annual OPEB cost for its internal service funds was \$2,937,717 as follows:

General Services Fund	\$ 2,898,890
Workers' Compensation Fund	<u>38,827</u>
	<u>\$ 2,937,717</u>

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

The number of participants as of December 31, 2016 was as follows:

Active employees	1,908
Retired employees and dependents	<u>2,475</u>
	<u><u>4,383</u></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.

The County's OPEB obligation and the funded status of the plan as of December 31, 2017 is as follows:

	<u>Governmental Funds</u>	<u>Internal Service Funds</u>	<u>Total Primary Government</u>
Actuarial Accrued Liability as of December 31, 2016	\$ 587,975,739	\$ 37,182,769	\$ 625,158,508
Assets at fair value	<u>-</u>	<u>-</u>	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 587,975,739</u>	<u>\$ 37,182,769</u>	<u>\$ 625,158,508</u>
Funded ratio	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Covered payroll (active plan members)	<u>\$ 106,663,541</u>	<u>\$ 7,768,366</u>	<u>\$ 114,431,907</u>
UAAL as a percentage of covered payroll	<u>551.24%</u>	<u>478.64%</u>	<u>546.31%</u>
Annual Required Contribution	\$ 50,855,794	\$ 3,295,580	\$ 54,151,374
Interest on net OPEB obligation	18,153,425	1,188,797	19,342,222
Adjustment to Annual Required Contribution	<u>(23,618,124)</u>	<u>(1,546,660)</u>	<u>(25,164,784)</u>
Annual OPEB Cost	45,391,095	2,937,717	48,328,812
Contributions made	<u>(24,497,348)</u>	<u>(1,351,107)</u>	<u>(25,848,455)</u>
Increase in net OPEB obligation	20,893,747	1,586,610	22,480,357
Net OPEB obligation - beginning of year	<u>363,068,471</u>	<u>23,775,946</u>	<u>386,844,417</u>
Net OPEB obligation - end of year	<u>\$ 383,962,218</u>	<u>\$ 25,362,556</u>	<u>\$ 409,324,774</u>

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 – 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 two years were as follows:

		Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
Governmental Funds	2017	\$ 45,391,095	53.97 %	\$ 383,962,218
	2016	56,871,916	43.20	363,068,471
	2015	40,623,892	31.09	227,615,661
Internal Service Funds	2017	2,937,717	45.99	25,362,556
	2016	3,956,982	40.95	23,775,946
	2015	3,201,300	38.41	21,439,507
Enterprise Funds *	2017	-	-	-
	2016	-	-	-
	2015	16,292,985	47.90	103,147,373
Total Primary Government	2017	48,328,812	53.48	409,324,774
	2016	60,828,898	43.05	386,844,417
	2015	60,118,177	36.06	352,202,541

* The Hospital Fund was reported within the General Fund starting in 2016 (see Note 2C).

Other Post Employment Benefit Obligations Payable – Component Units

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 OPEB cost (expense) is calculated based on the ARC, an amount actuarially determined in accordance with the parameters of GASB 45. GASB 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
DECEMBER 31, 2017**

NOTE 4 – 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 and actuarial methods and assumptions are the same as previously disclosed for the County's OPEB plan.

The number of participants as of December 31, 2015 was as follows:

Active employees	393
Retired employees and dependents	<u>505</u>
	<u><u>898</u></u>

The College's OPEB obligation and the funded status of the plan for the year ended August 31, 2017 was as follows:

Actuarial Accrued Liability as of December 31, 2015	\$ 117,072,409
Assets at fair value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 117,072,409</u>
Funded ratio	<u>0.00%</u>
Covered payroll (active plan members)	<u>\$ 28,347,105</u>
UAAL as a percentage of covered payroll	<u>413.00%</u>
Annual Required Contribution	\$ 12,234,443
Interest on net OPEB obligation	2,715,983
Adjustment to Annual Required Contribution	<u>(3,533,571)</u>
Annual OPEB Cost	11,416,855
Contributions made	<u>(4,294,085)</u>
Increase in net OPEB obligation	7,122,770
Net OPEB obligation - beginning of year	<u>54,319,651</u>
Net OPEB obligation - end of year	<u>\$ 61,442,421</u>

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

The College's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the current year ended August 31, 2017 and two preceding years are as follows:

	<u>Annual OPEB Cost</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2017	11,416,855	37.61%	61,442,421
2016	10,604,842	35.69%	54,319,651
2015	8,797,219	42.77%	47,499,762

Other Post Employment Benefit Obligations - Solid Waste Authority

Plan Description – 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 is currently one retiree of the Authority.

Funding Policy - Currently, the Authority's cost of its postemployment benefits program is determined on a pay-as-you-go basis and is, therefore, unfunded. Premiums paid by the Authority on behalf of the current retirees totaled \$30,002 for the year ended December 31, 2017.

Annual OPEB Cost and Net OPEB Obligation – The Authority's annual OPEB cost (expense) is calculated based on 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. The following table shows the components of the Authority's annual OPEB cost for the year, the amount of premiums actually paid, and changes in the Authority's net OPEB obligation for the year ended December 31, 2017:

ARC and OPEB expense cost	\$ 863,953
Net OPEB obligation, beginning of year	<u>4,552,949</u>
Net OPEB obligation, end of year	<u><u>\$ 5,416,902</u></u>

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years ended December 31, 2017 and 2016 were as follows:

	<u>Annual OPEB Cost</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2017	\$ 893,955	3.36 %	\$ 5,416,902
2016	455,477	0.65	4,552,949

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Funded Status and Funding Progress – As of December 31, 2017, the Actuarial Accrued Liability (“AAL”) for benefits was \$7,096,064 all of which was unfunded. The covered payroll (annual payroll of active employees covered by the Plan) was \$2,570,221 for the year ended December 31, 2017, and the ratio of the UAAL to the covered payroll was 276%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations, and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information at the end of this note, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Actuarial computations under GASB 45 were provided by the Authority’s independent actuaries for the year ended December 31, 2017. The following simplifying assumptions were made:

- *Retirement Age for Active Employees* – Based on the historical average retirement age for the covered group according to the New York State Retirement System schedule, active plan members were assumed to retire as early as age fifty-five.
- *Marital Status* – 70% of employees are assumed married. Females are assumed to be three years younger than males. Actual spouse coverage information was used for retirees where available.
- *Mortality* – Life expectancies were based on RP 2000 mortality tables for Males and Females.
- *Turnover and Retirement Incidence* – The turnover rates were based on the experience under the New York State and Local Retirement System as prepared by the Department of Civil Service’s actuarial consultant in the report titled, *Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 45 Valuation Tables*. These tables were used as the basis for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.
- *Healthcare Cost Trend Rate* – The expected rate of increase in healthcare insurance premiums was developed using baseline projections of the Society of Actuaries Long-Run Medical Cost Trend Model. A rate of 9.00% initially, reduced to an ultimate rate of 5.00% was used.
- *Health Insurance Premiums* – 2017 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.
- *Payroll Growth Rate* – No salary increases were assumed since benefits are not based on compensation.

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Based on the historical and expected returns of the Authority's short-term investment portfolio, a discount rate of 3.5% was used. The projected unit credit actuarial cost method was used. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2017 was thirty years.

H. Significant Commitments - Encumbrances

As discussed in Note 3A, 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, 2017, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Fund	Amount
General Fund	\$ 4,126,630
Non-Major Governmental Funds	4,317,382
	\$ 8,444,012

I. 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 in within the statement of revenues, expenditures and changes in fund balance for the year ended December 31, 2017:

Transfers In	Transfers Out			Total
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	
Governmental Activities				
General Fund	\$ -	\$ 363,342	\$ 3,516,000	\$ 3,879,342
Non-Major Governmental Funds	63,750,718	840,001	12,489,076	77,079,795
	\$ 63,750,718	\$ 1,203,343	\$ 16,005,076	\$ 80,959,137

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.

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

J. Net Position

The components of net position are detailed below:

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

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

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

Restricted for Section 8 Housing - the component of net position that reports the difference between assets and liabilities of the Section 8 Housing department which is used to account for resources received and used for housing assistance payments.

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 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 Environmental Programs - the component of net position that represents funds restricted for a specific purpose under the granting agency and in accordance with the policy of the New York State Soil and Water Conservation 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.

Restricted for Sewer - the component of net position that represents funds restricted for specific purposes under New York State law or by external parties and/or statutes.

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

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
DECEMBER 31, 2017**

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

K. Fund Balance

Fund balances as presented in the governmental funds balance sheet were as follows as of December 31, 2017:

	2017			Total
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	
Nonspendable				
Prepaid expenditures	\$ 6,379,565	\$ -	\$ 680,410	\$ 7,059,975
Long-term receivable	8,396,527	-	-	8,396,527
Total Nonspendable	14,776,092	-	680,410	15,456,502
Restricted				
Law enforcement	3,079,532	-	-	3,079,532
Section 8	211,568	-	-	211,568
E911	1,651,424	-	-	1,651,424
Trusts	-	-	24,015	24,015
Debt Service	1,341,287	-	11,058,413	12,399,700
Capital Projects	-	62,482,371	-	62,482,371
Total Restricted	6,283,811	62,482,371	11,082,428	79,848,610
Committed				
Designated for treatment plant and development	-	-	1,560,191	1,560,191
Assigned				
Purchases on order:				
General Government Support	489,410	-	-	489,410
Public Safety	1,093,814	-	-	1,093,814
Health	1,944,626	-	-	1,944,626
Transportation	74,565	-	69,098	143,663
Economic opportunity and development	524,215	-	-	524,215
Home and community services	-	-	4,248,284	4,248,284
Total Assigned	4,126,630	-	4,317,382	8,444,012
Subsequent year's expenditures	1,358,980	-	5,696,885	7,055,865
Transportation projects	-	2,223,657	-	2,223,657
Road Machinery Fund	-	-	620,173	620,173
Sewer Fund	-	-	16,584,597	16,584,597
Total Assigned	5,485,610	2,223,657	27,219,037	34,928,304
Unassigned				
Unassigned	6,257,861	-	(13,020)	6,244,841
Total Unassigned	6,257,861	-	(13,020)	6,244,841
Total Fund Balances (Deficits)	\$ 32,803,374	\$ 64,706,028	\$ 40,529,046	\$ 138,038,448

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Fund balances as presented in the governmental funds balance sheet were as follows as of December 31, 2016:

	2016			Total
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	
Nonspendable				
Prepaid expenditures	\$ 5,412,252	\$ -	\$ 600,900	\$ 6,013,152
Long-term receivable	8,654,082	-	-	8,654,082
Total Nonspendable	<u>14,066,334</u>	<u>-</u>	<u>600,900</u>	<u>14,667,234</u>
Restricted				
Law enforcement	3,775,661	-	-	3,775,661
Section 8	247,717	-	-	247,717
E911	1,563,865	-	-	1,563,865
Trusts	-	-	23,908	23,908
Debt Service	2,102,303	-	9,731,157	11,833,460
Capital Projects	-	81,250,283	-	81,250,283
Total Restricted	<u>7,689,546</u>	<u>81,250,283</u>	<u>9,755,065</u>	<u>98,694,894</u>
Committed				
Designated for treatment plant and development	-	-	2,033,291	2,033,291
Assigned				
Purchases on order:				
Transportation	-	-	7,182	7,182
Home and community services	-	-	1,858,300	1,858,300
	<u>-</u>	<u>-</u>	<u>1,865,482</u>	<u>1,865,482</u>
Subsequent year's expenditures	-	-	5,770,160	5,770,160
Transportation projects	-	2,223,657	-	2,223,657
Road Machinery Fund	-	-	634,791	634,791
Sewer Fund	-	-	18,191,547	18,191,547
Total Assigned	<u>-</u>	<u>2,223,657</u>	<u>26,461,980</u>	<u>28,685,637</u>
Unassigned				
Subsequent year's expenditures	2,093,825	-	-	2,093,825
Purchases on order:				
General Government Support	183,994	-	-	183,994
Public Safety	829,963	-	-	829,963
Health	353,117	-	-	353,117
Transportation	34,627	-	-	34,627
Economic opportunity and development	502,481	-	-	502,481
Unassigned	<u>(8,030,456)</u>	<u>-</u>	<u>(523,979)</u>	<u>(8,554,435)</u>
Total Unassigned	<u>(4,032,449)</u>	<u>-</u>	<u>(523,979)</u>	<u>(4,556,428)</u>
Total Fund Balances (Deficits)	<u>\$ 17,723,431</u>	<u>\$ 83,473,940</u>	<u>\$ 38,327,257</u>	<u>\$ 139,524,628</u>

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

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 fund balance.

Assigned - This assignment of fund balance represents surplus monies received for transportation and sewer projects, which are to be used to fund transportation and sewer capital project costs.

Transportation Projects – This assignment 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, 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 year's appropriations will be amended to provide authority to complete the transactions.

Subsequent Year's Expenditures - Sewer District and Debt Service Funds. At December 31, 2017, the County Legislature has utilized \$3,050,885 of the fund balance of the Sewer District Fund and \$2,646,000 of the fund balance of the Debt Service Fund to be appropriated for the ensuing year's budget.

Unassigned

Purchases on order and amounts designated for subsequent years budget 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 5 – COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is a party to lawsuits involving claims of personal injury, wrongful death, negligence, property disputes, breach of contract 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.

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.

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 5 – COMMITMENTS AND CONTINGENCIES (Continued)

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 to \$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 County 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.

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.

**COUNTY OF ROCKLAND, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 5 – COMMITMENTS AND CONTINGENCIES (Continued)

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.

In July 2014, the County selected a potential purchaser (the "purchaser") to purchase Summit Park Nursing Care Center. The County and the purchaser were unable to complete the sale. In December 2015, a claim was filed against the County by the purchaser that claimed breach of contract by the County. The claim from the purchaser is requesting that the escrow provided for the sale by the purchaser be returned as well as additional monetary fees for damages caused by the County. The County has not recorded a liability for this contingency.

D. Cash and Investment Restrictions

Upon issuance of the serial bonds, the indentures for the Authority required establishment of a restricted cash balance of \$4,441,932 in 2017, which is maintained with the trustee of the bonds. In addition, at December 31, 2017, the trustee held \$4,759,623 for the purchase and construction of facilities. These amounts, totaling \$9,201,555 for 2017, have been reflected as restricted cash and investments in the statement of net position.

E. Debt Covenants

At December 31, 2017, the Authority was in compliance with the debt and revenue ratios required under the covenants of the seven bonds outstanding at that date.

NOTE 6 – TAX ABATEMENT AGREEMENTS

The County, through the Agency, to attract and/or maintain companies in the County, has the ability to induce developers with real estate tax, sales tax and/or mortgage tax abatements as part of a payment in lieu of taxes ("PILOT"). The Agency is authorized to enter into PILOT agreements under Real Property Tax Law, Section 412-a and General Municipal Law, Section 874. The total tax abatement for the year ended December 31, 2017 was \$1,203,385, which contained several amounts that are determined not to be material.

NOTE 7 – SUBSEQUENT EVENTS

The County, on May 4, 2018, issued various purpose serial bonds in the amount of \$54,420,000. The bonds mature annually through 2048 with interest rates ranging from 3% to 5%, depending on maturity.

Also in May 2018, the County issued tax anticipation notes in the amount of \$60,000,000. The tax anticipation note matures on April 2, 2019 and bears interest of 3%.

**REQUIRED
SUPPLEMENTARY
INFORMATION
(UNAUDITED)**

County of Rockland, New York

Required Supplementary Information - Schedule of Funding Progress
 Other Post-Employment Benefits (Unaudited)
 Last Three Fiscal Years

Valuation Date	Actuarial Value of Assets	Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
<u>Governmental Activities</u>						
January 1, 2015	\$ -	\$ 513,780,142	\$ 513,780,142	- %	\$ 111,141,067	462.28 %
January 1, 2016	-	751,341,630	751,341,630	-	117,596,646	638.91
January 1, 2017	-	625,158,508	625,158,508	-	114,431,907	546.31
<u>Business-type Activities</u>						
January 1, 2015	-	199,031,253	199,031,253	-	20,253,183	982.72
January 1, 2016	-	-	-	-	-	-
January 1, 2017	-	-	-	-	-	-
<u>Component Unit - College</u>						
January 1, 2013	-	91,501,827	91,501,827	-	26,056,536	351.17
January 1, 2014	-	122,275,693	122,275,693	-	26,939,579	453.89
January 1, 2015	-	117,072,409	117,072,409	-	28,347,105	413.00
<u>Component Unit - Solid Waste</u>						
December 31, 2011	-	2,117,542	2,117,542	-	2,223,909	95.22
December 31, 2014	-	3,258,078	3,258,078	-	2,233,702	145.86
December 31, 2017	-	7,096,064	7,096,064	-	2,570,221	276.09

County of Rockland, New York

Required Supplementary Information - Schedule of Contributions (Unaudited)
 New York State and Local Employees' Retirement System
 Last Ten Fiscal Years (1)

	2017			
	Governmental Activities	Business- Type Activities (A)	Component Units	
			College	Solid Waste
Contractually required contribution	\$ 27,880,071	\$ -	\$ 1,751,000	\$ 341,880
Contributions in relation to the contractually required contribution	<u>(27,880,071)</u>	<u>-</u>	<u>(1,751,000)</u>	<u>(341,880)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 129,969,761</u>	<u>\$ -</u>	<u>\$ 11,829,000</u>	<u>\$ 2,309,259</u>
Contributions as a percentage of covered payroll	<u>21.45%</u>	<u>-</u>	<u>14.80%</u>	<u>14.80%</u>

	2016 (2)			
	Governmental Activities	Business- Type Activities (A)	Component Units	
			College	Solid Waste
Contractually required contribution	\$ 27,880,071	\$ -	\$ 2,027,152	\$ 322,880
Contributions in relation to the contractually required contribution	<u>(27,880,071)</u>	<u>-</u>	<u>(2,027,152)</u>	<u>(322,880)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 117,596,647</u>	<u>\$ 25,935,453</u>	<u>\$ 10,976,860</u>	<u>\$ 2,108,204</u>
Contributions as a percentage of covered payroll	<u>23.71%</u>	<u>-</u>	<u>18.47%</u>	<u>15.32%</u>

	2015			
	Governmental Activities	Business- Type Activities (A)	Component Units	
			College	Solid Waste
Contractually required contribution	\$ 24,781,740	\$ 5,412,290	\$ 2,234,313	\$ 344,675
Contributions in relation to the contractually required contribution	<u>(24,781,740)</u>	<u>(5,412,290)</u>	<u>(2,234,313)</u>	<u>(344,675)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 119,879,978</u>	<u>\$ 25,935,453</u>	<u>\$ 11,158,893</u>	<u>\$ 2,074,031</u>
Contributions as a percentage of covered payroll	<u>20.67%</u>	<u>20.87%</u>	<u>20.02%</u>	<u>16.62%</u>

(A) Home and Infirmary Fund (Enterprise Fund)

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

(2) In 2016, the County determined the Home and Infirmary Fund was no longer operating as an enterprise fund. Therefore, the Home and Infirmary Fund was closed and transferred to the General Fund.

County of Rockland, New York

Required Supplementary Information - Schedule of the
 County's Proportionate Share of the Net Pension Liability (Unaudited)
 New York State and Local Employees' Retirement System
 Last Ten Fiscal Years (1)

	2017			
	Governmental Activities	Business- Type Activities (A)	Component Units	
			College	Solid Waste
Proportion of the net pension liability (asset)	0.5384303%	-	0.0330030%	0.0069780%
Proportionate share of the net pension liability (asset)	\$ 50,592,114	\$ -	\$ 3,101,054	\$ 655,666
Covered payroll	\$ 129,969,761	\$ -	\$ 11,829,000	\$ 2,309,259
Proportionate share of the net pension liability (asset) as a percentage of covered payroll	38.93%	\$ -	26.22%	28.39%
Plan fiduciary net position as a percentage of the total pension liability	94.70%	\$ -	94.70%	94.70%
	2016 (2)(3)			
	Governmental Activities	Business- Type Activities (A)	Component Units	
			College	Solid Waste
Proportion of the net pension liability (asset)	0.5879002%	-	0.0427460%	0.0067157%
Proportionate share of the net pension liability (asset)	\$ 94,481,233	\$ -	\$ 6,860,860	\$ 1,077,890
Covered payroll	\$ 117,596,647	\$ -	\$ 10,515,104	\$ 2,108,204
Proportionate share of the net pension liability (asset) as a percentage of covered payroll	80.34%	\$ -	65.25%	51.13%
Plan fiduciary net position as a percentage of the total pension liability	90.70%	\$ -	90.70%	90.70%
	2015			
	Governmental Activities	Business- Type Activities (A)	Component Units	
			College	Solid Waste
Proportion of the net pension liability (asset)	0.5033461%	0.1099300%	0.0453815%	0.0069737%
Proportionate share of the net pension liability (asset)	\$ 17,004,265	\$ 3,713,703	\$ 1,533,098	\$ 235,590
Covered payroll	\$ 124,270,918	\$ 27,134,068	\$ 11,015,678	\$ 1,993,476
Proportionate share of the net pension liability (asset) as a percentage of covered payroll	13.68%	13.69%	13.92%	11.82%
Plan fiduciary net position as a percentage of the total pension liability	97.90%	97.90%	97.90%	97.90%

(A) Home and Infirmary Fund (Enterprise Fund)

Note - The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

- (1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.
- (2) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7% effective with the March 31, 2016 measurement date.
- (3) In 2016, the County determined the Home and Infirmary Fund was no longer operating as an enterprise fund. Therefore, the Home and Infirmary Fund was closed and transferred to the General Fund.

County of Rockland, New York

Required Supplementary Information - Schedule of Contributions (Unaudited)
New York State Teachers' Retirement System
Last Ten Fiscal Years (1)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 775,000	\$ 656,552	\$ 975,048
Contributions in relation to the contractually required contribution	<u>(775,000)</u>	<u>(656,552)</u>	<u>(975,048)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 6,609,000</u>	<u>\$ 6,393,539</u>	<u>\$ 5,562,170</u>
Contributions as a percentage of covered payroll	<u>11.73%</u>	<u>10.27%</u>	<u>17.53%</u>

Note - The amounts presented in this table are for the College (component unit).

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

County of Rockland, New York

Required Supplementary Information - Schedule of the
 County's Proportionate Share of the Net Pension Liability (Asset) (Unaudited)
 New York State Teachers' Retirement System
 Last Ten Fiscal Years (1)

	<u>2017</u>	<u>2016 (2)</u>	<u>2015</u>
Proportion of the net pension liability (asset)	<u>0.041707%</u>	<u>0.032087%</u>	<u>0.037028%</u>
Proportionate share of the net pension liability (asset)	<u>\$ (317,011)</u>	<u>\$ 343,667</u>	<u>\$ (3,846,072)</u>
Covered payroll	<u>\$ 6,609,000</u>	<u>\$ 5,603,745</u>	<u>\$ 5,562,170</u>
Proportionate share of the net pension liability (asset) as a percentage of covered payroll	<u>(4.80)%</u>	<u>6.13%</u>	<u>(69.15)%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>100.70%</u>	<u>99.01%</u>	<u>110.46%</u>

Note - The amounts presented in this table are for the College (component unit). The amounts presented for each fiscal year were determined as of the June 30 measurement date of the prior fiscal year.

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

(2) The discount rate used to calculate the total pension liability was decreased from 8% to 7.5% effective with the June 30, 2016 measurement date.

**SUPPLEMENTARY
INFORMATION -
COMBINING AND
INDIVIDUAL FUND
FINANCIAL STATEMENTS
AND SCHEDULES**

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.

County of Rockland, New York

General Fund
 Comparative Balance Sheets
 December 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	\$ 38,695,395	\$ 32,396,250
Taxes receivable		
Tax liens	36,882,879	40,663,910
Tax installments	7,923,410	7,456,747
Returned school and village taxes	<u>27,936,359</u>	<u>27,335,206</u>
	72,742,648	75,455,863
Allowance for uncollectible taxes	<u>(3,380,059)</u>	<u>(3,539,716)</u>
	<u>69,362,589</u>	<u>71,916,147</u>
Other receivables		
Accounts, net of allowance for uncollectible amounts	40,072,322	44,050,902
State and Federal aid, net of allowance for uncollectible amounts	48,590,024	40,432,280
Due from other governments	<u>8,115,054</u>	<u>8,675,997</u>
	<u>96,777,400</u>	<u>93,159,179</u>
Prepaid expenditures	<u>6,379,565</u>	<u>5,412,252</u>
Total Assets	<u>\$ 211,214,949</u>	<u>\$ 202,883,828</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)		
Liabilities		
Accounts payable	\$ 28,581,029	\$ 22,960,898
Accrued liabilities	7,551,000	18,424,334
Due to other governments	9,658,143	9,186,015
Due to school districts	55,112,624	54,916,693
Due to other funds	1,284,311	2,413,498
Unearned revenues	1,994,325	2,338,433
Tax anticipation note payable	<u>60,000,000</u>	<u>60,000,000</u>
Total Liabilities	164,181,432	170,239,871
Deferred inflows of resources		
Deferred tax revenues	<u>14,230,143</u>	<u>14,920,526</u>
Total Liabilities and Deferred Inflows of Resources	<u>178,411,575</u>	<u>185,160,397</u>
Fund balance (deficit)		
Nonspendable	14,776,092	14,066,334
Restricted	6,283,811	7,689,546
Assigned	5,485,610	-
Unassigned	<u>6,257,861</u>	<u>(4,032,449)</u>
Total Fund Balance	<u>32,803,374</u>	<u>17,723,431</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 211,214,949</u>	<u>\$ 202,883,828</u>

County of Rockland, New York

General Fund
 Comparative Schedules of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Years Ended December 31,

	2017			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 120,015,000	\$ 120,015,000	\$ 120,966,743	\$ 951,743
Other tax items	12,586,000	12,819,945	12,540,389	(279,556)
Non-property taxes	211,500,000	211,800,305	217,993,399	6,193,094
Departmental income	33,122,215	34,960,483	34,409,543	(550,940)
Use of money and property	300,000	300,000	742,554	442,554
Licenses and permits	1,910,000	1,945,000	1,819,788	(125,212)
Fines and forfeitures	674,000	674,000	1,537,288	863,288
Sale of property and compensation for loss	3,200	3,200	65,613	62,413
Interfund revenues	24,441,425	24,441,425	26,189,206	1,747,781
State aid	69,270,095	78,981,805	72,948,034	(6,033,771)
Federal aid	50,167,280	54,461,972	50,972,372	(3,489,600)
Miscellaneous	476,000	18,475,993	2,208,876	(16,267,117)
Total Revenues	524,465,215	558,879,128	542,393,805	(16,485,323)
EXPENDITURES				
Current				
General government support	77,140,403	87,048,344	80,091,454	6,956,890
Education	51,021,505	51,021,505	54,820,250	(3,798,745)
Public safety	79,332,132	82,879,963	80,083,980	2,795,983
Health	35,604,802	55,452,535	49,690,796	5,761,739
Transportation	29,368,877	29,368,877	28,411,803	957,074
Economic opportunity and development	164,328,707	164,736,448	158,061,501	6,674,947
Culture and recreation	9,965	286,443	278,593	7,850
Home and community services	4,674,400	5,538,710	5,185,841	352,869
Employee benefits	13,225,000	13,225,000	14,835,373	(1,610,373)
Debt service				
Interest	1,174,000	1,174,000	1,173,333	667
Total Expenditures	455,879,791	490,731,825	472,632,924	18,098,901
Excess of Revenues Over Expenditures	68,585,424	68,147,303	69,760,881	1,613,578
OTHER FINANCING SOURCES (USES)				
Issuance premium	900,000	900,000	597,000	(303,000)
New York State loan	1,676,000	1,676,000	-	(1,676,000)
Transfers in	4,305,510	4,305,510	3,879,342	(426,168)
Transfers out	(78,692,935)	(81,286,835)	(63,750,718)	17,536,117
Total Other Financing Source (Uses)	(71,811,425)	(74,405,325)	(59,274,376)	15,130,949
Net Change in Fund Balance	(3,226,001)	(6,258,022)	10,486,505	16,744,527
FUND BALANCE (DEFICIT)				
Beginning of Year, as reported	3,226,001	6,258,022	17,723,431	11,465,409
Prior Period Adjustment (Note 3E)	-	-	4,593,438	4,593,438
Beginning of Year, as restated	3,226,001	6,258,022	22,316,869	16,058,847
End of Year	\$ -	\$ -	\$ 32,803,374	\$ 32,803,374

2016

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 118,629,010	\$ 118,629,010	\$ 117,807,368	\$ (821,642)
12,600,000	12,600,000	12,315,637	(284,363)
206,900,000	206,900,000	216,048,696	9,148,696
29,895,325	38,064,505	49,015,402	10,950,897
125,000	189,000	449,668	260,668
1,945,000	1,945,000	1,640,827	(304,173)
566,100	566,100	1,318,166	752,066
4,003,000	4,003,000	85,762	(3,917,238)
25,394,925	25,396,625	25,081,046	(315,579)
79,490,995	83,918,485	71,732,141	(12,186,344)
50,823,225	55,487,094	53,765,401	(1,721,693)
633,000	23,891,615	1,315,482	(22,576,133)
<u>531,005,580</u>	<u>571,590,434</u>	<u>550,575,596</u>	<u>(21,014,838)</u>
73,776,590	92,753,749	84,220,830	8,532,919
58,530,863	58,530,863	51,223,270	7,307,593
74,851,565	77,059,452	76,601,763	457,689
35,764,772	53,827,861	50,729,442	3,098,419
29,049,760	29,088,420	27,378,130	1,710,290
164,172,553	165,647,330	164,896,076	751,254
341,054	449,410	314,425	134,985
5,912,827	5,932,186	5,466,830	465,356
14,150,000	14,150,000	13,786,265	363,735
<u>1,190,000</u>	<u>1,190,000</u>	<u>1,190,000</u>	<u>-</u>
<u>457,739,984</u>	<u>498,629,271</u>	<u>475,807,031</u>	<u>22,822,240</u>
<u>73,265,596</u>	<u>72,961,163</u>	<u>74,768,565</u>	<u>1,807,402</u>
900,000	900,000	654,413	(245,587)
1,200,000	1,200,000	-	(1,200,000)
5,640,160	5,678,820	5,273,000	(405,820)
<u>(88,472,320)</u>	<u>(92,034,781)</u>	<u>(73,075,555)</u>	<u>18,959,226</u>
<u>(80,732,160)</u>	<u>(84,255,961)</u>	<u>(67,148,142)</u>	<u>17,107,819</u>
(7,466,564)	(11,294,798)	7,620,423	18,915,221
<u>7,466,564</u>	<u>11,294,798</u>	<u>10,103,008</u>	<u>(1,191,790)</u>
-	-	-	-
<u>7,466,564</u>	<u>11,294,798</u>	<u>10,103,008</u>	<u>(1,191,790)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,723,431</u>	<u>\$ 17,723,431</u>

County of Rockland, New York

General Fund
 Schedule of Revenues and Other Financing Sources Compared to Budget
 Year Ended December 31, 2017
 (With Comparative Actuals for 2016)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2016 Actual
REAL PROPERTY TAXES	\$ 120,015,000	\$ 120,015,000	\$ 120,966,743	\$ 951,743	\$ 117,807,368
OTHER TAX ITEMS					
Interest and penalties on real property taxes	11,000,000	11,000,000	10,862,650	(137,350)	10,862,627
Gain on sale of tax acquired property	700,000	933,945	619,885	(314,060)	514,552
STAR renunciation	-	-	(145,531)	(145,531)	52,629
Payments in lieu of taxes	886,000	886,000	1,203,385	317,385	885,829
Total Other Tax Items	12,586,000	12,819,945	12,540,389	(279,556)	12,315,637
NON-PROPERTY TAXES					
Sales and use tax	193,600,000	193,900,305	199,115,739	5,215,434	198,017,776
Mortgage tax	4,900,000	4,900,000	5,199,083	299,083	5,197,772
E-911 surcharge	1,250,000	1,250,000	1,311,551	61,551	1,279,522
Hotel/Motel occupancy tax	1,400,000	1,400,000	1,486,320	86,320	1,502,377
Residential energy use tax	8,600,000	8,600,000	9,078,819	478,819	8,287,928
Motor vehicle use tax	1,750,000	1,750,000	1,801,887	51,887	1,763,321
Total Non-Property Taxes	211,500,000	211,800,305	217,993,399	6,193,094	216,048,696
DEPARTMENTAL INCOME					
General government support	10,561,665	10,802,983	11,071,024	268,041	10,645,878
Public safety	1,731,000	1,781,696	1,770,588	(11,108)	1,841,464
Health	5,311,000	6,761,000	5,227,151	(1,533,849)	19,377,435
Transportation	8,481,000	8,481,000	7,973,094	(507,906)	8,093,462
Economic opportunity and development	4,749,000	4,749,000	5,389,196	640,196	6,091,890
Home and community services	45,000	45,000	29,018	(15,982)	25,042
Employee benefits	2,243,550	2,339,804	2,949,472	609,668	2,940,231
Total Departmental Income	33,122,215	34,960,483	34,409,543	(550,940)	49,015,402

County of Rockland, New York

General Fund
 Schedule of Revenues and Other Financing Sources Compared to Budget (Continued)
 Year Ended December 31, 2017
 (With Comparative Actuals for 2016)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2016 Actual
USE OF MONEY AND PROPERTY					
Earnings on investments	\$ 200,000	\$ 200,000	\$ 661,979	\$ 461,979	\$ 245,792
Rental of real property	100,000	100,000	80,575	(19,425)	203,876
Total Use of Money and Property	<u>300,000</u>	<u>300,000</u>	<u>742,554</u>	<u>442,554</u>	<u>449,668</u>
LICENSES AND PERMITS					
Licenses	1,190,000	1,190,000	1,048,513	(141,487)	914,067
Alarm charges	720,000	755,000	771,275	16,275	726,760
Total Licenses and Permits	<u>1,910,000</u>	<u>1,945,000</u>	<u>1,819,788</u>	<u>(125,212)</u>	<u>1,640,827</u>
FINES AND FORFEITURES					
Fines	671,000	671,000	1,039,399	368,399	1,098,812
Forfeitures	3,000	3,000	497,889	494,889	219,354
Total Fines and Forfeitures	<u>674,000</u>	<u>674,000</u>	<u>1,537,288</u>	<u>863,288</u>	<u>1,318,166</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS					
Other sales	2,200	2,200	63,752	61,552	59,207
Insurance recoveries	1,000	1,000	1,861	861	26,555
Total Sale of Property and Compensation for Loss	<u>3,200</u>	<u>3,200</u>	<u>65,613</u>	<u>62,413</u>	<u>85,762</u>
INTERFUND REVENUES					
Liability and health insurance	360,625	360,625	360,600	(25)	362,040
Interfund revenues - Central services	10,763,400	10,763,400	10,833,464	70,064	10,932,741
Community College Fund	13,317,400	13,317,400	14,995,142	1,677,742	13,786,265
Total Interfund Revenues	<u>24,441,425</u>	<u>24,441,425</u>	<u>26,189,206</u>	<u>1,747,781</u>	<u>25,081,046</u>
STATE AID					
General government support	422,000	461,630	418,897	(42,733)	443,184
Public safety	2,019,935	4,131,407	3,162,414	(968,993)	3,227,689
Health	29,434,760	36,815,587	35,510,207	(1,305,380)	32,589,579
Transportation	15,390,000	15,390,000	15,893,798	503,798	14,783,316
Economic opportunity and development	21,918,400	22,098,181	17,847,339	(4,250,842)	20,552,799
Culture and recreation	85,000	85,000	115,379	30,379	135,574
Total State Aid	<u>69,270,095</u>	<u>78,981,805</u>	<u>72,948,034</u>	<u>(6,033,771)</u>	<u>71,732,141</u>

(Continued)

County of Rockland, New York

General Fund
 Schedule of Revenues and Other Financing Sources Compared to Budget (Continued)
 Year Ended December 31, 2017
 (With Comparative Actuals for 2016)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2016 Actual
FEDERAL AID					
General government support	\$ 1,234,280	\$ 1,235,106	\$ 866,985	\$ (368,121)	\$ 859,050
Public safety	598,000	1,471,326	1,583,014	111,688	1,721,858
Health	75,000	3,306,715	4,821,634	1,514,919	4,516,903
Transportation	4,665,000	4,665,000	4,166,814	(498,186)	4,318,126
Economic opportunity and development	43,425,000	43,568,073	39,345,503	(4,222,570)	42,122,383
Home and community services	170,000	215,752	188,422	(27,330)	227,081
Total Federal Aid	50,167,280	54,461,972	50,972,372	(3,489,600)	53,765,401
MISCELLANEOUS					
Refund of prior year's expenditures	20,000	20,000	74,447	54,447	232,621
OTB distributed earnings	300,000	300,000	247,654	(52,346)	258,948
Other	156,000	18,155,993	1,886,775	(16,269,218)	823,913
Total Miscellaneous	476,000	18,475,993	2,208,876	(16,267,117)	1,315,482
TOTAL REVENUES	524,465,215	558,879,128	542,393,805	(16,485,323)	550,575,596
OTHER FINANCING SOURCES					
Issuance premium	900,000	900,000	597,000	(303,000)	654,413
New York State loan	1,676,000	1,676,000	-	(1,676,000)	-
Transfers in					
Debt Service Fund	3,516,000	3,516,000	3,516,000	-	4,959,000
Rockland Tobacco Asset Securitization Corp.	-	-	-	-	150,000
Capital Projects Fund	789,510	789,510	363,342	(426,168)	164,000
TOTAL OTHER FINANCING SOURCES	6,881,510	6,881,510	4,476,342	(2,405,168)	5,927,413
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 531,346,725	\$ 565,760,638	\$ 546,870,147	\$ (18,890,491)	\$ 556,503,009

County of Rockland, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended December 31, 2017

(With Comparative Actuals for 2016)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2016 Actual
GENERAL GOVERNMENT SUPPORT					
Legislative Branch	\$ 4,422,270	\$ 4,393,520	\$ 4,161,243	\$ 232,277	\$ 4,026,249
County Executive	3,584,680	3,584,122	3,533,679	50,443	3,434,892
Youth Bureau	1,813,509	1,884,582	1,881,069	3,513	1,820,696
Community Development Program	1,817,080	1,817,080	1,500,411	316,669	1,651,220
District Attorney	10,646,167	12,035,961	12,084,385	(48,424)	11,380,954
Public Defender	3,775,595	5,118,067	4,334,941	783,126	4,431,222
Assigned Counsel	1,345,000	1,345,000	1,398,777	(53,777)	1,344,999
Medical Examiner	1,714,100	1,720,580	1,639,714	80,866	1,554,096
Department of Budget and Finance	8,695,315	8,559,137	7,325,326	1,233,811	9,201,331
Department of Records	4,565,540	4,605,170	4,647,321	(42,151)	4,606,212
Department of Law	3,573,103	3,451,978	3,139,111	312,867	2,892,889
Department of Personnel	5,516,784	5,516,784	5,088,065	428,719	5,480,741
Board of Elections	3,677,790	3,678,616	3,601,575	77,041	3,771,414
Other General Departments	6,726,365	14,630,077	12,005,706	2,624,371	14,223,728
Department of Insurance	572,105	572,105	555,740	16,365	633,972
Revenue Sharing - Sales tax	12,645,000	12,645,000	13,057,733	(412,733)	12,915,611
Contingent fund	2,050,000	1,430,565	76,658	1,353,907	788,980
Department of Tourism	-	-	-	-	1,764
Contract Agencies - General Government Support	-	60,000	60,000	-	59,860
Total General Government Support	77,140,403	87,048,344	80,091,454	6,956,890	84,220,830
EDUCATION					
Community College - Tuition	1,800,000	1,800,000	2,154,394	(354,394)	1,754,120
Contribution to Community College Fund	17,129,505	17,129,505	17,129,501	4	16,978,253
Education of handicapped children	32,092,000	32,092,000	35,536,355	(3,444,355)	32,490,897
Total Education	51,021,505	51,021,505	54,820,250	(3,798,745)	51,223,270

(Continued)

County of Rockland, New York

General Fund

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

Year Ended December 31, 2017

(With Comparative Actuals for 2016)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2016 Actual
PUBLIC SAFETY					
Office of the Sheriff	\$ 29,273,479	\$ 31,687,751	\$ 30,909,497	\$ 778,254	\$ 28,583,971
Correctional Facility	35,827,874	36,013,543	34,679,186	1,334,357	33,901,773
Narcotics task force	2,834,440	2,963,779	2,916,015	47,764	2,921,474
Probation Department	6,476,485	6,577,656	6,530,191	47,465	6,493,691
Department of Fire and Emergency Services	3,987,655	4,540,035	4,135,111	404,924	3,945,370
E-911 telephone system	932,199	1,052,199	868,980	183,219	710,659
Contract Agencies - Public Safety	-	45,000	45,000	-	44,825
Total Public Safety	79,332,132	82,879,963	80,083,980	2,795,983	76,601,763
HEALTH					
Department of Health	24,290,377	30,356,586	26,245,366	4,111,220	28,070,856
Department of Mental Health	1,200,000	13,837,675	12,462,876	1,374,799	12,046,320
Contracted mental health services	10,114,425	11,102,274	10,826,554	275,720	10,376,892
Contracted health services	-	156,000	156,000	-	235,374
Total Health	35,604,802	55,452,535	49,690,796	5,761,739	50,729,442
TRANSPORTATION					
Public transportation	29,368,877	29,368,877	28,411,803	957,074	27,378,130
ECONOMIC OPPORTUNITY AND DEVELOPMENT					
Department of Social Services	58,335,575	58,603,429	54,245,806	4,357,623	56,358,676
Social Services Program Grants	97,357,000	97,357,000	95,528,470	1,828,530	100,627,659
Veterans' Service Agency	538,795	667,682	669,012	(1,330)	573,764
Consumer Protection	2,039,133	2,039,133	2,021,447	17,686	2,006,588
Office of the Aging	6,058,204	6,058,204	5,585,766	472,438	5,255,691
Contract Agencies - Economic Opportunity and Development	-	11,000	11,000	-	73,698
Total Economic Opportunity and Development	164,328,707	164,736,448	158,061,501	6,674,947	164,896,076
CULTURE AND RECREATION					
County Historian	9,965	9,965	9,967	(2)	10,163
Contract Agencies - Culture and Recreation	-	276,478	268,626	7,852	304,262
Total Culture and Recreation	9,965	286,443	278,593	7,850	314,425

(Continued)

County of Rockland, New York

General Fund
 Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)
 Year Ended December 31, 2017
 (With Comparative Actuals for 2016)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2016 Actual
HOME AND COMMUNITY SERVICES					
Department of Planning	\$ 2,037,415	\$ 2,037,815	\$ 1,963,422	\$ 74,393	\$ 1,891,129
Commission of Human Rights	378,445	424,197	344,627	79,570	479,051
Commissioner of Labor	24,455	24,455	24,634	(179)	24,381
Department of Environmental Resources	2,234,085	2,234,085	2,035,002	199,083	2,078,680
Contract Agencies - Home and Community Services	-	818,158	818,156	2	993,589
Total Home and Community Services	4,674,400	5,538,710	5,185,841	352,869	5,466,830
EMPLOYEE BENEFITS - UNDISTRIBUTED					
Retirement - RCC	2,000,000	2,000,000	2,120,642	(120,642)	2,024,812
Hospital & Medical Insurance - RCC	11,225,000	11,225,000	12,714,731	(1,489,731)	11,761,453
Total Employee Benefits - RCC	13,225,000	13,225,000	14,835,373	(1,610,373)	13,786,265
DEBT SERVICE					
Interest					
Tax anticipation notes	1,174,000	1,174,000	1,173,333	667	1,190,000
Total Debt Service	1,174,000	1,174,000	1,173,333	667	1,190,000
TOTAL EXPENDITURES	455,879,791	490,731,825	472,632,924	18,098,901	475,807,031
OTHER FINANCING USES					
Transfers out					
County Road Fund	11,344,820	11,344,820	11,344,800	20	11,053,020
Road Machinery Fund	1,551,910	1,551,910	1,551,960	(50)	1,549,200
Capital Projects Fund	-	-	-	-	1,600,000
Hospital Fund	17,290,365	17,290,365	-	17,290,365	4,991,648
Debt Service Fund	48,505,840	51,099,740	50,853,958	245,782	53,881,687
TOTAL OTHER FINANCING USES	78,692,935	81,286,835	63,750,718	17,536,117	73,075,555
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 534,572,726	\$ 572,018,660	\$ 536,383,642	\$ 35,635,018	\$ 548,882,586

County of Rockland, New YorkCapital Projects Fund
Comparative Balance Sheets
December 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	\$ 64,627,830	\$ 76,099,314
Receivables		
Accounts	-	67,269
State and Federal aid	2,032,653	6,092,209
	<u>2,032,653</u>	<u>6,159,478</u>
Restricted cash	<u>7,434,122</u>	<u>11,904,244</u>
Total Assets	<u>\$ 74,094,605</u>	<u>\$ 94,163,036</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 6,994,115	\$ 8,975,191
Accrued liabilities	27,378	-
Due to other governments	237,233	-
Due to other funds	2,129,851	1,713,905
Total Liabilities	<u>9,388,577</u>	<u>10,689,096</u>
Fund balance		
Restricted	62,482,371	81,250,283
Assigned	2,223,657	2,223,657
Total Fund Balance	<u>64,706,028</u>	<u>83,473,940</u>
Total Liabilities and Fund Balance	<u>\$ 74,094,605</u>	<u>\$ 94,163,036</u>

County of Rockland, New YorkCapital Projects Fund
Comparative Schedules of Revenues, Expenditures
and Changes in Fund Balance
Years Ended December 31,

	<u>2017</u>	<u>2016</u>
REVENUES		
State aid	\$ 2,743,219	\$ 5,201,109
Federal aid	867,068	5,623,562
Miscellaneous	<u>24,302</u>	<u>73,264</u>
Total Revenues	3,634,589	10,897,935
EXPENDITURES		
Capital outlay	<u>21,199,158</u>	<u>43,285,025</u>
Deficiency of Revenues Over Expenditures	<u>(17,564,569)</u>	<u>(32,387,090)</u>
OTHER FINANCING SOURCES (USES)		
Bonds issued	-	20,280,382
Transfers in	-	1,600,000
Transfers out	(1,203,343)	(954,402)
Transfer from Home and Infirmary Fund	<u>-</u>	<u>5,381,266</u>
Total Other Financing Sources	<u>(1,203,343)</u>	<u>26,307,246</u>
Net Change in Fund Balance	(18,767,912)	(6,079,844)
FUND BALANCE		
Beginning of Year	<u>83,473,940</u>	<u>89,553,784</u>
End of Year	<u>\$ 64,706,028</u>	<u>\$ 83,473,940</u>

<p style="text-align: center;">NON-MAJOR</p> <p style="text-align: center;">GOVERNMENTAL FUNDS</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, 2017
 (With Comparative Totals for 2016)

	Special Revenue Funds	Debt Service Fund	Totals	
			2017	2016
ASSETS				
Cash and cash equivalents	\$ 27,055,317	\$ 12,694,176	\$ 39,749,493	\$ 33,703,896
Receivables				
Accounts	775,207	800,000	1,575,207	1,284,055
Loans	417,161	-	417,161	398,283
State and Federal aid	2,439,528	82,353	2,521,881	6,696,899
Due from other funds	1,480,694	127,884	1,608,578	1,787,050
	<u>5,112,590</u>	<u>1,010,237</u>	<u>6,122,827</u>	<u>10,166,287</u>
Prepaid expenditures	680,410	-	680,410	600,900
Total Assets	<u>\$ 32,848,317</u>	<u>\$ 13,704,413</u>	<u>\$ 46,552,730</u>	<u>\$ 44,471,083</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 2,226,704	\$ -	\$ 2,226,704	\$ 1,237,488
Accrued liabilities	927,431	-	927,431	957,919
Due to other funds	1,364,576	-	1,364,576	1,996,956
Unearned revenues	1,504,973	-	1,504,973	1,951,463
Total Liabilities	<u>6,023,684</u>	<u>-</u>	<u>6,023,684</u>	<u>6,143,826</u>
Fund balances				
Nonspendable	680,410	-	680,410	600,900
Restricted	24,015	11,058,413	11,082,428	9,755,065
Committed	1,560,191	-	1,560,191	2,033,291
Assigned	24,573,037	2,646,000	27,219,037	26,461,980
Unassigned	(13,020)	-	(13,020)	(523,979)
Total Fund Balances	<u>26,824,633</u>	<u>13,704,413</u>	<u>40,529,046</u>	<u>38,327,257</u>
Total Liabilities and Fund Balances	<u>\$ 32,848,317</u>	<u>\$ 13,704,413</u>	<u>\$ 46,552,730</u>	<u>\$ 44,471,083</u>

County of Rockland, New York

Combining Schedule of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Governmental Funds
December 31, 2017
(With Comparative Totals for 2016)

	Special Revenue Funds	Debt Service Fund	Totals	
			2017	2016
REVENUES				
Real property taxes	\$ 12,557,154	\$ -	\$ 12,557,154	\$ 12,534,262
Other tax items	656,900	-	656,900	430,092
Departmental income	24,176,561	-	24,176,561	25,906,586
Use of money and property	549,330	411,418	960,748	2,852,641
Licenses and permits	25,500	-	25,500	23,175
Fines and forfeitures	26,554	-	26,554	17,845
Sale of property and compensation for loss	27,280	-	27,280	72,600
Interfund revenues	853,406	-	853,406	817,350
State aid	1,566,131	1,747,251	3,313,382	2,741,342
Federal aid	3,478,761	1,814,586	5,293,347	7,497,074
Miscellaneous	174,249	-	174,249	1,101,500
Total Revenues	44,091,826	3,973,255	48,065,081	53,994,467
EXPENDITURES				
Current				
Transportation	15,864,658	-	15,864,658	15,096,223
Economic opportunity and development	3,083,843	-	3,083,843	2,842,245
Home and community services	19,327,757	-	19,327,757	18,098,200
Employee benefits	4,727,755	-	4,727,755	4,614,534
Debt service				
Principal	533,000	46,168,858	46,701,858	49,683,714
Interest	217,964	17,014,176	17,232,140	17,786,820
Refunding bond issuance cost	-	-	-	411,291
Bond issuance cost	-	-	-	380,146
Total Expenditures	43,754,977	63,183,034	106,938,011	108,913,173
Excess (Deficiency) of Revenues Over Expenditures	336,849	(59,209,779)	(58,872,930)	(54,918,706)
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	-	-	26,130,000
Payment to refunded bond escrow agent	-	-	-	(28,657,627)
Issuance premium	-	-	-	3,319,064
Transfers in	13,896,760	63,183,035	77,079,795	80,127,437
Transfers out	(12,329,076)	(3,676,000)	(16,005,076)	(17,844,631)
Total Other Financing Sources	1,567,684	59,507,035	61,074,719	63,074,243
Net Change in Fund Balances	1,904,533	297,256	2,201,789	8,155,537
FUND BALANCES				
Beginning of Year	24,920,100	13,407,157	38,327,257	30,171,720
End of Year	\$ 26,824,633	\$ 13,704,413	\$ 40,529,046	\$ 38,327,257

County of Rockland, New York

Combining Balance Sheet
 Non-Major Special Revenue Funds
 December 31, 2017
 (With Comparative Totals for 2016)

	County Road Fund	Road Machinery Fund	Community Development Fund
ASSETS			
Cash and cash equivalents	\$ 100	\$ -	\$ 1,324,283
Receivables			
Accounts	69,070	1,297	-
Loans	-	-	417,161
State and Federal aid	1,936,329	-	503,199
Due from other funds	-	737,891	17,254
	<u>2,005,399</u>	<u>739,188</u>	<u>937,614</u>
Prepaid expenditures	<u>312,610</u>	<u>29,490</u>	<u>-</u>
Total Assets	<u>\$ 2,318,109</u>	<u>\$ 768,678</u>	<u>\$ 2,261,897</u>
LIABILITIES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 145,136	\$ 77,663	\$ 769,944
Accrued liabilities	426,689	41,352	-
Due to other funds	1,364,576	-	-
Unearned revenues	-	-	1,504,973
Total Liabilities	<u>1,936,401</u>	<u>119,015</u>	<u>2,274,917</u>
Fund balances (deficits)			
Nonspendable	312,610	29,490	-
Restricted	-	-	-
Committed	-	-	-
Assigned	69,098	620,173	-
Unassigned	-	-	(13,020)
Total Fund Balances (Deficits)	<u>381,708</u>	<u>649,663</u>	<u>(13,020)</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 2,318,109</u>	<u>\$ 768,678</u>	<u>\$ 2,261,897</u>

Sewer District Fund	Special Purpose Fund	Totals	
		2017	2016
<u>\$ 25,706,919</u>	<u>\$ 24,015</u>	<u>\$ 27,055,317</u>	<u>\$ 25,872,066</u>
704,840	-	775,207	484,055
-	-	417,161	398,283
-	-	2,439,528	2,038,694
<u>725,549</u>	<u>-</u>	<u>1,480,694</u>	<u>1,669,928</u>
<u>1,430,389</u>	<u>-</u>	<u>5,112,590</u>	<u>4,590,960</u>
<u>338,310</u>	<u>-</u>	<u>680,410</u>	<u>600,900</u>
<u>\$ 27,475,618</u>	<u>\$ 24,015</u>	<u>\$ 32,848,317</u>	<u>\$ 31,063,926</u>
\$ 1,233,961	\$ -	\$ 2,226,704	\$ 1,237,488
459,390	-	927,431	957,919
-	-	1,364,576	1,996,956
<u>-</u>	<u>-</u>	<u>1,504,973</u>	<u>1,951,463</u>
<u>1,693,351</u>	<u>-</u>	<u>6,023,684</u>	<u>6,143,826</u>
338,310	-	680,410	600,900
-	24,015	24,015	23,908
1,560,191	-	1,560,191	2,033,291
23,883,766	-	24,573,037	22,785,980
<u>-</u>	<u>-</u>	<u>(13,020)</u>	<u>(523,979)</u>
<u>25,782,267</u>	<u>24,015</u>	<u>26,824,633</u>	<u>24,920,100</u>
<u>\$ 27,475,618</u>	<u>\$ 24,015</u>	<u>\$ 32,848,317</u>	<u>\$ 31,063,926</u>

County of Rockland, New York

Combining Schedule of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Special Revenue Funds
December 31, 2017
(With Comparative Totals for 2016)

	County Road Fund	Road Machinery Fund	Community Development Fund
REVENUES			
Real property taxes	\$ -	\$ -	\$ -
Other tax items	-	-	-
Departmental income	37,817	4,141	-
Use of money and property	-	-	389,086
Licenses and permits	24,750	-	-
Fines and forfeitures	5,900	-	-
Sales of property	17,482	-	-
Interfund revenues	775,487	-	-
State aid	1,566,131	-	-
Federal aid	583	-	3,478,178
Miscellaneous	91,135	1,297	3,275
Total Revenues	2,519,285	5,438	3,870,539
EXPENDITURES			
Current			
Transportation	14,287,850	1,576,808	-
Economic opportunity and development	-	-	3,083,843
Home and community services	-	-	-
Employee benefits	-	-	-
Debt service			
Principal	-	-	533,000
Interest	-	-	217,964
Total Expenditures	14,287,850	1,576,808	3,834,807
Excess (Deficiency) of Revenues Over Expenditures	(11,768,565)	(1,571,370)	35,732
OTHER FINANCING SOURCES (USES)			
Transfers in	12,344,800	1,551,960	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	12,344,800	1,551,960	-
Net Change in Fund Balances	576,235	(19,410)	35,732
FUND BALANCES (DEFICITS)			
Beginning of Year	(194,527)	669,073	(48,752)
End of Year	\$ 381,708	\$ 649,663	\$ (13,020)

Sewer District Fund	Special Purpose Fund	Totals	
		2017	2016
\$ 12,557,154	\$ -	\$ 12,557,154	\$ 12,534,262
656,900	-	656,900	430,092
24,134,603	-	24,176,561	25,906,586
160,137	107	549,330	2,640,081
750	-	25,500	23,175
20,654	-	26,554	17,845
9,798	-	27,280	72,600
77,919	-	853,406	817,350
-	-	1,566,131	761,039
-	-	3,478,761	1,333,813
78,542	-	174,249	285,500
<u>37,696,457</u>	<u>107</u>	<u>44,091,826</u>	<u>44,822,343</u>
-	-	15,864,658	15,096,223
-	-	3,083,843	2,842,245
19,327,757	-	19,327,757	18,098,200
4,727,755	-	4,727,755	4,614,534
-	-	533,000	664,000
-	-	217,964	299,219
<u>24,055,512</u>	<u>-</u>	<u>43,754,977</u>	<u>41,614,421</u>
<u>13,640,945</u>	<u>107</u>	<u>336,849</u>	<u>3,207,922</u>
-	-	13,896,760	13,312,238
<u>(12,329,076)</u>	<u>-</u>	<u>(12,329,076)</u>	<u>(12,658,131)</u>
<u>(12,329,076)</u>	<u>-</u>	<u>1,567,684</u>	<u>654,107</u>
1,311,869	107	1,904,533	3,862,029
<u>24,470,398</u>	<u>23,908</u>	<u>24,920,100</u>	<u>21,058,071</u>
<u>\$ 25,782,267</u>	<u>\$ 24,015</u>	<u>\$ 26,824,633</u>	<u>\$ 24,920,100</u>

County of Rockland, New York

County Road Fund
Comparative Balance Sheets
December 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	\$ 100	\$ 415
Receivables		
Accounts	69,070	18,687
State and Federal aid	<u>1,936,329</u>	<u>1,134,873</u>
	<u>2,005,399</u>	<u>1,153,560</u>
Prepaid expenditures	<u>312,610</u>	<u>280,700</u>
Total Assets	<u>\$ 2,318,109</u>	<u>\$ 1,434,675</u>
LIABILITIES AND FUND BALANCE (DEFICIT)		
Liabilities		
Accounts payable	\$ 145,136	\$ 122,719
Accrued liabilities	426,689	414,996
Due to other funds	<u>1,364,576</u>	<u>1,091,487</u>
Total Liabilities	<u>1,936,401</u>	<u>1,629,202</u>
Fund balance (deficit)		
Nonspendable	312,610	280,700
Assigned	69,098	-
Unassigned	<u>-</u>	<u>(475,227)</u>
Total Fund Balance (Deficit)	<u>381,708</u>	<u>(194,527)</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 2,318,109</u>	<u>\$ 1,434,675</u>

County of Rockland, New York

County Road Fund
 Comparative Schedules of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Years Ended December 31,

	2017			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 44,300	\$ 44,300	\$ 37,817	\$ (6,483)
Licenses and permits	30,000	30,000	24,750	(5,250)
Fines and forfeitures	-	-	5,900	5,900
Sale of property and compensation for loss	31,500	31,500	17,482	(14,018)
Interfund revenues	752,000	752,000	775,487	23,487
State aid	1,600,000	1,913,022	1,566,131	(346,891)
Federal aid	-	-	583	583
Miscellaneous	60,000	60,000	91,135	31,135
Total Revenues	2,517,800	2,830,822	2,519,285	(311,537)
EXPENDITURES				
Current				
Transportation	14,867,959	15,180,981	14,287,850	893,131
Deficiency of Revenues Over Expenditures	(12,350,159)	(12,350,159)	(11,768,565)	581,594
OTHER FINANCING SOURCES				
Transfers in	12,344,820	12,344,820	12,344,800	(20)
Net Change in Fund Balance	(5,339)	(5,339)	576,235	581,574
FUND BALANCE (DEFICIT)				
Beginning of Year	5,339	5,339	(194,527)	(199,866)
End of Year	\$ -	\$ -	\$ 381,708	\$ 381,708

2016

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 51,500	\$ 51,500	\$ 37,933	\$ (13,567)
30,000	30,000	21,300	(8,700)
-	-	7,000	7,000
30,500	30,500	2,452	(28,048)
765,000	765,000	764,626	(374)
1,500,000	1,500,000	761,039	(738,961)
154,100	154,100	169,649	15,549
30,000	30,000	262,496	232,496
2,561,100	2,561,100	2,026,495	(534,605)
14,411,786	14,439,331	13,559,522	879,809
(11,850,686)	(11,878,231)	(11,533,027)	345,204
11,825,475	11,853,020	11,699,538	(153,482)
(25,211)	(25,211)	166,511	191,722
25,211	25,211	(361,038)	(386,249)
\$ -	\$ -	\$ (194,527)	\$ (194,527)

County of Rockland, New York

Road Machinery Fund
Comparative Balance Sheets
December 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
Accounts receivable	\$ 1,297	\$ -
Due from other funds	737,891	753,776
Prepaid expenditures	<u>29,490</u>	<u>27,100</u>
Total Assets	<u><u>\$ 768,678</u></u>	<u><u>\$ 780,876</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 77,663	\$ 73,683
Accrued liabilities	<u>41,352</u>	<u>38,120</u>
Total Liabilities	<u>119,015</u>	<u>111,803</u>
Fund balance		
Nonspendable	29,490	27,100
Assigned	<u>620,173</u>	<u>641,973</u>
Total Fund Balance	<u>649,663</u>	<u>669,073</u>
Total Liabilities and Fund Balance	<u><u>\$ 768,678</u></u>	<u><u>\$ 780,876</u></u>

County of Rockland, New York

Road Machinery Fund
 Comparative Schedules of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Years Ended December 31,

	2017			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Departmental income	\$ 2,500	\$ 2,500	\$ 4,141	\$ 1,641
Sale of property and compensation for loss	110,000	110,000	-	(110,000)
Miscellaneous	7,000	7,000	1,297	(5,703)
Total Revenues	119,500	119,500	5,438	(114,062)
EXPENDITURES				
Current				
Transportation	1,673,253	1,673,253	1,576,808	96,445
Deficiency of Revenues Over Expenditures	(1,553,753)	(1,553,753)	(1,571,370)	(17,617)
OTHER FINANCING SOURCES				
Transfers in	1,551,910	1,551,910	1,551,960	50
Net Change in Fund Balance	(1,843)	(1,843)	(19,410)	(17,567)
FUND BALANCE				
Beginning of Year	1,843	1,843	669,073	667,230
End of Year	\$ -	\$ -	\$ 649,663	\$ 649,663

2016

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 2,200	\$ 2,200	\$ 3,989	\$ 1,789
45,000	45,000	47,261	2,261
6,100	6,100	-	(6,100)
53,300	53,300	51,250	(2,050)
<u>1,611,545</u>	<u>1,612,670</u>	<u>1,536,701</u>	<u>75,969</u>
(1,558,245)	(1,559,370)	(1,485,451)	73,919
<u>1,549,265</u>	<u>1,550,390</u>	<u>1,549,200</u>	<u>(1,190)</u>
(8,980)	(8,980)	63,749	72,729
<u>8,980</u>	<u>8,980</u>	<u>605,324</u>	<u>596,344</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 669,073</u>	<u>\$ 669,073</u>

County of Rockland, New YorkCommunity Development Fund
Comparative Balance Sheets
December 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	\$ 1,324,283	\$ 1,506,076
Receivables		
Loans	417,161	398,283
State and Federal aid	503,199	903,821
Due from other funds	17,254	-
	<u>937,614</u>	<u>1,302,104</u>
Total Assets	<u>\$ 2,261,897</u>	<u>\$ 2,808,180</u>
LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	\$ 769,944	\$ -
Due to other funds	-	905,469
Unearned revenues	1,504,973	1,951,463
Total Liabilities	<u>2,274,917</u>	<u>2,856,932</u>
Fund Deficit		
Unassigned	<u>(13,020)</u>	<u>(48,752)</u>
Total Fund Deficits	<u>(13,020)</u>	<u>(48,752)</u>
Total Liabilities and Fund Deficits	<u>\$ 2,261,897</u>	<u>\$ 2,808,180</u>

County of Rockland, New YorkCommunity Development Fund
Comparative Schedules of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Years Ended December 31,

	2017			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ -	\$ -	\$ 389,086	\$ 389,086
Federal aid	-	12,433,549	3,478,178	(8,955,371)
Miscellaneous	-	-	3,275	3,275
Total Revenues	-	12,433,549	3,870,539	(8,563,010)
EXPENDITURES				
Current				
Economic opportunity and development	-	12,433,549	3,083,843	9,349,706
Debt service				
Principal	-	-	533,000	(533,000)
Interest	-	-	217,964	(217,964)
Total Expenditures	-	12,433,549	3,834,807	8,598,742
Excess of Revenues Over Expenditures	-	-	35,732	35,732
FUND BALANCE				
Beginning of Year	-	-	(48,752)	(48,752)
End of Year	\$ -	\$ -	\$ (13,020)	\$ (13,020)

2016

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ 2,527,835	\$ 2,527,835
-	19,818,695	1,164,164	(18,654,531)
-	-	8,854	8,854
-	19,818,695	3,700,853	(16,117,842)
-	19,818,695	2,839,453	16,979,242
-	-	664,000	(664,000)
-	-	246,152	(246,152)
-	19,818,695	3,749,605	16,069,090
-	-	(48,752)	(48,752)
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (48,752)</u>	<u>\$ (48,752)</u>

County of Rockland, New York

Sewer District Fund
Comparative Balance Sheets
December 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	\$ 25,706,919	\$ 24,341,667
Receivables		
Accounts	704,840	465,368
Due from other funds	<u>725,549</u>	<u>916,152</u>
	<u>1,430,389</u>	<u>1,381,520</u>
Prepaid expenditures	<u>338,310</u>	<u>293,100</u>
Total Assets	<u>\$ 27,475,618</u>	<u>\$ 26,016,287</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,233,961	\$ 1,041,086
Accrued liabilities	<u>459,390</u>	<u>504,803</u>
Total Liabilities	<u>1,693,351</u>	<u>1,545,889</u>
Fund balance		
Nonspendable	338,310	293,100
Committed	1,560,191	2,033,291
Assigned	<u>23,883,766</u>	<u>22,144,007</u>
Total Fund Balance	<u>25,782,267</u>	<u>24,470,398</u>
Total Liabilities and Fund Balance	<u>\$ 27,475,618</u>	<u>\$ 26,016,287</u>

County of Rockland, New York

Sewer District Fund
 Comparative Schedules of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Years Ended December 31,

	2017			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 12,412,985	\$ 12,412,985	\$ 12,557,154	\$ 144,169
Other tax items	-	-	656,900	656,900
Departmental income	23,160,870	23,160,870	24,134,603	973,733
Use of money and property	115,000	115,000	160,137	45,137
Licenses and permits	2,000	2,000	750	(1,250)
Fines and forfeitures	-	-	20,654	20,654
Sales of property	-	-	9,798	9,798
Interfund revenues	-	-	77,919	77,919
Miscellaneous	2,094,160	5,332,556	78,542	(5,254,014)
Total Revenues	37,785,015	41,023,411	37,696,457	(3,326,954)
EXPENDITURES				
Current				
Home and community services	22,231,794	25,470,190	19,327,757	6,142,433
Employee benefits	4,737,465	4,737,465	4,727,755	9,710
Debt service				
Interest	353,000	353,000	-	353,000
Total Expenditures	27,322,259	30,560,655	24,055,512	6,505,143
Excess (Deficiency) of Revenues Over Expenditures	10,462,756	10,462,756	13,640,945	3,178,189
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(12,321,060)	(12,321,060)	(12,329,076)	(8,016)
Total Other Financing Uses	(12,321,060)	(12,321,060)	(12,329,076)	(8,016)
Net Change in Fund Balance	(1,858,304)	(1,858,304)	1,311,869	3,170,173
FUND BALANCE				
Beginning of Year	1,858,304	1,858,304	24,470,398	22,612,094
End of Year	\$ -	\$ -	\$ 25,782,267	\$ 25,782,267

2016

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 12,412,985	\$ 12,412,985	\$ 12,534,262	\$ 121,277
-	-	430,092	430,092
25,198,195	25,198,195	25,864,664	666,469
130,000	130,000	112,190	(17,810)
3,000	3,000	1,875	(1,125)
-	-	10,845	10,845
-	-	22,887	22,887
-	-	52,724	52,724
954,760	1,041,190	14,150	(1,027,040)
<u>38,698,940</u>	<u>38,785,370</u>	<u>39,043,689</u>	<u>258,319</u>
22,994,867	23,075,157	18,098,200	4,976,957
4,524,740	4,530,880	4,614,534	(83,654)
333,000	333,000	53,067	279,933
<u>27,852,607</u>	<u>27,939,037</u>	<u>22,765,801</u>	<u>5,173,236</u>
10,846,333	10,846,333	16,277,888	5,431,555
63,000	63,000	63,500	500
(12,968,000)	(12,968,000)	(12,658,131)	309,869
(12,905,000)	(12,905,000)	(12,594,631)	310,369
(2,058,667)	(2,058,667)	3,683,257	5,741,924
2,058,667	2,058,667	20,787,141	18,728,474
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,470,398</u>	<u>\$ 24,470,398</u>

County of Rockland, New York

Special Purpose Fund
Comparative Balance Sheets
December 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	<u>\$ 24,015</u>	<u>\$ 23,908</u>
FUND BALANCE		
Restricted	<u>\$ 24,015</u>	<u>\$ 23,908</u>

County of Rockland, New York

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

	<u>2017</u>	<u>2016</u>
REVENUES		
Use of money and property	\$ 107	\$ 56
EXPENDITURES		
Current		
Economic opportunity and development	<u>-</u>	<u>2,792</u>
Excess (Deficiency) of Revenues Over Expenditures	107	(2,736)
FUND BALANCE		
Beginning of Year	<u>23,908</u>	<u>26,644</u>
End of Year	<u>\$ 24,015</u>	<u>\$ 23,908</u>

County of Rockland, New York

Debt Service Fund
Comparative Balance Sheets
December 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	\$ 12,694,176	\$ 7,831,830
Receivables		
Accounts	800,000	800,000
State and Federal aid	82,353	4,658,205
Due from other funds	127,884	117,122
	<u>1,010,237</u>	<u>5,575,327</u>
Total Assets	<u>\$ 13,704,413</u>	<u>\$ 13,407,157</u>
LIABILITIES AND FUND BALANCE		
Fund balance		
Restricted	\$ 11,058,413	\$ 9,731,157
Assigned	<u>2,646,000</u>	<u>3,676,000</u>
Total Fund Balance	<u>13,704,413</u>	<u>13,407,157</u>
Total Liabilities and Fund Balance	<u>\$ 13,704,413</u>	<u>\$ 13,407,157</u>

County of Rockland, New York

Debt Service Fund
 Comparative Schedules of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Years Ended December 31,

	2017			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ -	\$ -	\$ 411,418	\$ 411,418
State aid	-	-	1,747,251	1,747,251
Federal aid	-	-	1,814,586	1,814,586
Miscellaneous	-	-	-	-
Total Revenues	-	-	3,973,255	3,973,255
EXPENDITURES				
Debt service				
Serial bonds				
Principal	43,358,530	43,358,530	45,759,248	(2,400,718)
Interest	16,628,036	16,628,036	17,002,702	(374,666)
Refunding bond issuance cost	-	-	-	-
Bond issuance cost	-	-	-	-
New York State Power Authority				
Principal	409,610	409,610	409,610	-
Interest	11,474	11,474	11,474	-
Total Expenditures	60,407,650	60,407,650	63,183,034	(2,775,384)
Deficiency of Revenues Over Expenditures	(60,407,650)	(60,407,650)	(59,209,779)	1,197,871
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Issuance premium	-	-	-	-
Transfers in	60,407,650	60,407,650	63,183,035	2,775,385
Transfers out	(3,676,000)	(3,676,000)	(3,676,000)	-
Total Other Financing Sources	56,731,650	56,731,650	59,507,035	2,775,385
Net Change in Fund Balance	(3,676,000)	(3,676,000)	297,256	3,973,256
FUND BALANCE				
Beginning of Year	3,676,000	3,676,000	13,407,157	9,731,157
End of Year	\$ -	\$ -	\$ 13,704,413	\$ 13,704,413

2016

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ 212,560	\$ 212,560
-	-	1,980,303	1,980,303
-	-	6,163,261	6,163,261
-	-	816,000	816,000
-	-	9,172,124	9,172,124
46,660,000	46,660,000	49,019,714	(2,359,714)
18,505,000	18,505,000	17,487,601	1,017,399
-	26,130,000	411,291	25,718,709
-	3,319,064	380,146	2,938,918
-	-	-	-
-	-	-	-
65,165,000	94,614,064	67,298,752	27,315,312
(65,165,000)	(94,614,064)	(58,126,628)	36,487,436
-	26,130,000	26,130,000	-
-	-	(28,657,627)	(28,657,627)
-	3,319,064	3,319,064	-
65,228,500	65,228,500	66,815,199	1,586,699
(5,186,500)	(5,186,500)	(5,186,500)	-
60,042,000	89,491,064	62,420,136	(27,070,928)
(5,123,000)	(5,123,000)	4,293,508	9,416,508
5,123,000	5,123,000	9,113,649	3,990,649
\$ -	\$ -	\$ 13,407,157	\$ 13,407,157

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 was 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. As of December 31, 2015, the Hospital had ceased operations and the only operations within the Fund in 2016 consisted of the operation of certain mental health units. In 2016, the County determined the Fund was no longer operating as an enterprise fund as the remaining activities within the Fund were no longer being operated similar to a private business enterprise where the intent of the governing body is to finance or recover costs or providing goods and services to the general public on a continuing basis through user charges. Therefore, activity within the Fund is now reported within the General Fund.
- **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 Statements of Revenues, Expenses and
Changes in Net Position
Years Ended December 31,

	<u>2017</u>	<u>2016</u>
OPERATING REVENUES	<u>\$ -</u>	<u>\$ -</u>
OPERATING EXPENSES	<u>-</u>	<u>-</u>
Income from Operations	-	-
Transfers in	<u>-</u>	<u>103,887,849</u>
NET POSITION (DEFICIT)		
Beginning of Year	<u>-</u>	<u>(103,887,849)</u>
End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

County of Rockland, New York

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

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Payments to County of Rockland	\$ -	\$ (5,713,000)
Net Change in Cash and Equivalents	-	(5,713,000)
CASH AND CASH EQUIVALENTS		
Beginning of Year	<u>-</u>	<u>5,713,000</u>
End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

County of Rockland, New York

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

	2017	2016
ASSETS		
Current assets		
Cash and cash equivalents	\$ 5,658,135	\$ 6,472,459
Accounts receivable	3,045,639	2,780,876
Prepaid expenses	21,352	21,352
	<hr/>	<hr/>
Total Current Assets	8,725,126	9,274,687
	<hr/>	<hr/>
Total Assets	8,725,126	9,274,687
LIABILITIES		
Current liabilities		
Accounts payable	1,250	1,250
Accrued liabilities	698,177	733,062
Due to other funds	-	100,000
	<hr/>	<hr/>
Total Current Liabilities	699,427	834,312
Noncurrent liabilities		
Due in more than one year	87,988,012	86,067,747
	<hr/>	<hr/>
Total Liabilities	88,687,439	86,902,059
NET POSITION (DEFICIT)		
Unrestricted	<u>\$ (79,962,313)</u>	<u>\$ (77,627,372)</u>

County of Rockland, New York

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

	2017	2016
OPERATING REVENUES		
Tobacco settlement revenues	\$ 2,951,552	\$ 3,105,849
Other operating revenues	12,031	23,860
Total Operating Revenues	<u>2,963,583</u>	<u>3,129,709</u>
OPERATING EXPENSES		
Professional fees	27,900	27,627
Directors' fees	13,000	13,000
Insurance	23,293	23,293
Total Operating Expenses	<u>64,193</u>	<u>63,920</u>
Income from Operations	<u>2,899,390</u>	<u>3,065,789</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest income	270,881	230,376
Interest on indebtedness	(5,505,212)	(6,059,518)
Total Non-Operating Expenses	<u>(5,234,331)</u>	<u>(5,829,142)</u>
Income (Loss) Before Transfers	(2,334,941)	(2,763,353)
Transfers out	-	(100,000)
Change in Net Position	(2,334,941)	(2,863,353)
NET POSITION (DEFICIT)		
Beginning of Year	<u>(77,627,372)</u>	<u>(74,764,019)</u>
End of Year	<u>\$ (79,962,313)</u>	<u>\$ (77,627,372)</u>

County of Rockland, New York

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

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from tobacco settlement revenues	\$ 2,702,405	\$ 6,168,244
Cash payments to vendors	(64,193)	(66,670)
Net Cash from Operating Activities	<u>2,638,212</u>	<u>6,101,574</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Retirement of long-term debt	(1,665,000)	(2,465,000)
Transfers out	(100,000)	(200,000)
Interest on indebtedness	(1,954,832)	(2,090,406)
Net Cash from Non-Capital Financing Activities	<u>(3,719,832)</u>	<u>(4,755,406)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	267,296	221,800
Net Cash from Investing Activities	<u>267,296</u>	<u>221,800</u>
Net Change in Cash and Equivalents	(814,324)	1,567,968
CASH AND CASH EQUIVALENTS		
Beginning of Year	6,472,459	4,904,491
End of Year	<u>\$ 5,658,135</u>	<u>\$ 6,472,459</u>
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income from operations	\$ 2,899,390	\$ 3,065,789
Adjustments to reconcile income from operations to net cash from operating activities		
Changes in assets and liabilities		
Accounts receivable	(261,178)	3,038,535
Accounts payable	-	(2,750)
Net Cash from Operating Activities	<u>\$ 2,638,212</u>	<u>\$ 6,101,574</u>

County of Rockland, New York

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

	<u>2017</u>	<u>2016</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 813,503	\$ 861,885
Accounts receivable	749,613	684,319
	<u>1,563,116</u>	<u>1,546,204</u>
Total Assets		
LIABILITIES		
Current liabilities		
Accounts payable	1,250	1,250
Accrued liabilities	15,775	18,025
Due to other funds	-	50,000
	<u>17,025</u>	<u>69,275</u>
Total Current Liabilities		
Noncurrent liabilities		
Tobacco Settlement Bonds, net	<u>2,878,942</u>	<u>3,318,324</u>
	<u>2,895,967</u>	<u>3,387,599</u>
Total Liabilities		
NET POSITION (DEFICIT)		
Unrestricted	<u>\$ (1,332,851)</u>	<u>\$ (1,841,395)</u>

County of Rockland, New York

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

	2017	2016
OPERATING REVENUES		
Tobacco settlement revenues	\$ 737,888	\$ 781,393
Other operating revenues	371	736
Total Operating Revenues	<u>738,259</u>	<u>782,129</u>
OPERATING EXPENSES		
Professional fees	29,868	19,960
Directors' fees	13,000	13,000
Total Operating Expenses	<u>42,868</u>	<u>32,960</u>
Income from Operations	<u>695,391</u>	<u>749,169</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest income	24,321	46,180
Interest on indebtedness	(211,168)	(257,126)
Total Non-Operating Expenses	<u>(186,847)</u>	<u>(210,946)</u>
Income Before Transfers	508,544	538,223
Transfers out	-	(50,000)
Change in Net Position	508,544	488,223
NET POSITION (DEFICIT)		
Beginning of Year	<u>(1,841,395)</u>	<u>(2,329,618)</u>
End of Year	<u>\$ (1,332,851)</u>	<u>\$ (1,841,395)</u>

County of Rockland, New York

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

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from tobacco settlement revenues	\$ 672,594	\$ 1,536,096
Other operating revenues	371	736
Cash payments to directors	(13,000)	(14,250)
Cash payments to vendors	(29,868)	(19,960)
Net Cash from Operating Activities	<u>630,097</u>	<u>1,502,622</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Retirement of long-term debt	(450,000)	(1,220,000)
Transfers out	(50,000)	(100,000)
Interest on indebtedness	(202,800)	(252,550)
Net Cash from Non-Capital Financing Activities	<u>(702,800)</u>	<u>(1,572,550)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	24,321	34,455
Net Change in Cash and Equivalents	(48,382)	(35,473)
CASH AND CASH EQUIVALENTS		
Beginning of Year	861,885	897,358
End of Year	<u>\$ 813,503</u>	<u>\$ 861,885</u>
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income from operations	\$ 695,391	\$ 749,169
Adjustments to reconcile income from operations to net cash from operating activities		
Changes in assets and liabilities		
Accounts receivable	(65,294)	754,703
Accounts payable	-	(1,250)
Net Cash from Operating Activities	<u>\$ 630,097</u>	<u>\$ 1,502,622</u>

County of Rockland, New York

Proprietary Fund - Enterprise Fund
Rockland County Health Facilities Corporation
Comparative Statements of Net Position
December 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 12,578	\$ 17,358
Funds held in escrow	3,773,546	3,766,007
Due from other funds	<u>102,794</u>	<u>66,130</u>
Total Assets	<u>3,888,918</u>	<u>3,849,495</u>
LIABILITIES		
Accounts payable	111,656	79,772
Accrued liabilities	3,750,000	3,750,000
Deposit	<u>-</u>	<u>-</u>
Total Liabilities	<u>3,861,656</u>	<u>3,829,772</u>
NET POSITION		
Unrestricted	<u>\$ 27,262</u>	<u>\$ 19,723</u>

County of Rockland, New York

Proprietary Fund - Enterprise Fund
Rockland County Health Facilities Corporation
Comparative Statements of Revenues, Expenses and
Changes in Net Position
Years Ended December 31,

	<u>2017</u>	<u>2016</u>
OPERATING REVENUES		
Interest earned	\$ 7,539	\$ 7,529
Other	<u>155,966</u>	<u>120,040</u>
Total Operating Revenues	<u>163,505</u>	<u>127,569</u>
OPERATING EXPENSES		
Appropriations received from County of Rockland	44,310	53,910
Amount to be appropriated by the County	111,656	66,130
Administrative expense	<u>-</u>	<u>13,996</u>
Total Operating Expenses	<u>155,966</u>	<u>134,036</u>
Income (Loss) from Operations	<u>7,539</u>	<u>(6,467)</u>
NET POSITION		
Beginning of Year	<u>19,723</u>	<u>26,190</u>
End of Year	<u><u>\$ 27,262</u></u>	<u><u>\$ 19,723</u></u>

County of Rockland, New York

Proprietary Fund - Enterprise Fund
Rockland County Health Facilities Corporation
Comparative Statements of Cash Flows
Years Ended December 31,

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Other receipts	\$ 124,082	\$ 117,912
Cash payments to vendors	<u>(128,862)</u>	<u>(118,475)</u>
Net Change in Cash and Equivalents	(4,780)	(563)
CASH AND CASH EQUIVALENTS		
Beginning of Year	<u>17,358</u>	<u>17,921</u>
End of Year	<u><u>\$ 12,578</u></u>	<u><u>\$ 17,358</u></u>
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income (loss) from operations	\$ 7,539	\$ (6,467)
Adjustments to reconcile income from operations to net cash from operating activities		
Transfer to escrow	(7,539)	(7,524)
Changes in assets and liabilities		
Due from other funds	(36,664)	(2,133)
Accounts payable	31,884	15,561
Accrued liabilities	-	-
Deposit	<u>-</u>	<u>-</u>
Net Cash from Operating Activities	<u><u>\$ (4,780)</u></u>	<u><u>\$ (563)</u></u>

**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 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, 2017
 (With Comparative Totals for 2016)

	Workers' Compensation Benefits	General Services	Totals	
			2017	2016
ASSETS				
Cash and cash equivalents	\$ 408,722	\$ 3,793,361	\$ 4,202,083	\$ 5,829,867
Receivables				
Accounts	-	89,555	89,555	143,857
State and Federal aid	-	452,155	452,155	435,019
Due from other funds	-	3,091,358	3,091,358	4,405,716
	-	3,633,068	3,633,068	4,984,592
Inventories	-	98,802	98,802	111,724
Prepaid expenses	4,790	701,445	706,235	654,160
Total Current Assets	413,512	8,226,676	8,640,188	11,580,343
Capital assets				
Not being depreciated	-	1,287,530	1,287,530	189,496
Being depreciated, net	-	65,187	65,187	455,313
Total Assets	413,512	9,579,393	9,992,905	12,225,152
DEFERRED OUTFLOWS OF RESOURCES	-	2,366,663	2,366,663	4,770,639
LIABILITIES				
Current liabilities				
Accounts payable	140,858	720,536	861,394	1,112,154
Accrued liabilities	6,301	1,002,439	1,008,740	1,051,121
Due to other funds	23,992	-	23,992	30,781
Total Current Liabilities	171,151	1,722,975	1,894,126	2,194,056
Noncurrent liabilities				
Due within one year	2,161,796	854,968	3,016,764	3,196,594
Due in more than one year	19,607,522	34,916,959	54,524,481	55,444,259
Total Noncurrent Liabilities	21,769,318	35,771,927	57,541,245	58,640,853
Total Liabilities	21,940,469	37,494,902	59,435,371	60,834,909
DEFERRED INFLOWS OF RESOURCES	-	588,861	588,861	669,443
NET POSITION (DEFICIT)				
Net investment in capital assets	-	(4,461,360)	(4,461,360)	(6,080,976)
Unrestricted	(21,526,957)	(21,676,347)	(43,203,304)	(38,427,585)
Total Net Position	\$ (21,526,957)	\$ (26,137,707)	\$ (47,664,664)	\$ (44,508,561)

County of Rockland, New York

Proprietary Funds - Internal Service Funds
 Combining Statement of Revenues, Expenses and Changes
 in Net Position
 Year Ended December 31, 2017
 (With Comparative Totals for 2016)

	Workers' Compensation Benefits	General Services	Totals	
			2017	2016
OPERATING REVENUES				
Charges for services	\$ 4,199,960	\$ 23,485,525	\$ 27,685,485	\$ 31,739,962
State aid	-	602,299	602,299	547,962
Total Operating Revenues	<u>4,199,960</u>	<u>24,087,824</u>	<u>28,287,784</u>	<u>32,287,924</u>
OPERATING EXPENSES				
Administrative and general expenses	1,341,849	-	1,341,849	449,708
Salaries and wage expenses	169,921	8,625,891	8,795,812	9,813,142
Employee benefits	4,336,138	7,639,339	11,975,477	8,934,145
Judgments and claims	-	-	-	1,946,204
Supplies and other expenses	-	8,788,121	8,788,121	8,719,090
Depreciation	-	390,151	390,151	738,792
Total Operating Expenses	<u>5,847,908</u>	<u>25,443,502</u>	<u>31,291,410</u>	<u>30,601,081</u>
Loss From Operations	<u>(1,647,948)</u>	<u>(1,355,678)</u>	<u>(3,003,626)</u>	<u>1,686,843</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest income	1,392	-	1,392	3,739
Interest on indebtedness	-	(153,869)	(153,869)	(88,414)
Total Non-Operating Revenues (Expenses)	<u>1,392</u>	<u>(153,869)</u>	<u>(152,477)</u>	<u>(84,675)</u>
Transfers out	-	-	-	(127,881)
Change in Net Position	<u>(1,646,556)</u>	<u>(1,509,547)</u>	<u>(3,156,103)</u>	<u>1,474,287</u>
NET POSITION (DEFICIT)				
Beginning of Year	<u>(19,880,401)</u>	<u>(24,628,160)</u>	<u>(44,508,561)</u>	<u>(45,982,848)</u>
End of Year	<u>\$ (21,526,957)</u>	<u>\$ (26,137,707)</u>	<u>\$ (47,664,664)</u>	<u>\$ (44,508,561)</u>

County of Rockland, New York

Proprietary Funds - Internal Service Funds
 Combining Statement of Cash Flows
 Year Ended December 31, 2017
 (With Comparative Totals for 2016)

	Workers' Compensation Benefits	General Services	Totals	
			2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from charges for services	\$ 4,193,171	\$ 24,854,185	\$ 29,047,356	\$ 36,260,369
Cash received from State and Federal aid	-	585,163	585,163	551,714
Cash payments to insurance carriers and claimants	(4,780,057)	-	(4,780,057)	(12,454,514)
Cash payments to employees	(162,871)	(7,361,957)	(7,524,828)	(8,128,535)
Cash payments to vendors	-	(16,793,174)	(16,793,174)	(19,052,621)
Net Cash from Operating Activities	(749,757)	1,284,217	534,460	(2,823,587)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from long-term debt	-	-	-	4,700,000
Retirement of long-term debt	-	(911,708)	(911,708)	(884,506)
Interest on indebtedness	-	(153,869)	(153,869)	(88,414)
Acquisition and construction of capital assets	-	(1,098,059)	(1,098,059)	(189,496)
Net Cash from Capital and Related Financing Activities	-	(2,163,636)	(2,163,636)	3,537,584
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	1,392	-	1,392	3,739
Net Change in Cash and Cash Equivalents	(748,365)	(879,419)	(1,627,784)	717,736
CASH AND CASH EQUIVALENTS				
Beginning of Year	1,157,087	4,672,780	5,829,867	5,112,131
End of Year	\$ 408,722	\$ 3,793,361	\$ 4,202,083	\$ 5,829,867
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES				
Income (Loss) from operations	\$ (1,647,948)	\$ (1,355,678)	\$ (3,003,626)	\$ 1,686,843
Adjustments to reconcile loss from operations to net cash from operating activities				
Depreciation	-	390,151	390,151	802,645
Changes in operating assets and liabilities				
Accounts receivable	-	54,302	54,302	(40,432)
State and Federal aid receivable	-	(17,136)	(17,136)	3,752
Due from other governments	-	-	-	157,908
Due from other funds	-	1,314,358	1,314,358	4,339,078
Inventories	-	12,922	12,922	(16,656)
Prepaid expenses	(290)	(51,785)	(52,075)	(482,785)
Accounts payable	626	(251,386)	(250,760)	469,865
Accrued liabilities	(1)	(42,380)	(42,381)	(1,883,009)
Due to other funds	(6,789)	-	(6,789)	12,376
Claims payable	897,304	-	897,304	(11,897,339)
Compensated absences	(6,091)	(278,704)	(284,795)	89,848
Net pension liability	-	(63,625)	(63,625)	1,597,880
Other post employment benefit obligations payable	13,432	1,573,178	1,586,610	2,336,439
Net Cash from Operating Activities	\$ (749,757)	\$ 1,284,217	\$ 534,460	\$ (2,823,587)

County of Rockland, New York

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

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	\$ 408,722	\$ 1,157,087
Prepaid expenses	<u>4,790</u>	<u>4,500</u>
 Total Assets	 <u>413,512</u>	 <u>1,161,587</u>
 LIABILITIES		
Current liabilities		
Accounts payable	140,858	140,232
Accrued liabilities	6,301	6,302
Due to other funds	<u>23,992</u>	<u>30,781</u>
 Total Current Liabilities	 <u>171,151</u>	 <u>177,315</u>
Noncurrent liabilities		
Due within one year	2,161,796	2,078,157
Due in more than one year	<u>19,607,522</u>	<u>18,786,516</u>
 Total Noncurrent Liabilities	 <u>21,769,318</u>	 <u>20,864,673</u>
 Total Liabilities	 <u>21,940,469</u>	 <u>21,041,988</u>
 NET POSITION (DEFICIT)		
Unrestricted	 <u>\$ (21,526,957)</u>	 <u>\$ (19,880,401)</u>

County of Rockland, New York

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

	<u>2017</u>	<u>2016</u>
OPERATING REVENUES		
Charges for services	\$ 4,199,960	\$ 4,284,000
OPERATING EXPENSES		
Administrative and general expenses	1,341,849	449,708
Salaries and wage expenses	169,921	179,168
Employee benefits	4,336,138	(1,857,124)
Total Operating Expenses	<u>5,847,908</u>	<u>(1,228,248)</u>
Loss From Operations	(1,647,948)	5,512,248
NON-OPERATING REVENUES		
Interest income	<u>1,392</u>	<u>2,810</u>
Change in Net Position	(1,646,556)	5,515,058
NET POSITION (DEFICIT)		
Beginning of Year	<u>(19,880,401)</u>	<u>(25,395,459)</u>
End of Year	<u>\$ (21,526,957)</u>	<u>\$ (19,880,401)</u>

County of Rockland, New York

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

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services	\$ 4,193,171	\$ 4,347,853
Cash payments to insurance carriers and claimants	(4,780,057)	(5,799,209)
Cash payments to employees	<u>(162,871)</u>	<u>(179,168)</u>
Net Cash from Operating Activities	<u>(749,757)</u>	<u>(1,630,524)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>1,392</u>	<u>2,810</u>
Net Change in Cash and Cash Equivalents	(748,365)	(1,627,714)
CASH AND CASH EQUIVALENTS		
Beginning of Year	<u>1,157,087</u>	<u>2,784,801</u>
End of Year	<u>\$ 408,722</u>	<u>\$ 1,157,087</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income (Loss) from operations	\$ (1,647,948)	\$ 5,512,248
Adjustments to reconcile loss from operations to net cash from operating activities		
Changes in assets and liabilities		
Accounts receivable	-	63,853
Prepaid expenses	(290)	(4,500)
Accounts payable	626	1,629
Accrued liabilities	(1)	(14,942)
Due to other funds	(6,789)	12,376
Claims payable	897,304	(7,225,738)
Compensated absences	(6,091)	3,121
Other post employment benefit obligations payable	<u>13,432</u>	<u>21,429</u>
Net Cash from Operating Activities	<u>\$ (749,757)</u>	<u>\$ (1,630,524)</u>

County of Rockland, New York

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

	<u>2017</u>	<u>2016</u>
OPERATING REVENUES		
Charges for services	\$ -	\$ 1,945,275
OPERATING EXPENSES		
Judgments and claims	<u>-</u>	<u>1,946,204</u>
Loss From Operations	-	(929)
NON-OPERATING REVENUES		
Interest income	<u>-</u>	<u>929</u>
Change in Net Position	-	-
NET POSITION		
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 Statements of Cash Flows
Years Ended December 31,

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services	\$ -	\$ 4,327,246
Cash payments to insurance carriers and claimants	-	(6,655,305)
	<u>-</u>	<u>(2,328,059)</u>
Net Cash from Operating Activities	-	(2,328,059)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	-	929
	<u>-</u>	<u>929</u>
Net Change in Cash and Cash Equivalents	-	(2,327,130)
CASH AND CASH EQUIVALENTS		
Beginning of Year	-	2,327,130
	<u>-</u>	<u>2,327,130</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Loss from operations	\$ -	\$ (929)
Adjustments to reconcile loss from operations to net cash from operating activities		
Changes in assets and liabilities		
Due from other governments	-	157,908
Due from other funds	-	2,224,063
Accounts payable	-	(37,500)
Claims payable	-	(4,671,601)
	<u>-</u>	<u>(4,671,601)</u>
Net Cash from Operating Activities	<u>\$ -</u>	<u>\$ (2,328,059)</u>

County of Rockland, New York

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

	<u>2017</u>	<u>2016</u>
OPERATING REVENUES	<u>\$ -</u>	<u>\$ -</u>
OPERATING EXPENSES	<u>-</u>	<u>-</u>
Income from Operations	-	-
Transfers out	<u>-</u>	<u>(127,881)</u>
NET POSITION		
Beginning of Year	<u>-</u>	<u>127,881</u>
End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

County of Rockland, New YorkProprietary Fund - Internal Service Fund - General Services Fund
Comparative Statements of Net Position
December 31,

	2017	2016
ASSETS		
Cash and cash equivalents	\$ 3,793,361	\$ 4,672,780
Receivables		
Accounts	89,555	143,857
State and Federal aid	452,155	435,019
Due from other funds	3,091,358	4,405,716
	<u>3,633,068</u>	<u>4,984,592</u>
Inventories	<u>98,802</u>	<u>111,724</u>
Prepaid expenses	<u>701,445</u>	<u>649,660</u>
Total Current Assets	<u>8,226,676</u>	<u>10,418,756</u>
Capital assets		
Not being depreciated	1,287,530	189,496
Being depreciated, net	<u>65,187</u>	<u>455,313</u>
Total Assets	<u>9,579,393</u>	<u>11,063,565</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>2,366,663</u>	<u>4,770,639</u>
LIABILITIES		
Current liabilities		
Accounts payable	720,536	971,922
Accrued liabilities	<u>1,002,439</u>	<u>1,044,819</u>
Total Current Liabilities	<u>1,722,975</u>	<u>2,016,741</u>
Noncurrent liabilities		
Due within one year	854,968	1,118,437
Due in more than one year	<u>34,916,959</u>	<u>36,657,743</u>
Total Noncurrent Liabilities	<u>35,771,927</u>	<u>37,776,180</u>
Total Liabilities	<u>37,494,902</u>	<u>39,792,921</u>
DEFERRED INFLOWS OF RESOURCES	<u>588,861</u>	<u>669,443</u>
NET POSITION (DEFICIT)		
Net investment in capital assets	(4,461,360)	(6,080,976)
Unrestricted	<u>(21,676,347)</u>	<u>(18,547,184)</u>
Total Net Position (Deficit)	<u>\$ (26,137,707)</u>	<u>\$ (24,628,160)</u>

County of Rockland, New York

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

	<u>2017</u>	<u>2016</u>
OPERATING REVENUES		
Charges for services	\$ 23,485,525	\$ 25,510,687
State aid	602,299	547,962
 Total Operating Revenues	 <u>24,087,824</u>	 <u>26,058,649</u>
OPERATING EXPENSES		
Salaries and wage expenses	8,625,891	9,633,974
Employee benefits	7,639,339	10,791,269
Supplies and other expenses	8,788,121	8,719,090
Depreciation	390,151	738,792
 Total Operating Expenses	 <u>25,443,502</u>	 <u>29,883,125</u>
 Loss From Operations	 (1,355,678)	 (3,824,476)
NON-OPERATING EXPENSES		
Interest on indebtedness	(153,869)	(88,414)
 Change in Net Position	 <u>(1,509,547)</u>	 <u>(3,912,890)</u>
NET POSITION (DEFICIT)		
Beginning of Year	<u>(24,628,160)</u>	<u>(20,715,270)</u>
End of Year	<u>\$ (26,137,707)</u>	<u>\$ (24,628,160)</u>

County of Rockland, New York

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

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services	\$ 24,854,185	\$ 27,585,270
Cash received from State and Federal aid	585,163	551,714
Cash payments to employees	(7,361,957)	(7,949,367)
Cash payments to vendors	<u>(16,793,174)</u>	<u>(19,052,621)</u>
Net Cash From Operating Activities	<u>1,284,217</u>	<u>1,134,996</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from long-term debt	-	4,700,000
Retirement of long-term debt	(911,708)	(884,506)
Interest on indebtedness	(153,869)	(88,414)
Acquisition and construction of capital assets	<u>(1,098,059)</u>	<u>(189,496)</u>
Net Cash From Capital and Related Financing Activities	<u>(2,163,636)</u>	<u>3,537,584</u>
Net Change in Cash	(879,419)	4,672,580
CASH AND CASH EQUIVALENTS		
Beginning of Year	<u>4,672,780</u>	<u>200</u>
End of Year	<u>\$ 3,793,361</u>	<u>\$ 4,672,780</u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Loss from operations	\$ (1,355,678)	\$ (3,824,476)
Adjustments to reconcile loss from operations to net cash from operating activities		
Depreciation	390,151	738,792
Changes in assets and liabilities		
Accounts receivable	54,302	(40,432)
State and Federal aid receivable	(17,136)	3,752
Due from other funds	1,314,358	2,115,015
Inventories	12,922	(16,656)
Prepaid expenses	(51,785)	(478,285)
Accounts payable	(251,386)	505,736
Accrued liabilities	(42,380)	(1,868,067)
Compensated absences	(278,704)	86,727
Net pension liability	(63,625)	1,597,880
Other post employment benefit obligations payable	<u>1,573,178</u>	<u>2,315,010</u>
Net Cash from Operating Activities	<u>\$ 1,284,217</u>	<u>\$ 1,134,996</u>

FIDUCIARY FUNDS

AGENCY FUND

The Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the County in an agency capacity on behalf of others. The County's Agency Fund is primarily utilized to account for employee payroll deductions, deposits for welfare trusts and various taxes that are payable to other jurisdictions or individuals.

County of Rockland, New YorkFiduciary Funds - Agency Fund
Statement of Changes in Assets and Liabilities
Year Ended December 31, 2017

	Balance January 1, 2017	Increases	Decreases	Balance December 31, 2017
ASSETS				
Cash and equivalents	\$ 6,575,377	\$ 174,367,321	\$ 174,207,605	\$ 6,735,093
Accounts receivable	(37,629)	293,367,039	293,234,247	95,163
 Total Assets	 <u>\$ 6,537,748</u>	 <u>\$ 467,734,360</u>	 <u>\$ 467,441,852</u>	 <u>\$ 6,830,256</u>
 LIABILITIES				
Accounts payable	\$ 1,000	\$ 12,381,639	12,337,376	\$ 45,263
Employee payroll deductions	433,988	66,030,665	66,052,508	412,145
Deposits	3,983,049	3,118,340	3,082,738	4,018,651
Due to other governments	2,119,711	10,820,995	10,586,509	2,354,197
 Total Liabilities	 <u>\$ 6,537,748</u>	 <u>\$ 92,351,639</u>	 <u>\$ 92,059,131</u>	 <u>\$ 6,830,256</u>

STATISTICAL

SECTION

(Unaudited)

Financial Trends

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

Net Position by Component

Changes in Net Position

Fund Balances of Governmental Funds

Changes in Fund Balances of Governmental Funds

COUNTY OF ROCKLAND, NEW YORK

NET POSITION BY COMPONENT (Unaudited)
LAST TEN FISCAL YEARS

	2008	2009	2010	2011	2012
Governmental Activities					
Invested in Capital Assets,					
Net of Related Debt	\$ 405,279,887	\$ 413,765,675	\$ 401,818,749	\$ 394,449,480	\$ 406,255,827
Restricted	113,990,838	104,294,397	110,920,044	43,843,923	45,321,506
Unrestricted	<u>(163,971,651)</u>	<u>(194,874,505)</u>	<u>(246,969,186)</u>	<u>(253,469,660)</u>	<u>(309,810,964)</u>
Total Governmental Activities Net Position	<u>\$ 355,299,074</u>	<u>\$ 323,185,567</u>	<u>\$ 265,769,607</u>	<u>\$ 184,823,743</u>	<u>\$ 141,766,369</u>
Business-Type Activities					
Invested in Capital Assets,					
Net of Related Debt	\$ 11,068,096	\$ 10,662,786	\$ 10,070,880	\$ 9,351,936	\$ 8,473,692
Unrestricted	<u>(111,174,333)</u>	<u>(130,614,169)</u>	<u>(158,571,478)</u>	<u>(182,883,734)</u>	<u>(212,117,133)</u>
Total Business-Type Activities Net Position	<u>\$ (100,106,237)</u>	<u>\$ (119,951,383)</u>	<u>\$ (148,500,598)</u>	<u>\$ (173,531,798)</u>	<u>\$ (203,643,441)</u>
Primary Government					
Invested in Capital Assets					
Net of Related Debt	\$ 416,347,983	\$ 424,428,461	\$ 411,889,629	\$ 403,801,416	\$ 414,729,519
Restricted	113,990,838	104,294,397	110,920,044	43,843,923	45,321,506
Unrestricted	<u>(275,145,984)</u>	<u>(325,488,674)</u>	<u>(405,540,664)</u>	<u>(436,353,394)</u>	<u>(521,928,097)</u>
Total Primary Government Net Position	<u>\$ 255,192,837</u>	<u>\$ 203,234,184</u>	<u>\$ 117,269,009</u>	<u>\$ 11,291,945</u>	<u>\$ (61,877,072)</u>

(1) Reflects initial implementation of Governmental Accounting Standards Board Statement No. 68 "Accounting and Financial Reporting for Pensions"

2013	2014	2015(1)	2016	2017
\$ 399,882,283	\$ 393,644,006	\$ 403,356,345	\$ 329,875,330	\$ 243,556,051
49,940,089	51,569,863	27,323,793	22,238,145	26,421,331
<u>(348,423,940)</u>	<u>(376,463,542)</u>	<u>(434,616,391)</u>	<u>(474,913,178)</u>	<u>(379,130,799)</u>
<u>\$ 101,398,432</u>	<u>\$ 68,750,327</u>	<u>\$ (3,936,253)</u>	<u>\$ (122,799,703)</u>	<u>\$ (109,153,417)</u>
\$ 8,687,161	\$ 8,920,654	\$ 4,722,791	\$ -	\$ -
<u>(231,117,846)</u>	<u>(239,106,491)</u>	<u>(185,678,087)</u>	<u>(79,449,044)</u>	<u>(81,267,902)</u>
<u>\$ (222,430,685)</u>	<u>\$ (230,185,837)</u>	<u>\$ (180,955,296)</u>	<u>\$ (79,449,044)</u>	<u>\$ (81,267,902)</u>
\$ 408,569,444	\$ 402,564,660	\$ 408,079,136	\$ 329,875,330	\$ 243,556,051
49,940,089	51,569,863	27,323,793	22,238,145	26,421,331
<u>(579,541,786)</u>	<u>(615,570,033)</u>	<u>(620,294,478)</u>	<u>(554,362,222)</u>	<u>(460,398,701)</u>
<u>\$ (121,032,253)</u>	<u>\$ (161,435,510)</u>	<u>\$ (184,891,549)</u>	<u>\$ (202,248,747)</u>	<u>\$ (190,421,319)</u>

COUNTY OF ROCKLAND, NEW YORK

CHANGES IN NET POSITION (Unaudited)
LAST TEN FISCAL YEARS

	2008	2009	2010	2011	2012
Expenses					
Governmental Activities					
General government	\$ 67,293,698	\$ 65,817,442	\$ 65,578,858	\$ 66,978,200	\$ 75,339,999
Education	71,519,828	68,916,165	64,096,792	60,294,608	61,187,980
Public safety	70,103,143	70,550,166	78,884,977	82,354,581	80,067,023
Health	50,413,128	43,227,034	46,040,723	47,274,572	42,871,027
Transportation	55,737,309	52,323,652	55,073,427	53,254,863	51,440,827
Economic opportunity and development	174,367,673	180,334,640	182,610,808	181,264,332	180,315,323
Culture and recreation	939,766	896,680	973,087	1,185,479	790,039
Home and community services	35,782,255	34,575,699	35,091,249	38,698,119	30,494,470
Interest	13,400,239	14,110,025	13,768,045	15,746,647	17,284,497
Total Governmental Activities	539,557,039	530,751,503	542,117,966	547,051,401	539,791,185
Business-Type Activities					
Home and Infirmary Fund	115,135,691	108,938,933	112,706,758	104,940,810	101,631,745
Rockland Tobacco Asset Securitization Corporation	4,640,294	4,728,599	4,838,451	4,917,932	5,016,299
Rockland Second Tobacco Asset Securitization Corporation	501,105	482,028	477,562	449,743	429,710
Rockland County Health Facilities Corporation	-	-	-	-	-
	<u>120,277,090</u>	<u>114,149,560</u>	<u>118,022,771</u>	<u>110,308,485</u>	<u>107,077,754</u>
Total Primary Government Expenses	\$ 659,834,129	\$ 644,901,063	\$ 660,140,737	\$ 657,359,886	\$ 646,868,939
Program Revenues					
Governmental Activities					
Charges for Services					
General Government	\$ 12,961,766	\$ 16,075,012	\$ 8,049,813	\$ 10,638,502	\$ 12,812,341
Education	-	-	-	-	1,628,565
Public Safety	1,935,136	1,951,080	2,306,656	3,378,478	4,451,924
Health	4,091,463	4,010,535	4,279,322	2,943,275	2,636,827
Transportation	7,937,745	7,879,870	7,548,277	5,468,990	5,463,805
Economic opportunity and development	7,676,041	7,597,193	9,785,895	8,076,489	6,585,776
Home and Community Services	1,777,822	4,333,518	5,221,710	1,189,127	957,554
Operating Grants and Contributions	164,476,127	161,630,529	156,809,424	147,921,778	144,656,039
Capital Grants and Contributions	11,845,084	14,177,004	15,465,469	13,437,559	18,937,891
Total Governmental Activities	212,701,184	217,654,741	209,466,566	193,054,198	198,130,722
Business-type Activities					
Home and Infirmary Fund					
Charges for Services	106,029,852	89,041,990	87,266,807	81,357,297	73,658,002
Operating Grants and Contributions	4,896,669	-	-	-	-
Rockland Tobacco Asset Securitization Corporation					
Operating Grants and Contributions	3,818,692	4,234,771	3,377,533	3,385,346	3,014,014
Rockland Second Tobacco Asset Securitization Corporation					
Operating Grants and Contributions	917,374	1,027,653	829,216	792,968	744,095
Rockland County Health Facilities Corporation					
Charges for Services	-	-	-	-	-
Total Business-Type Activities	115,662,587	94,304,414	91,473,556	85,535,611	77,416,111
Total Primary Government Program Revenues	\$ 328,363,771	\$ 311,959,155	\$ 300,940,122	\$ 278,589,809	\$ 275,546,833

COUNTY OF ROCKLAND, NEW YORK

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (Continued)**

	2008	2009	2010	2011	2012
Net (Expense)/Revenue					
Governmental Activities	\$ (326,855,855)	\$ (313,096,762)	\$ (332,651,400)	\$ (353,997,203)	\$ (341,660,463)
Business-Type Activities	(4,614,503)	(19,845,146)	(26,549,215)	(24,772,874)	(29,661,643)
Total Primary Government Net Expense	<u>\$ (331,470,358)</u>	<u>\$ (332,941,908)</u>	<u>\$ (359,200,615)</u>	<u>\$ (378,770,077)</u>	<u>\$ (371,322,106)</u>
General Revenues					
Governmental Activities					
Taxes					
Real Property Taxes	\$ 71,646,043	\$ 87,696,519	\$ 92,768,618	\$ 89,684,666	\$ 111,274,889
Other Tax Items	7,125,096	8,326,783	4,941,267	8,984,061	9,500,343
Sales Tax	168,498,939	162,439,750	169,152,688	169,265,205	169,581,358
Mortgage Tax	5,115,544	3,951,076	3,537,937	3,470,281	3,480,654
E-911 surcharge	-	-	-	-	-
Hotel/Motel Tax	-	-	-	-	968,837
Residential Energy Use Tax	-	-	-	-	2,077,687
Motor Vehicle Use Tax	-	-	-	-	112,279
Unrestricted Use of Money and Property	3,285,209	504,419	1,207,909	183,172	110,267
Licenses and permits	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Sale of Property and					
Compensation for Loss	40,543	53,969	456,659	121,310	57,512
Miscellaneous	2,821,904	10,290,708	1,170,362	1,084,318	989,263
Gain on Sale of Property	-	-	-	-	-
Transfers	-	-	2,000,000	258,326	450,000
Total Governmental Activities	<u>258,533,278</u>	<u>273,263,224</u>	<u>275,235,440</u>	<u>273,051,339</u>	<u>298,603,089</u>
Business-type activities					
Real Property Taxes	-	-	-	-	-
Transfers	-	-	(2,000,000)	(258,326)	(450,000)
Total Business-Type Activities	<u>-</u>	<u>-</u>	<u>(2,000,000)</u>	<u>(258,326)</u>	<u>(450,000)</u>
Total Primary Government					
General Revenues	<u>\$ 258,533,278</u>	<u>\$ 273,263,224</u>	<u>\$ 273,235,440</u>	<u>\$ 272,793,013</u>	<u>\$ 298,153,089</u>
Change in Net Position					
Governmental Activities	\$ (68,322,577)	\$ (39,833,538)	\$ (57,415,960)	\$ (80,945,864)	\$ (43,057,374)
Business-Type Activities	(4,614,503)	(19,845,146)	(28,549,215)	(25,031,200)	(30,111,643)
Total Primary Government					
Change in Net Position	<u>\$ (72,937,080)</u>	<u>\$ (59,678,684)</u>	<u>\$ (85,965,175)</u>	<u>\$ (105,977,064)</u>	<u>\$ (73,169,017)</u>

(1) Reflects initial implementation of Governmental Accounting Standards Board Statement No. 68 "Accounting and Financial Reporting for Pensions"

	2013	2014	2015(1)	2016	2017
\$	82,857,557	\$ 77,839,214	\$ 80,792,042	\$ 100,787,584	\$ 89,872,406
	52,864,260	51,721,701	53,847,271	56,142,327	58,413,123
	84,798,097	77,170,283	75,595,088	92,396,592	85,761,711
	43,639,894	40,344,309	40,874,395	56,674,745	50,459,489
	51,611,960	50,904,715	51,626,951	59,415,474	51,900,294
	183,124,815	180,280,563	174,740,290	178,556,781	162,773,575
	912,444	913,144	709,525	1,069,966	752,070
	30,527,243	34,985,229	50,758,774	43,390,235	37,263,187
	17,885,215	18,469,266	18,228,712	17,939,810	16,719,029
	<u>548,221,485</u>	<u>532,628,424</u>	<u>547,173,048</u>	<u>606,373,514</u>	<u>553,914,884</u>
	91,199,289	83,560,915	79,597,912	-	-
	5,093,095	5,211,270	5,334,140	6,123,438	5,569,405
	404,125	370,008	354,797	290,086	254,036
	-	-	-	134,036	152,179
	<u>96,696,509</u>	<u>89,142,193</u>	<u>85,286,849</u>	<u>6,547,560</u>	<u>5,975,620</u>
\$	<u>644,917,994</u>	<u>621,770,617</u>	<u>632,459,897</u>	<u>612,921,074</u>	<u>559,890,504</u>
\$	12,820,733	\$ 11,695,975	\$ 12,535,866	\$ 13,586,109	\$ 14,020,496
	-	-	-	-	-
	4,472,553	4,302,156	4,592,496	1,841,464	1,770,588
	9,486,387	4,867,009	5,150,443	19,377,435	5,227,151
	5,345,408	5,131,667	5,252,383	8,135,384	8,015,052
	6,685,722	6,541,038	6,256,511	6,091,890	5,389,196
	719,333	972,469	918,756	25,890,982	24,163,621
	132,077,625	126,723,569	131,859,545	127,591,118	129,567,597
	9,810,850	13,541,036	14,090,985	18,968,235	7,172,124
	<u>181,418,611</u>	<u>173,774,919</u>	<u>180,656,985</u>	<u>221,482,617</u>	<u>195,325,825</u>
	61,277,422	67,685,420	62,431,545	-	-
	-	-	-	-	-
	3,428,387	4,020,290	5,750,776	3,360,085	3,234,464
	809,285	969,985	1,402,235	828,309	762,580
	-	586,889	417,940	127,569	159,718
	<u>65,515,094</u>	<u>73,262,584</u>	<u>70,002,496</u>	<u>4,315,963</u>	<u>4,156,762</u>
\$	<u>246,933,705</u>	<u>247,037,503</u>	<u>250,659,481</u>	<u>225,798,580</u>	<u>199,482,587</u>

(Continued)

	2013	2014	2015(1)	2016	2017
	\$ (366,802,874)	\$ (358,853,505)	\$ (366,516,063)	\$ (384,890,897)	\$ (358,589,059)
	(31,181,415)	(15,879,609)	(15,284,353)	(2,231,597)	(1,818,858)
	<u>\$ (397,984,289)</u>	<u>\$ (374,733,114)</u>	<u>\$ (381,800,416)</u>	<u>\$ (387,122,494)</u>	<u>\$ (360,407,917)</u>
\$	128,690,277	\$ 139,848,206	\$ 142,433,272	\$ 131,211,789	\$ 132,833,513
	10,788,365	11,395,607	13,048,472	12,745,729	13,197,289
	178,737,484	184,165,811	188,622,788	198,017,776	199,115,739
	4,446,008	3,433,302	4,396,527	5,197,772	5,199,083
	-	-	-	1,279,522	1,311,551
	1,199,830	1,331,881	1,412,392	1,502,377	1,486,320
	8,677,106	9,946,569	9,346,358	8,287,928	9,078,819
	1,665,480	1,697,495	1,760,305	1,763,321	1,801,887
	140,245	323,132	304,746	3,306,048	1,704,694
	-	-	-	1,664,002	1,845,288
	-	-	-	1,336,011	1,563,842
	63,834	174,238	68,792	308,362	92,893
	696,087	435,523	467,691	3,144,659	3,004,427
	4,655,287	-	-	-	-
	<u>(13,325,066)</u>	<u>(8,639,253)</u>	<u>(65,679,885)</u>	<u>(103,737,849)</u>	<u>-</u>
	326,434,937	344,112,511	296,181,458	266,027,447	372,235,345
	-	-	-	-	-
	<u>13,325,066</u>	<u>8,639,253</u>	<u>65,679,885</u>	<u>103,737,849</u>	<u>-</u>
	<u>13,325,066</u>	<u>8,639,253</u>	<u>65,679,885</u>	<u>103,737,849</u>	<u>-</u>
\$	<u>339,760,003</u>	<u>\$ 352,751,764</u>	<u>\$ 361,861,343</u>	<u>\$ 369,765,296</u>	<u>\$ 372,235,345</u>
\$	(40,367,937)	\$ (14,740,994)	\$ (70,334,605)	\$ (118,863,450)	\$ 13,646,286
	<u>(17,856,349)</u>	<u>(7,240,356)</u>	<u>50,395,532</u>	<u>101,506,252</u>	<u>(1,818,858)</u>
\$	<u>(58,224,286)</u>	<u>\$ (21,981,350)</u>	<u>\$ (19,939,073)</u>	<u>\$ (17,357,198)</u>	<u>\$ 11,827,428</u>

COUNTY OF ROCKLAND, NEW YORK

FUND BALANCES OF GOVERNMENTAL FUNDS (Unaudited)
LAST TEN FISCAL YEARS

	2008	2009	2010	2011(1)	2012
General Fund					
Nonspendable	\$ -	\$ -	\$ -	\$ 46,719,075	\$ 62,050,495
Restricted	-	-	-	16,617,145	15,815,039
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	(96,514,297)	(127,253,007)
Reserved	54,784,809	51,006,383	48,086,001	-	-
Unreserved	(31,526,746)	(38,732,135)	(52,040,793)	-	-
Total General Fund	\$ 23,258,063	\$ 12,274,248	\$ (3,954,792)	\$ (33,178,077)	\$ (49,387,473)
All Other Governmental Funds					
Nonspendable	\$ -	\$ -	\$ -	\$ 266,143	\$ -
Restricted	-	-	-	20,085,391	30,183,443
Committed	-	-	-	1,100,575	1,193,725
Assigned	-	-	-	28,200,207	26,313,606
Unassigned	-	-	-	-	-
Reserved	9,043,239	7,760,958	11,849,335	-	-
Unreserved, Reported In:					
Special Revenue Funds	13,926,044	17,038,024	21,876,806	-	-
Capital Projects Fund	51,547,862	7,660,442	3,459,152	-	-
Debt Service Fund	7,500,000	6,800,000	5,760,000	-	-
Total All Other Governmental Funds	\$ 82,017,145	\$ 39,259,424	\$ 42,945,293	\$ 49,652,316	\$ 57,690,774
Total Governmental Funds	\$ 105,275,208	\$ 51,533,672	\$ 38,990,501	\$ 16,474,239	\$ 8,303,301

(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.

	2013	2014	2015	2016	2017
\$	70,565,150	\$ 74,219,583	\$ 15,549,450	\$ 14,066,334	\$ 14,776,092
	17,437,659	16,807,128	10,669,056	7,689,546	6,283,811
	-	-	-	-	-
	-	-	-	-	5,485,610
	(138,114,028)	(29,910,383)	(16,115,498)	(4,032,449)	6,257,861
	-	-	-	-	-
	-	-	-	-	-
\$	<u>(50,111,219)</u>	<u>\$ 61,116,328</u>	<u>\$ 10,103,008</u>	<u>\$ 17,723,431</u>	<u>\$ 32,803,374</u>
\$	-	\$	\$	\$ 600,900	\$ 680,410
	37,199,852	61,456,633	92,552,496	91,005,348	73,564,799
	1,001,999	1,393,274	1,603,199	2,033,291	1,560,191
	33,041,171	39,748,742	25,930,847	28,636,885	29,442,694
	-	-	(361,038)	(475,227)	(13,020)
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
\$	<u>71,243,022</u>	<u>\$ 102,598,649</u>	<u>\$ 119,725,504</u>	<u>\$ 121,801,197</u>	<u>\$ 105,235,074</u>
\$	<u>21,131,803</u>	<u>\$ 163,714,977</u>	<u>\$ 129,828,512</u>	<u>\$ 139,524,628</u>	<u>\$ 138,038,448</u>

COUNTY OF ROCKLAND, NEW YORK

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (Unaudited)
LAST TEN FISCAL YEARS

	2008	2009	2010	2011	2012
Revenues					
Real Property Taxes	\$ 80,701,948	\$ 87,028,735	\$ 87,800,079	\$ 89,331,893	\$ 109,486,028
Other Tax Items	7,280,446	8,427,783	5,091,917	9,074,061	9,593,493
Non-Property Taxes	173,963,636	166,731,320	173,232,759	173,277,809	177,267,770
Departmental Income	31,830,638	36,307,225	32,200,999	30,918,923	30,521,098
Intergovernmental Charges	-	-	-	-	2,614,580
Use of Money and Property	6,760,275	2,495,692	2,420,254	615,595	487,067
Licenses and Permits	1,701,868	2,220,626	1,912,108	1,856,351	1,811,112
Fines and Forfeitures	1,050,166	1,138,392	905,750	903,400	934,792
Sale of Property and Compensation for Loss	86,829	68,687	517,546	162,849	81,096
Interfund Revenues	15,691,757	15,235,243	23,708,228	24,220,938	23,268,608
State Aid	107,236,772	96,469,342	81,400,046	86,660,293	84,743,470
Federal Aid	65,639,498	77,357,853	89,359,897	66,442,279	71,429,363
Miscellaneous	2,662,174	11,305,071	2,479,776	3,130,510	4,561,139
Total Revenues	494,606,007	504,785,969	501,029,359	486,594,901	516,799,616
Expenditures					
Current:					
General Government	60,184,410	59,499,136	63,793,645	61,594,915	64,209,911
Education	67,786,623	64,602,751	60,029,496	56,226,904	57,340,086
Public Safety	61,193,182	61,580,954	68,157,961	68,586,927	70,078,849
Health	46,691,701	39,419,209	41,393,398	41,010,199	39,792,305
Transportation	42,704,822	42,742,977	43,350,978	40,738,199	41,231,827
Economic Opportunity and Development	169,264,751	175,552,253	176,620,319	172,543,034	173,925,483
Culture and Recreation	667,428	598,820	510,699	525,845	391,837
Home and Community Services	23,632,499	22,714,338	23,557,043	25,826,025	22,781,787
Employee Benefits	11,028,835	11,600,192	13,167,104	14,672,488	15,146,136
Debt Service:					
Principal	19,742,088	19,684,472	20,097,765	25,280,970	25,895,018
Interest	13,344,928	13,348,694	12,172,015	13,003,458	16,160,442
Refunding Bond Issuance Costs	-	329,477	409,034	-	-
Advance Refunding Escrow	-	-	-	-	-
Capital Outlay	38,699,088	50,083,709	56,470,847	45,767,866	39,338,593
Total Expenditures	554,940,355	561,756,982	579,730,304	565,776,830	566,292,274
Deficiency of Revenues					
Over Expenditures	(60,334,348)	(56,971,013)	(78,700,945)	(79,181,929)	(49,492,658)
Other Financing Sources (Uses)					
Bonds Issued	24,000,000	2,900,000	56,045,142	53,625,003	40,122,000
Transfers In	57,988,686	19,140,422	62,941,820	55,651,759	58,334,685
Transfers Out	(57,988,686)	53,785,489	(60,941,820)	(55,393,433)	(57,884,685)
Sale of Real Property	-	-	-	55,900	-
Refunding Bonds Issued	-	(53,785,489)	18,989,304	-	9,529,000
Issuance Premium	459,114	689,475	852,178	1,924,332	1,740,538
New York State loan proceeds	-	-	7,703,598	-	-
Payment to Refunded Bond Escrow Agent	-	(19,500,420)	(19,432,448)	-	(9,717,712)
Transfer from Home and Infirmary Fund	-	-	-	-	-
Total Other Financing Sources	24,459,114	3,229,477	66,157,774	55,863,561	42,123,826
Net Change in Fund Balances	\$ (35,875,234)	\$ (53,741,536)	\$ (12,543,171)	\$ (23,318,368)	\$ (7,368,832)
Debt Service as a Percentage					
of Non-Capital Expenditures	9.2%	6.4%	6.1%	7.5%	8.0%

	2013	2014	2015	2016	2017
\$	126,965,228	\$ 139,338,204	\$ 140,561,063	\$ 130,341,630	\$ 133,523,897
	10,788,365	11,395,607	13,048,472	12,745,729	13,197,289
	195,988,814	201,860,652	206,822,773	216,048,696	217,993,399
	37,316,181	31,468,037	32,118,930	74,923,264	58,586,104
	1,023,361	1,072,736	1,035,054	-	-
	431,307	616,799	565,372	3,302,309	1,703,302
	1,809,156	2,003,655	1,873,261	1,664,002	1,845,288
	867,128	707,307	1,039,995	1,336,011	1,563,842
	252,138	175,991	183,862	308,362	92,893
	23,085,995	23,225,051	24,173,627	25,898,396	27,042,612
	69,570,589	70,696,278	75,165,570	79,673,316	79,004,635
	65,409,143	63,947,808	61,472,854	66,886,037	57,132,787
	2,326,640	2,791,941	6,229,931	3,144,659	2,407,427
	<u>535,834,045</u>	<u>549,300,066</u>	<u>564,290,764</u>	<u>616,272,411</u>	<u>594,093,475</u>
	68,405,934	67,804,182	68,204,599	84,220,831	80,091,454
	49,555,765	47,785,490	50,230,399	51,223,270	54,820,250
	69,197,018	68,542,504	70,150,846	76,601,762	80,083,980
	38,475,566	37,880,303	39,447,490	50,729,442	49,690,796
	42,941,812	43,138,853	42,892,881	42,474,353	44,276,461
	174,418,566	173,547,009	172,664,771	167,738,322	161,145,344
	374,492	374,778	376,888	314,425	278,593
	21,919,024	23,285,082	38,863,535	23,565,030	24,513,598
	15,861,323	16,330,661	16,852,008	18,400,799	19,563,128
	28,309,066	29,197,947	34,934,786	49,683,714	46,701,858
	17,154,768	16,059,559	21,765,176	18,976,820	18,405,473
	70,804	424,008	1,129,081	411,291	-
	-	1,327,903	569,498	798,609	-
	<u>38,036,154</u>	<u>45,891,033</u>	<u>39,974,450</u>	<u>43,285,025</u>	<u>21,199,158</u>
	<u>564,720,292</u>	<u>571,589,312</u>	<u>598,056,408</u>	<u>628,423,693</u>	<u>600,770,093</u>
	<u>(28,886,247)</u>	<u>(22,289,246)</u>	<u>(33,765,644)</u>	<u>(12,151,282)</u>	<u>(6,676,618)</u>
	45,632,482	159,177,997	68,477,000	20,280,382	-
	57,179,807	61,111,024	77,820,703	86,850,437	80,959,137
	(70,504,873)	(69,750,277)	(143,500,588)	(91,456,125)	(80,959,137)
	8,199,069	-	-	-	-
	7,180,078	39,874,197	71,008,578	26,130,000	-
	1,733,804	15,595,967	3,128,062	3,319,064	597,000
	-	-	-	-	-
	(7,705,618)	(41,136,488)	(77,054,576)	(28,657,627)	-
	-	-	-	5,381,266	-
	<u>41,714,749</u>	<u>164,872,420</u>	<u>(120,821)</u>	<u>21,847,397</u>	<u>597,000</u>
\$	<u>12,828,502</u>	<u>\$ 142,583,174</u>	<u>\$ (33,886,465)</u>	<u>\$ 9,696,115</u>	<u>\$ (6,079,618)</u>

8.7%

8.8%

10.5%

11.9%

11.2%

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 Actual 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

COUNTY OF ROCKLAND, NEW YORK

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS (Unaudited)
LAST TEN FISCAL YEARS

Fiscal Year	Real Property Taxes	Non-Property Taxes			Total
		Sales Tax	911 Emergency Surcharge	Mortgage Tax	
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
2015	140,736,285	188,218,112	1,284,403	4,396,527	334,635,327
2016	130,341,630	198,017,776	1,279,522	5,197,772	334,836,700
2017	133,523,897	199,115,739	1,311,551	5,199,083	339,150,270

COUNTY OF ROCKLAND, NEW YORK

**SALES TAX RATES (Unaudited)
LAST TEN FISCAL YEARS**

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

(1) Metropolitan Transit Authority

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

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

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

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

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</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 (Unaudited)
TEN YEARS STATED

Industry	March 2006 to February 2007	March 2007 to February 2008	March 2008 to February 2009	March 2009 to February 2010	March 2010 to February 2011
Utilities (excluding residential energy)	\$ 141,988,000	\$ 163,002,000	\$ 158,344,000	\$ 157,587,000	\$ 140,446,000
Construction	77,578,000	81,720,000	75,289,000	74,296,000	72,087,000
Manufacturing	123,204,000	122,873,000	105,796,000	107,198,000	79,296,000
Wholesale Trade	371,992,000	392,869,000	347,945,000	347,851,000	334,822,000
Retail Trade:					
Motor Vehicles and Parts	466,498,000	468,920,000	427,901,000	427,817,000	437,861,000
Furniture and Home Furnishings	113,692,000	114,307,000	100,076,000	99,613,000	91,312,000
Electronics and Appliances	82,325,000	73,782,000	71,865,000	72,225,000	85,563,000
Building Materials and Garden Equipment	268,814,000	252,831,000	231,800,000	230,730,000	222,662,000
Food and Beverage	188,296,000	189,433,000	194,638,000	193,139,000	211,277,000
Health and Personal Care	50,727,000	52,273,000	54,192,000	54,036,000	56,677,000
Gasoline Stations	43,629,000	21,843,000	21,745,000	22,805,000	25,521,000
Clothing	98,481,000	80,359,000	76,804,000	77,200,000	156,555,000
Sporting Goods, Hobby, Book and Music Stores	87,601,000	84,213,000	76,362,000	78,101,000	78,003,000
General Merchandise	335,776,000	338,294,000	324,747,000	325,470,000	308,310,000
Miscellaneous Retail	110,698,000	108,855,000	101,345,000	101,311,000	98,445,000
Nonstore Retail	47,030,000	52,510,000	63,956,000	63,077,000	74,606,000
Information	289,692,000	305,344,000	284,761,000	286,566,000	298,896,000
Professional, Scientific, and Technical	48,136,000	59,139,000	61,944,000	61,510,000	47,884,000
Administrative/Support Services	101,403,000	111,610,000	115,593,000	117,114,000	117,815,000
Health Care	2,771,000	2,522,000	2,789,000	2,692,000	3,273,000
Arts, Entertainment, and Recreation	29,077,000	27,458,000	27,696,000	28,018,000	22,703,000
Accommodation and Food Services:					
Food Services	283,573,000	308,607,000	316,388,000	320,055,000	329,970,000
Accommodation	51,199,000	55,538,000	49,628,000	49,628,000	43,795,000
Other Services:					
Repair and Maintenance	85,180,000	94,239,000	95,020,000	96,470,000	99,037,000
Personal and Laundry Services	13,461,000	14,264,000	14,386,000	13,357,000	9,365,000
All Other Services	2,080,000	1,485,000	1,770,000	1,628,000	2,028,000
Ag., Mining, Trans., FIRE, Educ., Govt. RE	127,963,000	150,179,000	146,375,000	144,796,000	140,920,000
Unclassified by Industry	66,600,000	34,992,000	34,565,000	25,493,000	16,740,000
Sales to Qualified Empire Zone Enterprises (QEZE)	303,000	-	-	-	-
Services to tangible personal property used in prod.	-	-	-	-	-
Grand Total	\$ 3,709,767,000	\$ 3,763,461,000	\$ 3,583,720,000	\$ 3,579,783,000	\$ 3,605,869,000

Source: New York State Department of Taxation and Finance

(1) Preliminary

	March 2011 to February 2012 (1)	March 2012 to February 2013 (1)	March 2013 to February 2014 (1)	March 2014 to February 2015 (1)	March 2015 to February 2016 (1)
\$	126,439,000	\$ 109,308,000	\$ 332,833,187	\$ 368,393,998	\$ 340,176,101
	77,996,000	80,423,000	97,755,671	96,281,562	105,413,249
	167,207,000	146,034,000	161,274,264	166,741,938	154,522,936
	184,216,000	184,063,000	244,849,962	255,586,300	278,491,317
	430,674,000	419,406,000	460,084,204	492,914,356	550,216,369
	89,196,000	87,407,000	90,764,722	95,011,608	95,646,427
	122,363,000	106,230,000	101,916,453	66,347,554	67,034,423
	222,659,000	223,683,000	233,512,028	235,558,445	243,441,865
	223,019,000	232,339,000	257,511,942	261,725,994	268,745,867
	53,859,000	54,827,000	59,342,211	63,170,203	67,059,878
	35,363,000	32,551,000	172,795,650	156,683,276	132,791,844
	137,264,000	92,659,000	309,356,848	312,791,042	323,383,342
	67,458,000	65,234,000	69,132,520	71,501,030	83,889,518
	265,616,000	267,095,000	398,946,155	399,778,968	389,310,153
	151,270,000	144,369,000	112,651,512	114,686,095	118,895,630
	92,813,000	85,826,000	133,607,973	132,057,424	137,699,642
	247,583,000	257,264,000	284,930,682	297,949,224	295,355,334
	51,984,000	67,951,000	74,399,623	136,940,187	127,896,031
	117,690,000	112,119,000	136,312,899	132,473,866	143,669,078
	3,020,000	2,869,000	3,275,960	3,868,444	2,248,312
	25,303,000	25,080,000	30,528,766	31,046,730	31,741,769
	351,111,000	364,954,000	387,099,142	412,698,916	436,600,163
	38,571,000	54,373,000	56,415,283	59,784,101	61,082,759
	139,343,000	150,262,000	150,154,892	157,249,845	131,018,754
	11,033,000	12,017,000	12,798,360	13,843,152	35,164,577
	1,355,000	1,914,000	2,294,822	2,010,629	2,034,323
	137,463,000	132,155,000	148,538,680	124,492,007	145,566,255
	13,501,000	2,595,000	10,607,247	17,186,440	28,585,687
	-				
	-				
\$	<u>3,585,369,000</u>	<u>\$ 3,515,007,000</u>	<u>\$ 4,533,691,658</u>	<u>\$ 4,678,773,334</u>	<u>\$ 4,797,681,603</u>

COUNTY OF ROCKLAND, NEW YORK

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

Fiscal Year Ended December 31	Real Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value
	Residential Property	Commercial Property		
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
2015	10,019,564,077	4,968,028,441	1,737,186,924	13,250,405,594
2016	10,037,457,638	4,822,985,009	1,719,541,972	13,140,900,675
2017	10,076,278,185	4,775,421,679	1,701,527,875	13,150,171,989

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.

The total direct tax rate is calculated by the County tax levy divided by the total taxable assessed value multiplied by a thousand

Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
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
8.149	35,216,017,356	37.63
9.030	35,922,686,810	36.58
9.126	37,628,860,485	34.95

COUNTY OF ROCKLAND, NEW YORK

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

<u>Year</u>	<u>Clarkstown</u>	<u>Haverstraw</u>	<u>Orangetown</u>	<u>Stony Point</u>	<u>Ramapo</u>
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	4.9810	15.2841	16.054
2012	8.257075	2.695	5.7660	18.4361	18.467
2013	9.184049	3.088	6.2895	20.5166	18.986
2014	9.336670	3.186	6.3297	20.6098	19.497
2015	10.268	3.309	7.1840	20.1465	23.856
2016	9.924	3.386	6.6510	20.6799	24.915
2017	9.737	3.428	6.8477	20.5448	26.119

COUNTY OF ROCKLAND, NEW YORK

PRINCIPAL TAXPAYERS (Unaudited)
CURRENT YEAR AND NINE YEARS AGO

2017

Taxpayer	Type of Business	Assessed Valuation	Percent of Total Assessed Valuation
Palisades Interstate Park	State Lands	\$ 837,376,798	2.23 %
Orange & Rockland Utilities	Public Utility	824,322,868	2.19
United Water	Public Utility	473,524,488	1.26
Pyramid/EKLECTRO Properties	Retail Shopping	393,302,906	1.05
Alogonquin Gas	Public Utility	239,263,411	0.64
Con Edison	Public Utility	164,614,797	0.44
American Cyanamid Corp. (Pfizer)	Pharmaceuticals	133,485,714	0.35
Verizon	Public Utility	107,712,802	0.29
Pearl River Campus	Industrial	106,268,360	0.28
Garden Financing LLC	Housing Complex	90,515,152	0.24
		<u>\$ 3,370,387,296</u>	<u>8.97 %</u>

Note: Total assessed valuation on the 2017 roll is \$37,628,860,485

2008

Taxpayer	Type of Business	Assessed Valuation	Percent of Total Assessed Valuation
Palisades Interstate Park	State Lands	\$ 1,052,994,452	2.37 %
Pyramid/EKLECTRO Properties	Retail Shopping	1,037,021,947	2.33
Wyeth-Ayerst Laboratories	Pharmaceuticals	920,346,464	2.07
Mirant	Public Utility	702,799,361	1.58
Orange & Rockland Utilities	Public Utility	584,454,161	1.31
United Water	Public Utility	424,835,917	0.95
Verizon	Public Utility	226,162,027	0.51
Consolidated Edison	Public Utility	176,072,499	0.40
Novartis Pharmaceuticals	Pharmaceuticals	123,846,245	0.28
Glorious Sun Roberts fka Blue Hill Community	Retirement Community	118,558,891	0.27
		<u>\$ 5,367,091,964</u>	<u>12.07 %</u>

Note: Total assessed valuation on the 2008 roll is \$44,499,242,282

Source: Rockland County Real Property Tax Office

COUNTY OF ROCKLAND, NEW YORK

PROPERTY TAX LEVIES AND COLLECTIONS (Unaudited)
 LAST TEN FISCAL YEARS

Fiscal Year	Total Tax Levy for the Fiscal Year						
	County	Town Chargebacks (Deficiency) (2)	Local Special Districts	Relevied Schools	Relevied Villages	Towns	Late Penalties and fees
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
2015	107,978,376	1,420,067	58,233,195	28,041,272	2,984,171	317,558,228	10,923,368
2016	118,629,010	3,152,832	61,571,129	25,651,197	3,308,866	322,443,712	10,862,627
2017	120,015,000	-	60,302,041	26,046,712	3,201,910	331,707,231	10,864,528

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
- (2) In 2017, the Town chargebacks have been pulled out of the property tax calculation and are being billed as an ordinary chargeback during the year.

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
\$ 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
496,113,234	467,289,050	94.19	8,177,491	475,466,541	95.84
516,659,310	482,740,681	93.44	8,586,366	491,327,047	95.10
522,888,800	493,640,178	94.41	10,889,537	504,529,715	96.49

Debt Capacity

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

Ratios of Outstanding Debt by Type

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)
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	389,009,453	2,597,879	-	17,519,029	87,786,997
2014	534,257,206	2,197,033	-	15,753,616	87,547,616
2015	567,661,806	1,789,886	-	15,729,116	89,040,501
2016 (2)	559,616,467	1,380,902	-	-	89,386,071
2017	510,610,155	971,292	-	-	90,866,954

(1) - Population and personal income data can be found in the schedule of demographic and economic statistics.

(2) - In 2016, the County determined the Hospital Fund was no longer operating as an enterprise fund. Therefore, the Hospital Fund was closed and transferred to the General Fund.

<u>Total Primary Government</u>	<u>Percentage of Personal Income (1)</u>	<u>Per Capita (1)</u>
\$ 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
496,913,358	2.75	1,548.48
639,755,471	3.49	1,975.37
674,221,309	3.58	2,067.93
650,383,440	3.62	1,990.28
602,448,401	3.31	1,831.89

COUNTY OF ROCKLAND, NEW YORK

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available for Debt Service	Total	Percentage of Personal Income (1)	Percentage of Estimated Actual Taxable Value of Property (2)	Per Capita (1)
<u>Governmental Activities:</u>						
2008	\$ 306,426,208	\$ 18,592,478	\$ 287,833,730	1.80 %	0.60 %	\$ 964.12
2009	292,501,813	9,839,189	282,662,624	1.67	0.65	941.67
2010	331,510,505	14,566,426	316,944,079	1.81	0.76	1,016.87
2011	359,239,248	12,621,169	346,618,079	2.11	0.91	1,099.82
2012	372,814,732	13,204,818	359,609,914	2.10	0.94	1,131.71
2013	389,009,453	13,085,153	375,924,300	2.08	1.03	1,171.46
2014	534,257,206	15,668,252	518,588,954	2.83	1.43	1,601.25
2015	567,139,998	9,113,649	558,026,349	2.97	1.58	1,711.54
2016	542,707,879	13,407,158	529,300,721	2.94	1.47	1,619.75
2017	397,422,879	13,704,413	383,718,466	2.11	1.02	1,166.79
<u>Business-Type Activities:</u>						
2008	15,478,717	-	15,478,717	0.10	0.03	51.85
2009	13,874,183	-	13,874,183	0.08	0.03	46.22
2010	13,948,638	-	13,948,638	0.08	0.03	44.75
2011	12,489,756	-	12,489,756	0.08	0.03	39.63
2012	12,179,274	-	12,179,274	0.07	0.03	38.33
2013	17,519,029	-	17,519,029	0.10	0.05	54.59
2014	15,753,616	-	15,753,616	0.09	0.04	48.64
2015	15,729,116	-	15,729,116	0.08	0.04	48.24
2016 (3)	-	-	-	0.00	0.00	-
2017	-	-	-	0.00	0.00	-
<u>Total Primary Government:</u>						
2008	321,904,925	18,592,478	303,312,447	1.90	0.63	1,015.97
2009	306,375,996	9,839,189	296,536,807	1.75	0.68	987.89
2010	345,459,143	14,566,426	330,892,717	1.89	0.79	1,061.62
2011	371,729,004	12,621,169	359,107,835	2.19	0.94	1,139.45
2012	384,994,006	13,204,818	371,789,188	2.18	0.97	1,170.04
2013	406,528,482	13,085,153	393,443,329	2.18	1.07	1,226.05
2014	550,010,822	15,668,252	534,342,570	2.91	1.47	1,649.89
2015	582,869,114	9,113,649	573,755,465	3.05	1.63	1,759.79
2016	542,707,879	13,407,158	529,300,721	2.94	1.47	1,619.75
2017	397,422,879	13,704,413	383,718,466	2.11	1.02	1,166.79

(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 2016, the County determined the Hospital Fund was no longer operating as an enterprise fund. Therefore, the Hospital Fund was closed and transferred to the General Fund.

COUNTY OF ROCKLAND, NEW YORK

**DIRECT AND UNDERLYING GOVERNMENTAL ACTIVITIES DEBT (Unaudited)
DECEMBER 31, 2017**

Governmental Unit	Gross Long-Term Debt (1)	Less Exclusions (2)	Amount Applicable to County (3)
Towns (five)	\$ 233,221,751	\$ 1,385,000	\$ 231,836,751
Villages (nineteen)	67,182,765	4,042,767	63,139,998
School Districts (eight)	531,855,346	11,276,873	520,578,473
Fire Districts (twenty-one)	47,778,783	192,095	47,586,688
Subtotal, Underlying Debt	880,038,645	16,896,735	863,141,910
Direct Bonded Debt of the County	511,581,447	13,704,413	497,877,034
Direct and Overlapping Debt	\$ 1,391,620,092	\$ 30,601,148	\$ 1,361,018,944

(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 (Unaudited)
LAST TEN FISCAL YEARS**

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt Limit	\$ 2,706,285	\$ 2,869,344	\$ 2,979,424
Total Net Debt Applicable to Limit	<u>195,497</u>	<u>205,161</u>	<u>179,210</u>
Legal Debt Margin	<u>\$ 2,510,788</u>	<u>\$ 2,664,183</u>	<u>\$ 2,800,214</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	7.22%	7.15%	6.01%

Legal Debt Margin Calculation for Fiscal Year 2017

Five Year Average Full Valuation of Taxable Real Property	<u>\$ 37,628,860</u>
Debt Limit - 7% of Average Full Valuation	<u>2,634,020</u>
Outstanding Indebtedness - Serial bonds (1)	495,914
Bond Anticipation Notes	-
Less Exclusions:	
Debt Service Appropriations for Bonds	\$ 25,182
Exempt Sewer District Debt	<u>182,141</u>
	<u>207,323</u>
Total Net Indebtedness	288,591
Net Debt Contracting Margin	<u>\$ 2,345,429</u>
Percentage of Debt Contracting Margin Available as of December 31, 2017	89.04%
Percentage of Debt Contracting Power Exhausted as of December 31, 2017	10.96%

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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 2,988,989	\$ 2,925,248	\$ 2,776,945	\$ 2,674,437	\$ 2,598,195	\$ 2,518,979	\$ 2,634,020
<u>179,210</u>	<u>232,297</u>	<u>242,171</u>	<u>343,839</u>	<u>328,981</u>	<u>316,757</u>	<u>288,591</u>
<u>\$ 2,809,779</u>	<u>\$ 2,692,951</u>	<u>\$ 2,534,774</u>	<u>\$ 2,330,598</u>	<u>\$ 2,269,214</u>	<u>\$ 2,202,222</u>	<u>\$ 2,345,429</u>
6.00%	7.94%	8.72%	12.86%	12.66%	12.57%	10.96%

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 (Unaudited)
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (amounts expressed in thousands) (2)</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age (3)</u>	<u>Percent High School Graduate or Higher (3)</u>	<u>K-12 School Enrollment (4)</u>	<u>Unemployment Rate (5)</u>
2008	298,545	\$ 15,966,784	\$ 53,482	37.5	88.2 %	41,343	4.8
2009	300,173	16,903,342	56,312	37.7	90.8	41,102	7.0
2010	311,687	17,551,718	56,312	37.7	90.8	41,162	7.1
2011	315,158	16,397,671	52,030	36.7	87.3	41,089	6.5
2012	317,757	17,091,196	53,787	36.6	87.9	43,218	6.7
2013	320,903	18,044,376	56,230	36.6	87.9	40,279	6.3
2014	323,866	18,349,276	56,657	36.4	87.5	40,121	5.1
2015	326,037	18,813,965	57,705	35.0	87.3	39,931	4.5
2016	326,780	17,976,821	55,012	36.7	87.3	39,345	4.5
2017	328,868	18,221,589	55,407	36.5	87.3	39,237	4.4

- (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 service 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

COUNTY OF ROCKLAND, NEW YORK

PRINCIPAL EMPLOYERS (Unaudited)
CURRENT YEAR AND NINE YEARS AGO

EMPLOYER	2017		2008	
	EMPLOYEES	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT	EMPLOYEES	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
Active International	340	0.27 %	360	0.31 %
Aide Services, Inc.	600	0.48	-	-
Aluf Plastics, A Div of of API	385	0.31	-	-
ARC of Rockland	715	0.58	648	0.55
AT & T Healthcare	800	0.65	750	0.64
Avon Products, Inc.	315	0.25	332	0.28
Barr Laboratories	-	-	415	0.36
Better Homes and Gardens Rand Realty	310	0.25	-	-
Bon Secours Good Samaritan Hospital	1,751	1.41	2,100	1.80
Brega Transport Corp.	330	0.27	-	-
Camp Venture, Inc	680	0.55	600	0.51
Chestnut Ridge Transportation	456	0.37	600	0.51
Chromalloy New York	319	0.26	501	0.43
Community Home Health & Aide Svc, Inc.	560	0.45	-	-
Friedwald Center for Rehab & Nursing	437	0.35	-	-
Hamapik of Rockland County, Inc.	1,993	1.61	-	-
Helen Hayes Hospital	891	0.72	861	0.74
Hudson Valley Dev. Disabilities Svcs	523	0.42	-	-
Intercos America, Inc.	450	0.36	-	-
Jawonio, Inc.	1,100	0.89	806	0.69
Lamont- Doherty Earth Observatory	560	0.45	480	0.41
Nathan S. Kline Inst for Psy Research	350	0.28	-	-
Nice-Pak / PDI	753	0.61	752	0.64
Northern Services Group	832	0.67	1,100	0.94
Novartis Pharmaceuticals Corp	-	-	440	0.38
Nyack Hospital	1,850	1.49	1,500	1.28
Orange and Rockland Utilities	819	0.66	766	0.66
Par Pharmaceutical, Inc.	636	0.51	-	-
PDI	753	0.61	-	-
Pfizer, Inc.	700	0.57	-	-
Prudential Rand Realty	310	0.25	-	-
Raymour & Flanigan	337	0.27	-	-
Rockland Bakery	400	0.32	396	0.34
Rockland Psychiatric Center	1,219	0.98	-	-
St. Dominic's Home	820	0.66	399	0.34
The Dress Barn	-	-	350	0.30
Tilcon New York, Inc.	189	0.15	338	0.29
U.S. Information Systems, Inc.	-	-	375	0.32
Verizon Wireless	850	0.69	1,000	0.86
Wyeth-Ayerst Laboratories	-	-	3,059	2.62
	<u>24,333</u>	<u>19.65 %</u>	<u>18,928</u>	<u>16.19 %</u>

Source: Rockland County Planning Department

COUNTY OF ROCKLAND, NEW YORK

**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION (Unaudited)
LAST TEN FISCAL YEARS**

Full-time Equivalent Employees as of December 31,										
Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government	548	574	336	600	480	471	473	466	450	421
Public Safety	400	370	374	356	343	366	376	375	409	410
Health	1,091	954	948	908	812	707	656	548	198	209
Transportation	134	125	298	118	118	115	116	116	117	118
Economic Opportunity and Development	533	500	496	474	444	424	424	398	408	409
Culture and Recreation	1	1	1	1	1	1	1	1	1	1
Home and Community Services	141	131	132	128	125	117	117	118	120	123
Total	<u>2,848</u>	<u>2,655</u>	<u>2,585</u>	<u>2,585</u>	<u>2,323</u>	<u>2,201</u>	<u>2,163</u>	<u>2,022</u>	<u>1,703</u>	<u>1,691</u>

Source - Rockland County Budget Department

COUNTY OF ROCKLAND, NEW YORK

OPERATING INDICATORS BY FUNCTION (Unaudited)
 LAST TEN FISCAL YEARS

Function:	2008	2009	2010	2011	2012
General Government (1):					
Motor Vehicles					
Number of drivers' licenses issued	205,523	205,880	204,672	203,819	204,531
Number of vehicle registrations	211,399	210,205	210,957	211,312	213,166
Public Safety (2):					
Emergency Services					
Number of calls at 911 center	322,572	388,309	304,194	306,546	370,114
Corrections (2)					
Number of inmates	3,377	3,123	3,083	3,219	2,972
Transportation (2):					
Paving (Sq. yards)	43,850	53,232	55,591	45,220	-
Sealing- Microseal (Sq. yards)	93,653	87,342	126,727	105,968	95,542
Sealing- Chipseal (Sq. yards)	70,971	76,306	120,232	76,491	73,122
Ridership on public buses	3,852,758	3,675,390	3,534,225	3,405,632	3,320,589
Home and Community Services (2):					
Number of Metered Accounts	72,334	72,966	73,364	73,394	75,146
Miles of Mains	1,027	1,041	1,046	1,049	1,053
Average daily sewage treatment (thousands of gallons)	25,331,565	28,442,011	29,830,136	29,119,833	28,275,588
Summit Park Nursing Care Center (2) -					
Number of beds occupied	338	336	322	306	289
Summit Park NCC-closed 12/31/15					

N/A - Information not available

(1) Source: Department of Motor Vehicles

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

2013	2014	2015	2016	2017
207,459	211,575	212,216	218,609	N/A
214,264	216,192	218,941	220,834	N/A
365,126	313,901	296,416	313,026	330,923
2,844	2,558	2,460	2,427	2,279
180,017	12,000	150,175	128,494	77,877
149,332	137,342	81,201	93,172	70,343
203,385	145,268	84,674	134,676	127,921
3,178,084	2,942,940	2,701,601	2,534,101	2,362,533
75,177	75,339	75,423	N/A	N/A
1,051	1,056	1,059	N/A	N/A
28,269,480	28,572,457	28,591,653	N/A	N/A
253	228	-	-	-

COUNTY OF ROCKLAND, NEW YORK

**CAPITAL ASSET STATISTICS BY FUNCTION (Unaudited)
LAST TEN FISCAL YEARS**

Function	2008	2009	2010	2011	2012
General Government:					
Construction Permit Data- New Residential					
Number of Permits Issued	260	82	117	136	106
Estimated Value	\$ 68,725,212	\$ 36,601,485	\$ 48,907,870	\$ 39,854,614	\$ 38,382,672
Buildings	7	7	7	7	7
Vehicles	199	125	126	128	137
Education :					
Buildings	10	10	10	10	10
Vehicles					
Public Safety:					
Buildings	8	8	8	8	8
Vehicles	151	159	159	165	167
Number of Fire and Rescue Companies	42	42	42	42	42
Number of Firehouses	51	51	51	51	51
Number of Members	2,180	2,344	2,346	2,349	2,279
Health:					
Buildings	16	16	16	16	16
Vehicles	115	107	110	112	50
Transportation:					
Buildings	2	2	2	2	2
Vehicles	257	262	263	265	162
Culture and Recreation:					
County Parks\ Open Space (acreage)	3,094	3,094	3,179	3,179	3,179
Number of County Parks\ Open Space	25	25	27	27	27
Vehicles	17	17	17	15	14

Source - Various County departments

N/A - Information not available

2013	2014	2015	2016	2017
167	179	222	167	185
\$ 53,807,151	\$ 71,481,454	\$ 81,972,203	\$ 56,965,711	\$ 103,434,004
5	5	5	5	5
134	142	148	153	161
10	10	10	10	10
				16
8	8	8	8	8
205	237	229	230	229
42	42	42	42	42
51	51	51	51	51
2,225	2,196	2,185	2,189	2,242
16	16	16	16	16
52	33	28	31	38
2	2	2	1	1
167	158	163	165	167
3,179	3,179	3,179	3,179	3,179
27	27	27	27	27
14	16	12	14	14

COUNTY OF ROCKLAND, STATE OF NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Amount Provided to Subrecipients</u>
U.S. Department of Agriculture:				
Pass - Through From: NYS Department of Health Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	C02579	\$ 12,022,011	\$ -
Pass - Through From: NYS Office of Temporary Disability Assistance SNAP Cluster State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Not available	4,198,921	-
Total U.S. Department of Agriculture			16,220,932	-
U.S. Department of Housing and Urban Development (HUD):				
CDBG - Entitlement Grants Cluster Community Development Block Grants/Entitlement Grants	14.218		1,854,845	945,334
Emergency Solutions Grant Program	14.231		106,559	92,644
Home Investment Partnership Program	14.239		1,293,697	602,121
Community Development Block Grants Section 108 Loan Guarantees	14.248		4,895,000	-
Continuum of Care Program	14.267		394,939	-
Fair Housing Assistance Program State and Local	14.401		35,153	-
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856		716,698	-
Pass - Through From: New York City Department of Health and Mental Hygiene Housing Opportunities for Persons with AIDS	14.241	Not available	193,888	47,707
Total U.S. Department of Housing and Urban Development			9,490,779	1,687,806
U.S. Department of Justice:				
Drug Court Discretionary Grant Program	16.585		119,534	-
State Criminal Alien Assistance Program	16.606		205,000	-
Equitable Sharing Program	16.922		884,687	8,150
Pass - Through From: NYS Division of Criminal Justice Services Violence Against Women Formula Grants	16.588	C652128	66,750	35,000
Violence Against Women Formula Grants	16.588	C652124	66,750	35,000
Total Violence Against Women Formula Grants			133,500	70,000
Total U.S. Department of Justice			1,342,721	78,150
U.S. Department of Labor:				
Pass - Through From: Rockland Comm. College WIA Cluster Workforce Development Board Management Services	17.267	Not available	114,461	-
Pass - Through From: NYS Office for the Aging Senior Community Service Employment Program	17.235	Not available	41,519	-
Pass - Through From: Senior Service of America Senior Community Service Employment Program	17.235	Not available	170,373	-
Total Senior Community Service Employment Program			211,892	-
Total U.S. Department of Labor			326,353	-

(Continued)

COUNTY OF ROCKLAND, STATE OF NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Amount Provided to Subrecipients</u>
U.S. Department of Transportation:				
Federal Transit Cluster				
Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507		\$ 1,952,560	\$ -
Pass - Through From: Pipeline and Hazardous Materials Safety Administration				
Interagency Hazardous Materials Public Sector Training & Plan	20.703	T972956	1,944	-
Interagency Hazardous Materials Public Sector Training & Plan	20.703	C972969	72,166	-
Interagency Hazardous Materials Public Sector Training & Plan	20.703	T972966	2,076	-
Interagency Hazardous Materials Public Sector Training & Plan	20.703	C9729559	25,787	-
Interagency Hazardous Materials Public Sector Training & Plan	20.703	C000754	161,209	-
Total Interagency Hazardous Materials Public Sector Training & Plan			263,182	-
Highway Planning and Construction Cluster				
Pass - Through From: NYS Department of Transportation				
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	C033469	4,306	-
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	D011607	860,678	-
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	D017592	640,000	355,000
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	Not available	148,963	-
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	D024657	32,196	-
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	D035445	1,576,800	-
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	D011514	3,535	-
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	D034740	2,854	-
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	D034703	122,423	-
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	D033977	17,546	-
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	D035405	42,273	-
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	D011607	1,595,701	-
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	D035752	583	-
Subtotal Highway Planning and Construction Cluster			5,047,858	355,000
Total U.S. Department of Transportation			7,263,600	355,000
U.S. Environmental Protection Agency:				
Pass - Through From: NYS Environmental Conservation				
Performance Partnership Grants	66.605	C009693	5,500	-
Total U.S. Environmental Protection Agency			5,500	-
U.S. Department of Education:				
Pass - Through From: NYS Department of Education				
Special Education - Grants for Infants and Families	84.181	C027503	74,392	-
Total U.S. Department of Education			74,392	-
U.S. Department of Health and Human Services:				
Pass - Through From: NYS Office of Temporary Disability Assistance				
Special Programs for the Aging-Title III, Part D Disease Prevention and Health Promotion Services	93.043	Not available	16,509	-
National Family Caregiver Support - Title III, Part E	93.052	Not available	121,923	-
Aging - Cluster				
Special Programs for the Aging-Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	Not available	258,821	-
Special Programs for the Aging-Title III, Part C - Nutrition Services	93.045	Not available	513,876	-
Nutrition Services Incentive Program	93.053	Not available	63,604	-
Subtotal Aging Cluster			836,301	-
Pass - Through From: Health Research Incorporated				
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	1597-11	182,747	-
Sodium Reduction in Communities	93.082	Not available	77,516	8,045
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances	93.104	Not available	581,077	-

(Continued)

COUNTY OF ROCKLAND, STATE OF NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Amount Provided to Subrecipients</u>
Pass - Through From: Public Health Solutions				
HIV Emergency Relief Project Grants	93.914	15-MCT-990	\$ 92,761	\$ -
HIV Emergency Relief Project Grants	93.914	15-EIT-990	133,408	-
HIV Emergency Relief Project Grants	93.914	15-HOT-990	197,888	-
Total HIV Emergency Relief Project Grants			<u>424,057</u>	<u>-</u>
Pass - Through From: NYS Department of Social Services				
Family Planning Services	93.217	C027054	33,515	-
Immunization Cooperative Agreements	93.268	C028314	73,481	-
TANF Cluster				
Temporary Assistance for Needy Families (TANF)	93.558	Not available	14,089,418	742,006
Child Support Enforcement	93.563	Not available	2,318,116	-
Refugee Entrant Assistance	93.566	Not available	3,282	-
Low Income Home Energy Assistance Program	93.568	Not available	2,922,950	-
CCDF Cluster				
Child Care and Development Block Grant	93.575	Not available	7,969,731	456,138
Stephanie Tubbs Jones Child Welfare Services Program	93.645	Not available	175,115	-
Foster Care - Title IV-E	93.658	Not available	3,362,895	-
Adoption Assistance - Title IV-E	93.659	Not available	57,430	-
Social Services Block Grant	93.667	Not available	2,332,439	-
Co-location of Behavioral Health Services-CAPTA	93.669	Not available	39,178	-
Chafee Foster Care Independence Program	93.674	Not available	112,051	-
Children's Health Insurance Program (CHIP)	93.767	C028901	14,687	2,090
Medicaid Cluster				
Medical Assistance Program (Medicaid Title XIX)	93.778	Not available	3,688,103	11,403
Maternal and Child Health Services Block Grant to States	93.994	C027054	18,433	-
Maternal and Child Health Services Block Grant to States	93.994	C030914	24,764	-
Total Maternal and Child Health Services Block Grant to States			<u>43,197</u>	<u>-</u>
Pass - Through From: NYS Office of Alcoholism and Substance Abuse Services				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Not available	1,209,119	1,158,352
Pass - Through From: NYS Board of Elections				
Voter Access to Individuals with Disabilities	93.617	C003241	826	-
Total U.S. Department of Health and Human Services			<u>40,685,663</u>	<u>2,378,034</u>
U.S. Department of Homeland Security:				
Homeland Security Preparedness Technical Assistance	97.007		139,186	-
Pass-Through From: NYS Division of Homeland Security & Emergency Services				
Emergency Management Performance Grant	97.042	Not available	105,141	-
Homeland Security Grant Program	97.067	T839840	10,644	-
Homeland Security Grant Program	97.067	C839851	18,421	-
Homeland Security Grant Program	97.067	C972950	158,133	-
Homeland Security Grant Program	97.067	C972952	115,167	-
Homeland Security Grant Program	97.067	C972962	46,518	-
Homeland Security Grant Program	97.067	C972960	118,913	-
Total Homeland Security Grant Program			<u>467,796</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>712,123</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 76,122,063</u>	<u>\$ 4,498,990</u>

See independent auditors' report and notes to schedule of expenditures of federal awards.

**COUNTY OF ROCKLAND, STATE OF NEW YORK
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the County of Rockland, State of New York (the "County") under programs of the federal government for the year ended December 31, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). 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 accrual basis of accounting, except for amounts passed through to subrecipients which are reported on the Schedule when the disbursement is made to the subrecipient. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATES

The County has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

NOTE 4 - NONCASH AWARDS

Included in the amount reported for CFDA 10.557 Special Supplemental Nutrition Program for Women, Infants and Children ("WIC") is \$10,251,046 for the value of the redeemed food instrument issuances. A food instrument is a check produced through the New York State WIC Statewide Information System ("WICSIS") 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 \$2,788,445 issued directly by the New York State Office of the State Comptroller ("OSC"). These payments are processed through the Statewide Financial System ("SFS").

NOTE 5 - LOAN GUARANTEE PROGRAM

The loan guarantee program ("loans") outstanding at the beginning of the year are included in the federal expenditures presented in the Schedule. The balance outstanding at December 31, 2017 consisted of:

<u>Program Name</u>	<u>CFDA #</u>	<u>Outstanding Balance</u>
Community Development Block Grants Section 108 Loan Guarantees	14.248	\$ 4,362,000

**INDEPENDENT AUDITORS' 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**

The Honorable Legislature of the
County of Rockland, State of 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 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 (the "County"), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents and have issued our report thereon dated June 29, 2018.

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 opinion 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 entity'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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of 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 that are required to be reported under *Government Auditing Standards*.

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.

Marks Paneth LLP

New York, NY
June 29, 2018

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited the County of Rockland, State of New York's ("County") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") *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, 2017. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance 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 of the major federal programs. However, our audit does not provide a legal determination of the County's compliance.

Basis for Adverse Opinion on HUD Section 108 Loan Guarantee Program

As described in the accompanying schedule of findings and questioned costs, the County did not comply with compliance requirements regarding CFDA 14.248 HUD Section 108 Loan Guarantee Program as described in finding number 2017-001 regarding eligibility and subrecipient monitoring. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Adverse Opinion on HUD Section 108 Loan Guarantee Program

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on HUD Section 108 Loan Guarantee Program* paragraph, the County did not comply, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on HUD Section 108 Loan Guarantee Program for the year ended December 31, 2017.

Unmodified Opinion on Each of the Other Major Federal Programs

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 other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2017.

Other Matter

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and question costs as item 2017-001. Our opinion on each major federal program is not modified with respect to this matter.

The County's response to the noncompliance finding identified in our audit is described in the accompanying corrective action plan. The County response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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.

Purpose of this Report

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 requirement of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



New York, NY
September 28, 2018

MARKS PANETH
ACCOUNTANTS & ADVISORS

**COUNTY OF ROCKLAND, STATE OF NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Section I—Summary of Auditors' Results

Financial Statements

Type of Auditors' report issued: Unmodified

Internal control over financial reporting:
 Material weaknesses identified? Yes X No
 Significant deficiencies identified not considered
 to be material weaknesses? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:
 Material weaknesses identified? Yes X No
 Significant deficiencies identified not considered
 to be material weaknesses? Yes X None reported

Type of auditors' report issued on compliance
 for major programs: Adverse/Unmodified

Any audit findings disclosed that are required
 to be reported in accordance with the Uniform Guidance? X Yes No

Identification of major programs:

- U.S. Department of Agriculture:
 Pass - Through From: NYS Department of Health
 Special Supplemental Nutrition Program for Women, Infants
 and Children (WIC) (10.557)
- U.S. Department of Housing and Urban Development (HUD):
 Community Development Block Grants Section 108 Loan
 Guarantees (14.248)
- U.S. Department of Health and Human Services
 Pass - Through From: NYS Department of
 Social Services
 Temporary Assistance for Needy Families (TANF) (93.558)
- U.S. Department of Health and Human Services
 Pass - Through From: NYS Department of
 Social Services:
 Medical Assistance Program (Medicaid Title XIX) (93.778)

Dollar threshold used to distinguish between
 Type A and Type B programs: \$2,283,662

Auditee qualified as low-risk auditee? Yes X No

Section II—Financial Statement Findings

No matters reported.

**COUNTY OF ROCKLAND, STATE OF NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Section III–Federal Award Findings and Questioned Costs

1. Finding 2017-001

**CFDA #14.248 – Community Development Block Grants Section 108 Loan Guarantees,
U.S. Department of Housing and Urban Development (HUD)
Compliance Requirements – Eligibility, Subrecipient Monitoring**

Criteria: The U.S. Department of Housing and Urban Development (“HUD”) Section 108 Loan Guarantee Program (“Section 108”) offers state and local governments the ability to transform a small portion of their Community Development Block Grant (“CDBG”) funds into federally guaranteed loans large enough to pursue physical and economic revitalization projects capable of revitalizing entire neighborhoods. Under the Section 108 program, the County established two programs, one for micro-loans of up to \$50,000 and a second program for loans from \$50,000 to \$2,000,000.

Condition: Although there were no new loans issued in 2017, during our audit of the Section 108 program, we noted that the County Department of Community Development did not maintain sufficient documentation of the loan disbursements. While we understand there were no program activities (program funds disbursed or funds received from HUD) during 2016, we were made aware by the County of certain discrepancies within the Section 108 program. Such discrepancies included maintaining inadequate documentation of loans disbursed and not following all compliance requirements for the program established by HUD. Compliance requirements for these loans extend beyond the issuance and repayment of the loans.

Questioned Costs: None noted

Context: The outstanding loan balance for the year ended December 31, 2017 was \$4,362,000.

Effect: The County did not maintain documentation of its loan disbursements and payments received from borrowers and interest due from borrowers was calculated was on a different basis from HUD guidelines by program staff in prior years. In addition, there was inadequate monitoring of past due loans or loans in default, as well as an overall lack of documentation maintained by program staff to substantiate compliance with the eligibility and other ongoing compliance requirements for the program established by HUD.

Cause: The County did not adhere to its policies and procedures related to the management of the Section 108 Program.

Identification as a Repeat Finding: See Finding 2016-001.

Recommendation: We understand that the County has established certain procedures to improve the monitoring of the Section 108 program. In order to ensure accurate account balances in the general ledger, we suggest the County record all the activity within the loan fund each month. This practice will ensure a better review and reconciliation process over the outstanding loan balances and thereby safeguard County assets.

Views of Responsible Officials and Planned Corrective Action: See Management’s Corrective Action Plan.

**COUNTY OF ROCKLAND, STATE OF NEW YORK
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Prior Year Audit Findings

1. **Finding 2016-001**

**CFDA #14.248 – Community Development Block Grants Section 108 Loan Guarantees,
U.S. Department of Housing and Urban Development (HUD)
Compliance Requirements – Eligibility, Subrecipient Monitoring**

Not resolved. See Finding 2017-001.

2. **Finding 2016-002**

**Significant Deficiency in Internal Control over Compliance – Preparation and Review of the
Schedule of Expenditures of Federal Awards**

Resolved.

3. **Finding 2016-003**

**Significant Deficiency in Internal Control Over Compliance – Documentation of Centralized
Procedures for Monitoring Subrecipients**

Resolved.

4. **Finding 2016-004**

Single Audit Reporting for December 31, 2016

Resolved.



COMMUNITY DEVELOPMENT
Dr. Robert L. Yeager Health Center
50 Sanatorium Road, Building K
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September 28, 2018

Marks Paneth, LLP
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This Corrective Action Plan is provided in compliance with the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* relating to your Single Audit of the County of Rockland for the year ended December 31, 2017.

Finding 2017-001

CFDA #14.248 – Community Development Block Grants Section 108 Loan Guarantees,
U.S. Department of Housing and Urban Development (HUD)
Compliance Requirements – Eligibility, Subrecipient Monitoring

Name of Contact Person: Maria Frank, Assistant Director of Community Development

Corrective Action: Although there were no program activities (program funds disbursed or funds received from HUD) during 2017, the Department of Community Development is taking action to become more actively involved in the review and reconciliation of outstanding loan balances. An attorney from the Department of Law has been employed to work within the department and to seek repayment of defaulted loans using all available resources, including initiating litigation as necessary. The department is also hiring an in-house accountant who will be responsible for monitoring all loan activity, including all monthly activity and identifying past due loans and loans in default. The Department is working closely with the County Auditor to address identified issues in recordkeeping. The Department of Community Development will implement enhanced

processes for documentation to ensure compliance with HUD's program requirements.

Proposed Completion Date: The Department's in-house counsel started in late June, 2018 and is reviewing the outstanding Section 108 loans for enforcement action. The accountant is expected to start in mid-October 2018. The above remaining procedures will be implemented immediately.

Signature: Maria Frank Date: 9/28/18

Name: Maria Frank
Title: Assistant Director of Community Development